

# TakeFive

## BAR AND GRILL

### Take Five Sports Bar & Grill – Sample Plan



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# Take Five Sports Bar & Grill — Sample Plan

## 1.0 Executive Summary

Take Five Sports Bar and Grill has established a successful presence in the food and beverage service industry. The flagship location in suburban Anytown (Medlock Bridge) will gross in excess of \$2 million in sales in its first year of operation, ending July 1996. First year operations will produce a net profit of \$445,000. This will be generated from an investment of \$625,000 in initial capital. Since 10 months of operations have already been completed the confidence level for final first year numbers is extremely high. The first 10 months of start-up costs, sales revenues, and operating expenses are actual.

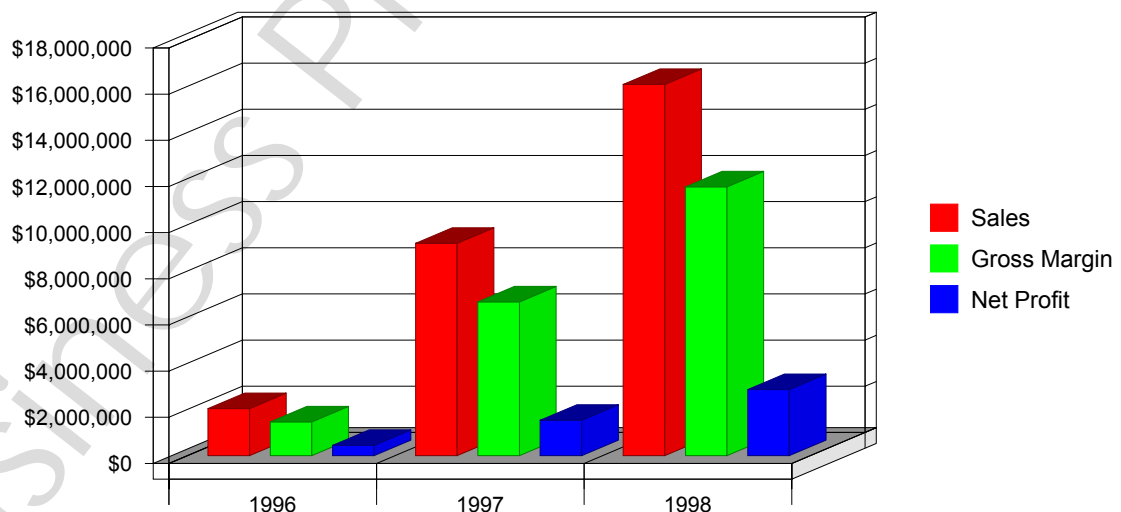
Expansion plans are already underway. Owner funding and internally generated cash flow will enable additional stores to open. Sales projections for the next four years are based upon current planned store openings. Site surveys have been completed and prime locations have been targeted for store expansion.

The sales figures and projections presented here are based upon an additional four store locations at the most premium sites available in the Anytown Metro market area as well as a prime resort location in Destin, Florida.

This plan will result in sales revenues growing to \$25 million by FY2000 and generating net income in excess of \$5.6 million.

Management has recognized the rapid growth potential made possible by the quick success and fast return-on-investment from the first location. Payback of total invested capital on the first location will be realized in less than 18 months of operation. Cash flow becomes positive from operations immediately and profits are substantial in the first year.

### Highlights



# Take Five Sports Bar & Grill — Sample Plan

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## 1.1 Objectives

Take Five has the objective of opening additional stores in Anytown Metro at Ashford-Dunwoody, Lawrenceville, Buckhead, and East Cobb. Additionally, a store will be opened on the beach at Destin, Florida, a year-round resort destination.

The management of Take Five has demonstrated its concept, execution, marketability, and controls, and feels confident of its ability to successfully replicate the quick ramp-up of the Medlock Bridge location to additional venues.

The following objectives have been established:

- Have all five stores operational by 1998 with a sequential time-line of openings.
- Maintain tight control of costs and operations by hiring quality management at each location and utilizing automated computer control.
- Keep food cost under 32% of revenue.
- Keep beverage cost under 21% of revenue.
- Select only locations that meet all the parameters of success.
- Grow each location to the \$3 to \$5 million annual sales level.

## 1.2 Mission

Take Five Sports Bar & Grill strives to be the premier sports theme restaurant in the Southeast Region. Our goal is to be a step ahead of the competition. We want our customers to have more fun during their leisure time. We provide more televisions with more sporting events than anywhere else in the region. We provide state-of-the-art table-top audio control at each table so the customer can listen to the selected program of his or her choice without interference from background noise. We combine menu selection, atmosphere, ambiance, and service to create a sense of "place" in order to reach our goal of over-all value in a dining/entertainment experience.

## 1.3 Keys to Success

The keys to success in achieving our goals are:

- Product quality. Not only great food but great service.
- Managing finances to enable new locations to open at targeted intervals.
- Controlling costs at all times without exception.
- Instituting management controls to insure replicability of operations over multiple locations. This applies equally to product control and to financial control.

# Take Five Sports Bar & Grill — Sample Plan

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## 2.0 Company Summary

The key elements of Take Five's restaurant store concept are as follows:

- Sports based themes--The company will focus on themes that have mass appeal.
- Distinctive design features--All stores will be characterized by spectacular visual design and layout. Each store will display a collection of authentic sports memorabilia.
- High profile locations--The company selects its store locations based on key demographic indicators, including traffic counts, average income, number of households, hotels, and offices within a certain radius.
- Celebrity events--The company stores will be distinguished by the promotional activities of sports celebrities and by media coverage of appearances and special events.
- Retail merchandising--Each store will include an integrated retail store offering premium quality merchandise displaying the company's logo design. In addition sports memorabilia will be sold.
- Quality food--Each Take Five store will serve freshly prepared, high quality, popular cuisine that is targeted to appeal to a variety of tastes and budgets with an emphasis on reasonably and moderately priced signature items of particular appeal to a local market.
- Quality service--In order to maintain its unique image the Company provides attentive and friendly service with a high ratio of service personnel to customers and also invests in the training and supervision of its employees.

## 2.1 Company Ownership

Take Five Sports Bar and Grill is a privately held Georgia company. Joseph A. Smith is the principal owner. It is Mr. Smith's intention to offer limited outside ownership in Take Five on an equity, debt, or combination basis in order to facilitate a more rapid expansion of the Take Five concept.

Mr. Smith holds an MBA in Finance from Anytown University. He has held executive level positions in finance with General Electric and Holiday Inn Worldwide. He is previously experienced in the restaurant industry, having opened Smith's Italian Restaurant in 1993, which still operates successfully under his ownership.

## 2.2 Company History

Take Five Sports Bar & Grill was founded in 1995 by Joseph Smith to capitalize on the ever growing market demand for high end technology enhanced sports theme restaurants. Take Five has promoted its brand through the operation of its existing location at Medlock Bridge Road and State Bridge Road in Anytown, Georgia. The flagship location provides a unique dining and entertainment experience in a high-energy environment. Customer acceptance has been proven. Regular and repeat customers cross many age demographics and families are frequent diners.

Take Five has promoted heavily with tie-ins to Anytown professional teams and celebrities. Take Five Sports Bar and Grill is the radio home for the live Monday Night XYZ Anytown Falcons coaches show featuring June Jones and Jeff George. This show is broadcast during the hour preceding the telecast of "Monday Night Football". In addition, Take Five hosts the

## Take Five Sports Bar & Grill — Sample Plan

Anytown Hawks sports talk show on ABC 750 AM featuring guard Steve Smith and the radio voice of the Hawks, Steve Holman. The Anytown Braves celebrated their World Series championship party at Take Five the night they won the Series.

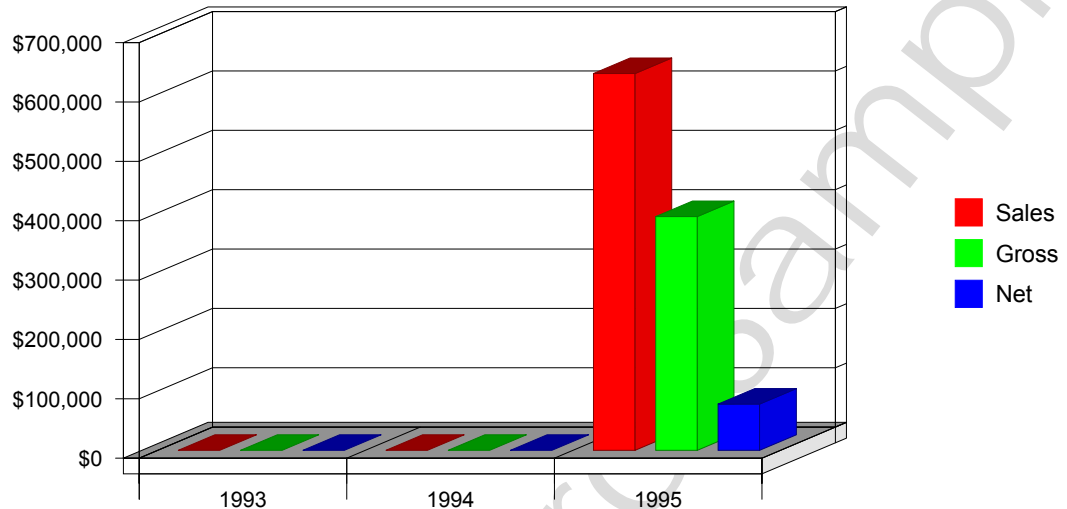
The following table and chart illustrates the rapid sales success of the first Take Five location. The period covered is the initial opening from August through December 1995.

