

# STRATHCONA EMPORIUM OF FINE WINE & LIQUOR

## ASSUMPTIONS - SALES BY PRODUCT CATEGORY



### YEAR 1

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YEAR 1 TOTAL	YEAR 2 TOTAL	YEAR 3 TOTAL	YEAR 4 TOTAL	YEAR 5 TOTAL
<b>Wine:</b>																	
Europe	\$9,000	\$10,400	\$11,400	\$12,000	\$12,600	\$13,200	\$13,900	\$14,600	\$15,300	\$16,100	\$16,900	\$17,700	\$163,100	\$187,600	\$201,700	\$208,800	\$214,000
U.S.A.	5,000	5,800	6,400	6,700	7,000	7,400	7,800	8,200	8,600	9,000	9,500	10,000	91,400	105,100	113,000	117,000	119,900
South America	2,000	2,300	2,500	2,600	2,700	2,800	2,900	3,000	3,200	3,400	3,600	3,800	34,800	40,000	43,000	44,500	45,600
Australia	1,500	1,700	1,900	2,000	2,100	2,200	2,300	2,400	2,500	2,600	2,700	2,800	26,700	30,700	33,000	34,200	35,100
Africa	1,000	1,200	1,300	1,400	1,500	1,600	1,700	1,800	1,900	2,000	2,100	2,200	19,700	22,700	24,400	25,300	25,900
Canada	1,000	1,200	1,300	1,400	1,500	1,600	1,700	1,800	1,900	2,000	2,100	2,200	19,700	22,700	24,400	25,300	25,900
subtotal	\$19,500	\$22,600	\$24,800	\$26,100	\$27,400	\$28,800	\$30,300	\$31,800	\$33,400	\$35,100	\$36,900	\$38,700	\$355,400	\$408,800	\$439,500	\$455,100	\$466,400
<b>Beer / Coolers:</b>																	
Canada	\$15,000	\$17,300	\$19,000	\$20,000	\$21,000	\$22,100	\$23,200	\$24,400	\$25,600	\$26,900	\$30,900	\$35,500	\$280,900	\$323,000	\$347,200	\$359,400	\$368,400
U.S.A.	7,500	8,600	9,500	10,000	10,500	11,000	11,600	12,200	12,800	13,400	15,400	17,700	140,200	161,200	173,300	179,400	183,900
Europe	3,000	3,500	3,900	4,100	4,300	4,500	4,700	4,900	5,100	5,400	6,200	7,100	56,700	65,200	70,100	72,600	74,400
Mexico	1,000	1,200	1,300	1,400	1,500	1,600	1,700	1,800	1,900	2,000	2,300	2,600	20,300	23,300	25,000	25,900	26,500
subtotal	\$26,500	\$30,600	\$33,700	\$35,500	\$37,300	\$39,200	\$41,200	\$43,300	\$45,400	\$47,700	\$54,800	\$62,900	\$498,100	\$572,700	\$615,600	\$637,300	\$653,200
<b>Liquors (170% of wine sales)</b>	\$33,200	\$38,400	\$42,200	\$44,400	\$46,600	\$74,900	\$51,500	\$54,100	\$56,800	\$59,700	\$62,700	\$65,800	\$630,300	\$724,800	\$779,200	\$806,500	\$826,700
<b>Other Spirits (30% of wine sales)</b>	\$5,900	\$6,800	\$7,400	\$7,800	\$8,200	\$8,600	\$9,100	\$9,500	\$10,000	\$10,500	\$11,100	\$11,600	\$106,500	\$122,500	\$131,700	\$136,300	\$139,700
<b>Merchandise</b>	\$1,000	\$1,100	\$1,200	\$1,300	\$1,400	\$1,400	\$1,500	\$1,600	\$1,700	\$1,800	\$1,800	\$1,900	\$17,700	\$20,400	\$21,900	\$22,700	\$23,300

