

General Notes

Overdraft	The company has NO overdraft facilities, nor will it use any.
Loan	The original amount borrowed was \$20,000,000 this is to be repaid before 24 months of operation at 25%.
Loan	The loan is for 25% over two years (or 12.5% per annum non compounding).
Income	Income is derived from, sale of equipment (stocking and resale), leasing equipment to transactional users; on a month by month lease; income from the use of some equipment, by the use of its outputs and from all transactions that occur within the 'SecurIBL Knowledge Rack' Service.
Payments	All customers need money in their account with us, prior to purchasing anything for themselves. We are therefore running a 'Pre-Pay' system. This allows us the ability to minimise bad debt, while allowing us to operate an overdraft free. All prepayments from individuals are in effect held in trust for SecurIBL (Int) until the funds are required by a local office.
Stock levels	You will notice in the accounts NO levels for stock in transit, on shelf or elsewhere. Welcome to another benefit of SecurIBL's approach. The initial stock is purchased from the manufacturer, using pre-paid money from the customer. We don't have an inventory problem, as devices can be sent from Asia to any customer within 5 days (usually 3). So we don't need to hold stock - therefore it doesn't show up on the accounts as 'our' problem.
Inventory	It is envisaged that a number of people may wish to pre-purchase a container load of devices for easier distribution within a target country. This is treated as a 'new' business enterprise by SecurIBL systems, therefore the transactions they perform become part of these accounts, but the billing and management become part of the pre-purchase agents enterprise.
Offices 6	The offices occupied by the state territorial liaison officers - in their own states, (eventually with a rack service and communications for each office environment).
Offices Temp	The start up offices for the Perth based AU head office, until "the compound" is completed.

The Compound

Consists of the following : all buildings have a similar set of rules - must have 12V and 240V lighting (12V LED), car battery equivalent for each room located in each room for communications and portables to get their power from (all buildings must be able to run with minimum disruption during power outage from 240V). Every room with a door has a thumbprint reader and card reader for access and approval for use of room (and charging (MICHOLS)). Security fence, cameras every 3 meters, min 2 layers of security.

SecurIBL (Int)

Data Centre	Building, glass front (for viewing), enough room for 'Rack DataCentre' (see doc-23), power supplied, 240V & 12V & solar, communications to Internet - min 2Mbps - max 100Kbps per rack.
Offices	6 offices for staff to use as required and a reception area (may use licence holder's reception). War room, set up with big screen, (internal to building, no windows or outside walls) communications available to all rooms and desk surfaces, not just wireless. 5 x 2 bedroom units for accommodation for travelling International staff.

SecurIBL (target)

Visitor area	Car parking for all staff. 18 offices wired and powered (12V and 240V). Reception area (should be no more than 12 people waiting) and 2 meeting rooms for meetings with external people. Assembly area (staff able to work at their rented workstations and assemble the units as required). Container area - for stock and restocking (used by assemblers and 121 staff). Car parking and R&R area for visitors and if security permits, viewers of the core system.
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Notes for P&L

The P&L (Profit and Loss), cashflow forecast and Balance sheet - have all been done to show the figures that each country is likely to require.

The figures themselves may not be in a 'layout format' that is 'nice' for each country's legal requirements, but the information required is in the sheets!

The end of the Balance sheet shows the Current and Nett assets in all forms that may be required by each jurisdiction.

Depreciation is shown at 20%, assuming 5 year write off - straight line. Obviously the actual accounts will be using the correct local depreciation figures.

Taxation is shown as 32% of profit. Again this is country dependant - we have utilised a higher figure just to show the effect on the accounts.

Cashflow forecast - breaks down the income from devices and transactions against the source of that income.

Between the label for the item and the first years operational values, is an indicator.

This indicator is matched to the one on the Budget sheets, so the amounts are traceable back to the budgets (see docs 12-14).

Notes for Cashflow (doc-12)

