

VeganRestaurant
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Vegan Restaurant

Strategic Business Plan

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1.0 Executive Summary

The purpose of this business plan is to raise \$115,000 for the development of a vegan restaurant while showcasing the expected financials and operations over the next three years. Vegan Restaurant, Inc. (“the Company”) is a New York based corporation that will develop a restaurant that will serve a broad range of cuisine that does not contain any animal products. The Company was founded by John Doe. Revenue generating operations are expected to commence in the third quarter of this year.

It should be immediately noted that the demand for vegan cuisine has increased substantially over the past ten years. More people have become concerned about their health and well as the impact that their food choices have on the environment. Nearly 9.8 million Americans consider themselves to be strict vegans. The Company, through its unique menu, will provide its customers with outstanding vegan fare during lunch and dinner hours.

1.1 The Restaurant

As stated above, the Vegan Restaurant intends on serving a number of classic vegan dishes that contain no meat, dairy, or animal products. A major focus of the Company’s menu will be fusion based cuisines that draw inspiration from international cultures. The business will also have a number of American styled food options that use the business’ proprietary vegan recipes.

Additionally, the business will offer a wide variety of standard and alcoholic beverages, which Management expects will generate a significant portion of the Company’s revenues and profits.

The Company will offer its vegan fare on a sit-down and take-away basis.

The third section of the business plan will further describe the services offered by the Vegan Restaurant.

1.2 Financing

Mr. Doe is seeking to raise \$115,000 from as a bank loan. The interest rate and loan agreement are to be further discussed during negotiation. This business plan assumes that the business will receive a 7year loan with a 5% fixed interest rate. The financing will be used for the following:

- Development of the Company’s Vegan Restaurant location.
- Financing for the first six months of operation.
- Capital to purchase kitchen equipment.
- Working capital

The Founder will contribute \$20,000 to the venture.

1.3 Mission Statement

Mr. Doe’s mission is to provide customers with an outstanding line of vegan cuisine while concurrently remaining within the letter of the law regarding the sale of food and alcohol in the State of New York.

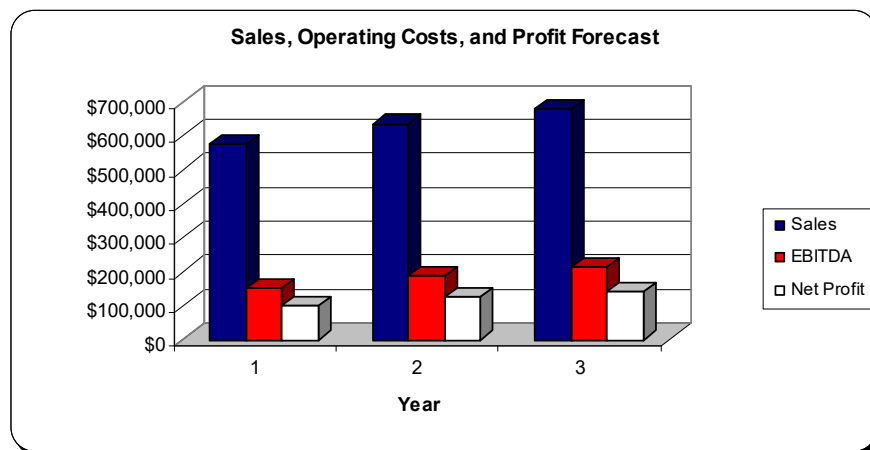
1.4 Management Team

The Company was founded by John Doe. Mr. Doe has more than 10 years of experience in the food service industry (in numerous culinary and managerial capacities). Through his expertise, he will be able to bring the operations of the business to profitability within its first year of operations.

1.5 Sales Forecasts

Mr. Doe expects a strong rate of growth at the start of operations. Below are the expected financials over the next three years.

Proforma Profit and Loss (Yearly)			
Year	1	2	3
Sales	\$576,000	\$633,600	\$677,952
Operating Costs	\$282,579	\$291,056	\$299,788
EBITDA	\$153,021	\$188,104	\$212,913
Taxes, Interest, and Depreciation	\$54,133	\$64,153	\$71,066
Net Profit	\$98,889	\$123,951	\$141,847



1.6 Expansion Plan

The Founder expects that the business will aggressively expand during the first three years of operation. Mr. Doe intends to implement marketing campaigns that will effectively target individuals that have an interest in vegan cuisine within the target market of New York. Mr. Doe may also seek to increase the number of locations owned after the fifth year of operations.

2.0 Company and Financing Summary

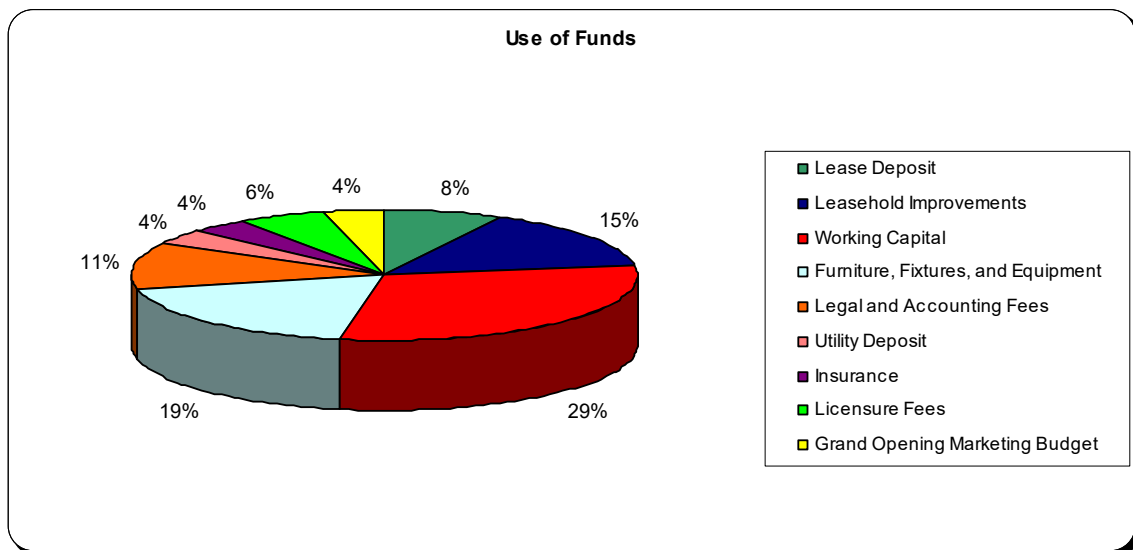
2.1 Registered Name and Corporate Structure

Vegan Restaurant, Inc. The Company is registered as a corporation in the State of New York.

2.2 Required Funds

At this time, the Mr. Doe requires \$115,000 of debt funds. Below is a breakdown of how these funds will be used:

Projected Startup Costs	
Lease Deposit	\$10,000
Leasehold Improvements	\$20,000
Working Capital	\$40,000
Furniture, Fixtures, and Equipment	\$25,000
Legal and Accounting Fees	\$15,000
Utility Deposit	\$5,000
Insurance	\$5,000
Licensure Fees	\$7,500
Grand Opening Marketing Budget	\$5,000
Miscellaneous and Unforeseen Costs	\$2,500
Total Startup Costs	\$135,000



2.3 Investor Equity

Mr. Doe is not seeking an investment from a third party at this time.

