

Your Business Plan is Ready

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1.0 Executive Summary

The Mountain Brook Fitness Center is a thriving business-person's club but is also one of the only family-focused clubs in the Fourways area. Fifty percent of our members are under the age of 45 and have young children. Currently, the center has 300 members. A center membership is \$800 a year. The Mountain Brook Fitness Center wants to add an additional 300 members with families over the next three years.

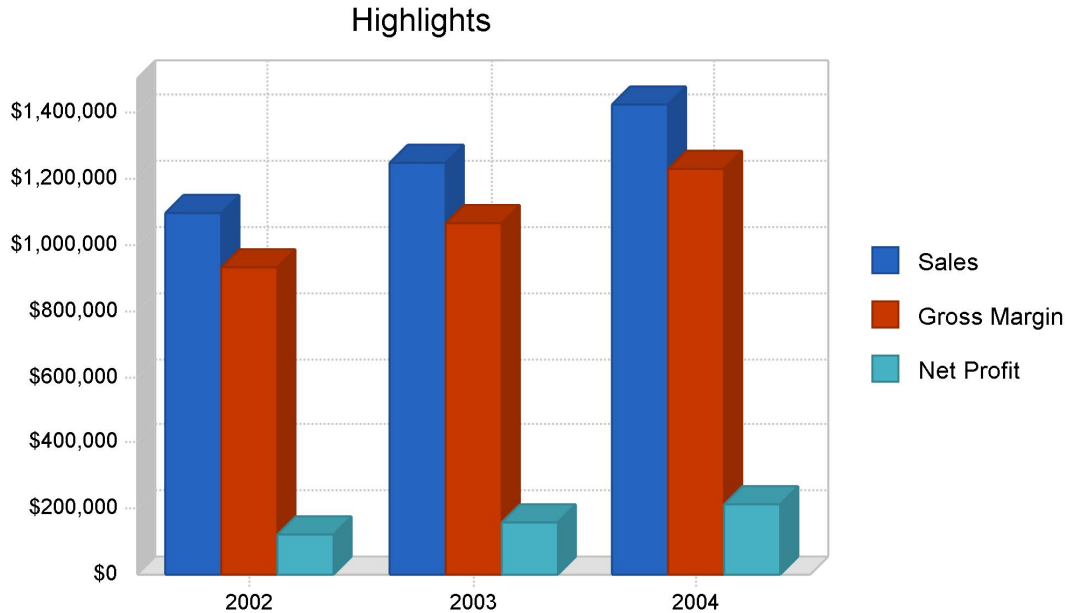
One of the keys to success of the Mountain Brook Fitness Center is the ability to offer reasonably priced childcare in a safe environment while a parent works out in the fitness center. The club has increased the size of its fitness center and added more equipment, but many members would be unable to use the center if they didn't have a service to watch their children while they exercised. In fact, the service has become so popular that the clubhouse has outgrown its existing childcare facilities. Offering childcare has kept many members coming to the club. The lack of current space for a larger childcare area has even kept some prospective members from joining.

Mountain Brook Fitness Center will expand and create a larger childcare facility. In addition, new equipment will be purchased for the childcare center. The childcare center can currently care for 30 children but only five infants. The new facility will be able to handle up to 60 children including 15 infants. The childcare facility expansion will be funded with a short-term loan.

1.1 Objectives

Maintain and grow our position as one of the only clubs in the Fourways area that caters to families.

Chart: Highlights



2.0 Company Summary

The Mountain Brook Fitness Center is one of the only family-focused clubs in the Fourways area. The center has grown steadily over the past four years. Our clubhouse is 50,000 square feet and our new fitness center is 12,000 square feet. The Mountain Brook Fitness Center is located at *****.

The focus of Mountain Brook Fitness Center is to keep the whole family involved in the club by exposing everyone to the variety of activities and services the club offers. In addition, there is a childcare center that will keep members' children happy and entertained while members take part in any of the center's activities and services.

