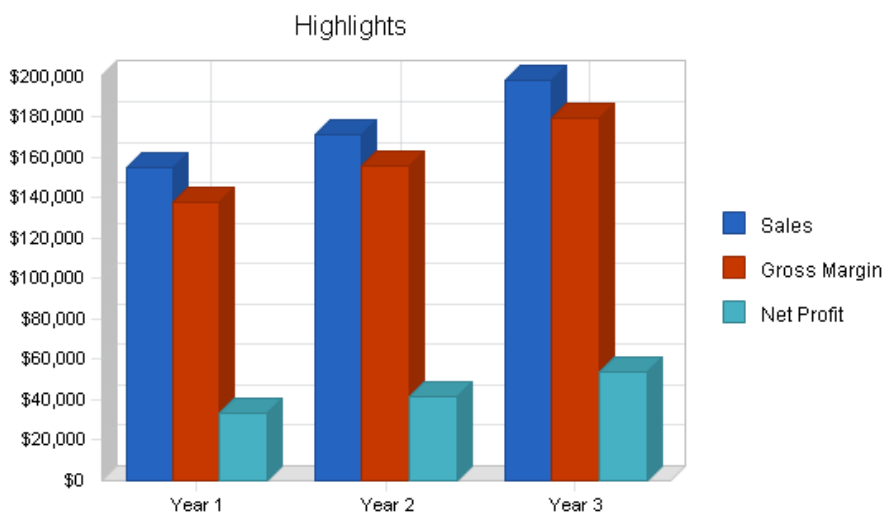




# Software Sales Business Plan

This business plan outlines the strategy for sales of enterprise software planning solutions to medium-sized companies and franchises. Corporate Software Sales (CSS) will act as the direct sales arm of a software manufacturing firm based in Oregon. We expect a high degree of profitability based on our plan to key in on businesses that have already expressed the need for such services and products to the software manufacturer. Our management expertise in dealing with corporate decision makers and our partner's reputation will be the cornerstone of our success.



## 1.1 Objectives

- Market a business planning software package to corporate managers and achieve £60K in commission fees in year one.
- Customize the software to the individual needs of each client.
- Provide training and follow-up service to each client.

## 1.2 Mission

The employees of CSS recognize that information is vital for management and presenting that information in an efficient and easily understood framework is crucial. Also, not every business manager requires similar tools; what works for a service based company might be useless for a manufacturer. That's why we market an already proven third-party software planning tool which we will customize to the client's individual needs. Although we recognize the intimate relationship between profitability and quality products, we know that our success is ultimately dependent on the well-being of our employees.

## 1.3 Keys to Success

The success of our company is dependent on our ability to:

- Anticipate clients needs.
- Adapt software solutions to these needs.
- Identify industries/corporations that need planning tools.

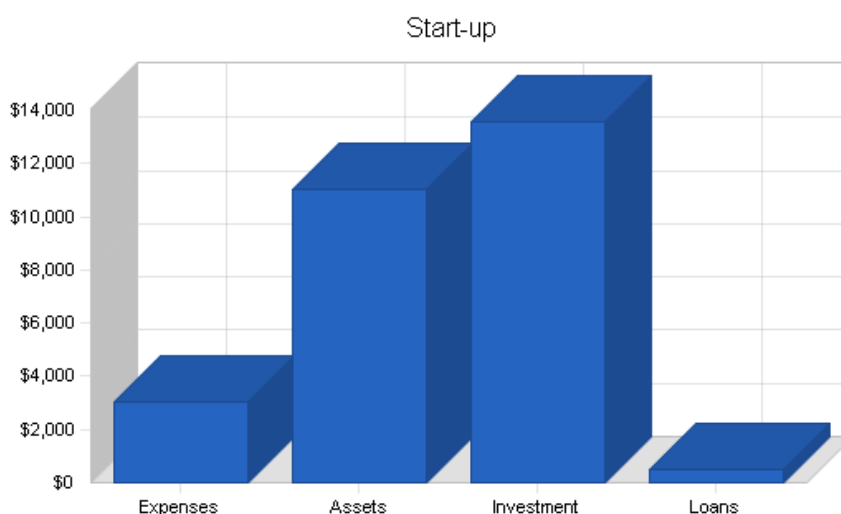


## Company Summary

CSS provides enterprise-corporate planning software solutions. We identify companies' planning needs and work with a third-party manufacturer to create software to address these needs. Although the actual software is produced out-of-house, we guarantee the customer the right solution.

### 2.1 Start-up Summary

Start-up expenses, which cover phone calls, office furniture, letterhead and business cards come to £3,050. We also need £11,000 of cash on hand. These costs will either be financed by owner investment or through financing from the software manufacturing partner. Details and assumptions are summarized in the following chart and table.



Start-up

Requirements

Start-up Expenses

Legal	£300
Stationery etc.	£250
Brochures	£0
Consultants	£0
Insurance	£1,000
Rent	£0
Research and development	£0
Expensed equipment	£1,500
Other	£0
<b>Total Start-up Expenses</b>	<b>£3,050</b>

Start-up Assets

Cash Required	£11,000
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Other Current Assets	£0
Long-term Assets	£0
Total Assets	£11,000

Total Requirements	£14,050
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#### Start-up Funding

Start-up Expenses to Fund	£3,050
Start-up Assets to Fund	£11,000
Total Funding Required	£14,050

#### Assets

Non-cash Assets from Start-up	£0
Cash Requirements from Start-up	£11,000
Additional Cash Raised	£0
Cash Balance on Starting Date	£11,000
Total Assets	£11,000

#### Liabilities and Capital

##### Liabilities

Current Borrowing	£0
Long-term Liabilities	£0
Accounts Payable (Outstanding Bills)	£500
Other Current Liabilities (interest-free)	£0
Total Liabilities	£500

##### Capital

##### Planned Investment

Investor 1	£9,000
Investor 2	£4,550
Other	£0
Additional Investment Requirement	£0
Total Planned Investment	£13,550

Loss at Start-up (Start-up Expenses)	(£3,050)
Total Capital	£10,500

Total Capital and Liabilities	£11,000
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Total Funding	£14,050
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## 2.2 Company Locations and Facilities

The company will be located in a home-based office in Portland, Oregon. This location is ideal, as it is close to the software manufacturer's facilities and several of the first potential clients' home offices.

