Neapolis University Pafos

# ELA SUSHI LTD

# BUSINESS PLAN 2013-2017

## INTRODUCING A START UP INVESTMENT IN FAST FOOD INDUSTRY

By

SAVVAS KOMODROMOS

Master in Business Administration

Neapolis University Pafos

Pafos, Cyprus

2012

Submitted to the Faculty of Neapolis University Pafos

in partial fulfilment of

the requirements for

the Degree of

MBA

*This dissertation is all my own work and all other works discussed or referred to have been cited.*

*Signature:* *Date:*

# ELA SUSHI LTD

# BUSINESS PLAN 2013-2017

## INTRODUCING A START UP INVESTMENT IN FAST FOOD INDUSTRY

Dissertation Approved.....

*Advisor*

Professor Elias Dinenis

*Committee Member*

*Program Director*

Dr. John Politis

Table of Contents

1.0 Executive Summary ..... 1
1.1 Objectives ..... 2
1.2 Mission ..... 2
1.3 Keys to Success ..... 3
2.0 Company Summary ..... 3
2.1 Company Ownership ..... 4
2.2 Start-up Summary ..... 5
Table: Start-up ..... 5
3.0 Products and Services ..... 6
4.0 Market Analysis Summary ..... 7
4.1 Market Research ..... 8
Table : Competitors Restaurant Location ..... 9
4.1.1 Interview Questions and Answers ..... 9
T able: Customers Age Groups ..... 10
4.1.2 Analysis of the Results ..... 11
4.2 Market Segmentation ..... 11
Table: Market Analysis ..... 12
4.3 Target Market Segment Strategy ..... 13
4.4 Service Business Analysis ..... 14
4.4.1 Competition and Buying Patterns ..... 14
5.0 Web Plan Summary ..... 16
5.1 Website Marketing Strategy ..... 16
5.2 Development Requirements ..... 16
6.0 Strategy and Implementation Summary ..... 17
6.1 SWOT Analysis ..... 17
6.1.1 Strengths ..... 17
6.1.2 Weaknesses ..... 18
6.1.3 Opportunities ..... 18
6.1.4 Threats ..... 19
6.2 Competitive Edge ..... 19
6.3 Marketing Strategy ..... 20
6.4 Sales Strategy ..... 21

Table of Contents

6.4.1 Sales Forecast ..... 21
Table: Sales Forecast ..... 22
7.0 Management Summary ..... 24
7.1 Personnel Plan ..... 24
Table: Personnel ..... 25
8.0 Financial Plan ..... 26
8.1 Start-up Funding ..... 26
Table: Start-up Funding ..... 26
8.2 Important Assumptions ..... 27
8.3 Break-even Analysis ..... 28
Table: Break-even Analysis ..... 28
8.4 Projected Profit and Loss ..... 29
Table: Profit and Loss ..... 29
8.5 Projected Cash Flow ..... 32
Table: Cash Flow ..... 32
8.6 Projected Balance Sheet ..... 33
Table: Balance Sheet ..... 33
8.7 Business Ratios ..... 34
Table: Ratios ..... 34
9.0 Sensitivity Analysis ..... 36
Table: Sensitivity Analysis Year 1 ..... 37

Appendix

Table: Sales Forecast ..... 1
Table: Personnel ..... 3
Table: Cash Flow ..... 6
Table: Interview Questions ..... 8

## 1.0 Executive Summary

The purpose of this business plan is to raise a bank loan for €103.700 for the development of a chain of Sushi take away restaurants while showcasing the expected financials and operations over the next five years. The "Ela Sushi Ltd" is a chain of sushi take away restaurants located in three different towns of Cyprus in strategic locations. The restaurants will provide a combination of excellent food choices from Japanese cuisine at value pricing, with fun packaging and atmosphere. Delivering service will also be available in a certain distance from each restaurant.

Advanced software will be used offering the option to customers ordering through the internet or by phone. Technology is very important to the success of Ela Sushi Ltd, as customers experience no delay in the ordering process. The software will also assist management in decision making, through reporting and analyzing customer preferences, actual sales and costs.

