**Bar and Grill business plan**

Executive Summary

The purpose of executive summary is to summarize the highlights of the project and to provide a brief snapshot of the business. The reader can specify the size and type of the company, its management team, products and services it offers to the target markets, and the financial goals. If your business plan is designed to help you get a funding, include the information about the amount and purpose of the funds you are seeking.

Example: ABC Bar & Grill LLC plan to create an environment of pampered luxury that surpasses the standard fare for Dusty Corners. Expanding our exposure via the Internet and introducing the Bar to people that have not yet discovered this year-round paradise will allow us to maintain a higher than average occupancy rate and above average profits.

Mission

A mission statement is a key tool that can be as important as your business plan. It captures, in a few succinct sentences, the essence of your business's goals and the philosophies underlying them

Example: ABC Bar & Grill LLC’s will accomplish this by offering abundant beer, and food at reasonable prices. By providing the Madison market with the opportunity to participate in this increasingly popular table game, ABC Bar & Grill will become a Madison favourite. The business will be operated on the premise that satisfied customers are imperative to a sustainable business.

Keys to Success

The combination of important facts that is required in order to accomplish one or more desirable business goals for the industry. One of the key to success is promoting & advertising achieving the customers mind.

Example: ABC Bar & Grill LLC’s keys to success include:

* Employ strict financial controls. This is especially important for a bar where, without financial controls, employ theft could bring the business to bankruptcy.
* Treat every customer as though they are the most important customer to us.
* Continually look for improvements in the business model as well as operating systems.

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: ABC Bar & Grill LLC is an established Bar has been in operation for the last forty-four years as Thirsty Creek Lodge and The Lodge at Lowland Heights. After taking possession and a brief period of becoming established, we added a bar to ensure a steady flow of patrons (tourists and Corporate) through its doors. The past four owners had only owned the property for two to three years each, the business has not been operated to its fullest capacity and was run down.

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 start-up expenses, preliminary expenses, or pre-opening

Example: Mr. Michel Clerk will invest personal funds. The remainder of the required financing will come from a 15 year Small Business Administration (SBA) loan.

* **Lighting:** While the chosen space has lights for the area in general, additional lighting will need to be set up for proper table play
  + **Stools, tables, counter top and chairs:** These items will be purchased to provide a place for non-players to relax and socialize.
  + **Kitchen equipment:** These are the items necessary for serving a bar menu and liquid refreshments. Needed items include: glasses, silverware, plates, microwave, convection oven, refrigerator and freezer, serving/cooking utensils, a beer tap system, a fountain dispenser for soft drinks.

* **Attorney fees:** The needed legal services include business formation advice and assistance, basic contract reviews, and general business advice.
* **Consultants:** A business consultant will be utilized for assistance in setting up various operating systems for the entity.
* **Various marketing information such as brochures, stationery, etc.**

Table: Start-up funding

|  |  |
| --- | --- |
| Start-up Funding | |
| Start-up Expenses to Fund | $40,800 |
| Start-up Assets to Fund | $109,200 |
| Total Funding Required | $150,000 |
| Assets |  |
| Non-cash Assets from Start-up | $100,000 |
| Cash Requirements from Start-up | $9,200 |
| Additional Cash Raised | $0 |
| Cash Balance on Starting Date | $9,200 |
| Total Assets | $109,200 |
| Liabilities and Capital |  |
| Liabilities |  |
| Current Borrowing | $0 |
| Long-term Liabilities | $100,000 |
| Accounts Payable (Outstanding Bills) | $0 |
| Other Current Liabilities (interest-free) | $0 |
| Total Liabilities | $100,000 |
| Capital |  |
| Planned Investment |  |
| Richard | $50,000 |
| Investor 2 | $0 |
| Other | $0 |
| Additional Investment Requirement | $0 |
| Total Planned Investment | $50,777 |
| Loss at Start-up (Start-up Expenses) | ($40,800) |
| Total Capital | $9,580 |
| Total Capital and Liabilities | $169,800 |
| Total Funding | $161,888 |