**Table: Past Performance**

| Past Performance                     | 1993        | 1994        | 1995             |
|--------------------------------------|-------------|-------------|------------------|
| Sales                                | \$0         | \$0         | \$634,900        |
| Gross Margin                         | \$0         | \$0         | \$394,000        |
| Gross Margin %                       | 0.00%       | 0.00%       | 62.06%           |
| Operating Expenses                   | \$0         | \$0         | \$301,000        |
| Collection Period (days)             | 0           | 0           | 0                |
| Inventory Turnover                   | 0.00        | 0.00        | 20.00            |
| <b>Balance Sheet</b>                 |             |             |                  |
| <b>Current Assets</b>                | <b>1993</b> | <b>1994</b> | <b>1995</b>      |
| Cash                                 | \$0         | \$0         | \$67,136         |
| Accounts Receivable                  | \$0         | \$0         | \$0              |
| Inventory                            | \$0         | \$0         | \$15,197         |
| Other Current Assets                 | \$0         | \$0         | \$17,310         |
| <b>Total Current Assets</b>          | <b>\$0</b>  | <b>\$0</b>  | <b>\$99,643</b>  |
| <b>Long-term Assets</b>              |             |             |                  |
| Capital Assets                       | \$0         | \$0         | \$475,495        |
| Accumulated Depreciation             | \$0         | \$0         | \$29,713         |
| <b>Total Long-term Assets</b>        | <b>\$0</b>  | <b>\$0</b>  | <b>\$445,782</b> |
| <b>Total Assets</b>                  | <b>\$0</b>  | <b>\$0</b>  | <b>\$545,425</b> |
| <b>Capital and Liabilities</b>       |             |             |                  |
|                                      | <b>1993</b> | <b>1994</b> | <b>1995</b>      |
| Accounts Payable                     | \$0         | \$0         | \$20,040         |
| Current Borrowing                    | \$0         | \$0         | \$0              |
| Other Current Liabilities            | \$0         | \$0         | \$40,826         |
| <b>Subtotal Current Liabilities</b>  | <b>\$0</b>  | <b>\$0</b>  | <b>\$60,866</b>  |
| <b>Long-term Liabilities</b>         | <b>\$0</b>  | <b>\$0</b>  | <b>\$0</b>       |
| <b>Total Liabilities</b>             | <b>\$0</b>  | <b>\$0</b>  | <b>\$60,866</b>  |
| Paid-in Capital                      | \$0         | \$0         | \$625,000        |
| Retained Earnings                    | \$0         | \$0         | (\$218,401)      |
| Earnings                             | \$0         | \$0         | \$77,960         |
| <b>Total Capital</b>                 | <b>\$0</b>  | <b>\$0</b>  | <b>\$484,559</b> |
| <b>Total Capital and Liabilities</b> | <b>\$0</b>  | <b>\$0</b>  | <b>\$545,425</b> |
| <b>Other Inputs</b>                  |             |             |                  |
|                                      | <b>1993</b> | <b>1994</b> | <b>1995</b>      |
| Payment Days                         | 0           | 0           | 0                |
| Sales on Credit                      | \$0         | \$0         | \$0              |
| Receivables Turnover                 | 0.00        | 0.00        | 0.00             |

## Take Five Sports Bar & Grill — Sample Plan

### Past Performance



### 2.3 Company Locations and Facilities

The company units will range in size from 6000 to 9000 square feet and will seat from 225 to 400 persons. Each Take Five Sports Bar & Grill will feature authentic sports memorabilia such as Michael Jordan's game jersey to Jimmy Connor's signed tennis racquet. Each store will be equipped with state-of-the-art audio and video systems to enable the customer to enjoy the game of their choice. Every restaurant will be built to existing specifications, clean looking, open, and pleasing to the customer.

Unit locations are as follows:

- Medlock Bridge--This unit is located at one of the busiest intersections in North Fulton County. It is surrounded by four major country clubs, upper middle class neighborhoods, office complexes, and shopping. It encompasses 6,000 sq. ft. of space and has been open since August 1995.
- Ashford-Dunwoody--This unit will open in late summer 1996. Size will be 7,200 sq.ft. The location is one and one-half miles north of Perimeter Mall. Within a three mile radius there is 20 million square feet of professional office space. Also, an abundance of upscale apartment complexes adjoins the unit. Major chain hotels are located nearby. Perimeter Mall is one of the regional upscale shopping destinations.
- Lawrenceville (New Market)--This site will occupy 6,500 square feet and is scheduled to open in the Spring of 1997. It will be built as a free standing building on a 2+ acre parcel at the intersection of Rt. 120 and Rt. 316. Adjacent to the property is an 18 screen movie theater opened by AMC in March 1996. This is the largest theater AMC has built in the Anytown area. New Market Mall has as master anchors Target, Home Depot, and Marshalls among others. The demographics are very favorable with no competition from other sports bar restaurants.
- Peachtree and Piedmont (Buckhead)--This unit will be in the heart of Buckhead which is Anytown's most comprehensive business and entertainment center. In addition to retail space being constructed at this sight the unit will be adjacent to a 200+ room America's Suite Hotel. Buckhead is one of the nation's largest and fastest-growing mixed use urban areas. It includes a dynamic combination of concentrated offices,



# Take Five Sports Bar & Grill — Sample Plan

retail, hotel, shopping, restaurant/entertainment, and residential development.

Take Five Sports Bar & Grill also maintains a corporate business office at 1234 Main Street, Anytown, Ga. 30092.

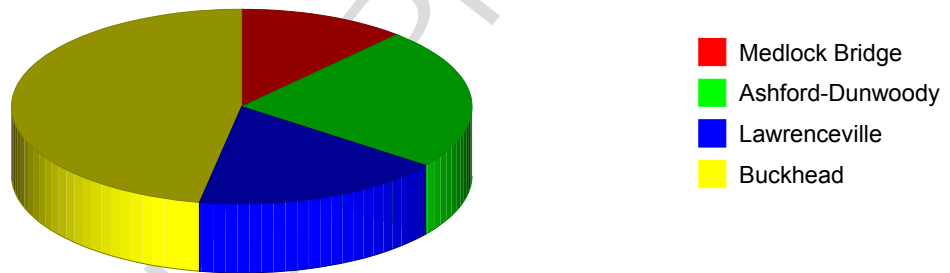
## 3.0 Market Analysis Summary

Market segmentation is shown in the next section.

## 3.1 Market Segmentation

Market segmentation data is presented in the chart and table below.

**Market Analysis (Pie)**



**Table: Market Analysis**

| Market Analysis Potential Customers | Growth | 1995    | 1996    | 1997    | 1998    | 1999    | CAGR   |
|-------------------------------------|--------|---------|---------|---------|---------|---------|--------|
| Medlock Bridge                      | 10%    | 20,000  | 22,000  | 24,200  | 26,620  | 29,282  | 10.00% |
| Ashford-Dunwoody                    | 6%     | 40,000  | 42,400  | 44,944  | 47,641  | 50,499  | 6.00%  |
| Lawrenceville                       | 8%     | 30,000  | 32,400  | 34,992  | 37,791  | 40,814  | 8.00%  |
| Buckhead                            | 5%     | 80,000  | 84,000  | 88,200  | 92,610  | 97,241  | 5.00%  |
| Total                               | 6.39%  | 170,000 | 180,800 | 192,336 | 204,662 | 217,836 | 6.39%  |

# Take Five Sports Bar & Grill — Sample Plan

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## 4.0 Strategy and Implementation Summary

Our strategy is based on serving our niche markets well. The sports enthusiast, the business entertainer and traveler, the local night crowd, as well as families dining out all can enjoy the Take Five experience.

What begins as a customized version of a standard product, tailored to the needs of a local clientele, can become a niche product that will fill similar needs in similar markets across the Southeast.

