

**Notes for the person reading the sample report:**

- This is the report of a project studied in July 2014. The overall report is irrelevant today. It is presented merely to indicate our attention to detail.
- Wherever possible, the identity of the client has been concealed. But all costs are actual. The report is not modified.
- Many parameters used at that time are irrelevant today, so do not use the calculations except as a rough guideline.
- Ignore the formatting style – the report is more than a half decade old.

**Cost of project and means of finance**

(AED '000)

Particulars	Cost 2013	Accumulate Depreciation	Net book value	New cost	Total
Plant and machinery	3,512	(1,434)	2,078	-	2,078
- Already taken				4,000	4,000
- New				1,125	1,125
Furniture and fixture	720	(413)	307	384	691
Motor vehicles	377	(199)	178	275	453
Leasehold improvement	308	(155)	153	-	153
	<u>4,917</u>	<u>(2,201)</u>	2,716	5,784	8,500
Non-current financial assets			156	57	213
Contingency 10%				584	584
			<u>2,872</u>	<u>6,425</u>	<u>9,297</u>
<b>Means of finance</b>					
Term loan (Non BCDE)			857	(857)	-
Term loan (taken in March 2014 - Non BCDE)			2,000	(2,000)	-
New loan required to pay previous loan			-	2,857	2,857
Term loan (BCDE)			913	-	913
Vehicle loan (BCDE)			80	-	80
New machinery loan required			-	900	900
Furniture and fixture loan			-	307	307
Vehicle loan			-	220	220
Contingencies 10%			-	143	143
Working capital finance			<u>881</u>	<u>1,676</u>	<u>2,557</u>
					<u><b>7,977</b></u>
<b>Capital restructuring</b>					
Term loan continued			993	-	993
Term loan repaid			2,857	(2,857)	-
Term loan availed for repayment			-	2,857	2,857
Term loan availed for expansion			-	1,570	1,570
Working capital limit			<u>881</u>	<u>1,676</u>	<u>2,557</u>
			<u><b>4,731</b></u>	<u><b>3,246</b></u>	<u><b>7,977</b></u>
New loan required					<u><b>6,984</b></u>

## Projections of performance and profitability

(AED '000)

Particulars	Notes	Dec '11 Audited	Dec '12 Audited	Dec '13 Audited	Dec '14 Expected	Dec '15 Projected	Dec '16 Projected	Dec '17 Projected	Dec '18 Projected	Dec '19 Projected
<b>Sales</b>	1	5,110	10,142	20,360	25,061	36,629	34,663	35,357	36,064	36,785
Cost of sales	2	(4,443)	(8,100)	(16,996)	(20,226)	(29,565)	(27,580)	(28,227)	(28,982)	(29,774)
<b>Gross profit</b>		<b>667</b>	<b>2,042</b>	<b>3,364</b>	<b>4,835</b>	<b>7,064</b>	<b>7,083</b>	<b>7,130</b>	<b>7,082</b>	<b>7,011</b>
Administrative & other expenses	6	(251)	(336)	(360)	(1,115)	(1,150)	(1,226)	(1,308)	(1,438)	(1,582)
Selling expenses		-	-	-	(125)	(183)	(173)	(177)	(180)	(184)
Depreciation	8	(497)	(582)	(629)	(953)	(1,267)	(1,089)	(1,034)	(978)	(901)
Finance Costs	7 & 12	(389)	(463)	(336)	(258)	(738)	(661)	(576)	(483)	(387)
<b>Operating profit</b>		<b>(470)</b>	<b>661</b>	<b>2,039</b>	<b>2,383</b>	<b>3,727</b>	<b>3,934</b>	<b>4,036</b>	<b>4,002</b>	<b>3,958</b>
Other Income		7	0	4	4	4	5	5	6	6
<b>Profit/(loss) for the year</b>		<b>(463)</b>	<b>661</b>	<b>2,043</b>	<b>2,387</b>	<b>3,731</b>	<b>3,939</b>	<b>4,041</b>	<b>4,008</b>	<b>3,965</b>