## Products and Services

CSS will provide medium- and large-sized companies with enterprise-wide collaborative planning solutions. We will also provide consulting services by helping companies recognize opportunities for using technology to streamline their business processes. Finally, we will provide complete training for the use of solutions purchased from us.

### 3.1 Product and Service Description

#### Software

CSS software products consist of a business planning software package that is proven in the consumer market. In fact, this product is the top-rated and best-selling small business planning package. The enterprise version will be similar to the consumer version however, it will be modified to fit the needs of different clients. The product will allow corporate sales forces and franchises to use planning tools to achieve tremendous efficiencies in their business processes. In essence, a sales force will be able to write concise business plans for any customer and through the use of an extranet, allow the customer to collaboratively plan their own account. Franchises will be able to create a road map of their business plans that corporate managers can monitor and adjust accordingly. The possibility exists to customize the product to work with other collaborative tools such as LotusNotes and the clients email applications.

#### Consulting

CSS will perform an analysis of all potential clients' planning strategies and tactics as well as their degree of aptitude with planning software and information technology. The goal of this analysis is to ensure that all clients get a solution that best fits their needs and capabilities. Whether they decide to purchase the product or not they will have an expert analysis of their planning strategies.

#### Training

CSS will provide further value to our customers, and ease the customer service burden on our partner, by ensuring that all product users are properly trained in the use of all software solutions.

#### Interface

Through the software manufacturer, CSS will provide an additional product which will give the client a dedicated service representative--eliminating the need for product updates. This will in essence create a "living" product which can grow and adapt with the clients' needs. The interface representative will function through the clients' established extranet.

### 3.2 Competitive Comparison

Alternative products do not offer a complete package of tools. For example, to get similar results from another product(s) the client would have to integrate complex spreadsheets, word processing software, instructions and Web based collaboration themselves.

### 3.3 Technology

The software package runs on Windows 95, 98, 2000, Windows NT, and Macintosh platforms.



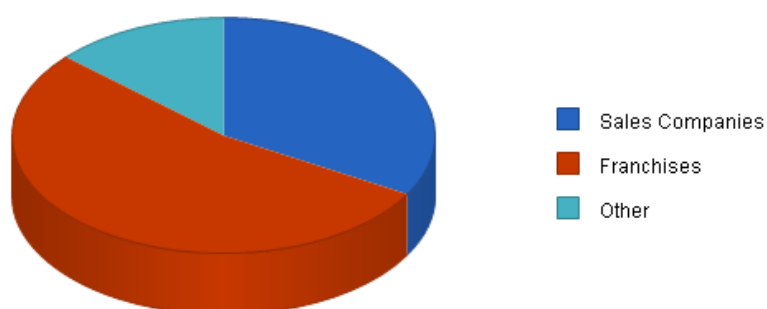
## Market Analysis Summary

We operate in the business-to-business segment of e-commerce which recent research estimates transactions in excess of £160 billion ([www.e-commerceguide.com](http://www.e-commerceguide.com)). Our market is further segmented into companies with sales forces greater than 100 people and companies with branches, divisions or franchises in excess of 100 units.

### 4.1 Market Segmentation

We segment our market by size of sales force and number of company subunits. Our target customers will have sales operations in excess of 100 direct sales representatives or more than 100 organizational subdivisions or franchises. For the first three years of operation we will focus on U.S. companies in the Pacific Northwest, California and the Southwest. Geographically this make sense as our office is central to these regions and management has established key client contacts in each of these areas. Larger clients are more likely to benefit from the efficiencies our product offers and will provide fees that will sustain our profitability. Exact figures for the number of businesses are hard to determine, however, the lean structure of our company will allow us to be profitable by generating two to three new clients per year.

Market Analysis (Pie)



### Market Analysis

		Year 1	Year 2	Year 3	Year 4	Year 5	
Potential Customers	Growth						CAGR
Sales Companies	3%	500	515	530	546	562	2.97%
Franchises	2%	800	812	824	836	849	1.50%
Other	5%	200	210	221	232	244	5.10%
Total	2.49%	1,500	1,537	1,575	1,614	1,655	2.49%

### 4.2 Target Market Segment Strategy

Our strategy is designed to target:

- Medium- to large-size organizations whose sales forces provide their clients with proposals and plans that the client either collaborates on, or would benefit from collaboration.
- Companies that sell franchise rights and take an active role in the success of their franchises.
- Larger clients that will provide greater revenues through a larger volume of software licensing sales and greater chance of selling client interface solution.



### 4.2.1 Market Trends

The most significant trend affecting our company is the growth of business-to-business e-commerce. More and more firms recognize the need to take advantage of the exchange of information over the Internet and our products and services rely on this.

### 4.2.2 Market Growth

The fastest growing segment of the e-commerce industry is the business-to-business sector. This segment has gone from less than £50 billion to more than £160 billion in three years.

### 4.2.3 Market Needs

Customization-products that strengthen their brand and address their differences:

- We will "Private Label" the solution so as to further strengthen the clients' brand.
- We recognize that different clients will have varying levels of sophistication and we will design different product templates for each customer.

