



Coffee Kiosk Business Plan

Executive Summary

The Daily Perc (TDP) is a specialty beverage retailer. TDP uses a system that is new to the beverage and food service industry to provide hot and cold beverages in a convenient and time-efficient way. TDP provides its customers the ability to drive up and order (from a trained Barista) their choice of a custom-blended espresso drink, freshly brewed coffee, or other beverage. TDP is offering a high-quality option to the fast-food, gas station, or institutional coffee.

The Daily Perc offers its patrons the finest hot and cold beverages, specializing in specialty coffees, blended teas, and other custom drinks. In addition, TDP will offer soft drinks, fresh-baked pastries and other confections. Seasonally, TDP will add beverages such as hot apple cider, hot chocolate, frozen coffees, and more.

The Daily Perc will focus on two markets:

The Daily Commuter- someone traveling to/from work, out shopping, delivering goods or services, or just out for a drive.

The Captive Consumer- someone who is in a restricted environment that does not allow convenient departure and return while searching for refreshments, or where refreshments stands are an integral part of the environment.

The Daily Perc will penetrate the commuter and captive consumer markets by deploying Drive-thru facilities and Mobile Cafes in the most logical and accessible locations. The Drive-thru facilities are designed to handle two-sided traffic and dispense customer-designed, specially ordered cups of premium coffees in less time than required for a visit to the locally owned cafe or one of the national chains.

In addition to providing a quality product and an extensive menu of delicious items, to ensure customer awareness and loyalty, as well as good publicity coverage and media support, we will be donating up to 7.5% of revenue to local charities based upon customer choices.

The Daily Perc's financial picture is quite promising. Since TDP is operating a cash business, the initial cost is significantly less than many start-ups these days. The process is labor intensive and TDP recognizes that a higher level of talent is required. The financial investment in its employees will be one of the greatest differentiators between it and TDP's competition. For the purpose of this pro-forma plan, the capital expenditures of facilities and equipment are financed. There will be minimum inventory on hand so as to keep the product fresh and to take advantage of price drops, when and if they should occur.

The Daily Perc anticipates the initial combination of investments and long term financing of £425,000 to carry it without the need for any additional equity or debt investment, beyond the purchase of equipment or facilities. This will mean growing a bit more slowly than might be otherwise possible, but it will be a solid, financially-sound growth based on customer request and product demand.

The Daily Perc chooses to become the Drive-thru version of Starbucks between the mountains, obtaining several million dollars through an initial public or private offering that would allow the company to open twenty to thirty facilities per year in all metropolitan communities in the North, Midwest, and South with a population of over 150,000. This is the preferred Exit Strategy of the Management Team. The danger in this is that competitors would rise up and establish a foothold on a community before--or in the midst of--the arrival of The Daily Perc, causing a potential for a drain on revenues and a dramatic increase in advertising expenditures to maintain market share. Knowing these risks--and planning for them--gives TDP the edge needed to make this scenario work.

The balance sheet estimates a Net Worth of £1,075,969 for the third year, cash balances of £773,623 and



earnings of £860,428, based on 13 Drive-thrus and four Mobile Cafes, it is not unrealistic to put a market value of between £4 and £9 million on the company. At present, such companies are trading in multiples of four to 10 times earnings, and it is simple mathematics to multiply the success of TDP by the number of major and smaller metropolitan areas between the mountain ranges of the United States.

1.1 Objectives

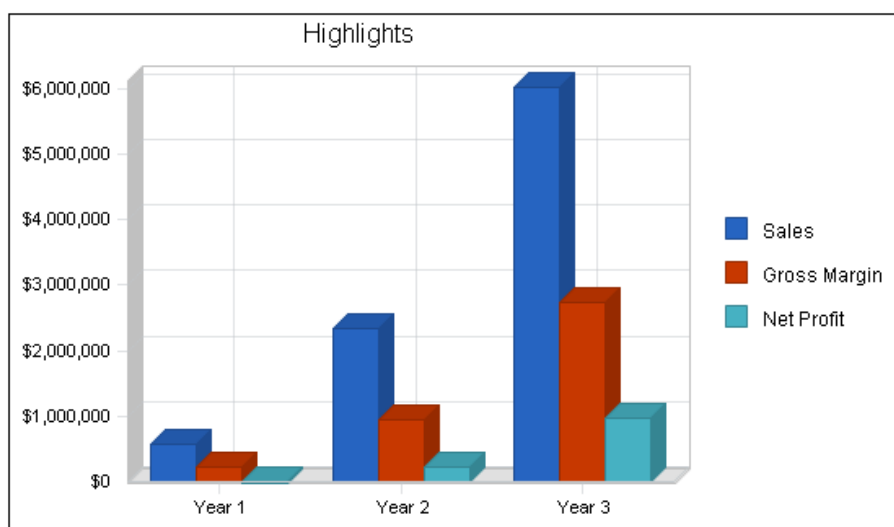
The Daily Perc has established three firm objectives it wishes to achieve in the next three years:

1. Thirteen Drive-thru locations and four fully booked Mobile Cafes by the end of the third year.
2. Gross Margin of 45% or more.
3. Net After-tax Profit above 15% of Sales.

1.2 Mission

The Daily Perc Mission is three-fold, with each being as integral to our success as the next.

- Product Mission - Provide customers the finest quality beverage in the most efficient time.
- Community Mission - Provide community support through customer involvement.
- Economic Mission - Operate and grow at a profitable rate through sound economic decisions.



1.3 Keys to Success

There are four keys to success in this business, three of which are virtually the same as any food service business. It is our fourth key--the Community Mission--that will give us that extra measure of respect in the public eye.

1. The greatest locations - visibility, high traffic pattern, convenient access.
2. The best products - freshest coffee beans, cleanest equipment, premium serving containers, consistent flavor.
3. The friendliest servers - cheerful, skilled, professional, articulate.
4. The finest reputation - word-of-mouth advertising, promotion of our community mission of charitable giving.

Company Summary

The Daily Perc is a specialty beverage retailer. TDP uses a system that is new to the beverage and food service industry to provide hot and cold beverages in a convenient and time-efficient way. TDP provides its customers



the ability to drive up and order from a trained Barista their choice of a custom blended espresso drink, freshly brewed coffee, or other beverage. TDP is offering a high quality option to the fast-food, gas station, and institutional coffee.

2.1 Company Ownership

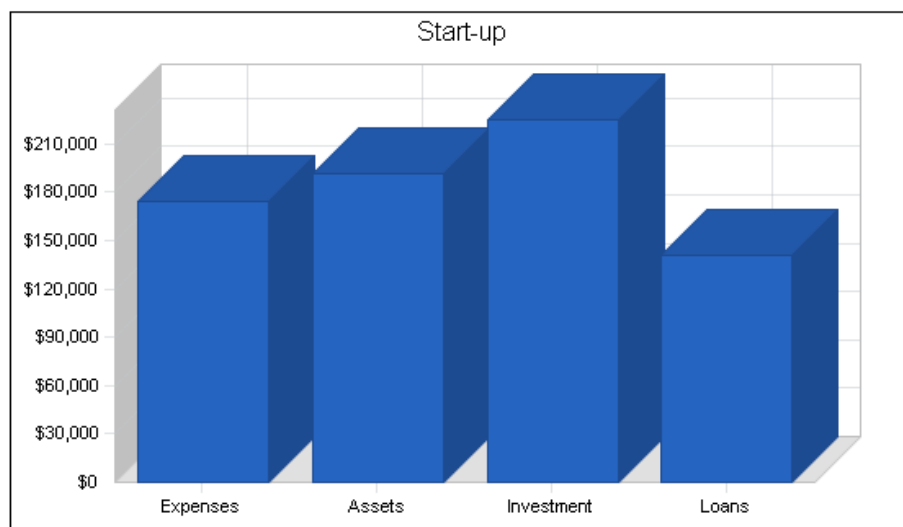
The Daily Perc is a Limited Liability Corporation. All membership shares are currently owned by Bart and Teresa Fisher, with the intent of using a portion of the shares to raise capital.

The plan calls for the sale of 100 membership units in the company to family members, friends, and Angel Investors. Each membership unit in the company is priced at £4,250, with a minimum of five units per membership certificate, or a minimum investment of £21,250 per investor.

If all funds are raised, based on the pricing established in the financial section of this plan, Bart and Terri Fisher will maintain ownership of no less than 51% of the company.

2.2 Start-up Summary

The Daily Perc's start-up expenses and funding are shown in the tables and chart below. The majority of these funds will be used to build the first facility, pay deposits, and provide capital for six months of operating expenses, initial inventory and other one-time expenses. The Daily Perc anticipates the need for operating capital for the first few months of operation.



Start-up

Requirements

Start-up Expenses

| | |
|---------------------------------------|---------|
| Legal | £3,500 |
| Office Equipment | £4,950 |
| Drive-thru Labor (6 months) | £65,000 |
| Drive-thru Finance Payment (6 months) | £12,300 |



| | |
|---------------------------------|----------|
| Drive-thru expenses (6 months) | £8,520 |
| Land Lease (6 months) | £7,200 |
| Vehicle Finance (6 months) | £3,700 |
| Administration Labor (6 months) | £54,000 |
| Website Development & Hosting | £5,600 |
| Identity/Logos/Stationary | £4,000 |
| Other | £5,000 |
| Total Start-up Expenses | £173,770 |

| | |
|----------------------|----------|
| Start-up Assets | |
| Cash Required | £25,500 |
| Start-up Inventory | £35,000 |
| Other Current Assets | £0 |
| Long-term Assets | £131,400 |
| Total Assets | £191,900 |

| | |
|--------------------|----------|
| Total Requirements | £365,670 |
|--------------------|----------|

Start-up Funding

| | |
|---------------------------|----------|
| Start-up Expenses to Fund | £173,770 |
| Start-up Assets to Fund | £191,900 |
| Total Funding Required | £365,670 |

| | |
|---------------------------------|----------|
| Assets | |
| Non-cash Assets from Start-up | £166,400 |
| Cash Requirements from Start-up | £25,500 |
| Additional Cash Raised | £0 |
| Cash Balance on Starting Date | £25,500 |
| Total Assets | £191,900 |

Liabilities and Capital

| | |
|---|----------|
| Liabilities | |
| Current Borrowing | £9,000 |
| Long-term Liabilities | £131,400 |
| Accounts Payable (Outstanding Bills) | £0 |
| Other Current Liabilities (interest-free) | £0 |
| Total Liabilities | £140,400 |

Capital



Planned Investment

| | |
|-----------------------------------|----------|
| Partner 1 | £10,000 |
| Partner 2 | £10,000 |
| Partner 3 | £10,000 |
| Partner 4 | £10,000 |
| Partner 5 | £11,500 |
| Partner 6 | £10,000 |
| Partner 7 | £11,500 |
| Partner 8 | £10,000 |
| Partner 9 | £11,500 |
| Partner 10 | £10,000 |
| Partner 11 | £11,500 |
| Partner 12 | £11,500 |
| Other | £97,770 |
| Additional Investment Requirement | £0 |
| Total Planned Investment | £225,270 |

| | |
|--------------------------------------|------------|
| Loss at Start-up (Start-up Expenses) | (£173,770) |
| Total Capital | £51,500 |

| | |
|-------------------------------|----------|
| Total Capital and Liabilities | £191,900 |
|-------------------------------|----------|

| | |
|---------------|----------|
| Total Funding | £365,670 |
|---------------|----------|

2.3 Company Locations and Facilities

The Daily Perc will open its first drive-thru facility on Manchester Road in the Colonial Square Shopping Center. Twelve more drive-thru facilities will be placed throughout the metropolitan area over the next three years. The drive-thru in the Colonial Square Shopping Center will serve as the commissary for the first mobile unit.

The demographic and physical requirements for a Drive-thru location are:

- Traffic of 40,000+ on store side.
- Visible from roadway.
- Easy entry with light if less than 30,000 cars.
- Established retail shops in area.

Products

The Daily Perc provides its patrons the finest hot and cold beverages, specializing in specialty coffees and custom blended teas. In addition, TDP will offer select domestic soft drinks, Italian sodas, fresh-baked pastries, and other confections. Seasonally, TDP will add beverages such as hot apple cider, hot chocolate, frozen coffees, and more.



3.1 Product Description

TDP provides its customers, whether at a Drive-thru facility or one of the Mobile Cafes, the ability to custom order a coffee beverage that will be blended to their exact specifications. Each of TDP's Baristas will be trained in the fine art of brewing, blending, and serving the highest quality hot and cold beverages, with exceptional attention to detail.

Besides coffees, The Daily Perc will offer teas, domestic and Italian sodas, frozen coffee beverages, seasonal specialty drinks, pastries, and other baked goods. Through the website and certain locations, TDP will market premium items such as coffee mugs, T-shirts and sweatshirts, ball caps, and more.

3.2 Competitive Comparison

The Daily Perc considers itself to be a player in the retail coffee house industry. However, it knows that competition for its products range from soft drinks to milk shakes to adult beverages.

The Daily Perc's primary competition will come from three sources:

1. National coffee houses such as Starbucks and Panera.
2. Locally owned and operated cafes.
3. Fast food chains and convenience stores.

Two things will make The Daily Perc stand out from all its competitors:

The Daily Perc will be providing products in the most convenient and efficient way available--either at one of the two-sided Drive-thru shops, or at one of the Mobile Cafes. This separates TDP from the competition in that its customers won't need to find a parking place, wait in a long line, jockey for a seat, and clean up the mess left by a previous patron. TDP customers can drive or walk up, order their beverage, receive and pay for the beverage, and drive off.

