

Luminex Sample Business Plan.

The following business plan is based on a fictitious company called Luminex Ltd. The promoters of the business are fortunate in having developed an innovative product which appears to meet a current market need for improvements in Health and Safety in the workplace. They are also fortunate in having £25,000 between them as a result of a redundancy package from their current employment.

Fred Allbright, the inventor of the product left his employment in 1995 to work as an Electronic Engineering Consultant. In the course of his work he began to experiment with the idea of an automated light regulation device and eventually developed the concept for Light Guard. He funded the initial research and development largely through his consultancy work, but the project eventually reached a stage which required him to work at it on a more or less full-time basis. He purchased equipment at a bargain rate from his former employer and received free technical assistance in developing the product from the Electronics Department of his local College of Technology. Nine months later, he was down to his last £5,000 and was contemplating abandoning the project when he met with Mr. Max Smartt, an old business acquaintance. Mr. Smartt worked with Mr. Dizley at Scrimpp Engineering Ltd., and they had recently been offered a voluntary redundancy package. Each has £10,000 to invest in the business.

After extensive discussion the three promoters decided to pool their resources and to establish Luminex as a Limited Company. A value of £20,000 was agreed on Fred Allbright's work to date and this was to be repaid by allocating £5,000 in Ordinary Shares with the remainder to be treated as a Directors Loan to be repaid in years 2 and 3 at 15% interest. Mr. Allbright invested another £5,000 cash in the business as Ordinary Shares.

Each promoter now holds 10,000 Ordinary Shares at £1 each. All will be equal partners, but salaries and commissions may be negotiated separately.

With an investment of £25,000 and with letters of intent secured by Mr. Dizley from prospective customers, the promoters successfully negotiated an Equipment Lease of £30,000, a Term Loan of £15,000 over three years and an overdraft facility of £5,000.

If you are thinking of starting a business you need to have a certain amount of investment capital yourself. You can accumulate this by regular savings, or you may earn it by engaging in some form of enterprise in your spare time. Most successful entrepreneurs have an opportunistic nature, and many began their businesses with income earned in their spare time. (e.g. Selling tee-shirts at rock concerts; Mail-order records; etc.).

If you have an initial investment you can increase your funds in the following ways:

1. Credit Union Membership.
2. Bank / Building Society borrowing.
3. Grants from Government Agencies / Local Authorities (for qualifying businesses).
4. Tax relief through the Seed Capital Scheme. (for qualifying businesses).
5. Find suitable business partners with own funds (as in this example).
6. Locate a 'sleeping partner' with funds to invest. (Accountancy Firms can help with this).
7. Locate 'strategic partners' who may be able to provide you with resources,

materials, premises, favourable credit terms, contacts in the trade etc. **Note:** A strategic partner is someone who will benefit by your success, and who is prepared to offer you support. e.g. a Local pub may benefit from a business which attracts tourists to the locality.

8. Preferential loans from enterprise support organisations etc. (First Step, Guinness Workers Employment Fund etc.)
9. Technical support from enterprise support organisations, or other organisations. (Such as Colleges of Technology in this example).
10. Loans / Investments from family, friends etc.

In the following sample business plan Luminex Ltd. is a manufacturing company with a fairly substantial investment requirement. The promoter, Fred Allbright has limited financial resources himself but by using his contacts in the trade he manages to put together a financial package which will allow his business to generate enough income to become self supporting.

The business plan ,and the information contained therein is fictional in nature. However we hope it will provide a useful example for anyone who may not have seen a business plan before. This plan is best viewed in conjunction with the **Business Plan Outline** provided with this disk.e

Note: **Market statistics included in this plan are for illustration purposes only.**

Any similarity to existing businesses or persons is co-incidental.

LUMINEX LTD.

Sample Business Plan

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LUMINEX LTD.

Introduction.

Description of the Product.

Recent EU directives on Occupational Health and Safety and the Safety, Health and Welfare at Work (General Applications) Regulations 1993, have served to increase general awareness in the workplace of the need for proper working conditions in every sphere. In this regard lighting levels in both factory and office facilities are no exception.