Speed, efficiency and information:

- Our product will allow the client to make better and faster business decisions and receive quicker feedback from their end-customer.
- Managers will have the ability to monitor the progress and profitability of their staff.

## 4.3 Service Business Analysis

Customers tend to buy enterprise software solutions based on reputation, price and reliability. Also, compatibility with existing or legacy systems is very important. With this in mind, the key decision makers and influencer(s) will be the companies' chief financial officer and chief information officer.

### 4.3.1 Business Participants

There are currently several companies that provide business planning software for desktop applications, but as yet none of these offer enterprise-wide solutions. Additional competitors are companies which provide word processing, spreadsheet and collaborative planning software, as well as publishers of business planning literature.

## Strategy and Implementation Summary

Various strategy/and implementation topics are discussed in the following sections.

### 5.1 Competitive Edge

Our greatest strength and competitive edge is the reputation and success of the desktop software product. This product is the market leader in sales and consumer ratings. Our success will rely upon building on those strengths. We will also rely on our experience working with decision makers at the corporate level.

### 5.2 Marketing Strategy

We will position CSS as the best planning consultant for large corporations interested in the desktop software we sell. The software's reputation is already established, so we need to focus on our understanding of the needs of large corporations and franchises, and how we can translate that into finding the correct software solution.



## 5.2.1 Pricing Strategy

This is an expensive solution to develop and maintain, and the price will reflect the premium quality of the offering. Set-up costs to the client will run between £100K-£200K. The dedicated service option is approximately £5K/year. Software licenses are £100/year.

## 5.3 Sales Strategy

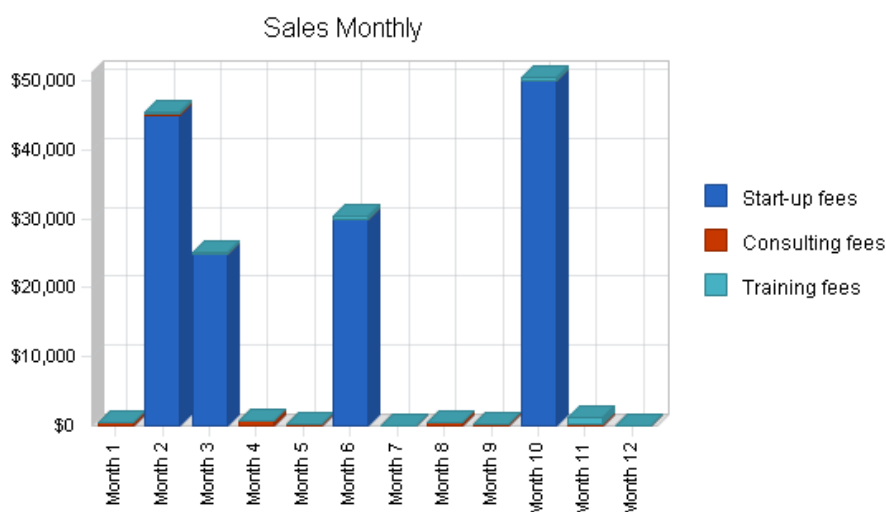
We will first target the corporate offices of franchises with more than 100 units, and companies with sales forces in excess of 100 personnel. The software manufacturer has already provided the names and contact information for several firms which fit this profile. These firms have approached the software manufacturer about enterprise solutions in the past. The software firm has also provided a list of larger businesses that purchased an executive version of their desktop product. We will contact these firms with the idea of helping them take this planning tool to the next level.

Management of CSS has business contacts at the decision maker level for several more prospects as well. These will be our secondary targets.

Tertiary targets will come from lists of firms fitting the above criteria which management has generated through Web-based market research efforts. Tactics for approaching these prospects will be indirect, i.e., we will contact sales managers and/or franchisees to establish whether the firm fits our profile and then probe for upper or middle level management contact information. We will attempt to establish a face-to-face meeting with decision makers (CFO, CIO, COO) where we will present a proposal tailored to their needs. If possible, we will also have this proposal reside on an extranet so that the client can modify the proposal and see first-hand how the product and service work.

### 5.3.1 Sales Forecast

Our sales consist of two services--consulting and training, and one product--the software/extranet package (called start-up sales). Our services provide a fraction of the revenue we will receive for the software/extranet solution, but they will sustain our cash flow needs while we develop the enterprise sales. Sales of consulting, training and product are predicted to grow at 30%, 20% and 10% respectively. Costs associated with these sales are estimated at 10% for start-up sales, 40% for consulting fees and 50% for training. We expect these costs to decrease two, five, and ten percentage points respectively in years two and three.



#### Sales Forecast

	Year 1	Year 2	Year 3
Sales			
Start-up fees	£150,000	£165,000	£189,750
Consulting fees	£2,400	£3,120	£4,368
Training fees	£2,550	£3,060	£3,978



Total Sales	£154,950	£171,180	£198,096
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Direct Cost of Sales	Year 1	Year 2	Year 3
Start-up fees	£15,000	£13,200	£15,180
Consulting fees	£960	£1,092	£1,529
Training fees	£1,275	£1,224	£1,591
Subtotal Direct Cost of Sales	£17,235	£15,516	£18,300

## Management Summary

Ronald Ivanhoe, 33, founded the company in September of 2000 to take advantage of a partnership opportunity with a highly successful Pacific NW software company. He has an MBA in marketing and e-commerce from the University of Arizona, and has designed numerous successful business plans for companies in the manufacturing, e-commerce and entertainment sectors. He consults with insurance brokers, e-commerce, and manufacturing companies in marketing strategies. He has lived in Asia for five years, speaks Japanese fluently and currently resides in Portland, OR.

