



HONEY HILL BAR & GRILL

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Legal Page

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Honey Hill Bar & Grill

1.0 Executive Summary

Honey Hill Bar & Grill has established a successful presence in the food and beverage service industry. The flagship location in suburban Somewhere USA has grossed in an excess of \$1.5 million in sales in its first year of operation, ending December 2013. First years operations has produced a net profit of \$455,000. This will be generated from an investment of \$625,000 in initial capital. Since 12 months of operations have already been completed the confidence level for final first years numbers is extremely high. The first 12 months of start-up costs, sales revenue and operating expenses are actual.

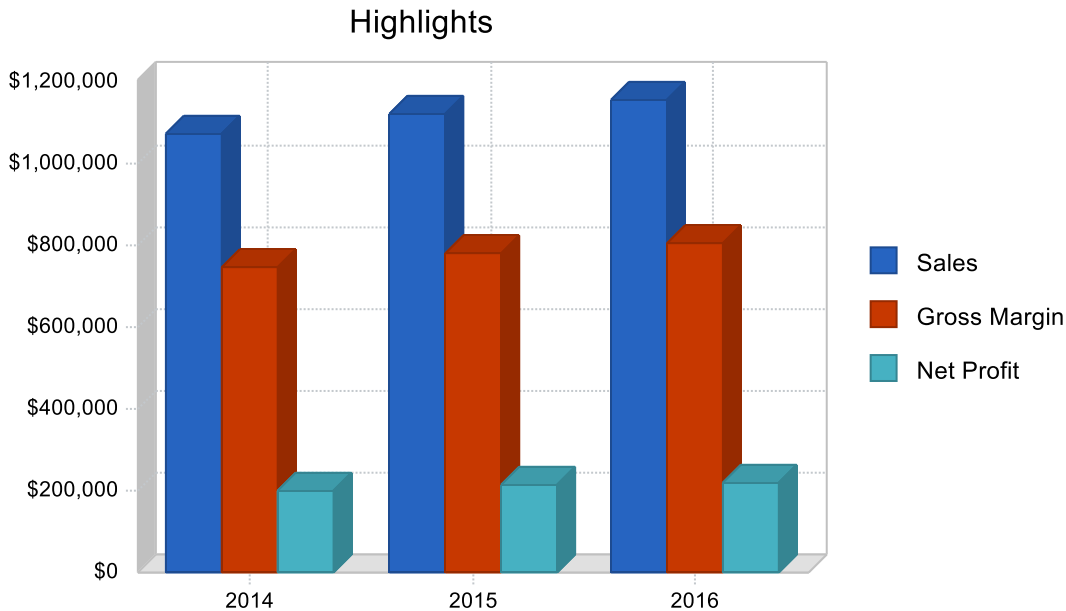
Expansion plans are already underway. Owner funding and internal generated cash flow will enable additional locations to open. Sales projections for the next three years are based upon current planned restaurant openings. Site surveys have been completed and prime locations have been targeted for expansion.

The sales figures and projections presented here are based upon 1 additional location opening in the next 12 months.

This new location has a sales plan of approximately \$1 million in the first year generating a net income \$200,000.

Payback of total invested capital on this location will be realized in less than 18 months of operation. Cash flow becomes positive from operations immediately and profits are substantial in the first year.

Chart: Highlights



1.1 Objectives

Honey Hill Bar & Grill's main objective is to open 1 additional locations in Somewhere USA.

Honey Hill Bar & Grill

The management of Honey Hill Bar & Grill has demonstrated its concept, marketability, and controls and feels confident of its ability to successfully replicate the quick ramp up of the additional locations.

The following objectives have been established:

- Maintain tight control of costs and operations by hiring quality management and utilize automated computer control.
- Keep food costs under 32% of revenues
- Keep beverage costs under 21% of revenues
- Select a locations that meet all of the parameters of success.
- Grow this location to \$3 million annual sales level.

1.2 Mission

Honey Hill Bar & Grill strives to be the premier family restaurant in the Northeast Region. Our goal is to be innovative, entertaining and a step ahead of competition. We will offer a customers a comfortable environment with a family atmosphere. We combine menu selection, atmosphere, ambiance, and service to create an unforgettable restaurant experience.

1.3 Keys to Success

The keys to success in achieving our goals are:

- Product quality. Not only great food but great service.
- Managing finances in order maintain a profitable business.
- Controlling costs at all times.
- Instituting management controls so our customers have the same experience at each location.

2.0 Company Summary

Honey Hill Bar & Grill is a family restaurant that caters to adults as well as children. We offer a variety of different menu items focusing on ribs, burgers and steaks. We are known for high quality low cost meals in a comfortable environment. Our food is locally purchased and freshly made on site. Our staff provides attentive and friendly service and is cross trained so they can take care of every aspect of the customers dining experience.

Honey Hill Bar & Grill

2.1 Company Ownership

Honey Hill Bar & Grill is owned by Chris Wild and set up as an LLC. Ms. Wild holds a degree in Culinary Arts from Anytown University and a Masters in Business from Somewhere College.

The second location is located in Somewhere USA

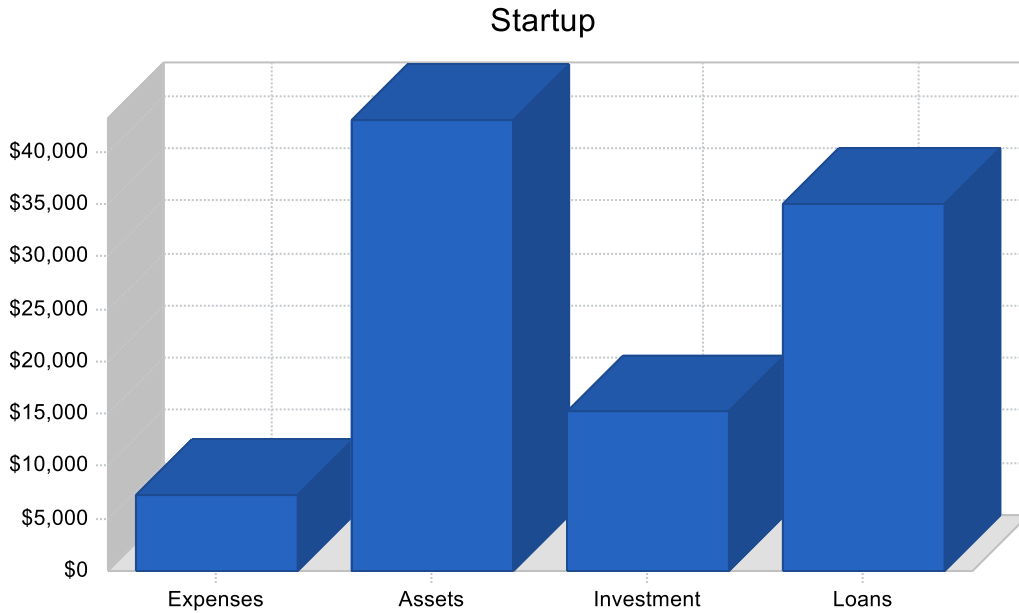
2.2 Startup Summary

Start-up expenses for the Honey Hill Bar & Grill total \$7,300, and include expenses such as legal, marketing, lease deposit, computer systems, etc. Start-up assets include \$10,000 in initial cash requirements, \$5,500 in short term assets (office furniture, refrigeration equipment), and \$15,000 in starting inventory. These start-up costs will be financed through investments and small-business loans. The details of the start-up summary are included in the following table.