Luminex Ltd. have designed, prototyped and intend to market **Light Guard™**, an electronic device which is simple to install and which will monitor lighting levels in a given area, adjust same to a pre-set level and thereby maintain a constant light level within this area, appropriate for the task in hand.

Who will use it?

Light Guard™ has been designed for use in offices and production-space areas. Thus, it has a wide potential target market in every factory and office facility both at home and abroad.

While this version of the product has not been designed for domestic use at present, we intend to produce a scaled-down version at a later stage, which will be better suited for domestic use. This will provide a further potential market of every household in the country.

Progress to date.

Prototype products have been extensively tested in our own facility for functionality and quality and manufactured to recognised electric/electronic industry standards.

Patenting.

Luminex Ltd. currently hold provisional Patent rights to the product.

We have engaged a specialist consultant for the purpose of applying for a full Patent. We are seeking Forbairt grant assistance towards the costs of this activity.

Initial Market reaction.

The prototype products have tested extremely well in the field and have received the endorsement of ESB's Technical Department. In view of this the promoters have shown the products and test data to several electrical wholesalers and to environmental service engineers, who will be responsible for specifying the product on new projects. The reaction to **Light Guard™** has been very favourable and the stated demand is shown under the Marketing Section of this business plan, which details the projected overall market and our targeted market share. To date, seven major Electrical Wholesalers have indicated that they will stock the product with advance orders of 300 units already in for January. The suppliers have indicated that they would expect to restock similar quantities each month. Further details of Market estimates are given in the Marketing section of this plan.

We are extremely encouraged by this reaction and are confident that this product meets the identified dual market needs of:

Constant Light Regulation.
Electricity Savings.

It is important that this project proceed in the fastest possible time so that we may fill initial orders, which have already been secured on the home market, and begin our marketing effort in the UK.

Quality and Standards.

The design of **Light Guard™** has been undertaken in accordance with **B.S. 2703**, in relation to the electric/electronic safety and performance specifications. As stated above these specifications have been independently verified.

Luminex Ltd. have applied for certification and receipt of the “**CE Mark**” which will qualify the product for sale in all European Market areas. On the basis of the engineering tests and independent verification we are confident that this Standard will be awarded.

Upon set-up of our production facility we will install methods of production and quality control which will lead to us obtaining **ISO 9000** certification.

Company Overview.

Company Name:	Luminex Ltd.
Registration Number:	2777777
Date of Incorporation:	28th November 1996.
Address:	Unit 28 Courtvale Industrial Estate. Dublin 15.
Telephone:	7654321
Fax:	7654322
E-Mail:	Fred @ Light.ie

Luminex Ltd. was established to manufacture a patented electronic light control product. The promoters have developed a final prototype and have completed a test production run of 500 units. The product has passed all tests and is in compliance with B.S. 2703.

The company has located a suitable unit of 1,300 sq. ft. in Courtvale Industrial Estate and wishes to recruit 2 Production Staff immediately. It is expected a third person will be required later in the year.

The principals of the company are:

Mr. Fred Allbright, Managing Director and original developer of the product.

Mr. Max Smartt, Production Director.

Mr. Walter Dizley, Sales and Marketing Director.

Mr. Smartt and Mr. Dizley have recently accepted a redundancy package from Scrimp Engineering Ltd. and will be investing £10,000 each in the business. Mr. Allbright will also be investing £5,000 cash in the business. His investment to date in product development and equipment is to be valued at £20,000. £5,000 of this will be converted to Ordinary Shares and £15,000 will be considered as a Directors Loan to be repayable in year 2 with 15% interest.

Each of the Directors will hold 10,000 Ordinary Shares in the business.

The Promoters

The current members of the management team are the principals of Luminex Ltd.

