

ROCKET DESIGN

SAMPLE FORECAST

Prepared 6 August 2018



Highlights

1. General Overview

The outlook is for a steady year inline with seasonal fluctuations that were experienced to a lesser degree last year.

2. Trading Inflows

Trading inflows are steady and an improvement is expected in both Q3 and Q4. This is due to two new projects that are locked in and scheduled for the second half of the year. Each of the two projects have payments spread across a three month period, with a larger component paid in month one and two.

3. Trading Outflows

Greater competition in the supplier environment will serve us well moving forward. Cost of Sales will remain reasonably steady helping to maintain the Gross Profit position during key months.

4. Other Outflows

New marketing campaign set to kick off in October 2018 to coincide with the two projects in Q3 and Q4.

We do expect repairs and maintenance to be carried out toward the end of the year. March 2019 will see the airconditioning system checked over following the summer heat.

5. Overall Cash Flow

Cash flow looks healthy overall given to the two projects starting in Q2 and Q3. With the implementation of the new debt collection system, we expect that our cash flow will only continue to improve.

Assumptions

1. Market Conditions

We assume that the market will remain flat overall, and we need to be alert for some slow payment cycles in the SME market. The new debt collection system plays a key part in easing this pressure.

2. People

The team is responding well to the current workload. No overtime hours have been planned as the schedule for the two new projects are manageable. The new graduate is coming up to speed nicely and is being utilised on both of these projects.

Mark will take Owner Drawings of \$5,000 per month in January, February, and March 2019. This is to help out their family as Jo is scheduled for surgery in December 2018. It is expected that Jo will join Mark in the office from April 2019 on light duties.

3. Loans

Existing Bank loan has been renegotiated at a higher rate to see the repayment in full by March 2021.

Recommendations for Action

1. Debtors Collection

The new debt collection system will be implemented from August 2018 onwards. Michelle will oversee this transition.

2. Systems

The new daily cash tracking system should be given to Michelle to implement and own.

3. Bank

We are in line with all of our banking covenants currently. There is no cause for concern, but it is worthwhile keeping an eye on this.

4. People

The management team assist Michelle, as necessary, with implementation of the debt collection system and the daily cash tracking system.

5. CAPEX

The CAPEX freeze has been lifted from \$1,000 to \$10,000 from Q3 onwards.

Revisit the freeze at the end of January 2019 to determine what new assets may be required going into the new financial year.

Assumptions

The assumptions listed below relate to the Sample Forecast for Rocket Design.
This forecast is from 1 Apr 2018 to 31 Mar 2019. Actuals were used up to 31 Mar 2018.
The following settings have been used for this forecast:

- GST basis is Payments
- GST period is 2 Months
- Cash forecast is GST Inclusive

Profit and Loss Forecast

Revenue Rules

Revenue that is received in the current month - including Interest Received and some monthly recurring Revenue.

Expense Rules

Current month expenses that are paid for in the month they were incurred - including Bank Fees, Entertainment, Interest Expense.

Expense Rules

Advertising expense calculated at 10% of Product Revenue from October 2018.

Expense Rules

The majority of creditors will be paid in the +30 days time period.

Income Tax Rule

Losses brought forward were \$0.00. Income Tax Rate of 28% was applied to create the income tax expense.

Balance Sheet Forecast

Equity Rules

Owner Drawings of \$5,000 per month will be taken for the months of January, February and March 2018. This has been factored in to allow time for Jo's post-surgery recovery.

