

How to discuss budgets

In this lesson you will learn how to describe circumstances that affect the company budget.

Starter

- Outline the steps you would have to follow in your company if you wanted to do the following:
 - buy three new desk calculators
 - purchase or rent a new photocopier
 - outsource the cleaning of the offices to a new company for two years



IT'S CENTRAL, IT'S THE RIGHT SIZE, BUT DO WE HAVE THE BUDGET?*

Expressions

- Vanessa Wilkins is sales manager of Samson Clothing, which specializes in leisure and sports clothing. They recently introduced a new range of lightweight and crease-resistant clothing called Lite+Smart. Read the email on page 23 that Vanessa sent to the managing director.

How does she feel about the way the 'Lite+Smart' range is developing?

- Vanessa's meeting with Marie is arranged and John Howick, the finance manager, is also there. Listen to the meeting and find the answers to the following questions:
 - Sales are much better than expected. How does Vanessa explain this?
 - What seems to be worrying the finance manager?
 - How does Vanessa explain this?
- Look at the budget for the Lite+Smart range on page 23. Listen and complete the chart with the missing information. (Be careful of the order!) Then listen again to check your answers.

Speaking

- Discuss the following questions with your teacher. Then find out what happens in their company.
 - How does your company decide its budget(s)?
 - How does this process involve you?
 - How does the company budget affect you and your work throughout the year?
 - What do you think are the necessary ingredients of a 'good budget'?
- What changes can you foresee in your personal life in the future (e.g. new house, extra expenditure, retirement, etc.)? Tell your teacher about how these changes could affect the way you budget your own personal or household finances.

Language box

There are many expressions we can use when talking about the possibility of a future event.

Modal verbs *may* or *might* to express a possibility:

The cost of raw materials *may* increase as of January.

Who knows? The price of houses *might* go down by as much as 10% in the near future.

Expressions with the noun *chance* + the preposition *of*:

There's a strong chance of negotiating a lower price. (= high probability)

We've every chance of getting the contract.

There's a slight / slim chance of that happening.

He has no chance of getting the job. He simply doesn't have the experience.

Hint

The word **budget** has several meanings:

The marketing budget is €200,000. (= money available and a plan of how it will be spent over a period of time)

The government has presented the budget for next year. (= their economic policy and measures)

We're going on a budget holiday next month.

(= an offer which is cheap or at a reduced cost)

Hint

When speaking about the future we often use the following expressions:

He might change his job in the near future.

I don't think hybrid cars will be popular in the foreseeable future.

We'll all be living in prefabricated boxes in the distant future.

Marie,

Although the figures for the Lite+Smart range this quarter are still provisional, I'm quite sure that we'll see a big jump in sales. I need to speak to you and John as soon as possible (this Wednesday?) to review our budget for what's left of the year.

There's every chance that we'll have reached our budgeted sales target for the year by the beginning of next month! There are sure signs that sales won't drop off in the final quarter despite what we predicted last year. Can we arrange a time to meet?

Regards,

Vanessa

Sales budget Lite+Smart range

(£)	1ST	2ND	3RD	4TH
Projected sales	85,500	¹ _____	97,750	93,500
Cost of sales	51,100	53,550	58,650	56,100
Annual cost of sales	219,300 (calculated at ² _____ of sales revenue)			
Annual sales target	⁴ _____			
Gross profit	147,000			
Actual sales (AS)	³ _____	115,640	152,645	⁵ _____
Cost AS	58,800	69,384	103,798	137,380
Annual sales (new forecast)				557,091
Annual cost of sales				369,363
Gross profit				⁶ _____
Variance in cost of sales for first three quarters				⁷ _____
Variance in forecasted annual profit				40,000

to be *(un)likely to* + an infinitive:

The conditions are *(un)likely to change* before the end of the year.

to be *sure / bound / certain* + an infinitive to express an action or event that we think is going to happen:

He's **bound to arrive late** - he's never on time!
He's **sure to be disappointed** if he doesn't get the job.

I'm starting my holidays tomorrow. With my luck, the weather's **certain to change!**

Look

Look at listening script 10.1 on pages 125-126 and find examples of the expressions in the Language box. How sure is the speaker in each case?

Lesson record

3 new words from this lesson

3 useful phrases from this lesson

- 1 1
- 2 2
- 3 3

Things to remember

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