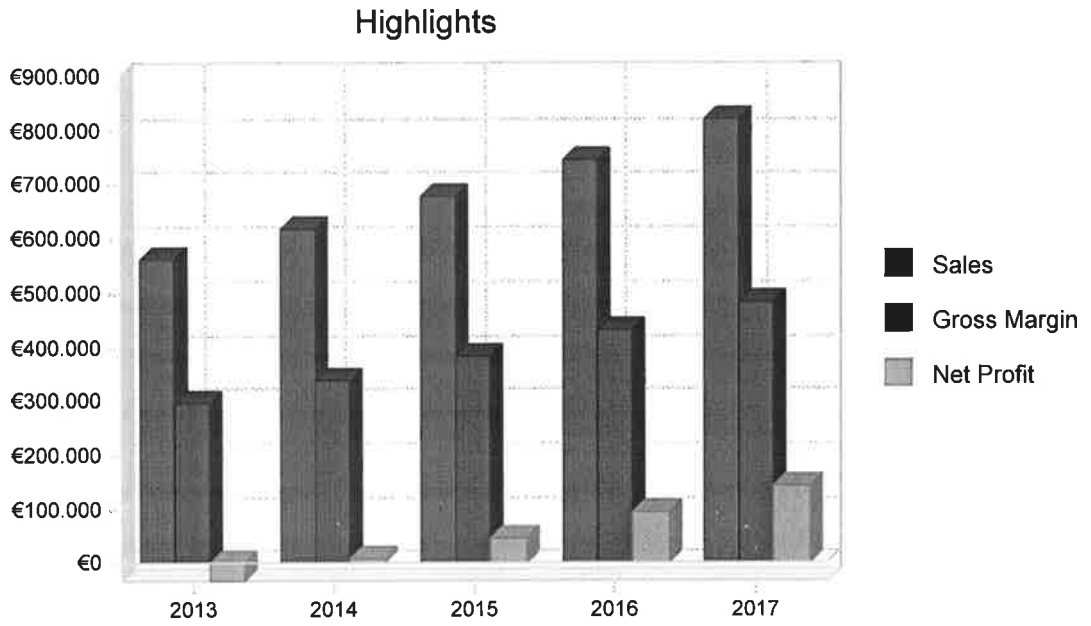
The take away restaurants will be designed and formed as simple and economically as possible and will carry exactly the same equipment, the same internal layout and same external appearance.

The prime purpose of the company is to generate profit by providing superb customer services and unique options of food. We aim to be leaders in providing quality food items that fit into a balanced diet. Our aim is to provide delicious and unique tastes from Japanese cuisine that the customers have never tasted before. We will implement marketing campaigns to effectively target the fast food market of Cyprus and overcome competition which consists of fast food and Japanese cuisine restaurants.

We expect an expansion of our Company after the first five years of operation, by increasing our locations to cover the whole area of Cyprus. We seek to create a strong database of customers and generate significant profits. By the sixth year of operation we will create a strong number of take away points and we expect to franchise for further expansion.

Profits will be retained in the company to cover this expansion and until settlement of the initial loan. We expect to give dividends after the fifth year of operation.

The keys to success of Ela Sushi Ltd are that the owners of the company have long time experience in food industry, in Cyprus and abroad. They have the expertise to establish a strong brand name & image, based on excellent service and customer satisfaction. They have the knowhow to efficiently use resources, guide pricing and promotion decisions to generate the desired level of sales.




### 1.1 Objectives

The objectives of Ela Sushi Ltd are:

- To establish a presence as a successful fast food outlet and gain market share in the Cyprus fast food industry.
- To generate sufficient cash flow to finance future growth
- To make the "Ela Sushi" name synonymous with Healthy Diet.
- To expand into a number of take away points by year five, and give the option to people who love this industry become our franchisees.

### 1.2 Mission

The "Ela Sushi" mission is to provide customers with an outstanding line of sushi- sashimi and other Japanese cuisine dishes while concurrently remaining within the letter of the law

regarding the sale of food and beverages in Cyprus. We will build our reputation by focusing on high quality at supreme value to our customers.

### 1.3 Keys to Success

To succeed in this business we must:

- Create a unique, innovative, entertaining menu that will differentiate us from the rest of the competition.
- Control costs at all times, in all areas and implement a conservative approach to growth policy.
- Sell products that are of the highest quality, as well as keeping our customers happy with all of our product categories from food to store merchandising.
- Provide 100% satisfaction to our customers and maintaining the highest level of excellent services among other competitors, by listening and understanding customers' needs and work harder than anyone in the industry to deliver value added services.
- Encourage the two most important values in fast food business: brand and image, as these two ingredients is a couple of main drivers in marketing communications.
- Gain access to high-traffic areas including shopping malls near the target market.
- Promote good values of company culture and business philosophy.
- Our cost of producing sushi compared to the profit of selling is very low, achieving the highest saving level at the required quality standards.

## 2.0 Company Summary

What is Ela Sushi?

All our sushi is handmade and made with love, we definitely don't use machines to make our sushi and we ensure that the fishes we use are coming from the Ocean and from farms. Most of our ingredients will be supplied from local markets, in order to keep everything fresh.

Quality food

Each store will offer nothing but freshly made sushi-sashimi, different kind of freshly cut salads and combo platters, providing quality food items that fit into a balanced diet. We will provide the hygienic and delicious tastes from Japanese cuisine that the customers have never tasted before.

Open six Days a week
Our store will be open every day, except Mondays from 10 am to 9 pm.

Delivery and Ordering
Our customers will have the option to order in any of our restaurants and pick their orders in anywhere "Ela Sushi" take away is convenient. They can order also by phone or through internet.
Our restaurants will offer free delivery in a distance of 5km from each "Ela Sushi" restaurant. In addition we will offer free delivery in a distance of 15km with any order over €75.

