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Signature

Name (typed or printed)

Date

This is a business plan. It does not imply an offering of securities.

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Trend Setters Hair Studio — Sample Plan

1.0 Executive Summary

Trend Setters is a full-service beauty salon dedicated to consistently providing high customer satisfaction by rendering excellent service, quality products, and furnishing an enjoyable atmosphere at an acceptable price/value relationship. We will also maintain a friendly, fair, and creative work environment, which respects diversity, ideas, and hard work.

Our Mission: To supply services and products that enhance our clients' physical appearance and mental relaxation.

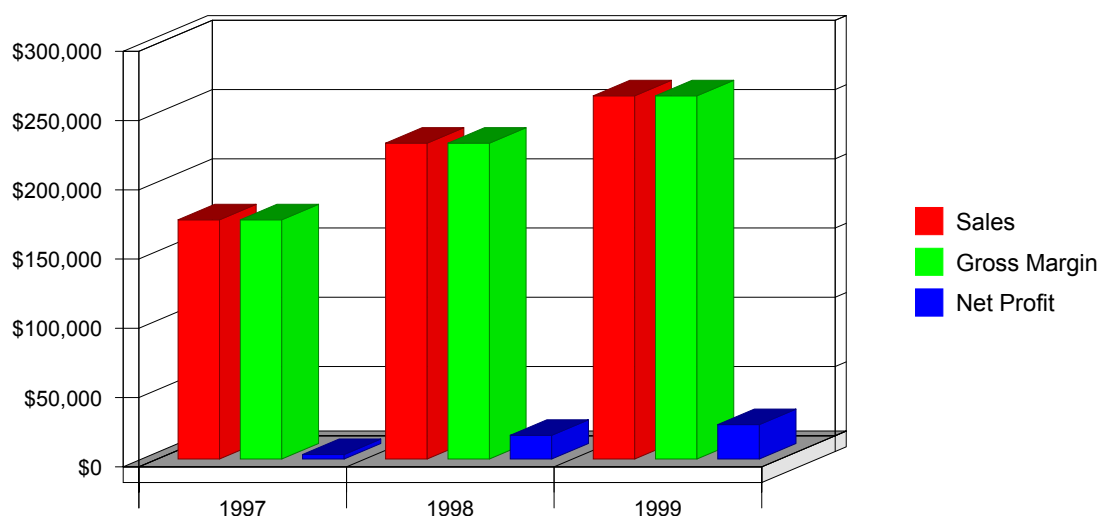
Our Motto: "The Trend Begins Here!"

The timing is right for starting this new venture. Patiently searching for six months for the perfect location, one was finally found. The demand from the owner's clients, as well as the ambitions of the owner to one day start her own salon, and the procurement of highly professional and qualified beauticians to support the salon, has made this business one of great potential.

Stacey Spinale, co-owner with Frank Spinale, Jr., her husband, has worked in a prestigious, upscale salon in Houston, Texas for the past two years. Stacey has created a large client following through hard work and dedication. Stacey, and her talented team of beauticians, has what it takes to make this venture an extremely successful one. We expect our growing reputation to lead to new clients and beauticians to support our anticipated growth.

To achieve our objectives, Trend Setters is seeking \$27,495 in additional loan financing. This loan will be paid from the cash flow from the business, and will be collateralized by the assets of the company, and backed by the character, experience, and personal guarantees of the owners.

Highlights



Trend Setters Hair Studio — Sample Plan

1.1 Keys to Success

The keys to success in our business are:

- **Location:** providing an easily accessible location for customers.
- **Environment:** providing an environment conducive to giving relaxing and professional service.
- **Convenience:** offering clients a wide range of services in one setting, and extended business hours.
- **Reputation:** reputation of the owner and other "beauticians" as providing superior personal service.

2.0 Company Summary

Trend Setters will, upon commencement of operations, sell a wide range of beauty services and products. We will provide quality hair, nail, and skin services, along with top lines of beauty products. What will set Trend Setters apart from the competition is our commitment to providing all of these services in one convenient location.

