

**UNIVERSITY OF NIGERIA NSUKKA**

**FACULTY OF ARTS**

**DEPARTEMENT OF MASS COMMUNICATION.**

**AN ASSIGNMENT SUBMITTED IN PARTIAL FUFILMENT  
TO THE REQUIREMENT OF THE COURSE: CEDR  
342(BUSINESS CREATION AND GROWTH)**

**TOPIC:**

**A BUSINESS PLAN ON A WELL STOCKED  
AUTOMATED PROVISION STORE**

**BY**

**AMOS, JANET OGOCHUKWU**

**2014/191828**

**LECTURER:**

**DR.MRS.C.T NWAOGA.**

**DATE:**

**JULY, 2017.**

## TABLE OF CONTENT

### **CHAPTER ONE**

EXECUTIVE SUMMARY-----1

### **CHAPTER TWO**

COMPANY SUMMARY-----3

2.1. COMPANY OWNERSHIP-----3

2.2. START UP SUMMARY-----3

### **CHAPTER THREE**

3.0. PRODUCTS-----9

### **CHAPTER FOUR**

#### **.MARKET ANALYSIS**

4.1. MARKET SEGEMENTATION-----10

4.2.INDUSTRY ANALYSIS-----11

### **CHAPTER FIVE**

#### **STRATEGY AND IMPLEMENTATION SUMMARY**

5.1. COMPETITIVE EDGE-----12

5.2. MARKETING STRATEGY-----12

5.3. SALES STRATEGY-----12

### **CHAPTER SIX**

#### **MANAGEMENT SUMMARY**

6.1. PERSONNEL PLAN-----14

### **CHAPTER SEVEN**

#### **FINANCIAL PLAN**

7.1. IMPORTANT ASSUMPTIONS-----15

7.2.BREAK EVEN ANALYSIS-----15

7.3. PROJECTED PROFIT AND LOSS-----16

7.4.PROJECTED CASH FLOW-----17

7.5. PROJECTED BALANCE SHEET-----18

CHAPTER 8

APPENDIX.

## **CHAPTER ONE**

### **Executive Summary**

**NAME OF COMPANY: JANDIMART AUTOMATED PROVISION /CONVEINIENCE STORE**

**FOUNDER/MAJOR PRINCIPAL: MISS. AMOS JANET.**

**FIRST STORE LOCATION:ASABA, DELTA STATE.**

#### **INTRODUCTION:**

JandiMart is the provision store of the 21st Century future, fulfilling a need that will continue to exist into the future - the need for speed. JandiMart will be the first fully automated, 24 hour provision store that is more like an enormous dispensing machine than the traditional store.

The company expects to capture market share by becoming the low cost leader in the provision store industry by significantly reducing one of the primary expenses, which is labour. Through our completely automated shopping experience, customers will have the chance to shop for everyday items at reduced prices, thus undercutting competition such as Shoprite, Roban stores, Circle K, and other local provision store chains. The possibilities for expansion are excellent not only in the local area, but in neighbouring communities as well.

#### **The Company**

The company is a joint venture start-up company between the principals, Miss. Amos Janet and the management of ,Shoprite one of the country's largest and most successful food distributors. All its shares will be held by private investors.

Shoprite will own 29% of JandiMart's initial private shares with an option to acquire a further 11% shares based on growth and profitability after the first five years. JandiMart is expected to open its first store in Asaba March of Year 1.

The company will be set up with a board of directors. Miss. Amos Janet, a former senior manager of Shoprite has accepted the post CEO. Mrs. Linda Tuck has accepted the position of CFO.

#### **The Products/Services**

JandiMart will sell the same products as other provision stores in the same packaging sizes, quality, and quantity as other stores. This includes newspapers, magazines, soft drinks, fruit juices, sport drinks, hot and cold snacks, a limited number of grocery items such as canned soups, microwaveable meals, condiments, bread, auto products such as fuel

additives and cleaning supplies, pet supplies, paper products, toothpaste, etc.

All products will be locally or nationally branded such as Frito-Lay, Coca-Cola, Good morning cereals, Indomie noodles, Oxford and Yale snacks, etc. In addition each computerized transaction machine can dispense cash, stamps, Lotto and phone cards and other coupons and will have the ability to create personal accounts that can display preferred items, retain shopping lists and other services. An automated, interactive "customer service rep" will be able to answer questions and pass on comments to the company's management.

