

AFRICA MEDICAL EQUIPMENT FACILITY

FINANCIAL MANAGEMENT COMPONENT

GUIDE FOR FINANCIAL PLANNING AND FORECASTING TOOL

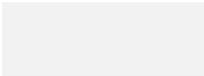


Creating Markets, Creating Opportunities

GENERAL INSTRUCTIONS

The Instruction and Navigation sheet includes a legend for the color coding used across the sheet as well as a description of the elements included in each sheet.

LEGEND

	Shaded cells represent input cells that require the user to input relevant data and assumptions
Blue:	Inputs including historical values, growth assumptions and current results
Black:	Calculations

NAVIGATION PANEL

The Navigation Sheet includes a table of content of all the sheets in the model clustered under the model clustered under

- 1) **Inputs:** Any sheets that require any manual inputs falls under this category
- 2) **Output:** These sheets represent all the outcomes of the calculations

**By clicking on any of the listed sheets it will take you directly to that tab*

P&L Input Sheet



KEY ASSUMPTIONS

INPUTS

P&L STATEMENT

BALANCE SHEET

CASHFLOW STATEMENT

ASSUMPTIONS AND TARGETS

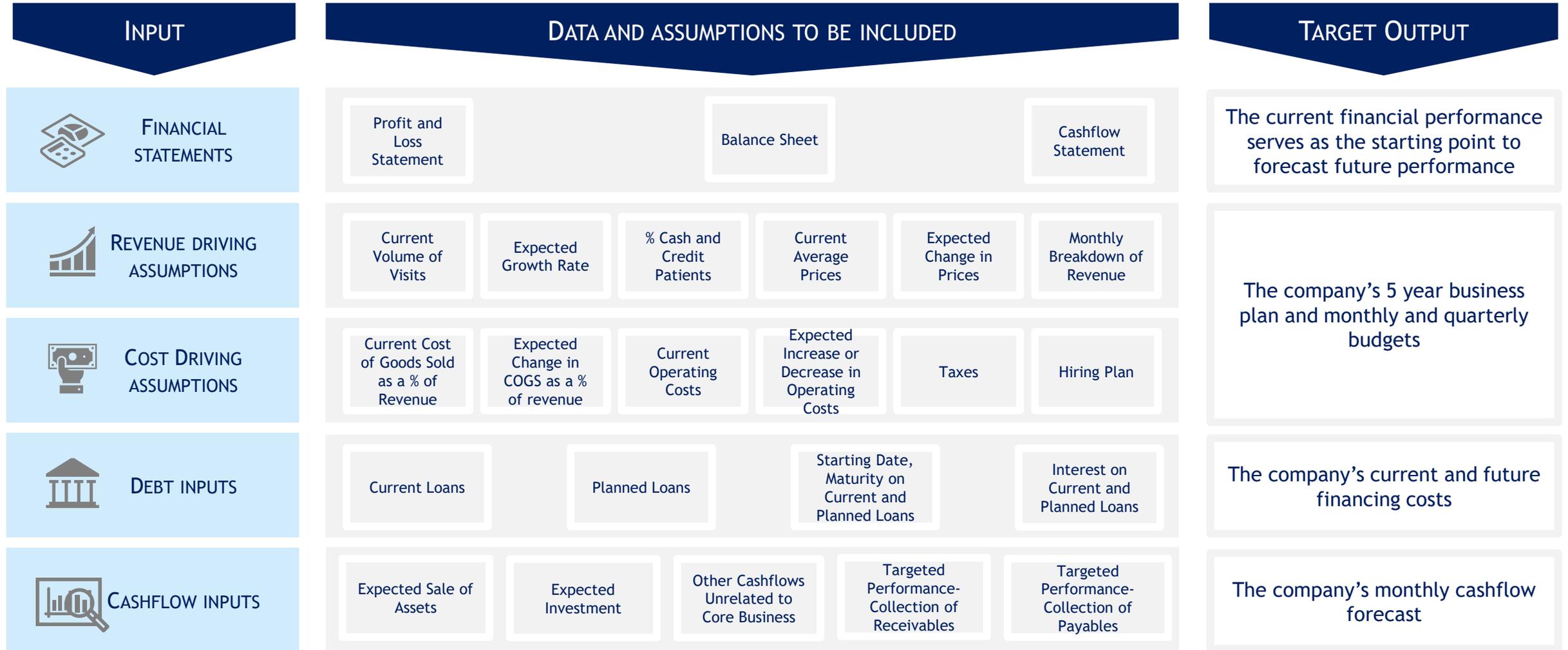
ACTUAL RESULTS

OUTPUTS

5 YEAR BUSINESS PLAN

MONTHLY AND QUARTERLY BUDGETS

MONTHLY AND QUARTERLY CASHFLOW FORECASTS



INPUT

DATA AND ASSUMPTIONS TO BE INCLUDED

TARGET OUTPUT



FINANCIAL STATEMENTS

Profit and Loss Statement

Balance Sheet

Cashflow Statement

The current financial performance serves as the starting point to forecast future performance

Financial Statement Input Sheets should be **updated annually** based on actual performance to ensure that the company has accurate and up to date information for its planning and forecasting.

