

# Your Business Plan is Ready

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## 1.0 Executive Summary

Greens Manicure Service is a seasonal residential lawn care service targeting suburban middle-class homes with larger yards. A large grouping of this demographic is located in Steve's neighborhood. Steve will leverage his connection to the neighborhood to sign up customers.

For year one Steve will have one employee in addition to himself. By year two Steve will purchase a second vehicle, additional equipment, and hire two new employees to form a second work crew.

Greens Manicure Service is projected to reach profitability by month seven and will have profits of \$10,000 by the end of the third year. Revenue activity will occur from April through November.

### 1.1 Objectives

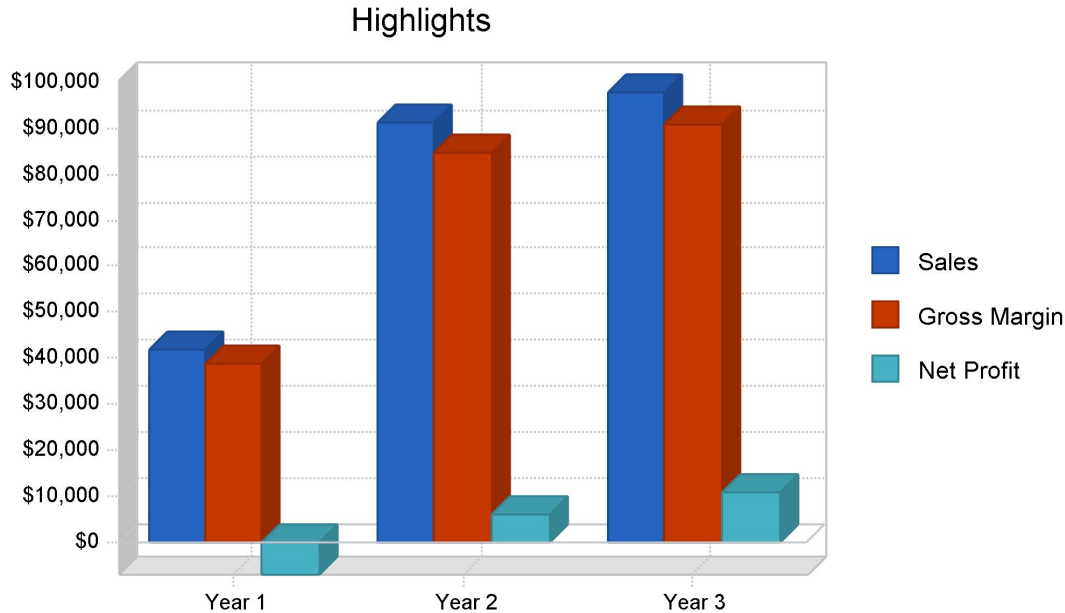
The objectives for the first three years of operation include:

- To create a service-based company whose primary goal is to exceed customer's expectations.
- The utilization of Greens Manicure Service in at least 20 different residential homes.
- To increase our number of clients served by 20% per year through superior service.
- To develop a sustainable home business, surviving off its own cash flow.

### 1.2 Mission

Greens Manicure Service's mission is to provide the customer with professional lawn care. We exist to attract and maintain customers. When we adhere to this maxim, everything else will fall into place. Our services will exceed the expectations of our customers.

Chart: Highlights



## 2.0 Company Summary

Greens Manicure Service, located in Fourways, will offer residential lawn care service. The service will include lawn cutting, trimming, edging, and removal of the clippings. The service is typically a once a week service, but is offered at different frequencies as per the customer's wishes.

### 2.1 Company Ownership

Greens Manicure Service is a sole proprietorship owned by Steve Greinthum.

### 2.2 Start-up Summary

Greens Manicure Service's start-up costs include:

- Home office equipment including: desk, chair, file cabinet, computer system (including printer, scanner, and fax software).
- Vehicle: a 1993 Toyota T100 pickup truck.
- Two self-propelled commercial mowers.
- Trimmer: used to reach grass around trees and other hard to reach areas.
- Edger: cuts grass that overgrows the border of the lawn and driveway.
- Blowers: blasts stray clippings that litter the sidewalk and driveway.
- Hedge trimming equipment.
- Two rakes.
- Safety equipment including steel toed shoes, goggles, gloves.
- Standard tool box with tools for simple repairs.