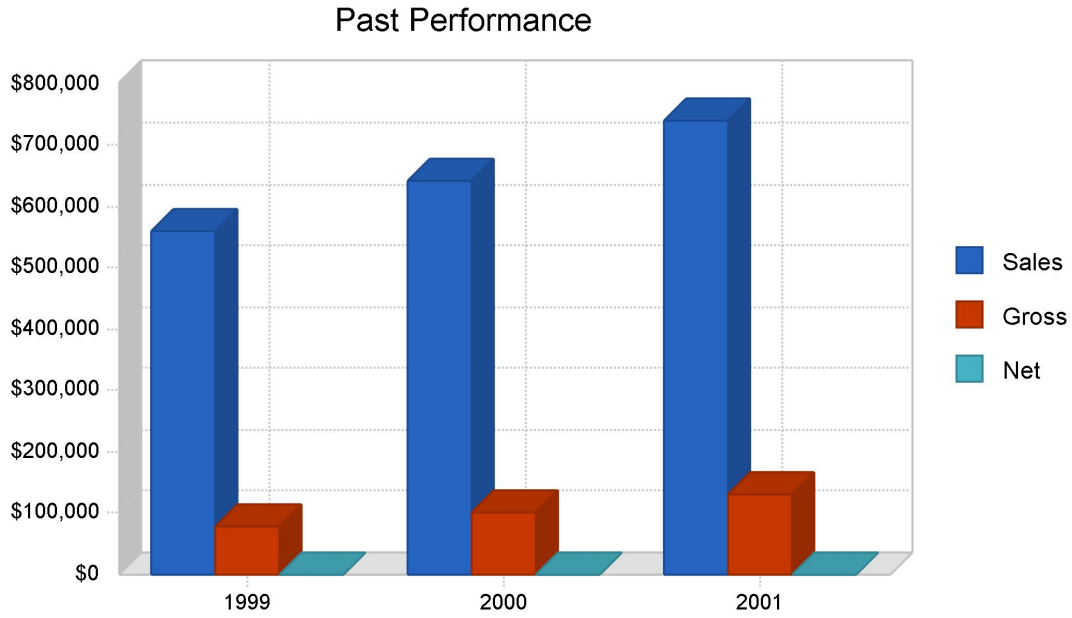
2.1 Company Ownership

The Mountain Brook Fitness Center is owned by Robert Sinclair and Arnold Hess.

2.2 Company History

From its beginning in 2009, the Mountain Brook Fitness Center has had an exceptional swimming and tennis program. Two years ago, a loss in membership pointed toward the need for a fitness center to round out the club's offerings. The club spent approximately \$140,000 to add a fitness center with cardiovascular and weight training equipment. The club has also become a 24-hours facility, seven days a week, with childcare.

Chart: Past Performance



Mountain Brook Fitness Center

Table: Past Performance

<i>Past Performance</i>	2016	2017	2018
Sales	\$560,000	\$644,000	\$740,600
Gross Margin	\$80,000	\$100,000	\$130,000
Gross Margin %	14.29%	15.53%	17.55%
Operating Expenses	\$350,000	\$410,000	\$470,000
Collection Period (days)	0	0	0
 Balance Sheet			
	2016	2017	2018
 Current Assets			
Cash	\$40,000	\$50,000	\$50,000
Accounts Receivable	\$0	\$0	\$0
Other Current Assets	\$20,000	\$30,000	\$50,000
Total Current Assets	\$60,000	\$80,000	\$100,000
 Long-term Assets			
Long-term Assets	\$200,000	\$200,000	\$200,000
Accumulated Depreciation	\$16,000	\$32,000	\$48,000
Total Long-term Assets	\$184,000	\$168,000	\$152,000
 Total Assets	\$244,000	\$248,000	\$252,000
 Current Liabilities			
Accounts Payable	\$40,000	\$60,000	\$60,000
Current Borrowing	\$0	\$0	\$70,000
Other Current Liabilities (interest free)	\$0	\$0	\$0
Total Current Liabilities	\$40,000	\$60,000	\$130,000
 Long-term Liabilities	\$50,000	\$80,000	\$100,000
Total Liabilities	\$90,000	\$140,000	\$230,000
 Paid-in Capital	\$0	\$0	\$0
Retained Earnings	\$154,000	\$108,000	\$22,000
Earnings	\$0	\$0	\$0
Total Capital	\$154,000	\$108,000	\$22,000
 Total Capital and Liabilities	\$244,000	\$248,000	\$252,000
 Other Inputs			
Payment Days	0	0	0
Sales on Credit	\$0	\$0	\$0
Receivables Turnover	0.00	0.00	0.00

3.0 Services

The Mountain Brook Fitness Center has the following activities and services:

- Swimming
- Tennis
- Fitness center with cardiovascular and weight training equipment
- Court sports
- Massage
- Physical therapy
- Childcare

The club is a 24-hours facility, seven days a week.

4.0 Market Analysis Summary

Fourways is a suburb on the move. The population has grown by 15% each year for the past three years. The current population of Fourways is 60,000. Most importantly, the growth has been fueled by the increased employment in the city's high-tech companies. This has attracted a type of professional that is the target customer for the Mountain Brook Fitness Center.

4.1 Market Segmentation

The Mountain Brook Fitness Center will focus on the young urban professionals as its primary customer base.

Table: Market Analysis

<i>Market Analysis</i>		2002	2003	2004	2005	2006	
Potential Customers	Growth						CAGR
Young Professionals	10%	100,000	110,000	121,000	133,100	146,410	10.00%
Other	0%	0	0	0	0	0	0.00%
Total	10.00%	100,000	110,000	121,000	133,100	146,410	10.00%

6.0 Management Summary

The Mountain Brook Fitness Center is managed by co-owners Robert Sinclair and Arnold Hess. Robert Sinclair is the center's operations manager and Arnold Hess is the center's fiscal manager.

Both Robert Sinclair and Arnold Hess hold MBA degrees in finance from Free State University. Robert Sinclair has held executive positions with two of Monroe's top athletic clubs. Robert managed the ***** Club, with a membership base of 1,500, for five years prior to opening the Mountain Brook Fitness Center. He also served as Assistant Manager of the ***** Club for three years before joining the ***** Athletic Club.

Arnold Hess' experience is in accounting. He has been a member of both ***** , ***** , and ***** and ***** and Associates over the past ten years.