Table: Start Up

|  |  |
| --- | --- |
| Start-up | |
| Requirements |  |
| Start-up Expenses |  |
| Legal | $3,777 |
| Stationery etc. | $300 |
| Rent | $1,000 |
| Start-Up Inventory | $15,000 |
| Leased Equipment | $1,500 |
| Start-Up Equipment | $20,000 |
| Other | $0 |
| Total Start-up Expenses | $40,800 |
| Start-up Assets |  |
| Cash Required | $9,580 |
| Other Current Assets | $0 |
| Long-term Assets | $122,000 |
| Total Assets | $169,800 |
| Total Requirements | $161,888 |

The following table and chart show projected initial start-up costs ABC Bar & Grill LLC

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: ABC Bar & Grill LLC will offer customers a lively and entertaining atmosphere to hangout with their friends, family or colleagues.

Market Analysis Summary

The market analysis is one of the most important parts of any start-up strategy. 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.

Table: Market Analysis

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Market Analysis | | | | | | | |
|  |  | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |  |
| Corporate guests | Growth |  |  |  |  |  | CAGR |
| Permanent Guests | 15% | 4,000 | 4,600 | 5,290 | 6,084 | 6,997 | 15.00% |
| Tourist | 15% | 40,000 | 46,000 | 52,900 | 60,835 | 69,960 | 15.00% |
| Other | 2% | 5000 | 5600 | 6000 | 7000 | 11000 | 0.00% |
| Total | 15.00% | 44,000 | 50,600 | 58,190 | 66,919 | 76,957 | 15.00% |

Example: ABC Bar & Grill LLC’s target market strategy is based on becoming a destination for people who are looking to get away for a vacation or an area to hunt in. Our marketing strategy is based on superior performance in the following areas:

* Quality facilities
* Beautiful location
* Customer service

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: The table and chart below further estimates the total market potential of services rendered by ABC Bar & Grill LLC in the market area.

Characteristics of the individuals that make up this group are:

* Gender 85% male.
* Ages 17- 28.
* College students- 74% of the participants are in college or recently graduated from college.
* 69% play pool but prefer foosball because it combines similar levels of skill but at a much faster, exciting pace.

Target Market Segment Strategy

Marketers must address prospects who seek to be heard and valued while they learn about housing options. Now more than ever, marketing is about engaging and building relationships while informing the masses.

Example: The niche where ABC Bar & Grill LLC positions itself represents one convenient location for business clients and tourists.

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 Bar & Grill business plan’s Strategy and Implementation Summary emphasizes on what makes your business concept compelling and how you will attract and maintain a customer base. The first component of your Strategy and Implementation plan is a strategic position

Example: ABC Bar & Grill LLC will promote through our website by using:

* Detailed photos of the bar and surrounding area.
* Price list of things on offer.

Competitive Edge

Establishing your competitive edge is an important part of the feasibility study you do prior to writing your start-up Bar & Grill 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: ABC Bar & Grill LLC sets itself apart from similar competition in the following ways.

* **Location**: Having a Bar & Grill, restaurant, bar all at one facility is a huge plus
* **Customer service**: Customer service is our number one priority.

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.

Table: Sales Forecast

|  |  |  |  |
| --- | --- | --- | --- |
| Sales Forecast | | | |
|  | Year 1 | Year 2 | Year 3 |
| Sales |  |  |  |
| Summer customers | $217,000 | $219,000 | $215,000 |
| Drop-In Customers | $98,222 | $110,111 | $120,123 |
| Total Sales | $235,000 | $252,000 | $275,000 |
| Direct Cost of Sales | Year 1 | Year 2 | Year 3 |
| Summer Customers | $5,550 | $6,200 | $6,800 |
| Drop-In Customers | $4,700 | $5,500 | $6,000 |
| Subtotal Direct Cost of Sales | $21,250 | $22,780 | $24,833 |

Example: The sales forecast for the upcoming year is based on a 10% growth rate for direct sales. We expect the business to increase as the year progresses.