Loan Amortisation Rules

General Ledger Account: Bank Loan

Start Date: 1 Aug 2018

Interest Rate: 2.5%

Loan Amount: \$94,560

Total Interest: \$3,185

Total Cost: \$97,745

Repayment Frequency: Monthly

Repayment Amount: \$3,153

Scheduled Number of Payments: 31

Actual Number of Payments: 31

Final Payment: 01 Mar 2021

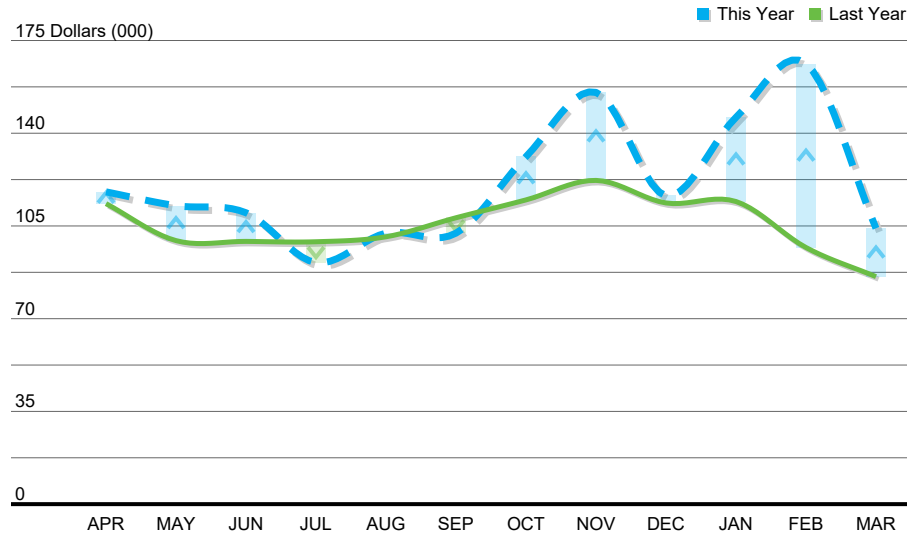
Payment Profiles

The profiles that best reflects when Revenue and Expenses will be deposited into the bank account are as follows:

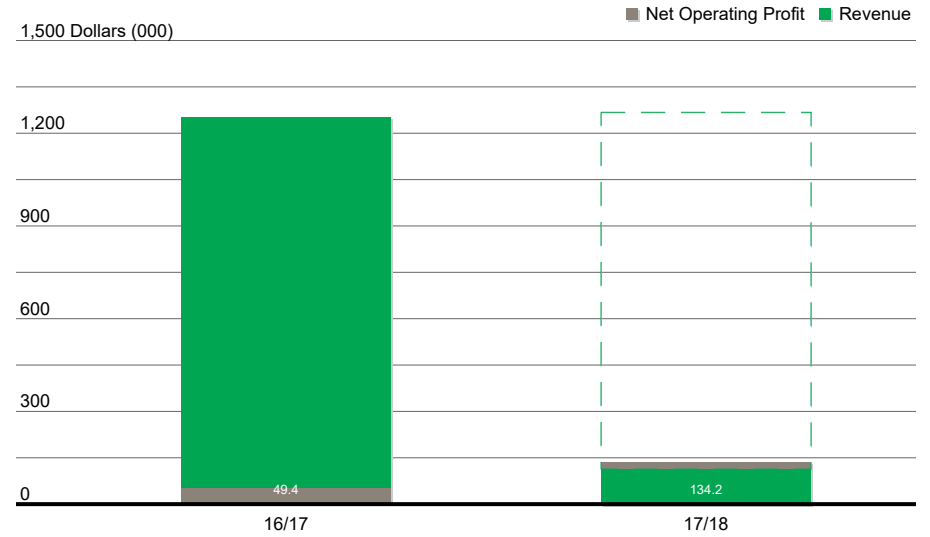
Rules	Current	+30 days	+60 days	+90 days
Revenue Rules				
Revenue	100%	0%	0%	0%
Trading Revenue	50%	50%	0%	0%
Cost of Sales Rules				
Cost of Sales	10%	90%	0%	0%
Expense Rules				
Current Month	100%	0%	0%	0%
Expenses	0%	100%	0%	0%

