

There is an included document entitled

QRT-3 Financial Matters Response Roadmap Document

which gives a guide to the various financial model workbooks included with Cogent's response.

The above document describes the variant bid financial model workbooks and includes an overview of the value added features and assumptions made.

The current financial model workbook contains specific assumptions within the individual worksheets to which they are relevant.

The overhead rates shown herein are a subset (specially lessened for this procurement) of the fringe benefit rate, G&A expense rate and OH rations calculated and certified by Cogent's external auditors and accountants

Calculations are based on FY2008 audited Financial Statements, See SEC Filing, Form 10K

Fringe (allocated to all Depts based on salary and headcount)

401(k) Contribution
Bonus
Dental
Life
Medical
Payroll Taxes
Vacation
Vision

COS

Employees working directly on customer projects
Bonus and Fringe for COS are charged directly to customer

G&A

Legal, Accounting, Human Resources and other administrative indirect costs

R&D

Research & Development Costs are allocated to Software License fees

S&M

Selling & Marketing indirect costs

OVERHEAD

Overhead is allocated to all Departments (COS, G&A, S&M) based on an allocation model which considers facility square footage, Salary and headcount includes:

Advertising
Bank Charges
Books & Publications
Commission
Conferences & Seminars
Depreciation
Dues & Memberships
Employee Development
Employee Morale
Insurance
Intangibles
Labor
Non Cap Software
Office Maintenance
Postage & freight
Promotion
Property Tax
Public Relations
Recruiting
Rent
Reproduction & Printing
Services, Consultants, Temps
Subscriptions
Supplies & Equip
Taxes
Telephone
Telephone - Cellular
Tradeshaw
Travel
Utilities

LABOR for entire company

40000-00-01-401 - Cost of Sales - Labor (MAIN, Corp, COS Mt)
40000-00-04-401 - Cost of Sales - Labor (MAIN, Taiw, COS Mt)
40000-00-01-402 - Cost of Sales - Labor (MAIN, Corp, COS Sv)
40000-00-01-403 - Cost of Sales - Labor (MAIN, Corp, COS Prd)
70000-00-01-700 - G & A Labor (MAIN, Corp, G&A Ex)
70000-00-02-701 - G & A Labor (MAIN, Aust, G&A FA)
50000-00-01-500 - R & D Labor (MAIN, Corp, R&D Ex)
60000-00-01-600 - Sales - Labor (MAIN, Corp, Sales Ex)
60000-00-02-600 - Sales - Labor (MAIN, Aust, Sales Ex)
40000-00-05-401 - Cost of Sales - Labor
40000-00-05-402 - Cost of Sales - Labor
70000-00-05-700 - G & A Labor
60000-00-05-600 - Sales - Labor
65000-00-01-654 - Marketing - Labor (MAIN, Corp, Mark BD)

\$
\$
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\$

LABOR COS ONLY

Fringe COS G&A S&M

DEPT	CATEGORY	Balance
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COS	Depreciation	\$
	Intangibles	\$
	Occupancy	\$
	Other	\$
	Supplies & Equip	\$
	Travel	\$
	bonus	\$
	Fringe	\$

COS Total \$

G&A	Depreciation	\$
	Insurance	\$
	Legal & Accounting	\$
	Occupancy	\$
	Other	\$
	Services, Consultants, Temps	\$
	Supplies & Equip	\$
	Taxes	\$
	Travel	\$
	Labor	\$
	Fringe	\$

G&A Total \$

R&D	Depreciation	
	Occupancy	
	Other	
	R&D	
	Services, Consultants, Temps	
	Supplies & Equip	
	Travel	
	Labor	
	bonus	
	Fringe	

R&D Total \$ -

S&M	Depreciation	\$
	Fringe	\$
	Occupancy	\$
	Other	\$
	Supplies & Equip	\$
	Travel	\$

S&M Total \$

Grand Total

Cogent Systems, Inc
Software Licensing Costs
Through 2008

COST OF REVENUE									Average
	2008	2007	2006	2005	2004	2003	2002	2001	
Product									
Maint/Svc									
Total Cost of Revenue									
R&D									
R&D as a % of COS									

Total Cost	2009/2010				2010/2011				2011/2012				2012/2013				2013/2014				2014/2015				2015/2016					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
																					Two Year Extension Period									
Third Party Contract set up																														
Third Party Contract run out																														
Capital item Charge																														
Spares Holdings Charge																														
Total Termination For Convenience Charge																														

Notes & Assumptions

- 1 Cogent will only seek to recover "real and actual" costs associated with Termination for Convenience from the Authority
- 2 Cogent will not seek to recover any "lost profit" or to levy any penalty associated with Termination for Convenience
- For capital items which have not been purchased or leased by the Authority or Beneficiaries then a charge based on 50% of the outstanding net asset value of the
- 3 item will be charged, this being an estimate of the Salvage value - capital items are amortised over three years.
- 4 Cogent will not seek to charge for its own legal, administrative and personnel charges associated with the Termination for Convenience
- 5 Termination Charges in the Service Period Extension will only be incurred if such an extension occurs
- 6 The values above have been shown by quarter but will be calculated on a day-by-day basis using the agreed Termination Date (Date of Notification plus 30 days Notice Period)

There will be no additional management charges to extend this SD.

