



LEARNING SYSTEMS, INC

BUSINESS PLAN APPENDICES:
FINANCIAL STATEMENTS

Volume 2
Confidential

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KEY ASSUMPTIONS & SPECIFICATIONS		
Budget Assumptions		
All areas of budget		VAT & Retained taxation : 10%
Material Assets		
Leasehold Improvements	The improvements to be done i to adapt it to company's requirements	
Immaterial		
Web Site & Media Package	Costs relate to the creation of a web site, logo, brochure , presentation materials	
Own Intellectual Property	Includes costs of preparing, national & international filing and maintaining patents . Av. Cost (\$) per major patent family : Yr 1: 15k; Yr2: 25k Yr3:40k) We are assuming an average of 2 new patents per each of the years in the plan period;	
Corporate Software	Accounting, management and scientific software purchases/leases	
Capitalizable R&D Expenses	None, all costed out.	
Human Resources		
Board of Directors (non-exec.)	Assumes that only non-executive officers will receive Board Compensation	
Scientific Advisory Board	Assumes that Board of Directors and SAB membership compensations cannot be cumulated.	
Salaries	Assume that salaries cost will equal 67% of all HR costs, with balance distributed among leaving indemnities and other costs.	
Operating Costs		
R&D		
Gen. & Adm		
Leases laboratory & adm. facility	Leasehold expenses for the whole facility	
Profit & Loss		
Sales	The plan assumes a 5% monthly growth in number of courses sold throughout the period.	
Starting Courses sold month		3,750
Monthly growth rate:		105%
E-learning tuition revenues		\$500.00
Additional revenues		
E-Train-the Trainer Revenues	In aggregate 20% of E-learning tuition revenues in Yr 1, 15% in Yr 2 and 10% in Yr 3.	
Portal Development Revenues	Assumed to be 7% of E-learning tuition revenues in Yr 1, 5% in Yr 2 and 4% in Yr 3.	
Email marketing fees	Assumed to be 6% of E-learning tuition revenues in Yr 1, 4% in Yr 2 and 3% in Yr 3.	
Product sales revenues	Assumed to be 4% of E-learning tuition revenues in Yr 1, 3% in Yr 2 and 2% in Yr 3.	
	Assumed to be 3% of E-learning tuition revenues in Yr 1, 2% in Yr 2 and 1% in Yr 3.	
Balance Sheet		
Accumulaton Depreciaton	20% per year	
Receivables & Payables	30 days and 90 days, respectively	
Equity Offering		6,000,000
Retained Earnings	All losses are carried forward	
VAT Payments & Credits	Done as they occur after balacing out with VAT credits; the latter are carried forward as a current asset.	

TABLE 1: BUDGET	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y2	Y2	Y2	Y2	Y3	Y3	Y3	Y3	Total			
Month	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Total	Total	Q3	Q4	Total	Total	Q3	Q4	Yr3			
Amounts in \$ (x 000)	1	2	3	4	5	6	7	8	9	10	11	12	Yr1	13	16	19	22	Yr2	25	28	31	34	Yr3	
CAPITAL EXPENSES																								
Assets																								
Material																								
Leasehold Improvements																								
Dedicated Equipment	-	14	-	14.0	-	14.0	-	14.0	-	14.0	-	-	70	53	53	53	53	210	70	70	70	70	280	
Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Furnishings																								
	=	7	=	7.0	=	7.0	=	7.0	=	7.0	=	=	35	18	18	18	18	70	18	18	18	18	70	
Total Material	-	21	-	21.0	-	21.0	-	21.0	-	21.0	-	-	105	70	70	70	70	280	88	88	88	88	350	
Immaterial																								
Web Site & Media Package		96	-	96.0	-	96.0		96.0		96.0	-	-	480	141	141	141	141	562	281	281	281	281	1,124	
IP/Course Conversion		100	-	-	100.0	-	-	100.0	-	-	100.0	-	400	125	125	125	125	500	175	175	175	175	700	
Patent costs																								
		25	=	=	25.0	25.0	=	25.0	=	=	25.0	=	125	38	38	38	38	150	63	63	63	63	250	
Total Immaterial	-	221	-	96.0	125.0	121.0	-	221.0	-	96.0	125.0	-	1,005	303	303	303	303	1,212	519	519	519	519	2,074	
Total Budget	-	242	-	117.0	125.0	142.0	-	242.0	-	117.0	125.0	-	1,110	373	373	373	373	1,492	606	606	606	606	2,424	
VAT/Retained Taxation*																								
	=	24	=	11.7	12.5	14.2	=	24.2	=	11.7	12.5	=	111	37.3	37.3	37.3	37.3	149	60.6	60.6	60.6	60.6	242	
Total Cash Flow	-	266	-	128.7	137.5	156.2	-	266.2	-	128.7	137.5	-	1,221	410	410	410	410	1,641	667	667	667	667	2,666	
Participations	-	-	-	-	-	-	-	-	-	-	-	2,100	2,100	-	4,000	-	4,000	8,000	-	6,000	-	6,000	12,000	
TOT. CAP. EXPENSES																								
				-	128.7	137.5	156	-	266.2	-	128.7	137.5	2,100	3,321	410	4,410	410	4,410	9,641	667	6,667	667	6,667	14,666