**2.1 Company Ownership**

"Ela Sushi" is a privately held company. It is registered as a Limited company in Cyprus, with ownership 80%- Savvas Komodromos, 10% - Maria Kanaki, 10% - Stelios Stylianou.

Savvas Komodromos has more than 10 years of experience in the food industry, and he is currently employed as Corporate Staff of L Group.

Savvas Komodromos holds a Bachelor degree in Hospitality Management from the New York College of Technology in NY and an MBA degree from Neapolis University in Paphos. He has worked for many years abroad in Restaurants, as a Manager and recently as a Food and Beverage Manager in Louis Hotels.

Maria Kanaki also owns a bachelor degree in Management and Stelios Stylianou owns a Master's degree in Computer Science. However, both have many years of experience in Restaurant Management in New York.

## 2.2 Start-up Summary

Ela Sushi Ltd requires a long term loan of €103.700 to cover the initial investment and running expenses. Owners will bring into the business the other €80.000 required.

Below is a breakdown of how these funds will be used. In summary, the amount of €45.700 will cover the initial legal and professional fees, marketing and administrative expenses associated with the opening of the restaurants. The additional amount of €138.000 will cover our initial investment in company's assets.

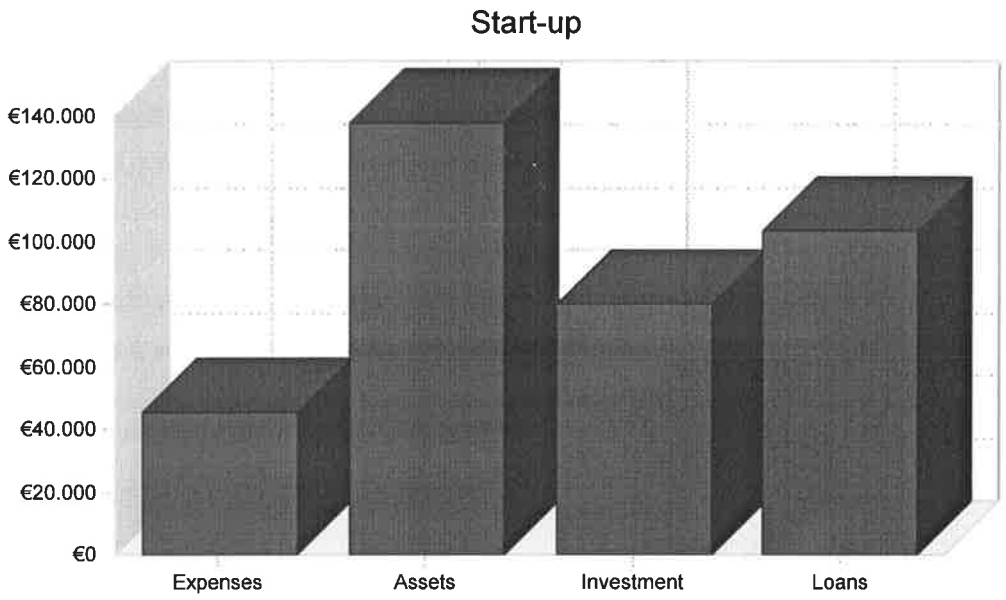
The initial equipment needed is analyzed below:

| **Equipment including installation** | **Cost** |
|---|---|
| Kitchen Equipment | €68.000 |
| Furniture and Interior | €10.000 |
| Technology Equipment (PC, Cameras, Printers, Software etc.) | €28.000 |
| Furniture & Equipment for the Main Office | €6.000 |
| Motor Bikes for Delivery | €4.000 |
| Other Current Assets | €12.000 |
| Cash for initial expenses | €10.000 |
| Total Assets | €138.000 |

Table: Start-up

| *Start-up* | |
|---|---|
| Requirements | |
| Start-up Expenses | |
| Legal | €3000,0 |
| Stationery | €2.000 |
| Packaging etc. | |
| Insurance | €1.000 |
| Rent | €6.000 |
| Marketing | €28.000 |

| | |
|---|---|
| Professional Licenses | €1.500 |
| Contingencies | €4.200 |
| Total Start-up Expenses | €45.700 |
| | |
| Start-up Assets | |
| Cash Required | €10.000 |
| Start-up Inventory | €4.000 |
| Other Current Assets | €8.000 |
| Long-term Assets | €116.000 |
| Total Assets | €138.000 |
| | |
| Total Requirements | €183.700 |




### 3.0 Products and Services

The "Ela Sushi" restaurants will focus in Japanese cold cuisine take away, offering Hand Rolls, Box Sets (Sushi, Sashimi, Nigiri), Sushi, Sashimi, Maki as well as Special Salads. Alcoholic drinks will not be sold in our outlets, as "Ela Sushi" promotes a healthy and positive lifestyle. Instead, we will offer sodas and fresh juices.