Table: Start-up

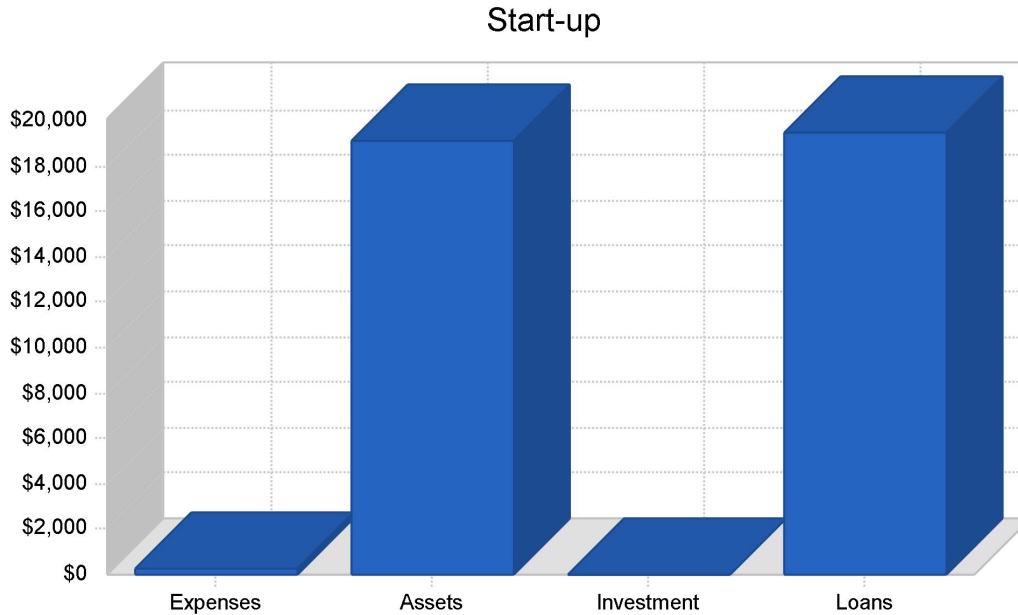
<i>Start-up</i>	
Requirements	
Start-up Expenses	
Legal	\$100
Stationery etc.	\$50
Brochures	\$150
Consultants	\$0
Insurance	\$0
Rent	\$0
Research and development	\$0
Expensed equipment	\$0
Other	\$0
Total Start-up Expenses	\$300
Start-up Assets	
Cash Required	\$14,400
Other Current Assets	\$0
Long-term Assets	\$4,750
Total Assets	\$19,150
<b>Total Requirements</b>	<b>\$19,450</b>

Table: Start-up Funding

<i>Start-up Funding</i>	
Start-up Expenses to Fund	\$300
Start-up Assets to Fund	\$19,150
Total Funding Required	\$19,450
Assets	
Non-cash Assets from Start-up	\$4,750
Cash Requirements from Start-up	\$14,400
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$14,400
Total Assets	\$19,150
Liabilities and Capital	
Liabilities	
Current Borrowing	\$0
Long-term Liabilities	\$19,450
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$19,450
Capital	
Planned Investment	
Investor 1	\$0
Investor 2	\$0
Other	\$0
Additional Investment Requirement	\$0
Total Planned Investment	\$0
Loss at Start-up (Start-up Expenses)	(\$300)
Total Capital	(\$300)
Total Capital and Liabilities	\$19,150
<b>Total Funding</b>	<b>\$19,450</b>



Chart: Start-up



### 3.0 Services

Greens Manicure Service will provide residential lawn care service which includes lawn cutting, edging and trimming. Optional services will include hedge trimming. The service is typically offered once a week in season, but Greens can create a custom schedule for clients.

### 4.0 Market Analysis Summary

Greens Manicure Service will be targeting one specific segment of the population, suburban middle-class families with no children and larger lawns. This group of people are the most likely to use a lawn care service such as Steve's.

Steve will be canvassing his parents neighborhood, developing a client list. For the second year, Steve will expand service beyond his general neighborhood, utilizing advertisements in the local newspaper to develop visibility for Greens Manicure Service.

#### 4.1 Service Business Analysis

Greens Manicure Service will be working in the lawn care industry. The industry is both residential business (individual home) and commercial businesses (apartment complexes, business parks, schools, etc.).