2.4 Management Equity

John Doe owns 100% of the Vegan Restaurant, Inc.

2.5 Exit Strategy

If the business is very successful, Mr. Doe may seek to sell the business to a third party for a significant earnings multiple. Most likely, the Company will hire a qualified business broker to sell the business on behalf of the Vegan Restaurant. Based on historical numbers, the business could fetch a sales premium of up to 4 times earnings.

3.0 Restaurant Products

Below is a description of the products offered by the Vegan Restaurant.

3.1 Entrees

The Company will offer a number of authentic vegan cuisine entrees with a focus on pastas, wraps, and other cuisine that contains no meat, dairy, or animal products. The Restaurant will include fusions from other types of cuisine within its proprietary recipes.

Below is an overview of the restaurant:

- **Location:** New York City
- **Design:** Modern, Farm-to-Table Atmosphere
- **Size:** 1,500 square feet
- **Employees:** 8 to 9 full time
- **Seating:** 35-45.
- **Types of transactions:** 80% dine in, 10% take away, 10% catering.

Generally, entrees will have a pricing point of \$13 to \$20. Small lunch options (including wraps, sandwiches, salads, and related items) will be priced from \$8 to \$15. Catering operations are expected to generate \$250 per order.

3.2 Beverages

The Vegan Restaurant also offers its patrons an expansive line of beverages including coffees, teas, beer, wine, and spirits. The Company will ensure the proper procedures for serving alcohol at the Vegan Restaurant establishment (including verifying IDs of all patrons regardless of the perceived age).

4.0 Strategic and Market Analysis

4.1 Economic Outlook

This section of the analysis will detail the economic climate, the restaurant industry, the customer profile, and the competition that the business will face as it progresses through its business operations.

Currently, the economic climate is uncertain. The pandemic stemming from COVID-19 has created a substantial amount of turmoil within the capital markets. It is expected that a prolonged economic recession will occur given that numerous businesses are being forced to remain closed for an indefinite period of time (while concurrently having their respective employees remain at home). However, the central banks around the world have taken aggressive steps in order to ensure the free flow of capital into financial institutions. This is expected to greatly blunt the economic issues that will arise from this public health matter.

However, three vaccines have entered the market, and many health experts anticipate that the pandemic will have drawn to a close by the end of this year. Given that the Company anticipates that it will launch its operations in the third to fourth quarter, the pandemic will not impact the way that the restaurant conducts operations. The demand among consumers to return to normal life is immense.

4.2 Industry Analysis

There over 600,000 restaurants and eateries in the United States. Gross annual receipts total more than \$720 billion dollars per year. It is one of the country's largest grossing industries. The industry also employs over ten million people, and generates an average annual payroll of more than \$120 billion dollars per year. Among the 600,000 different restaurants within the United States there are approximately 20,000 businesses that specifically specialize in the sale of vegan cuisine.

As the country has become significantly wealthier of the last ten years, more and more Americans are eating out. Time has also become a concern for the average American family. Studies have shown that more than 40% of American families eat out at least one night per week.

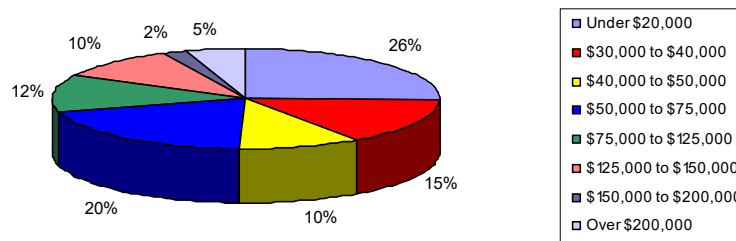
4.3 Customer Profile

The Vegan Restaurant's average customer will be a middle to upper middle class man or woman living in the Company's targeted market. The following profile will be used during the course of marketing operations. Common traits among clients will include:

- Annual household income exceeding \$50,000
- Lives or works no more than 10 miles from the Company's location.
- Will spend \$15 to \$25 per visit to the Vegan Restaurant location

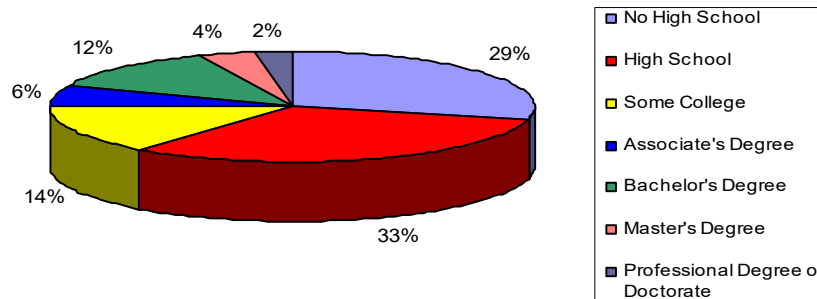
Household Income (by % of Population)	5 Miles	20 Miles	State
Under \$20,000	25.00%	25.00%	25.00%
\$30,000 to \$40,000	15.00%	15.00%	15.00%
\$40,000 to \$50,000	10.00%	10.00%	10.00%
\$50,000 to \$75,000	20.00%	20.00%	20.00%
\$75,000 to \$125,000	12.00%	12.00%	12.00%
\$125,000 to \$150,000	10.00%	10.00%	10.00%
\$150,000 to \$200,000	2.00%	2.00%	2.00%
Over \$200,000	5.00%	5.00%	5.00%

Income Breakdown (5 Miles)



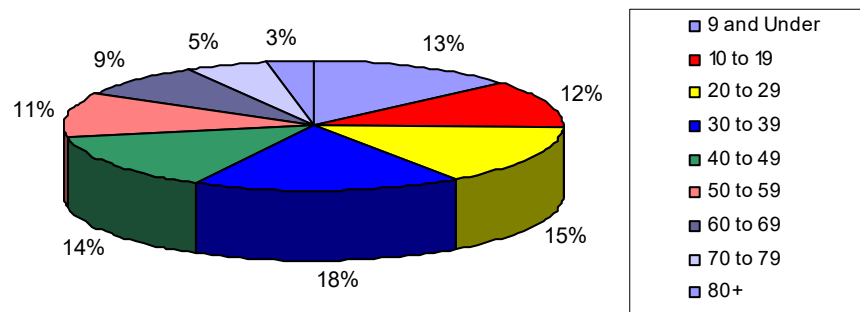
Education (by % of Population)	5 Miles	20 Miles	State
No High School	28.60%	24.40%	29.40%
High School	32.20%	30.50%	31.70%
Some College	14.10%	13.60%	14.40%
Associate's Degree	6.40%	6.80%	6.40%
Bachelor's Degree	12.40%	15.40%	13.00%
Master's Degree	3.90%	5.70%	3.40%
Professional Degree or Doctorate	2.40%	3.60%	1.60%

Education Breakdown (5 Miles)



Age (by % of Population)	5 Miles	20 Miles	State
9 and Under	13.40%	12.80%	11.20%
10 to 19	12.00%	10.70%	9.70%
20 to 29	15.00%	14.90%	14.20%
30 to 39	17.30%	16.20%	15.90%
40 to 49	14.30%	14.10%	14.70%
50 to 59	11.10%	12.70%	13.40%
60 to 69	8.60%	9.10%	9.90%
70 to 79	5.40%	6.00%	6.60%
80+	3.00%	3.40%	4.50%

Age Brekdown (5 Miles)



4.4 Competition

This is one of the sections of the business plan that you must write completely on your own. The key to writing a strong competitive analysis is that you do your research on the local competition. Find out who your competitors are by searching online directories. If there are a number of competitors in the same industry (meaning that it is not feasible to describe each one) then showcase the number of businesses that compete with you, and why your business will provide customers with a better vegan restaurant experience than other competitors in your area.