6.1 Personnel Plan

The personnel for the Mountain Brook Fitness Center are as follows:

- Manager
- Assistant manager
- Childcare manager
- Tennis manager
- Pool manager
- Center staff (16)
- Childcare staff (8)

Table: Personnel

<i>Personnel Plan</i>	2002	2003	2004
Center Manager	\$48,000	\$50,000	\$52,000
Assistant Manager	\$36,000	\$38,000	\$40,000
Center Staff	\$240,000	\$270,000	\$300,000
Childcare Manager	\$30,000	\$32,000	\$34,000
Childcare Staff	\$147,000	\$170,000	\$200,000
Pool Manager	\$30,000	\$32,000	\$34,000
Tennis Manager	\$30,000	\$32,000	\$34,000
Total People	23	28	32
Total Payroll	\$561,000	\$624,000	\$694,000

7.0 Financial Plan

The following is the financial plan for the Mountain Brook Fitness Center.

7.1 Break-even Analysis

The table and chart below show the monthly break-even point.

Chart: Break-even Analysis

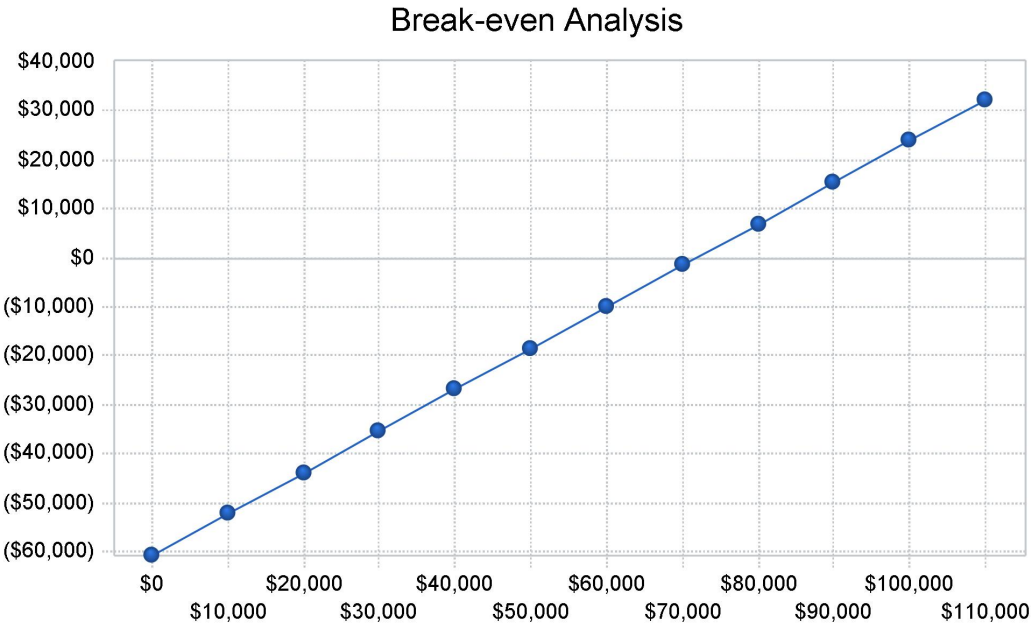


Table: Break-even Analysis

<i>Break-even Analysis</i>	
Monthly Revenue Break-even	\$71,739
Assumptions:	
Average Percent Variable Cost	15%
Estimated Monthly Fixed Cost	\$60,763

7.2 Projected Profit and Loss

The following table and charts highlight the projected profit and loss for three years.