## Common-size statement (statistical analysis)

Cost of sale to sales	87%	80%	83%	81%	81%	80%	80%	80%	80%	81%
Gross profit ratio	13%	20%	17%	19%	19%	20%	20%	20%	20%	19%
Administrative & selling expenses	5%	3%	2%	5%	4%	4%	4%	4%	4%	5%
Depreciation	10%	6%	3%	4%	3%	3%	3%	3%	3%	2%
Finance costs	8%	5%	2%	1%	2%	2%	2%	2%	1%	1%
Operating profit	-9%	7%	10%	10%	10%	11%	11%	11%	11%	11%
Other Income	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Profit for the year	-9%	7%	10%	10%	10%	11%	11%	11%	11%	11%

## Trend analysis (2013 as base)

Sales	25%	50%	0%	123%	180%	170%	174%	177%	181%
Cost of sale to sales	26%	48%	0%	119%	174%	162%	166%	171%	175%
Gross profit ratio	20%	61%	0%	144%	210%	211%	212%	211%	208%
Administrative & selling expenses	70%	93%	0%	345%	370%	389%	412%	450%	490%
Depreciation	79%	93%	0%	152%	201%	173%	164%	156%	143%
Finance costs	116%	138%	0%	77%	220%	197%	171%	144%	115%
Operating profit	-23%	32%	0%	117%	183%	193%	198%	196%	194%
Other Income	175%	8%	0%	100%	110%	121%	133%	146%	161%
Profit for the year	-23%	32%	0%	117%	183%	193%	198%	196%	194%

## Projections of financial position

(AED '000)

Particulars	Notes	Dec '11 Audited	Dec '12 Audited	Dec '13 Audited	Dec '14 Expected	Dec '15 Projected	Dec '16 Projected	Dec '17 Projected	Dec '18 Projected	Dec '19 Projected
<b>Non-current assets</b>										
Property, plant and equipment	8	3,443	3,003	2,716	7,544	6,278	5,189	4,155	3,177	2,276
Non-current financial assets		311	234	156	213	135	135	135	135	135
		3,754	3,237	2,872	7,757	6,413	5,324	4,290	3,312	2,411
<b>Current assets</b>										
Inventories	3	791	1,552	2,638	1,810	2,541	2,592	2,643	2,696	2,750
Trade and other receivables	9	649	1,266	2,055	3,090	4,516	4,274	4,359	4,446	4,535
Cash and cash equivalents		399	432	623	1,484	3,394	5,544	7,540	8,844	11,148
		1,839	3,250	5,316	6,384	10,451	12,410	14,543	15,986	18,434
<b>Total assets</b>		<b>5,593</b>	<b>6,487</b>	<b>8,188</b>	<b>14,141</b>	<b>16,864</b>	<b>17,734</b>	<b>18,833</b>	<b>19,298</b>	<b>20,845</b>
<b>Shareholders' funds</b>										
Share capital		300	300	300	300	300	300	300	300	300
Statutory reserve		-	66	150	150	150	150	150	150	150
Retained earnings/(accumulated losses)		(463)	132	2,091	4,478	8,209	12,148	16,189	20,197	24,162
Equity funds		(163)	498	2,541	4,928	8,659	12,598	16,639	20,647	24,612
Shareholders' current accounts	11	1,628	1,535	1,440	246	(1,619)	(3,588)	(5,609)	(7,613)	(9,595)
		1,465	2,033	3,981	5,175	7,040	9,009	11,030	13,034	15,016
<b>Non-Current liability</b>										
Bank Borrowings	7	1,886	1,901	1,154	4,178	3,232	2,201	1,125	-	-
<b>Current liabilities</b>										
Working capital loan	12	1,141	661	881	2,557	3,392	3,470	3,538	3,609	3,682
Bank Borrowings	7	28	678	1,095	868	946	1,031	1,076	550	-
Trade and other payable	10	1,073	1,214	1,077	1,363	2,254	2,023	2,063	2,105	2,147
		2,242	2,553	3,053	4,788	6,592	6,523	6,678	6,264	5,828
<b>Total liabilities</b>		<b>4,128</b>	<b>4,454</b>	<b>4,207</b>	<b>8,966</b>	<b>9,824</b>	<b>8,724</b>	<b>7,803</b>	<b>6,264</b>	<b>5,828</b>
<b>Total Shareholders' funds and liabilities</b>		<b>5,593</b>	<b>6,487</b>	<b>8,188</b>	<b>14,141</b>	<b>16,864</b>	<b>17,734</b>	<b>18,833</b>	<b>19,298</b>	<b>20,845</b>

