



Carpet Cleaning Service

BUSINESS PLAN

CARPET CHEM CORPORATION

585 Linberg
Salt Lake City, Utah 84116

Carpet Chem Corporation began as a family owned and operated business venture. The owners identified a need for a quality carpet and upholstery cleaning system, and their son developed the formula for success. Today, the business has been franchised 21 times in 16 different states. Carpet Chem Corporation attributes its steady growth and financial achievements to a quality product line, through market research and an effective price strategy.

- EXECUTIVE SUMMARY
- COMPANY INFORMATION
- MARKET ANALYSIS
- MARKET STRATEGY AND IMPLEMENTATION
- MANAGEMENT SUMMARY
- FINANCIAL PLAN AND INFORMATION

EXECUTIVE SUMMARY

Carpet Chem Corporation (CCC) formulates, manufactures, and re-labels special high quality carpet and upholstery cleaning solutions for use by its network of franchises and customers nation-wide. We sell these products to these franchises, and provide them with specific support services, including marketing and technical support. Our products are developed, packaged, and sold out of our headquarters located in Salt Lake City, Utah.

Objectives

- To give CCC the market presence needed to support marketing and sales goals.
- To continue to provide quality products and support to our franchises.
- To develop consistent quality standards for our products and provide a guarantee to all those purchasing our products.
- To continue research and development efforts to produce the best products on the market.
- To grow sales to \$25,000 monthly by the end of 1996, and \$100,000 monthly by the end of 2000.

Mission

Carpet Chem Corporation is a support company dedicated to developing and selling the highest quality, and most productive, carpet solutions at competitive prices. We combined this with the best method of cleaning carpets known as The Carpet Chem Advanced Drycleaning System. We intend to make enough profit to



generate a fair return for our investors, and to finance continued growth and development in a quality product. We also maintain a friendly, fair, and creative work environment, which respects diversity, new ideas, hard work, and unity.

Keys to Success

The keys to success in this business are:

- Marketing: by dealing with channel problems and barriers to entry, or solving problems with major advertising and promoting budgets.
- Product quality.
- Management: products delivered on time, costs controlled, marketing budgets managed. There is a temptation to fixate to growth, at the expense of profits.

COMPANY INFORMATION

Carpet Chem supports franchises, hospitals, hotels, schools, carpet cleaning companies and janitorial cleaning companies with proven methods of carpet cleaning and upholstery cleaning designed to help them provide quality service to their customers and facilities. Its customers are intelligent business people who want a practical and high quality method of cleaning carpets to accomplish their needs and/or their customer's needs, with as little expenditure of time and money as possible. The company was incorporated in Utah in 1993, after twenty-two years of previous operation under different names.

Company Ownership

Carpet Chem Corporation is a privately held Utah corporation. Samantha Berns is the majority owner. Dave and Alex Berns are the other owners.

Company History

Carpet Chem Corporation (CCC) was incorporated on December 16, 1993 by Samantha, Dave, and Alex Berns. The corporation was formed by liquidating the assets of Builders Basics Cleaning (BBC), a predecessor of CCC. BBC operated two franchise programs, Carpet Chem Cleaning Corp. and Builders Basics Commercial Cleaning. Both franchise programs started between 1990 and 1992. Previous to this, Samantha and Dave had ownership in nine other commercial cleaning companies. Samantha and Dave started their own janitorial company in 1972 because they identified a need for a quality cleaning company in a building where Dave was employed. After they started their business, they found that there was money to be made in the commercial cleaning industry. From 1972 until 1990, they operated commercial cleaning companies in several states with great success. During this time, one of the services that they offered was carpet cleaning. Many methods were tried, but none of them satisfied the owners or the customers. Finally, after much research, development, and trial and error, Alex Berns, their son, developed a carpet cleaning system that effectively satisfied their high standards for quality. This system cleans the entire fiber of the carpet without getting any moisture below the primary backing, dries quickly, and leaves no residue. This system was so incredible that they decided to franchise it nationwide. Today, this system is known as the Carpet Chem Total DryCleaning System.

CCC provides high-quality solutions, equipment, and supplies, along with a complete support program for its franchisees. In July of 1995, Samantha and Dave recognized the success of the Carpet Chem System, as they reviewed the increasing list of satisfied customers. They introduced a new idea that will open up the Carpet Chem System to everyone, releasing it from franchise restrictions. Now, hospitals, hotels, schools, carpet cleaning companies, janitorial cleaning companies, and entrepreneurs can enjoy the benefits of a franchise without paying for one.



The new program was researched using a survey during the beginning of September 1995. Recently, it has been marketed locally, and in the surrounding states of Utah, with great interest and success.

Currently, there are 21 Carpet Chem franchises in 16 different states. As of November 1st, one hotel and one school district in Salt Lake City are using the new program, and many more clients have expressed interest in the program.

The following table illustrates past performance over the last three years, including sales, gross margin, net revenue, and cash flow. The plan also includes financial statements for the last three years.

Past Financial Performance

| | 1993 | 1994 | 1995 |
|--------------------------|-------|-----------|-----------|
| Sales | \$0 | \$103,490 | \$186,085 |
| Gross Margin | \$0 | \$69,814 | \$115,671 |
| Gross % (calculated) | 0.00% | 67.46% | 62.16% |
| Operating expenses | \$0 | \$76,973 | \$119,888 |
| Collection period (days) | 0 | 47 | 45 |
| Inventory turnover | 0 | 126 | 66 |
| Balance Sheet | – | – | 1995 |
| Short-term Assets | – | – | – |
| Cash | – | – | \$11,694 |
| Accounts receivable | – | – | \$7,679 |
| Inventory | – | – | \$6,583 |
| Other Short-term Assets | – | – | \$2,596 |
| Total Short-term Assets | – | – | \$28,552 |
| Long-term Assets | – | – | – |
| Capital Assets | – | – | \$42,854 |
| Accumulated Depreciation | – | – | \$9,732 |
| Total Long-Term Assets | – | – | \$33,122 |
| Total Assets | – | – | \$61,674 |
| Debt and Equity | – | – | – |
| Accounts Payable | – | – | \$14,664 |
| Short-term Notes | – | – | \$0 |

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|--------------------------|-------|-----------|-----------|
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| Total Assets | – | – | \$61,674 |
| Debt and Equity | – | – | – |
| Accounts Payable | – | – | \$14,664 |
| Short-term Notes | – | – | \$0 |



| | | | |
|---------------------------------|-----|-----------|-----------|
| Other ST Liabilities | — | — | \$0 |
| Subtotal Short-term Liabilities | — | — | \$14,664 |
| Long-term Liabilities | — | — | \$45,218 |
| Total Liabilities | — | — | \$59,882 |
| Paid in Capital | — | — | \$12,969 |
| Retained Earnings | — | — | (\$6,960) |
| Earnings | \$0 | (\$7,159) | (\$4,217) |
| Total Equity | — | — | \$1,792 |
| Total Debt and Equity | — | — | \$61,674 |
| Other Inputs | — | — | 1995 |
| Payment Days | — | — | 45 |
| Sales on credit | — | — | \$150,000 |
| Receivables turnover | — | — | 19.53 |

| | | | |
|---------------------------------|-----|-----------|-----------|
| Other ST Liabilities | — | — | \$0 |
| Subtotal Short-term Liabilities | — | — | \$14,664 |
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| Total Debt and Equity | — | — | \$61,674 |
| Other Inputs | — | — | 1995 |
| Payment Days | — | — | 45 |
| Sales on credit | — | — | \$150,000 |
| Receivables turnover | — | — | 19.53 |

Company Products

The Carpet Chem products go through a series of testing and development to insure quality and to make sure they are safe for stain-resistant carpets. CCC performs tests similar to those used by Smithson flooring systems.

Company Locations and Facilities

Headquarters are located in office space of approximately 900 square feet and warehouse space of approximately 1200 square feet at 5 85 Linberg, Salt Lake City, Utah 84116.

We have first rights of refusal for both office and warehouse space of equal size on each side of our current location for easy expansion. We already have all of the furniture and shelving needed to expand to twice our current size.

MARKET ANALYSIS

We have researched the national market and found the following results:

- 96.4% of people would like to have their carpets dry within less than 1 hour of cleaning.
- 98.2% of people want a cleaning solution that removes stains during cleaning, eliminating prespraying.
- 94.5% of people want a toll-free number to answer technical questions about cleaning and spotting.
- 3.6% of people nationwide are currently acquainted with Carpet Chem.
- 58.2% of people want to see a free demonstration of Carpet Chem.
- 85.5% of people spend \$0 - \$500 on carpet cleaning in a month.
- 14.5% of people spend \$500 - \$1000 in a month,
- 0% spend over \$1000 in a month.
- 78.2% of people currently use a wet carpet cleaning system.



- 9.1% of people currently use a dry carpet cleaning system.
- 10.9% of people currently use both wet and dry types of carpet cleaning systems.
- 52.7% of people would pay \$ 100-\$ 150 to learn how to be fully trained and certified on how to use Carpet Chem System.
- 3.6% of people would pay \$ 150-\$200 to become educated about the Carpet Chem System.

According to our market research, conducted in 5 different areas of the United States with 25 different companies, there is a need for our services and products.