Our ingredients will be mostly supplied from Cyprus and will be a wide-ranging selection from start to end in our kitchens. Fresh vegetables will be supplied directly from farmers in Paphos and fresh fish from fishermen in Latchi and Zigi fish markets. Some ingredients will be supplied from abroad in special packaging.

We will also offer delivery services in a range of 15km. Free delivery will be offered in the range of 5km from each "Ela Sushi" or in the range of 15km with any order over €75.

In promoting the "Ela Sushi" lifestyle, we will offer various merchandise with our logo telephone number and colors, from hats to t-shirts to Sushi shape key holders and design chop sticks, so that our customers can enjoy Sushi at home.

## 4.0 Market Analysis Summary

Our market analysis includes our target customers profile and the main competitors of our business. Currently, there is a slowdown in the economy, mostly impacted on Real Estate sales and Tourism and Hotel industries. But we anticipate that new opportunities from oil will start to create better conditions to the Cyprus economy as a whole.

During the last decade, due to the fact that Cyprus families changed their lifestyle, with both parents working, consumer expenditures for fast food in Cyprus rose, followed by the fact that Cyprus joined the EU and the influence from different cultures. The increasing number of new establishments, such as fast food franchises, fancy restaurants and gourmet bakeries especially in Limassol and Nicosia, has shown a significant growth in this sector.

Our target market is people already familiar with this kind of cuisine and people that like to experiment with tastes. Sushi is like addiction, when someone tries it he becomes a loyal customer. The profile of our potential customers is:

- Age – children, single, any kind of students from high school to university, people that need to eat healthy, ladies of any age.

- Family unit - We will also appeal to families (young families) with children.
- Gender - We will target both sexes, with a slight skew for ladies due to their higher attention to dietary concerns.
- Income - We will appeal to the medium income individuals and to all in the lower medium income range.

Reasons for the increasing popularity of fast food include:

- Office employees who have limited time for lunch. Delivery of fast food in their office is usually the solution.
- Japanese cuisine will be the solution for the working parents that look for a light, fast and healthy dinner for their families.
- Parents give more money to kids and students to buy lunch. Fast food is naturally their first choice, because of the brand building effort that heavily targets their age group.

### 4.1 Market Research

In order to be more accurate and realistic with our calculations, we prepared a questionnaire for our major competitors. We dined in or ordered to go from the restaurants that the owners or managers answer our questions, in order to verify that the results we got were roughly correct. Four owners / managers of the biggest names in Japanese restaurants in Cyprus have been interviewed. The owners/managers who own restaurants in the following towns tried to give answers keeping in mind their restaurants.

Table: Competitors Restaurant Location

| Name | Restaurant Location | | | |
|---|---|---|---|---|
| | Paphos | Larnaka | Limassol | Nicosia |
| Ocean Basket | 1 | 1 | 2 | |
| Akakiko (Louis) | | | 1 | 1 |
| Koi Restaurants | 1 | 1 | | |
| Sushi La | | 2 | | 1 |

The purpose of the interview was to understand the degree of desire for raw Japanese dishes in Cyprus and whether this cuisine has a future and what customers prefer most: delivery or take away.

The following results are based on the average answers of the people that have been interviewed.

### 4.1.1 Interview Questions and Answers

The questions and the results of the interview are as follows:

1. What percentage of the customers is ordering only from Japanese cuisines? (All of the restaurants having at least two different cuisines on their menus, for example Chinese and Japanese or Thailand and Japanese) > 50%
2. What percentage of your customer prefers only raw dishes? > 37%
3. Do you offer delivery service? > 50% of the restaurants answered yes.
4. What percentage of the Japanese cuisine customers order take away or delivery? 23%
5. Approximately how many Japanese cuisine customers (average) order take away or delivery per day (number)? > 125 people for lunch and dinner
6. What is the average amount that a customer usually spends to have Japanese for lunch? 12 euros per person.
7. What is the average amount that a customer usually spends to have Japanese for dinner? 20 euro per person.
8. Did you have an increase in the preference of the Cypriots towards Japanese cuisine? If yes what was the approximate increase per year? > Yes > 8%
9. Please grade the following four customer age groups based to their preference in Japanese cuisine.

Table: Customer's age groups

| Age Group | Percentage |
|---|---|
| 15 - 25 | 15% |
| 25 -35 | 42% |
| 35 - 50 | 33% |
| 50 + | 10% |

Analysis of Results Q 5, 6 +7

On the question number five, "how many Japanese Cuisine customers (average) order take away or delivery per day", we have got answers (numbers) that had a huge gap between them. For this reason, it was necessary to visit some of the owners for a second time in order to have a more accurate picture. We just wanted to specify that the numbers refer to customers (one person) and not to orders that could be, for example, one order for five people.

The average number of customers ordering Japanese dishes for take away or delivery each day from 10:00 am to 11:00 pm are 125 people and the average price including beverages is 14.5 euro per person (Lunch 12 +Dinner 17 = 29 /2 = 14.5 euro). In simple mathematics, each of these restaurants makes 1812 euro turnover every day.