## Projections of cash flows

(AED '000)

Particulars	Dec '11 Audited	Dec '12 Audited	Dec '13 Audited	Dec '14 Expected	Dec '15 Projected	Dec '16 Projected	Dec '17 Projected	Dec '18 Projected	Dec '19 Projected
<b>Cash flows from operating activities</b>									
Profit/(loss) for the year	(463)	661	2,042	2,387	3,731	3,939	4,041	4,008	3,965
<b>Adjustments for:</b>									
Depreciation on property, plant and equipment	497	582	629	953	1,267	1,089	1,034	978	901
Pre-Operational expenses written off	78	78	78	78	78	-	-	-	-
<b>Operating profit before changes in operating assets and liabilities</b>	112	1,321	2,749	3,419	5,076	5,027	5,075	4,986	4,865
Increase in receivables and prepayments	(649)	(618)	(788)	(1,033)	(1,426)	242	(86)	(87)	(89)
(Increase)/decrease in inventories	(791)	(761)	(1,086)	828	(731)	(51)	(51)	(53)	(54)
Increase/(decrease) in trade and other payables	1,072	141	(137)	286	891	(231)	40	41	42
Pre-operational expenditure	(388)	-	-	-	-	-	-	-	-
<b>Net cash from/(used in) operating activities (A)</b>	(644)	83	738	3,500	3,809	4,988	4,979	4,888	4,765
<b>Cash flows from investing activities</b>									
Purchase of property, plant and equipment	(3,940)	(143)	(342)	(5,784)	-	-	-	-	-
Deposits placed	-	-	-	(135)	-	-	-	-	-
<b>Net cash used in investing activities (B)</b>	(3,940)	(143)	(342)	(5,919)	-	-	-	-	-
<b>Cash flows from financing activities</b>									
Capital contribution	300	-	-	-	-	-	-	-	-
Working capital loan	1,141	(480)	220	1,676	835	78	69	71	72
Bank borrowings	1,914	665	(330)	2,797	(868)	(946)	(1,031)	(1,651)	(550)
Net movements in current account	1,628	(92)	(95)	(1,194)	(1,865)	(1,969)	(2,021)	(2,004)	(1,982)
<b>Net cash (used in)/from financing activities (C)</b>	4,983	93	(205)	3,280	(1,899)	(2,838)	(2,983)	(3,584)	(2,460)
<b>Net increase in cash and cash equivalents (A+B+C)</b>	399	33	191	861	1,910	2,150	1,996	1,303	2,305
Cash and cash equivalents at beginning of the year	-	399	432	623	1,484	3,394	5,544	7,541	8,844
<b>Cash and cash equivalents at end of the year</b>	<b>399</b>	<b>432</b>	<b>623</b>	<b>1,484</b>	<b>3,394</b>	<b>5,544</b>	<b>7,541</b>	<b>8,844</b>	<b>11,149</b>

## Ratio analysis of projections

Unless specified otherwise, (AED '000)

