

Start-up Expenses	
Legal	\$270,000
Consultants	\$0
Insurance	\$38,000
Rent	\$35,000
Research and Development	\$24,000
Expensed Equipment	\$180,000
Signs	\$3,000
TOTAL START-UP EXPENSES	\$550,000
Start-up Assets	\$480,000
Cash Required	\$495,000
Start-up Inventory	\$60,000
Other Current Assets	\$240,000
Long-term Assets	\$320,000
TOTAL ASSETS	\$1,595,000
Total Requirements	\$2,145,000
START-UP FUNDING	
Start-up Expenses to Fund	\$550,000
Start-up Assets to Fund	\$1,595,000
TOTAL FUNDING REQUIRED	\$2,145,000
Assets	
Non-cash Assets from Start-up	\$2,135,000
Cash Requirements from Start-up	\$510,000
Additional Cash Raised	\$100,000
Cash Balance on Starting Date	\$70,000
TOTAL ASSETS	\$2,815,000
Liabilities and Capital	
Liabilities	\$28,000
Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$50,000
Other Current Liabilities (interest-free)	\$0
TOTAL LIABILITIES	\$78,000
Capital	
Planned Investment	\$3,400,000
Investor 1	\$0
Investor 2	\$0
Other	\$0
Additional Investment Requirement	\$0
TOTAL PLANNED INVESTMENT	\$3,400,000
Loss at Start-up (Start-up Expenses)	\$663,000
TOTAL CAPITAL	\$2,737,000

TOTAL CAPITAL AND LIABILITIES	\$2,815,000
Total Funding	\$2,145,000

Market Analysis							
Potential Customers	Growth	Year 1	Year 2	Year 3	Year 4	Year 5	CAGR
Business Persons	23%	29,000	31,000	33,000	35,000	37,000	10.00%
Foreign Officers	21%	24,000	26,000	27,000	29,000	30,000	10.00%
Tourists	27%	32,000	34,000	35,000	36,000	37,000	10.00%
General Public	29%	39,000	43,000	45,000	47,000	49,000	11.00%
Total	100%	124,000	134,000	140,000	147,000	153,000	10%

Sales Forecast			
Unit Sales	Year 1	Year 2	Year 3
Economy Travel Class	44,000	46,640	49,438
Premium Economy Travel Class	50,000	53,000	56,180
Business Travel Class	32,400	34,344	36,405
First Travel Class	29,000	30,740	32,584
TOTAL UNIT SALES	155,400	164,724	174,607
Unit Prices	Year 1	Year 2	Year 3
Economy Travel Class	\$54.00	\$62.64	\$72.66
Premium Economy Travel Class	\$63.00	\$73.08	\$84.77
Business Travel Class	\$76.00	\$88.16	\$102.27
First Travel Class	\$99.00	\$114.84	\$133.21
Sales			
Economy Travel Class	\$2,376,000.00	\$2,921,529.60	\$3,592,312.80
Premium Economy Travel Class	\$3,150,000.00	\$3,873,240.00	\$4,762,535.90
Business Travel Class	\$2,462,400.00	\$3,027,767.04	\$3,722,942.35
First Travel Class	\$2,871,000.00	\$3,530,181.60	\$4,340,711.30
TOTAL SALES	\$10,859,400.00	\$13,352,718.24	\$16,418,502.35
Direct Unit Costs	Year 1	Year 2	Year 3
Economy Travel Class	\$51.00	\$58.00	\$66.00
Premium Economy Travel Class	\$57.00	\$66.00	\$76.00
Business Travel Class	\$70.00	\$82.00	\$91.00
First Travel Class	\$91.00	\$99.00	\$119.00
Direct Cost of Sales			
Economy Travel Class	\$2,244,000.00	\$2,705,120.00	\$3,262,934.40
Premium Economy Travel Class	\$2,850,000.00	\$3,498,000.00	\$4,269,680.00
Business Travel Class	\$2,268,000.00	\$2,816,208.00	\$3,312,822.24
First Travel Class	\$2,639,000.00	\$3,043,260.00	\$3,877,543.60