In addition, the company is looking into ways to sell restricted items such as beer, wine and cigarettes and to set up a separate Internet area for remote access to the Web and email for its customers.

### **The Market**

Our market is booming. Provision store industry sales rose 8.6% last year. Overall Nigeria retail sales grew by only 6.3%, and grocery sales followed with 2.4% growth, proving once again that the provision store industry has become a powerful force in NIGERIA. retailing.

Provision stores serve the entire purchasing population of its geographical area but focuses on customers who need to purchase items outside of normal working hours such as swing shift employees and quick shoppers looking for snacks and related items. Therefore we have segmented our market into night shoppers, quick shoppers, and others. Growth rates for these three segments match the population growth for the surrounding area.

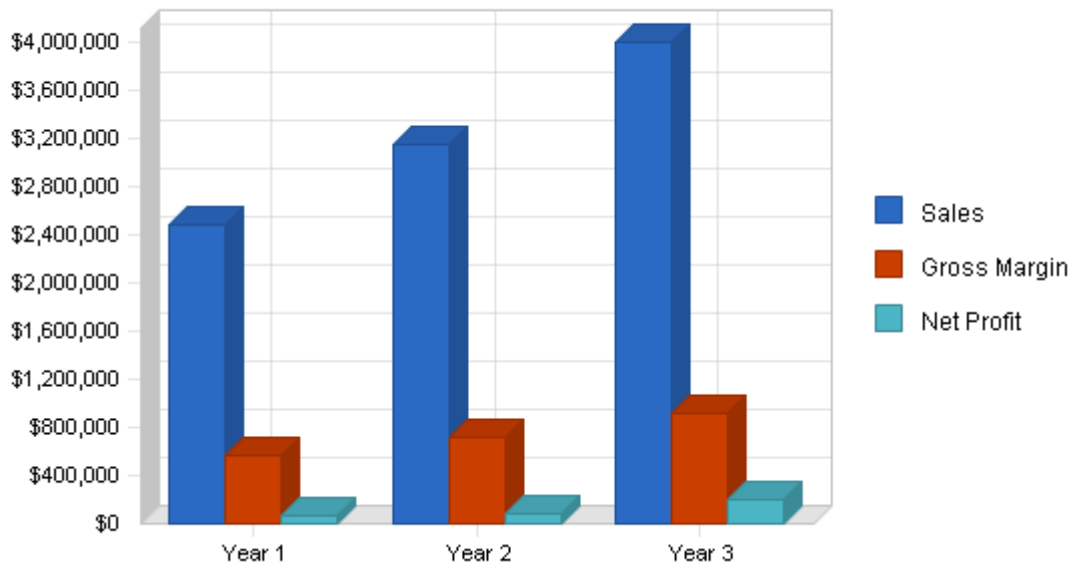
Our main competitor is Shoprite which holds approximately 30% of the industry. Other competitors include Roban stores and any of the many provision stores establishments on the east coast.

### **Financial Considerations**

Our start-up requirements come to \$453,000, which are largely single time fees associated with opening the store. These costs are financed by both private investors and the investment of Shoprite. It should be noted that we expect to be operating at a loss for the first six months before advertising begins to take effect and draw in customers.

JandiMart will be receiving periodic influxes of cash in order to cover operating expenses during the first two years as it strives toward sustainable profitability. Almost all of this funding has been arranged through lending institutions and private investors already. We do not anticipate any cash flow problems during the next three years.

## Highlights



## CHAPTER TWO COMPANY SUMMARY

Automated provision stores such as JandiMart are new in Nigeria, although they have existed in Asia, especially in Japan for a number of years now and have been quite successful there. Miss. James Bean, JandiMart's founder and the driving force behind the joint venture, has been intrigued with the idea of bringing this new type of store to NIGERIA. since it can significantly reduce costs and the ability of an automated store to provide products and services is only limited to the imagination of management.

The company is a joint venture start-up company between the principals, Mr. Bean and his associates, and the management of Shoprite, one of the country's largest and most successful food distributors. The company will be incorporated in the state of Delaware with all shares held by private investors.