	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Total
Product Revenue	12,620	14,120	9,398	9,765	10,659	10,406	13,395	11,660	10,730	14,438	10,549	11,141	138,881
Project Revenue	100,700	94,593	95,664	77,022	86,979	87,704	112,704	137,704	101,093	126,093	151,093	88,696	1,260,045
Support Revenue	4,549	3,938	4,922	4,383	4,646	4,188	5,053	6,057	4,584	5,460	4,585	4,267	56,632
Total Revenue	117,869	112,651	109,984	91,170	102,284	102,298	131,152	155,421	116,407	145,991	166,227	104,104	1,455,558
Total Cost of Sales	39,198	28,713	38,115	36,181	29,734	36,482	41,793	35,646	35,555	40,783	43,555	27,755	433,510
Gross Profit	78,671	83,938	71,869	54,989	72,550	65,816	89,359	119,775	80,852	105,208	122,672	76,349	1,022,048
GP%	66.7%	74.5%	65.3%	60.3%	70.9%	64.3%	68.1%	77.1%	69.5%	72.1%	73.8%	73.3%	70.2%
Total OPEX	60,448	58,983	61,401	60,044	62,197	59,118	60,419	61,827	64,253	67,718	62,446	62,602	741,456
NOPBT	18,223	24,955	10,468	-5,055	10,353	6,698	28,940	57,948	16,599	37,490	60,226	13,747	280,592
Net Profit Before Ta	18,223	24,955	10,468	-5,055	10,353	6,698	28,940	57,948	16,599	37,490	60,226	13,747	280,592
Tax	5,102	6,987	2,931	0	1,483	1,875	8,103	16,225	4,648	10,497	16,863	3,849	78,563
Net Profit	13,121	17,968	7,537	-5,055	8,870	4,823	20,837	41,723	11,951	26,993	43,363	9,898	202,029

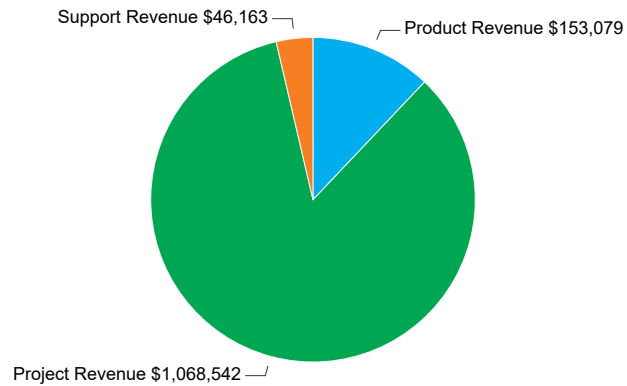
REVENUE - This Year vs Last Year



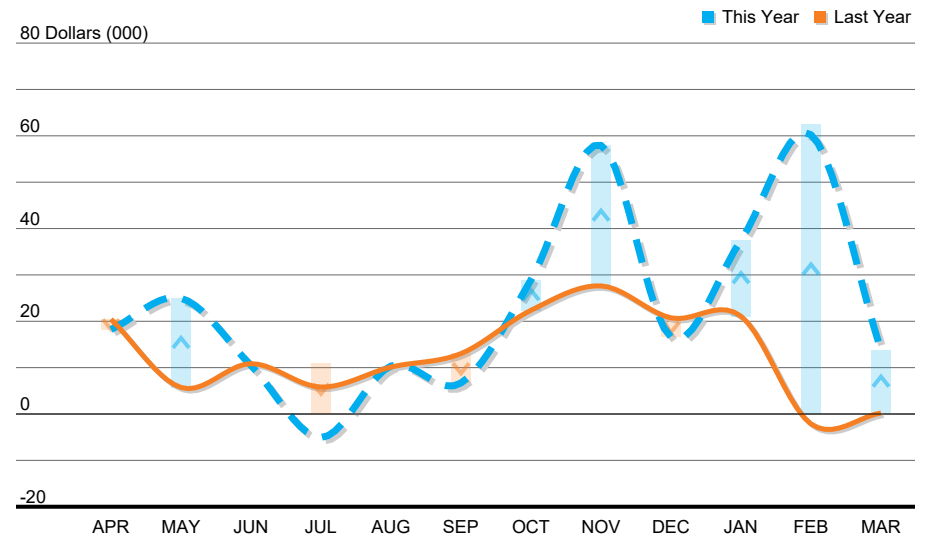
REVENUE AND NET OPERATING PROFIT - Last Year and Current Year