2.1 Start-up Summary

After spending several months searching for a salon to purchase, the owners decided to start a salon from the ground up. The start-up capital will be used for the design, leasehold improvements, and equipment of the salon.

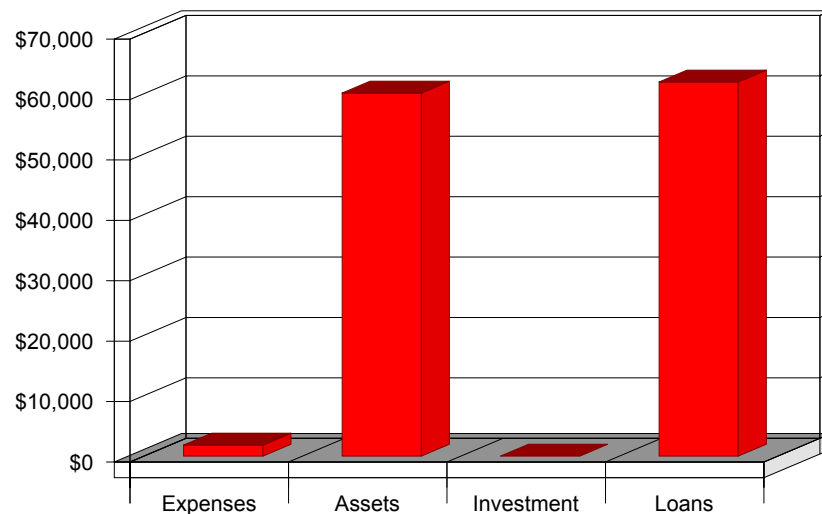
Leasehold improvements will amount to approximately \$32,500, and salon equipment will cost about \$27,000.

Trend Setters Hair Studio — Sample Plan

Table: Start-up

Start-up	
Requirements	
Start-up Expenses	
Rent deposit	\$1,817
Other	\$0
Total Start-up Expenses	\$1,817
Start-up Assets Needed	
Cash Balance on Starting Date	\$0
Other Current Assets	\$600
Total Current Assets	\$600
Long-term Assets	\$59,500
Total Assets	\$60,100
Total Requirements	\$61,917
Funding	
Investment	
Investor 1	\$0
Other	\$0
Other	\$0
Total Investment	\$0
Current Liabilities	
Accounts Payable	\$0
Current Borrowing	\$0
Other Current Liabilities	\$0
Total Current Liabilities	\$0
Long-term Liabilities	\$61,917
Total Liabilities	\$61,917
Loss at Start-up	(\$1,817)
Total Capital	(\$1,817)
Total Capital and Liabilities	\$60,100

Start-up



Trend Setters Hair Studio — Sample Plan

2.2 Company Locations and Facilities

The salon will be located in a retail strip mall at 1234A Westwood Road, Houston, Texas. The salon will utilize 1,540 square feet. The location is strategically situated on one of the busiest streets in Houston. It is a high profile area, with easy access from all parts of town.

3.0 Services

Trend Setters is considered an upscale full-service beauty salon. We will offer a wide range of services that include:

- **Hair:** cuts, relaxers, perms, colors, shampoo, conditioning, curling, reconstructing, weaving, waving.
- **Nails:** manicures, pedicures, polish, sculptured nails.
- **Skin Care:** European facials, body waxing, massage.

3.1 Competitive Comparison

Trend Setters wants to set itself apart from other beauty salons that may offer only one or two types of services. Having come from such a salon, Stacey has realized, from talking with her clients, that they desire all of the services that we are proposing, but they remain frustrated because they must get their hair done at one place, and nails done at another. Although the focus of Trend Setters is hair services, we do wish to offer our clients the convenience of these other services in one location.

There are a number of salons like ours, but they are mainly in the very high income parts of Houston and surrounding areas. We do not intend to compete with these so called "Day Spas." We wish to offer a middle ground for those clients who can't quite afford those high-end luxury salons.

Our business atmosphere will be a relaxing one where clients can kick back and be pampered. Soft drinks will be offered to clients as they enter for service. Televisions will be located in the waiting and hair-drying area area.

