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This plan has been modified in order to present a sample business plan for Bizplan.ca.

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On The Water

1.0 Executive Summary

On the Water is a new Mediterranean restaurant on the Sunset Strip. On the Water will target both fun-seeking as well as sophisticated diners looking for good food in a fascinating atmosphere. On the Water will seek to earn 85% gross margins through an innovative setting, a wonderful menu, and an experienced restaurateur.

The Market

On the Water will be targeting locals and tourists who are active restaurant seekers. There will be a special focus on young adults with \$15K-\$60K of income looking for good food and a great time. In addition to the young adults with money to spend, On the Water will also be targeting adults and tourists known to frequent Sunset Blvd. The general demographics are males and females ages 20-50 with some or all of a college education. In addition to local Hollywood area people, On the Water will also serve party animals from neighboring cities and tourists.

Historically, if there is a dip in the general economy, the restaurant industry is usually effected far less than the overall economy. To some degree this is because of people's perception that food, regardless whether it is from the grocery or a restaurant is a fundamental necessity of life and spend accordingly.

The Service and Products

One thing that is always consistent with On the Water is their impeccable service. All server staff hired have extensive experience and all go through three weeks of training, ensuring benchmarked customer service. On the Water's services are all delivered in their extraordinary atmosphere which includes a comprehensive art and culture collection from Mediterranean Europe. This provides an authentic surrounding that at times seems to distract everyone as they analyze the wealth of artifacts on display.

The menu is Lily Valdivia's pride. It is a culmination of over 20 years of cooking. The menu contains traditional favorites such as hummus, baba ganouj, and tabouli. These favorites are differentiated through the use of the freshest organic ingredients. Most people are not aware of how much better the items taste when they are prepared with the freshest ingredients and made with love. Other menu items are kebobs, chutneys, flat breads and desserts. Everything is fresh, homemade, and prepared daily.

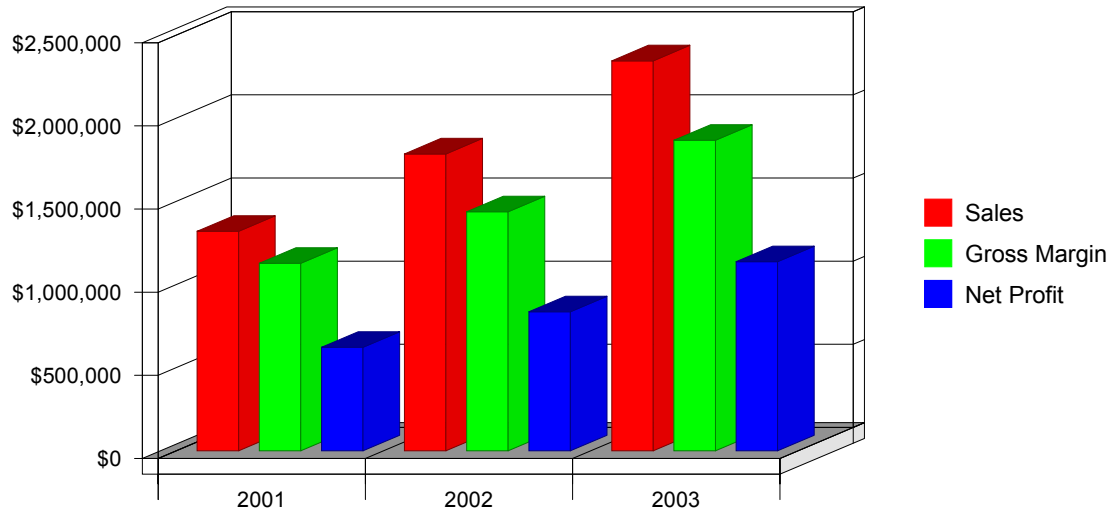
Management

The restaurant is led by Lily Valdivia, an industry veteran. Her restaurant experience began 12 years ago as a server. She quickly moved up to fine dining serving where she perfected her formal, customer-centric serving approach. For the last five years Lily has been the manager at a European restaurant with over \$2.5 million in annual sales. As mentioned earlier, Lily started cooking 20 years ago as a child in Greece. Lily came from a large family and it quickly became her responsibility to cook for the entire family. Her mother, who had three generations of traditional recipes, trained her. Lily quickly mastered these and began experimenting with her own dishes. The feedback from her family was always very positive. She knew one day she would have to parlay this skill into a business opportunity.

On the Water is forecasted to reach profitability by month two. Sales are forecasted to reach \$1,785,000 by year two and grow to \$2,345,000 by year three. The profit for these respective years should be \$836,000 and \$1,137,000 with the percentage of net profit / sales 46% and 48% respectively.

On The Water

Highlights



1.1 Objectives

1. Sales increasing to more than \$2,345,000 by the third year.
2. Keeping gross margin at approximately 80%.
3. Improve inventory turnover to two-hundred turns next year in 2001, and to 240 in 2002.

1.2 Mission

On The Water is a business that envelopes fine dining of unique mediterranean taste and an excellent bar and grill atmosphere. The mission is not only to have great tasting food, but have efficient and friendly service. Our dining environment is not only welcoming and sophisticated, it is unique in design, with walls on almost all sides that are constantly wet with running water and a lush jungle ceiling that will hang from above. We concentrate on customer satisfaction and quality food that is always fresh and specially selected. We will not judge a customer on class or dress. We want the On The Water grill to be place people can enjoy a good meal and meet new friends at our tropical Mediterranean Honey bar located inside the restaurant.