The second differentiator is The Daily Perc's focus on providing a significant benefit to the community through a possible 7.5% contribution to customer-identified charities, schools, or other institutions.

3.3 Sourcing

The Daily Perc purchases its coffees from PJ's Coffee. TDP also has wholesale purchasing agreements for other products with Major Brands, Coca-Cola, Big Train, Al's Famous Filled Bagels, L&N Products, and Royal Distribution.

The Drive-thru facilities are manufactured by City Stations and the Mobile Cafes are manufactured by Tow Tech Industries.

Fulfillment equipment suppliers include PJ's Coffee, City Stations, Talbert Ford, and Retail Image Programs. The Daily Perc's computer equipment and Internet connectivity is provided by NSI Communications.

3.4 Technology

The Daily Perc's delivery system is based on its technology. TDP is using state-of-the-art, two-sided, Drive-thru facilities to provide convenience and efficiency for its clientele. An architectural exterior diagram of the Drive Thru building can be found on the following page (removed from this sample plan).

The Daily Perc has also designed state-of-the-art Mobile Cafes that will be deployed from time to time on high school and college campuses, corporate campuses, and at special events.

3.5 Future Products

As seasons change, The Daily Perc will be offering products that will enhance sales and satisfy its customers' desires. During summer months, TDP will subsidize lower hot beverage sales with frozen coffee drinks, as well



as soft drinks, and other cold beverages. TDP will also have special beverages during holiday seasons, such as Egg Nog during the Christmas season and Hot Apple Cider in the Fall.

The Daily Perc's primary desire will be to listen to its customers to ascertain what they are looking for most, and provide it.

Market Analysis Summary

The Daily Perc will focus on two markets:

1. The Daily Commuter - someone traveling to or from work, out shopping, delivering goods or services, or just out for a drive.
2. The Captive Consumer - someone who is in a restricted environment that does not allow convenient departure and return while searching for refreshments, or where refreshments stands are an integral part of the environment.

4.1 Market Segmentation

The Daily Perc will focus on two different market segments: Commuters and Captive Consumers. To access both of these markets, TDP has two different delivery systems. For the commuters, TDP has the Drive-thru coffee house. For the captive consumer, TDP has the Mobile Cafe.

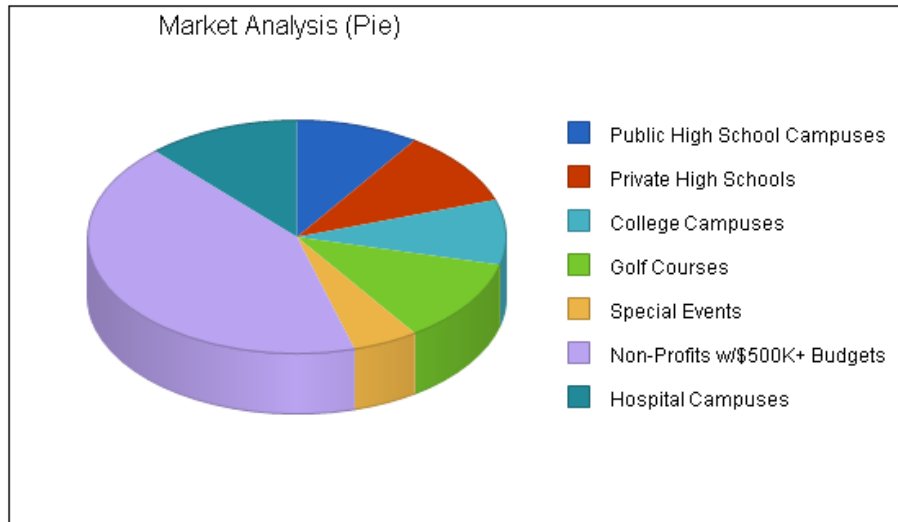
Commuters are defined as any one or more individuals in a motorized vehicle traveling from point "A" to point "B." The Daily Perc's greatest concentration will be on commuters heading to or from work, or those out on their lunch break.

Captive Consumers would include those who are tethered to a campus environment, or in a restricted entry environment that does not allow free movement to and from. Examples would include high school and college campuses, where there is limited time between classes, and corporate campuses where the same time constraints are involved, but regarding meetings and project deadlines, and special events--such as carnivals, fairs or festivals--where there is an admission price to enter the gate, but exiting would mean another admission fee, or where refreshments are an integral part of the festivities.

The following chart and table reflect the potential numbers of venues available for the Mobile Cafes and what growth could be expected in those markets over the next five years. For a conservative estimate of the number of Captive Consumers this represents, multiply the total number of venues in the year by 1,000. As an example, in the first year, The Daily Perc is showing that there are a total of 2,582 venues at which we might position a Mobile Cafe. That would equate to a Captive Consumer potential of 2,582,000.

Similarly, there are well over 2,500,000 commuters in the metropolitan area, as well as visitors, vacationers, and others. It can also be assumed that these commuters do not make only one purchase in a day, but in many cases, two and even three beverage purchases.

The chart reflects college and high school campuses, special events, hospital campuses, and various charitable organizations. A segment that is not reflected in the chart (since it would skew the chart so greatly) is the number of corporate campuses in the metropolitan area. There are over 1,700 corporate facilities that house more than 500 employees, giving us an additional 1,700,000 prospective customers, or total of 2,582 locations at which we could place a Mobile Cafe.



Market Analysis

| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | |
|------------------------------|--------|--------|--------|--------|--------|--------|-------|
| Potential Customers | Growth | | | | | | CAGR |
| Public High School Campuses | 1% | 80 | 81 | 82 | 83 | 84 | 1.23% |
| Private High Schools | 0% | 88 | 88 | 88 | 88 | 88 | 0.00% |
| College Campuses | 0% | 77 | 77 | 77 | 77 | 77 | 0.00% |
| Golf Courses | 0% | 99 | 99 | 99 | 99 | 99 | 0.00% |
| Special Events | 3% | 43 | 44 | 45 | 46 | 47 | 2.25% |
| Non-Profits w/£500K+ Budgets | 2% | 362 | 369 | 376 | 384 | 392 | 2.01% |
| Hospital Campuses | 0% | 100 | 100 | 100 | 100 | 100 | 0.00% |
| Total | 1.10% | 849 | 858 | 867 | 877 | 887 | 1.10% |

4.2 Target Market Segment Strategy

TDP's target market is the mobile individual who has more money than time, and excellent taste in a choice of beverage, but no time to linger in a cafe. By locating the Drive-Thrus in high traffic/high visibility areas, this unique--and abundant--consumer will seek The Daily Perc out and become a regular guest.

To penetrate the target market for the Mobile Cafes, these units will do what they were designed to do. The Daily Perc will take the cafe to the customer! By using the community support program TDP is instituting, arrangements will be made to visit a high school, college campus, or a corporate campus once or twice a month (Even visit these facilities for special games, tournaments, recruiting events, or corporate open houses). And, for every cup or baked good sold, a portion is returned to the high school or college. It becomes a tremendous, painless way for the institution to gain a financial reward while providing a pleasant and fulfilling benefit to their students or employees.

4.2.1 Market Trends

Nearly twenty years ago, a trend towards more unique coffees began to develop in the U.S. There had always been specialty coffee stores, such as Gloria Jeans and others, but people began to buy espresso machines for their homes and offices, and people began to have coffee tastings. Then espresso bars began to appear and, inevitably, along came Starbucks ... the quintessential bastion of the upwardly mobile professional who wanted to take control over how their beverage would taste and smell.



However, we have also become more rushed for time during that same period. Those same consumers who helped push Starbucks to £2.2 billion in global sales are now rushing kids to soccer and basketball games, running to the grocery and trying to get to work on time and back home in time for dinner ... or to get to the next soccer game. Yet, they still have the desire for that refreshing, specially blended coffee each morning.

Lately, we've seen the introduction of beverage dispensers at convenience stores that spit out overly-sweet, poorly blended cappuccinos in flavors such as french vanilla or mocha, and consumers are paying as much as £3.00 for these sub-standard beverages.

The market is primed for the introduction of a company that offers a superior quality, specially blended product in a convenient, drive-thru environment at a price that is competitive to the national coffee houses.

4.2.2 Market Growth

According to industry statistics, the consumption of coffee and flavored coffee products is growing rapidly. The largest national brand for retail coffee outlets achieved £2.2 billion in sales in 2000 with 3,000 retail outlets. They are anticipating opening 7,000 more outlets in the next five years and increasing revenues to over £6 billion.

That is the coffee consumer market. The segment of that market we are targeting is the commuter and that number is increasing. In the metropolitan area, as with many metropolitan areas in the country, there is a migration away from the cities.

It is estimated that there are well over 2.5 million commuters driving to and from work each day in our market. Statistically, at least 50% of those are coffee drinkers. That gives The Daily Perc a significant daily target for its products. Those numbers are growing by 6% per year.

4.2.3 Market Needs

The United States is a very mobile society. With the introduction of the automobile, we became a nation that thrived on the further freedom of going where we wanted when we wanted. It has only gotten worse. There are over 250 million men, women and children in America, half of whom are too old, too young, or too poor to drive an automobile. Yet, there are more licensed vehicles in the country than people. And that mobility has created a unique need in our society.

Our market is made up of consumers who have busy schedules, a desire for quality, and disposable income. As much as they would like the opportunity to sit in an upscale coffee house and sip a uniquely blended coffee beverage and read the morning paper, they don't have the time. However, they still have the desire for the uniquely blended beverage as they hurry through their busy lives.

4.3 Industry Analysis

The coffee industry has grown by tremendous amounts in the U.S. over the past five years. Starbucks, the national leader, had revenues in fiscal 2000 of £2.2 billion. That is an increase of 32% over Fiscal 1999. Starbucks plans to increase revenues to over £6.6 billion from 10,000 retail outlets by 2005.

Even general coffee sales have increased with international brands such as Folgers, Maxwell House, and Safari coffee reporting higher sales and greater profits.

America is definitely a coffee drinking country and the coffee industry is reaping the rewards.

4.3.1 Distribution Patterns

The cafe experience comes from the Italian origins of espresso. The customer comes in to a beautifully decorated facility, surrounded by wondrous aromas and finds himself involved in a sensory experience that, more often than not, masks an average product at a premium price. However, the proliferation of cafes in the



United States proves the viability of the market. It is a duplication of the same delivery process as currently exists in Europe.

4.3.2 Competition and Buying Patterns

There are four general competitors in The Daily Perc's drive-thru market. They are the national specialty beverage chains, such as Starbucks and Panera, local coffee houses--or cafes--with an established clientele and a quality product, fast food restaurants, and convenience stores. There is a dramatic distinction among the patrons of each of these outlets.

Patrons to a Starbucks, or to one of the local cafes, are looking for the "experience" of the coffee house. They want the ability to "design" their coffee, smell the fresh pastry, listen to the soothing Italian music, and read the local paper or visit with an acquaintance. It is a relaxing, slow paced environment.

Patrons of the fast food restaurants or the convenience stores are just the opposite. They have no time for idle chatter and are willing to over-pay for whatever beverage the machine can spit out, as long as it's quick. They pay for their gas and they are back on the road to work. Although they have the desire and good taste to know good from bad, time is more valuable to them.

Competitors to the Mobile Cafes on campuses would include fast food restaurants--assuming they are close enough to the consumer that they can get there and back in the minimal allotted time, vending machines, and company or school cafeterias. The consumers in this environment are looking for a quick, convenient, fairly priced, quality refreshment that will allow them to purchase the product and return to work, class, or other activity.

Competitors to the Mobile Cafes at events such as festivals and fairs would include all the other vendors who are licensed to sell refreshments. Attendees to such events expect to pay a premium price for a quality product.

4.3.3 Main Competitors

When measuring head-to-head, direct competitors, we have found that there are none in the metropolitan area. The Daily Perc will be the first double-sided, drive-thru coffee house in the metropolitan area. However, there is still significant competition from traditional coffee houses and other retailers.

National Chains:

Starbucks, the national leader, had revenues in fiscal year 2000 of £2.2 billion. That is an increase of 32% over fiscal year 1999. Starbucks plans to increase revenues to over £6.6 billion from 10,000 retail outlets by 2005.

Panera had revenues of £151 million from corporate owned stores and £350 million from franchised locations in fiscal year 2000. This fiscal year revenue was an increase in 28.9% on a per store basis versus fiscal year 1999.

The Daily Perc believes it has a significant competitive advantage over these chains because of the following benefits:

- Drive-thru Service
- More Substantial Customer Service
- Community Benefit
- Mobile Cafes
- Selection
- Higher Product Quality

Local Cafes:

The toughest competitor for The Daily Perc is the established locally owned cafe. TDP knows the quality and pride that the local cafe has in the product purchase by their customers. Any local cafe has a customer base that is dedicated and highly educated. The quality of beverages served at an established cafe will surpass any of the regional or national chains.



The competitive edge The Daily Perc has on the local cafes is based on the attributes of:

- Drive-thru Service
- Supply Discounts
- Mobile Cafe
- Consistent Menu
- Community Benefit
- Quality Product

Drive-thru Coffee Houses:

There is not a drive-thru specialty beverage retailer with significant market presence in the central United States. The only company with similar depth to that of The Daily Perc is Quikava, a wholly owned subsidiary of Chock Full 'o Nuts. However, Quikava has limited its corporate footprint to the East Coast and the Great Lakes Region.