Table: Startup

<i>Startup</i>	
Requirements	
Startup Expenses	
Legal	\$1,500
Stationery etc.	\$500
Insurance	\$750
Rent	\$800
Computer	\$2,000
Furniture	\$1,750
Total Startup Expenses	\$7,300
Startup Assets	
Cash Required	\$10,000
Startup Inventory	\$15,000
Other Current Assets	\$5,500
Long-term Assets	\$12,500
Total Assets	\$43,000
Total Requirements	\$50,300

Chart: Startup



3.0 Products

Our menu consists of juicy, thick steaks that are coated with a secret combination of flavorings and zesty spices. These steaks are grilled to perfection. We offer mouthwatering prime rib, in four portion sizes. The menu also consists of butter-roasted and seasoned chicken dishes, fresh grilled seafood, imaginative salads, a variety of huge burgers and grilled sandwiches, tender pork chops, soups, appetizers with berry barbecue sauces, refreshing fountain drinks, and a variety of desserts.

From the bar patrons can order a wide range of American wines, as well as dozens of beers including the most popular microbrews. The bar also offers festive martinis, margaritas, specialty frozen drinks, and hundreds of cocktails.

4.0 Market Analysis Summary

Anytown is a dynamic city located in the rapidly growing in the Northeast region. The city is known for its excellent medical and educational institutions, beautiful neighborhoods, easy access to freeways and a diversified economic base. From a residential perspective, Anytown features master-planned communities, luxury executive homes, older residences in tree-lined neighborhoods and affordable starter housing. A robust economy, attractive residential developments, exciting commercial and business growth, dynamic neighborhoods and abundant civic pride combined with outstanding city services - Anytown has all of the amenities necessary for ensuring a quality lifestyle.

Anytown has been one of the fastest-growing cities in one of the fastest-growing metropolitan areas in the United States over the past three decades. The city's population grew 48 percent during the 1990s. Today, Anytown has a population of more than 225,000. Anytown is adjacent to Somewhere (pop. 500,000), within the Valley with 1.6 million residents.

Honey Hill Bar & Grill

The median age is 39 years, and more than 59 percent of its residents are college-educated. Of the five largest cities in the Valley, Anytown has the most homes with married couples (53 percent) and the largest percentage of households with children under 18 years old living at home (32 percent). The demographics of Anytown's workforce are almost identical to that of the region, providing an excellent labor pool for businesses of all sizes. The fact that Anytown is part of a vibrant metropolitan area makes it a very attractive place to live and establish a business.

4.1 Market Segmentation

Honey Hill Bar & Grill is located in Anytown USA. According to the local Chamber of Commerce and the US Census Bureau, the population within a five mile radius of this address is nearly 125,000, with over 59,000 households, and over 400 businesses. Income within one mile is over \$81,000, \$72,000 within three miles and \$60,000 within five miles. Per capita retail spending in this area exceeds \$13,000, with total retail spending exceeding \$2.8 billion!

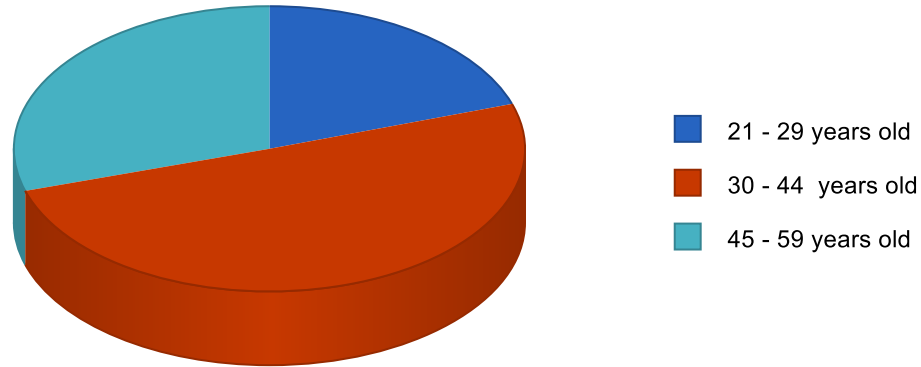
The first tier target segment for Honey Hill Bar & Grill concentrates on the 30-44 year old age range, with income in the \$40,000 - \$80,000 range, located within a five mile radius. Second tier is the 45-59 year old range, with income in the \$55,000 - \$90,000 range, located within a five mile radius. Third tier is the 21-29 group, with income at \$36,000 - \$60,000, located within a five mile radius.

Table: Market Analysis

<i>Market Analysis</i>		2014	2015	2016	2017	2018	
Potential Customers	Growth						CAGR
21 - 29 years old	5%	15,000	15,750	16,538	17,365	18,233	5.00%
30 - 44 years old	8%	38,000	41,040	44,323	47,869	51,699	8.00%
45 - 59 years old	3%	22,500	23,175	23,870	24,586	25,324	3.00%
Total	5.98%	75,500	79,965	84,731	89,820	95,256	5.98%

Chart: Market Analysis (Pie)

Market Analysis (Pie)



4.2 Target Market Segment Strategy

Strategically, targeting the 30-44 year old age range in upper middle class areas close to our restaurant helps serve the needs and requirements of our customers, and ties in logically with our marketing plan and style of restaurant. Typically, the upper middle class in the 30-44 range are raising families whose children range from toddlers to teens, yet tend to continue to have "disposable" dollars available to get them away from home and work. These customers have regimented schedules in their lives, and find value in exceptional service, timely service, and great food. If a couple chooses to leave the kids home, they'll find value in the form of satisfaction and fun together, in their diversionary time. If they bring the kids, they will appreciate a value based kids menu. This first tier of our market segment, is also the primary focus of our marketing plan. These kids are primarily the children of our 30-44 tier-one group. Industry research (Nation's Restaurant News®) has shown that the 30-44 age group appreciates steaks, chops, and chicken and seafood dishes prepared with lightly seasoned recipes, which is a perfect fit for Honey Hill Bar & Grill.

Our SECOND-TIER market group (45-59 / \$55,000 - \$ 80,000), will also find value in great service, and delicious food, and will appreciate a restaurant with a great wine list.

Our THIRD-TIER group, the 21-29 year olds will find that the menu contains many favorites available to them that are considered essential: tantalizing appetizers, spicy steaks, and hundreds of cocktails and specialty beers.

4.3 Industry Analysis

All restaurants combined, from fast food to fine dining, show an average bottom line profit of 3-10%. Margins are much better in full service restaurants with good management, good staff, good concepts, good menus and wine lists, good location and good financial controls. A full service steakhouse with all of these factors should show a bottom line profit of 13% - 25%.

4.3.1 Competition and Buying Patterns

The general nature of competition in this business, and how the customers seem to choose one provider over another can be measured by customer loyalty and positive word of mouth. Customer loyalty and brand preference come from developing a trust between the customer and the business. To be successful in the hospitality business, one must truly believe in, and always apply, the fundamental meaning of hospitality, which simply stated is, one must always be hospitable, and the customer must truly be made to feel welcome and cared for. The trust that a customer feels, is based upon the business' ability to recognize what it takes to please a customer, and then is built upon by continuously delivering to that customer at, or above, the level of expectation that the customer expects. Honey Hill Bar & Grill has carefully selected a management team that has been specially trained in exceptional customer service. The screening, hiring and training standards for front-of-the house staff are the highest in the industry.

