



Appendix E – Pro Forma Financial Statements

Pro-Forma Income Statement

(\$K USD)	2007								2008						2009	2010	2011
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Q2	Q3	Q4	Q1-4	Q1-4	Q1-4
Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$25	\$40	\$40	\$60	\$60	\$200	\$250	\$300	\$1,200	\$1,500	\$2,000
Upgrade Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5	\$30	\$60	\$100
Cost of goods sold	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$2	\$2	\$3	\$3	\$5	\$6	\$8	\$30	\$38	\$50
Gross Profit	\$0	\$0	\$0	\$0	\$0	\$0	\$24	\$38	\$38	\$57	\$57	\$195	\$244	\$298	\$1,200	\$1,523	\$2,050
Selling Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$3	\$4	\$4	\$6	\$6	\$20	\$25	\$30	\$120	\$150	\$200
Travel & Customer Care	\$0	\$0	\$0	\$1	\$1	\$1	\$1	\$2	\$2	\$2	\$2	\$10	\$10	\$10	\$40	\$40	\$40
Advertising Expense	\$0	\$0	\$0	\$1	\$1	\$3	\$3	\$5	\$5	\$5	\$5	\$25	\$20	\$20	\$80	\$80	\$80
R&D Expense	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$2	\$2	\$6	\$6	\$6	\$24	\$50	\$100
Depreciation expense	\$0	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$2	\$2	\$2	\$8	\$8	\$8
Office Rent Expense	\$0	\$0	\$0	\$0	\$0	\$10	\$10	\$10	\$10	\$10	\$10	\$30	\$30	\$30	\$120	\$120	\$120
General Office Expense	\$0	\$0	\$0	\$0	\$0	\$2	\$2	\$2	\$2	\$2	\$2	\$6	\$6	\$6	\$24	\$24	\$24
Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$3	\$3	\$7	\$7	\$7	\$45	\$45	\$60	\$300	\$350	\$500
Total operating expenditures	\$1	\$2	\$2	\$4	\$4	\$18	\$24	\$28	\$32	\$35	\$35	\$144	\$144	\$164	\$716	\$822	\$1,072
Operating Income	(\$1)	(\$2)	(\$2)	(\$4)	(\$4)	(\$18)	\$0	\$10	\$6	\$22	\$22	\$51	\$100	\$134	\$484	\$701	\$978
Interest	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$0	\$0	\$0	\$0	\$0	\$1	\$18	\$38	\$68
EBIT	\$0	(\$1)	(\$1)	(\$3)	(\$3)	(\$17)	\$1	\$11	\$7	\$23	\$22	\$51	\$100	\$134	\$502	\$738	\$1,046
Income Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3	\$2	\$7	\$7	\$15	\$30	\$40	\$145	\$210	\$293
Net Income	\$0	(\$1)	(\$1)	(\$3)	(\$3)	(\$17)	\$1	\$8	\$5	\$16	\$16	\$36	\$70	\$94	\$356	\$527	\$750



Pro-Forma Cash Flow Statement

	2007								2008							2009	2010	2011
	(\$K USD)	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Q2	Q3	Q4	Q1-4	Q1-4	Q1-4
Net Income	\$0	(\$1)	(\$1)	(\$3)	(\$3)	(\$17)	\$1	\$8	\$5	\$16	\$16	\$36	\$70	\$94	\$356	\$527	\$750	
Depreciation	\$0	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$2	\$2	\$2	\$8	\$8	\$8	
Change in Accounts Receivable	\$0	\$0	\$0	\$0	\$0	\$0	(\$20)	(\$37)	(\$50)	(\$43)	(\$34)	(\$20)	(\$25)	(\$27)	(\$91)	(\$98)	(\$123)	
Change in Accounts Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cash from operations	\$0	\$0	\$0	(\$2)	(\$2)	(\$16)	(\$19)	(\$29)	(\$45)	(\$27)	(\$18)	\$18	\$47	\$69	\$273	\$437	\$635	
Capital expenditure	(\$10)	\$0	(\$1)	(\$3)	(\$3)	(\$3)	(\$35)	(\$5)	(\$5)	\$0	\$0	\$0	\$0	\$0	(\$218)	(\$350)	(\$508)	
Payment of debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$5)	(\$5)	(\$5)	(\$5)	(\$5)	(\$5)	\$0	\$0	\$0	\$0	
Cash from other activities	(\$10)	\$0	(\$1)	(\$3)	(\$3)	(\$3)	(\$35)	(\$10)	(\$10)	(\$5)	(\$5)	(\$5)	(\$5)	\$0	(\$218)	(\$350)	(\$508)	
Total cash change	(\$10)	\$0	(\$1)	(\$5)	(\$5)	(\$19)	(\$54)	(\$39)	(\$55)	(\$32)	(\$23)	\$13	\$42	\$69	\$55	\$87	\$127	
Beginning cash balance	\$250	\$240	\$240	\$239	\$234	\$229	\$210	\$156	\$118	\$63	\$32	\$9	\$22	\$64	\$133	\$187	\$275	
Ending cash balance	\$240	\$240	\$239	\$234	\$229	\$210	\$156	\$118	\$63	\$32	\$9	\$22	\$64	\$133	\$187	\$275	\$402	

Pro-Forma Balance Sheet

	2007								2008							2009	2010	2011
	(\$K USD)	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Q2	Q3	Q4	Q1-4	Q1-4	Q1-4
Cash	\$240	\$240	\$239	\$234	\$229	\$210	\$156	\$118	\$63	\$32	\$9	\$22	\$64	\$133	\$187	\$275	\$402	
Account receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$20	\$57	\$107	\$150	\$184	\$204	\$229	\$256	\$347	\$445	\$568	
Investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$218	\$568	\$1,076	
Equipment	\$10	\$10	\$10	\$10	\$10	\$10	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	
Accumulated depreciation	\$0	(\$1)	(\$1)	(\$2)	(\$3)	(\$3)	(\$4)	(\$5)	(\$5)	(\$6)	(\$7)	(\$9)	(\$11)	(\$13)	(\$21)	(\$29)	(\$37)	
Patents, copyrights	\$0	\$0	\$1	\$4	\$7	\$10	\$15	\$20	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	
Total Asset	\$250	\$249	\$249	\$246	\$243	\$227	\$227	\$230	\$230	\$241	\$251	\$282	\$347	\$441	\$797	\$1,324	\$2,074	
Account payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Short term debt	\$0	\$0	\$0	\$0	\$0	\$0	\$30	\$25	\$20	\$15	\$10	\$5	\$0	\$0	\$0	\$0	\$0	
Long term debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$30	\$25	\$20	\$15	\$10	\$5	\$0	\$0	\$0	\$0	\$0	
Owner's Equity	\$250	\$249	\$249	\$246	\$243	\$227	\$197	\$205	\$210	\$226	\$241	\$277	\$347	\$441	\$797	\$1,324	\$2,074	