OPERATING COSTS																										
HUMAN RESOURCES																										
Corporate Bodies																										
Board of Directors (non-executive)	-	-	15.0	-	-	15.0	-	-	15.0	-	-	15.0	-	-	15.0	60	17	17	17	17	66	18	18	18	18	36
Scientific Advisory Board	-	-	18.8	-	-	18.8	-	-	18.8	-	-	18.8	-	-	18.8	75	21	21	21	21	83	23	23	23	23	45
Total Budget	-	-	33.8	-	-	33.8	-	-	33.8	-	-	33.8	-	-	33.8	135	37	37	37	37	149	41	41	41	41	82
VAT/Retained Taxation*																										
Total Cash Flow	-	-	37.1	-	-	37.1	-	-	37.1	-	-	37.1	-	-	37.1	149	41	41	41	41	163	45	45	45	45	98
Salaries Management																										
CEO	12.5	13	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	150	50.0	50.0	50.0	50.0	200.0	62.5	62.5	62.5	62.5	250
President	7.1	7	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	85	21.3	21.3	21.3	21.3	85.0	21.3	21.3	21.3	21.3	85
Executive VP/COO	6.0	6	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	72	21.0	21.0	21.0	21.0	84.0	24.0	24.0	24.0	24.0	96
COO	9.2	9	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	110	30.0	30.0	30.0	30.0	120.0	30.0	30.0	30.0	30.0	120
CAO	7.5	8	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	90	22.5	22.5	22.5	22.5	90.0	22.5	22.5	22.5	22.5	90
Office Staff	2.0	2	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	24	6.0	6.0	6.0	6.0	24.0	6.0	6.0	6.0	6.0	24
Gross Salary	44.3	44	44.3	44.3	44.3	44.3	44.3	44.3	44.3	44.3	44.3	44.3	44.3	44.3	44.3	531	151	151	151	151	603	166	166	166	166	665
Associated Costs	21.5	22	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	259	73.4	73.4	73.4	73.4	294	81.0	81.0	81.0	81.0	324
Total Budget	65.8	66	65.8	65.8	65.8	65.8	65.8	65.8	65.8	65.8	65.8	65.8	65.8	65.8	65.8	790	224	224	224	224	897	247	247	247	247	989
TOT. HR	65.8	66	99.5	65.8	65.8	99.5	65.8	65.8	99.5	65.8	65.8	99.5	65.8	65.8	99.5	924.6	261.3	261.3	261.3	261.3	1,045.2	288.0	288.0	288.0	288.0	1,070.5