The level of attention and care that our staff bestows upon our customers sets us far above our competition. Honey Hill Bar & Grill also has extremely high standards for professionalism in the kitchen. Cleanliness, freshness of ingredients, adherence to recipe and cooking standards, and efficiency are constantly applied. Prices are reasonable, and are perceived as being an exceptional value. Honey Hill Bar & Grill offers extremely delicious steaks, tantalizing chicken dishes, savory grilled seafoods, tender prime rib, fresh salads, sensational appetizers, tempting desserts and refreshing beverages. All of this can be found in an environment with an ambience that is very comfortable.

Honey Hill Bar & Grill is conveniently located near a successful mall. The restaurant has a huge, secure parking lot, excellent ingress and egress, and a beautiful and highly noticeable exterior. This area has other restaurants, which is a definite plus for us. This allows us to capitalize on a positive "clustering" effect, and works well with our marketing strategy.

5.0 Web Plan Summary

Our website, is an opportunity to offer current information on special events, menu offerings, public service announcements and comp specials.

5.1 Website Marketing Strategy

Our website will be promoted on all of our menus, and promo pieces. We will link to CitySearch.com® and many other hospitality oriented websites and portals.

5.2 Development Requirements

Honey Hill Bar & Grill website will be initially developed with few technical resources. VeriSign® will host the site and provide the technical back end. We will maintain a simple, classy, yet Internet focused site. The website logos, and graphics will be the same artwork found on our hard-copy menus, and in various spots in the business plan. Our managers will maintain the website. As the website rolls out future development such as restaurant delivery options, newsletters and downloadable market research reports, a technical resource may need to be contracted to build the trackable download and the newsletter capabilities. We will also look into pre-packaged solutions through VeriSign® and other Web hosting resources.

6.0 Strategy and Implementation Summary

Emphasize service

We will differentiate ourselves with SERVICE! We will establish our business offering as a clear and viable alternative for our target market.

Build a relationship-oriented business

Build long-term relationships with customers, not single-visit deals. Become their restaurant and destination of choice. Make them understand the value of the relationship.

Focus on target markets

We need to focus our offerings on specific population groups as the key market segment we should own. We do not want to compete for the buyers who go to fast food or "microwave frozen foods" types of "restaurants. We definitely want to be able to sell to smart, quality conscious customers.

6.1 Competitive Edge

Clearly, our competitive edge is the customer service experience and approach that our management team will bring to the table. Our smiling, unassuming and good natured approach to all of our customers is evident, and highly appreciated. Our recipes are delicious, and the portions are large. The foods are fresh and satisfying, and the drinks are fulfilling and refreshing.

6.2 Marketing Strategy

An overview of the marketing plan includes:

- Gift Certificate Program • In-store comp cards
- Direct mail • Free surprise dinners for radio station DJ's.
- Charity events for senior citizens, high schools, grade schools, churches and community centers.
- High profile interaction between our managers, and the customers.
- Excellent service and high food quality every single day in the restaurant.

6.3 Sales Strategy

We require our servers to have a thorough and comprehensive understanding of the menus, ingredients and methods of preparation of all of our foods and beverages. We train our staff to always describe and recommend items, even to regular customers, and to always upsell. The key to a server's success in upselling is the realization that it almost always brings in better tips because the checks are higher.

GIFT CERTIFICATES

Honey Hill Bar & Grill will aggressively sell gift certificates. The strategy behind gift certificate sales is simple and proven. Most GC sales occur during the holidays. Most GC's are then redeemed in the post-holiday months of January and February, helping drive sales in those traditionally slower months.

Honey Hill Bar & Grill

6.3.1 Sales Forecast

The first month sales will open strongly, because of the advance buzz created by our pre-opening marketing, and our Grand Opening Festivities. Sales will drop off slightly as we begin to sort out our operational patterns. September is a slower month for restaurants. October and November see sales begin to build as we continue with our marketing, and relentless quality. December sees a sharp spike upward as the Holidays are in full swing. A typical week for the first six months will look like this (conservative estimate):

Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Total Sales
\$3,642	\$1,500	\$1,500	\$2,500	\$3,142	\$5,434	\$6,935	\$23,653

Table: Sales Forecast

<i>Sales Forecast</i>			
	2014	2015	2016
Sales			
Food	\$538,000	\$550,000	\$565,000
Beer	\$216,500	\$225,000	\$230,000
Wine	\$162,500	\$175,000	\$180,000
Liquor	\$87,480	\$95,000	\$100,000
N/A Beverages	\$68,500	\$75,000	\$80,000
Total Sales	\$1,072,980	\$1,120,000	\$1,155,000
Direct Cost of Sales	2014	2015	2016
Food	\$172,160	\$176,000	\$180,800
Beer	\$54,125	\$56,250	\$57,500
Wine	\$73,125	\$78,750	\$81,000
Liquor	\$17,496	\$19,000	\$20,000
N/A Beverages	\$10,275	\$11,250	\$12,000
Subtotal Direct Cost of Sales	\$327,181	\$341,250	\$351,300

Honey Hill Bar & Grill

Chart: Sales Monthly

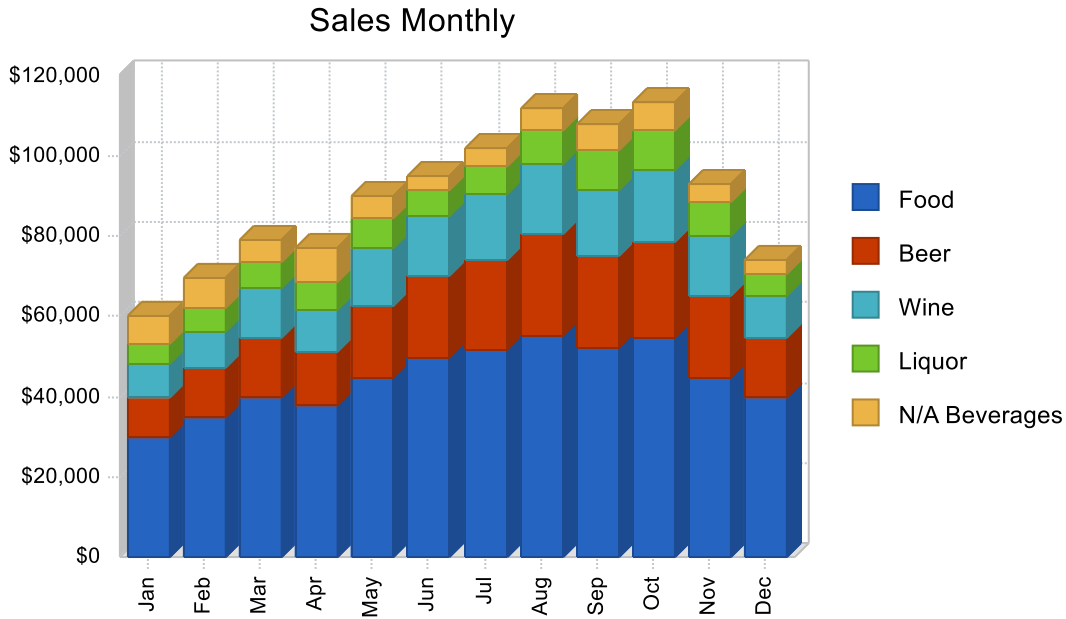
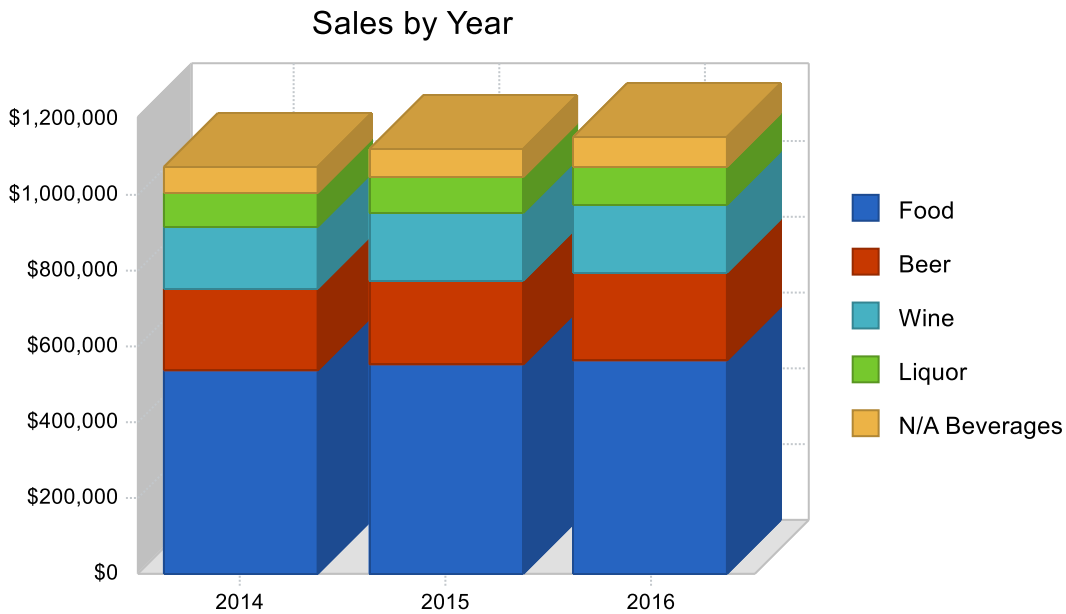


