Plan 1

NIBS Plan Competition

Contents

SUMMARY

The amazing idea of Nap Away that has been presented in this plan came to the five founders in a glorious stroke of inspiration upon simply observing everyday people as they go about their work.

Although it has affected the human race quite positively, globalization has also had a lot of negative effects on us, not the least of which is the fact that people are constantly in a rush – every chore has to be done as scheduled, with no or little tardiness, and it is because of this reason that people often try to economize on sleep.

Therefore, our product is an excellent way of saving time and staying optimally rested.

As far as organisation goes, the five founders agreed that the company will be found as a private limited company, and name it by its pioneer in production; Nap away.

Clearly the vision the founders have in mind when it comes to company future is to expand in the current field, and ultimately become the largest supplier of products designed to make travel time more efficient.

When speaking of production, it has been mutually agreed between the founders to simply buy final goods (such as fine cloths etc.), and limit their production to assembly of the final goods. This has proved to be the cheapest modus of production, and it also makes keeping track of quality up to ISO standards much easier.

The NapAway will be sold primarily through orders on our web site and it will be delivered directly to buyers using delivery and postal service, since our market is the whole world.

Key financial data shows extremely good potentials of business plan. The cumulative net cash flow (Appendix 4. Table 1.) becomes positive in the 2nd year what is very short payback period and internal rate of return is showing 19,58 as upper limit of the cost of capital which is much more higher than the actual cost of capital.

To start a NapAway production founders have 50% of needed funds and are looking for additional 37.095,00 Euros from investors.

Future plan is to produce pillowslips in different modern designs that would be sold separately from the pillow, or even allow our consumers to design their own pillowslip. When "NapAway" reaches selling phase of its life cycle, research and development of new products for easy travelling will take place.

1 Product and organisation idea

Being a student, studying all night or attending parties, getting up early and using public transportation to get to college or a library is student life in one sentence for almost every student in the world. Hours and hours spent in buses, trains or trams shorten students' effective time in a day. And what can make students or workers more effective than being well rested? Having all that in mind, watching tired people in public transportation every day we came to an idea! We should all sleep when travelling, making our hours spent in transportation useful. Sleeping in a bus or tram isn't easy. But what if we could make it comfortable? We can't change uncomfortable seats or bumpy roads, but we can make a great pillow that will enable everyone to have a good travelling sleep and to use travelling time to rest and catch up with sleepless nights. And that was the beginning of the story of our "NapAway" pillow!

There are similar products on the market, but why doesn't everyone use them if they are useful? First, they do not make our head steady and fixed, second they are very big and third they do not fit into a small bag. That is why "NapAway" pillow should be different and useful. It is a inflatable small pillow that can be attached to windows with simple vacuum and has a layer of antibacterial material that makes it soft and cosy. Its inflatable feature makes it easy to fit even into small women's bags or even pockets.

The idea of "NapAway" was developed by five friends, all economics students, that all wish to participate in growing idea through business. Therefore, organisation is assumed as private limited company owned. All five will be employed in the company and will be part of management team. Their knowledge and experience in different fields of business should be the main drive to success of this business idea.

2 Company description

2.1 Legal framework and social factors

Company will be formed as Ltd private limited and operating under the laws of its home country. The owners plan to invest 74.190,00 € out of which 37.095,00 € of their own money. The form is chosen because of possibility of becoming a big company and to register to an unlimited number of activities due to spreading in the future. Legal requirements and registration of company take about 1 week and health and sanitary approvals about 2 weeks. In its home country there is no public notary or commercial court registration fees, so the registration process is free, and there are no minimal requirements for founding capital.

Name of the company is same as our main product „NapAway".

Registration of new company and starting a manufacturing process will open new working places and lower unemployment in the city. Since it will be an exporting product, local community, as well as state in general will have economic benefits from our business activities. Most of our suppliers will be from the local community and therefore we will stimulate local production and development. Also, all materials used for producing the product will be recycled material and that will have positive impact on the environment.

2.2 Mission and vision

Our **strategy** is to start our business by opening a factory for producing "NapAway" pillows, and to start research and development of new and useful products.

Our **vision** is to become the largest manufacturer of products that will make travelling time spent useful.