TOP REVENUE CONTRIBUTORS

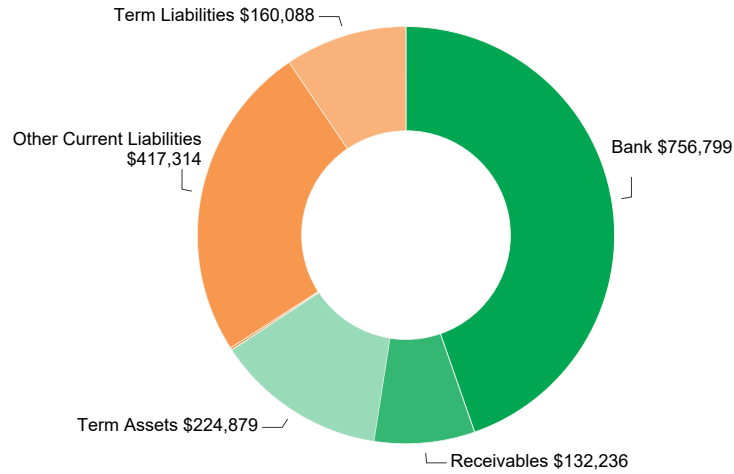


NET OPERATING PROFIT - This Year vs Last Year

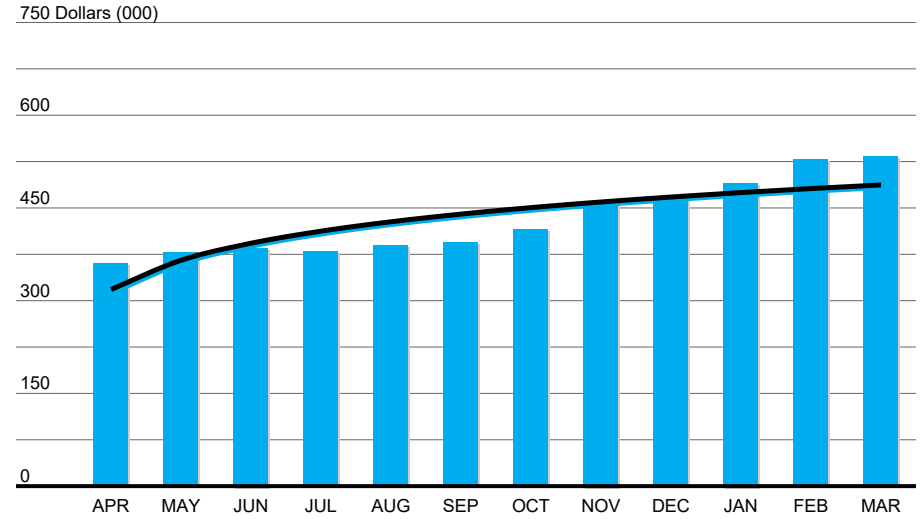


	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
Accounts Receivable	140,150	137,150	135,616	124,798	131,189	131,197	147,788	161,743	139,310	156,321	167,957	132,236
Bank Accounts	525,286	540,431	553,187	563,168	552,140	569,809	581,208	632,258	679,095	692,391	720,340	756,799
Total Current Assets	665,436	677,581	688,803	687,966	683,329	701,006	728,996	794,001	818,405	848,712	888,297	889,035
Accumulated Depreciation	-67,933	-67,933	-67,933	-67,933	-67,933	-67,933	-67,933	-67,933	-67,933	-67,933	-67,933	-67,933
Computer Equipment	53,516	53,516	53,516	53,516	53,516	53,516	53,516	53,516	53,516	53,516	53,516	53,516
Furniture & Fittings	26,979	26,979	26,979	26,979	26,979	26,979	26,979	26,979	26,979	26,979	26,979	26,979
Leasehold Improvements	51,177	51,177	51,177	51,177	51,177	51,177	51,177	51,177	51,177	51,177	51,177	51,177
Term Assets	161,140	161,140	161,140	161,140	161,140	161,140	161,140	161,140	161,140	161,140	161,140	161,140
Total Assets	890,315	902,460	913,682	912,845	908,208	925,885	953,875	1,018,880	1,043,284	1,073,591	1,113,176	1,113,914
Accounts Payable	11,226	-68	10,342	8,012	2,156	7,919	14,917	8,865	9,405	20,861	17,168	2,917
Other Curr. Liabilities	321,364	326,835	320,110	326,659	319,007	329,054	332,171	364,473	379,361	379,200	387,101	400,186
Payroll	17,128	17,128	17,128	17,128	17,128	17,128	17,128	17,128	17,128	17,128	17,128	17,128
Total Current Liabilities	349,718	343,895	347,580	351,799	338,291	354,101	364,216	390,466	405,894	417,189	421,397	420,231
Bank Loan	106,160	106,160	106,160	106,160	106,160	103,204	100,242	97,274	94,299	91,318	88,331	85,338
Term Liabilities	74,750	74,750	74,750	74,750	74,750	74,750	74,750	74,750	74,750	74,750	74,750	74,750
Total Liabilities	530,628	524,805	528,490	532,709	519,201	532,055	539,208	562,490	574,943	583,257	584,478	580,319
Net Assets	359,687	377,655	385,192	380,136	389,007	393,830	414,667	456,390	468,341	490,334	528,698	533,595