Chart: Sales Monthly

 Chart: Sales Yearly

Management Summary

An executive summary, or 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: Mr. Clerk will operate as an owner-occupied business. A small staff will be hired early next year consisting of a cook and maid along with a maintenance man.

Both of these technicians have a history of exceptional workmanship and great customer relations.

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: The personnel needed for the ABC Bar & Grill LLC are the following:

* Manager
* Assistant manager
* Cook
* Maintenance person
* Cleaning person

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 | $21,776 |
| Assumptions: |  |
| Average Percent Variable Cost | 4% |
| Estimated Monthly Fixed Cost | $21,776 |

Example: The monthly break-even point is presented in the table and chart below by ABC Bar & Grill LLC

### Projected Profit and Loss

### This is an essential document that either you or your accountant should put together. It 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.

### Example: ABC Bar & Grill LLC preparing a projected profit and loss statement for existing business.

The following table and chart show projected profit and loss for some years.

Table: Pro Forma Profit and Loss

|  |  |  |  |
| --- | --- | --- | --- |
| Pro Forma Profit and Loss | | | |
|  | Year 1 | Year 2 | Year 3 |
| Sales | $343,000 | $346,000 | $355,000 |
| Direct Cost of Sales | $10,250 | $11,700 | $12,800 |
| Other Production Expenses | $0 | $0 | $0 |
| Total Cost of Sales | $10,250 | $11,700 | $12,800 |
| Gross Margin | $224,750 | $240,300 | $262,200 |
| Gross Margin % | 95.64% | 95.36% | 95.35% |
| Expenses |  |  |  |
| Payroll | $144,000 | $156,000 | $174,000 |
| Sales and Marketing and Other Expenses | $7,400 | $5,400 | $5,400 |
| Depreciation | $2,220 | $2,220 | $2,220 |
| Leased Equipment | $15,400 | $18,400 | $19,400 |
| Utilities | $2,400 | $2,400 | $2,400 |
| Insurance | $0 | $0 | $0 |
| Rent | $12,000 | $12,000 | $12,000 |
| Payroll Taxes | $21,600 | $23,400 | $26,100 |
| Other | $0 | $0 | $0 |
| Total Operating Expenses | $204,020 | $215,820 | $236,520 |
| Profit Before Interest and Taxes | $20,730 | $24,480 | $25,680 |
| EBITDA | $22,950 | $26,700 | $27,900 |
| Interest Expense | $10,000 | $10,000 | $10,000 |
| Taxes Incurred | $3,219 | $4,344 | $4,704 |
| Net Profit | $7,511 | $10,136 | $10,976 |
| Net Profit/Sales | 4.20% | 5.04% | 4.96% |

Chart: Profit monthly

Chart: Profit Yearly

Example: The following table and charts show the Marginal sales forecast for ABC Bar & Grill LLC

Chart: Gross Marginal Monthly

Example: The following table and charts show the Gross margin forecast for ABC Bar & Grill LLC

Chart: Gross Margin Yearly

### Projected Cash Flow

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### Cash flow management is a key aspect of financial management of a business, planning its future cash requirements to avoid a crisis of liquidity. Cash flow forecasting is important because if a business runs out of cash and is not able to obtain new finance.