4.0 Marketing Strategy

Our marketing strategy is a simple one: satisfied clients are our best marketing tool. When a client leaves our business with a new look, he or she is broadcasting our name and quality to the public. Most of our clients will be referrals from existing clients.

No major advertising campaigns are anticipated. Our research has shown that word of mouth is the best advertising for this type of business. We will, however, run specials throughout the week. We will also ask clients for referrals, and reward them with discounted or free services depending on the number of clients they bring. We will also offer discounts to the new clients who have been referred. There are plans for a lottery that will offer a free trip to, say, Cancun. A client would simply refer new clients to us, and we will place a card in a box for each client he or she brings. The more they bring, the more chances they have of winning the trip.

Trend Setters Hair Studio — Sample Plan

5.0 Management Summary

Trend Setters will be organized and managed in a creative and innovative fashion to generate very high levels of customer satisfaction, and to create a working climate conducive to a high degree of personal development and economic satisfaction for employees.

Training classes to help improve employee product knowledge and skills will be conducted on a regular basis. As the business grows, the company will consider offering an employee benefit package to include health and vacation benefits for everyone.

5.1 Management Team

Stacey T. Spinale: Owner. Stacey has been a beautician for two years. A graduate of Bellaire Beauty College in 1994, she has quickly developed the trade skills that have led to her success. She loves dealing with people, and has the drive, ambition, and discipline to manage the business and its employees. This career is her life -- her calling.

Frank D. Spinale, Jr.: Owner. Frank has a Bachelor's degree in Finance from the University of Houston. He has extensive experience managing people and businesses. He has worked as a business consultant for Office Organizers, Inc., and he is the owner of Guardian Financial Group, a financial services company with over 120 clients and over \$1.2 million under management.

5.2 Personnel Plan

The personnel plan calls for a receptionist who will greet customers and receive payments for services and products. There will be five hair stylists, one barber, one nail technician, one facialist, and a massage therapist. Everyone but the receptionist will be contract workers, and will be paid a sliding commission scale based on the amount of revenue created. Future plans include the hiring of a shampoo technician as the business expands.

In the first year, assumptions are that there will only be three hair stylists, a barber, and part time nail, facial, and massage technician until the business can build a reputation that will attract others to work there.

Table: Personnel

Personnel Plan	1997	1998	1999
Receptionist	\$14,400	\$15,120	\$15,876
Shampoo Tech.	\$8,000	\$12,400	\$13,000
Other	\$64,400	\$80,000	\$95,000
Total People	0	0	0
Total Payroll	\$86,800	\$107,520	\$123,876

Trend Setters Hair Studio — Sample Plan

6.0 Financial Plan

Our goal is to be a profitable business beginning in the first month. The business will not have to wait long for clients to learn about it since the stylists will already have an existing client base.

The financials that are enclosed have a number of assumptions:

Revenues will grow at an annual rate of 15%, increasing 20% in November and December due to a historical jump in revenues at this time of year. We anticipate this increase to stay steady throughout the following year to account for the normal flow of new clients coming into the salon. Estimates for sales revenue and growth are intentionally low, while anticipated expenses are exaggerated to the high side to illustrate a worst case scenario.

We did not use cost of goods sold in our calculations of net sales because most sales are coming from services. We included all costs, however, in the operating expenses area of the profit and loss table. Product sales are a minimal part of our market. We are not quite sure how much revenue will be derived from products so we took a low ball approach and estimated sales of \$800 a month. This figure is included under the title "Other" on the profit and loss table. Also under "Other" in the sales projections table are services such as nails and massages. We are not quite sure how much revenue these two services will generate. We are certain that in time these services will be a large part of our revenue, but to err on the conservative side, we estimate revenues from these services to be only \$1,500 a month for the first year.