Standard Accreditation Charges will continue to apply for new devices and will be uplifted by 10% to reflect predicted indexation for three years.

Cashflow
DCF Charging Model
£'000

Bank End / Matching
Communications
Authentication

Total Charges

Discounted Total charges

NPV

Discount rate

Assumptions

Number of active devices
Number of Forces requiring comms
Size of authentication DB

2009/10			2010/11					2011/12	2012/13	2013/14	Total
Q3	Q4	Total	Q1	Q2	Q3	Q4	Total				
-			-	-	-	-	-	-	-		
-			-	-	-	-	-	-	-		
							-	-	-		

0 0 0 0 0 0 0 0 0 0 0 0

Cost and Income Model - Accreditation (SD2)

£'000	2009/10			2010/11					2011/12	2012/13	2013/14	Total
	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total				
Number of Active Devices												
Direct Costs												
Revenue Costs												
Staff costs			-					-				-
Fringe Benefits			-					-				-
Subcontractor costs - CLAS Consultant			-					-				-
Software Licences			-					-				-
Hardware maintenance			-					-				-
Programme management			-					-				-
Programme management Fringe			-					-				-
Other direct revenue costs (Labour OH)			-					-				-
Total Revenue costs	-	-	-	-	-	-	-	-	-	-	-	-
Indirect Costs												
Overheads			-					-				-
Financing Costs			-					-				-
Other indirect costs (specify)			-					-				-
Total Indirect Costs	-	-	-	-	-	-	-	-	-	-	-	-
Capital Costs												
Hardware (servers etc)			-					-				-
Comms equipment			-					-				-
Server room costs			-					-				-
Software Licences			-					-				-
R&D			-					-				-
Software development			-					-				-
Other direct capital costs			-					-				-
Total Capital Costs	-	-	-	-	-	-	-	-	-	-	-	-

Total Costs	-			-	-	-	-	-	-	-		
Income												
Revenue Income			-					-				-
Milestone payments												
Milestone 1 (Programme setup)								-				
Milestone 2 (Programme Management)			-					-				
Milestone 3 ()			-					-				-
Milestone 4 ()			-					-				-
Milestone 5 ()			-					-				-
Total Milestone payments	-			-	-	-	-	-	-	-		
Total Income	-			-	-	-	-	-	-	-		
Profit Margin	-			-	-	-	-	-	-	-		
Profit Margin %								#DIV/0!	#DIV/0!	#DIV/0!		

26-Oct-09

Assumption

This Cost and Income summary is the cost to set up the Accreditation Programme represented in column C; and the cost of the Programme Management for the contract period as shown in column L.

Subcontractor costs - CLAS Consultant assumes a total of 2 days for consultancy.

MIDAS Rate 26-Oct-09

Fringe
Overhead
G&A



Job Descriptions

Yearly rate

Daily Rate
without
markup

Project Manager		
Service Delivery Manager		
Deputy Service Delivery Mgr		
System Architect		
Senior Scientist		
PMO Admin.		
System Analyst		
Security Manager		
Security Design Authority		
IT Security Officer		
Security Controller		
QA Manager		
Test Manager		
Documentation		
Database Administrator		
System Administrators		
Training Manager		
Development Engineer Sr.		
Development Engineer		
Tester		
		£0
		£0
Service Delivery Project Analyst		
Service Delivery Tech Support Lead		
Service Delivery Tech Support		
Service Delivery Analyst		
Subcontractor		
CLAS Consultant		

Assumption

The standard Cogent list of job descriptions and daily rates apply to this SD.

Program set up for the Accreditation Programme and provide Service Management for the contract period.	Establish the Accreditation Process	Manage the Accreditation Process	Conduct Testing	Provide Service Management for contract period					Total SD2	Basic daily Rate for grade	Total basic cost by grade
Job Description	Days	Days	Days	Days	Days	Days	Days	Days	Total Days		
									0		
Deputy Service Delivery Manager	42								82		
									0		
Security Manager	5								0		£0
Documentation	20								20		
Test Manager	10								10		
									0		
Service Delivery Project Analyst	30								30		
									0		
Senior Scientist	5								5		
									0		£0
									0		£0
									0		£0
									0		£0
									0		£0
									0		£0
Total Days	112	0	0	40	0	0	0	0	152		
Costs											
Total Direct Labour Cost											
Fringe Costs											
Overheads											
									£0		
Total Labour				£0		£0	£0	£0	£0		

Assumptions

1. Deputy Service Delivery Manager to oversee and manage the establishment of the Accreditation process for all devices. This is a one time effort working with the NPIA appointed Accreditation Authority.
2. The other positions are assisting the Deputy Service Delivery Manager in the formulation of policy, procedure, and methods for the Accreditation Programme.
3. The Deputy Service Delivery Manger provides 42 days of labour to establish the Accreditation Process during the Core Capability milestone period. Additionally, the Deputy provides Service Management for the duration of the contract period at an equivalence of 1 day per month for 40 months.