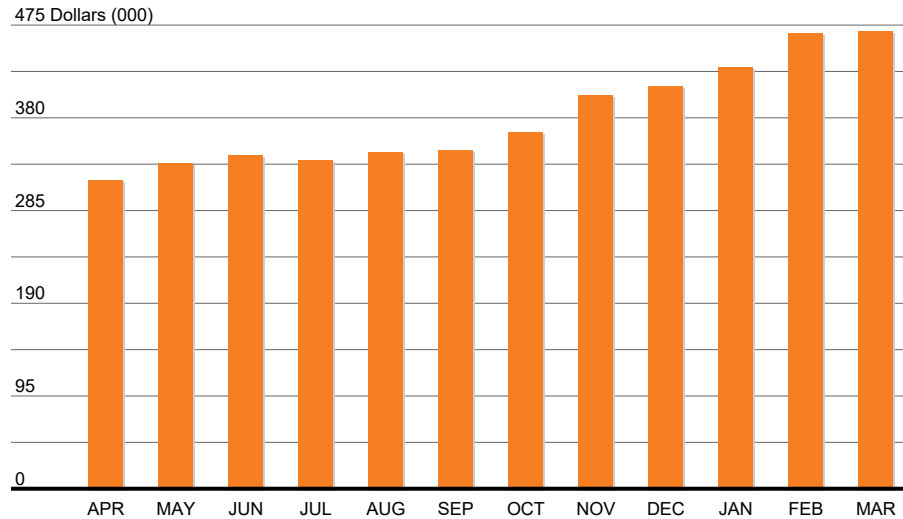
BALANCE SHEET COMPONENTS - as at 31 Mar 2019



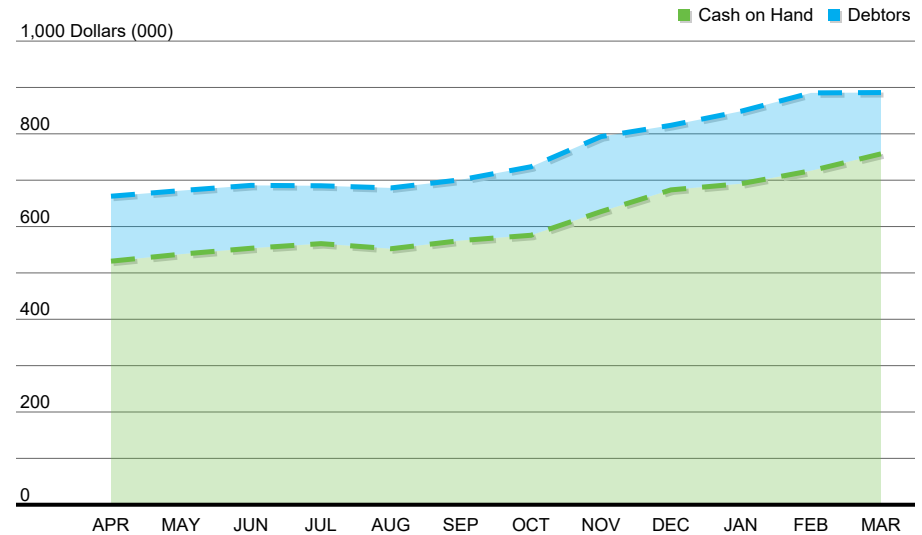
EQUITY TREND



LIQUIDITY MONITOR



LIQUIDITY - (Cash + Debtors)