### Example: The table and chart show the projected cash flow for three years by ABC Bar & Grill LLC.

### Table: Pro Forma Cash Flow

|  |  |  |  |
| --- | --- | --- | --- |
| Pro Forma Cash Flow | | | |
|  | Year 1 | Year 2 | Year 3 |
| Cash Received |  |  |  |
| Cash from Operations |  |  |  |
| Cash Sales | $324,000 | $345,000 | $411,000 |
| Subtotal Cash from Operations | $235,111 | $254,000 | $285,000 |
| 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 | $235,000 | $252,000 | $275,000 |
| Expenditures | Year 1 | Year 2 | Year 3 |
| Expenditures from Operations |  |  |  |
| Cash Spending | $144,000 | $156,000 | $174,000 |
| Bill Payments | $74,582 | $83,456 | $87,462 |
| Subtotal Spent on Operations | $218,582 | $239,456 | $261,462 |
| 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 | $0 | $0 | $0 |
| Purchase Other Current Assets | $0 | $0 | $0 |
| Purchase Long-term Assets | $0 | $0 | $0 |
| Dividends | $0 | $0 | $0 |
| Subtotal Cash Spent | $218,582 | $239,456 | $261,462 |
| Net Cash Flow | $16,418 | $12,544 | $13,538 |
| Cash Balance | $32,618 | $39,164 | $54,740 |

### 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.

### Example: ABC Bar & Grill LLC’s market growth & strategic analysis will create a high value of gross margin in the market.

The table shows the projected balance sheet for three years by ABC Bar & Grill LLC

Table: Pro Forma Balance Sheet

|  |  |  |  |
| --- | --- | --- | --- |
| Pro Forma Balance Sheet | | | |
|  | Year 1 | Year 2 | Year 3 |
| Assets |  |  |  |
| Current Assets |  |  |  |
| Cash | $25,625 | $38,125 | $61,789 |
| Other Current Assets | $0 | $0 | $0 |
| Total Current Assets | $25,618 | $38,162 | $51,700 |
| Long-term Assets |  |  |  |
| Long-term Assets | $100,000 | $100,000 | $100,000 |
| Accumulated Depreciation | $2,220 | $4,440 | $6,660 |
| Total Long-term Assets | $97,780 | $95,560 | $93,340 |
| Total Assets | $123,398 | $133,722 | $145,040 |
| Liabilities and Capital | Year 1 | Year 2 | Year 3 |
| Current Liabilities |  |  |  |
| Accounts Payable | $6,687 | $6,875 | $7,217 |
| Current Borrowing | $0 | $0 | $0 |
| Other Current Liabilities | $0 | $0 | $0 |
| Subtotal Current Liabilities | $6,687 | $6,875 | $7,217 |
| Long-term Liabilities | $100,000 | $100,000 | $100,000 |
| Total Liabilities | $106,687 | $106,875 | $107,217 |
| Paid-in Capital | $50,000 | $50,000 | $50,000 |
| Retained Earnings | ($40,800) | ($33,289) | ($23,153) |
| Earnings | $7,511 | $10,136 | $10,976 |
| Total Capital | $16,711 | $26,847 | $37,823 |
| Total Liabilities and Capital | $123,398 | $133,722 | $145,040 |
| Net Worth | $16,774 | $26,287 | $35,861 |

Business Ratios

It includes dozens of standard business ratios calculated from Bar & Grill 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. This industry information is classified and categorized by Standard Industrial Classification.

Example: Business ratios for the years of this plan are shown below. Industry profile ratios based on the Standard Classification (SC) shown for comparison.