### 2.1 Company Ownership

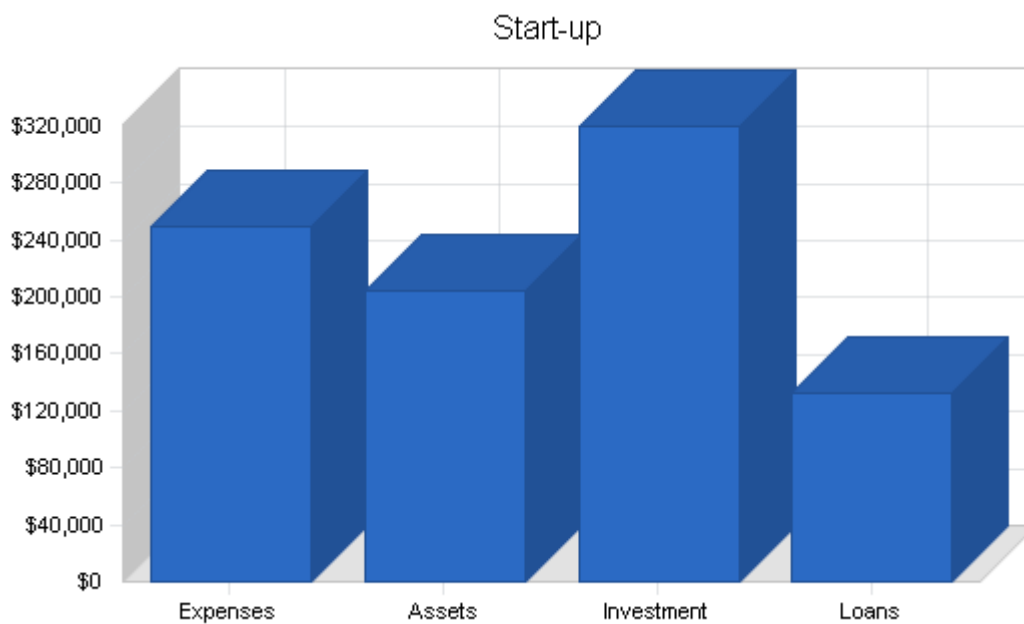
We will be structured as a C-Corporation which operates as a standard corporation. This form was chosen by the Board of Directors because of various tax advantages. Retained earnings will not be distributed as dividends for at least five years, thus enabling the early retirement of the debt. Additionally, the corporate structure offers limited personal liability.

The company is a joint venture start-up between the principals, Mr. Bean and his associates, and the management of Shoprite, one of the country's largest and most successful food distributors. The company will be incorporated in the state of Delaware with all shares held by private investors.

Shoprite will own 29% of JandiMart's initial private shares with an option to acquire a further 11% shares based on growth and profitability after the first five years. JandiMart is expected to open its first store in Asaba in March 2018. The company will be set up with a board of directors. Miss. Amos Janet, a former senior manager of Shoprite is slated for the position of CEO. Mrs. Linda Tuck has accepted the position of CFO.

## 2.2 Start-up Summary

Our start-up expenses come to \$453,000, which are largely single time fees associated with opening the store. These costs are financed by both private investors and the investment of Shoprite.



### START-UP REQUIREMENTS

#### Start-up Expenses

Legal	\$2,400
Pre-sale advertising/marketing	\$8,000

Land location and finders fee	\$8,000
Consultants	\$4,000
Insurance	\$1,780
Rent	\$12,000
Research and Development	\$10,000
Expensed Equipment	\$50,000
Initial store facilities	\$150,000
Other	\$3,000

<b>TOTAL START-UP EXPENSES</b>	<b>\$249,180</b>
--------------------------------	------------------

Start-up Assets

Cash Required	\$113,820
---------------	-----------

Start-up Inventory	\$10,000
--------------------	----------

Other Current Assets	\$8,000
----------------------	---------



Long-term Assets	\$72,000
------------------	----------

<b>TOTAL ASSETS</b>	<b>\$203,820</b>
---------------------	------------------

Total Requirements	\$453,000
--------------------	-----------

### **START-UP FUNDING**

Start-up Expenses to Fund	\$249,180
---------------------------	-----------

Start-up Assets to Fund	\$203,820
-------------------------	-----------

<b>TOTAL FUNDING REQUIRED</b>	<b>\$453,000</b>
-------------------------------	------------------

### Assets

Non-cash Assets from Start-up	\$90,000
-------------------------------	----------

