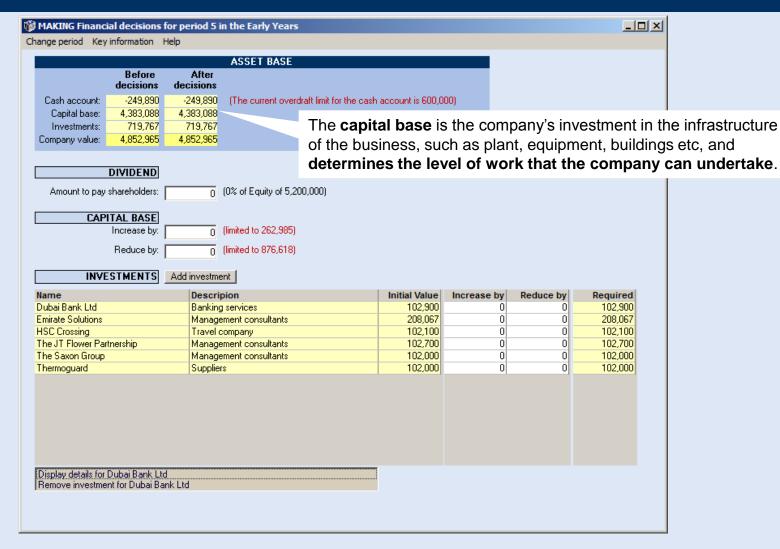
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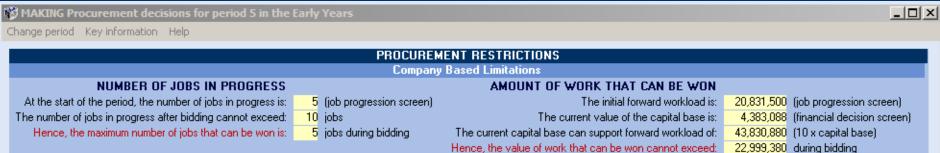


Capital Base









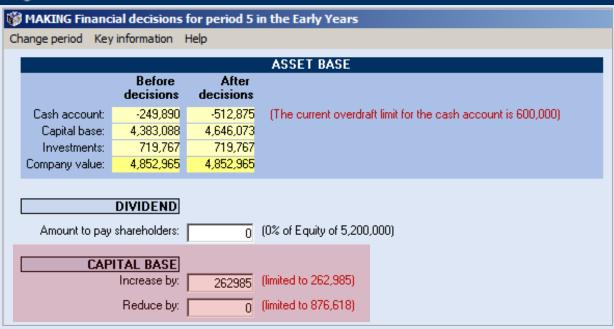
At the time a company bids for new work (on the **Procurement Screen**), the value of the work in progress cannot exceed 10 times the capital base.

Hence, in the example shown the current capital base of 4,383,088 can support up to 43,830,880 of work in progress.

Since the company already has work in progress (initial forward workload) of 20,831,500 (**Job Progression Screen**), **the value** of additional work that can be won during the bidding process is 22,999,380 (43,830,880 – 20,831,500).

To grow the business, and take on more work, the capital base can be increased on the Financial Screen.



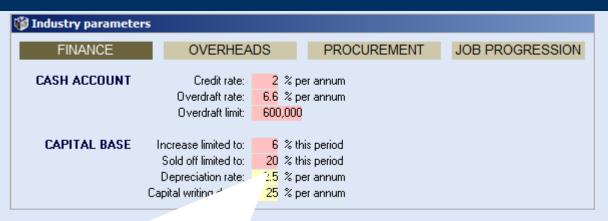




Increasing the capital base by the maximum allowed in the current period, 262,985, takes immediate effect on the **Procurement Screen**,

and the amount of additional work that can be won during the bidding process is increased by 2,629,850 to 25,629,230.





There are **limitations on the changes** to the capital base each period, based upon the prevailing economic environment, defined in the **Industry parameters**.

KEY POINTS

- Changes to the capital base affect the cash account, with an increase in the capital base reducing the cash account, and a reduction in the capital base increasing the cash account.
- 50% of the unused capital base increase allowed in a period is carried forward to the following period.



Financial Performance

Navigate to "Main menu/Measuring performance/Assessing performance/Financial analysis"

Management consultants report Graphical analysis

OPERATIONAL

SHAREHOLDERS

Each period the capital base depreciates by a %, reducing the overall value of the company, as defined in the **Industry parameters**.