In the drive-thru specialty beverage market, The Daily Perc has a competitive edge over the smaller retailers, and even Quikava, due to:

- Mobile Cafes
- Consistent Menu
- Community Benefit
- Quality Product
- Supply Discounts
- Valued Image
- Greater Product Selection

Fast Food and Convenience Stores:

These are two industries where The Daily Perc will experience a certain level of competition. The national fast food chains and national convenience store chains already serve coffee, soda, and some breakfast foods. The national fast food chains obviously know the benefits and value to customers of drive-thru. TDP knows that within the specialty coffee and tea market, the quality of the products sold will be much greater than what can currently be purchased at fast food and convenience stores. The addition of domestic soda sales for these stores is a large part of revenue. TDP knows the quality of our products, along with the addition of domestic soda and the ease of drive-thru, gives it a competitive edge over fast food and convenience stores.

Other competition:

The Daily Perc knows that once it has entered the market and established a presence, others will try to follow. However, TDP believes that the corporate missions and even the organizational design will be imitated, but never duplicated. TDP will constantly evaluate its products, locations, service, and corporate missions to ensure that it remains a leader in the specialty beverage industry.

4.3.4 Industry Participants

There is only one national Drive-thru coffee franchise operation in the U.S. with any legs, and that is a subsidiary of Chock Full 'o Nuts called Quikava. Quikava operates predominantly on the East Coast and in the Upper Great Lakes. The East and West coasts, and even some Mountain and Midwest states, have smaller local drive-thru chains such as Caffino, Java Espresso, Crane Coffee, Java Drive, Sunrise Coffee, and Caffe Diva. However, other players in the premium coffee service industry would include Starbucks, Gloria Jean's, Caribou Coffee, Panera and locally owned and operated coffee shops or "cafes."

Strategy and Implementation Summary



The Daily Perc will penetrate the commuter and captive consumer markets by deploying Drive-thru facilities and Mobile Cafes in the most logical and accessible locations. The Drive-thrus are designed to handle two-sided traffic and dispense customer-designed, specially ordered cups of specialty beverages in less time than required for a visit to the locally owned cafe or one of the national chains.

The Daily Perc has identified its market as busy, mobile people whose time is already at a premium, but desire a refreshing, high quality beverage or baked item while commuting to or from work or school.

In addition to providing a quality product and an extensive menu of delicious items, to ensure customer awareness and loyalty, as well as positive public and media support, The Daily Perc could be donating up to 7.5% of revenue from each cup sold in individual Drive-thrus to the charities of the customers' choice.

5.1 Strategy Pyramid

The Daily Perc's strategy is to show people that TDP has an excellent product, convenient accessibility, and with a community benefit. To execute on this strategy, TDP is placing the Drive-thrus and Mobile Cafes at easily accessible locations throughout the metropolitan area. TDP is pricing its product competitively and training the production staff to be among the best Baristas in the country. Then, through coupons and display ads at the locations, TDP will involve the customers in community support efforts by explaining that a portion of their purchase price will be donated to a charity of their choosing.

In so doing, TDP has:

1. Provided a customer with a quality product at a competitive price.
2. Provided the customer with a more convenient method for obtaining their desired product.
3. Demonstrated how TDP appreciates their loyalty and patronage by donating money to their personal cause.

5.2 Value Proposition

The Drive-thru facilities provide a substantial value proposition in that the customer does not have to find a parking place, exit the vehicle, stand in line to order, wait for the beverages ahead of him to be produced, pay a premium price for average product, find a place to sit, clean up the previous patron's mess, then enjoy their coffee ... assuming they have sufficient time to linger over the cup.

The Daily Perc concept is that the customer drives up, places the order, receives a high quality product at a competitive price, and drives away, having wasted little time in the process.

The Daily Perc is also providing a significant community value to patronizing TDP. For every purchase a customer makes from us, TDP will donate up to 7.5% of the sale to the local charity selected by the customer.

5.3 Competitive Edge

The Daily Perc's competitive edge is simple. TDP provides a high quality product at a competitive price in a Drive-thru environment that saves time.

5.4 Marketing Strategy

First and foremost, The Daily Perc will be placing its Drive-thru facilities in locations of very high visibility and great ease of access. They will be located on high traffic commuter routes and close to shopping facilities in order to catch customers going to or from work, or while they are out for lunch, or on a shopping expedition. The Drive-thrus are very unique and eye-catching, which will be a branding feature of its own.

The Daily Perc will be implementing a low cost advertising/promotion campaign which could involve drive-time radio, but not much more.

The Daily Perc will rely on building relationships with schools, charities and corporations to provide significant free publicity because of its community support program. By giving charitable contributions to these



institutions, they will get the word out to their students/faculty/employees/partners about TDP. Word of mouth has always proven to be the greatest advertising program a company can instill. In addition, the media will be more than willing to promote the charitable aspects of TDP and provide the opportunity for more exposure every time TDP writes a check to another organization.

5.4.1 Promotion Strategy

The long-range goal is to gain enough visibility to leverage the product line into other regions and generate inquiries from potential inventors. To do that, The Daily Perc needs:

- Public relations services at £1,000 per month for the next year intended to generate awareness of editors and product information insertions, reviews, etc. It is anticipated that the school fundraising program will generate a fair amount of publicity on its own and will, perhaps, minimize--or even eliminate--the need for a publicist.
- Advertising at £1,000 per month concentrating on drive time radio. The Daily Perc will experiment with different stations, keeping careful track of results. As with the school fundraising program, TDP expects the facilities and signage to be a substantial portion of our advertising. However, in the start-up phase, TDP needs to let people know where to look for the facilities.

5.4.2 Distribution Strategy

The Daily Perc will locate Drive-thru facilities in high traffic areas of the city where it knows working commuters will be passing.

The Daily Perc will also make arrangements for the Mobile Cafes to be at as many schools, businesses, and events as possible every year, so that new customers, those who come in from areas where TDP may not have a Drive-thru facility, can be reached and those who didn't have the time to stop off that morning at their favorite Daily Perc.

5.4.3 Marketing Programs

Distinctive Logo:

"Papo" is a very happy and conspicuous sun. The sun is one of infinite mental pictures. The sun touches every human being every day. Obviously, TDP wants to touch every customer every day. That is why the use of the sun lends itself to being the corporate identifier. Papo is already an awarding winning logo. Papo won in the New Artist Category of the 2001 Not Just Another Art Director's Club (NJAADC).

Distinctive Buildings:

TDP is using diner style buildings for its Drive-thru facilities. TDP has worked closely with the manufacturer to make the building distinctive, so that it is easy to recognize, and functional.

The Fund-raising and Catering Trailer:

The Mobile Cafe will be a key marketing tool. The similarities between the Mobile Cafes and the Drive-thru facilities will be unmistakable. The exposure these units will provide cannot be measured in dollars. The Daily Perc will negotiate visits with the Mobile Units at schools, hospitals, corporations and other entities. In the case of schools and certain corporations, a portion of all sales made while on their campus could go to a program of their choice. The organization would promote its presence to their constituency and encourage them to frequent the Drive-thru establishments so that their charitable cause is nurtured. This will give those patrons an opportunity to taste the products and become a regular customer of the Drive-thru facilities. The Mobile Cafes will also be appearing at community events such as fairs, festivals, and other charitable events.

Advertising and Promotion:

In the first year, The Daily Perc plans to spend moderately on advertising and promotion, with the program beginning in September, after the opening of the first Drive-thru. This would not be considered a serious advertising budget for any business, but TDP feels the exposure will come from publicity and promotion, so



most of the funds will be spent on a good publicist who will get the word out about the charitable contribution program and how it works in conjunction with the website. TDP also believes that word-of-mouth advertising and free beverage coupons will be better ways to drive people to the first and second locations.

In the second year, The Daily Perc is increasing the budget, since it will need to promote several locations, with particular emphasis on announcing these openings and all the other locations. TDP will continue to use publicity as a key component of the marketing program, since TDP could be contributing over £70,000 to local schools and charities.

In the third year, The Daily Perc will double its advertising and promotion budget, with the majority of the advertising budget being spent on drive time radio. As in the previous years, TDP will get substantial publicity from the donation of nearly £200,000 to local schools and charities.

5.4.4 Positioning Statement

For busy, mobile people whose time is already at a premium, but desire a refreshing, high quality beverage or baked item while commuting to or from work or school.

5.4.5 Pricing Strategy

The Daily Perc pricing will be comparable to the competition, but with the value-added feature of immediate, drive-thru service and convenience.

5.5 Sales Strategy

There will be several sales strategies put into place, including posting specials on high-profit items at the drive-up window. The Baristas will also hand out free drink coupons to those who have purchased a certain number of cups or something similar. TDP will also develop window sales techniques such as the Baristas asking if the customer would like a fresh-baked item with their coffee.

5.5.1 Sales Forecast

In the first year, The Daily Perc anticipates having two Drive-thru locations in operation. The first location will open in the third month of this plan and be fully operational beginning on the 1st day of September. The second Drive-thru will open six months later. TDP is building in a certain amount of ramp-up for each facility while commuters become familiar with its presence. The Drive-thrus will generate 288,000 tickets in the first year of operation.

In the second year, The Daily Perc will add two more Drive-thrus and, in the third year, TDP will add an additional nine Drive-thru facilities. The addition of these facilities will increase the revenue from Drive-thrus with a total of over 1,000,000 tickets in the second year and 2,675,000 tickets in the third.

In addition to the Drive-thrus, The Daily Perc will deploy one mobile unit in the fourth quarter of the first fiscal year. TDP expects this mobile unit to generate 10,000 tickets each, at an average ticket price of £2.45.

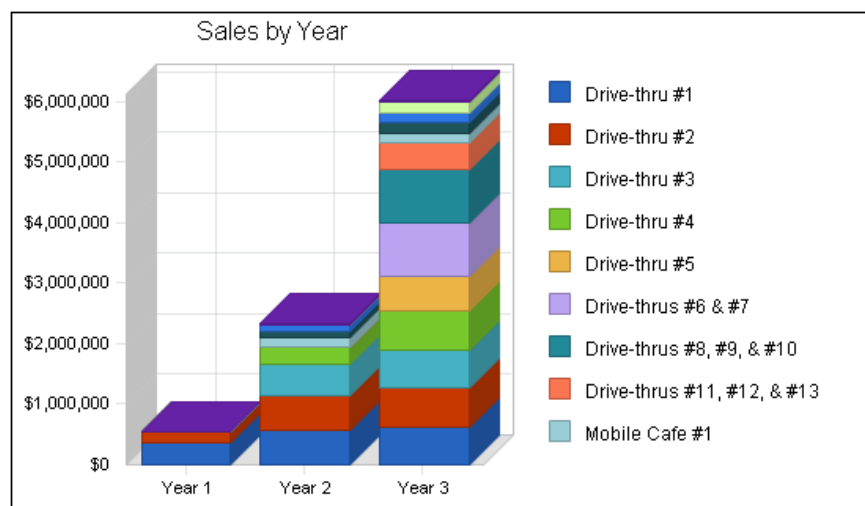
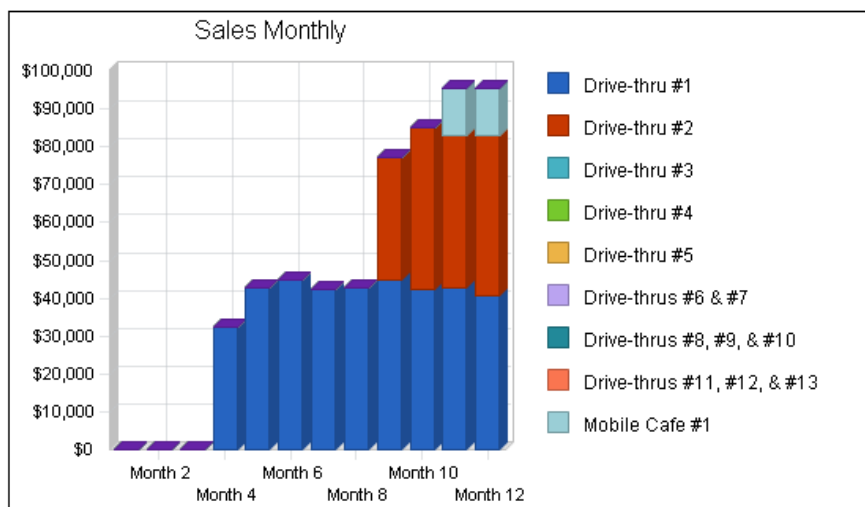
In the second quarter of the second fiscal year, The Daily Perc will deploy a second and third mobile unit. TDP expects all three mobile units to generate 150,000 tickets in the second year. In the third fiscal year, with an additional fourth mobile unit deployed, TDP expects to see 264,000 mobile unit tickets.

The Daily Perc is also showing revenue from the commerce portion of our website, where it will sell "The Daily Perc" t-shirts, sweatshirts, insulated coffee mugs, pre-packaged coffee beans, and other premium items. TDP is not expecting this to be a significant profit center, but it is an integral part of the marketing plan -- as a function of developing our brand and building product awareness. TDP expects revenues from this portion, to begin in the second fiscal year, to reach as much as £3,000 per month in the third fiscal year.

Total first year unit sales should reach 298,402. The second year will see unit sales increase to 1,177,400. The



third year, with the addition of such a significant number of outlets, we will see unit sales increase to 2,992,000.