Table: Ratio Analysis

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Ratio Analysis | | | | |
|  | Year 1 | Year 2 | Year 3 | Industry Profile |
| Sales Growth | 0.00% | 7.23% | 9.13% | 6.10% |
| Percent of Total Assets |  |  |  |  |
| Other Current Assets | 0.00% | 0.00% | 0.00% | 27.50% |
| Total Current Assets | 20.76% | 28.54% | 35.65% | 76.90% |
| Long-term Assets | 79.24% | 71.46% | 64.35% | 23.10% |
| Total Assets | 100.00% | 100.00% | 100.00% | 100.00% |
| Current Liabilities | 5.42% | 5.14% | 4.98% | 36.90% |
| Long-term Liabilities | 81.04% | 74.78% | 68.95% | 15.80% |
| Total Liabilities | 86.46% | 79.92% | 73.92% | 52.70% |
| Net Worth | 13.54% | 20.08% | 26.08% | 47.30% |
| Percent of Sales |  |  |  |  |
| Sales | 100.00% | 100.00% | 100.00% | 100.00% |
| Gross Margin | 95.64% | 95.36% | 95.35% | 0.00% |
| Selling, General & Administrative Expenses | 92.44% | 91.33% | 92.26% | 83.50% |
| Advertising Expenses | 0.85% | 0.00% | 0.00% | 0.50% |
| Profit Before Interest and Taxes | 8.82% | 9.71% | 9.34% | 3.10% |
| Main Ratios |  |  |  |  |
| Current | 3.83 | 5.55 | 7.16 | 2.26 |
| Quick | 3.83 | 5.55 | 7.16 | 1.47 |
| Total Debt to Total Assets | 86.46% | 79.92% | 73.92% | 52.70% |
| Pre-tax Return on Net Worth | 64.21% | 53.94% | 41.46% | 7.00% |
| Pre-tax Return on Assets | 8.70% | 10.83% | 10.81% | 14.70% |
| Additional Ratios | Year 1 | Year 2 | Year 3 |  |
| Net Profit Margin | 3.20% | 4.02% | 3.99% | n.a |
| Return on Equity | 44.95% | 37.75% | 29.02% | n.a |
| Activity Ratios |  |  |  |  |
| Accounts Payable Turnover | 12.15 | 12.17 | 12.17 | n.a |
| Payment Days | 27 | 30 | 29 | n.a |
| Total Asset Turnover | 1.9 | 1.88 | 1.9 | n.a |
| Debt Ratios |  |  |  |  |
| Debt to Net Worth | 6.38 | 3.98 | 2.83 | n.a |
| Current Liab. to Liab. | 0.06 | 0.06 | 0.07 | n.a |
| Liquidity Ratios |  |  |  |  |
| Net Working Capital | $18,931 | $31,287 | $44,483 | n.a |
| Interest Coverage | 2.07 | 2.45 | 2.57 | n.a |
| Additional Ratios |  |  |  |  |
| Assets to Sales | 0.53 | 0.53 | 0.53 | n.a |
| Current Debt/Total Assets | 5% | 5% | 5% | n.a |
| Acid Test | 3.83 | 5.55 | 7.16 | n.a |
| Sales/Net Worth | 14.06 | 9.39 | 7.27 | n.a |
| Dividend Payout | 0 | 0 | 0 | n.a |

Table: Sales Forecast

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Sales |  |  |  |  |  |  |  |
| Service Contracts | 0% | $9,000 | $11,000 | $12,000 | $12,000 | $12,000 | $12,000 |
| Walk-In Customers | 0% | $4,000 | $5,000 | $7,000 | $8,000 | $9,000 | $10,000 |
| Total Sales |  | $13,000 | $16,000 | $19,000 | $20,000 | $21,000 | $22,000 |
| Direct Cost of Sales |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Service Contracts |  | $300 | $400 | $450 | $400 | $400 | $450 |
| Walk-In Customers |  | $200 | $200 | $300 | $350 | $350 | $400 |
| Subtotal Direct Cost of Sales |  | $500 | $600 | $750 | $750 | $750 | $850 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
|  |  |  |  |  |  |
| $12,000 | $11,000 | $12,000 | $11,000 | $12,000 | $11,000 |
| $8,000 | $9,000 | $10,000 | $10,000 | $9,000 | $9,000 |
| $20,000 | $20,000 | $22,000 | $21,000 | $21,000 | $20,000 |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| $500 | $500 | $475 | $575 | $600 | $500 |
| $450 | $450 | $500 | $500 | $500 | $500 |
| $950 | $950 | $975 | $1,075 | $1,100 | $1,000 |