Analysis of Results Q8

On the question, if the owners / Managers observe any increase in the preferences of the Cypriots, in other words, if the number of the Cypriot customers increases, answers are that there is an increase in the Cypriots to this kind of cuisine despite the crisis. The average percentage of this increase is 8%.

Analysis of Results Q 9

Based on the results of the question nine in which the owners/managers inform us about the customers' age groups, it appears that the "current" generation of 25-35 years old is the group that prefer the most this specific cuisine. This group, according to their age, could be college students, singles or young families with or without children. Also we can understand that young people of the age group of 15-25 years old begin to look for healthy solutions such as Sushi and Salads. The only group that is not so much in favour of this kind of food is the group of people over fifty years old, who most probably refuse to adapt to something they are not familiar with, always preferring the Cypriot Cuisine.

**4.2 Market Segmentation**

We are targeting young people, and people that love themselves and consider healthy diet as their primary objective. Our take away restaurants will be located in convenient locations that will be easy for people to stop after work, during breaks or after gym.

Our secondary market segment is the Working Parents. Nowadays, most of the parents in Cyprus are working. The traditional souvlaki is a good option for a quick dinner or lunch but not the healthier solution. More than 50% of the kids in Cyprus are overweight and a healthier option for lunch or dinner is required.

All Cyprus towns especially Paphos and Limassol are the destination for thousands of tourists. Usually, tourists of any age are much more familiar with Japanese cuisine and more concerned about health issues. Tourists that look for a quick and economic bite will also be our target.

Lastly, a smaller but important segment is employees from around the world who come to work in Cyprus in different fields. This group will grow in the next couple of years because of the oil and gas business. Gaining the trust of this segment will result in increasing our total market through mouth to mouth advertising.

The following chart reflects the estimated market segmentation and growth for our business. We expect our customer base to increase annually, 10% young people, 8% young parents, 10% tourists and 15% Others (foreign or EU employees).

Table: Market Analysis

| *Market Analysis* | | | | | | | |
|---|---|---|---|---|---|---|---|
| Potential Customers | Growth | 2013 | 2014 | 2015 | 2016 | 2017 | CAGR |
| Young People on Healthy diet | 10% | 3.000 | 3.300 | 3.630 | 3.993 | 4.392 | 10,00% |
| Working Parents | 8% | 3.000 | 3.240 | 3.499 | 3.779 | 4.081 | 8,00% |
| Tourist | 10% | 5.000 | 5.500 | 6.050 | 6.655 | 7.321 | 10,00% |
| Others (Foreigners coming for work) | 15% | 1.000 | 1.150 | 1.323 | 1.521 | 1.749 | 15,00% |
| Total | 9,96% | 12.000 | 13.190 | 14.502 | 15.948 | 17.543 | 9,96% |

| | | | | | |
|---|---|---|---|---|---|
| Subtotal | €43.200 | €43.200 | €43.200 | €43.200 | €43.200 |
| Total People | 19 | 19 | 19 | 19 | 19 |
| Total Payroll Expenditures | €274.776 | €274.776 | €279.140 | €279.140 | €283.730 |

## 8.0 Financial Plan

This section will offer a financial overview of the firm. We will address break-even analysis, start-up funding analysis, projected Profit and Loss, Balance Sheet and Cash Flow for the following five years.

### 8.1 Start-up Funding

Shareholders will bring into the company €80.000. The rest of the required amount will be financed by a long term bank loan of €103.700. An estate will be used as guarantee for the loan. The business plan assumes that the business will receive the long term bank loan which will be repayable in 5 years with a maximum 10% fixed interest rate.

Table: Start-up Funding

| *Start-up Funding* | |
|---|---|
| Start-up Expenses to Fund | €45.700 |
| Start-up Assets to Fund | €138.000 |
| Total Funding Required | €183.700 |
| | |
| Assets | |
| Non-cash Assets from Start-up | €128.000 |
| Cash Requirements from Start-up | €10000,0 |
| Additional Cash Raised | €0 |
| Cash Balance on Starting Date | €10.000 |
| Total Assets | €138.000 |
| | |
| Liabilities and Capital | |
| | |
| Liabilities | |
| Current Borrowing | €0 |
| Long-term Liabilities | €103.700 |
| Accounts Payable (Outstanding Bills) | €0 |
| Other Current Liabilities (interest-free) | €0 |
| Total Liabilities | €103.700 |

| | |
|---|---|
| Capital | |
| Planned Investment | |
| Savvas Komodromos | €50.000 |
| Maria Kanaki | €15.000 |
| Stelios Stylianou | €15.000 |
| Additional Investment Requirement | €0 |
| Total Planned Investment | €80.000 |
| Loss at Start-up (Start-up Expenses) | (€45.700) |
| Total Capital | €34.300 |
| Total Capital and Liabilities | €138.000 |
| Total Funding | €183.700 |