TABLE 1: BUDGET	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Total	Y2	Y2	Y2	Y2	Total	Y3	Y3	Y3	Y3	Total
Month	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Yr1	Q1	Q2	Q3	Q4	Yr2	Q1	Q2	Q3	Q4	Yr3
Amounts in \$ (x 000)	1.0	2	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0		13	16	19	22		25	28	31	34	
OPERATING COSTS																							
R&D																							
Consultants	20.8	21	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	250	60	60	60	60	240	60	60	60	60	240
Contract Research	4.2	4	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	50	90	90	90	90	360	180	180	180	180	720
Total Budget	25.0	25	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	300	150	150	150	150	600	240	240	240	240	960
VAT/Retained Taxation*			2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	30	15.0	15.0	15.0	15.0	60	24.0	24.0	24.0	24.0	96
Total Budget & Cash Flow			27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	330	165	165	165	165	660	264	264	264	264	1,056
SALES & MARKETING																							
Advertising and Promotion		-	375.0	-	-	375.0	-	-	375.0	-	-	375.0	1,500	225	225	225	225	900	375	375	375	375	1,500
Sponsorships	=	=	25.0	=	=	25.0	=	=	25.0	=	=	25.0	100	45	45	45	45	180	90	90	90	90	360
Total Budget	-	-	400	-	-	400	-	-	400	-	-	400	1,600	270	270	270	270	1,080	465	465	465	465	1,860
VAT/Retained Taxation*	=	=	40.0	=	=	40.0	=	=	40.0	=	=	40.0	160	27.0	27.0	27.0	27.0	108	46.5	46.5	46.5	46.5	186
Total Budget & Cash Flow			440.0	-	-	440.0	-	-	440.0	-	-	440.0	1,760	297	297	297	297	1,188	512	512	512	512	2,046
GEN & ADM																							
Accounting & Certification	1.0	2	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	50	19	19	19	19	75	25	25	25	25	100
Lease of facility	5.0	5	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	60	15	15	15	15	60	15	15	15	15	60
Leased equipment & autovehicles	2	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	18	6	6	6	6	24	9	9	9	9	36
Insurance/Other G&A	-	-	7.5	-	-	7.5	-	-	7.5	-	-	7.5	30	8	8	8	8	30	8	8	8	8	30
Travel	10.0	10	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	120	30	30	30	30	120	30	30	30	30	120
Utilities/Telephone	3.0	3	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	36	12	12	12	12	48	18	18	18	18	72
Web site	4.0	4	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	48	14	14	14	14	54	18	18	18	18	72
Legal & Notary	-	-	18.8	-	-	18.8	-	-	18.8	-	-	18.8	75	25	25	25	25	100	31	31	31	31	125
Miscellaneous Expenses		=	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	75	30	30	30	30	120	38	38	38	38	150
Total Budget	23.5	24	69.8	31.0	31.0	69.8	31.0	31.0	69.8	31.0	31.0	69.8	512	158	158	158	158	631	191	191	191	191	765
VAT/Retained Taxation*			7.0	3.1	3.1	7.0	3.1	3.1	7.0	3.1	3.1	7.0	51	15.8	15.8	15.8	15.8	63	19.1	19.1	19.1	19.1	77
Total Budget & Cash Flow			76.7	34.1	34.1	76.7	34.1	34.1	76.7	34.1	34.1	76.7	563	174	174	174	174	694	210	210	210	210	842
SUMMARY BUDGET																							
Capital Expenditures	1.0	2	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	Yr1	13	16	19	22	Yr2	25	28	31	34	Yr3
Participations	-	242	-	117.0	125.0	142.0	-	242.0	-	117.0	125.0	-	1,110	373	373	373	373	1,492	606	606	606	606	2,424
Human Resources	-	-	-	-	-	-	-	-	-	-	-	2,100	2,100	-	4,000	-	4,000	8,000	-	6,000	-	6,000	12,000
Research & Development	65.8	66	99.5	65.8	65.8	99.5	65.8	65.8	99.5	65.8	65.8	99.5	925	261	261	261	261	1,045	288	288	288	288	1,152
Sales & marketing	25.0	25	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	300	150	150	150	150	600	240	240	240	240	960
General & Adm	-	-	400.0	-	-	400.0	-	-	400.0	-	-	400.0	1,600	270	270	270	270	1,080	465	465	465	465	1,860
TOTAL START-UP BUDGET	23.5	24	69.8	31.0	31.0	69.8	31.0	31.0	69.8	31.0	31.0	69.8	512	158	158	158	158	631	191	191	191	191	765
Budget & Cash Flow	4.9	29	52.9	17.3	18.1	67.1	5.6	29.8	52.9	17.3	18.1	52.9	366	98.8	98.8	98.8	98.8	395	154.3	154.3	154.3	154.3	617
TABLE 2: PROFIT & LOSS																							
	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1		Y2	Y2	Y2	Y2		Y3	Y3	Y3	Y3	

