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**Quantea Group Limited
Quantea Scientific Instruments Limited
Draft Business Plan
October 2004**

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1.0 Executive Summary

Quantea Scientifics Limited (henceforth Quantea) is a wholly-owned subsidiary of Quantea Group Limited, a UK registered limited company that has been formed to commercialise innovations for 'early-diagnostic' metabolic monitoring equipment, and to improve and exploit these technological advances and the current market conditions in the health sector and general nutrition industry.

It has a pipeline of products currently in R&D which are expected to be ready for market launch by June 2005. The products are designed to monitor ketone levels in saliva, and salt and glucose levels in urine. They have applications in many sectors. These include: Domestic health and nutrition monitoring, the veterinary market, professional and amateur sports, the horse and greyhound-racing industry, and the agricultural sector. The products are user-friendly, provide accuracy of readings by reducing statistical 'noise' and background contamination, use non-invasive measuring techniques (i.e. no blood samples), and can be used by both professionals and non-professionals. While the initial testing of the target markets will be local, global distribution to the larger markets of the US, Europe and China is a key element of the sales strategy.

The main opportunity for the business lies in the current market conditions regarding a focus on health matters and people taking responsibility for their well-being. Early-diagnostic monitoring equipment will help alleviate the current pressure on national health services. Preventative medicine is clearly a better (and cheaper) solution for governments and therefore any initiatives to provide solutions in this field should be well-supported, financially or otherwise.

In the UK nearly two-thirds of men, over half of women and almost a fifth of children are deemed to be overweight, with a fifth of adults being classified as obese (between 2 and 3 stone overweight). The rate of obesity in this country has tripled in the last twenty years. In the USA, just under a fifth of men and a quarter of women are classified as obese.

Approximately 16 million Americans and 120 million people worldwide are estimated to have diabetes. Without proper management of the disease, diabetes leads to severe complications such as blindness, kidney disease, heart disease, nerve damage and death. 90% of diabetic population is type 2, and it is thought that there are 1 million undiagnosed diabetics currently in the UK alone.

The health problems contributed by high-sugar content diets that provoke diabetes and obesity are putting an ever increasing strain on the National Health Service and is therefore of concern to the Government. Sir John Bourn, the head of the National Audit Office has estimated that treating obesity costs the NHS at least half a billion pounds a year. The Commons Committee on Health has reported on the matter and recommended a cross-departmental national strategy to tackle the issue to combat the increasing costs to the country.

An example of this is The Food Standards Agency major public health campaign to reduce high salt consumption in the UK. Excessive salt consumption is blamed for high blood pressure and contributes to 170,000 deaths a year in England alone, with the cost to the NHS of prescriptions for reducing high blood pressure around £840 million, nearly 15% of the total annual cost of all primary care drugs¹.

The tactic in the USA of declaring obesity a disease does not seem to curry favour in the UK as policy-makers are seeking to achieve a balance between regulation and self-responsibility.

Quantea's product portfolio will enable users to carry out self-monitoring techniques for metabolic analysis on an ongoing basis. Currently GP's and clinics are having to carry out what is essentially

¹ Food Standards Agency: <http://www.salt.gov.uk/>



very simple monitoring tasks that could otherwise be done by the individuals themselves. It will also provide some degree of education to the general public as to healthy eating patterns and safe and effective methods of dieting.

There are other equally-attractive market opportunities facing Quantea that are either new markets or in relative stages of infancy. They are considered to be 'cross-over' opportunities that the market is currently ignoring, and simply require effective marketing strategies to make consumers 'aware' of their need.

The company wishes to raise its first round of financing (seed capital) in the UK to complete research and development on its product pipeline and to aggressively expand its operations.

The company expects to be cashflow positive by the beginning of Year 2 through organic growth and does not envisage the requirement for further rounds of financing unless new market opportunities arise.

1.1 Objectives

The research and development work undertaken to date has ensured a short lead-time for the main products, which, with the principal's network of contacts, will enable the brand to be established quickly. The continuing development of the concept will increase the product range and market penetration. The main objectives are to:

- Build a quick route to market in order to exploit the competitive advantage of the product in the current market conditions.
- Establish direct and indirect sales channels for accessing major specified markets.
- Establish online sales channel through Quantea website.
- Maintain tight control of cost and operation during expansion.
- Obtain maximum market penetration and begin payback of seed capital by Year 3.
- Achieve total (all products) cumulative unit volume sales of 300,000 by end of Year 3.
- Gross Margins of over 30% of sales, and Operating Profits of over 15% of sales.

Quantea Key Numbers

	YEAR 1 £	YEAR 2 £	YEAR 3 £	YEAR 4 £	YEAR 5 £
Turnover	607,662	3,487,711	4,185,254	5,022,305	6,026,765
Gross Profit	71,762	1,324,142	1,507,837	1,709,001	1,926,552
Gross Profit Margin (%)	11.8%	38.0%	36.0%	34.0%	32.0%
Operating Profit	(568,888)	622,241	715,055	809,440	901,475
Operating Profit Margin (%)	(93.6%)	17.8%	17.1%	16.1%	15.0%

1.2 Mission

Quantea has the product pipeline and relevant management experience (MD - Alison Williams, founder director of Biotrace International), to become a major player in the healthcare monitoring equipment sector. In terms of consumer-targeting, all of its products can be considered global applications.



The primary company mission is to bring the ability to safely, accurately and correctly monitor dieting patterns and nutrition programmes to consumers who are concerned about healthy eating patterns.

The company also looks to bring innovative metabolism-monitoring techniques to a variety of markets that are either new or in relative stages of infancy. These include: Performance Horseracing, Professional and Amateur Sports, Veterinary Care, and Intensive Farming Techniques.

Quantea seeks a fair and responsible profit, enough to keep the company financially healthy for the long term and to satisfactorily compensate owners and investors for their money and risk.

1.3 Keys to Success

- Outsourcing of manufacturing / supply-chain.
- Closing two or three reseller relationships and two or three direct sales contracts.
- Establishment of an online sales channel.
- Recruitment of an experienced Sales Manager.
- Develop support infrastructure to manage explosive growth.
- Customer confidence in the product reliability and usability.

1.4 Strengths of the Business and Risk Factors

A short analysis of the strengths, weaknesses, opportunities and threats (SWOT) of the business is listed below:

1.4.1 Strengths

- Principal's background in bio-chemistry and previous experience with scientific monitoring equipment.
- Principal's demonstrable track record in developing a product from concept through to full listing (Biotrace International - Scientific Monitoring Equipment).
- Product portfolio spreads risk over various markets - competitors currently targeting medical applications but not veterinary, professional sports, etc.
- Products are all user-friendly, non-invasive, have a very high degree of accuracy and offer recording and monitoring over time.

1.4.2 Opportunities

- Current market conditions and publicity surrounding health issues such as obesity and diabetes.
- Network of the principal and her involvement in horse racing to be exploited as distribution channel.
- Agricultural application opportunities currently being ignored.

1.4.3 Weaknesses

- Low market barriers to entry.



- Most of the products (including flagship product) still in R&D.
- Seed capital required for start-up.
- IP issues regarding patent policing.

1.4.4 Risks / Threats

- Missing the current market opportunity.
- Success of clinical trials / FDA Approval - uncertainty and time delay.
- Established players in the healthcare / scientific monitoring equipment sectors identifying the potential of the targeted niches, and possessing the resources and rapid channels to market.

1.5 Funding Requirements

Quantea seeks £850,000 of capital to enable it to complete Research & Development on an innovative product pipeline of scientific monitoring instruments, and to finance a start-up operation to commercialise these products.



2.0 Company Summary

2.1 Company Profile

Quantea Group Limited (“Quantea” or “the company”) and Quantea Scientifics Limited (a wholly-owned subsidiary of Quantea) have been formed to commercialise innovations for ‘early-diagnostic’ metabolic monitoring equipment, and to improve and exploit these technological advances and market conditions in the general health sector.

The principal, Alison Williams, has incorporated unique application concepts from her background in biochemistry into technological advances to develop a unique range of testing and monitoring equipment with a wide range of uses in the general nutritional health, sports, agricultural, and veterinary sectors.

The company is currently at Research & Development / Pre-Revenue stage but it has a product pipeline that it can expect to commercialise within 6-9 months of beginning start-up operations.

2.2 Company Ownership

Quantea Group Ltd. was incorporated on 4th May 2004 and currently only subscriber shares have been issued. The share capital and ownership are to be agreed between the principal and the investors as part of this proposal. Quantea Scientifics Limited is a wholly-owned subsidiary of Quantea Group Ltd.

It is envisaged that a company structure will be formulated so as to best reward stakeholders in any success of the business. One of the major considerations is to meet the criteria required for consent of EIS tax relief for future investors.

2.3 Company Location and Facilities

Upon successfully achieving its funding requirements, Quantea would look to base its Sales and Marketing operations from a serviced office in Westbury-on-Trym, Bristol.

Administrative operations are expected to be based in Abergavenny, Wales.

Manufacturing operations will be outsourced once feasibility studies have been completed.

2.4 Intellectual Property Rights (IPR)

Quantea will look to file EU patents on any technology developed that possesses a significant degree of innovation and competitive advantages over products in its target sectors. However, given the current market opportunity and the prohibitive costs of patent ‘policing’, it is felt that speed to market is key and management energies and financial resources will be directed accordingly.



2.5 The Opportunities

Quantea's scientific monitoring equipment will have applications in the following markets:

2.5.1 Weight-Loss / Slimming / Dieting

Obesity afflicts some 97 million Americans, bringing with it significantly increased risk for cardiovascular disease, diabetes, hypertension, and other chronic conditions, in addition to pressure to conform within a highly body-image conscious society. The market for obesity treatments in the United States stands at \$1.23 billion, and these factors will drive it to 14% growth over the next 5 years².

While diets, slimming foods, weight-loss products and services, and the promotion (literature & advertising) surrounding them is a mature market globally (estimated at \$15.2bn in the US in 2004 and growing at 6.7% annually through to 2008³, £5.38bn in the UK in 1999⁴, etc.), the opportunity for accurate, continuous and user-friendly measurement and monitoring is in its infancy. For this reason it is difficult to assess how big the market is for nutrition-monitoring equipment.

This market has an immediately captive audience due to continuous promotion of health warnings from governmental and social bodies, and diet promotion in lifestyle television programmes and magazines.

A recent Target Group Index (TGI) survey by BMRB International found that 28.5% of respondents were trying to slim. In addition to those wanting to lose weight, many consumers are aware of the link between diet and health.

Very-low-calorie diets are now considered medically inadvisable and artificial sweeteners have been the subject of adverse publicity.

By 2005, 24% of women and 18% of men will be clinically obese. This is the sobering prediction from National Statistics and does not include the many more who are merely overweight, or consider themselves to be so.

Key Note estimates the value of the slimming foods market to be £5.58bn in 2000, rising to £6.42bn by 2004.

2.5.2 Obesity Related Conditions - Diabetes & Hypertension

The problem of obesity in America is being called an epidemic by some health-care professionals and government officials. With an estimated 40 million people classified as obese, about \$240 billion per year is spent for the treatment of obesity-related conditions, such as heart disease, diabetes, stroke and high blood pressure⁵. Worldwide sales of blood glucose self-monitoring products were approximately \$2.5 billion in 1997.

In the USA alone, more than ten million people have been diagnosed with diabetes, and another five million are believed to have the condition. The number of people with

² Theta Reports (Published Jan 2001)

³ The Freedonia Group: "Weight Control Products and Services to 2008 (US)" (Published Feb 2004)

⁴ KeyNote Report: "The Slimming Market (UK)" (Published Nov 2000)

⁵ Business Communications Company Inc (Published June 2000)



diabetes is expected to continue to grow with the aging of the population, while the number of diagnosed cases is also expected to increase with changes in new diagnostic technologies. Analysts project the market will reach \$3 billion by the year 2000⁶.

The Food Standards Agency has launched a major public health campaign to reduce high salt consumption in the UK.

The campaign focuses on the fact that eating too much salt is a significant risk factor in developing high blood pressure. High blood pressure is a cause or contributing factor in 170,000 deaths a year in England alone⁷.

Every day at least 26 million people eat more than the recommended daily limit of 6g of salt. Men are eating the most with a daily average of 11.0g of salt while women consume an average of 8.1g a day.

The cost to the NHS of prescriptions for reducing high blood pressure is around £840 million, nearly 15% of the total annual cost of all primary care drugs.

Studies show that reducing salt in the diet can lower blood pressure within four weeks which helps protect the individual and reduces the cost to the National Health Service.

Thus early-diagnostic monitoring equipment will help alleviate the current pressure on national health services, by passing responsibility to individuals for their own well-being. Preventative medicine is clearly a better (and cheaper) solution for governments and therefore any initiatives to provide solutions in this field should be well-supported, financially or otherwise.

2.5.3 Agricultural / Veterinary / Domestic Pets

Illness and stress in cattle as a result of current intensive-rearing practices, particularly in the USA, Brazil and Argentina, affects the absorption of energy from food and leads to weight-loss. Regular testing can detect dietary such problems at an early stage in their development and can therefore prevent complications and shorten recovery times, all conducive to maximisation of slaughter-weights and milk-production.

There is evidence of increased revenues throughout the value “web” of the beef industry towards the \$3bn.-\$5bn. per annum estimated by market research company eMerge⁸.

Pet owners are spending more on domestic pets and a whole new industry dedicated to pet care has been created over the last 20 years. Monitoring equipment would encourage and enable owners to be more active in their care and treatment of small animals such as dogs and cats.

2.5.4 Performance Horses / Greyhounds

The experience of trainers has always been one of the major factors in achieving success in the horse-racing industry. The money invested in this sport, particularly by

⁶ Boston Biomedical Consultants

⁷ Food Standards Agency: <http://www.salt.gov.uk/>

⁸ Source: “Under the Buzz”, Insights into B2B Net Markets. October 2000 - Vol. 1, Number 6



the gambling industry, has increased the pressure on trainers and owners to look for new methods of improving preparation for horses involved in competitive events.

Alison Williams' involvement in the industry and her network of contacts will ensure that Quantea's product range will dovetail extremely well with traditional techniques in modern racing yards.

The size of the market opportunity is difficult to quantify but it is estimated that 10,000 horses leave racing every year in the UK alone.

Similar methods of training and preparation are used in the greyhound-racing industry and this would be another niche market for Quantea.

2.5.5 Professional & Amateur Sports

Professional sports teams, clubs and individuals are continuously looking for constant innovation to help improve athletic performance. Often the more scientific the analysis is, the better received it is by trainers and coaches. Nutrition, the monitoring of it, and the ability to alter patterns and food classes quickly plays a key part in today's highly competitive sports industry.

It would be impossible to quantify the size of this market in total but it is certainly one of the biggest opportunities that Quantea is currently looking to exploit.

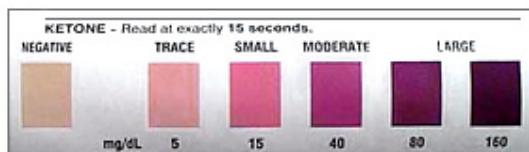
2.6 Competitors

There seems to be a general trend towards the development of non-invasive monitoring equipment. Currently there appear to be products undergoing clinical trials and awaiting FDA approval but little is known about their success and they seem to be directed mainly at the market for diabetes monitoring, a market big enough globally to withstand a number of players.

Up until now, Ketone urine-testing strips are used for testing ketosis. These tests are referred to as KetoStix (the original brand name), Urine Test Strips, Reagent Strips, Ketone Testing Strips, and Lipolysis Test Strips. However, dipsticks are simply a crude colorimetric method prone to contaminants from urine and breath has proved to be an unreliable method for measuring ketones. This is because carbon dioxide from breath provides background statistical 'noise' and other contaminants, thus giving unreliable readings.

They are small plastic strips (figure 1) that have a little absorptive pad on the end. This contains a special chemical that will change colour in the presence of ketones in the urine. The strips may change varying shades of pink to purple, or may not change colour at all. The container will have a scale on the label, with blocks of colour to compare the strip after a certain time lapse (usually 15 seconds).

Figure 1:





The chemical reagent is very sensitive to moisture, particularly high levels of humidity. They have an expiry date and, once opened, have a shelf-life of about 6 months.

Ketone test strips or Lipolysis testing strips (LTS) are designed for people following a controlled-carbohydrate weight loss programme and can be purchased at any pharmacy, and are usually kept with the diabetic supplies. In some stores they are available over the counter, with no prescription needed to buy them. Many of the online low-carbohydrate and health/drug stores carry test strips as well. There are a number of brands to choose from. In the U.S. the original KetoStix (Bayer) is the most common and the easiest to find in most pharmacies. There are also Uriscan and Atkins label sticks, as well as various own labels.

In general, price range is from \$9.99 to \$24.99 for 100 sticks in retail shops. Online prices vary from \$14 for 100 to \$14 for 240 sticks (plus shipment fee) (on UK website 100 sticks for £7.99).

Some brands however are ostensibly for diabetics to check for ketones where there should be none. KetoStix, for example, are designed to warn of ketoacidosis in diabetics. In this case the user has to ignore the paper inserts in the box if the sticks are for detecting ketosis in a low carbohydrate (ketogenic) diet.

