

CONFIDENTIAL

Aim Smart Corp.

Everyone can get a cup of the best freshly ground coffee anywhere and anytime

Business plan
Prepared October 2018

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Executive Summary

Opportunity

Problem

Coffee has become one of the daily necessities for most Canadians. Most office workers and students need coffee to improve work or study efficiency. However, most of the time, they have to spend lots of time waiting in line in the traditional coffee shops every day. A machine that can provide fast, convenient, high-quality coffee would be a great fit, as no one in the city is offering it yet.

Solution

An automatic bean to cup smart coffee vending machine that using premium coffee beans would provide a better way for office workers and students to purchase daily coffee. It is more convenient, more consistent, more efficient than the traditional coffee shop, and the price is cheaper.

Market

Coffee is the most consumed beverage in Canada. Downtown collar workers and campus students are our strongest market segments. Based on our research, there are about 260,000 potential customers in this group in Winnipeg.

Competition

The traditional coffee shops and traditional coffee vending businesses are the main competitors. The coffee from the popular coffee shops has better quality and taste, but the service is slower and less convenience. In contrast, the coffee from the traditional coffee vending company is more convenient and faster, but quality and taste are less competitive.

Why Us?

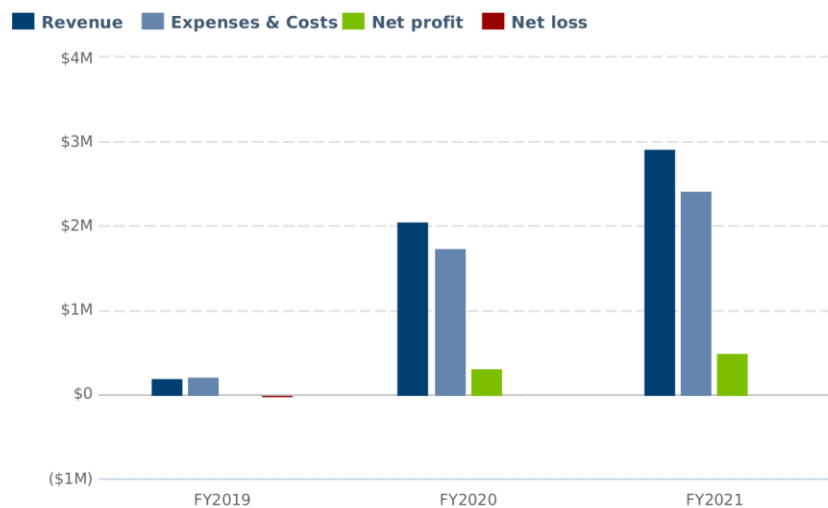
Our team are composed of professionals with related skills. Certified barista, senior programmer, and senior mechanic are the leading members. Also, key members and founders obtained the degree of Bachelor of Commerce-Honours from the University of Manitoba. The company are counselling professional advice from a CPA, a senior program developer, and an MBA. Together, we have passion, confidence, and dream to get this innovative project to work. A good relationship with our machine manufacturer, local coffee suppliers, and ingredients suppliers would lead us to success.

Expectations

Forecast

We project sales of \$190,512 in year 1, \$2,060,796 in year 2, and \$2,912,370 in year 3. The expecting profit margins are 15% and 17% in year 2 and year 3 respectively. That assumes each machine is going to serve an average of 60 cups, 80 cups, and 100 cups of beverages monthly in year 1, year 2, and year 3 respectively.

Financial Highlights by Year



Financing Needed

The founder of the company has invested \$10,000 for the first testing machine and business start-up. He is working to get a \$200,000 loan from the bank or credit union for the first bulk purchase in January 2019. The loan will be able to cover the \$105,000 of first bulk purchase, \$30,000 of a used van, and the operating expenses in the first year. Based on the profit projection for the next three years, the loan should be paid off in three years.

Opportunity

Problem & Solution

Problem Worth Solving

Fast, convenient, high-quality coffee is in heavy demand in the business and school area. Every day thousands of students are lined up for 10 to 30 minutes during peak hours to get a coffee in Universities. Customers who are unwilling to wait long periods of time will go to another coffee store. Lower quality coffee would be delivered to customers since it is hard to maintain high-quality coffee under rush hour pressure. Therefore; hiring more staff is necessary to improve the quality and service during rush hours for coffee stores, which would increase the overall operating costs.

Most office workers and students are buying coffee every day to help to enhance mental performance and work efficiency. However, a long line-up for coffee would wait their time and they might not even receive a high-quality coffee during peak hours. Hence, a new, fast, and convenient way to deliver high-quality coffee to the customer would be a significant market opportunity for the coffee industry, which would help to lower labour cost and prevent lost revenue.