<u>Particulars</u>	<u>Dec '11</u> <u>Audited</u>	<u>Dec '12</u> <u>Audited</u>	<u>Dec '13</u> <u>Audited</u>	<u>Dec '14</u> <u>Expected</u>	<u>Dec '15</u> <u>Projected</u>	<u>Dec '16</u> <u>Projected</u>	<u>Dec '17</u> <u>Projected</u>	<u>Dec '18</u> <u>Projected</u>	<u>Dec '19</u> <u>Projected</u>
<u>Current ratio</u>									
Current assets (a)	1,839	3,250	5,316	6,384	10,451	12,410	14,543	15,986	18,434
Current liabilities (b)	2,242	2,553	3,053	4,788	6,592	6,523	6,678	6,264	5,828
Current ratio (a/b) (times)	0.82	1.27	1.74	1.33	1.59	1.90	2.18	2.55	3.16
<u>Quick ratio</u>									
Quick assets (Current asset - inventories) - (a)	1,048	1,698	2,678	4,574	7,910	9,818	11,900	13,290	15,684
Current liabilities (b)	2,242	2,553	3,053	4,788	6,592	6,523	6,678	6,264	5,828
Quick ratio (a/b) (times)	0.47	0.67	0.88	0.96	1.20	1.51	1.78	2.12	2.69
<u>Cash ratio</u>									
Cash and cash equivalent (a)	399	432	623	1,484	3,394	5,544	7,541	8,844	11,149
Current liabilities (b)	2,242	2,553	3,053	4,788	6,592	6,523	6,678	6,264	5,828
Cash ratio (a/b) (times)	0.18	0.17	0.20	0.31	0.51	0.85	1.13	1.41	1.91
<u>Cash conversion cycle</u>									
COS per day (COS/365) - (a)	12.17	22.19	46.56	55.41	81.00	75.56	77.33	79.40	81.57
Average inventory {(op inventory+cl. Inventory)/2} - (b)	2,222	4,445	9,274	11,432	15,687	15,061	15,410	15,813	16,235
Days inventory outstanding - DIO (b/a)	183	200	199	206	194	199	199	199	199
Net sale per day (sale/365) - (a)	14	28	56	69	100	95	97	99	101
Average trade receivable {(op. rcvble+cl. rcvble)/2} - (b)	325	958	1,661	2,572	3,803	4,395	4,316	4,403	4,491
Days sales outstanding - DSO (b/a)	23	34	30	37	38	46	45	45	45
COS per day (COS/365) - (a)	12	22	47	55	81	76	77	79	82
Average trade payable {(op. pyble+cl. pyble)/2} - (b)	537	1,144	1,146	1,220	1,808	2,138	2,043	2,084	2,126
Days payable outstanding - DPO (b/a)	44	52	25	22	22	28	26	26	26
Cash conversion cycle (DIO+DSO-DPO) (days)	162	183	204	222	209	217	217	217	218
<u>Return on assets (ROA)</u>									
Net profit (a)	(463)	661	2,043	2,387	3,731	3,939	4,041	4,008	3,965
Average assets (b)	2,797	6,040	7,338	11,164	15,502	17,299	18,283	19,065	20,071
ROA (a/b)	-16.56%	10.95%	27.84%	21.38%	24.07%	22.77%	22.10%	21.02%	19.75%

## Ratio analysis of projections (Continued)

Unless specified otherwise, (AED '000)

Particulars	Dec '11 Audited	Dec '12 Audited	Dec '13 Audited	Dec '14 Expected	Dec '15 Projected	Dec '16 Projected	Dec '17 Projected	Dec '18 Projected	Dec '19 Projected
<b>Return on capital employed (ROCE)</b>									
Earning before interest and tax (EBIT) - (a)	(74)	1,124	2,379	2,645	4,469	4,600	4,617	4,491	4,351
Capital employed (Average debt + Average equity) - (b)	2,260	4,897	6,192	9,945	13,694	15,160	16,240	16,981	17,946
ROCE (a/b)	-3%	23%	38%	27%	33%	30%	28%	26%	24%
<b>Debt equity ratio</b>									
Total liabilities (a)	4,128	4,454	4,207	8,966	9,824	8,724	7,803	6,264	5,828
Shareholder equity (b)	1,465	2,033	3,981	5,175	7,040	9,009	11,030	13,034	15,016
Debt equity ratio (a/b) (times)	2.82	2.19	1.06	1.73	1.40	0.97	0.71	0.48	0.39
<b>Interest coverage ratio</b>									
Earning before interest and tax (EBIT) - (a)	(74)	1,124	2,379	2,645	4,469	4,600	4,617	4,491	4,351
Interest expenses (b)	389	463	336	258	738	661	576	483	387
Interest coverage ratio (a/b) (times)	(0.19)	2.43	7.08	10.25	6.05	6.96	8.02	9.30	11.25
<b>Debt service coverage ratio</b>									
EBIDT (NP+Interest+Depreciation) - (a)				3,599	5,736	5,688	5,651	5,469	5,252
Total debt service (interest + principal) - (b)				90	1,358	1,358	1,358	1,312	1,222
Debt service coverage ratio (a/b) (times)				40.07	4.22	4.19	4.16	4.17	4.30