Sales Forecast

| | Year 1 | Year 2 | Year 3 |
|-----------------------------|---------|---------|---------|
| Unit Sales | | | |
| Drive-thru #1 | 202,913 | 300,000 | 325,000 |
| Drive-thru #2 | 85,489 | 300,000 | 325,000 |
| Drive-thru #3 | 0 | 275,000 | 325,000 |
| Drive-thru #4 | 0 | 150,000 | 325,000 |
| Drive-thru #5 | 0 | 0 | 300,000 |
| Drive-thrus #6 & #7 | 0 | 0 | 450,000 |
| Drive-thrus #8, #9, & #10 | 0 | 0 | 450,000 |
| Drive-thrus #11, #12, & #13 | 0 | 0 | 225,000 |
| Mobile Cafe #1 | 10,000 | 60,000 | 66,000 |
| Mobile Cafe #2 | 0 | 45,000 | 66,000 |
| Mobile Cafe #3 | 0 | 45,000 | 66,000 |
| Mobile Cafe #4 | 0 | 0 | 66,000 |



| | | | |
|-----------------------------|---------|-----------|-----------|
| Website Sales/Premium Items | 0 | 2,400 | 3,000 |
| Total Unit Sales | 298,402 | 1,177,400 | 2,992,000 |

| Unit Prices | Year 1 | Year 2 | Year 3 |
|-----------------------------|--------|--------|--------|
| Drive-thru #1 | £1.85 | £1.90 | £1.95 |
| Drive-thru #2 | £1.85 | £1.90 | £1.95 |
| Drive-thru #3 | £0.00 | £1.90 | £1.95 |
| Drive-thru #4 | £0.00 | £1.90 | £1.95 |
| Drive-thru #5 | £0.00 | £1.90 | £1.95 |
| Drive-thrus #6 & #7 | £0.00 | £1.90 | £1.95 |
| Drive-thrus #8, #9, & #10 | £0.00 | £1.90 | £1.95 |
| Drive-thrus #11, #12, & #13 | £0.00 | £1.90 | £1.95 |
| Mobile Cafe #1 | £2.45 | £2.50 | £2.55 |
| Mobile Cafe #2 | £0.00 | £2.50 | £2.55 |
| Mobile Cafe #3 | £0.00 | £2.50 | £2.55 |
| Mobile Cafe #4 | £0.00 | £2.50 | £2.55 |
| Website Sales/Premium Items | £0.00 | £11.00 | £12.00 |

| | | | |
|-----------------------------|----------|------------|------------|
| Sales | | | |
| Drive-thru #1 | £375,389 | £570,000 | £633,750 |
| Drive-thru #2 | £158,154 | £570,000 | £633,750 |
| Drive-thru #3 | £0 | £522,500 | £633,750 |
| Drive-thru #4 | £0 | £285,000 | £633,750 |
| Drive-thru #5 | £0 | £0 | £585,000 |
| Drive-thrus #6 & #7 | £0 | £0 | £877,500 |
| Drive-thrus #8, #9, & #10 | £0 | £0 | £877,500 |
| Drive-thrus #11, #12, & #13 | £0 | £0 | £438,750 |
| Mobile Cafe #1 | £24,500 | £150,000 | £168,300 |
| Mobile Cafe #2 | £0 | £112,500 | £168,300 |
| Mobile Cafe #3 | £0 | £112,500 | £168,300 |
| Mobile Cafe #4 | £0 | £0 | £168,300 |
| Website Sales/Premium Items | £0 | £26,400 | £36,000 |
| Total Sales | £558,043 | £2,348,900 | £6,022,950 |

| Direct Unit Costs | Year 1 | Year 2 | Year 3 |
|-----------------------------|--------|--------|--------|
| Drive-thru #1 | £0.64 | £0.61 | £0.59 |
| Drive-thru #2 | £0.64 | £0.61 | £0.59 |
| Drive-thru #3 | £0.00 | £0.61 | £0.59 |
| Drive-thru #4 | £0.00 | £0.61 | £0.59 |
| Drive-thru #5 | £0.00 | £0.61 | £0.59 |
| Drive-thrus #6 & #7 | £0.00 | £0.61 | £0.59 |
| Drive-thrus #8, #9, & #10 | £0.00 | £0.61 | £0.59 |
| Drive-thrus #11, #12, & #13 | £0.00 | £0.61 | £0.59 |



| | | | |
|-----------------------------|-------|-------|-------|
| Mobile Cafe #1 | £0.64 | £0.61 | £0.59 |
| Mobile Cafe #2 | £0.00 | £0.61 | £0.59 |
| Mobile Cafe #3 | £0.00 | £0.61 | £0.59 |
| Mobile Cafe #4 | £0.00 | £0.61 | £0.59 |
| Website Sales/Premium Items | £0.00 | £6.50 | £6.50 |

Direct Cost of Sales

| | | | |
|-------------------------------|----------|----------|------------|
| Drive-thru #1 | £129,864 | £183,000 | £191,750 |
| Drive-thru #2 | £54,713 | £183,000 | £191,750 |
| Drive-thru #3 | £0 | £167,750 | £191,750 |
| Drive-thru #4 | £0 | £91,500 | £191,750 |
| Drive-thru #5 | £0 | £0 | £177,000 |
| Drive-thrus #6 & #7 | £0 | £0 | £265,500 |
| Drive-thrus #8, #9, & #10 | £0 | £0 | £265,500 |
| Drive-thrus #11, #12, & #13 | £0 | £0 | £132,750 |
| Mobile Cafe #1 | £6,400 | £36,600 | £38,940 |
| Mobile Cafe #2 | £0 | £27,450 | £38,940 |
| Mobile Cafe #3 | £0 | £27,450 | £38,940 |
| Mobile Cafe #4 | £0 | £0 | £38,940 |
| Website Sales/Premium Items | £0 | £15,600 | £19,500 |
| Subtotal Direct Cost of Sales | £190,977 | £732,350 | £1,783,010 |

5.5.2 Sales Programs

Corporate Tasting Events - TDP plans to host tasting events for customers on a quarterly basis. Each quarter, at the introduction of each season, TDP will be adjusting its menu to reflect the changes in the flavors served.

Drink Coupons - At fundraising events for schools and corporate events, we will be giving away drink coupons as door prizes or awards. This encourages the person to come in for their free beverage and bring a friend or buy a baked item or a package of our premium coffee. The Drive Thru units will also be distributing coupons for special menu items or new product introductions.

Chamber of Commerce and Professional Memberships - Because of the need to sell the Mobile Cafe services, TDP will be an active participant in the Regional Chamber, local Chambers of Commerce, Food Service Associations, and Specialty Beverage Associations. The exposure and education that these organizations provide is outstanding, but equally important are the contacts and opportunities made available for deploying a Mobile Cafe--or even two--at a special event.

5.6 Strategic Alliances

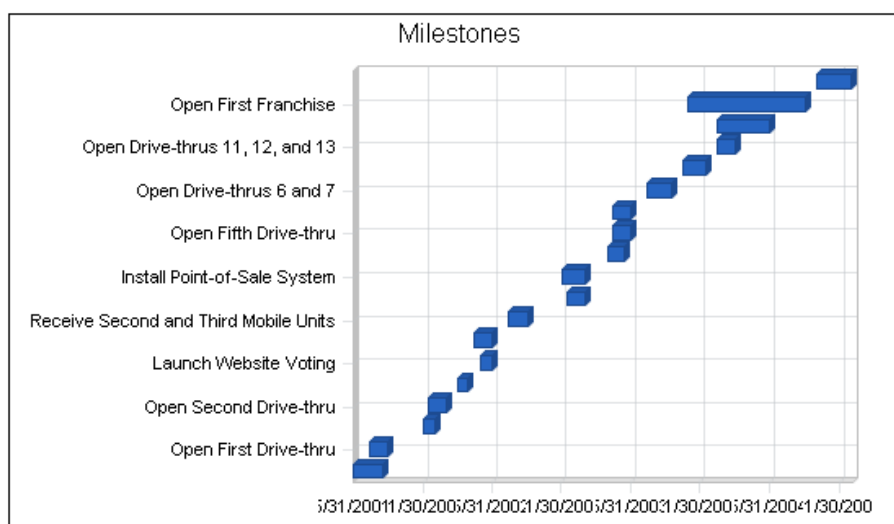
The Daily Perc has and will continue to depend heavily on our alliance with PJ's Coffees, as well as our alliances with the Mobile Cafe and Drive-thru facility manufacturers and consumable products providers. However, we will always be looking for better quality products, more favorable pricing, or more timely delivery from other potential alliances.

We also consider the schools, non-profit organizations, and even corporations who host one of our Mobile Cafes as a strategic alliances, since they are providing exposure to our products and we are providing them a financial benefit.



5.7 Milestones

The Milestone table reflects critical dates for occupying headquarters, launching the first Drive-thru and subsequent Drive-thrus, as well as deployment of the mobile units. The Daily Perc also defines our break-even month, our website launch and subsequent visitor interaction function, and other key markers that will help us measure our success in time and accomplishment.



Milestones

| Milestone | Start Date | End Date | Budget | Manager | Department |
|---------------------------------------|------------|------------|------------|----------|------------|
| Light Website | 6/1/2001 | 8/15/2001 | £5,600 | COO | Mktg. |
| Open First Drive-thru | 7/15/2001 | 8/31/2001 | £105,400 | COO | Admin. |
| First Break-even Month | 12/1/2001 | 12/31/2001 | £0 | COO | Finance |
| Open Second Drive-thru | 12/15/2001 | 2/1/2002 | £105,400 | COO | Admin. |
| Receive First Mobile Unit | 3/1/2002 | 3/30/2002 | £86,450 | COO | Admin. |
| Launch Website Voting | 5/1/2002 | 6/1/2002 | £12,500 | COO | Mktg. |
| Open Third Drive-thru | 4/15/2002 | 6/1/2002 | £105,400 | COO | Admin. |
| Receive Second and Third Mobile Units | 7/15/2002 | 9/1/2002 | £172,900 | COO | Admin. |
| Open Fourth Drive-thru | 12/15/2002 | 2/1/2003 | £105,400 | COO | Admin. |
| Install Point-of-Sale System | 12/1/2002 | 2/1/2003 | £21,000 | CIO | MIS |
| Occupy Headquarters | 4/1/2003 | 5/15/2003 | £45,000 | COO | Admin. |
| Open Fifth Drive-thru | 4/15/2003 | 6/1/2003 | £105,400 | COO | Admin. |
| Receive Fourth Mobile Unit | 4/15/2003 | 6/1/2003 | £86,450 | Equip. | Admin. |
| Open Drive-thrus 6 and 7 | 7/15/2003 | 9/15/2003 | £210,800 | COO/Dir. | Mgmt. |
| Open Drive-thrus 8, 9 and 10 | 10/15/2003 | 12/15/2003 | £316,200 | COO/Dir. | Mgmt. |
| Open Drive-thrus 11, 12, and 13 | 1/15/2004 | 3/1/2004 | £316,200 | COO | Admin. |
| Expand to Kansas City | 1/15/2004 | 6/1/2004 | £176,943 | COO | Mgmt. |
| Open First Franchise | 10/31/2003 | 9/1/2004 | £45,000 | CFO | Finance |
| Initiate Exit Strategy | 10/1/2004 | 1/1/2005 | £100,000 | CFO | Mgmt. |
| Totals | | | £2,122,043 | | |



Management Summary

The Daily Perc is a relatively flat organization. Overhead for management will be kept to a minimum and all senior managers will be "hands-on" workers. There is no intention of having a top-heavy organization that drains profits and complicates decisions.

At the zenith of this three-year plan, there will be four "Executive" positions: chief operating officer, chief financial officer, chief information officer, and director of marketing. There will be other mid-management positions, such as district managers for every four Drive-thrus, and a facilities manager to oversee the maintenance and stocking of the Mobile Cafes, as well as overseeing the maintenance and replacement of equipment in the Drive-thru facilities.

6.1 Management Team

The Daily Perc has selected Mr. Barton Fisher to perform the duties of chief operating officer. Bart has a highly entrepreneurial spirit and has already started a company from scratch (NetCom Services, Inc.) that ran in the black within three months of inception, and paid off all initial debt within six months. Upon leaving NSI in April 2001, the company had again paid off all debt and was running a profit monthly. Combine his experience, leadership, and desire with three years of research in speciality drinks and drive-thru service, and TDP knows that Bart is the individual who will get the company out of the gate and up to full speed for a long time to come.

Ms. Mary Jamison has been selected to fulfill the position of bookkeeper and office manager. Mary has been the business administrator of Jones International, Inc. for the past four years. Jones is a £4 million company that retails vitamins and other betterment products. Over those four years, Mary has written numerous corporate policies and directed the financial reporting and reconciliation. The Daily Perc considers Mary to be a great addition to the team when she becomes available in November of 2001. Until that time, she will be working with Mr. Fisher on a part-time basis to help establish the corporate accounts and policies.

Mr. Tony Guy has been selected to perform the duties of corporate events coordinator on a part time basis. Mr. Guy has over five years in the business-to-business sales realm. Last year he was responsible for over £250,000 in sales of promotional material to corporate and educational clients.

Mr. Chuck McNulty has been selected to fulfill the position of warehouse/trailer manager. Chuck has been working for Nabisco, Inc. as a service representative for over ten years. His experience in account services, merchandising, and inventory control is a welcome addition to The Daily Perc team. Chuck will use his knowledge in conjunction with the rest of the team to establish inventory and warehouse policies. The warehouse manager is responsible for inventory of all products sold by The Daily Perc. Some merchandising experience is a welcome addition. Training in the First In First Out (FIFO) style of inventory control is a requirement. Also, knowledge of ergonomics and health issues would be important. Chuck's domain will be the headquarters, the trailers, and the drive-thrus--ensuring that minimum and maximum inventories are maintained. Working with the mobile and drive-thru Baristas will be integral to his task as well.