Chart: Sales by Year



7.0 Management Summary

We will open with a team of four manager/owners, one bookkeeper, and 25 staff members. Each member of the management team has specific industry experience that will apply to their assignment. This is an extremely experienced and well balanced team. There are no gaps in its structure.

Honey Hill Bar & Grill

7.1 Personnel Plan

The personnel table (labor pro-forma) shows the number, and structure of the "back-of-the-house" (BOH), "front-of-the-house" (FOH), and management staffs. June has a higher labor cost, as is usual in a restaurant start-up. Labor costs come down as the operation begins to flow more smoothly.

Table: Personnel

<i>Personnel Plan</i>	2014	2015	2016
Head Chef	\$78,000	\$80,000	\$82,000
Prep Cook	\$54,000	\$55,500	\$57,500
Line Cook	\$48,000	\$50,000	\$51,250
Dishwasher	\$30,000	\$32,000	\$34,500
Wait Staff	\$42,000	\$43,500	\$45,000
Hostess	\$36,000	\$37,500	\$39,500
Bartender	\$30,000	\$33,500	\$34,750
Manager	\$45,000	\$47,500	\$48,500
Total People	25	25	25
Total Payroll	\$363,000	\$379,500	\$393,000

8.0 Financial Plan

Our main concerns will be aggressive time management, so that our labor costs stay under control, and proper purchasing, prep and food handling to keep food costs down, as well as managing the higher costs of meats and seafood.

8.1 Startup Funding

Honey Hill Bar & Grill start-up funds are summarized in the following table:

- \$35,000 SBA loan
- \$7,800 Investor
- \$7,500 Owner investment

The additional capital is needed to fund salaries, inventory lags and other costs during the first months of the business year.

Table: Startup Funding

Honey Hill Bar & Grill

Startup Funding	
Startup Expenses to Fund	\$7,300
Startup Assets to Fund	\$43,000
Total Funding Required	\$50,300
Assets	
Non-cash Assets from Startup	\$33,000
Cash Requirements from Startup	\$10,000
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$10,000
Total Assets	\$43,000
Liabilities and Capital	
Liabilities	
Current Borrowing	\$0
Long-term Liabilities	\$25,000
Accounts Payable (Outstanding Bills)	\$5,000
Other Current Liabilities (interest-free)	\$5,000
Total Liabilities	\$35,000
Capital	
Planned Investment	
Owner	\$7,500
Investor	\$7,800
Additional Investment Requirement	\$0
Total Planned Investment	\$15,300
Loss at Startup (Startup Expenses)	(\$7,300)
Total Capital	\$8,000
Total Capital and Liabilities	\$43,000
Total Funding	\$50,300

8.2 Important Assumptions

- We are assuming steady growth from good management, barring any unforeseen local, or national disasters such as the economic slowdown.
- We are assuming adequate investor funding to sustain us during start-up.

8.3 Break-even Analysis

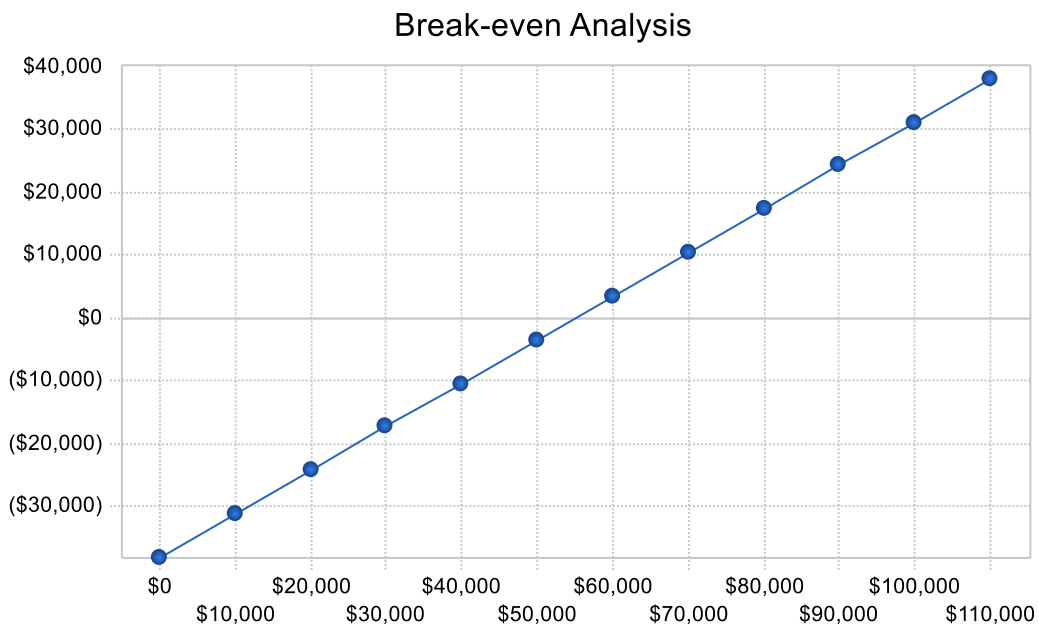
Our break-even analysis is based on our cost and price structure at present. As we grow, the fixed costs will grow in proportion to our employee numbers.

