**Breakfast Restaurant business plan**

**Executive Summary**

The executive summary is often considered the most important section of a breakfast restaurant business plan. This section briefly tells your reader where your company is, where you want to take it, and why your breakfast restaurant business idea will be successful. If you are seeking financing, the executive summary is also your first opportunity to grab a potential investor’s interest.

*Example:* **“**Morning Restaurant LLC” came into existence 2 years ago and has been operating with 50 seats dining breakfast restaurant, focusing in to the home making style food quality & taste. It highlights the strengths of your overall plan and therefore be the last section you write. However, it usually appears first in your business plan document. With business picking up in the area, the company is planning for expansion to reach more customers in the current market.

**Mission**

The mission statement should be a clear and succinct representation of the enterprise's purpose for existence. It should incorporate socially meaningful and measurable criteria addressing concepts such as the moral/ethical position of the enterprise, the target market, products/services and expectations of growth and profitability.

**Example: “**Morning Restaurant LLC’s” Mission is to provide a unique & relaxing dining experience- similar to dining at home. We will strive to achieve this goal by: A. providing menu items incorporating quality ingredients at reasonable price. B. We will be mind full of the well being of our customers & staff treating each & everyone with respect.

**Objectives**

Well-chosen goals and objectives point a new business in the right direction and keep an established company on the right track. Just think about what football would be without end zones or what the Indianapolis 500 would be without a finish line.

Example: **“**Morning Restaurant LLC’s” objective is to achieve the following goals:

* Cash flow self sufficiency by the end of the 1st year
* Repay debt from original financing by the end of the 2nd year
* Provide an income for founder- owner with growth possibility
* Sales Over $550,000 in the 1st year
* Sales of more than $650,000 by the 3rd year

**Chart: Highlights**

**Keys to Success**

For a breakfast restaurant business plan, keep these five points top of mind:

1. **Put Your Audience First**
2. **Keep Your Business Plan Brief**
3. **Sell, But Don’t Oversell**
4. **Don’t Downplay Your Competition**
5. **Envision the Long-Term But Plan For the Short-Term**

**Example:** Morning Restaurant LLC follows three steps for its key success,

A. Getting repeat business from every customer. Word-of-mouth marketing is a powerful idea for this business.

B. Our business location is very close to market, which create more customers to our breakfast restaurant.

C. The right food & variety everyday with a nominal price for all compare to the market.

**Company Summary**

The Company Summary of a business plan provides a high level look at how all of the different elements of your business fit together, including information about the nature of your business and the success factors that you feel will make your business successful and consequently, profitable.

Example: Morning Restaurant LLC is a start up managed by vastly experienced and visionary entrepreneur Mr. Clerk Latham With his vast experience and knowhow of the market, the company is taking giant leaps in the apartment construction business. The company is looking for expansion and applying for $60,000 loan from the Business Association (BA). This will help in covering the cash requirement and upgrading equipments as well as office.

**Company Ownership**

As one of the company's goals is to focus on high quality workmanship, retaining as much talent as possible is crucial. Therefore, the company plans to add more partners to the firm as opportunities arise.

**Start-up Summary**

Start-up summary covers the Non-recurring costs associated with setting up a business, such as accountant's fees, legal fees, registration charges, as well as advertising, promotional activities, and employee training. Also called startup expenses, preliminary expenses, or pre-opening expenses.

**Example:** Morning Restaurant LLC’s start-up costs & initial financing are shown on the following table & Chart.

|  |  |
| --- | --- |
| **Table: Start-up** | |
|  |  |
| Requirements |  |
|  |  |
| Start-up Expenses |  |
| Legal | $507 |
| Stationery etc. | $308 |
| Rent | $1,079 |
| Expensed Equipment | $3,076 |
| Other | $1,098 |
| Total Start-up Expenses | $5,834 |
|  |  |
| Start-up Assets |  |
| Cash Required | $38,200 |
| Start-up Inventory | $0 |
| Other Current Assets | $3,000 |
| Long-term Assets | $14,000 |
| Total Assets | $64,200 |
|  |  |
| Total Requirements | $66,000 |
|  |  |
| **Table: Start-up Funding** | |
|  |  |
| Start-up Expenses to Fund | $4,943 |
| Start-up Assets to Fund | $54,200 |
| Total Funding Required | $65,000 |
|  |  |
| Assets |  |
| Non-cash Assets from Start-up | $26,000 |
| Cash Requirements from Start-up | $31,200 |
| Additional Cash Raised | $0 |
| Cash Balance on Starting Date | $28,670 |
| Total Assets | $54,285 |
|  |  |
|  |  |
| Liabilities and Capital |  |
|  |  |
| Liabilities |  |
| Current Borrowing | $30,000 |
| Long-term Liabilities | $0 |
| Accounts Payable (Outstanding Bills) | $0 |
| Other Current Liabilities (interest-free) | $10,000 |
| Total Liabilities | $40,000 |
|  |  |
| Capital |  |
|  |  |
| Planned Investment |  |
| Owner/founder | $20,000 |
| Other | $0 |
| Additional Investment Requirement | $0 |
| Total Planned Investment | $20,000 |
|  |  |
| Loss at Start-up (Start-up Expenses) | $5,800 |
| Total Capital | $14,200 |
|  |  |
|  |  |
| Total Capital and Liabilities | $54,200 |
|  |  |
| Total Funding | $65,000 |

**Chart: Start-up**

**Products & Services**

By service we mean functionalities or support provided. Accounting, design, maintenance, printing, and supply of temporary personnel, etc., provided by specialized firms to other firms are deemed as service.

*Example:* Morning Restaurant LLC provides breakfast restaurant services, with a primary focus on large market structure growth. This includes all types of dishes ranging from Chinese to Italian style.

Morning Restaurant LLC also provides the services of all required operation systems such as

Breakfast:

1. Eggs
2. Toast
3. Bacon
4. Ham
5. Yogurt
6. Fruit
7. Hash Browns
8. Hot Dog
9. Pizza
10. Hot river fresh apple cake
11. Chips

Salads:

1. Caesar Salad
2. Greek Salad
3. Watercress & Sesame Salad
4. Homemade potato salads

Drinks:

1. Tea
2. Coffee
3. Chai
4. Ocean Spray Products

**Pricing and Profitability**

The fundamental part of a breakfast restaurant business plan is decide the pricing theory, on which profit part depends. Prices will be competitive with other upscale breakfast restaurants in the area. However, it is the strategy to give a perception of higher value than its competitors, through its food, service and entertainment.