Cash Requirements from Start-up	\$113,820
---------------------------------	-----------

Additional Cash Raised	\$0
------------------------	-----

Cash Balance on Starting Date	\$113,820
-------------------------------	-----------

<b>TOTAL ASSETS</b>	<b>\$203,820</b>
---------------------	------------------

Liabilities and Capital

Liabilities

Current Borrowing	\$15,000
-------------------	----------

Long-term Liabilities	\$100,000
-----------------------	-----------

Accounts Payable (Outstanding Bills)	\$8,000
--------------------------------------	---------

Other Current Liabilities (interest-free)	\$10,000
---	----------

<b>TOTAL LIABILITIES</b>	<b>\$133,000</b>
--------------------------	------------------

Capital

Planned Investment

Private Investors	\$150,000
-------------------	-----------

Shoprite management	\$110,000
---------------------	-----------

Other	\$60,000
-------	----------

Additional Investment Requirement	\$0
-----------------------------------	-----

<b>TOTAL PLANNED INVESTMENT</b>	<b>\$320,000</b>
---------------------------------	------------------

Loss at Start-up (Start-up Expenses)	(\$249,180)
--------------------------------------	-------------

<b>TOTAL CAPITAL</b>	<b>\$70,820</b>
----------------------	-----------------

<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>\$203,820</b>
--------------------------------------	------------------

Total Funding	\$453,000
---------------	-----------

## **CHAPTER THREE**

### **Products**

As the most progressive company in the industry, JandiMart plans to offer a greater number of products and services in the future so as to create another dimension of competitive advantage. So that our customers will feel secure, we will subscribe to the security services offered by the shopping center of which we are a part. This will cut down on graffiti and loitering and insure the safety of both employees and customers.

JandiMart will sell the same products as other provision stores in the same packaging sizes, quality, and quantity as other stores. This includes newspapers, magazines, soft drinks, fruit juices, sport drinks, hot and cold snacks, a limited number of grocery items such as canned soups, microwaveable meals, condiments, bread, auto products such as fuel additives and cleaning supplies, pet supplies, paper products, toothpaste, etc.

All products will be locally or nationally branded such as Indomie, Coca-Cola, Oxford and Yale snacks, Good morning cereals, Stouffer's, etc. In addition each computerized transaction machine can dispense cash, stamps, Lotto and phone cards and other coupons and will have the ability to create personal accounts that can display preferred items, retain shopping lists and other services. An automated, interactive "customer service rep" will be able to answer questions and pass on comments to the company's management.

## **CHAPTER FOUR**

### **MARKET ANALYSIS SUMMARY**

Our market is booming. Provision store industry sales rose 8.6% for 2002. Overall NIGERIA. retail sales grew by only 6.3%, and grocery sales followed with 2.4% growth, proving once again that the provision store industry has become a powerful force in NIGERIA. retailing.

Provision stores serve the entire purchasing population of its geographical area but focuses on customers who need to purchase items outside of normal working hours such as swing shift employees and quick shoppers looking for snacks and related items. Therefore we have segmented our market into night shoppers, quick shoppers, and others. Growth rates for these three segments match the population growth for the surrounding area.

Our main competitor is Shoprite which holds approximately 30% of the industry. Other competitors include Roban stores , Fastrip, and any of the other provision stores establishments on the east coast.

#### **4.1 Market Segmentation**

Our target market for our test store encompasses a five mile radius in which the approximate population is 150,000 (based on census information).

The majority of the residents in this area are Caucasian (58.8%) Black (23.6%) and Hispanic (19%) with occupations classified as professional/technical, homemaker, or retired. The majority of household incomes range from \$20,000 - \$30,000 (50.3%), yet there are also affluent household incomes ranging from \$50,000 - \$100,000 (15.4%).

The median income in this area is \$48,096, compared to the whole New York area which is \$34,248. The typical "head of household" age is 25 - 34 (22.4%) or age 34 - 44 (23.1%) with a median age of 44.4 years old and an average age of 32 years old.