For diabetes testing the prices for testing strips is very similar to that of the ketone testing strips (from £6.99 to £12.99 in retail shops in the UK). Currently in the market there are also blood glucose monitoring systems. An example of would be Auravita's Accu-Chek Active which retails for £23.50 (see Figure 2 below).

Figure 2:



Leading competitors in the sector for monitoring strips and systems would include: Abbott Laboratories, Baxter International, Bayer, Weight Watchers International, Unilever, B. Braun Medical, Roche Holding, Bristol-Myers Squibb, Jenny Craig, and Health Management Group.

However, many of the identified target markets in this business plan are either new markets or in relative stages of infancy. They are considered to be 'cross-over' opportunities that the market is currently ignoring, and simply require effective marketing strategies to make consumers 'aware' of their need.

Quantea's main competitive advantage lies in its ambition to develop a portfolio of instruments that can be used in conjunction with each other, thus offering the consumer full testing capabilities - essentially a 'One-Stop-Shop' for personal health monitoring.

Since products will not be combined but advertised alongside each other, often under different brand names, the sales channel overlap will serve to increase revenues rather than cannibalising them.



3.0 Products and Market Applications

The base of each of the instruments is a sensor adapted to test for the presence or absence of a particular substance in a gas or a liquid, and a microprocessor which permits analysis and recording of the results.

Due to the fact that all of Quantea's medical instruments analyse saliva (or other excreted body liquids) as opposed to blood they are therefore considered 'Non-Invasive'. Non-invasive techniques are being sought more and more in medicine due to factors such as: discomfort for the patient, health fears over contamination from blood-borne viruses, and the speed and cost-efficacy of analysis of samples.

The instruments can be used globally without modification for cultural differences, and are slim and portable (about the size of a mobile phone). They are user-friendly, and produce rapid results. A small swab is wet with the user's saliva and inserted into the sensor. Readings are available within seconds.

The inbuilt micro-processor has a memory which allows recording / logging of data for individuals. This allows the instrument to be utilized over time by more than one user, and for trends to be built-up and analysed by the instrument itself without requiring the downloading of the data onto a PC (although this can be done via a USB link if so desired). This will also permit transfer of data via email (useful, for example, for GP's or nurses sending results to specialists).

The products' main competitive attributes therefore include:

- Ease of use
- Use non-invasive analysis techniques
- Provide accuracy of readings by reducing statistical 'noise' and background contamination
- A wide range of uses for both individuals and professionals

As is common for all scientific instruments, the sensors will require periodic recalibration in order to check and maintain their accuracy. Recalibration agents will be sold separately and will provide an ongoing additional revenue stream.

3.1 Micro-Processor

Currently undergoing development is a micro-processor which is in-built for all of the monitors in the product range, which stores the readings taken for future reference. The detail will include the reading and the date and time of that reading.

This is particularly useful in the healthcare and nutrition sectors where the results over a period of time can be reviewed by physicians, enabling a more complete analysis of the position. Single, one-off readings can be affected by a whole number of factors including atmosphere, recent activity or stress and therefore may be misleading. The convenience of the monitors can be combined with the micro-processor to provide the physician with a more complete picture.

3.2 KetoScanner Description and Target Markets

The KetoScanner measures 'ketones' which are derivatives of stored fat which can be found



saliva and are also excreted in urine. Testing saliva for the presence of ketones is a more accurate measure than other methods currently being used.

Ketosis is really a shortening of the term lipolysis/ketosis. Lipolysis means the body is burning fat stores and using them as the source of fuel they were meant to be. The by-products of burning fat are ketones, so ketosis is a secondary process of lipolysis. When the body releases ketones in the urine and saliva, this is chemical proof that the body is consuming the stored fat.

The ketosis process can be confused with ketoacidosis, which is a life-threatening condition. The latter is the consequence of insulin-deficient subjects having out-of-control blood sugar levels, a condition that can occur as well in alcoholics and people in a state of extreme starvation.

The method of testing and the portable nature of the equipment enable multiple tests to be undertaken over shorter periods of time than if a health or veterinary care professional were involved.

As highlighted earlier, for somebody wanting to lose weight a state of ketosis is desirable, but for people / animals recovering from illness the loss of body fat can be dangerous. For this reason, the monitor is sensitive enough that the early stages of ketosis can be identified and the appropriate action can be taken (as opposed to waiting for an appointment or for the return of test results). The ability to take this rapid action also minimises recovery times and longer term risks associated with an ongoing state of ketosis.

3.2.1 Weight-Loss (Slimming / Dieting)

The KetoScanner will be the first instrument of its kind to be marketed on a commercial level to the general public, enabling them to monitor individual metabolic processes and to check the effectiveness of specific diets and eating patterns that are designed for weight-loss. It will also achieve some degree of re-education of the general public regarding dietary processes.

Amongst the general population there is still considerable ignorance regarding the metabolic processes responsible for weight-loss. For people trying to lose weight, some degree of ketosis (fat-burning) must be achieved in order for the diet to be effective.

The KetoScanner will monitor the subject's metabolic response to dieting and their efficiency in burning fat.

In calorie-restricted diets generally the initial poundage lost is usually water and glycogen (stored carbohydrate) in muscles. 5-7 days lead to burning of stored body fat in adipose tissue and from storage depots around organs such as kidneys.

In an unbalanced diet the danger is that protein (lean tissue) is respired in place of stored fat. This leads to a lowered Basal metabolic rate and hence an increased tendency to store fat, so the process is self-defeating, i.e. the body goes into starvation response which explains why people put on weight quickly when they come off diets.

Therefore, if the desire is for the body to enter a ketotic state, the KetoScanner will allow people who diet for weight-loss (irrespective of the diet followed - Atkins, food-combination such as Hayes & South Beach, or general food-restrictive diets), to



carefully monitor their metabolic processes to measure the efficacy of their diet.

3.2.2 Nutritionists and Medical Specialists

Nutrition is a sector of the medical and general health industries that has experienced rapid growth over recent times.

Eating disorders are now an accepted form of illness in society (e.g. anorexia, bulimia, obesity) and many people every year are referred to specialist nutritionists by local GP's. Early diagnosis is imperative to addressing quick remedial action for anorexics and bulimics in particular who begin to burn lean tissue from major organs such as the kidneys, heart and liver.

Furthermore, for serious diabetics who excrete virtually all of their blood glucose there is a risk that they may enter ketosis.

Due to the non-invasive nature of the tests and the portable nature of the monitor itself, the uses within and benefits to the healthcare sector are considerable.

The convenience, patient-friendly operation and the potential ability to record results over a period of time either by the patient or in an in-patient situation opens markets to the following healthcare situations:

- Care in the community and district nurses.
- Nurses in GP's surgeries who see patients regularly for chronic conditions enabling the patient to test themselves at home and provide results at check-ups.
- Eating disorder clinics to check for improvements in side effects or evidence of treatment being ineffective.
- Hospital wards for elderly patients enabling easy testing at the bedside or self testing;
- Cost effective way of implementing a screening programme as part of health checks as recommended by Diabetes UK as a research pilot or on a nationwide basis.

With the publicity surrounding diet and diabetes in recent months, some nationwide chains of pharmacies have started to offer blood pressure and diabetes checks on their premises.

These monitors would enable more pharmacies, including local branches, to offer ketosis, diabetes and salt testing with a low set up cost and support measures to relieve pressure on General Practitioners (GP's) and more people to get tested and receive advice and treatment.

3.2.3 Veterinary Applications

The KetoScanner has major potential uses in the bovine sectors for detecting signs of illness and stress in dairy and beef cattle, but this will be dealt with as a separate market segment in 3.2.6 Farming Applications.

Stress, depression and illness / recuperation can affect the ability of animals to absorb energy from their food. Regular testing can detect such problems at an early stage in their development and can therefore prevent complications and shorten recovery times.



The instrument will enable domestic pet owners market to be more active in their care and treatment of small animals such as dogs and cats, particularly in old age. The monitor can be used in care of small and large animals alike, and should be well-received by vets, zoologists & zoo caretakers, and teaching veterinary schools and universities.

3.2.4 Performance Racehorses / Greyhounds

With millions of dollars being pumped each year into horse-racing, particularly from the gambling industry and from Middle-Eastern connections, there is increasing interest on innovative techniques and veterinary analysis of horses being performed pre- and post-racing events. The same monitoring techniques could also be applied to Greyhounds.

3.2.4.1 Pre-Racing

Horses typically enter a training programme 3 months before a season. In the early stages of a horse's fitness program, this instrument can monitor desired levels of ketosis, as the objective is for the animal to lose fat only and to build up muscle.

Feeding and training patterns can be adjusted as race-fitness is neared and the optimum stabilising level for ketosis and fat-to-muscle ratio can be determined.

3.2.4.2 Post-Racing

After a race, horses are weighed as standard but often weight loss is due to water (sweat), and glycogen burning throughout the race. Horses take a varying amount of time to recover from a race, maybe 24 hours or a week or longer and monitoring with this instrument will enable a more accurate assessment of a horse's metabolism, coupled with the trainer's experience of its feeding regime.

3.2.5 Professional & Amateur Sports

The market for professional and amateur sports is considerably bigger than that of performance horse-racing, but the KetoScanner adapted for this sector would have essentially very similar requirements for monitoring the same metabolic processes for humans as for horses.

Due to the demands of modern-day sports (for example, soccer players may sometimes play three times in the same week), more and more studies are being commissioned and innovative techniques tried, particularly for rapid recovery of athletes (e.g. ice-baths).

Continuous monitoring of athletes is now 'de rigueur' in the professional sports world, particularly for fitness programmes and recovery after injuries. Sportsmen such as jockeys and boxers need to lose weight quickly and safely; body-builders want to ensure that strenuous physical exercise ensures fat-burning as opposed to lean tissue combustion.

At the same time, some athletes want to avoid ketosis at all costs. These include those with a low fat-to-lean tissue ratio and those who require high carbohydrate diets such



as marathon runners.

Apart from the professional sports arena, many amateur sportspeople are taking an increasingly 'professional' approach to care of their bodies. Leisure centres, health clubs and diet clubs would be able to provide basic health check ups and monitor clients over a period of time enabling early identification of potential problems and advise on visits to GP's.

The results from the tests could enable more appropriate advice on diet and exercise regimes as well as identifying potential health issues in people who do not regularly visit their GP.

3.2.6 Farming Applications - Beef and Dairy

Current intensive farming practices today ensure that each individual animal is ear-tagged so that age can be recorded and growth monitored (albeit to a limited extent).

The KetoScanner has the potential to revolutionise these practices by allowing a unique profile of every beast to be recorded, historical trends analysed, and the onset of ketosis to be diagnosed at an early stage and remedial action taken.

Apart from avoidance of ketosis, the major advantage of this is that, for commercial breeding applications, the best potential crosses for beef and dairy productions can be identified (i.e. those with quick growth, a lack of tendency to enter ketosis, breeding calm offspring, etc.).

3.2.6.1 Beef

Particularly in the USA, large numbers of beef or 'store' cattle (i.e. to be slaughtered after 18 months) are housed in large barns in intensive rearing methods. Despite adequate feeding, animals tend to get stressed and lose critical body mass. The KetoScanner can be used to monitor the onset of ketosis in cattle prior to physical evidence of weight loss so that feeding can be adjusted accordingly.

Since farmers are paid according to slaughter-weight, the objective is to maximise weights and avoid losing money through ketotic animals.

3.2.6.2 Dairy

The stress of being kept or transported in confined spaces, and the requirement to produce more than natural amounts of milk affects the absorption of energy from food for dairy cattle. Regular testing can detect such problems at an early stage in their development and can therefore prevent complications and shorten recovery times.

In dairy farming, monitoring can be done robotically. A robotic device can be put online in milking parlours to sample ketones present in milk (as opposed to saliva) from individual cows during milking process. This has enormous commercial potential because farmer can detect onset of ketosis prior to the milk yield from the cow diminishing, hence remedial measures can be put in place before the yield drops and quota falls.



An undesired ketotic state for a cow also has implications after calving, particularly in heavy milk producers, which may also be prone to milk-fever (calcium is drawn out of bones rapidly and cow has difficulty standing).

Recent milk price wars have forced changes in farming practices, leaning towards very large herds. For example, in the South West, perhaps 1,000 cows being cared for by sometimes only 2 men and being robotically milked.

The biggest markets for intensive bovine farming techniques are USA, Brazil, and Argentina. Monitoring can also be done on pigs and veal calves. These all represent an enormous potential market of opportunity for the KetoScanner.

3.3 Salt Monitor and Target Markets

The Salt Monitor, as its name indicates, measures salt levels of the body. The instrument will be similar in design and appearance to the KetoScanner, and will be aimed at the weight-loss / slimming sector in addition to the monitoring of medical conditions such as hypertension and fluid retention. The main target markets will be:

- Domestic households
- Nutrition specialists
- General Practitioners and Hospitals
- Pharmacies

The main difference between the Salt Monitor and the KetoScanner is that the level of salt in urine will be tested as opposed to saliva (excess salt is excreted through urine).

The current campaign ('Sid the Slug') by the UK Food Standards Agency elevating awareness amongst the general public regarding the dangers of high salt levels in the body should provide a convenient platform for product launch.

The Food Standards Agency has launched a major public health campaign to reduce high salt consumption in the UK. The campaign highlights the fact that eating too much salt is a significant risk factor in developing high blood pressure, which is a contributing factor in 170,000 deaths a year in England alone.

The cost to the NHS of prescriptions for reducing high blood pressure is around £840 million, nearly 15% of the total annual cost of all primary care drugs. Studies show that reducing salt in the diet can lower blood pressure within four weeks which helps protect the individual and reduces the cost to the National Health Service.

With high levels of salt being used by manufacturers in food production (often disguised as Sodium on ingredients labelling), there are many health reasons why all individuals generally should monitor salt levels.

Excess salt / sodium levels in the body cause fluid retention can lead to Oedema (excessive accumulation of serous fluid in tissue). This is then responsible for circulatory problems and strain on organs and joints.

Given that salt causes fluid retention in the body (excess water is what is mainly lost in the first days of dieting), people wanting to lose weight would be able to use this instrument in conjunction with the KetoScanner so as to monitor eating patterns in order to achieve safe and effective weight-loss.



3.4 Type 2 Diabetes Monitor and Target Markets

Diabetes is a chronic disease characterized by the body's inability to produce or properly use insulin, a hormone that is needed to convert sugar, starches and other food into energy needed for daily life.

Approximately 16 million Americans and 120 million people worldwide are estimated to have diabetes. Without proper management of the disease, diabetes leads to severe complications such as blindness, kidney disease, heart disease, nerve damage and death.

Diabetes is classified by the presence or absence of insulin in the body and diabetics are generally classified into one of two major categories:

- Type 1 diabetics do not produce insulin due to pancreatic cell destruction. Type 1 diabetics need insulin just to survive and this form is found most frequently in children and young adults.
- Type 2 diabetics have resistance to insulin and/or an insulin secretion defect. Approximately 40% of Type 2 diabetics require insulin injections.

Urine checks for glucose are not as accurate as blood glucose checks, but urine testing (despite being less accurate than blood tests), has a significant place for routine monitoring to give an indication for type 2 diabetics, those who excrete glucose in urine.

90% of diabetic population is type 2, and it is thought that there are 1 million undiagnosed diabetics currently in the UK alone. Checks for the levels of glucose excreted in urine has a place, especially when recorded historically monitored using software, to give doctors an overview of their patients between routine surgery visits.

People demonstrating impaired glucose tolerance (IGT) are regarded as "borderline" diabetics. They have fasting blood glucose values that lie in the normal range, but the values are raised more than normal following ingestion of a measured glucose load. Many of these people go on to develop Type 2 diabetes, so it is important that they be clinically monitored on a regular basis.

Dipsticks currently used are colorimetric, lacking in accuracy and open to contamination. Urine tests are simple, but to get good results directions have to be followed carefully. Strips have to be checked that they are not outdated.

In view of the above, it would be desirable to develop a non-invasive means for determining blood glucose levels.

A sensor has been developed that can detect the presence of glucose in urine and calibrate the findings to give an accurate reading enabling clear comparison and/or analysis of the results.

The testing is a simple process with the monitor being user-friendly, easily portable, non-invasive in nature and more accurate than current dipstick urine testers. The sensor is more accurate due to the fact that it is not affected by the presence of other substances in the urine and therefore gives a single, accurate reading.

The portable and user-friendly nature of the product enables glucose levels to be tested more often, enabling more accurate monitoring procedures to allow for differences in



testing circumstances which can manipulate one-off results.

As a niche market, the diabetes monitor could also be used in the domestic pet market in the care of small animals such as dogs and cats particularly in old age and enable owners to be more active in their care and treatment.

Worldwide sales of blood glucose self-monitoring products were approximately \$2.5 billion in 1997. In the United States alone, more than ten million people have been diagnosed with diabetes, with another five million believed to have the condition. The number of people with diabetes is expected to continue to grow with the aging of the population, while the number of diagnosed cases is also expected to increase with changes in diagnostic standards and new diagnostic technologies. Analysts project the market will reach \$3 billion by 2000⁹.