# STRATHCONA EMPORIUM OF FINE WINE & LIQUOR

## PROJECTION OF REVENUES & EXPENSES

YEAR 1

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YEAR 1 TOTAL	YEAR 2 TOTAL	YEAR 3 TOTAL	YEAR 4 TOTAL	YEAR 5 TOTAL	
<b>REVENUE:</b>																		
Wine sales	\$19,500	\$22,600	\$24,800	\$26,100	\$27,400	\$28,800	\$30,300	\$31,800	\$33,400	\$35,100	\$36,900	\$38,700	\$355,400	\$408,800	\$439,500	\$455,100	\$466,400	
Beer / Cooler sales	26,500	30,600	33,700	35,500	37,300	39,200	41,200	43,300	45,400	47,700	54,800	62,900	630,300	572,700	615,600	637,300	653,200	
Liquor sales	33,200	38,400	42,200	44,400	46,600	74,900	51,500	54,100	56,800	59,700	62,700	65,800	630,300	724,800	779,200	806,500	826,700	
Sales of other spirits	5,900	6,800	7,400	7,800	8,200	8,600	9,100	9,500	10,000	10,500	11,100	11,600	106,500	122,500	131,700	136,300	139,700	
Merchandise sales	1,000	1,100	1,200	1,300	1,400	1,400	1,500	1,600	1,700	1,800	1,800	1,900	17,700	20,400	21,900	22,700	23,300	
<b>TOTAL REVENUE</b>	<b>\$86,100</b>	<b>\$99,500</b>	<b>\$109,300</b>	<b>\$115,100</b>	<b>\$120,900</b>	<b>\$152,900</b>	<b>\$133,600</b>	<b>\$140,300</b>	<b>\$147,300</b>	<b>\$154,800</b>	<b>\$167,300</b>	<b>\$180,900</b>	<b>\$1,608,000</b>	<b>\$1,849,200</b>	<b>\$1,987,900</b>	<b>\$2,057,900</b>	<b>\$2,109,300</b>	
<b>DIRECT COST OF GOODS SOLD:</b>																		
Wine	\$14,600	\$17,000	\$18,600	\$19,600	\$20,600	\$21,600	\$22,700	\$23,900	\$25,100	\$26,300	\$27,700	\$29,000	\$266,700	\$306,600	\$329,600	\$341,300	\$349,800	
Beer / Coolers	22,500	26,000	28,600	30,200	31,700	33,300	35,000	36,800	38,600	40,500	46,600	53,500	423,300	486,800	523,300	541,700	555,200	
Liquor	23,200	26,900	29,500	31,100	32,600	52,400	36,100	37,900	39,800	41,800	43,900	46,100	441,300	507,400	545,400	564,600	578,700	
Other Spirits	3,800	4,400	4,800	5,100	5,300	5,600	5,900	6,200	6,500	6,800	7,200	7,500	69,100	79,600	85,600	88,600	90,800	
Merchandise	600	600	700	700	800	800	800	900	900	1,000	1,000	1,000	9,800	11,200	12,000	12,500	12,800	
<b>Total Direct Costs</b>	<b>\$64,700</b>	<b>\$74,900</b>	<b>\$82,200</b>	<b>\$86,700</b>	<b>\$91,000</b>	<b>\$113,700</b>	<b>\$100,500</b>	<b>\$105,700</b>	<b>\$110,900</b>	<b>\$116,400</b>	<b>\$126,400</b>	<b>\$137,100</b>	<b>\$1,210,200</b>	<b>\$1,391,600</b>	<b>\$1,495,900</b>	<b>\$1,548,700</b>	<b>\$1,587,300</b>	
<b>GROSS MARGIN</b>	<b>\$21,400</b>	<b>\$24,600</b>	<b>\$27,100</b>	<b>\$28,400</b>	<b>\$29,900</b>	<b>\$39,200</b>	<b>\$33,100</b>	<b>\$34,600</b>	<b>\$36,400</b>	<b>\$38,400</b>	<b>\$40,900</b>	<b>\$43,800</b>	<b>\$397,800</b>	<b>\$457,600</b>	<b>\$492,000</b>	<b>\$509,200</b>	<b>\$522,000</b>	
as % of Revenue	24.9%	24.7%	24.8%	24.7%	24.7%	25.6%	24.8%	24.7%	24.7%	24.8%	24.4%	24.2%	24.7%	24.7%	24.7%	24.7%	24.7%	
<b>FIXED EXPENSES:</b>																		