Our **mission** is to help consumers extend their effective time of a day

2.3 Future plans

Future plan of organisation is to increase the sales and production. Prerequisite of increasing production is to buy the premises that will be at the similar location as the rented one but much bigger. Increase of sales will be based on upgrade of products quality and design.

3 NapAway – everything you need too know about the product

3.1 Product description

Move and sleep is made out of 4 layer of material (Appendix 1., Picture 1.) Each type of layer is produced from different suppliers that guaranties high quality of product. Soft layer is made of memory foam that is also a high quality antibacterial material. This layer comes directly on head (face) and guaranties soft and pleasant feeling on skin. Since it is memory foam it is very practical for folding by removing air in foam while it won’t lose its soft characteristics when used over and over again. Between rubber layers there is an inflatable valve.

Inflatable characteristic of "NapAway" is its advantage compared to other similar products. Velcro layer is used to ensure that pillow is fixed to the seat and that the traveller can move and change positions on the pillow, but the pillow will remain still. Finally, rubber vacuum is the main component of the pillow and it is used to vacuum the pillow to windows to ensure the pillow is fixed. That way it doesn't matter if you are sitting in the middle or next to the window.

"NapAway" comes in only one dimension that is standardised and that fits even on a small aeroplane window. Dimensions are 30 centimetres in length, 15 centimetres in height and 10 centimetres in width.

Attached to a window "NapAway" can move up to 45 degrees with the vacuum staying still. (Appendix 1. Picture 2.)
Vacuum is also used on plastic seats that are often used in trams or subways.

Velcro layer ensures attachment to almost any material used in standard seats found in buses, subways or cars.

Using vacuum and a velcro layer "NapAway" can be used in any kind of transportation, on any kind of seats and even on windows.

3.2 Costing

Costing forecast is based on forecast data in 2015. , but in additional years cost of labour and operating expenses will be lower per 1 unit of product due to the increase of productivity. Therefore forecast is given for 5 years.

TABLE 1. COST OF PRODUCTION FOR 1 PILLOW

		2015	2016	2017	2018	2019
I	COST OF MATERIALS	6,14	6,14	6,14	6,14	6,14

II	COST OF LABOUR	5,14	5,12	5,04	4,98	4,94
III	COST OF OVERHEADS	0,5	0,5	0,5	0,5	0,5
Σ	COST OF GOODS	11,78	11,76	11,68	11,62	11,58
IV	OTHER OPERATING AND ADMINISTRATIVE EXPENSES	15,81	10,39	9,30	8,35	7,53
Σ	TOTAL	27,59	22,16	20,98	19,98	19,11

3.3 Pricing

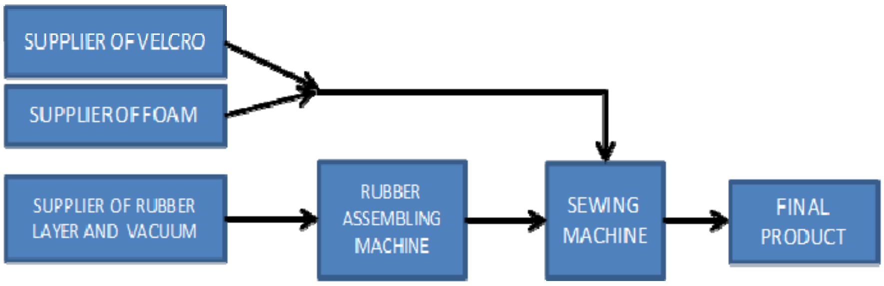
Price is determined by summarizing the cost of production of 1 pillow in a period of 5 years and calculating average cost of product. On a 5 year average we added 35% and came to a price of 30, 00 euro per pillow.

Considering the value that our product brings to our customers we believe that this is a very reasonable price. Similar products on the market cost between 8,12 and 44,29 euro, and since our product has much more features than other products we think that this middle price of "Nap away" is more than competitive.

3.4 Production process

Through market analysis of the materials needed in the production of "NapAway" we came to a conclusion that it is much cheaper to buy all the materials needed than to produce each material. It is also better to buy materials because there are high quality materials produced by various specialized factories that guaranty quality of needed supplies. That means that our production is focused on assembling all the parts needed.