The main target markets for the Type 2 Diabetes Monitor will be:

- Domestic households
- Nutrition specialists
- General Practitioners and Hospitals
- Pharmacies
- Domestic pet owners

3.5 Product Differentiation

Quantea will target many different market sectors and specific niches within those same sectors with a portfolio of essentially 'standardised' products, but will make special adaptations for certain market segments.

Brand names, size, and complexity of instruments will vary across the spectrum of markets and this aspect will form an important part of the Research & Development project.

This is a key consideration of Quantea's product development and placement strategy since many of the identified target markets in this business plan are new markets or in relative stages of infancy.

3.6 Supply Chain Management & Distribution

The company will not be manufacturing the products themselves, but will subcontract the manufacture under a licensing agreement.

Manufacturing and shipment / distribution feasibility studies will be carried out alongside Research & Development on the product pipeline.

3.7 Future Products

The company is keen to continue to develop the product range given the potential identified within the target markets, but at this stage no information can be disclosed regarding future products.

⁹ Boston Biomedical Consultants



4.0 Marketing and Sales Strategy

4.1 Marketing Strategy

Product marketing is accounted for implicitly in the marketing budget. Consultants can be used on a temporary or permanent basis, but the company may feel the need to recruit specialist marketing personnel at a later stage.

4.1.1 Positioning Statement

To be decided by marketing consultant for each product and its target market.

4.1.2 Pricing Strategy

The pricing strategy in the forecasts assumes a standard sale price for all channels.

4.2 Promotion Strategy

Phase 1:

- Press releases will be issued describing the company and its products.
- Hiring of concessionary stands in major Department Stores (e.g. John Lewis)
- Promotional activities and concessionary stands in gyms and shopping malls

No direct mailing campaign has currently been planned for the target market since catalogue sales are considered a cheaper and more effective strategy.

The sales literature Quantea plans to have will be the brochures for established purchasing departments for high street retailers and the information pamphlets designed for concessionary stands.

Phase 2:

Press releases with a more international coverage will be released. These press releases will describe services and successes with reference customers. The goal of the press coverage will be to support international direct and indirect sales efforts. Promotion materials for direct and indirect sales channels will be made available and financed by Quantea.

4.3 Customer Sales Support

Customer sales support will be based in Bristol initially as a high level of calls is not envisaged. Outsourcing of this department may be an option.

4.4 Sales Strategy

The sales strategy will concentrate initially on two main routes to market:



4.4.1 Online and Catalogue Sales

The company will establish online sales, followed by catalogue sales operations through third parties. These sales channels are a key element to Quantea's sales strategy for the following reasons:

- Considerable higher margins as sale is direct to end-consumer*.
- Instant payment / no credit terms as purchases will be credit card transactions.
- Cheaper advertising online.
- Lower cost of sale.
- Opportunities to maximise sales through other website referrals.

*For prudence reasons, higher margins for these sales channels have not been assumed in the profit and loss forecasts.

4.4.2 Direct Sales to Retailers & Retail Distributors (Wholesale)

The initial role of the Sales Director will be to find five to ten reference customers in the UK. The customers are expected to be evenly divided between large customers for retail, and also resale partners.

Here, wholesale margins to the retail channels and retail distributors are assumed at 50%.

Large retail channel customers with established retail outlets nationally to be targeted would include:

- Retail Pharmacy (e.g. Lloyds, Boots)
- Health Shops (e.g. Holland & Barrett)
- Health Centres / Gyms (e.g. Holmes Place, Fitness First, John Lloyd)
- Sports Equipment Shops (e.g. JJB Sports, Foot Locker)

Retail Distributors would then distribute to independent pharmacies and minor retail chains and outlets such as health centres, nutritionists, and health spas.

These retail distributors will provide assistance and confidence in attacking the local customer base.

4.5 Other Channels to Identified Markets

The Sales Director will also look to exploit the network of contacts that Alison Williams has through her involvement in horse-racing in order to capitalise on opportunities in the industry, as well as those in veterinary care and intensive-farming practices.

It is hoped that the appointed Sales Director will have considerable experience in selling for the pharmaceutical industry and therefore will be able to quickly open channels to purchasers of healthcare equipment.



4.6 International Development

Once the products have been established in the UK market and the revenue model proven, Quantea would look for international distribution. Initially this would be done through identification of an independent agent in each local market who will be able to approach large customers on behalf of Quantea.

4.7 Joint Venture Proposals / Own-Label Partnerships

Preliminary talks have been held with the Atkins Institute based in Chicago, US regarding a reseller partnership. The Atkins Institute is the legacy of the low-carbohydrate diet advocated by the former Dr. Atkins. Although adverse publicity has been received recently over cholesterol scares, the Atkins Institute has reviewed its book and still enjoys a healthy following as some people diet with this method for short periods of time (weeks as opposed to months) in order to achieve rapid weight-loss. The Atkins industry currently produces millions of dollars every year in turnover from literature, products and services and some restaurants now even offer Atkins-style menus.

It has not been decided yet as to whether the Atkins Institute would be an appropriate reseller, but the format in principle would allow resellers, if desired, to re-brand Quantea products under their own house style and brand name. They would be able to position the services as their own services with a proprietary trademark.

Possible other reseller target partners would be considered in the body-building industry (e.g. Gold's Gym), and the general sports industry.

4.8 Sales Forecast

At present Quantea's sales forecast does not differentiate between sales channels. Neither does it make any assumptions regarding different pricing and margins for specific channels at this stage.

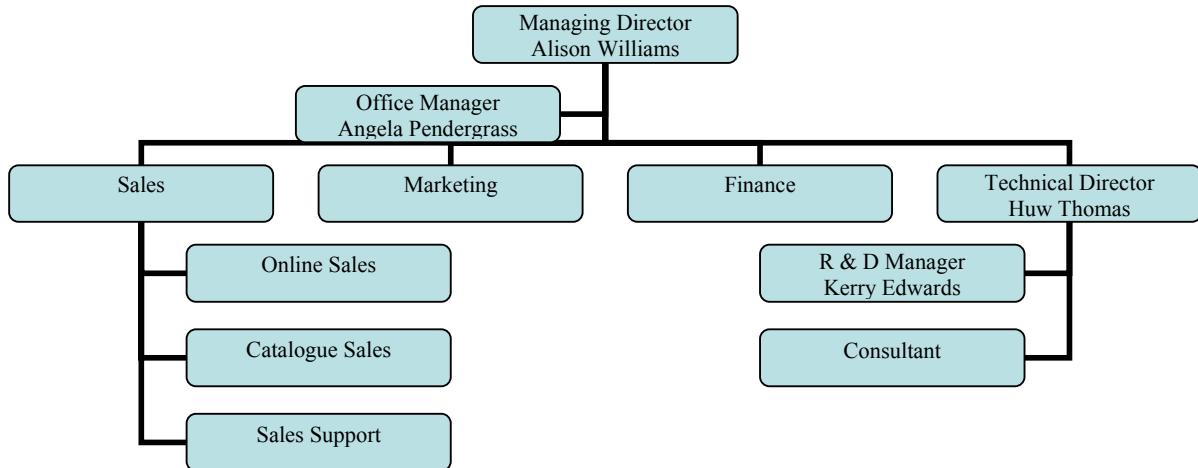


5.0 Management Summary

The management team consists of mix-experienced managers. The management team is technically diverse and includes team members with business experience in the UK and also globally. The positions are permanent.

The management team is still looking to fill three key positions: a National / International Sales Director, an Online Sales Manager, and a Chief Financial Officer.

5.1 Organizational Structure



The organization chart shows the basic structure of the company on start-up.

Sales, Marketing and Finance are key departments that need to be filled. It is hoped that Online Sales will be the most successful sales channel for the company in terms of volume due to the attractive profitability margins.

5.2 Management Team

5.2.1 Principal

5.2.1.1 Managing Director - Alison Williams (MSc, BSc (Hons), PGCE, CBiol, MIBiol)

Alison has a significant amount of experience in the bioscience and microbiology fields, specialising in the water industry. In addition to lecturing in Biosciences, Alison was a founder member of Biotrace Int. that went from initial concept to public listing sale for £11m in 1993.



The success of Biotrace International was built on the production and sale of monitoring equipment developed from Adenosine Triphosphate (ATP) technology to multi-national companies for hygiene levels and contaminants for the food and beverage industries.

Alison has since spent several years identifying niche markets and developing key instrumentation for the proposed product portfolio of Quantea.

5.2.2 Key Personnel

5.2.2.1 **Technical Director - Huw Thomas, 48, (MRSC, MIBiol, MCIWEM)**

Huw has 25 years of experience of water and environmental management (Welsh Water, Hyder Consulting Middle East). His expertise covers operation and maintenance of water production plants; waste water treatment; design and commissioning of water treatment process plants; water quality regulation; laboratory management; environmental surveys; chemical and biological analysis; process control and water quality monitoring. He was also responsible for auditing of process plants for efficiency and regulatory compliance; contract management; and training and development of client contract management teams.

5.2.2.2 **R&D Manager - Kerry Edwards, 30**

Kerry is a highly experienced environmental consultant with a strong Health, Safety and Environmental background, providing support and guidance for clients in terms of attaining accreditations and maintaining environmental compliance. His fields of expertise include all aspects of emissions to air, including monitoring (MCERTS Level 2) Modelling and Compliance. Other areas include Environmental Management Systems (ISO 14001), IPPC applications, Process Control, Health & Safety, and Research & Development. He has successfully managed various environmental projects for a range of businesses from SME's to large blue chip companies.

5.2.2.3 **Office Manager - Angela Pendergrass**

Angela is an experienced administrator and office manager and will be responsible for all day-to-day office operations. She also possesses substantial previous experience in managing a sales team of over 25 people.

5.2.3 Future Key Management

5.2.3.1 **Sales Director (National & International)** 5.2.3.2 **Marketing Director (Product & Campaign)**

The importance of recruiting experienced Sales and Marketing Managers at an early stage is recognised. They would need knowledge and experience of the scientific instruments market and be confident dealing with high level



executives of multi-national blue-chip companies.

They would be responsible for exploiting the network of contacts already established by Alison as well as building up a network of their own to contribute to the continued growth of the company.

5.2.3.3 **Online Sales & Marketing Manager**

Online Sales & Marketing is a key element of the sales strategy. Knowledge and experience of managing online sales for a product-similar industry would be essential. This position may also cover Catalogue Sales.

5.2.3.4 **Chief Financial Officer**

Given that forecast turnover is expected to grow considerably, especially from Year 2, a CFO with a pharmaceutical / scientific instruments background will be recruited.

5.3 **Salary Assumptions**

The total salary forecast budgets that follow in the financial plan have been broken down as follows:

Alison Williams - Managing Director	£40,000
Huw Thomas - Technical Director	£25,000
Kerry Edwards - R&D Manager	£35,000
Angela Pendergrass - Office Administrator	£20,000
Sales Director	£50,000
Marketing Director	£40,000
Online Sales	£20,000
Catalogue Sales	£20,000
Sales Support	£14,000
TOTAL: YEARLY (MONTHLY)	£264,000 (£22,000)

The salary costs for Sales and Marketing do not feature in the financial model until Quarter 2 of Year 1.

There has been an assumption of a 15% increase year-on-year to take account of new recruits to accelerate growth and to support a high-turnover business.

It is envisaged that new recruits will significantly enhance sales.



6.0 Financial Plan

The model for business is in place but the profit figures are only a guideline at this stage. At the same time, assumptions regarding pricing, production costs and sales growth are felt to be very conservative.

The model attached currently reflects what is estimated to be a 'Worst Case Scenario'. It is the same model as Scenario 1 in the attached Scenario Plans (Chapter 6.5).

It is hoped that everything will be challenged in order to predict further assumed 'Best' and 'Worst' case scenarios. Examples of discussion points would include:

- Rationalising all turnover and costs
- Aligning financials with strategy
- Cash utilisation
- Return on capital

6.1 Important Assumptions

The variable elements of the financials are very conservative. Please note the following:

1. All figures are net of VAT (VAT is not considered in the model).
2. No assumptions are made regarding inflation.
3. Unit cost price of production is estimated at £20 for the KetoScanner and £15 for the Salt Monitor and Diabetes Monitor.
4. Unit Wholesale price is estimated at £35 for the KetoScanner and £27 for the Salt Monitor and Diabetes Monitor.
5. Shipment costs are estimated at 2% of turnover.
6. Sales commissions to internal sales force are estimated at 1% of turnover.
7. Wholesale prices drop beginning in Year 3 (through to Year 5) by 4% to account for new entrants to the market.
8. Growth of unit sales stabilises in Year 3 (through to Year 5) at a standard 25%.
9. Unit production price falls in Year 3 (through to Year 5) at 1%.
10. No differences in margins are assumed for online or catalogue sales.
11. Seasonality is crudely estimated, with peaks around December accounting for gift sales and in January to account for gym membership / health club renewals and promotions. There is a further pick-up at the beginning of summer in May and June.
12. Marketing costs are difficult to estimate for a high level of turnover. £170,000 is factored-in for Year 1 but henceforth assumed at 6.5% of turnover.



13. IT Infrastructure assumes one-off costs of £10,000 for website design and £5,000 in office PCs and laptops. Integrated Accountancy & Billing Solutions & Payroll is estimated as an ongoing monthly cost.
14. Manufacturing and production wages are outsourced as a unit cost, hence no stock is accounted for in the balance sheet.
15. No bad debts are assumed because selling at trade price only to multinationals and online / catalogue sales paid by credit card.
16. There are no interest or overdraft expenses because assumed that start-up costs funded by equity as opposed to bank debt.
17. The balance sheet assumes 60 days trade credit and 30 days for debtors.
18. There may be potential to capitalise patent fees under intangibles although this is not reflected here.
19. The model assumes no cost of raising finance.
20. The headcount in the model may be deemed to low to support a £5m turnover business.
21. Tax calculations are crude at 20% of cumulative profit.
22. No tax claw back for R&D tax credits is accounted for.
23. The balance sheet indicates a large amount of cash at bank in years 4 and 5, which is unusual. No assumptions have been made regarding the use of this cash.
24. Dividends in the model account for payback of seed capital, beginning in Year 3, but do not show further dividends to investors.
25. There is no budget for developmental product marketing during the R&D stage (YEAR 1) but this is implicit in salary costs.
26. The salary costs for Sales and Marketing do not feature in the financial model until Quarter 2 of Year 1.
27. Salaries grow at 15% year-on-year to factor-in new recruitment as well as inflation linked salary costs.



6.2 Projected Profit & Loss

The pro-forma Profit and Loss statement is below. It displays the P&L on an annual basis for the five years following start-up. A 5-Year detailed, extended (month-on-month) version is in the appendices. [\(See Appendix A: Extended Profit & Loss, Cash Flow Forecasts\)](#).

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA 5 YEAR PROFIT & LOSS FORECAST

	YEAR 1 £	YEAR 2 £	YEAR 3 £	YEAR 4 £	YEAR 5 £	Total £
TURNOVER						
KetoScanner Sales	525,000	1,709,575	2,051,490	2,461,788	2,954,146	9,701,999
Salt Monitor Sales	67,500	1,020,600	1,224,720	1,469,664	1,763,597	5,546,081
Diabetes Monitor Sales	67,500	1,020,600	1,224,720	1,469,664	1,763,597	5,546,081
Future Product Sales	-	-	-	-	-	-
Recalibration Agents	-	37,334	44,800	53,760	64,512	200,406
Distribution Costs	(13,200)	(75,762)	(90,915)	(109,098)	(130,917)	(419,891)
Discounts Allowed	(33,000)	(189,405)	(227,287)	(272,744)	(327,293)	(1,049,728)
Sales Commissions	(6,138)	(35,229)	(42,275)	(50,730)	(60,876)	(195,249)
TOTAL UNITS SOLD	607,662	3,487,711	4,185,254	5,022,305	6,026,765	19,329,697
DIRECT COSTS						
Production	535,900	2,163,570	2,677,417	3,313,304	4,100,214	12,790,404
	535,900	2,163,570	2,677,417	3,313,304	4,100,214	12,790,404
GROSS PROFIT						
Gross Profit Margin (%)	11.8%	38.0%	36.0%	34.0%	32.0%	33.8%
OVERHEADS						
Rent Contribution	24,000	24,000	24,000	24,000	24,000	120,000
Other Premises & Rates	20,000	24,000	24,000	24,000	24,000	116,000
Wages	228,000	303,600	349,140	401,511	461,738	1,743,989
Telephone	9,000	12,000	12,000	12,000	12,000	57,000
Printing	3,600	3,600	3,600	3,600	3,600	18,000
Travel & Motor Expenses	24,000	24,000	24,000	24,000	24,000	120,000
Insurances	4,800	4,800	4,800	4,800	4,800	24,000
R&D Expenses	40,000	-	-	-	-	40,000
IT Infrastructure	16,200	7,200	7,200	7,200	7,200	45,000
Marketing	170,000	226,701	272,041	326,450	391,740	1,386,932
Patent Fees	15,000	-	-	-	-	15,000
Legal & Professional	51,000	24,000	24,000	24,000	24,000	147,000
Accountancy	11,050	24,000	24,000	24,000	24,000	107,050
Miscellaneous	24,000	24,000	24,000	24,000	24,000	120,000
	640,650	701,901	792,781	899,561	1,025,077	4,059,971
OPERATING PROFIT						
Operating Profit Margin (%)	(93.6%)	17.8%	17.1%	16.1%	15.0%	12.8%
INTEREST EXPENSE	-	-	-	-	-	-
	-	-	-	-	-	-
NET PROFIT						
	(568,888)	622,241	715,055	809,440	901,475	2,479,322
TAX ON PROFITS @ 20%	-	(10,671)	(143,011)	(161,888)	(180,295)	(495,864)
DIVIDENDS	-	-	(425,000)	(425,000)	-	(850,000)
CUMULATIVE	(568,888)	42,682	189,726	412,278	1,133,458	1,133,458



6.3 Projected Cash Flow

Assuming the start-up funding requirements are met, the company should be self-sufficient in the second year of operation.