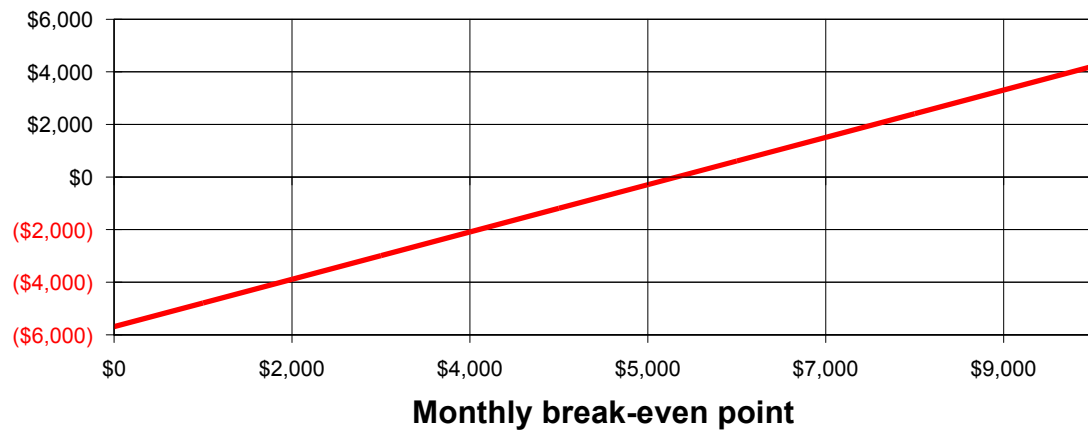
To assure the start-up funds lender that the owners are financially stable, a personal financial statement is enclosed illustrating other sources of income that include interest and dividend income from investments (\$2,840), salary income (\$29,658), and commission income (\$15,000).

Trend Setters Hair Studio — Sample Plan

6.1 Break-even Analysis

The break-even analysis shows that Trend Setters has a good balance of fixed costs and sufficient sales strength to remain healthy. Our break-even point is only 126 clients a month. This was derived by using an average revenue of \$45 per client, and fixed costs of \$5,691. Products sales were not included in this figure, but it does include an owner withdrawal of \$2,000 a month.

Break-even Analysis



Break-even point = where line intersects with 0

Table: Break-even Analysis

Break-even Analysis:

Monthly Units Break-even	126
Monthly Revenue Break-even	\$5,691

Assumptions:

Average Per-Unit Revenue	\$45.00
Average Per-Unit Variable Cost	\$0.00
Estimated Monthly Fixed Cost	\$5,691

Trend Setters Hair Studio — Sample Plan

6.2 Projected Profit and Loss

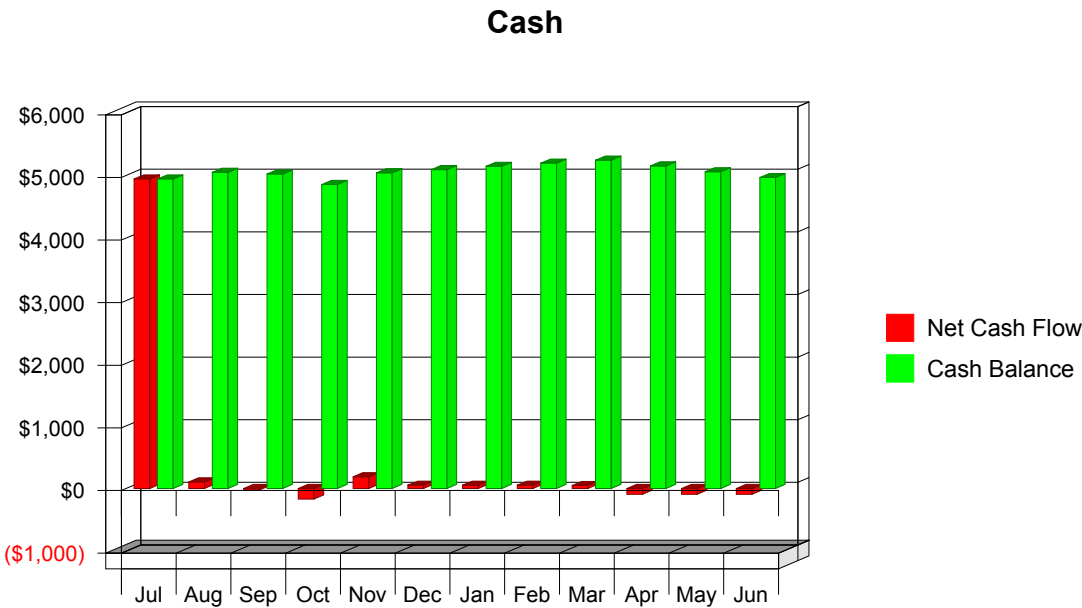
We expect income to hit \$172,800 at the end of the first year of business. It should increase to more than \$262,340 by the third year, as the reputation of the salon, its stylists and services become apparent to the general public. Second year revenues also anticipate the addition of one new stylist.