Subtotal Direct Cost of Sales	\$10,001,000.00	\$12,062,588.00	\$14,722,980.24
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Personnel Plan			
	Year 1	Year 2	Year 3
Chief Operating Officer	\$16,000	\$17,600	\$19,360
Pilots	\$90,000	\$99,000	\$108,900
Flight Attendants	\$85,000	\$93,500	\$102,850
Airline Operations Agents	\$24,000	\$26,400	\$29,040
Avionics Technicians	\$30,000	\$33,000	\$36,300
Airline Station Agents	\$34,000	\$37,400	\$41,140
Aviation Attorney	\$15,000	\$16,500	\$18,150
Chefs	\$26,000	\$28,600	\$31,460
General Cabin Crew	\$20,000	\$22,000	\$24,200
Cleaners	\$24,000	\$26,400	\$29,040
Social Media Manager	\$8,000	\$8,800	\$9,680
Security Officers	\$75,000	\$82,500	\$90,750
Sales Executives	\$20,000	\$22,000	\$24,200
Total Salaries	\$467,000	\$513,700	\$565,070

8.1 Important Assumptions

General Assumptions			
	Year 1	Year 2	Year 3
Plan Month	1	2	3
Current Interest Rate	8.20%	8.24%	8.28%
Long-term Interest Rate	8.35%	8.39%	8.44%
Tax Rate	23.80%	24.11%	25.00%
Other	0	0	0

8.2 Break-even Analysis

Break-Even Analysis

Monthly Units Break-even	5340
Monthly Revenue Break-even	\$132,000
Assumptions:	
Average Per-Unit Revenue	\$238.00
Average Per-Unit Variable Cost	\$0.66
Estimated Monthly Fixed Cost	\$164,300

8.3 Projected Profit and Loss

Pro Forma Profit And Loss			
	Year 1	Year 2	Year 3
Sales	\$10,859,400	\$13,352,718	\$16,418,502
Direct Cost of Sales	\$10,001,000	\$12,062,588	\$14,722,980
Other	\$0	\$0	\$0
TOTAL COST OF SALES	\$10,001,000	\$12,062,588	\$14,722,980
Gross Margin	\$858,400	\$1,290,130	\$1,695,522
Gross Margin %	7.90%	9.66%	10.33%
Expenses			
Payroll	\$467,000	\$513,700	\$565,070
Sales and Marketing and Other Expenses	\$291,000	\$320,000	\$340,000
Depreciation	\$2,230	\$2,300	\$2,410
Leased Equipment	\$0	\$0	\$0
Utilities	\$2,900	\$3,000	\$3,090
Insurance	\$2,000	\$2,100	\$2,200
Rent	\$3,200	\$3,300	\$3,400
Payroll Taxes	\$35,000	\$43,000	\$45,000
Other	\$0	\$0	\$0
Total Operating Expenses	\$803,330	\$887,400	\$961,170
Profit Before Interest and Taxes	\$55,070	\$402,730	\$734,352
EBITDA	\$55,070	\$402,730	\$734,352
Interest Expense	\$0	\$0	\$0
Taxes Incurred	\$11,014	\$80,546	\$146,870
Net Profit	\$44,056	\$322,184	\$587,482
Net Profit/Sales	0.41%	2.41%	3.58%

Pro Forma Cash Flow			
	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	\$62,000	\$66,960	\$72,317
Cash from Receivables	\$20,000	\$21,600	\$23,328
SUBTOTAL CASH FROM OPERATIONS	\$82,000	\$89,380	\$96,530
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0

Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
SUBTOTAL CASH RECEIVED	\$83,000	\$90,000	\$97,000
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	\$40,000	\$43,000	\$45,000
Bill Payments	\$20,000	\$22,000	\$24,000
SUBTOTAL SPENT ON OPERATIONS	\$60,000	\$65,000	\$69,000
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
SUBTOTAL CASH SPENT	\$63,000	\$68,040	\$73,483
Net Cash Flow	\$16,000	\$17,000	\$18,000
Cash Balance	\$25,000	\$26,000	\$27,000