6.2 Management Team Gaps

The Daily Perc knows that it is going to require several quality management team members over the next three years, beginning with a district manager for every four Drive-thrus. This person will oversee the quality of product, the training of the Baristas, the inventory management, and customer satisfaction. Ideally, as The Daily Perc grows, it will be able to promote from within for this position. This individual will be responsible for the operation of up to four drive-thrus under his/her management. They will be required to visit between locations and possibly even join administrative personnel on training or marketing travel. Clearly, as the need arises, these individuals will ideally be selected from the Mobile Cafe or Drive-Thru team.

By the beginning of the third year, The Daily Perc will hire three key senior managers. They are: a chief



financial officer, a chief information officer, and a director of marketing. The role of each of these individuals will be discussed in subsequent sections of this plan.

6.3 Organizational Structure

The organization will be a relatively flat one, since the majority of personnel are involved in production and there will be a relatively low headcount in management.

There are three functioning groups within the company: Production, Sales and Marketing, and General and Administrative. For purposes of this plan--and to show the details of adding senior level management--The Daily Perc has broken management down as a separate segment, but it is an integral part of the General and Administrative function.

Production involves the Baristas, or Customer Service Specialists, who will be manning the Drive-thrus and Mobile Cafes and blending the beverages for the customers. Sales and Marketing will handle the promotion and scheduling of the Mobile Cafes, as well as the promotion of the Drive-thrus and the Community Contribution program. General and Administrative manage the facilities, equipment, inventory, payroll, and other basic, operational processes.

6.4 Personnel Plan

The Daily Perc expects the first year to be rather lean, since there will only be two locations and one mobile unit--none of which will be deployed for the entire year. The total headcount for the first year, including management, administrative support, and customer service (production), will be 15, with a payroll and payroll burden total expenditure as shown in the following table and in the monthly breakdowns appendices.

The second year, with the addition of two Drive-thrus and two mobile units, The Daily Perc will add customer service personnel, as well as a district manager and some additional support staff at headquarters, including an Inventory Clerk, Equipment Technician, and administrative support. The headcount will increase by nearly 100% in the second year to 29, with a proportionate increase in payroll and payroll burden.

The third year will see the most dramatic growth in headcount, due to the addition of nine Drive-thrus and another mobile unit. In the third year, there will also be an increase of 180% over the previous year. Total payroll and payroll burden for the third year will reflect this, as well as the significant increase in the senior management team, with the addition of a chief financial officer, a chief information officer, and a director of marketing. There will also be a second and third district manager, and a corporate events sales executive. Total personnel will reach 81.

The chief financial officer will be brought on to oversee the increase in numbers of retail outlets and to manage a dramatically more detailed P&L statement and to manage the Balance Sheet. The chief information officer will be brought in to help us with the deployment of a Point-of-Sale computerized cash register system that will make tracking and managing receipts and charitable contributions more robust. Ideally, this individual will have a large amount of point of sale and Internet experience. Specifically, how to tie in POS systems to the Internet and inventory controls. Also, knowledge in establishing technology guidelines for the company and franchisees in the future. This individual will also be added in fiscal year three.

The director of marketing will be charged with managing the relationships with advertising agencies, public relations firms, the media, and our website.

Personnel Plan

| | Year 1 | Year 2 | Year 3 |
|--|--------|--------|--------|
|--|--------|--------|--------|

| | | | |
|----------------------|--|--|--|
| Production Personnel | | | |
|----------------------|--|--|--|



| | | | |
|--|----------|----------|------------|
| Drive-thru Team | £135,474 | £439,250 | £1,098,650 |
| Mobile Cafe Team | £9,400 | £172,800 | £225,600 |
| Equipment Care Specialist (Headquarters) | £0 | £22,000 | £77,000 |
| Other | £0 | £12,000 | £24,000 |
| Subtotal | £144,874 | £646,050 | £1,425,250 |

| | | | |
|-------------------------------------|----|---------|----------|
| Sales and Marketing Personnel | | | |
| District Manager (Four Drive-thrus) | £0 | £22,000 | £77,000 |
| Corporate Events Sales Exec | £0 | £0 | £36,000 |
| Director of Marketing | £0 | £0 | £72,000 |
| Other | £0 | £0 | £0 |
| Subtotal | £0 | £22,000 | £185,000 |

| | | | |
|--------------------------------------|---------|----------|----------|
| General and Administrative Personnel | | | |
| Bookkeeper/Office Administrator | £24,500 | £46,000 | £54,000 |
| Warehouse/Site Manager | £7,000 | £42,000 | £48,000 |
| Inventory Clerk | £0 | £12,000 | £42,000 |
| Other | £0 | £6,000 | £12,000 |
| Subtotal | £31,500 | £106,000 | £156,000 |

| | | | |
|---------------------------|---------|---------|----------|
| Other Personnel | | | |
| Chief Operating Officer | £66,000 | £72,000 | £78,000 |
| Chief Financial Officer | £0 | £0 | £96,000 |
| Chief Information Officer | £0 | £0 | £84,000 |
| Other | £0 | £0 | £0 |
| Subtotal | £66,000 | £72,000 | £258,000 |

| | | | |
|--------------|----|----|----|
| Total People | 15 | 29 | 81 |
|--------------|----|----|----|

| | | | |
|---------------|----------|----------|------------|
| Total Payroll | £242,374 | £846,050 | £2,024,250 |
|---------------|----------|----------|------------|

Financial Plan

The Daily Perc's financial picture is quite promising. Since TDP is operating a cash business, the initial cost is significantly less than many start-ups these days. The process is labor intensive and TDP recognizes that a higher level of talent is required. The financial investment in its employees will be one of the greatest differentiators between it and TDP's competition. For the purpose of this pro-forma plan, the facilities and equipment are financed. These items are capital expenditures and will be available for financing. There will be a minimum of inventory on hand so as to keep the product fresh and to take advantage of price drops, when and if they should occur.

The Daily Perc anticipates the initial combination of investments and long-term financing to carry it without the need for any additional equity or debt investment, beyond the purchase of equipment or facilities. This will



mean growing a bit more slowly than might be otherwise possible, but it will be a solid, financially sound growth based on customer request and product demand.

7.1 Important Assumptions

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

- The Daily Perc assumes a slow-growth economy, without major recession.
- The Daily Perc assumes of course that there are no unforeseen changes in public health perceptions of its general products.
- The Daily Perc assumes access to equity capital and financing sufficient to maintain its financial plan as shown in the tables.

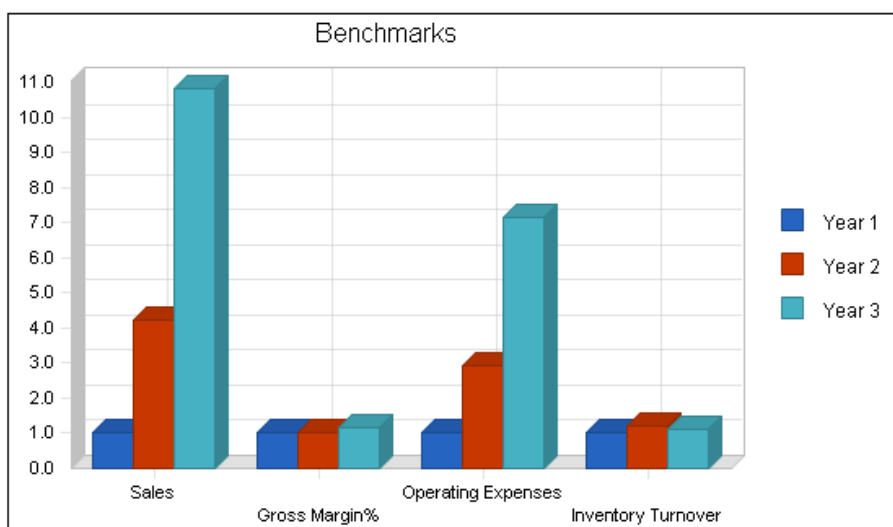
General Assumptions

| | Year 1 | Year 2 | Year 3 |
|-------------------------|--------|--------|--------|
| Plan Month | 1 | 2 | 3 |
| Current Interest Rate | 10.00% | 10.00% | 10.00% |
| Long-term Interest Rate | 9.00% | 9.00% | 9.00% |
| Tax Rate | 0.00% | 0.00% | 0.00% |
| Other | 0 | 0 | 0 |

7.2 Key Financial Indicators

The following chart shows changes in key financial indicators: sales, gross margin, operating expenses, collection days, and inventory turnover. The growth in sales exceeds 250% each year. TDP expects to keep gross margin above the 38% projected for the first year, but it doesn't anticipate anything higher than 46%, since our payroll expenses will increase substantially as it grows into new areas and faces new competition.

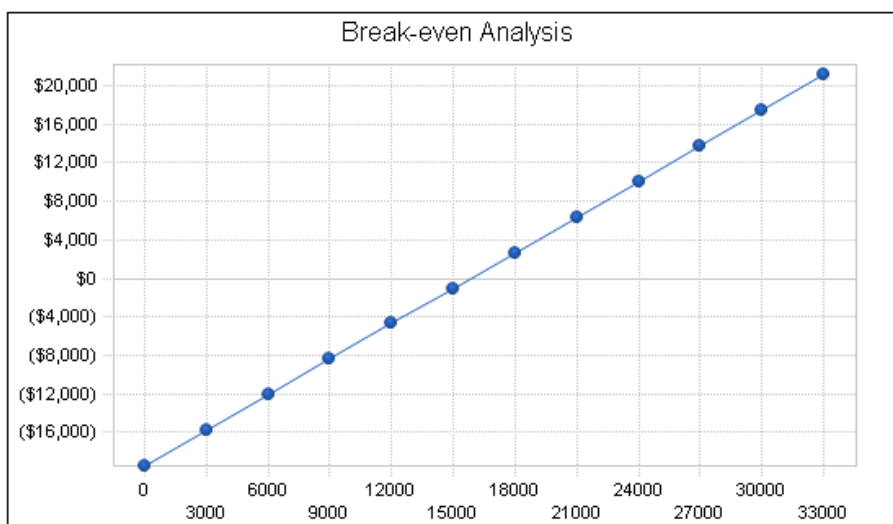
The projections for inventory turnover show that TDP will maintain a relatively stable amount of inventory in its headquarters warehouse so that it has no less than two weeks of inventory on hand, but no more than three weeks, in order to keep products fresh. The only time it would consider holding larger stores of inventory is if there was some catastrophic event that could cause a dramatic rise in the price of its coffees or teas.





7.3 Break-even Analysis

To arrive at the average monthly fixed costs, The Daily Perc calculated the fixed costs for the Drive-thru. Using the average price per unit, less the average cost per unit, divided into the fixed costs of operation, TDP concludes that we will need to sell at least the number of units shown in the following table and chart to reach break-even each month.



Break-even Analysis

Monthly Units Break-even 15,817
 Monthly Revenue Break-even £29,580

Assumptions:

Average Per-Unit Revenue £1.87
 Average Per-Unit Variable Cost £0.64
 Estimated Monthly Fixed Cost £19,457

7.4 Projected Profit and Loss

The Daily Perc is expecting some dramatic growth in the next three years, reaching healthy sales and Gross Profit Margin by the end of the first year. Expenses during the first year will, however leave a Net After-tax loss. This loss will provide TDP with a tax loss carry-forward for the second year.

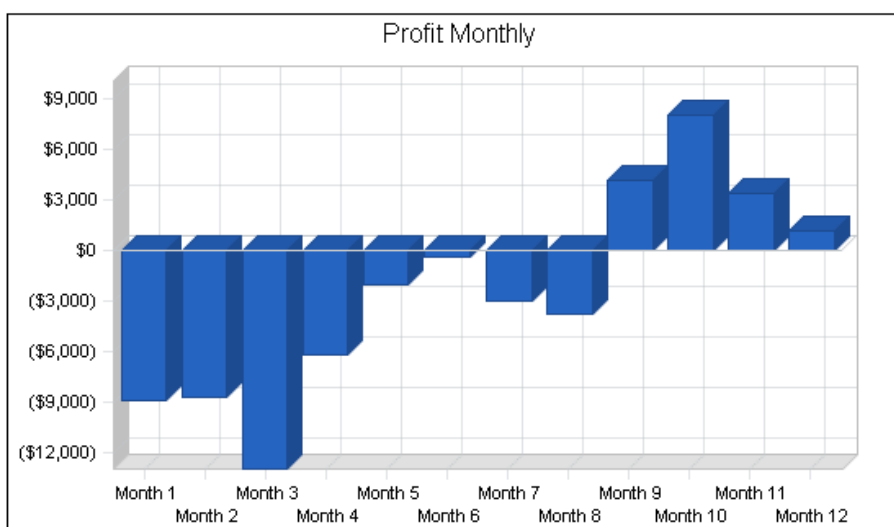
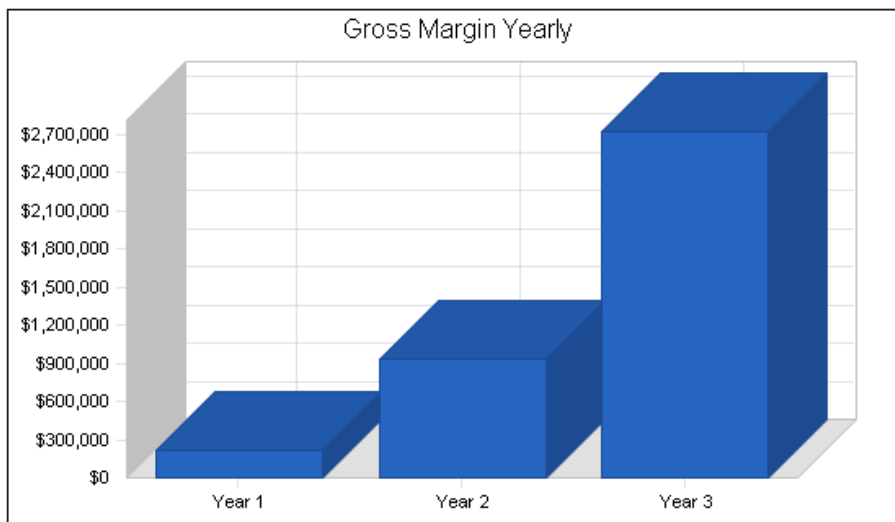
Aside from production costs of 60%, which include actual production of product and commissions for sales efforts, the single largest expenditures in the first year are in the general and administrative (G&A) area, totaling 23% of sales. G&A includes expenses for rents, equipment leases, utilities, and the payroll burden for all employees.