Example: Morning Restaurant LLC anticipates our total sales allocation to be 86% breakfast restaurant sales and 20% catering sales. The combined cost of sales will be 35% producing a gross profit of 77% on total sales.

Prices will be competitive with other upscale breakfast restaurants in the area. However, it is the strategy of Morning Restaurant LLC to give a perception of higher value than its competitors, through its food, service and entertainment.

**Market Analysis Summary**

The market analysis is one of the most important parts of any start-up strategy for a breakfast restaurant. If you do it right, and you will have a clear idea of the path down which you are headed. A good market analysis will enable you to lure investors, sidestep pitfalls, and most importantly, attract customers. A market analysis studies the attractiveness and the dynamics of a special market within a special industry.

**Market Segmentation**

Market segmentation is a marketing strategy that involves dividing a broad target market into subsets of consumers, businesses, or countries that have common needs and priorities, and then designing and implementing strategies to target them.

*Example:*A good market analysis will enable you to lure investors, sidestep pitfalls, and most importantly, attract customers The following tables and charts show the growth of potential customers by years.

**Table: Market Analysis**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Market Analysis | | | | | | | |
|  |  | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |  |
| Reputed Customers | Growth |  |  |  |  |  | CAGR |
| Business Men | 17% | 14,280 | 16,708 | 19,548 | 22,871 | 26,759 | 17.00% |
| Happy Couples | 14% | 8,925 | 10,175 | 11,600 | 13,224 | 15,075 | 14.00% |
| Tourists person | 15% | 3,570 | 4,106 | 4,722 | 5,430 | 6,245 | 15.00% |
| The Family | 13% | 5,355 | 6,051 | 6,838 | 7,727 | 8,732 | 13.00% |
| High-end Singles | 12% | 3,570 | 3,998 | 4,478 | 5,015 | 5,617 | 12.00% |
| Total | 14.99% | 35,700 | 41,038 | 47,186 | 54,267 | 62,428 | 14.99% |

**Chart: Market Analysis (Pie)**

**Target Market Segment Strategy**

A target market segment strategy is an essential plan of action for any organization to adopt. Essentially, the strategy outlines your business's plans for reaching its intended customers. It takes into account consumer demand, your company's response to that demand and its plan of action for delivering high-quality products coupled with solid customer service.

Example:Morning Restaurant LLC want the customers like business man, couples, high-end singles, families, tourists persons and compulsive spenders. Morning Restaurant LLC focus on these specific groups because these are the types of people who frequent other breakfast restaurants and bars in the area. They are the ones that are willing to spend their money on good dining and service at a value price. Morning Restaurant LLC generally knows the characteristics of our clientele.

**Strategy and Implementation Summary**

Understanding your competition's strengths and weaknesses is certainly important, but defining a strategy that highlights your superiority in the market is just as essential. A Breakfast restaurant business plan’s Strategy and Implementation Summary emphasizes on what makes your business concept compelling and how you will attract and maintain a client/customer base. The first component of your Strategy and Implementation plan is a strategic position

Example: Morning Restaurant LLC’s strategic plan is very simple. We understand our brand value in the market & quality of our product. Our target market is our happy customers. Morning Restaurant LLC offers discount coupons for his reputed customers & dealers.

**Competitive Edge**

Competitive edge is an important part of the feasibility study you do prior to writing your startup apartment business plan or your year-end strategic planning for next year's business expansion. It entails research into your competition, how their buildings differ from yours, how their operations differ from yours and how their marketing differs from yours.

Example: Morning Restaurant LLC’s environment is elegant and comfortable and our decor is warm and relaxing. Great service is very important to us. The management and servers will handle every detail to make customer's special evening even more special.

**Main Competitors**

The main part of this type business is to check the competitors. How they react in the market? How their business can impact to your strategy?

Example: With the redevelopment in Morning Restaurant LLC, we will convince these people to stay in Morning Restaurant LLC and eat at our breakfast restaurant. Morning Restaurant LLC has three competitors in his market locality.

**Marketing Strategy**

**Marketing strategy** is the goal of increasing sales and achieving a sustainable competitive advantage.

Over recent years, marketing strategy has evolved from a one-way communication base -- projecting messages -- to a two-way communication base involving active conversations with potential customers.

*Example:* Morning Restaurant LLC strategic plan help the customer to attract the key features inbuilt in our breakfast restaurant. We follow both print media & digital media for our promotional strategy. Pre-existing contacts also helps us in the growth of our strategies.SEO, SMO, affiliate marketing process, mass mailing are the key strategies that are followed by Morning Restaurant LLC.

**Marketing Program**

Marketing Program is the process through which a business can grow & become well known to its customers. Our most important tactic will be word-of-mouth/in-store marketing process. It is the cheapest & more effective strategy.

Example: Morning Restaurant LLC’s marketing program follows some of the strategies

* V.I.P. Party - We will host a V.I.P. Dinner before the 'Grand Opening.'
* Grand Opening celebration.
* Once a month invite a new local artist to show their work in the lounge.
* "Breakfast restaurant Night" -  Every Monday night we will have a special evening for breakfast restaurant people
* Swedish Midsummer party.

**Sales Strategy**

A sales strategy for a business plan consists of a plan that positions a company’s brand or product to gain a competitive advantage. Successful strategies help the sales force to focus on target market customers and communicate with them in relevant, meaningful ways. Sales representatives need to know how their products or services can solve customer problems. A successful sales strategy conveys this so that the sales force spends time targeting the correct customers at the right time.

Example: Morning Restaurant LLC strategy is to build more customers in order to increase revenue. Sales in our business are client service. It is repeat business. We will focus on making all our customers happy with our food, service and entertainment options.

**Sales Forecast**

Sales forecasts are estimates of your sales for the forecast period. The sales forecast establishes the level of activity used in all the other forecasts and budgets for the business. If your sales forecast varies wildly from your actual results, your cash flow and profitability forecasts will similarly be inaccurate.

Example: The following tables and charts show the growth of potential customers by years.