The stee

The depreciation occurs at the end of the period.

			Cash account			Capital base						COI	npany vai	uc
Per	Status	Year/qtr	Start period	% change	End period	Start period	% change	End period		nd period	Gearing ratio	Start period	% change	End period
1	History	2023 (Q1)	1,000,000	-13.06 %	869,420	4,000,000	-0.63 %	3,975,000	1%	0	0.000	5,000,000	-3.11 %	4,844,420
2	History	2023 (Q2)	869,420	-19.96 %	695,898	3,975,000	-0.63 %	3,950,15	00 %	0	0.000	4,844,420	-4.09 %	4,646,054
3	History	2023 (Q3)	695,898	-29.47 %	490,823	3,950,156	5.34 %	4,160,5	ر _{00.00} % م	102,400	0.000	4,646,054	2.33 %	4,754,218
4	History	2023 (Q4)	490,823	-150.91 %	-249,890	4,160,995	5.34 %	4,38?	602.90 %	719,767	0.049	4,754,218	2.08 %	4,852,965
						·						·		

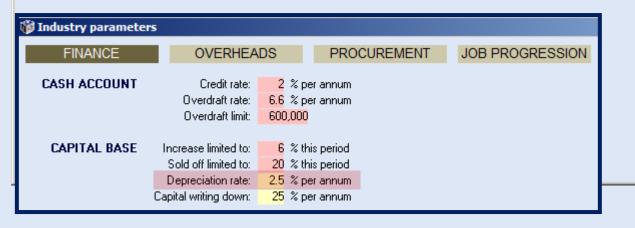
PERIOD 4

Summary

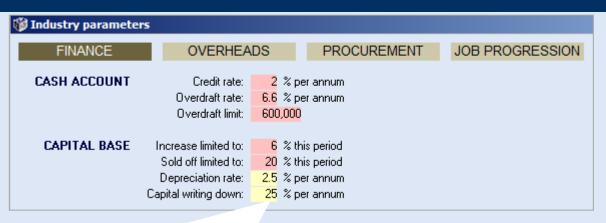
Assets and liabilities

IN A LINE IN THE THE SUMMARY ABOVE TO SHOW THE PERIOD DETAILS.

CASH ACCOUNT		CAPITAL BASE					INVESTMENTS		COMPANY VALUE	
Start of the period:	490,823	Start of the period:	4,160	,995			Start of the period:	102,400	Cash account:	-249,890
Impact of financial decisions:	-954,660	? Increased by:	249	,660			Increased by:	600,000	Capital base:	4,383,088
Investments ceasing trading:	0	Reduced by:		0			Reduced by:	0	Investments:	719,767
Net operating profit:	213,947		4,410	,655		Redu	iced by (ceased trading):	0		4,852,965 ?
End of the period:	-249,890	Capital base utilisation:		76	🤼 % (after bidd	ding)	Investment returns:	17,367	? (2.5 %)	
		Depreciation:	27	,567 ((2.5% pa)		End of the period:	719,767		
		End of the period:	4,383	,088						

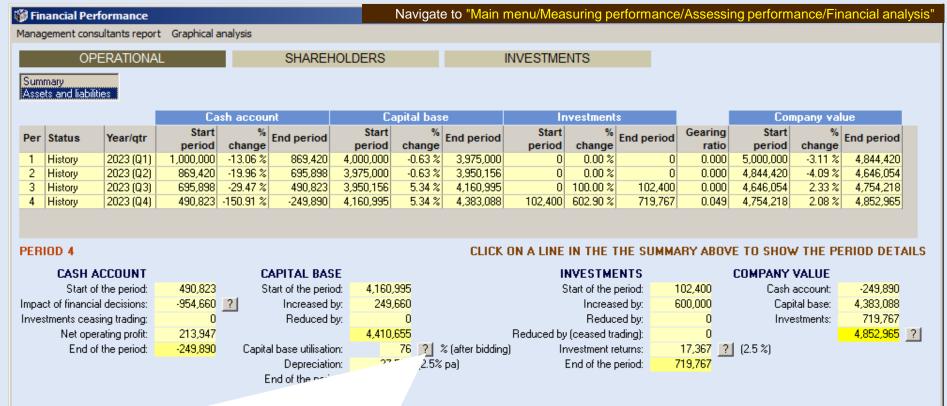






Any increases in the capital base can be used to reduce the company's tax burden (corporation tax), known as **capital writing down**.





