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**ADDENDUM**

**To the**

**UGANDA HEALTH MARKETING GROUP**

**BUSINESS PLAN**

**2010 – 2014**

**UPDATED FINANCIAL PROJECTIONS**

**JUNE 2013**

Submitted by:

Johns Hopkins Bloomberg School of Public Health

Centre for Communication Programs

&

Uganda Health Marketing Grou****p

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# INTRODUCTION

## Update of Business Plan (BP) Financial Projections - 2013

Following the successful establishment and operation of UHMG during the USAID-funded AFFORD project ending in September 2010, the organization, with the assistance of AFFORD II (October 2010 – September 2014), is well on the track to becoming a fully self-reliant, sustainable organization within 2014.

UHMG has grown into one of the leading health marketing organizations in Uganda, providing health products and services with particular focus on malaria prevention and treatment, HIV/AIDS prevention and care, maternal and child health and family planning. UHMG will operate sustainably through the operation of two business units: 1) the Product Facility, a commercial health and pharmaceutical division, and 2) the Health Services Consultancy, a public health program services department.

With AFFORD II assistance, UHMG developed its **Business Plan (2010-2014)**. The UHMG Business Plan (BP) serves as the reference work for the present document, and the present document sis designed to serve as an Addendum thereto.

The purpose of the present document is to revisit and update the financial projections made in the Business Plan, taking into consideration UHMG’s real growth and the changes in the marketplace that have occurred over the last year. The projections present both optimistic and conservative financial scenarios, to provide UHMG planners with a broad range of possibilities to enhance adaptive decision-making for sustainability.

**UPDATED FINANCIAL PROJECTIONS (2012-2014)**

# FINANCIAL PROJECTIONS

The viability of the proposed transformation of UHMG into a competitive and self-sustaining business organization has been assessed using the following set of assumptions, which inform the updated financial projections annexed to this report.

## Bases and Assumptions for Financial Projections

***Revenue Assumptions***

*UHMG has three major revenue sources:*

* Sale of Health Products by the Product Facility Division
* Consultancies (esp. Social marketing) by Programs and Services Division
* Investments

Two sets of financial statements have been projected as follows:

1. **Optimistic**: These are the projected financial statements based on the assumption that all the projected revenue will be realized during the planning period
2. ***Conservative****: These are the projected financial statements based on the assumption that some of the revenue streams may not materialize. These revenue streams include the sale of miscellaneous item by the PF to USAID totaling USD 1.24 million and approximately 50% of the projected new projects amounting USD 1.6 million. The conservative financial statements are presented in italics in the text below*

The summarized revenue projections are presented in the tables below classified into the optimistic and conservative scenarios. The detailed projections are annexed:

UHMG - Revenue projection summary (optimistic)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2010/2011** | **2011/2012** | **2012/2013** | **2013/2014** |
|  | **Actual** | **Actual** | **Projections** | **Projections** |
| REVENUES | **USD** | **USD** | **USD** | **USD** |
| Product Facility Division | 1,379,143 | 1,685,523 |  4,009,008  | 4,819,261  |
| Health Consulting Division | 2,573,580 | 1,857,052 | 6,337,006  | 9,652,164  |
| Investments | 7,000 | 181,025 | 0 |  14,400  |
| Other Income | 26,833 | 337,248 |  142,560  |  156,816  |
| **GROSS REVENUE** | **3,986,556** | **4,060,848** | **10,488,574** | **14,642,641** |

UHMG’s Revenue Sources for 4 Years (2010-2014)- Optimistic

*UHMG - Revenue projection summary- Conservative*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | ***2010/2011*** | ***2011/2012*** | ***2012/2013*** | ***2013/2014*** |
|  | ***Actual*** | ***Actual*** | ***Projections*** | ***Projections*** |
| *REVENUES* | ***USD*** | ***USD*** | ***USD*** | ***USD*** |
| *Product Facility Division* | *1,379,143* | *1,685,523* |  *4,009,008* | *3,328,982*  |
| *Health Consulting Division* | *2,573,580* | *1,857,052* | *6,337,006* | *8,052,163* |
| *Investments* | *7,000* | *181,025* | *0* | *14,400*  |
| *Other Income* | 26,833 | 337,248 |  *142,560*  | *156,816*  |
| ***GROSS REVENUE*** | ***3,986,556*** | ***4,060,848*** | ***10,488,574*** | ***11,552,361*** |

*UHMG’s Revenue Sources for 4 Years (2010-2014)- Conservative*

## 2 Gross Profit Per Revenue Stream

**2.1 Product Facility**

Currently, UHMG is actively marketing eight (8) products that are socially marketed and a range of over 100 other health care products. On an average these products contribute a gross profit margin of 23% of total sales. The tables below show the projected performance of the PF facility under the two scenarios.

 **Products Facility (PF) Income statement- Optimistic**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **2012/2013** | **2013/2014** |
|  |  | **Projections** | **Projections** |
| **A- Revenues** |  | **USD** | **USD** |
| Product Sales Revenue |  |  3,519,185  |  4,339,261  |
| Warehouse/ Handling |  480,000  |  480,000  |
| Other Income |  |  9,823  | 0 |
| **Total PF- Revenue (A)** |  | **4,009,008** | **4,819,261** |
|  |  |  |  |
| **B-Cost of Sales** |  |  |  |
| Cost of goods sold |  |  2,674,581  |  3,193,929  |
| Warehouse/handling (3PL) |  |  96,000  |  96,000  |
| **Total Cost of Goods Sold (B)** |  | **2,770,581** | **3,289,929** |
| **Gross Margin (A-B) = C** |  | **1,238,427** | **1,529,332** |
|  |  |  |  |
| **Expenses** |  |  |  |
| Salaries of PF staff |  |  290,446  |  304,969  |
| Fringe benefits |  |  100,178  |  105,187  |
| **Subtotal- Salaries & Fringe** |  | **390,624** | **410,156** |
|  |  |  |  |
| **Administrative Expenses** |  |  |  |
| Travel and Per Diem including fuel & distribution costs |  |  79,296  |  83,261  |
| Other Admin Costs including Rent Utility bills |  |  94,280  |  98,994  |
| **Subtotal- Administration** |  | 173,576 | 182,255 |
|  |  |  |  |
| **Direct Sales & Marketing expenses** |  |  83,379  |  87,548  |
|  |  |  |  |
| **Other PF expenses** |  |  |  |
| NDA verification, clearance costs & destruction fees |  |  25,847  |  27,140  |
| Consultancies |  |  9,651  |  10,134  |
| Training & Workshops |  |  19,509  |  20,485  |
| Professional & Financial Costs |  |  55,156  |  57,914  |
| **Subtotal- PF Others** |  | **110,163** | **115,673** |
|  |  |  |  |
| **Subtotal (D)** |  | **757,743** | **795,630** |
|  |  |  |  |
| **Net Margins (C-D) before taxes** |  | **480,685** | **733,702** |