On The Water

2.0 Company Summary

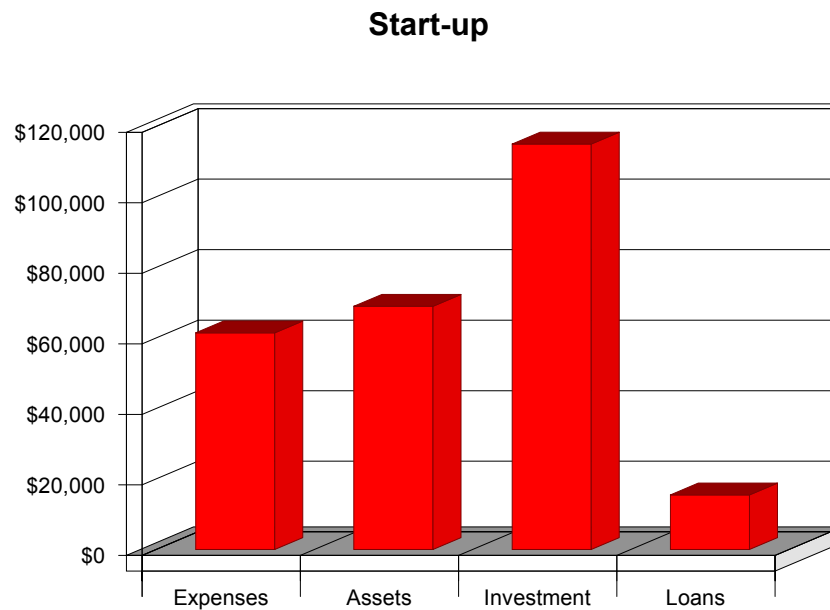
On The Water creates and serves a wild atmosphere for dining and eloquent mediterranean feasts for people who love the restaurant and bar scene, as well as a good time spent out on the town. Its customers are creative, fun-seeking, and sophisticated diners who wish to be best served by the restaurant they choose.

2.1 Company Ownership

On The Water is a sole-proprietorship business owned in majority by its founder and president Lily Valdivia. The business employs the owner, one investor and eight employees.

2.2 Start-up Summary

Our start-up costs come to \$61,450 which is mostly expensed equipment, rent, and legal and consulting costs associated with opening our first restaurant. The start-up costs are to be financed some by direct owner investment, as well as with the help of a major investor.



On The Water

Table: Start-up

<u>Start-up</u>	
<u>Requirements</u>	
<u>Start-up Expenses</u>	
Legal	\$500
Stationery etc.	\$750
Menus	\$200
Consultants	\$1,000
Insurance	\$1,000
Rent	\$6,000
Expensed equipment	\$50,000
Other	\$2,000
Total Start-up Expenses	\$61,450
<u>Start-up Assets Needed</u>	
Cash Balance on Starting Date	\$22,000
Start-up Inventory	\$2,000
Other Current Assets	\$0
Total Current Assets	\$24,000
Long-term Assets	\$45,000
Total Assets	\$69,000
Total Requirements	\$130,450
<u>Funding</u>	
<u>Investment</u>	
Investor 1	\$85,000
Other	\$30,000
Total Investment	\$115,000
<u>Current Liabilities</u>	
Accounts Payable	\$15,450
Current Borrowing	\$0
Other Current Liabilities	\$0
Total Current Liabilities	\$15,450
Long-term Liabilities	\$0
Total Liabilities	\$15,450
Loss at Start-up	(\$61,450)
Total Capital	\$53,550
Total Capital and Liabilities	\$69,000

3.0 Products and Services

On The Water provides delicious mediterranean cuisine, with friendly, efficient service and atmosphere. We are especially focused on providing a unique environment for people to dine and meet. We have a full Mediterranean Honey bar for young adults and adults to enjoy drinks and music. We also provide the value of flawless and creative staff at a "hip" location located on Sunset Strip with valet included.

On The Water

4.0 Market Analysis Summary

On The Water focuses on local and tourist active restaurant seekers, with special focus on young adults with a \$20-30,000/year income and a desire for good food and a fascinating atmosphere as our target market.

4.1 Market Segmentation

Our target market segmentation is divided between young restaurant seekers with money to spend, as well as other adults and tourists who are known to frequent Sunset Blvd. for recreational enjoyment. Defining the high-end crowd is difficult because most of Sunset Strip goers are such.

We generally know the characteristics of our clientele with our available demographics of the area, our personal crowd would consist of young adults and adults ages 20-50, both male and female, usually at least one year of college if not already fully graduated. Our geographics include people from the local Hollywood area, party animals from other neighboring cities, and tourists from other states and countries. The psychographics of our clientele include "yuppies, big spenders, club hoppers, baby boomers, Sunset rats, etc..." The buying patterns of our clientele will be people who like to spend money on pampering themselves, on quality food, feeling special, projecting an image of wealth, trying new things, and thrill seeking.

Market Analysis (Pie)

- Young adults
- Adults
- Families/Co-orkers

On The Water

4.2 Target Market Segment Strategy

On The Water will focus on attracting young adults and adults ages 20-55, with an annual income of at least \$15,000 to \$60,000. We will concentrate on the high-end spenders who enjoy new restaurants, eating out, a fun atmosphere, and high-end food and service. We want the yuppies, baby boomers, high-end clubbers, tourists with money, wealthy image seekers and compulsive spenders. We focus on these specific groups because these are the types of people who frequent other clubs and restaurants like ours on Sunset Blvd. They are the ones that are willing to spend their money on good dining and service at high prices.