5.0 Marketing Plan

Mr. Doe intends to maintain an extensive marketing campaign that will ensure maximum visibility for the business in its location. Below is an overview of the marketing strategies and objectives that Mr. Doe will use once he launches his Vegan Restaurant.

5.1 Marketing Objectives

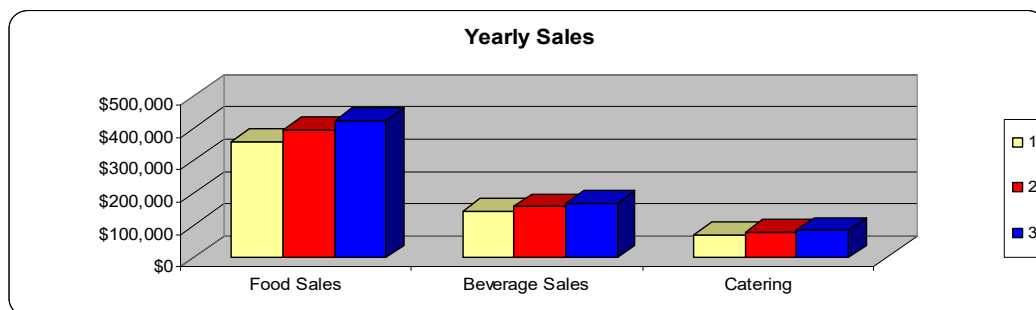
- Develop an expansive online presence that uses all forms of social media in order to create awareness of the Vegan Restaurant (including the usage of social media influencers that live in the greater New York metropolitan area).
- Implement a local campaign with the Company's targeted market via the use of flyers, local newspaper advertisements, and word of mouth advertising.
- Hire a public relations firm to provide reviews and articles about the Company's grand opening.
- Place a substantial number of advertisements among food journals, food review magazines, and related publications throughout the Company's targeted market.

5.2. Sales Overview

Yearly Sales Forecast			
Year	1	2	3
Food Sales	\$360,000	\$396,000	\$423,720
Beverage Sales	\$144,000	\$158,400	\$169,488
Catering	\$72,000	\$79,200	\$84,744
Totals	\$576,000	\$633,600	\$677,952

Cost of Sales Forecast			
Year	1	2	3
Food Sales	\$90,000	\$99,000	\$105,930
Beverage Sales	\$28,800	\$31,680	\$33,898
Catering	\$21,600	\$23,760	\$25,423
Totals	\$140,400	\$154,440	\$165,251

Gross Profit			
Year	1	2	3
Total	\$435,600	\$479,160	\$512,701



5.3 Marketing Strategies

Management intends on using a broad range of high impact marketing strategies in order to create awareness for the Vegan Restaurant while developing a substantial base of loyal patrons. A major focus of the Company's marketing strategies will be online based.

Prior to the launch of operations, the Company will hire a qualified web development firm to produce a state-of-the-art website that will feature ecommerce functionality (for take-away options). This website will be mobile friendly and search engine optimized. On all online advertisements used by the business, the Company will always have its web address showcased.

Beyond the Company's proprietary website, the business will maintain pages on all major social media platforms including Facebook, Instagram (for images), Twitter, and YouTube. The business will frequently announce specialized cuisine items and discounts through its established social media channels. Management will also have a number of professionally produced videos that showcase the Vegan Restaurant location as well as its cuisine. These videos will be shown on the Company's website as well as uploaded to all social media platforms. The business will maintain profiles on popular review sites including Yelp.com, TripAdvisor.com, and through Google Reviews.

Once the location completes its grand opening, Management intends on hiring a social media influencer in order to provide a video based review of the restaurant. The Company will target a well known influencer that lives within the greater New York City area (and heavily focuses their social media platform on healthy living, vegan cuisine, and related lifestyle topics). This method of marketing has become extremely popular over the past five years, and the return-on-investment can be outstanding.

The Company will also distribute flyers/menus via mail to residents while concurrently taking out advertisements in popular regionally distributed magazines/newspapers. As it relates to public relations, Management anticipates that a number of food reviewers will come to the location and provide reviews during the first six to twelve months of operation. This will further boost the business' brand name during its first year in business.

Finally, the Company will support a number of local/regional organizations that focus on community improvement and animal welfare. Many people that are vegan have a deep appreciation for caring for animals (especially as many vegans maintain this dietary method given their ethical considerations). The business will frequently make donations to these entities, and the business will engage in co-branding opportunities with regional animal shelters and rehabilitation preserves.

5.4 Marketing Return on Investment

Marketing ROI			
Year	1	2	3
Short Term Marketing			
Billboards	\$175	\$180	\$186
Radio Advertisements	\$70	\$72	\$74
TV Advertisements	\$700	\$721	\$743
PPC Marketing	\$455	\$469	\$483
Total Short Term Marketing	\$1,400	\$1,442	\$1,485

Intermediate Term Marketing			
Hand Distributed Flyers	\$525	\$541	\$557
Mailers	\$700	\$721	\$743
Total Intermediate Marketing	\$1,225	\$1,262	\$1,300

Long Term Marketing			
Website Search Engine Optimization	\$350	\$361	\$371
General Company Branding	\$525	\$541	\$557
Total Long Term Marketing	\$875	\$901	\$928

Total Marketing Costs	\$3,500	\$3,605	\$3,713
Total Net Profits	\$98,889	\$123,951	\$141,847
Total Marketing ROI	2825.39%	3438.29%	3820.13%

Marketing Breakdown			
Year	1	2	3
Short Term Marketing			
Billboards	5.00%	5.00%	5.00%
Radio Advertisements	2.00%	2.00%	2.00%
TV Advertisements	20.00%	20.00%	20.00%
PPC Marketing	13.00%	13.00%	13.00%