***Products Facility (PF) Income statement- Conservative***

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | ***2012/2013*** | ***2013/2014*** |
|  |  | ***Projections*** | ***Projections*** |
| ***A- Revenues*** |  | ***USD*** | ***USD*** |
| *Product Sales Revenue* |  |  *3,519,185*  |  *2,848,982*  |
| *Warehouse/ Handling* |  *480,000*  |  *480,000*  |
| *Other Income* |  |  *9,823*  | *0* |
| ***Total PF- Revenue (A)*** |  | ***4,009,008*** | ***3,328,982*** |
|  |  |  |  |
| ***B-Cost of Sales*** |  |  |  |
| *Cost of goods sold* |  |  *2,674,581*  |  *3,193,929*  |
| *Warehouse/handling (3PL)* |  |  *96,000*  |  *96,000*  |
| ***Total Cost of Goods Sold (B)*** |  | ***2,770,581*** | ***3,289,929*** |
| ***Gross Margin (A-B) = C*** |  | ***1,238,427*** | ***39,053*** |
|  |  |  |  |
| ***Expenses*** |  |  |  |
| *Salaries of PF staff* |  |  *290,446*  |  *304,969*  |
| *Fringe benefits* |  |  *100,178*  |  *105,187*  |
| ***Subtotal- Salaries & Fringe*** |  | ***390,624*** | ***410,156*** |
|  |  |  |  |
| ***Administrative Expenses*** |  |  |  |
| *Travel and Per Diem including fuel & distribution costs* |  |  *79,296*  |  *83,261*  |
| *Other Admin Costs including Rent Utility bills* |  |  *94,280*  |  *98,994*  |
| ***Subtotal- Administration*** |  | *173,576* | *182,255* |
|  |  |  |  |
| ***Direct Sales & Marketing expenses*** |  |  *83,379*  |  *87,548*  |
|  |  |  |  |
| ***Other PF expenses*** |  |  |  |
| *NDA verification, clearance costs & destruction fees* |  |  *25,847*  |  *27,140*  |
| *Consultancies* |  |  *9,651*  |  *10,134*  |
| *Training & Workshops* |  |  *19,509*  |  *20,485*  |
| *Professional & Financial Costs* |  |  *55,156*  |  *57,914*  |
| ***Subtotal- PF Others*** |  | ***110,163*** | ***115,673*** |
|  |  |  |  |
| ***Subtotal (D)*** |  | ***757,743*** | ***795,630*** |
|  |  |  |  |
| ***Net Margins (C-D) before taxes*** |  | ***480,685*** |  ***(756,577)***  |

**5.2.2 Health Consultancy Services**

UHMG will continue to offer consultancy services especially in the social marketing where it has core competences. The organization will also continue to bid for major funding from donors for different projects in addition to the current funding. The projected income statement under the two scenarios is presented in the tables below.

 **Program Consultancy Income statement- Optimistic**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **2012/2013** | **2013/2014** |
|  |  | **Projections** | **Projections** |
| REVENUES |  | **USD** | **USD** |
| Donations |  | 6,337,006 | 9,652,163 |
| **Gross Revenue**  |  |  **6,337,006** |  **9,652,163** |
|  |  |  |  |
| DETAILED EXPENDITURE  |  |  |  |
| Program activities & sub recipients |  |  6,797,969  |  8,728,058  |
| Consultancy cost |  |  365,064  |  474,584  |
| Travel costs |  |  297,360  |  386,568  |
| Training & workshops |  |  437,186  |  568,342  |
| Expendable supplies |  |  66,937  |  87,018  |
| Salaries  |  |  1,423,356  |  1,565,692  |
| Staff- Fringe benefits |  |  530,099  |  583,109  |
| Other Direct costs  |  |  0  |  0  |
| Equipment |  |  265,717  |  0  |
| **TOTAL EXPENDITURE**  |  | **10,183,688** | **12,393,371** |
|  |  |  |  |
| SURPLUS/ (DEFICIT) before AFFORD II Funding |  | (3,846,682) | (2,741,208) |
|  |  |  |  |
| **AFFORD II Funding** |  |  4,894,600  |  4,894,600  |
|  |  |  |  |
| **SURPLUS FOR THE YEAR**  |  | **1,047,918** | **2,153,392** |
|  |  |  |  |

 ***Program Consultancy Income statement- Conservative***

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | ***2012/2013*** | ***2013/2014*** |
|  |  | ***Projections*** | ***Projections*** |
| *REVENUES* |  | ***USD*** | ***USD*** |
| *Donations* |  | *6,337,006* | *8,052,163* |
| ***Gross Revenue***  |  |  ***6,337,006*** |  ***8,052,163*** |
|  |  |  |  |
| *DETAILED EXPENDITURE*  |  |  |  |
| *Program activities & sub recipients* |  |  *6,797,969*  |  *7,768,058*  |
| *Consultancy cost* |  |  *365,064*  |  *474,584*  |
| *Travel costs* |  |  *297,360*  |  *386,568*  |
| *Training & workshops* |  |  *437,186*  |  *568,342*  |
| *Expendable supplies* |  |  *66,937*  |  *87,018*  |
| *Salaries*  |  |  *1,423,356*  |  *1,565,692*  |
| *Staff- Fringe benefits* |  |  *530,099*  |  *583,109*  |
| *Other Direct costs*  |  |  *0*  |  *0*  |
| *Equipment* |  |  *265,717*  |  *0*  |
| ***TOTAL EXPENDITURE***  |  | ***10,183,688*** | ***11,433,371*** |
|  |  |  |  |
| *SURPLUS/ (DEFICIT) before AFFORD II Funding* |  | *(3,846,682)* | *(3,381,208)* |
|  |  |  |  |
| ***AFFORD II Funding*** |  |  *4,894,600*  |  *4,894,600*  |
|  |  |  |  |
| ***SURPLUS FOR THE YEAR***  |  | ***1,047,918*** | ***1,513,392*** |
|  |  |  |  |

**2.3 Investments**

UHMG will earn revenue from renting part of its current premises and in future plans to invest in securities, transport, third party logistics and real estate.

Payment terms

Credit terms will be reviewed as follows:

* Reduce the current credit period of 120 days to 60 days to boost liquidity.
* 50% of the sales will be paid for in 30 days and 50% within 60 days.

Trade creditors

That good delivery and payment terms are negotiated with the major suppliers with the following payment terms:

* 40% of purchases are paid for in 45 days
* 60% within 60 days

## 3 Cost Assumptions

Directs costs on average are 78 % of total revenue leaving a margin of 22%.

Cost effectiveness shall be encouraged at all levels as a way of improving the input – output ratio in the long run

**3.1 Operating costs**

Operating expenses indicated below for the four years are based on actual costs in UHMG’s audited financial statements for the two years ending 30 September 2012 and projections for the two years 2012/13 and 2013/14.

**Below are UHMG Expenses table for the 4 years**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2010-2011** | **2011-2012,** | **2012-2013** | **2013-2014** |
|  | **Actual** | **Actual** | **Projections** | **Projections** |
|  | **USD** | **USD** | **USD** | **USD** |
| Salaries | 803,316  | 1,221,020 | 1,411,460 | 1,870,660 |
| Staff- fringe benefits |  289,054  |  433,656  | 767,603 | 688,296 |
| Consultancy costs |  53,819  |  132,008  | 374,715 | 484,717 |
| Travel costs |  37,792  |  206,620  | 376,656 | 469,829 |
| Training & workshops |  334,736  |  439,497  | 456,695 | 588,826 |
| Regulation fees/NDA  | 63,886 |  147,934  | 25,847 | 27,140 |
| Sales, Distribution & Marketing | 128,405 |  95,790  |  83,379  |  87,548  |
| Other Direct Expenses | 617,409 |  703,156  | 149,436 | 156,908 |
| Warehousing/ handling | 0  | 0  | 96,000 | 96,000 |
| Equipment |  0  |  106,432  | 265,717 | 0 |
| Depreciation |  60,754  |  149,672  |  141,849  |  143,865  |
| **Total Expenses/ Overheads** | **2,389,171** | **3,635,785** | **4,149,357** | **4,613,789** |

**3.2 The Mortgage**

The mortgage of US$ 900,000 from DFCU Bank to UHMG at an interest of 9% per annum, will be retired during the year 2013/14. As at 30th September 2012, the outstanding balance was USD 437,530.