Our solution

An automatic bean to cup smart coffee vending machine would provide a convenient way for customers to consume coffee beverages. A self-service machine that can make a cup of fragrant coffee; which tastes the same as that from a regular coffee shop; however, the price is similar but only take about 45 seconds to get a freshly ground coffee. It is more convenient and efficient since it operates as a 24 hours coffee shop that does not require face to face communication with customers. Customers can get their coffee anytime by using pre-order options from the mobile app and pick up from any machines nearby. The machine takes up little space (less than one square meter) so it can be located everywhere such as university campus, business centers, libraries, and any high coffee demand places.

Target Market

Coffee Lovers; such as students, workers, and anyone who need beverages would be the target market of our business. According to the Coffee Association of Canada, in 2017, Canada's coffee industry created \$6.2 billion, which included \$4.8 billion in sales in foodservice and \$1.4 billion in sales in Grocery or retail purchases. Coffee is one of the most popular everyday beverage in Canada. According to the Coffee Association of Canada, coffee is one of the highest beverages consumption in Canada, which is about 71%. Furthermore, according to CBC News, Canada reached the top one position in coffee consumption in 2015; the total amount of brewed coffee consumption is about 152 litres per person.

We expect our most active market segments to be collar workers who work in downtown offices and students at the post-secondary institutions. According to the Manitoba Government, there are 90,000 to 100,000 collar workers in the first category. Based on our research, there are about 70,000 students enrollment at the University of Manitoba, University of Winnipeg, and Red River College.

Competition

Current alternatives

There are two major types of competitors. The first is the traditional coffee shop such as Tim Hortons, Starbucks, McDonald's, and Second Cup. According to the statistic data from Maclean's Coffee Ranker, in 2017, McDonald's, Second Cup, Starbucks, Tim Hortons, Van Houtte/A&W are the top five brands as Canada's Favourite Coffee chain. Based on the statistics data shows on Coffee Market Share Canada Tim Hortons, the statistics in Quick Service Restaurant Servings shows that the percentage of total caffeinated drinks of Tim Hortons, McDonald's, and Starbucks are 74.5%, 9.6%, and 4.6% respectively. According to GlobalNEWS, "Thanks to Tims, Canadians drink more coffee than Italians, Americans, the French or pretty much any other nation. In fact, we drink more than 14 billion cups of coffee each year. Tim Hortons serves more than 2 billion cups alone. (Furdyk, 2016). However, CTVNEWS stated that, "Franchisee dissatisfaction with Tim Hortons' management and hefty cost-cutting measures appear

to be hurting the coffee giant's reputation among Canadians, according to a new survey. Tim Hortons took a dramatic tumble when it fell from 4th place last year to 50th in an annual ranking of the most admired companies in Canada. "(Dunham, 2018)

The second type of competitors is the traditional coffee vending company such as Van Houtte, Second Cup, and Marley Coffee Automated Stores. Van Houtte is the most successful coffee vending company in Canada, but they focus more on coffee vending at business workplaces. Second Cup has their coffee vending project named Barista To-Go vending machine; however, coffee vending is not the business they concentrated. They focus more on the real traditional coffee shop in Canada. Marley Coffee started and concentrated on coffee vending business in 2012 but only located in a few locations such as a casino. Most traditional coffee vending companies are using instant coffee, creamer powder, and milk powder as ingredients to brew the coffee, which is hard to compete with the taste of the traditional coffee shop.

Our advantages

Compared to the traditional coffee shop, the smart coffee vending machine does not require face to face communication with customers. This purchasing process avoids communication mistakes; for instance, failing to listen to the correct order that customer wants so less complain about the wrong order. Cashless payment method helps the ordering faster since it decreases the time for the cashier to make change for people pay with cash. Moreover, it is more convenience of ordering from any place at any time with multiple ways to pay. Consistency with taste and quality is another advantage compared to the traditional coffee shop. All orders prepared by machine with a 99.7% success rate, which avoids most quality issues under rush hour pressure.

Against the other coffee vending business in Canada, we offer better quality coffee. Most traditional coffee machine using milk powder instead of fresh milk, which results in the coffee taste from vending machine hard to competing with coffee prepared by a barista. Our machine brews and grinds fresh coffee with fresh milk to remain the same taste like the traditional coffee shop. The coffee beans are using premium 100% Arabica. Significant parts of the machine are manufacturing and engineering from German and Italy. The device has over 40 types of hot and cold beverages including espressos, lattes, cappuccinos, hot chocolates, French vanilla, iced coffee, iced cappuccinos, tea, milk tea

and so on. Product varieties could compete to a traditional coffee shop, which most coffee vending business cannot offer.