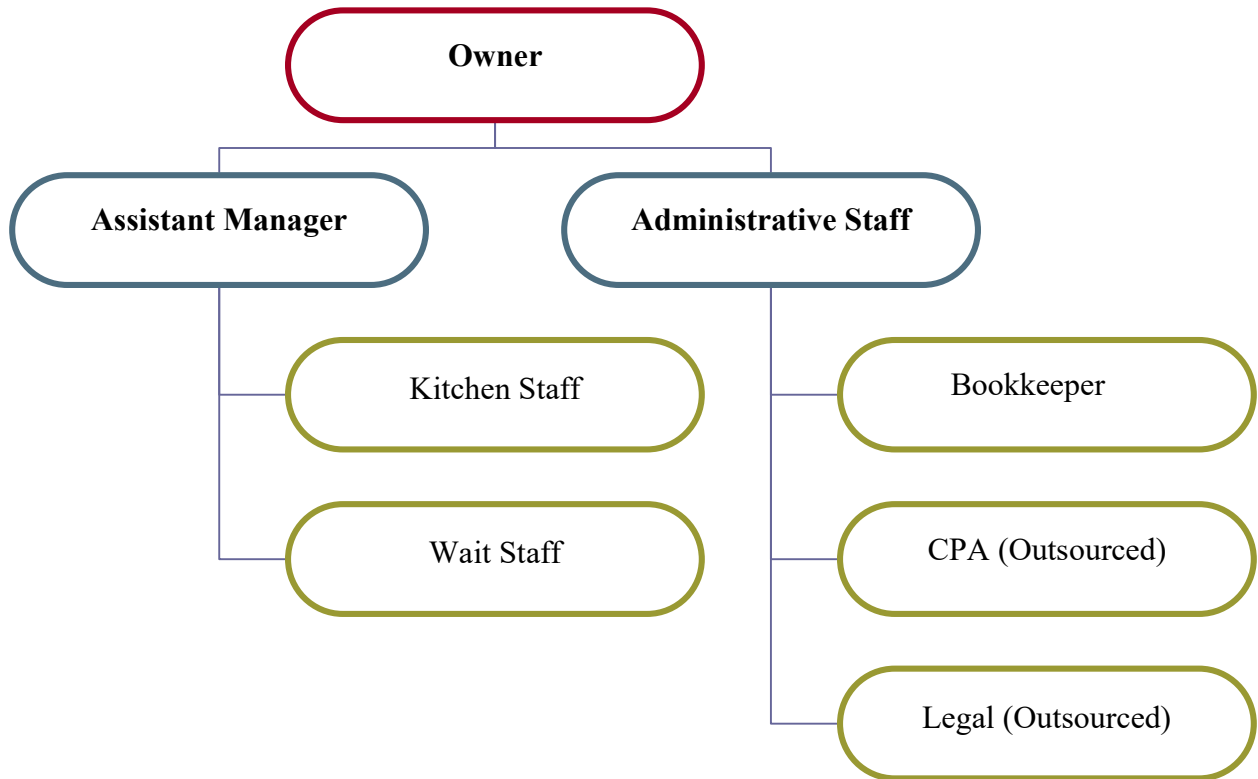
Intermediate Term Marketing			
Hand Distributed Flyers	15.00%	15.00%	15.00%
Mailers	20.00%	20.00%	20.00%

Long Term Marketing			
Website Search Engine Optimization	10.00%	10.00%	10.00%
General Company Branding	15.00%	15.00%	15.00%

Total Marketing Costs (%)	100.00%	100.00%	100.00%
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6.0 Organizational Plan and Personnel Summary

6.1 Corporate Organization

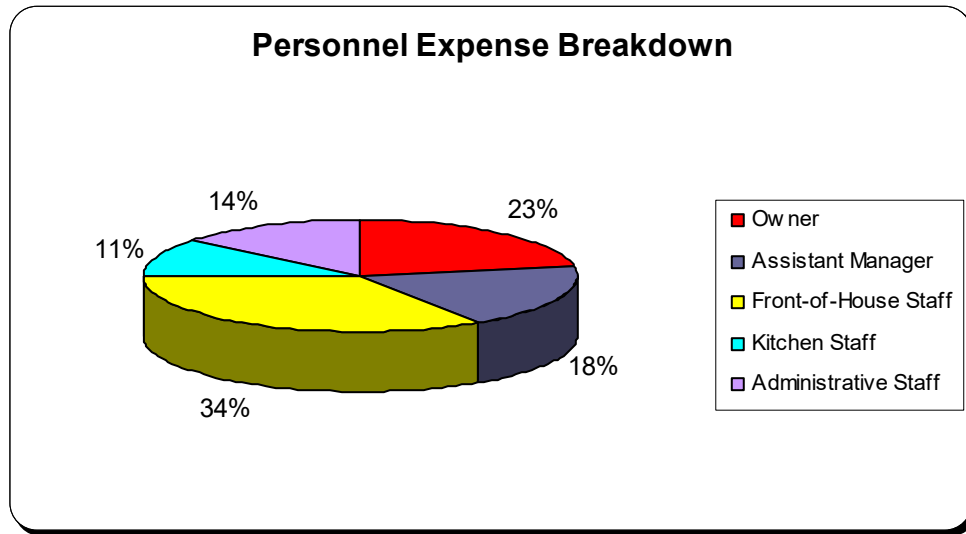


6.2 Organizational Budget

Personnel Plan - Yearly			
Year	1	2	3
Owner	\$40,000	\$41,200	\$42,436
Assistant Manager	\$32,500	\$33,475	\$34,479
Front-of-House Staff	\$60,000	\$61,800	\$63,654
Kitchen Staff	\$20,000	\$20,600	\$21,218
Administrative Staff	\$25,000	\$25,750	\$26,523
Total	\$177,500	\$182,825	\$188,310

Numbers of Personnel			
Year	1	2	3
Owner	1	1	1
Assistant Manager	1	1	1
Front-of-House Staff	4	4	4
Kitchen Staff	1	1	1
Administrative Staff	1	1	1
Totals	8	8	8

6.2 Organizational Budget (Cont.)



6.3 Management Biographies

In this section of the business plan, you should write a two to four paragraph biography about your work experience, your education, and your skill set. For each owner or key employee, you should provide a brief biography in this section.

7.0 Financial Plan

7.1 Underlying Assumptions

The Company has based its proforma financial statements on the following:

- The Company will have an annual revenue growth rate of 8% per year.
- The Owner will acquire \$115,000 of debt funds to develop the business.
- The loan will have a 7 year term with a 5% interest rate.

7.2 Sensitivity Analysis

Vegan Restaurant's fare is in demand individuals due to the simple fact that the pricing point for these products are relatively low and people that are vegan will specifically seek out the restaurant. The business will be able to control a number of its input costs, which will further ensure the economic stability of the business. The high gross margins from sales will ensure that the business is able to remain profitable and cash flow positive at all times.