Table: Profit and Loss

Pro Forma Profit and Loss	1997	1998	1999
Sales	\$172,800	\$228,122	\$262,340
Direct Cost of Sales	\$0	\$0	\$0
Production Payroll	\$0	\$0	\$0
Other	\$0	\$0	\$0
Total Cost of Sales	\$0	\$0	\$0
Gross Margin	\$172,800	\$228,122	\$262,340
Gross Margin %	100.00%	100.00%	100.00%
Expenses:			
Payroll	\$86,800	\$107,520	\$123,876
Sales and Marketing and Other Expenses	\$36,440	\$49,840	\$55,240
Depreciation	\$8,146	\$8,146	\$8,146
Leased Equipment	\$0	\$0	\$0
Utilities	\$4,200	\$4,200	\$4,200
Insurance	\$1,200	\$1,200	\$1,200
Rent	\$22,740	\$22,740	\$22,740
Other	\$0	\$0	\$0
Payroll Taxes	\$8,680	\$10,752	\$12,388
Other	\$0	\$0	\$0
Total Operating Expenses	\$168,206	\$204,398	\$227,790
Profit Before Interest and Taxes	\$4,594	\$23,724	\$34,550
Interest Expense	\$0	\$0	\$0
Taxes Incurred	\$1,286	\$6,643	\$9,674
Net Profit	\$3,308	\$17,081	\$24,876
Net Profit/Sales	1.91%	7.49%	9.48%
Include Negative Taxes	TRUE	TRUE	TRUE

6.3 Projected Cash Flow

We expect to manage cash flow over the next three years simply by the growth of the cash flow of the business. The business will generate more than enough cash flow to cover all of its expenses.



Trend Setters Hair Studio — Sample Plan

Table: Cash Flow

Pro Forma Cash Flow	1997	1998	1999
Cash Received			
Cash from Operations:			
Cash Sales	\$172,800	\$228,122	\$262,340
Cash from Receivables	\$0	\$0	\$0
Subtotal Cash from Operations	\$172,800	\$228,122	\$262,340
Additional Cash Received			
Non Operating (Other) Income	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$172,800	\$228,122	\$262,340
Expenditures			
Expenditures from Operations:			
Cash Spending	\$0	\$0	\$0
Payment of Accounts Payable	\$155,834	\$201,325	\$228,612
Subtotal Spent on Operations	\$155,834	\$201,325	\$228,612
Additional Cash Spent			
Non Operating (Other) Expense	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$12,000	\$12,000	\$12,000
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$167,834	\$213,325	\$240,612
Net Cash Flow	\$4,966	\$14,797	\$21,728
Cash Balance	\$4,966	\$19,763	\$41,491

Trend Setters Hair Studio — Sample Plan

6.4 Projected Balance Sheet

As shown in the balance sheet, we expect a healthy growth in net worth, from approximately \$1,491 in year one to \$43,448 by the end of year three.