Sugar does not fully dissolve in the coffee which is an important quality issue that both traditional coffee shops and coffee vending machines facing. In contrast, our machine is using cane sugar syrup to replace sugar crystal, which is hard to dissolve in the coffee completely. Our major product is an Americano coffee, which is combining water with freshly ground espresso, has a richer taste and fuller-bodied texture compared to brewed coffee. Brewed coffee does not produce crema that makes the coffee taste better, but Americano does. Furthermore, Americano is fresher since it is "made-to-order" but brewed coffee are usually made in advance.

Execution

Marketing & Sales

Marketing Plan

To get more people's attention is the first marketing step. We are going to hand out a well-designed brochure to people who show up near the location of each machine. The first time users of our phone application will get one coffee for free. We want to get more people to try our products. Getting more students and office workers to know that our coffee is premium, fast, consistent, and convenient.

Getting more customer by using multiplication power is the second marketing strategy. Customers can get other free drinks by referring to a friend; moreover, his or her friend can get free coffee for the first time downloading the application. The number of our vending machine will grow with increasing demand; more devices will conduct more revenue from advertisement. More revenue will be able to cover the cost of getting more machines, so growing numbers of machine will create better and convenient shopping experience. High customer satisfaction will improve brand loyalty.

Encouraging customer provides more feedbacks and reviews on social media is the third marketing method. When a customer follows us on Facebook, Instagram, Twitter, and other social media share and posts coffee shopping experiences and tag #Best coffee for free#Coffee Go#, on any two social media, he or she can get a beverage for free.

Sales Plan

We offer a competitive price that compares with the traditional coffee shop. Americano is better quality coffee compared to brewed coffee. However, the price we offered for Americano is similar and a little bit lower than the rate of brewed coffee from the traditional coffee shop like Tim Hortons and McDonald's.

The machine equipped with the Nayax cashless payment method. Nayax is a leading global provider of cashless payment solutions. It accepts payments including Visa,

MasterCard, American Express, Google Pay, Apple Pay, and Interac. Customer allows saving their payment method online from the mobile app.

Operations

Locations & Facilities

We will rent an office space that costs between \$1,000 to \$1,500 monthly at the beginning of 2019. Space includes a storage area for inventory.

Our first machine will place at the Theravape Vape Shop that located at Seasons shopping mall in Winnipeg. The first machine will focus on flavouring testing and market demand testing. In the first three months of operation, we will create a simple application that included a survey to collect information about coffee vending demand, customer preference, frequency, quality, speed, and so on.

After three months testing period, we will determine all the raw material that the machine used to produce the beverage. After ingredients have been identified and the mobile application has been ready to publish, we will expand and place more devices in the business area, the universities, the colleges, and the major shopping centers in Winnipeg.

Technology

Our machine supplier has built an intelligent vending operation system, which combines the front-end consumer system linking with the back-end management system to update beverage receipts, checking machine condition, checking inventory status, creating sales report and more advanced management function. QuickBooks Online will be the accounting solution for our company. MailChimp Subscribe app will help us to enable customers to sign up for our email newsletter. We will also connect with our customers and get feedback on usual social media sites such as Facebook, Instagram, Twitter and so on.

Equipment & Tools

We have already ordered our first machine for testing which will be here in Winnipeg at the beginning of October. The first machine costs about \$6,500. Shipping, brokerage and duties fees are about \$2,000. After three months of testing, we are going to purchase 14 devices, which can fit in a small container by sea. We are planning to order more and more machines and locate at those high coffee demand areas in the city as the business expands.

We are going to purchase a used van for the machine and raw material delivery. The van will cost around \$30,000. We also will pay for custom paint job with our logo and branding on the van. A Breville espresso coffee machine will purchase for flavouring testing. The budget for the machine is about \$1,000.

Milestones & Metrics

Milestones Table

Milestone	Due Date
first machine ready for testing	October 31, 2018
app alpha ready	November 12, 2018
app beta ready	December 03, 2018
receive first funding	December 03, 2018
app 1.0 version ready	December 31, 2018
order and resettlement 14 machines	January 14, 2019
app 2.0 version ready	March 04, 2019
receive 2nd funding	April 15, 2019
2nd bulk purchase (14)	May 01, 2019
3rd bulk purchase (14)	September 02, 2019

Key metrics

Our primary focus right now is on the most basic metrics: daily revenue, ingredient costs, payroll, maintenance, profit margins, and custom preferences. We focus on finding the best beverage receipts that contribute with lowest ingredient costs. We are trying to increase the profit margin as much as we can during the three months machine testing period.

Company

Overview

The Aim Smart Corp. registered as a corporation. Qichun Yu is the founder and the only owner of the corporation. No outside investors are involved at this point, though there might be an opportunity for that as the business expands.