We are building our infrastructure so that we can replicate the product, the experience, and the environment across broader geographic lines. Concentration will be on maintaining quality and establishing a strong identity in each local market. The identity becomes the source of "critical mass" upon which expansion efforts are based. Not only does it add marketing muscle but it also becomes the framework for further expansion using both company owned and franchised store locations. Franchises will first be marketed in late 1997 or early 1998.

## 4.1 Marketing Strategy

A combination of local media and event marketing will be utilized at each location. Radio is most effective, followed by local print media. As soon as a concentration of stores is established in a market, then broader media will be employed.

The strategy of live broadcasting and pro sports tie-ins has been most effective in generating free publicity for the flagship location which has been more effective than any advertising that could have been purchased.

### 4.1.1 Pricing Strategy

All menu items are moderately priced. An average customer ticket is between \$10 and \$20 including food and drink. Tickets are considerably larger for game day visitors. Our average customer spends more than the industry average for moderately priced establishments. We tend to believe that this is due to our creating an atmosphere that encourages longer stays and more spending but still allows adequate table turns due to extended hours of appeal.

### 4.1.2 Promotion Strategy

We promote sports, sports, and more sports. The universal appeal of sports and sports marketing has never been higher. A high growth area such as Anytown has an annual influx of new residents from many other parts of the country. This trend is true in the Sunbelt in general.

Many new residents and many existing ones are fans of teams in other markets. Take Five is a place for all. Each patron can watch his or her game of interest. The enabling technology is the benchmark for Take Five.

Advertising budgets and sports event promotion is an on-going process of management geared to promote the brand name and keep Take Five at the forefront of sports theme establishments in each local marketing area.

## Take Five Sports Bar & Grill — Sample Plan

In addition, funds are budgeted to launch franchise sales activity and lead generation. These funds amount to 20% of projected franchise sales.

### 4.1.3 Marketing Programs

Take Five will create an "identity" oriented marketing strategy with executions particularly in local media. Radio spots, print ads, and in-store promotions are designed for transplantation to other markets. A portion of the ad and promo budget is set aside to develop these programs.

### 4.2 Sales Strategy

The sales strategy is to build and open new locations on schedule in order to increase revenue. Each individual location will continue to build its local customer base over the first three years of operation. The goal is \$3 to \$5 million in annual sales per unit. A unit will be considered mature once it has passed the \$3.5 million mark in annual sales.

The following sections illustrate the combined sales forecast:

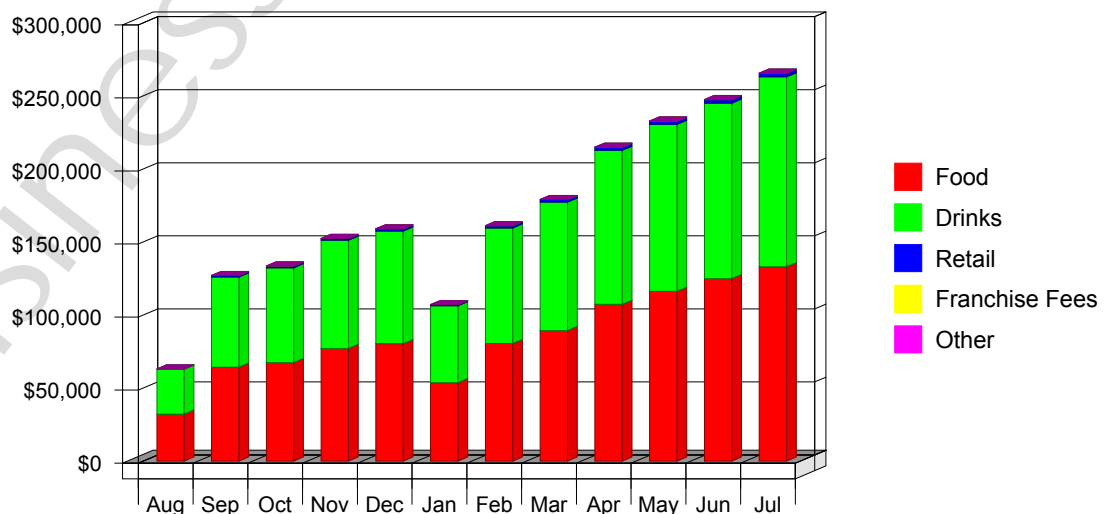
#### 4.2.1 Sales Forecast

The following chart and table shows the rapid sales ramp-up for our first location in only its first twelve months of operation.

The two million dollar sales volume represents somewhat less than 50% of the revenue potential of the location.

All sales forecasts and projections have this first year as their basis for each new store.

**Sales Monthly**



## Take Five Sports Bar & Grill — Sample Plan

**Table: Sales Forecast**

| Sales Forecast                       |                    |                    |                     |
|--------------------------------------|--------------------|--------------------|---------------------|
| Sales                                | 1996               | 1997               | 1998                |
| Food                                 | \$1,026,242        | \$4,411,500        | \$7,497,000         |
| Drinks                               | \$998,276          | \$4,238,500        | \$7,203,000         |
| Retail                               | \$18,126           | \$48,000           | \$84,000            |
| Franchise Fees                       | \$0                | \$500,000          | \$1,300,000         |
| Other                                | \$0                | \$0                | \$0                 |
| <b>Total Sales</b>                   | <b>\$2,042,644</b> | <b>\$9,198,000</b> | <b>\$16,084,000</b> |
| Direct Cost of Sales                 |                    |                    |                     |
|                                      | 1996               | 1997               | 1998                |
| Food                                 | \$349,013          | \$1,449,910        | \$2,548,980         |
| Drinks                               | \$219,561          | \$932,470          | \$1,584,660         |
| Retail                               | \$9,064            | \$24,000           | \$42,000            |
| Franchise Fees                       | \$0                | \$125,000          | \$260,000           |
| Other                                | \$0                | \$0                | \$0                 |
| <b>Subtotal Direct Cost of Sales</b> | <b>\$577,638</b>   | <b>\$2,531,380</b> | <b>\$4,435,640</b>  |

### 4.3 Milestones

The following table lists important milestones, with projected dates, management, and budget responsibility. The milestone schedule indicates our emphasis on planning for implementation.

**Table: Milestones**

| Milestones            | Start Date | End Date | Budget             | Manager | Department |
|-----------------------|------------|----------|--------------------|---------|------------|
| Open Medlock Bridge   | 8/1/95     | 8/1/95   | \$625,000          | JDP     | Exec       |
| Open Ashford-Dunwoody | 8/1/96     | 8/1/96   | \$700,000          | JDP     | Exec       |
| Open Lawrenceville    | 12/1/96    | 2/1/97   | \$1,000,000        | JDP     | Exec       |
| Open Buckhead         | 2/28/97    | 6/1/97   | \$700,000          | JDP     | Exec       |
| Open Destin, Fla.     | 7/1/97     | 3/1/98   | \$1,500,000        | JDP     | Exec       |
| Open East Cobb        | 2/1/98     | 6/1/98   | \$600,000          | JDP     | Exec       |
| Private Placement     | 8/1/95     | 9/1/96   | \$82,500           | LC      | Finance    |
| Sample                | 1/1/98     | 1/1/98   | \$0                | ABC     | Department |
| Sample                | 1/1/98     | 1/1/98   | \$0                | ABC     | Department |
| Other                 | 1/1/98     | 1/1/98   | \$0                | ABC     | Department |
| <b>Totals</b>         |            |          | <b>\$5,207,500</b> |         |            |

### 5.0 Management Summary

At the present time Joseph Smith runs all operations for Take Five Sports Bar & Grill.

Other key personnel are the management at each location. Candidates have already been identified for the first additional Anytown area location.

There is not expected to be any shortage of qualified and available staff and management from local labor pools in each market area.

# Take Five Sports Bar & Grill — Sample Plan

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## 5.1 Organizational Structure

Future organizational structure will include a director of store operations when store locations exceed five and/or the Florida store opens. This will provide a supervisory level between the executive level and the store management level.

A full time accountant has already been added. Also, a sales/marketing director has been added to oversee the expansion effort both to support the growth of existing business and to execute the franchise expansion strategy. Their salaries are included in the projections.

Operations of individual stores will be the responsibility of the general manager.

## 5.2 Management Team

Joseph Smith

Personal Data:

Born 11/19/53 Philadelphia, Pa.

Married 17 years--two children ages 10 & 13

Excellent Health

U.S. Air Force--1971 to 1975, Vietnam veteran, Communication Surveillance, Top Security Clearance

Education:

LaSalle University, MBA Finance, BS, Finance

Professional Experience:

RCA/GE--1978-1988:

Finance, Strategic Planning, Corporate Development

Scientific Anytown--1988-1990:

VP Finance, Electronic Systems Group

Holiday Inn Worldwide--1990-1993:

Strategic Planning and Corporate Development, reporting to the CFO

Resigned in 1993 to open and operate Smith's Italian Restaurant

## Take Five Sports Bar & Grill — Sample Plan

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### 5.3 Management Team Gaps

Specific opportunities exist in the store operations supervisory area (not needed initially) and in franchise sales development (not needed initially).