7.3 Source of Funds

Financing	
Equity Contributions	
Management Investment	\$20,000.00
Total Equity Financing	\$20,000.00
Banks and Lenders	
Banks and Lenders	\$115,000.00
Total Debt Financing	\$115,000.00
Total Financing	\$135,000.00

7.4 General Assumptions

General Assumptions			
Year	1	2	3
Federal Tax Rate	25.0%	25.0%	25.0%
State Tax Rate	5.0%	5.0%	5.0%
Personnel Taxes	7.65%	7.65%	7.65%

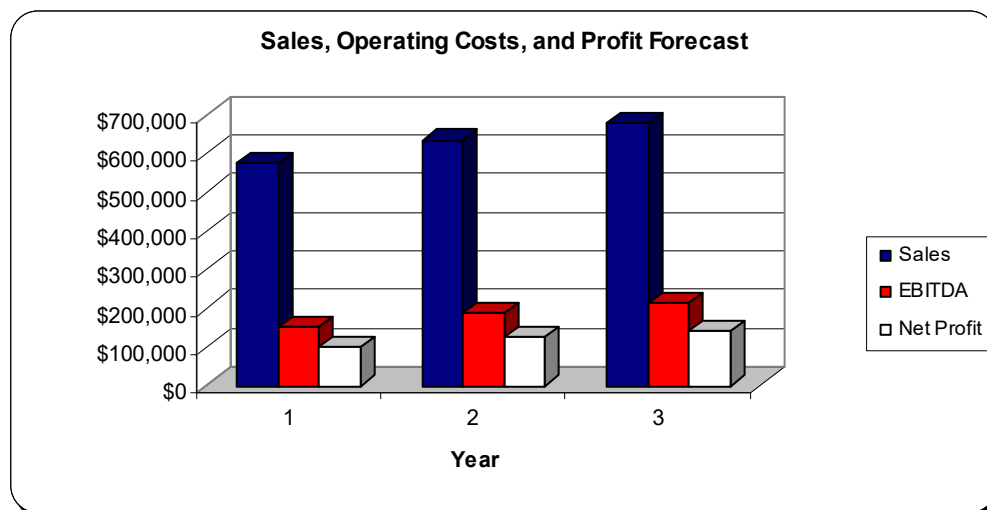
7.5 Profit and Loss Statements

Proforma Profit and Loss (Yearly)			
Year	1	2	3
Sales	\$576,000	\$633,600	\$677,952
Cost of Goods Sold	\$140,400	\$154,440	\$165,251
Gross Margin	75.63%	75.63%	75.63%
Gross Profit	\$435,600	\$479,160	\$512,701

Expenses			
Payroll	\$177,500	\$182,825	\$188,310
General and Administrative	\$20,000	\$20,600	\$21,218
Marketing Expenses	\$3,500	\$3,605	\$3,713
Professional Fees and Licensure	\$5,000	\$5,150	\$5,305
Insurance Costs	\$7,500	\$7,725	\$7,957
Rent and Utilities	\$50,000	\$51,500	\$53,045
Equipment Maintenance	\$3,000	\$3,090	\$3,183
Miscellaneous Costs	\$2,500	\$2,575	\$2,652
Payroll Taxes	\$13,579	\$13,986	\$14,406
Total Operating Costs	\$282,579	\$291,056	\$299,788

EBITDA	\$153,021	\$188,104	\$212,913
Federal Income Tax	\$35,317	\$44,268	\$50,660
State Income Tax	\$7,063	\$8,854	\$10,132
Interest Expense	\$5,430	\$4,710	\$3,953
Depreciation Expenses	\$6,321	\$6,321	\$6,321

Net Profit	\$98,889	\$123,951	\$141,847
Profit Margin	17.17%	19.56%	20.92%



7.6 Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly			
Year	1	2	3
Cash From Operations	\$105,210	\$130,272	\$148,168
Cash From Receivables	\$0	\$0	\$0
Operating Cash Inflow	\$105,210	\$130,272	\$148,168

Other Cash Inflows

Equity Investment	\$20,000	\$0	\$0
Increased Borrowings	\$115,000	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0
A/P Increases	\$3,000	\$3,090	\$3,183
Total Other Cash Inflows	\$138,000	\$3,090	\$3,183

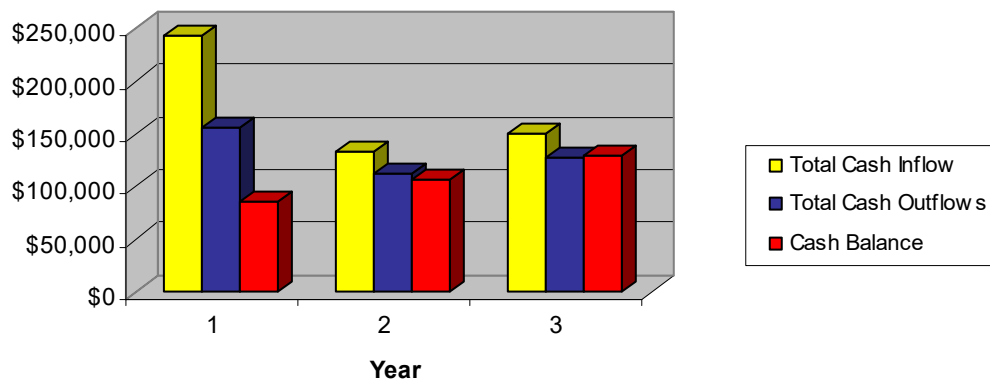
Total Cash Inflow	\$243,210	\$133,362	\$151,351
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Cash Outflows

Repayment of Principal	\$14,074	\$14,795	\$15,551
A/P Decreases	\$2,500	\$2,575	\$2,652
A/R Increases	\$0	\$0	\$0
Asset Purchases	\$67,500	\$3,464	\$3,979
Dividends	\$72,908	\$92,382	\$106,094
Total Cash Outflows	\$156,983	\$113,216	\$128,276

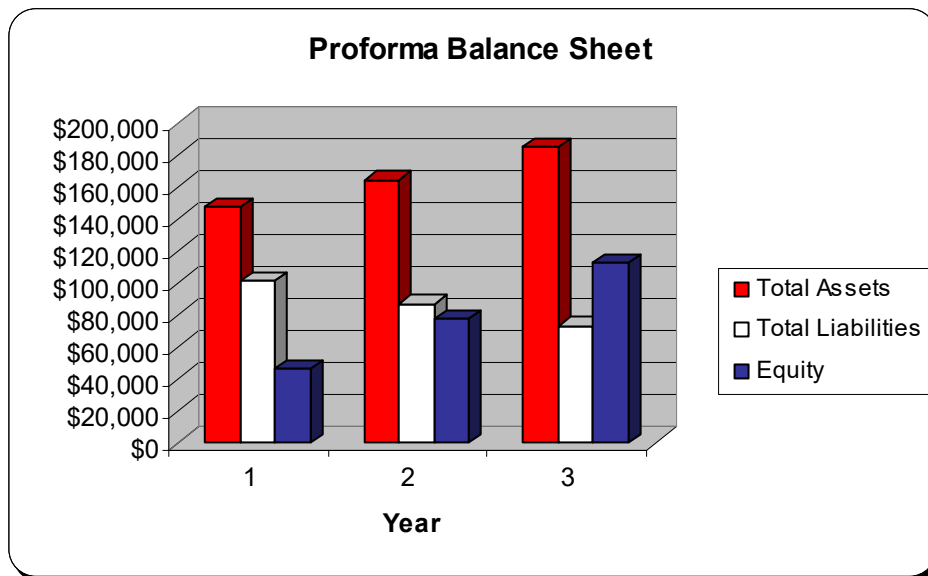
Net Cash Flow	\$86,227	\$20,146	\$23,075
Cash Balance	\$86,227	\$106,373	\$129,449

Proforma Cash Flow (Yearly)