Production process



3.5 **Quality assurance and control**

Implementing total quality management system into company is one of the first steps in assuring quality of product as well as delivery of product to consumer. "ISO" standards will be implemented into every process from ordering materials to delivery of product. To assure a high quality input, and to avoid eventual delay in orders all of our partners, from material suppliers to delivery service, must have "ISO" standards, and work according to them.

3.6 **Research and development of „NapAway" pillow**

Machines required for production are already available on the market, as well as all required materials. Research should be based on quality of assembling all materials using different approaches such as sewing thread (synthetic or natural fibres). Research must be based on testing the prototype on resistance of edges, resistance to perforate and quality of vacuum attachment to pillow.

Upgrade and further development of product will be based on its quality and design. In the future our plan is to make different designs of upper layer. Future plan is to produce pillowslips in different modern designs that would be sold separately from the pillow, or even allow our consumers to design their own pillowslip. When "NapAway" reaches selling phase of its life cycle, research and development of new products for easy travelling will take place.

4 Market and sales plan

4.1 Market and clients characteristics

Our product will be sold primarily through orders on our web site and it will be delivered directly to buyers using delivery and postal service, since our market is the whole world.

Target clients: all gender, 18-60 years old, students and workers who use public transportation.

4.2 Competition

There are a lot of similar travelling pillows produced by different manufactures all over the world. Biggest production is in China and almost every product is sold on the internet (eBay, Amazon etc.). Their price is very different and varies between 8, 12 Euro and 44,29 Euro. Every travelling pillow is fixed to its user's neck or body and very little attention is usually given to design.

Greatest strength of our competitors, especially those from Chine, is low cost of production. However, low cost of production also means low quality, which is also their main weakness. Since we can’t produce with such low cost we are going to focus on quality and features of our product.

4.3 **Position at the market and marketing strategy**

Our aim is to produce unique, high quality products with medium price level. We want to be recognised as a flexible, quick and trustworthy supplier.

Marketing focus will be on internet marketing through web sites and social networks (Facebook and Twitter). Cost of such marketing is very low, mostly free, but very effective considering that almost every student and most of the working people have profiles on one of the social networks. It will also be very easy to make order through links on web pages or social profiles.

4.4 **Sales projection**

Projection is based on: - 240 working days a year

- 1 shift a day (8 hours)
- 1960 monthly capacity of production

TABLE 2. SALES FORECAST

	2015				2016	2017	2018	2019
	1st QUART.	2nd QUART.	3rd QUART.	4th QUART.				
QUANTITY	500	2500	4000	6000	14905	16395	18034	19837
IN EUROS	15000	75000	120000	180000	447150	491850	541020	595110

Projection is based on 14, 65% sale growth in second year and 10% of sale growth in additional years. In the 5th year we would exploit all of our capacity of production (23520 units).

5 Operations plan

5.1 Location

The factory will be situated in rented premises in capital city. Premises have $1000m^2$ that include 3 rooms (1 bigger and 2 small) and sanitary facilities. The bigger room ($900m^2$) will be used for production and packaging and 2 smaller rooms will be used for management, marketing and accounting. Cost of rental is 810 euro per month. Being situated in a capital city guaranties us better availability of workers and easier access to supporting services such as delivery services.

TABLE 3. FORECAST OF OFFICE EQUIPMENT

	QUANTITY	COST PER ONE	SUM COST
TABLE	6	120,00	720,00
CHAIR	10	82,00	820,00
COMPUTER	9	950,00	8.550,00
		TOTAL	10.090,00

5.2 Production and technology capacity

For assembly, two types of machines are required. First machine assembles rubber layers, valves and vacuum and second machine is a sewing machine that sews rubber layers, memory foam and Velcro together. To produce 19837 units of product, what is forecast of needed production in 5th year, we need 2 assembling machines and 4 sewing machines.

TABLE 4. CAPACITY OF PRODUCTION

	CAPACITY PER HOUR	MACHINES NEEDED	CAPACITY (1 SHIFT)	CAPACITY PER YEAR (240 DAYS)
RUBBER ASSEMBLING MACHINE	7	2	98	23520

SEWING MACHINE	3,5	4	98	23520

Based on number of needed machines cost of production equipment is 38.000,00 euros.