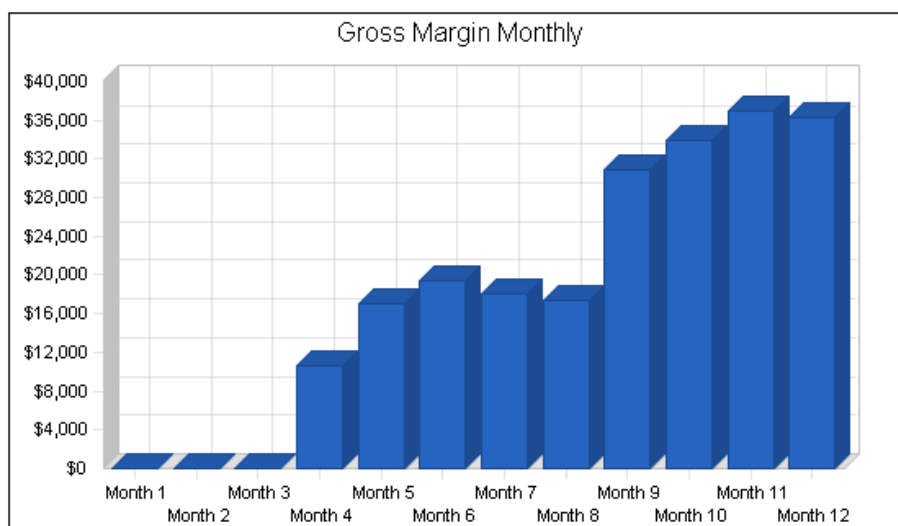
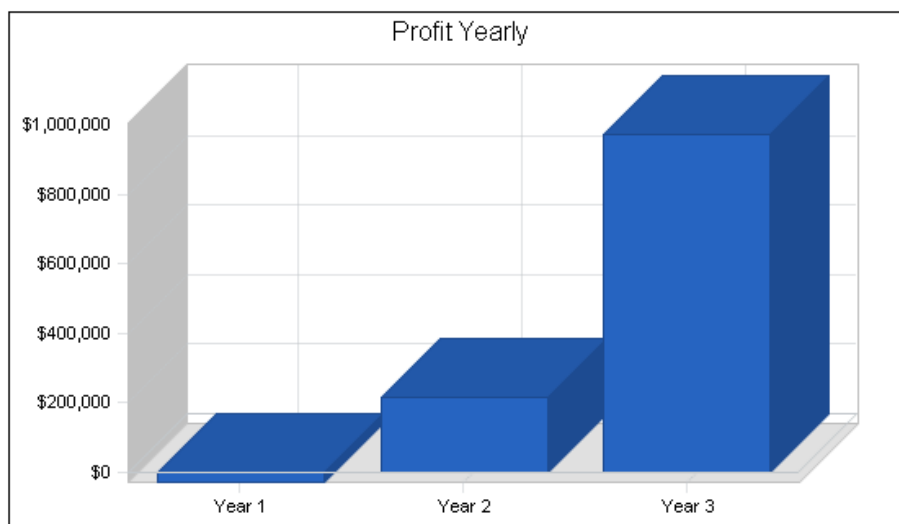
Sales increase by nearly 400% in the second year, due to the addition of two more Drive-thrus and two more Mobile Cafes. Although operating expenses double in the second year, The Daily Perc will be able to realize a Net After-tax profit. In that same year, TDP will make substantial charitable contributions.

The third year is when The Daily Perc has the opportunity to break into markets outside the metropolitan area.



TDP will see nine additional Drive-thru facilities open in the third year, which will drive sales, increase in production costs, and help improve Gross Profit Margin. Several expenses take substantial jumps this year--advertising increases and donations increase as well--and TDP will be adding several key management team members. These increases, as well as those for increased equipment leases and rents, raise our operating expenses, leaving a respectable Net After-tax profit. The single largest expense sector in the third year, outside of production, is still G&A costs, but it is down from 23% in the first year and 18.5% in the second year to just 15.02%.





Pro Forma Profit and Loss

| | Year 1 | Year 2 | Year 3 |
|----------------------|----------|------------|------------|
| Sales | £558,043 | £2,348,900 | £6,022,950 |
| Direct Cost of Sales | £190,977 | £732,350 | £1,783,010 |
| Production Payroll | £144,874 | £646,050 | £1,425,250 |
| Sales Commissions | £1,416 | £35,234 | £90,344 |
| Total Cost of Sales | £337,267 | £1,413,634 | £3,298,604 |
| Gross Margin | £220,776 | £935,267 | £2,724,346 |
| Gross Margin % | 39.56% | 39.82% | 45.23% |

Operating Expenses

| | | | |
|------------------------------|----|---------|----------|
| Sales and Marketing Expenses | | | |
| Sales and Marketing Payroll | £0 | £22,000 | £185,000 |



| | | | |
|---|-----------|----------|------------|
| Advertising/Promotion | £18,000 | £36,000 | £72,000 |
| Website | £1,000 | £15,000 | £22,000 |
| Travel | £4,000 | £7,500 | £15,000 |
| Donations | £3,332 | £70,467 | £180,689 |
| Total Sales and Marketing Expenses | £26,332 | £150,967 | £474,689 |
| Sales and Marketing % | 4.72% | 6.43% | 7.88% |
| General and Administrative Expenses | | | |
| General and Administrative Payroll | £31,500 | £106,000 | £156,000 |
| Sales and Marketing and Other Expenses | £0 | £0 | £0 |
| Depreciation | £21,785 | £92,910 | £196,095 |
| Leased Offices and Equipment | £0 | £6,000 | £18,000 |
| Utilities | £9,640 | £19,800 | £41,100 |
| Insurance | £12,570 | £32,620 | £63,910 |
| Rent | £16,800 | £50,400 | £126,000 |
| Payroll Taxes | £36,356 | £126,908 | £303,638 |
| Other General and Administrative Expenses | £0 | £0 | £0 |
| Total General and Administrative Expenses | £128,651 | £434,638 | £904,743 |
| General and Administrative % | 23.05% | 18.50% | 15.02% |
| Other Expenses: | | | |
| Other Payroll | £66,000 | £72,000 | £258,000 |
| Consultants | £0 | £0 | £0 |
| Legal/Accounting/Consultants | £12,500 | £24,000 | £36,000 |
| Total Other Expenses | £78,500 | £96,000 | £294,000 |
| Other % | 14.07% | 4.09% | 4.88% |
| Total Operating Expenses | £233,483 | £681,605 | £1,673,431 |
| Profit Before Interest and Taxes | (£12,707) | £253,662 | £1,050,915 |
| EBITDA | £9,078 | £346,572 | £1,247,010 |
| Interest Expense | £16,165 | £36,639 | £77,102 |
| Taxes Incurred | £0 | £0 | £0 |
| Net Profit | (£28,872) | £217,023 | £973,812 |
| Net Profit/Sales | -5.17% | 9.24% | 16.17% |

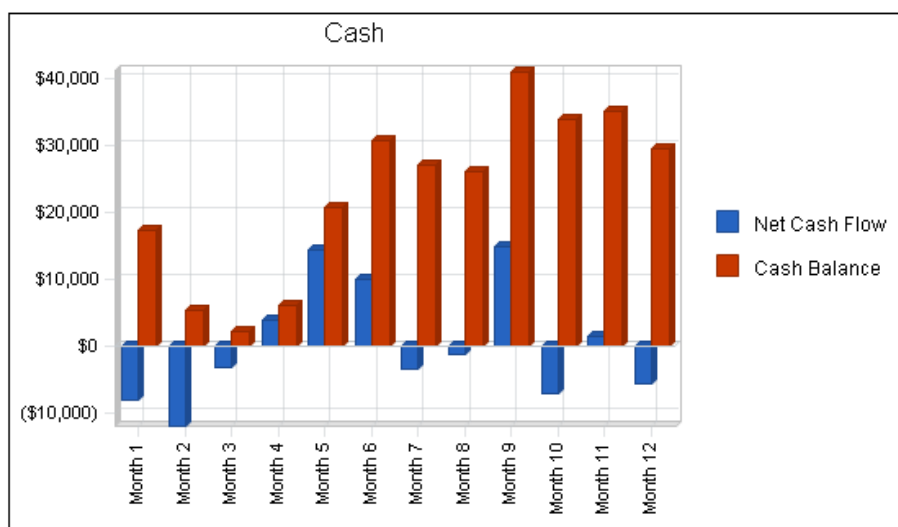
7.5 Projected Cash Flow

Cash flow will have to be carefully monitored, as in any business, but The Daily Perc is also the beneficiary of operating a cash business. After the initial investment and start-up costs are covered, the business will become relatively self-sustaining. With the exception of seasonal dips, which TDP has attempted to account for, through changes in the menu items.

Assuming an initial investment and financing, which would include operating capital, The Daily Perc



anticipates no cash flow shortfalls for the first year or beyond. March and May are the greatest cash drains, since TDP will be experiencing the cost of second drive thru and mobile unit start-up. Again, TDP sees heavier than normal drains of cash in December and January, as there will be certain accounts payable coming due.



Pro Forma Cash Flow

| | Year 1 | Year 2 | Year 3 |
|---------------------------------------|----------|------------|------------|
| Cash Received | | | |
| Cash from Operations | | | |
| Cash Sales | £558,043 | £2,348,900 | £6,022,950 |
| Subtotal Cash from Operations | £558,043 | £2,348,900 | £6,022,950 |
| 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 | £181,463 | £253,970 | £729,992 |
| 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 | £739,506 | £2,602,870 | £6,752,942 |
| Expenditures | Year 1 | Year 2 | Year 3 |
| Expenditures from Operations | | | |
| Cash Spending | £242,374 | £846,050 | £2,024,250 |
| Bill Payments | £273,191 | £1,236,069 | £2,880,058 |
| Subtotal Spent on Operations | £515,565 | £2,082,119 | £4,904,308 |



Additional Cash Spent

| | | | |
|---|----------|------------|------------|
| Sales Tax, VAT, HST/GST Paid Out | £0 | £0 | £0 |
| Principal Repayment of Current Borrowing | £1,500 | £2,000 | £5,000 |
| Other Liabilities Principal Repayment | £0 | £0 | £0 |
| Long-term Liabilities Principal Repayment | £26,469 | £27,000 | £50,000 |
| Purchase Other Current Assets | £0 | £0 | £0 |
| Purchase Long-term Assets | £191,850 | £429,700 | £1,356,993 |
| Dividends | £0 | £0 | £0 |
| Subtotal Cash Spent | £735,384 | £2,540,819 | £6,316,301 |
| Net Cash Flow | £4,122 | £62,051 | £436,641 |
| Cash Balance | £29,622 | £91,674 | £528,315 |

7.6 Projected Balance Sheet

The Daily Perc's projected balance sheet shows an increase in net worth in 2004, at which point it expects to be making 11.96% after-tax profit on sales. With the present financial projections, TDP expects to build a company with strong profit potential, and a solid balance sheet that will be asset heavy and flush with cash at the end of the third year. The Daily Perc has no intention of paying out dividends before the end of the third year, using the excess cash for continued growth.

Pro Forma Balance Sheet

| | Year 1 | Year 2 | Year 3 |
|--------------------------------|---------------|---------------|---------------|
| Assets | | | |
| Current Assets | | | |
| Cash | £29,622 | £91,674 | £528,315 |
| Inventory | £35,159 | £134,826 | £328,252 |
| Other Current Assets | £0 | £0 | £0 |
| Total Current Assets | £64,781 | £226,499 | £856,567 |
| Long-term Assets | | | |
| Long-term Assets | £323,250 | £752,950 | £2,109,943 |
| Accumulated Depreciation | £21,785 | £114,695 | £310,790 |
| Total Long-term Assets | £301,465 | £638,255 | £1,799,153 |
| Total Assets | £366,246 | £864,754 | £2,655,720 |
| Liabilities and Capital | Year 1 | Year 2 | Year 3 |
| Current Liabilities | | | |
| Accounts Payable | £49,724 | £106,240 | £248,402 |
| Current Borrowing | £7,500 | £5,500 | £500 |
| Other Current Liabilities | £0 | £0 | £0 |



| | | | |
|-------------------------------|------------|------------|------------|
| Subtotal Current Liabilities | £57,224 | £111,740 | £248,902 |
| Long-term Liabilities | £286,394 | £513,364 | £1,193,356 |
| Total Liabilities | £343,618 | £625,104 | £1,442,258 |
| Paid-in Capital | £225,270 | £225,270 | £225,270 |
| Retained Earnings | (£173,770) | (£202,642) | £14,381 |
| Earnings | (£28,872) | £217,023 | £973,812 |
| Total Capital | £22,628 | £239,651 | £1,213,463 |
| Total Liabilities and Capital | £366,246 | £864,754 | £2,655,720 |
| Net Worth | £22,628 | £239,651 | £1,213,463 |

7.7 Business Ratios

Standard business ratios are included in the following table. The ratios show a plan for balanced, healthy growth. The Daily Perc's position within the industry is typical for a heavy growth startup company. Industry profile ratios based on the Standard Industrial Classification (SIC) code 5812, Eating Places, are shown for comparison. Comparing the ratios in the third year with the industry, this pro-forma plan appears to be within an acceptable difference margin.