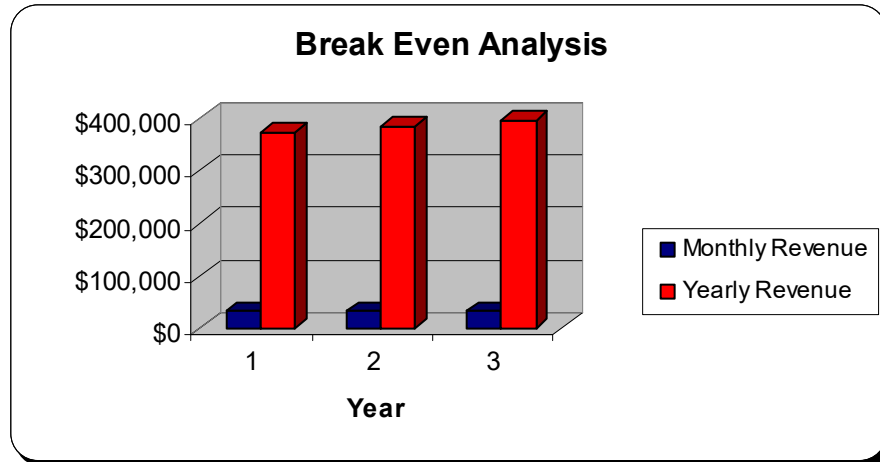
7.7 Balance Sheet

Proforma Balance Sheet - Yearly			
Year	1	2	3
Assets			
Cash	\$86,227	\$106,373	\$129,449
Deposits	\$15,000	\$15,000	\$15,000
Amortized Costs	\$27,500	\$27,500	\$27,500
FF&E	\$25,000	\$28,464	\$32,443
Accumulated Depreciation	(\$6,321)	(\$12,643)	(\$18,964)
Total Assets	\$147,406	\$164,695	\$185,427
Liabilities and Equity			
Accounts Payable	\$500	\$1,015	\$1,545
Long Term Liabilities	\$100,926	\$86,131	\$71,337
Other Liabilities	\$0	\$0	\$0
Total Liabilities	\$101,426	\$87,146	\$72,882
Equity	\$45,980	\$77,549	\$112,545
Total Liabilities and Equity	\$147,406	\$164,695	\$185,427



7.8 Breakeven Analysis

Monthly Break Even Analysis			
Year	1	2	3
Monthly Revenue	\$31,138	\$32,072	\$33,034
Yearly Revenue	\$373,658	\$384,868	\$396,414



7.9 Business Ratios

Business Ratios - Yearly			
Year	1	2	3

Sales

Sales Growth	0.0%	10.0%	7.0%
Gross Margin	75.6%	75.6%	75.6%

Financials

Profit Margin	17.17%	19.56%	20.92%
Assets to Liabilities	1.45	1.89	2.54
Equity to Liabilities	0.45	0.89	1.54
Assets to Equity	3.21	2.12	1.65

Liquidity

Acid Test	0.85	1.22	1.78
Cash to Assets	0.58	0.65	0.70

Appendix A – SWOT Analysis

Strengths

- Efficient back office support for managing the day to day operations of the Vegan Restaurant.
- High gross margins on all food/beverage sales made through the Company's high visibility location.
- Moderate operating costs as a function of revenues.
- The ability to aggressively market the business via numerous social media channels.
- Motivated and experienced owner-operator, John Doe.

Weaknesses

- Adverse market conditions can impact revenue (limited risk for the reasons discussed earlier in this document).
- Several competitors operating in targeted New York metropolitan area markets.
- Moderate barriers to entry.

Opportunities

- Development of multiple locations throughout greater New York metropolitan area.
- Expansion of catering operations.
- Development of a franchise system.

Threats

- Ongoing competitive issues.
- Liabilities as a result of improper food handling (very limited risk as all staff will go through intensive food safety training).

Appendix B - Three Year Profit and Loss Statement

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Sales	\$38,400	\$38,400	\$38,400	\$48,000	\$48,000	\$48,000	\$51,840
Cost of Goods Sold	\$9,360	\$9,360	\$9,360	\$11,700	\$11,700	\$11,700	\$12,636
Gross Margin	75.6%	75.6%	75.6%	75.6%	75.6%	75.6%	75.6%

Gross Profit	\$29,040	\$29,040	\$29,040	\$36,300	\$36,300	\$36,300	\$39,204
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Expenses

Payroll	\$14,792	\$14,792	\$14,792	\$14,792	\$14,792	\$14,792	\$14,792
General and Administrative	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667
Marketing Expenses	\$292	\$292	\$292	\$292	\$292	\$292	\$292
Professional Fees and Licensure	\$417	\$417	\$417	\$417	\$417	\$417	\$417
Insurance Costs	\$625	\$625	\$625	\$625	\$625	\$625	\$625
Rent and Utilities	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167
Equipment Maintenance	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Miscellaneous Costs	\$208	\$208	\$208	\$208	\$208	\$208	\$208
Payroll Taxes	\$1,132	\$1,132	\$1,132	\$1,132	\$1,132	\$1,132	\$1,132
Total Operating Costs	\$23,548	\$23,548	\$23,548	\$23,548	\$23,548	\$23,548	\$23,548

EBITDA	\$5,492	\$5,492	\$5,492	\$12,752	\$12,752	\$12,752	\$15,656
Federal Income Tax	\$2,354	\$2,354	\$2,354	\$2,943	\$2,943	\$2,943	\$3,179
State Income Tax	\$471	\$471	\$471	\$589	\$589	\$589	\$636
Interest Expense	\$479	\$474	\$470	\$465	\$460	\$455	\$450
Depreciation Expense	\$527	\$527	\$527	\$527	\$527	\$527	\$527

Net Profit	\$1,660	\$1,665	\$1,670	\$8,228	\$8,233	\$8,238	\$10,864
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Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	1
Sales	\$51,840	\$51,840	\$53,760	\$53,760	\$53,760	\$576,000
Cost of Goods Sold	\$12,636	\$12,636	\$13,104	\$13,104	\$13,104	\$140,400
Gross Margin	75.6%	75.6%	75.6%	75.6%	75.6%	75.6%
Gross Profit	\$39,204	\$39,204	\$40,656	\$40,656	\$40,656	\$435,600

Expenses

Payroll	\$14,792	\$14,792	\$14,792	\$14,792	\$14,792	\$177,500
General and Administrative	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$20,000
Marketing Expenses	\$292	\$292	\$292	\$292	\$292	\$3,500
Professional Fees and Licensure	\$417	\$417	\$417	\$417	\$417	\$5,000
Insurance Costs	\$625	\$625	\$625	\$625	\$625	\$7,500
Rent and Utilities	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$50,000
Equipment Maintenance	\$250	\$250	\$250	\$250	\$250	\$3,000
Miscellaneous Costs	\$208	\$208	\$208	\$208	\$208	\$2,500
Payroll Taxes	\$1,132	\$1,132	\$1,132	\$1,132	\$1,132	\$13,579
Total Operating Costs	\$23,548	\$23,548	\$23,548	\$23,548	\$23,548	\$282,579
EBITDA	\$15,656	\$15,656	\$17,108	\$17,108	\$17,108	\$153,021
Federal Income Tax	\$3,179	\$3,179	\$3,296	\$3,296	\$3,296	\$35,317
State Income Tax	\$636	\$636	\$659	\$659	\$659	\$7,063
Interest Expense	\$445	\$440	\$435	\$431	\$426	\$5,430
Depreciation Expense	\$527	\$527	\$527	\$527	\$527	\$6,321
Net Profit	\$10,869	\$10,874	\$12,190	\$12,195	\$12,200	\$98,889