**3.3 Planned Investment**

UHMG plans to purchase the following capital items:

|  |  |  |
| --- | --- | --- |
| **Item** | **Quantity** | **Estimated Cost (USD)** |
| **Land and Building** |  |  |
| Construction of new Warehouse |  | **350,000**  |
| **Completion of main office block** |  | **150,000** |
| **Office equipment** |  |  |
| Computers/laptops | 16 | 10,240 |
| Laptops | 7 | 14,960 |
| Projectors | 4 | 3,200 |
| Digital Cameras | 5 | 1,320 |
| Stand alone printers | 6 | 3,600 |
| Furniture |  | 4,480 |
| **Total office & equipment** |  | **378,000** |
|  |  |  |
| Vehicles | 1 | 80,000 |
| Trucks | 4 | 160,000 |
| Motorbikes | 4` | 8,000 |
| **Total cost** |  | **248,000** |
|  |  |  |
| **TOTAL COST** |  | **1,126,000** |

## 4 Financial Viability Analysis

**4.1 Financial Sustainability**

The projected income statement shows that UHMG’s transformation to a self-sustaining and competitive business organization within the planning period is feasible. The results are summarized in the tables below categorized into two scenarios; Optimistic and Conservative:

UHMG Financial Viability Summary- Optimistic

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2010/2011** | **2011/2012** | **2012/2013** | **2013/2014** |
|  | **Actual** | **Actual** | **Projections** | **Projections** |
|  | **USD** | **USD** | **USD** | **USD** |
| Total Revenue |  **3,986,556** |  **4,060,848** |  **10,488,574** |  **14,642,641** |
| *Less*: Direct costs | 3,095,204 | 7,035,442 | 9,539,487 | 12,009,005 |
| Gross profit | **891,352** | **(2,974,594)** | **949,087** | **2,633,636** |
| Total overheads | **2,983,022** | **3,502,301** | **4,149,357** | **4,613,789** |
|  |  |  |  |  |
| Net Profit/Loss before Interest & tax | **(2,091,671)** | **(6,476,895)** | **(3,200,270)** | **(1,980,154)**  |
| Interest |  |  | 28,306 | 5,535 |
| **Net Profit /Loss before tax** | **(2,091,671)** | **(6,476,895)** | **(3,228,577)** | **(1,985,690)** |
| **AFFORD II Grant contribution** | **3,347,524** | **7,921,744** | **4,894,600** | **4,894,600** |
| **Net Surplus** | **1,255,853** | **1,444,849** | **1,666,023** | **2,908,910** |

In the first year, UHMG generated revenues of US$3.9 million, yielding a gross profit of US$891,352. Total expenses/ Overheads added up to US$2.9 million resulting in a net loss after interest of US$2.1 million before the AFFORD II grant. The AFFORD II grant for the year 2010/2011 amounted to US$ 3.3 million giving a Net surplus of US$ 1.25 million for the year 2010/2011. The revenues improved marginally in the second year to US$ 4.0 million yielding a gross loss of US$ 2.9 million. Total expenses/ Overheads added up to US$ 3.5 million resulting in a net loss after interest of US$6.5 million before the AFFORD II grant. The AFFORD II grant in the year 2011/12 amounted to US$ 7.9 million giving a net surplus of US$ 1.4 million.

As UHMG stabilizes in the market and economies of scale set in, an optimistic outlook projects expected revenues at US$10.4 million in 2012/2013 and US$14.6million in 2013/2014. The increase in projected revenue will translate in gross profits of US$949,087in 2012/2013 and US$2.6 million in 2013/2014 as more consultancy jobs are won. Net loss before tax will decline from US$3.2 million to US$ 1.9 million in the years 2012/2013 and 2013/2014 respectively. The AFFORD II grant for the two years is projected at US$ 4.9 million annually translating into a net surplus of US$ 1.6 million and US$ 2.9 million respectively.

As AFFORD II shall be complementing UHMG’s revenue the projected losses shall be covered and UHMG shall be able to create a surplus of US$ 2.9 million by end of year 2013/2014.

It is important to note that while AFFORD II grant shall be provided to UHMG there is no surplus expected on these funds since all costs are directly related to the project, the accumulated surplus of USD2.9m by end of year four (2013-2014) is anticipated from UHMG’s other revenue sources including sales and projects revenue as well as investments.

*A second conservative scenario has also been envisaged in which some of the revenue streams don't materialize. These specific revenue stream include; Purchases by USAID of miscellaneous items from the Product Facility (PF) which amounted to US$ 1.2 million in the year 2012/2013 (its assumed this was a one off purchase) and the failure to secure a consultancy contract of US$ 1.6 million in the year 2013/2014.*

*UHMG Financial Viability Summary- Conservative*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | ***2010/2011*** | ***2011/2012*** | ***2012/2013*** | ***2013/2014*** |
|  | ***Actual*** | ***Actual*** | ***Projections*** | ***Projections*** |
|  | ***USD*** | ***USD*** | ***USD*** | ***USD*** |
| *Total Revenue* |  ***3,986,556*** |  ***4,060,848*** |  ***10,488,574*** |  ***11,552,361*** |
| *Less: Direct costs* | *3,095,204* | *7,035,442* | *9,539,487* | *11,049,005* |
| *Gross profit* | ***891,352*** | ***(2,974,594)*** | ***949,087*** | ***503,356*** |
| *Total overheads* | ***2,983,022*** | ***3,502,301*** | ***4,149,357*** | ***4,613,789*** |
|  |  |  |  |  |
| *Net Profit/Loss before Interest & tax* | *(2,091,671)* | *(6,476,895)* | *(3,200,270)* | *(4,110,433)*  |
| *Interest* |  |  | *28,306* | *5,535* |
| ***Net Profit /Loss before tax*** | ***(2,091,671)*** | ***(6,476,895)*** | ***(3,228,577)*** | ***(4,115,970)*** |
| ***AFFORD II Grant contribution*** | ***3,347,524*** | ***7,921,744*** | ***4,894,600*** | ***4,894,600*** |
| ***Net Surplus*** | ***1,255,853*** | ***1,444,849*** | ***1,666,023*** |  ***778,630***  |

*The conservation financial projections impact UHMG's financial performance in the year 2013/2014 resulting in a revenue of US$ 11.5 million. With the total overheads projected at US$ 4.7 million, the net loss before tax will be US$ 4.1 million. With the AFFORD II grant projected at US$ 4.8 million, UHMG will register a net surplus of US$ 0.8 million.*