**Average DSCR for 5 years 4.21**

**from 2015 to 2019**

**Note 1: Sales**

(AED '000)

Particulars	Notes	Dec '11	Dec '12	Dec '13	Dec '14	Dec '15	Dec '16	Dec '17	Dec '18	Dec '19
		Audited	Audited	Audited	Expected	Projected	Projected	Projected	Projected	Projected
Sale (in tons)					3,035	4,349	4,035	4,035	4,035	4,035
Sale price per ton (AED)					8,258	8,423	8,591	8,763	8,938	9,117
Sale value		5,110	10,142	20,360	25,061	36,629	34,663	35,357	36,064	36,785

Sales price per ton increased a 2% p.a. in line with purchase cost

**Note 2: Cost of sale**

Opening inventories	3	-	790	1,552	2,638	1,810	2,541	2,592	2,643	2,696
Transfer from a related party		664	-	-	-	-	-	-	-	-
Purchases during the year (b)	4	3,830	7,575	16,644	16,580	27,420	24,611	25,103	25,605	26,117
Staff costs (d)	5	171	418	460	1,787	1,787	1,868	1,952	2,130	2,325
Factory rent*		166	300	450	450	450	450	450	450	450
Other direct costs**		402	569	528	581	639	703	773	850	935
Less: Closing inventories	3	(790)	(1,552)	(2,638)	(1,810)	(2,541)	(2,592)	(2,643)	(2,696)	(2,750)
		4,443	8,100	16,996	20,226	29,565	27,580	28,227	28,982	29,774

\* Factory cost is assumed to remain same as it was in 2013

\*\* Other direct cost is increased at 10% every year

**Note 3: Inventories**

Total annual production capacity (metric tons)		750	1,500	3,000	4,000	5,400	5,400	5,400	5,400	5,400
Operating capacity		73%	73%	75%	73%	83%	75%	75%	75%	75%
Installed production capacity per hour (in kgs)		150	250	500	700	900	900	900	900	900
Actual/planned production per hour (in kgs)		188	200	410	533	655	655	655	655	655
Working Days		132	280	280	280	310	280	280	280	280
Working Hours Per Day		22	20	20	20	22	22	22	22	22
Working Hours Per Year		2,904	5,500	5,500	5,500	6,820	6,160	6,160	6,160	6,160
Annual Production (metric tons) - hours x productio per hour		546	1,100	2,255	2,932	4,467	4,035	4,035	4,035	4,035
Op. Stock of Finish Goods (metric tons)		-	144	251	418	314	432	432	432	432
Closing Stock (metric tons) *		144	251	418	314	432	432	432	432	432
Cost of Raw materials per ton (AED)**		5,480	5,530	5,640	5,762	5,877	5,995	6,115	6,237	6,362
Value of opening stock		-	790	1,386	2,355	1,810	2,541	2,592	2,643	2,696
Value of closing stock		790	1,386	2,355	1,810	2,541	2,592	2,643	2,696	2,750

\* The company aims to keep stock of 30 days

\*\* Cost of Raw materials pmt increased 2% p.a.