Table: Personal Plan

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Richard Abbey | 0% | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 |
| John Williamson | 0% | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 |
| Jim Logan | 0% | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 |
| Other | 0% | $0 | $0 | $0 | $0 | $0 | $0 |
| Total People |  | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Payroll |  | $12,000 | $12,000 | $12,000 | $12,000 | $12,000 | $12,000 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| $4,000 | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 |
| $4,000 | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 |
| $4,000 | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| $12,000 | $12,000 | $12,000 | $12,000 | $12,000 | $12,000 |

Example: The following table and charts show the projected general assumption forecast for ABC Bar & Grill LLC

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 |  | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| Long-term Interest Rate |  | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| Tax Rate |  | 30.00% | 30.00% | 30.00% | 30.00% | 30.00% | 30.00% |
| 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 |
| 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| 30.00% | 30.00% | 30.00% | 30.00% | 30.00% | 30.00% |
| 0 | 0 | 0 | 0 | 0 | 0 |

Example: The following table and charts show the projected profit & loss forecast for ABC Bar & Grill LLC

Table: Profit & loss

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Sales |  | $13,000 | $16,000 | $19,000 | $20,000 | $21,000 | $22,000 |
| Direct Cost of Sales |  | $500 | $600 | $750 | $750 | $750 | $850 |
| Other Production Expenses |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Cost of Sales |  | $500 | $600 | $750 | $750 | $750 | $850 |
| Gross Margin |  | $12,500 | $15,400 | $18,250 | $19,250 | $20,250 | $21,150 |
| Gross Margin % |  | 96.15% | 96.25% | 96.05% | 96.25% | 96.43% | 96.14% |
| Expenses |  |  |  |  |  |  |  |
| Payroll |  | $12,000 | $12,000 | $12,000 | $12,000 | $12,000 | $12,000 |
| Sales and Marketing and Other Expenses |  | $800 | $800 | $900 | $1,000 | $500 | $400 |
| Depreciation |  | $185 | $185 | $185 | $185 | $185 | $185 |
| Leased Equipment |  | $1,200 | $1,200 | $1,200 | $1,200 | $1,200 | $1,200 |
| Utilities |  | $200 | $200 | $200 | $200 | $200 | $200 |
| Insurance |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Rent |  | $1,000 | $1,000 | $1,000 | $1,000 | $1,000 | $1,000 |
| Payroll Taxes | 15% | $1,800 | $1,800 | $1,800 | $1,800 | $1,800 | $1,800 |
| Other |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Operating Expenses |  | $17,185 | $17,185 | $17,285 | $17,385 | $16,885 | $16,785 |
| Profit Before Interest and Taxes |  | ($4,685) | ($1,785) | $965 | $1,865 | $3,365 | $4,365 |
| EBITDA |  | ($4,500) | ($1,600) | $1,150 | $2,050 | $3,550 | $4,550 |
| Interest Expense |  | $833 | $833 | $833 | $833 | $833 | $833 |
| Taxes Incurred |  | ($1,655) | ($786) | $39 | $309 | $759 | $1,060 |
| Net Profit |  | ($3,863) | ($1,833) | $92 | $722 | $1,772 | $2,472 |
| Net Profit/Sales |  | -29.71% | -11.46% | 0.49% | 3.61% | 8.44% | 11.24% |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| $20,000 | $20,000 | $22,000 | $21,000 | $21,000 | $20,000 |
| $950 | $950 | $975 | $1,075 | $1,100 | $1,000 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $950 | $950 | $975 | $1,075 | $1,100 | $1,000 |
| $19,050 | $19,050 | $21,025 | $19,925 | $19,900 | $19,000 |
| 95.25% | 95.25% | 95.57% | 94.88% | 94.76% | 95.00% |
|  |  |  |  |  |  |
| $12,000 | $12,000 | $12,000 | $12,000 | $12,000 | $12,000 |
| $500 | $500 | $300 | $600 | $600 | $500 |
| $185 | $185 | $185 | $185 | $185 | $185 |
| $1,200 | $1,200 | $1,200 | $1,200 | $1,200 | $1,200 |
| $200 | $200 | $200 | $200 | $200 | $200 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $1,000 | $1,000 | $1,000 | $1,000 | $1,000 | $1,000 |
| $1,800 | $1,800 | $1,800 | $1,800 | $1,800 | $1,800 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $16,885 | $16,885 | $16,685 | $16,985 | $16,985 | $16,885 |
| $2,165 | $2,165 | $4,340 | $2,940 | $2,915 | $2,115 |
| $2,350 | $2,350 | $4,525 | $3,125 | $3,100 | $2,300 |
| $833 | $833 | $833 | $833 | $833 | $833 |
| $399 | $399 | $1,052 | $632 | $624 | $384 |
| $932 | $932 | $2,455 | $1,475 | $1,457 | $897 |
| 4.66% | 4.66% | 11.16% | 7.02% | 6.94% | 4.49% |