Fred Allbright is an electrical engineering graduate from the Dublin Institute of Technology. He has seventeen years industrial experience progressing from a technician to manager of an engineering test laboratory with Flashtec Ltd., a local manufacturer of electronic equipment. Mr. Allbright left Flashtec Ltd. in 1995 to pursue a career as an electronic engineering consultant and in the course of research conceived the idea for the **Light Guard™** device. Mr. Allbright has conducted extensive research into existing electronic patents and has established that his design specifications are unique. He currently holds a provisional patent and will take out a full patent before this expires in November 1997.

Mr. Allbright will act as Managing Director and will also be responsible for product development and research. Mr. Allbright will draw a nominal salary of £10,000 for the first 12 months of operation.

Max Smartt also graduated from the Dublin Institute of Technology with a diploma in Production Management. He has over 25 years industrial experience in electrical and electronic components manufacturing. He has recently accepted a redundancy package from Scrimp Engineering Ltd. with whom he was employed for 10 years as Production Manager.

Mr. Smartt will act as Production Director and in addition will be responsible for administration and human resources. Mr. Smartt will draw a nominal salary of £10,000 for the first 12 months of operation.

Walter Dizley, has also recently taken redundancy from Scrimp Engineering Ltd where he was employed for 12 years as Sales Manager. Mr. Dizley has an excellent track record in Sales and Sales Management and has extensive contacts in the Electrical Wholesaling business. Mr. Dizley was chiefly responsible for market research on Light Guard, and is confident that an extensive market niche exists for this product.

Mr. Dizley will assume the role of Sales Director with Lightguard Ltd. and will operate for the first year on a commission only basis.

Two Production Operatives will be recruited immediately and will be paid wages of £10,500 per annum (approx.). In addition the operatives will receive end of year bonuses based on a share of 5% of Trading Profits distributed according to productivity.

Book-keeping and secretarial duties will be handled by a person to be recruited in the near future. Expected salary will be in the region of £11,000.

Curriculum vitae of the promoters are attached.

GUARANTEES GIVEN:

The promoters have given personal guarantees totalling £15,000 to ABC Bank Ltd.

The Product

Technical Description of the Product

Light Guard™ is a printed circuit board with digital processing power having the capability to sense ambient lighting levels, compare the measured value with a pre-set level and then, through variable resistors, adjust the output to control electrical current within a lighting circuit to room/ space. All circuitry and components are housed in a PVC moulded enclosure for aesthetic and safety purposes.

The product is easily fitted to new and existing lighting installations. Each unit has an approximate effective range of 70ft.

(See Appendix 1 for Product Design and Circuit Board Configuration Diagram).

Unique features of the product.

Light Guard™ has the following features:

- Attractive PVC external housing.
- Electronic circuitry to sense and adjust electrical light levels.
- Suitable for retro-fitting to existing or new lighting installations.
- Simple installation procedure for incorporation at any standard light-switch position.
- Savings on electricity usage with a pay back estimated at one year.

Benefits to the Consumer

The benefits to the consumer are twofold:

- Constant light level regulation for increased comfort and safety.
- Electricity Cost Savings.

Patent Rights

Luminex currently hold provisional patent rights to the product. In addition they have registered "Light Guard" as a Trade Mark.

The promoters will apply for a Full Patent for the product in the near future and a specialist consultant has been engaged for this purpose. We also intend to seek grant assistance from Forbairt to offset some of the costs of this.

Product Development.

Prototype products have been extensively tested in our own facility for functionality and quality and are manufactured to recognised industry standards.

The product has been installed in 10 factory areas and in 5 office areas on a test basis, with the co-operation of the owners. Trials have been in progress for the past six months and have proved very successful.

During this period we have monitored the performance of Light Guard™ in relation to:

- Its ability to accurately measure ambient light levels.
- Its ability to analyse the information.
- Its ability to adjust electric lighting to the required level.

During the trial period we have measured electrical usage on the circuits fitted with Light Guard and compared with usage when not fitted with the device. Savings of up to 15% were recorded over the trial period.

The tests, as outlined above, are currently being independently verified by the ESB who have had Light Guard on test for the past four months. A copy of their interim report (see appendix ii) is attached and indicates a slightly better performance than that which we obtained ourselves.