Team

Management team

The executive team at Aim Smart Corp. includes Qichun Yu(CEO), Lin Li (CPO, Barista), Dian (Programmer), Jorion Sorrel (Senior Mechanic). Qichun as the founder of the company received the degree of Bachelor of Commerce-Honours in Accounting & Finance majors from the University of Manitoba. He has two years management experience in E-commerce, three years experience in e-cigarette manufacture industry, and three years experience in food servicing.

Lin is studying for a Master's degree in the University of Manitoba. She has a barista certification and experience in coffee servicing, Bubble tea servicing, and baking. She will graduate and starting a full-time position in December. Dian graduated from the University of Manitoba in computer science major. He is responsible for all programming design and mobile app design. Jorion is a senior mechanic who has couple of years experience in machine and hardware maintenance. He will handle all machine set up and maintenance. All of us have a hand in pretty much everything, we all contribute to marketing ideas, machine testing, flavour testing, and business operation and so on.

Advisors

Financial management is essential for a business to success. Qichun is getting regular financial advice and counselling from Tracy Liao. She is a Chartered Professional

Accountant, who has four years experience as an investment reporting analyst at Great-West Life.

Program development is critical for our product. Yulin Tan is going to help Dian with all program development and mobile app building. He is a senior program developer in Bold, which is a tech company that specializes in eCommerce websites and app development.

For now, Qichun is using QuickBooks Online to keep the books himself. For filing the annual tax, we are going to get help from Niki Li, who is an accountant at a local accounting firm. Marketing ideas are brainstorm among team members, but we are getting more advice from Summer Wang. She is an MBA that major in Marketing and Supply Chain from the University of Manitoba.

Financial Plan

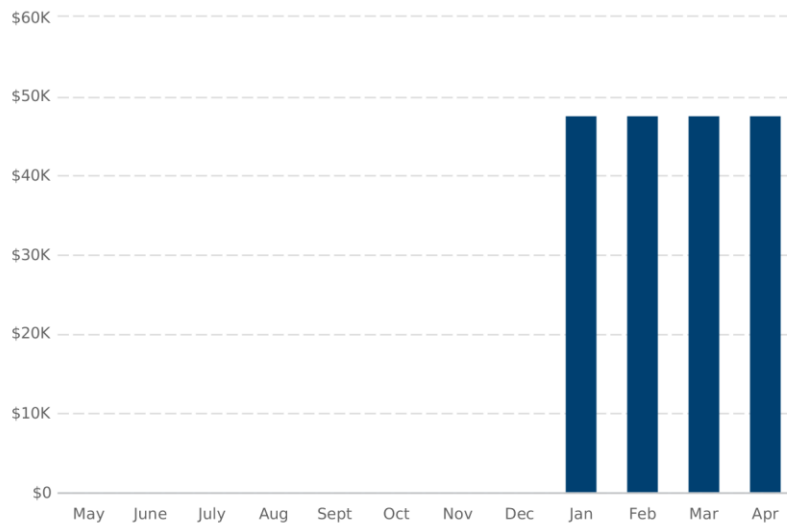
Forecast

Key assumptions

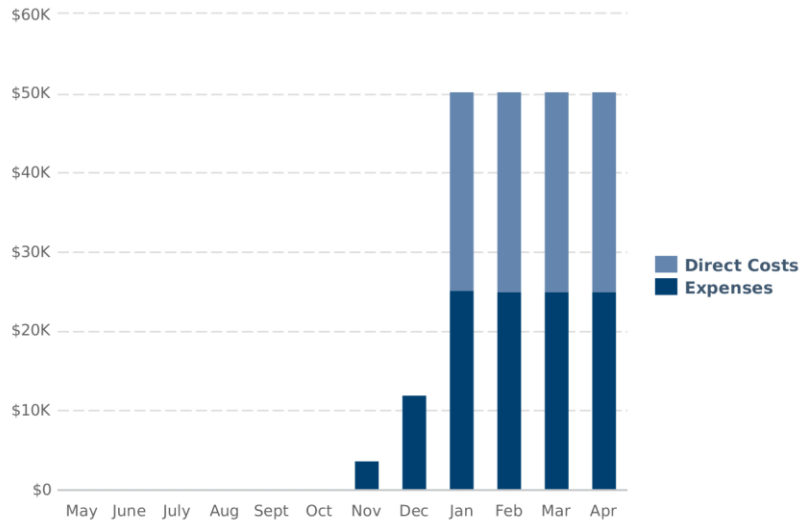
We expect each machine to serve an average of 60 beverages per day during year 1 and then increase that to 80 and 100 drinks per day during year 2 and year 3 respectively. The average price per cup of beverages should be \$1.89. The average cost per cup of beverages sold should be about \$1.00. In year 2, we are assuming 25 customers are willing to spend \$300 per year to place their advertisement on our machine and then increase that to 50 customers in year 3.