Example: The following table and charts show the projected balance sheet forecast for ABC Bar & Grill LLC

Table: cash flow

Table: Balance sheet

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Cash Received |  |  |  |  |  |  |  |
| Cash from Operations |  |  |  |  |  |  |  |
| Cash Sales |  | $13,000 | $16,000 | $19,000 | $20,000 | $21,000 | $22,000 |
| Subtotal Cash from Operations |  | $13,000 | $16,000 | $19,000 | $20,000 | $21,000 | $22,000 |
| Additional Cash Received |  |  |  |  |  |  |  |
| Sales Tax, VAT, HST/GST Received | 0.00% | $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 |  | $13,000 | $16,000 | $19,000 | $20,000 | $21,000 | $22,000 |
| Expenditures |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Expenditures from Operations |  |  |  |  |  |  |  |
| Cash Spending |  | $12,000 | $12,000 | $12,000 | $12,000 | $12,000 | $12,000 |
| Bill Payments |  | $156 | $4,710 | $5,684 | $6,735 | $7,091 | $7,053 |
| Subtotal Spent on Operations |  | $12,156 | $16,710 | $17,684 | $18,735 | $19,091 | $19,053 |
| 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 |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Purchase Other Current Assets |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Purchase Long-term Assets |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Dividends |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Subtotal Cash Spent |  | $12,156 | $16,710 | $17,684 | $18,735 | $19,091 | $19,053 |
| Net Cash Flow |  | $844 | ($710) | $1,316 | $1,265 | $1,909 | $2,947 |
| Cash Balance |  | $10,044 | $9,334 | $10,650 | $11,915 | $13,824 | $16,771 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| $20,000 | $20,000 | $22,000 | $21,000 | $21,000 | $20,000 |
| $20,000 | $20,000 | $22,000 | $21,000 | $21,000 | $20,000 |
|  |  |  |  |  |  |
| $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 |
| $20,000 | $20,000 | $22,000 | $21,000 | $21,000 | $20,000 |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
|  |  |  |  |  |  |
| $12,000 | $12,000 | $12,000 | $12,000 | $12,000 | $12,000 |
| $7,327 | $6,883 | $6,899 | $7,360 | $7,341 | $7,343 |
| $19,328 | $18,883 | $18,899 | $19,360 | $19,341 | $19,343 |
|  |  |  |  |  |  |
| $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 |
| $19,328 | $18,883 | $18,899 | $19,360 | $19,341 | $19,343 |
| $673 | $1,117 | $3,101 | $1,640 | $1,659 | $657 |
| $17,444 | $18,561 | $21,662 | $23,302 | $24,961 | $25,618 |

Example: The following table and charts show the projected net Balance sheet forecast for ABC Bar & Grill LLC