The Market

An opportunity exists to exploit a potentially vast market for this product. The product is the first of its kind and potential users include all factories, workshops, offices and other commercial premises with a need to maintain consistent lighting conditions. Initially the promoters intend to target the Irish and UK electrical wholesale market and have already attracted significant interest in the Irish market. In the longer term (Year 2 - 3) the promoters will target the European Market.

As primary market research the promoters interviewed the purchasing managers from 12 major electrical wholesalers and demonstrated test rigs of the product. Of these 7 expressed a willingness to stock the product immediately and average initial orders were 50 units. Most conservative estimates indicated that wholesalers would restock at least this amount on a monthly basis. Mark Sparks, of Flash Electronics estimated their monthly demand for the product could rise to in excess of 500 units. In our estimates of sales we have been cautious however and have estimated a gradual increase in total sales volume from 300 units in January to 600 units in December. Letters of intent from customers are attached (Appendix iii).

The Product will be sold through:

- Major department stores.
- Hardware store chains.
- Retail lighting outlets.
- Direct to trade.
- Tender for public sector contracts.

The initial survey indicated customers were interested in the product for the following reasons:

- It is fully automatic, highly effective, adjustable to different light levels and simple to install.
- It has a pay back period of less than one year.
- It assists compliance with Health and Safety requirements.
- It is considered reasonable in cost (Wholesale £70. Retail £125).

Market Size:

The unit has an effective range of 70 sq.ft. A factory with a regular floor area of 1,000 sq.ft. would require at least three unit units to provide effective coverage. We have based estimates of usage on 3 per 1,000 sq.ft, however in an irregular shaped area or a compartmentalised area more units would be required.

It is difficult to obtain precise information on total industrial site areas in either Ireland or the UK, however our enquiries of the IDA, an Bord Trachtala and the Department of Trade and Industry (UK) yielded the following information:

Dublin Area:	Industrial Units:	2,000,000 sq.ft. (Estimate)
	Office Units:	1,500,000 sq.ft. (Estimate)
Outside Dublin:	Industrial:	1,500,000 sq. ft.
	Office:	1,000,000 sq. ft.
UK:	Industrial:	14,000,000 sq. ft.
	Office:	12,000,000 sq.ft.
Total Area:		32,000,000 sq.ft.

This represents a potential Market size in the UK and Ireland alone of 96,000 units. We are projecting sales of just 5,200 units in the first year.

While we have been unable to compile estimates of the European Market, the above figures would indicate vast potential for this product. We plan to ensure that this product becomes the industry standard.

Competition

No comparable product is currently available in the greater European market place. We have located a number of somewhat similar products in the US market but none are suitable for use in the same manner as Light Guard.

1. Glow Low Industries.

Glow Low Industries is a small manufacturer located in the Mid West United States which sells primarily to the farming industry. The product is primarily used in chicken farming and is not suitable for use in an industrial environment. The product retails at \$220 in the US.

2. Madison Electronics.

Madison Electronics, based in Virginia, produce a simple low cost device which is capable of controlling only external desk or table lamps, etc. The device is plugged into a standard wall socket and the lamp is then plugged into the device. The unit has an effective range of 15 ft and is unsuitable for industrial use. The unit sells at \$125.

3. Krampp Electronics.

Krampp, who are based in Canada recently introduced a product similar to Light Guard but which sells at \$550. The product is trading well and sales in excess of \$1m were achieved last year.

Competitive Advantage

Light Guard™ is unique in design and offers an effective, low cost solution to industrial light regulation problems. No product currently on the market can compete in terms of price or performance.

Light Guard™ is suitable for a wide range of industrial applications and is ideally placed to secure a position as the industry standard product.

Light Guard™ meets B.S. 2703 standards and the promoters have applied for the CE Mark which will qualify the product for sale in all European Market Areas.

Distribution

Initially the product will be distributed through existing wholesale channels. The promoters are fortunate in having substantial connections in this area through their previous employment, and are already well advanced in reaching initial monthly targets.

Walter Dizley also has substantial contacts with the UK Electrical Wholesale industry and is confident that he can easily exceed sales targets for the first year. Distribution costs will be low as the unit is small and compact (6" x 4").