### 6.1 Personnel Plan

Payroll expenses reflect the salary of Mr. Ivanhoe.

#### Personnel Plan

	Year 1	Year 2	Year 3
Ivanhoe	£80,000	£85,000	£90,000
Other	£0	£0	£0
Total People	0	0	0

Total Payroll	£80,000	£85,000	£90,000
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## Financial Plan

The most crucial issue affecting our financial plan is the receipt of start-up fees for the customization and installation of the software and extranet solution. This drives our cash flow, and all other aspects of our operation.

### 7.1 Important Assumptions

This table summarizes the general assumptions used to project our balance sheet.

#### General Assumptions

	Year 1	Year 2	Year 3
Plan Month	1	2	3
Current Interest Rate	10.00%	10.00%	10.00%
Long-term Interest Rate	8.00%	8.00%	8.00%

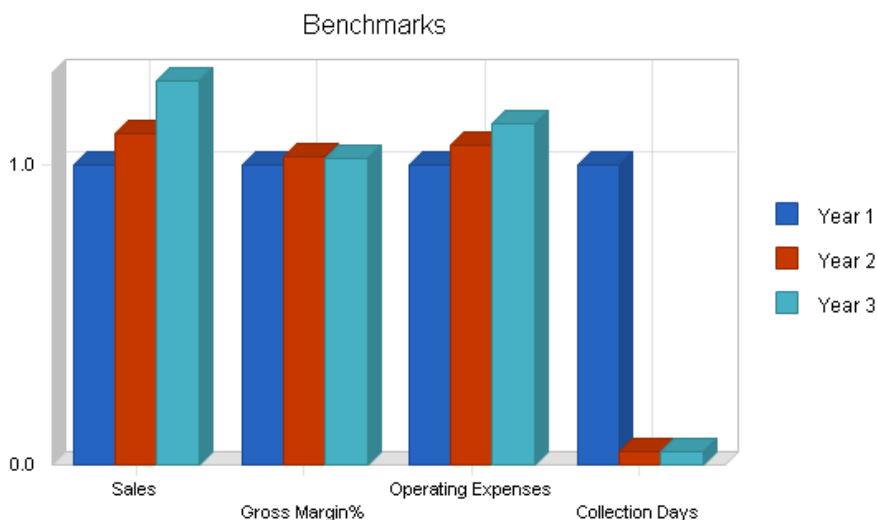




Tax Rate	30.00%	30.00%	30.00%
Other	0	0	0

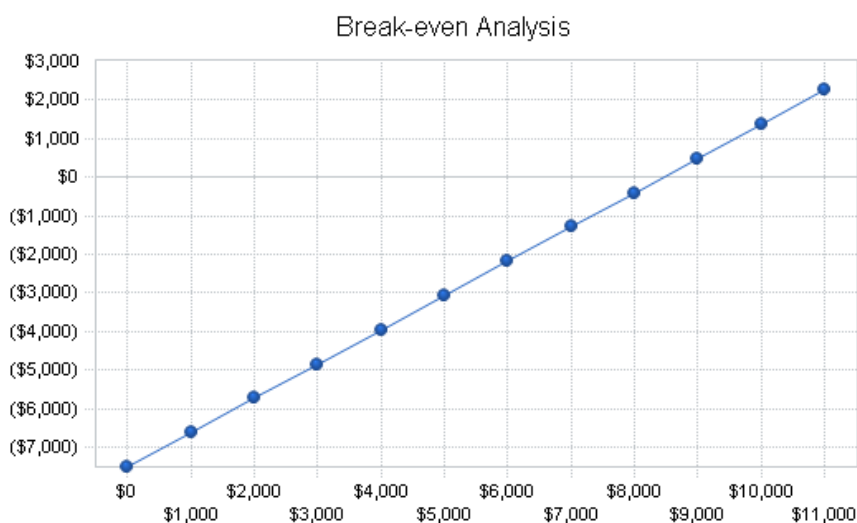
## 7.2 Key Financial Indicators

The chart below shows the relative relationships, year-to-year, of four business indicators; sales, gross margin, operating expenses, collection days of accounts receivable.



## 7.3 Break-even Analysis

We have a break-even point in sales/month for year one as shown below.



### Break-even Analysis

Monthly Revenue Break-even £8,450

Assumptions:

Average Percent Variable Cost 11%

Estimated Monthly Fixed Cost £7,510

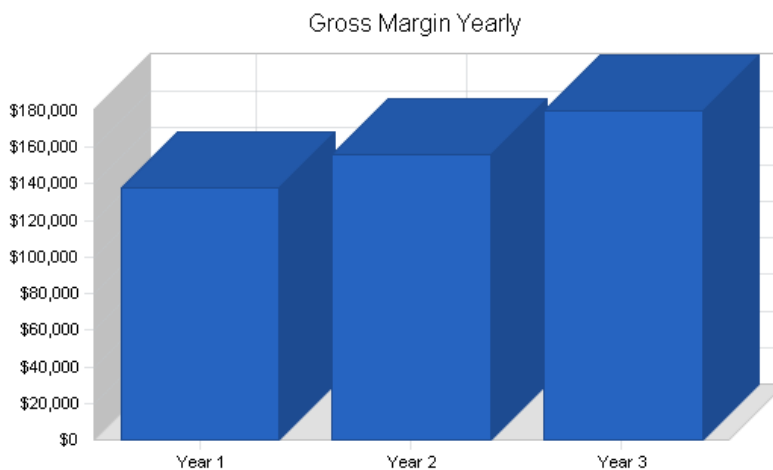
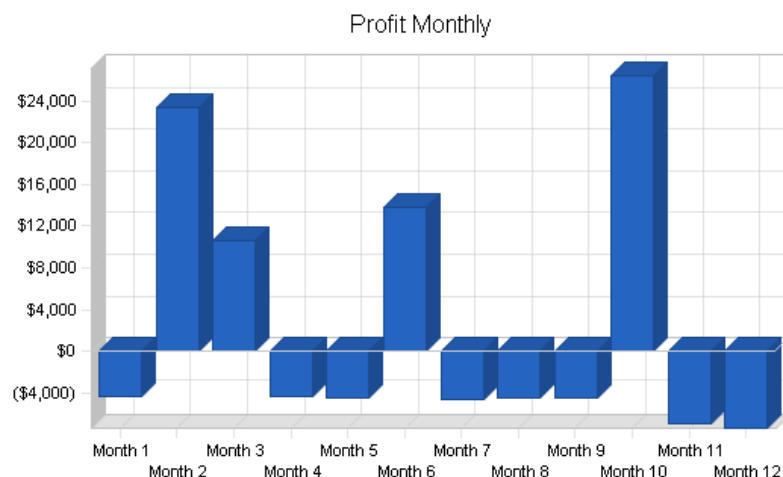
## 7.4 Projected Profit and Loss