Main Competitors

Our main competitors are other supply houses that are specific to the carpet cleaning industry.

Market Analysis

The chart below compares the percentage of each of our target markets. We are currently targeting carpet cleaning companies and janitorial cleaning companies because they have the most experience with cleaning carpets. We have had little success with hospitals, hotels, or schools.

| Potential Customers | Customers | Growth rate |
|--------------------------------------|------------|-------------|
| Carpet Cleaning Companies | 170 | 0% |
| Janitorial Cleaning Companies | 120 | 13% |
| New Business Owners-Service Industry | 150 | 4% |
| Hospitals | 32 | -11% |
| Hotels | 105 | 11% |
| Schools | 250 | 14% |
| Other | — | 0% |
| Total | 827 | N/A |

Analysis of Potential Market

| Potential Customers | Customers | Growth rate |
|--------------------------------------|------------|-------------|
| Carpet Cleaning Companies | 170 | 0% |
| Janitorial Cleaning Companies | 120 | 13% |
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MARKET STRATEGY IMPLEMENTATION

Marketing Strategy

We will attend trade shows and send advertisements to cleaning companies, offering them the same supplies, support, and solutions that we provide to our franchises.

Pricing strategy

We have decided to offer prices a bit lower than the average to acquire new customers.



Sales Strategy

| Yearly | Total Sales |
|--------|-------------|
| 1996 | 270,000 |
| 1997 | 410,000 |
| 1998 | 620,000 |

Yearly Total Sales

1996 270,000

1997 410,000

1998 620,000

| Sales | 1996 | 1997 | 1998 |
|-------------------------|-----------|-----------|-----------|
| Supply Sales | \$176,621 | \$300,000 | \$500,000 |
| Seminar Training | \$2,725 | \$5,000 | \$10,000 |
| Video Training | \$2,098 | \$3,000 | \$3,500 |
| Carpet Cleaning Revenue | \$47,548 | \$58,000 | \$65,000 |
| Franchise Royalties | \$23,683 | \$20,000 | \$20,000 |
| Misc. Income | \$1,197 | \$1,100 | \$2,000 |
| Other | \$12,672 | \$15,100 | \$16,600 |
| Total Sales | \$266,544 | \$402,200 | \$617,100 |
| Cost of sales | | | |
| Supply Sales | \$94,290 | \$140,000 | \$200,000 |
| Seminar Training | \$606 | \$500 | \$1,000 |
| Video Training | \$80 | \$125 | \$200 |
| Carpet Cleaning Revenue | \$7,344 | \$8,700 | \$9,750 |
| Franchise Royalties | \$0 | \$0 | \$0 |
| Misc. Income | \$0 | \$0 | \$0 |
| Other | \$0 | \$0 | \$0 |
| Total Cost of Sales | \$102,320 | \$149,325 | \$210,950 |

Sales Forecast

| Sales | 1996 | 1997 | 1998 |
|-------------------------|-----------|-----------|-----------|
| Supply Sales | \$176,621 | \$300,000 | \$500,000 |
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MANAGEMENT SUMMARY

Alex Jenkins, President of CCC, has several years experience in management. His objective is to provide a comfortable work environment.



Organizational Structure

Dave and Samantha Berns consult with Alex on many decisions. Alex then organizes them, delegates them, and carries on the day-to-day operations.

Personnel Plan

| | 1996 | 1997 | 1998 |
|---------|----------|----------|----------|
| Payroll | \$56,981 | \$69,000 | \$75,000 |

1996 1997 1998

Payroll \$56,981 \$69,000 \$75,000

FINANCIAL PLAN AND INFORMATION

We plan to market our idea nationwide while maintaining our carpet cleaning revenue and franchises.

Important Assumptions

| | | | |
|--------------------------|--------|--------|--------|
| Short Term Interest Rate | 12.00% | 12.00% | 12.00% |
| Long Term Interest Rate | 14.00% | 14.00% | 14.00% |
| Collection days | 45 | 40 | 37 |
| Payment days | 40 | 30 | 30 |
| Inventory Turnover | 7.00 | 6.00 | 5.00 |
| Tax Rate Percent | 0.00% | 0.00% | 0.00% |
| Expenses in cash% | 7.25% | 7.00% | 7.00% |
| Sales on credit | 52.83% | 70.00% | 75.00% |
| Personnel Burden % | 10.28% | 11.00% | 11.25% |

General Assumptions

1996 1997 1998

| | | | |
|--------------------------|--------|--------|--------|
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| | | | |
|-----------------------------------|-----------|-----------|-----------|
| Sales | \$266,544 | \$402,200 | \$617,100 |
| Cost of Sales | \$102,320 | \$149,325 | \$210,950 |
| Other | \$0 | \$0 | \$0 |
| Total Cost of Sales | \$102,320 | \$149,325 | \$210,950 |
| Gross margin | \$164,224 | \$252,875 | \$406,150 |
| Gross margin percent | 61.61% | 62.87% | 65.82% |
| Operating expenses: | | | |
| Advertising/Promotion | \$19,800 | \$20,000 | \$25,000 |
| Auto Expense | \$3,310 | \$8,000 | \$12,000 |
| Bank Service Charges | \$520 | \$650 | \$750 |
| Printing Expense | \$366 | \$500 | \$1,000 |
| Legal Fees/Licenses \$ Other Fees | | | |
| | \$262 | \$200 | \$500 |
| Miscellaneous | \$956 | \$1,500 | \$2,500 |
| Entertainment | \$242 | \$0 | \$0 |
| Payroll Expense | \$56,981 | \$69,000 | \$75,000 |
| Office Expense | \$3,767 | \$4,000 | \$5,000 |
| Postage | \$5,426 | \$6,000 | \$10,000 |
| Professional Fees | \$444 | \$750 | \$1,000 |
| Taxes - Property and Other | \$277 | \$300 | \$350 |
| Utilities | \$2,350 | \$2,500 | \$3,000 |
| Insurance | \$2,773 | \$3,500 | \$5,000 |
| Rent | \$6,350 | \$6,500 | \$7,200 |
| Depreciation | \$4,524 | \$3,500 | \$4,000 |
| Telephone | \$4,444 | \$4,700 | \$5,000 |
| Pagers | \$616 | \$750 | \$800 |
| Travel | \$1,789 | \$3,000 | \$5,000 |
| Total Operating Expenses | \$115,197 | \$135,350 | \$163,100 |
| Profit Before Interest/Taxes | \$49,027 | \$117,525 | \$243,050 |
| Interest Expense ST | \$0 | \$0 | \$0 |
| Interest Expense LT | \$7,614 | \$7,731 | \$7,731 |

Projected Profit and Loss 1996 1997 1998

| | | | |
|-----------------------------------|-----------|-----------|-----------|
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Projected Profit and Loss

1996 1997 1998

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| Total Operating Expenses | \$115,197 | \$135,350 | \$163,100 |
| Profit Before Interest\Taxes | \$49,027 | \$117,525 | \$243,050 |
| Interest Expense ST | \$0 | \$0 | \$0 |
| Interest Expense LT | \$7,614 | \$7,731 | \$7,731 |
| Taxes Incurred | \$0 | \$0 | \$0 |
| Net Profit | \$41,413 | \$109,794 | \$235,319 |
| Net Profit/Sales | 15.54% | 27.30% | 38.13% |

| | | | |
|------------------|----------|-----------|-----------|
| Taxes Incurred | \$0 | \$0 | \$0 |
| Net Profit | \$41,413 | \$109,794 | \$235,319 |
| Net Profit/Sales | 15.54% | 27.30% | 38.13% |

| | 1996 | 1997 | 1998 |
|---------------------------------------|----------|-----------|-----------|
| Net Profit: | \$41,413 | \$109,794 | \$235,319 |
| Plus: | — | — | — |
| Depreciation | \$4,524 | \$3,500 | \$4,000 |
| Change in Accts Payable | \$2,846 | (\$1,590) | \$14,513 |
| Current Borrowing | \$0 | \$0 | \$0 |
| Increase (decrease) Other Liabilities | \$0 | \$0 | \$0 |
| Long-term Borrowing | \$10,000 | \$0 | \$0 |
| Capital input | \$0 | \$0 | \$0 |
| Subtotal | \$58,783 | \$111,704 | \$253,833 |
| Less: | | | |
| Change in Accts Rec | \$16,725 | \$596 | \$19,000 |
| Change in Inventory | \$7,943 | \$20,723 | \$13,882 |
| Change in Other ST Assets | \$0 | \$0 | \$0 |
| Capital Expenditure | \$0 | \$0 | \$0 |
| Dividends | \$0 | \$0 | \$0 |
| Subtotal | \$24,668 | \$21,319 | \$32,882 |
| Net Cash Flow | \$34,115 | \$90,385 | \$220,951 |
| Cash balance | \$45,809 | \$136,195 | \$357,145 |