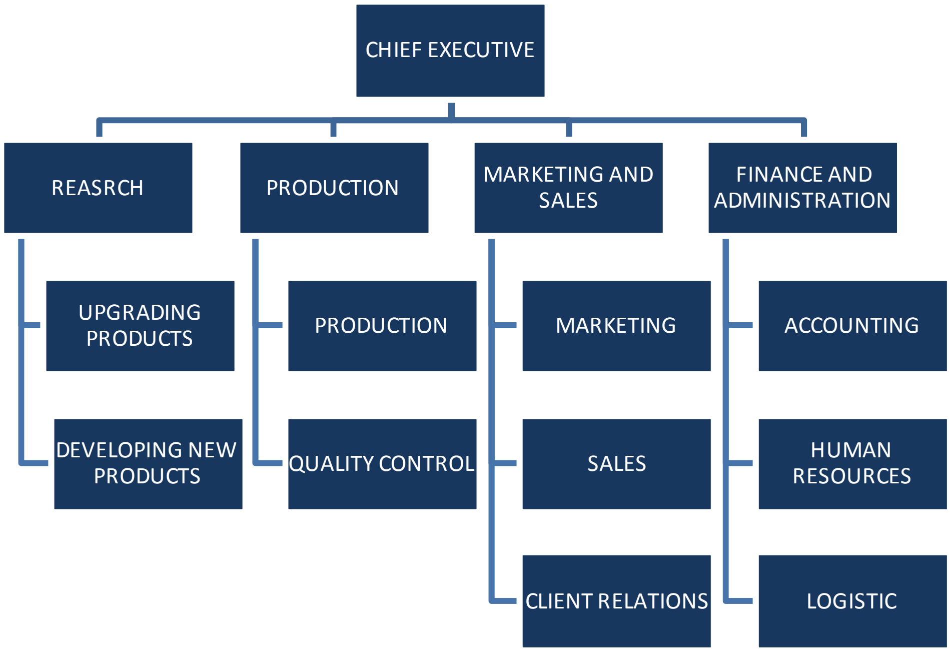
TABLE 5. COST OF PRODUCTION EQUIPMENT NEEDED

	PRICE OF MACHINE	NUMBER OF MACHINES	SUM (euro)
RUBBER ASSEMBLING MACHINE	10.000,00	2	20.000,00
SEWING MACHINE	4.000,00	4	18.000,00
TOTAL			38.000,00

5.3 Ordering and distribution

All orders will be made through mail and web services. Once order is set calculation of least expensive delivery will be made and client will receive invoice including price of a product and expense of delivery. After payment is done „NapAway" will be delivered to client in a period of 1 to 6 days depending on location. To ensure that every order is made correctly our personnel will be trained to communicate with clients.

5.4 **Company structure**



6 Human resources

6.1 **Management**

Management includes 5 employees: chief executive, R&D manager, production manager, marketing and sales manager and finance and administration manager. All 5 managers are highly educated and have developed practical skills in their field. 2 managers are also very good at web design and their knowledge will be used for creating a web site for the company.

6.2 **Labour**

Considering high unemployment, especially as a consequence of closing a lot of textile companies, all our workers will be employed from bureau. Also, the company could receive some funds through country program for employment if worker is unemployed for more than 3 months.

Workers will be trained in two groups. First group is production and second group is sales. Workers will be trained by a professional in sales operation, and by companies that produce machines. Our machine supplier provides free training for our workers, and cost of sales operation training will be held by our sales manager who is an expert in sales operation.

TABLE 6. EMPLOYEES FORECAST

		EMPLOYEES NEADED	ANNUAL SUM (2015)	ANNUAL SUM (2016)	ANNUAL SUM (2017)	ANNUAL SUM (2018)	ANNUAL SUM (2019)
	CHIEF EXECUTIVE	1	24000	24000	24000	24000	24000
REASRC H	MANAGER	1	18000	18000	18000	18000	18000
	ENGINEER	1	12000	12000	12000	12000	12000
	DESIGNER	1	12000	12000	12000	12000	12000
PRODUCTION	MANAGER	1	18000	20620,8	22682,8 8	24951,16	27446,32
	TEHNICIAN	2	19200	21995,5	24195,0 7	26614,57	29276,06
	SEAMSTER	4	38400	43991	48390,1 4	53229,15	58552,06
MARKETING AND SALES	MANAGER	1	18000	18000	18000	18000	18000
	MARKETING EXPERT	1	9600	9600	9600	9600	9600
	SLAES PERSON	2	19200	19200	19200	19200	19200
FINANCE AND ADMINIST RATION	MANAGER	1	18000	18000	18000	18000	18000
	ACCOUNTANT	1	9600	9600	9600	9600	9600
	LOGISTIC	1	9600	9600	9600	9600	9600

Cost of production employees will increase over time due to longer working hours and bigger salaries.