The business plan does not reflect any special payment terms and it assumes all payments are made when due.

A 5-Year detailed, extended (month-on-month) version is in the appendices below the Extended Profit & Loss Forecasts. [\(See Appendix A: Extended Profit & Loss, Cash Flow Forecasts\).](#)

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA 5 YEAR CASHFLOW FORECAST

	YEAR 1 £	YEAR 2 £	YEAR 3 £	YEAR 4 £	YEAR 5 £	Total £
RECEIPTS						
Invoiced Sales	225,572	3,093,882	4,030,070	4,836,084	5,803,301	17,988,908
Share Issue (Seed Cap)	850,000	-	-	-	-	850,000
	1,075,572	3,093,882	4,030,070	4,836,084	5,803,301	18,838,908
PAYMENTS						
Invoiced Costs	720,350	2,541,408	3,066,644	3,744,265	4,580,830	14,653,496
Direct Wages	190,007	253,009	290,961	334,605	384,795	1,453,376
Printing	-	-	-	-	-	-
PAYE / NI	34,327	50,041	57,547	66,179	76,106	284,200
Tax	-	-	97,391	151,634	168,389	417,413
VAT	-	-	-	-	-	-
Dividends	-	-	425,000	425,000	-	850,000
	944,684	2,844,458	3,937,542	4,721,682	5,210,120	17,658,486
NET CASH FLOW	130,888	249,424	92,528	114,402	593,180	1,180,422



6.4 Projected Balance Sheet

A 5-Year detailed, extended (month-on-month) version is in the appendices. [\(See Appendix B: Extended Balance Sheet Forecasts\)](#).

QUANTEA LIMITED FINANCIAL PROJECTIONS PRO-FORMA 5 YEAR BALANCE SHEET

	YEAR 1 £	YEAR 2 £	YEAR 3 £	YEAR 4 £	YEAR 5 £
FIXED ASSETS					
Intangible Assets	-	-	-	-	-
Tangible Assets	-	-	-	-	-
Investments	-	-	-	-	-
	-	-	-	-	-
CURRENT ASSETS					
Stocks	-	-	-	-	-
Debtors	382,091	775,920	931,104	1,117,325	1,340,790
Investments	-	-	-	-	-
Cash At Bank & In-Hand	130,888	380,312	472,840	587,242	1,180,422
	512,978	1,156,232	1,403,944	1,704,566	2,521,211
CREDIT DUE WITHIN ONE YEAR					
Taxation	-	10,671	56,291	66,545	78,451
Creditors	231,866	252,879	307,926	375,743	459,303
Accruals & Deferred Income	-	-	-	-	-
	231,866	263,550	364,217	442,288	537,754
NET CURRENT ASSETS					
	281,112	892,682	1,039,726	1,262,278	1,983,458
CREDITORS DUE AFTER ONE YEAR					
	-	-	-	-	-
	-	-	-	-	-
TOTAL NET ASSETS					
	744,844	1,419,781	1,768,161	2,146,854	3,058,965
CAPITAL & RESERVES					
Called-Up Share Capital	850,000	850,000	850,000	850,000	850,000
Share Premium Account	-	-	-	-	-
Revaluation Reserve	-	-	-	-	-
Other Reserves	-	-	-	-	-
Profit & Loss Account	(568,888)	42,682	189,726	412,278	1,133,458
	281,112	892,682	1,039,726	1,262,278	1,983,458



6.5 Scenario Plans

The following six scenario plans attempt to model scenarios based on varying net margins, varying cumulative total unit sales for all products by Year 3, and a varying sales build-up rates around December January of Year 1.

It has been assumed in the Business Plan that all production is outsourced at a unit cost price and that there is a one month delay in turnaround from production to sales. In other words, for prudence reasons, the model assumes that all production costs are paid for in the month preceding the equivalent sales revenue being booked.

It has also been assumed that all financing will be done by equity and no bank debt (loans, overdraft or otherwise). For this reason higher seed capital is required for the model in order to allow for cash flow deficits to finance production before December Year 1, and January and February of Year 2.

Generally banks are unwilling to finance production for a company with a very short revenue-generating track record, but this option should not be completely ruled out. Factoring sales revenue and negotiating favourable terms with the manufacturing partner are other avenues to be explored in order to avoid the cashflow issue at the end of Year 1.

Achieving a solution in this respect would lower the amount of seed capital required to finance the business.

6.5.1 Scenario Planning Variances

Scenario 1:

Model assumes lower average net margins of 78%, unit sales of over 300,000 by end of Year 3, higher sales in December Year 1, and a seed capital requirement of £850,000.

Scenario 2:

Model assumes medium average net margins of 139%, unit sales of over 300,000 by end of Year 3, higher sales in December Year 1, and a seed capital requirement of £700,000.

Scenario 3:

Model assumes medium average net margins of 174%, unit sales of over 300,000 by end of Year 3, higher sales in December Year 1, and a seed capital requirement of £650,000.

Scenario 4:

Model assumes lower average net margins of 78%, unit sales of over 600,000 by end of Year 3, lower sales in December Year 1, and a seed capital requirement of £950,000.

Scenario 5:

Model assumes medium average net margins of 139%, unit sales of over 600,000 by end of Year 3, lower sales in December Year 1, and a seed capital requirement of £700,000.

Scenario 6:

Model assumes medium average net margins of 174%, unit sales of over 600,000 by end of Year 3, lower sales in December Year 1, and a seed capital requirement of £600,000.

QUANTEA SCENARIOS 1-6 KEY NUMBERS COMPARISON

		Quantea Key Numbers					Quantea Key Numbers				
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
£	£	£	£	£	£	£	£	£	£	£	£
Scenario 1											
Turnover		607,662	3,487,711	4,185,254	5,022,305	6,026,765	1,150,875	7,004,284	8,405,140	10,086,168	12,103,402
Gross Profit		71,762	1,324,142	1,507,837	1,709,001	1,926,552	119,075	2,659,296	3,028,218	3,432,227	3,869,150
Operating Profit		11.8%	38.0%	36.0%	34.0%	32.0%	10.3%	38.0%	36.0%	34.0%	32.0%
		(568,888)	622,241	715,055	809,440	901,475	(521,575)	1,934,096	2,257,478	2,609,116	2,985,812
		(93.6%)	17.8%	17.1%	16.1%	15.0%	(45.3%)	27.6%	26.9%	25.9%	24.7%
		Quantea Key Numbers					Quantea Key Numbers				
Scenario 2		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
		£	£	£	£	£	£	£	£	£	£
Turnover		607,662	3,483,652	4,198,650	5,059,205	6,094,786	1,150,875	7,004,284	8,405,140	10,086,168	12,103,402
Gross Profit		207,762	1,876,958	2,210,365	2,598,703	3,049,915	381,075	3,777,486	4,411,978	5,144,630	5,988,248
Operating Profit		34.2%	53.9%	52.6%	51.4%	50.0%	33.1%	53.9%	52.5%	51.0%	49.5%
		(432,888)	1,151,758	1,439,625	1,775,592	2,166,577	(259,575)	3,052,286	3,641,238	4,321,519	5,104,911
		(71.2%)	33.1%	34.3%	35.1%	35.5%	(22.6%)	43.6%	43.3%	42.8%	42.2%
		Quantea Key Numbers					Quantea Key Numbers				
Scenario 3		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
		£	£	£	£	£	£	£	£	£	£
Turnover		695,129	3,990,989	4,789,187	5,747,024	6,896,429	1,316,601	8,014,927	9,617,912	11,541,495	13,849,794
Gross Profit		295,229	2,384,295	2,800,903	3,286,522	3,851,558	546,801	4,788,129	5,624,750	6,599,956	7,734,640
Operating Profit		42.5%	59.7%	58.5%	57.2%	55.8%	41.5%	59.7%	58.5%	57.2%	55.8%
		(345,422)	1,659,095	2,030,163	2,463,411	2,968,220	(93,849)	4,062,929	4,854,010	5,776,845	6,851,302
		(49.7%)	41.6%	42.4%	42.9%	43.0%	(7.1%)	50.7%	50.5%	50.1%	49.5%
		Quantea Key Numbers					Quantea Key Numbers				
Scenario 4		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
		£	£	£	£	£	£	£	£	£	£
Turnover		1,150,875	7,004,284	8,405,140	10,086,168	12,103,402	1,150,875	7,004,284	8,405,140	10,086,168	12,103,402
Gross Profit		119,075	2,659,296	3,028,218	3,432,227	3,869,150	119,075	2,659,296	3,028,218	3,432,227	3,869,150
Operating Profit		10.3%	38.0%	36.0%	34.0%	32.0%	10.3%	38.0%	36.0%	34.0%	32.0%
		(521,575)	1,934,096	2,257,478	2,609,116	2,985,812	(521,575)	1,934,096	2,257,478	2,609,116	2,985,812
		(45.3%)	27.6%	26.9%	25.9%	24.7%	(45.3%)	27.6%	26.9%	25.9%	24.7%
		Quantea Key Numbers					Quantea Key Numbers				
Scenario 5		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
		£	£	£	£	£	£	£	£	£	£
Turnover		1,150,875	7,004,284	8,405,140	10,086,168	12,103,402	1,150,875	7,004,284	8,405,140	10,086,168	12,103,402
Gross Profit		381,075	3,777,486	4,411,978	5,144,630	5,988,248	381,075	3,777,486	4,411,978	5,144,630	5,988,248
Operating Profit		33.1%	53.9%	52.5%	51.0%	49.5%	33.1%	53.9%	52.5%	51.0%	49.5%
		(259,575)	3,052,286	3,641,238	4,321,519	5,104,911	(259,575)	3,052,286	3,641,238	4,321,519	5,104,911
		(22.6%)	43.6%	43.3%	42.8%	42.2%	(22.6%)	43.6%	43.3%	42.8%	42.2%
		Quantea Key Numbers					Quantea Key Numbers				
Scenario 6		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
		£	£	£	£	£	£	£	£	£	£
Turnover		1,316,601	8,014,927	9,617,912	11,541,495	13,849,794	1,316,601	8,014,927	9,617,912	11,541,495	13,849,794
Gross Profit		546,801	4,788,129	5,624,750	6,599,956	7,734,640	546,801	4,788,129	5,624,750	6,599,956	7,734,640
Operating Profit		41.5%	59.7%	58.5%	57.2%	55.8%	41.5%	59.7%	58.5%	57.2%	55.8%
		(93,849)	4,062,929	4,854,010	5,776,845	6,851,302	(93,849)	4,062,929	4,854,010	5,776,845	6,851,302
		(7.1%)	50.7%	50.5%	50.1%	49.5%	(7.1%)	50.7%	50.5%	50.1%	49.5%

Quantea Scientifics Limited
Forecast Scenario

SCENARIO 1 ASSUMPTIONS

SEED CAPITAL

£850,000

UNIT SALES (CUMULATIVE)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Ketoscanner	15,000	63,845	124,901	201,222	296,622
Salt Monitor	2,500	40,300	87,550	146,613	220,441
Diabetes Monitor	2,500	40,300	87,550	146,613	220,441
TOTAL CUMULATIVE	20,000	144,445	300,001	494,447	737,503

NET MARGIN	£	%	SCENARIO:	
Ketoscanner	15.00	75.0%	Low net margins:	78%
Salt Monitor	12.00	80.0%	Unit sales end Year 3:	300,001
Diabetes Monitor	12.00	80.0%	Xmas sales build up:	Quick
Future Products	-	-	Seed capital required:	£850,000
Recalibration Agents	2.00	200.0%		

UNIT COST PRICE	£
Ketoscanner	20.00
Salt Monitor	15.00
Diabetes Monitor	15.00
Future Products	-
Recalibration Agents	1.00

WHOLESALE PRICE	£	RRP
Ketoscanner	35.00	61.69
Salt Monitor	27.00	47.59
Diabetes Monitor	27.00	47.59
Future Products	-	0.00
Recalibration Agents	3.00	5.29

STARTING YEAR 3	
Sales Growth Rate	25.0%
Wholesale Price Reduction	(4.0%)
Production Cost Saving	(1.0%)

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA 5 YEAR CASHFLOW FORECAST

RECEIPTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Total
	£	£	£	£	£	£
Invoiced Sales	225,572	3,093,882	4,030,070	4,836,084	5,803,301	17,988,908
Share Issue (Seed Cap)	850,000	-	-	-	-	850,000
	1,075,572	3,093,882	4,030,070	4,836,084	5,803,301	18,838,908
PAYMENTS						
Invoiced Costs	720,350	2,541,408	3,066,644	3,744,265	4,580,830	14,653,496
Direct Wages	190,007	253,009	290,961	334,605	384,795	1,453,376
Printing	-	-	-	-	-	-
PAYE / NI	34,327	50,041	57,547	66,179	76,106	284,200
Tax	-	-	97,391	151,634	168,389	417,413
VAT	-	-	-	-	-	-
Dividends	-	-	425,000	425,000	-	850,000
	944,684	2,844,458	3,937,542	4,721,682	5,210,120	17,658,486
NET CASH FLOW	130,888	249,424	92,528	114,402	593,180	1,180,422

TURNOVER

KetoScanner Sales	
Salt Monitor Sales	
Diabetes Monitor Sales	
Future Product Sales	
Recalibration Agents	-
	37,334
Distribution Costs	44,800
Discounts Allowed	53,760
Sales Commissions	64,512

TOTAL UNITS SOLD

DIRECT COSTS
Production

GROSS PROFIT
Gross Profit Margin (%)

OVERHEADS

Rent Contribution	24,000	24,000	24,000	24,000	24,000	120,000
Other Premises & Rates	20,000	24,000	24,000	24,000	24,000	116,000
Wages	228,000	303,600	349,140	401,511	461,738	1,743,989
Telephone	9,000	12,000	12,000	12,000	12,000	57,000
Printing	3,600	3,600	3,600	3,600	3,600	18,000
Travel & Motor Expenses	24,000	24,000	24,000	24,000	24,000	120,000
Insurances	4,800	4,800	4,800	4,800	4,800	24,000
R&D Expenses	40,000	-	-	-	-	40,000
IT Infrastructure	16,200	7,200	7,200	7,200	7,200	45,000
Marketing	170,000	226,701	272,041	326,450	391,740	1,386,932
Patent Fees	15,000	-	-	-	-	15,000
Legal & Professional	51,000	24,000	24,000	24,000	24,000	147,000
Accountancy	11,050	24,000	24,000	24,000	24,000	107,050
Miscellaneous	24,000	24,000	24,000	24,000	24,000	120,000
	640,650	701,901	792,781	899,561	1,025,077	4,059,971

OPERATING PROFIT
Operating Profit Margin (%)

INTEREST EXPENSE

NET PROFIT

TAX ON PROFITS @ 20%

DIVIDENDS

CUMULATIVE

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA 5 YEAR PROFIT & LOSS FORECAST

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Total
£	£	£	£	£	£
525,000	1,709,575	2,051,490	2,461,788	2,954,146	9,701,999
67,500	1,020,600	1,224,720	1,469,664	1,763,597	5,546,081
67,500	1,020,600	1,224,720	1,469,664	1,763,597	5,546,081
-	-	-	-	-	-
37,334	44,800	53,760	64,512	200,406	
(13,200)	(75,762)	(90,915)	(109,098)	(130,917)	(419,891)
(33,000)	(189,405)	(227,287)	(272,744)	(327,293)	(1,049,728)
(6,138)	(35,229)	(42,275)	(50,730)	(60,876)	(195,249)
607,662	3,487,711	4,185,254	5,022,305	6,026,765	19,329,697
20,000	124,445	155,556	194,445	243,057	737,503
535,900	2,163,570	2,677,417	3,313,304	4,100,214	12,790,404
535,900	2,163,570	2,677,417	3,313,304	4,100,214	12,790,404
71,762	1,324,142	1,507,837	1,709,001	1,926,552	6,539,293
11.8%	38.0%	36.0%	34.0%	32.0%	33.8%
24,000	24,000	24,000	24,000	24,000	120,000
20,000	24,000	24,000	24,000	24,000	116,000
228,000	303,600	349,140	401,511	461,738	1,743,989
9,000	12,000	12,000	12,000	12,000	57,000
3,600	3,600	3,600	3,600	3,600	18,000
24,000	24,000	24,000	24,000	24,000	120,000
4,800	4,800	4,800	4,800	4,800	24,000
40,000	-	-	-	-	40,000
16,200	7,200	7,200	7,200	7,200	45,000
170,000	226,701	272,041	326,450	391,740	1,386,932
15,000	-	-	-	-	15,000
51,000	24,000	24,000	24,000	24,000	147,000
11,050	24,000	24,000	24,000	24,000	107,050
24,000	24,000	24,000	24,000	24,000	120,000
640,650	701,901	792,781	899,561	1,025,077	4,059,971
(568,888)	622,241	715,055	809,440	901,475	2,479,322
(93.6%)	17.8%	17.1%	16.1%	15.0%	12.8%
-	-	-	-	-	-
(568,888)	622,241	715,055	809,440	901,475	2,479,322
-	(10,671)	(143,011)	(161,888)	(180,295)	(495,864)
-	(425,000)	(425,000)	-	-	(850,000)
(568,888)	42,682	189,726	412,278	1,133,458	1,133,458