It is expected that these people can be recruited when needed in the Anytown market. Anytown is now home to more than 40 franchise company headquarters.

Store managers are readily available when needed. Food service managers are plentiful.

### 5.4 Personnel Plan

**Table: Personnel**

| Personnel Plan | 1996      | 1997        | 1998        |
|----------------|-----------|-------------|-------------|
| Total Payroll  | \$484,800 | \$2,800,000 | \$4,850,000 |
| Other          | \$0       | \$0         | \$0         |
| Total People   | 12        | 67          | 115         |
| Total Payroll  | \$484,800 | \$2,800,000 | \$4,850,000 |

# Take Five Sports Bar & Grill — Sample Plan

## 6.0 Financial Plan

The over-all financial plan for growth allows for use of the significant cash flow generated by operations.

Equity/debt infusion of \$1.5 to \$2 million allows for more rapid expansion of store starts than could be accomplished from cash flow alone. Outside investment capital also allows a buffer of excess cash so that the expansion plan can be revised on short notice. Every opportunity will be seized to accelerate expansion past the critical dates in this plan if cash flow from new stores exceeds projections.

It is management's intent to build equity in the brand name and in its franchise. Other models exist in the recent past of successful IPO's on similar concepts.

## 6.1 Important Assumptions

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

- We assume a slow-growth economy, without major recession.
- We assume access to equity capital and financing sufficient to maintain our financial plan as shown in the tables.
- We assume the continued popularity of sports in America and the growing demand for sports theme venues.

**Table: General Assumptions**

| General Assumptions      | 1996      | 1997        | 1998        |
|--------------------------|-----------|-------------|-------------|
| Plan Month               | 1         | 2           | 3           |
| Current Interest Rate    | 8.50%     | 8.50%       | 8.50%       |
| Long-term Interest Rate  | 0.00%     | 0.00%       | 0.00%       |
| Tax Rate                 | 33.00%    | 33.00%      | 33.00%      |
| Other                    | 0.00%     | 0.00%       | 0.00%       |
| <b>Calculated Totals</b> |           |             |             |
| Payroll Expense          | \$484,800 | \$2,800,000 | \$4,850,000 |
| New Accounts Payable     | \$260,235 | \$3,436,506 | \$5,577,460 |
| Inventory Purchase       | \$579,765 | \$2,589,974 | \$4,492,750 |

# Take Five Sports Bar & Grill — Sample Plan

## 6.2 Key Financial Indicators

The most important indicator in our case is inventory turnover. In the restaurant business turnover exceeds 50, with product being purchased and sold often within the week.

Food costs must be kept below 32%.

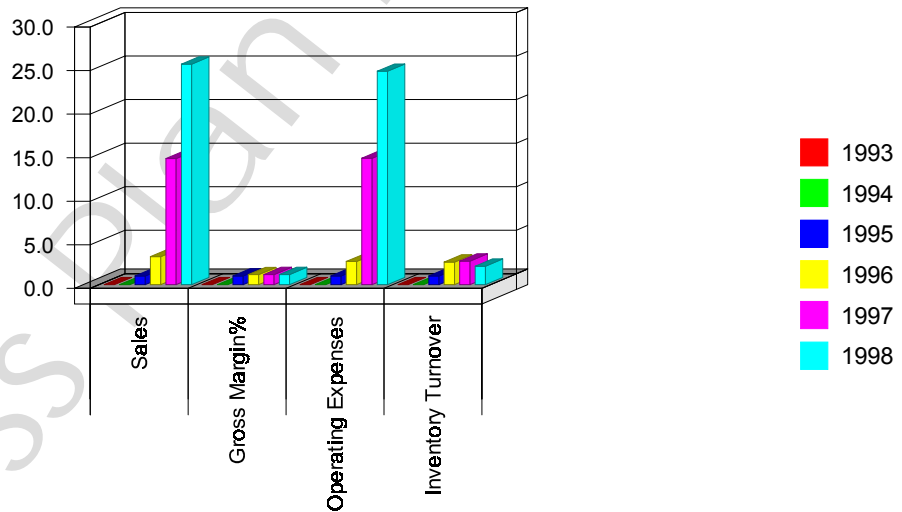
Beverage costs must be kept below 21%.

Above all, controls must be instituted and maintained over multiple store locations.

Take Five now uses state-of-the-art restaurant management control and inventory systems. All systems are computer based that allow for accurate off-premises control of all aspects of food and beverage service business. The systems used are point-of-sale from HSI and inventory and recipe management from VIP. Both systems are PC based and have become industry standards.

Management's background in corporate finance indicates understanding of the importance of these control systems.

### Benchmarks





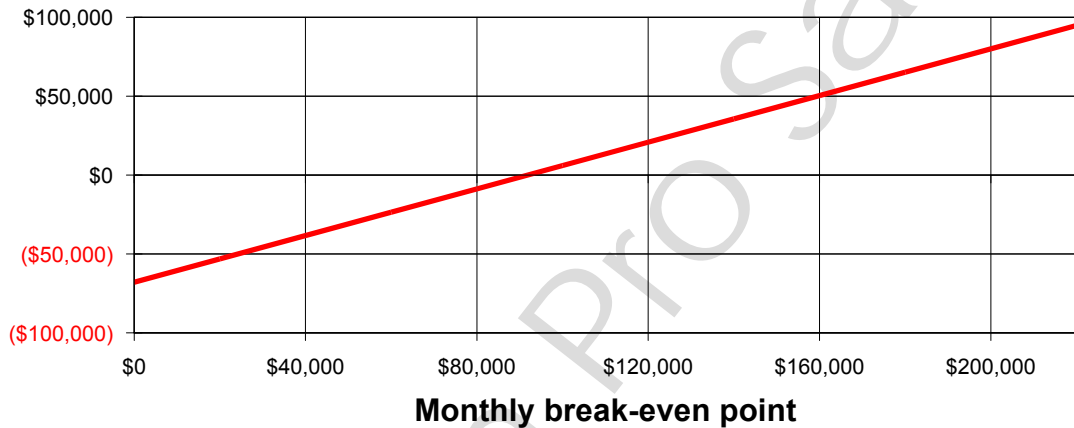
# Take Five Sports Bar & Grill — Sample Plan

## 6.3 Break-even Analysis

The break even analysis is based upon fixed costs at the Medlock Bridge location. This location exceeded required volume to break even in only its second month of operation.

At \$15 per average ticket the break even volume at Medlock Bridge is attained less than one full seating per day. The industry average is between 3 and 4 turns of seating capacity.

### Break-even Analysis



Break-even point = where line intersects with 0

**Table: Break-even Analysis**

|                                |          |
|--------------------------------|----------|
| Break-even Analysis:           |          |
| Monthly Units Break-even       | 91,892   |
| Monthly Revenue Break-even     | \$91,892 |
| Assumptions:                   |          |
| Average Per-Unit Revenue       | \$1.00   |
| Average Per-Unit Variable Cost | \$0.26   |
| Estimated Monthly Fixed Cost   | \$68,000 |

## Take Five Sports Bar & Grill — Sample Plan

### 6.4 Projected Profit and Loss

We project rapid expansion of sales and profits. Net profits remain above 16% of sales even in the most aggressive expansion period.