The commercial side is generally serviced by larger landscaping services. The residential side is serviced by both landscaping companies and basic lawn care service companies.

The lawn care business is made up of many small companies. This occurs because of the high labor intensity, low start-up costs, nature of the industry. The industry is also vulnerable to recessions as lawn care is a luxury. Lasty, lawn care is seasonal, the high season is spring through fall. There is little activity in the winter.

#### **4.1.1 Competition and Buying Patterns**

The lawn care business can be divided into two types, residential and commercial. As a smaller company or start up business, it is much easier to enter into the residential market compared with the commercial market. The commercial market is dominated by larger, established companies.

Within the residential market, there are two competitors: full-scale landscaping companies and basic lawn care services. The full-scale landscaping companies will generally be handling jobs outside of Green's range. They are servicing even larger homes that require other landscaping activities that need more equipment and higher-skilled employees. The margins are therefore larger for the full-scale companies because they can charge more for the higher-skilled work. The other competitor is the basic lawn care services, not unlike Greens Manicure Service. Most markets, including Greens, the competition is not overwhelming and often lacks basic quality and professionalism.

More often than not, residential customers make purchasing decisions based on referrals and perceived professionalism and quality.

#### **4.2 Target Market Segment Strategy**

Greens Manicure Service's segment will be initially targeted by canvassing the neighborhood and offering a free estimate and cut. Steve will be basing the business out of his parents home, right in the middle of a target neighborhood. Steve will walk the neighborhood and leverage his relationship in this community to gain a foothold. Although some people are put off by solicitors, Steve is their neighbor so he will generally be able to make his spiel.

Once Steve has built up a steady list of customers he will begin to run advertisements in the local paper to gain a foothold in different neighborhoods. This will take place during the second year as Steve will have sufficient business for year one in his neighborhood.

#### **4.3 Market Segmentation**

Greens Manicure Service will be targeting one specific group of customers, the suburban middle class. Greens is targeting middle-aged homemakers as they are more likely to rely on a lawn service. Younger homemakers are more likely to do their lawn themselves. Greens will also be targeting homes that do not have teenage children, as the youngsters are likely to help out with the lawn. The median income is \$60-\$120K, just enough to have disposable income for the care of their lawn. Greens Manicure Service will be targeting larger size lawns, from 4,000-7,000 square feet. This is done because the margins are higher with larger lawns once you factor in transportation time and costs. Lastly, white collar families will be targeted instead of blue collar families as the blue collar families are more likely to do the lawn themselves.

Chart: Market Analysis (Pie)

Market Analysis (Pie)

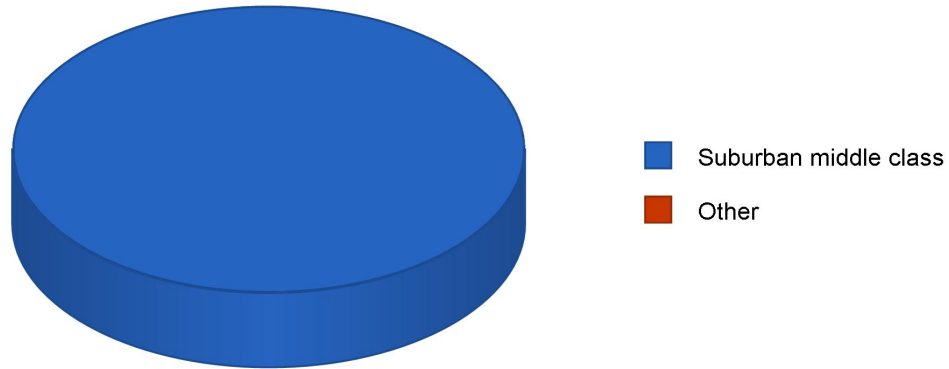


Table: Market Analysis

<i>Market Analysis</i>							
		Year 1	Year 2	Year 3	Year 4	Year 5	
Potential Customers	Growth						CAGR
Suburban middle class	12%	325	364	408	457	512	12.03%
Other	0%	0	0	0	0	0	0.00%
<b>Total</b>	<b>12.03%</b>	<b>325</b>	<b>364</b>	<b>408</b>	<b>457</b>	<b>512</b>	<b>12.03%</b>

## 6.0 Management Summary

Greens Manicure Service is owned and operated by Steve Greinthum. Steve was first introduced to lawn care while he was pursuing his bachelor's degree in business from the University of Free State. Steve worked for a large, well-respected landscaping company. He started out his freshman summer year as a mower operator. During his four years at school he eventually moved up to crew manager.