Honey Hill Bar & Grill

Table: Break-even Analysis

<i>Break-even Analysis</i>	
Monthly Revenue Break-even	\$55,066
Assumptions:	
Average Percent Variable Cost	30%
Estimated Monthly Fixed Cost	\$38,275

Chart: Break-even Analysis



8.4 Projected Profit and Loss

The following table and charts show the projected profit and loss. Monthly projections are included in the appendix.

Table: Profit and Loss

<i>Pro Forma Profit and Loss</i>	2014	2015	2016
Sales	\$1,072,980	\$1,120,000	\$1,155,000
Direct Cost of Sales	\$327,181	\$341,250	\$351,300
Other Costs of Sales	\$0	\$0	\$0
Total Cost of Sales	\$327,181	\$341,250	\$351,300
Gross Margin	\$745,799	\$778,750	\$803,700

Honey Hill Bar & Grill

Gross Margin %	69.51%	69.53%	69.58%
Expenses			
Payroll	\$363,000	\$379,500	\$393,000
Marketing/Promotion	\$14,400	\$15,000	\$15,500
Depreciation	\$0	\$0	\$0
Operating Supplies	\$18,000	\$14,500	\$15,000
Janitorial	\$6,600	\$6,800	\$7,000
Repairs	\$3,000	\$3,250	\$3,500
Linens	\$15,675	\$16,000	\$16,500
Menus	\$1,800	\$2,000	\$2,200
Advertising	\$6,000	\$6,250	\$6,500
Credit Card Charges	\$17,125	\$17,250	\$17,500
Professional Fees	\$12,000	\$12,000	\$12,000
Uniforms	\$1,200	\$900	\$900
Travel	\$500	\$500	\$500
Employee Discounts	\$0	\$0	\$0
Inserted Row	\$0	\$0	\$0
Total Operating Expenses	\$459,300	\$473,950	\$490,100
Profit Before Interest and Taxes	\$286,499	\$304,800	\$313,600
EBITDA	\$286,499	\$304,800	\$313,600
Interest Expense	\$870	\$640	\$400
Taxes Incurred	\$85,689	\$91,248	\$93,960
Net Profit	\$199,940	\$212,912	\$219,240
Net Profit/Sales	18.63%	19.01%	18.98%

Honey Hill Bar & Grill

Chart: Profit Monthly

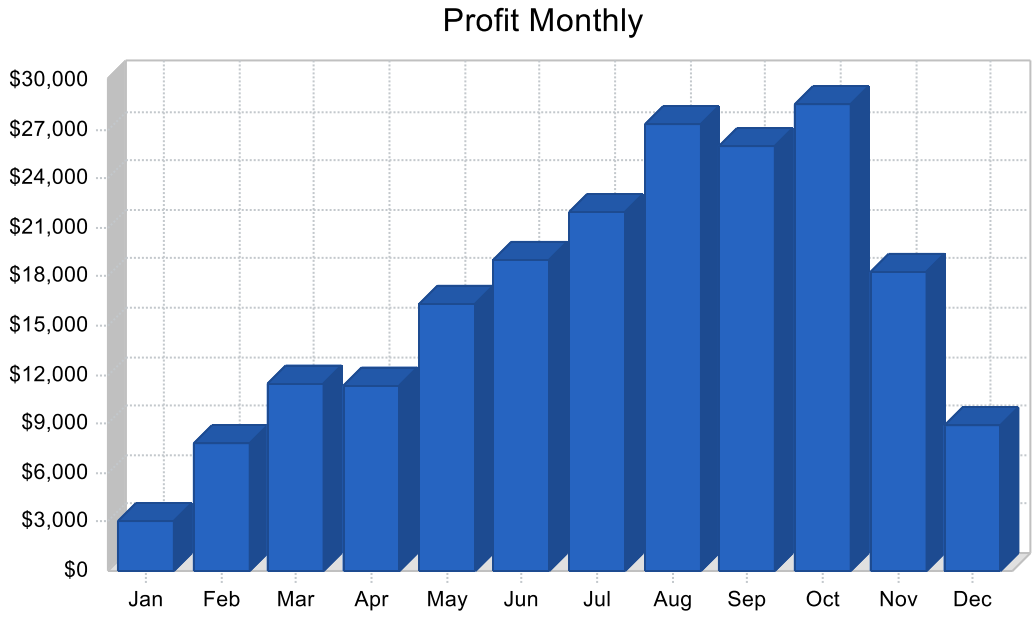
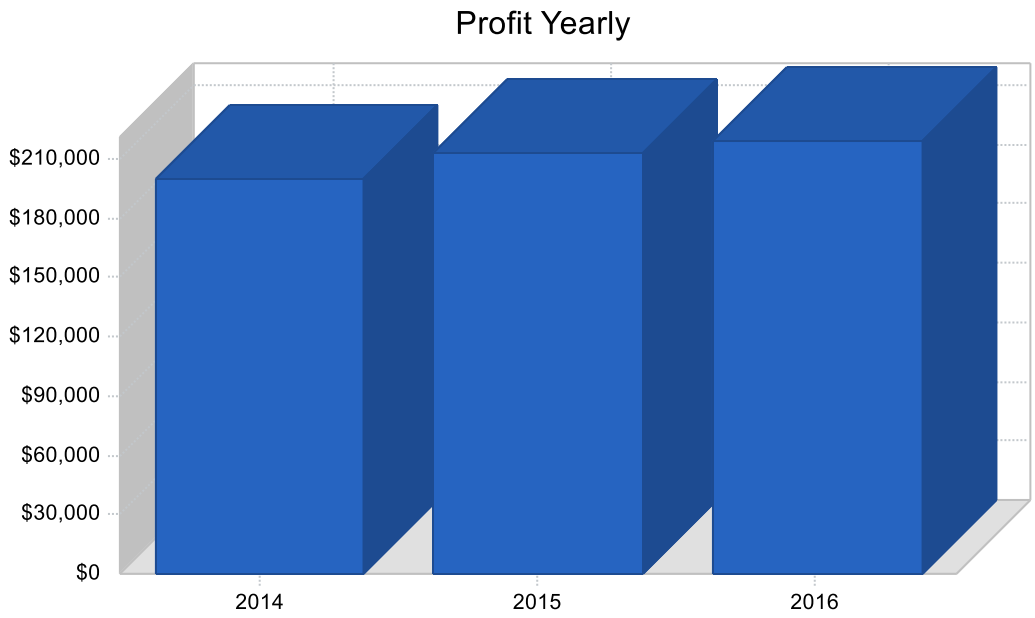