Chart: Profit Monthly

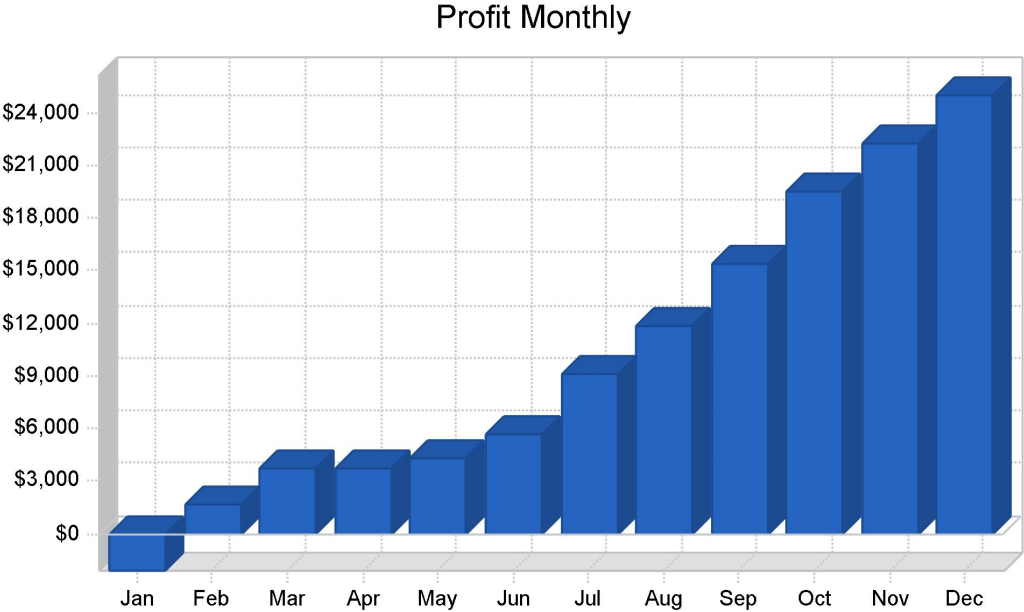


Chart: Profit Yearly

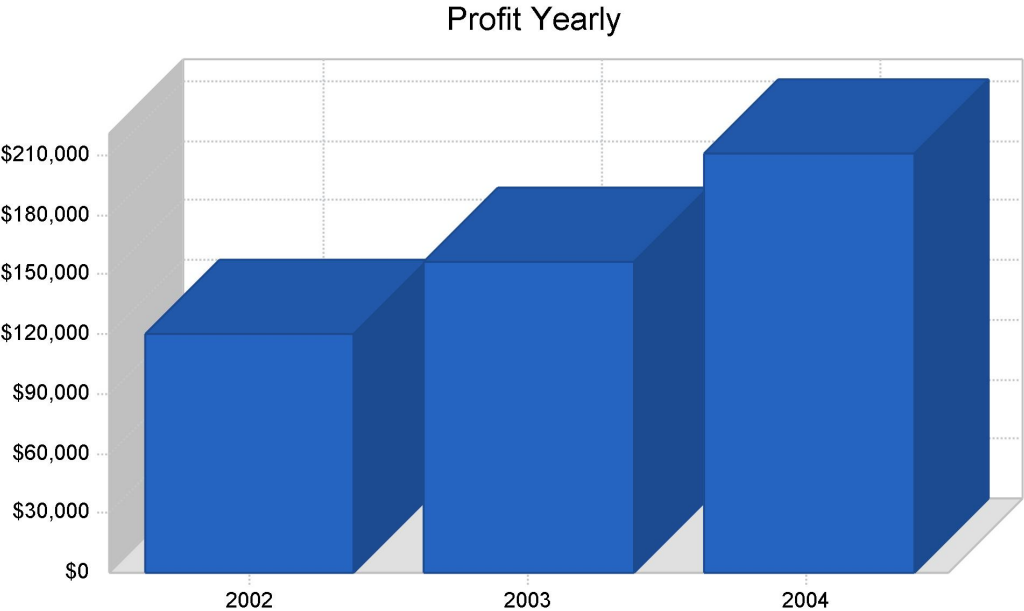


Chart: Gross Margin Monthly

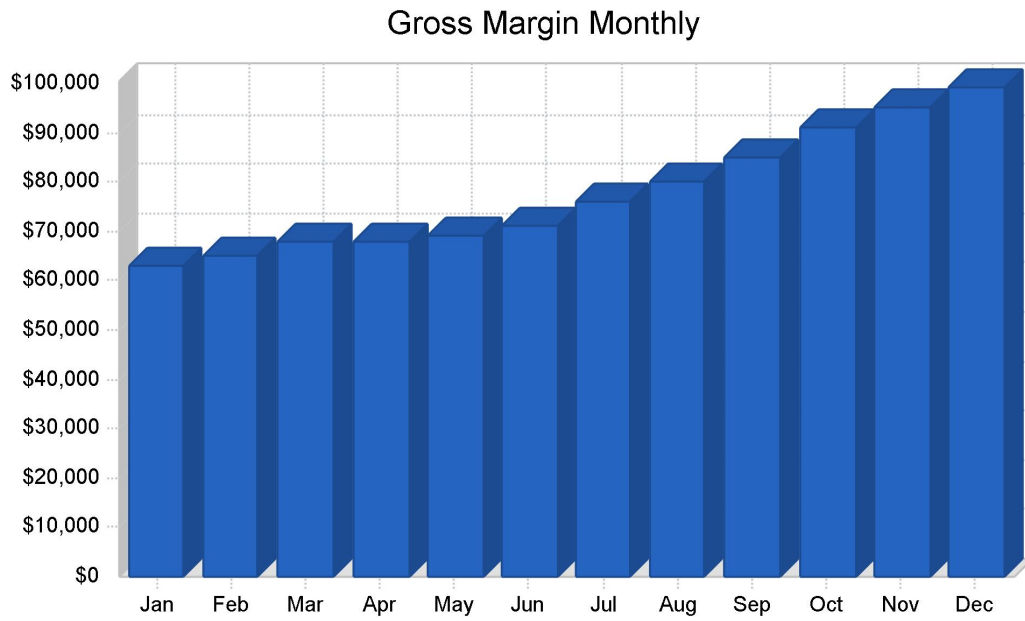
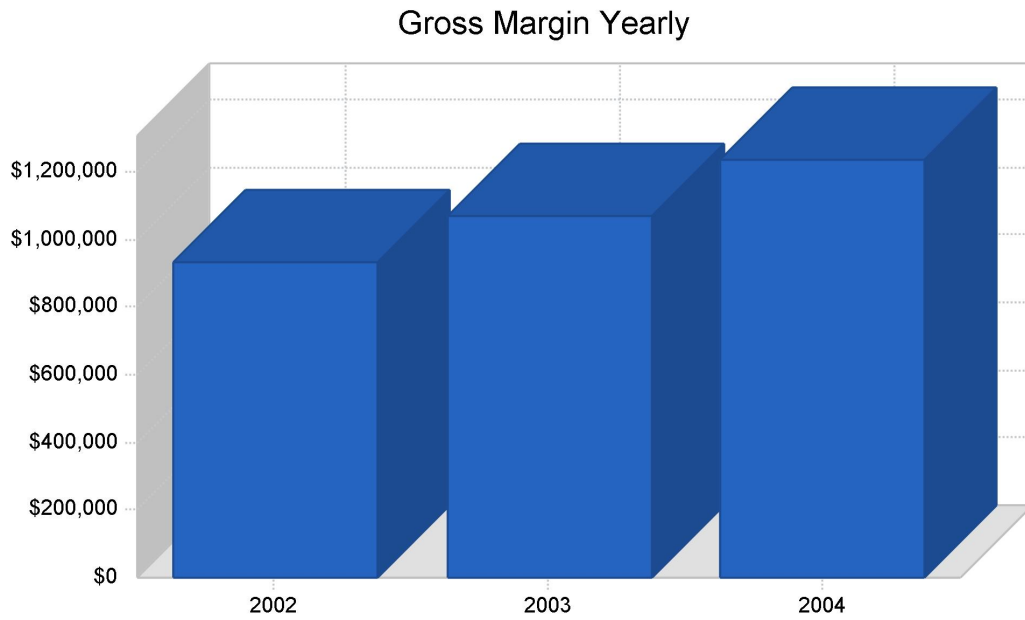