SNAPSHOT

	2021	2022
Revenues		
COGS		
Gross Profit		
Admin Costs		
Employment Costs		
Facilities and maintenance		
Other Costs		
EBITDA		
Depreciation		
EBIT		
Financing Costs		
Taxes		
Net Income		

INSTRUCTIONS AND NOTES

Input relevant data from the most recent annual profit and loss statement, balance sheet and cashflow statement into shaded cells. Annual data should be included as soon as available and does not have to be audited.

In case the planning process starts before the annual financial statements are available ie in September, input annualized year-to-date figures by following these steps:

1. Calculate the ratio of the number of months in the year to the number of months for which data is available. For example, if data is available till September, the ratio will be 12/9.
2. Multiply the year-to-date figures by the ratio

Revenue Driving Inputs and Assumptions



Revenue driving assumptions and inputs should be **updated and revisited annually or bi-annually** to ensure that they remain realistic and are in line with the company's performance.

STEP	SNAPSHOT				INSTRUCTIONS AND NOTES																																								
I	<p>Start Year (yyyy)</p> <p>2022</p>				<p>Input the first planning year to be considered. It is important to update the start year annually after inputting the relevant data from the financial statements as these inputs drive many of the automatic calculations in the model.</p> <p>* The start year should not exceed 1 year from the latest financial statements included</p>																																								
II	<table border="1"> <thead> <tr> <th></th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Average Daily Visits</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Outpatient Visits</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Inpatient</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Regular Inpatient</td> <td>2</td> <td>50%</td> <td>20%</td> </tr> <tr> <td>Inpatient ICU</td> <td>0.3</td> <td>100%</td> <td>20%</td> </tr> <tr> <td>Imaging Tests</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Expensive Tests</td> <td>1</td> <td>100%</td> <td>20%</td> </tr> <tr> <td>Moderately Priced Tests</td> <td>5</td> <td>100%</td> <td>20%</td> </tr> <tr> <td>Low Priced Tests</td> <td>10</td> <td>100%</td> <td>20%</td> </tr> </tbody> </table>		2021	2022	2023	Average Daily Visits				Outpatient Visits				Inpatient				Regular Inpatient	2	50%	20%	Inpatient ICU	0.3	100%	20%	Imaging Tests				Expensive Tests	1	100%	20%	Moderately Priced Tests	5	100%	20%	Low Priced Tests	10	100%	20%				<p>Input the average number of daily visits for each category of services and the expected year-on-year percent growth. For imaging, lab and surgery, cluster sub-services into 3 groups to be differentiated by the average price of the services. The thresholds for each cluster are to be decided by the company based on the current services offered. This will help estimate the annual volume of visits during the period covered.</p> <p>* A year is considered 365 days</p>
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Cost Driving Inputs and Assumptions



Cost driving assumptions and inputs should be **updated and revisited annually** to ensure that they remain realistic and are in line with the company's current performance.

STEP	SNAPSHOT	INSTRUCTIONS AND NOTES
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VI	COGS	2021	2022	2023
		60%	60%	60%

Input the company's estimated direct costs as a % of revenues for the upcoming years. The current portion is automatically calculated and updated based on the data included from the financial statements and the start date defined in Step I. The company's current performance should serve as a basis for future estimates.

VII		Expected increase / decrease		
		2021	2022	2023
	Admin Costs	4,428,802	5%	5%
	Employment Costs	49,598,253	7%	7%
	Facilities and Maintenance	2,354,910	10%	10%
	Other Costs	159,887	0%	0%
	Depreciation	2,017,200	10%	5%

Input the estimated % increase or decrease from the current operating costs, which are automatically calculated and updated based on the data included from the financial statements and the start date defined in Step I.

**Figures included for illustrative purposes only*

Cost Driving Inputs and Assumptions



 **COST DRIVING ASSUMPTIONS**

Current Cost of Goods Sold as a % of Revenue | Expected Change in COGS as a % of revenue | Current Operating Costs | Expected Increase or Decrease in Operating Costs | Taxes | Hiring Plan

The company's 5 year business plan and monthly and quarterly budgets

Cost driving assumptions and inputs should be **updated and revisited annually** to ensure that they remain realistic and are in line with the company's current performance.