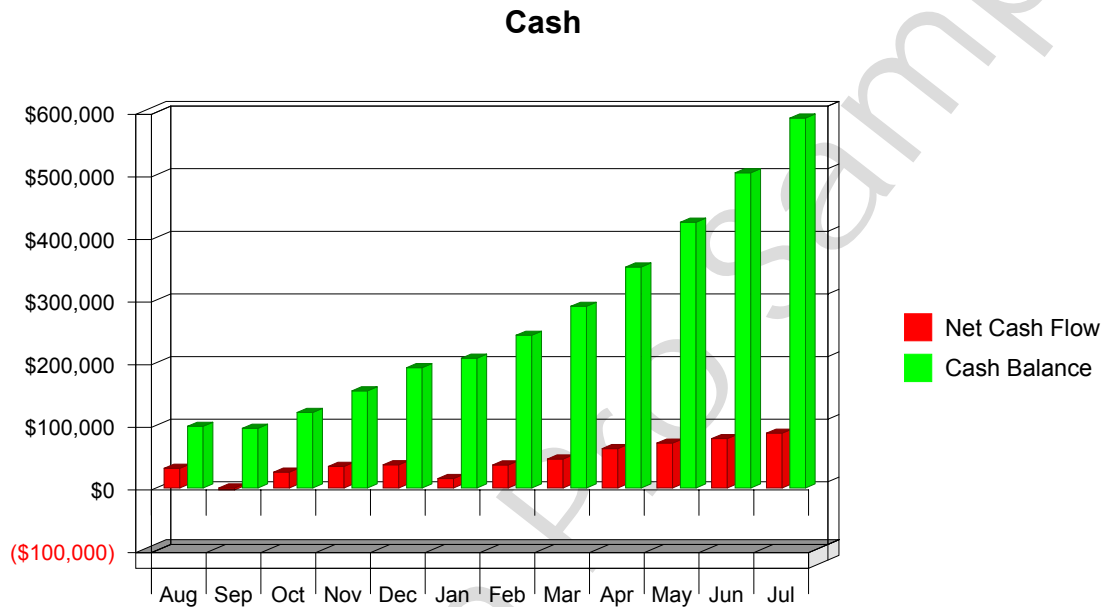
**Table: Profit and Loss**

| Pro Forma Profit and Loss              |             |             |              |
|--|-------------|-------------|--------------|
|  | 1996        | 1997        | 1998         |
| Sales                                  | \$2,042,644 | \$9,198,000 | \$16,084,000 |
| Direct Cost of Sales                   | \$577,638   | \$2,531,380 | \$4,435,640  |
| Production Payroll                     | \$0         | \$0         | \$0          |
| Other                                  | \$0         | \$0         | \$0          |
|  | -----       | -----       | -----        |
| Total Cost of Sales                    | \$577,638   | \$2,531,380 | \$4,435,640  |
| Gross Margin                           | \$1,465,006 | \$6,666,620 | \$11,648,360 |
| Gross Margin %                         | 71.72%      | 72.48%      | 72.42%       |
| Expenses:                              |             |             |              |
| Payroll                                | \$484,800   | \$2,800,000 | \$4,850,000  |
| Sales and Marketing and Other Expenses | \$69,500    | \$512,000   | \$860,000    |
| Depreciation                           | \$69,996    | \$280,000   | \$320,000    |
| Leased Equipment                       | \$0         | \$0         | \$0          |
| Utilities                              | \$28,800    | \$150,000   | \$180,000    |
| Insurance                              | \$36,000    | \$96,000    | \$125,000    |
| Rent                                   | \$52,800    | \$197,000   | \$460,000    |
| Payroll Taxes                          | \$58,176    | \$336,000   | \$582,000    |
| Other                                  | \$0         | \$0         | \$0          |
|  | -----       | -----       | -----        |
| Total Operating Expenses               | \$800,072   | \$4,371,000 | \$7,377,000  |
| Profit Before Interest and Taxes       | \$664,934   | \$2,295,620 | \$4,271,360  |
| Interest Expense                       | \$0         | \$0         | \$0          |
| Taxes Incurred                         | \$219,428   | \$757,555   | \$1,409,549  |
| Net Profit                             | \$445,506   | \$1,538,065 | \$2,861,811  |
| Net Profit/Sales                       | 21.81%      | 16.72%      | 17.79%       |
| Include Negative Taxes                 | TRUE        | TRUE        | TRUE         |

## Take Five Sports Bar & Grill — Sample Plan

### 6.5 Projected Cash Flow

We expect to manage cash flow with an additional investment totaling \$1.5 to \$2 million. All additional requirements can be met from internally generated funds. With investment coming in during late 1996 and mid 1997 there is no point at which future cash flow appears to be in danger.



## Take Five Sports Bar & Grill — Sample Plan

**Table: Cash Flow**

| Pro Forma Cash Flow                       | 1996             | 1997               | 1998               |
|---|------------------|--------------------|--------------------|
| <b>Cash Received</b>                      |                  |                    |                    |
| <b>Cash from Operations:</b>              |                  |                    |                    |
| Cash Sales                                | \$2,042,644      | \$9,198,000        | \$16,084,000       |
| Cash from Receivables                     | \$0              | \$0                | \$0                |
| Subtotal Cash from Operations             | \$2,042,644      | \$9,198,000        | \$16,084,000       |
| <b>Additional Cash Received</b>           |                  |                    |                    |
| 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                   | \$625,000        | \$960,000          | \$1,250,000        |
| Subtotal Cash Received                    | \$2,667,644      | \$10,158,000       | \$17,334,000       |
| <b>Expenditures</b>                       |                  |                    |                    |
| <b>Expenditures from Operations:</b>      |                  |                    |                    |
| Cash Spending                             | \$1,269,034      | \$4,002,023        | \$7,381,839        |
| Payment of Accounts Payable               | \$274,950        | \$3,425,038        | \$5,563,278        |
| Subtotal Spent on Operations              | \$1,543,984      | \$7,427,061        | \$12,945,117       |
| <b>Additional Cash Spent</b>              |                  |                    |                    |
| Non Operating (Other) Expense             | \$0              | \$0                | \$0                |
| Sales Tax, VAT, HST/GST Paid Out          | \$0              | \$0                | \$0                |
| Principal Repayment of Current Borrowing  | \$0              | \$0                | \$0                |
| Other Liabilities Principal Repayment     | \$0              | \$0                | \$0                |
| Long-term Liabilities Principal Repayment | \$0              | \$0                | \$0                |
| Purchase Other Current Assets             | \$0              | \$0                | \$0                |
| Purchase Long-term Assets                 | \$600,000        | \$700,000          | \$1,700,000        |
| Dividends                                 | \$0              | \$0                | \$0                |
| Subtotal Cash Spent                       | \$2,143,984      | \$8,127,061        | \$14,645,117       |
| <b>Net Cash Flow</b>                      | <b>\$523,660</b> | <b>\$2,030,939</b> | <b>\$2,688,883</b> |
| Cash Balance                              | \$590,796        | \$2,621,735        | \$5,310,617        |

## Take Five Sports Bar & Grill — Sample Plan

### 6.6 Projected Balance Sheet

As shown in the balance sheet in the table, we expect a healthy growth in net worth, from approximately \$1 million at present to more than \$8 million by the end of the third year of operations.

**Table: Balance Sheet**

Pro Forma Balance Sheet

| Assets                               |                    |                    |                    |
|--------------------------------------|--------------------|--------------------|--------------------|
| Current Assets                       | 1996               | 1997               | 1998               |
| Cash                                 | \$590,796          | \$2,621,735        | \$5,310,617        |
| Inventory                            | \$17,324           | \$75,918           | \$133,029          |
| Other Current Assets                 | \$17,310           | \$17,310           | \$17,310           |
| <b>Total Current Assets</b>          | <b>\$625,430</b>   | <b>\$2,714,963</b> | <b>\$5,460,956</b> |
| Long-term Assets                     |                    |                    |                    |
| Long-term Assets                     | \$1,075,495        | \$1,775,495        | \$3,475,495        |
| Accumulated Depreciation             | \$99,709           | \$379,709          | \$699,709          |
| <b>Total Long-term Assets</b>        | <b>\$975,786</b>   | <b>\$1,395,786</b> | <b>\$2,775,786</b> |
| <b>Total Assets</b>                  | <b>\$1,601,216</b> | <b>\$4,110,749</b> | <b>\$8,236,742</b> |
| Liabilities and Capital              |                    |                    |                    |
| Current Liabilities                  | 1996               | 1997               | 1998               |
| Accounts Payable                     | \$5,325            | \$16,793           | \$30,975           |
| Current Borrowing                    | \$0                | \$0                | \$0                |
| Other Current Liabilities            | \$40,826           | \$40,826           | \$40,826           |
| <b>Subtotal Current Liabilities</b>  | <b>\$46,151</b>    | <b>\$57,619</b>    | <b>\$71,801</b>    |
| <b>Long-term Liabilities</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         |
| <b>Total Liabilities</b>             | <b>\$46,151</b>    | <b>\$57,619</b>    | <b>\$71,801</b>    |
| Paid-in Capital                      | \$1,250,000        | \$2,210,000        | \$3,460,000        |
| Retained Earnings                    | (\$140,441)        | \$305,065          | \$1,843,130        |
| Earnings                             | \$445,506          | \$1,538,065        | \$2,861,811        |
| <b>Total Capital</b>                 | <b>\$1,555,065</b> | <b>\$4,053,130</b> | <b>\$8,164,941</b> |
| <b>Total Liabilities and Capital</b> | <b>\$1,601,216</b> | <b>\$4,110,749</b> | <b>\$8,236,742</b> |
| <b>Net Worth</b>                     | <b>\$1,555,065</b> | <b>\$4,053,130</b> | <b>\$8,164,941</b> |

### 6.7 Business Ratios

These business ratios are future estimates based upon current assumptions. Industry Ratios are based on Standard Industry Classification code, 5813.