Chart: Gross Margin Yearly



Mountain Brook Fitness Center

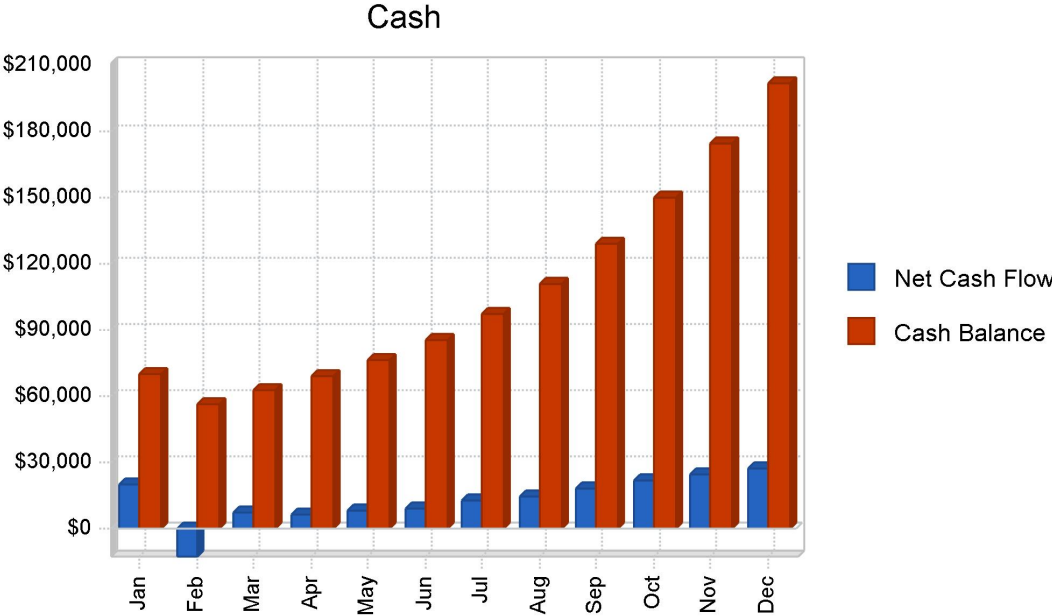
Table: Profit and Loss

<i>Pro Forma Profit and Loss</i>	2002	2003	2004
Sales	\$1,098,000	\$1,249,000	\$1,425,000
Direct Cost of Sales	\$168,000	\$181,500	\$193,000
Other Production Expenses	\$0	\$0	\$0
Total Cost of Sales	\$168,000	\$181,500	\$193,000
Gross Margin	\$930,000	\$1,067,500	\$1,232,000
Gross Margin %	84.70%	85.47%	86.46%
Expenses			
Payroll	\$561,000	\$624,000	\$694,000
Sales and Marketing and Other Expenses	\$48,000	\$55,000	\$60,000
Depreciation	\$12,000	\$12,000	\$12,000
Leased Equipment	\$0	\$0	\$0
Utilities	\$12,000	\$12,000	\$12,000
Insurance	\$12,000	\$12,000	\$12,000
Rent	\$0	\$0	\$0
Payroll Taxes	\$84,150	\$93,600	\$104,100
Other	\$0	\$0	\$0
Total Operating Expenses	\$729,150	\$808,600	\$894,100
Profit Before Interest and Taxes	\$200,850	\$258,900	\$337,900
EBITDA	\$212,850	\$270,900	\$349,900
Interest Expense	\$29,255	\$35,051	\$36,752
Taxes Incurred	\$51,479	\$67,155	\$90,344
Net Profit	\$120,117	\$156,694	\$210,804
Net Profit/Sales	10.94%	12.55%	14.79%

7.3 Projected Cash Flow

The following table and chart highlight the projected cash flow for three years.