We generally know the characteristics of our clientele with our available demographics of the area, our personal crowd would consist of young adults and adults ages 20-55, both male and female, usually at least one year of college if not already fully graduated. Our geographics include people from the local Hollywood area, party animals from other neighboring cities, and tourists from other states and countries. The psychographics of our clientele include "yuppies, big spenders, club hoppers, baby boomers, Sunset rats, etc..." The buying patterns of our clientele will be people who like to spend money on pampering themselves, on quality food, feeling special, projecting an image of wealth, trying new things, and thrill seeking.

5.0 Strategy and Implementation Summary

The following sections outline the strategy and implementation summary for On The Water.

5.1 Sales Strategy

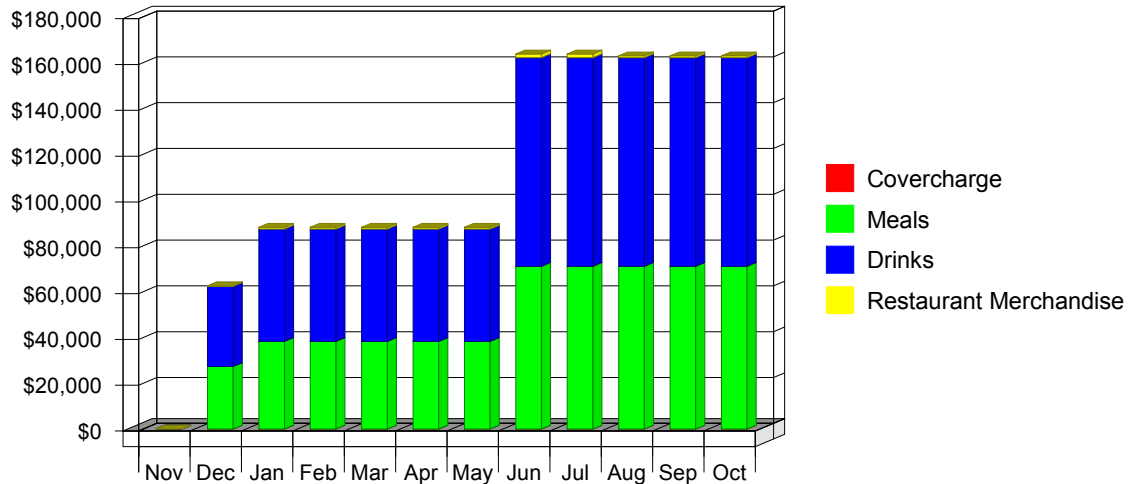
The important elements of the sales forecast are shown in the following table. The sales of food, drinks, and merchandise take a while to grow but will get more towards \$2 million in their fifth year.

On The Water

Table: Sales Forecast

Sales Forecast			
Unit Sales	2001	2002	2003
Covercharge	0	0	0
Meals	38,277	57,000	63,000
Drinks	147,136	180,000	196,000
Restaurant Merchandise	1,225	3,000	3,500
Total Unit Sales	186,638	240,000	262,500
Unit Prices			
	2001	2002	2003
Covercharge	\$0.00	\$0.00	\$0.00
Meals	\$15.00	\$15.00	\$18.00
Drinks	\$5.00	\$5.00	\$6.00
Restaurant Merchandise	\$8.00	\$10.00	\$10.00
Sales			
	2001	2002	2003
Covercharge	\$0	\$0	\$0
Meals	\$574,155	\$855,000	\$1,134,000
Drinks	\$735,680	\$900,000	\$1,176,000
Restaurant Merchandise	\$9,800	\$30,000	\$35,000
Total Sales	\$1,319,635	\$1,785,000	\$2,345,000
Direct Unit Costs			
	2001	2002	2003
Covercharge	\$0.00	\$0.00	\$0.00
Meals	\$3.00	\$4.00	\$5.00
Drinks	\$0.50	\$0.60	\$0.75
Restaurant Merchandise	\$3.00	\$4.00	\$4.50
Direct Cost of Sales			
	2001	2002	2003
Covercharge	\$0	\$0	\$0
Meals	\$114,831	\$228,000	\$315,000
Drinks	\$73,568	\$108,000	\$147,000
Restaurant Merchandise	\$3,675	\$12,000	\$15,750
Subtotal Direct Cost of Sales	\$192,074	\$348,000	\$477,750

Sales Monthly



On The Water

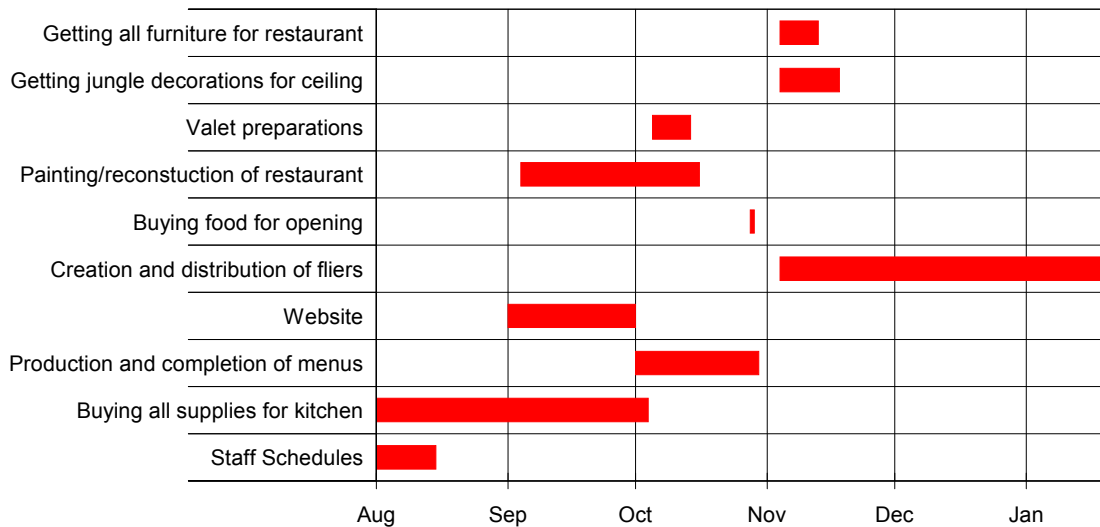
5.2 Milestones

The following table lists important program milestones, with dates and managers in charge, and budgets for each. The milestone schedule indicates our emphasis on planning for implementation. The most important programs are the sales and marketing programs listed in detail in the previous topics.

