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**ILLUSTRATIVE FORMS OF HISTORICAL AND PRO-FORMA  
FINANCIAL STATEMENTS AND RELATED PAPERS<sup>1/</sup>**

by

International Finance Corporation

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Preface

This series of illustrative forms, though intended for use by staff members in connection with manufacturing project financing, is adaptable for use by staff members in connection with proposed financing of mining, agricultural and other types of commercial enterprises. The forms should not be released outside IFC without the approval of the director of the area department involved.

The forms are not intended to serve as rigid standards, and it is emphasized that no series of illustrative forms can take the place of the individual investment officer's practical experience, clear thinking, and independent judgment. Even so, it is intended that the illustrative forms are to be followed unless there is sound reason for departure from them.

The completed statements, together with the supporting papers, in addition to serving as the basis of reports to the Staff Investment Committee and to the Executive Directors, will be found to be highly useful to the sponsors and their auditors in connection with establishment of the accounting and cost control system of the project. Furthermore, for IFC purposes in connection with subsequent project supervision, the statements and papers will serve just as importantly.

For adequate project supervision, too much stress cannot be laid upon the importance of sound and adequate financial planning, budgeting and policy making, nor upon accurate and sharply pointed project appraisal and supervision.

In these papers, "PR" is used to designate local currency. In actual practice the appropriate abbreviations will be substituted.

Summaries

Folio A

Date: \_\_\_\_\_

Project: \_\_\_\_\_

Initials: \_\_\_\_\_

**Summary of Estimated Cost of Project**  
(In local currency, 000's)  
(Date)

Group	Financing Required			Presently Financed and Capitalized(2)	Estimated Total Cost(2)
	In Foreign Exchange		In Local Currency		
	Currency and Amount(1)	Local Currency Equivalent			
(a) Land and land preparation		PR			
(b) Buildings					
(c) Machinery, equipment and spares					
(d) Transportation equipment (plant)					
(e) Engineering and planning					
(f) Contingencies (plant)					
Total physical plant					
(g) Transportation equipment (general)					
(h) Office furniture, fixtures and equipment					
(i) Preliminary, pre-operational, etc. (3)					
(j) Working capital contribution (4)					
Total		PR		(3)	

## Notes:

- (1) The total amounts of the foreign currencies indicated above, the respective exchange rates, and the local currency equivalents are as follows:

	Foreign Currency Amounts	Exchange Rates	Local Currency Equivalent
U.S.\$	\$	PR / US\$1.00	PR
£ Sterling	£	PR / £1	
Etc.			
Total in local currency equivalent			PR

- (2) For new companies, these columns will be omitted.  
(3) Includes interest during construction.  
(4) Includes provision for start-up expenses.  
(5) The estimated completion date is \_\_\_\_\_

Folio B

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Project: \_\_\_\_\_

The Financial Plan  
(In local currency, 000's)  
(Date)

	Folio	Financing Required			(2) Existing Financing (Local Currency)	(2) Total Financing
		Foreign Currency (Local Currency Equivalent) (1)	Local Currency	Total		
Suppliers' credits	B-1	PR				
Long-term debt						
Secured	B-2					
Unsecured	B-2					
Subordinated to other unsecured debt	B-2					
Total long-term debt, exclu- sive of convertible portion						
Convertible	B-2					
Total long-term debt						
Total debt						
Share capital:						
Preference (or preferred)	B-3					
Ordinary	B-3					
Total share capital						
Cash generation	D					
Total financing		PR				
Debt-equity ratio:						
Convertible debt included in long-term debt						
Convertible debt included in equity						

Notes:

(1) For foreign currency requirements, see Folio A as to foreign exchange cost and Folio B-1, 2 and 3 as to foreign exchange sources.

(2) For new companies, these columns will be omitted.





Project: \_\_\_\_\_

Date: \_\_\_\_\_

**Retained Earnings Projections**  
 (No.) financial years ending \_\_\_\_\_ 19\_\_  
 (In local currency, 000's)

Initials: \_\_\_\_\_

	Year ending (month-end)			Etc., through a normal year
	19__ (1st period;1)	19__	19__	
<b>Appropriated:</b>				
Reserves at beginning of year	PR			
Add appropriations during the year (see below)				
Deduct portion capitalized through distribution of capital shares (when applicable, furnish particulars)				
Reserves at end of year	PR			
Comprised thus:				
Special (legal) reserve				
Plant replacement reserve				
Other (list)				
<b>Unappropriated:</b>				
Amount at beginning of year	PR			
Add net earnings for the year				
<b>Deduct:</b>				
<b>Appropriations:</b>				
To special (legal) reserve				
To plant replacement reserve				
Other (list)				
<b>Dividends declared:</b>				
<b>Cash:</b>				
On preference shares				
On ordinary shares				
In shares (detail)				
Total deductions				
Amount at end of year	PR			
<b>Total retained earnings</b>	PR			

(1) If a period of less than a year, specify, e.g., May 31 to November 30, 1965.  
 (2) In some countries the financial statements are legally required to show, subject to approval by the shareholders, proposed allocations of net earnings for the year. In these instances it may be necessary to show the appropriations (allocations) and dividends as deductions from net income in the above statement, then to add the remainder, if any, of net earnings to the beginning balance, if any.

(See notes to financial projections - Folio F)

**Folio D**

**Project:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Cash Flow Projections**  
**(No.) financial years ending (date)**  
**(In local currency, 000's)**

**Initials:** \_\_\_\_\_

	Preoperational Period			Operational Period		
	Period(1)	Year ending (Date)	(Date) to (Date) (1)	Year ending (month-end)		
				(Date) to (Date) (1)	19__	19__
<b>Funds provided (do not include short-term borrowings):</b>						
Net earnings	_____	_____	_____	_____	_____	_____
Less dividends	_____	_____	_____	_____	_____	_____
Earnings invested in the business	_____	_____	_____	_____	_____	_____
<b>Charges not involving cash expenditure:</b>						
Allowance for depreciation of buildings and equipment	_____	_____	_____	_____	_____	_____
Amortization of preliminary and preoperational expenses	_____	_____	_____	_____	_____	_____
Loss on sale of equipment	_____	_____	_____	_____	_____	_____
Funds provided from operations	_____	_____	_____	_____	_____	_____
<b>Capital sources (see financial plan and disbursement schedule):</b>						
Share capital	_____	_____	_____	_____	_____	_____
Loan capital	_____	_____	_____	_____	_____	_____
Suppliers credits	_____	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____	_____
<b>Total funds provided</b>	=====	=====	=====	=====	=====	=====
<b>Used as follows:</b>						
Plant and equipment expenditures	_____	_____	_____	_____	_____	_____
Preliminary, preoperational, etc. expenditures	_____	_____	_____	_____	_____	_____
Loan maturities:						
(List each lender)	_____	_____	_____	_____	_____	_____
Suppliers credits repaid:						
(List)	_____	_____	_____	_____	_____	_____
Increase (decrease) in working capital	_____	_____	_____	_____	_____	_____
<b>Total, as above</b>	=====	=====	=====	=====	=====	=====

(1) Indicate exact period if less than a financial year.

(2) As a note to this statement, give a comparison of the expected cash generation (funds provided from operations) with the cash requirements as to loan maturities subsequent to the "normal year."