Advertising & Promotion	\$3,000	\$1,500	\$1,500	\$1,500	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$15,500	\$16,000	\$16,500	\$17,000	\$17,500	
Bank Charges	1,700	2,000	2,200	2,300	2,400	3,100	2,700	2,800	2,900	3,100	3,300	3,600	32,100	37,000	39,800	41,200	42,200	
Breakage / Inventory Loss	900	1,000	1,100	1,200	1,200	1,500	1,300	1,400	1,500	1,500	1,700	1,800	16,100	18,500	19,900	20,600	21,100	
Debt Interest (straightline basis)	900	900	900	900	900	900	900	900	900	900	900	900	10,800	10,800	10,800	10,800	10,800	
Depreciation (15-year straightline basis)	600	600	600	600	600	600	600	600	600	600	600	600	7,200	6,700	6,700	6,700	6,700	
Insurance & Licenses	1,500	0	0	500	0	0	500	0	0	500	0	0	3,000	3,100	3,200	3,300	3,400	
Maintenance & Supplies	100	100	100	100	100	100	100	100	100	100	100	100	1,200	1,200	1,200	1,200	1,200	
Management Fees	2,500	2,500	2,500	2,500	2,500	2,500	3,500	3,500	3,500	3,500	3,500	3,500	36,000	37,100	38,200	39,300	40,500	
Office Expenses	500	200	200	200	200	200	200	200	200	200	200	200	2,700	2,800	2,900	3,000	3,100	
Professional Fees	1,000	300	300	300	300	300	300	300	300	300	300	300	4,300	4,400	4,500	4,600	4,700	
Rent	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	67,200	69,200	71,300	73,400	75,600	
Security	1,500	500	500	500	500	500	500	500	500	500	500	500	7,000	7,200	7,400	7,600	7,800	
Staff Salaries & Benefits	5,000	5,000	5,000	5,000	5,000	7,500	6,000	6,000	6,000	6,000	6,000	6,000	68,500	70,600	72,700	74,900	77,100	
Utilities & Telephone	400	400	400	600	700	1,000	1,000	1,000	700	600	500	500	7,800	8,000	8,200	8,400	8,700	
Miscellaneous	300	300	300	300	300	300	300	300	300	300	300	300	3,600	3,700	3,800	3,900	4,000	
<b>Total Fixed Expenses</b>	<b>\$25,500</b>	<b>\$20,900</b>	<b>\$21,200</b>	<b>\$22,100</b>	<b>\$21,300</b>	<b>\$25,100</b>	<b>\$24,500</b>	<b>\$24,200</b>	<b>\$24,100</b>	<b>\$24,700</b>	<b>\$24,500</b>	<b>\$24,900</b>	<b>\$283,000</b>	<b>\$296,300</b>	<b>\$307,100</b>	<b>\$315,900</b>	<b>\$324,400</b>	
<b>GROSS PROFIT (LOSS)</b>	<b>(\$4,100)</b>	<b>\$3,700</b>	<b>\$5,900</b>	<b>\$6,300</b>	<b>\$8,600</b>	<b>\$14,100</b>	<b>\$8,600</b>	<b>\$10,400</b>	<b>\$12,300</b>	<b>\$13,700</b>	<b>\$16,400</b>	<b>\$18,900</b>	<b>\$114,800</b>	<b>\$161,300</b>	<b>\$184,900</b>	<b>\$193,300</b>	<b>\$197,600</b>	
CORPORATE TAXES (rough estimate only)	(\$1,000)	\$900	\$1,500	\$1,600	\$2,200	\$3,500	\$2,200	\$2,600	\$3,100	\$3,400	\$4,100	\$4,700	\$28,800	\$40,300	\$46,200	\$48,300	\$49,400	
<b>NET INCOME</b>	<b>(\$3,100)</b>	<b>\$2,800</b>	<b>\$4,400</b>	<b>\$4,700</b>	<b>\$6,400</b>	<b>\$10,600</b>	<b>\$6,400</b>	<b>\$7,800</b>	<b>\$9,200</b>	<b>\$10,300</b>	<b>\$12,300</b>	<b>\$14,200</b>	<b>\$86,000</b>	<b>\$121,000</b>	<b>\$138,700</b>	<b>\$145,000</b>	<b>\$148,200</b>	