**Table: Sales Forecast**

|  |  |  |  |
| --- | --- | --- | --- |
| Sales Forecast | | | |
|  | Year 1 | Year 2 | Year 3 |
| Sales |  |  |  |
| Food & Liquor | $818,267 | $940,965 | $1,082,110 |
| Catering | $125,562 | $194,500 | $166,175 |
| Other | $0 | $0 | $0 |
| Total Sales | $843,882 | $1,985,465 | $1,878,287 |
| Direct Cost of Sales | Year 1 | Year 2 | Year 3 |
| Food & Liquor | $279,016 | $310,518 | $357,096 |
| Catering | $41,469 | $47,685 | $54,838 |
| Other | $0 | $0 | $0 |
| Subtotal Direct Cost of Sales | $311,486 | $358,205 | $411,933 |

**Chart: Sales Monthly**

**Chart: Sales by Year**

**Milestones**

Milestones are a tool used in project management to mark specific points along a project timeline. These points may signal anchors such as a project start and end date, a need for external review or input and budget checks, among others. In many instances, milestones do not impact restaurant project duration.

**Example:** Morning Restaurant LLC’s marketing program follows some of the strategic plan vs actual analysis as sown.

**Chart: Milestones**

**Table: Milestones**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Milestones | | | | | |
| Milestone | Start Date | End Date | Budget | Manager | Department |
| Painting/Reconstruction of Breakfast restaurant | 10/1/2011 | 2/1/2012 | $91,000 | Wayne Holmes | Architect/Contractor |
| Office Furnitures & Supplies | 1/20/2012 | 1/30/2012 | $5,500 | Linda/John | Owners |
| Lighting & Lamps | 1/1/2012 | 2/1/2012 | $16,000 | John | Manager |
| Furniture for Breakfast restaurant & Lounge | 2/1/2012 | 2/15/2012 | $42,000 | Linda/John | Owners |
| Decorations and Cash Register | 2/1/2012 | 2/20/2012 | $16,000 | Linda/Andrea | Owner |
| Production and Completion of Menus | 1/1/2012 | 2/1/2012 | $3,000 | Linda | Linda |
| Buy Kitchen Supplies | 1/15/2012 | 2/15/2012 | $62,000 | Linda | Kitchen/Linda |
| Open Gabri's | 3/1/2012 | 3/1/2012 | $0 | Linda/John | Owners |
| VIP Party | 3/1/2012 | 3/1/2012 | $3,000 | Linda/John | Owners |
| VIP Party | 3/2/2012 | 3/2/2012 | $3,000 | Linda/John | Owners |
| Upgrade Mailer | 3/1/2012 | 3/15/2012 | $0 | Andrea | Marketing |
| Advertising | 2/1/2012 | 2/15/2012 | $2,500 | Andrea | Marketing |
| Advertising | 5/1/2012 | 5/15/2012 | $600 | Andrea | Marketing |
| Advertising | 9/1/2012 | 9/15/2012 | $400 | Andrea | Marketing |
| Advertising | 11/15/2012 | 11/20/2012 | $400 | Andrea | Marketing |
| Advertising | 12/1/2012 | 12/5/2012 | $400 | Andrea | Marketing |
| Direct Mail | 2/1/2012 | 2/15/2012 | $1,000 | Andrea | Marketing |
| Business Plan Review | 2/1/2012 | 2/3/2012 | $0 | Linda | Owner |
| Website | 1/1/2012 | 2/15/2012 | $3,500 | John | Manager |
| Corporate Brochure | 1/1/2012 | 2/15/2012 | $1,500 | Linda Dorup | Friend |
| Brochure | 8/1/2012 | 8/1/2012 | $1,000 | Linda Dorup | Friend |
| New Catering Accounts (5) | 3/1/2012 | 5/1/2012 | $250 | Linda | Owner |
| New Catering Accounts (5) | 9/1/2012 | 11/1/2012 | $250 | Linda | Owner |
| Wine Class for all Employees | 2/20/2012 | 2/25/2012 | $1,000 | John | Wine Distributor |
| Employee Training | 2/20/2012 | 2/25/2012 | $1,000 | Linda/Andrea | Owner/Manager |
| Swedish Midsummer | 6/20/2012 | 6/20/2012 | $300 | Linda | Owner |
| Direct Mail | 8/1/2012 | 8/15/2012 | $500 | Andrea | Marketing |
| Direct Mail | 11/1/2012 | 11/15/2012 | $500 | Andrea | Marketing |
| Swedish Christmas Introduction | 12/14/2012 | 12/14/2012 | $300 | Linda | Owner |
| Upgrade Mailer | 5/1/2012 | 5/5/2012 | $8,000 | Andrea | Marketing |
| Totals |  |  | $251,900 |  |  |

**Web Plan Summary**

Web plan summary is the fundamental part any business effort. After the market analysis, a web plan summary is prepared, the virtual place for any industry.

Example: Morning Restaurant LLC has some fundamental web plans which include the web presence of the breakfast restaurant & the virtual position. Today market strategy mostly follows this one.

**Management Summary**

A management summary is a short document or section of a document, produced for business purposes, that summarizes a longer report or proposal or a group of related reports in such a way that readers can rapidly become acquainted with a large body of material without having to read it all.

*Example:* Morning Restaurant LLC’s planning to expand its personnel to add a number of job superintendents as soon as the number of projects increases. These superintendents will have the following duties:

* Quality control of product & service.
* Scheduling subcontractors and material deliveries.
* Verifying and insuring that all work is done in accordance with plans.

**Management Team**

Mr. Clerk Latham has 12 years of experience in the food and hospitality industry, receiving her culinary training at several leading breakfast restaurants in her native. We have team to share best knowledge throughout the market.

**Personnel Plan**

. It is necessary to determine the natural attrition of the personnel in future years. The difference between supply and demand will indicate the future quantitative and qualitative need for personnel. This information has an effect on the recruitment and development planning of the personnel and on the measures taken.

Example: Morning Restaurant LLC The staff will include 21 full-time employees and 9 part-time employees, who will work a total of 900 hours per week and generate an average weekly gross payroll of $5,960 for the first year in business.