Table: Milestones

Milestones Milestone	Start Date	End Date	Budget	Manager	Department
Getting all furniture for restaurant	11/4/00	11/13/00	\$3,000	LVM	Design
Getting jungle decorations for ceiling	11/4/00	11/18/00	\$600	LVM	Design
Valet preparations	10/5/00	10/14/00	\$500	LVM	Management
Painting/reconstruction of restaurant	9/4/00	10/16/00	\$2,000	LVM	Design
Buying food for opening	10/28/00	10/29/00	\$500	LVM	Food
Creation and distribution of fliers	11/4/00	1/20/01	\$1,000	LVM	Promotional
Website	9/1/00	10/1/00	\$1,000	LVM	Management
Production and completion of menus	10/1/00	10/30/00	\$400	LVM	Design
Buying all supplies for kitchen	8/1/00	10/4/00	\$7,000	LVM	Management
Staff Schedules	8/1/00	8/15/00	\$0	LVM	Management
Totals			\$16,000		

Milestones



On The Water

6.0 Management Summary

Our management philosophy is based on responsibility and mutual respect. People who work at On The Water want to work there because we have an environment that encourages creativity and achievement. The team includes a maximum of eight to twelve employees, under a president/manager of one.

6.1 Personnel Plan

The personnel plan reflects what we would like to keep as a steady positioning through out the years. Our total headcount will increase from 8 to 12 come June because that's the beginning of our "good" season. However, we plan to keep the head count at 12 because of the space and dynamics of the restaurant. It appears we don't need more than 12 employees to run the business untill the fourth and fifth year, if and when we are successful enough to expand. Detailed monthly projections are included in the appendices.

Table: Personnel

Personnel Plan	2001	2002	2003
Management	\$41,580	\$45,738	\$50,312
Hostess	\$16,170	\$17,787	\$19,566
Waiters/Waitresses	\$55,860	\$61,446	\$67,591
Bartenders	\$27,540	\$30,294	\$33,323
Bus Boys	\$7,920	\$8,712	\$9,583
Cocktail Waitresses	\$3,360	\$3,696	\$4,066
Chefs	\$73,920	\$81,312	\$89,443
Total People	12	12	12
Total Payroll	\$226,350	\$248,985	\$273,884

On The Water

7.0 Financial Plan

The most important element in the financial plan is the critical need for improving several of the key factors that impact cash flow.

1. We must stop, at any cost, the slide in inventory turnover and develop better inventory management to bring the turnover back up to 250 turns by the third year. This should also be a function of the shift in focus toward food and drink revenues, to add to the service revenues.
2. We must also bring the gross margin back up. This is related to improving the mix between service and food revenues, because the food revenues offer a much better margin.
3. We plan to not have to borrow too much this year as we should be sufficiently set up. This can be seen in the balance sheet capabilities.

7.1 Important Assumptions

The financial plan depends upon important assumptions, most of which are shown in the following table. The key underlying assumptions are:

- We assume a slow-growth economy, without major recession.
- We assume that there are no unforeseen changes in the expectancy in the popularity of our restaurant.
- We assume access to investments and financing are sufficient to maintain and fulfill our financial plan as shown in the tables.

Table: General Assumptions

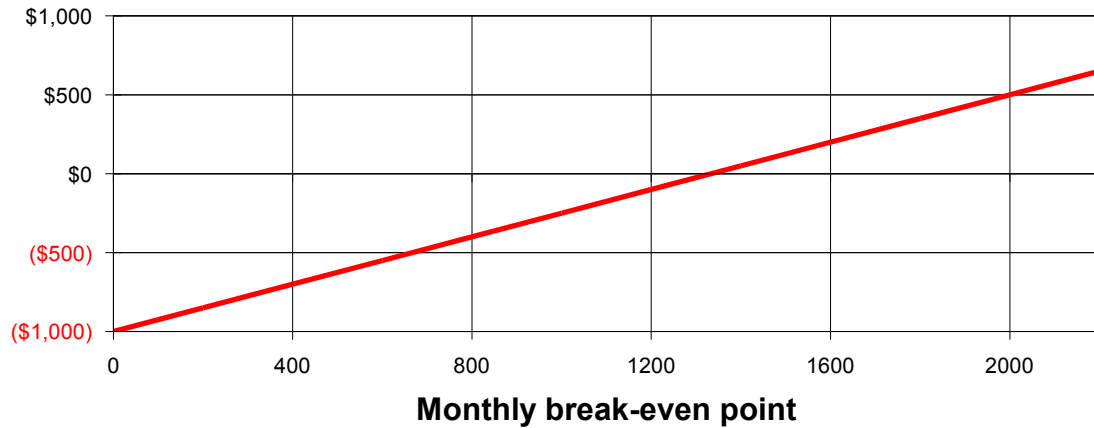
General Assumptions	2001	2002	2003
Plan Month	1	2	3
Current Interest Rate	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%
Tax Rate	25.00%	25.00%	25.00%
Other	0.00%	0.00%	0.00%
Calculated Totals			
Payroll Expense	\$226,350	\$248,985	\$273,884
New Accounts Payable	\$673,550	\$921,483	\$1,193,312
Inventory Purchase	\$213,700	\$330,402	\$478,304

On The Water

7.2 Break-even Analysis

For our Break-even Analysis, we assume running costs of approximately \$61,450 per month which includes our full payroll, rent, and utilities, and an estimation of other running costs. Payroll alone, at our present run rate, is only about \$184,770/year by the third year.