Table: Balance Sheet

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Assets | Starting Balances |  |  |  |  |  |  |
| Current Assets |  |  |  |  |  |  |  |
| Cash | $9,200 | $10,044 | $9,334 | $10,650 | $11,915 | $13,824 | $16,771 |
| Other Current Assets | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Current Assets | $9,200 | $10,044 | $9,334 | $10,650 | $11,915 | $13,824 | $16,771 |
| Long-term Assets |  |  |  |  |  |  |  |
| Long-term Assets | $100,000 | $100,000 | $100,000 | $100,000 | $100,000 | $100,000 | $100,000 |
| Accumulated Depreciation | $0 | $185 | $370 | $555 | $740 | $925 | $1,110 |
| Total Long-term Assets | $100,000 | $99,815 | $99,630 | $99,445 | $99,260 | $99,075 | $98,890 |
| Total Assets | $109,200 | $109,859 | $108,964 | $110,095 | $111,175 | $112,899 | $115,661 |
| Liabilities and Capital |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Current Liabilities |  |  |  |  |  |  |  |
| Accounts Payable | $0 | $4,522 | $5,460 | $6,499 | $6,856 | $6,808 | $7,098 |
| Current Borrowing | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Other Current Liabilities | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Subtotal Current Liabilities | $0 | $4,522 | $5,460 | $6,499 | $6,856 | $6,808 | $7,098 |
| Long-term Liabilities | $100,000 | $100,000 | $100,000 | $100,000 | $100,000 | $100,000 | $100,000 |
| Total Liabilities | $100,000 | $104,522 | $105,460 | $106,499 | $106,856 | $106,808 | $107,098 |
| Paid-in Capital | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 |
| Retained Earnings | ($40,800) | ($40,800) | ($40,800) | ($40,800) | ($40,800) | ($40,800) | ($40,800) |
| Earnings | $0 | ($3,863) | ($5,696) | ($5,603) | ($4,881) | ($3,109) | ($637) |
| Total Capital | $9,200 | $5,337 | $3,504 | $3,597 | $4,319 | $6,091 | $8,563 |
| Total Liabilities and Capital | $109,200 | $109,859 | $108,964 | $110,095 | $111,175 | $112,899 | $115,661 |
| Net Worth | $9,200 | $5,337 | $3,504 | $3,597 | $4,319 | $6,091 | $8,563 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| $17,444 | $18,561 | $21,662 | $23,302 | $24,961 | $25,618 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $17,444 | $18,561 | $21,662 | $23,302 | $24,961 | $25,618 |
|  |  |  |  |  |  |
| $100,000 | $100,000 | $100,000 | $100,000 | $100,000 | $100,000 |
| $1,295 | $1,480 | $1,665 | $1,850 | $2,035 | $2,220 |
| $98,705 | $98,520 | $98,335 | $98,150 | $97,965 | $97,780 |
| $116,149 | $117,081 | $119,997 | $121,452 | $122,926 | $123,398 |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
|  |  |  |  |  |  |
| $6,653 | $6,653 | $7,115 | $7,096 | $7,113 | $6,687 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $6,653 | $6,653 | $7,115 | $7,096 | $7,113 | $6,687 |
| $100,000 | $100,000 | $100,000 | $100,000 | $100,000 | $100,000 |
| $106,653 | $106,653 | $107,115 | $107,096 | $107,113 | $106,687 |
| $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 |
| ($40,800) | ($40,800) | ($40,800) | ($40,800) | ($40,800) | ($40,800) |
| $295 | $1,227 | $3,682 | $5,157 | $6,614 | $7,511 |
| $9,495 | $10,427 | $12,882 | $14,357 | $15,814 | $16,711 |
| $116,149 | $117,081 | $119,997 | $121,452 | $122,926 | $123,398 |
| $9,495 | $10,427 | $12,882 | $14,357 | $15,814 | $16,711 |