8.5 Projected Balance Sheet

Pro Forma Balance Sheet			
Assets	Year 1	Year 2	Year 3
Current Assets			
Cash	\$276,000	\$309,120	\$340,032
Accounts Receivable	\$26,000	\$29,120	\$32,731
Inventory	\$4,000	\$4,480	\$4,900
Other Current Assets	\$1,000	\$1,000	\$1,000
TOTAL CURRENT ASSETS	\$298,000	\$333,760	\$375,146
Long-term Assets			
Long-term Assets	\$10,000	\$10,000	\$10,000
Accumulated Depreciation	\$19,000	\$21,280	\$23,940
TOTAL LONG-TERM ASSETS	\$23,000	\$25,760	\$28,980
TOTAL ASSETS	\$299,000	\$334,880	\$376,740
Liabilities and Capital	Year 4	Year 5	Year 6
Current Liabilities			
Accounts Payable	\$19,000	\$21,280	\$23,919

Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
SUBTOTAL CURRENT LIABILITIES	\$20,000	\$22,400	\$25,178
Long-term Liabilities	\$0	\$0	\$0
TOTAL LIABILITIES	\$15,000	\$16,800	\$18,883
Paid-in Capital	\$30,000	\$30,000	\$30,950
Retained Earnings	\$55,000	\$59,950	\$65,945
Earnings	\$195,000	\$212,550	\$233,805
TOTAL CAPITAL	\$301,000	\$328,090	\$360,899
TOTAL LIABILITIES AND CAPITAL	\$316,000	\$334,880	\$376,740
Net Worth	\$310,000	\$337,900	\$371,690

8.6 Business Ratios

Ratio Analysis				
	Year 1	Year 2	Year 3	INDUSTRY PROFILE
Sales Growth	7.27%	8.06%	8.93%	3.00%
Percent of Total Assets				
Accounts Receivable	9.21%	10.20%	11.31%	9.80%
Inventory	5.39%	5.97%	6.62%	9.90%
Other Current Assets	2.14%	2.37%	2.63%	2.40%
Total Current Assets	150.03%	151.00%	151.80%	158.00%
Long-term Assets	11.37%	11.43%	11.50%	12.00%
TOTAL ASSETS	100.00%	100.00%	100.00%	100.00%
Current Liabilities	4.89%	4.93%	4.97%	4.34%
Long-term Liabilities	0.00%	0.00%	0.00%	0.00%
Total Liabilities	7.57%	7.63%	7.70%	7.38%
NET WORTH	100.74%	101.55%	102.48%	110.00%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	95.10%	97.67%	100.40%	99.00%
Selling, General & Administrative Expenses	93.89%	96.43%	99.12%	97.80%
Advertising Expenses	1.55%	1.59%	1.64%	1.40%
Profit Before Interest and Taxes	41.10%	42.21%	43.39%	33.90%
Main Ratios				
Current	35	35	36	32
Quick	35	36	36.9	33
Total Debt to Total Assets	0.18%	0.17%	0.17%	0.40%

Pre-tax Return on Net Worth	73.56%	73.89%	74.30%	75.00%
Pre-tax Return on Assets	95.07%	99.82%	104.81%	111.30%
Additional Ratios	Year 1	Year 2	Year 3	
Net Profit Margin	33.08%	34.11%	35.16%	N.A.
Return on Equity	54.88%	56.58%	58.34%	N.A.
Activity Ratios				
Accounts Receivable Turnover	7.7	7.7	7.8	N.A.
Collection Days	100	100	100	N.A.
Inventory Turnover	32	33.6	35	N.A.
Accounts Payable Turnover	15.4	15.9	16.5	N.A.
Payment Days	27	27	27	N.A.
Total Asset Turnover	2.5	2.6	2.6	N.A.
Debt Ratios				
Debt to Net Worth	-0.03	-0.03	-0.04	N.A.
Current Liab. to Liab.	1	1	1	N.A.
Liquidity Ratios				
Net Working Capital	\$240,000	\$253,440	\$267,633	N.A.
Interest Coverage	0	0	0	N.A.
Additional Ratios				
Assets to Sales	0.88	0.88	0.88	N.A.
Current Debt/Total Assets	1%	0%	0%	N.A.
Acid Test	28	28.4	28.9	N.A.
Sales/Net Worth	2.1	2.3	2.3	N.A.
Dividend Payout	0	0	0	N.A.