## Take Five Sports Bar & Grill — Sample Plan

**Table: Ratios**

| Ratio Analysis                             | 1996      | 1997        | 1998        | Industry Profile |
|--|-----------|-------------|-------------|------------------|
| Sales Growth                               | 221.73%   | 350.30%     | 74.86%      | 1.90%            |
| <b>Percent of Total Assets</b>             |           |             |             |                  |
| Accounts Receivable                        | 0.00%     | 0.00%       | 0.00%       | 4.60%            |
| Inventory                                  | 1.08%     | 1.85%       | 1.62%       | 3.10%            |
| Other Current Assets                       | 1.08%     | 0.42%       | 0.21%       | 44.60%           |
| Total Current Assets                       | 39.06%    | 66.05%      | 66.30%      | 52.30%           |
| Long-term Assets                           | 60.94%    | 33.95%      | 33.70%      | 47.70%           |
| Total Assets                               | 100.00%   | 100.00%     | 100.00%     | 100.00%          |
| Current Liabilities                        | 2.55%     | 0.99%       | 0.50%       | 28.20%           |
| Long-term Liabilities                      | 0.00%     | 0.00%       | 0.00%       | 23.10%           |
| Total Liabilities                          | 0.00%     | 0.00%       | 0.00%       | 51.30%           |
| Net Worth                                  | 100.00%   | 100.00%     | 100.00%     | 48.70%           |
| <b>Percent of Sales</b>                    |           |             |             |                  |
| Sales                                      | 100.00%   | 100.00%     | 100.00%     | 100.00%          |
| Gross Margin                               | 71.72%    | 72.48%      | 72.42%      | 42.30%           |
| Selling, General & Administrative Expenses | 49.91%    | 55.76%      | 54.63%      | 23.40%           |
| Advertising Expenses                       | 1.64%     | 4.98%       | 4.97%       | 2.40%            |
| Profit Before Interest and Taxes           | 32.55%    | 24.96%      | 26.56%      | 2.80%            |
| <b>Main Ratios</b>                         |           |             |             |                  |
| Current                                    | 13.55     | 47.12       | 76.06       | 1.14             |
| Quick                                      | 13.18     | 45.80       | 74.20       | 0.74             |
| Total Debt to Total Assets                 | 2.88%     | 1.40%       | 0.87%       | 51.30%           |
| Pre-tax Return on Net Worth                | 42.76%    | 56.64%      | 52.31%      | 5.20%            |
| Pre-tax Return on Assets                   | 41.53%    | 55.84%      | 51.86%      | 10.60%           |
| <b>Business Vitality Profile</b>           |           |             |             |                  |
|  | 1995      | 1996        | 1997        | Industry         |
| Sales per Employee                         | \$170,220 | \$137,284   | \$139,861   | \$32,619         |
| Survival Rate                              |           |             |             | 69.64%           |
| <b>Additional Ratios</b>                   |           |             |             |                  |
|  | 1996      | 1997        | 1998        |                  |
| Net Profit Margin                          | 21.81%    | 16.72%      | 17.79%      | n.a              |
| Return on Equity                           | 28.65%    | 37.95%      | 35.05%      | n.a              |
| <b>Activity Ratios</b>                     |           |             |             |                  |
| Accounts Receivable Turnover               | 0.00      | 0.00        | 0.00        | n.a              |
| Collection Days                            | 0         | 0           | 0           | n.a              |
| Inventory Turnover                         | 52.00     | 54.30       | 42.46       | n.a              |
| Accounts Payable Turnover                  | 48.87     | 204.64      | 180.07      | n.a              |
| Payment Days                               | 9         | 14          | 19          |                  |
| Total Asset Turnover                       | 1.28      | 2.24        | 1.95        | n.a              |
| <b>Debt Ratios</b>                         |           |             |             |                  |
| Debt to Net Worth                          | 0.03      | 0.01        | 0.01        | n.a              |
| Current Liab. to Liab.                     | 1.00      | 1.00        | 1.00        | n.a              |
| <b>Liquidity Ratios</b>                    |           |             |             |                  |
| Net Working Capital                        | \$579,279 | \$2,657,344 | \$5,389,155 | n.a              |
| Interest Coverage                          | 0.00      | 0.00        | 0.00        | n.a              |
| <b>Additional Ratios</b>                   |           |             |             |                  |
| Assets to Sales                            | 0.78      | 0.45        | 0.51        | n.a              |
| Current Debt/Total Assets                  | 3%        | 1%          | 1%          | n.a              |
| Acid Test                                  | 13.18     | 45.80       | 74.20       | n.a              |
| Sales/Net Worth                            | 1.31      | 2.27        | 1.97        | n.a              |
| Dividend Payout                            | 0.00      | 0.00        | 0.00        | n.a              |

## Appendix Take Five Sports Bar & Grill — Sample Plan

**Appendix Table: Sales Forecast**

| Sales Forecast                       | Aug             | Sep              | Oct              | Nov              | Dec              | Jan              | Feb              | Mar              | Apr              | May              | Jun              | Jul              |
|--------------------------------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Sales</b>                         |                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Food                                 | \$32,130        | \$64,260         | \$67,473         | \$77,112         | \$80,325         | \$53,633         | \$80,450         | \$89,388         | \$107,266        | \$116,205        | \$125,000        | \$133,000        |
| Drinks                               | \$30,870        | \$61,740         | \$64,827         | \$74,088         | \$77,175         | \$52,749         | \$79,124         | \$87,915         | \$105,498        | \$114,290        | \$120,000        | \$130,000        |
| Retail                               | \$0             | \$1,000          | \$1,200          | \$1,200          | \$1,500          | \$720            | \$1,556          | \$1,729          | \$2,074          | \$2,247          | \$2,400          | \$2,500          |
| Franchise Fees                       | \$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              |
| <b>Total Sales</b>                   | <b>\$63,000</b> | <b>\$127,000</b> | <b>\$133,500</b> | <b>\$152,400</b> | <b>\$159,000</b> | <b>\$107,102</b> | <b>\$161,130</b> | <b>\$179,032</b> | <b>\$214,838</b> | <b>\$232,742</b> | <b>\$247,400</b> | <b>\$265,500</b> |
| <b>Direct Cost of Sales</b>          |                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Food                                 | \$10,924        | \$21,848         | \$23,033         | \$26,218         | \$27,310         | \$18,235         | \$27,353         | \$30,392         | \$36,470         | \$39,510         | \$42,500         | \$45,220         |
| Drinks                               | \$6,791         | \$13,523         | \$14,262         | \$16,299         | \$16,979         | \$11,605         | \$17,407         | \$19,341         | \$23,210         | \$25,144         | \$26,400         | \$28,600         |
| Retail                               | \$0             | \$500            | \$600            | \$600            | \$750            | \$360            | \$778            | \$865            | \$1,037          | \$1,124          | \$1,200          | \$1,250          |
| Franchise Fees                       | \$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              |
| <b>Subtotal Direct Cost of Sales</b> | <b>\$17,715</b> | <b>\$35,871</b>  | <b>\$37,895</b>  | <b>\$43,117</b>  | <b>\$45,039</b>  | <b>\$30,200</b>  | <b>\$45,538</b>  | <b>\$50,598</b>  | <b>\$60,717</b>  | <b>\$65,778</b>  | <b>\$70,100</b>  | <b>\$75,070</b>  |

## Appendix Take Five Sports Bar & Grill — Sample Plan

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**Appendix Table: Personnel**

| Personnel Plan | Aug      | Sep      | Oct      | Nov      | Dec      | Jan      | Feb      | Mar      | Apr      | May      | Jun      | Jul      |
|----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Total Payroll  | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 |
| Other          | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      |
| Total People   | 12       | 12       | 12       | 12       | 12       | 12       | 12       | 12       | 12       | 12       | 12       | 12       |
| Total Payroll  | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 |



## Appendix Take Five Sports Bar & Grill — Sample Plan

**Appendix Table: General Assumptions**

| General Assumptions      | Aug         | Sep      | Oct      | Nov      | Dec      | Jan      | Feb      | Mar      | Apr      | May      | Jun      | Jul      |
|--------------------------|-------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Plan Month               | 1           | 2        | 3        | 4        | 5        | 6        | 7        | 8        | 9        | 10       | 11       | 12       |
| Current Interest Rate    | 8.50%       | 8.50%    | 8.50%    | 8.50%    | 8.50%    | 8.50%    | 8.50%    | 8.50%    | 8.50%    | 8.50%    | 8.50%    | 8.50%    |
| 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                 | 33.00%      | 33.00%   | 33.00%   | 33.00%   | 33.00%   | 33.00%   | 33.00%   | 33.00%   | 33.00%   | 33.00%   | 33.00%   | 33.00%   |
| 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%    |
| <b>Calculated Totals</b> |             |          |          |          |          |          |          |          |          |          |          |          |
| Payroll Expense          | \$40,400    | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 | \$40,400 |
| New Accounts Payable     | (\$431,562) | \$57,820 | \$57,842 | \$59,870 | \$60,612 | \$54,358 | \$61,371 | \$62,824 | \$66,776 | \$68,470 | \$69,982 | \$71,873 |
| Inventory Purchase       | \$6,606     | \$40,061 | \$38,362 | \$44,322 | \$45,483 | \$26,776 | \$49,078 | \$51,766 | \$63,052 | \$66,946 | \$71,097 | \$76,217 |