### **Target market segments**

Provision stores serve the entire purchasing population of its geographical area but focuses on customers who need to purchase items outside of normal working hours such as swing shift employees and quick shoppers looking for snacks and related items.

## **4.2 Industry Analysis**

Provision store industry sales rose 8.6% to \$86.3 billion for 2002. Overall NIGERIA. retail sales grew by only 6.3%, and grocery sales followed with 2.4% growth, proving once again that the provision store industry has become a powerful force in NIGERIA. retailing.

Pre-tax profit margin in the provision store industry was the highest since 1988 (1.8%). The 2002 results confirm that a new, upward trend is emerging. This upward trend is based on several factors, and occurred along with a slow rebound in the general economy.

Merchandise sales per customer increased 7.4% in 2000 suggesting that provision stores are placing higher priority in filling the customers' needs. Companies that align themselves properly to fill those needs will be successful in the future.

### **4.2.1 Competition and Buying Patterns**

Shoprite holds approximately 30% of the industry market, and in 1999 their net income was \$160 million. Other competitors include Roban stores, and any of the 85 chain grocery establishments on the east coast.

## **CHAPTER FIVE**

### **STRATEGY AND IMPLEMENTATION SUMMARY**

JandiMart's competitive edge will be the lower prices we will charge our customers and the novel purchasing experience that will draw shoppers.

The most critical element of JandiMart's success will be its marketing and advertising. In order to capture attention and sales JandiMart will use prominent signs at the store locations, billboards, media bites on local news, and radio advertisements to capture customers.

Many of the initial customers will be drawn to the unique nature of the store and will then have the opportunity to realize the cost savings of JandiMart. We expect an average 27% increase in sales from year to year. This may seem very high, but considering the level of initial sales and the growth possibilities, management actually considers this to be conservative.

#### **5.1 Competitive Edge**

JandiMart's competitive edge will be the lower prices we will charge our customers and the novel purchasing experience that will draw shoppers. In the provision store industry, low cost and availability are the two success criteria. We plan to create these advantages in a new, high-tech environment that will retain customers.

To develop good business strategies, perform a SWOT analysis of your business. It's easy with our free guide and template. Learn how to perform a SWOT analysis»

## 5.2 Marketing Strategy

The most critical element of JandiMart's success will be its marketing and advertising. Provision stores serve the entire purchasing population of its geographical area but focuses on customers who need to purchase items outside of normal working hours such as swing shift employees and quick shoppers looking for snacks and related items. In order to capture attention and sales JandiMart will use prominent signs at the store locations, billboards, media bites on local news, and radio advertisements to capture customers. Many of the initial customers will be drawn to the unique nature of the store and will then have the opportunity to realize the cost savings of JandiMart. Since automated shopping is still in its infancy, the firm expects to invest a great deal of its available cash and revenues in marketing efforts.

## 5.3 Sales Strategy

Since our store will be a stand-alone, remote facility, there is little in the way being able to directly influence how we close the sales other than to have an attractive storefront with our low prices and easy-to-use system. We believe that this in itself is its own seller. One critical procedure to ensure top customer service and reliability will be establishing a method for keeping enough inventory of all our products. We will be using industry data on inventory for other provision store chains to assist us.

### 5.3.1 Sales Forecast

Based on a 20% mark-up, our forecasted sales for years one, two, and three respectively are: \$2,480,106; \$3,149,735; \$4,000,163. This gives us an average 27% increase from year to year. This may seem very high, but considering the level of initial sales and the growth possibilities, management actually considers this to be conservative.

These sales figures are based on a conglomerate of commuter and walk-by traffic with an average \$3.00 purchase amount conforming to industry averages. The target profit margin was defined as an average net profit of all merchandise.