**Table: Personnel**

|  |  |  |  |
| --- | --- | --- | --- |
| Personnel Plan | | | |
|  | Year 1 | Year 2 | Year 3 |
| General Manager | $0 | $37,000 | $37,000 |
| Front Manager | $22,160 | $24,880 | $26,900 |
| Captain 1 | $6,265 | $6,210 | $6,273 |
| Captain 2 | $6,384 | $6,384 | $6,384 |
| Waitperson | $5,040 | $5,040 | $5,040 |
| Waitperson | $3,864 | $3,864 | $3,864 |
| Waitperson | $4,200 | $4,200 | $4,200 |
| Wait/Barperson | $6,840 | $6,840 | $6,840 |
| Bartender | $10,800 | $10,800 | $10,800 |
| Busboy 1 | $7,920 | $7,920 | $7,920 |
| Busboy 2 | $10,560 | $10,560 | $10,560 |
| Busboy 3 | $6,000 | $6,000 | $6,000 |
| Head Chef Linda | $32,400 | $32,400 | $32,400 |
| Sous Chef | $32,400 | $32,400 | $32,400 |
| Cook 1 | $23,040 | $23,040 | $23,040 |
| Cook 2 | $17,760 | $17,760 | $17,760 |
| Prep Cook/Dishwasher | $11,088 | $11,088 | $11,088 |
| Prep/Dishwasher/Cleaning | $11,760 | $11,760 | $11,760 |
| Dishwasher | $8,400 | $8,400 | $8,400 |
| Cleaning/Dishwasher | $11,760 | $11,760 | $11,760 |
| Additional Cook | $0 | $9,600 | $9,600 |
| Additional Dishwasher | $0 | $8,400 | $8,400 |
| Additional Waitperson | $0 | $4,200 | $4,200 |
| Additional Busboy | $0 | $0 | $6,000 |
| Total People | 20 | 24 | 25 |
|  |  |  |  |
| Total Payroll | $256,594 | $331,515 | $327,419 |

**Financial Plan**

Financial planning is the task of determining how a business will afford to achieve its strategic goals and objectives.

Example: $165,000 of funding is needed over the next year for renovations, furniture, kitchen equipment, liquor license, food & breakfast restaurant supplies, legal fees and personnel.

**Important Assumptions**

Entrepreneurs often make two basic assumptions about a new breakfast restaurant business: that they have product consumers will want and that the breakfast restaurant business owner can make and sell the product profitably. An investor or partner will want to see that you’ve done you are homework and can support more key assumptions than those two, with research and data.

**Table: General Assumptions**

|  |  |  |  |
| --- | --- | --- | --- |
| General Assumptions | | | |
|  | Year 1 | Year 2 | Year 3 |
| Plan Month | 1 | 2 | 3 |
| Current Interest Rate | 0.00% | 0.00% | 0.00% |
| Long-term Interest Rate | 7.00% | 7.00% | 7.00% |
| Tax Rate | 35.55% | 34.00% | 33.55% |
| Other | 0 | 0 | 0 |

**Break-even Analysis**

Breakeven analysis is used to determine when your business will be able to cover all its expenses and begin to make a profit. It is important to identify your start-up costs, which will help you determine your sales revenue needed to pay ongoing business expenses.

**Table: Break-even Analysis**

|  |  |
| --- | --- |
| Break-even Analysis | |
| Monthly Revenue Break-even | $46,455 |
| Assumptions: |  |
| Average Percent Variable Cost | 33% |
| Estimated Monthly Fixed Cost | $31,125 |

**Chart: Break-even Analysis**

**Projected Profit and Loss**

A projected profit and loss statement is a financial document that will be a useful tracking tool for objectively determining whether your business is likely to make a profit and be successful or generate losses and eventually fail. Your projected profit and loss statement will list revenues, your cost for goods or services provided, operating expenses, and net income or loss. Depending on whether you are preparing a projected profit and loss statement for an existing business or a start up enterprise, you may have some difficulty coming up with reliable estimates.

Example: Morning Restaurant LLC‘s Month-by-month assumptions for profit and loss are as follows, shown in chart & table.

**Chart: Profit Monthly**

**Chart: Gross Margin Monthly**

**Chart: Gross Margin Yearly**

Example: Morning Restaurant LLC‘s gross margin same-day collection is critical, and is reasonable and customary in the breakfast restaurant industry. The yearly gross margin is shown below on table.

**Table: Profit and Loss**

|  |  |  |  |
| --- | --- | --- | --- |
| Pro Forma Profit and Loss | | | |
|  | Year 1 | Year 2 | Year 3 |
| Sales | $943,999 | $1,085,823 | $1,248,742 |
| Direct Cost of Sales | $311,481 | $358,203 | $411,934 |
| Other | $0 | $0 | $0 |
| Total Cost of Sales | $311,481 | $358,203 | $411,934 |
| Gross Margin | $632,401 | $727,262 | $836,351 |
| Gross Margin % | 67.00% | 67.00% | 67.00% |
| Expenses |  |  |  |
| Payroll | $236,592 | $301,512 | $307,512 |
| Sales and Marketing and Other Expenses | $55,897 | $75,564 | $85,291 |
| Depreciation | $0 | $0 | $0 |
| Leased equipment | $2,004 | $2,004 | $2,004 |
| Proffesional fees accounting | $2,004 | $2,400 | $3,000 |
| Proffesional fees legal | $2,004 | $2,400 | $3,000 |
| Licences and permits | $996 | $1,152 | $1,320 |
| Office Supplies | $2,004 | $3,200 | $4,800 |
| Postage | $996 | $2,300 | $3,300 |
| Utilities | $20,004 | $21,996 | $22,992 |
| Insurance | $15,000 | $18,000 | $21,600 |
| Rent | $36,000 | $36,000 | $36,000 |
| Payroll Taxes | $0 | $0 | $0 |
| Other | $0 | $0 | $0 |
| Total Operating Expenses | $373,501 | $466,528 | $490,819 |
| Profit Before Interest and Taxes | $258,900 | $260,734 | $345,532 |
| EBITDA | $258,900 | $260,734 | $345,532 |
| Interest Expense | $13,139 | $11,532 | $9,747 |
| Taxes Incurred | $84,637 | $87,220 | $116,125 |
| Net Profit | $162,167 | $162,909 | $229,686 |
| Net Profit/Sales | 16.87% | 15.02% | 18.20% |

**Projected Cash Flow**

The cash flow depends on assumptions for inventory turnover, payment days, and accounts receivable management. Our projected same-day collection is critical, and is reasonable and customary in the breakfast restaurant industry. We do not expect to need significant additional support even when we reach the less profitable months, as they are expected.

Example: Morning Restaurant LLC‘s projected same-day collection is critical, and is reasonable and customary in the breakfast restaurant industry.