Steve enjoyed taking care of lawns. He was always excited about working outside. He also liked the management responsibilities that he had his last summer. The one thing he longed for is operating his own company. He decided the only thing stopping him was money, he already had all the experience and knowledge necessary. So Steve got a loan from his parents and started the company.

### 6.1 Personnel Plan

Greens Manicure Service will consist of Steve working full time. Steve will be the manager for the business, signing up new customers, managing customer accounts, hiring, training, supervising, and cutting grass.

Greens Manicure Service will use a total of two people during year one. For year two Steve will hire an additional two people to create a second work crew.

Table: Personnel

<i>Personnel Plan</i>	Year 1	Year 2	Year 3
Steve	\$22,500	\$22,500	\$22,500
Employee 1	\$12,800	\$12,800	\$12,800
Employee 2	\$0	\$12,800	\$12,800
Employee 3	\$0	\$12,800	\$12,800
Total People	0	4	4
<b>Total Payroll</b>	<b>\$35,300</b>	<b>\$60,900</b>	<b>\$60,900</b>

## 7.0 Financial Plan

The following sections will outline important financial information.

### 7.1 Important Assumptions

The following table highlights some important financial assumptions of Greens.

Table: General Assumptions

<i>General Assumptions</i>

## Green's Manicure

	Year 1	Year 2	Year 3
Plan Month	1	2	3
Current Interest Rate	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%
Tax Rate	25.42%	25.00%	25.42%
<b>Other</b>	0	0	0

### 7.2 Break-even Analysis

The Break-even Analysis indicates approximately \$3,900 is needed in monthly revenue to break even.

Chart: Break-even Analysis

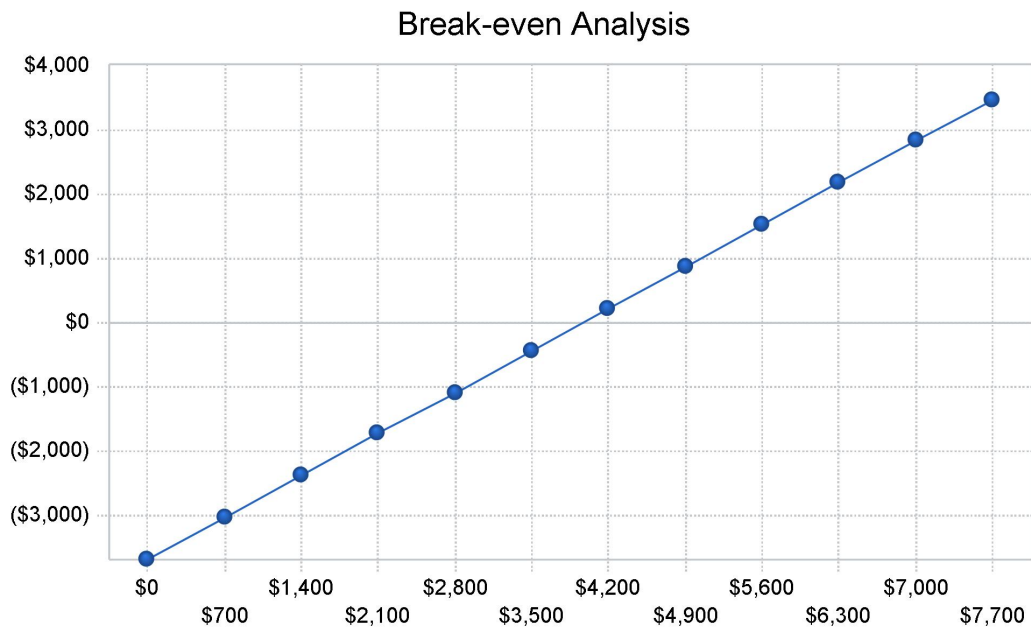


Table: Break-even Analysis

<i>Break-even Analysis</i>	
Monthly Revenue Break-even	\$3,956
Assumptions:	
Average Percent Variable Cost	7%
<b>Estimated Monthly Fixed Cost</b>	<b>\$3,679</b>

### **7.3 Projected Profit and Loss**

The following table indicates the projected profit and loss.