Chart: Profit Yearly



Honey Hill Bar & Grill

Chart: Gross Margin Monthly

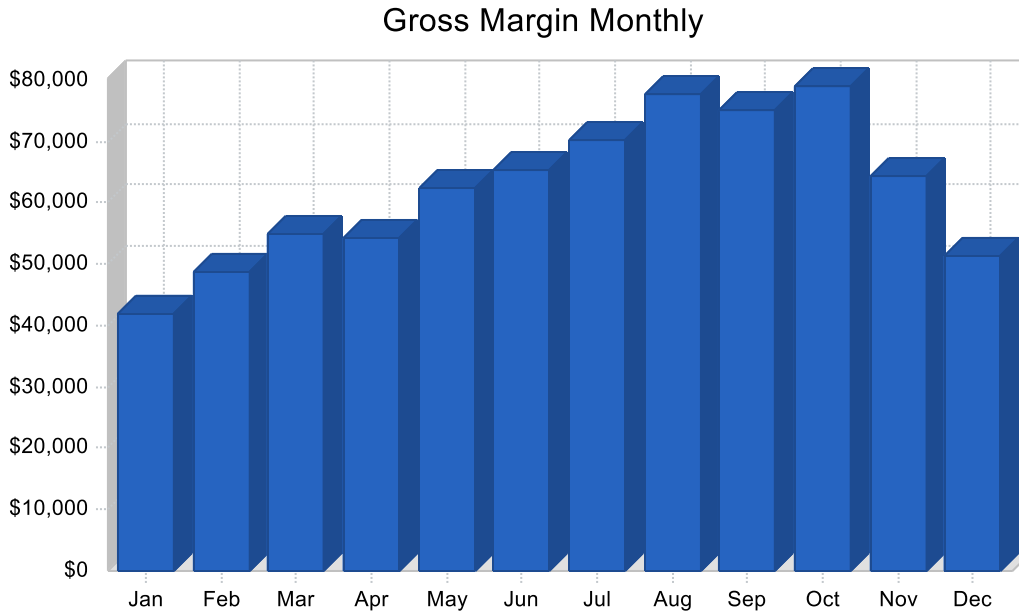
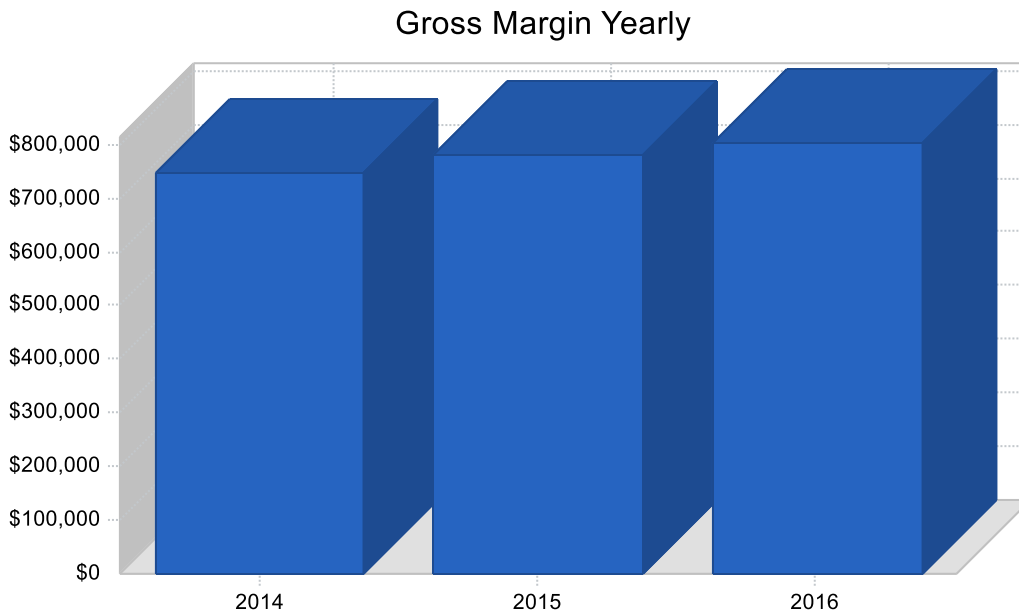


Chart: Gross Margin Yearly



8.5 Projected Cash Flow

The cash flow depends on assumptions for good daily operational management, good traffic counts in the restaurant, inventory turnover, payment days, and accounts receivable management. Initial projections are a sales-to-investment ratio in excess of 2-to-1, return on investment in excess of 30 percent and return on equity of 20 percent-plus.

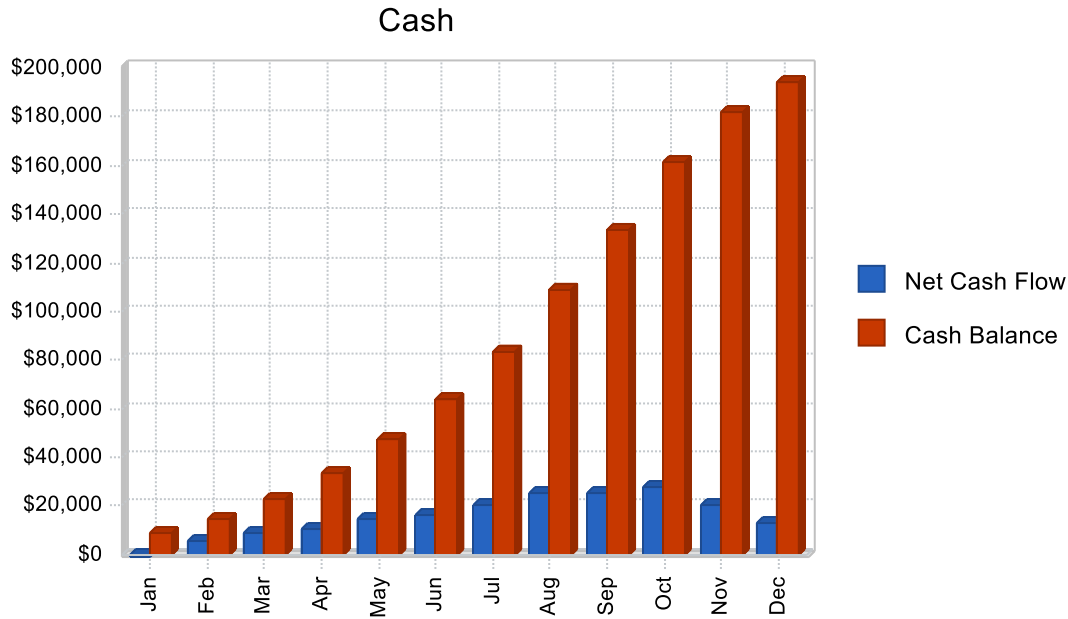
Honey Hill Bar & Grill

Table: Cash Flow

<i>Pro Forma Cash Flow</i>	2014	2015	2016
Cash Received			
Cash from Operations			
Cash Sales	\$804,735	\$840,000	\$866,250
Cash from Receivables	\$262,695	\$279,757	\$288,569
Subtotal Cash from Operations	\$1,067,430	\$1,119,757	\$1,154,819
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	\$1,067,430	\$1,119,757	\$1,154,819
Expenditures	2014	2015	2016
Expenditures from Operations			
Cash Spending	\$363,000	\$379,500	\$393,000
Bill Payments	\$514,019	\$528,623	\$542,999
Subtotal Spent on Operations	\$877,019	\$908,123	\$935,999
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	\$6,000	\$6,000	\$6,000
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$883,019	\$914,123	\$941,999
Net Cash Flow	\$184,411	\$205,634	\$212,819
Cash Balance	\$194,411	\$400,045	\$612,864

Honey Hill Bar & Grill

Chart: Cash



8.6 Projected Balance Sheet

The balance sheet is quite solid. We do not project any real trouble meeting our debt obligations--as long as we can achieve our specific objectives.

Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>			
	2014	2015	2016
Assets			
Current Assets			
Cash	\$194,411	\$400,045	\$612,864
Accounts Receivable	\$5,550	\$5,793	\$5,974
Inventory	\$22,675	\$29,660	\$30,137
Other Current Assets	\$5,500	\$5,500	\$5,500
Total Current Assets	\$228,136	\$440,998	\$654,476
Long-term Assets			
Long-term Assets	\$12,500	\$12,500	\$12,500
Accumulated Depreciation	\$0	\$0	\$0
Total Long-term Assets	\$12,500	\$12,500	\$12,500
Total Assets	\$240,636	\$453,498	\$666,976
Liabilities and Capital	2014	2015	2016
Current Liabilities			
Accounts Payable	\$8,695	\$14,646	\$14,883

Honey Hill Bar & Grill

Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$5,000	\$5,000	\$5,000
Subtotal Current Liabilities	\$13,695	\$19,646	\$19,883
Long-term Liabilities	\$19,000	\$13,000	\$7,000
Total Liabilities	\$32,695	\$32,646	\$26,883
Paid-in Capital	\$15,300	\$15,300	\$15,300
Retained Earnings	(\$7,300)	\$192,640	\$405,552
Earnings	\$199,940	\$212,912	\$219,240
Total Capital	\$207,940	\$420,852	\$640,092
Total Liabilities and Capital	\$240,636	\$453,498	\$666,976
Net Worth	\$207,940	\$420,852	\$640,092

8.7 Business Ratios

The table follows with our main business ratios. We do intend to improve gross margin, collection days, sales and labor controls. Our ratios are compared to industry ratios for Steak Restaurants - SIC code 5812.0802.

Table: Ratios

<i>Ratio Analysis</i>	2014	2015	2016	Industry Profile
Sales Growth	n.a.	4.38%	3.13%	1.65%
Percent of Total Assets				
Accounts Receivable	2.31%	1.28%	0.90%	3.53%
Inventory	9.42%	6.54%	4.52%	6.34%
Other Current Assets	2.29%	1.21%	0.82%	43.25%
Total Current Assets	94.81%	97.24%	98.13%	53.12%
Long-term Assets	5.19%	2.76%	1.87%	46.88%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	5.69%	4.33%	2.98%	25.40%
Long-term Liabilities	7.90%	2.87%	1.05%	73.91%
Total Liabilities	13.59%	7.20%	4.03%	99.31%
Net Worth	86.41%	92.80%	95.97%	0.69%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	69.51%	69.53%	69.58%	58.06%
Selling, General & Administrative Expenses	50.87%	50.52%	50.60%	23.02%
Advertising Expenses	1.34%	1.34%	1.34%	1.74%
Profit Before Interest and Taxes	26.70%	27.21%	27.15%	6.52%

Honey Hill Bar & Grill

Main Ratios				
Current	16.66	22.45	32.92	1.25
Quick	15.00	20.94	31.40	1.00
Total Debt to Total Assets	13.59%	7.20%	4.03%	99.31%
Pre-tax Return on Net Worth	137.36%	72.27%	48.93%	4325.19%
Pre-tax Return on Assets	118.70%	67.07%	46.96%	29.65%
Additional Ratios				
	2014	2015	2016	
Net Profit Margin	18.63%	19.01%	18.98%	n.a
Return on Equity	96.15%	50.59%	34.25%	n.a
Activity Ratios				
Accounts Receivable Turnover	48.33	48.33	48.33	n.a
Collection Days	9	7	7	n.a
Inventory Turnover	12.00	13.04	11.75	n.a
Accounts Payable Turnover	59.54	36.50	36.50	n.a
Payment Days	9	8	10	n.a
Total Asset Turnover	4.46	2.47	1.73	n.a
Debt Ratios				
Debt to Net Worth	0.16	0.08	0.04	n.a
Current Liab. to Liab.	0.42	0.60	0.74	n.a
Liquidity Ratios				
Net Working Capital	\$214,440	\$421,352	\$634,592	n.a
Interest Coverage	329.31	476.25	784.00	n.a
Additional Ratios				
Assets to Sales	0.22	0.40	0.58	n.a
Current Debt/Total Assets	6%	4%	3%	n.a
Acid Test	14.60	20.64	31.10	n.a
Sales/Net Worth	5.16	2.66	1.80	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												
Food	\$30,000	\$35,000	\$40,000	\$38,000	\$45,000	\$50,000	\$52,000	\$55,500	\$52,500	\$55,000	\$45,000	\$40,000
Beer	\$10,000	\$12,500	\$15,000	\$13,500	\$17,500	\$20,000	\$22,000	\$25,000	\$22,500	\$23,500	\$20,000	\$15,000
Wine	\$8,500	\$9,000	\$12,000	\$10,000	\$14,500	\$15,000	\$16,500	\$17,500	\$16,500	\$18,000	\$15,000	\$10,000
Liquor	\$5,000	\$5,500	\$6,500	\$7,000	\$7,500	\$6,580	\$7,000	\$8,500	\$9,900	\$10,000	\$8,500	\$5,500
N/A Beverages	\$6,500	\$7,500	\$5,500	\$8,500	\$5,500	\$3,500	\$4,500	\$5,500	\$6,500	\$7,000	\$4,500	\$3,500
Total Sales	\$60,000	\$69,500	\$79,000	\$77,000	\$90,000	\$95,080	\$102,000	\$112,000	\$107,900	\$113,500	\$93,000	\$74,000
Direct Cost of Sales												
Food	\$9,600	\$11,200	\$12,800	\$12,160	\$14,400	\$16,000	\$16,640	\$17,760	\$16,800	\$17,600	\$14,400	\$12,800
Beer	\$2,500	\$3,125	\$3,750	\$3,375	\$4,375	\$5,000	\$5,500	\$6,250	\$5,625	\$5,875	\$5,000	\$3,750
Wine	\$3,825	\$4,050	\$5,400	\$4,500	\$6,525	\$6,750	\$7,425	\$7,875	\$7,425	\$8,100	\$6,750	\$4,500
Liquor	\$1,000	\$1,100	\$1,300	\$1,400	\$1,500	\$1,316	\$1,400	\$1,700	\$1,980	\$2,000	\$1,700	\$1,100
N/A Beverages	\$975	\$1,125	\$825	\$1,275	\$825	\$525	\$675	\$825	\$975	\$1,050	\$675	\$525
Subtotal Direct Cost of Sales	\$17,900	\$20,600	\$24,075	\$22,710	\$27,625	\$29,591	\$31,640	\$34,410	\$32,805	\$34,625	\$28,525	\$22,675

Appendix

Table: Personnel

<i>Personnel Plan</i>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Head Chef	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500
Prep Cook	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
Line Cook	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Dishwasher	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Wait Staff	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Hostess	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Bartender	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Manager	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750
Total People	25	25	25	25	25	25	25	25	25	25	25	25
Total Payroll	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250