Profit and Loss Statement (Second Year)					
2					
Quarter	Q1	Q2	Q3	Q4	2
Sales	\$126,720	\$158,400	\$171,072	\$177,408	\$633,600
Cost of Goods Sold	\$30,888	\$38,610	\$41,699	\$43,243	\$154,440
Gross Margin	75.6%	75.6%	75.6%	75.6%	75.6%

Gross Profit	\$95,832	\$119,790	\$129,373	\$134,165	\$479,160
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Expenses

Payroll	\$36,565	\$45,706	\$49,363	\$51,191	\$182,825
General and Administrative	\$4,120	\$5,150	\$5,562	\$5,768	\$20,600
Marketing Expenses	\$721	\$901	\$973	\$1,009	\$3,605
Professional Fees and Licensure	\$1,030	\$1,288	\$1,391	\$1,442	\$5,150
Insurance Costs	\$1,545	\$1,931	\$2,086	\$2,163	\$7,725
Rent and Utilities	\$12,875	\$12,875	\$12,875	\$12,875	\$51,500
Equipment Maintenance	\$618	\$773	\$834	\$865	\$3,090
Miscellaneous Costs	\$515	\$644	\$695	\$721	\$2,575
Payroll Taxes	\$2,797	\$3,497	\$3,776	\$3,916	\$13,986
Total Operating Costs	\$60,786	\$72,764	\$77,555	\$79,951	\$291,056

EBITDA	\$35,046	\$47,026	\$51,818	\$54,214	\$188,104
Federal Income Tax	\$8,854	\$11,067	\$11,952	\$12,395	\$44,268
State Income Tax	\$1,771	\$2,213	\$2,390	\$2,479	\$8,854
Interest Expense	\$1,246	\$1,201	\$1,155	\$1,108	\$4,710
Depreciation Expense	\$1,580	\$1,580	\$1,580	\$1,580	\$6,321

Net Profit	\$21,595	\$30,964	\$34,740	\$36,652	\$123,951
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Profit and Loss Statement (Third Year)					
3					
Quarter	Q1	Q2	Q3	Q4	3
Sales	\$135,590	\$169,488	\$183,047	\$189,827	\$677,952
Cost of Goods Sold	\$33,050	\$41,313	\$44,618	\$46,270	\$165,251
Gross Margin	75.6%	75.6%	75.6%	75.6%	75.6%

Gross Profit	\$102,540	\$128,175	\$138,429	\$143,556	\$512,701
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Expenses

Payroll	\$37,662	\$47,077	\$50,844	\$52,727	\$188,310
General and Administrative	\$4,244	\$5,305	\$5,729	\$5,941	\$21,218
Marketing Expenses	\$743	\$928	\$1,003	\$1,040	\$3,713
Professional Fees and Licensure	\$1,061	\$1,326	\$1,432	\$1,485	\$5,305
Insurance Costs	\$1,591	\$1,989	\$2,148	\$2,228	\$7,957
Rent and Utilities	\$13,261	\$13,261	\$13,261	\$13,261	\$53,045
Equipment Maintenance	\$637	\$796	\$859	\$891	\$3,183
Miscellaneous Costs	\$530	\$663	\$716	\$743	\$2,652
Payroll Taxes	\$2,881	\$3,601	\$3,890	\$4,034	\$14,406
Total Operating Costs	\$62,610	\$74,947	\$79,882	\$82,349	\$299,788

EBITDA	\$39,930	\$53,228	\$58,548	\$61,207	\$212,913
Federal Income Tax	\$10,132	\$12,665	\$13,678	\$14,185	\$50,660
State Income Tax	\$2,026	\$2,533	\$2,736	\$2,837	\$10,132
Interest Expense	\$1,061	\$1,013	\$964	\$915	\$3,953
Depreciation Expense	\$1,580	\$1,580	\$1,580	\$1,580	\$6,321

Net Profit	\$25,131	\$35,437	\$39,589	\$41,690	\$141,847
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Appendix C - Three Year Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	\$2,187	\$2,192	\$2,197	\$8,755	\$8,760	\$8,765	\$11,391	\$11,396
Cash From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$2,187	\$2,192	\$2,197	\$8,755	\$8,760	\$8,765	\$11,391	\$11,396

Other Cash Inflows

Equity Investment	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$115,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Total Other Cash Inflows	\$135,250	\$250	\$250	\$250	\$250	\$250	\$250	\$250

Total Cash Inflow	\$137,437	\$2,442	\$2,447	\$9,005	\$9,010	\$9,015	\$11,641	\$11,646
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Cash Outflows

Repayment of Principal	\$1,146	\$1,151	\$1,156	\$1,161	\$1,165	\$1,170	\$1,175	\$1,180
A/P Decreases	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208
A/R Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$67,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$68,855	\$1,359	\$1,364	\$1,369	\$1,374	\$1,379	\$1,384	\$1,388

Net Cash Flow	\$68,583	\$1,083	\$1,083	\$7,636	\$7,636	\$7,636	\$10,258	\$10,258
Cash Balance	\$68,583	\$69,665	\$70,748	\$78,384	\$86,021	\$93,657	\$103,915	\$114,172

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	1
Cash From Operations	\$11,401	\$12,717	\$12,722	\$12,727	\$105,210
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$11,401	\$12,717	\$12,722	\$12,727	\$105,210

Other Cash Inflows

Equity Investment	\$0	\$0	\$0	\$0	\$20,000
Increased Borrowings	\$0	\$0	\$0	\$0	\$115,000
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$250	\$250	\$250	\$250	\$3,000
Total Other Cash Inflows	\$250	\$250	\$250	\$250	\$138,000

Total Cash Inflow	\$11,651	\$12,967	\$12,972	\$12,977	\$243,210
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Cash Outflows

Repayment of Principal	\$1,185	\$1,190	\$1,195	\$1,200	\$14,074
A/P Decreases	\$208	\$208	\$208	\$208	\$2,500
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$0	\$0	\$0	\$0	\$67,500
Dividends	\$0	\$0	\$0	\$72,908	\$72,908
Total Cash Outflows	\$1,393	\$1,398	\$1,403	\$74,317	\$156,983

Net Cash Flow	\$10,258	\$11,568	\$11,568	-\$61,340	\$86,227
Cash Balance	\$124,430	\$135,999	\$147,567	\$86,227	\$86,227

Cash Flow Analysis (Second Year)					
2					
Quarter	Q1	Q2	Q3	Q4	2
Cash From Operations	\$23,175	\$32,545	\$36,320	\$38,232	\$130,272
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$23,175	\$32,545	\$36,320	\$38,232	\$130,272