**8.2 Important Assumptions**

1. The company will have an annual revenue growth rate of minimum 10% per year for the first 5 years.
2. We assume no inflation increase for sales and cost of sales. Any increase will equally affect both elements.
3. On the first year the salary of the chefs, the area manager and the accountant will stay the same and it will be increased on the third and fifth year by 2%. The reception employees and the delivery boys' salary will not increase for the first five years.
4. The Period from October to April (except January) is low season - period May to September is high season.
5. A 5 year long term loan of €103.700 with 10% interest rate will be granted. We start the repayment of the loan from the second year of operation.
6. Insurance expenses are constant for the first five years, covered by agreement.
7. Rent will be increased by 5% on the fourth year which is also covered by agreement.
8. Marketing expenses grow by 10% per annum to accommodate percentage increase of sales.
9. The utilities and general expenses will be increasing by 2% every year.
10. Tax rate 10%

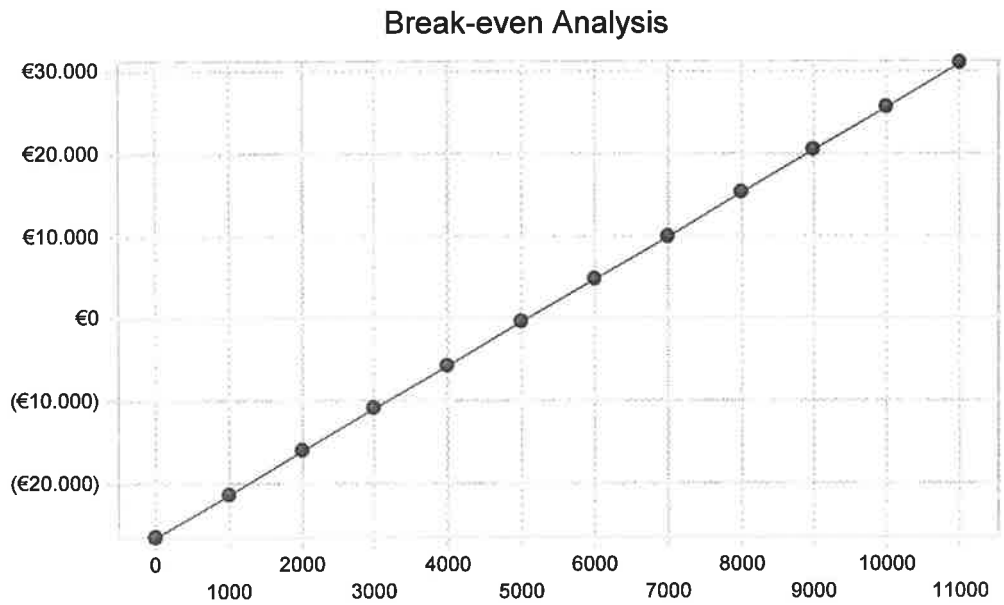
11. Long term borrowing interest rate 10%
12. Depreciation 20% every year.

### 8.3 Break-even Analysis

The break-even analysis shows that we need sales of €35.905 per month to break even. We expect our business to be profitable from the second year of operation.

Table: Break-even Analysis

| *Break-even Analysis* | |
|---|---|
| Monthly Units Break-even | 5.087 |
| Monthly Revenue Break-even | €35.905 |
| | |
| Assumptions: | |
| Average Per-Unit Revenue | €7,06 |
| Average Per-Unit Variable Cost | €1,83 |
| Estimated Monthly Fixed Cost | €26.597 |