## STRATHCONA EMPORIUM OF FINE WINE & LIQUOR

### CASH FLOW PROJECTION

#### YEAR 1

	at startup	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YEAR 1 TOTAL	YEAR 2 TOTAL	YEAR 3 TOTAL	YEAR 4 TOTAL	YEAR 5 TOTAL
<b>OPENING CASH</b>	\$100,000	\$20,000	\$12,300	\$12,400	\$13,300	\$14,400	\$17,200	\$14,200	\$17,000	\$21,200	\$16,800	\$23,500	\$32,200	\$100,000	\$42,800	\$120,100	\$215,100	\$316,400
<b>BUSINESS ESTABLISHMENT CASH:</b>																		
Bank loan received (5-year @ 8%)	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250,000	\$0	\$0	\$0	\$0
Payback of loan principal (5-yr, 8%, straightline)	0	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(50,400)	(50,400)	(50,400)	(50,400)	(50,400)
Leasehold improvements & furnishings	(100,000)	0	0	0	0	0	0	0	0	0	0	0	0	(100,000)	0	0	0	0
Inventory expansion	(230,000)	0	0	0	0	0	(10,000)	0	0	(10,000)	0	0	0	(250,000)	0	0	0	0
Net Business Establishment Cash	(\$80,000)	(\$4,200)	(\$4,200)	(\$4,200)	(\$4,200)	(\$4,200)	(\$14,200)	(\$4,200)	(\$4,200)	(\$14,200)	(\$4,200)	(\$4,200)	(\$4,200)	(\$150,400)	(\$50,400)	(\$50,400)	(\$50,400)	(\$50,400)
<b>CASH FROM OPERATIONS:</b>																		
Sales revenues	\$0	\$86,100	\$99,500	\$109,300	\$115,100	\$120,900	\$152,900	\$133,600	\$140,300	\$147,300	\$154,800	\$167,300	\$180,900	\$1,608,000	\$1,849,200	\$1,987,900	\$2,057,900	\$2,109,300
Direct costs	0	(64,700)	(74,900)	(82,200)	(86,700)	(91,000)	(113,700)	(100,500)	(105,700)	(110,900)	(116,400)	(126,400)	(137,100)	(1,210,200)	(1,391,600)	(1,495,900)	(1,548,700)	(1,587,300)
Fixed expenses	0	(25,500)	(20,900)	(21,200)	(22,100)	(21,300)	(25,100)	(24,500)	(24,200)	(24,100)	(24,700)	(24,500)	(24,900)	(283,000)	(296,300)	(307,100)	(315,900)	(324,400)
add back depreciation	0	600	600	600	600	600	600	600	600	600	600	600	600	7,200	6,700	6,700	6,700	6,700
Net Operational Cash	\$0	(\$3,500)	\$4,300	\$6,500	\$6,900	\$9,200	\$14,700	\$9,200	\$11,000	\$12,900	\$14,300	\$17,000	\$19,500	\$122,000	\$168,000	\$191,600	\$200,000	\$204,300
Corporate taxes paid	\$0	\$0	\$0	(\$1,400)	(\$1,600)	(\$2,200)	(\$3,500)	(\$2,200)	(\$2,600)	(\$3,100)	(\$3,400)	(\$4,100)	(\$4,700)	(\$28,800)	(\$40,300)	(\$46,200)	(\$48,300)	(\$49,400)
Net change to cash position in period	(\$80,000)	(\$7,700)	\$100	\$900	\$1,100	\$2,800	(\$3,000)	\$2,800	\$4,200	(\$4,400)	\$6,700	\$8,700	\$10,600	(\$57,200)	\$77,300	\$95,000	\$101,300	\$104,500
<b>CASH POSITION AT END OF PERIOD</b>	<b>\$20,000</b>	<b>\$12,300</b>	<b>\$12,400</b>	<b>\$13,300</b>	<b>\$14,400</b>	<b>\$17,200</b>	<b>\$14,200</b>	<b>\$17,000</b>	<b>\$21,200</b>	<b>\$16,800</b>	<b>\$23,500</b>	<b>\$32,200</b>	<b>\$42,800</b>	<b>\$42,800</b>	<b>\$120,100</b>	<b>\$215,100</b>	<b>\$316,400</b>	<b>\$420,900</b>