Other Cash Inflows

Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$618	\$773	\$834	\$865	\$3,090
Total Other Cash Inflows	\$618	\$773	\$834	\$865	\$3,090

Total Cash Inflow	\$23,793	\$33,317	\$37,155	\$39,097	\$133,362
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Cash Outflows

Repayment of Principal	\$3,630	\$3,675	\$3,721	\$3,768	\$14,795
A/P Decreases	\$515	\$644	\$695	\$721	\$2,575
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$693	\$866	\$935	\$970	\$3,464
Dividends	\$0	\$0	\$0	\$92,382	\$92,382
Total Cash Outflows	\$4,838	\$5,185	\$5,352	\$97,841	\$113,216

Net Cash Flow	\$18,955	\$28,132	\$31,803	-\$58,744	\$20,146
Cash Balance	\$105,183	\$133,315	\$165,117	\$106,373	\$106,373

Cash Flow Analysis (Third Year)					
3					
Quarter	Q1	Q2	Q3	Q4	3
Cash From Operations	\$29,634	\$37,042	\$40,005	\$41,487	\$148,168
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$29,634	\$37,042	\$40,005	\$41,487	\$148,168

Other Cash Inflows

Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$637	\$796	\$859	\$891	\$3,183
Total Other Cash Inflows	\$637	\$796	\$859	\$891	\$3,183

Total Cash Inflow	\$30,270	\$37,838	\$40,865	\$42,378	\$151,351
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Cash Outflows

Repayment of Principal	\$3,815	\$3,863	\$3,912	\$3,961	\$15,551
A/P Decreases	\$530	\$663	\$716	\$743	\$2,652
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$796	\$995	\$1,074	\$1,114	\$3,979
Dividends	\$0	\$0	\$0	\$106,094	\$106,094
Total Cash Outflows	\$5,142	\$5,521	\$5,702	\$111,911	\$128,276

Net Cash Flow	\$25,129	\$32,317	\$35,163	-\$69,533	\$23,075
Cash Balance	\$131,502	\$163,819	\$198,981	\$129,449	\$129,449

Appendix D – Loan Amortization Table

Payment Number	Payment Amount	Principal Payment	Interest Payment	Balance
1	\$1,625	\$1,146	\$479	\$113,854
2	\$1,625	\$1,151	\$474	\$112,703
3	\$1,625	\$1,156	\$470	\$111,547
4	\$1,625	\$1,161	\$465	\$110,386
5	\$1,625	\$1,165	\$460	\$109,221
6	\$1,625	\$1,170	\$455	\$108,051
7	\$1,625	\$1,175	\$450	\$106,875
8	\$1,625	\$1,180	\$445	\$105,695
9	\$1,625	\$1,185	\$440	\$104,510
10	\$1,625	\$1,190	\$435	\$103,320
11	\$1,625	\$1,195	\$431	\$102,125
12	\$1,625	\$1,200	\$426	\$100,926
13	\$1,625	\$1,205	\$421	\$99,721
14	\$1,625	\$1,210	\$416	\$98,511
15	\$1,625	\$1,215	\$410	\$97,296
16	\$1,625	\$1,220	\$405	\$96,076
17	\$1,625	\$1,225	\$400	\$94,851
18	\$1,625	\$1,230	\$395	\$93,621
19	\$1,625	\$1,235	\$390	\$92,385
20	\$1,625	\$1,240	\$385	\$91,145
21	\$1,625	\$1,246	\$380	\$89,899
22	\$1,625	\$1,251	\$375	\$88,648
23	\$1,625	\$1,256	\$369	\$87,392
24	\$1,625	\$1,261	\$364	\$86,131
25	\$1,625	\$1,267	\$359	\$84,865
26	\$1,625	\$1,272	\$354	\$83,593
27	\$1,625	\$1,277	\$348	\$82,316
28	\$1,625	\$1,282	\$343	\$81,033
29	\$1,625	\$1,288	\$338	\$79,745
30	\$1,625	\$1,293	\$332	\$78,452
31	\$1,625	\$1,299	\$327	\$77,154
32	\$1,625	\$1,304	\$321	\$75,850
33	\$1,625	\$1,309	\$316	\$74,541
34	\$1,625	\$1,315	\$311	\$73,226
35	\$1,625	\$1,320	\$305	\$71,905
36	\$1,625	\$1,326	\$300	\$70,580
37	\$1,625	\$1,331	\$294	\$69,248
38	\$1,625	\$1,337	\$289	\$67,911
39	\$1,625	\$1,342	\$283	\$66,569
40	\$1,625	\$1,348	\$277	\$65,221
41	\$1,625	\$1,354	\$272	\$63,867
42	\$1,625	\$1,359	\$266	\$62,508
43	\$1,625	\$1,365	\$260	\$61,143
44	\$1,625	\$1,371	\$255	\$59,772
45	\$1,625	\$1,376	\$249	\$58,396
46	\$1,625	\$1,382	\$243	\$57,014
47	\$1,625	\$1,388	\$238	\$55,626

48	\$1,625	\$1,394	\$232	\$54,233
49	\$1,625	\$1,399	\$226	\$52,833
50	\$1,625	\$1,405	\$220	\$51,428
51	\$1,625	\$1,411	\$214	\$50,017
52	\$1,625	\$1,417	\$208	\$48,600
53	\$1,625	\$1,423	\$202	\$47,177
54	\$1,625	\$1,429	\$197	\$45,748
55	\$1,625	\$1,435	\$191	\$44,313
56	\$1,625	\$1,441	\$185	\$42,873
57	\$1,625	\$1,447	\$179	\$41,426
58	\$1,625	\$1,453	\$173	\$39,973
59	\$1,625	\$1,459	\$167	\$38,514
60	\$1,625	\$1,465	\$160	\$37,049
61	\$1,625	\$1,471	\$154	\$35,578
62	\$1,625	\$1,477	\$148	\$34,101
63	\$1,625	\$1,483	\$142	\$32,618
64	\$1,625	\$1,489	\$136	\$31,128
65	\$1,625	\$1,496	\$130	\$29,633
66	\$1,625	\$1,502	\$123	\$28,131
67	\$1,625	\$1,508	\$117	\$26,622
68	\$1,625	\$1,514	\$111	\$25,108
69	\$1,625	\$1,521	\$105	\$23,587
70	\$1,625	\$1,527	\$98	\$22,060
71	\$1,625	\$1,533	\$92	\$20,527
72	\$1,625	\$1,540	\$86	\$18,987
73	\$1,625	\$1,546	\$79	\$17,440
74	\$1,625	\$1,553	\$73	\$15,888
75	\$1,625	\$1,559	\$66	\$14,328
76	\$1,625	\$1,566	\$60	\$12,763
77	\$1,625	\$1,572	\$53	\$11,191
78	\$1,625	\$1,579	\$47	\$9,612
79	\$1,625	\$1,585	\$40	\$8,026
80	\$1,625	\$1,592	\$33	\$6,434
81	\$1,625	\$1,599	\$27	\$4,836
82	\$1,625	\$1,605	\$20	\$3,231
83	\$1,625	\$1,612	\$13	\$1,619
84	\$1,625	\$1,619	\$7	\$0