TDP's return on net worth and net worth number differ from the Industry Profile due to the lack of overhead when compared to a typical walk-in cafe. The Drive Thru and Mobile business model is lean thus allowing for increase return ratio and providing a lower Net Worth.

Ratio Analysis

| | Year 1 | Year 2 | Year 3 | Industry Profile |
|--|---------|---------|---------|------------------|
| Sales Growth | 0.00% | 320.92% | 156.42% | 7.60% |
| Percent of Total Assets | | | | |
| Inventory | 9.60% | 15.59% | 12.36% | 3.60% |
| Other Current Assets | 0.00% | 0.00% | 0.00% | 35.60% |
| Total Current Assets | 17.69% | 26.19% | 32.25% | 43.70% |
| Long-term Assets | 82.31% | 73.81% | 67.75% | 56.30% |
| Total Assets | 100.00% | 100.00% | 100.00% | 100.00% |
| Current Liabilities | 15.62% | 12.92% | 9.37% | 32.70% |
| Long-term Liabilities | 78.20% | 59.37% | 44.94% | 28.50% |
| Total Liabilities | 93.82% | 72.29% | 54.31% | 61.20% |
| Net Worth | 6.18% | 27.71% | 45.69% | 38.80% |
| Percent of Sales | | | | |
| Sales | 100.00% | 100.00% | 100.00% | 100.00% |
| Gross Margin | 39.56% | 39.82% | 45.23% | 60.50% |
| Selling, General & Administrative Expenses | 44.74% | 30.63% | 29.15% | 39.80% |



| | | | | |
|----------------------------------|--------|--------|--------|-------|
| Advertising Expenses | 3.23% | 1.53% | 1.20% | 3.20% |
| Profit Before Interest and Taxes | -2.28% | 10.80% | 17.45% | 0.70% |

Main Ratios

| | | | | |
|-----------------------------|----------|--------|--------|--------|
| Current | 1.13 | 2.03 | 3.44 | 0.98 |
| Quick | 0.52 | 0.82 | 2.12 | 0.65 |
| Total Debt to Total Assets | 93.82% | 72.29% | 54.31% | 61.20% |
| Pre-tax Return on Net Worth | -127.60% | 90.56% | 80.25% | 1.70% |
| Pre-tax Return on Assets | -7.88% | 25.10% | 36.67% | 4.30% |

Additional Ratios

| | Year 1 | Year 2 | Year 3 | |
|-------------------|----------|--------|--------|-----|
| Net Profit Margin | -5.17% | 9.24% | 16.17% | n.a |
| Return on Equity | -127.60% | 90.56% | 80.25% | n.a |

Activity Ratios

| | | | | |
|---------------------------|------|-------|-------|-----|
| Inventory Turnover | 7.02 | 8.62 | 7.70 | n.a |
| Accounts Payable Turnover | 6.49 | 12.17 | 12.17 | n.a |
| Payment Days | 27 | 22 | 21 | n.a |
| Total Asset Turnover | 1.52 | 2.72 | 2.27 | n.a |

Debt Ratios

| | | | | |
|------------------------|-------|------|------|-----|
| Debt to Net Worth | 15.19 | 2.61 | 1.19 | n.a |
| Current Liab. to Liab. | 0.17 | 0.18 | 0.17 | n.a |

Liquidity Ratios

| | | | | |
|---------------------|--------|----------|----------|-----|
| Net Working Capital | £7,557 | £114,760 | £607,666 | n.a |
| Interest Coverage | -0.79 | 6.92 | 13.63 | n.a |

Additional Ratios

| | | | | |
|---------------------------|-------|------|------|-----|
| Assets to Sales | 0.66 | 0.37 | 0.44 | n.a |
| Current Debt/Total Assets | 16% | 13% | 9% | n.a |
| Acid Test | 0.52 | 0.82 | 2.12 | n.a |
| Sales/Net Worth | 24.66 | 9.80 | 4.96 | n.a |
| Dividend Payout | 0.00 | 0.00 | 0.00 | n.a |

7.8 Exit Strategy

There are three scenarios for the investors and management to recover their investment--two with significant returns on each dollar invested.

Scenario One:

The Daily Perc becomes extremely successful and has requests from other communities for Daily Perc operations to be opened there. This opens the door for franchising opportunity. When one looks at the wealth that has been created by the likes of McDonald's, Wendy's, Kentucky Fried Chicken, Burger King, and Taco Bell, the value of franchising a great idea cannot be dismissed. However, developing a franchise can be extremely costly, take years to develop, and be destroyed by one or two franchisees who fail to deliver the consistency or value on which the founding company had built its reputation.



Scenario Two:

The Daily Perc chooses to become the Drive-thru version of Starbucks, obtaining several million dollars through an initial public or private offering that would allow the company to open twenty to thirty facilities per year in the region of the country between the mountain ranges, in both major and small metropolitan communities. This is the preferred Exit Strategy of the Management Team. The danger in this is that competitors would rise up and establish a foothold on a community before--or in the midst of--the arrival of The Daily Perc, causing a potential for a drain on revenues and a dramatic increase in advertising expenditures to maintain market share. Knowing these risks--and planning for them--gives TDP the edge needed to make this scenario work.

Scenario Three:

By the third year, the growth and community support for The Daily Perc will have made the news in more than just the metropolitan area. It can be assumed that competitors, such as Starbucks or Quikava, will have seen the press and realized the value proposition in The Daily Perc's business plan. This will make TDP an attractive target for buyout. The company could be purchased by a much larger competitive concern by the end of the third year.

Taking a conservative approach to valuation and estimating that The Daily Perc would be valued at £7.5 million, and assuming that all 250 units of ownership in TDP are distributed to investors, a cash purchase of TDP would net each unit £30,000. With each unit selling at £4,250, that constitutes a Return on Investment of 705% over the three years. However, any buyout will most likely involve a cash/stock combination. A cash/stock buyout would be favorable, since the buying company would pay a higher price and the transaction would not have such severe tax consequences to the sellers.

Conclusion:

Of the three scenarios, the management team prefers Scenario #2. The same numbers would relate to a public or private offering as are used in Scenario #3, but to make an offering available, there would be a dilution of shares that would provide additional shares for sale to the new investors.

Assuming the capital acquisition described in this plan is completed, there will be 250 units of the company in the hands of investors, constituting 100% of the authorized and issued units. For purposes on future fundraising, it will be necessary to authorize a stock split of, perhaps 5,000 to one, turning the current 250 units into 1,250,000 units.

Using the balance sheet for the third year, which estimates Net Worth, Cash Balances and Earnings, based on 13 Drive-thrus and four Mobile Cafes, it is not unrealistic to put a market value of £15 million to £25 million on the company. At present, such companies are trading in multiples of 20 to 30 times earnings, and it is simple mathematics to multiply the success of TDP by the number of commuter heavy metropolitan areas in the United States.

With a corporate valuation of £7,500,000, each of the new units would have a market value of £6/unit. By authorizing an additional 750,000 units, there would be a total of 2,000,000 units with a market value of £3.75 per share. By offering the 750,000 shares at the price of £3.75 per unit, TDP would raise an additional £2,812,500 in expansion capital, which would be sufficient to open locations in an additional three to five cities.

Appendix



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 |
|--------------------------------------|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|
| Unit Sales | | | | | | | | | | | | | |
| Drive-thru #1 | 0% | 0 | 0 | 0 | 17,500 | 23,047 | 24,199 | 22,989 | 23,047 | 24,199 | 22,989 | 23,047 | 21,895 |
| Drive-thru #2 | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17,500 | 23,047 | 21,895 | 23,047 |
| Drive-thru #3 | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Drive-thru #4 | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Drive-thru #5 | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Drive-thrus #6 & #7 | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Drive-thrus #8, #9, & #10 | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Drive-thrus #11, #12, & #13 | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mobile Cafe #1 | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,000 | 5,000 |
| Mobile Cafe #2 | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mobile Cafe #3 | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mobile Cafe #4 | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Website Sales/Premium Items | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Unit Sales | | 0 | 0 | 0 | 17,500 | 23,047 | 24,199 | 22,989 | 23,047 | 41,699 | 46,036 | 49,942 | 49,942 |
| Unit Prices | | | | | | | | | | | | | |
| Drive-thru #1 | | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 |
| Drive-thru #2 | | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 |
| Drive-thru #3 | | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 |
| Drive-thru #4 | | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 |
| Drive-thru #5 | | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 |
| Drive-thrus #6 & #7 | | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 |
| Drive-thrus #8, #9, & #10 | | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 |
| Drive-thrus #11, #12, & #13 | | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 |
| Mobile Cafe #1 | | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 |
| Mobile Cafe #2 | | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 |
| Mobile Cafe #3 | | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 |
| Mobile Cafe #4 | | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 |
| Website Sales/Premium Items | | £10.00 | £10.00 | £10.00 | £10.00 | £10.00 | £10.00 | £10.00 | £10.00 | £10.00 | £10.00 | £10.00 | £10.00 |
| Sales | | | | | | | | | | | | | |
| Drive-thru #1 | | £0 | £0 | £0 | £32,375 | £42,637 | £44,769 | £42,530 | £42,637 | £44,769 | £42,530 | £42,637 | £40,505 |
| Drive-thru #2 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £32,375 | £42,637 | £40,505 | £42,637 |
| Drive-thru #3 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Drive-thru #4 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Drive-thru #5 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Drive-thrus #6 & #7 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Drive-thrus #8, #9, & #10 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Drive-thrus #11, #12, & #13 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Mobile Cafe #1 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £12,250 | £12,250 |
| Mobile Cafe #2 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Mobile Cafe #3 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Mobile Cafe #4 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Website Sales/Premium Items | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Total Sales | | £0 | £0 | £0 | £32,375 | £42,637 | £44,769 | £42,530 | £42,637 | £77,144 | £85,167 | £95,392 | £95,392 |
| Direct Unit Costs | | | | | | | | | | | | | |
| Drive-thru #1 | 0.00% | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 |
| Drive-thru #2 | 0.00% | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 |
| Drive-thru #3 | 0.00% | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 |
| Drive-thru #4 | 0.00% | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 |
| Drive-thru #5 | 0.00% | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 |
| Drive-thrus #6 & #7 | 0.00% | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 |
| Drive-thrus #8, #9, & #10 | 0.00% | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 |
| Drive-thrus #11, #12, & #13 | 0.00% | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 |
| Mobile Cafe #1 | 0.00% | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 |
| Mobile Cafe #2 | 0.00% | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 |
| Mobile Cafe #3 | 0.00% | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 |
| Mobile Cafe #4 | 0.00% | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 | £0.64 |
| Website Sales/Premium Items | 0.00% | £6.50 | £6.50 | £6.50 | £6.50 | £6.50 | £6.50 | £6.50 | £6.50 | £6.50 | £6.50 | £6.50 | £6.50 |
| Direct Cost of Sales | | | | | | | | | | | | | |
| Drive-thru #1 | | £0 | £0 | £0 | £11,200 | £14,750 | £15,488 | £14,713 | £14,750 | £15,488 | £14,713 | £14,750 | £14,013 |
| Drive-thru #2 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £11,200 | £14,750 | £14,013 | £14,750 |
| Drive-thru #3 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Drive-thru #4 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Drive-thru #5 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Drive-thrus #6 & #7 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Drive-thrus #8, #9, & #10 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Drive-thrus #11, #12, & #13 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Mobile Cafe #1 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £3,200 | £3,200 |
| Mobile Cafe #2 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Mobile Cafe #3 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Mobile Cafe #4 | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Website Sales/Premium Items | | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Subtotal Direct Cost of Sales | | £0 | £0 | £0 | £11,200 | £14,750 | £15,488 | £14,713 | £14,750 | £26,688 | £29,463 | £31,963 | £31,963 |



| 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 |
| Production Personnel | | | | | | | | | | | | |
| Drive-thru Team | £0 | £0 | £0 | £10,500 | £10,850 | £9,800 | £9,800 | £10,500 | £19,624 | £21,700 | £21,000 | £21,700 |
| Mobile Cafe Team | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £4,700 | £4,700 |
| Equipment Care Specialist (Headquarters) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Other | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Subtotal | £0 | £0 | £0 | £10,500 | £10,850 | £9,800 | £9,800 | £10,500 | £19,624 | £21,700 | £25,700 | £26,400 |
| Sales and Marketing Personnel | | | | | | | | | | | | |
| District Manager (Four Drive-thrus) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Corporate Events Sales Exec | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Director of Marketing | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Other | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Subtotal | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| General and Administrative Personnel | | | | | | | | | | | | |
| Bookkeeper/Office Administrator | £0 | £0 | £0 | £0 | £1,750 | £1,750 | £3,500 | £3,500 | £3,500 | £3,500 | £3,500 | £3,500 |
| Warehouse/Site Manager | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £3,500 | £3,500 |
| Inventory Clerk | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Other | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Subtotal | £0 | £0 | £0 | £0 | £1,750 | £1,750 | £3,500 | £3,500 | £3,500 | £3,500 | £7,000 | £7,000 |
| Other Personnel | | | | | | | | | | | | |
| Chief Operating Officer | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 |
| Chief Financial Officer | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Chief Information Officer | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Other | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Subtotal | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 |
| Total People | 1 | 1 | 1 | 5 | 6 | 6 | 6 | 6 | 11 | 11 | 15 | 15 |
| Total Payroll | £5,500 | £5,500 | £5,500 | £16,000 | £18,100 | £17,050 | £18,800 | £19,500 | £28,624 | £30,700 | £38,200 | £38,900 |