7 Financial forecast

7.1 Forecast for investment requirements

TABLE 7. FORECAST OF INVESTMENT REQUIREMENTS

			% of total
I	Long-term assets	48.090,00	64,82

	Office equipment	10.090,00	13,60
	Production equipment	38.000,00	51,22
II	Current assets	26.100,00	35,18
	TOTAL (I+II)	74.190,00	

7.2 Funding options

The owners plan to invest 37.095,00 Euros of their own money. Forecast of investment requirements shows that the business will require total of 74.190,00 Euros. In the event that additional funds prove necessary we have identified options for raising further funds of 37.095,00 Euros. Raising additional funds from investors will give investors 50% of equity in company and all the rights that come with ownership including 50% of net profit.

TABLE 8. Source of required investment

I	Founders assets	37.095,00
II	Investors assets	37.095,00
	TOTAL	74.190,00

7.3 Income statement

The forecast of income statement is based on sale forecast. It shows that first year company will have loss, but for the next 4 year it will gain profit.

Since production quantity (Appendix 2 Table 1.) is not the same as sale quantity, meaning there are inventories, before income statement, the cost of goods sold (Appendix 2. Table 2.) is calculated based on the cost of goods per 1 unit of product given in pricing section of business plan. Income statement is shown in Appendix 2. Table 3.

7.4 **Cash flow statement**

Cash flow statement is shown in Appendix 2. Table 4.

7.5 **Production forecast**

Production is bigger than sale because over time we want to ensure enough pillows in inventory so that we can negotiate with air carriers and bus carriers and in future sell our pillow in wholesale distribution (Appendix 2. Table 1.)

7.6 **Balance sheet forecast**

Balance sheet forecast is shown in Appendix 2. Table 5.)

7.7 **Reconciliation of equity**

In the first year company will have a net loss, but every additional year company will have profit, and profit will be withdrawn and pay off to owners. Each year according to forecast the withdrawals will increase. (Appendix 2. Table 6.)

8 Financial ratio of business plan

Financial ratio summary is shown in Appendix 3. Table 1.

By the end of the 2015 current ratio will be more than 1 and will be from 1,46 to 2,25 during the 5 years period. Liquidity ratios are declining because of increase of inventory, but it is very important to have enough inventory to offer our product to avio and bus carriers. For the same reason inventory turnover days are quite long, but again, it is necessary for to future development of the company. It is very important to stress out that we don’t have uncollected payment since our product is paid in advance. Accounts payable is increasing because of better deals with our suppliers and because we are becoming more and more trustworthily. We find all of our ratios quite acceptable considering it is a start up company. We strongly believe that all of ratios will be much better in 8^{th}, 9ht or 10^{th} year of doing business.

9 Rank of bussines plan

Business plan is ranked trough payback period and trough internal rate of return. The cumulative net cash flow (Appendix 4. Table 1.) becomes positive in the 2nd year what is very short payback period and it is showing a great potential of business plan.

The upper limit of the cost of capital calculated trough internal rate of return is 19,58 and it is much more higher than the actual cost of capital (Appendix 4. Table 2.)

$$Y_0 = Y_1 + \frac{Y_2 - Y_1}{X_2 - X_1}(X - X_1)$$

Y_0 (Internal rate of return) = 19,58

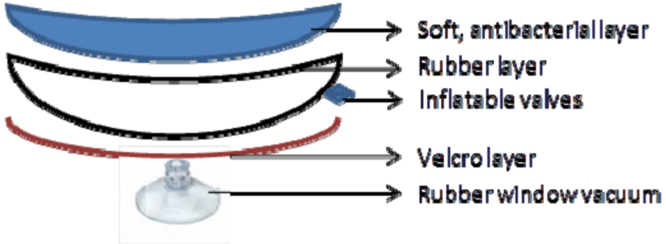
10 Conclusion

NapAway is new, creative, practical and useful product especially for 21^{st} century working people and students. Travelling and spending a lot of time in public transportation is waste of time, but with NapAway that time can be used for resting and catching up on sleepless nights. The business plan of production this great pillow NapAway is showing great potential not only trough new idea but also trough its financial data.