Stage #	There are three distinct stages in setting up a territorial office:
1	Set-up machines, services, train staff, start new offices, start approaches to MPs, NZ staff performing set-up and training in territorial office.
2	staff now running in temp premises (except territorial offices), machines avail for use.
3	premises now completed, machines moved into new premises, all security in place, can now start data usage.
Month #	Months are numbered from 1 being the first month.
Month	The month and year that this budget projection is referring to.
Licence Fees	The licence fee (franchise fee etc) is an unrecoverable value, see below.
DevSys fee	is based on 10 cents per person in the target country (using CIA 2007 estimate), this fee is to purchase the initial rights from the owner.
Equipment fee	is based on 20 cents per person in the target country (using CIA 2007 estimate), this fee covers the cost of SecurIBL (Int) setting up the initial 'Knowledge Racks'.
Initialisation Costs	The value apportioned to the initial staff supplied by SecurIBL (Int) to set-up the initial running of the licensee.
Premise lease	The amount paid in lease fees for premises, until the 'Compound' is 'liveable'.
Salaries	The amount likely to be paid in Salaries to the first staff (see doc-21)
Trav & Accom	The amount likely to be paid for Travel & Accommodation by initial staff (see doc-21).
Transport	The amount likely to be paid in Transportation costs by initial staff (see doc-21).
Capital Purchases	Purchases that are treated in this budget as capital items, i.e. recoverable as far as the investment opportunity is concerned.
Land	The cost involved in purchasing the land, owned by SecurIBL (target) and clearing work.
Plans	The cost of preparing the plans, drawings, and approvals required by any local, state, or federal authorities, in order to build 'The Compound'.
Building	The cost of building 'The Compound' site. Includes all buildings and wiring required for the buildings to operate as required (permanent fixtures and fittings).
Equipment	The equipment that makes 'The Compound' work, includes tables chairs, computers, all office equipment, drapes/curtains as required, everything to allow the compound to be habitable, including security services
Satellite Buildings	The 'other' buildings, including the territorial offices, are not usually in the same city as 'The Compound', but in other high population areas. Also include offices for local staff and the local 'SecurIBL Knowledge Racks'.
Satellites Equipment	The equipment that makes the territorial office work.
Purch Veh	Vehicle purchases. For budgeting purposes it has been assumed a direct up front purchase of suitable vehicles (5 in this case). The assumption being a clean-green image, probably Toyota Prius type vehicles.
Total Cap Purch	Total of the Capital Purchases.

Notes for Cashflow (doc-12) (cont)

Running Costs	Normal costs incurred to 'Run' the operations required.
Lease	The lease that is paid temporarily (until the Compound is completed).
Power	The projected worst case costs for power.
Telephone	The projected worst case costs for telephone communications, most staff etc. can and will learn to utilise VOIP, Internet based services.
Communications	The Cost of provisioning the supply of Internet Services, country and politics dependant. The value used in this budget is the worst case projected costs from the start of operations.
Vehicle Running	The costs of running the vehicles, fuel, tyres, etc as required.
Insurances	The insurances required to manage the risk of running the Compound, Building, Plant, Services, Indemnity, all as required.
Land Maint	Includes local body rates, also mowing, clearing the 'spare' ground not utilised at the start of operations, looking after an eating area for staff (the park).
Build Maint	The cost of maintaining the building services, including the supply of water, sewerage, and new/replacement cameras, may even pay for on-site handyman couple of days a week etc. as required.
Vehicle Maint	The costs of maintaining the vehicles, legal (WOF & Registration & Insurances) and services as required.
Power Maint	An allowance for replacing 12V sub-systems etc, keeping the 12V system in operation, Solar Cells and/or water access rights for generators. 2% of the install cost (see doc-22)
Marketing	A sum provided to allow for marketing costs, will be used initially for printing Business Cards, serial numbered - permanent stickers for installations, introductory receptions for local businesses and officials, etc.
Loan repayment	The repayment of the 'start-up' loan with interest (25% over 24 months).
Contingencies	An allowance for discretionary use by the CEO of the local operations.
Salary	The amount likely to be paid in Salaries to the first staff (see doc-24).
Vehicle Running	The amount likely to be paid in Vehicle Running Costs to the first staff (see doc-24).
Travel & Accom	The amount likely to be paid for travel and accommodation by the first staff (see doc-24).
Misc Costs	The amount likely to be paid as consumables expended on the first staff (see doc-24).
Total Stock Purch	Any devices that are purchased and are to be on-sold, leased etc.
Income	The total of all Income from above.
Expenditure	The total of all Expenditure, License fees, Initialisation fees, Capital, Running costs, Staffing costs, and Stock purchases.
Balance	The monthly balance showing that months income, less the expenditure.
Cumulative Balance	This month's balance added to the previous month's balance gives the cumulative balance.