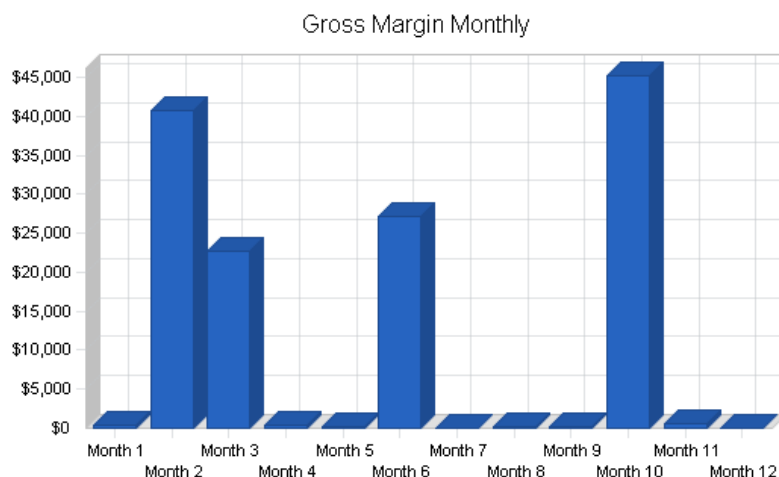
Monthly P&L fluctuate drastically due to the work required before a sale is closed. One to two months prior to closing a



sale, we will incur travel costs and other miscellaneous expenses associated with our consulting service. Expenses are approximately 40% of fees. Set-up costs to the client (our commission), drive revenue in the period a sale is made, as do training fees. Associated direct costs are 10% and 50% respectively; however, as we anticipate a learning curve in training costs, these decrease to a flat rate in year two of eight percent.

The direct cost of start-up fees is our major expense. As the client prepares to go live with the product, we will need to travel more frequently to the site, bring in their key end-customers, and travel to the manufacturer more frequently as well. We have anticipated that start-up fees will grow 10% in year two and 15% in year three. Consulting fees are projected to grow at a steady rate of 20% and training fees at 30%. As a result, net profit is projected to grow at a conservative and realistic rate for the first three years.





### Pro Forma Profit and Loss

	Year 1	Year 2	Year 3
Sales	£154,950	£171,180	£198,096
Direct Cost of Sales	£17,235	£15,516	£18,300
Other	£0	£0	£0
Total Cost of Sales	£17,235	£15,516	£18,300

Gross Margin	£137,715	£155,664	£179,796
Gross Margin %	88.88%	90.94%	90.76%

### Expenses

Payroll	£80,000	£85,000	£90,000
Marketing/Promotion	£4,000	£5,000	£6,000
Depreciation	£0	£0	£0
Utilities	£480	£500	£550
Insurance	£1,440	£1,440	£1,440
Rent	£4,200	£4,200	£4,350
Payroll Taxes	£0	£0	£0
Other	£0	£0	£0

Total Operating Expenses	£90,120	£96,140	£102,340
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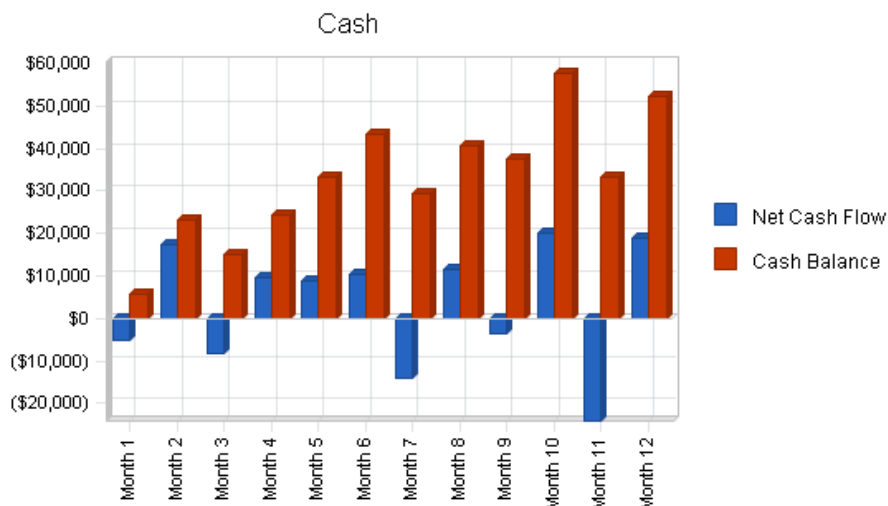
Profit Before Interest and Taxes	£47,595	£59,524	£77,456
EBITDA	£47,595	£59,524	£77,456
Interest Expense	£0	£0	£0
Taxes Incurred	£14,279	£17,857	£23,237

Net Profit	£33,317	£41,667	£54,219
Net Profit/Sales	21.50%	24.34%	27.37%



## 7.5 Projected Cash Flow

Our cash flow assumptions are dependent on the start-up fee. We will receive 15-20% of the total fee in commission. Historical values of start-up fees are from £150K to £200K and the accounts have taken from one to four months to close. Conservative estimates lead us to believe that we can attain sales revenue from start-up fees of between £135K and £140K in year one.