**Note 4: Purchase**

(AED '000)

Particulars	Notes	Dec '11	Dec '12	Dec '13	Dec '14	Dec '15	Dec '16	Dec '17	Dec '18	Dec '19
		Audited	Audited	Audited	Expected	Projected	Projected	Projected	Projected	Projected
Purchase of raw material (metric tons) - (Input)		699	1,339	2,931	2,878	4,666	4,105	4,105	4,105	4,105
Production normal loss	1.75%	9	133	509	49	81	71	71	71	71
Material consumed - (Output)	3	690	1,206	2,422	2,828	4,585	4,035	4,035	4,035	4,035
(Op.stock+Produntion-closing)		690	1,206	2,422	2,828	4,585	4,035	4,035	4,035	4,035
Cost of Raw material Purchased		3,830	7,406	16,529	16,580	27,420	24,611	25,103	25,605	26,117

\*To produce every 100 tons of finished goods approx 101.75 tons of raw material (PE Granules) is required.

**Note 5: Staff cost**

Designation	Number	Dec '11	Dec '12	Dec '13	Dec '14	Dec '15	Dec '16	Dec '17	Dec '18	Dec '19
Manager	1	-	-	-	300	300	315	331	364	400
Assistant manager	2	-	-	-	192	192	202	212	233	256
Sales manger	1	24	24	24	36	36	38	40	44	48
Production officer	2	22	22	22	72	72	76	79	87	96
Accountant	1	-	-	-	22	22	23	24	26	29
Skilled labours	55	72	144	144	792	792	832	873	960	1,057
Unskilled labours	45	90	216	240	540	540	567	595	655	720
<u>Visa expenses (1 Visa = 3500 AED) / 2 for 1 year</u>										
- Labour					175	175	175	175	175	175
- Staff		4	4	4	12	12	12	12	12	12
Coneyance to admin staff		1	1	2	15	15	16	17	18	20
Coneyance to labour		-	6	9	15	15	16	17	18	20
Labour accomodation		9	43	49	240	240	252	265	291	320
Staff accomodation		-	-	-	126	126	132	139	153	168
Other direct expenses		-	9	18	25	25	26	28	30	33
		221	468	511	2,562	2,562	2,681	2,805	3,067	3,355
<u>Analysis of staff costs</u>										
Direct expenses		171	418	460	1,787	1,787	1,868	1,952	2,130	2,325
Administrative expenses		50	50	51	775	775	813	853	937	1,030
<b>Total</b>		221	468	511	2,562	2,562	2,681	2,805	3,067	3,355

**Note 6: Administrative expenses**

(AED '000)

<u>Particulars</u>	<u>Dec '11</u>	<u>Dec '12</u>	<u>Dec '13</u>	<u>Dec '14</u>	<u>Dec '15</u>	<u>Dec '16</u>	<u>Dec '17</u>	<u>Dec '18</u>	<u>Dec '19</u>	
	<u>Audited</u>	<u>Audited</u>	<u>Audited</u>	<u>Expected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	
Staff cost	5	50	50	51	775	775	813	853	937	1,030
Licence and legal expenses *		40	69	60	66	73	80	88	97	106
Telephone and communications *		24	32	37	41	45	49	54	60	66
Travelling expenses **		7	5	4	5	6	7	8	10	12
Vehicle repair *		43	54	70	77	85	93	102	113	124
Other expenses *		87	126	138	152	167	184	202	222	244
		<u>251</u>	<u>336</u>	<u>360</u>	<u>1,115</u>	<u>1,150</u>	<u>1,226</u>	<u>1,308</u>	<u>1,438</u>	<u>1,582</u>

\* Licence and legal, telephone and communication, vehicle repairs and other administrative expenses are expected to increase 10% every year.