Projected Cash Flow

| | 1996 | 1997 | 1998 |
|---------------------------------------|----------|-----------|-----------|
| Net Profit: | \$41,413 | \$109,794 | \$235,319 |
| Plus: | — | — | — |
| Depreciation | \$4,524 | \$3,500 | \$4,000 |
| Change in Accts Payable | \$2,846 | (\$1,590) | \$14,513 |
| Current Borrowing | \$0 | \$0 | \$0 |
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| Long-term Borrowing | \$10,000 | \$0 | \$0 |
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| Dividends | \$0 | \$0 | \$0 |
| Subtotal | \$24,668 | \$21,319 | \$32,882 |
| Net Cash Flow | \$34,115 | \$90,385 | \$220,951 |
| Cash balance | \$45,809 | \$136,195 | \$357,145 |



| | | | |
|--------------------------------|------------------|------------------|------------------|
| Short-term Assets | | | |
| Cash | \$45,809 | \$136,195 | \$357,145 |
| Accounts receivable | \$24,404 | \$25,000 | \$44,000 |
| Inventory | \$14,526 | \$35,249 | \$49,131 |
| Other Short-term Assets | \$2,596 | \$2,5% | \$2,596 |
| Total Short-term Assets | \$87,335 | \$199,040 | \$452,872 |
| Long-term Assets | | | |
| Capital Assets | \$42,854 | \$42,854 | \$42,854 |
| Accumulated Depreciation | \$14,256 | \$17,756 | \$21,756 |
| Total Long-Term Assets | \$28,598 | \$25,098 | \$21,098 |
| Total Assets | \$115,933 | \$224,138 | \$473,970 |

Projected Balance Sheet

1996 1997 1998

Short-term Assets

| | | | |
|--------------------------------|-----------------|------------------|------------------|
| Cash | \$45,809 | \$136,195 | \$357,145 |
| Accounts receivable | \$24,404 | \$25,000 | \$44,000 |
| Inventory | \$14,526 | \$35,249 | \$49,131 |
| Other Short-term Assets | \$2,596 | \$2,5% | \$2,596 |
| Total Short-term Assets | \$87,335 | \$199,040 | \$452,872 |

Long-term Assets – – –

| | | | |
|--------------------------|----------|----------|----------|
| Capital Assets | \$42,854 | \$42,854 | \$42,854 |
| Accumulated Depreciation | \$14,256 | \$17,756 | \$21,756 |

Total Long-Term Assets \$28,598 \$25,098 \$21,098

Total Assets \$115,933 \$224,138 \$473,970

Debt and Equity

| | 1996 | 1997 | 1998 |
|------------------------------|------------------|------------------|------------------|
| Accounts Payable | \$17,510 | \$15,920 | \$30,433 |
| Short-term Notes | \$0 | \$0 | \$0 |
| Other ST Liabilities | \$0 | \$0 | \$0 |
| Subtotal Short-term Liab. | \$17,510 | \$15,920 | \$30,433 |
| Long-term Liabilities | \$55,218 | \$55,218 | \$55,218 |
| Total Liabilities | \$72,728 | \$71,138 | \$85,651 |
| Paid in Capital | \$12,969 | \$12,969 | \$12,969 |
| Retained Earnings | (\$11,177) | \$30,236 | \$140,031 |
| Earnings | \$41,413 | \$109,794 | \$235,319 |
| Total Equity | \$43,205 | \$153,000 | \$388,319 |
| Total Debt and Equity | \$115,933 | \$224,138 | \$473,970 |
| Net Worth | \$43,205 | \$153,000 | \$388,319 |

Debt and Equity

| | 1996 | 1997 | 1998 |
|------------------------------|------------------|------------------|------------------|
| Accounts Payable | \$17,510 | \$15,920 | \$30,433 |
| Short-term Notes | \$0 | \$0 | \$0 |
| Other ST Liabilities | \$0 | \$0 | \$0 |
| Subtotal Short-term Liab. | \$17,510 | \$15,920 | \$30,433 |
| Long-term Liabilities | \$55,218 | \$55,218 | \$55,218 |
| Total Liabilities | \$72,728 | \$71,138 | \$85,651 |
| Paid in Capital | \$12,969 | \$12,969 | \$12,969 |
| Retained Earnings | (\$11,177) | \$30,236 | \$140,031 |
| Earnings | \$41,413 | \$109,794 | \$235,319 |
| Total Equity | \$43,205 | \$153,000 | \$388,319 |
| Total Debt and Equity | \$115,933 | \$224,138 | \$473,970 |
| Net Worth | \$43,205 | \$153,000 | \$388,319 |



| Profitability Ratios | 1996 | 1997 | 1998 |
|------------------------|--------|--------|--------|
| Gross margin | 61.61% | 62.87% | 65.82% |
| Net profit margin | 15.54% | 27.30% | 38.13% |
| Return on Assets | 35.72% | 48.99% | 49.65% |
| Return on Equity | 95.85% | 71.76% | 60.60% |
| Activity Ratios | | | |
| AR Turnover | 5.68 | 11.26 | 10.52 |
| Collection days | 42 | 32 | 27 |
| Inventory Turnover | 9.69 | 6.00 | 5.00 |
| Accts payable turnover | 8.50 | 12.60 | 9.14 |
| Total asset turnover | 2.30 | 1.79 | 1.30 |

Projected Business Ratios

| Profitability Ratios | 1996 | 1997 | 1998 |
|----------------------|--------|--------|--------|
| Gross margin | 61.61% | 62.87% | 65.82% |
| Net profit margin | 15.54% | 27.30% | 38.13% |
| Return on Assets | 35.72% | 48.99% | 49.65% |
| Return on Equity | 95.85% | 71.76% | 60.60% |

Activity Ratios

| | | | |
|------------------------|------|-------|-------|
| AR Turnover | 5.68 | 11.26 | 10.52 |
| Collection days | 42 | 32 | 27 |
| Inventory Turnover | 9.69 | 6.00 | 5.00 |
| Accts payable turnover | 8.50 | 12.60 | 9.14 |
| Total asset turnover | 2.30 | 1.79 | 1.30 |

| Debt Ratios | 1996 | 1997 | 1998 |
|--------------------------|----------|-----------|-----------|
| Debt to Net Worth | 1.68 | 0.46 | 0.22 |
| Short-term Debt to Liab. | 0.24 | 0.22 | 0.36 |
| Liquidity ratios | | | |
| Current Ratio | 4.99 | 12.50 | 14.88 |
| Quick Ratio | 4.16 | 10.29 | 13.27 |
| Net Working Capital | \$69,825 | \$183,120 | \$422,439 |
| Interest Coverage | 6.44 | 15.20 | 31.44 |

| Debt Ratios | 1996 | 1997 | 1998 |
|--------------------------|------|------|------|
| Debt to Net Worth | 1.68 | 0.46 | 0.22 |
| Short-term Debt to Liab. | 0.24 | 0.22 | 0.36 |

Liquidity ratios

| | | | |
|---------------------|----------|-----------|-----------|
| Current Ratio | 4.99 | 12.50 | 14.88 |
| Quick Ratio | 4.16 | 10.29 | 13.27 |
| Net Working Capital | \$69,825 | \$183,120 | \$422,439 |
| Interest Coverage | 6.44 | 15.20 | 31.44 |

| Additional ratios | 1996 | 1997 | 1998 |
|---------------------------|------|------|-------|
| Assets to sales | 0.43 | 0.56 | 0.77 |
| Debt/Assets | 63% | 32% | 18% |
| Current debt/Total Assets | 15% | 7% | 6% |
| Acid Test | 2.76 | 8.72 | 11.82 |
| Asset Turnover | 2.30 | 1.79 | 1.30 |
| Sales/Net Worth | 6.17 | 2.63 | 1.59 |

| Additional ratios | 1996 | 1997 | 1998 |
|---------------------------|------|------|-------|
| Assets to sales | 0.43 | 0.56 | 0.77 |
| Debt/Assets | 63% | 32% | 18% |
| Current debt/Total Assets | 15% | 7% | 6% |
| Acid Test | 2.76 | 8.72 | 11.82 |
| Asset Turnover | 2.30 | 1.79 | 1.30 |
| Sales/Net Worth | 6.17 | 2.63 | 1.59 |



| | Jan-96 | Feb-96 | Mar-96 | Apr-96 | May-96 | Jun-96 | Jul-96 |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Short-term Assets | | | | | | | |
| Cash | \$7,233 | \$4,126 | \$2,265 | \$6,169 | \$7,861 | \$14,855 | \$19,056 |
| Accounts receivable | \$11,488 | \$13,592 | \$15,818 | \$14,787 | \$17,016 | \$16,339 | \$17,772 |
| Inventory | \$7,070 | \$10,431 | \$11,751 | \$12,585 | \$13,222 | \$13,451 | \$13,521 |
| Other S-term Assets | \$2,596 | \$2,596 | \$2,596 | \$2,596 | \$2,596 | \$2,596 | \$2,596 |
| Total S-term Assets | \$28,388 | \$30,746 | \$32,430 | \$36,136 | \$40,695 | \$47,241 | \$52,945 |
| Long-term Assets | | | | | | | |
| Capital Assets | \$42,854 | \$42,854 | \$42,854 | \$42,854 | \$42,854 | \$42,854 | \$42,854 |
| Accum Depreciation | \$10,109 | \$10,486 | \$10,863 | \$11,240 | \$11,617 | \$11,994 | \$12,371 |
| Total Long-term Assets | \$32,745 | \$32,368 | \$31,991 | \$31,614 | \$31,237 | \$30,860 | \$30,483 |
| Total Assets | \$61,133 | \$63,114 | \$64,421 | \$67,750 | \$71,932 | \$78,101 | \$83,428 |
| Debt and Equity | | | | | | | |
| Accounts Payable | \$18,171 | \$19,000 | \$19,522 | \$19,584 | \$18,584 | \$17,521 | \$16,529 |
| Short-term Notes | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other ST Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Subtotal Short-term Liabilities | \$18,171 | \$19,000 | \$19,522 | \$19,584 | \$18,584 | \$17,521 | \$16,529 |
| Long-term Liabilities | \$45,218 | \$55,218 | \$55,218 | \$55,218 | \$55,218 | \$55,218 | \$55,218 |

