

## Pro Forma Statement of Cash Flow

|                              | Initial             | Year ended<br>March, 2004 | Year ended<br>March, 2005 | Year ended<br>March, 2006 |
|------------------------------|---------------------|---------------------------|---------------------------|---------------------------|
| <b>Cash inflows</b>          |                     |                           |                           |                           |
| Cash from sales              | \$0.00              | \$1,052,850.00            | \$1,212,500.00            | \$1,396,358.69            |
| Owner investment             | \$800,000.00        | \$0.00                    | \$0.00                    | \$0.00                    |
| Loan advances                | \$0.00              | <u>\$0.00</u>             | <u>\$0.00</u>             | <u>\$0.00</u>             |
| <b>Total cash inflow</b>     | <b>\$800,000.00</b> | <b>\$1,052,850.00</b>     | <b>\$1,212,500.00</b>     | <b>\$1,396,358.69</b>     |
| <b>Cash outflows</b>         |                     |                           |                           |                           |
| Bank fees and interest       | \$0.00              | \$600.00                  | \$600.00                  | \$600.00                  |
| Cost of Sales                | \$0.00              | \$622,234.35              | \$716,587.50              | \$825,247.99              |
| General Operating            | \$0.00              | \$194,777.25              | \$224,312.50              | \$258,326.36              |
| Management salaries          | \$0.00              | \$42,114.00               | \$48,500.00               | \$55,854.35               |
| Wages                        | \$0.00              | \$105,285.00              | \$121,250.00              | \$139,635.87              |
| Purchase of assets           | \$34,846.37         | \$902.50                  | \$5,405.65                | \$6,225.35                |
| Payment of obligations       | \$0.00              | (\$31,136.35)             | (\$4,721.39)              | (\$5,437.33)              |
| Other cash outflows          | \$0.00              | <u>(\$27,075.09)</u>      | <u>(\$4,105.56)</u>       | <u>(\$4,728.11)</u>       |
| <b>Total cash outflow</b>    | <b>\$34,846.37</b>  | <b>\$907,701.66</b>       | <b>\$1,107,828.70</b>     | <b>\$1,275,724.47</b>     |
| <b>Business Cycle Effect</b> |                     |                           |                           |                           |
| Change in receivables        | \$0.00              | (\$13,988.80)             | (\$2,121.21)              | (\$2,442.86)              |
| Change in payables           | \$0.00              | \$115,520.39              | \$17,517.05               | \$20,173.27               |
| Change in inventory          | \$0.00              | <u>(\$279,775.94)</u>     | <u>(\$42,424.11)</u>      | <u>(\$48,857.14)</u>      |
| <b>Total business cycle</b>  | <b>\$0.00</b>       | <b>(\$178,244.35)</b>     | <b>(\$27,028.27)</b>      | <b>(\$31,126.73)</b>      |
| <b>Open balance</b>          | <b>\$765,153.63</b> | <b>\$765,153.63</b>       | <b>\$732,057.63</b>       | <b>\$809,700.66</b>       |
| Increase in cash             | N/A                 | <u>(\$33,096.00)</u>      | <u>\$77,643.03</u>        | <u>\$89,507.50</u>        |
| <b>End balance</b>           | <b>N/A</b>          | <b>\$732,057.63</b>       | <b>\$809,700.66</b>       | <b>\$899,208.16</b>       |