Advertising and Promotion

The promoters have allocated 5% of Turnover as Marketing Budget. The product will primarily be promoted through Trade Journals and through direct mail contact with Production Managers and Health and Safety Officers of target businesses. The promoters have engaged the services of a professional Marketing consultant (Simon Slick and Associates).

The promoters intend to seek the backing of the Health and Safety Authority. Initial approaches have produced a very favourable response. (See Appendix iv - Letter of recommendation).

Suppliers

Manufacture of circuit boards will be sub-contracted to Millet Electronics Ltd. (Dublin)
A unit cost of £15 has been agreed.

Sensors will be Manufactured by Magic Eye Ltd. (Kildare). Unit cost £5.

Casings will be manufactured by Plasticon Ltd. (Dublin). Unit Cost £8.

Wiring and Screws will be purchased from Fife Steel Co. (Wicklow). Cost per unit (Ave) £1.

Packaging will be purchased from Visigard Ltd. (Dublin) £6 per unit.

The above companies have agreed to meet supply demands within 7 days and to meet demand of up to five times current estimated production under these terms.

Pricing

Unit production Costs are estimated as follows:

Circuit Board	£15
Sensor	£5
Casings	£8
Wiring / Screws	£1
Packaging	£6
Labour Cost	£2.50 (half hour per unit)
Total Unit Cost	£37.50
Sales Price (Wholesale)	£70
Margin	46.4%

Recommended Retail Price £125 (Net of VAT).

Market Research undertaken indicates that the price of £125 is seen by 90% of respondents as reasonable. 5% very reasonable. 5% somewhat expensive.

SWOT Analysis

Strengths

Unique product.
Large potential Market.
Extensive Market contacts.
Market knowledge.
Product knowledge.
Redundancy investment.

Secure sources of supply.

Weaknesses

Management development required (Finance, Administration, HRM, business planning).

Employment Grants required to support cash flow in early stages.

Opportunities

Opportunity to become industry standard product.

Opportunity to secure major position in Irish and UK electronics industry.

Opportunity to produce tag-on product lines.

Opportunity to secure strong position in European Market in Year 2 and 3.

Threats

Possibility of product imitation.

Need to grow rapidly over next 3-5 years.

Necessity to secure substantial capital injections to fund growth.

Operations

Production

Production of Circuit Boards, Sensors, Casings, Wiring and Screws will be sub-contracted (see above). Wiring, assembly and packaging will be carried out by ourselves. Total material costs will be £35.

Assembly, packaging and test set-up time is 30 mins (max) per unit. Wages are £5 per hour.

Light Guard™ will be assembled using standard electronic industry techniques.

The product will be tested before packaging on a specially designed digital test rig which will perform automatic calibration and functional testing routines.

A packaging machine, equipment and tools have been purchased by the promoters with a total value of £44,500.

Packaging Machine	£16,000 (2nd Hand)
Assembly Bench	£8,000 (2nd hand)
Calibration Test Bench	£8,000
Shelving	£3,000
Fork Lift	£5,000 (2nd hand)
Sundry tools	£3,500
Pallets	£1,000

Alternative suppliers are available for all components in the event of unsatisfactory service.

Two Assembly Operators will be required immediately. Over the next three years we estimate an additional 10 operators will be required. These staff will be trained in assembly line maintenance and product testing.

Approximately 1,000 sq.ft. will be required to assemble and test the product and to store inventory requirements for the first 24 months. At this stage it may be necessary to secure larger premises.

A suitable premises has been located in Courtvale Industrial Estate, Dublin 15. with 1,300 sq.ft. of space including a small office. The owners of the property are prepared to enter into a three year fixed lease agreement, or longer if required. Rent will be £12,000 per annum and annual Rates of £1,000 will be payable.

Each unit will undergo 24 hours of continuous testing before shipping to the customer.

Production is due to commence in January 1997, subject to all finance and grants being in place.

500 units have been produced as a test production run. These have been fully tested and comply with ISA standards. These units will serve as the opening stock of the business.