Projected Balance Sheet

| | Jan-96 | Feb-96 | Mar-96 | Apr-96 | May-96 | Jun-96 | Jul-96 |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Short-term Assets | | | | | | | |
| Cash | \$7,233 | \$4,126 | \$2,265 | \$6,169 | \$7,861 | \$14,855 | \$19,056 |
| Accounts receivable | \$11,488 | \$13,592 | \$15,818 | \$14,787 | \$17,016 | \$16,339 | \$17,772 |
| Inventory | \$7,070 | \$10,431 | \$11,751 | \$12,585 | \$13,222 | \$13,451 | \$13,521 |
| Other S-term Assets | \$2,596 | \$2,596 | \$2,596 | \$2,596 | \$2,596 | \$2,596 | \$2,596 |
| Total S-term Assets | \$28,388 | \$30,746 | \$32,430 | \$36,136 | \$40,695 | \$47,241 | \$52,945 |
| Long-term Assets | | | | | | | |
| Capital Assets | \$42,854 | \$42,854 | \$42,854 | \$42,854 | \$42,854 | \$42,854 | \$42,854 |
| Accum Depreciation | \$10,109 | \$10,486 | \$10,863 | \$11,240 | \$11,617 | \$11,994 | \$12,371 |
| Total Long-term Assets | \$32,745 | \$32,368 | \$31,991 | \$31,614 | \$31,237 | \$30,860 | \$30,483 |
| Total Assets | \$61,133 | \$63,114 | \$64,421 | \$67,750 | \$71,932 | \$78,101 | \$83,428 |
| Debt and Equity | | | | | | | |
| Accounts Payable | \$18,171 | \$19,000 | \$19,522 | \$19,584 | \$18,584 | \$17,521 | \$16,529 |
| Short-term Notes | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other ST Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Subtotal Short-term Liabilities | \$18,171 | \$19,000 | \$19,522 | \$19,584 | \$18,584 | \$17,521 | \$16,529 |
| Long-term Liabilities | \$45,218 | \$55,218 | \$55,218 | \$55,218 | \$55,218 | \$55,218 | \$55,218 |

| Aug-96 | Sep-96 | Oct-96 | Nov-96 | Dec-96 | 1996 | 1997 | 1998 |
|----------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|
| \$28,451 | \$31,769 | \$39,847 | \$42,754 | \$45,809 | \$45,809 | \$136,195 | \$357,145 |
| \$15,822 | \$18,578 | \$18,196 | \$21,274 | \$24,404 | \$24,404 | \$25,000 | \$44,000 |
| \$13,259 | \$14,526 | \$14,500 | \$14,526 | \$14,526 | \$14,526 | \$3,5249 | \$49,131 |
| \$2,596 | \$2,596 | \$2,596 | \$2,596 | \$2,596 | \$2,596 | \$2,596 | \$2,596 |
| \$60,127 | \$67,469 | \$75,139 | \$81,124 | \$87,335 | \$87,335 | \$199,040 | \$452,872 |
| \$42,854 | \$42,854 | \$42,854 | \$42,854 | \$42,854 | \$42,854 | \$42,854 | \$42,854 |
| \$12,748 | \$12,13,125 | \$13,125 | \$13,502 | \$13,879 | \$14,256 | \$17,756 | \$21,756 |
| \$30,106 | \$29,729 | \$29,352 | \$28,975 | \$28,598 | \$28,598 | \$25,098 | \$21,098 |
| \$90,233 | \$97,198 | \$104,491 | \$110,099 | \$115,933 | \$115,933 | \$224,138 | \$473,970 |
| \$16,524 | \$15,754 | \$17,333 | \$16,746 | \$17,510 | \$17,510 | \$15,920 | \$30,433 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$16,524 | \$15,754 | \$17,333 | \$16,746 | \$17,510 | \$17,510 | \$15,920 | \$30,433 |
| \$55,218 | \$55,218 | \$55,218 | \$55,218 | \$55,218 | \$55,218 | \$55,218 | \$55,218 |

| Aug-96 | Sep-96 | Oct-96 | Nov-96 | Dec-96 | 1996 | 1997 | 1998 |
|----------|----------|----------|----------|----------|----------|-----------|-----------|
| \$28,451 | \$31,769 | \$39,847 | \$42,754 | \$45,809 | \$45,809 | \$136,195 | \$357,145 |
| \$15,822 | \$18,578 | \$18,196 | \$21,274 | \$24,404 | \$24,404 | \$25,000 | \$44,000 |



| Aug-96 | Sep-96 | Oct-96 | Nov-96 | Dec-96 | 1996 | 1997 | 1998 |
|----------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|
| \$13,259 | \$14,526 | \$14,500 | \$14,500 | \$14,526 | \$14,526 | \$35,249 | \$49,131 |
| \$2,596 | \$2,596 | \$2,596 | \$2,596 | \$2,596 | \$2,596 | \$2,596 | \$2,596 |
| \$60,127 | \$67,469 | \$75,139 | \$81,124 | \$87,335 | \$87,335 | \$199,040 | \$452,872 |
| \$42,854 | \$42,854 | \$42,854 | \$42,854 | \$42,854 | \$42,854 | \$42,854 | \$42,854 |
| \$12,748 | \$12,13,125 | \$13,125 | \$13,502 | \$13,879 | \$14,256 | \$17,756 | \$21,756 |
| \$30,106 | \$29,729 | \$29,352 | \$28,975 | \$28,598 | \$28,598 | \$25,098 | \$21,098 |
| \$90,233 | \$97,198 | \$104,491 | \$110,099 | \$115,933 | \$115,933 | \$224,138 | \$473,970 |
| \$16,524 | \$15,754 | \$17,333 | \$16,746 | \$17,510 | \$17,510 | \$15,920 | \$30,433 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$16,524 | \$15,754 | \$17,333 | \$16,746 | \$17,510 | \$17,510 | \$15,920 | \$30,433 |
| \$55,218 | \$55,218 | \$55,218 | \$55,218 | \$55,218 | \$55,218 | \$55,218 | \$55,218 |

| | Jan-96 | Feb-96 | Mar-96 | Apr-96 | May-96 | Jun-96 | Jul-96 |
|---------------------|------------|------------|------------|------------|------------|------------|------------|
| Total Liabilities | \$63,389 | \$74,218 | \$74,740 | \$74,802 | \$73,802 | \$72,739 | \$71,747 |
| Paid in Capital | \$12,969 | \$12,969 | \$12,969 | \$12,969 | \$12,969 | \$12,969 | \$12,969 |
| Retained Earnings | (\$11,177) | (\$11,177) | (\$11,177) | (\$11,177) | (\$11,177) | (\$11,177) | (\$11,177) |
| Earnings | (\$4,049) | (\$12,897) | (\$12,111) | (\$8,844) | (\$3,663) | \$3,569 | \$9,889 |
| Total Equity | (\$2,256) | (\$11,104) | (\$10,319) | (\$7,052) | (\$1,870) | \$5,362 | \$11,681 |
| Total Debt & Equity | \$61,133 | \$63,114 | \$64,421 | \$67,750 | \$71,932 | \$78,101 | \$83,428 |
| Net Worth | (\$2,256) | (\$11,104) | (\$10,319) | (\$7,052) | (\$1,870) | \$5,362 | \$11,681 |

| | Jan-96 | Feb-96 | Mar-96 | Apr-96 | May-96 | Jun-96 | Jul-96 |
|---------------------|------------|------------|------------|------------|------------|------------|------------|
| Total Liabilities | \$63,389 | \$74,218 | \$74,740 | \$74,802 | \$73,802 | \$72,739 | \$71,747 |
| Paid in Capital | \$12,969 | \$12,969 | \$12,969 | \$12,969 | \$12,969 | \$12,969 | \$12,969 |
| Retained Earnings | (\$11,177) | (\$11,177) | (\$11,177) | (\$11,177) | (\$11,177) | (\$11,177) | (\$11,177) |
| Earnings | (\$4,049) | (\$12,897) | (\$12,111) | (\$8,844) | (\$3,663) | \$3,569 | \$9,889 |
| Total Equity | (\$2,256) | (\$11,104) | (\$10,319) | (\$7,052) | (\$1,870) | \$5,362 | \$11,681 |
| Total Debt & Equity | \$61,133 | \$63,114 | \$64,421 | \$67,750 | \$71,932 | \$78,101 | \$83,428 |
| Net Worth | (\$2,256) | (\$11,104) | (\$10,319) | (\$7,052) | (\$1,870) | \$5,362 | \$11,681 |