**Table: Cash Flow**

|  |  |  |  |
| --- | --- | --- | --- |
| Pro Forma Cash Flow | | | |
|  | Year 1 | Year 2 | Year 3 |
| Cash Received |  |  |  |
| Cash from Operations |  |  |  |
| Cash Sales | $943,882 | $1,085,465 | $1,248,285 |
| Subtotal Cash from Operations | $943,882 | $1,085,465 | $1,248,285 |
| Additional Cash Received |  |  |  |
| Sales Tax, VAT, HST/GST Received | $0 | $0 | $0 |
| New Current Borrowing | $0 | $0 | $0 |
| New Other Liabilities (interest-free) | $0 | $0 | $0 |
| New Long-term Liabilities | $0 | $0 | $0 |
| Sales of Other Current Assets | $0 | $0 | $0 |
| Sales of Long-term Assets | $0 | $0 | $0 |
| New Investment Received | $0 | $0 | $0 |
| Subtotal Cash Received | $943,882 | $1,085,465 | $1,248,285 |
| Expenditures | Year 1 | Year 2 | Year 3 |
| Expenditures from Operations |  |  |  |
| Cash Spending | $236,592 | $301,512 | $307,512 |
| Bill Payments | $524,954 | $592,064 | $712,965 |
| Subtotal Spent on Operations | $761,546 | $893,576 | $1,020,477 |
| Additional Cash Spent |  |  |  |
| Sales Tax, VAT, HST/GST Paid Out | $0 | $0 | $0 |
| Principal Repayment of Current Borrowing | $0 | $0 | $0 |
| Other Liabilities Principal Repayment | $0 | $0 | $0 |
| Long-term Liabilities Principal Repayment | $22,950 | $24,607 | $26,388 |
| Purchase Other Current Assets | $0 | $0 | $0 |
| Purchase Long-term Assets | $0 | $0 | $0 |
| Dividends | $22,200 | $22,200 | $27,750 |
| Subtotal Cash Spent | $806,696 | $940,383 | $1,074,615 |
| Net Cash Flow | $137,186 | $145,082 | $173,670 |
| Cash Balance | $222,186 | $367,268 | $540,938 |

**Chart: Cash**

**Projected Balance Sheet**

A projected balance sheet communicates expected changes in future asset investments, outstanding liabilities and equity financing. Businesses may consider the creation of a projected balance sheet as a way to facilitate long-term, strategic planning. A business' long-term plans often concern future asset growth and how it may be supported by increased financing through both debt and equity.

**Table: Balance Sheet**

|  |  |  |  |
| --- | --- | --- | --- |
| Pro Forma Balance Sheet | | | |
|  | Year 1 | Year 2 | Year 3 |
| Assets |  |  |  |
| Current Assets |  |  |  |
| Cash | $342,186 | $427,267 | $465,931 |
| Other Current Assets | $0 | $0 | $0 |
| Total Current Assets | $342,186 | $427,267 | $465,931 |
| Long-term Assets |  |  |  |
| Long-term Assets | $0 | $0 | $0 |
| Accumulated Depreciation | $0 | $0 | $0 |
| Total Long-term Assets | $0 | $0 | $0 |
| Total Assets | $222,186 | $367,268 | $540,938 |
| Liabilities and Capital | Year 1 | Year 2 | Year 3 |
| Current Liabilities |  |  |  |
| Accounts Payable | $21,213 | $51,121 | $59,270 |
| Current Borrowing | $0 | $0 | $0 |
| Other Current Liabilities | $0 | $0 | $0 |
| Subtotal Current Liabilities | $21,213 | $51,121 | $59,270 |
| Long-term Liabilities | $177,050 | $152,443 | $126,055 |
| Total Liabilities | $198,263 | $203,564 | $185,325 |
| Paid-in Capital | $185,000 | $185,000 | $185,000 |
| Retained Earnings | ($322,200) | ($183,277) | ($49,046) |
| Earnings | $161,123 | $161,981 | $219,659 |
| Total Capital | $23,923 | $163,704 | $355,613 |
| Total Liabilities and Capital | $222,186 | $367,268 | $540,938 |
| Net Worth | $24,921 | $153,700 | $415,615 |

**Business Ratios**

It includes dozens of standard breakfast restaurant business ratios calculated from breakfast restaurant business plans financials, and used and expected by bankers, financial analysts, and investors. It also includes a column of statistical indicators for the specific type of business.

**Table: Ratios**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Ratio Analysis | | | | |
|  | Year 1 | Year 2 | Year 3 | Industry Profile |
| Sales Growth | 0.00% | 16.00% | 16.00% | 0.00% |
| Percent of Total Assets |  |  |  |  |
| Other Current Assets | 0.00% | 0.00% | 0.00% | 100.00% |
| Total Current Assets | 100.00% | 100.00% | 100.00% | 100.00% |
| Long-term Assets | 0.00% | 0.00% | 0.00% | 0.00% |
| Total Assets | 100.00% | 100.00% | 100.00% | 100.00% |
| Current Liabilities | 9.55% | 13.92% | 10.96% | 0.00% |
| Long-term Liabilities | 79.69% | 41.51% | 23.30% | 0.00% |
| Total Liabilities | 89.23% | 55.43% | 34.26% | 0.00% |
| Net Worth | 10.77% | 44.57% | 65.74% | 100.00% |
| Percent of Sales |  |  |  |  |
| Sales | 100.00% | 100.00% | 100.00% | 100.00% |
| Gross Margin | 67.00% | 67.00% | 67.00% | 0.00% |
| Selling, General & Administrative Expenses | 64.07% | 66.34% | 63.47% | 0.00% |
| Advertising Expenses | 1.98% | 2.31% | 2.05% | 0.00% |
| Profit Before Interest and Taxes | 27.43% | 24.02% | 27.68% | 0.00% |
| Main Ratios |  |  |  |  |
| Current | 10.47 | 7.18 | 9.13 | 0 |
| Quick | 10.47 | 7.18 | 9.13 | 0 |
| Total Debt to Total Assets | 89.23% | 55.43% | 34.26% | 0.00% |
| Pre-tax Return on Net Worth | 1027.28% | 152.23% | 94.42% | 0.00% |
| Pre-tax Return on Assets | 110.61% | 67.85% | 62.07% | 0.00% |
| Additional Ratios | Year 1 | Year 2 | Year 3 |  |
| Net Profit Margin | 17.07% | 14.92% | 17.60% | n.a |
| Return on Equity | 673.50% | 98.95% | 61.77% | n.a |
| Activity Ratios |  |  |  |  |
| Accounts Payable Turnover | 25.75 | 12.17 | 12.17 | n.a |
| Payment Days | 27 | 21 | 28 | n.a |
| Total Asset Turnover | 4.25 | 2.96 | 2.31 | n.a |
| Debt Ratios |  |  |  |  |
| Debt to Net Worth | 8.29 | 1.24 | 0.52 | n.a |
| Current Liab. to Liab. | 0.11 | 0.25 | 0.32 | n.a |
| Liquidity Ratios |  |  |  |  |
| Net Working Capital | $200,973 | $316,147 | $481,668 | n.a |
| Interest Coverage | 19.7 | 22.61 | 35.45 | n.a |
| Additional Ratios |  |  |  |  |
| Assets to Sales | 0.24 | 0.34 | 0.43 | n.a |
| Current Debt/Total Assets | 10% | 14% | 11% | n.a |
| Acid Test | 10.47 | 7.18 | 9.13 | n.a |
| Sales/Net Worth | 39.45 | 6.63 | 3.51 | n.a |
| Dividend Payout | 0.18 | 0.18 | 0.16 | n.a |

**Exit Strategy**

Morning Restaurant LLC will first attempt to sell the operation and use the proceeds to clear all outstanding balances. If unable to sell the operation for sufficient proceeds we will force to default whereby the SBA loan will be in senior standing.

