

BLUBBER MOTORS LIMITED

FINANCIAL PROJECTIONS FOR
THE YEAR ENDED 31ST DECEMBER 2009.

FINANCIAL PROJECTIONS FOR BLUBBER MOTORS LIMITED:
YEAR ENDED 31ST DECEMBER 2009

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FINANCIAL PROJECTIONS FOR BLUBBER MOTORS LIMITED :
YEAR ENDED 31ST DECEMBER 2009

ACCOUNTANTS REPORT ON PROFIT FORECAST.

We have reviewed the foregoing Projected Profit & Loss Account and Cash Flow Forecast for the year ended 31st December 2009 for which the directors are solely responsible.

In our opinion, the forecasts have been properly compiled on the footing of the assumptions made by the Directors and are presented on a basis consistent with the accounting policies normally adopted by the company.

15th March 2009.

MEEHAN & ASSOCIATES,
REGISTERED AUDITORS,
LYNWOOD HOUSE,
BALLINTEER ROAD,
DUBLIN 16.

FINANCIAL PROJECTIONS FOR BLUBBER MOTORS LIMITED :
YEAR ENDED 31ST DECEMBER 2009

PRINCIPLE ASSUMPTIONS GOVERNING THE FINANCIAL PROJECTIONS:

- The projection has been prepared on the basis of no change in stocking levels and related financing.
- Existing borrowing is serviced at current interest rates.
- The overall gross profit margin on vehicle sales is 7.6%
- Sales of new vehicles are collected in the month of sale
- On average, a trade in allowance of 30% of new vehicle sales will arise.
- Sales of traded in vehicles are collected 50% in the month of sale and 50% in the month following.
- Purchases of new vehicles are paid for in the month of purchase.
- The receipts figures in respect of Vehicle Sales are shown in the Cash Flow Forecast net of trade in allowance.
- Parts and material supplies are purchased on 1 months credit.
- Lease payments in respect of vehicles supplied under contract hire will continue for the year.
- Workshop, parts sales and contract hire are combined and operate at 40% margin.

FINANCIAL PROJECTIONS FOR BLUBBER MOTORS LIMITED :
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TRADING PROFIT & LOSS ACCOUNT:

TURNOVER: Vehicle Sales	3,086,831	
Workshop Parts and Contract Hire	1,259,512	
DIRECT COSTS: Vehicles	-2,906,370	
Parts & Leasing re:C.Hire	-755,707	
COMMISSIONS AND REBATES	91,975	
GROSS PROFIT	776,241	17.86

OVERHEADS:

Rent & Rates	144,000	
Insurances	25,000	
Printing Stationery	10,000	
Telephone Postage	12,000	
Repairs & Maintenance	8,000	
Light Heat	12,000	
Motor Ex	8,000	
Audit and Accountancy	5,000	
Bank Int & Chrgs	78,000	
Advertising	16,000	
Sundry	40,000	
Wages & Salaries	388,000	746,000

NET PROFIT / LOSS FOR PERIOD	30,241	=====
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FINANCIAL PROJECTIONS FOR BLUBBER MOTORS LIMITED :
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CASH FLOW FORECAST:

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
RECEIPTS:													
Rcpts Vehicle Sales	222,275	226,225	281,625	292,500	305,675	270,600	301,400	251,900	279,400	335,725	107,775	9,900	2,885,000
Receipts W/Shop Sale	100,800	115,200	115,200	129,600	129,600	129,600	129,600	129,600	115,200	115,200	115,200	115,200	1,440,000
Commissions & Rebate	2,750	2,500	3,250	3,250	3,500	3,000	3,500	2,750	3,250	3,250	750	80,000	111,750
	325,825	343,925	400,075	425,350	438,775	403,200	434,500	384,250	397,850	454,175	223,725	205,100	4,436,750
PAYMENTS:													
Wages Salaries	17,875	17,875	17,875	17,875	17,875	17,875	17,875	17,875	17,875	17,875	17,875	17,875	214,500
Paye Prsi	14,458	14,458	14,458	14,458	14,458	14,458	14,458	14,458	14,458	14,458	14,458	14,458	173,500
Suppliers Cars	241,626	203,280	270,270	270,270	284,592	243,936	284,592	223,608	264,264	318,318	60,984	0	2,665,740
Suppliers Parts	64,273	73,455	73,455	82,637	82,637	82,637	82,637	82,637	73,455	73,455	73,455	73,455	918,184
Vat	17,878		10,286		12,260		12,085		11,565		12,511		76,585
Overheads	29,833	29,833	29,833	29,833	29,833	29,833	29,833	29,833	29,833	29,833	29,833	29,833	358,000
TOTAL PAYMENTS	385,944	338,901	416,178	415,073	441,655	388,739	441,480	368,411	411,450	453,939	209,117	135,621	4,406,509
NET CASH INFLOW/ OUTFLOW FROM TRADING	-60,119	5,024	-16,103	10,277	-2,880	14,461	-6,980	15,839	-13,600	236	14,608	69,479	30,241
OTHER SOURCES:													
Direct Investment			400,000										400,000
OTHER DISBURSEMENTS:													
To Lombard Fin.			-125,000										-125,000
To Creditors			-70,000										-70,000
To Revenue			-45,000										-45,000
To Bank No.2			-160,000										-160,000
NET CASH INFLOW/ OUTFLOW FOR MONTH	-60,119	5,024	-16,103	10,277	-2,880	14,461	-6,980	15,839	-13,600	236	14,608	69,479	30,241
OPENING BALANCES	-250,000	-310,119	-305,095	-321,198	-310,921	-313,801	-299,340	-306,320	-290,482	-304,082	-303,846	-289,238	-250,000
CLOSING BALANCES	-310,119	-305,095	-321,198	-310,921	-313,801	-299,340	-306,320	-290,482	-304,082	-303,846	-289,238	-219,759	-219,759