In our first year, we are projecting \$190,512 in revenue with a 14% loss margin since high starting cost. However, in our second and third years, we are expecting \$2,060,796 and then \$2,912,370 in revenue with a profit margin of 15% and 17% respectively. The payroll costs are the highest expense even we are trying to keep the payroll costs as minimal as we could in the first two years.

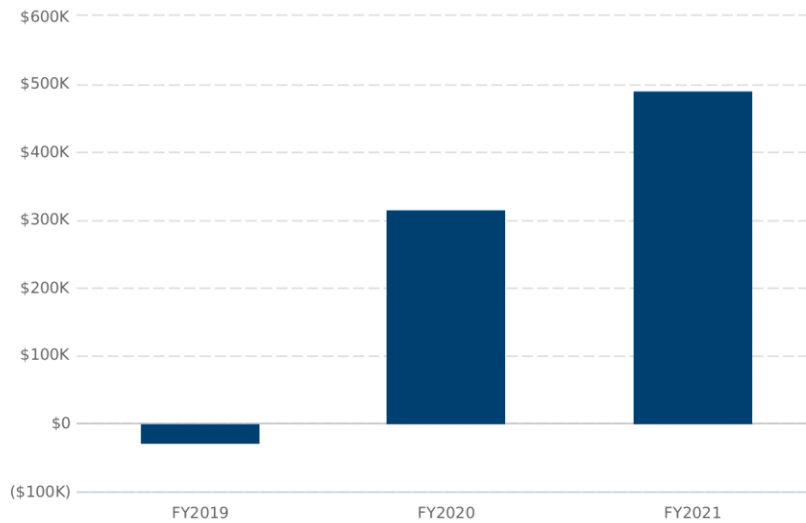
Revenue by Month



Expenses by Month



Net Profit (or Loss) by Year



Financing

Use of funds

We are going to use the funds from the bank to finance the first bulk purchase for the machine. It will be about \$105,000. A used van for transportation is about \$30,000. The remaining of the funds will be used to pay for the operating expenses in the first year. The founder doesn't plan on paying himself salaries during the first year of business operation.

Sources of Funds

Qichun invested \$10,000 of his savings in purchasing the first testing machine and other expense to start the business. He is working on getting more funding to support the future purchasing for the company. Loans from a local credit union are one of the options.

Statements

Projected Profit and Loss

	FY2019	FY2020	FY2021
Revenue	\$190,512	\$2,060,796	\$2,912,370
Direct Costs	\$100,800	\$1,086,400	\$1,533,000
Gross Margin	\$89,712	\$974,396	\$1,379,370
Gross Margin %	47%	47%	47%
Operating Expenses			
Salaries & Wages	\$64,200	\$244,020	\$328,986
Employee Related Expenses	\$12,840	\$48,804	\$65,797
office rental	\$6,000	\$18,000	\$18,000
marketing	\$3,810	\$41,216	\$58,248
utilities	\$1,905	\$20,608	\$29,124
insurance	\$1,200	\$3,600	\$3,600
supplies	\$953	\$10,304	\$14,561
other expense	\$1,905	\$20,608	\$29,124
program design	\$3,810	\$41,216	\$58,248
maintain	\$3,810	\$41,216	\$58,248
transportation	\$1,905	\$20,608	\$29,124
Total Operating Expenses	\$102,339	\$510,199	\$693,059
Operating Income	(\$12,627)	\$464,197	\$686,311
Interest Incurred	\$3,204	\$7,498	\$4,202
Depreciation and Amortization	\$11,100	\$67,800	\$67,800
Income Taxes	\$0	\$72,394	\$122,861
Total Expenses	\$217,443	\$1,744,291	\$2,420,922
Net Profit	(\$26,931)	\$316,505	\$491,448
Net Profit / Sales	(14%)	15%	17%

Projected Balance Sheet

	FY2019	FY2020	FY2021
Cash	\$44,164	\$469,569	\$1,122,263
Accounts Receivable	\$0	\$0	\$0
Inventory			
Other Current Assets			
Total Current Assets	\$44,164	\$469,569	\$1,122,263
Long-Term Assets	\$144,000	\$354,000	\$354,000
Accumulated Depreciation	(\$11,100)	(\$78,900)	(\$146,700)
Total Long-Term Assets	\$132,900	\$275,100	\$207,300
Total Assets	\$177,064	\$744,669	\$1,329,563
Accounts Payable	\$0	\$0	\$0
Income Taxes Payable	\$0	\$72,394	\$122,861
Sales Taxes Payable	\$24,767	\$267,903	\$378,608
Short-Term Debt	\$64,430	\$67,726	\$47,072
Prepaid Revenue			
Total Current Liabilities	\$89,197	\$408,023	\$548,541
Long-Term Debt	\$114,798	\$47,072	\$0
Total Liabilities	\$203,995	\$455,095	\$548,541
Paid-In Capital			
Retained Earnings		(\$26,931)	\$289,574
Earnings	(\$26,931)	\$316,504	\$491,449
Total Owner's Equity	(\$26,931)	\$289,574	\$781,022
Total Liabilities & Equity	\$177,064	\$744,669	\$1,329,563