Table: Balance Sheet

Pro Forma Balance Sheet

Assets			
Current Assets	1997	1998	1999
Cash	\$4,966	\$19,763	\$41,491
Other Current Assets	\$600	\$600	\$600
Total Current Assets	\$5,566	\$20,363	\$42,091
Long-term Assets			
Long-term Assets	\$59,500	\$59,500	\$59,500
Accumulated Depreciation	\$8,146	\$16,292	\$24,438
Total Long-term Assets	\$51,354	\$43,208	\$35,062
Total Assets	\$56,920	\$63,571	\$77,153
Liabilities and Capital			
	1997	1998	1999
Accounts Payable	\$5,512	\$7,082	\$7,788
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$5,512	\$7,082	\$7,788
Long-term Liabilities	\$49,917	\$37,917	\$25,917
Total Liabilities	\$55,429	\$44,999	\$33,705
Paid-in Capital	\$0	\$0	\$0
Retained Earnings	(\$1,817)	\$1,491	\$18,572
Earnings	\$3,308	\$17,081	\$24,876
Total Capital	\$1,491	\$18,572	\$43,448
Total Liabilities and Capital	\$56,920	\$63,571	\$77,153
Net Worth	\$1,491	\$18,572	\$43,448

6.5 Business Ratios

Business ratios for the years of this plan are shown below. Industry profile ratios based on the Standard Industrial Classification (SIC) Index code 7231, Beauty Shops, are shown for comparison.

Trend Setters Hair Studio — Sample Plan

Table: Ratios

Ratio Analysis	1997	1998	1999	Industry Profile
Sales Growth	0.00%	32.02%	15.00%	7.50%
Percent of Total Assets				
Accounts Receivable	0.00%	0.00%	0.00%	11.60%
Inventory	0.00%	0.00%	0.00%	4.70%
Other Current Assets	1.05%	0.94%	0.78%	36.10%
Total Current Assets	9.78%	32.03%	54.56%	52.40%
Long-term Assets	90.22%	67.97%	45.44%	47.60%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	0.00%	0.00%	0.00%	31.90%
Long-term Liabilities	87.70%	59.65%	33.59%	26.80%
Total Liabilities	87.70%	59.65%	33.59%	58.70%
Net Worth	12.30%	40.35%	66.41%	41.30%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	100.00%	100.00%	100.00%	0.00%
Selling, General & Administrative Expenses	98.09%	92.51%	90.52%	73.40%
Advertising Expenses	2.08%	1.67%	1.60%	2.50%
Profit Before Interest and Taxes	2.66%	10.40%	13.17%	3.20%
Main Ratios				
Current	1.01	2.88	5.40	1.79
Quick	1.01	2.88	5.40	1.34
Total Debt to Total Assets	97.38%	70.79%	43.69%	58.70%
Pre-tax Return on Net Worth	308.18%	127.74%	79.52%	5.20%
Pre-tax Return on Assets	8.07%	37.32%	44.78%	12.50%
Business Vitality Profile				
Sales per Employee	\$0	\$0	\$0	\$105,908
Survival Rate				68.50%
Additional Ratios				
Net Profit Margin	1.91%	7.49%	9.48%	n.a
Return on Equity	221.89%	91.97%	57.25%	n.a
Activity Ratios				
Accounts Receivable Turnover	0.00	0.00	0.00	n.a
Collection Days	0	0	0	n.a
Inventory Turnover	0.00	0.00	0.00	n.a
Accounts Payable Turnover	29.27	28.65	29.45	n.a
Payment Days	11	136	142	
Total Asset Turnover	3.04	3.59	3.40	n.a
Debt Ratios				
Debt to Net Worth	37.18	2.42	0.78	n.a
Current Liab. to Liab.	0.10	0.16	0.23	n.a
Liquidity Ratios				
Net Working Capital	\$54	\$13,281	\$34,303	n.a
Interest Coverage	0.00	0.00	0.00	n.a
Additional Ratios				
Assets to Sales	0.33	0.28	0.29	n.a
Current Debt/Total Assets	10%	11%	10%	n.a
Acid Test	1.01	2.88	5.40	n.a
Sales/Net Worth	115.92	12.28	6.04	n.a
Dividend Payout	0.00	0.00	0.00	n.a