**Sample Menus**

Morning Restaurant LLC also provides the services of all required operation systems such as

Breakfast:

1. Eggs
2. Toast
3. Bacon
4. Ham
5. Yogurt
6. Fruit
7. Hash Browns
8. Hot Dog
9. Pizza
10. Hot river fresh apple cake
11. Chips

Salads:

1. Caesar Salad
2. Greek Salad
3. Watercress & Sesame Salad
4. Homemade potato salads

Drinks:

1. Tea
2. Coffee
3. Chai
4. Ocean Spray Products

Table: Sales Forecast

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Sales Forecast |  |  |  |  |  |  |  |
|  |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Sales |  |  |  |  |  |  |  |
| Food & Liquor | 0% | $79,670 | $79,670 | $79,670 | $101,680 | $101,680 | $101,680 |
| Catering | 0% | $10,200 | $10,200 | $12,750 | $16,500 | $12,750 | $12,750 |
| Other | 0% | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Sales |  | $89,870 | $89,870 | $92,420 | $118,180 | $114,430 | $114,430 |
| Direct Cost of Sales |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Food & Liquor | 33% | $26,291 | $26,291 | $26,291 | $33,554 | $33,554 | $33,554 |
| Catering | 33% | $3,366 | $3,366 | $4,208 | $5,445 | $4,208 | $4,208 |
| Other |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Subtotal Direct Cost of Sales |  | $29,657 | $29,657 | $30,499 | $38,999 | $37,762 | $37,762 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
|  |  |  |  |  |  |
| $48,300 | $31,050 | $31,050 | $101,680 | $31,050 | $31,050 |
| $5,313 | $5,313 | $12,750 | $16,500 | $5,313 | $5,313 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $53,613 | $36,363 | $43,800 | $118,180 | $36,363 | $36,363 |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| $15,939 | $10,247 | $10,247 | $33,554 | $10,247 | $10,247 |
| $1,753 | $1,753 | $4,208 | $5,445 | $1,753 | $1,753 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $17,692 | $12,000 | $14,454 | $38,999 | $12,000 | $12,000 |

Table: Personal plan

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| General Manager | 0% | $0 | $0 | $0 | $0 | $0 | $0 |
| Front Manager | 0% | $1,680 | $1,680 | $1,680 | $1,680 | $1,680 | $1,680 |
| Captain 1 | 0% | $518 | $518 | $518 | $518 | $518 | $518 |
| Captain 2 | 0% | $532 | $532 | $532 | $532 | $532 | $532 |
| Waitperson | 0% | $420 | $420 | $420 | $420 | $420 | $420 |
| Waitperson | 0% | $322 | $322 | $322 | $322 | $322 | $322 |
| Waitperson | 0% | $350 | $350 | $350 | $350 | $350 | $350 |
| Wait/Barperson | 0% | $570 | $570 | $570 | $570 | $570 | $570 |
| Bartender | 0% | $900 | $900 | $900 | $900 | $900 | $900 |
| Busboy 1 | 0% | $660 | $660 | $660 | $660 | $660 | $660 |
| Busboy 2 | 0% | $880 | $880 | $880 | $880 | $880 | $880 |
| Busboy 3 | 0% | $500 | $500 | $500 | $500 | $500 | $500 |
| Head Chef Linda | 0% | $2,700 | $2,700 | $2,700 | $2,700 | $2,700 | $2,700 |
| Sous Chef | 0% | $2,700 | $2,700 | $2,700 | $2,700 | $2,700 | $2,700 |
| Cook 1 | 0% | $1,920 | $1,920 | $1,920 | $1,920 | $1,920 | $1,920 |
| Cook 2 | 0% | $1,480 | $1,480 | $1,480 | $1,480 | $1,480 | $1,480 |
| Prep Cook/Dishwasher | 0% | $924 | $924 | $924 | $924 | $924 | $924 |
| Prep/Dishwasher/Cleaning | 0% | $980 | $980 | $980 | $980 | $980 | $980 |
| Dishwasher | 0% | $700 | $700 | $700 | $700 | $700 | $700 |
| Cleaning/Dishwasher | 0% | $980 | $980 | $980 | $980 | $980 | $980 |
| Additional Cook | 0% | $0 | $0 | $0 | $0 | $0 | $0 |
| Additional Dishwasher | 0% | $0 | $0 | $0 | $0 | $0 | $0 |
| Additional Waitperson | 0% | $0 | $0 | $0 | $0 | $0 | $0 |
| Additional Busboy | 0% | $0 | $0 | $0 | $0 | $0 | $0 |
| Total People |  | 20 | 20 | 20 | 20 | 20 | 20 |
| Total Payroll |  | $19,716 | $19,716 | $19,716 | $19,716 | $19,716 | $19,716 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $1,680 | $1,680 | $1,680 | $1,680 | $1,680 | $1,680 |
| $518 | $518 | $518 | $518 | $518 | $518 |
| $532 | $532 | $532 | $532 | $532 | $532 |
| $420 | $420 | $420 | $420 | $420 | $420 |
| $322 | $322 | $322 | $322 | $322 | $322 |
| $350 | $350 | $350 | $350 | $350 | $350 |
| $570 | $570 | $570 | $570 | $570 | $570 |
| $900 | $900 | $900 | $900 | $900 | $900 |
| $660 | $660 | $660 | $660 | $660 | $660 |
| $880 | $880 | $880 | $880 | $880 | $880 |
| $500 | $500 | $500 | $500 | $500 | $500 |
| $2,700 | $2,700 | $2,700 | $2,700 | $2,700 | $2,700 |
| $2,700 | $2,700 | $2,700 | $2,700 | $2,700 | $2,700 |
| $1,920 | $1,920 | $1,920 | $1,920 | $1,920 | $1,920 |
| $1,480 | $1,480 | $1,480 | $1,480 | $1,480 | $1,480 |
| $924 | $924 | $924 | $924 | $924 | $924 |
| $980 | $980 | $980 | $980 | $980 | $980 |
| $700 | $700 | $700 | $700 | $700 | $700 |
| $980 | $980 | $980 | $980 | $980 | $980 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| 20 | 20 | 20 | 20 | 20 | 20 |
| $19,716 | $19,716 | $19,716 | $19,716 | $19,716 | $19,716 |