Projected Cash Flow Statement

	FY2019	FY2020	FY2021
Net Cash Flow from Operations			
Net Profit	(\$26,931)	\$316,505	\$491,448
Depreciation & Amortization	\$11,100	\$67,800	\$67,800
Change in Accounts Receivable	\$0	\$0	\$0
Change in Inventory			
Change in Accounts Payable	\$0	\$0	\$0
Change in Income Tax Payable	\$0	\$72,394	\$50,467
Change in Sales Tax Payable	\$24,767	\$243,136	\$110,705
Change in Prepaid Revenue			
Net Cash Flow from Operations	\$8,936	\$699,834	\$720,421
Investing & Financing			
Assets Purchased or Sold	(\$144,000)	(\$210,000)	
Investments Received			
Change in Long-Term Debt	\$114,798	(\$67,726)	(\$47,072)
Change in Short-Term Debt	\$64,430	\$3,296	(\$20,654)
Dividends & Distributions			
Net Cash Flow from Investing & Financing	\$35,228	(\$274,430)	(\$67,726)
Cash at Beginning of Period	\$0	\$44,164	\$469,569
Net Change in Cash	\$44,164	\$425,404	\$652,695
Cash at End of Period	\$44,164	\$469,569	\$1,122,263

Appendix

Profit and Loss Statement (With monthly detail)

FY2019	May '18	June '18	July '18	Aug '18	Sept '18	Oct '18	Nov '18	Dec '18	Jan '19	Feb '19	Mar '19	Apr '19
Revenue												
Advertisement												
Unit Sales												
Unit Prices	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Beverage- 1st 14 machines												
Unit Sales									25,200	25,200	25,200	25,200
Unit Prices	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89
Beverage - 2nd 14 machines												
Unit Sales												
Unit Prices	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89
Beverage - 3rd 14 machines												
Unit Sales												
Unit Prices	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89	\$1.89
Total Revenue									\$47,628	\$47,628	\$47,628	\$47,628
Direct Costs												
cost of good sold- beverage - 1st14 machines												
									\$25,200	\$25,200	\$25,200	\$25,200

cost of good sold -
2nd 14 machines

cost of good sold -
3rd 14 machines

Total Direct Costs			\$25,200	\$25,200	\$25,200	\$25,200
Gross Margin			\$22,428	\$22,428	\$22,428	\$22,428
Gross Margin %			47%	47%	47%	47%
Operating Expenses						
Salaries and Wages						
programmer (1.33)	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Baristia (0.81)		\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
marketing (0.67)						
mechanic (0.78)			\$2,800	\$2,800	\$2,800	\$2,800
general labour (2.11)			\$2,000	\$2,000	\$2,000	\$2,000
Graphic Designer (0.81)		\$2,600	\$2,600	\$2,600	\$2,600	\$2,600
Total Salaries & Wages	\$3,000	\$8,400	\$13,200	\$13,200	\$13,200	\$13,200
Employee Related Expenses	\$600	\$1,680	\$2,640	\$2,640	\$2,640	\$2,640
office rental			\$1,500	\$1,500	\$1,500	\$1,500
marketing			\$953	\$952	\$953	\$952
utilities			\$476	\$477	\$476	\$476
insurance			\$300	\$300	\$300	\$300

supplies						\$238	\$238	\$238	\$239
other expense						\$476	\$477	\$476	\$476
program design						\$953	\$952	\$953	\$952
maintain						\$953	\$952	\$953	\$952
transportation						\$476	\$477	\$476	\$476
Total Operating Expenses						\$3,600	\$10,080	\$22,165	\$22,165
Operating Income						(\$3,600)	(\$10,080)	\$263	\$263
Interest Incurred							\$833	\$812	\$769
Depreciation and Amortization	\$150	\$150	\$150	\$150	\$1,900	\$2,150	\$2,150	\$2,150	\$2,150
Income Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$150	\$150	\$150	\$3,750	\$11,980	\$50,348	\$50,326	\$50,305	\$50,284
Net Profit	(\$150)	(\$150)	(\$150)	(\$3,750)	(\$11,980)	(\$2,720)	(\$2,698)	(\$2,677)	(\$2,656)
Net Profit / Sales						(6%)	(6%)	(6%)	(6%)