Chart: Cash



Mountain Brook Fitness Center

Table: Cash Flow

<i>Pro Forma Cash Flow</i>	2002	2003	2004
Cash Received			
Cash from Operations			
Cash Sales	\$823,500	\$936,750	\$1,068,750
Cash from Receivables	\$219,908	\$304,742	\$347,499
Subtotal Cash from Operations	\$1,043,408	\$1,241,492	\$1,416,249
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$70,000	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$120,000	\$50,000	\$30,000
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	\$1,233,408	\$1,291,492	\$1,446,249
Expenditures	2002	2003	2004
Expenditures from Operations			
Cash Spending	\$561,000	\$624,000	\$694,000
Bill Payments	\$425,735	\$457,950	\$503,931
Subtotal Spent on Operations	\$986,735	\$1,081,950	\$1,197,931
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$13,392	\$13,392	\$13,392
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$9,600	\$9,600	\$9,600
Purchase Other Current Assets	\$72,000	\$40,000	\$30,000
Purchase Long-term Assets	\$0	\$50,000	\$50,000
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$1,081,727	\$1,194,942	\$1,300,923
Net Cash Flow	\$151,682	\$96,551	\$145,326
Cash Balance	\$201,682	\$298,232	\$443,558

7.4 Projected Balance Sheet

The following table highlights the projected balance sheet for three years.

Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>			
	2002	2003	2004
Assets			
Current Assets			
Cash	\$201,682	\$298,232	\$443,558
Accounts Receivable	\$54,592	\$62,099	\$70,850
Other Current Assets	\$122,000	\$162,000	\$192,000
Total Current Assets	\$378,273	\$522,332	\$706,408
Long-term Assets			
Long-term Assets	\$200,000	\$250,000	\$300,000
Accumulated Depreciation	\$60,000	\$72,000	\$84,000
Total Long-term Assets	\$140,000	\$178,000	\$216,000
Total Assets	\$518,273	\$700,332	\$922,408
Liabilities and Capital			
Current Liabilities			
Accounts Payable	\$39,148	\$37,505	\$41,770
Current Borrowing	\$126,608	\$113,216	\$99,824
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$165,756	\$150,721	\$141,594
Long-term Liabilities	\$210,400	\$250,800	\$271,200
Total Liabilities	\$376,156	\$401,521	\$412,794
Paid-in Capital	\$0	\$0	\$0
Retained Earnings	\$22,000	\$142,117	\$298,811
Earnings	\$120,117	\$156,694	\$210,804
Total Capital	\$142,117	\$298,811	\$509,615
Total Liabilities and Capital	\$518,273	\$700,332	\$922,408
Net Worth	\$142,117	\$298,811	\$509,615

7.5 Business Ratios

Business ratios for the years of this plan are shown below. Industry profile ratios based on the Standard Industrial Classification (SIC) code 7997, Membership Sports and Recreation Clubs, are shown for comparison.

Table: Ratios

<i>Ratio Analysis</i>	2002	2003	2004	Industry Profile
Sales Growth	48.26%	13.75%	14.09%	15.20%
Percent of Total Assets				
Accounts Receivable	10.53%	8.87%	7.68%	5.10%
Other Current Assets	23.54%	23.13%	20.82%	31.80%
Total Current Assets	72.99%	74.58%	76.58%	40.90%
Long-term Assets	27.01%	25.42%	23.42%	59.10%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities				
Current Liabilities	31.98%	21.52%	15.35%	31.60%
Long-term Liabilities	40.60%	35.81%	29.40%	28.00%
Total Liabilities	72.58%	57.33%	44.75%	59.60%
Net Worth	27.42%	42.67%	55.25%	40.40%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	84.70%	85.47%	86.46%	0.00%
Selling, General & Administrative Expenses	73.76%	72.92%	71.66%	72.30%
Advertising Expenses	4.37%	4.40%	4.21%	2.70%
Profit Before Interest and Taxes	18.29%	20.73%	23.71%	2.60%
Main Ratios				
Current	2.28	3.47	4.99	1.23
Quick	2.28	3.47	4.99	0.83
Total Debt to Total Assets	72.58%	57.33%	44.75%	59.60%
Pre-tax Return on Net Worth	120.74%	74.91%	59.09%	2.80%
Pre-tax Return on Assets	33.11%	31.96%	32.65%	6.90%
Additional Ratios				
	2002	2003	2004	
Net Profit Margin	10.94%	12.55%	14.79%	n.a
Return on Equity	84.52%	52.44%	41.37%	n.a
Activity Ratios				
Accounts Receivable Turnover	5.03	5.03	5.03	n.a
Collection Days	57	68	68	n.a
Accounts Payable Turnover	10.34	12.17	12.17	n.a
Payment Days	31	31	28	n.a
Total Asset Turnover	2.12	1.78	1.54	n.a
Debt Ratios				
Debt to Net Worth	2.65	1.34	0.81	n.a
Current Liab. to Liab.	0.44	0.38	0.34	n.a
Liquidity Ratios				
Net Working Capital	\$212,517	\$371,611	\$564,815	n.a
Interest Coverage	6.87	7.39	9.19	n.a
Additional Ratios				
Assets to Sales	0.47	0.56	0.65	n.a
Current Debt/Total Assets	32%	22%	15%	n.a
Acid Test	1.95	3.05	4.49	n.a
Sales/Net Worth	7.73	4.18	2.80	n.a
Dividend Payout	0.00	0.00	0.00	n.a