Break-even Analysis



Break-even point = where line intersects with 0

Table: Break-even Analysis

Break-even Analysis:	
Monthly Units Break-even	1,333
Monthly Revenue Break-even	\$1,333
Assumptions:	
Average Per-Unit Revenue	\$1.00
Average Per-Unit Variable Cost	\$0.25
Estimated Monthly Fixed Cost	\$1,000

On The Water

7.3 Projected Profit and Loss

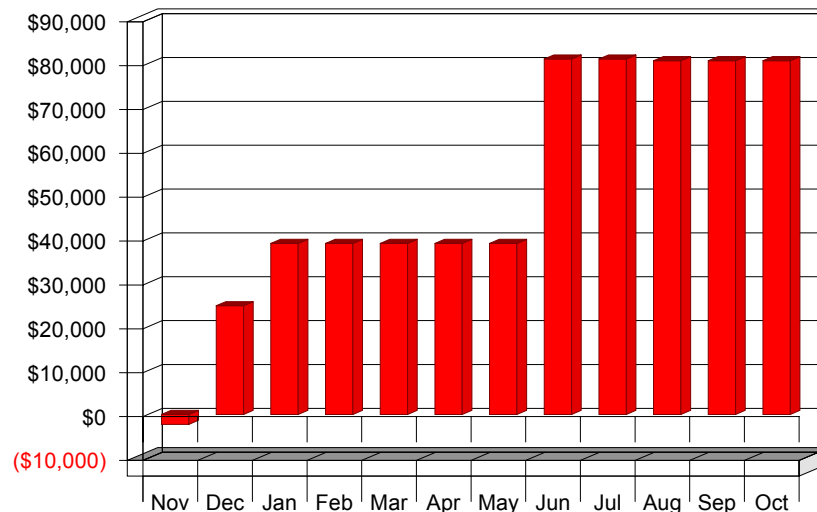
The most important assumption in the Projected Profit and Loss statement is the gross margin, although it doesn't jump drastically in the first year, over given time the restaurant will develop its customer base and name, and the growth will pick up more rapidly towards the fourth and fifth years of business. The increase in gross margin will be due to a slow increase in sales prices and an increase in customer base, which is critical.

Month-by-month assumptions for profit and loss are included in the appendices.

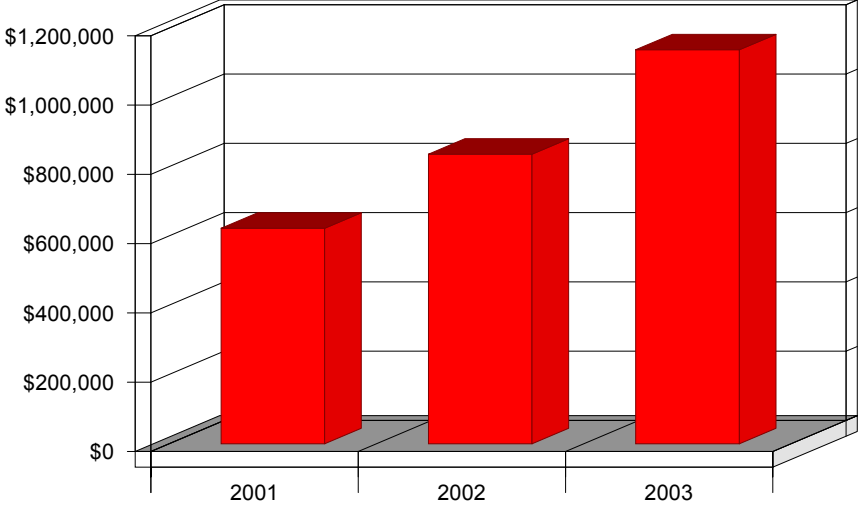
Table: Profit and Loss

Pro Forma Profit and Loss	2001	2002	2003
Sales	\$1,319,635	\$1,785,000	\$2,345,000
Direct Costs of Goods	\$192,074	\$348,000	\$477,750
Other	\$0	\$0	\$0
Cost of Goods Sold	\$192,074	\$348,000	\$477,750
Gross Margin	\$1,127,561	\$1,437,000	\$1,867,250
Gross Margin %	85.44%	80.50%	79.63%
Expenses:			
Payroll	\$226,350	\$248,985	\$273,884
Sales and Marketing and Other Expenses	\$2,200	\$200	\$300
Depreciation	\$0	\$0	\$0
Insurance	\$0	\$0	\$0
Rent	\$36,000	\$36,000	\$36,000
Depreciation	\$0	\$0	\$0
Leased Equipment	\$0	\$0	\$0
Payroll Taxes	\$33,953	\$37,348	\$41,083
Other	\$0	\$0	\$0
Total Operating Expenses	\$298,503	\$322,533	\$351,266
Profit Before Interest and Taxes	\$829,059	\$1,114,467	\$1,515,984
Interest Expense	\$0	\$0	\$0
Taxes Incurred	\$207,265	\$278,617	\$378,996
Net Profit	\$621,794	\$835,850	\$1,136,988
Net Profit/Sales	47.12%	46.83%	48.49%
Include Negative Taxes	TRUE	TRUE	TRUE