### Pro Forma Cash Flow

	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	£77,475	£85,590	£99,048
Cash from Receivables	£76,895	£85,529	£98,947
Subtotal Cash from Operations	£154,370	£171,119	£197,995

### 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	£154,370	£171,119	£197,995

### Expenditures

Expenditures from Operations			
Cash Spending	£80,000	£85,000	£90,000
Bill Payments	£33,015	£49,973	£53,107
Subtotal Spent on Operations	£113,015	£134,973	£143,107

### 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	£113,015	£134,973	£143,107
Net Cash Flow	£41,355	£36,146	£54,888
Cash Balance	£52,355	£88,501	£143,389

## 7.6 Projected Balance Sheet

Balance sheet is a result of key assumptions and estimated sales/cash flows.

### Pro Forma Balance Sheet

	Year 1	Year 2	Year 3
<b>Assets</b>			
<b>Current Assets</b>			
Cash	£52,355	£88,501	£143,389
Accounts Receivable	£580	£641	£742
Other Current Assets	£0	£0	£0
Total Current Assets	£52,935	£89,142	£144,131
<b>Long-term Assets</b>			
Long-term Assets	£0	£0	£0
Accumulated Depreciation	£0	£0	£0
Total Long-term Assets	£0	£0	£0
Total Assets	£52,935	£89,142	£144,131
<b>Liabilities and Capital</b>			
<b>Current Liabilities</b>			
Accounts Payable	£9,119	£3,659	£4,428
Current Borrowing	£0	£0	£0
Other Current Liabilities	£0	£0	£0
Subtotal Current Liabilities	£9,119	£3,659	£4,428
<b>Long-term Liabilities</b>			
Total Liabilities	£9,119	£3,659	£4,428
<b>Paid-in Capital</b>			
Paid-in Capital	£13,550	£13,550	£13,550
Retained Earnings	(£3,050)	£30,267	£71,933



Earnings	£33,317	£41,667	£54,219
Total Capital	£43,817	£85,483	£139,703
Total Liabilities and Capital	£52,935	£89,142	£144,131
Net Worth	£43,817	£85,483	£139,703

## 7.7 Business Ratios

The following table outlines important business ratios for pre-packaged software, as described by the standard industry classification (SIC) index, 7372.

### Ratio Analysis

	Year 1	Year 2	Year 3	Industry Profile
Sales Growth	0.00%	10.47%	15.72%	9.70%

### Percent of Total Assets

Accounts Receivable	1.10%	0.72%	0.51%	21.50%
Other Current Assets	0.00%	0.00%	0.00%	45.70%
Total Current Assets	100.00%	100.00%	100.00%	70.20%
Long-term Assets	0.00%	0.00%	0.00%	29.80%
Total Assets	100.00%	100.00%	100.00%	100.00%

Current Liabilities	17.23%	4.10%	3.07%	42.40%
Long-term Liabilities	0.00%	0.00%	0.00%	19.20%
Total Liabilities	17.23%	4.10%	3.07%	61.60%
Net Worth	82.77%	95.90%	96.93%	38.40%

### Percent of Sales

Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	88.88%	90.94%	90.76%	100.00%
Selling, General & Administrative Expenses	65.84%	64.01%	60.68%	79.40%
Advertising Expenses	0.00%	0.00%	0.00%	1.30%
Profit Before Interest and Taxes	30.72%	34.77%	39.10%	2.20%

### Main Ratios

Current	5.81	24.36	32.55	1.51
Quick	5.81	24.36	32.55	1.16
Total Debt to Total Assets	17.23%	4.10%	3.07%	61.60%
Pre-tax Return on Net Worth	108.62%	69.63%	55.44%	3.50%
Pre-tax Return on Assets	89.91%	66.77%	53.74%	9.20%

### Additional Ratios

	Year 1	Year 2	Year 3	
Net Profit Margin	21.50%	24.34%	27.37%	n.a
Return on Equity	76.04%	48.74%	38.81%	n.a



## Activity Ratios

Accounts Receivable Turnover	133.58	133.58	133.58	n.a
Collection Days	60	3	3	n.a
Accounts Payable Turnover	4.57	12.17	12.17	n.a
Payment Days	67	52	27	n.a
Total Asset Turnover	2.93	1.92	1.37	n.a

## Debt Ratios

Debt to Net Worth	0.21	0.04	0.03	n.a
Current Liab. to Liab.	1.00	1.00	1.00	n.a

## Liquidity Ratios

Net Working Capital	£43,817	£85,483	£139,703	n.a
Interest Coverage	0.00	0.00	0.00	n.a

## Additional Ratios

Assets to Sales	0.34	0.52	0.73	n.a
Current Debt/Total Assets	17%	4%	3%	n.a
Acid Test	5.74	24.19	32.38	n.a
Sales/Net Worth	3.54	2.00	1.42	n.a
Dividend Payout	0.00	0.00	0.00	n.a