Appendix

Table: Sales Forecast

<i>Sales Forecast</i>													
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales													
Memberships	0%	\$20,000	\$20,000	\$22,000	\$22,000	\$22,000	\$24,000	\$28,000	\$32,000	\$36,000	\$42,000	\$46,000	\$50,000
Childcare	0%	\$22,000	\$24,000	\$25,000	\$25,000	\$26,000	\$26,000	\$27,000	\$27,000	\$28,000	\$28,000	\$28,000	\$28,000
Massage	0%	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Physical Therapy	0%	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000
Fruit Bar Drinks	0%	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Total Sales		\$77,000	\$79,000	\$82,000	\$82,000	\$83,000	\$85,000	\$90,000	\$94,000	\$99,000	\$105,000	\$109,000	\$113,000
Direct Cost of Sales													
Memberships		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Childcare		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Massage		\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Physical Therapy		\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
Fruit Bar Drinks		\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Subtotal Direct Cost of Sales		\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000

Appendix

Table: Personnel

<i>Personnel Plan</i>		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Center Manager	0%	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Assistant Manager	0%	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Center Staff	0%	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Childcare Manager	0%	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Childcare Staff	0%	\$15,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Pool Manager	0%	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Tennis Manager	0%	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Total People		23	23	23	23	23	23	23	23	23	23	23	23
Total Payroll		\$49,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500

Appendix

Table: General Assumptions

<i>General Assumptions</i>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Plan Month	1	2	3	4	5	6	7	8	9	10	11	12
Current Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Other	0	0	0	0	0	0	0	0	0	0	0	0

Appendix

Table: Profit and Loss

<i>Pro Forma Profit and Loss</i>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales	\$77,000	\$79,000	\$82,000	\$82,000	\$83,000	\$85,000	\$90,000	\$94,000	\$99,000	\$105,000	\$109,000	\$113,000
Direct Cost of Sales	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000
Other Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000
Gross Margin	\$63,000	\$65,000	\$68,000	\$68,000	\$69,000	\$71,000	\$76,000	\$80,000	\$85,000	\$91,000	\$95,000	\$99,000
Gross Margin %	81.82%	82.28%	82.93%	82.93%	83.13%	83.53%	84.44%	85.11%	85.86%	86.67%	87.16%	87.61%
Expenses												
Payroll	\$49,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500
Sales and Marketing and Other Expenses	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Depreciation	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Leased Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Insurance	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payroll Taxes	15% \$7,425	\$6,975	\$6,975	\$6,975	\$6,975	\$6,975	\$6,975	\$6,975	\$6,975	\$6,975	\$6,975	\$6,975
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$63,925	\$60,475	\$60,475	\$60,475	\$60,475	\$60,475	\$60,475	\$60,475	\$60,475	\$60,475	\$60,475	\$60,475
Profit Before Interest and Taxes	(\$925)	\$4,525	\$7,525	\$7,525	\$8,525	\$10,525	\$15,525	\$19,525	\$24,525	\$30,525	\$34,525	\$38,525
EBITDA	\$75	\$5,525	\$8,525	\$8,525	\$9,525	\$11,525	\$16,525	\$20,525	\$25,525	\$31,525	\$35,525	\$39,525
Interest Expense	\$2,067	\$2,135	\$2,202	\$2,269	\$2,337	\$2,404	\$2,472	\$2,539	\$2,606	\$2,674	\$2,741	\$2,808
Taxes Incurred	(\$898)	\$717	\$1,597	\$1,577	\$1,856	\$2,436	\$3,916	\$5,096	\$6,576	\$8,355	\$9,535	\$10,715
Net Profit	(\$2,095)	\$1,673	\$3,726	\$3,679	\$4,332	\$5,685	\$9,137	\$11,890	\$15,343	\$19,496	\$22,249	\$25,002
Net Profit/Sales	-2.72%	2.12%	4.54%	4.49%	5.22%	6.69%	10.15%	12.65%	15.50%	18.57%	20.41%	22.13%