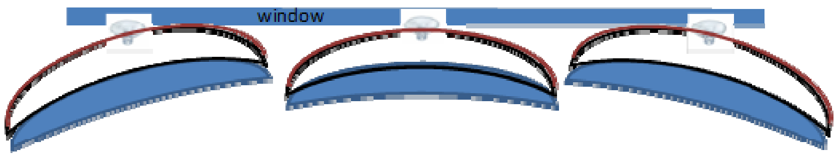
Very short payback period and high internal rate of return are only 2 out of many great financial data of this business plan.

A future in developing new products is going to establish company as a leader in making travelling easier and as a leader a company will have a chance to negotiate with big carrier corporation and one day become a great big corporation itself.

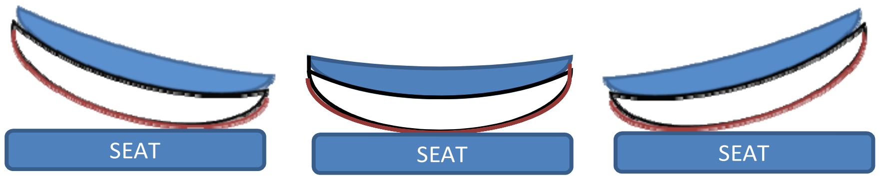
Appendix 1. Product design



Picture 1: Pillow design



Picture 2: Pillow positioning using vacuum



Picture 3: Pillow positioning using velcro

Appendix 2. Financial forecast

TABLE 1. PRODUCTION FORECAST

	2015				2016	2017	2018	2019
	1st QUARTER	2nd QUARTER	3rd QUARTED	4th QUARTED				
PRODUCTION	700	3000	4500	6500	16905	18895	21034	23337
SALE	500	2500	4000	6000	14905	16395	18034	19837
INVENTORY	200	700	1200	1700	3700	6200	9200	12700

TABLE 2. COST OF GOODS SOLD

	2015				2016	2017	2018	2019
	1st QRT.	2nd QRT.	3rd QRT.	4th QRT.				
BEGINNING INVENTORY	0	6728	9058	13008	16231,08	43523,77	72428,24	106923,9
PRODUCTION	23548	38820	48780	62060	198856,6	220730,9	244460,6	270232,1
ENDING INVENTORY	6728	9058	13008	16231,08	43523,77	72428,24	106923,9	147060,4
COST OF GOODS SOLD	16820	36490	44830	58836,92	171563,9	191826,4	209964,9	230095,7