	FY2019	FY2020	FY2021
Revenue			
Advertisement		\$7,500	\$15,000
Unit Sales		25	50
Unit Prices		\$300	\$300
Beverage- 1st 14 machines	\$190,512	\$772,632	\$965,790
Unit Sales	100,800	408,800	511,000
Unit Prices	\$1.89	\$1.89	\$1.89
Beverage - 2nd 14 machines		\$772,632	\$965,790
Unit Sales		408,800	511,000
Unit Prices		\$1.89	\$1.89
Beverage - 3rd 14 machines		\$508,032	\$965,790
Unit Sales		268,800	511,000
Unit Prices		\$1.89	\$1.89
Total Revenue	\$190,512	\$2,060,796	\$2,912,370
Direct Costs			
cost of good sold-beverage - 1st14 machines	\$100,800	\$408,800	\$511,000
cost of good sold - 2nd 14 machines		\$408,800	\$511,000
cost of good sold - 3rd 14 machines		\$268,800	\$511,000
Total Direct Costs	\$100,800	\$1,086,400	\$1,533,000
Gross Margin	\$89,712	\$974,396	\$1,379,370
Gross Margin %	47%	47%	47%
Operating Expenses			
Salaries and Wages			

programmer (1.33)	\$18,000	\$56,700	\$79,380
Baristia (0.81)	\$14,000	\$35,280	\$37,044
marketing (0.67)		\$33,600	\$35,280
mechanic (0.78)	\$11,200	\$35,280	\$37,044
general labour (2.11)	\$8,000	\$50,400	\$105,840
Graphic Designer (0.81)	\$13,000	\$32,760	\$34,398
Total Salaries & Wages	\$64,200	\$244,020	\$328,986
Employee Related Expenses	\$12,840	\$48,804	\$65,797
office rental	\$6,000	\$18,000	\$18,000
marketing	\$3,810	\$41,216	\$58,248
utilities	\$1,905	\$20,608	\$29,124
insurance	\$1,200	\$3,600	\$3,600
supplies	\$953	\$10,304	\$14,561
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Operating Income	(\$12,627)	\$464,197	\$686,311
Interest Incurred	\$3,204	\$7,498	\$4,202
Depreciation and Amortization	\$11,100	\$67,800	\$67,800
Income Taxes	\$0	\$72,394	\$122,861
Total Expenses	\$217,443	\$1,744,291	\$2,420,922
Net Profit	(\$26,931)	\$316,505	\$491,448

Net Profit / Sales

(14%)

15%

17%

Balance Sheet (With Monthly Detail)

FY2019	May '18	June '18	July '18	Aug '18	Sept '18	Oct '18	Nov '18	Dec '18	Jan '19	Feb '19	Mar '19	Apr '19
Cash				(\$9,000)	(\$9,000)	(\$9,000)	(\$12,600)	\$72,320	\$42,781	\$43,242	\$43,703	\$44,164
Accounts Receivable									\$0	\$0	\$0	\$0
Inventory												
Other Current Assets												
Total Current Assets				(\$9,000)	(\$9,000)	(\$9,000)	(\$12,600)	\$72,320	\$42,781	\$43,242	\$43,703	\$44,164
Long-Term Assets				\$9,000	\$9,000	\$9,000	\$9,000	\$114,000	\$144,000	\$144,000	\$144,000	\$144,000
Accumulated Depreciation				(\$150)	(\$300)	(\$450)	(\$600)	(\$2,500)	(\$4,650)	(\$6,800)	(\$8,950)	(\$11,100)
Total Long-Term Assets				\$8,850	\$8,700	\$8,550	\$8,400	\$111,500	\$139,350	\$137,200	\$135,050	\$132,900
Total Assets				(\$150)	(\$300)	(\$450)	(\$4,200)	\$183,820	\$182,131	\$180,442	\$178,753	\$177,064
Accounts Payable									\$0	\$0	\$0	\$0
Income Taxes Payable				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Taxes Payable									\$6,192	\$12,383	\$18,575	\$24,767
Short-Term Debt								\$63,367	\$63,631	\$63,896	\$64,162	\$64,430
Prepaid Revenue												
Total Current Liabilities				\$0	\$0	\$0	\$0	\$63,367	\$69,823	\$76,279	\$82,737	\$89,197
Long-Term Debt								\$136,633	\$131,208	\$125,761	\$120,291	\$114,798