Appendix Trend Setters Hair Studio — Sample Plan

Appendix Table: Sales Forecast

Sales Forecast												
Sales	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Owner	\$3,600	\$3,600	\$3,600	\$3,600	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400
Stylist #1	\$3,600	\$3,600	\$3,600	\$3,600	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400
Barber #1	\$1,200	\$1,200	\$1,200	\$1,200	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Stylist #2	\$1,700	\$1,700	\$1,700	\$1,700	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Other	\$2,500	\$2,500	\$2,500	\$2,500	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Total Sales	\$12,600	\$12,600	\$12,600	\$12,600	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300
Direct Cost of Sales												
Owner	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Stylist #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Barber #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Stylist #2	\$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 Direct Cost of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Appendix Trend Setters Hair Studio — Sample Plan

Appendix Table: Personnel

Personnel Plan

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Receptionist	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Shampoo Tech.	\$0	\$0	\$0	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Other	\$4,700	\$4,700	\$4,700	\$4,700	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700
Total People	0	0	0	0	0	0	0	0	0	0	0	0
Total Payroll	\$5,900	\$5,900	\$5,900	\$5,900	\$7,900	\$7,900	\$7,900	\$7,900	\$7,900	\$7,900	\$7,900	\$7,900

Appendix Trend Setters Hair Studio — Sample Plan

Appendix Table: General Assumptions

General Assumptions	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Plan Month	1	2	3	4	5	6	7	8	9	10	11	12
Current 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%
Long-term Interest 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%
Tax Rate	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Calculated Totals												
Payroll Expense	\$5,900	\$5,900	\$5,900	\$5,900	\$7,900	\$7,900	\$7,900	\$7,900	\$7,900	\$7,900	\$7,900	\$7,900
New Accounts Payable	\$11,490	\$11,620	\$11,764	\$11,908	\$14,248	\$14,248	\$14,248	\$14,248	\$14,392	\$14,392	\$14,392	\$14,392

Appendix Trend Setters Hair Studio — Sample Plan

Appendix Table: Profit and Loss

Pro Forma Profit and Loss

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Sales	\$12,600	\$12,600	\$12,600	\$12,600	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300
Direct Cost of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Production Payroll	\$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
Total Cost of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Margin	\$12,600	\$12,600	\$12,600	\$12,600	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300
Gross Margin %	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Expenses:												
Payroll	\$5,900	\$5,900	\$5,900	\$5,900	\$7,900	\$7,900	\$7,900	\$7,900	\$7,900	\$7,900	\$7,900	\$7,900
Sales and Marketing and Other Expenses	\$2,470	\$2,670	\$2,870	\$3,070	\$3,070	\$3,070	\$3,070	\$3,070	\$3,270	\$3,270	\$3,270	\$3,270
Depreciation	\$633	\$683	\$683	\$683	\$683	\$683	\$683	\$683	\$683	\$683	\$683	\$683
Leased Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350
Insurance	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Rent	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payroll Taxes	\$590	\$590	\$590	\$590	\$790	\$790	\$790	\$790	\$790	\$790	\$790	\$790
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$11,938	\$12,188	\$12,388	\$12,588	\$14,788	\$14,788	\$14,788	\$14,788	\$14,988	\$14,988	\$14,988	\$14,988
Profit Before Interest and Taxes	\$662	\$412	\$212	\$12	\$512	\$512	\$512	\$512	\$312	\$312	\$312	\$312
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	\$185	\$115	\$59	\$3	\$143	\$143	\$143	\$143	\$87	\$87	\$87	\$87
Net Profit	\$477	\$297	\$153	\$9	\$369	\$369	\$369	\$369	\$225	\$225	\$225	\$225
Net Profit/Sales	3.78%	2.35%	1.21%	0.07%	2.41%	2.41%	2.41%	2.41%	1.47%	1.47%	1.47%	1.47%
Include Negative Taxes												