Future Growth Capacity

We estimate that each operator can produce up to 350 units per month working at normal capacity. Two operators will therefore be sufficient to meet estimated budgeted sales (max 600 units) for 1997. Budgeted figures are considered conservative however, and we would hope to achieve sales of up to 1,200 units per month by the end of the year. In year two, sales are forecast as reaching 2,000 units per month. This would require 6 operators.

Current facilities would be adequate to accommodate up to 10 operators and to provide storage for up to 5,000 units of stock. Sales may well exceed expectations, but current premises should be adequate up to a production level of 3,500 units per month.

Human Resource Policies.

All employees will receive the following documents within 2 weeks of commencing work:

- Contract of Employment.
- Discipline and Grievance procedures.
- Health and Safety Statement.

Absence and Sickness:

A sick-pay fund equivalent to 9 days pay will be set up by the company.
Sick payments may be paid from this (at management discretion) until the fund is exhausted.
All absences in excess of one day must be certified.
The amount received by employees (including social welfare) will **not** exceed normal pay.
Management reserves the right to request an independent medical examination.

Pay and Benefits

Operators will commence with a salary of £10,500, to be reviewed after 6 months.
A profits related bonus based on 5% of profits will be shared on an annual basis.
The receptionist/ administrator will commence on a salary of £11,000 - 6 months review.
An annual bonus will be paid to admin. staff based on agreed criteria.

Participation

Employees will receive an annual bonus based on profits made by the business.
Employees will be urged to generate ideas for improving business methods.
Employees will be kept fully informed of business operations.
Employees will have a high degree of autonomy in performing their jobs.
Employees will be encouraged to participate in training and personal development.
Employees will be given regular, fair and open feedback on their performance.

Resources and Finance

Funds Required:

Plant, Machinery and Tools	£44,500
Opening Stock	£29,250
Working Capital	£6,250
Total required	<u>£80,000</u>

Sources of Funds:

Share Capital	£25,000
Leases	£30,000
Term Loan	£15,000
Employment Grants (stage 1)	£5,000
Bank Overdraft	£5,000
Total	<u>£80,000</u>

Luminex Ltd.

Projected Profit & Loss Account

12 Months Ended 31st December 1997

	£	£
Sales		364,000
Materials Used	182,000	
Direct Wages	21,260	
Cost of Sales		203,260
Gross Profit		160,740
Overheads		
Advertising	18,200	
Commission	21,840	
Freight	3,000	
Insurance	2,500	
Light & Heat	8,000	
Motor Expenses	1,200	
Phone & Fax	3,500	
Professional Fees	2,000	
Rates	1,000	
Rent	12,000	
Salaries	30,000	
Stationery	3,000	
Sundries	3,000	
Bad Debts	4,000	
Depreciation	9,125	
Total		122,365
Trading Profit		38,375
Grants & Other Income		10,000
Interest		-126
Net Profit /(Loss)		48,249
Corporation Tax (10%)		4,825
P / (L) after Tax		43,424

Assumptions:

Based on Sales Projections as follows:

	Units	Value
Jan	300	£21,000
Feb	300	£21,000
Mar	350	£24,500
Apr	350	£24,500
May	400	£28,000
June	400	£28,000
July	450	£31,500
Aug	450	£31,500
Sep	500	£35,000
Oct	500	£35,000
Nov	600	£42,000
Dec	600	£42,000
Total	5,200	£364,000

The following advance orders have been received to date.

Mills & Co	60
The Electricity Depot	30
Flash Ltd.	40
Remington Elect. Co.	30
Bailey Lights Ltd.	50
Wordworths	60
Morgan Wholesale	30
Total	300 units

Credit Assumptions: 70% @ 30 days. 30% @ 60 days.