Folio E

Project: \_\_\_\_\_

Date: \_\_\_\_\_

Financial Position Projections  
as of dates indicated  
(In local currency, 000's)

Initials: \_\_\_\_\_

	Beginning of Construction (Date)	Beginning of Operations (Date)	(month-end of financial year)		Etc. through a normal year
			19__	19__	
<b>Current assets:</b>					
Cash	PR _____	_____	_____	_____	_____
<b>Receivables:</b>					
Trade	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____
(Allowance) for doubtful receivables	_____	_____	_____	_____	_____
Receivables (net)	_____	_____	_____	_____	_____
<b>Inventories</b>					
Finished products	_____	_____	_____	_____	_____
Work in process	_____	_____	_____	_____	_____
Raw materials and supplies	_____	_____	_____	_____	_____
Total inventories	_____	_____	_____	_____	_____
Prepaid expenses (principally insurance)	_____	_____	_____	_____	_____
Total current assets	_____	_____	_____	_____	_____
<b>Current liabilities:</b>					
Current bank loans	_____	_____	_____	_____	_____
Current maturities of long-term debt	_____	_____	_____	_____	_____
Accounts payable and accrued expenses	_____	_____	_____	_____	_____
Customers' deposits	_____	_____	_____	_____	_____
Taxes on income	_____	_____	_____	_____	_____
Total current liabilities	_____	_____	_____	_____	_____
Current assets per P1 of current liabilities	_____	_____	_____	_____	_____
Working capital	_____	_____	_____	_____	_____
Plant and equipment, less depreciation and deferred income tax	_____	_____	_____	_____	_____
Preliminary and preoperating expenses, less amortization	_____	_____	_____	_____	_____
Deduct long-term debt	_____	_____	_____	_____	_____
Shareholders' equity	PR _____	_____	_____	_____	_____
<b>Represented by:</b>					
Preferred shares	_____	_____	_____	_____	_____
Additional capital paid-in	_____	_____	_____	_____	_____
Retained earnings	_____	_____	_____	_____	_____
Legal reserve	_____	_____	_____	_____	_____
Other reserves (list)	_____	_____	_____	_____	_____
Unappropriated	_____	_____	_____	_____	_____
Total shareholders' equity	PR _____	_____	_____	_____	_____
Contingent liabilities and commitments	_____	_____	_____	_____	_____
Net assets per outstanding ordinary share (after deducting preference shares at redemption value)	PR _____	_____	_____	_____	_____

(See accompanying notes to financial projections, Folio F)

Notes to financial projectionsFolio F

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Project: \_\_\_\_\_Notes to Financial Projections  
(Date)

The notes to the projections are to disclose briefly the assumptions upon which the projections are predicated, situations affecting the projected financial position and operations, restrictions contained in loan and other agreements, commitments, contingent liabilities, etc.

They should be alphabetically keyed to the projection summaries and arranged in the order of reference in the projections.

Folio G

Project: \_\_\_\_\_

Date: \_\_\_\_\_

(1) - Year Historical Summary of Financial Position (Audited)  
(In local currency, 000's)

Initials: \_\_\_\_\_

Indicate fiscal year-end, e.g., November 30

	19__	19__	19__
Current assets:			
Cash and government securities			
Receivables:			
Trade, less allowance for doubtful receivables			
Other (detail)			
Inventories			
Prepaid expenses			
Total current assets			
Current liabilities:			
Bank borrowings			
Current maturities of long-term debt			
Accounts payable			
Accrued expenses			
Advances received on sales contracts			
Taxes on income			
Total current liabilities			
Current assets per PRL of current liabilities			
Working capital			
Investments			
Plant and equipment			
Less allowance for depreciation and deferred income tax			
Plant and equipment (net)			
Other assets (detail)			
Deferred charges less amortization			
Deduct:			
Long-term debt			
Pension and sundry reserves			
Shareholders' equity			
Represented by:			
Preference shares			
Ordinary shares			
Additional capital paid in			
Retained earnings:			
Special (legal) and plant replacement reserves			
Unappropriated			
Net assets per ordinary share outstanding (after deducting preference shares at redemption value)			

(1) This summary is to include as many financial year-ends, up to ten, as are available.

(See accompanying notes to historical financial statements, Folio J)

Folio H

Project: \_\_\_\_\_

Date: \_\_\_\_\_

(1) - Year Historical Summary of Income  
(In local currency, 000's)

Initials: \_\_\_\_\_

	<u>Financial year ended (month-end)</u>		
	19__	19__	19__
Net sales:			
Quantitative units (e.g., tons)			
Per quantitative unit	PR		
Amount			
Cost of sales			
Gross profit	_____	_____	_____
Per quantitative unit			
Percentage of net sales	\$	\$	\$
Selling, administrative and general expenses			
Per quantitative unit			
Percentage of net sales	\$	\$	\$
Operating profit	_____	_____	_____
Other income	_____	_____	_____
Other deductions:			
Interest on current debt			
Interest on long-term debt			
Loss on sale of fixed assets			
Sundry			
Other deductions	_____	_____	_____
Earnings before taxes on income	_____	_____	_____
Taxes on income			
Net earnings	PR		
Percentage of net sales	\$	\$	\$
Net earnings, as above	PR		
Less dividends on preference shares			
Net earnings applicable to ordinary shares	_____	_____	_____
Per share outstanding			
Dividends on ordinary shares			
Per share	PR		

(1) This summary is to include as many financial years, up to ten, as are available.

(See accompanying notes to historical financial statements, Folio J)

Folio I

Project: \_\_\_\_\_

Date: \_\_\_\_\_

(1) - Year Historical Summary of Retained Earnings  
(In local currency, 000's)

Initials: \_\_\_\_\_

	<u>Financial year ended (month-end)</u>		
	19__	19__	19__
<b>Appropriated:</b>			
Reserves at beginning of year	FR		
Add appropriations during the year (see below)	_____	_____	_____
<b>Deduct:</b>			
Share dividend distributions	_____	_____	_____
Restoration to unappropriated retained earnings	_____	_____	_____
<b>Reserves at end of year</b>	<b>FR</b>		
Comprised thus:			
Special (legal) reserve	_____	_____	_____
Plant replacement reserve	_____	_____	_____
Other (list)	FR	_____	_____
<b>Unappropriated:</b>			
Balance at beginning of year	FR		
Net earnings for the year	_____	_____	_____
<b>Deduct:</b>			
Appropriations:			
Special (legal) reserve	_____	_____	_____
Plant replacement reserve	_____	_____	_____
Other (list)	_____	_____	_____
<b>Dividends declared:</b>			
Cash:			
On preference shares	_____	_____	_____
On ordinary shares	_____	_____	_____
In shares (detail)	_____	_____	_____
Total deductions	_____	_____	_____
Balance at end of year	_____	_____	_____
<b>Total retained earnings</b>	<b>FR</b>		

(1) This summary is to include as many financial years, up to ten, as are available.  
(2) See notes on Folio C.

(See accompanying notes to historical financial statements, Folio J.)