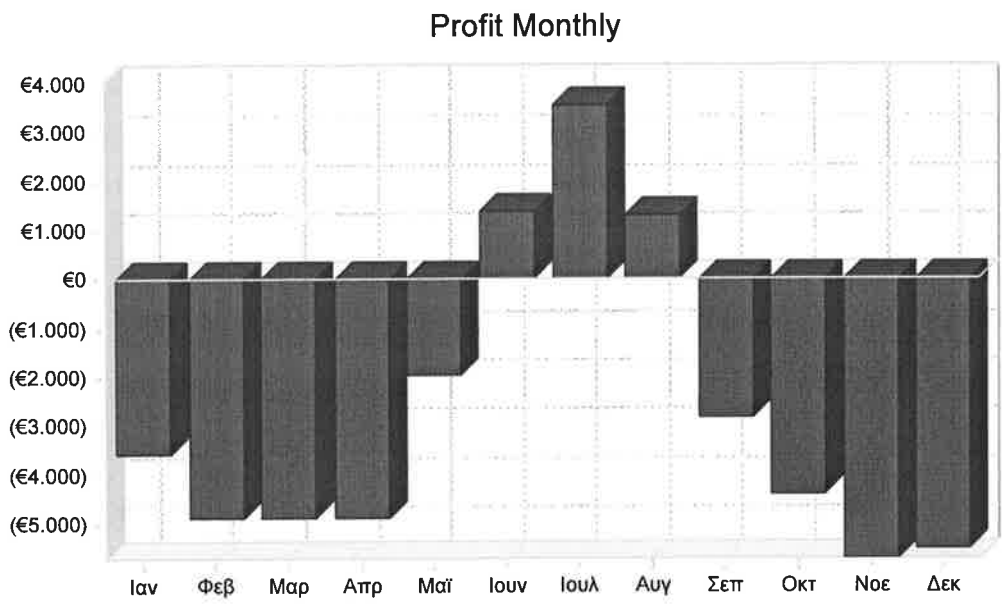
### 8.4 Projected Profit and Loss

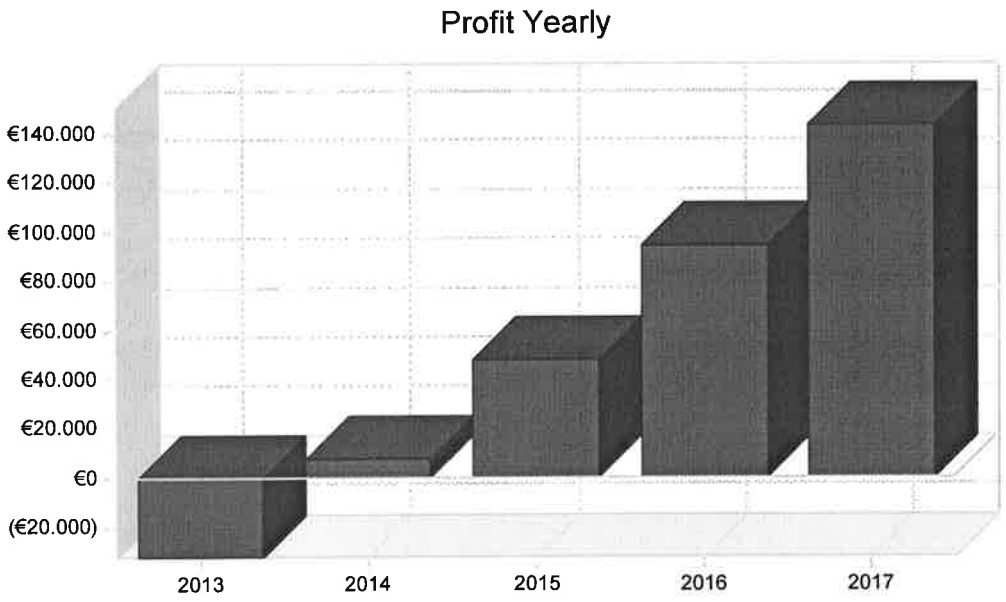
As the Profit and Loss shows, Gross Profit Margin remains constant at approximately 55%. Good management of the other operating expenses achieves a positive Net Profit the second year of operation 1.3%.