# STRATHCONA EMPORIUM OF FINE WINE & LIQUOR

## BALANCE SHEET PROJECTION

### YEAR 1

	Opening Balance	end Month 1	end Month 2	end Month 3	end Month 4	end Month 5	end Month 6	end Month 7	end Month 8	end Month 9	end Month 10	end Month 11	end Month 12	end YEAR 1	end YEAR 2	end YEAR 3	end YEAR 4	end YEAR 5
<b>ASSETS:</b>																		
Cash	\$20,000	\$12,300	\$12,400	\$13,300	\$14,400	\$17,200	\$14,200	\$17,000	\$21,200	\$16,800	\$23,500	\$32,200	\$42,800	\$42,800	\$120,100	\$215,100	\$316,400	\$420,900
Leasehold Improvements & Furnishings	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
less Accumulated Depreciation	0	(600)	(1,200)	(1,800)	(2,400)	(3,000)	(3,600)	(4,200)	(4,800)	(5,400)	(6,000)	(6,600)	(7,200)	(7,200)	(13,900)	(20,600)	(27,300)	(34,000)
Inventory	230,000	230,000	230,000	230,000	230,000	230,000	240,000	240,000	240,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Tax credits	0	1,000	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL ASSETS</b>	<b>\$350,000</b>	<b>\$342,700</b>	<b>\$341,300</b>	<b>\$341,500</b>	<b>\$342,000</b>	<b>\$344,200</b>	<b>\$350,600</b>	<b>\$352,800</b>	<b>\$356,400</b>	<b>\$361,400</b>	<b>\$367,500</b>	<b>\$375,600</b>	<b>\$385,600</b>	<b>\$385,600</b>	<b>\$456,200</b>	<b>\$544,500</b>	<b>\$639,100</b>	<b>\$736,900</b>
<b>LIABILITIES:</b>																		
Debt Financing - Balance on Principal	\$250,000	\$245,800	\$241,600	\$237,400	\$233,200	\$229,000	\$224,800	\$220,600	\$216,400	\$212,200	\$208,000	\$203,800	\$199,600	\$199,600	\$149,200	\$98,800	\$48,400	\$0
<b>TOTAL LIABILITIES</b>	<b>\$250,000</b>	<b>\$245,800</b>	<b>\$241,600</b>	<b>\$237,400</b>	<b>\$233,200</b>	<b>\$229,000</b>	<b>\$224,800</b>	<b>\$220,600</b>	<b>\$216,400</b>	<b>\$212,200</b>	<b>\$208,000</b>	<b>\$203,800</b>	<b>\$199,600</b>	<b>\$199,600</b>	<b>\$149,200</b>	<b>\$98,800</b>	<b>\$48,400</b>	<b>\$0</b>
<b>EQUITY:</b>																		
Common Equity	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Retained Earnings	0	(3,100)	(300)	4,100	8,800	15,200	25,800	32,200	40,000	49,200	59,500	71,800	86,000	86,000	207,000	345,700	490,700	636,900
<b>TOTAL EQUITY</b>	<b>\$100,000</b>	<b>\$96,900</b>	<b>\$99,700</b>	<b>\$104,100</b>	<b>\$108,800</b>	<b>\$115,200</b>	<b>\$125,800</b>	<b>\$132,200</b>	<b>\$140,000</b>	<b>\$149,200</b>	<b>\$159,500</b>	<b>\$171,800</b>	<b>\$186,000</b>	<b>\$186,000</b>	<b>\$307,000</b>	<b>\$445,700</b>	<b>\$590,700</b>	<b>\$736,900</b>
Total equity & liabilities	\$350,000	\$342,700	\$341,300	\$341,500	\$342,000	\$344,200	\$350,600	\$352,800	\$356,400	\$361,400	\$367,500	\$375,600	\$385,600	\$385,600	\$456,200	\$544,500	\$639,100	\$736,900
Ratio of total debt to total equity	2.50	2.54	2.42	2.28	2.14	1.99	1.79	1.67	1.55	1.42	1.30	1.19	1.07	1.07	0.49	0.22	0.08	0.00