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Month	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Amounts in \$ (x 000)	1.0	2	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	Yr1	13	16	19	22	Yr2	25	28	31	34	Yr3
Revenues																							
<u>Total Sales</u>	<u>2,250</u>	<u>2,363</u>	<u>2,481</u>	<u>2,605</u>	<u>2,735</u>	<u>2,872</u>	<u>3,015</u>	<u>3,166</u>	<u>3,324</u>	<u>3,490</u>	<u>3,665</u>	<u>3,848</u>	<u>35,814</u>	<u>11,845</u>	<u>13,740</u>	<u>15,939</u>	<u>18,489</u>	<u>60,012</u>	<u>20,694</u>	<u>24,006</u>	<u>27,846</u>	<u>32,302</u>	<u>104,848</u>
Total Net Sales	2,250	2,363	2,481	2,605	2,735	2,872	3,015	3,166	3,324	3,490	3,665	3,848	35,814	11,845	13,740	15,939	18,489	60,012	20,694	24,006	27,846	32,302	104,848
Cost of Sales	1,350	1,418	1,488	1,563	1,641	1,723	1,809	1,900	1,995	2,094	2,199	2,309	<u>21,488</u>	5,922	6,870	7,969	9,244	<u>30,006</u>	8,278	9,602	11,139	12,921	<u>41,939</u>
Gross Profit	900	945	992	1,042	1,094	1,149	1,206	1,266	1,330	1,396	1,466	1,539	14,325	5,922	6,870	7,969	9,244	30,006	12,417	14,403	16,708	19,381	62,909
% of Total Sales													40%					50%					60%
Operating Expenses																							
Human Resources	66	66	100	66	66	100	66	66	100	66	66	100	925	261	261	261	261	1,045	288	288	288	288	1,152
Research & Development	25	25	25	25	25	25	25	25	25	25	25	25	300	150	150	150	150	600	240	240	240	240	960
Sales & marketing	-	-	400	-	-	400	-	-	400	-	-	400	1,600	270	270	270	270	1,080	465	465	465	465	1,860
General & Adm	24	24	70	31	31	70	31	31	70	31	31	70	512	158	158	158	158	631	191	191	191	191	765
<u>Depreciation (all at 20%/yr)</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>418</u>	<u>104</u>	<u>104</u>	<u>104</u>	<u>104</u>	<u>418</u>	<u>104</u>	<u>104</u>	<u>104</u>	<u>104</u>	<u>418</u>
Total Operating Expenses	149	149	629	157	157	629	157	157	629	157	157	629	3,754	943	943	943	943	3,774	1,289	1,289	1,289	1,289	5,155
Income From Operations	751	796	363	885	937	520	1,049	1,110	701	1,240	1,309	910	10,571	4,979	5,927	7,026	8,301	26,232	11,128	13,115	15,419	18,092	57,754
Interest Income	14	15	16	17	19	20	22	24	25	27	29	30	257	115	146	183	226	670	296	363	446	544	1,649
Income before Taxes	765	811	379	903	956	539	1,071	1,134	725	1,266	1,338	941	10,828	5,094	6,073	7,209	8,527	26,903	11,424	13,477	15,866	18,636	59,403
Taxes on Income	306	324	152	361	383	216	428	453	290	507	535	376	4,331	2,037	2,429	2,884	3,411	10,761	4,570	5,391	6,346	7,454	23,761
Net Income After Taxes	459	487	227	542	574	324	643	680	435	760	803	564	6,497	3,056	3,644	4,325	5,116	16,142	6,854	8,086	9,519	11,182	35,642