Table: Profit and Loss

<i>Pro Forma Profit and Loss</i>	Year 1	Year 2	Year 3
Sales	\$41,748	\$91,254	\$97,854
Direct Cost of Sales	\$2,922	\$6,388	\$6,850
Other	\$0	\$0	\$0
Total Cost of Sales	\$2,922	\$6,388	\$6,850
Gross Margin	\$38,826	\$84,866	\$91,004
Gross Margin %	93.00%	93.00%	93.00%
Expenses			
Payroll	\$35,300	\$60,900	\$60,900
Sales and Marketing and Other Expenses	\$0	\$0	\$0
Depreciation	\$1,152	\$2,552	\$2,552
Leased Equipment	\$0	\$0	\$0
Utilities	\$0	\$0	\$0
Insurance	\$1,200	\$1,200	\$1,200
Licenses + bonded fees	\$1,200	\$1,200	\$1,200
Payroll Taxes	\$5,295	\$9,135	\$9,135
Other	\$0	\$0	\$0
Total Operating Expenses	\$44,147	\$74,987	\$74,987
Profit Before Interest and Taxes	(\$5,321)	\$9,879	\$16,017
EBITDA	(\$4,169)	\$12,431	\$18,569
Interest Expense	\$1,847	\$1,675	\$1,495
Taxes Incurred	\$0	\$2,051	\$3,691
Net Profit	(\$7,169)	\$6,153	\$10,831
<b>Net Profit/Sales</b>	<b>-17.17%</b>	<b>6.74%</b>	<b>11.07%</b>

## 7.4 Projected Cash Flow

The following chart and table will indicate projected cash flow.

Chart: Cash

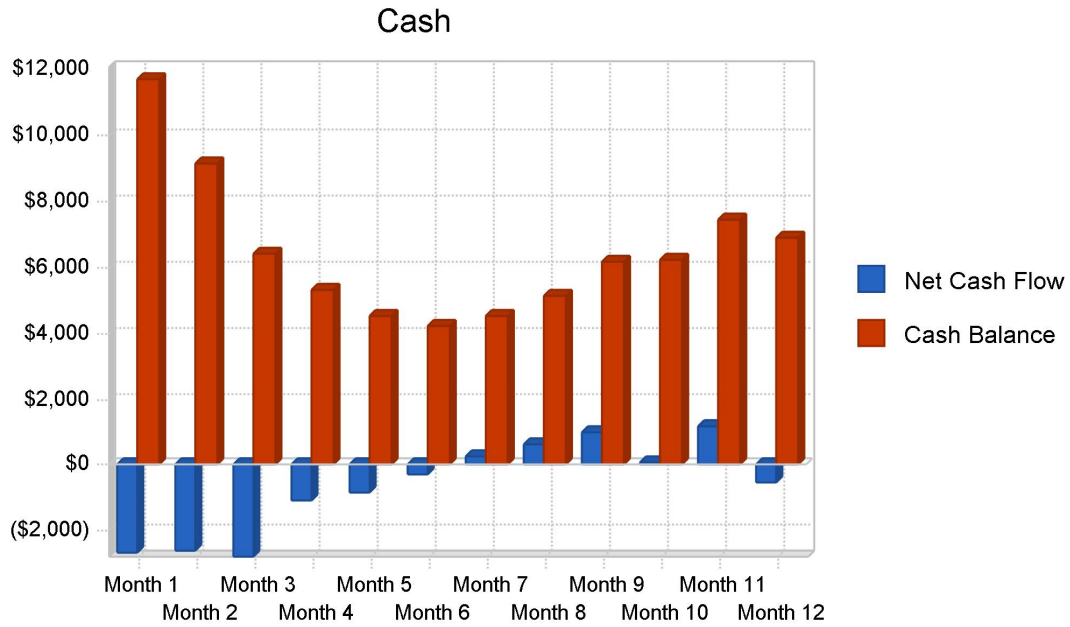




Table: Cash Flow

<i>Pro Forma Cash Flow</i>	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	\$31,311	\$68,441	\$73,391
Cash from Receivables	\$10,437	\$22,814	\$24,464
Subtotal Cash from Operations	\$41,748	\$91,254	\$97,854
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	\$41,748	\$91,254	\$97,854
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	\$35,300	\$60,900	\$60,900
Bill Payments	\$12,129	\$20,205	\$23,413
Subtotal Spent on Operations	\$47,429	\$81,105	\$84,313
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	\$1,800	\$1,800	\$1,800
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$7,000	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$49,229	\$89,905	\$86,113
Net Cash Flow	(\$7,481)	\$1,349	\$11,741
<b>Cash Balance</b>	<b>\$6,919</b>	<b>\$8,268</b>	<b>\$20,009</b>

## 7.5 Projected Balance Sheet

The following table indicates the projected balance sheet.

Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>	Year 1	Year 2	Year 3
<b>Assets</b>			
Current Assets			
Cash	\$6,919	\$8,268	\$20,009
Accounts Receivable	\$0	\$0	\$0
Other Current Assets	\$0	\$0	\$0
Total Current Assets	\$6,919	\$8,268	\$20,009
Long-term Assets			
Long-term Assets	\$4,750	\$11,750	\$11,750
Accumulated Depreciation	\$1,152	\$3,704	\$6,256
Total Long-term Assets	\$3,598	\$8,046	\$5,494
Total Assets	\$10,517	\$16,314	\$25,503
<b>Liabilities and Capital</b>	Year 1	Year 2	Year 3
Current Liabilities			
Accounts Payable	\$336	\$1,779	\$1,937
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$336	\$1,779	\$1,937
Long-term Liabilities	\$17,650	\$15,850	\$14,050
Total Liabilities	\$17,986	\$17,629	\$15,987
Paid-in Capital	\$0	\$0	\$0
Retained Earnings	(\$300)	(\$7,469)	(\$1,316)
Earnings	(\$7,169)	\$6,153	\$10,831
Total Capital	(\$7,469)	(\$1,316)	\$9,515
Total Liabilities and Capital	\$10,517	\$16,314	\$25,503
<b>Net Worth</b>	<b>(\$7,469)</b>	<b>(\$1,316)</b>	<b>\$9,515</b>

## Appendix

Table: Sales Forecast

<i>Sales Forecast</i>													
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
<b>Sales</b>													
Suburban middle class	0%	\$0	\$3,254	\$3,541	\$4,785	\$5,124	\$5,478	\$6,145	\$6,547	\$6,874	\$0	\$0	\$0
Other	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Sales</b>		\$0	\$3,254	\$3,541	\$4,785	\$5,124	\$5,478	\$6,145	\$6,547	\$6,874	\$0	\$0	\$0
<b>Direct Cost of Sales</b>													
Suburban middle class		\$0	\$228	\$248	\$335	\$359	\$383	\$430	\$458	\$481	\$0	\$0	\$0
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal Direct Cost of Sales</b>		\$0	\$228	\$248	\$335	\$359	\$383	\$430	\$458	\$481	\$0	\$0	\$0

## Appendix

Table: Personnel

<i>Personnel Plan</i>		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Steve	0%	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$0	\$0	\$0
Employee 1	0%	\$0	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$0	\$0	\$0
Employee 2	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employee 3	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total People		1	2	2	2	2	2	2	2	2	0	0	0
<b>Total Payroll</b>		\$2,500	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$0	\$0	\$0

## Appendix

Table: General Assumptions

<i>General Assumptions</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
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%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
<b>Other</b>	0	0	0	0	0	0	0	0	0	0	0	0