Folio J

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Project: \_\_\_\_\_

Notes to Historical Financial Statements



Estimated cost of project

Form AI

Project: \_\_\_\_\_

Date: \_\_\_\_\_

Estimated Cost of Project  
(In local currency, 000's)  
(Date)

Initials: \_\_\_\_\_

Group	Classifications	Financing Required			Total	Presently Financed and Capitalized	Estimated Total Cost
		In Foreign Currency and Amount	Exchange Local Equivalent	In Local Currency			
(a)	Land and land preparation:						
	Land		FR				
	Site preparation						
	Access roads						
	Railroad sidings						
	Loading docks:						
	Railroad cars						
	Trucks						
	Total land and land preparation, exclusive of contingencies	_____	_____	_____	_____	_____	_____
(b)	Buildings:						
	Factory buildings						
	Office building						
	Storage construction						
	Garages						
	Utilities buildings						
	Residential housing						
	Personal service buildings						
	Total buildings, exclusive of contingencies	_____	_____	_____	_____	_____	_____
(c)	Machinery, equipment and spares:						
	Manufacturing machinery and equipment						
	Spare and standby equipment						
	Utilities machinery and equipment						
	Insurance and freight						
	Landing expenses and import duties						
	Handling and transport						
	Erection and installation						
	Total machinery, equipment and spares, exclusive of contingencies	_____	_____	_____	_____	_____	_____
(d)	Transportation equipment (plant):						
	Transportation equipment for use with plant/mill						
	Trucks and fork trucks						
	Passenger vehicles						
	Other vehicles						
	Total transportation equipment (plant), exclusive of contingencies	_____	_____	_____	_____	_____	_____
	Carried forward		FR				

Project: \_\_\_\_\_

Date: \_\_\_\_\_

Estimated Cost of Project, continued  
(In local currency)

Initials: \_\_\_\_\_

Group	Classifications	Financing Required			Presently Financed and Capitalized	Estimated Total Cost
		In Foreign Exchange Currency and Amount	Local Currency Equivalent	In Local Currency		
	Brought forward					
		PR				
(e)	Engineering and planning:					
	Consulting engineers					
	Architects/contractors					
	Process engineering					
	Power engineering					
	Water supply engineering					
	Project engineering					
	Other (specify)					
	Total engineering and planning, exclusive of contingencies	_____	_____	_____	_____	_____
(f)	Contingencies (plant):					
	Land and land preparation					
	Buildings					
	Machinery, equipment and spares					
	Transportation equipment					
	Engineering and planning					
	Total contingencies	_____	_____	_____	_____	_____
	Total physical plant	_____	_____	_____	_____	_____
(g)	Transportation equipment (general):					
	Passenger vehicles					
	Other vehicles					
	Total transportation (general)	_____	_____	_____	_____	_____
(h)	Office furniture, fixtures and equipment:					
	Office furniture and fixtures					
	Office equipment					
	Total office furniture, fixtures and equipment	_____	_____	_____	_____	_____
(i)	Preliminary, pre-operational, etc.:					
	Preliminary expenses (Folio A2)					
	Pre-operational expenses, includes interest during construction (Folio A3)					
	Total preliminary, pre-operational, etc.	_____	_____	_____	_____	_____
(j)	Contribution to working capital, includes provision for start-up expenses (Folio A4)	_____	_____	_____	_____	_____
	Total	PR _____	_____	_____	_____	_____

Folio A2

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Project: \_\_\_\_\_

**Estimated Preliminary Expenses**  
 (i.e., the expenses which will be incurred in establishing the company)  
 (In local currency, 000's)  
 (Date)

	<u>Financing Required (in local currency)</u>	<u>Presently Financed and Capitalized</u>	<u>Estimated Total Cost</u>
<b>Fees and related expenses:</b>			
Financial advisers:			
Fees	PR		
Expenses			
Legal:			
Fees			
Expenses			
Accounting:			
Fees			
Expenses			
Notary			
Registration			
Underwriters			
Stamp duties			
Publication			
Printing			
Other (specify)			
_____	_____	_____	_____
_____	_____	_____	_____
Contingency			
_____	_____	_____	_____
_____	_____	_____	_____
Total	PR		
	=====	=====	=====

**Note:**  
 In the event foreign exchange is involved, show this in a column  
 to be added at the left above.

Folio A3

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Project: \_\_\_\_\_

**Estimated Pre-operational Expenses**  
 (i.e., the expenses which will be incurred  
 prior to completion of the production facilities)  
 (In local currency, 000's)  
 (Date)

	<u>Financing Required (in local currency)</u>	<u>Presently Financed and Capitalized</u>	<u>Estimated Total Cost</u>
Auditors fees	PR		
Cables			
Commitment charges (note 1)			
Directors fees (note 1)			
Directors expenses			
Entertainment			
Financial consultants			
Insurance			
Interest during construction (notes 2 and 3)			
Legal fees			
Lights			
Maintenance and repairs			
Managing directors			
Office supplies			
Postage and telegrams			
Printing and stationery			
Rents			
Salaries and wages			
Telephone			
Training program (give separate estimate)			
Travel expenses			
Transportation			
Taxation			
Other (specify)	_____	_____	_____
Contingency	_____	_____	_____
Total	=====	=====	=====
Less income:			
From deposit accounts	_____	_____	_____
Other (specify)	_____	_____	_____
Total income	=====	=====	=====
Net total	PR =====	=====	=====

(See notes on following page)

Folio A3, continued

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Project: \_\_\_\_\_

**Estimated Pre-operational Expenses, continued**

**Notes:**

- (1) Commitment charges are to be estimated from the projected date of Board approval to completion of disbursement according to the disbursement schedule (see \_\_\_\_\_). The basis will be the specified rate and a 30-day month (360-day year), plus a contingency factor.
- (2) Interest estimates are to be computed on the basis of the date set forth in the disbursement schedule (see \_\_\_\_\_) and the terms of repayment (see \_\_\_\_\_). The computations are to be made as of the first of the month in which funds are expected to be withdrawn (use 30-day months), through each of the company's proposed financial years through the fifth projected financial year of operations. Interest so computed to the date on which operations are estimated to begin will be treated as being capitalized in the Estimated Cost of Project - Folio A1(i).
- (3) Submit as Folio A3(a) summaries of the computations of the commitment charges and interest and a statement setting forth the annual and pro-rata annual capitalization and the annual and pro-rata annual charge to operations for the projected (no.) operational years.

Folio A<sup>4</sup>

Date: \_\_\_\_\_

Project: \_\_\_\_\_

Initials: \_\_\_\_\_

**Estimate of Working Capital Requirements**  
(In local currency, 000's)  
(Date)

Working capital required as of \_\_\_\_\_ (date)  
(equivalent to \_\_\_% of productive  
capacity at net sales value):

Cash required for:		<u>Days</u>	
Cash purchases of materials and supplies		x	x
Salaries and wages		x	x
Incentive pay (if any)		x	x
Payroll taxes		x	x
Heat, light, power, water		x	x
Insurance premiums		x	x
Postage, telephone, telegraph		x	x
Traveling and entertaining		x	x
Other (specify)			x
Minimum cash needed			<u>xx</u>
Trade receivables:	<u>Sales</u>		
Accounts receivable	<u>Days</u>		
	15	x	
	30	x	
	45	x	
	60, etc.	x	
		<u>xx</u>	
Notes receivable	15	x	
	30	x	
	45	x	
	60, etc.	x	
		<u>xx</u>	
Advances to employees		x	xx
Minimum liquidity			<u>xx</u>
Deposits with suppliers of materials, supplies and spares			x
Inventories:	<u>Days</u>		
Raw materials purchased			
Foreign	x	x	
Local	x	x	
Semi-finished goods purchased			
Foreign	x	x	
Local	x	x	
Stores, current spares and supplies purchased(1)			
Foreign	x	x	
Local	x	x	
Work in process		x	
Finished goods		x	xx
Start-up expenses (Folio A <sup>4</sup> (a))		<u>x</u>	x
Prepaid expenses			x
Estimated minimum current assets (2)			<u>xx</u>

Continued.