The company's **capital base utilisation**, **also known as the capital employed**, measures how much of the company's capital base is being used.

Not utilising the capital base is a waste of resources that could be directed elsewhere, and can hinder growth.

Consider the following example where a company is in period 5, and the financial performance is being reviewed for period 4.

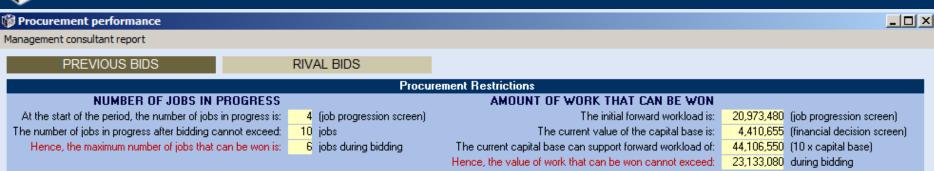
For Period 4 the company's capital base utilisation was 76%, indicating that the capital case was being very well utilised.

We can use the ? Drill down to see how the capital base utilisation of 76% was calculated.

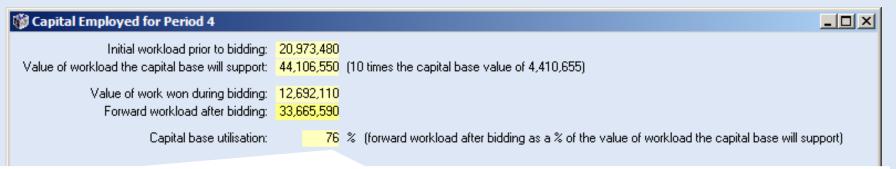


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Capital Base



4	ruil reruel nepult													
	Job details								Bid details					
Period	Job	Country	Туре	ВІМ	Sector	Client	Bid submitted	WOR	Comment	Cumulative forward workload				
4	48	United States	DB	Yes	Building & Commercial	FIFA North America 2026	12,950,000	No	Bid too high	20,973,480				
4	55	United Kingdom	BO	No	Transport	HS Rail Connection Group	4,701,308	No	Bid too high	20,973,480				
4	56	United Kingdom	BO	Yes	Building & Commercial	London City Council	8,401,668	Yes	Won on price	29,375,140				
4	69	United Kingdom	BO	No	Energy	Breeze Energy	4,290,445	Yes	Won on price	33,665,590				
4	71	United States	BO	No	Transport	Interstate Highways Agency	10,280,030	No	Bid too high	33,665,590				
4	73	United Kingdom	BO	Yes	Industrial	Master Brewers UK	2,809,144	No	Bid too high	33,665,590				



At the start of period 4 the company's initial forward workload was **20,973,480**. This was based on the turnover still to be completed on the jobs in progress at the start of the period.

12,692,110 of new work was won, which took the cumulative forward workload post-bidding to 33,665,590.

The capital employed measures how much of the company's potential workload (44,106,550), based on the capital base, was actually being utilised i.e., (33,665,590 / 44,106,550) * 100 = 76 %



Measuring Performance

Assessing performance Help

KEY PERFORMANCE INDICATORS

PERFORMANCE SUMMARY

CLICK ON THE DATA IN A COLUMN TO SEE HOW THE SELECTED KEY PERFORMANCE INDICATOR WAS CALCULATED

End of period	Status	Year/qtr	Turnover	Gross profit to Turnover	Operating Profit to Turnover	Company Value	Capital Employed	Contract Completion	Forward Workload		Share Price	Client Satisfaction	Total
4	History	2023 (Q4)	40	170	120	170	130	80	70	100	70	50	1,000
5	Early Years	2024 (Q1)	52	179	142	177	140	108	66	94	74	80	1,112
6	Early Years	2024 (Q2)	56	203	163	181	154	113	106	148	86	98	1,308
7	Early Years	2024 (Q3)	63	203	173	188	168	125	114	155	93	118	1,400
8	Early Years	2024 (Q4)	76	204	188	205	179	137	102	129	103	139	1,462

A key performance indicator measures the average capital employed over time.