**4.2 Balance Sheet**

Below is a summary position of UHMG- Optimistic:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2010/2011** | **2011/2012** | **2012/2013** | **2013/2014** |
|  | **Actual** | **Actual** | **Projections** | **Projections** |
|  | **USD** | **USD** | **USD** | **USD** |
|  |  |  |  |  |
| Non Current Assets | 2,561,894 | 2,613,327 | 2,786,497 | 2,922,631 |
| Net Current Assets | 1,170,485 | 2,191,431 | 3,509,513 | 6,159,282 |
| **Total net assets** | **3,732,379** | **4,804,758** | **6,296,010** | **9,081,913** |
|  |  |  |  |  |
| **Financed by:** |  |  |  |  |
| General Fund | 1,872,494 | 2,830,415 | 2,926,254 | 2,926,254 |
| Restricted Fund | 509,343 | 452,881 | 482,906 | 482,906 |
| Retained Earnings | 540,542 | 1,083,932 | 2,763,843 | 5,672,753 |
| Mortgage (Non-current portion) | 810,000 | 437,530 | 123,007 | 0 |
|  | **3,732,379** | **4,804,758** | **6,296,010** | **9,081,913** |
|  |  |  |  |  |

As indicated in the Balance Sheet, UHMG's net assets grew from US$ 3.7 million in the year 2010/2011 to US$ 4.8 million in 2011/12. Its projected that with improved financial performance in the two years 2012/2013 and 2013/2014, the total net assets will grow to US$ 6.2 million and US$ 9 million respectively. The growth in assets is mainly attributed to the growth in the health consultancy contracts and improved performance of the Product Facility Division.

*Under the conservative outlook, the assets will register a modest grow of 11% from US$ 6.2 million to US$ 6.9 million. The projected Balance Sheet is presented in the table below.*

*Below is a summary position of UHMG- Conservative:*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | ***2010/2011*** | ***2011/2012*** | ***2012/2013*** | ***2013/2014*** |
|  | ***Actual*** | ***Actual*** | ***Projections*** | ***Projections*** |
|  | ***USD*** | ***USD*** | ***USD*** | ***USD*** |
|  |  |  |  |  |
| *Non Current Assets* | *2,561,894* | *2,613,327* | *2,786,497* | *2,922,631* |
| *Net Current Assets* | *1,170,485* | *2,191,431* | *3,509,513* | *4,029,002* |
| ***Total net assets*** | ***3,732,379*** | ***4,804,758*** | ***6,296,010*** | ***6,951,633*** |
|  |  |  |  |  |
| ***Financed by:*** |  |  |  |  |
| *General Fund* | *1,872,494* | *2,830,415* | *2,926,254* | *2,926,254* |
| *Restricted Fund* | *509,343* | *452,881* | *482,906* | *482,906* |
| *Retained Earnings* | *540,542* | *1,083,932* | *2,763,843* | *3,542,473* |
| *Mortgage (Non-current portion)* | *810,000* | *437,530* | *123,007* | *0* |
|  | ***3,732,379*** | ***4,804,758*** | ***6,296,010*** | ***6,951,633*** |
|  |  |  |  |  |

## 5 Cash Flows

The projected cash flow statement shows a healthy liquidity position for UHMG starting with an opening balance of US$ 1.5 million at the end of the year 2011/2012. At the end of the year 2012/2013, there will be a positive net cash flow of US$117,223 in part because of the cash balances from on-going activities. This net cash flow is arrive at after deducting the Warehouse construction costs of US$ 200,000 as well as Mortgage payments of US$ 383,000. In the 2013/2014 financial year, a cash surplus of US$1.6 million will be realized, resulting in a cumulative cash balance of US$ 3.8 million. This positive cash balance is attributed mainly to the improving PF performance and the funding from AFFORD II.

 Summarized Cash flow statement- Optimistic

|  |  |  |
| --- | --- | --- |
|  | **2012/2013** | **2013/2014** |
|  | **Projections** | **Projections** |
|  | **USD** | **USD** |
| Total inflow | 15,383,174 | 19,537,241 |
| Total outflow[[1]](#footnote-1) | 14,189,695 | 16,887,473 |
| Working Capital changes | -1,076,256 | -441,814 |
| **Net Cash flow** | 117,223 | 2,207,954 |
| **Opening Balance** | **1,545,624** | **1,662,847** |
| **Cumulative cash flows**  | **1,662,847** | **3,870,801** |
|  |  |  |

*The decline in revenues envisaged under the conservative outlook translates in the net cash flow of US$ 995,005 in the year 2013/2014. This yields a cumulative cash balance of US$ 2.6 million at the year-end as shown in the table below.*

*Summarized Cash flow statement- Conservative*

|  |  |  |
| --- | --- | --- |
|  | ***2012/2013*** | ***2013/2014*** |
|  | ***Projections*** | ***Projections*** |
|  | ***USD*** | ***USD*** |
| *Total inflow* | *15,383,174* | *16,446,961* |
| Total outflow[[2]](#footnote-2) | *14,189,695* | *15,927,473* |
| *Working Capital changes* | *-1,076,256* | *475,517* |
| ***Net Cash flow*** | *117,223* | *995,005* |
| ***Opening Balance*** | ***1,545,624*** | ***1,662,847*** |
| ***Cumulative cash flows***  | ***1,662,847*** | ***2,657,852*** |
|  |  |  |

# APPENDIX A: FINANCIAL PROJECTIONS

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **UHMG LIMITED** |  |  |  |
|  |  | **Consolidated Income statement- Optimistic**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **2010/2011** | **2011/2012** | **2012/2013** | **2013/2014** |
|  |  |  | **Actual** | **Actual** | **Projections** | **Projections** |
|  | REVENUES |  | **USD** | **USD** | **USD** | **USD** |
|  | Product Facility Division |  | 1,379,143 | 1,685,523 |  4,009,008  | 4,819,261  |
|  | Health Consulting Department (Special projects) | 2,573,580 | 1,857,052 | 6,337,006  | 9,652,164  |
|  | Investments |  | 7,000 | 181,025 | 0 |  14,400  |
|  | Other Income |  | 26,833 | 337,248 |  142,560  |  156,816  |
|  | **Gross Revenue**  |  |  **3,986,556** |  **4,060,848** |  **10,488,574** |  **14,642,641** |
|  |  |  |  |  |  |  |
| Less: | Direct costs |  | 3,095,204 | 7,035,442 | 9,539,487 | 12,009,005 |
|  | **Gross profit**  |  | **891,352** | **(2,974,594)** | **949,087** | **2,633,636** |
|  |  |  |  |  |  |  |
| Less: | Salaries  |  | 803,316  | 1,221,020 | 1,411,460 | 1,870,660 |
|  | Staff - fringe benefits  |  |  289,054  |  433,656  | 767,603 | 688,296 |
|  | Consultancy cost |  |  53,819  |  132,008  | 374,715 | 484,717 |
|  | Travel costs |  |  37,792  |  206,620  | 376,656 | 469,829 |
|  | Training & workshops |  |  334,736  |  439,497  | 456,695 | 588,826 |
|  | Regulation fees/NDA  |  | 63,886 |  147,934  | 25,847 | 27,140 |
|  | Sales, distribution and marketing  | 128,405 |  95,790  |  83,379  |  87,548  |
|  | Other Direct expenses |  | 617,409 |  703,156  | 149,436 | 156,908 |
|  | Warehousing/ handling |  | 0  | 0  | 96,000 | 96,000 |
|  | Equipment |  |  0  |  106,432  | 265,717 | 0 |
|  | Depreciation |  |  60,754  |  149,672  |  141,849  |  143,865  |
|  | Inventory write off |  |  110,662  | 0  | 0 | 0 |
|  | Provision for bad debt |  | 302,833 | -89,008 | 0 | 0 |
|  | Foreign exchange gain/ (loss) |  | 180,356 | -44,476 | 0 | 0 |
|  | **Total expenses/overheads** |  | **2,983,022** | **3,502,301** | **4,149,357** | **4,613,789** |
|  |  |  |  |  |  |  |
|  | **Net Profit/ (Loss) Before Interest &Tax** |  | **(2,091,671)** | **(6,476,895)** | **(3,200,270)** | **(1,980,154)**  |
| Less: | Interest - Loans |  | 0 | 0 | 28,306 | 5,535 |
|  | **Net profit/ (loss) Before Tax** |  | **(2,091,671)** | **(6,476,895)** | **(3,418,149)** | **(1,985,690)** |
| Less: | Tax |  |  -  |  -  |  -  |  -  |
|  | **Net Operating profit / (loss) after tax** |  | **(2,091,671)** | **(6,476,895)** | **(3,418,149)** | **(1,985,690)** |
|  |  |  |  |  |  |  |
|  | Cumulative operating losses |  | (2,091,671) | (8,568,566) | (3,228,577) | (1,985,690) |
|  |  |  |  |  |  |  |
|  | **Funding (Grant from AFFORD II)** |  | **3,347,524** | **7,921,744** | **4,894,600** | **4,894,600** |
|  |  |  |  |  |  |  |
|  | **Net surplus** |  | **1,255,853** | **1,444,849** | **1,666,023** | **2,908,910** |
|  |  |  |  |  |  |  |