Quantea Scientifics Limited
Forecast Scenario

SCENARIO 2 ASSUMPTIONS

UNIT SALES (CUMULATIVE)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Ketoscanner	15,000	63,845	124,901	201,222	296,622
Salt Monitor	2,500	40,300	87,550	146,613	220,441
Diabetes Monitor	2,500	40,300	87,550	146,613	220,441
TOTAL CUMULATIVE	20,000	144,445	300,001	494,447	737,503

NET MARGIN	£	%	SCENARIO:	
Ketoscanner	20.00	133.3%	Low net margins:	139%
Salt Monitor	16.00	145.5%	Unit sales end Year 3:	300,001
Diabetes Monitor	16.00	145.5%	Xmas sales build up:	Quick
Future Products	-	-	Seed capital required:	£700,000
Recalibration Agents	2.00	200.0%		

UNIT COST PRICE	£
Ketoscanner	15.00
Salt Monitor	11.00
Diabetes Monitor	11.00
Future Products	-
Recalibration Agents	1.00

WHOLESALE PRICE	£	RRP
Ketoscanner	35.00	61.69
Salt Monitor	27.00	47.59
Diabetes Monitor	27.00	47.59
Future Products	-	0.00
Recalibration Agents	3.00	5.29

STARTING YEAR 3	
Sales Growth Rate	25.0%
Wholesale Price Reduction	(4.0%)
Production Cost Saving	(1.0%)

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA 5 YEAR CASHFLOW FORECAST

RECEIPTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Total
	£	£	£	£	£	£
Invoiced Sales	225,572	3,089,311	4,039,384	4,867,529	5,864,140	18,085,936
Share Issue (Seed Cap)	700,000	-	-	-	-	700,000
	925,572	3,089,311	4,039,384	4,867,529	5,864,140	18,785,936
PAYMENTS						
Invoiced Costs	625,350	2,001,320	2,374,289	2,838,053	3,411,960	11,250,972
Direct Wages	190,007	253,009	290,961	334,605	384,795	1,453,376
Printing	-	-	-	-	-	-
PAYE / NI	34,327	50,041	57,547	66,179	76,106	284,200
Tax	-	108,192	282,114	322,543	365,197	1,078,047
VAT	-	-	-	-	-	-
Dividends	-	-	350,000	350,000	-	700,000
	849,684	2,412,562	3,354,911	3,911,379	4,238,059	14,766,595
NET CASH FLOW	75,888	676,749	684,474	956,150	1,626,081	4,019,341

SEED CAPITAL

£700,000

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA 5 YEAR PROFIT & LOSS FORECAST

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Total	
£	£	£	£	£	£	
KetoScanner Sales	525,000	1,709,575	2,051,490	2,461,788	2,954,146	9,701,999
Salt Monitor Sales	67,500	1,020,600	1,224,720	1,469,664	1,763,597	5,546,081
Diabetes Monitor Sales	67,500	1,020,600	1,224,720	1,469,664	1,763,597	5,546,081
Future Product Sales	-	-	-	-	-	-
Recalibration Agents	-	37,334	44,800	53,760	64,512	200,406
Distribution Costs	(13,200)	(76,786)	(87,536)	(99,791)	(113,762)	(391,075)
Discounts Allowed	(33,000)	(191,965)	(218,840)	(249,478)	(284,405)	(977,687)
Sales Commissions	(6,138)	(35,705)	(40,704)	(46,403)	(52,899)	(181,850)
TOTAL UNITS SOLD	607,662	3,483,652	4,198,650	5,059,205	6,094,786	19,443,954
TOTAL UNITS SOLD	20,000	124,445	155,556	194,445	243,057	737,503
DIRECT COSTS						
Production	399,900	1,606,695	1,988,284	2,460,502	3,044,871	9,500,252
	399,900	1,606,695	1,988,284	2,460,502	3,044,871	9,500,252
GROSS PROFIT						
Gross Profit Margin (%)	207,762	1,876,958	2,210,365	2,598,703	3,049,915	9,943,702
	34.2%	53.9%	52.6%	51.4%	50.0%	51.1%
OVERHEADS						
Rent Contribution	24,000	24,000	24,000	24,000	24,000	120,000
Other Premises & Rates	20,000	24,000	24,000	24,000	24,000	116,000
Wages	228,000	303,600	349,140	401,511	461,738	1,743,989
Telephone	9,000	12,000	12,000	12,000	12,000	57,000
Printing	3,600	3,600	3,600	3,600	3,600	18,000
Travel & Motor Expenses	24,000	24,000	24,000	24,000	24,000	120,000
Insurances	4,800	4,800	4,800	4,800	4,800	24,000
R&D Expenses	40,000	-	-	-	-	40,000
IT Infrastructure	16,200	7,200	7,200	7,200	7,200	45,000
Marketing	170,000	250,000	250,000	250,000	250,000	1,170,000
Patent Fees	15,000	-	-	-	-	15,000
Legal & Professional	51,000	24,000	24,000	24,000	24,000	147,000
Accountancy	11,050	24,000	24,000	24,000	24,000	107,050
Miscellaneous	24,000	24,000	24,000	24,000	24,000	120,000
	640,650	725,200	770,740	823,111	883,338	3,843,039
OPERATING PROFIT						
Operating Profit Margin (%)	(432,888)	1,151,758	1,439,625	1,775,592	2,166,577	6,100,663
	(71.2%)	33.1%	34.3%	35.1%	35.5%	31.4%
INTEREST EXPENSE						
	-	-	-	-	-	-
NET PROFIT						
	(432,888)	1,151,758	1,439,625	1,775,592	2,166,577	6,100,663
TAX ON PROFITS @ 20%						
	-	(161,216)	(290,409)	(331,708)	(352,036)	(1,135,369)
DIVIDENDS						
	-	-	(350,000)	(350,000)	-	(700,000)
CUMULATIVE						
	(432,888)	557,654	1,356,870	2,450,753	4,265,295	4,265,295

Quantea Scientifics Limited
Forecast Scenario

SCENARIO 3 ASSUMPTIONS

SEED CAPITAL

£650,000

UNIT SALES (CUMULATIVE)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Ketoscanner	15,000	63,845	124,901	201,222	296,622
Salt Monitor	2,500	40,300	87,550	146,613	220,441
Diabetes Monitor	2,500	40,300	87,550	146,613	220,441
TOTAL CUMULATIVE	20,000	144,445	300,001	494,447	737,503

NET MARGIN	£	%	SCENARIO:	
Ketoscanner	25.00	166.7%	Low net margins:	174%
Salt Monitor	20.00	181.8%	Unit sales end Year 3:	300,001
Diabetes Monitor	20.00	181.8%	Xmas sales build up:	Quick
Future Products	-	-	Seed capital required:	£650,000
Recalibration Agents	2.00	200.0%		

UNIT COST PRICE	£
Ketoscanner	15.00
Salt Monitor	11.00
Diabetes Monitor	11.00
Future Products	-
Recalibration Agents	1.00

WHOLESALE PRICE	£	RRP
Ketoscanner	40.00	70.50
Salt Monitor	31.00	54.64
Diabetes Monitor	31.00	54.64
Future Products	-	0.00
Recalibration Agents	3.00	5.29

STARTING YEAR 3	
Sales Growth Rate	25.0%
Wholesale Price Reduction	(4.0%)
Production Cost Saving	(1.0%)

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA 5 YEAR CASHFLOW FORECAST

RECEIPTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Total
	£	£	£	£	£	£
Invoiced Sales	257,796	3,540,537	4,611,630	5,533,956	6,640,747	20,584,666
Share Issue (Seed Cap)	650,000	-	-	-	-	650,000
	907,796	3,540,537	4,611,630	5,533,956	6,640,747	21,234,666
PAYMENTS						
Invoiced Costs	625,350	2,001,320	2,374,289	2,838,053	3,411,960	11,250,972
Direct Wages	190,007	253,009	290,961	334,605	384,795	1,453,376
Printing	-	-	-	-	-	-
PAYE / NI	34,327	50,041	57,547	66,179	76,106	284,200
Tax	-	193,627	390,510	474,284	571,853	1,630,275
VAT	-	-	-	-	-	-
Dividends	-	-	325,000	325,000	-	650,000
	849,684	2,497,997	3,438,307	4,038,121	4,444,715	15,268,823
NET CASH FLOW	58,112	1,042,540	1,173,323	1,495,835	2,196,032	5,965,842

TURNOVER

KetoScanner Sales
Salt Monitor Sales
Diabetes Monitor Sales
Future Product Sales
Recalibration Agents
Distribution Costs
Discounts Allowed
Sales Commissions

TOTAL UNITS SOLD

Production

GROSS PROFIT

Gross Profit Margin (%)

OVERHEADS

Rent Contribution
Other Premises & Rates
Wages
Telephone
Printing
Travel & Motor Expenses
Insurances
R&D Expenses
IT Infrastructure
Marketing
Patent Fees
Legal & Professional
Accountancy
Miscellaneous

OPERATING PROFIT

Operating Profit Margin (%)

INTEREST EXPENSE

NET PROFIT

TAX ON PROFITS @ 20%

DIVIDENDS

CUMULATIVE

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA 5 YEAR PROFIT & LOSS FORECAST

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Total
£	£	£	£	£	£
600,000	1,953,800	2,344,560	2,813,472	3,376,166	11,087,998
77,500	1,171,800	1,406,160	1,687,392	2,024,870	6,367,722
77,500	1,171,800	1,406,160	1,687,392	2,024,870	6,367,722
-	37,334	44,800	53,760	64,512	200,406
(15,100)	(86,695)	(104,034)	(124,840)	(149,808)	(480,477)
(37,750)	(216,737)	(260,084)	(312,101)	(374,521)	(1,201,192)
(7,022)	(40,313)	(48,376)	(58,051)	(69,661)	(223,422)
695,129	3,990,989	4,789,187	5,747,024	6,896,429	22,118,758
20,000	124,445	155,556	194,445	243,057	737,503
399,900	1,606,695	1,988,284	2,460,502	3,044,871	9,500,252
399,900	1,606,695	1,988,284	2,460,502	3,044,871	9,500,252
295,229	2,384,295	2,800,903	3,286,522	3,851,558	12,618,506
42.5%	59.7%	58.5%	57.2%	55.8%	57.0%
24,000	24,000	24,000	24,000	24,000	120,000
20,000	24,000	24,000	24,000	24,000	116,000
228,000	303,600	349,140	401,511	461,738	1,743,989
9,000	12,000	12,000	12,000	12,000	57,000
3,600	3,600	3,600	3,600	3,600	18,000
24,000	24,000	24,000	24,000	24,000	120,000
4,800	4,800	4,800	4,800	4,800	24,000
40,000	-	-	-	-	40,000
16,200	7,200	7,200	7,200	7,200	45,000
170,000	250,000	250,000	250,000	250,000	1,170,000
15,000	-	-	-	-	15,000
51,000	24,000	24,000	24,000	24,000	147,000
11,050	24,000	24,000	24,000	24,000	107,050
24,000	24,000	24,000	24,000	24,000	120,000
640,650	725,200	770,740	823,111	883,338	3,843,039
(345,422)	1,659,095	2,030,163	2,463,411	2,968,220	8,775,467
(49.7%)	41.6%	42.4%	42.9%	43.0%	39.7%
-	-	-	-	-	-
-	-	-	-	-	-
(345,422)	1,659,095	2,030,163	2,463,411	2,968,220	8,775,467
-	(262,735)	(406,033)	(492,682)	(593,644)	(1,755,093)
-	(325,000)	(325,000)	-	-	(650,000)
(345,422)	1,050,939	2,350,069	3,995,798	6,370,374	6,370,374

Quantea Scientifics Limited
Forecast Scenario

SCENARIO 4 ASSUMPTIONS

UNIT SALES (CUMULATIVE)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Ketoscanner	28,000	126,578	249,801	403,829	596,364
Salt Monitor	5,000	80,600	175,100	293,225	440,881
Diabetes Monitor	5,000	80,600	175,100	293,225	440,881
TOTAL CUMULATIVE	38,000	287,778	600,001	990,279	1,478,126

NET MARGIN	£	%	SCENARIO:	
Ketoscanner	15.00	75.0%	Low net margins:	78%
Salt Monitor	12.00	80.0%	Unit sales end Year 3:	600,001
Diabetes Monitor	12.00	80.0%	Xmas sales build up:	Slower
Future Products	-	-	Seed capital required:	£950,000
Recalibration Agents	2.00	200.0%		

UNIT COST PRICE	£
Ketoscanner	20.00
Salt Monitor	15.00
Diabetes Monitor	15.00
Future Products	-
Recalibration Agents	1.00

WHOLESALE PRICE	£	RRP
Ketoscanner	35.00	61.69
Salt Monitor	27.00	47.59
Diabetes Monitor	27.00	47.59
Future Products	-	0.00
Recalibration Agents	3.00	5.29

STARTING YEAR 3	
Sales Growth Rate	25.0%
Wholesale Price Reduction	(4.0%)
Production Cost Saving	(1.0%)

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA 5 YEAR CASHFLOW FORECAST

RECEIPTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Total
	£	£	£	£	£	£
Invoiced Sales	451,143	6,101,906	8,084,718	9,701,662	11,641,994	35,981,423
Share Issue (Seed Cap)	950,000	-	-	-	-	950,000
	1,401,143	6,101,906	8,084,718	9,701,662	11,641,994	36,931,423
PAYMENTS						
Invoiced Costs	1,055,350	4,689,138	5,702,988	6,957,318	8,509,551	26,914,344
Direct Wages	190,007	253,009	290,961	334,605	384,795	1,453,376
Printing	-	-	-	-	-	-
PAYE / NI	34,327	50,041	57,547	66,179	76,106	284,200
Tax	-	176,331	430,453	497,251	568,518	1,672,553
VAT	-	-	-	-	-	-
Dividends	-	-	475,000	475,000	-	950,000
	1,279,684	5,168,519	6,956,949	8,330,352	9,538,970	31,274,474
NET CASH FLOW	121,459	933,386	1,127,770	1,371,310	2,103,024	5,656,949

SEED CAPITAL

£950,000

TURNOVER

KetoScanner Sales
Salt Monitor Sales
Diabetes Monitor Sales
Future Product Sales
Recalibration Agents
Distribution Costs
Discounts Allowed
Sales Commissions

TOTAL UNITS SOLD

Production

GROSS PROFIT

Gross Profit Margin (%)

OVERHEADS

Rent Contribution
Other Premises & Rates
Wages
Telephone
Printing
Travel & Motor Expenses
Insurances
R&D Expenses
IT Infrastructure
Marketing
Patent Fees
Legal & Professional
Accountancy
Miscellaneous

OPERATING PROFIT

Operating Profit Margin (%)

INTEREST EXPENSE

NET PROFIT

TAX ON PROFITS @ 20%

DIVIDENDS

CUMULATIVE

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA 5 YEAR PROFIT & LOSS FORECAST