Profit Monthly



Profit Yearly



On The Water

7.4 Projected Cash Flow

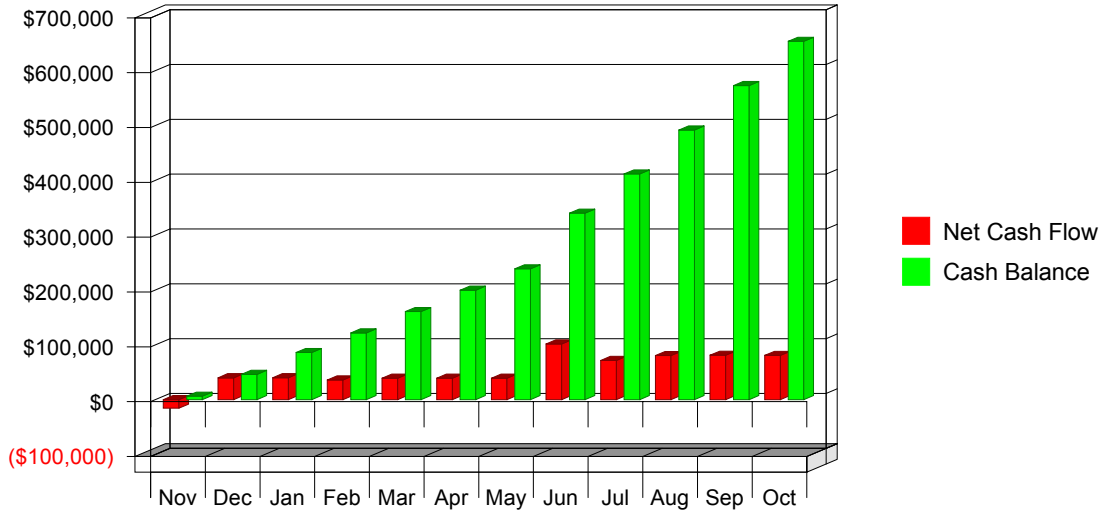
The cash flow depends on assumptions for inventory turnover, payment days, and accounts receivable management. Our projected same-day collection is critical, and also reasonable and expected in the restaurant industry. We don't expect to need that much continued support even when we reach the less profitable months, as they are expected.

Table: Cash Flow

Pro Forma Cash Flow	2001	2002	2003
Cash Received			
Cash from Operations:			
Cash Sales	\$1,319,635	\$1,785,000	\$2,345,000
Cash from Receivables	\$0	\$0	\$0
Subtotal Cash from Operations	\$1,319,635	\$1,785,000	\$2,345,000
Additional Cash Received			
Non Operating (Other) Income	\$0	\$0	\$0
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	\$1,319,635	\$1,785,000	\$2,345,000
Expenditures			
Expenditures from Operations:			
Cash Spending	\$45,916	\$10,068	\$15,253
Payment of Accounts Payable	\$642,264	\$957,972	\$1,188,035
Subtotal Spent on Operations	\$688,180	\$968,040	\$1,203,288
Additional Cash Spent			
Non Operating (Other) Expense	\$0	\$0	\$0
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	\$688,180	\$968,040	\$1,203,288
Net Cash Flow	\$631,455	\$816,960	\$1,141,712
Cash Balance	\$653,455	\$1,470,415	\$2,612,127

On The Water

Cash



On The Water

7.5 Projected Balance Sheet

The projected Balance Sheet is quite solid. We do not project any real trouble meeting our debt obligations, as long as we can achieve our specific goals.

Table: Balance Sheet

Pro Forma Balance Sheet

Assets	2001	2002	2003
Current Assets			
Cash	\$653,455	\$1,470,415	\$2,612,127
Inventory	\$23,626	\$6,027	\$6,581
Other Current Assets	\$0	\$0	\$0
Total Current Assets	\$677,080	\$1,476,442	\$2,618,708
Long-term Assets			
Long-term Assets	\$45,000	\$45,000	\$45,000
Accumulated Depreciation	\$0	\$0	\$0
Total Long-term Assets	\$45,000	\$45,000	\$45,000
Total Assets	\$722,080	\$1,521,442	\$2,663,708
Liabilities and Capital			
	2001	2002	2003
Accounts Payable	\$46,737	\$10,248	\$15,526
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$46,737	\$10,248	\$15,526
Long-term Liabilities	\$0	\$0	\$0
Total Liabilities	\$46,737	\$10,248	\$15,526
Paid-in Capital	\$115,000	\$115,000	\$115,000
Retained Earnings	(\$61,450)	\$560,344	\$1,396,194
Earnings	\$621,794	\$835,850	\$1,136,988
Total Capital	\$675,344	\$1,511,194	\$2,648,182
Total Liabilities and Capital	\$722,080	\$1,521,442	\$2,663,708
Net Worth	\$675,344	\$1,511,194	\$2,648,182