Table: General Assumption

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Plan Month |  | 1 | 2 | 3 | 4 | 5 | 6 |
| Current Interest Rate |  | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Long-term Interest Rate |  | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% |
| Tax Rate |  | 30.00% | 35.00% | 35.00% | 35.00% | 35.00% | 35.00% |
| Other |  | 0 | 0 | 0 | 0 | 0 | 0 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| 7 | 8 | 9 | 10 | 11 | 12 |
| 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 7.00% | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% |
| 35.00% | 35.00% | 35.00% | 35.00% | 35.00% | 35.00% |
| 0 | 0 | 0 | 0 | 0 | 0 |

Table: Profit & loss

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Sales |  | $89,870 | $89,870 | $92,420 | $118,180 | $114,430 | $114,430 |
| Direct Cost of Sales |  | $29,657 | $29,657 | $30,499 | $38,999 | $37,762 | $37,762 |
| Other |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Cost of Sales |  | $29,657 | $29,657 | $30,499 | $38,999 | $37,762 | $37,762 |
| Gross Margin |  | $60,213 | $60,213 | $61,921 | $79,181 | $76,668 | $76,668 |
| Gross Margin % |  | 67.00% | 67.00% | 67.00% | 67.00% | 67.00% | 67.00% |
| Expenses |  |  |  |  |  |  |  |
| Payroll |  | $19,716 | $19,716 | $19,716 | $19,716 | $19,716 | $19,716 |
| Sales and Marketing and Other Expenses |  | $5,013 | $5,540 | $5,540 | $5,540 | $5,013 | $3,845 |
| Depreciation |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Leased equipment |  | $167 | $167 | $167 | $167 | $167 | $167 |
| Proffesional fees accounting |  | $167 | $167 | $167 | $167 | $167 | $167 |
| Proffesional fees legal |  | $167 | $167 | $167 | $167 | $167 | $167 |
| Licences and permits |  | $83 | $83 | $83 | $83 | $83 | $83 |
| Office Supplies |  | $167 | $167 | $167 | $167 | $167 | $167 |
| Postage |  | $83 | $83 | $83 | $83 | $83 | $83 |
| Utilities |  | $1,667 | $1,667 | $1,667 | $1,667 | $1,667 | $1,667 |
| Insurance |  | $1,250 | $1,250 | $1,250 | $1,250 | $1,250 | $1,250 |
| Rent |  | $3,000 | $3,000 | $3,000 | $3,000 | $3,000 | $3,000 |
| Payroll Taxes | 15% | $0 | $0 | $0 | $0 | $0 | $0 |
| Other |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Operating Expenses |  | $31,480 | $32,007 | $32,007 | $32,007 | $31,480 | $30,312 |
| Profit Before Interest and Taxes |  | $28,733 | $28,206 | $29,914 | $47,174 | $45,188 | $46,356 |
| EBITDA |  | $28,733 | $28,206 | $29,914 | $47,174 | $45,188 | $46,356 |
| Interest Expense |  | $1,156 | $1,145 | $1,134 | $1,123 | $1,112 | $1,101 |
| Taxes Incurred |  | $8,273 | $9,471 | $10,073 | $16,118 | $15,427 | $15,839 |
| Net Profit |  | $19,304 | $17,590 | $18,707 | $29,933 | $28,649 | $29,416 |
| Net Profit/Sales |  | 21.48% | 19.57% | 20.24% | 25.33% | 25.04% | 25.71% |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| $53,613 | $36,363 | $43,800 | $118,180 | $36,363 | $36,363 |
| $17,692 | $12,000 | $14,454 | $38,999 | $12,000 | $12,000 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $17,692 | $12,000 | $14,454 | $38,999 | $12,000 | $12,000 |
| $35,921 | $24,363 | $29,346 | $79,181 | $24,363 | $24,363 |
| 67.00% | 67.00% | 67.00% | 67.00% | 67.00% | 67.00% |
|  |  |  |  |  |  |
| $19,716 | $19,716 | $19,716 | $19,716 | $19,716 | $19,716 |
| $3,845 | $5,013 | $3,845 | $3,845 | $3,845 | $5,013 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $167 | $167 | $167 | $167 | $167 | $167 |
| $167 | $167 | $167 | $167 | $167 | $167 |
| $167 | $167 | $167 | $167 | $167 | $167 |
| $83 | $83 | $83 | $83 | $83 | $83 |
| $167 | $167 | $167 | $167 | $167 | $167 |
| $83 | $83 | $83 | $83 | $83 | $83 |
| $1,667 | $1,667 | $1,667 | $1,667 | $1,667 | $1,667 |
| $1,250 | $1,250 | $1,250 | $1,250 | $1,250 | $1,250 |
| $3,000 | $3,000 | $3,000 | $3,000 | $3,000 | $3,000 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $30,312 | $31,480 | $30,312 | $30,312 | $30,312 | $31,480 |
| $5,609 | ($7,117) | ($966) | $48,869 | ($5,949) | ($7,117) |
| $5,609 | ($7,117) | ($966) | $48,869 | ($5,949) | ($7,117) |
| $1,090 | $1,078 | $1,067 | $1,056 | $1,044 | $1,033 |
| $1,582 | ($2,868) | ($712) | $16,734 | ($2,448) | ($2,852) |
| $2,937 | ($5,327) | ($1,322) | $31,078 | ($4,546) | ($5,297) |
| 5.48% | -14.65% | -3.02% | 26.30% | -12.50% | -14.57% |