\*\* Travelling expenses are expected to increase a 20% every year

**Note 7: Finance cost**

Previous machinery loan remaining	3,770	Loan	4,760
Repaid by taking loan from BCDE	<u>(2,857)</u>	Interest rate	8.75% p.a
	913		
New loan required to pay previous loan	2,857	Number of installments	60 monthly
Further machinery loan required	900	Installment amount	<b>98.23</b> monthly
Contingencies 10% of new loan	<u>90</u>		
	<u><b>4,760</b></u>		

Total machinery loan to be transferred to BCDE Bank to take one consolidated facility @ 8.75% p.a  
Moratorium period (repayment will start from 1 Jan 2015) 6 months

Previous BCDE loan remaining	80	Loan	322
New loan for vehicles	220	Interest rate	7.00% p.a
Contingencies 10%	<u>22</u>	Number of installments	48 monthly
	<u><b>322</b></u>	Installment amount	<b>7.71</b> monthly

New furniture and fixture loan required	307	Loan	338
Contingencies 10%	<u>31</u>	Interest rate	10.50% p.a
	<u><b>338</b></u>	Number of installments	60 monthly
		Installment amount	<b>7.26</b> monthly

**Note 7: Finance cost (Continued)**

(AED '000)

<u>Particulars</u>	<u>Dec '11</u> <u>Audited</u>	<u>Dec '12</u> <u>Audited</u>	<u>Dec '13</u> <u>Audited</u>	<u>Dec '14</u> <u>Expected</u>	<u>Dec '15</u> <u>Projected</u>	<u>Dec '16</u> <u>Projected</u>	<u>Dec '17</u> <u>Projected</u>	<u>Dec '18</u> <u>Projected</u>	<u>Dec '19</u> <u>Projected</u>
Repayment					(224)	(244)	(266)	(291)	(293)
Interest					116	95	73	49	24
Balance – Quarter 1					5,134	4,188	3,156	2,031	874
Repayment					(229)	(250)	(272)	(297)	(299)
Interest					111	90	67	43	17
Balance – Quarter 2					4,905	3,938	2,884	1,734	575
Loan from BCDE				3,770	-	-	-	-	-
New loan				1,650	-	-	-	-	-
Repayment				(31)	(234)	(255)	(278)	(280)	(284)
Interest				14	106	85	61	36	11
Balance – Quarter 3				5,389	4,671	3,683	2,606	1,454	291
Repayment				(31)	(239)	(261)	(284)	(287)	(290)
Interest				14	101	79	55	30	4
Balance – Quarter 4				5,358	4,432	3,423	2,321	1,167	0
Total interest				28	433	349	257	158	55
Total repayment				(62)	(926)	(1,010)	(1,101)	(1,154)	(1,167)

**Note 8: Depreciation schedule**

(AED '000)

<u>Particulars</u>	<u>Dec '11</u> <u>Audited</u>	<u>Dec '12</u> <u>Audited</u>	<u>Dec '13</u> <u>Audited</u>	<u>Dec '14</u> <u>Expected</u>	<u>Dec '15</u> <u>Projected</u>	<u>Dec '16</u> <u>Projected</u>	<u>Dec '17</u> <u>Projected</u>	<u>Dec '18</u> <u>Projected</u>	<u>Dec '19</u> <u>Projected</u>
<u>Machinery and tools</u>									
Op. balance	-	2,510	2,240	2,078	6,596	5,732	4,868	4,004	3,140
Transfer from a related party	1,160	-	-	-	-	-	-	-	-
Addition	2,103	60	189	5,125	-	-	-	-	-
Depreciation	(753)	(330)	(351)	(607)	(864)	(864)	(864)	(864)	(864)
Net book value	2,510	2,240	2,078	6,596	5,732	4,868	4,004	3,140	2,276
<u>Leasehold improvements</u>									
Op. balance	-	276	214	152	90	28	-	-	-
Transfer from a related party	-	-	-	-	-	-	-	-	-
Addition	308	-	-	-	-	-	-	-	-
Depreciation	(32)	(62)	(62)	(62)	(62)	(28)	-	-	-
Net book value	276	214	152	90	28	-	-	-	-
<u>Motor vehicles</u>									
Op. balance	-	102	132	178	352	232	121	34	-
Transfer from a related party	61	-	-	-	-	-	-	-	-
Addition	111	83	122	275	-	-	-	-	-
Depreciation	(70)	(53)	(76)	(101)	(120)	(111)	(87)	(34)	-
Net book value	102	132	178	352	232	121	34	-	-
<u>Furniture and fixtures</u>									
Op. balance	-	554	416	306	507	286	200	117	37
Transfer from a related party	31	-	-	-	-	-	-	-	-
Addition	658	-	31	384	-	-	-	-	-
Depreciation	(135)	(138)	(141)	(183)	(221)	(86)	(83)	(80)	(37)
Net book value	554	416	306	507	286	200	117	37	-
<u>Total</u>									
Op. balance	-	3,442	3,002	2,714	7,544	6,278	5,189	4,155	3,177
Transfer from a related party	1,252	-	-	-	-	-	-	-	-
Addition	3,180	143	342	5,784	-	-	-	-	-
Depreciation	(990)	(583)	(630)	(953)	(1,267)	(1,089)	(1,034)	(978)	(901)
Net book value	3,442	3,002	2,714	7,544	6,278	5,189	4,155	3,177	2,276