Folio A4, continued

Date: \_\_\_\_\_

Project: \_\_\_\_\_

Initials: \_\_\_\_\_

## Estimate of Working Capital Requirements

Estimated minimum current assets  
brought forward

Proposed financing:				XX
Trade creditors:				
Foreign	<u>Days</u>			
Local	X		X	
Customers' deposits	X		X	
Funds borrowed in the ordinary course of business (detail)	X		X	
			<u>X</u>	
Working capital contribution			<u>XX</u>	
			<u>X</u>	<u>XX</u>

Notes:

- (1) Current spares are those which can be expected to be used in the ordinary course of the production process. All other spares should be classified with the plant and equipment.
- (2) Cash sales are to be assumed to be absorbed in current assets.
- (3) The actual working capital position can be expected to differ from the estimate because of income and expense accruals and cash generation.
- (4) Current assets and liabilities include refinancing of accounts and notes as may be normally expected.
- (5) Show interest rates applicable to short-term borrowings.
- (6) In connection with short-term borrowings indicate the terms, including the security coverage margin required.

Folio A4(a)

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Project: \_\_\_\_\_

Estimated Start-up Expenses  
 Period of Approximately \_\_\_\_\_ months  
 (In local currency, 000's)  
 From (date) to (date)

Direct labor (including all fringe benefits)  
 Indirect labor (including all fringe benefits)  
 Plant (mill) salaries (including all fringe benefits)  
 Raw materials - foreign  
 Raw materials - local  
 Stores and spares  
 Power  
 Fuel  
 Water  
 Other services or expenses (specify) \_\_\_\_\_

Contingency \_\_\_\_\_

Estimated production expenses

Deduct production of finished goods  
 valued at estimated normal inventory  
 value (detail below):

Estimated excess of production  
 expenses over production at  
 estimated ex-factory selling  
 prices

Administrative expenses (detail)

Total - estimated  
 coverage required



Folio A5

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Project: \_\_\_\_\_

Progress Report for the quarter ended \_\_\_\_\_, 19\_\_  
(In local currency, 000's)

Description of Estimated Costs per Letter of Information dated _____	Original Cost Estimates	Latest Cost Estimates	Changes		Ordered and under Contract	Cleared to Date for Posting	Not Yet Cleared for Posting	Estimated % of Completion
			+	-				

Latest estimate of completion: \_\_\_\_\_

The financial plan

Folio B1

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Project: \_\_\_\_\_

Indebtedness to Suppliers  
(In local currency, 000's)  
(Date)

Names of Suppliers, Equipment, etc. supplied and Terms of Credit, i.e., Interest Rates, Dates and Amounts of Maturities, etc., and Security	Financing Required			Total	(2) Existing Financing (Local Currency)	(2) Total Financing
	In Foreign Exchange Currency and Amount(1)	Local Currency Equivalent	In Local Currency			
Names, and information in accordance with above caption, grouped according to currencies and in order of seniority (if any)						
		PR				

\_\_\_\_\_

PR \_\_\_\_\_

Notes:

(1) The amounts of the foreign currencies indicated above, the respective exchange rates, and the local currency equivalents are as follows:

	Foreign Currency Amounts	Exchange Rates	Local Currency Equivalents
U.S.\$	\$	PR /US\$1.00	PR
£ Sterling	£	PR /£1	
Etc.			
			PR

(2) For new companies, these columns will be omitted.

Project: \_\_\_\_\_

**Long-Term Debt**  
(In local currency, 000's)  
(Date)

Name, Title of Issue, Date, Interest Rate, General Nature of Security (if any), Call Dates and Rate (if any), Other Pertinent Provision (such as subordination or convertibility), Dates and Amounts of Maturities

	Financing Required			(2) Existing Financing (Local Currency)	(2) Total Financing
	In Foreign Currency and Amount(1)	Exchange Local Currency Equivalent	In Local Currency		
<b>Secured:</b>					
Describe according to above caption: Names of holders grouped according to currencies and in order of seniority		PR			
Total secured	_____	_____	_____	_____	_____
<b>Unsecured:</b>					
Describe according to above caption: Names of holders grouped according to currencies					
Total unsecured	_____	_____	_____	_____	_____
Total long-term debt, exclu- sive of convertible portion	_____	PR	_____	_____	_____
<b>Convertible:</b>					
Describe according to above caption: Names of holders grouped according to currencies					
Total convertible	_____	_____	_____	_____	_____
Total long-term debt	_____	_____	_____	_____	_____

Notes:

(1) The amounts of the foreign currencies indicated above, the respective exchange rates, and the local currency equivalents are as follows:

	Foreign Currency Amounts	Exchange Rates	Local Currency Equivalents
U.S.\$	\$	PR /US\$1.00	PR
£ Sterling	£	PR /£1	
Etc.			
	_____	_____	PR _____

(2) For new companies, these columns will be omitted.

Project: \_\_\_\_\_

Capital Shares  
(In local currency, 000's)  
(Date)

Class, Title of Issue, Shares Authorized and to be Issued and Par Value per Share, Call Dates and Call Premium (if any), Dividend Rate (if fixed) and Whether Cumulative	Currency and Amount (1)	Financing Required			Total	(2) Existing Financing (Local Currency)	(2) Total Financing
		Local Currency Equivalent	In Local Currency				
Preference (or preferred): Names, grouped according to currencies		PR					
Ordinary (or common): Names, grouped according to currencies							
Total		PR					

Notes:

(1) The amounts of the foreign currencies indicated above, the respective exchange rates, and the local currency equivalents are as follows:

	Foreign Currency Amounts	Exchange Rates	Local (Currency) Equivalents
U.S.\$	\$	PR /US\$1.00	PR
£ Sterling	£	/£1	
Etc.			
			PR

(2) For new companies, these columns will be omitted.

Roll 18

Project: \_\_\_\_\_ Date: \_\_\_\_\_ Initial: \_\_\_\_\_

**Typical Physical Progress Schedule and Report on of**

PARTICULARS	BUILDINGS												ETC																
	19__ / __ / __	J	F	M	A	M	J	J	A	S	O	N		D	19__ / __ / __	J	F	M	A	M	J	J	A	S	O	N	D	J	F
MAIN BUILDINGS																													
FOUNDATIONS																													
STEEL CONSTRUCTION																													
ROOFING																													
FLOORING																													
UTILITY CONNECTIONS																													
FINISHES																													
STORAGE BUILDINGS																													
OFFICE BUILDING																													
UTILITIES BUILDINGS																													
STAFF QUARTERS																													
OTHER (SPECIFY)																													

Folio B5

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Project: \_\_\_\_\_

**Contracts Let and Estimated Required Payments**  
 (In local currency, 000's)  
 (Date)

<u>Cost Classifications</u>	<u>Cost Estimates (Folio A)</u>				<u>Estimated Payments (expressed in local currency) for Quarter Ending</u>				
	<u>In Foreign Exchange</u>		<u>Local</u>	<u>Total</u>	<u>(Date)</u>	<u>(Date)</u>	<u>(Date)</u>	<u>(Date)</u>	<u>(Etc.)</u>
	<u>Currency and Amount</u>	<u>Currency Equivalent</u>							

The cost classifications to be here listed are to be the same as those listed in Folio A.

