

Start-up Expenses	
Legal	\$126,800
Consultants	\$0
Insurance	\$15,000
Rent	\$35,000
Research and Development	\$10,000
Expensed Equipment	\$29,000
Signs	\$3,200
TOTAL START-UP EXPENSES	\$219,000
Start-up Assets	\$245,000
Cash Required	\$174,000
Start-up Inventory	\$40,000
Other Current Assets	\$238,000
Long-term Assets	\$225,600
TOTAL ASSETS	\$922,600
Total Requirements	\$1,141,600
START-UP FUNDING	
Start-up Expenses to Fund	\$219,000
Start-up Assets to Fund	\$922,600
TOTAL FUNDING REQUIRED	\$1,141,600
Assets	
Non-cash Assets from Start-up	\$1,207,600
Cash Requirements from Start-up	\$296,500
Additional Cash Raised	\$48,000
Cash Balance on Starting Date	\$36,000
TOTAL ASSETS	\$1,588,100
Liabilities and Capital	
Liabilities	\$19,000
Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$54,000
Other Current Liabilities (interest-free)	\$0
TOTAL LIABILITIES	\$73,000
Capital	
Planned Investment	\$1,141,600
Investor 1	\$0
Investor 2	\$0
Other	\$0
Additional Investment Requirement	\$0
TOTAL PLANNED INVESTMENT	\$1,141,600
Loss at Start-up (Start-up Expenses)	\$373,500
TOTAL CAPITAL	\$1,515,100

TOTAL CAPITAL AND LIABILITIES	\$1,588,100
Total Funding	\$1,141,600

Market Analysis							
Potential Customers	Growth	Year 1	Year 2	Year 3	Year 4	Year 5	CAGR
Households	34%	38,000	45,600	54,720	65,664	78,797	10.00%
Industrial Complex	30%	32,000	38,400	46,080	55,296	66,355	10.00%
Institutes	21%	24,000	28,800	34,560	41,472	49,766	10.00%
Manufacturing Hubs	15%	14,000	16,800	20,160	24,192	29,030	11.00%
Total	100%	108,000	129,600	155,520	186,624	223,949	10%

Sales Forecast			
Unit Sales	Year 1	Year 2	Year 3
Manufacturing & Setting Up Solar Cells	4,000	4,240	4,494
Generating Hydra Power	1,400	1,484	1,573
Wind-Powered Projects	1,000	1,060	1,124
Installing Power Protection Systems	3,400	3,604	3,820
TOTAL UNIT SALES	9,800	10,388	11,011
Unit Prices	Year 1	Year 2	Year 3
Manufacturing & Setting Up Solar Cells	\$985.00	\$1,142.60	\$1,325.42
Generating Hydra Power	\$1,540.00	\$1,786.40	\$2,072.22
Wind-Powered Projects	\$2,000.00	\$2,320.00	\$2,691.20
Installing Power Protection Systems	\$800.00	\$928.00	\$1,076.48
Sales			
Manufacturing & Setting Up Solar Cells	\$3,940,000.00	\$4,844,624.00	\$5,956,949.67
Generating Hydra Power	\$2,156,000.00	\$2,651,017.60	\$3,259,691.24
Wind-Powered Projects	\$2,000,000.00	\$2,459,200.00	\$3,023,832.32
Installing Power Protection Systems	\$2,720,000.00	\$3,344,512.00	\$4,112,411.96
TOTAL SALES	\$10,816,000.00	\$13,299,353.60	\$16,352,885.19
Direct Unit Costs	Year 1	Year 2	Year 3
Manufacturing & Setting Up Solar Cells	\$974.00	\$1,071.40	\$1,124.97
Generating Hydra Power	\$1,490.00	\$1,639.00	\$1,720.95
Wind-Powered Projects	\$1,990.00	\$2,189.00	\$2,298.45