TABLE 3. INCOME STATEMENT

<table>
<tr><th rowspan="2"></th><th colspan="4">2015,00</th><th rowspan="2">2016,00</th><th rowspan="2">2017,00</th><th rowspan="2">2018,00</th><th rowspan="2">2019,00</th></tr>
<tr><th>1st QUARTER</th><th>2nd QUARTER</th><th>3rd QUARTER</th><th>4th QUARTER</th></tr>
<tr><td>Total net sales/total revenues</td><td>15000,00</td><td>75000,00</td><td>120000,00</td><td>180000,00</td><td>447150,00</td><td>491850,00</td><td>541020,00</td><td>595110,00</td></tr>
<tr><td>Cost of goods sold</td><td>16820,00</td><td>36490,00</td><td>44830,00</td><td>58836,92</td><td>171563,87</td><td>191826,42</td><td>209964,95</td><td>230095,67</td></tr>
<tr><td rowspan="2">Gross profit</td><td>-1820,00</td><td>38510,00</td><td>75170,00</td><td>121163,08</td><td rowspan="2">275586,13</td><td rowspan="2">300023,58</td><td rowspan="2">331055,05</td><td rowspan="2">365014,33</td></tr>
<tr><td colspan="4">233023,08</td></tr>
<tr><td>Other selling, general and adminstrative expenses</td><td>58105,00</td><td>58105,00</td><td>58105,00</td><td>58105,00</td><td>175720,00</td><td>175720,00</td><td>175720,00</td><td>175720,00</td></tr>
<tr><td rowspan="2">Operating profit (EBITDA)</td><td>-59925,00</td><td>-19595,00</td><td>17065,00</td><td>63058,08</td><td rowspan="2">99866,13</td><td rowspan="2">124303,58</td><td rowspan="2">155335,05</td><td rowspan="2">189294,33</td></tr>
<tr><td colspan="4">603,08</td></tr>
<tr><td>Depretiation</td><td>1813,50</td><td>1813,50</td><td>1813,50</td><td>1813,50</td><td>7254,00</td><td>7254,00</td><td>4404,00</td><td>4404,00</td></tr>
<tr><td rowspan="2">Income before tax (EBT)</td><td>-61738,50</td><td>-21408,50</td><td>15251,50</td><td>61244,58</td><td rowspan="2">92612,13</td><td rowspan="2">117049,58</td><td rowspan="2">150931,05</td><td rowspan="2">184890,33</td></tr>
<tr><td colspan="4">-6650,92</td></tr>
<tr><td>Corporate tax (20%)</td><td colspan="4">0,00</td><td>17192,24</td><td>23409,92</td><td>30186,21</td><td>36978,07</td></tr>
<tr><td rowspan="2">Net profit (loss)</td><td>-61738,50</td><td>-21408,50</td><td>15251,50</td><td>61244,58</td><td rowspan="2">75419,89</td><td rowspan="2">93639,66</td><td rowspan="2">120744,84</td><td rowspan="2">147912,26</td></tr>
<tr><td colspan="4">-6650,92</td></tr>
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TABLE 4. CASH FLOW

		2015	2016	2017	2018	2019
Cash flow from operating activities						
	Operating profit (EBITDA)	603,08	99866,13	124303,58	155335,05	189294,33
-	Corporate tax	0,00	-17192,24	-23409,92	-30186,21	-36978,07
+	Decresae (increase) in inventories	-16231,08	-27292,69	-28904,47	-34495,69	-40136,45
+	Increase (decrease) in accounts payable	19477,29	32751,23	34685,36	41394,83	48163,73
Total cash flow from operating activities		3849,29	88132,43	106674,56	132047,98	160343,55
Cash flow from investing activities						
	Sale (purchase) of equipment	-48090,00				
Total cash flow from investing activities		-48090,00	0,00	0,00	0,00	0,00
Cash flow from financing activities						
	Increase (decrease) in share capital	74190,00				
-	Dividends paid out	0,00	-43891,72	-93639,66	-120744,84	-147912,26
Total cash flow from financing activities		74190,00	-43891,72	-93639,66	-120744,84	-147912,26
Total net increase (decrease) in cash		29949,29	44240,71	13034,90	11303,14	12431,29
Cash balance (beginning of the year)		0,00	29949,29	74190,00	87224,90	98528,04
Cash balance (end of the year)		29949,29	74190,00	87224,90	98528,04	110959,32

TABLE 5. BALANCE SHEET								
	2015							
	1st QRT.	2nd QRT	3rd QRT	4th QRT	2016	2017	2018	2019
Long-term assets								
Equipment	46276,50	44463,00	42649,50	40836,00	33582,00	26328,00	21924,00	17520,00
Total long-term assets	46276,50	44463,00	42649,50	40836,00	33582,00	26328,00	21924,00	17520,00
Current assets								
Cash & cash equivalents	-32479,40	-51608,40	-33753,40	29949,29	74190,00	87224,90	98528,04	110959,32
Inventories (goods)	6728,00	9058,00	13008,00	16231,08	43523,77	72428,24	106923,93	147060,37
Total current assets	-25751,40	-42550,40	-20745,40	46180,37	117713,76	159653,13	205451,96	258019,70
Total asssets	20525,10	1912,60	21904,10	87016,37	151295,76	185981,13	227375,96	275539,70
Current liabilities	8073,60	10869,60	15609,60	19477,29	52228,52	86913,88	128308,71	176472,45
Accounts payable	8073,60	10869,60	15609,60	19477,29	52228,52	86913,88	128308,71	176472,45
Total current liabilities	8073,60	10869,60	15609,60	19477,29	52228,52	86913,88	128308,71	176472,45
Shareholders' equity								
Share capital	74190,00	74190,00	74190,00	74190,00	74190,00	74190,00	74190,00	74190,00
Retained earnings (accumulated losses)	-61738,50	-83147,00	-67895,50	-6650,92	24877,25	24877,25	24877,25	24877,25
Total shareholders'equity	12451,50	-8957,00	6294,50	67539,08	99067,25	99067,25	99067,25	99067,25
Total liabilities and equity	20525,10	1912,60	21904,10	87016,37	151295,76	185981,13	227375,96	275539,70