TABLE 3: CASH FLOW	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Total	Y2	Y2	Y2	Y2	Total	Y3	Y3	Y3	Y3	Total
Month	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Yr1	Q1	Q2	Q3	Q4	Yr2	Q1	Q2	Q3	Q4	Yr3
Amounts in \$ (x 000)	1	2	3	4	5	6	7	8	9	10	11	12		13	16	19	22		25	28	31	34	
Cash-In Details																							
Sale of Stock	6,000												6,000										
Gross Profit from Sales	900	945	992	1,042	1,094	1,149	1,206	1,266	1,330	1,396	1,466	1,539	14,325	5,922	6,870	7,969	9,244	30,006	12,417	14,403	16,708	19,381	62,909
<u>Interest Income</u>	14	15	16	17	19	20	22	24	25	27	29	30	257	115	146	183	226	670	296	363	446	544	1,649
Total Cash In	6,914	960	1,008	1,059	1,113	1,169	1,228	1,290	1,354	1,423	1,495	1,570	20,582	6,037	7,016	8,152	9,471	30,676	12,713	14,766	17,154	19,925	64,558
Cash-Out Details																							
Capital Expenditures	-	242	-	117	125	142	-	242	-	117	125	-	1,110	373	373	373	373	1,492	606	606	606	606	2,424
Participations	-	-	-	-	-	-	-	-	-	-	-	2,100	2,100	-	4,000	-	4,000	8,000	-	6,000	-	6,000	12,000
Human Resources	66	66	100	66	66	100	66	66	100	66	66	100	925	261	261	261	261	1,045	288	288	288	288	1,152
Research & Development	25	25	25	25	25	25	25	25	25	25	25	25	300	150	150	150	150	600	240	240	240	240	960
Sales & marketing	-	-	400	-	-	400	-	-	400	-	-	400	1,600	270	270	270	270	1,080	465	465	465	465	1,860
General & Adm	24	24	70	31	31	70	31	31	70	31	31	70	512	158	158	158	158	631	191	191	191	191	765
Taxes on Income	306	324	152	361	383	216	428	453	290	507	535	376	4,331	2,037	2,429	2,884	3,411	10,761	4,570	5,391	6,346	7,454	23,761
Payables(-)	-	-	-	29	-	-	51	-	-	29	-	-	-	-	-	328	-	-	-	-	493	-	-
	9	20	20			41		20	19			201	212	100	328		328	328	147	493		493	493
<u>Net VAT Payments</u>	-	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	-	-	-	-
	199		171	130	114	89	267	61	256	219	207	308	2,013	1,184	897	1,117	1,372	4,572		2,401	2,056	2,501	4,557
Total Cash-Out	212	671	555	498	515	822	334	736	610	555	575	2,561	8,653	1,965	6,416	3,306	6,923	18,709	6,217	10,288	6,574	12,250	37,872
Begging Cash	-	6,702	6,991	7,444	8,005	8,603	8,950	9,844	10,398	11,143	12,010	12,931	6,000	11,939	15,790	16,391	21,238	11,939	23,785	29,912	34,351	44,932	23,785
Cash-In	6,914	960	1,008	1,059	1,113	1,169	1,228	1,290	1,354	1,423	1,495	1,570	14,582	6,037	7,016	8,152	9,471	30,676	12,713	14,766	17,154	19,925	64,558
Cash-Out	212	671	555	498	515	822	334	736	610	555	575	2,561	8,653	1,965	6,416	3,306	6,923	18,709	6,217	10,288	6,574	12,250	37,872
Balance	6,702	6,991	7,444	8,005	8,603	8,950	9,844	10,398	11,143	12,010	12,931	11,939	11,939	15,790	16,391	21,238	23,786	23,785	29,912	34,351	44,932	52,606	52,606