**Products Facility (PF) Income statement- Optimistic**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **2012/2013** | **2013/2014** |
|  |  | **Projections** | **Projections** |
| **A- Revenues** |  | **USD** | **USD** |
| Product Sales Revenue |  |  3,519,185  |  4,339,261  |
| Warehouse/ Handling |  480,000  |  480,000  |
| Other Income |  |  9,823  | 0 |
| **Total PF- Revenue (A)** |  | **4,009,008** | **4,819,261** |
|  |  |  |  |
| **B-Cost of Sales** |  |  |  |
| Cost of goods sold |  |  2,674,581  |  3,193,929  |
| Warehouse/handling (3PL) |  |  96,000  |  96,000  |
| **Total Cost of Goods Sold (B)** |  | **2,770,581** | **3,289,929** |
| **Gross Margin (A-B) = C** |  | **1,238,427** | **1,529,332** |
|  |  |  |  |
| **Expenses** |  |  |  |
| Salaries of PF staff |  |  290,446  |  304,969  |
| Fringe benefits |  |  100,178  |  105,187  |
| **Subtotal- Salaries & Fringe** |  | **390,624** | **410,156** |
|  |  |  |  |
| **Administrative Expenses** |  |  |  |
| Travel and Per Diem including fuel & distribution costs |  |  79,296  |  83,261  |
| Other Admin Costs including Rent Utility bills |  |  94,280  |  98,994  |
| **Subtotal- Administration** |  | 173,576 | 182,255 |
|  |  |  |  |
| **Direct Sales & Marketing expenses** |  |  83,379  |  87,548  |
|  |  |  |  |
| **Other PF expenses** |  |  |  |
| NDA verification, clearance costs & destruction fees |  |  25,847  |  27,140  |
| Consultancies |  |  9,651  |  10,134  |
| Training & Workshops |  |  19,509  |  20,485  |
| Professional & Financial Costs |  |  55,156  |  57,914  |
| **Subtotal- PF Others** |  | **110,163** | **115,673** |
|  |  |  |  |
| **Subtotal (D)** |  | **757,743** | **795,630** |
|  |  |  |  |
| **Net Margins (C-D) before taxes** |  | **480,685** | **733,702** |

**Program Consultancy Income statement- Optimistic**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **2012/2013** | **2013/2014** |
|  |  | **Projections** | **Projections** |
| REVENUES |  | **USD** | **USD** |
| Donations |  | 6,337,006 | 9,652,163 |
| **Gross Revenue**  |  |  **6,337,006** |  **9,652,163** |
|  |  |  |  |
| DETAILED EXPENDITURE  |  |  |  |
| Program activities & sub recipients |  |  6,797,969  |  8,728,058  |
| Consultancy cost |  |  365,064  |  474,584  |
| Travel costs |  |  297,360  |  386,568  |
| Training & workshops |  |  437,186  |  568,342  |
| Expendable supplies |  |  66,937  |  87,018  |
| Salaries  |  |  1,423,356  |  1,565,692  |
| Staff- Fringe benefits |  |  530,099  |  583,109  |
| Other Direct costs  |  |  0  |  0  |
| Equipment |  |  265,717  |  0  |
| **TOTAL EXPENDITURE**  |  | **10,183,688** | **12,393,371** |
|  |  |  |  |
| SURPLUS/ (DEFICIT) before AFFORD II Funding |  | (3,846,682) | (2,741,208) |
|  |  |  |  |
| **AFFORD II Funding** |  |  4,894,600  |  4,894,600  |
|  |  |  |  |
| **SURPLUS FOR THE YEAR**  |  | **1,047,918** | **2,153,392** |
|  |  |  |  |