# Appendix

## Pro Forma Profit and Loss

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales	£500	£45,600	£25,250	£600	£200	£30,400	£0	£400	£200	£50,600	£1,200	£0
Direct Cost of Sales	£200	£4,770	£2,625	£240	£80	£3,200	£0	£160	£80	£5,300	£580	£0
Other	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total Cost of Sales	£200	£4,770	£2,625	£240	£80	£3,200	£0	£160	£80	£5,300	£580	£0
Gross Margin	£300	£40,830	£22,625	£360	£120	£27,200	£0	£240	£120	£45,300	£620	£0
Gross Margin %	60.00%	89.54%	89.60%	60.00%	60.00%	89.47%	0.00%	60.00%	60.00%	89.53%	51.67%	0.00%
Expenses												
Payroll	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£10,000	£10,000
Marketing/Promotion	£0	£1,000	£1,000	£0	£0	£1,000	£0	£0	£0	£1,000	£0	£0
Depreciation	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Utilities	£40	£40	£40	£40	£40	£40	£40	£40	£40	£40	£40	£40
Insurance	£120	£120	£120	£120	£120	£120	£120	£120	£120	£120	£120	£120
Rent	£350	£350	£350	£350	£350	£350	£350	£350	£350	£350	£350	£350
Payroll Taxes	15%	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Other	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total Operating Expenses	£6,510	£7,510	£7,510	£6,510	£6,510	£7,510	£6,510	£6,510	£6,510	£7,510	£10,510	£10,510
Profit Before Interest and Taxes	(£6,210)	£33,320	£15,115	(£6,150)	(£6,390)	£19,690	(£6,510)	(£6,270)	(£6,390)	£37,790	(£9,890)	(£10,510)
EBITDA	(£6,210)	£33,320	£15,115	(£6,150)	(£6,390)	£19,690	(£6,510)	(£6,270)	(£6,390)	£37,790	(£9,890)	(£10,510)
Interest Expense	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Taxes Incurred	(£1,863)	£9,996	£4,535	(£1,845)	(£1,917)	£5,907	(£1,953)	(£1,881)	(£1,917)	£11,337	(£2,967)	(£3,153)
Net Profit	(£4,347)	£23,324	£10,581	(£4,305)	(£4,473)	£13,783	(£4,557)	(£4,389)	(£4,473)	£26,453	(£6,923)	(£7,357)
Net Profit/Sales	-869.40%	51.15%	41.90%	-717.50%	-2236.50%	45.34%	0.00%	-1097.25%	-2236.50%	52.28%	-576.92%	0.00%

## Sales Forecast

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales												
Start-up fees	0%	£0	£45,000	£25,000	£0	£0	£30,000	£0	£0	£0	£50,000	£0
Consulting fees	0%	£500	£300	£0	£600	£200	£0	£0	£400	£200	£0	£200
Training fees	0%	£0	£300	£250	£0	£0	£400	£0	£0	£0	£600	£1,000
Total Sales		£500	£45,600	£25,250	£600	£200	£30,400	£0	£400	£200	£50,600	£1,200
Direct Cost of Sales		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11
Start-up fees		£0	£4,500	£2,500	£0	£0	£3,000	£0	£0	£0	£5,000	£0
Consulting fees		£200	£120	£0	£240	£80	£0	£0	£160	£80	£0	£80
Training fees		£0	£150	£125	£0	£0	£200	£0	£0	£0	£300	£500
Subtotal Direct Cost of Sales		£200	£4,770	£2,625	£240	£80	£3,200	£0	£160	£80	£5,300	£580





#### General Assumptions

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
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	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Other	0	0	0	0	0	0	0	0	0	0	0	0

#### Personnel Plan

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Ivanhoe	0%	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£10,000	£10,000
Other	0%	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total People	0	0	0	0	0	0	0	0	0	0	0	0
Total Payroll	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£10,000	£10,000