Project: \_\_\_\_\_

Estimated Loan and Equity Disbursements  
(In local currency, 000's)  
(Data)

	Equity (amount)			(1) Public Issue	Loans (amount)			Mortgage Loan	Suppliers' Credits	Total
	Share- holder	Share- holder	IPC		Lender	Lender	IPC			
	A	B			A	B				
Foreign currency commitments										
Local currency equivalent										
Local currency commitments										
Total in local currency	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Disbursements for quarter ending (date):										
Foreign currency and amount										
Local currency equivalent										
Local currency	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Undisbursed:										
Foreign currency										
Local currency equivalent										
Local currency	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Etc.										

Note:  
(1) In case of an underwriting commitment by IPC covering subscription to capital shares, the par value of the shares proposed to be sold by or for IPC will be recorded above, on a separate line, as a part of the public issue and as a reduction of the commitment of IPC.

Page 37

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Project: \_\_\_\_\_

Progress Report for the Quarter ended \_\_\_\_\_, 19\_\_  
(In local currency, 000's)

Description of Financial Plan per Letter of Information dated _____	Original Financial Plan	Revised Financial Plan	Changes + -	Capital Subscribed To	Loans Drawn Down	Cleared to Date for Posting	Not Yet Cleared for Posting
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**Profitability projections**

**Folio C1**

**Project:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Profitability Projections**  
**(No.) financial years ending \_\_\_\_\_, 19\_\_**  
**(In local currency, 000's)**

**Initials:** \_\_\_\_\_

	Folio	(1) Year ending (specify month-end)			
		19__ (1st Period; 2)	19__	19__	19__ (normal year)
<b>Net sales:</b>					
Units (specify)	C2				
Amount	FR				
Per unit (specify)					
<b>Cost of sales</b>	C3				
Gross profit on sales					
Per unit sold					
Percentage of net sales		\$	\$	\$	\$
<b>Selling, administrative and general expenses</b>	C4				
Per unit sold					
Percentage of net sales		\$	\$	\$	\$
Operating profit (loss)					
<b>Other income:</b>					
Interest					
Royalties					
Rental of Property (net)					
Sundry					
Total other income					
<b>Other charges:</b>					
Interest on indebtedness:					
Short-term	C5				
Long-term	A3 notes				
Loss on sale of equipment					
Loss on foreign exchange					
Other (detail)					
Total other charges					
Earnings before taxes on income					
Percentage of net sales		\$	\$	\$	\$
Percentage of share capital		\$	\$	\$	\$
Percentage of average net worth (annual)		\$	\$	\$	\$
Taxes on income (see Folio C6)	C7				
Net earnings					
Per unit sold					
Percentage of net sales		\$	\$	\$	\$
Percentage of share capital		\$	\$	\$	\$
Percentage of average net worth (annual)		\$	\$	\$	\$

(1) The projections are to be stopped with the year in which operations attain normalcy.  
 (2) If a period of less than a year, specify, e.g., May 31 to November 30, 1965.

**Folio C2**

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

**Project:** \_\_\_\_\_

**Profitability Projections - Basis and Estimated Net Sales**  
**(No.) financial years ending \_\_\_\_\_, 19\_\_**  
**(In local currency, 000's)**

<u>Basis</u>	<u>Year ending (month-end)</u>			<u>Etc., through a normal year</u>
	<u>19__</u> <u>(1st year;1)</u>	<u>19__</u>	<u>19__</u>	
Quantitative units (specify, e.g., tons)(2)				
Beginning inventory of finished goods	_____	_____	_____	_____
Add production	_____	_____	_____	_____
Deduct sales	_____	_____	_____	_____
<b>Ending inventory of finished goods</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>
 <u>Estimated Net Sales (2)</u>				
Gross sales	<b>PR</b> _____	_____	_____	_____
Deduct				
Freight on sales, if any	_____	_____	_____	_____
Excise tax on sales, if any	_____	_____	_____	_____
Sales tax, if any	_____	_____	_____	_____
Sales discounts	_____	_____	_____	_____
Sales returns	_____	_____	_____	_____
Other (specify)	_____	_____	_____	_____
<b>Total deductions</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>
<b>Net sales</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>
Amount	<b>PR</b> _____	_____	_____	_____
Units (specify, e.g., tons)	_____	_____	_____	_____
Per unit sold	<b>PR</b> _____	_____	_____	_____

(1) If a period of less than a year, specify, e.g., May 31 to November 30, 1965.  
 (2) In a separate statement, show this information on a quarterly basis until the cash break-even point is reached.

Form C3

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Project:

Profitability Projections - Cost of Sales  
 (No.) financial years ending \_\_\_\_\_, 19\_\_  
 (In local currency, 000's)

	Normal Year	
	Fixed \$ to Amount	Variable \$ to Amount
	Per Unit Produced	Per Unit Produced
	Net Sales	Net Sales

	Year ending (specify month-end)		Etc. through a normal year Amount \$ Net Sales
	19-- (1st Period, 1)	19--	

Raw materials used (i.e., after application  
 of opening and closing inventories) PR

Direct labor

Manufacturing expenses:  
 Indirect labor  
 Production supplies  
 Heat, light, power and water  
 Repairs:  
 Labor

Materials  
 Maintenance supplies  
 Depreciation  
 Payroll taxes (employer's portion) OS  
 Other taxes CT

Insurance:  
 Compensation OS  
 Group health OS  
 General OS

Small tool replacement  
 Spoilage  
 Telephone and telegraph  
 Travel  
 Rent  
 Equipment rental  
 Royalty  
 Other (detail)

Total manufacturing expenses

Decrease (increase) in inventory  
 of work in process

Cost of production  
 Decrease (increase) in inventory  
 of finished goods

Cost of sales PR

Capacity production (units)  
 (Units) produced

Percentage of capacity  
 Cost of production per (unit) produced PR  
 Cost of sales per (unit) sold PR  
 Percentage of cost of sales to net sales PR

(1) If a period of less than a year, specify, e.g., May 31 to November 30, 1965.



Page 02

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Project: \_\_\_\_\_

**Projection of Short-Term Borrowing and Related Interest**  
**(No.) financial years ending \_\_\_\_\_, 19\_\_**  
 (In local currency, 000's)

Interest Rate	Year ending (month-end)			Etc. through a normal year
	19-- (1st Period; 1)	19--	19--	

List names of lenders and show computation of average indebtedness for each lender for each projection year and, based thereon, the determination of interest to be incurred on short-term borrowings.

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Project: \_\_\_\_\_

Plant and Equipment Projections  
 (No.) financial years ending \_\_\_\_\_, 19\_\_  
 (In local currency, 000's)

Classification	Beginning	Additions	Balance	Additions	Balance	Additions	Balance	Etc. through a normal year	
	Balance (if any)		(Date)		(Date)		(Date)	Additions	Balance (Date)

The classifications are to be the same as in Folio A-1.

Debits or credits, other than with respect to the cost of property, are to be fully explained.