TABLE 6. RECONCILIATION OF EQUITY

	2015							
	1st QRT.	2nd QRT	3rd QRT	4th QRT	2016	2017	2018	2019
Begining equity	0,00	12451,50	-8957,00	6294,50	67539,08	99067,25	99067,25	99067,25
Net profit	-61738,50	-21408,50	15251,50	61244,58	75419,89	93639,66	120744,84	147912,26
Additions to capital	74190,00				0,00	0,00	0,00	0,00
Dividends/ withdrawals	0,00				-43891,72	-93639,66	-120744,84	-147912,26
Ending equity	12451,50	-8957,00	6294,50	67539,08	99067,25	99067,25	99067,25	99067,25
Retained earnings	-61738,50	-83147,00	-67895,50	-6650,92	24877,25	24877,25	24877,25	24877,25

Appendix 3. Financial ratio

TABLE 1. RATIO SUMMARY

	2015				2016	2017	2018	2019
Liquidity ratios	1 qt	2 qt	3 qt	4 qt				
Current ratio	-3,19	-3,91	-1,33	2,37	2,25	1,84	1,60	1,46
Quick test ratio	-4,02	-4,75	-2,16	1,54	1,42	1,00	0,77	0,63
Efficiency ratios								
Inventory turnover	146,00	90,60	105,91	100,69	92,60	137,81	185,87	233,28
Accounts payable turnover	175,20	108,73	127,09	120,83	111,12	165,38	223,05	279,94
Fixed assets turnover	0,32	1,69	2,81	4,41	13,32	18,68	24,68	33,97
Total assets turnover	0,73	39,21	5,48	2,07	2,96	2,64	2,38	2,16
Profitability ratios								
Gross profit margin	-12,1%	51,3%	62,6%	67,3%	61,6%	61,0%	61,2%	61,3%
Net proftit margin	-411,6%	-28,5%	12,7%	34,0%	16,9%	19,0%	22,3%	24,9%
Operating profit margin	-25,0%	-382,8%	703,2%	285,5%	447,7%	395,7%	348,3%	314,4%
Return on assets	-300,8%	-1119,3%	69,6%	70,4%	49,8%	50,3%	53,1%	53,7%
Return on equity	-300,8%	-1119,3%	69,6%	70,4%	49,8%	50,3%	53,1%	53,7%
Dividend payout	0,0%	0,0%	0,0%	0,0%	58,2%	100,0%	100,0%	100,0%
Solvency ratios								
Debt to equity ratio	0,65	-1,21	2,48	0,29	0,53	0,88	1,30	1,78
Total assets to equity ratio	1,65	-0,21	3,48	1,29	1,53	1,88	2,30	2,78
Total assets to total liabilities ratio	2,54	0,18	1,40	4,47	2,90	2,14	1,77	1,56

Appendix 4. Ranking of business plan

TABLE 1. PAYBACK PERIOD

Year	Net cash flow	Cumulative
0	-74190	-74190
2015	29949,29	-44240,71
2016	44240,71	0,00
2017	13034,90	13034,90
2018	11303,14	24338,04
2019	12431,29	36769,32

TABLE 2. INTERNAL RATE OF RETURN

		Discount rate 20		Discount rate 19	
0	-74190		-74190		-74190
2015	29949,29	0,833	24947,76	0,84	25157,41
2016	44240,71	0,694	30703,05	0,706	31233,94
2017	13034,90	0,579	7547,206	0,593	7729,694
2018	11303,14	0,482	5448,113	0,499	5640,267
2019	12431,29	0,402	4997,378	0,419	5208,71
			-546,492		780,0152