TABLE 4: BALANCE SHEET	1	2	3	4	5	6	7	8	9	10	11	12	Yr1	13	16	19	22	Yr2	28	28	31	34	Yr3
Assets																							
Current																							
Cash	6,702	6,991	7,444	8,005	8,603	8,950	9,844	10,398	11,143	12,010	12,931	11,939	11,939	15,790	16,391	21,237	23,785	23,785	29,912	34,351	44,932	52,606	52,606
VAT Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Current	6,503	6,802	7,084	7,515	7,998	8,256	8,882	9,375	9,864	10,513	11,226	9,926	9,926	12,592	12,295	16,024	17,200	17,200	23,293	25,371	33,895	39,069	39,069
Assets																							
Accumulated Depreciaton	-	242	242	359	484	626	626	868	868	985	1,110	1,110	1,110	1,483	1,856	2,229	2,602	2,602	3,208	3,814	4,420	5,026	5,026
Total Assets	-	172	138	220	310	417	382	589	555	637	727	692	692	961	1,229	1,498	1,766	1,766	2,268	2,770	3,271	3,773	3,773
Total Assets	6,468	6,974	7,222	7,734	8,308	8,673	9,264	9,964	10,419	11,149	11,953	10,618	10,618	13,553	13,525	17,522	18,966	18,966	25,561	28,140	37,166	42,841	42,841
Liabilities & Shareholder Equity																							
Current																							
Payables	9	29	49	20	20	61	10	30	49	20	20	221	221	100	428	100	428	428	147	640	147	640	640
Total Current	9	29	49	20	20	61	10	30	49	20	20	221	221	100	428	100	428	428	147	640	147	640	640
Stockholders Equity																							
Retained Earnings	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Total Equity	459	6,945	7,173	7,714	8,288	8,612	9,254	9,934	10,370	11,129	11,933	10,397	10,397	7,453	7,097	11,422	12,538	12,538	19,414	21,500	31,019	36,201	36,201
Total Equity	6,459	6,945	7,173	7,714	8,288	8,612	9,254	9,934	10,370	11,129	11,933	10,397	10,397	13,453	13,097	17,422	18,538	18,538	25,414	27,500	37,019	42,201	42,201
Liabilities Plus Equity																							
Liabilities Plus Equity	6,468	6,974	7,222	7,734	8,308	8,673	9,264	9,964	10,419	11,149	11,953	10,618	10,618	13,553	13,525	17,522	18,966	18,966	25,561	28,140	37,166	42,841	42,841

Table 5: SALES BREAKDOWN	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1		Y2	Y2	Y2	Y2		Y3	Y3	Y3	Y3	
Month	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Amounts in \$ (x 000)	1	2	3	4	5	6	7	8	9	10	11	12	Yr1	13	16	19	22	Yr2	25	28	31	34	Yr3
No. of Courses Sold	3,750	3,938	4,134	4,341	4,558	4,786	5,025	5,277	5,540	5,817	6,108	6,414	6,414	7,440	8,630	10,011	11,613	11,613	13,471	15,626	18,127	21,027	21,027
Monthly growth rate:																							
E-learning courses tuition revenues		1,969	2,067	2,171	2,279	2,393	2,513	2,638	2,770	2,909	3,054	3,207	29,845	10,390	12,053	13,981	16,218	52,642	18,813	21,823	25,315	29,365	95,317
Additional revenues																							
E-Train-the Trainer Revenues			145	152	160	168	176	185	194	204	214	224	2,089	520	603	699	811	2,632	753	873	1,013	1,175	3,813
Portal Development Revenues			124	130	137	144	151	158	166	175	183	192	1,791	416	482	559	649	2,106	564	655	759	881	2,859
Email marketing fees	75	79	83	87	91	96	101	106	111	116	122	128	1,194	312	362	419	487	1,579	376	436	506	587	1,906
<u>Product sales revenues</u>	<u>56</u>	<u>59</u>	<u>62</u>	<u>65</u>	<u>68</u>	<u>72</u>	<u>75</u>	<u>79</u>	<u>83</u>	<u>87</u>	<u>92</u>	<u>96</u>	<u>895</u>	<u>208</u>	<u>241</u>	<u>280</u>	<u>324</u>	<u>1,053</u>	<u>188</u>	<u>218</u>	<u>253</u>	<u>294</u>	<u>953</u>
Total Sales	2,250	2,363	2,481	2,605	2,735	2,872	3,015	3,166	3,324	3,490	3,665	3,848	35,814	11,845	13,740	15,939	18,489	60,012	20,694	24,006	27,846	32,302	104,848