Allowance for Depreciation, Depletion and Amortization

Classification	Depr. Rate	Beginning	Additions	Balance	Additions	Balance	Additions	Balance	Etc. through a normal year	
		Balance (if any)		(Date)		(Date)		(Date)	Additions	Balance (Date)

The classifications will be the same as above except, of course, they will not include nondepreciable assets, e.g., land.

Debits or credits, other than with respect to annual depreciation, are to be fully explained.

Explain the method of computing depreciation and state whether it agrees with that employed for income tax purposes. In case of difference, consider whether provision for deferred income tax is required. The depreciation rates are to be based upon the estimated economic lives of the depreciable properties and, if permitted, applied on a straight-line basis. Amortization of preliminary, preoperational, etc., expenditures should be based upon a reasonable period of time-- say, five years from the date cash generation starts.

Form C-7

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Project: \_\_\_\_\_

Projected Taxes  
 (No.) financial years ending \_\_\_\_\_, 19\_\_  
 (In local currency, 000's)

Explanation	Cost of Sales	Selling Expenses	Administrative and General Expenses	Income Taxes	Other	Balance Sheet Item Accrual at End of Financial Year
Payroll taxes: Year ending _____, 19__ In this explanatory space, summarize the rates, time of payment and other data on which the tax computations are based and show the tax projections in the applicable columns provided to the right.	_____	_____	_____	_____	_____	_____
Repeat the foregoing for each of the projection years.	_____	_____	_____	_____	_____	_____

Property taxes  
 Same as above.

Other taxes:  
 Deal with these individually same as above.

Income taxes  
 Same as above. Under this heading it may be necessary to deal with deferred income taxes, depending upon whether the company computes depreciation for income tax purposes on a basis which produces a higher amount than that reported in the financial statements. When applicable, summarize the computations of both the tax liability and the tax deferment and show hereon the amount of tax to be paid and the amount of provision for tax deferment separately.

Page 08

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Project: \_\_\_\_\_

(In.) Projected Insurance Coverage and Premiums  
 financial years ending \_\_\_\_\_, 19\_\_  
 (In local currency, 000's)

<u>Name of Issuing Company</u>	<u>Insurance Classification</u>	<u>Insurance Coverage</u>		<u>Amount of Policy or Limits</u>	<u>Rate \$</u>	<u>Premiums - year ending (month-end)</u>				
		<u>Description</u>	<u>Value of Property Insured(1)</u>			<u>19-- (1)</u>	<u>19--</u>	<u>19--</u>	<u>19--</u>	
						<u>(1st Period)</u>				



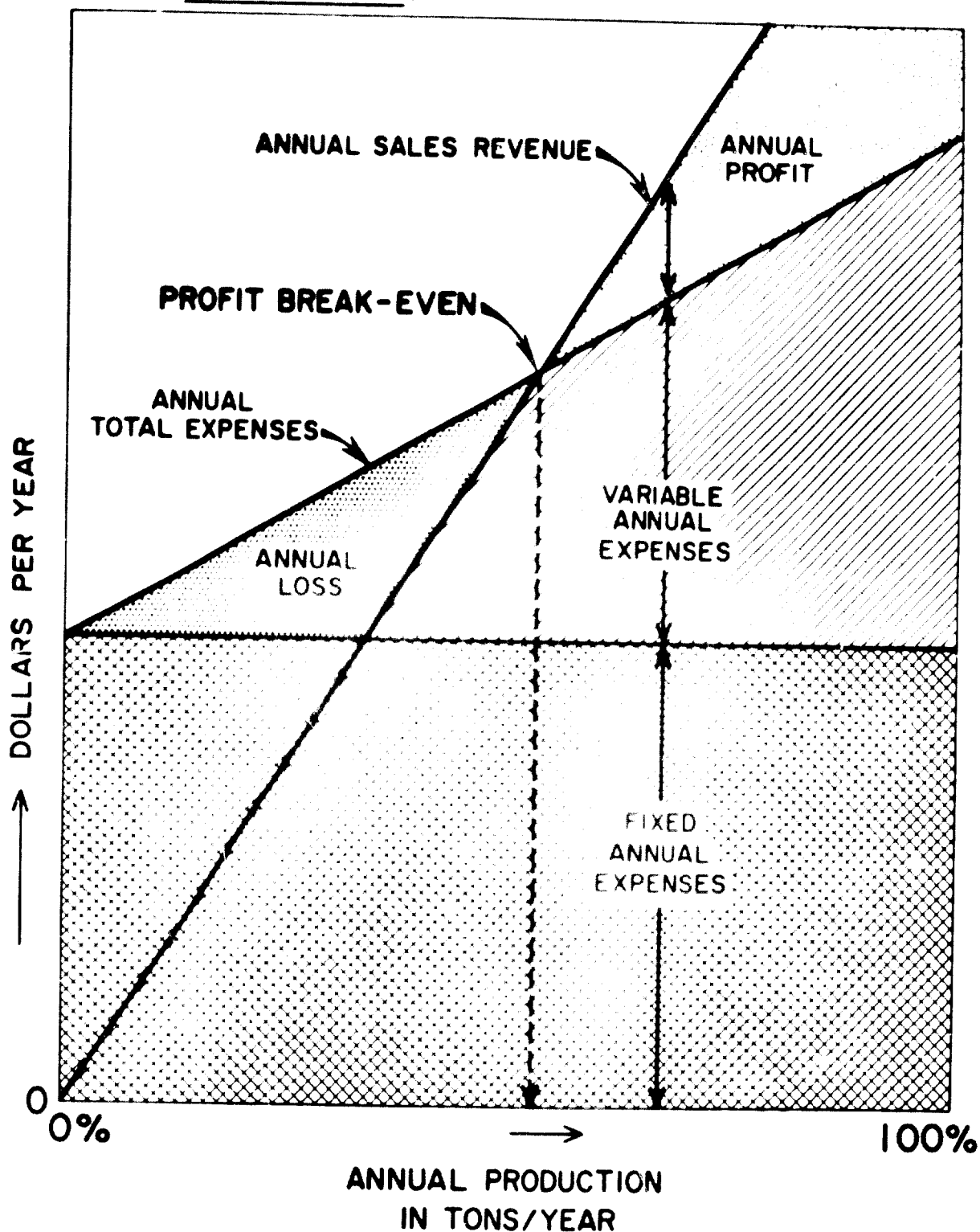
FOLIO C-9

DATE: \_\_\_\_\_

INITIALS: \_\_\_\_\_

## PROFIT BREAK-EVEN

(A SIMILAR BREAK-EVEN SHOULD ALSO BE DONE ON A CASH BASIS)



Cash flow projections

Project: \_\_\_\_\_  
 Pelio DI \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Initials: \_\_\_\_\_

Cash Flow and Balance Sheet Projection Assembly (1)  
 (In local currency 000's)  
 (Date)