### Sales Forecast

	Year 1	Year 2	Year 3
Sales			
Drinks	\$978,070	\$1,242,149	\$1,577,529
Snacks	\$873,277	\$1,109,061	\$1,408,508



Magazines/newspapers	\$209,586	\$266,175	\$338,042
General grocery items	\$279,449	\$354,900	\$450,723
Other	\$139,724	\$177,450	\$225,361
Total Sales	2,480,106	\$3,149,735	\$4,000,163
Direct Cost of Sales	year 1	Year 2	Year 3
Drinks	\$753,114	\$956,455	\$1,214,697
Snacks	\$672,423	\$853,977	\$1,084,551
Magazines/newspapers	\$161,382	\$204,955	\$260,292
General grocery items \$	215,175	\$273,273	\$347,056
Other	\$107,588	\$136,636	\$173,528
Subtotal Direct Cost of Sales	\$1,909,682	\$2,425,296	\$3,080,125

## **CHAPTER SIX**

### **MANAGEMENT SUMMARY**

As stated earlier, JandiMart will be a joint venture between Mr. Wallace Bean and his associates and the management of Shoprite, a large food distribution company. The company officers will include Mr. Bean as CEO, Mrs. Linda Tuck as CFO, plus Mr. Minoru Takeda, who will be operations manager. Since the firm is a start-up, there will be little in the way of formal structure at first. The company also plans to hire three technicians who will service the automated store and a office manager. Additional personnel will be added once more stores are set up.

Mr. Wallace Bean is a graduate of the University of Texas, Austin's school of business. He has worked for more than twelve years in the food distribution and grocery store industry, including positions as vice president of marketing for Fry's Food and Drug, director of special projects for Giant Foods and more recently, senior vice president for Shoprite.

Mrs. Linda Tuck has a graduate degree in finance from Kano state University and has eight years experience working for various companies. Her last job was as a financial analyst for Roban stores.

Mr Minoru Takeda is an MBA graduate from the University of Osaka. He has been operational manager for Kiyama Inc. for the past six years which operates approximately six hundred automated provision stores throughout Japan. Mr. Takeda has moved to Nigeria for the express purpose of bringing this new type of store to this country.

#### **6.1 Personnel Plan**

Initially the company will only have a small staff including upper management, an operations technician and office manager. All other services, such as bookkeeping, will be outsourced.

### **Personnel Plan**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Mr. Bean	\$42,000	\$48,000	\$52,000
Mrs. Tuck	\$42,000	\$48,000	\$52,000
Mr. Takeda	\$30,000	\$40,000	\$48,000
Office manager	\$20,400	\$22,000	\$28,000
Technicians	\$33,000	\$56,000	\$58,000
Total People	7	7	7
Total Payroll	\$167,400	\$214,000	\$238,000

## **CHAPTER SEVEN**

### **FINANCIAL PLAN**

The following tables illustrate our financial projections over the next three years. Please note that we expect to be operating at a loss for the first six months before advertising begins to take effect and draw in customers.

As retained earnings increase, a debt retirement fund will be established to encourage early repayment, thus relieving interest expense. Also, a 30-day payment period for purchases will be used to avoid incurring liabilities.

#### **7.1 Important Assumptions**

JandiMart is basing its assumptions on a stable growth market using average interest rates over the past ten years.

#### **General Assumptions**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
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	30.00%	30.00%	30.00%

Other	0	0	0
-------	---	---	---

## 7.2 Break-even Analysis

The following table and chart show our Break-even Analysis. Although our break-even point seems quite high, we are expecting to have higher than average fixed costs during the period of this plan due to customer "creation costs," R&D costs, higher rent in a premier spot, higher percentage of payroll costs to overall fixed costs with a small company, and the need to import and pay for the store facilities. We expect to have a more reasonable positive retained earnings point around year 5.

### Break-even Analysis

Monthly Revenue Break-even	\$165,326
----------------------------	-----------

#### Assumptions:

Average Percent Variable Cost	77%
-------------------------------	-----

Estimated Monthly Fixed Cost	\$38,025
------------------------------	----------

## 7.3 Projected Profit and Loss

The following table explains our itemized costs and determines gross and net margin. Please note that these predictions are weighted toward having higher costs in comparison to revenues in case unexpected hidden costs arise. The charts give a visual representation of the data.