| | Jan-96 | Feb-96 | Mar-96 | Apr-96 | May-96 | Jun-96 | Jul-96 |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|----------|
| Net Profit: | (\$4,049) | (\$8,848) | \$786 | \$3,267 | \$5,182 | \$7,232 | \$6,320 |
| Plus: | | | | | | | |
| Depreciation | \$377 | \$377 | \$377 | \$377 | \$377 | \$377 | \$377 |
| Change in Accts Payable | \$3,507 | \$829 | \$522 | \$62 | (\$1,000) | (\$1,063) | (\$992) |
| Current Borrowing (repayment) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Increase (decrease) Other Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Long-term Borrowing (repayment) | \$0 | \$10,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital input | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Subtotal | (\$165) | \$2,358 | \$1,685 | \$3,706 | \$4,559 | \$6,546 | \$5,705 |
| Less: | | | | | | | |
| Change in Accounts Receivable | \$3,809 | \$2,104 | \$2,226 | (\$1,032) | \$2,330 | (\$677) | \$1,433 |
| Change in Inventory | \$487 | \$3,361 | \$1,320 | \$834 | \$637 | \$229 | \$70 |
| Change in Other ST Assets | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital Expenditures | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Dividends | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Subtotal | \$4,296 | \$5,465 | \$3,546 | (\$198) | \$2,867 | (\$448) | \$1,503 |
| Net Cash Flow | (\$4,461) | (\$3,107) | (\$1,861) | \$3,904 | \$1,692 | \$6,994 | \$4,202 |
| Cash Balance | \$7,233 | \$4,126 | \$2,265 | \$6,169 | \$7,861 | \$14,855 | \$19,056 |

General Assumptions

Short Term Interest Rate

| | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|
| | 12.00% | 12.00% | 12.00% | 12.00% | 12.00% | 12.00% | 12.00% |
|--|--------|--------|--------|--------|--------|--------|--------|

Long Term Interest Rate

| | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|
| | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% |
|--|--------|--------|--------|--------|--------|--------|--------|

| | | | | | | | |
|-----------------|----|----|----|----|----|----|----|
| Collection Days | 45 | 45 | 45 | 45 | 45 | 45 | 45 |
|-----------------|----|----|----|----|----|----|----|

| | | | | | | | |
|--------------|----|----|----|----|----|----|----|
| Payment Days | 40 | 40 | 40 | 40 | 40 | 40 | 40 |
|--------------|----|----|----|----|----|----|----|

| | | | | | | | |
|--------------------|------|------|------|------|------|------|------|
| Inventory Turnover | 6.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |
|--------------------|------|------|------|------|------|------|------|

| | | | | | | | |
|------------------|-------|-------|-------|-------|-------|-------|-------|
| Tax Rate Percent | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
|------------------|-------|-------|-------|-------|-------|-------|-------|

| | | | | | | | |
|-------------------|-------|-------|-------|-------|-------|-------|-------|
| Expenses in Cash% | 8.00% | 8.00% | 8.00% | 7.00% | 7.00% | 7.00% | 7.00% |
|-------------------|-------|-------|-------|-------|-------|-------|-------|

| | | | | | | | |
|-----------------|--------|--------|--------|--------|--------|--------|--------|
| Sales on Credit | 55.00% | 64.00% | 64.00% | 44.00% | 55.00% | 41.00% | 51.00% |
|-----------------|--------|--------|--------|--------|--------|--------|--------|

| | | | | | | | |
|-------------------|--------|--------|--------|--------|--------|--------|--------|
| Personnel Burden% | 10.15% | 10.15% | 10.15% | 10.15% | 10.15% | 10.35% | 10.35% |
|-------------------|--------|--------|--------|--------|--------|--------|--------|

Personnel Plan

| | | | | | | | |
|---------|---------|---------|---------|---------|---------|---------|---------|
| Payroll | \$1,766 | \$4,943 | \$4,943 | \$4,943 | \$4,943 | \$4,943 | \$5,000 |
|---------|---------|---------|---------|---------|---------|---------|---------|

**Projected Cash Flow**

| | Jan-96 | Feb-96 | Mar-96 | Apr-96 | May-96 | Jun-96 | Jul-96 |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|----------|
| Net Profit: | (\$4,049) | (\$8,848) | \$786 | \$3,267 | \$5,182 | \$7,232 | \$6,320 |
| Plus: | | | | | | | |
| Depreciation | \$377 | \$377 | \$377 | \$377 | \$377 | \$377 | \$377 |
| Change in Accts Payable | \$3,507 | \$829 | \$522 | \$62 | (\$1,000) | (\$1,063) | (\$992) |
| Current Borrowing (repayment) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Increase (decrease) Other Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Long-term Borrowing (repayment) | \$0 | \$10,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital input | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Subtotal | (\$165) | \$2,358 | \$1,685 | \$3,706 | \$4,559 | \$6,546 | \$5,705 |
| Less: | | | | | | | |
| Change in Accounts Receivable | \$3,809 | \$2,104 | \$2,226 | (\$1,032) | \$2,230 | (\$677) | \$1,433 |
| Change in Inventory | \$487 | \$3,361 | \$1,320 | \$834 | \$637 | \$229 | \$70 |
| Change in Other ST Assets | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital Expenditure | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Dividends | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Subtotal | \$4,296 | \$5,465 | \$3,546 | (\$198) | \$2,867 | (\$448) | \$1,503 |
| Net Cash Flow | (\$4,461) | (\$3,107) | (\$1,861) | \$3,904 | \$1,692 | \$6,994 | \$4,202 |
| Cash Balance | \$7,233 | \$4,126 | \$2,265 | \$6,169 | \$7,861 | \$14,855 | \$19,056 |

General Assumptions

| | | | | | | | |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|
| Short Term Interest Rate | 12.00% | 12.00% | 12.00% | 12.00% | 12.00% | 12.00% | 12.00% |
| Long Term Interest Rate | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% |
| Collection Days | 45 | 45 | 45 | 45 | 45 | 45 | 45 |
| Payment Days | 40 | 40 | 40 | 40 | 40 | 40 | 40 |
| Inventory Turnover | 6.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |
| Tax Rate Percent | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Expenses in Cash?% | 8.00% | 8.00% | 8.00% | 7.00% | 7.00% | 7.00% | 7.00% |
| Sales on Credit | 55.00% | 64.00% | 64.00% | 44.00% | 55.00% | 41.00% | 51.00% |
| Personnel Burden% | 10.15% | 10.15% | 10.15% | 10.15% | 10.15% | 10.35% | 10.35% |

Personnel Plan

| | | | | | | | |
|---------|---------|---------|---------|---------|---------|---------|---------|
| Payroll | \$1,766 | \$4,943 | \$4,943 | \$4,943 | \$4,943 | \$4,943 | \$5,000 |
|---------|---------|---------|---------|---------|---------|---------|---------|

| Aug-96 | Sep-96 | Oct-96 | Nov-96 | Dec-96 | 1996 | 1997 | 1998 |
|------------|------------|------------|------------|------------|------------|-----------|-----------|
| \$71,742 | \$70,972 | \$72,551 | \$71,964 | \$72,728 | \$72,728 | \$71,138 | \$85,651 |
| \$12,969 | \$12,969 | \$12,969 | \$12,969 | \$12,969 | \$12,969 | \$12,969 | \$12,969 |
| (\$11,177) | (\$11,177) | (\$11,177) | (\$11,177) | (\$11,177) | (\$11,177) | \$30,236 | \$140,031 |
| \$16,699 | \$24,434 | \$30,148 | \$36,343 | \$41,413 | \$41,413 | \$109,794 | \$235,319 |
| \$18,491 | \$26,226 | \$31,941 | \$38,136 | \$43,205 | \$43,205 | \$153,000 | \$388,319 |
| \$90,233 | \$97,198 | \$104,491 | \$110,099 | \$115,933 | \$115,933 | \$224,138 | \$473,970 |
| \$18,491 | \$26,226 | \$31,941 | \$38,136 | \$43,205 | \$43,205 | \$153,000 | \$388,319 |

| Aug-96 | Sep-96 | Oct-96 | Nov-96 | Dec-96 | 1996 | 1997 | 1998 |
|------------|------------|------------|------------|------------|------------|-----------|-----------|
| \$71,742 | \$70,972 | \$72,551 | \$71,964 | \$72,728 | \$72,728 | \$71,138 | \$85,651 |
| \$12,969 | \$12,969 | \$12,969 | \$12,969 | \$12,969 | \$12,969 | \$12,969 | \$12,969 |
| (\$11,177) | (\$11,177) | (\$11,177) | (\$11,177) | (\$11,177) | (\$11,177) | \$30,236 | \$140,031 |
| \$16,699 | \$24,434 | \$30,148 | \$36,343 | \$41,413 | \$41,413 | \$109,794 | \$235,319 |
| \$18,491 | \$26,226 | \$31,941 | \$38,136 | \$43,205 | \$43,205 | \$153,000 | \$388,319 |