## Appendix Take Five Sports Bar & Grill — Sample Plan

### Appendix Table: Profit and Loss

#### Pro Forma Profit and Loss

|  | Aug             | Sep             | Oct             | Nov             | Dec             | Jan             | Feb             | Mar             | Apr             | May             | Jun             | Jul             |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Sales                                  | \$63,000        | \$127,000       | \$133,500       | \$152,400       | \$159,000       | \$107,102       | \$161,130       | \$179,032       | \$214,838       | \$232,742       | \$247,400       | \$265,500       |
| Direct Cost of Sales                   | \$17,715        | \$35,871        | \$37,895        | \$43,117        | \$45,039        | \$30,200        | \$45,538        | \$50,598        | \$60,717        | \$65,778        | \$70,100        | \$75,070        |
| 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             |
| <b>Total Cost of Sales</b>             | <b>\$17,715</b> | <b>\$35,871</b> | <b>\$37,895</b> | <b>\$43,117</b> | <b>\$45,039</b> | <b>\$30,200</b> | <b>\$45,538</b> | <b>\$50,598</b> | <b>\$60,717</b> | <b>\$65,778</b> | <b>\$70,100</b> | <b>\$75,070</b> |
| Gross Margin                           | \$45,285        | \$91,129        | \$95,605        | \$109,283       | \$113,961       | \$76,902        | \$115,592       | \$128,434       | \$154,121       | \$166,964       | \$177,300       | \$190,430       |
| Gross Margin %                         | 71.88%          | 71.76%          | 71.61%          | 71.71%          | 71.67%          | 71.80%          | 71.74%          | 71.74%          | 71.74%          | 71.74%          | 71.67%          | 71.73%          |
| Expenses:                              |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Payroll                                | \$40,400        | \$40,400        | \$40,400        | \$40,400        | \$40,400        | \$40,400        | \$40,400        | \$40,400        | \$40,400        | \$40,400        | \$40,400        | \$40,400        |
| Sales and Marketing and Other Expenses | \$7,000         | \$4,500         | \$5,000         | \$4,500         | \$6,000         | \$5,500         | \$5,500         | \$6,000         | \$6,000         | \$6,500         | \$6,500         | \$6,500         |
| Depreciation                           | \$5,833         | \$5,833         | \$5,833         | \$5,833         | \$5,833         | \$5,833         | \$5,833         | \$5,833         | \$5,833         | \$5,833         | \$5,833         | \$5,833         |
| Leased Equipment                       | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             |
| Utilities                              | \$2,400         | \$2,400         | \$2,400         | \$2,400         | \$2,400         | \$2,400         | \$2,400         | \$2,400         | \$2,400         | \$2,400         | \$2,400         | \$2,400         |
| Insurance                              | \$3,000         | \$3,000         | \$3,000         | \$3,000         | \$3,000         | \$3,000         | \$3,000         | \$3,000         | \$3,000         | \$3,000         | \$3,000         | \$3,000         |
| Rent                                   | \$4,400         | \$4,400         | \$4,400         | \$4,400         | \$4,400         | \$4,400         | \$4,400         | \$4,400         | \$4,400         | \$4,400         | \$4,400         | \$4,400         |
| Payroll Taxes                          | \$4,848         | \$4,848         | \$4,848         | \$4,848         | \$4,848         | \$4,848         | \$4,848         | \$4,848         | \$4,848         | \$4,848         | \$4,848         | \$4,848         |
| Other                                  | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             |
| <b>Total Operating Expenses</b>        | <b>\$67,881</b> | <b>\$65,381</b> | <b>\$65,881</b> | <b>\$65,381</b> | <b>\$66,881</b> | <b>\$66,381</b> | <b>\$66,381</b> | <b>\$66,881</b> | <b>\$66,881</b> | <b>\$67,381</b> | <b>\$67,381</b> | <b>\$67,381</b> |
| Profit Before Interest and Taxes       | (\$22,596)      | \$25,748        | \$29,724        | \$43,902        | \$47,080        | \$10,521        | \$49,211        | \$61,553        | \$87,240        | \$99,583        | \$109,919       | \$123,049       |
| Interest Expense                       | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             |
| Taxes Incurred                         | (\$7,457)       | \$8,497         | \$9,809         | \$14,488        | \$15,536        | \$3,472         | \$16,240        | \$20,312        | \$28,789        | \$32,862        | \$36,273        | \$40,606        |
| Net Profit                             | (\$15,139)      | \$17,251        | \$19,915        | \$29,414        | \$31,544        | \$7,049         | \$32,971        | \$41,241        | \$58,451        | \$66,721        | \$73,646        | \$82,443        |
| Net Profit/Sales                       | -24.03%         | 13.58%          | 14.92%          | 19.30%          | 19.84%          | 6.58%           | 20.46%          | 23.04%          | 27.21%          | 28.67%          | 29.77%          | 31.05%          |
| Include Negative Taxes                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |

## Appendix Take Five Sports Bar & Grill — Sample Plan

### Appendix Table: Cash Flow

| Pro Forma Cash Flow                       | Aug         | Sep       | Oct       | Nov       | Dec       | Jan       | Feb       | Mar       | Apr       | May       | Jun       | Jul       |
|---|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Cash Received</b>                      |             |           |           |           |           |           |           |           |           |           |           |           |
| <b>Cash from Operations:</b>              |             |           |           |           |           |           |           |           |           |           |           |           |
| Cash Sales                                | \$63,000    | \$127,000 | \$133,500 | \$152,400 | \$159,000 | \$107,102 | \$161,130 | \$179,032 | \$214,838 | \$232,742 | \$247,400 | \$265,500 |
| Cash from Receivables                     | \$0         | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| Subtotal Cash from Operations             | \$63,000    | \$127,000 | \$133,500 | \$152,400 | \$159,000 | \$107,102 | \$161,130 | \$179,032 | \$214,838 | \$232,742 | \$247,400 | \$265,500 |
| <b>Additional Cash Received</b>           |             |           |           |           |           |           |           |           |           |           |           |           |
| Non Operating (Other) Income              | \$0         | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| Sales Tax, VAT, HST/GST Received          | 0.00%       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| New Current Borrowing                     | \$0         | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| New Other Liabilities (interest-free)     | \$0         | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| New Long-term Liabilities                 | \$0         | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| Sales of Other Current Assets             | \$0         | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| Sales of Long-term Assets                 | \$0         | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| New Investment Received                   | \$625,000   | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| Subtotal Cash Received                    | \$688,000   | \$127,000 | \$133,500 | \$152,400 | \$159,000 | \$107,102 | \$161,130 | \$179,032 | \$214,838 | \$232,742 | \$247,400 | \$265,500 |
| <b>Expenditures</b>                       |             |           |           |           |           |           |           |           |           |           |           |           |
| <b>Expenditures from Operations:</b>      |             |           |           |           |           |           |           |           |           |           |           |           |
| Cash Spending                             | \$492,760   | \$50,286  | \$50,377  | \$58,488  | \$61,455  | \$36,438  | \$64,494  | \$70,303  | \$86,113  | \$92,887  | \$98,937  | \$106,498 |
| Payment of Accounts Payable               | (\$436,160) | \$79,943  | \$57,838  | \$59,464  | \$60,463  | \$55,608  | \$59,969  | \$62,533  | \$65,986  | \$68,131  | \$69,680  | \$71,495  |
| Subtotal Spent on Operations              | \$56,599    | \$130,229 | \$108,214 | \$117,952 | \$121,919 | \$92,046  | \$124,462 | \$132,836 | \$152,099 | \$161,018 | \$168,616 | \$177,993 |
| <b>Additional Cash Spent</b>              |             |           |           |           |           |           |           |           |           |           |           |           |
| Non Operating (Other) Expense             | \$0         | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| Sales Tax, VAT, HST/GST Paid Out          | \$0         | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| Principal Repayment of Current Borrowing  | \$0         | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| Other Liabilities Principal Repayment     | \$0         | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| Long-term Liabilities Principal Repayment | \$0         | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| Purchase Other Current Assets             | \$0         | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| Purchase Long-term Assets                 | \$600,000   | \$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                       | \$656,599   | \$130,229 | \$108,214 | \$117,952 | \$121,919 | \$92,046  | \$124,462 | \$132,836 | \$152,099 | \$161,018 | \$168,616 | \$177,993 |
| Net Cash Flow                             | \$31,401    | (\$3,229) | \$25,286  | \$34,448  | \$37,081  | \$15,056  | \$36,668  | \$46,196  | \$62,739  | \$71,724  | \$78,784  | \$87,507  |
| Cash Balance                              | \$98,537    | \$95,307  | \$120,593 | \$155,041 | \$192,122 | \$207,178 | \$243,845 | \$290,041 | \$352,781 | \$424,505 | \$503,289 | \$590,796 |