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Total
£	£	£	£	£	£
980,000	3,450,230	4,140,276	4,968,331	5,961,997	19,500,835
135,000	2,041,200	2,449,440	2,939,328	3,527,194	11,092,162
135,000	2,041,200	2,449,440	2,939,328	3,527,194	11,092,162
-	-	-	-	-	-
-	74,933	89,920	107,904	129,485	402,242
(25,000)	(152,151)	(182,582)	(219,098)	(262,917)	(841,748)
(62,500)	(380,378)	(456,454)	(547,745)	(657,293)	(2,104,370)
(11,625)	(70,750)	(84,900)	(101,880)	(122,257)	(391,413)
1,150,875	7,004,284	8,405,140	10,086,168	12,103,402	38,749,869
38,000	249,778	312,223	390,278	487,848	1,478,126
1,031,800	4,344,988	5,376,922	6,653,941	8,234,253	25,641,904
1,031,800	4,344,988	5,376,922	6,653,941	8,234,253	25,641,904
119,075	2,659,296	3,028,218	3,432,227	3,869,150	13,107,965
10.3%	38.0%	36.0%	34.0%	32.0%	33.8%
24,000	24,000	24,000	24,000	24,000	120,000
20,000	24,000	24,000	24,000	24,000	116,000
228,000	303,600	349,140	401,511	461,738	1,743,989
9,000	12,000	12,000	12,000	12,000	57,000
3,600	3,600	3,600	3,600	3,600	18,000
24,000	24,000	24,000	24,000	24,000	120,000
4,800	4,800	4,800	4,800	4,800	24,000
40,000	-	-	-	-	40,000
16,200	7,200	7,200	7,200	7,200	45,000
170,000	250,000	250,000	250,000	250,000	1,170,000
15,000	-	-	-	-	15,000
51,000	24,000	24,000	24,000	24,000	147,000
11,050	24,000	24,000	24,000	24,000	107,050
24,000	24,000	24,000	24,000	24,000	120,000
640,650	725,200	770,740	823,111	883,338	3,843,039
(521,575)	1,934,096	2,257,478	2,609,116	2,985,812	9,264,927
(45.3%)	27.6%	26.9%	25.9%	24.7%	23.9%
-	-	-	-	-	-
-	-	-	-	-	-
(521,575)	1,934,096	2,257,478	2,609,116	2,985,812	9,264,927
-	(282,504)	(451,496)	(521,823)	(597,162)	(1,852,985)
-	-	(475,000)	(475,000)	-	(950,000)
(521,575)	1,130,017	2,460,999	4,073,292	6,461,941	6,461,941

Quantea Scientifics Limited
Forecast Scenario

SCENARIO 5 ASSUMPTIONS

SEED CAPITAL

£700,000

UNIT SALES (CUMULATIVE)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Ketoscanner	28,000	126,578	249,801	403,829	596,364
Salt Monitor	5,000	80,600	175,100	293,225	440,881
Diabetes Monitor	5,000	80,600	175,100	293,225	440,881
TOTAL CUMULATIVE	38,000	287,778	600,001	990,279	1,478,126

NET MARGIN	£	%	SCENARIO:
Ketoscanner	20.00	133.3%	Low net margins: 139%
Salt Monitor	16.00	145.5%	Unit sales end Year 3: 600,001
Diabetes Monitor	16.00	145.5%	Xmas sales build up: Slower
Future Products	-	-	Seed capital required: £700,000
Recalibration Agents	2.00	200.0%	

UNIT COST PRICE	£
Ketoscanner	15.00
Salt Monitor	11.00
Diabetes Monitor	11.00
Future Products	-
Recalibration Agents	1.00

WHOLESALE PRICE	£	RRP
Ketoscanner	35.00	61.69
Salt Monitor	27.00	47.59
Diabetes Monitor	27.00	47.59
Future Products	-	0.00
Recalibration Agents	3.00	5.29

STARTING YEAR 3	
Sales Growth Rate	25.0%
Wholesale Price Reduction	(4.0%)
Production Cost Saving	(1.0%)

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA 5 YEAR CASHFLOW FORECAST

RECEIPTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Total
	£	£	£	£	£	£
Invoiced Sales	451,143	6,101,906	8,084,718	9,701,662	11,641,994	35,981,423
Share Issue (Seed Cap)	700,000	-	-	-	-	700,000
	1,151,143	6,101,906	8,084,718	9,701,662	11,641,994	36,681,423
PAYMENTS						
Invoiced Costs	875,350	3,591,448	4,343,572	5,275,040	6,427,732	20,513,141
Direct Wages	190,007	253,009	290,961	334,605	384,795	1,453,376
Printing	-	-	-	-	-	-
PAYE / NI	34,327	50,041	57,547	66,179	76,106	284,200
Tax	-	431,869	702,336	833,706	984,882	2,952,794
VAT	-	-	-	-	-	-
Dividends	-	-	350,000	350,000	-	700,000
	1,099,684	4,326,367	5,744,415	6,859,530	7,873,515	25,903,512
NET CASH FLOW	51,459	1,775,538	2,340,303	2,842,132	3,768,479	10,777,911

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA 5 YEAR PROFIT & LOSS FORECAST

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Total	
£	£	£	£	£	£	
KetoScanner Sales	980,000	3,450,230	4,140,276	4,968,331	5,961,997	19,500,835
Salt Monitor Sales	135,000	2,041,200	2,449,440	2,939,328	3,527,194	11,092,162
Diabetes Monitor Sales	135,000	2,041,200	2,449,440	2,939,328	3,527,194	11,092,162
Future Product Sales	-	-	-	-	-	-
Recalibration Agents	-	74,933	89,920	107,904	129,485	402,242
Distribution Costs	(25,000)	(152,151)	(182,582)	(219,098)	(262,917)	(841,748)
Discounts Allowed	(62,500)	(380,378)	(456,454)	(547,745)	(657,293)	(2,104,370)
Sales Commissions	(11,625)	(70,750)	(84,900)	(101,880)	(122,257)	(391,413)
TURNOVER	1,150,875	7,004,284	8,405,140	10,086,168	12,103,402	38,749,869
TOTAL UNITS SOLD	38,000	249,778	312,223	390,278	487,848	1,478,126
DIRECT COSTS						
Production	769,800	3,226,798	3,993,162	4,941,538	6,115,154	19,046,452
	769,800	3,226,798	3,993,162	4,941,538	6,115,154	19,046,452
GROSS PROFIT	381,075	3,777,486	4,411,978	5,144,630	5,988,248	19,703,417
Gross Profit Margin (%)	33.1%	53.9%	52.5%	51.0%	49.5%	50.8%
OVERHEADS						
Rent Contribution	24,000	24,000	24,000	24,000	24,000	120,000
Other Premises & Rates	20,000	24,000	24,000	24,000	24,000	116,000
Wages	228,000	303,600	349,140	401,511	461,738	1,743,989
Telephone	9,000	12,000	12,000	12,000	12,000	57,000
Printing	3,600	3,600	3,600	3,600	3,600	18,000
Travel & Motor Expenses	24,000	24,000	24,000	24,000	24,000	120,000
Insurances	4,800	4,800	4,800	4,800	4,800	24,000
R&D Expenses	40,000	-	-	-	-	40,000
IT Infrastructure	16,200	7,200	7,200	7,200	7,200	45,000
Marketing	170,000	250,000	250,000	250,000	250,000	1,170,000
Patent Fees	15,000	-	-	-	-	15,000
Legal & Professional	51,000	24,000	24,000	24,000	24,000	147,000
Accountancy	11,050	24,000	24,000	24,000	24,000	107,050
Miscellaneous	24,000	24,000	24,000	24,000	24,000	120,000
	640,650	725,200	770,740	823,111	883,338	3,843,039
OPERATING PROFIT	(259,575)	3,052,286	3,641,238	4,321,519	5,104,911	15,860,379
Operating Profit Margin (%)	(22.6%)	43.6%	43.3%	42.8%	42.2%	40.9%
INTEREST EXPENSE						
	-	-	-	-	-	-
	-	-	-	-	-	-
NET PROFIT	(259,575)	3,052,286	3,641,238	4,321,519	5,104,911	15,860,379
TAX ON PROFITS @ 20%						
	-	(558,542)	(728,248)	(864,304)	(1,020,982)	(3,172,076)
DIVIDENDS						
	-	-	(350,000)	(350,000)	-	(700,000)
CUMULATIVE	(259,575)	2,234,169	4,797,159	7,904,374	11,988,303	11,988,303

Quantea Scientifics Limited
Forecast Scenario

SCENARIO 6 ASSUMPTIONS

UNIT SALES (CUMULATIVE)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Ketoscanner	28,000	126,578	249,801	403,829	596,364
Salt Monitor	5,000	80,600	175,100	293,225	440,881
Diabetes Monitor	5,000	80,600	175,100	293,225	440,881
TOTAL CUMULATIVE	38,000	287,778	600,001	990,279	1,478,126

NET MARGIN	£	%	SCENARIO:	
Ketoscanner	25.00	166.7%	High net margins:	174%
Salt Monitor	20.00	181.8%	Unit sales end Year 3:	600,001
Diabetes Monitor	20.00	181.8%	Xmas sales build up:	Slower
Future Products	-	-	Seed capital required:	£600,000
Recalibration Agents	2.00	200.0%		

UNIT COST PRICE	£
Ketoscanner	15.00
Salt Monitor	11.00
Diabetes Monitor	11.00
Future Products	-
Recalibration Agents	1.00

WHOLESALE PRICE	£	RRP
Ketoscanner	40.00	70.50
Salt Monitor	31.00	54.64
Diabetes Monitor	31.00	54.64
Future Products	-	0.00
Recalibration Agents	3.00	5.29

STARTING YEAR 3	
Sales Growth Rate	25.0%
Wholesale Price Reduction	(4.0%)
Production Cost Saving	(1.0%)

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA 5 YEAR CASHFLOW FORECAST

RECEIPTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Total
	£	£	£	£	£	£
Invoiced Sales	515,592	6,982,730	9,251,271	11,101,525	13,321,830	41,172,949
Share Issue (Seed Cap)	600,000	-	-	-	-	600,000
	1,115,592	6,982,730	9,251,271	11,101,525	13,321,830	41,772,949
PAYMENTS						
Invoiced Costs	875,350	3,591,448	4,343,572	5,275,040	6,427,732	20,513,141
Direct Wages	190,007	253,009	290,961	334,605	384,795	1,453,376
Printing	-	-	-	-	-	-
PAYE / NI	34,327	50,041	57,547	66,179	76,106	284,200
Tax	-	637,681	938,998	1,117,700	1,325,675	4,020,054
VAT	-	-	-	-	-	-
Dividends	-	-	300,000	300,000	-	600,000
	1,099,684	4,532,179	5,931,077	7,093,524	8,214,308	26,870,772
NET CASH FLOW	15,908	2,450,551	3,320,194	4,008,001	5,107,522	14,902,176

SEED CAPITAL

£600,000

TURNOVER

KetoScanner Sales
Salt Monitor Sales
Diabetes Monitor Sales
Future Product Sales
Recalibration Agents
-
74,933
89,920
107,904
129,485
-
(28,600)
(174,105)
(208,926)
(250,711)
(300,854)
(963,196)
(71,500)
(435,263)
(522,315)
(626,778)
(752,134)
(2,407,990)
(13,299)
(80,959)
(97,151)
(116,581)
(139,897)
(447,886)

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA 5 YEAR PROFIT & LOSS FORECAST

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Total
£	£	£	£	£	£
1,120,000	3,943,120	4,731,744	5,678,093	6,813,711	22,286,668
155,000	2,343,600	2,812,320	3,374,784	4,049,741	12,735,445
155,000	2,343,600	2,812,320	3,374,784	4,049,741	12,735,445
-	-	-	-	-	-
74,933	89,920	107,904	129,485	402,242	
(28,600)	(174,105)	(208,926)	(250,711)	(300,854)	(963,196)
(71,500)	(435,263)	(522,315)	(626,778)	(752,134)	(2,407,990)
(13,299)	(80,959)	(97,151)	(116,581)	(139,897)	(447,886)
1,316,601	8,014,927	9,617,912	11,541,495	13,849,794	44,340,728
38,000	249,778	312,223	390,278	487,848	1,478,126
769,800	3,226,798	3,993,162	4,941,538	6,115,154	19,046,452
769,800	3,226,798	3,993,162	4,941,538	6,115,154	19,046,452
546,801	4,788,129	5,624,750	6,599,956	7,734,640	25,294,276
41.5%	59.7%	58.5%	57.2%	55.8%	57.0%
24,000	24,000	24,000	24,000	24,000	120,000
20,000	24,000	24,000	24,000	24,000	116,000
228,000	303,600	349,140	401,511	461,738	1,743,989
9,000	12,000	12,000	12,000	12,000	57,000
3,600	3,600	3,600	3,600	3,600	18,000
24,000	24,000	24,000	24,000	24,000	120,000
4,800	4,800	4,800	4,800	4,800	24,000
40,000	-	-	-	-	40,000
16,200	7,200	7,200	7,200	7,200	45,000
170,000	250,000	250,000	250,000	250,000	1,170,000
15,000	-	-	-	-	15,000
51,000	24,000	24,000	24,000	24,000	147,000
11,050	24,000	24,000	24,000	24,000	107,050
24,000	24,000	24,000	24,000	24,000	120,000
640,650	725,200	770,740	823,111	883,338	3,843,039
(93,849)	4,062,929	4,854,010	5,776,845	6,851,302	21,451,237
(7.1%)	50.7%	50.5%	50.1%	49.5%	48.4%
-	-	-	-	-	-
-	-	-	-	-	-
(93,849)	4,062,929	4,854,010	5,776,845	6,851,302	21,451,237
-	(793,816)	(970,802)	(1,155,369)	(1,370,260)	(4,290,247)
-	-	(300,000)	(300,000)	-	(600,000)
(93,849)	3,175,264	6,758,472	11,079,948	16,560,990	16,560,990

CUMULATIVE

APPENDIX A

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA PROFIT & LOSS FORECAST

YEAR 1													
	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
TURNOVER													
KetoScanner Sales	-	-	-	-	-	-	35,000	52,500	70,000	87,500	105,000	175,000	525,000
Salt Monitor Sales	-	-	-	-	-	-	-	-	-	-	27,000	40,500	67,500
Diabetes Monitor Sales	-	-	-	-	-	-	-	-	-	-	27,000	40,500	67,500
Future Product Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Recalibration Agents	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution Costs	-	-	-	-	-	-	(700)	(1,050)	(1,400)	(1,750)	(3,180)	(5,120)	(13,200)
Discounts Allowed	-	-	-	-	-	-	(1,750)	(2,625)	(3,500)	(4,375)	(7,950)	(12,800)	(33,000)
Sales Commissions	-	-	-	-	-	-	(326)	(488)	(651)	(814)	(1,479)	(2,381)	(6,138)
	-	-	-	-	-	-	32,225	48,337	64,449	80,561	146,391	235,699	607,662
TOTAL UNITS SOLD	-	-	-	-	-	-	1,000	1,500	2,000	2,500	5,000	8,000	20,000
DIRECT COSTS													
Production	-	-	-	-	-	20,000	30,000	40,000	50,000	90,000	145,000	160,900	535,900
	-	-	-	-	-	20,000	30,000	40,000	50,000	90,000	145,000	160,900	535,900
GROSS PROFIT	-	-	-	-	-	(20,000)	2,225	8,337	14,449	(9,439)	1,391	74,799	71,762
Gross Profit Margin (%)	-	-	-	-	-	6.9%	17.2%	22.4%	(11.7%)	1.0%	31.7%	11.8%	
OVERHEADS													
Rent Contribution	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Other Premises & Rates	-	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000
Wages	10,000	10,000	10,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	228,000
Telephone	500	500	500	500	500	500	1,000	1,000	1,000	1,000	1,000	1,000	9,000
Printing	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Travel & Motor Expenses	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Insurances	400	400	400	400	400	400	400	400	400	400	400	400	4,800
R&D Expenses	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	-	-	40,000
IT Infrastructure	-	-	-	-	-	-	-	5,000	5,000	5,000	600	600	16,200
Marketing	-	-	-	-	-	-	20,000	20,000	20,000	25,000	35,000	50,000	170,000
Patent Fees	-	-	5,000	-	-	5,000	-	-	5,000	-	-	-	15,000
Legal & Professional	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,500	4,500	5,000	5,000	51,000
Accountancy	500	500	500	750	750	750	800	1,000	1,000	2,000	2,000	2,000	11,050
Miscellaneous	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
	25,700	25,700	32,700	39,700	39,950	44,950	60,450	65,500	71,200	71,200	74,300	89,300	640,650
OPERATING PROFIT	(25,700)	(25,700)	(32,700)	(39,700)	(39,950)	(64,950)	(58,226)	(57,163)	(56,751)	(80,639)	(72,909)	(14,501)	(568,888)
Operating Profit Margin (%)	-	-	-	-	-	-	(180.7%)	(118.3%)	(88.1%)	(100.1%)	(49.8%)	(6.2%)	(93.6%)
INTEREST EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-	-
NET PROFIT	(25,700)	(25,700)	(32,700)	(39,700)	(39,950)	(64,950)	(58,226)	(57,163)	(56,751)	(80,639)	(72,909)	(14,501)	(568,888)
TAX ON PROFITS @ 20%	-	-	-	-	-	-	-	-	-	-	-	-	-
DIVIDENDS	-	-	-	-	-	-	-	-	-	-	-	-	-
CUMULATIVE	(25,700)	(51,400)	(84,100)	(123,800)	(163,750)	(228,700)	(286,926)	(344,089)	(400,840)	(481,479)	(554,387)	(568,888)	(568,888)