Appendix

Appendix Table: Sales Forecast

Sales Forecast												
Unit Sales	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Covercharge	0	0	0	0	0	0	0	0	0	0	0	0
Meals	0	1,822	2,552	2,552	2,552	2,552	2,552	4,739	4,739	4,739	4,739	4,739
Drinks	0	7,006	9,809	9,809	9,809	9,809	9,809	18,217	18,217	18,217	18,217	18,217
Restaurant Merchandise	0	25	100	100	100	100	100	200	200	100	100	100
Total Unit Sales	0	8,853	12,461	12,461	12,461	12,461	12,461	23,156	23,156	23,056	23,056	23,056
Unit Prices	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Covercharge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Meals	\$0.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Drinks	\$0.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Restaurant Merchandise	\$0.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
Sales	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Covercharge	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meals	\$0	\$27,330	\$38,280	\$38,280	\$38,280	\$38,280	\$38,280	\$71,085	\$71,085	\$71,085	\$71,085	\$71,085
Drinks	\$0	\$35,030	\$49,045	\$49,045	\$49,045	\$49,045	\$49,045	\$91,085	\$91,085	\$91,085	\$91,085	\$91,085
Restaurant Merchandise	\$0	\$200	\$800	\$800	\$800	\$800	\$800	\$1,600	\$1,600	\$800	\$800	\$800
Total Sales	\$0	\$62,560	\$88,125	\$88,125	\$88,125	\$88,125	\$88,125	\$163,770	\$163,770	\$162,970	\$162,970	\$162,970
Direct Unit Costs	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Covercharge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Meals	\$0.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Drinks	\$0.00	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50
Restaurant Merchandise	\$0.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Direct Cost of Sales	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Covercharge	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meals	\$0	\$5,466	\$7,656	\$7,656	\$7,656	\$7,656	\$7,656	\$14,217	\$14,217	\$14,217	\$14,217	\$14,217
Drinks	\$0	\$3,503	\$4,905	\$4,905	\$4,905	\$4,905	\$4,905	\$9,109	\$9,109	\$9,109	\$9,109	\$9,109
Restaurant Merchandise	\$0	\$75	\$300	\$300	\$300	\$300	\$300	\$600	\$600	\$300	\$300	\$300
Subtotal Direct Cost of Sales	\$0	\$9,044	\$12,861	\$12,861	\$12,861	\$12,861	\$12,861	\$23,926	\$23,926	\$23,626	\$23,626	\$23,626

Appendix

Appendix Table: Personnel

Personnel Plan	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Management	\$0	\$3,780	\$3,780	\$3,780	\$3,780	\$3,780	\$3,780	\$3,780	\$3,780	\$3,780	\$3,780	\$3,780
Hostess	\$0	\$1,470	\$1,470	\$1,470	\$1,470	\$1,470	\$1,470	\$1,470	\$1,470	\$1,470	\$1,470	\$1,470
Waiters/Waitresses	\$0	\$4,410	\$4,410	\$4,410	\$4,410	\$4,410	\$4,410	\$5,880	\$5,880	\$5,880	\$5,880	\$5,880
Bartenders	\$0	\$0	\$2,430	\$2,430	\$2,430	\$2,430	\$2,430	\$3,078	\$3,078	\$3,078	\$3,078	\$3,078
Bus Boys	\$0	\$720	\$720	\$720	\$720	\$720	\$720	\$720	\$720	\$720	\$720	\$720
Cocktail Waitresses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$672	\$672	\$672	\$672	\$672
Chefs	\$0	\$4,620	\$4,620	\$4,620	\$4,620	\$4,620	\$4,620	\$9,240	\$9,240	\$9,240	\$9,240	\$9,240
Total People	0	8	8	8	8	8	8	12	12	12	12	12
Total Payroll	\$0	\$15,000	\$17,430	\$17,430	\$17,430	\$17,430	\$17,430	\$24,840	\$24,840	\$24,840	\$24,840	\$24,840

Appendix

Appendix Table: General Assumptions

General Assumptions	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Plan Month	1	2	3	4	5	6	7	8	9	10	11	12
Current Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	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%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Calculated Totals												
Payroll Expense	\$0	\$15,000	\$17,430	\$17,430	\$17,430	\$17,430	\$17,430	\$24,840	\$24,840	\$24,840	\$24,840	\$24,840
New Accounts Payable	\$2,025	\$42,049	\$49,638	\$46,203	\$46,203	\$46,203	\$46,203	\$87,255	\$77,297	\$76,644	\$76,914	\$76,914
Inventory Purchase	\$0	\$16,088	\$16,677	\$12,861	\$12,861	\$12,861	\$12,861	\$34,991	\$23,926	\$23,326	\$23,626	\$23,626

Appendix

Appendix Table: Profit and Loss

Pro Forma Profit and Loss

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Sales	\$0	\$62,560	\$88,125	\$88,125	\$88,125	\$88,125	\$88,125	\$163,770	\$163,770	\$162,970	\$162,970	\$162,970
Direct Costs of Goods	\$0	\$9,044	\$12,861	\$12,861	\$12,861	\$12,861	\$12,861	\$23,926	\$23,926	\$23,626	\$23,626	\$23,626
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost of Goods Sold	\$0	\$9,044	\$12,861	\$12,861	\$12,861	\$12,861	\$12,861	\$23,926	\$23,926	\$23,626	\$23,626	\$23,626
Gross Margin	\$0	\$53,516	\$75,265	\$75,265	\$75,265	\$75,265	\$75,265	\$139,845	\$139,845	\$139,345	\$139,345	\$139,345
Gross Margin %	0.00%	85.54%	85.41%	85.41%	85.41%	85.41%	85.41%	85.39%	85.39%	85.50%	85.50%	85.50%
Expenses:												
Payroll	\$0	\$15,000	\$17,430	\$17,430	\$17,430	\$17,430	\$17,430	\$24,840	\$24,840	\$24,840	\$24,840	\$24,840
Sales and Marketing and Other Expenses	\$0	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leased Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payroll Taxes	\$0	\$2,250	\$2,615	\$2,615	\$2,615	\$2,615	\$2,615	\$3,726	\$3,726	\$3,726	\$3,726	\$3,726
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$3,000	\$20,450	\$23,245	\$23,245	\$23,245	\$23,245	\$23,245	\$31,766	\$31,766	\$31,766	\$31,766	\$31,766
Profit Before Interest and Taxes	(\$3,000)	\$33,066	\$52,020	\$52,020	\$52,020	\$52,020	\$52,020	\$108,079	\$108,079	\$107,579	\$107,579	\$107,579
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	(\$750)	\$8,267	\$13,005	\$13,005	\$13,005	\$13,005	\$13,005	\$27,020	\$27,020	\$26,895	\$26,895	\$26,895
Net Profit	(\$2,250)	\$24,800	\$39,015	\$39,015	\$39,015	\$39,015	\$39,015	\$81,059	\$81,059	\$80,684	\$80,684	\$80,684
Net Profit/Sales	0.00%	39.64%	44.27%	44.27%	44.27%	44.27%	44.27%	49.50%	49.50%	49.51%	49.51%	49.51%
Include Negative Taxes												