Installing Power Protection Systems	\$795.00	\$874.50	\$918.23
Direct Cost of Sales			
Manufacturing & Setting Up Solar Cells	\$3,896,000.00	\$4,542,736.00	\$5,056,065.17
Generating Hydra Power	\$2,086,000.00	\$2,432,276.00	\$2,707,123.19
Wind-Powered Projects	\$1,990,000.00	\$2,320,340.00	\$2,582,538.42
Installing Power Protection Systems	\$2,703,000.00	\$3,151,698.00	\$3,507,839.87
Subtotal Direct Cost of Sales	\$10,675,000.00	\$12,447,050.00	\$13,853,566.65

Personnel Plan			
	Year 1	Year 2	Year 3
CEO	\$40,000	\$44,000	\$48,400
Financial Manager	\$38,000	\$41,800	\$45,980
Electrical Engineers & Software Engineer	\$135,000	\$148,500	\$163,350
Electricians & Technical Assistants	\$100,000	\$110,000	\$121,000
Legal Expert	\$25,000	\$27,500	\$30,250
Web Developer & Graphic Designer	\$15,000	\$16,500	\$18,150
Drivers	\$30,000	\$33,000	\$36,300
Total Salaries	\$383,000	\$421,300	\$463,430

General Assumptions			
	Year 1	Year 2	Year 3
Plan Month	1	2	3
Current Interest Rate	8.11%	8.16%	8.19%
Long-term Interest Rate	8.35%	8.41%	8.44%
Tax Rate	24.01%	24.06%	24.09%
Other	0	0	0

Break-Even Analysis	
Monthly Units Break-even	5339
Monthly Revenue Break-even	\$131,850
Assumptions:	
Average Per-Unit Revenue	\$233.00
Average Per-Unit Variable Cost	\$0.68
Estimated Monthly Fixed Cost	\$166,200

8.3 Projected Profit and Loss

Pro Forma Profit And Loss			
	Year 1	Year 2	Year 3
Sales	\$10,816,000	\$13,299,354	\$16,352,885
Direct Cost of Sales	\$10,675,000	\$12,447,050	\$13,853,567
Other	\$0	\$0	\$0
TOTAL COST OF SALES	\$10,675,000	\$12,447,050	\$13,853,567
Gross Margin	\$141,000	\$852,304	\$2,499,319
Gross Margin %	1.30%	6.41%	15.28%
Expenses			
Payroll	\$383,000	\$421,300	\$463,430
Sales and Marketing and Other Expenses	\$133,000	\$136,000	\$138,000
Depreciation	\$2,100	\$2,200	\$2,400
Leased Equipment	\$0	\$0	\$0
Utilities	\$2,800	\$2,900	\$3,000
Insurance	\$2,100	\$2,100	\$2,100
Rent	\$3,400	\$3,500	\$3,600
Payroll Taxes	\$22,000	\$23,000	\$24,000
Other	\$0	\$0	\$0
Total Operating Expenses	\$548,400	\$591,000	\$636,530
Profit Before Interest and Taxes	(\$407,400)	\$261,304	\$1,862,789
EBITDA	(\$407,400)	\$261,304	\$1,862,789
Interest Expense	\$0	\$0	\$0
Taxes Incurred	(\$81,480)	\$52,261	\$372,558
Net Profit	(\$325,920)	\$209,043	\$1,490,231
Net Profit/Sales	-3.01%	1.57%	9.11%

Pro Forma Cash Flow			
	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	\$55,000	\$59,400	\$64,152
Cash from Receivables	\$24,000	\$25,920	\$27,994
SUBTOTAL CASH FROM OPERATIONS	\$79,000	\$86,110	\$92,999
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	\$79,000	\$87,000	\$93,000
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	\$38,000	\$39,000	\$41,000
Bill Payments	\$25,000	\$28,000	\$29,000
SUBTOTAL SPENT ON OPERATIONS	\$63,000	\$67,000	\$70,000
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	\$22,000	\$24,000	\$25,000
Cash Balance	\$28,000	\$30,000	\$32,000