	Cash Flow Projections	Working Capital	Plant and Equipment Allowance for Cost		Deferred Charges less Amortization	Deferred Income Tax	Long-term Debt	Capital Shares		Retained Earnings
			Cost	Depreciation				Preference	Ordinary	
<b>Cash flow items:</b>										
Net earnings	PR (x)	x								(x)
Dividends paid	(x)	(x)								
Earnings invested in the business	(x)									
Allowance for depreciation	(x)		(x)		(x)					
Amortization	(x)									
Deferred income tax	(x)									
Loss on sale of equipment	(x)									
Funds provided from operations	(x)	x	(x)		x					
<b>Capital sources:</b>										
Share capital	(x)	x								
Loan capital	(x)	x						(x)		(x)
Suppliers' credits	(x)									
Other (detail)	(x)									
<b>Total funds provided</b>	(x)	x						(x)		(x)
<b>Use of funds:</b>										
Plant and equipment	x	(x)	x							
Preliminary and pre-operational expenditures	x	(x)								
Loan maturities paid	x									
Suppliers' credits paid	x									
Increase (decrease) in working capital	x (3)									
<b>Total:</b>	PR (x)	x								
Totals (total debits, x, must equal total credits (x))		x	x	(x)	x	(x)	(x)	(x)	(x)	(x)
<b>Non-cash flow items</b>										
Current maturities of long-term debt transferred to current liabilities										
Allocations of net earnings		(x)							(x)	x
Etc.										
<b>Totals (total debits, x, must equal total credits, (x))</b>		PR x (3)	x	(x)	x	(x)	(x)	(x)	(x)	(x)

(1) The foregoing is a rather simplified version which in some situations may require expansion. This assembly will provide the balance sheet at the end of the first period provided there were no beginning amounts. If there were, these amounts must be added to the above results and in such case the beginning amounts should be taken from an actual balance sheet (audited if possible) acceptable to IPC. In subsequent periods the beginning of the year balance sheet amounts must be added to the totals determined as above from the cash flow.

(2) Care is here required in order to avoid duplication.

(3) These amounts must agree.

## Balance sheet projections

Project: \_\_\_\_\_

Balance Sheet Projection, (ending date)  
with comparative figures for (beginning of operations date)  
(In local currency, 000's)

Page # \_\_\_\_\_

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

	<u>(Ending Date)</u>	<u>(Beginning of Operations Date)</u>	<u>(Ending Date)</u>	<u>(Beginning of Operations Date)</u>
<b><u>Assets</u></b>				
Current Assets				
Cash	FR _____	_____	FR _____	_____
Receivables:				
Trade	_____	_____	_____	_____
Other	_____	_____	_____	_____
Less allowance for doubtful receivables	_____	_____	_____	_____
Inventories, at (state basis of valuation):				
Finished goods	_____	_____	_____	_____
Work in process	_____	_____	_____	_____
Raw materials and supplies	_____	_____	_____	_____
Total inventories	_____	_____	_____	_____
Prepaid expenses (principally insurance)	_____	_____	_____	_____
Total current assets	_____	_____	_____	_____
Plant and equipment, at (state basis of valuation)	_____	_____	_____	_____
Less allowance for depreciation	_____	_____	_____	_____
Plant and equipment (net)	_____	_____	_____	_____
Deferred charges	_____	_____	_____	_____
Preliminary and pre-operating expenses	_____	_____	_____	_____
Less amortisation	_____	_____	_____	_____
Deferred charges (net)	_____	_____	_____	_____
	FR _____	_____	FR _____	_____
<b><u>Liabilities</u></b>				
Current liabilities				
Current bank loans	_____	_____	_____	_____
Current maturities of long-term debt	_____	_____	_____	_____
Accounts payable:				
Trade	_____	_____	_____	_____
Other (explain)	_____	_____	_____	_____
Accrued expenses	_____	_____	_____	_____
Taxes on income	_____	_____	_____	_____
Total current liabilities	_____	_____	_____	_____
Deferred income tax (this may be included in the allowance for depreciation)	_____	_____	_____	_____
Long-term debt:				
Long-term loans	_____	_____	_____	_____
Suppliers' long-term credits	_____	_____	_____	_____
Other (detail)	_____	_____	_____	_____
Total long-term debt	_____	_____	_____	_____
Shareholders' equity:				
Preference shares, \$ cumulative, of FR per value a share; redeemable at FR a share plus accrued dividends (dividends paid to (share)).	_____	_____	_____	_____
Authorized _____ shares, issued and outstanding _____ shares.	_____	_____	_____	_____
Ordinary shares of FR _____ per value a share.	_____	_____	_____	_____
Authorized _____ shares, issued and outstanding _____ shares.	_____	_____	_____	_____
Additional capital paid in	_____	_____	_____	_____
Retained earnings:				
Appropriated (legal and other reserves that have not been charged against income)	_____	_____	_____	_____
Unappropriated	_____	_____	_____	_____
Total shareholders' equity	_____	_____	_____	_____
Contingent liability and commitments (Here refer to a note in which these items are detailed)	_____	_____	_____	_____
	FR _____	_____	FR _____	_____

(See clarifying notes on following pages)

Folio El continued

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Clarifying Notes to Balance Sheet Projection

- (a) Cash includes all cash and bank deposits available on demand. Restricted cash should be stated separately on the balance sheet.
- (b) Receivables from other than customers should be summarized in a note to the financial statements and reasons should be given for their existence.

Based upon the circumstances of the project operations and other factors, a percentage of sales should be set aside in a reserve against possible bad debt losses. These annual amounts are to be included in administrative and general expenses as "bad debts." Bad debts written off will then be charged to this reserve or allowance, as it is termed on the balance sheet.

- (c) The basis of the valuation of inventories is to be stated in the inventory caption on the balance sheet. The most usual basis is the lower of cost (first-in, first-out) or replacement market. This is an appropriate description in many instances but not one that is applicable in every case, as it is obviously more restrictive than the following definition of "market."

"As used in the phrase 'lower of cost or market,' the term market means current replacement cost (by purchase or by reproduction, as the case may be) except that:

- (1) Market should not exceed the net realizable value (i.e., estimated selling price in the ordinary course of business less reasonably predictable costs of computation and disposal); and
- (2) Market should not be less than net realizable value reduced by an allowance for an approximately normal profit margin."

The use of "first-in, first-out" is intended to indicate the need for specification of the method followed. Others may be appropriate (e.g., last-in, first-out).

- (d) Prepaid expenses are to be distinguished from deferred charges. For example, the amount of prepaid insurance is primarily based upon the policy date. Were that date to be changed to a date following the financial year-end, the premium which otherwise would be prepaid would be in the cash and no liability for the premium would exist.

Folio E-1 continued

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Clarifying Notes to Balance Sheet Projection, continued

- (e) The basis of the valuation of plant and equipment is to be stated. Generally speaking this will be cost. However, in some countries revaluation is permitted or even required. In such circumstances, the difference between cost and the revaluation amount should be credited to revaluation surplus and this credit should be net of foreign exchange losses, realized and unrealized, on loans, the proceeds of which were applied to the properties revalued.

Some countries permit depreciation for income tax purposes to be based upon the revaluation, others do not. The position should be disclosed in a note to the financial statements. As a matter of accounting principle, when plant and equipment is stated on the balance sheet at revalued amounts, depreciation charged against income should be based on the revalued amounts.

The amount of plant and equipment stated in the "Estimated Project Cost Summary" should agree with that shown on the balance sheet.

Interest and commitment fees during construction are to be allocated to the plant and equipment accounts so as to be appropriately depreciated over the estimated useful lives of the properties.

Preliminary and pre-operating expenses should be amortized over a period of not more than five years from the date profitable operations begin.