Appendix Trend Setters Hair Studio — Sample Plan

Appendix Table: Cash Flow

Pro Forma Cash Flow	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cash Received												
Cash from Operations:												
Cash Sales	\$12,600	\$12,600	\$12,600	\$12,600	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300
Cash from Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash from Operations	\$12,600	\$12,600	\$12,600	\$12,600	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300
Additional Cash Received												
Non Operating (Other) Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$12,600	\$12,600	\$12,600	\$12,600	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300
Expenditures												
Expenditures from Operations:												
Cash Spending	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payment of Accounts Payable	\$6,657	\$11,495	\$11,625	\$11,769	\$14,113	\$14,248	\$14,248	\$14,248	\$14,253	\$14,392	\$14,392	\$14,392
Subtotal Spent on Operations	\$6,657	\$11,495	\$11,625	\$11,769	\$14,113	\$14,248	\$14,248	\$14,248	\$14,253	\$14,392	\$14,392	\$14,392
Additional Cash Spent												
Non Operating (Other) Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$7,657	\$12,495	\$12,625	\$12,769	\$15,113	\$15,248	\$15,248	\$15,248	\$15,253	\$15,392	\$15,392	\$15,392
Net Cash Flow	\$4,943	\$105	(\$25)	(\$169)	\$187	\$52	\$52	\$52	\$47	(\$92)	(\$92)	(\$92)
Cash Balance	\$4,943	\$5,049	\$5,023	\$4,854	\$5,041	\$5,093	\$5,145	\$5,196	\$5,243	\$5,151	\$5,058	\$4,966

Appendix Trend Setters Hair Studio — Sample Plan

Appendix Table: Balance Sheet

Pro Forma Balance Sheet

Assets													
Current Assets	Starting Balances	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cash	\$0	\$4,943	\$5,049	\$5,023	\$4,854	\$5,041	\$5,093	\$5,145	\$5,196	\$5,243	\$5,151	\$5,058	\$4,966
Other Current Assets	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600
Total Current Assets	\$600	\$5,543	\$5,649	\$5,623	\$5,454	\$5,641	\$5,693	\$5,745	\$5,796	\$5,843	\$5,751	\$5,658	\$5,566
Long-term Assets													
Long-term Assets	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500
Accumulated Depreciation	\$0	\$633	\$1,316	\$1,999	\$2,682	\$3,365	\$4,048	\$4,731	\$5,414	\$6,097	\$6,780	\$7,463	\$8,146
Total Long-term Assets	\$59,500	\$58,867	\$58,184	\$57,501	\$56,818	\$56,135	\$55,452	\$54,769	\$54,086	\$53,403	\$52,720	\$52,037	\$51,354
Total Assets	\$60,100	\$64,410	\$63,833	\$63,124	\$62,272	\$61,776	\$61,145	\$60,514	\$59,882	\$59,246	\$58,471	\$57,695	\$56,920
Liabilities and Capital													
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Accounts Payable	\$0	\$4,834	\$4,959	\$5,099	\$5,238	\$5,373	\$5,373	\$5,373	\$5,373	\$5,512	\$5,512	\$5,512	\$5,512
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$0	\$4,834	\$4,959	\$5,099	\$5,238	\$5,373	\$5,373	\$5,373	\$5,373	\$5,512	\$5,512	\$5,512	\$5,512
Long-term Liabilities	\$61,917	\$60,917	\$59,917	\$58,917	\$57,917	\$56,917	\$55,917	\$54,917	\$53,917	\$52,917	\$51,917	\$50,917	\$49,917
Total Liabilities	\$61,917	\$65,751	\$64,876	\$64,016	\$63,155	\$62,290	\$61,290	\$60,290	\$59,290	\$58,429	\$57,429	\$56,429	\$55,429
Paid-in Capital													
Paid-in Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retained Earnings	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)
Earnings	\$0	\$477	\$773	\$926	\$935	\$1,303	\$1,672	\$2,040	\$2,409	\$2,634	\$2,858	\$3,083	\$3,308
Total Capital	(\$1,817)	(\$1,340)	(\$1,044)	(\$891)	(\$882)	(\$514)	(\$145)	\$223	\$592	\$817	\$1,041	\$1,266	\$1,491
Total Liabilities and Capital	\$60,100	\$64,410	\$63,833	\$63,124	\$62,272	\$61,776	\$61,145	\$60,514	\$59,882	\$59,246	\$58,471	\$57,695	\$56,920
Net Worth	(\$1,817)	(\$1,340)	(\$1,044)	(\$891)	(\$882)	(\$514)	(\$145)	\$223	\$592	\$817	\$1,041	\$1,266	\$1,491