Appendix

Table: Cash Flow

<i>Pro Forma Cash Flow</i>		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash Received													
Cash from Operations													
Cash Sales		\$57,750	\$59,250	\$61,500	\$61,500	\$62,250	\$63,750	\$67,500	\$70,500	\$74,250	\$78,750	\$81,750	\$84,750
Cash from Receivables		\$0	\$642	\$19,267	\$19,775	\$20,500	\$20,508	\$20,767	\$21,292	\$22,533	\$23,542	\$24,800	\$26,283
Subtotal Cash from Operations		\$57,750	\$59,892	\$80,767	\$81,275	\$82,750	\$84,258	\$88,267	\$91,792	\$96,783	\$102,292	\$106,550	\$111,033
Additional Cash Received													
Sales Tax, VAT, HST/GST Received	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing		\$70,000	\$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		\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Sales of Other Current Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received		\$137,750	\$69,892	\$90,767	\$91,275	\$92,750	\$94,258	\$98,267	\$101,792	\$106,783	\$112,292	\$116,550	\$121,033
Expenditures													
Expenditures from Operations													
Cash Spending		\$49,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500
Bill Payments		\$60,953	\$28,636	\$29,858	\$30,776	\$30,833	\$31,190	\$31,867	\$33,404	\$34,661	\$36,218	\$38,046	\$39,293
Subtotal Spent on Operations		\$110,453	\$75,136	\$76,358	\$77,276	\$77,333	\$77,690	\$78,367	\$79,904	\$81,161	\$82,718	\$84,546	\$85,793
Additional Cash Spent													
Sales Tax, VAT, HST/GST Paid Out		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing		\$1,116	\$1,116	\$1,116	\$1,116	\$1,116	\$1,116	\$1,116	\$1,116	\$1,116	\$1,116	\$1,116	\$1,116
Other Liabilities Principal Repayment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment		\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800
Purchase Other Current Assets		\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Purchase Long-term Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent		\$118,369	\$83,052	\$84,274	\$85,192	\$85,249	\$85,606	\$86,283	\$87,820	\$89,077	\$90,634	\$92,462	\$93,709
Net Cash Flow		\$19,381	(\$13,160)	\$6,492	\$6,083	\$7,501	\$8,652	\$11,984	\$13,971	\$17,706	\$21,657	\$24,088	\$27,325

Appendix

Cash Balance	\$69,381	\$56,221	\$62,713	\$68,797	\$76,298	\$84,950	\$96,934	\$110,905	\$128,611	\$150,269	\$174,357	\$201,682
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Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Assets	Starting Balances												
Current Assets													
Cash	\$50,000	\$69,381	\$56,221	\$62,713	\$68,797	\$76,298	\$84,950	\$96,934	\$110,905	\$128,611	\$150,269	\$174,357	\$201,682
Accounts Receivable	\$0	\$19,250	\$38,358	\$39,592	\$40,317	\$40,567	\$41,308	\$43,042	\$45,250	\$47,467	\$50,175	\$52,625	\$54,592
Other Current Assets	\$50,000	\$56,000	\$62,000	\$68,000	\$74,000	\$80,000	\$86,000	\$92,000	\$98,000	\$104,000	\$110,000	\$116,000	\$122,000
Total Current Assets	\$100,000	\$144,631	\$156,579	\$170,305	\$183,113	\$196,864	\$212,259	\$231,976	\$254,155	\$280,078	\$310,444	\$342,982	\$378,273
Long-term Assets													
Long-term Assets	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Accumulated Depreciation	\$48,000	\$49,000	\$50,000	\$51,000	\$52,000	\$53,000	\$54,000	\$55,000	\$56,000	\$57,000	\$58,000	\$59,000	\$60,000
Total Long-term Assets	\$152,000	\$151,000	\$150,000	\$149,000	\$148,000	\$147,000	\$146,000	\$145,000	\$144,000	\$143,000	\$142,000	\$141,000	\$140,000
Total Assets	\$252,000	\$295,631	\$306,579	\$319,305	\$331,113	\$343,864	\$358,259	\$376,976	\$398,155	\$423,078	\$452,444	\$483,982	\$518,273
Liabilities and Capital		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Current Liabilities													
Accounts Payable	\$60,000	\$27,642	\$28,833	\$29,748	\$29,794	\$30,129	\$30,755	\$32,251	\$33,456	\$34,952	\$36,737	\$37,943	\$39,148
Current Borrowing	\$70,000	\$138,884	\$137,768	\$136,652	\$135,536	\$134,420	\$133,304	\$132,188	\$131,072	\$129,956	\$128,840	\$127,724	\$126,608
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$130,000	\$166,526	\$166,601	\$166,400	\$165,330	\$164,549	\$164,059	\$164,439	\$164,528	\$164,908	\$165,577	\$165,667	\$165,756
Long-term Liabilities													
Long-term Liabilities	\$100,000	\$109,200	\$118,400	\$127,600	\$136,800	\$146,000	\$155,200	\$164,400	\$173,600	\$182,800	\$192,000	\$201,200	\$210,400
Total Liabilities	\$230,000	\$275,726	\$285,001	\$294,000	\$302,130	\$310,549	\$319,259	\$328,839	\$338,128	\$347,708	\$357,577	\$366,867	\$376,156
Paid-in Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retained Earnings	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000
Earnings	\$0	(\$2,095)	(\$421)	\$3,305	\$6,983	\$11,315	\$17,000	\$26,137	\$38,027	\$53,370	\$72,866	\$95,115	\$120,117
Total Capital	\$22,000	\$19,905	\$21,579	\$25,305	\$28,983	\$33,315	\$39,000	\$48,137	\$60,027	\$75,370	\$94,866	\$117,115	\$142,117
Total Liabilities and Capital	\$252,000	\$295,631	\$306,579	\$319,305	\$331,113	\$343,864	\$358,259	\$376,976	\$398,155	\$423,078	\$452,444	\$483,982	\$518,273
Net Worth	\$22,000	\$19,905	\$21,579	\$25,305	\$28,983	\$33,315	\$39,000	\$48,137	\$60,027	\$75,370	\$94,866	\$117,115	\$142,117

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Appendix