PRO-FORMA CASHFLOW FORECAST

YEAR 1													
	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
RECEIPTS													
Invoiced Sales	-	-	-	-	-	-	-	-	32,225	48,337	64,449	80,561	225,572
Share Issue (Seed Cap)	212,500	-	212,500	-	212,500	-	212,500	-	-	212,500	-	-	850,000
	212,500	-	212,500	-	212,500	-	212,500	-	32,225	260,837	64,449	80,561	1,075,572
PAYMENTS													
Invoiced Costs	-	15,700	15,700	22,700	17,700	17,950	42,950	68,450	83,500	99,200	139,200	197,300	720,350
Direct Wages	8,334	8,334	8,334	18,334	18,334	18,334	18,334	18,334	18,334	18,334	18,334	18,334	190,007
Printing	-	-	-	-	-	-	-	-	-	-	-	-	-
PAYE / NI	-	1,666	1,666	1,666	3,666	3,666	3,666	3,666	3,666	3,666	3,666	3,666	34,327
Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
	8,334	25,700	25,700	42,700	39,700	39,950	64,950	90,450	105,500	121,200	161,200	219,300	944,684
NET CASH FLOW	204,166	(25,700)	(25,700)	169,800	(39,700)	(39,950)	147,550	(90,450)	(73,276)	139,637	(96,751)	(138,739)	130,888
OPENING BANK	-	204,166	178,466	152,766	322,566	282,866	242,916	390,466	300,016	226,741	366,377	269,626	
CLOSING BANK	204,166	178,466	152,766	322,566	282,866	242,916	390,466	300,016	226,741	366,377	269,626	130,888	

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA PROFIT & LOSS FORECAST
YEAR 2

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
TURNOVER													
KetoScanner Sales	175,000	105,000	120,575	140,000	140,000	140,000	140,000	115,500	115,500	115,500	122,500	280,000	1,709,575
Salt Monitor Sales	54,000	81,000	81,000	81,000	94,500	89,100	81,000	81,000	81,000	81,000	81,000	135,000	1,020,600
Diabetes Monitor Sales	54,000	81,000	81,000	81,000	94,500	89,100	81,000	81,000	81,000	81,000	81,000	135,000	1,020,600
Future Product Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Recalibration Agents	2,700	2,700	2,834	3,000	3,300	3,180	3,000	2,790	2,790	2,790	2,850	5,400	37,334
Distribution Costs	(5,714)	(5,394)	(5,708)	(6,100)	(6,646)	(6,428)	(6,100)	(5,606)	(5,606)	(5,606)	(5,747)	(11,108)	(75,762)
Discounts Allowed	(14,285)	(13,485)	(14,270)	(15,250)	(16,615)	(16,069)	(15,250)	(14,015)	(14,015)	(14,015)	(14,368)	(27,770)	(189,405)
Sales Commissions	(2,657)	(2,508)	(2,654)	(2,837)	(3,090)	(2,989)	(2,837)	(2,607)	(2,607)	(2,607)	(2,672)	(5,165)	(35,229)
	263,044	248,313	262,776	280,814	305,949	295,895	280,814	258,063	258,063	258,063	264,563	511,357	3,487,711
TOTAL UNITS SOLD	9,000	9,000	9,445	10,000	11,000	10,600	10,000	9,300	9,300	9,300	9,500	18,000	124,445
DIRECT COSTS													
Production	150,900	159,845	171,000	186,100	180,060	171,000	156,930	156,930	156,930	160,950	311,800	201,125	2,163,570
	150,900	159,845	171,000	186,100	180,060	171,000	156,930	156,930	156,930	160,950	311,800	201,125	2,163,570
GROSS PROFIT													
Gross Profit Margin (%)	42.6%	35.6%	34.9%	33.7%	41.1%	42.2%	44.1%	39.2%	39.2%	37.6%	(47,237)	310,232	1,324,142
											(17.9%)	60.7%	38.0%
OVERHEADS													
Rent Contribution	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Other Premises & Rates	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Wages	25,300	25,300	25,300	25,300	25,300	25,300	25,300	25,300	25,300	25,300	25,300	25,300	303,600
Telephone	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Printing	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Travel & Motor Expenses	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Insurances	400	400	400	400	400	400	400	400	400	400	400	400	4,800
R&D Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
IT Infrastructure	600	600	600	600	600	600	600	600	600	600	600	600	7,200
Marketing	17,098	16,140	17,080	18,253	19,887	19,233	18,253	16,774	16,774	16,774	16,774	17,197	33,238
Patent Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal & Professional	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Accountancy	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Miscellaneous	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
	56,698	55,740	56,680	57,853	59,487	58,833	57,853	56,374	56,374	56,374	56,797	72,838	701,901
OPERATING PROFIT													
Operating Profit Margin (%)	21.1%	32,728	35,095	36,861	66,402	66,061	66,031	44,759	44,759	40,739	(104,033)	237,394	622,241
											(39,3%)	46.4%	17.8%
INTEREST EXPENSE													
	-	-	-	-	-	-	-	-	-	-	-	-	-
NET PROFIT													
	55,446	32,728	35,095	36,861	66,402	66,061	66,031	44,759	44,759	40,739	(104,033)	237,394	622,241
TAX ON PROFITS @ 20%	-	-	-	-	-	-	-	-	-	-	-	(10,671)	(10,671)
DIVIDENDS	-	-	-	-	-	-	-	-	-	-	-	-	-
CUMULATIVE	(513,442)	(480,714)	(445,619)	(408,758)	(342,356)	(276,295)	(210,264)	(165,505)	(120,746)	(80,007)	(184,041)	42,682	42,682

PRO-FORMA CASHFLOW FORECAST
YEAR 2

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
RECEIPTS													
Invoiced Sales	146,391	235,699	263,044	248,313	262,776	280,814	305,949	295,895	280,814	258,063	258,063	258,063	3,093,882
Share Issue (Seed Cap)	-	-	-	-	-	-	-	-	-	-	-	-	-
	146,391	235,699	263,044	248,313	262,776	280,814	305,949	295,895	280,814	258,063	258,063	258,063	3,093,882
PAYMENTS													
Invoiced Costs	228,200	182,298	190,285	202,380	218,653	214,247	204,533	189,483	188,004	188,004	192,024	343,297	2,541,408
Direct Wages	21,084	21,084	21,084	21,084	21,084	21,084	21,084	21,084	21,084	21,084	21,084	21,084	253,009
Printing	-	-	-	-	-	-	-	-	-	-	-	-	-
PAYE / NI	3,666	4,216	4,216	4,216	4,216	4,216	4,216	4,216	4,216	4,216	4,216	4,216	50,041
Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
	252,950	207,598	215,585	227,680	243,953	239,547	229,833	214,783	213,304	213,304	217,324	368,597	2,844,458
NET CASH FLOW	(106,559)	28,101	47,459	20,632	18,823	41,267	76,115	81,112	67,509	44,759	40,739	(110,534)	249,424
OPENING BANK	130,888	24,329	52,430	99,889	120,522	139,344	180,611	256,727	337,838	405,348	450,107	490,846	
CLOSING BANK	24,329	52,430	99,889	120,522	139,344	180,611	256,727	337,838	405,348	450,107	490,846	380,312	

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA PROFIT & LOSS FORECAST
YEAR 3

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
TURNOVER													
KetoScanner Sales	210,000	126,000	144,690	168,000	168,000	168,000	168,000	138,600	138,600	138,600	147,000	336,000	2,051,490
Salt Monitor Sales	64,800	97,200	97,200	97,200	113,400	106,920	97,200	97,200	97,200	97,200	97,200	162,000	1,224,720
Diabetes Monitor Sales	64,800	97,200	97,200	97,200	113,400	106,920	97,200	97,200	97,200	97,200	97,200	162,000	1,224,720
Future Product Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Recalibration Agents	3,240	3,240	3,400	3,600	3,960	3,816	3,600	3,348	3,348	3,348	3,420	6,480	44,800
Distribution Costs	(6,857)	(6,473)	(6,850)	(7,320)	(7,975)	(7,713)	(7,320)	(6,727)	(6,727)	(6,727)	(6,896)	(13,330)	(90,915)
Discounts Allowed	(17,142)	(16,182)	(17,125)	(18,300)	(19,938)	(19,283)	(18,300)	(16,817)	(16,817)	(16,817)	(17,241)	(33,324)	(227,287)
Sales Commissions	(3,188)	(3,010)	(3,185)	(3,404)	(3,708)	(3,587)	(3,404)	(3,128)	(3,128)	(3,128)	(3,207)	(6,198)	(42,275)
	315,653	297,975	315,331	336,976	367,138	355,073	336,976	309,676	309,676	309,676	317,476	613,628	4,185,254
TOTAL UNITS SOLD	11,250	11,250	11,806	12,500	13,750	13,250	12,500	11,625	11,625	11,625	11,875	22,500	155,556
DIRECT COSTS													
Production	186,739	197,808	211,613	230,299	222,824	211,613	194,201	194,201	194,201	199,176	385,853	248,892	2,677,417
	186,739	197,808	211,613	230,299	222,824	211,613	194,201	194,201	194,201	199,176	385,853	248,892	2,677,417
GROSS PROFIT	128,914	100,168	103,718	106,677	144,314	143,461	142,775	115,475	115,475	110,500	(68,377)	364,736	1,507,837
Gross Profit Margin (%)	40.8%	33.6%	32.9%	31.7%	39.3%	40.4%	42.4%	37.3%	37.3%	35.7%	(21.5%)	59.4%	36.0%
OVERHEADS													
Rent Contribution	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Other Premises & Rates	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Wages	29,095	29,095	29,095	29,095	29,095	29,095	29,095	29,095	29,095	29,095	29,095	29,095	349,140
Telephone	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Printing	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Travel & Motor Expenses	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Insurances	400	400	400	400	400	400	400	400	400	400	400	400	4,800
R&D Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
IT Infrastructure	600	600	600	600	600	600	600	600	600	600	600	600	7,200
Marketing	20,517	19,368	20,496	21,903	23,864	23,080	21,903	20,129	20,129	20,129	20,636	39,886	272,041
Patent Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal & Professional	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Accountancy	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Miscellaneous	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
	63,912	62,763	63,891	65,298	67,259	66,475	65,298	63,524	63,524	63,524	64,031	83,281	792,781
OPERATING PROFIT	65,002	37,404	39,827	41,379	77,055	76,986	77,477	51,951	51,951	46,976	(132,408)	281,455	715,055
Operating Profit Margin (%)	20.6%	12.6%	12.6%	12.3%	21.0%	21.7%	23.0%	16.8%	16.8%	15.2%	(41.7%)	45.9%	17.1%
INTEREST EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-	-
NET PROFIT	65,002	37,404	39,827	41,379	77,055	76,986	77,477	51,951	51,951	46,976	(132,408)	281,455	715,055
TAX ON PROFITS @ 20%	(13,000)	(7,481)	(7,965)	(8,276)	(15,411)	(15,397)	(15,495)	(10,390)	(10,390)	(9,395)	26,482	(56,291)	(143,011)
DIVIDENDS	-	-	(212,500)	-	-	-	-	-	(212,500)	-	-	-	(425,000)
CUMULATIVE	94,683	124,607	(56,032)	(22,928)	38,716	100,305	162,286	203,847	32,907	70,488	(35,438)	189,726	189,726

PRO-FORMA CASHFLOW FORECAST
YEAR 3

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
RECEIPTS													
Invoiced Sales	264,563	511,357	315,653	297,975	315,331	336,976	367,138	355,073	336,976	309,676	309,676	309,676	4,030,070
Share Issue (Seed Cap)	-	-	-	-	-	-	-	-	-	-	-	-	-
	264,563	511,357	315,653	297,975	315,331	336,976	367,138	355,073	336,976	309,676	309,676	309,676	4,030,070
PAYMENTS													
Invoiced Costs	248,663	221,556	231,476	246,409	266,502	260,988	248,992	230,404	228,630	228,630	233,605	420,788	3,066,644
Direct Wages	24,247	24,247	24,247	24,247	24,247	24,247	24,247	24,247	24,247	24,247	24,247	24,247	290,961
Printing	-	-	-	-	-	-	-	-	-	-	-	-	-
PAYE / NI	4,216	4,848	4,848	4,848	4,848	4,848	4,848	4,848	4,848	4,848	4,848	4,848	57,547
Tax	10,671	13,000	7,481	7,965	8,276	15,411	15,397	15,495	10,390	10,390	9,395	(26,482)	97,391
VAT	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	212,500	-	-	-	-	-	212,500	-	-	-	425,000
	287,796	263,652	480,552	283,469	303,873	305,494	293,485	274,995	480,615	268,115	272,095	423,402	3,937,542
NET CASH FLOW	(23,233)	247,705	(164,899)	14,506	11,458	31,482	73,654	80,079	(143,639)	41,561	37,581	(113,726)	92,528
OPENING BANK	380,312	357,079	604,784	439,885	454,391	465,849	497,331	570,984	651,063	507,424	548,985	586,566	586,566
CLOSING BANK	357,079	604,784	439,885	454,391	465,849	497,331	570,984	651,063	507,424	548,985	586,566	472,840	

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA PROFIT & LOSS FORECAST
YEAR 4

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
TURNOVER													
KetoScanner Sales	252,000	151,200	173,628	201,600	201,600	201,600	201,600	166,320	166,320	166,320	176,400	403,200	2,461,788
Salt Monitor Sales	77,760	116,640	116,640	116,640	136,080	128,304	116,640	116,640	116,640	116,640	116,640	194,400	1,469,664
Diabetes Monitor Sales	77,760	116,640	116,640	116,640	136,080	128,304	116,640	116,640	116,640	116,640	116,640	194,400	1,469,664
Future Product Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Recalibration Agents	3,888	3,888	4,080	4,320	4,752	4,579	4,320	4,018	4,018	4,018	4,104	7,776	53,760
Distribution Costs	(8,228)	(7,767)	(8,220)	(8,784)	(9,570)	(9,256)	(8,784)	(8,072)	(8,072)	(8,072)	(8,276)	(15,996)	(109,098)
Discounts Allowed	(20,570)	(19,418)	(20,549)	(21,960)	(23,926)	(23,139)	(21,960)	(20,181)	(20,181)	(20,181)	(20,689)	(39,989)	(272,744)
Sales Commissions	(3,826)	(3,612)	(3,822)	(4,085)	(4,450)	(4,304)	(4,085)	(3,754)	(3,754)	(3,754)	(3,848)	(7,438)	(50,730)
	378,783	357,570	378,397	404,371	440,566	426,088	404,371	371,611	371,611	371,611	380,971	736,354	5,022,305
TOTAL UNITS SOLD	14,063	14,063	14,758	15,625	17,188	16,563	15,625	14,531	14,531	14,531	14,844	28,125	194,445
DIRECT COSTS													
Production	231,089	244,787	261,870	284,995	275,745	261,870	240,324	240,324	240,324	246,480	477,492	308,004	3,313,304
	231,089	244,787	261,870	284,995	275,745	261,870	240,324	240,324	240,324	246,480	477,492	308,004	3,313,304
GROSS PROFIT													
Gross Profit Margin (%)	39.0%	31.5%	30.8%	29.5%	37.4%	38.5%	40.6%	35.3%	35.3%	33.7%	(96,522)	428,350	1,709,001
											(25.3%)	58.2%	34.0%
OVERHEADS													
Rent Contribution	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Other Premises & Rates	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Wages	33,459	33,459	33,459	33,459	33,459	33,459	33,459	33,459	33,459	33,459	33,459	33,459	401,511
Telephone	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Printing	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Travel & Motor Expenses	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Insurances	400	400	400	400	400	400	400	400	400	400	400	400	4,800
R&D Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
IT Infrastructure	600	600	600	600	600	600	600	600	600	600	600	600	7,200
Marketing	24,621	23,242	24,596	26,284	28,637	27,696	26,284	24,155	24,155	24,155	24,763	47,863	326,450
Patent Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal & Professional	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Accountancy	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Miscellaneous	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
	72,380	71,001	72,355	74,043	76,396	75,455	74,043	71,914	71,914	71,914	72,522	95,622	899,561
OPERATING PROFIT													
Operating Profit Margin (%)	19.9%	11.7%	11.7%	11.7%	11.2%	20.1%	20.8%	22.3%	16.0%	16.0%	14.3%	(169,044)	332,727
												(44.4%)	45.2%
INTEREST EXPENSE													
	-	-	-	-	-	-	-	-	-	-	-	-	-
NET PROFIT													
	75,314	41,782	44,171	45,333	88,425	88,763	90,004	59,373	59,373	53,217	(169,044)	332,727	809,440
TAX ON PROFITS @ 20%													
	(15,063)	(8,356)	(8,834)	(9,067)	(17,685)	(17,753)	(18,001)	(11,875)	(11,875)	(10,643)	33,809	(66,545)	(161,888)
DIVIDENDS													
	-	-	(212,500)	-	-	-	-	-	(212,500)	-	-	-	(425,000)
CUMULATIVE													
	249,977	283,403	106,240	142,507	213,247	284,257	356,261	403,759	238,758	281,331	146,096	412,278	412,278