- (f) Some countries require that certain reserves be charged against net income. Taken literally, this requirement is troublesome. However, it is believed that such charge against net income may be legally made within the statement of retained earnings rather than on the statement of income itself. This approach will considerably simplify the statements dealing with income and retained earnings.
- (g) The balance sheet projections are taken from working paper D-1 which, basically, is prepared from the cash flow projections, modified to reflect such non-cash items as allocations or retained earnings to legal reserves, transfer of currently maturing long-term debt to current liabilities, etc.

Table for present value computationsFolio NR

Date: \_\_\_\_\_

Project: \_\_\_\_\_

Initials: \_\_\_\_\_

<u>Yr</u>	<u>5%</u>	<u>6%</u>	<u>7%</u>	<u>8%</u>	<u>9%</u>	<u>10%</u>	<u>11%</u>	<u>12%</u>	<u>13%</u>	<u>14%</u>	<u>15%</u>	<u>16%</u>	<u>17%</u>
1	.95238	.94340	.93458	.92592	.91743	.90909	.90090	.89285	.88495	.87719	.86956	.86206	.85470
2	.90703	.89000	.87344	.85734	.84168	.82645	.81162	.79719	.78314	.76946	.75614	.74316	.73051
3	.86384	.83962	.81630	.79383	.77218	.75131	.73119	.71178	.69305	.67497	.65751	.64065	.62437
4	.82270	.79209	.76289	.73503	.70842	.68301	.65873	.63551	.61331	.59208	.57175	.55229	.53365
5	.78353	.74726	.71299	.68058	.64993	.62092	.59345	.56742	.54275	.51936	.49717	.47611	.45611
6	.74621	.70496	.66634	.63017	.59627	.56447	.53464	.50663	.48031	.45558	.43232	.41044	.38983
7	.71068	.66506	.62275	.58349	.54703	.51316	.48165	.45234	.42506	.39963	.37593	.35382	.33319
8	.67684	.62741	.58201	.54027	.50187	.46651	.43392	.40388	.37615	.35055	.32690	.30502	.28478
9	.64461	.59190	.54393	.50025	.46043	.42410	.39092	.36061	.33288	.30750	.28426	.26295	.24340
10	.61391	.55839	.50835	.46319	.42241	.38554	.35218	.32197	.29458	.26974	.24719	.22668	.20803
11	.58468	.52679	.47509	.42888	.38753	.35049	.31728	.28747	.26069	.23661	.21494	.19541	.17780
12	.55684	.49697	.44401	.39711	.35553	.31863	.28584	.25667	.23070	.20755	.18690	.16846	.15197
13	.53032	.46884	.41496	.36770	.32618	.28966	.25751	.22917	.20416	.18206	.16252	.14522	.12998
14	.50507	.44230	.38782	.34046	.29925	.26333	.23199	.20461	.18067	.15970	.14132	.12519	.11101
15	.48102	.41726	.36245	.31524	.27454	.23939	.20900	.18269	.15989	.14009	.12289	.10792	.09488

<u>Yr</u>	<u>18%</u>	<u>19%</u>	<u>20%</u>	<u>21%</u>	<u>22%</u>	<u>23%</u>	<u>24%</u>	<u>25%</u>	<u>26%</u>	<u>27%</u>	<u>28%</u>	<u>29%</u>	<u>30%</u>
1	.84745	.84033	.83333	.82644	.81967	.81300	.80645	.80000	.79365	.78740	.78125	.77519	.76923
2	.71818	.70616	.69444	.68301	.67186	.66098	.65036	.64000	.62988	.62000	.61035	.60092	.59171
3	.60863	.59341	.57870	.56447	.55070	.53738	.52448	.51200	.49990	.48818	.47683	.46583	.45516
4	.51578	.49866	.48225	.46650	.45139	.43689	.42297	.40960	.39675	.38440	.37252	.36111	.35012
5	.43710	.41904	.40187	.38554	.36999	.35520	.34110	.32768	.31488	.30267	.29103	.27993	.26932
6	.37043	.35214	.33489	.31863	.30327	.28878	.27508	.26214	.24990	.23832	.22737	.21700	.20717
7	.31392	.29591	.27908	.26333	.24858	.23478	.22184	.20971	.19833	.18766	.17763	.16821	.15936
8	.26603	.24867	.23256	.21762	.20376	.19087	.17890	.16777	.15741	.14776	.13877	.13040	.12258
9	.22545	.20896	.19380	.17985	.16701	.15518	.14427	.13421	.12492	.11635	.10842	.10108	.09429
10	.19106	.17560	.16150	.14864	.13689	.12616	.11635	.10737	.09915	.09161	.08470	.07836	.07253
11	.16191	.14756	.13458	.12284	.11221	.10257	.09383	.08589	.07869	.07213	.06617	.06074	.05579
12	.13721	.12400	.11215	.10152	.09197	.08339	.07567	.06871	.06245	.05680	.05169	.04708	.04292
13	.11628	.10420	.09346	.08390	.07539	.06780	.06102	.05497	.04956	.04472	.04038	.03650	.03301
14	.09854	.08756	.07788	.06934	.06179	.05512	.04921	.04398	.03933	.03521	.03155	.02829	.02539
15	.08351	.07358	.06490	.05730	.05065	.04481	.03968	.03518	.03122	.02772	.02465	.02193	.01953

Folio G-1

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Historical Financial Statements (details)

This section is to include historical financial statements (audited if possible), as follows, for as many financial years, up to ten, as are available (or reference to them in the event they have been placed in IF's central files):

- \_\_\_ - year historical balance sheet
- \_\_\_ - year historical statement of income
- \_\_\_ - year historical statement of retained earnings

**Summary of receivables analysis as to age and of the allowance for doubtful receivables.** Include a comment on the terms of credit, the general condition of the accounts, the consistency of practice over the years in allowing for possible bad debt losses, and the adequacy of the allowance.

**Summary of inventories.** State the bases of pricing, e.g., lower of cost (first-in, first-out) or replacement market, and comment on the consistency of the pricing over the years reviewed.

**Summary of investments.** State basis of valuation, e.g., cost, and provide information as to percentage of ownership, dividends, interest, etc.

**Summary of plant and equipment and allowance for depreciation.** Include the depreciation rates and the computation formula. Consider whether depreciation as computed should be compared with straight-line depreciation. State the policy followed in capitalizing expenditures and in removing from the accounts items sold or abandoned.

**Summary of current bank borrowings.** Furnish interest rates, maximum and minimum borrowings in a year, and the dates and maturities of the year-end balances and other terms, if any.

**Summary of income tax liabilities.** Comment regarding examination of the tax returns by the tax authorities and the likelihood of additional assessments.

**Summary of long-term debt.** Furnish names of the lenders, dates of the loans, interest rates, maturities, and security; also the provisions of the loan agreements.

Historical Financial Statements, continued

**Summary of share capital.** For each class state the authorized, issued and outstanding number of shares, par value, preference as to dividends, etc., whether cumulative and, if so, the date to which paid. Distinguish between fully paid and subscribed (part paid).

**Contingent liabilities and commitments.** These are to be listed and compared with the audit report comments. When there is no audit report, obtain a covering letter from a responsible officer of the company.

**Statement of cost of sales.** Include quantitative units, when applicable, and show the results per unit and also in percentages of net sales.

**Statement of selling, administrative and general expenses.**







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