SCHEDULE OF SALES, PURCHASES AND VAT

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
FACTOR SRVCS	.0800	.0800	.0900	.0900	.0900	.0900	.0900	.0800	.0800	.0800	.0800	.0700	1.0000
SALES VANS INCL VAT	261,500	220,000	292,500	292,500	308,000	264,000	308,000	242,000	286,000	344,500	66,000	0	2,885,000
SALES T/IN VANS	78,450	66,000	87,750	87,750	92,400	79,200	92,400	72,600	85,800	103,350	19,800	0	865,500
W'Shop/Parts/C.Hire	115,200	115,200	129,600	129,600	129,600	129,600	129,600	115,200	115,200	115,200	115,200	100,800	1,440,000
Rebates Inc Vat	2,750	2,500	3,250	3,250	3,500	3,000	3,500	2,750	3,250	3,250	750	80,000	111,750
SALES VANS EX VAT	215,226	181,070	240,741	240,741	253,498	217,284	253,498	199,177	235,391	283,539	54,321	0	2,374,486
SALES T/INS EX VAT	64,568	54,321	72,222	72,222	76,049	65,185	76,049	59,753	70,617	85,062	16,296	0	712,346
Workshop etc ex vat	100,761	100,761	113,356	113,356	113,356	113,356	113,356	100,761	100,761	100,761	100,761	88,166	1,259,512
Rebates ex vat	2,263	2,058	2,675	2,675	2,881	2,469	2,881	2,263	2,675	2,675	617	65,844	91,975
VAT on Sales	75,081	65,490	84,106	84,106	87,716	77,506	87,716	70,596	80,806	94,263	29,754	26,791	863,931

W'shop/Parts/C.Hire 40% Margin

Purchases Vans ex vat	198,869	167,309	222,444	222,444	234,232	200,770	234,232	184,040	217,501	261,990	50,193	0	2,194,025
Trade ins ex vat	64,568	54,321	72,222	72,222	76,049	65,185	76,049	59,753	70,617	85,062	16,296	0	712,346
D.Costs W'shop ex vat	60,457	60,457	68,014	68,014	68,014	68,014	68,014	60,457	60,457	60,457	60,457	52,900	755,707
Purchases Ex Vat	323,894	282,086	362,680	362,680	378,295	333,969	378,295	304,249	348,575	407,508	126,945	52,900	3,662,078
Purchases incl vat	393,531	342,735	440,657	440,657	459,629	405,773	459,629	369,663	423,519	495,123	154,239	64,273	4,449,424
Vat on purchases	69,637	60,649	77,976	77,976	81,333	71,803	81,333	65,414	74,944	87,614	27,293	11,373	787,347

Net Monthly Vat	5,444	4,842	6,130	6,130	6,382	5,702	6,382	5,182	5,862	6,649	2,461	15,417	76,585
VAT RETURN		10,286		12,260		12,085		11,565		12,511		17,878	76,585

FINANCIAL PROJECTIONS FOR BLUBBER MOTORS LIMITED :
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PROJECTED UNIT SALES BY VEHICLE MODEL

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
crafter	6	4	6		5	5	4	5	4	5	10	1	0	55
caddy	3	4	5		4	5	4	5	4	5	1	1	0	41
t5	2	2	2		4	4	4	4	3	3	2	1	0	31

Total
Units 127

UNIT SELLING PRICES:

(all prices
including vat)

crafter	28,500
caddy	15,500
t5	22,000

Rebates per unit
sold incl vat

Crafter	1,800
Cassy	1,300
T5	1,600

UNITS SOLD PRIOR YEARS:

2006	301	
2007	360	7% of national market
2008	270	8% of national market
2009 Projected	127	

FINANCIAL PROJECTIONS FOR BLUBBER MOTORS LIMITED :
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WAGES AND SALARIES:	DIRECTOR	EMPLOYEES	TOTAL
GROSS	60,000	296,000	
PAYE	22,000	100,000	
PRSI EMPLOYEE	3,500	16,000	
NET	34,500	180,000	214,500
PRSI EMPLOYER	0	32,000	
PAYE/PRSI	25,500	148,000	173,500
DIRECTORS COST	60,000		
EMPLOYEES COST	328,000		

Breakdown of staff wages (inclusive of Employer's PRSI):

Director	60,000	
Workshop Manager	40,000	
Parts Supervisor	27,000	(currently 2 staff engaged)
Apprentices	16,000	(currently 2 staff engaged)
Mechanics (3)	105,000	
Receptionist	30,000	
Administration	40,000	(currently 2 staff engaged)
Sales Persons	<u>70,000</u>	
Total	388,000	

FINANCIAL PROJECTIONS FOR BLUBBER MOTORS LIMITED :
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KEY FINANCIAL STATISTICS 2006 TO 2013.

Year	2007	2006	2005	2004	2003	2002	2001	2000
GROSS MARGIN %	5.35	10.19	7.78	8.6	10.77	9.65	9.04	7.3
NET MARGIN %	-2.6	1.82	-1.48	0.26	1.13	1.86	1.03	0.814
OVERHEADS PER MONTH	86265	72057	58512	36496	31255	28198	21611	17800
CURRENT RATIO	1.12	1.18	1.18	1.4	1.16	1.16	1.08	0.97
ACID TEST RATIO	0.24	0.41	0.27	0.55	0.5	0.4	0.5	0.54
GEARING RATIO	0.86	0.11	0.4	0	0	0	0	0
DEBTORS DAYS	9	15	12	28	41	19	22	18
CREDITORS DAYS	61	55	61	60	72	35	33	34
STOCK TURNOVER	7	7	7	7	6	9	12	23