***Consolidated Income statement- Conservative***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  | ***2010/2011*** | ***2011/2012*** | ***2012/2013*** | ***2013/2014*** |
|  |  |  | ***Actual*** | ***Actual*** | ***Projections*** | ***Projections*** |
|  | *REVENUES* |  | ***USD*** | ***USD*** | ***USD*** | ***USD*** |
|  | *Product Facility Division* |  | *1,379,143* | *1,685,523* |  *4,009,008*  | *3,328,982*  |
|  | *Health Consulting Department (Special projects)* | *2,573,580* | *1,857,052* | *6,337,006*  |  *8,052,163*  |
|  | *Investments* |  | *7,000* | *181,025* | *0* |  *14,400*  |
|  | *Rental Income* |  | *26,833* | *337,248* |  *142,560*  |  *156,816*  |
|  | ***Gross Revenue***  |  |  ***3,986,556*** |  ***4,060,848*** |  ***10,488,574*** |  ***11,552,361*** |
|  |  |  |  |  |  |  |
| *Less:* | *Direct costs* |  | *3,095,204* | *7,035,442* | *9,539,487* | *11,049,005* |
|  | ***Gross profit***  |  | ***891,352*** | ***(2,974,594)*** | ***949,087*** | ***503,356*** |
|  |  |  |  |  |  |  |
| *Less:* | *Salaries*  |  | *803,316*  | *1,221,020* | *1,411,460* | *1,870,660* |
|  | *Staff - fringe benefits*  |  |  *289,054*  |  *433,656*  | *767,603* | *688,296* |
|  | *Consultancy cost* |  |  *53,819*  |  *132,008*  | *374,715* | *484,717* |
|  | *Travel costs* |  |  *37,792*  |  *206,620*  | *376,656* | *469,829* |
|  | *Training & workshops* |  |  *334,736*  |  *439,497*  | *456,695* | *588,826* |
|  | *Regulation fees/NDA*  |  | *63,886* |  *147,934*  | *25,847* | *27,140* |
|  | *Sales, distribution and marketing*  | *128,405* |  *95,790*  |  *83,379*  |  *87,548*  |
|  | *Other Direct expenses* |  | *617,409* |  *703,156*  | *149,436* | *156,908* |
|  | *Warehousing/ handling* |  | *0*  | *0*  | *96,000* | *96,000* |
|  | *Equipment* |  |  *0*  |  *106,432*  | *265,717* | *0* |
|  | *Depreciation* |  |  *60,754*  |  *149,672*  |  *141,849*  |  *143,865*  |
|  | *Inventory write off* |  |  *110,662*  | *0*  | *0* | *0* |
|  | *Provision for bad debt* |  | *302,833* | *-89,008* | *0* | *0* |
|  | *Foreign exchange gain/ (loss)* |  | *180,356* | *-44,476* | *0* | *0* |
|  | ***Total expenses/overheads*** |  | ***2,983,022*** | ***3,502,301*** | ***4,149,357*** | ***4,613,789*** |
|  |  |  |  |  |  |  |
|  | ***Net Profit/ (Loss) Before Interest &Tax*** |  | ***(2,091,671)*** | ***(6,476,895)*** | ***(3,200,270)*** | ***(4,110,433)***  |
| *Less:* | *Interest - Loans* |  | *0* | *0* | *28,306* | *5,535* |
|  | ***Net profit/ (loss) Before Tax*** |  | ***(2,091,671)*** | ***(6,476,895)*** | ***(3,418,149)*** | ***(4,115,968)*** |
| *Less:* | *Tax* |  |  *-*  |  *-*  |  *-*  |  *-*  |
|  | ***Net Operating profit / (loss) after tax*** |  | ***(2,091,671)*** | ***(6,476,895)*** | ***(3,418,149)*** | ***(4,115,968)*** |
|  |  |  |  |  |  |  |
|  | *Cumulative operating losses* |  | *(2,091,671)* | *(8,568,566)* | *(11,986,715)* | *(16,102,683)* |
|  |  |  |  |  |  |  |
|  | ***Funding (Grant from AFFORD II)*** |  | ***3,347,524*** | ***7,921,744*** | ***4,894,600*** | ***4,894,600*** |
|  |  |  |  |  |  |  |
|  | ***Net surplus*** |  | ***1,255,853*** | ***1,444,849*** | ***1,666,023*** | ***778,632*** |
|  |  |  |  |  |  |  |

***Products Facility (PF) Income statement- Conservative***

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | ***2012/2013*** | ***2013/2014*** |
|  |  | ***Projections*** | ***Projections*** |
| ***A- Revenues*** |  | ***USD*** | ***USD*** |
| *Product Sales Revenue* |  |  *3,519,185*  |  *2,848,982*  |
| *Warehouse/ Handling* |  *480,000*  |  *480,000*  |
| *Other Income* |  |  *9,823*  | *0* |
| ***Total PF- Revenue (A)*** |  | ***4,009,008*** | ***3,328,982*** |
|  |  |  |  |
| ***B-Cost of Sales*** |  |  |  |
| *Cost of goods sold* |  |  *2,674,581*  |  *3,193,929*  |
| *Warehouse/handling (3PL)* |  |  *96,000*  |  *96,000*  |
| ***Total Cost of Goods Sold (B)*** |  | ***2,770,581*** | ***3,289,929*** |
| ***Gross Margin (A-B) = C*** |  | ***1,238,427*** | ***39,053*** |
|  |  |  |  |
| ***Expenses*** |  |  |  |
| *Salaries of PF staff* |  |  *290,446*  |  *304,969*  |
| *Fringe benefits* |  |  *100,178*  |  *105,187*  |
| ***Subtotal- Salaries & Fringe*** |  | ***390,624*** | ***410,156*** |
|  |  |  |  |
| ***Administrative Expenses*** |  |  |  |
| *Travel and Per Diem including fuel & distribution costs* |  |  *79,296*  |  *83,261*  |
| *Other Admin Costs including Rent Utility bills* |  |  *94,280*  |  *98,994*  |
| ***Subtotal- Administration*** |  | *173,576* | *182,255* |
|  |  |  |  |
| ***Direct Sales & Marketing expenses*** |  |  *83,379*  |  *87,548*  |
|  |  |  |  |
| ***Other PF expenses*** |  |  |  |
| *NDA verification, clearance costs & destruction fees* |  |  *25,847*  |  *27,140*  |
| *Consultancies* |  |  *9,651*  |  *10,134*  |
| *Training & Workshops* |  |  *19,509*  |  *20,485*  |
| *Professional & Financial Costs* |  |  *55,156*  |  *57,914*  |
| ***Subtotal- PF Others*** |  | ***110,163*** | ***115,673*** |
|  |  |  |  |
| ***Subtotal (D)*** |  | ***757,743*** | ***795,630*** |
|  |  |  |  |
| ***Net Margins (C-D) before taxes*** |  | ***480,685*** |  ***(756,577)***  |

***Program Consultancy Income statement- Conservative***

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | ***2012/2013*** | ***2013/2014*** |
|  |  | ***Projections*** | ***Projections*** |
| *REVENUES* |  | ***USD*** | ***USD*** |
| *Donations* |  | *6,337,006* | *8,052,163* |
| ***Gross Revenue***  |  |  ***6,337,006*** |  ***8,052,163*** |
|  |  |  |  |
| *DETAILED EXPENDITURE*  |  |  |  |
| *Program activities & sub recipients* |  |  *6,797,969*  |  *7,768,058*  |
| *Consultancy cost* |  |  *365,064*  |  *474,584*  |
| *Travel costs* |  |  *297,360*  |  *386,568*  |
| *Training & workshops* |  |  *437,186*  |  *568,342*  |
| *Expendable supplies* |  |  *66,937*  |  *87,018*  |
| *Salaries*  |  |  *1,423,356*  |  *1,565,692*  |
| *Staff- Fringe benefits* |  |  *530,099*  |  *583,109*  |
| *Other Direct costs*  |  |  *0*  |  *0*  |
| *Equipment* |  |  *265,717*  |  *0*  |
| ***TOTAL EXPENDITURE***  |  | ***10,183,688*** | ***11,433,371*** |
|  |  |  |  |
| *SURPLUS/ (DEFICIT) before AFFORD II Funding* |  | *(3,846,682)* | *(3,381,208)* |
|  |  |  |  |
| ***AFFORD II Funding*** |  |  *4,894,600*  |  *4,894,600*  |
|  |  |  |  |
| ***SURPLUS FOR THE YEAR***  |  | ***1,047,918*** | ***1,513,392*** |
|  |  |  |  |