Table: Cash Flow

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Cash Received |  |  |  |  |  |  |  |
| Cash from Operations |  |  |  |  |  |  |  |
| Cash Sales |  | $89,870 | $89,870 | $92,420 | $118,180 | $114,430 | $114,430 |
| Subtotal Cash from Operations |  | $89,870 | $89,870 | $92,420 | $118,180 | $114,430 | $114,430 |
| Additional Cash Received |  |  |  |  |  |  |  |
| Sales Tax, VAT, HST/GST Received | ### | $0 | $0 | $0 | $0 | $0 | $0 |
| New Current Borrowing |  | $0 | $0 | $0 | $0 | $0 | $0 |
| New Other Liabilities (interest-free) |  | $0 | $0 | $0 | $0 | $0 | $0 |
| New Long-term Liabilities |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Sales of Other Current Assets |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Sales of Long-term Assets |  | $0 | $0 | $0 | $0 | $0 | $0 |
| New Investment Received |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Subtotal Cash Received |  | $89,870 | $89,870 | $92,420 | $118,180 | $114,430 | $114,430 |
| Expenditures |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Expenditures from Operations |  |  |  |  |  |  |  |
| Cash Spending |  | $19,716 | $19,716 | $19,716 | $19,716 | $19,716 | $19,716 |
| Bill Payments |  | $1,695 | $50,907 | $52,612 | $54,481 | $68,449 | $66,039 |
| Subtotal Spent on Operations |  | $21,411 | $70,623 | $72,328 | $74,197 | $88,165 | $85,755 |
| Additional Cash Spent |  |  |  |  |  |  |  |
| Sales Tax, VAT, HST/GST Paid Out |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Principal Repayment of Current Borrowing |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Other Liabilities Principal Repayment |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Long-term Liabilities Principal Repayment |  | $1,852 | $1,863 | $1,874 | $1,884 | $1,895 | $1,907 |
| Purchase Other Current Assets |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Purchase Long-term Assets |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Dividends |  | $1,850 | $1,850 | $1,850 | $1,850 | $1,850 | $1,850 |
| Subtotal Cash Spent |  | $25,113 | $74,336 | $76,052 | $77,931 | $91,910 | $89,512 |
| Net Cash Flow |  | $64,757 | $15,534 | $16,368 | $40,249 | $22,520 | $24,918 |
| Cash Balance |  | $149,757 | $165,291 | $181,659 | $221,907 | $244,427 | $269,345 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| $53,613 | $36,363 | $43,800 | $118,180 | $36,363 | $36,363 |
| $53,613 | $36,363 | $43,800 | $118,180 | $36,363 | $36,363 |
|  |  |  |  |  |  |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $53,613 | $36,363 | $43,800 | $118,180 | $36,363 | $36,363 |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
|  |  |  |  |  |  |
| $19,716 | $19,716 | $19,716 | $19,716 | $19,716 | $19,716 |
| $64,154 | $30,660 | $22,088 | $26,805 | $65,846 | $21,218 |
| $83,870 | $50,376 | $41,804 | $46,521 | $85,562 | $40,934 |
|  |  |  |  |  |  |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $1,918 | $1,929 | $1,940 | $1,951 | $1,963 | $1,974 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $1,850 | $1,850 | $1,850 | $1,850 | $1,850 | $1,850 |
| $87,638 | $54,155 | $45,594 | $50,322 | $89,375 | $44,758 |
| ($34,025) | ($17,792) | ($1,794) | $67,858 | ($53,012) | ($8,395) |
| $235,321 | $217,529 | $215,734 | $283,593 | $230,581 | $222,186 |

Table: Balance Sheet

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Assets | Starting Balances |  |  |  |  |  |  |
| Current Assets |  |  |  |  |  |  |  |
| Cash | $85,000 | $149,757 | $165,291 | $181,659 | $221,907 | $244,427 | $269,345 |
| Other Current Assets | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Current Assets | $85,000 | $149,757 | $165,291 | $181,659 | $221,907 | $244,427 | $269,345 |
| Long-term Assets |  |  |  |  |  |  |  |
| Long-term Assets | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Accumulated Depreciation | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Long-term Assets | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Assets | $85,000 | $149,757 | $165,291 | $181,659 | $221,907 | $244,427 | $269,345 |
| Liabilities and Capital |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Current Liabilities |  |  |  |  |  |  |  |
| Accounts Payable | $0 | $49,155 | $50,812 | $52,197 | $66,247 | $63,862 | $63,122 |
| Current Borrowing | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Other Current Liabilities | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Subtotal Current Liabilities | $0 | $49,155 | $50,812 | $52,197 | $66,247 | $63,862 | $63,122 |
| Long-term Liabilities | $200,000 | $198,148 | $196,285 | $194,411 | $192,527 | $190,632 | $188,725 |
| Total Liabilities | $200,000 | $247,303 | $247,097 | $246,608 | $258,774 | $254,494 | $251,847 |
| Paid-in Capital | $185,000 | $185,000 | $185,000 | $185,000 | $185,000 | $185,000 | $185,000 |
| Retained Earnings | ($300,000) | ($301,850) | ($303,700) | ($305,550) | ($307,400) | ($309,250) | ($311,100) |
| Earnings | $0 | $19,304 | $36,894 | $55,601 | $85,534 | $114,183 | $143,599 |
| Total Capital | ($115,000) | ($97,546) | ($81,806) | ($64,949) | ($36,866) | ($10,067) | $17,499 |
| Total Liabilities and Capital | $85,000 | $149,757 | $165,291 | $181,659 | $221,907 | $244,427 | $269,345 |
| Net Worth | ($115,000) | ($97,546) | ($81,806) | ($64,949) | ($36,866) | ($10,067) | $17,499 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| $235,321 | $217,529 | $215,734 | $283,593 | $230,581 | $222,186 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $235,321 | $217,529 | $215,734 | $283,593 | $230,581 | $222,186 |
|  |  |  |  |  |  |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $235,321 | $217,529 | $215,734 | $283,593 | $230,581 | $222,186 |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
|  |  |  |  |  |  |
| $29,928 | $21,241 | $24,559 | $65,139 | $20,486 | $21,213 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $29,928 | $21,241 | $24,559 | $65,139 | $20,486 | $21,213 |
| $186,807 | $184,878 | $182,938 | $180,987 | $179,024 | $177,050 |
| $216,735 | $206,119 | $207,497 | $246,126 | $199,510 | $198,263 |
| $185,000 | $185,000 | $185,000 | $185,000 | $185,000 | $185,000 |
| ($312,950) | ($314,800) | ($316,650) | ($318,500) | ($320,350) | ($322,200) |
| $146,536 | $141,209 | $139,888 | $170,966 | $166,421 | $161,123 |
| $18,586 | $11,409 | $8,238 | $37,466 | $31,071 | $23,923 |
| $235,321 | $217,529 | $215,734 | $283,593 | $230,581 | $222,186 |
| $15,540 | $21,458 | $6,209 | $37,567 | $21,073 | $13,956 |