## Appendix

Table: Profit and Loss

<i>Pro Forma Profit and Loss</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales	\$0	\$3,254	\$3,541	\$4,785	\$5,124	\$5,478	\$6,145	\$6,547	\$6,874	\$0	\$0	\$0
Direct Cost of Sales	\$0	\$228	\$248	\$335	\$359	\$383	\$430	\$458	\$481	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$0	\$228	\$248	\$335	\$359	\$383	\$430	\$458	\$481	\$0	\$0	\$0
Gross Margin	\$0	\$3,026	\$3,293	\$4,450	\$4,765	\$5,095	\$5,715	\$6,089	\$6,393	\$0	\$0	\$0
Gross Margin %	0.00%	93.00%	93.00%	93.00%	93.00%	93.00%	93.00%	93.00%	93.00%	0.00%	0.00%	0.00%
<b>Expenses</b>												
Payroll	\$2,500	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$0	\$0	\$0
Sales and Marketing and Other Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96
Leased Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Licenses + bonded fees	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Payroll Taxes	15%	\$375	\$615	\$615	\$615	\$615	\$615	\$615	\$615	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$3,171	\$5,011	\$5,011	\$5,011	\$5,011	\$5,011	\$5,011	\$5,011	\$5,011	\$296	\$296	\$296
Profit Before Interest and Taxes	(\$3,171)	(\$1,985)	(\$1,718)	(\$561)	(\$246)	\$84	\$704	\$1,078	\$1,382	(\$296)	(\$296)	(\$296)
EBITDA	(\$3,075)	(\$1,889)	(\$1,622)	(\$465)	(\$150)	\$180	\$800	\$1,174	\$1,478	(\$200)	(\$200)	(\$200)
Interest Expense	\$161	\$160	\$158	\$157	\$156	\$155	\$153	\$152	\$151	\$150	\$148	\$147
Taxes Incurred	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	(\$3,332)	(\$2,144)	(\$1,876)	(\$718)	(\$402)	(\$71)	\$551	\$926	\$1,231	(\$446)	(\$444)	(\$443)
<b>Net Profit/Sales</b>	0.00%	-65.90%	-52.99%	-15.01%	-7.84%	-1.30%	8.96%	14.14%	17.91%	0.00%	0.00%	0.00%

## Appendix

Table: Cash Flow

<i>Pro Forma Cash Flow</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Cash Received</b>												
<b>Cash from Operations</b>												
Cash Sales	\$0	\$2,441	\$2,656	\$3,589	\$3,843	\$4,109	\$4,609	\$4,910	\$5,156	\$0	\$0	\$0
Cash from Receivables	\$0	\$0	\$27	\$816	\$896	\$1,199	\$1,284	\$1,375	\$1,540	\$1,639	\$1,661	\$0
Subtotal Cash from Operations	\$0	\$2,441	\$2,683	\$4,405	\$4,739	\$5,308	\$5,893	\$6,285	\$6,695	\$1,639	\$1,661	\$0
<b>Additional Cash Received</b>												
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$0	\$2,441	\$2,683	\$4,405	\$4,739	\$5,308	\$5,893	\$6,285	\$6,695	\$1,639	\$1,661	\$0
<b>Expenditures</b>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Expenditures from Operations</b>												
Cash Spending	\$2,500	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$0	\$0	\$0
Bill Payments	\$25	\$751	\$1,203	\$1,224	\$1,308	\$1,330	\$1,355	\$1,399	\$1,426	\$1,410	\$350	\$348
Subtotal Spent on Operations	\$2,525	\$4,851	\$5,303	\$5,324	\$5,408	\$5,430	\$5,455	\$5,499	\$5,526	\$1,410	\$350	\$348
<b>Additional Cash Spent</b>												
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	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$2,675	\$5,001	\$5,453	\$5,474	\$5,558	\$5,580	\$5,605	\$5,649	\$5,676	\$1,560	\$500	\$498
<b>Net Cash Flow</b>	(\$2,675)	(\$2,561)	(\$2,770)	(\$1,069)	(\$819)	(\$273)	\$288	\$636	\$1,019	\$79	\$1,162	(\$498)