## Appendix Take Five Sports Bar & Grill — Sample Plan

### Appendix Table: Balance Sheet

#### Pro Forma Balance Sheet

| Assets                               | Starting Balances  | Aug                | Sep                | Oct                | Nov                | Dec                | Jan                | Feb                | Mar                | Apr                | May                | Jun                | Jul                |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Current Assets</b>                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Cash                                 | \$67,136           | \$98,537           | \$95,307           | \$120,593          | \$155,041          | \$192,122          | \$207,178          | \$243,845          | \$290,041          | \$352,781          | \$424,505          | \$503,289          | \$590,796          |
| Inventory                            | \$15,197           | \$4,088            | \$8,278            | \$8,745            | \$9,950            | \$10,394           | \$6,969            | \$10,509           | \$11,676           | \$14,012           | \$15,180           | \$16,177           | \$17,324           |
| Other Current Assets                 | \$17,310           | \$17,310           | \$17,310           | \$17,310           | \$17,310           | \$17,310           | \$17,310           | \$17,310           | \$17,310           | \$17,310           | \$17,310           | \$17,310           | \$17,310           |
| <b>Total Current Assets</b>          | <b>\$99,643</b>    | <b>\$119,935</b>   | <b>\$120,895</b>   | <b>\$146,648</b>   | <b>\$182,301</b>   | <b>\$219,826</b>   | <b>\$231,457</b>   | <b>\$271,664</b>   | <b>\$319,028</b>   | <b>\$384,102</b>   | <b>\$456,995</b>   | <b>\$536,776</b>   | <b>\$625,430</b>   |
| <b>Long-term Assets</b>              |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Long-term Assets                     | \$475,495          | \$1,075,495        | \$1,075,495        | \$1,075,495        | \$1,075,495        | \$1,075,495        | \$1,075,495        | \$1,075,495        | \$1,075,495        | \$1,075,495        | \$1,075,495        | \$1,075,495        | \$1,075,495        |
| Accumulated Depreciation             | \$29,713           | \$35,546           | \$41,379           | \$47,212           | \$53,045           | \$58,878           | \$64,711           | \$70,544           | \$76,377           | \$82,210           | \$88,043           | \$93,876           | \$99,709           |
| <b>Total Long-term Assets</b>        | <b>\$445,782</b>   | <b>\$1,039,949</b> | <b>\$1,034,116</b> | <b>\$1,028,283</b> | <b>\$1,022,450</b> | <b>\$1,016,617</b> | <b>\$1,010,784</b> | <b>\$1,004,951</b> | <b>\$999,118</b>   | <b>\$993,285</b>   | <b>\$987,452</b>   | <b>\$981,619</b>   | <b>\$975,786</b>   |
| <b>Total Assets</b>                  | <b>\$545,425</b>   | <b>\$1,159,884</b> | <b>\$1,155,011</b> | <b>\$1,174,931</b> | <b>\$1,204,751</b> | <b>\$1,236,443</b> | <b>\$1,242,241</b> | <b>\$1,276,615</b> | <b>\$1,318,146</b> | <b>\$1,377,387</b> | <b>\$1,444,447</b> | <b>\$1,518,395</b> | <b>\$1,601,216</b> |
| <b>Liabilities and Capital</b>       |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Accounts Payable</b>              | <b>\$20,040</b>    | <b>\$24,638</b>    | <b>\$2,514</b>     | <b>\$2,519</b>     | <b>\$2,924</b>     | <b>\$3,073</b>     | <b>\$1,822</b>     | <b>\$3,225</b>     | <b>\$3,515</b>     | <b>\$4,306</b>     | <b>\$4,644</b>     | <b>\$4,947</b>     | <b>\$5,325</b>     |
| <b>Current Borrowing</b>             | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         |
| <b>Other Current Liabilities</b>     | <b>\$40,826</b>    | <b>\$40,826</b>    | <b>\$40,826</b>    | <b>\$40,826</b>    | <b>\$40,826</b>    | <b>\$40,826</b>    | <b>\$40,826</b>    | <b>\$40,826</b>    | <b>\$40,826</b>    | <b>\$40,826</b>    | <b>\$40,826</b>    | <b>\$40,826</b>    | <b>\$40,826</b>    |
| <b>Subtotal Current Liabilities</b>  | <b>\$60,866</b>    | <b>\$65,464</b>    | <b>\$43,340</b>    | <b>\$43,345</b>    | <b>\$43,750</b>    | <b>\$43,899</b>    | <b>\$42,648</b>    | <b>\$44,051</b>    | <b>\$44,341</b>    | <b>\$45,132</b>    | <b>\$45,470</b>    | <b>\$45,773</b>    | <b>\$46,151</b>    |
| <b>Long-term Liabilities</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         |
| <b>Total Liabilities</b>             | <b>\$60,866</b>    | <b>\$65,464</b>    | <b>\$43,340</b>    | <b>\$43,345</b>    | <b>\$43,750</b>    | <b>\$43,899</b>    | <b>\$42,648</b>    | <b>\$44,051</b>    | <b>\$44,341</b>    | <b>\$45,132</b>    | <b>\$45,470</b>    | <b>\$45,773</b>    | <b>\$46,151</b>    |
| <b>Paid-in Capital</b>               | <b>\$625,000</b>   | <b>\$1,250,000</b> | <b>\$1,250,000</b> | <b>\$1,250,000</b> | <b>\$1,250,000</b> | <b>\$1,250,000</b> | <b>\$1,250,000</b> | <b>\$1,250,000</b> | <b>\$1,250,000</b> | <b>\$1,250,000</b> | <b>\$1,250,000</b> | <b>\$1,250,000</b> | <b>\$1,250,000</b> |
| <b>Retained Earnings</b>             | <b>(\$218,401)</b> | <b>(\$140,441)</b> | <b>(\$140,441)</b> | <b>(\$140,441)</b> | <b>(\$140,441)</b> | <b>(\$140,441)</b> | <b>(\$140,441)</b> | <b>(\$140,441)</b> | <b>(\$140,441)</b> | <b>(\$140,441)</b> | <b>(\$140,441)</b> | <b>(\$140,441)</b> | <b>(\$140,441)</b> |
| <b>Earnings</b>                      | <b>\$77,960</b>    | <b>(\$15,139)</b>  | <b>\$2,112</b>     | <b>\$22,027</b>    | <b>\$51,441</b>    | <b>\$82,985</b>    | <b>\$90,034</b>    | <b>\$123,005</b>   | <b>\$164,246</b>   | <b>\$222,697</b>   | <b>\$289,417</b>   | <b>\$363,063</b>   | <b>\$445,506</b>   |
| <b>Total Capital</b>                 | <b>\$484,559</b>   | <b>\$1,094,420</b> | <b>\$1,111,671</b> | <b>\$1,131,586</b> | <b>\$1,161,000</b> | <b>\$1,192,544</b> | <b>\$1,199,593</b> | <b>\$1,232,564</b> | <b>\$1,273,805</b> | <b>\$1,332,256</b> | <b>\$1,398,976</b> | <b>\$1,472,622</b> | <b>\$1,555,065</b> |
| <b>Total Liabilities and Capital</b> | <b>\$545,425</b>   | <b>\$1,159,884</b> | <b>\$1,155,011</b> | <b>\$1,174,931</b> | <b>\$1,204,751</b> | <b>\$1,236,443</b> | <b>\$1,242,241</b> | <b>\$1,276,615</b> | <b>\$1,318,146</b> | <b>\$1,377,387</b> | <b>\$1,444,447</b> | <b>\$1,518,395</b> | <b>\$1,601,216</b> |
| <b>Net Worth</b>                     | <b>\$484,559</b>   | <b>\$1,094,420</b> | <b>\$1,111,671</b> | <b>\$1,131,586</b> | <b>\$1,161,000</b> | <b>\$1,192,544</b> | <b>\$1,199,593</b> | <b>\$1,232,564</b> | <b>\$1,273,805</b> | <b>\$1,332,256</b> | <b>\$1,398,976</b> | <b>\$1,472,622</b> | <b>\$1,555,065</b> |