Appendix

Appendix Table: Cash Flow

Pro Forma Cash Flow	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Cash Received												
Cash from Operations:												
Cash Sales	\$0	\$62,560	\$88,125	\$88,125	\$88,125	\$88,125	\$88,125	\$163,770	\$163,770	\$162,970	\$162,970	\$162,970
Cash from Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash from Operations	\$0	\$62,560	\$88,125	\$88,125	\$88,125	\$88,125	\$88,125	\$163,770	\$163,770	\$162,970	\$162,970	\$162,970
Additional Cash Received												
Non Operating (Other) Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Received	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$0	\$62,560	\$88,125	\$88,125	\$88,125	\$88,125	\$88,125	\$163,770	\$163,770	\$162,970	\$162,970	\$162,970
Expenditures												
Expenditures from Operations:												
Cash Spending	\$225	\$2,755	\$3,288	\$2,907	\$2,907	\$2,907	\$2,907	\$6,521	\$5,415	\$5,342	\$5,372	\$5,372
Payment of Accounts Payable	\$15,518	\$20,034	\$45,003	\$49,524	\$46,203	\$46,203	\$46,203	\$55,809	\$86,923	\$77,275	\$76,653	\$76,914
Subtotal Spent on Operations	\$15,743	\$22,790	\$48,292	\$52,430	\$49,110	\$49,110	\$49,110	\$62,330	\$92,338	\$82,617	\$82,025	\$82,286
Additional Cash Spent												
Non Operating (Other) Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$15,743	\$22,790	\$48,292	\$52,430	\$49,110	\$49,110	\$49,110	\$62,330	\$92,338	\$82,617	\$82,025	\$82,286
Net Cash Flow	(\$15,743)	\$39,770	\$39,833	\$35,695	\$39,015	\$39,015	\$39,015	\$101,440	\$71,432	\$80,353	\$80,945	\$80,684
Cash Balance	\$6,258	\$46,028	\$85,861	\$121,556	\$160,571	\$199,586	\$238,601	\$340,041	\$411,473	\$491,826	\$572,771	\$653,455

Appendix

Appendix Table: Balance Sheet

Pro Forma Balance Sheet

Assets	Starting Balances	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Current Assets													
Cash	\$22,000	\$6,258	\$46,028	\$85,861	\$121,556	\$160,571	\$199,586	\$238,601	\$340,041	\$411,473	\$491,826	\$572,771	\$653,455
Inventory	\$2,000	\$2,000	\$9,044	\$12,861	\$12,861	\$12,861	\$12,861	\$12,861	\$23,926	\$23,926	\$23,626	\$23,626	\$23,626
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$24,000	\$8,258	\$55,072	\$98,722	\$134,416	\$173,431	\$212,446	\$251,461	\$363,966	\$435,399	\$515,452	\$596,397	\$677,080
Long-term Assets													
Long-term Assets	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Long-term Assets	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Total Assets	\$69,000	\$53,258	\$100,072	\$143,722	\$179,416	\$218,431	\$257,446	\$296,461	\$408,966	\$480,399	\$560,452	\$641,397	\$722,080
Liabilities and Capital													
		Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Accounts Payable	\$15,450	\$1,958	\$23,972	\$28,607	\$25,287	\$25,287	\$25,287	\$25,287	\$56,733	\$47,106	\$46,476	\$46,737	\$46,737
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$15,450	\$1,958	\$23,972	\$28,607	\$25,287	\$25,287	\$25,287	\$25,287	\$56,733	\$47,106	\$46,476	\$46,737	\$46,737
Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$15,450	\$1,958	\$23,972	\$28,607	\$25,287	\$25,287	\$25,287	\$25,287	\$56,733	\$47,106	\$46,476	\$46,737	\$46,737
Paid-in Capital	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000
Retained Earnings	(\$61,450)	(\$61,450)	(\$61,450)	(\$61,450)	(\$61,450)	(\$61,450)	(\$61,450)	(\$61,450)	(\$61,450)	(\$61,450)	(\$61,450)	(\$61,450)	(\$61,450)
Earnings	\$0	(\$2,250)	\$22,550	\$61,565	\$100,580	\$139,595	\$178,610	\$217,625	\$298,683	\$379,742	\$460,426	\$541,110	\$621,794
Total Capital	\$53,550	\$51,300	\$76,100	\$115,115	\$154,130	\$193,145	\$232,160	\$271,175	\$352,233	\$433,292	\$513,976	\$594,660	\$675,344
Total Liabilities and Capital	\$69,000	\$53,258	\$100,072	\$143,722	\$179,416	\$218,431	\$257,446	\$296,461	\$408,966	\$480,399	\$560,452	\$641,397	\$722,080
Net Worth	\$53,550	\$51,300	\$76,100	\$115,115	\$154,130	\$193,145	\$232,160	\$271,175	\$352,233	\$433,292	\$513,976	\$594,660	\$675,344