## Appendix

<b>Cash Balance</b>	\$11,725	\$9,165	\$6,394	\$5,325	\$4,506	\$4,233	\$4,521	\$5,157	\$6,176	\$6,255	\$7,417	\$6,919
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Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Assets</b>	Starting Balances												
<b>Current Assets</b>													
Cash	\$14,400	\$11,725	\$9,165	\$6,394	\$5,325	\$4,506	\$4,233	\$4,521	\$5,157	\$6,176	\$6,255	\$7,417	\$6,919
Accounts Receivable	\$0	\$0	\$814	\$1,672	\$2,052	\$2,437	\$2,608	\$2,860	\$3,122	\$3,301	\$1,661	\$0	\$0
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Current Assets</b>	<b>\$14,400</b>	<b>\$11,725</b>	<b>\$9,978</b>	<b>\$8,066</b>	<b>\$7,377</b>	<b>\$6,943</b>	<b>\$6,841</b>	<b>\$7,381</b>	<b>\$8,279</b>	<b>\$9,477</b>	<b>\$7,916</b>	<b>\$7,417</b>	<b>\$6,919</b>
<b>Long-term Assets</b>													
Long-term Assets	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750
Accumulated Depreciation	\$0	\$96	\$192	\$288	\$384	\$480	\$576	\$672	\$768	\$864	\$960	\$1,056	\$1,152
<b>Total Long-term Assets</b>	<b>\$4,750</b>	<b>\$4,654</b>	<b>\$4,558</b>	<b>\$4,462</b>	<b>\$4,366</b>	<b>\$4,270</b>	<b>\$4,174</b>	<b>\$4,078</b>	<b>\$3,982</b>	<b>\$3,886</b>	<b>\$3,790</b>	<b>\$3,694</b>	<b>\$3,598</b>
<b>Total Assets</b>	<b>\$19,150</b>	<b>\$16,379</b>	<b>\$14,536</b>	<b>\$12,528</b>	<b>\$11,743</b>	<b>\$11,213</b>	<b>\$11,015</b>	<b>\$11,459</b>	<b>\$12,261</b>	<b>\$13,363</b>	<b>\$11,706</b>	<b>\$11,111</b>	<b>\$10,517</b>
<b>Liabilities and Capital</b>		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Current Liabilities</b>													
Accounts Payable	\$0	\$711	\$1,162	\$1,180	\$1,263	\$1,285	\$1,308	\$1,352	\$1,378	\$1,399	\$338	\$337	\$336
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal Current Liabilities</b>	<b>\$0</b>	<b>\$711</b>	<b>\$1,162</b>	<b>\$1,180</b>	<b>\$1,263</b>	<b>\$1,285</b>	<b>\$1,308</b>	<b>\$1,352</b>	<b>\$1,378</b>	<b>\$1,399</b>	<b>\$338</b>	<b>\$337</b>	<b>\$336</b>
<b>Long-term Liabilities</b>	<b>\$19,450</b>	<b>\$19,300</b>	<b>\$19,150</b>	<b>\$19,000</b>	<b>\$18,850</b>	<b>\$18,700</b>	<b>\$18,550</b>	<b>\$18,400</b>	<b>\$18,250</b>	<b>\$18,100</b>	<b>\$17,950</b>	<b>\$17,800</b>	<b>\$17,650</b>
<b>Total Liabilities</b>	<b>\$19,450</b>	<b>\$20,011</b>	<b>\$20,312</b>	<b>\$20,180</b>	<b>\$20,113</b>	<b>\$19,985</b>	<b>\$19,858</b>	<b>\$19,752</b>	<b>\$19,628</b>	<b>\$19,499</b>	<b>\$18,288</b>	<b>\$18,137</b>	<b>\$17,986</b>
<b>Paid-in Capital</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>
Retained Earnings	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)
Earnings	\$0	(\$3,332)	(\$5,476)	(\$7,352)	(\$8,070)	(\$8,472)	(\$8,543)	(\$7,992)	(\$7,067)	(\$5,836)	(\$6,281)	(\$6,726)	(\$7,169)
<b>Total Capital</b>	<b>(\$300)</b>	<b>(\$3,632)</b>	<b>(\$5,776)</b>	<b>(\$7,652)</b>	<b>(\$8,370)</b>	<b>(\$8,772)</b>	<b>(\$8,843)</b>	<b>(\$8,292)</b>	<b>(\$7,367)</b>	<b>(\$6,136)</b>	<b>(\$6,581)</b>	<b>(\$7,026)</b>	<b>(\$7,469)</b>
<b>Total Liabilities and Capital</b>	<b>\$19,150</b>	<b>\$16,379</b>	<b>\$14,536</b>	<b>\$12,528</b>	<b>\$11,743</b>	<b>\$11,213</b>	<b>\$11,015</b>	<b>\$11,459</b>	<b>\$12,261</b>	<b>\$13,363</b>	<b>\$11,706</b>	<b>\$11,111</b>	<b>\$10,517</b>
<b>Net Worth</b>	<b>(\$300)</b>	<b>(\$3,632)</b>	<b>(\$5,776)</b>	<b>(\$7,652)</b>	<b>(\$8,370)</b>	<b>(\$8,772)</b>	<b>(\$8,843)</b>	<b>(\$8,292)</b>	<b>(\$7,367)</b>	<b>(\$6,136)</b>	<b>(\$6,581)</b>	<b>(\$7,026)</b>	<b>(\$7,469)</b>



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