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	\$60,000	\$69,500	\$79,000	\$77,000	\$90,000	\$95,080	\$102,000	\$112,000	\$107,900	\$113,500	\$93,000	\$74,000
Direct Cost of Sales	\$17,900	\$20,600	\$24,075	\$22,710	\$27,625	\$29,591	\$31,640	\$34,410	\$32,805	\$34,625	\$28,525	\$22,675
Other Costs of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$17,900	\$20,600	\$24,075	\$22,710	\$27,625	\$29,591	\$31,640	\$34,410	\$32,805	\$34,625	\$28,525	\$22,675
Gross Margin	\$42,100	\$48,900	\$54,925	\$54,290	\$62,375	\$65,489	\$70,360	\$77,590	\$75,095	\$78,875	\$64,475	\$51,325
Gross Margin %	70.17%	70.36%	69.53%	70.51%	69.31%	68.88%	68.98%	69.28%	69.60%	69.49%	69.33%	69.36%
Expenses												
Payroll	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250
Marketing/Promotion	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Supplies	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Janitorial	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550
Repairs	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Linens	15% \$1,100	\$1,200	\$1,350	\$1,200	\$1,275	\$1,450	\$1,350	\$1,475	\$1,150	\$1,275	\$1,350	\$1,500
Menus	15% \$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Advertising	15% \$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Credit Card Charges	15% \$1,100	\$1,200	\$1,300	\$1,400	\$1,500	\$1,500	\$1,600	\$1,750	\$1,250	\$1,350	\$1,500	\$1,675
Professional Fees	15% \$950	\$950	\$1,250	\$950	\$950	\$950	\$1,250	\$950	\$950	\$950	\$950	\$950
Uniforms	15% \$150	\$0	\$150	\$0	\$350	\$0	\$250	\$0	\$150	\$0	\$150	\$0
Travel	15% \$0	\$0	\$0	\$0	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employee Discounts	15% \$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Inserted Row	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$37,700	\$37,750	\$38,450	\$37,950	\$38,975	\$38,300	\$38,850	\$38,575	\$37,900	\$37,975	\$38,350	\$38,525
Profit Before Interest and Taxes	\$4,400	\$11,150	\$16,475	\$16,340	\$23,400	\$27,189	\$31,510	\$39,015	\$37,195	\$40,900	\$26,125	\$12,800
EBITDA	\$4,400	\$11,150	\$16,475	\$16,340	\$23,400	\$27,189	\$31,510	\$39,015	\$37,195	\$40,900	\$26,125	\$12,800
Interest Expense	\$82	\$80	\$78	\$77	\$75	\$73	\$72	\$70	\$68	\$67	\$65	\$63
Taxes Incurred	\$1,295	\$3,321	\$4,919	\$4,879	\$6,998	\$8,135	\$9,432	\$11,684	\$11,138	\$12,250	\$7,818	\$3,821

Appendix

Net Profit	\$3,023	\$7,749	\$11,478	\$11,384	\$16,328	\$18,981	\$22,007	\$27,262	\$25,989	\$28,583	\$18,242	\$8,916
Net Profit/Sales	5.04%	11.15%	14.53%	14.78%	18.14%	19.96%	21.58%	24.34%	24.09%	25.18%	19.62%	12.05%

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	\$45,000	\$52,125	\$59,250	\$57,750	\$67,500	\$71,310	\$76,500	\$84,000	\$80,925	\$85,125	\$69,750	\$55,500
Cash from Receivables	\$10,500	\$16,663	\$19,038	\$19,400	\$21,525	\$23,389	\$24,981	\$27,250	\$27,283	\$27,955	\$24,788	\$19,925
Subtotal Cash from Operations	\$55,500	\$68,788	\$78,288	\$77,150	\$89,025	\$94,699	\$101,481	\$111,250	\$108,208	\$113,080	\$94,538	\$75,425
Additional Cash Received												
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	\$55,500	\$68,788	\$78,288	\$77,150	\$89,025	\$94,699	\$101,481	\$111,250	\$108,208	\$113,080	\$94,538	\$75,425
Expenditures												
Expenditures from Operations												
Cash Spending	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250	\$30,250
Bill Payments	\$25,739	\$32,829	\$38,783	\$36,025	\$44,036	\$47,972	\$50,599	\$55,619	\$52,217	\$54,558	\$43,832	\$31,811
Subtotal Spent on Operations	\$55,989	\$63,079	\$69,033	\$66,275	\$74,286	\$78,222	\$80,849	\$85,869	\$82,467	\$84,808	\$74,082	\$62,061
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	\$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	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500

Appendix

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	\$56,489	\$63,579	\$69,533	\$66,775	\$74,786	\$78,722	\$81,349	\$86,369	\$82,967	\$85,308	\$74,582	\$62,561
Net Cash Flow	(\$989)	\$5,209	\$8,754	\$10,375	\$14,239	\$15,977	\$20,132	\$24,881	\$25,241	\$27,772	\$19,956	\$12,864
Cash Balance	\$9,011	\$14,220	\$22,974	\$33,349	\$47,588	\$63,565	\$83,697	\$108,578	\$133,819	\$161,591	\$181,547	\$194,411

Appendix

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	\$10,000	\$9,011	\$14,220	\$22,974	\$33,349	\$47,588	\$63,565	\$83,697	\$108,578	\$133,819	\$161,591	\$181,547	\$194,411
Accounts Receivable	\$0	\$4,500	\$5,213	\$5,925	\$5,775	\$6,750	\$7,131	\$7,650	\$8,400	\$8,093	\$8,513	\$6,975	\$5,550
Inventory	\$15,000	\$17,900	\$20,600	\$24,075	\$22,710	\$27,625	\$29,591	\$31,640	\$34,410	\$32,805	\$34,625	\$28,525	\$22,675
Other Current Assets	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500
Total Current Assets	\$30,500	\$36,911	\$45,532	\$58,474	\$67,334	\$87,463	\$105,787	\$128,487	\$156,888	\$180,216	\$210,229	\$222,547	\$228,136
Long-term Assets													
Long-term Assets	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500
Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Long-term Assets	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500
Total Assets	\$43,000	\$49,411	\$58,032	\$70,974	\$79,834	\$99,963	\$118,287	\$140,987	\$169,388	\$192,716	\$222,729	\$235,047	\$240,636
Liabilities and Capital		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Current Liabilities													
Accounts Payable	\$5,000	\$8,888	\$10,260	\$12,224	\$10,200	\$14,501	\$14,345	\$15,538	\$17,178	\$15,017	\$16,946	\$11,522	\$8,695
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Subtotal Current Liabilities	\$10,000	\$13,888	\$15,260	\$17,224	\$15,200	\$19,501	\$19,345	\$20,538	\$22,178	\$20,017	\$21,946	\$16,522	\$13,695
Long-term Liabilities	\$25,000	\$24,500	\$24,000	\$23,500	\$23,000	\$22,500	\$22,000	\$21,500	\$21,000	\$20,500	\$20,000	\$19,500	\$19,000
Total Liabilities	\$35,000	\$38,388	\$39,260	\$40,724	\$38,200	\$42,001	\$41,345	\$42,038	\$43,178	\$40,517	\$41,946	\$36,022	\$32,695
Paid-in Capital	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300	\$15,300
Retained Earnings	(\$7,300)	(\$7,300)	(\$7,300)	(\$7,300)	(\$7,300)	(\$7,300)	(\$7,300)	(\$7,300)	(\$7,300)	(\$7,300)	(\$7,300)	(\$7,300)	(\$7,300)
Earnings	\$0	\$3,023	\$10,772	\$22,250	\$33,634	\$49,961	\$68,942	\$90,949	\$118,211	\$144,199	\$172,783	\$191,025	\$199,940
Total Capital	\$8,000	\$11,023	\$18,772	\$30,250	\$41,634	\$57,961	\$76,942	\$98,949	\$126,211	\$152,199	\$180,783	\$199,025	\$207,940
Total Liabilities and Capital	\$43,000	\$49,411	\$58,032	\$70,974	\$79,834	\$99,963	\$118,287	\$140,987	\$169,388	\$192,716	\$222,729	\$235,047	\$240,636
Net Worth	\$8,000	\$11,023	\$18,772	\$30,249	\$41,634	\$57,961	\$76,942	\$98,949	\$126,211	\$152,199	\$180,783	\$199,025	\$207,940