PRO-FORMA CASHFLOW FORECAST
YEAR 4

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
RECEIPTS													
Invoiced Sales	317,476	613,628	378,783	357,570	378,397	404,371	440,566	426,088	404,371	371,611	371,611	371,611	4,836,084
Share Issue (Seed Cap)	-	-	-	-	-	-	-	-	-	-	-	-	-
	317,476	613,628	378,783	357,570	378,397	404,371	440,566	426,088	404,371	371,611	371,611	371,611	4,836,084
PAYMENTS													
Invoiced Costs	303,078	270,010	282,329	300,766	325,579	318,682	303,866	280,908	278,778	278,778	284,935	516,556	3,744,265
Direct Wages	27,884	27,884	27,884	27,884	27,884	27,884	27,884	27,884	27,884	27,884	27,884	27,884	334,605
Printing	-	-	-	-	-	-	-	-	-	-	-	-	-
PAYE / NI	4,848	5,576	5,576	5,576	5,576	5,576	5,576	5,576	5,576	5,576	5,576	5,576	66,179
Tax	56,291	15,063	8,356	8,834	9,067	17,685	17,753	18,001	11,875	11,875	10,643	(33,809)	151,634
VAT	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	212,500	-	-	-	-	-	212,500	-	-	-	425,000
	392,101	318,532	536,645	343,060	368,105	369,826	355,078	332,368	536,612	324,112	329,037	516,206	4,721,682
NET CASH FLOW													
	(74,625)	295,096	(157,861)	14,511	10,292	34,545	85,488	93,720	(132,241)	47,499	42,574	(144,595)	114,402
OPENING BANK	472,840	398,214	693,310	535,449	549,960	560,252	594,797	680,285	774,006	641,765	689,263	731,837	
CLOSING BANK	398,214	693,310	535,449	549,960	560,252	594,797	680,285	774,006	641,765	689,263	731,837	587,242	

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA PROFIT & LOSS FORECAST
YEAR 5

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
TURNOVER													
KetoScanner Sales	302,400	181,440	208,354	241,920	241,920	241,920	241,920	199,584	199,584	199,584	211,680	483,840	2,954,146
Salt Monitor Sales	93,312	139,968	139,968	139,968	163,296	153,965	139,968	139,968	139,968	139,968	139,968	233,280	1,763,597
Diabetes Monitor Sales	93,312	139,968	139,968	139,968	163,296	153,965	139,968	139,968	139,968	139,968	139,968	233,280	1,763,597
Future Product Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Recalibration Agents	4,666	4,666	4,896	5,184	5,702	5,495	5,184	4,821	4,821	4,821	4,925	9,331	64,512
Distribution Costs	(9,874)	(9,321)	(9,864)	(10,541)	(11,484)	(11,107)	(10,541)	(9,687)	(9,687)	(9,687)	(9,931)	(19,195)	(130,917)
Discounts Allowed	(24,684)	(23,302)	(24,659)	(26,352)	(28,711)	(27,767)	(26,352)	(24,217)	(24,217)	(24,217)	(24,827)	(47,987)	(327,293)
Sales Commissions	(4,591)	(4,334)	(4,587)	(4,901)	(5,340)	(5,165)	(4,901)	(4,504)	(4,504)	(4,504)	(4,618)	(8,926)	(60,876)
	454,540	429,085	454,076	485,246	528,679	511,306	485,246	445,933	445,933	445,933	457,165	883,625	6,026,765
TOTAL UNITS SOLD	17,578	17,578	18,447	19,531	21,484	20,703	19,531	18,164	18,164	18,164	18,555	35,156	243,057
DIRECT COSTS													
Production	285,973	302,924	324,065	352,681	341,234	324,065	297,400	297,400	297,400	305,019	590,897	381,155	4,100,214
	285,973	302,924	324,065	352,681	341,234	324,065	297,400	297,400	297,400	305,019	590,897	381,155	4,100,214
GROSS PROFIT	168,567	126,161	130,012	132,565	187,445	187,241	187,845	148,532	148,532	140,914	(133,732)	502,469	1,926,552
Gross Profit Margin (%)	37.1%	29.4%	28.6%	27.3%	35.5%	36.6%	38.7%	33.3%	33.3%	31.6%	(29.3%)	56.9%	32.0%
OVERHEADS													
Rent Contribution	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Other Premises & Rates	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Wages	38,478	38,478	38,478	38,478	38,478	38,478	38,478	38,478	38,478	38,478	38,478	38,478	461,738
Telephone	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Printing	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Travel & Motor Expenses	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Insurances	400	400	400	400	400	400	400	400	400	400	400	400	4,800
R&D Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
IT Infrastructure	600	600	600	600	600	600	600	600	600	600	600	600	7,200
Marketing	29,545	27,890	29,515	31,541	34,364	33,235	31,541	28,986	28,986	28,986	29,716	57,436	391,740
Patent Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal & Professional	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Accountancy	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Miscellaneous	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
	82,323	80,669	82,293	84,319	87,142	86,013	84,319	81,764	81,764	81,764	82,494	110,214	1,025,077
OPERATING PROFIT	86,244	45,492	47,718	48,246	100,302	101,228	103,526	66,769	66,769	59,150	(216,226)	392,256	901,475
Operating Profit Margin (%)	19.0%	10.6%	10.5%	9.9%	19.0%	19.8%	21.3%	15.0%	15.0%	13.3%	(47.3%)	44.4%	15.0%
INTEREST EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-	-
NET PROFIT	86,244	45,492	47,718	48,246	100,302	101,228	103,526	66,769	66,769	59,150	(216,226)	392,256	901,475
TAX ON PROFITS @ 20%	(17,249)	(9,098)	(9,544)	(9,649)	(20,060)	(20,246)	(20,705)	(13,354)	(13,354)	(11,830)	43,245	(78,451)	(180,295)
DIVIDENDS	-	-	-	-	-	-	-	-	-	-	-	-	-
CUMULATIVE	481,273	517,667	555,842	594,438	674,680	755,663	838,484	891,899	945,314	992,634	819,653	1,133,458	1,133,458

PRO-FORMA CASHFLOW FORECAST
YEAR 5

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
RECEIPTS													
Invoiced Sales	380,971	736,354	454,540	429,085	454,076	485,246	528,679	511,306	485,246	445,933	445,933	445,933	5,803,301
Share Issue (Seed Cap)	-	-	-	-	-	-	-	-	-	-	-	-	-
	380,971	736,354	454,540	429,085	454,076	485,246	528,679	511,306	485,246	445,933	445,933	445,933	5,803,301
PAYMENTS													
Invoiced Costs	370,167	329,818	345,114	367,880	398,522	389,899	371,600	343,241	340,686	340,686	348,304	634,913	4,580,830
Direct Wages	32,066	32,066	32,066	32,066	32,066	32,066	32,066	32,066	32,066	32,066	32,066	32,066	384,795
Printing	-	-	-	-	-	-	-	-	-	-	-	-	-
PAYE / NI	5,576	6,412	6,412	6,412	6,412	6,412	6,412	6,412	6,412	6,412	6,412	6,412	76,106
Tax	66,545	17,249	9,098	9,544	9,649	20,060	20,246	20,705	13,354	13,354	11,830	(43,245)	168,389
VAT	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
	474,354	385,545	392,691	415,901	446,649	448,437	430,323	402,425	392,518	392,518	398,613	630,146	5,210,120
NET CASH FLOW	(93,383)	350,809	61,849	13,183	7,427	36,809	98,356	108,881	92,728	53,415	47,320	(184,213)	593,180
OPENING BANK	587,242	493,858	844,667	906,516	919,699	927,126	963,935	1,062,291	1,171,172	1,263,899	1,317,314	1,364,635	
CLOSING BANK	493,858	844,667	906,516	919,699	927,126	963,935	1,062,291	1,171,172	1,263,899	1,317,314	1,364,635	1,180,422	

APPENDIX B

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA BALANCE SHEET
YEAR 1

	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05
	£	£	£	£	£	£	£	£	£	£	£	£
FIXED ASSETS												
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Tangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
CURRENT ASSETS												
Stocks	-	-	-	-	-	-	-	-	-	-	-	-
Debtors	-	-	-	-	-	-	32,225	80,561	112,786	145,010	226,953	382,091
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Cash At Bank & In-Hand	204,166	178,466	152,766	322,566	282,866	242,916	390,466	300,016	226,741	366,377	269,626	130,888
	204,166	178,466	152,766	322,566	282,866	242,916	422,691	380,577	339,526	511,388	496,579	512,978
CREDIT DUE WITHIN ONE YEAR												
Taxation	-	-	-	-	-	-	-	-	-	-	-	-
Creditors	17,366	17,366	24,366	21,366	21,616	46,616	72,116	87,166	102,866	142,866	200,966	231,866
Accruals & Deferred Income	-	-	-	-	-	-	-	-	-	-	-	-
	17,366	17,366	24,366	21,366	21,616	46,616	72,116	87,166	102,866	142,866	200,966	231,866
NET CURRENT ASSETS	186,800	161,100	128,400	301,200	261,250	196,300	350,575	293,411	236,660	368,522	295,613	281,112
CREDITORS DUE AFTER ONE YEAR	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET ASSETS	186,800	161,100	128,400	301,200	261,250	196,300	350,575	293,411	236,660	368,522	295,613	281,112
CAPITAL & RESERVES												
Called-Up Share Capital	212,500	212,500	212,500	425,000	425,000	425,000	637,500	637,500	637,500	850,000	850,000	850,000
Share Premium Account	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Profit & Loss Account	(25,700)	(51,400)	(84,100)	(123,800)	(163,750)	(228,700)	(286,926)	(344,089)	(400,840)	(481,479)	(554,387)	(568,888)
	186,800	161,100	128,400	301,200	261,250	196,300	350,575	293,411	236,660	368,522	295,613	281,112

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA BALANCE SHEET
YEAR 2

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06
	£	£	£	£	£	£	£	£	£	£	£	£
FIXED ASSETS												
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Tangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
CURRENT ASSETS												
Stocks	498,743	511,357	511,088	543,589	586,762	601,843	576,708	538,877	516,126	516,126	522,626	775,920
Debtors	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Cash At Bank & In-Hand	24,329	52,430	99,889	120,522	139,344	180,611	256,727	337,838	405,348	450,107	490,846	380,312
	523,072	563,787	610,978	664,111	726,106	782,454	833,435	876,715	921,474	966,233	1,013,472	1,156,232
CREDIT DUE WITHIN ONE YEAR												
Taxation	-	-	-	-	-	-	-	-	-	-	-	10,671
Creditors	186,514	194,501	206,596	222,869	218,463	208,749	193,699	192,220	192,220	196,240	347,513	252,879
Accruals & Deferred Income	-	-	-	-	-	-	-	-	-	-	-	-
	186,514	194,501	206,596	222,869	218,463	208,749	193,699	192,220	192,220	196,240	347,513	263,550
NET CURRENT ASSETS												
	336,558	369,286	404,381	441,242	507,644	573,705	639,736	684,495	729,254	769,993	665,959	892,682
CREDITORS DUE AFTER ONE YEAR												
	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET ASSETS												
	336,558	369,286	404,381	441,242	507,644	573,705	639,736	684,495	729,254	769,993	665,959	892,682
CAPITAL & RESERVES												
Called-Up Share Capital	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000
Share Premium Account	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Profit & Loss Account	(513,442)	(480,714)	(445,619)	(408,758)	(342,356)	(276,295)	(210,264)	(165,505)	(120,746)	(80,007)	(184,041)	42,682
	336,558	369,286	404,381	441,242	507,644	573,705	639,736	684,495	729,254	769,993	665,959	892,682

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA BALANCE SHEET
YEAR 3

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
	£	£	£	£	£	£	£	£	£	£	£	£
FIXED ASSETS												
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Tangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
CURRENT ASSETS												
Stocks	827,010	613,628	613,306	652,307	704,115	722,212	692,050	646,652	619,351	619,351	627,151	931,104
Debtors	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Cash At Bank & In-Hand	357,079	604,784	439,885	454,391	465,849	497,331	570,984	651,063	507,424	548,985	586,566	472,840
	1,184,088	1,218,412	1,053,191	1,106,698	1,169,963	1,219,542	1,263,034	1,297,715	1,126,776	1,168,336	1,213,717	1,403,944
	-	-	-	-	-	-	-	-	-	-	-	-
CREDIT DUE WITHIN ONE YEAR												
Taxation	13,000	7,481	7,965	8,276	15,411	15,397	15,495	10,390	10,390	9,395	(26,482)	56,291
Creditors	226,404	236,324	251,257	271,350	265,837	253,841	235,253	233,478	233,478	238,453	425,637	307,926
Accruals & Deferred Income	-	-	-	-	-	-	-	-	-	-	-	-
	239,405	243,805	259,223	279,626	281,248	269,238	250,748	243,868	243,868	247,848	399,155	364,217
NET CURRENT ASSETS	944,683	974,607	793,968	827,072	888,716	950,305	1,012,286	1,053,847	882,907	920,488	814,562	1,039,726
CREDITORS DUE AFTER ONE YEAR	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET ASSETS	944,683	974,607	793,968	827,072	888,716	950,305	1,012,286	1,053,847	882,907	920,488	814,562	1,039,726
CAPITAL & RESERVES												
Called-Up Share Capital	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000
Share Premium Account	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Profit & Loss Account	94,683	124,607	(56,032)	(22,928)	38,716	100,305	162,286	203,847	32,907	70,488	(35,438)	189,726
	944,683	974,607	793,968	827,072	888,716	950,305	1,012,286	1,053,847	882,907	920,488	814,562	1,039,726

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA BALANCE SHEET
YEAR 4

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
	£	£	£	£	£	£	£	£	£	£	£	£
FIXED ASSETS												
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Tangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
CURRENT ASSETS												
Stocks												
Debtors	992,411	736,354	735,967	782,768	844,937	866,654	830,460	775,982	743,221	743,221	752,582	1,117,325
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Cash At Bank & In-Hand	398,214	693,310	535,449	549,960	560,252	594,797	680,285	774,006	641,765	689,263	731,837	587,242
	1,390,626	1,429,664	1,271,416	1,332,728	1,405,189	1,461,451	1,510,745	1,549,988	1,384,986	1,432,485	1,484,419	1,704,566
	-	-	-	-	-	-	-	-	-	-	-	-
CREDIT DUE WITHIN ONE YEAR												
Taxation	15,063	8,356	8,834	9,067	17,685	17,753	18,001	11,875	11,875	10,643	(33,809)	66,545
Creditors	275,586	287,904	306,342	331,154	324,257	309,442	286,483	284,354	284,354	290,510	522,131	375,743
Accruals & Deferred Income	-	-	-	-	-	-	-	-	-	-	-	-
	290,648	296,261	315,176	340,221	341,942	327,194	304,484	296,228	296,228	301,153	488,322	442,288
NET CURRENT ASSETS	1,099,977	1,133,403	956,240	992,507	1,063,247	1,134,257	1,206,261	1,253,759	1,088,758	1,131,331	996,096	1,262,278
CREDITORS DUE AFTER ONE YEAR	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET ASSETS	1,099,977	1,133,403	956,240	992,507	1,063,247	1,134,257	1,206,261	1,253,759	1,088,758	1,131,331	996,096	1,262,278
CAPITAL & RESERVES												
Called-Up Share Capital	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000
Share Premium Account	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Profit & Loss Account	249,977	283,403	106,240	142,507	213,247	284,257	356,261	403,759	238,758	281,331	146,096	412,278
	1,099,977	1,133,403	956,240	992,507	1,063,247	1,134,257	1,206,261	1,253,759	1,088,758	1,131,331	996,096	1,262,278

QUANTEA LIMITED FINANCIAL PROJECTIONS
PRO-FORMA BALANCE SHEET
YEAR 5

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
	£	£	£	£	£	£	£	£	£	£	£	£
FIXED ASSETS												
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Tangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
CURRENT ASSETS												
Stocks												
Debtors	1,190,894	883,625	883,161	939,322	1,013,925	1,039,985	996,552	931,179	891,866	891,866	903,098	1,340,790
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Cash At Bank & In-Hand	493,858	844,667	906,516	919,699	927,126	963,935	1,062,291	1,171,172	1,263,899	1,317,314	1,364,635	1,180,422
	1,684,752	1,728,291	1,789,677	1,859,021	1,941,051	2,003,920	2,058,842	2,102,350	2,155,765	2,209,180	2,267,733	2,521,211
	-	-	-	-	-	-	-	-	-	-	-	-
CREDIT DUE WITHIN ONE YEAR												
Taxation	17,249	9,098	9,544	9,649	20,060	20,246	20,705	13,354	13,354	11,830	(43,245)	78,451
Creditors	336,230	351,526	374,292	404,934	396,310	378,011	349,653	347,098	347,098	354,716	641,325	459,303
Accruals & Deferred Income	-	-	-	-	-	-	-	-	-	-	-	-
	353,479	360,625	383,835	414,583	416,371	398,257	370,359	360,452	360,452	366,546	598,079	537,754
NET CURRENT ASSETS	1,331,273	1,367,667	1,405,842	1,444,438	1,524,680	1,605,663	1,688,484	1,741,899	1,795,314	1,842,634	1,669,653	1,983,458
CREDITORS DUE AFTER ONE YEAR	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET ASSETS	1,331,273	1,367,667	1,405,842	1,444,438	1,524,680	1,605,663	1,688,484	1,741,899	1,795,314	1,842,634	1,669,653	1,983,458
CAPITAL & RESERVES												
Called-Up Share Capital	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000
Share Premium Account	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Profit & Loss Account	481,273	517,667	555,842	594,438	674,680	755,663	838,484	891,899	945,314	992,634	819,653	1,133,458
	1,331,273	1,367,667	1,405,842	1,444,438	1,524,680	1,605,663	1,688,484	1,741,899	1,795,314	1,842,634	1,669,653	1,983,458