**UHMG LIMITED****Balance sheet- Optimistic**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2010/2011** | **2011/2012** | **2012/2013** | **2013/2014** |
|  | **Actual** | **Actual** | **Projections** | **Projections** |
| **ASSETS** | **USD** | **USD** | **USD** | **USD** |
| **Non Current Assets** |  |  |  |  |
| Property, Plant & Equipment | 2,561,894 | 2,613,327 | 2,786,497 | 2,922,631 |
|  |  |  |  |  |
| **Current Assets** |  |  |  |  |
| Inventories | 387,060 | 932,620 | 1,173,062 | 1,446,420 |
| Accounts Receivables& Prepayments | 566,796 | 861,798 | 879,796 | 1,084,815 |
| Advances to Staff & Sub-grantees | 154,699 | 117,551 | 190,110 | 289,565 |
| Cash & Bank Balances | 799,616 | 1,545,624 | 1,712,307 | 3,870,801 |
|  | **1,908,171** | **3,457,593** | **3,955,275** | **6,691,601** |
|  |  |  |  |  |
| **Total Assets** | **4,470,065** | **6,070,920** | **6,741,772** | **9,614,233** |
|  |  |  |  |  |
| **RESERVES & LIABILTIES** |  |  |  |  |
|  |  |  |  |  |
| **Reserves** |  |  |  |  |
| General Funds | 1,872,494 | 2,830,415 | 2,926,254 | 2,926,254 |
| Restricted Funds  | 509,343 | 452,881 | 482,906 | 482,906 |
| Retained earnings | 540,542 | 1,083,932 | 2,763,843 | 5,672,753 |
|  | **2,922,379** | **4,367,228** | **6,173,003** | **9,081,913** |
|  |  |  |  |  |
| **Non Current Liabilities** |  |  |  |  |
| DFCU Mortgage: Non Current portion | 810,000 | 437,530 | 0 | 0 |
|  |  |  |  |  |
| **Current Liabilities** |  |  |  |  |
| Trade & other payables | 625,674 | 1,213,375 | 445,763 | 532,321 |
| DFCU Mortgage: Current portion | 112,012 | 52,787 | 123,007 | 0 |
|  | **737,686** | **1,266,162** | **568,770** | **532,321** |
|  |  |  |  |  |
| **Total Liabilities** | **1,547,686** | **1,703,692** | **568,770** | **532,321** |
|  |  |  |  |  |
| **Total Reserves & Liabilities** | **4,470,065** | **6,070,920** | **6,741,772** | **9,614,233** |
|  |  |  |  |  |

***Balance sheet- Conservative***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | ***2010/2011*** | ***2011/2012*** | ***2012/2013*** | ***2013/2014*** |
|  | ***Actual*** | ***Actual*** | ***Projections*** | ***Projections*** |
| ***ASSETS*** | ***USD*** | ***USD*** | ***USD*** | ***USD*** |
| ***Non Current Assets*** |  |  |  |  |
| *Property, Plant & Equipment* | *2,561,894* | *2,613,327* | *2,786,497* | *2,922,631* |
|  |  |  |  |  |
| ***Current Assets*** |  |  |  |  |
| *Inventories* | *387,060* | *932,620* | *1,173,062* | *949,661* |
| *Accounts Receivables& Prepayments* | *566,796* | *861,798* | *879,796* | *712,245* |
| *Advances to Staff & Sub-grantees* | *154,699* | *117,551* | *190,110* | *241,565* |
| *Cash & Bank Balances* | *799,616* | *1,545,624* | *1,712,307* | *2,657,852* |
|  | ***1,908,171*** | ***3,457,593*** | ***3,955,275*** | ***4,561,323*** |
|  |  |  |  |  |
| ***Total Assets*** | ***4,470,065*** | ***6,070,920*** | ***6,741,772*** | ***7,483,954*** |
|  |  |  |  |  |
| ***RESERVES & LIABILTIES*** |  |  |  |  |
|  |  |  |  |  |
| ***Reserves*** |  |  |  |  |
| *General Funds* | *1,872,494* | *2,830,415* | *2,926,254* | *2,926,254* |
| *Restricted Funds*  | *509,343* | *452,881* | *482,906* | *482,906* |
| *Retained earnings* | *540,542* | *1,083,932* | *2,763,843* | *3,542,473* |
|  | ***2,922,379*** | ***4,367,228*** | ***6,173,003*** | ***6,951,633*** |
|  |  |  |  |  |
| ***Non Current Liabilities*** |  |  |  |  |
| *DFCU Mortgage: Non Current portion* | *810,000* | *437,530* | *0* | *0* |
|  |  |  |  |  |
| ***Current Liabilities*** |  |  |  |  |
| *Trade & other payables* | *625,674* | *1,213,375* | *445,763* | *532,321* |
| *DFCU Mortgage: Current portion* | *112,012* | *52,787* | *123,007* | *0* |
|  | ***737,686*** | ***1,266,162*** | ***568,770*** | ***532,321*** |
|  |  |  |  |  |
| ***Total Liabilities*** | ***1,547,686*** | ***1,703,692*** | ***568,770*** | ***532,321*** |
|  |  |  |  |  |
| ***Total Reserves & Liabilities*** | ***4,470,065*** | ***6,070,920*** | ***6,741,772*** | ***7,483,954*** |
|  |  |  |  |  |

 |  |  |
|  |  |  |  |  |  |  |

**UHMG LIMITED**

**Projected Cash flow statement- Optimistic**

|  |  |  |
| --- | --- | --- |
|  | **2012/2013** | **2013/2014** |
|  | **Projections** | **Projections** |
|  | **USD** | **USD** |
| **Cash inflows** |  |  |
| Gross revenue | 10,488,574 | 14,642,641 |
| AFFORD II Grant | 4,894,600 | 4,894,600 |
| Working capital changes | -1,076,256 | -441,814 |
| **Total Inflows** | **14,306,918** | **19,095,427** |
|  |  |  |
| **Cash Out flows** |  |  |
| Cost of goods sold | 2,674,581 | 3,193,929 |
| Program activities & sub recipients | 6,797,969 | 8,728,058 |
| Expenses/ Overheads | 4,074,447 | 4,556,943 |
| Mortgage servicing[[3]](#footnote-3) | 411,306 | 128,543 |
| Fixed assets[[4]](#footnote-4) | 231,392 | 280,000 |
| **Total out flows** | **14,189,695** | **16,887,473** |
|  |  |  |
| Net Cash flows | 117,223 | 2,207,954 |
|  |  |  |
| Opening Cash Balance | 1,545,624 | 1,662,847 |
|  |  |  |
| **Closing Cash Balance** | **1,662,847** | **3,870,801** |
|  |  |  |

***Projected Cash flow statement- Conservative***

|  |  |  |
| --- | --- | --- |
|  | ***2012/2013*** | ***2013/2014*** |
|  | ***Projections*** | ***Projections*** |
|  | ***USD*** | ***USD*** |
| ***Cash inflows*** |  |  |
| *Gross revenue* | *10,488,574* | *11,552,361* |
| *AFFORD II Grant* | *4,894,600* | *4,894,600* |
| *Working capital changes* | *-1,076,256* | *475,517* |
| ***Total Inflows*** | ***14,306,918*** | ***16,922,478*** |
|  |  |  |
| ***Cash Out flows*** |  |  |
| *Cost of goods sold* | *2,674,581* | *3,193,929* |
| *Program activities & sub recipients* | *6,797,969* | *7,768,058* |
| *Expenses/ Overheads* | *4,074,447* | *4,556,943* |
| *Mortgage servicing[[5]](#footnote-5)* | *411,306* | *128,543* |
| *Fixed assets[[6]](#footnote-6)* | *231,392* | *280,000* |
| ***Total out flows*** | ***14,189,695*** | ***15,927,473*** |
|  |  |  |
| *Net Cash flows* | *117,223* | *995,005* |
|  |  |  |
| *Opening Cash Balance* | *1,545,624* | *1,662,847* |
|  |  |  |
| ***Closing Cash Balance*** | ***1,662,847*** | ***2,657,852*** |
|  |  |  |