8.5 Projected Balance Sheet

Pro Forma Balance Sheet			
	Year 1	Year 2	Year 3
Assets			
Current Assets			
Cash	\$281,000	\$314,720	\$346,192
Accounts Receivable	\$26,000	\$29,120	\$32,731
Inventory	\$4,400	\$4,928	\$4,900
Other Current Assets	\$1,000	\$1,000	\$1,000
TOTAL CURRENT ASSETS	\$287,000	\$321,440	\$361,299
Long-term Assets			
Long-term Assets	\$10,000	\$10,000	\$10,000
Accumulated Depreciation	\$19,800	\$22,176	\$24,948
TOTAL LONG-TERM ASSETS	\$25,000	\$28,000	\$31,500
TOTAL ASSETS	\$297,000	\$332,640	\$374,220
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	\$19,000	\$21,280	\$23,919
Long-term Liabilities	\$0	\$0	\$0
TOTAL LIABILITIES	\$16,000	\$17,920	\$20,142
Paid-in Capital	\$30,000	\$30,500	\$31,000
Retained Earnings	\$54,000	\$58,860	\$64,746
Earnings	\$198,000	\$215,820	\$237,402
TOTAL CAPITAL	\$289,000	\$315,010	\$346,511
TOTAL LIABILITIES AND CAPITAL	\$305,000	\$332,640	\$374,220
Net Worth	\$299,000	\$325,910	\$358,501

8.6 Business Ratios

Ratio Analysis				
	Year 1	Year 2	Year 3	INDUSTRY PROFILE
Sales Growth	7.26%	8.04%	8.91%	3.00%
Percent of Total Assets				
Accounts Receivable	9.25%	10.25%	11.36%	9.80%
Inventory	5.45%	6.04%	6.69%	9.90%
Other Current Assets	2.14%	2.37%	2.63%	2.40%
Total Current Assets	150.30%	151.00%	152.00%	158.00%
Long-term Assets	11.58%	11.60%	11.64%	12.00%
TOTAL ASSETS	100.00%	100.00%	100.00%	100.00%
Current Liabilities	4.98%	5.02%	5.07%	4.34%
Long-term Liabilities	0.00%	0.00%	0.00%	0.00%
Total Liabilities	7.61%	7.67%	7.74%	7.38%
NET WORTH	100.03%	100.83%	101.76%	110.00%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	92.65%	95.15%	97.82%	99.00%
Selling, General & Administrative Expenses	94.80%	97.36%	100.09%	97.80%
Advertising Expenses	1.54%	1.58%	1.63%	1.40%
Profit Before Interest and Taxes	40.90%	42.00%	43.18%	33.90%
Main Ratios				
Current	34	35	36	32
Quick	33	33.2	34.03	33
Total Debt to Total Assets	0.18%	0.18%	0.17%	0.40%
Pre-tax Return on Net Worth	73.68%	74.24%	75.00%	75.00%
Pre-tax Return on Assets	97.88%	102.77%	107.91%	111.30%
Additional Ratios	Year 1	Year 2	Year 3	

Net Profit Margin	34.51%	35.58%	36.68%	N.A.
Return on Equity	56.20%	57.94%	59.74%	N.A.
Activity Ratios				
Accounts Receivable Turnover	7.7	7.7	7.8	N.A.
Collection Days	100	100	100	N.A.
Inventory Turnover	30.3	31.815	32	N.A.
Accounts Payable Turnover	15.9	16	16.3	N.A.
Payment Days	27	27	27	N.A.
Total Asset Turnover	2.5	2.5	2.6	N.A.
Debt Ratios				
Debt to Net Worth	-0.04	-0.03	-0.04	N.A.
Current Liab. to Liab.	1	1	1	N.A.
Liquidity Ratios				
Net Working Capital	\$238,000	\$251,328	\$265,402	N.A.
Interest Coverage	0	0	0	N.A.
Additional Ratios				
Assets to Sales	0.85	0.87	0.89	N.A.
Current Debt/Total Assets	1%	0%	0%	N.A.
Acid Test	28.06	28.13	28.77	N.A.
Sales/Net Worth	2.1	2.2	2.2	N.A.
Dividend Payout	0	0	0	N.A.