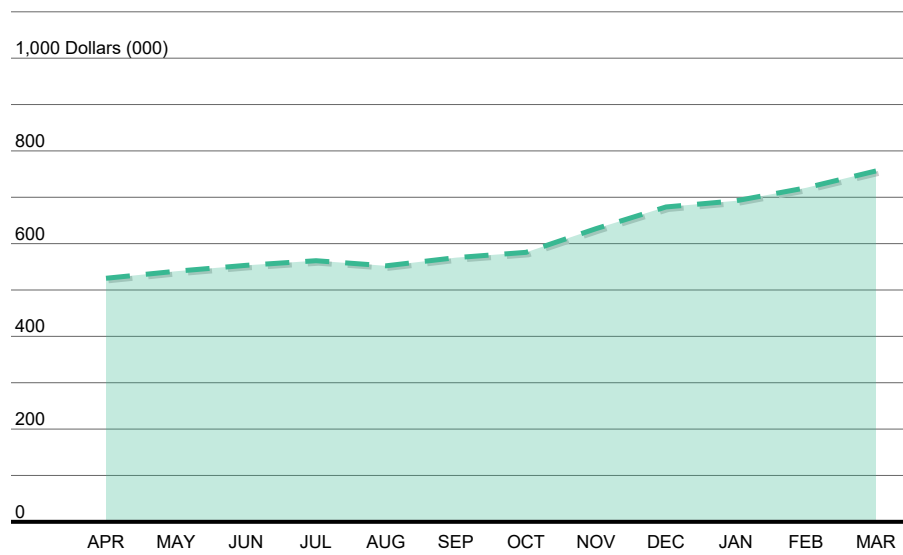


ROCKET DESIGN - SAMPLE FORECAST

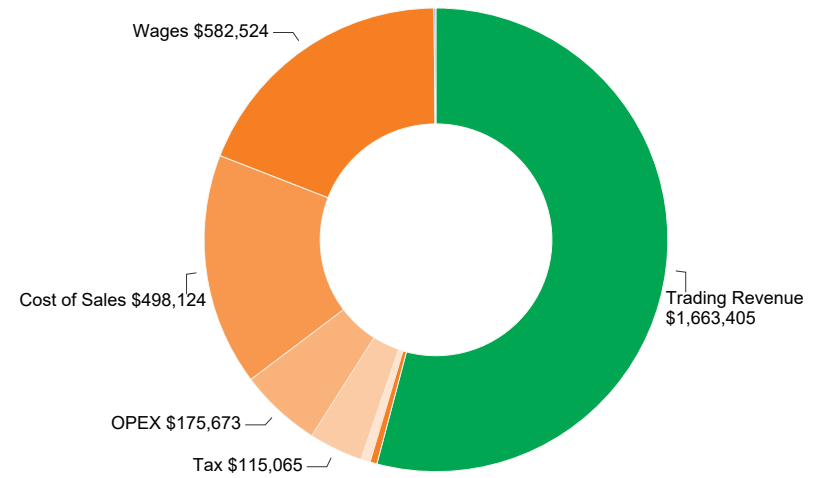
CASH FORECAST - SAMPLE FORECAST

	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Total
Product Revenue	12,540	15,376	13,523	11,019	11,744	12,112	13,685	14,407	12,874	14,472	14,368	12,472	158,592
Project Revenue	99,972	112,293	109,397	99,294	94,300	100,443	115,235	143,985	137,308	130,632	159,382	137,878	1,440,119
Support Revenue	4,639	4,881	5,094	5,350	5,191	5,080	5,313	6,388	6,118	5,775	5,775	5,090	64,694
Operating Inflows	117,151	132,550	128,014	115,663	111,235	117,635	134,233	164,780	156,300	150,879	179,525	155,440	1,663,405
Cost of Sales	32,821	43,872	34,102	43,609	40,867	34,970	42,565	47,354	40,983	41,490	47,219	48,272	498,124
Total COS	32,821	43,872	34,102	43,609	40,867	34,970	42,565	47,354	40,983	41,490	47,219	48,272	498,124
OPEX	1,716	3,360	3,230	3,356	3,373	3,914	3,401	4,929	4,900	5,020	11,308	4,680	53,187
Rent	11,000	11,556	11,556	11,556	11,556	11,556	11,556	11,556	11,556	11,556	11,556	11,556	138,116
Wages	46,933	46,214	47,632	47,159	48,222	46,568	45,859	46,922	49,050	47,868	47,986	46,481	566,894