STEP	SNAPSHOT	INSTRUCTIONS AND NOTES																		
VIII	<table border="1"> <thead> <tr> <th></th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Taxes</td> <td>20%</td> <td>20%</td> <td>20%</td> </tr> </tbody> </table>		2021	2022	2023	Taxes	20%	20%	20%	<p>Input the estimated tax rate as a % of Earnings Before Interest and Depreciation (EBIT) included in the “P&L Input Sheet”. The current portion is automatically calculated and updated based on the data included from the financial statements and the start date defined in Step I.</p>										
		2021	2022	2023																
Taxes	20%	20%	20%																	
<table border="1"> <thead> <tr> <th>Position</th> <th>Monthly Salary</th> <th>Start Month</th> </tr> </thead> <tbody> <tr> <td>Position 1</td> <td>100,000</td> <td>Jan</td> </tr> <tr> <td>Position 2</td> <td>100,000</td> <td>Jan</td> </tr> <tr> <td>Position 3</td> <td>50,000</td> <td>Mar</td> </tr> <tr> <td>Position 4</td> <td>500,000</td> <td>Apr</td> </tr> <tr> <td>Position 5</td> <td>50,000</td> <td>May</td> </tr> </tbody> </table>	Position	Monthly Salary	Start Month	Position 1	100,000	Jan	Position 2	100,000	Jan	Position 3	50,000	Mar	Position 4	500,000	Apr	Position 5	50,000	May	<p>Input the positions expected to be recruited within the first planning year defined in Step I. Estimate the monthly salary to be paid for each position and select estimated start month from the drop-down menu. This will support the company in defining its hiring budget for the upcoming year.</p> <p>*In the case the company does not need all 15 positions included, input 0 under “monthly salary” and select “N/A” from the drop-down menu under “start month” for the additional positions.</p>	
Position	Monthly Salary	Start Month																		
Position 1	100,000	Jan																		
Position 2	100,000	Jan																		
Position 3	50,000	Mar																		
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Position 5	50,000	May																		

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Debt inputs should be updated and revisited annually or if the company is considering taking a new loan to consider the potential impact on financing costs and cashflows.

STEP	SNAPSHOT	INSTRUCTIONS AND NOTES
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	Start Date	Duration (Years)	Loan Amount (KSC)	Annual Interest Rate
X	Loan 1 1/5/2022	5	1,000,000	5.50%
	Loan 2 1/5/2022	5	1,000,000	5.50%
	Loan 3 1/1/2023	5	1,000,000	7.00%

Input the relevant information for the company's current and planned loans. The estimated interest and principal payments will be automatically calculated and considered in the business plan, budget and cashflow forecast accordingly.

**Figures included for illustrative purposes only*

INPUT

DATA AND ASSUMPTIONS TO BE INCLUDED

TARGET OUTPUT



CASHFLOW INPUTS

Expected Sale of Assets

Expected Investment

Other Cashflows Unrelated to Core Business

Targeted Performance-Collection of Receivables

Targeted Performance-Collection of Payables

The company's monthly cashflow forecast

Cashflow inputs should be **updated and revisited annually or bi-annually** to ensure they are realistic and are in line with the company's performance.

STEP

SNAPSHOT

INSTRUCTIONS AND NOTES

XI

Sale of Assets
Other cash inflows (unrelated to main business)

Jan Feb Mar

Purchase of assets or equipment
Dividend payout

Jan Feb Mar

Input the information related to the company's cash inflows and outflows that are unrelated to the main business. This includes the estimated value and time for any planned sale of assets or purchase of assets/equipment within the first planning year defined in Step I. This will support the company in planning its cashflows on a monthly basis.

* In case the company does not expect any cashflows unrelated to the main business, leave cells blank.

XII

Days Sales Outstanding
Days Payable Outstanding

	2021 (Days)	2022 (Days)
Days Sales Outstanding	50	35
Days Payable Outstanding	60	70

Days Sales Outstanding (DSO) is a measure of the average number of days that it takes your company to **collect** its credit sales.

Days Payable Outstanding (DPO) is a measure of the average number of days that it takes your company to **pay** its creditors,

Together, DSO and DPO are important determinants of your company's working capital management. The current durations are automatically calculated and updated based on the data included from the financial statements and the start date defined in Step I. Input the targeted duration for each metric for the first planning year included Step I.

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