Total Liabilities	\$0	\$0	\$0	\$0	\$200,000	\$201,031	\$202,040	\$203,028	\$203,995
<hr/>									
Paid-In Capital									
Retained Earnings									
Earnings	(\$150)	(\$300)	(\$450)	(\$4,200)	(\$16,180)	(\$18,900)	(\$21,598)	(\$24,275)	(\$26,931)
Total Owner's Equity	(\$150)	(\$300)	(\$450)	(\$4,200)	(\$16,180)	(\$18,900)	(\$21,598)	(\$24,275)	(\$26,931)
<hr/>									
Total Liabilities & Equity	(\$150)	(\$300)	(\$450)	(\$4,200)	\$183,820	\$182,131	\$180,442	\$178,753	\$177,064
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	FY2019	FY2020	FY2021
Cash	\$44,164	\$469,569	\$1,122,263
Accounts Receivable	\$0	\$0	\$0
Inventory			
Other Current Assets			
Total Current Assets	\$44,164	\$469,569	\$1,122,263
Long-Term Assets	\$144,000	\$354,000	\$354,000
Accumulated Depreciation	(\$11,100)	(\$78,900)	(\$146,700)
Total Long-Term Assets	\$132,900	\$275,100	\$207,300
Total Assets	\$177,064	\$744,669	\$1,329,563
Accounts Payable	\$0	\$0	\$0
Income Taxes Payable	\$0	\$72,394	\$122,861
Sales Taxes Payable	\$24,767	\$267,903	\$378,608
Short-Term Debt	\$64,430	\$67,726	\$47,072
Prepaid Revenue			
Total Current Liabilities	\$89,197	\$408,023	\$548,541
Long-Term Debt	\$114,798	\$47,072	\$0
Total Liabilities	\$203,995	\$455,095	\$548,541
Paid-In Capital			
Retained Earnings		(\$26,931)	\$289,574
Earnings	(\$26,931)	\$316,504	\$491,449
Total Owner's Equity	(\$26,931)	\$289,574	\$781,022

Total Liabilities & Equity	\$177,064	\$744,669	\$1,329,563
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Cash Flow Statement (With Monthly Detail)

FY2019	May '18	June '18	July '18	Aug '18	Sept '18	Oct '18	Nov '18	Dec '18	Jan '19	Feb '19	Mar '19	Apr '19
Net Cash Flow from Operations												
Net Profit				(\$150)	(\$150)	(\$150)	(\$3,750)	(\$11,980)	(\$2,720)	(\$2,698)	(\$2,677)	(\$2,656)
Depreciation & Amortization				\$150	\$150	\$150	\$150	\$1,900	\$2,150	\$2,150	\$2,150	\$2,150
Change in Accounts Receivable									\$0	\$0	\$0	\$0
Change in Inventory												
Change in Accounts Payable									\$0	\$0	\$0	\$0
Change in Income Tax Payable				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in Sales Tax Payable									\$6,192	\$6,191	\$6,192	\$6,192
Change in Prepaid Revenue												
Net Cash Flow from Operations				\$0	\$0	\$0	(\$3,600)	(\$10,080)	\$5,622	\$5,643	\$5,665	\$5,687
Investing & Financing												
Assets Purchased or Sold				(\$9,000)				(\$105,000)	(\$30,000)			
Investments Received												

Change in Long-Term Debt					\$136,633	(\$5,425)	(\$5,447)	(\$5,470)	(\$5,493)
Change in Short-Term Debt					\$63,367	\$264	\$265	\$266	\$267
Dividends & Distributions									
Net Cash Flow from Investing & Financing	(\$9,000)				\$95,000	(\$35,161)	(\$5,182)	(\$5,204)	(\$5,225)
Cash at Beginning of Period	\$0	(\$9,000)	(\$9,000)	(\$9,000)	(\$12,600)	\$72,320	\$42,781	\$43,242	\$43,703
Net Change in Cash	(\$9,000)	\$0	\$0	(\$3,600)	\$84,920	(\$29,539)	\$460	\$461	\$461
Cash at End of Period	(\$9,000)	(\$9,000)	(\$9,000)	(\$12,600)	\$72,320	\$42,781	\$43,242	\$43,703	\$44,164

	FY2019	FY2020	FY2021
Net Cash Flow from Operations			
Net Profit	(\$26,931)	\$316,505	\$491,448
Depreciation & Amortization	\$11,100	\$67,800	\$67,800
Change in Accounts Receivable	\$0	\$0	\$0
Change in Inventory			
Change in Accounts Payable	\$0	\$0	\$0
Change in Income Tax Payable	\$0	\$72,394	\$50,467
Change in Sales Tax Payable	\$24,767	\$243,136	\$110,705
Change in Prepaid Revenue			
Net Cash Flow from Operations	\$8,936	\$699,834	\$720,421
Investing & Financing			
Assets Purchased or Sold	(\$144,000)	(\$210,000)	
Investments Received			
Change in Long-Term Debt	\$114,798	(\$67,726)	(\$47,072)
Change in Short-Term Debt	\$64,430	\$3,296	(\$20,654)
Dividends & Distributions			
Net Cash Flow from Investing & Financing	\$35,228	(\$274,430)	(\$67,726)
Cash at Beginning of Period	\$0	\$44,164	\$469,569
Net Change in Cash	\$44,164	\$425,404	\$652,695
Cash at End of Period	\$44,164	\$469,569	\$1,122,263