Table 6: Depreciation Costs, Interest Income and Net VAT Payments	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Y1	Total	Y2	Y2	Y2	Y2	Total	Y3	Y3	Y3	Y3	Total
	Month	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth	Mth		Yr1	Q1	Q2	Q3		Q4	Yr2	Q1	Q2	
Amounts in \$ (x 000)	1	2	3	4	5	6	7	8	9	10	11	12		13	16	19	22		25	28	31	34	
Capital Expenditures																							
Year 1	19	19	19	19	19	19	19	19	19	19	19	19	222	56	56	56	56	222	56	56	56	56	222
Year 2	6	6	6	6	6	6	6	6	6	6	6	6	75	19	19	19	19	75	19	19	19	19	75
Year 3	10	10	10	10	10	10	10	10	10	10	10	10	121	30	30	30	30	121	30	30	30	30	121
Total Depreciation	35	35	35	35	35	35	35	35	35	35	35	35	418	104	104	104	104	418	104	104	104	104	418
Accumulated Depreciation			104	139	174	209	244	279	313	348	383	418	418	522	627	731	836	836	940	1,045	1,149	1,253	1,253
Interest Income	1	2	3	4	5	6	7	8	9	10	11	12	TYr1	13	16	19	22	Yr2	28	28	31	34	Yr3
Cash & Banks - Initial Equity	6,000	6,552	7,358	7,550	8,305	9,128	9,558	10,340	11,388	11,833	12,854	13,956	6,000	14,558	18,352	23,381	29,290	14,558	36,218	47,351	58,065	71,428	58,065
VAT Credit	26	247	77	130	159	198	34	255	77	130	159	77	1,568	-	477	477	477	1,430	2,074	-	729	729	1,458
VAT Debit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	225	236	248	260	273	287	302	317	332	349	367	385	3,581	1,184	1,374	1,594	1,849	6,001	2,069	2,401	2,785	3,230	6,015
<u>Operations Income</u>	<u>751</u>	<u>796</u>	<u>363</u>	<u>885</u>	<u>937</u>	<u>520</u>	<u>1,049</u>	<u>1,110</u>	<u>701</u>	<u>1,240</u>	<u>1,309</u>	<u>910</u>	<u>10,571</u>	<u>4,979</u>	<u>5,927</u>	<u>7,026</u>	<u>8,301</u>	<u>26,232</u>	<u>11,128</u>	<u>13,115</u>	<u>15,419</u>	<u>18,092</u>	<u>57,754</u>
Total Cash & Banks	6,552	7,358	7,550	8,305	9,128	9,558	10,340	11,388	11,833	12,854	13,956	14,558	14,558	18,352	23,381	29,290	36,218	36,218	47,351	58,065	71,428	87,019	111,262
Interest Income	14	15	16	17	19	20	22	24	25	27	29	30	257	115	146	183	226	670	296	363	446	544	1,649
Net VAT Payments	-	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	-	-	-	-
	199	-	171	130	114	89	267	61	256	219	207	308	2,013	1,184	897	1,117	1,372	4,572	-	2,401	2,056	2,501	4,557

Table 7: Human Resources Hiring Schedule & Count During the plan period			
Year	Yr 1	Yr 2	Yr 3
Management			
CEO	1	1	1
President	1	1	1
Ex. VP/COO	1	1	1
COO	1	1	1
CAO	1	1	1
Office Staff	1	2	4
Total Headcount	6	7	9

Table 8 :IRR, NPV & Pre-IPO Valuation			
IRR	180%		
NPV Discounted at 15%	41,290		
<u>Less New Money Invested Pre-IPO</u>	<u>6000</u>		
Value of Company Pre-Money	35,290		
Earning multiples	10	10	10
Valuation	64,968	161,415	356,418
Sales Multiples	2	2	2
Valuation	179,068	300,062	524,241