Total OPEX	59,649	61,130	62,418	62,071	63,151	62,038	60,816	63,407	65,506	64,444	70,850	62,717	758,197
Operating Outflows	92,470	105,002	96,520	105,680	104,018	97,008	103,381	110,761	106,489	105,934	118,069	110,989	1,256,321
Net Operating Flow	24,681	27,548	31,494	9,983	7,217	20,627	30,852	54,019	49,811	44,945	61,456	44,451	407,084
Bank Loan	0	0	0	0	0	-2,956	-2,962	-2,968	-2,975	-2,981	-2,987	-2,993	-20,822
Computer Equipment	-3,548	0	0	0	0	0	0	0	0	0	0	0	-3,548
MK Current Account	0	0	0	0	0	0	0	0	0	-5,000	-5,000	-5,000	-15,000
Other Curr. Liabilities	0	-12,402	-18,739	0	-18,245	0	-16,491	0	0	-23,669	-25,519	0	-115,065
Non Operating Flow	-3,548	-12,402	-18,739	0	-18,245	-2,956	-19,453	-2,968	-2,975	-31,650	-33,506	-7,993	-154,435
Opening Balance	504,153	525,286	540,432	553,187	563,170	552,142	569,813	581,212	632,263	679,099	692,394	720,344	504,153
Net Cash Flows	21,133	15,146	12,755	9,983	-11,028	17,671	11,399	51,051	46,836	13,295	27,950	36,458	252,649
Closing Balance	525,286	540,432	553,187	563,170	552,142	569,813	581,212	632,263	679,099	692,394	720,344	756,802	756,802

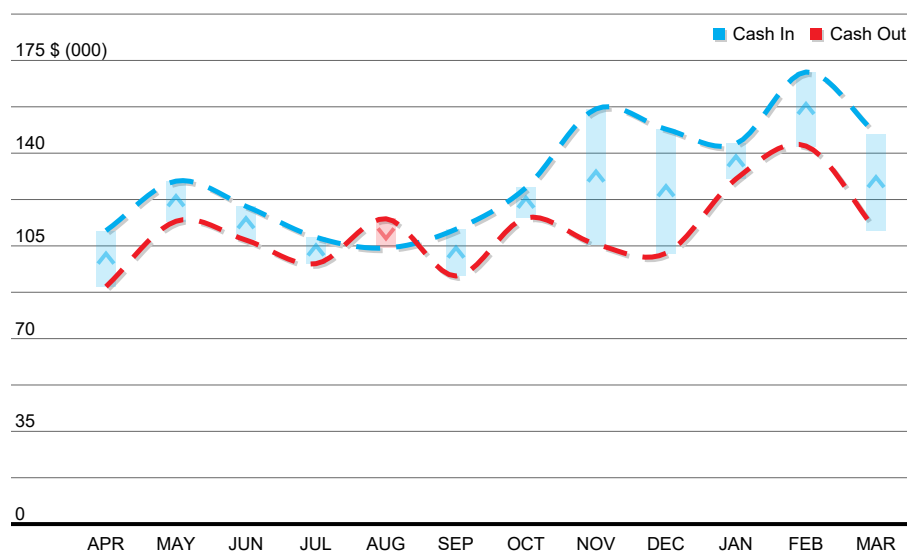
CASH ON HAND FORECASTS



FORECASTED CASHFLOW



FORECAST CASH IN AND OUT



FORECAST CASH MOVEMENTS