| Aug-96 | Sep-96 | Oct-96 | Nov-96 | Dec-96 | 1996 | 1997 | 1998 |
|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|
| \$90,233 | \$97,198 | \$104,491 | \$110,099 | \$115,933 | \$115,933 | \$224,138 | \$473,970 |
| \$18,491 | \$26,226 | \$31,941 | \$38,136 | \$43,205 | \$43,205 | \$153,000 | \$388,319 |

| Aug-96 | Sep-96 | Oct-96 | Nov-96 | Dec-96 | 1996 | 1997 | 1998 |
|---------|---------|---------|---------|---------|----------|-----------|-----------|
| \$6,810 | \$7,735 | \$5,715 | \$6,195 | \$5,070 | \$41,413 | \$109,794 | \$235,319 |
| \$377 | \$377 | \$377 | \$377 | \$377 | \$4,524 | \$3,500 | \$4,000 |
| (\$5) | (\$770) | \$1,579 | (\$587) | \$764 | \$2,846 | (\$1,590) | \$14,513 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$10,000 | \$0 | \$0 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$7,182 | \$7,342 | \$7,678 | \$5,985 | \$6,211 | \$58,783 | \$111,704 | \$253,833 |

| Aug-96 | Sep-96 | Oct-96 | Nov-96 | Dec-96 | 1996 | 1997 | 1998 |
|-----------|----------|----------|----------|----------|----------|-----------|-----------|
| (\$1,950) | \$2,757 | (\$382) | \$3,078 | \$3,130 | \$16,725 | \$596 | \$19,000 |
| (\$262) | \$1,267 | (\$26) | \$0 | \$26 | \$7,943 | \$20,723 | \$13,882 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (\$2,212) | \$4,024 | (\$408) | \$3,078 | \$3,156 | \$24,668 | \$21,319 | \$32,882 |
| \$9,394 | \$3,318 | \$8,079 | \$2,907 | \$3,055 | \$34,115 | \$90,385 | \$220,951 |
| \$28,451 | \$31,769 | \$39,847 | \$42,754 | \$45,809 | \$45,809 | \$136,195 | \$357,145 |

| | | | | | | | |
|---------|---------|---------|---------|---------|----------|----------|----------|
| 12.00% | 12.00% | 12.00% | 12.00% | 12.00% | 12.00% | 12.00% | 12.00% |
| 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% |
| 45 | 45 | 45 | 45 | 45 | 45 | 40 | 37 |
| 40 | 40 | 40 | 40 | 40 | 40 | 30 | 30 |
| 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 6.00 | 5.00 |
| 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 7.00% | 7.00% | 7.00% | 7.00% | 7.00% | 7.25% | 7.00% | 7.00% |
| 38.00% | 51.00% | 44.00% | 61.00% | 66.00% | 52.83% | 70.00% | 75.00% |
| 10.35% | 10.35% | 10.35% | 10.35% | 10.50% | 10.28% | 11.00% | 11.25% |
| \$5,100 | \$5,100 | \$5,100 | \$5,100 | \$5,100 | \$56,981 | \$69,808 | \$75,080 |

| Aug-96 | Sep-96 | Oct-96 | Nov-96 | Dec-96 | 1996 | 1997 | 1998 |
|-----------|----------|----------|----------|----------|----------|-----------|-----------|
| \$6,810 | \$7,735 | \$5,715 | \$6,195 | \$5,070 | \$41,413 | \$109,794 | \$235,319 |
| \$377 | \$377 | \$377 | \$377 | \$377 | \$4,524 | \$3,500 | \$4,000 |
| (\$5) | (\$770) | \$1,579 | (\$587) | \$764 | \$2,846 | (\$1,590) | \$14,513 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$10,000 | \$0 | \$0 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$7,182 | \$7,342 | \$7,670 | \$5,985 | \$6,211 | \$58,783 | \$111,704 | \$253,833 |
| (\$1,950) | \$2,757 | (\$382) | \$3,078 | \$3,130 | \$16,725 | \$596 | \$19,000 |
| (\$262) | \$1,267 | (\$26) | \$0 | \$26 | \$7,943 | \$20,723 | \$13,882 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (\$2,212) | \$4,024 | (\$408) | \$3,078 | \$3,156 | \$24,668 | \$21,319 | \$32,882 |
| \$9,394 | \$3,318 | \$8,079 | \$2,907 | \$3,055 | \$34,115 | \$90,385 | \$220,951 |
| \$28,451 | \$31,769 | \$39,847 | \$42,754 | \$45,809 | \$45,809 | \$136,195 | \$357,145 |
| 12.00% | 12.00% | 12.00% | 12.00% | 12.00% | 12.00% | 12.00% | 12.00% |
| 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% |
| 45 | 45 | 45 | 45 | 45 | 45 | 40 | 37 |
| 40 | 40 | 40 | 40 | 40 | 40 | 30 | 30 |
| 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 6.00 | 5.00 |
| 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |



| Aug-96 | Sep-96 | Oct-96 | Nov-96 | Dec-96 | 1996 | 1997 | 1998 |
|---------|---------|---------|---------|---------|----------|----------|----------|
| 7.00% | 7.00% | 7.00% | 7.00% | 7.00% | 7.25% | 7.00% | 7.00% |
| 38.00% | 51.00% | 44.00% | 61.00% | 66.00% | 52.83% | 70.00% | 75.00% |
| 10.35% | 10.35% | 10.35% | 10.35% | 10.50% | 10.28% | 11.00% | 11.25% |
| \$5,100 | \$5,100 | \$5,100 | \$5,100 | \$5,100 | \$56,981 | \$69,000 | \$75,000 |

| | Jan-96 | Feb-96 | Mar-96 | Apr-96 | May-96 | Jun-96 | Jul-96 |
|------------------------------------|-----------|-----------|----------|----------|----------|----------|----------|
| Sales | \$13,479 | \$14,355 | \$16,706 | \$21,456 | \$22,356 | \$24,856 | \$24,856 |
| Cost of Sales | \$6,535 | \$6,085 | \$6,855 | \$8,435 | \$8,570 | \$9,020 | \$8,975 |
| Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Cost of Sales | \$6,535 | \$6,085 | \$6,855 | \$8,435 | \$8,570 | \$9,020 | \$8,975 |
| Gross Margin | \$6,944 | \$8,270 | \$9,851 | \$13,021 | \$13,786 | \$15,836 | \$15,881 |
| Gross Margin % | 51.52% | 57.61% | 58.97% | 60.69% | 61.67% | 63.71% | 63.89% |
| Operating expenses: | | | | | | | |
| Advertising/Promotion | \$3,824 | \$8,000 | \$126 | \$500 | \$500 | \$500 | \$700 |
| Auto Expense | \$185 | \$100 | \$175 | \$250 | \$250 | \$250 | \$300 |
| Bank Service Charges | \$0 | \$40 | \$40 | \$40 | \$40 | \$40 | \$40 |
| Printing Expense | \$356 | \$0 | \$10 | \$0 | \$0 | \$0 | \$0 |
| Legal Fees/Licenses and Other Fees | \$212 | \$50 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Miscellaneous | \$56 | \$50 | \$50 | \$50 | \$50 | \$50 | \$100 |
| Entertainment | \$142 | \$100 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Payroll Expense | \$1,766 | \$4,943 | \$4,943 | \$4,943 | \$4,943 | \$4,943 | \$5,000 |
| Office Expense | \$517 | \$300 | \$250 | \$300 | \$300 | \$300 | \$300 |
| Postage | \$526 | \$800 | \$300 | \$800 | \$200 | \$200 | \$800 |
| Professional Fees | \$194 | \$100 | \$50 | \$0 | \$0 | \$0 | \$0 |
| Taxes - Property and Other | \$13 | \$264 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Utilities | \$225 | \$225 | \$225 | \$225 | \$175 | \$175 | \$175 |
| Insurance | \$473 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 |
| Rent | \$525 | \$525 | \$525 | \$525 | \$525 | \$525 | \$525 |
| Depreciation | \$377 | \$377 | \$377 | \$377 | \$377 | \$377 | \$377 |
| Telephone | \$469 | \$350 | \$350 | \$350 | \$350 | \$350 | \$350 |
| Pagers | \$66 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 |
| Travel | \$530 | \$0 | \$750 | \$800 | \$0 | \$0 | \$0 |
| Total Operating Expenses | \$10,465 | \$16,474 | \$8,421 | \$9,110 | \$7,960 | \$7,960 | \$8,917 |
| Profit Before Interest and Taxes | (\$3,521) | (\$8,204) | \$1,430 | \$3,911 | \$5,826 | \$7,876 | \$6,964 |
| Interest Expense ST | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Interest Expense LT | \$528 | \$644 | \$644 | \$644 | \$644 | \$644 | \$644 |
| Taxes Incurred | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Profit | (\$4,049) | (\$8,848) | \$786 | \$3,267 | \$5,182 | \$7,232 | \$6,320 |
| Net Profit/Sales | -30.04% | -61.64% | 4.70% | 15.25% | 23.18% | 29.09% | 25.43% |
| Sales Forecast | | | | | | | |
| Supply Sales | \$7,871 | \$9,000 | \$10,250 | \$14,000 | \$14,000 | \$16,500 | \$16,500 |
| Seminar Training | \$625 | \$600 | \$0 | \$500 | \$0 | \$0 | \$500 |
| Video Training | \$99 | \$99 | \$300 | \$300 | \$200 | \$200 | \$200 |
| Carpet Cleaning Revenue | \$1,548 | \$1,500 | \$3,000 | \$3,500 | \$5,000 | \$5,000 | \$4,500 |
| Franchise Royalties | \$2,183 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| Misc. Income | \$0 | \$300 | \$100 | \$100 | \$100 | \$100 | \$100 |
| Other | \$1,066 | \$1,066 | \$1,066 | \$1,066 | \$1,066 | \$1,066 | \$1,066 |
| Total Sales | \$13,479 | \$14,355 | \$16,706 | \$21,456 | \$22,356 | \$24,856 | \$24,856 |