### Pro Forma Profit and Loss

	Year 1	Year 2	Year 3
Sales	\$2,480,106	\$3,149,735	\$4,000,163
Direct Cost of Sales	\$1,909,682	\$2,425,296	\$3,080,125
Other Costs of Goods	\$0	\$0	\$0
Total Cost of Sales	\$1,909,682	\$2,425,296	\$3,080,125
Gross Margin	\$570,424	\$724,439	\$920,037
Gross Margin %	23.00%	23.00%	23.00%

Expenses

Payroll		\$167,400	\$214,000	\$238,000
Sales and Marketing and Other Expenses		\$60,000	\$130,000	\$130,000
Depreciation		\$7,200	\$7,200	\$7,200
Leased equipment		\$50,000	\$60,000	\$60,000
Rent		\$84,000	\$84,000	\$84,000
Utilities		\$28,800	\$30,000	\$30,000
Accounting/bookkeeping		\$6,500	\$9,000	\$9,000
Insurance		\$14,400	\$14,400	\$14,400
Payroll Taxes		\$0	\$0	\$0
Other		\$38,000	\$45,000	\$45,000
Total Operating Expenses		\$456,300	\$593,600	\$617,600
Profit Before Interest and Taxes		\$114,124	\$130,839	\$302,437
EBITDA	\$121,324	\$138,039	\$309,637	
Interest Expense	\$16,250	\$16,400	\$14,650	
Taxes Incurred	\$29,362	\$34,332	\$86,336	
Net Profit	\$68,512	\$80,107	\$201,451	
Net Profit/Sales	2.76%	2.54%	5.04%	

#### 7.4 Projected Cash Flow

JandiMart will be receiving periodic influxes of cash in order to cover operating expenses during the first two years as it strives toward sustainable profitability. Almost all of this funding has been arranged through lending institutions and private investors already. We do not anticipate any cash flow problems during the next three years.

#### Pro Forma Cash Flow

##### Year 1 Year 2 Year 3

Cash Received

Cash from Operations

Cash Sales	\$2,480,106	\$3,149,735	\$4,000,163
Subtotal Cash from Operations	\$2,480,106	\$3,149,735	\$4,000,163
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$5,000	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$50,000	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$54,000	\$78,000	\$0
Subtotal Cash Received	\$2,589,106	\$3,227,735	\$4,000,163

<b>Expenditures</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Expenditures from Operations			
Cash Spending	\$167,400	\$214,000	\$238,000
Bill Payments	\$2,177,877	\$3,134,865	\$3,620,688
Subtotal Spent on Operations \$2,345,277	\$3,348,865	\$3,858,688	
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$7,000	\$13,000
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$5,000	\$10,000
Purchase Other Current Assets		\$0	\$0
Purchase Long-term Assets		\$0	\$0
Dividends		\$0	\$0
Subtotal Cash Spent		\$2,345,277	\$3,360,865
Net Cash Flow		\$243,829	(\$133,130)
			\$38,475

Cash Balance	\$357,649	\$224,519	\$262,994
--------------	-----------	-----------	-----------

## 7.5 Projected Balance Sheet

The following table shows the Projected Balance Sheet for JandiMart.

### Pro Forma Balance Sheet

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>Assets</b>			
Current Assets			
Cash	\$357,649	\$224,519	\$262,994
Inventory	\$371,402	\$471,680	\$599,034
Other Current Assets	\$8,000	\$8,000	\$8,000
Total Current Assets	\$737,050	\$704,199	\$870,027
Long-term Assets			
Long-term Assets	\$72,000	\$72,000	\$102,000
Accumulated Depreciation	\$7,200	\$14,400	\$21,600
Total Long-term Assets	\$64,800	\$57,600	\$80,400
Total Assets	\$801,850	\$761,799	\$950,427

<b>Liabilities and Capital</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Current Liabilities			
Accounts Payable	\$428,518	\$242,359	\$302,537
Current Borrowing	20,000	\$13,000	\$0
Other Current Liabilities	\$10,000	\$10,000	\$10,000
Subtotal Current Liabilities	\$458,518	\$265,359	\$312,537
Long-term Liabilities	\$150,000	\$145,000	\$135,000
Total Liabilities	\$608,518	\$410,359	\$447,537

Paid-in Capital	\$374,000	\$452,000	\$452,000
Retained Earnings	(\$249,180)	(\$180,668)	(\$150,561)
Earnings	\$68,512	\$80,107	\$201,451
Total Capital	\$193,332	\$351,439	\$502,891
Total Liabilities and Capital	\$801,850	\$761,799	\$950,427
Net Worth	\$193,332	\$351,439	\$502,891