| 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 | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% |
| Tax Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| 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 | £0 | £0 | £0 | £32,375 | £42,637 | £44,769 | £42,530 | £42,637 | £77,144 | £85,167 | £95,392 | £95,392 |
| Direct Cost of Sales | £0 | £0 | £0 | £11,200 | £14,750 | £15,488 | £14,713 | £14,750 | £26,688 | £29,463 | £31,963 | £31,963 |
| Production Payroll | £0 | £0 | £0 | £10,500 | £10,850 | £9,800 | £9,800 | £10,500 | £19,624 | £21,700 | £25,700 | £26,400 |
| Sales Commissions | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £708 | £708 |
| Total Cost of Sales | £0 | £0 | £0 | £21,700 | £25,600 | £25,288 | £24,513 | £25,250 | £46,312 | £51,163 | £58,371 | £58,071 |
| Gross Margin | £0 | £0 | £0 | £10,675 | £17,037 | £19,481 | £18,017 | £17,387 | £30,832 | £34,004 | £37,021 | £36,321 |
| Gross Margin % | 0.00% | 0.00% | 0.00% | 32.97% | 39.96% | 43.52% | 42.36% | 40.78% | 39.97% | 39.93% | 38.81% | 38.08% |
| Operating Expenses | | | | | | | | | | | | |
| Sales and Marketing Expenses | | | | | | | | | | | | |
| Sales and Marketing Payroll | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Advertising/Promotion | £0 | £0 | £0 | £2,000 | £2,000 | £2,000 | £2,000 | £2,000 | £2,000 | £2,000 | £2,000 | £2,000 |
| Website | £0 | £0 | £100 | £100 | £100 | £100 | £100 | £100 | £100 | £100 | £100 | £100 |
| Travel | £0 | £0 | £1,000 | £0 | £0 | £1,000 | £0 | £0 | £1,000 | £0 | £0 | £1,000 |
| Donations | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £1,416 | £1,916 |
| Total Sales and Marketing Expenses | £0 | £0 | £1,100 | £2,100 | £2,100 | £3,100 | £2,100 | £2,100 | £3,100 | £2,100 | £3,516 | £5,016 |
| Sales and Marketing % | 0.00% | 0.00% | 0.00% | 6.49% | 4.93% | 6.92% | 4.94% | 4.93% | 4.02% | 2.47% | 3.69% | 5.26% |
| General and Administrative Expenses | | | | | | | | | | | | |
| General and Administrative Payroll | £0 | £0 | £0 | £0 | £1,750 | £1,750 | £3,500 | £3,500 | £3,500 | £3,500 | £7,000 | £7,000 |
| Sales and Marketing and Other Expenses | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Depreciation | £0 | £310 | £310 | £1,565 | £1,565 | £1,565 | £1,565 | £1,565 | £2,820 | £2,820 | £3,850 | £3,850 |
| Leased Offices and Equipment | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Utilities | £0 | £0 | £700 | £800 | £920 | £920 | £1,050 | £1,050 | £1,050 | £1,050 | £1,050 | £1,050 |
| Insurance | £0 | £0 | £1,257 | £1,257 | £1,257 | £1,257 | £1,257 | £1,257 | £1,257 | £1,257 | £1,257 | £1,257 |
| Rent | £0 | £0 | £1,200 | £1,200 | £1,200 | £1,200 | £1,200 | £1,200 | £2,400 | £2,400 | £2,400 | £2,400 |
| Payroll Taxes | £825 | £825 | £825 | £2,400 | £2,715 | £2,550 | £2,820 | £2,925 | £4,294 | £4,605 | £5,730 | £5,835 |
| Other General and Administrative Expenses | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Total General and Administrative Expenses | £825 | £1,135 | £4,292 | £7,222 | £9,407 | £9,250 | £11,392 | £11,497 | £15,321 | £15,632 | £21,287 | £21,392 |
| General and Administrative % | 0.00% | 0.00% | 0.00% | 22.31% | 22.06% | 20.66% | 26.79% | 26.96% | 19.86% | 18.35% | 22.32% | 22.43% |
| Other Expenses: | | | | | | | | | | | | |
| Other Payroll | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 | £5,500 |
| Consultants | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Legal/Accounting/Consultants | £1,500 | £1,000 | £1,000 | £1,000 | £1,000 | £1,000 | £1,000 | £1,000 | £1,000 | £1,000 | £1,000 | £1,000 |
| Total Other Expenses | £7,000 | £6,500 | £6,500 | £6,500 | £6,500 | £6,500 | £6,500 | £6,500 | £6,500 | £6,500 | £6,500 | £6,500 |
| Other % | 0.00% | 0.00% | 0.00% | 20.08% | 15.24% | 14.52% | 15.28% | 15.24% | 8.43% | 7.83% | 6.81% | 6.81% |
| Total Operating Expenses | £7,825 | £7,635 | £11,892 | £15,822 | £18,907 | £18,850 | £19,992 | £20,097 | £24,921 | £24,232 | £31,303 | £32,908 |
| Profit Before Interest and Taxes | (£7,825) | (£7,635) | (£11,892) | (£5,147) | (£970) | (£932) | (£1,975) | (£2,710) | £5,912 | £9,772 | £5,718 | £3,413 |
| EBITDA | (£7,825) | (£7,325) | (£11,582) | (£3,582) | £595 | £2,197 | (£410) | (£1,145) | £8,732 | £12,592 | £9,568 | £7,263 |
| Interest Expense | £1,042 | £1,018 | £1,058 | £1,019 | £1,019 | £1,019 | £1,019 | £1,019 | £1,756 | £1,702 | £2,282 | £2,210 |
| Taxes Incurred | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Net Profit | (£8,867) | (£8,653) | (£12,950) | (£6,166) | (£1,990) | (£3,980) | (£2,994) | (£3,730) | £4,156 | £6,870 | £3,436 | £1,203 |
| Net Profit/Sales | 0.00% | 0.00% | 0.00% | -19.05% | -4.67% | -8.87% | -7.04% | -8.75% | 5.39% | 9.48% | 3.60% | 1.26% |



| 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 |
| Cash Received | | | | | | | | | | | | |
| Cash from Operations | | | | | | | | | | | | |
| Cash Sales | £0 | £0 | £0 | £32,375 | £42,637 | £44,769 | £42,530 | £42,637 | £77,144 | £85,167 | £95,392 | £95,392 |
| Subtotal Cash from Operations | £0 | £0 | £0 | £32,375 | £42,637 | £44,769 | £42,530 | £42,637 | £77,144 | £85,167 | £95,392 | £95,392 |
| Additional Cash Received | | | | | | | | | | | | |
| 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 | £5,300 | £0 | £0 | £0 | £0 | £0 | £98,184 | £0 | £77,979 | £0 |
| Sales of Other Current Assets | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Sales of Long-term Assets | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| New Investment Received | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Subtotal Cash Received | £0 | £0 | £5,300 | £32,375 | £42,637 | £44,769 | £42,530 | £42,637 | £175,328 | £85,167 | £173,371 | £95,392 |
| Expenditures | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| Expenditures from Operations | | | | | | | | | | | | |
| Cash Spending | £5,500 | £5,500 | £5,500 | £16,000 | £18,100 | £17,050 | £18,800 | £19,500 | £28,624 | £30,700 | £38,200 | £38,900 |
| Bill Payments | £112 | £3,349 | £2,987 | £7,228 | £10,030 | £17,719 | £27,251 | £24,342 | £26,320 | £54,407 | £46,831 | £52,615 |
| Subtotal Spent on Operations | £5,612 | £8,849 | £8,487 | £23,228 | £28,130 | £34,769 | £46,051 | £43,842 | £54,944 | £85,107 | £85,031 | £91,515 |
| Additional Cash Spent | | | | | | | | | | | | |
| 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 | £500 | £1,000 |
| Other Liabilities Principal Repayment | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Long-term Liabilities Principal Repayment | £2,500 | £3,116 | £0 | £5,166 | £0 | £0 | £0 | £0 | £0 | £7,216 | £0 | £8,471 |
| 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 | £105,400 | £0 | £86,450 | £0 |
| Dividends | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Subtotal Cash Spent | £8,112 | £11,965 | £8,487 | £28,394 | £28,130 | £34,769 | £46,051 | £43,842 | £160,344 | £92,323 | £171,981 | £100,986 |
| Net Cash Flow | (£8,112) | (£11,965) | (£3,187) | £3,981 | £14,507 | £10,000 | (£3,521) | (£1,205) | £14,984 | (£7,156) | £1,390 | (£5,594) |
| Cash Balance | £17,388 | £5,422 | £2,236 | £6,217 | £20,724 | £30,724 | £27,203 | £25,998 | £40,982 | £33,826 | £35,216 | £29,622 |

| Pro Forma Balance Sheet | | | | | | | | | | | | | |
|-------------------------------|-------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| Assets | Starting Balances | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | | |
| Cash | £25,500 | £17,388 | £5,422 | £2,236 | £6,217 | £20,724 | £30,724 | £27,203 | £25,998 | £40,982 | £33,826 | £35,216 | £29,622 |
| Inventory | £35,000 | £35,000 | £35,000 | £35,000 | £23,800 | £16,225 | £17,036 | £16,185 | £16,225 | £29,356 | £32,410 | £35,159 | £35,159 |
| Other Current Assets | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Total Current Assets | £60,500 | £52,388 | £40,422 | £37,236 | £30,017 | £36,949 | £47,760 | £43,387 | £42,223 | £70,338 | £66,236 | £70,375 | £64,781 |
| Long-term Assets | | | | | | | | | | | | | |
| Long-term Assets | £131,400 | £131,400 | £131,400 | £131,400 | £131,400 | £131,400 | £131,400 | £131,400 | £131,400 | £236,800 | £236,800 | £323,250 | £323,250 |
| Accumulated Depreciation | £0 | £0 | £310 | £620 | £2,185 | £3,750 | £5,315 | £6,880 | £8,445 | £11,265 | £14,085 | £17,935 | £21,785 |
| Total Long-term Assets | £131,400 | £131,400 | £131,090 | £130,780 | £129,215 | £127,650 | £126,085 | £124,520 | £122,955 | £225,535 | £222,715 | £305,315 | £301,465 |
| Total Assets | £191,900 | £183,788 | £171,512 | £168,016 | £159,232 | £164,599 | £173,845 | £167,907 | £165,178 | £295,873 | £288,951 | £375,690 | £366,246 |
| Liabilities and Capital | | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| Current Liabilities | | | | | | | | | | | | | |
| Accounts Payable | £0 | £3,255 | £2,749 | £6,902 | £9,451 | £16,807 | £26,441 | £23,498 | £24,497 | £52,853 | £45,076 | £50,900 | £49,724 |
| Current Borrowing | £9,000 | £9,000 | £9,000 | £9,000 | £9,000 | £9,000 | £9,000 | £9,000 | £9,000 | £9,000 | £9,000 | £8,500 | £7,500 |
| Other Current Liabilities | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Subtotal Current Liabilities | £9,000 | £12,255 | £11,749 | £15,902 | £18,451 | £25,807 | £35,441 | £32,498 | £33,497 | £61,853 | £54,076 | £59,400 | £57,224 |
| Long-term Liabilities | £131,400 | £128,900 | £125,784 | £131,084 | £125,918 | £125,918 | £125,918 | £125,918 | £125,918 | £224,102 | £216,886 | £294,865 | £286,394 |
| Total Liabilities | £140,400 | £141,155 | £137,533 | £146,986 | £144,369 | £151,725 | £161,359 | £158,416 | £159,415 | £285,955 | £270,962 | £354,265 | £343,618 |
| Paid-in Capital | £225,270 | £225,270 | £225,270 | £225,270 | £225,270 | £225,270 | £225,270 | £225,270 | £225,270 | £225,270 | £225,270 | £225,270 | £225,270 |
| Retained Earnings | (£173,770) | (£173,770) | (£173,770) | (£173,770) | (£173,770) | (£173,770) | (£173,770) | (£173,770) | (£173,770) | (£173,770) | (£173,770) | (£173,770) | (£173,770) |
| Earnings | £0 | (£8,867) | (£17,520) | (£30,470) | (£36,637) | (£38,626) | (£39,014) | (£42,008) | (£45,738) | (£41,582) | (£33,511) | (£30,075) | (£28,872) |
| Total Capital | £51,500 | £42,633 | £33,980 | £21,030 | £14,863 | £12,874 | £12,486 | £9,492 | £5,762 | £9,918 | £17,989 | £21,425 | £22,628 |
| Total Liabilities and Capital | £191,900 | £183,788 | £171,512 | £168,016 | £159,232 | £164,599 | £173,845 | £167,907 | £165,178 | £295,873 | £288,951 | £375,690 | £366,246 |
| Net Worth | £51,500 | £42,633 | £33,980 | £21,030 | £14,863 | £12,874 | £12,486 | £9,492 | £5,762 | £9,918 | £17,989 | £21,425 | £22,628 |