Product Movements (doc-13)

Stage #	See stage above (cashflow).
Month #	Months are numbered from 1 being the first month.
Month	The month and year that this budget projection is referring to.
Quantity	The quantity of each device type that is likely to be sold, leased or otherwise 'moved' in any given month.
Purchase	The quantity of devices - by device type.
ID Card	The Card known as Validity, is purchased by the user - therefore the data accessible by the card is now also owned by 'the user'. The Validity Card allows a whole new raft of business opportunities to come into existence, all running based on the systems and services provided by SecurIBL (see doc-04).
Handheld PID	A device that allows customers to access SecurIBL services. The device is handheld and allows for PID (Proof of Identification). The core device to allow proof of ID for Validity.
Terminal Processor	A general purpose device that allows home based customers to be able to access and supply services for the SecurIBL opportunity. If you want to run your own home based business, this device will be a must.
PubSec MultiCam	A device with multiple cameras, all facing in a different direction. Allows for the off-line recording of pictures (and sound) from remote spots. The initial use of this device is to be placed on a lamp-post at dangerous intersections (or 'bad parts of town') so that movement is recorded. the resulting pictures can then be sold to police, insurance companies, plaintiffs, etc.
MokoPhone	A GSM phone (Vodafone or compatible network) that has our software, therefore SecurIBL access, and is guaranteed to allow for remote operation. Eventually cell phones will be supplied direct from the manufacturer to our customers (see latest news on 'the Cellphone Alliance' - part of Google 'G-Phone' services).
Kiosk	A device that allows access to SecurIBL services, in a kiosk fashion. Placed at public places like airports, malls, government centres, supermarkets, etc.
Home Machine	A device with services that are aligned for the home-based user, allowing for personal storage, and the ability for them to have their own website, blog, commentary area, etc.
Retail Machine	A device that allows retail outlets to make and/or receive micro payments from their customers. It has a PID unit attached and access to SecurIBL services.
Installed	The 'running total' of the quantity purchased each month, allows us to see the installed base of device and therefore potential users.
Value	The purchase costs of the equipment that have been procured above.
Purchase	The cost to purchase - the quantity of each device type that is likely to be sold, leased or otherwise 'moved' in any given month.
Installed	The 'running total' of the value of purchases to date, allows us to see the amount expended thus far on equipment resale and lease.
Income	What each device is sold for, both the value and the type. Types include the following: S or L or U, - Sold, Leased, or by Use of the service - provided by the device.
Page usage	Every time a customer utilises the services of a 'page' from SecurIBL, there is a charge (the charge may be to that customer's company or their own account). 10% of the charge is supplied to SecurIBL (target).
Sale of 40% Equ	Recognition of 'the loan' supplied by investors funds into SecurIBL (target) to initiate the enterprise. (see doc-02:Facts).

Budget Analysis (doc-14)

Stage #	See stage above (cashflow).
Month #	Months are numbered from 1 being the first month.
Month	The month and year that this budget projection is referring to.
Income x Stock Breakdown	A breakdown of the income derived from disposing of devices.
Sale	The income derived in given month from sales of devices.
Lease	The income derived in given month from leased devices.
Use	The income derived in given month from the 'Use' of services (does not include income from Use of Validity Card).
Value of resale equip	The cost of in any given month of purchasing devices for reselling.
Value of lease equipment	The cost of in any given month of purchasing devices for leasing.
Value of equip (usage)	The cost of in any given month of purchasing devices for returning an income via 'Use' of services.
Invest	
	This section is to attempt to show what returns are likely for each operational quarter, then see what happens to the cashflow if that quarterly dividend was paid (the amounts shown have not been taxed). The amount 'invested' by the investors ('the loan' amount), \$1 for each rounded population member of SecurIBL (target) (see doc-02).
SecurIBL Budget	The balance from the cashflow less the stock (device) purchases.
Stock Purchased	The total amount expended on purchasing devices.
Operating Balance	The cumulative balance from the Cashflow (see doc-12).
share payment	The amount that could be paid to shareholders each quarter as dividends.
New Balance	The remaining balance after dividend payments.
per share	The payment of dividends shown on a per share basis.
Cumulative / share	The cumulative amount paid to the given month on a per share basis.
Stock Purchased	Total value of stock purchased that month (for resale, lease or 'Use' of).
income x sale	The income derived in given month from sales of devices.
income x lease	The income derived in given month from leased devices.
income x use	The income derived in given month from the 'Use' of services (does not include income from Use of Validity Card).
Balance of stock account	What was paid for all devices (Stock Purchased), less the income from sales, lease and use, gives this value. It allows us to see the stock asset value.
Cumulative Balance	The cumulative effect of previous stock accounts shown as a value for this month.
Buildings + Plant	The amount expended each month on the compound and satellite offices.
Lease stock value	
	The actual value of the devices actually owned by SecurIBL (target), (and out on lease).
Total Asset Value	The result of the above two assets.
Asset + Bank Bal	The result of adding the months bank balance (as cash) and the asset backing.