**Projected Revenues Product Facility (Health Products Department)- Optimistic**

|  |  |  |
| --- | --- | --- |
|  | **2012/2013** | **2013/2014** |
|  | **Projections** | **Projections** |
|  | **UGX** | **UGX** |
| **SOCIALLY MARKETED PRODUCTS** |  |  |
| Zinkid | 754,712,306 | 950,937,505 |
| Restors | 241,408,957 | 278,827,346 |
| Cotramox | 693,258,265 | 764,317,237 |
| Condom O | 420,394,975 | 507,626,932 |
| Newfem | 55,359,484 | 66,846,577 |
| Softsure | 41,786,717 | 48,263,658 |
| Aquasafe | 150,771,033 | 182,056,022 |
| Moonbeads | 24,985,916 | 30,170,493 |
| **Annual Sales (UGX)** | **2,382,677,653** | **2,829,045,770** |
| Monthly sales (UGX) | 198,556,471 | 235,753,814 |
|  |  |  |
| **Annual sales (USD)** | **953,071** | **1,131,618** |
| **Monthly sales (USD)** | **79,423** | **94,302** |
|  |  |  |
|  |  |  |
| **OTHER PRODUCTS** |  |  |
|  |  |  |
| Annual Sales (UGX) | 6,415,285,610 | 8,019,107,012 |
| Monthly Sales (UGX) | 534,607,134 | 668,258,918 |
|  |  |  |
| Annual Sales (USD) | 2,566,114 | 3,207,643 |
| Monthly Sales (USD) | 213,843 | 267,304 |
|  |  |  |
| **GRAND TOTAL (USD)** | **3,519,185** | **4,339,261** |
| Growth |  |  |
|  |  |  |

***Projected Revenue Product Facility (Health Products Department)- Conservative***

|  |  |  |
| --- | --- | --- |
|  | ***2012/2013*** | ***2013/2014*** |
|  | ***Projections*** | ***Projections*** |
|  | ***UGX*** | ***UGX*** |
| ***SOCIALLY MARKETED PRODUCTS*** |  |  |
| *Zinkid* | *754,712,306* | *950,937,505* |
| *Restors* | *241,408,957* | *278,827,346* |
| *Cotramox* | *693,258,265* | *764,317,237* |
| *Condom O* | *420,394,975* | *507,626,932* |
| *Newfem* | *55,359,484* | *66,846,577* |
| *Softsure* | *41,786,717* | *48,263,658* |
| *Aquasafe* | *150,771,033* | *182,056,022* |
| *Moonbeads* | *24,985,916* | *30,170,493* |
| ***Annual Sales (UGX)*** | ***2,382,677,653*** | ***2,829,045,770*** |
| *Monthly sales (UGX)* | *198,556,471* | *235,753,814* |
|  |  |  |
| ***Annual sales (USD)*** | ***953,071*** | ***1,131,618*** |
| ***Monthly sales (USD)*** | ***79,423*** | ***94,302*** |
|  |  |  |
|  |  |  |
| ***OTHER PRODUCTS*** |  |  |
|  |  |  |
| *Annual Sales (UGX)* | *6,415,285,610* | *7,122,454,078*  |
| *Monthly Sales (UGX)* | *534,607,134* |  *593,537,840*  |
|  |  |  |
| *Annual Sales (USD)* | *2,566,114* |  *2,848,982*  |
| *Monthly Sales (USD)* | *213,843* |  *237,415*  |
|  |  |  |
| ***GRAND TOTAL (USD)*** | ***3,519,185*** | ***3,980,600*** |
| *Growth* |  |  |
|  |  |  |

**Projected Revenue – Programs Division (Health Consultancy Department)- Optimistic**

|  |  |  |
| --- | --- | --- |
|  | **2012/2013** | **2013/2014** |
|  | **Projections** | **Projections** |
|  | **USD** | **USD** |
| STAR-SW | 875,598 | 875,598 |
| SCIPHA | 637,716 | 318,858 |
| STRIDES | 302,271 | 0 |
| HCT Kampala Goodlife Clinic services | 2,500,000 | 3,500,000 |
| NU-HITES | 1,554,450 | 1,000,000 |
| AMFM | 111,559 | 111,559 |
| SPEAR  | 44,665 | 0 |
| MSH-SDSI | 59,094 | 100,000 |
| KASESE AIDS PROJECT (KAP) | 94,149 | 94,149 |
| TOTAL | 0 | 102,000 |
| Private Sector- USAID | 0 | 100,000 |
| CHC- Project | 0 | 1,600,000 |
| Global Fund with TASO | 150,000 | 450,000 |
| CDC Project | 0 | 1,400,000 |
| UNFPA | 3,379 | 0 |
| STOP MALARIA | 4,126 | 0 |
|  | 0 | 0 |
| **Annual sales (USD)** | **6,337,007** | **9,652,164** |
| **Monthly sales (USD)** | 528,084 | 804,347 |
|  |  |  |

***Projected Revenue – Programs Division (Health Consultancy Department)- Conservative***

|  |  |  |
| --- | --- | --- |
|  | ***2012/2013*** | ***2013/2014*** |
|  | ***Projections*** | ***Projections*** |
|  | ***USD*** | ***USD*** |
| *STAR-SW* | *875,598* | *875,598* |
| *SCIPHA* | *637,716* | *318,858* |
| *STRIDES* | *302,271* | *0* |
| *HCT Kampala Goodlife Clinic services* | *2,500,000* | *3,500,000* |
| *NU-HITES* | *1,554,450* | *1,000,000* |
| *AMFM* | *111,559* | *111,559* |
| *SPEAR*  | *44,665* | *0* |
| *MSH-SDSI* | *59,094* | *100,000* |
| *KASESE AIDS PROJECT (KAP)* | *94,149* | *94,149* |
| *TOTAL* | *0* | *102,000* |
| *Private Sector- USAID* | *0* | *100,000* |
| *Global Fund with TASO* | *150,000* | *450,000* |
| *CDC Project* | *0* | *1,400,000* |
| *UNFPA* | *3,379* | *0* |
| *STOP MALARIA* | *4,126* | *0* |
|  | *0* | *0* |
| ***Annual sales (USD)*** | ***6,337,007*** | ***8,052,164*** |
| ***Monthly sales (USD)*** | *528,084* | *671,013* |
|  |  |  |

1. The Cash outflows include the proposed mortgage repayments and the new warehouse construction costs. The details are included in the appended cash flow statements [↑](#footnote-ref-1)
2. The Cash outflows include the proposed mortgage repayments and the new warehouse construction costs. The details are included in the appended cash flow statements [↑](#footnote-ref-2)
3. This is the DFCU Bank mortgage retirement cash outlay [↑](#footnote-ref-3)
4. This is the cash outlay incurred in the construction of the warehouse [↑](#footnote-ref-4)
5. This is the DFCU Bank mortgage retirement cash outlay [↑](#footnote-ref-5)
6. This is the cash outlay incurred in the construction of the warehouse [↑](#footnote-ref-6)