**Note 9: Trade and other receivables**

(AED '000)

<u>Particulars</u>	<u>Notes</u>	<u>Dec '11</u> <u>Audited</u>	<u>Dec '12</u> <u>Audited</u>	<u>Dec '13</u> <u>Audited</u>	<u>Dec '14</u> <u>Expected</u>	<u>Dec '15</u> <u>Projected</u>	<u>Dec '16</u> <u>Projected</u>	<u>Dec '17</u> <u>Projected</u>	<u>Dec '18</u> <u>Projected</u>	<u>Dec '19</u> <u>Projected</u>
Trade and other receivable		649	1,266	2,055	3,090	4,516	4,274	4,359	4,446	4,535
Trade and other receivables are calculated at	45	days of sale for the projected years								
Days calculated to see trend		46	46	37	45	45	45	45	45	45

**Note 10: Trade and other payable**

Trade and other payable		1,073	1,214	1,077	1,363	2,254	2,023	2,063	2,105	2,147
Trade and other payable are calculated at	30	days of purchase for the projected years								
Days calculated to see the past trend		51	60	24	30	30	30	30	30	30

**Note 11: Shareholders current account**

Opening balance		-	1,628	1,535	1,440	246	(1,619)	(3,588)	(5,609)	(7,613)
Introduced/(withdrawn) during the year		1,628	(93)	(95)	(1,194)	(1,865)	(1,969)	(2,021)	(2,004)	(1,982)
Closing balance		1,628	1,535	1,440	246	(1,619)	(3,588)	(5,609)	(7,613)	(9,595)

It has been assumed that Partner will withdraw 50% of the profit earned during the projected years

**Note 12: Working capital finance**

Inventories (a)	3	790	1,386	2,355	1,810	2,541	2,592	2,643	2,696	2,750
Trade and other receivables (b)	9	649	1,266	2,055	3,090	4,516	4,274	4,359	4,446	4,535
Trade and other payable (c)	10	(1,073)	(1,214)	(1,077)	(1,363)	(2,254)	(2,023)	(2,063)	(2,105)	(2,147)
Working capital (a+b-c)		366	1,438	3,333	3,537	4,803	4,843	4,939	5,038	5,139

Own contribution	20%	of (a) & (b)								
Working capital finance		1,141	661	881	980	1,411	1,373	1,400	1,428	1,457
					2,557	3,392	3,470	3,538	3,609	3,682

Interest on working capital at	9.00%	p.a								
Interest is assumed on 100% utilisation of working capital limits		103	59	79	230	305	312	318	325	331

**Break-up of working capital requirement**

Overdraft	7.50%				192	254	260	265	271	276
Bill discounting/local cheque discounting	12.50%				320	424	434	442	451	460
Letter of credit	80%				2,046	2,713	2,776	2,831	2,887	2,945