Projected Profit and Loss

| | Jan-96 | Feb-96 | Mar-96 | Apr-96 | May-96 | Jun-96 | Jul-96 |
|------------------------------------|----------|----------|----------|----------|----------|----------|----------|
| Sales | \$13,479 | \$14,355 | \$16,706 | \$21,456 | \$22,356 | \$24,856 | \$24,856 |
| Cost of Sales | \$6,535 | \$6,085 | \$6,855 | \$8,435 | \$8,570 | \$9,020 | \$8,975 |
| Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Cost of Sales | \$6,535 | \$6,085 | \$6,855 | \$8,435 | \$8,570 | \$9,020 | \$8,975 |
| Gross Margin | \$6,944 | \$8,270 | \$9,851 | \$13,021 | \$13,786 | \$15,836 | \$15,881 |
| Gross Margin % | 51.52% | 57.61% | 58.97% | 60.69% | 61.67% | 63.71% | 63.89% |
| Operating expenses: | | | | | | | |
| Advertising/Promotion | \$3,824 | \$8,000 | \$126 | \$500 | \$500 | \$500 | \$700 |
| Auto Expense | \$185 | \$100 | \$175 | \$250 | \$250 | \$250 | \$300 |
| Bank Service Charges | \$0 | \$40 | \$40 | \$40 | \$40 | \$40 | \$40 |
| Printing Expense | \$356 | \$0 | \$10 | \$0 | \$0 | \$0 | \$0 |
| Legal Fees/Licenses and Other Fees | \$212 | \$50 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Miscellaneous | \$56 | \$50 | \$50 | \$50 | \$50 | \$50 | \$100 |
| Entertainment | \$142 | \$100 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Payroll Expense | \$1,766 | \$4,943 | \$4,943 | \$4,943 | \$4,943 | \$4,943 | \$5,000 |
| Office Expense | \$517 | \$300 | \$250 | \$300 | \$300 | \$300 | \$300 |
| Postage | \$526 | \$800 | \$300 | \$800 | \$200 | \$200 | \$800 |
| Professional Fees | \$194 | \$100 | \$50 | \$0 | \$0 | \$0 | \$0 |
| Taxes - Property and Other | \$13 | \$264 | \$0 | \$0 | \$0 | \$0 | \$0 |



Projected Profit and Loss

| | | | | | | | |
|----------------------------------|-----------|-----------|---------|---------|---------|---------|---------|
| Utilities | \$225 | \$225 | \$225 | \$225 | \$175 | \$175 | \$175 |
| Insurance | \$473 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 |
| Rent | \$525 | \$525 | \$525 | \$525 | \$525 | \$525 | \$525 |
| Depreciation | \$377 | \$377 | \$377 | \$377 | \$377 | \$377 | \$377 |
| Telephone | \$469 | \$350 | \$350 | \$350 | \$350 | \$350 | \$350 |
| Pagers | \$66 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 |
| Travel | \$539 | \$0 | \$750 | \$500 | \$0 | \$0 | \$0 |
| Total Operating Expenses | \$10,465 | \$16,474 | \$8,421 | \$9,110 | \$7,960 | \$7,960 | \$8,917 |
| Profit Before Interest and Taxes | (\$3,521) | (\$8,204) | \$1,430 | \$3,911 | \$5,826 | \$7,876 | \$6,964 |
| Interest Expense ST | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Interest Expense LT | \$528 | \$644 | \$644 | \$644 | \$644 | \$644 | \$644 |
| Taxes Incurred | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Profit | (\$4,049) | (\$8,848) | \$786 | \$3,267 | \$5,182 | \$7,232 | \$6,320 |
| Net Profit/Sales | -30.04% | -61.64% | 4.70% | 15.23% | 23.18% | 29.09% | 25.43% |

Sales Forecast

| | | | | | | | |
|-------------------------|----------|----------|----------|----------|----------|----------|----------|
| Supply Sales | \$7,871 | \$9,000 | \$10,250 | \$14,000 | \$14,000 | \$16,500 | \$16,500 |
| Seminar Training | \$625 | \$600 | \$0 | \$500 | \$0 | \$0 | \$500 |
| Video Training | \$99 | \$99 | \$300 | \$300 | \$200 | \$200 | \$200 |
| Carpet Cleaning Revenue | \$1,548 | \$1,500 | \$3,000 | \$3,500 | \$5,000 | \$5,000 | \$4,500 |
| Franchise Royalties | \$2,183 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| Misc. Income | \$97 | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 |
| Other | \$1,056 | \$1,056 | \$1,056 | \$1,056 | \$1,056 | \$1,056 | \$1,056 |
| Total Sales | \$13,479 | \$14,355 | \$16,706 | \$21,456 | \$22,356 | \$24,856 | \$24,856 |

| Aug-96 | Sep-96 | Oct-96 | Nov-96 | Dec-96 | 1996 | 1997 | 1998 |
|----------|----------|----------|----------|----------|-----------|-----------|-----------|
| \$24,956 | \$27,131 | \$25,631 | \$25,631 | \$25,131 | \$266,544 | \$402,200 | \$617,100 |
| \$9,000 | \$9,000 | \$9,678 | \$9,675 | \$9,680 | \$102,320 | \$149,325 | \$210,950 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$9,000 | \$9,000 | \$9,678 | \$9,675 | \$9,680 | \$102,320 | \$149,325 | \$210,950 |
| \$15,956 | \$17,231 | \$15,951 | \$15,956 | \$15,551 | \$164,224 | \$252,875 | \$406,150 |
| 63.94% | 63.51% | 62.27% | 62.27% | 61.80% | 61.61% | 62.87% | 65.82% |

| | | | | | | | |
|-------|---------|---------|---------|---------|----------|----------|----------|
| \$750 | \$1,000 | \$1,200 | \$1,200 | \$1,500 | \$19,808 | \$20,000 | \$25,800 |
| \$580 | \$350 | \$350 | \$350 | \$450 | \$7,318 | \$8,800 | \$12,800 |
| \$50 | \$50 | \$50 | \$65 | \$65 | \$520 | \$650 | \$750 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$366 | \$500 | \$1,000 |

| | | | | | | | |
|---------|---------|---------|---------|---------|----------|----------|----------|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$262 | \$208 | \$500 |
| \$108 | \$108 | \$108 | \$108 | \$150 | \$954 | \$1,500 | \$2,500 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$242 | \$0 | \$0 |
| \$5,100 | \$5,100 | \$5,100 | \$5,100 | \$5,100 | \$54,981 | \$69,000 | \$75,800 |
| \$500 | \$500 | \$500 | \$500 | \$500 | \$3,767 | \$4,000 | \$5,800 |
| \$280 | \$250 | \$800 | \$250 | \$500 | \$5,426 | \$6,808 | \$10,000 |
| \$0 | \$0 | \$0 | \$0 | \$100 | \$444 | \$750 | \$1,800 |

| | | | | | | | |
|-------|-------|-------|-------|---------|---------|---------|---------|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$277 | \$308 | \$350 |
| \$175 | \$175 | \$175 | \$208 | \$200 | \$2,350 | \$2,500 | \$3,000 |
| \$208 | \$208 | \$208 | \$208 | \$300 | \$2,773 | \$3,500 | \$5,000 |
| \$525 | \$525 | \$525 | \$525 | \$650 | \$6,750 | \$6,900 | \$7,200 |
| \$377 | \$377 | \$377 | \$377 | \$4,524 | \$3,540 | \$4,000 | \$4,000 |
| \$375 | \$375 | \$375 | \$375 | \$4,444 | \$4,700 | \$5,000 | \$5,000 |
| \$50 | \$50 | \$50 | \$50 | \$50 | \$416 | \$750 | \$800 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$1,789 | \$3,000 | \$5,000 |

| | | | | | | | |
|---------|---------|---------|---------|---------|-----------|-----------|-----------|
| \$8,502 | \$8,852 | \$9,602 | \$9,117 | \$9,817 | \$115,197 | \$135,358 | \$143,108 |
|---------|---------|---------|---------|---------|-----------|-----------|-----------|

| | | | | | | | |
|---------|---------|---------|---------|---------|----------|-----------|-----------|
| \$7,454 | \$8,379 | \$6,359 | \$6,839 | \$5,714 | \$49,827 | \$117,525 | \$243,050 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$644 | \$644 | \$644 | \$644 | \$7,614 | \$7,733 | \$7,733 | \$7,733 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$6,818 | \$7,735 | \$5,715 | \$6,195 | \$5,070 | \$41,413 | \$109,794 | \$235,319 |
| 27.29% | 28.51% | 22.30% | 24.17% | 24.17% | 15.54% | 27.30% | 38.13% |