#### Pro Forma Balance Sheet

	Starting Balances	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Assets</b>													
<b>Current Assets</b>													
Cash	£11,000	£5,903	£23,283	£14,888	£24,363	£33,063	£43,485	£29,268	£40,767	£37,372	£57,546	£33,421	£52,355
Accounts Receivable	£0	£250	£23,042	£34,665	£12,504	£390	£15,297	£14,693	£200	£293	£25,397	£25,057	£580
Other Current Assets	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
<b>Total Current Assets</b>	<b>£11,000</b>	<b>£6,153</b>	<b>£46,325</b>	<b>£49,553</b>	<b>£36,867</b>	<b>£33,453</b>	<b>£58,781</b>	<b>£43,961</b>	<b>£40,967</b>	<b>£37,665</b>	<b>£82,943</b>	<b>£58,478</b>	<b>£52,935</b>
<b>Long-term Assets</b>													
Long-term Assets	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Accumulated Depreciation	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
<b>Total Long-term Assets</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>
<b>Total Assets</b>	<b>£11,000</b>	<b>£6,153</b>	<b>£46,325</b>	<b>£49,553</b>	<b>£36,867</b>	<b>£33,453</b>	<b>£58,781</b>	<b>£43,961</b>	<b>£40,967</b>	<b>£37,665</b>	<b>£82,943</b>	<b>£58,478</b>	<b>£52,935</b>
<b>Liabilities and Capital</b>													
<b>Current Liabilities</b>													
Accounts Payable	£500	£0	£16,848	£9,495	£1,115	£2,173	£13,719	£3,456	£4,851	£6,021	£24,846	£7,304	£9,119
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
<b>Subtotal Current Liabilities</b>	<b>£500</b>	<b>£0</b>	<b>£16,848</b>	<b>£9,495</b>	<b>£1,115</b>	<b>£2,173</b>	<b>£13,719</b>	<b>£3,456</b>	<b>£4,851</b>	<b>£6,021</b>	<b>£24,846</b>	<b>£7,304</b>	<b>£9,119</b>
<b>Long-term Liabilities</b>													
Total Liabilities	£500	£0	£16,848	£9,495	£1,115	£2,173	£13,719	£3,456	£4,851	£6,021	£24,846	£7,304	£9,119
<b>Paid-in Capital</b>	<b>£13,550</b>	<b>£13,550</b>	<b>£13,550</b>	<b>£13,550</b>	<b>£13,550</b>	<b>£13,550</b>	<b>£13,550</b>	<b>£13,550</b>	<b>£13,550</b>	<b>£13,550</b>	<b>£13,550</b>	<b>£13,550</b>	<b>£13,550</b>
<b>Retained Earnings</b>	<b>(£3,050)</b>	<b>(£3,050)</b>	<b>(£3,050)</b>	<b>(£3,050)</b>	<b>(£3,050)</b>	<b>(£3,050)</b>	<b>(£3,050)</b>	<b>(£3,050)</b>	<b>(£3,050)</b>	<b>(£3,050)</b>	<b>(£3,050)</b>	<b>(£3,050)</b>	<b>(£3,050)</b>
<b>Earnings</b>	<b>£0</b>	<b>(£4,347)</b>	<b>£18,977</b>	<b>£29,558</b>	<b>£25,253</b>	<b>£20,780</b>	<b>£34,563</b>	<b>£30,006</b>	<b>£25,617</b>	<b>£21,144</b>	<b>£47,597</b>	<b>£40,674</b>	<b>£33,317</b>
<b>Total Capital</b>	<b>£10,500</b>	<b>£6,153</b>	<b>£29,477</b>	<b>£40,058</b>	<b>£35,753</b>	<b>£31,280</b>	<b>£45,063</b>	<b>£40,506</b>	<b>£36,117</b>	<b>£31,644</b>	<b>£58,097</b>	<b>£51,174</b>	<b>£43,817</b>
<b>Total Liabilities and Capital</b>	<b>£11,000</b>	<b>£6,153</b>	<b>£46,325</b>	<b>£49,553</b>	<b>£36,867</b>	<b>£33,453</b>	<b>£58,781</b>	<b>£43,961</b>	<b>£40,967</b>	<b>£37,665</b>	<b>£82,943</b>	<b>£58,478</b>	<b>£52,935</b>
<b>Net Worth</b>	<b>£10,500</b>	<b>£6,153</b>	<b>£29,477</b>	<b>£40,058</b>	<b>£35,753</b>	<b>£31,280</b>	<b>£45,063</b>	<b>£40,506</b>	<b>£36,117</b>	<b>£31,644</b>	<b>£58,097</b>	<b>£51,174</b>	<b>£43,817</b>

#### Pro Forma Cash Flow

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Cash Received</b>												
<b>Cash from Operations</b>												
Cash Sales	£250	£22,800	£12,625	£300	£100	£15,200	£0	£200	£100	£25,300	£600	£0
Cash from Receivables	£0	£8	£1,002	£22,461	£12,214	£293	£603	£14,693	£7	£197	£940	£24,477
<b>Subtotal Cash from Operations</b>	<b>£250</b>	<b>£22,808</b>	<b>£13,627</b>	<b>£22,761</b>	<b>£12,314</b>	<b>£15,493</b>	<b>£603</b>	<b>£14,893</b>	<b>£107</b>	<b>£25,497</b>	<b>£1,540</b>	<b>£24,477</b>
<b>Additional Cash Received</b>												
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
<b>Subtotal Cash Received</b>	<b>£250</b>	<b>£22,808</b>	<b>£13,627</b>	<b>£22,761</b>	<b>£12,314</b>	<b>£15,493</b>	<b>£603</b>	<b>£14,893</b>	<b>£107</b>	<b>£25,497</b>	<b>£1,540</b>	<b>£24,477</b>
<b>Expenditures</b>												
<b>Expenditures from Operations</b>												
Cash Spending	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£10,000	£10,000
Bill Payments	(£653)	(£572)	£16,022	£7,286	(£2,386)	(£929)	£8,820	(£2,606)	(£2,498)	(£678)	£15,665	(£4,457)
<b>Subtotal Spent on Operations</b>	<b>£5,347</b>	<b>£5,428</b>	<b>£22,022</b>	<b>£13,286</b>	<b>£3,615</b>	<b>£5,071</b>	<b>£14,820</b>	<b>£3,394</b>	<b>£3,502</b>	<b>£5,322</b>	<b>£25,665</b>	<b>£5,543</b>
<b>Additional Cash Spent</b>												
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
<b>Subtotal Cash Spent</b>	<b>£5,347</b>	<b>£5,428</b>	<b>£22,022</b>	<b>£13,286</b>	<b>£3,615</b>	<b>£5,071</b>	<b>£14,820</b>	<b>£3,394</b>	<b>£3,502</b>	<b>£5,322</b>	<b>£25,665</b>	<b>£5,543</b>
<b>Net Cash Flow</b>	<b>(£5,097)</b>	<b>£17,380</b>	<b>(£8,396)</b>	<b>£9,475</b>	<b>£8,700</b>	<b>£10,422</b>	<b>(£14,217)</b>	<b>£11,499</b>	<b>(£3,396)</b>	<b>£20,175</b>	<b>(£24,125)</b>	<b>£18,934</b>
<b>Cash Balance</b>	<b>£5,903</b>	<b>£23,283</b>	<b>£14,888</b>	<b>£24,363</b>	<b>£33,063</b>	<b>£43,485</b>	<b>£29,268</b>	<b>£40,767</b>	<b>£37,372</b>	<b>£57,546</b>	<b>£33,421</b>	<b>£52,355</b>