Luminex Ltd

Projected Balance Sheet

	31 December 1997	1 January 1997
Net Fixed Assets	35,375	44,500
Current Assets		
Stocks	39,750	29,250
Debtors	65,466	
Interest	25	
Bank Balance	17,510	11,250
	122,751	40,500
Current Liabilities		
Creditors	33,033	
VAT	2,644	
Corporation Tax	4,825	
Short Term Loans	19,300	10,800
	59,802	10,800
Net Current Assets	62,949	29,700
Capital Employed	98,324	74,200
Represented by:		
Directors Loan	6,500	15,000
Bank Loans	7,800	11,400
Leases	15,600	22,800
	29,900	49,200
Share Capital	25,000	25,000
Reserves	43,424	
	68,424	25,000
	98,324	74,200

Note: Short Term Loans include amounts repayable within 12 months:

	31/12/97	01/01/97
Lease	£7,200	£7,200
Directors Loan	£8,500	---
Term Loan	£3,600	£3,600

Luminex Ltd.

Cash Flow Projections

Year to 31 December 1997

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cash In													
Receipts from Sales	17,625	25,179	28,117	29,376	29,376	32,313	33,572	36,510	37,769	40,706	41,965	47,841	370,974
Grants	5,000							5,000					10,000
Total In	22,625	25,179	28,117	29,376	29,376	32,313	33,572	41,510	37,769	40,706	41,965	47,841	380,974
Cash Out													
Purchases		8,894	14,187	14,823	16,305	16,940	18,422	19,058	20,540	21,175	24,140	25,410	199,892
VAT		345		1,493		2,364		2,816		3,687		4,312	15,017
Wages	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	21,260
Leasing	600	600	600	600	600	600	600	600	600	600	600	600	7,200
Bank Loans	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Advertising	1,271	1,271	1,482	1,482	1,694	1,694	1,906	1,906	2,118	2,118	2,541	2,541	22,022
Commission	1,260	1,260	1,470	1,470	1,680	1,680	1,890	1,8890	2,100	2,100	2,520	2,520	21,840
Freight	303	303	303	303	303	303	303	303	303	303	303	303	3,630
Insurance	3,025												3,025
Light & Heat	807	807	807	807	807	807	807	807	807	807	807	807	9,680
Motor Expenses	121	121	121	121	121	121	121	121	121	121	121	121	1,452
Phone & Fax	353	353	353	353	353	353	353	353	353	353	353	353	4,235
Professional Fees						1,210						1,210	2,420
Rates			1,210										1,210
Rent	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210
Salaries	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
	303	303	303	303	303	303	303	303	303	303	303	303	3,630
Sundries	303	303	303	303	303	303	303	303	303	303	303	303	3,630
Total Out	14,114	20,327	26,908	27,826	28,237	32,446	30,776	34,227	33,315	37,638	37,759	44,691	374,038
Surplus / Deficit	-14,114	1,774	-1,728	-759	1,139	-1,183	2,796	6,233	4,454	2,019	4,207	2,099	6,936
Opening Balance	11,250	-2,864	-1,090	-2,848	-3,607	-2,468	-3,718	-921	5,311	9,730	11,749	15,955	11,250
Interest			-30			-67		-35				26	-106
Closing Bank Balance	-2,864	-1,090	-2,848	-3,607	-2,468	-3,718	-921	5,311	9,730	11,749	15,955	18,081	18,081

Conclusion

The promoters have developed a unique product which meets an identified need for improved workplace lighting conditions. The product has passed all quality tests and initial market reaction has been extremely encouraging.

The promoters have invested £25,000 of their own money in the business, and Mr. Allbright has invested considerable time and resources over the past year. The business is now ready for launch but cash flow over the initial six months is likely to be very tight. Grant support would help to sustain the business over this initial period.

The promoters are seeking £10,000 in Employment Grants towards the creation of two full-time permanent operator positions. The business is likely to generate further employment at a later date and should eventually sustain at least 10 jobs.

Appendices Attached

Appendix (i): Diagram. Product design and circuit board configuration.

Appendix (ii): Report on independent ESB Tests.

Appendix(iii): Letters of intent from customers.

Appendix(iv): Letter of recommendation - Health and Safety Authority.

Appendix(v): Market research findings.

Appendix(vi): Bank References.

Appendix(vii): Promoters CV's.