| | | | | | | | |
|----------|----------|----------|----------|----------|-----------|-----------|-----------|
| \$16,500 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$176,621 | \$300,000 | \$500,000 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$2,725 | \$5,000 | \$10,800 |
| \$500 | \$500 | \$500 | \$500 | \$500 | \$2,098 | \$5,800 | \$3,500 |

| | | | | | | | |
|----------|----------|----------|----------|----------|-----------|-----------|-----------|
| \$5,000 | \$6,800 | \$4,000 | \$4,500 | \$4,080 | \$47,548 | \$50,000 | \$65,000 |
| \$2,080 | \$1,875 | \$1,875 | \$1,875 | \$1,875 | \$21,683 | \$20,000 | \$20,800 |
| \$180 | \$180 | \$180 | \$180 | \$180 | \$1,197 | \$1,100 | \$2,000 |
| \$1,054 | \$1,056 | \$1,054 | \$1,056 | \$1,056 | \$12,872 | \$15,100 | \$16,680 |
| \$24,956 | \$27,131 | \$25,631 | \$25,631 | \$25,131 | \$266,544 | \$402,200 | \$617,100 |

| Aug-96 | Sep-96 | Oct-96 | Nov-96 | Dec-96 | 1996 | 1997 | 1998 |
|----------|----------|----------|----------|----------|-----------|-----------|-----------|
| \$24,956 | \$27,131 | \$25,631 | \$25,631 | \$25,131 | \$266,544 | \$402,200 | \$617,100 |



| Aug-96 | Sep-96 | Oct-96 | Nov-96 | Dec-96 | 1996 | 1997 | 1998 |
|----------|----------|----------|----------|----------|-----------|-----------|-----------|
| \$9,000 | \$9,900 | \$9,670 | \$9,675 | \$9,600 | \$102,320 | \$149,325 | \$210,950 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$9,000 | \$9,900 | \$9,670 | \$9,675 | \$9,600 | \$102,320 | \$149,325 | \$210,950 |
| \$15,956 | \$17,231 | \$15,961 | \$15,956 | \$15,531 | \$164,224 | \$252,875 | \$406,150 |
| 63.94% | 63.51% | 62.27% | 62.25% | 61.80% | 61.61% | 62.87% | 65.82% |
| \$750 | \$1,000 | \$1,200 | \$1,200 | \$1,500 | \$19,800 | \$20,000 | \$25,000 |
| \$300 | \$350 | \$350 | \$350 | \$450 | \$3,310 | \$8,000 | \$12,000 |
| \$50 | \$50 | \$50 | \$65 | \$65 | \$520 | \$650 | \$750 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$366 | \$500 | \$1,000 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$262 | \$200 | \$500 |
| \$100 | \$100 | \$100 | \$100 | \$150 | \$956 | \$1,500 | \$2,500 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$242 | \$0 | \$0 |
| \$5,100 | \$5,100 | \$5,100 | \$5,100 | \$5,100 | \$56,981 | \$69,000 | \$75,000 |
| \$300 | \$300 | \$300 | \$300 | \$300 | \$3,767 | \$4,000 | \$5,000 |
| \$200 | \$250 | \$800 | \$250 | \$300 | \$5,426 | \$6,000 | \$10,000 |
| \$0 | \$0 | \$0 | \$0 | \$100 | \$444 | \$750 | \$1,000 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$277 | \$300 | \$350 |
| \$175 | \$175 | \$175 | \$200 | \$200 | \$2,350 | \$2,500 | \$3,000 |
| \$200 | \$200 | \$200 | \$200 | \$300 | \$2,773 | \$3,500 | \$5,000 |
| \$525 | \$525 | \$525 | \$55 | \$550 | \$6,350 | \$6,500 | \$7,200 |
| \$377 | \$377 | \$377 | \$377 | \$377 | \$4,524 | \$3,500 | \$4,000 |
| \$375 | \$375 | \$375 | \$375 | \$375 | \$4,444 | \$4,700 | \$5,000 |
| \$50 | \$50 | \$50 | \$50 | \$50 | \$616 | \$750 | \$800 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$1,789 | \$3,000 | \$5,000 |
| \$8,502 | \$8,852 | \$9,602 | \$9,117 | \$9,817 | \$115,197 | \$135,350 | \$163,100 |
| \$7,454 | \$8,379 | \$6,359 | \$6,839 | \$5,714 | \$49,027 | \$117,525 | \$243,050 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$644 | \$644 | \$644 | \$644 | \$644 | \$7,614 | \$7,731 | \$7,731 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$6,810 | \$7,735 | \$5,715 | \$6,195 | \$5,070 | \$41,413 | \$109,794 | \$235,319 |
| 27.29% | 28.51% | 22.30% | 24.17% | 20.17% | 15.54% | 27.30% | 38.13% |
| \$16,500 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$176,621 | \$300,000 | \$500,000 |
| \$0 | \$0 | \$500 | \$0 | \$0 | \$2,725 | \$5,000 | \$10,000 |
| \$300 | \$100 | \$100 | \$100 | \$100 | \$2,098 | \$3,000 | \$3,500 |
| \$5,000 | \$6,000 | \$4,000 | \$4,500 | \$4,000 | \$47,548 | \$58,000 | \$65,000 |
| \$2,000 | \$1,875 | \$1,875 | \$1,875 | \$1,875 | \$23,683 | \$20,000 | \$20,000 |
| \$100 | \$100 | \$100 | \$100 | \$100 | \$1,197 | \$1,100 | \$2,000 |
| \$1,056 | \$1,056 | \$1,056 | \$1,056 | \$1,056 | \$12,672 | \$15,100 | \$16,600 |
| \$24,956 | \$27,131 | \$25,631 | \$25,631 | \$25,131 | \$266,544 | \$402,200 | \$617,000 |



| Cost of Sales | Jan-96 | Feb-96 | Mar-96 | Apr-96 | May-96 | Jun-96 | Jul-96 |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|
| Supply Sales | \$5,810 | \$5,735 | \$6,355 | \$7,840 | \$7,800 | \$8,250 | \$8,250 |
| Seminar Training | \$406 | \$50 | \$0 | \$50 | \$0 | \$0 | \$50 |
| Video Training | \$0 | \$0 | \$0 | \$20 | \$20 | \$20 | \$0 |
| Carpet Cleaning Revenue | \$319 | \$300 | \$500 | \$525 | \$750 | \$750 | \$675 |
| Franchise Royalties | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Misc. Income | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Cost of Sales | \$6,535 | \$6,085 | \$6,855 | \$8,435 | \$8,570 | \$9,020 | \$8,975 |

| Cost of Sales | Jan-96 | Feb-96 | Mar-96 | Apr-96 | May-96 | Jun-96 | Jul-96 |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|
| Supply Sales | \$5,810 | \$5,735 | \$6,355 | \$7,840 | \$7,800 | \$8,250 | \$8,250 |
| Seminar Training | \$406 | \$50 | \$0 | \$50 | \$0 | \$0 | \$50 |
| Video Training | \$0 | \$0 | \$0 | \$20 | \$20 | \$20 | \$0 |
| Carpet Cleaning Revenue | \$319 | \$300 | \$500 | \$525 | \$750 | \$750 | \$675 |
| Franchise Royalties | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Misc. Income | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Cost of Sales | \$6,535 | \$6,085 | \$6,855 | \$8,435 | \$8,570 | \$9,020 | \$8,975 |

| Aug-96 | Sep-96 | Oct-96 | Nov-96 | Dec-96 | 1996 | 1997 | 1998 |
|---------|---------|---------|---------|---------|-----------|-----------|-----------|
| \$8,250 | \$9,000 | \$9,000 | \$9,000 | \$9,000 | \$94,290 | \$140,000 | \$200,000 |
| \$0 | \$0 | \$50 | \$0 | \$0 | \$606 | \$500 | \$1,000 |
| \$0 | \$0 | \$20 | \$0 | \$0 | \$80 | \$125 | \$200 |
| \$750 | \$900 | \$600 | \$675 | \$600 | \$7,344 | \$8,700 | \$9,750 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$9,000 | \$9,900 | \$9,670 | \$9,675 | \$9,600 | \$102,320 | \$149,325 | \$210,950 |

| Aug-96 | Sep-96 | Oct-96 | Nov-96 | Dec-96 | 1996 | 1997 | 1998 |
|---------|---------|---------|---------|---------|-----------|-----------|-----------|
| \$8,250 | \$9,000 | \$9,000 | \$9,000 | \$9,000 | \$94,290 | \$140,000 | \$200,000 |
| \$0 | \$0 | \$50 | \$0 | \$0 | \$606 | \$500 | \$1,000 |
| \$0 | \$0 | \$20 | \$0 | \$0 | \$80 | \$125 | \$200 |
| \$750 | \$900 | \$600 | \$675 | \$600 | \$7,344 | \$8,700 | \$9,750 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$9,000 | \$9,900 | \$9,670 | \$9,675 | \$9,600 | \$102,320 | \$149,325 | \$210,950 |