**Table: Profit and Loss**

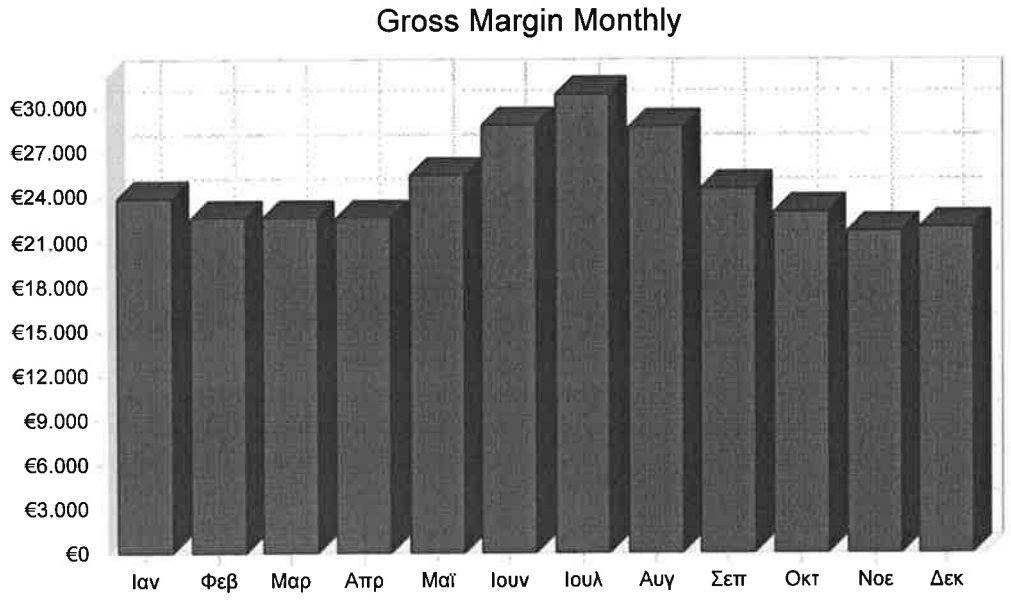
| *Pro Forma Profit and Loss* | | | | | |
|---|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Sales | €561.600 | €617.759 | €679.537 | €747.460 | €822.221 |
| Direct Cost of Sales | €145.596 | €160.156 | €176.172 | €193.781 | €213.163 |
| Production Payroll | €118.776 | €118.776 | €121.100 | €121.100 | €123.550 |
| Other Costs of Sales | €0 | €0 | €0 | €0 | €0 |
| Total Cost of Sales | €264.372 | €278.932 | €297.272 | €314.881 | €336.713 |
| | | | | | |
| Gross Margin | €297.228 | €338.827 | €382.265 | €432.579 | €485.508 |
| Gross Margin % | 52,93% | 54,85% | 56,25% | 57,87% | 59,05% |
| | | | | | |
| Operating Expenses | | | | | |
| | | | | | |
| Sales and Marketing Expenses | | | | | |
| Sales and Marketing Payroll | €72.000 | €72.000 | €72.000 | €72.000 | €72.000 |
| Advertising/Promotion | €24.000 | €25.200 | €26.460 | €27.783 | €29.170 |
| Other Sales and Marketing Expenses | €0 | €0 | €0 | €0 | €0 |
| Total Sales and Marketing Expenses | €96.000 | €97.200 | €98.460 | €99.783 | €101.170 |
| Sales and Marketing % | 17,09% | 15,73% | 14,49% | 13,35% | 12,30% |
| | | | | | |
| General and Administrative Expenses | | | | | |
| General and Administrative Payroll | €40.800 | €40.800 | €42.840 | €42.840 | €44.980 |
| Marketing/Promotion | €5.040 | €5.544 | €6.098 | €6.708 | €7.380 |
| Depreciation | €23.200 | €23.200 | €23.200 | €23.200 | €23.200 |
| Rent | €72.000 | €72.000 | €72.000 | €75.600 | €75.600 |
| Utilities | €2.800 | €2.856 | €2.913 | €2.970 | €3.030 |
| Insurance | €2.400 | €2.400 | €2.400 | €2.400 | €2.400 |
| Profesional fees | €1.500 | €1.500 | €1.500 | €1.500 | €1.500 |
| Payroll Taxes | €27.720 | €27.720 | €28.500 | €28.500 | €29.400 |
| Other General and Administrative Expenses | €4.500 | €4.590 | €4.680 | €4.775 | €4.870 |
| Total General and Administrative Expenses | €179.960 | €180.610 | €184.131 | €188.493 | €192.360 |
| General and Administrative % | 32,04% | 29,24% | 27,10% | 25,22% | 23,40% |

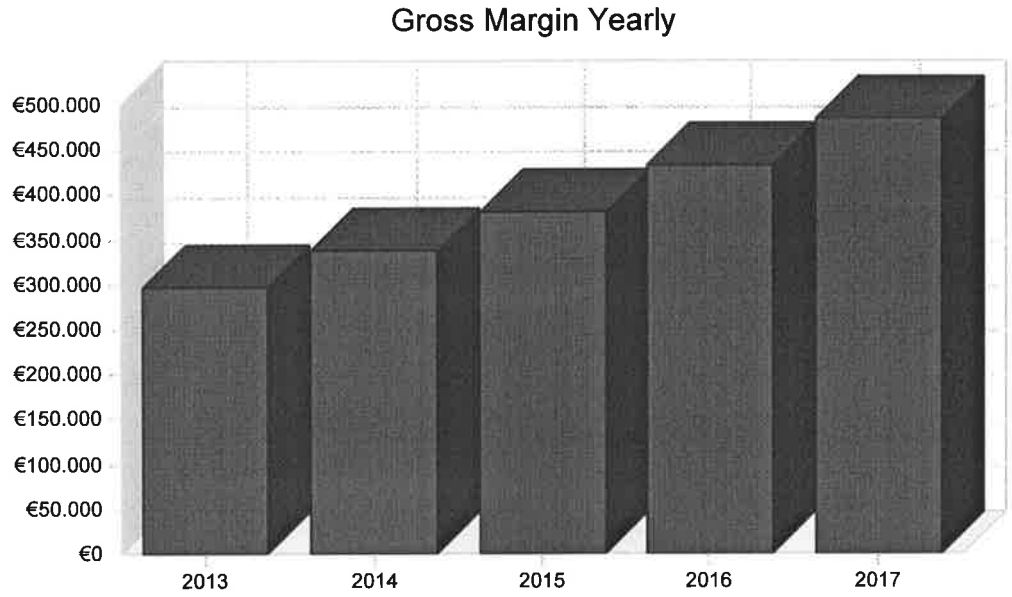
| | | | | | |
|---|---|---|---|---|---|
| Other Expenses: | | | | | |
| Other Payroll | €43.200 | €43.200 | €43.200 | €43.200 | €43.200 |
| Consultants | €0 | €0 | €0 | €0 | €0 |
| Other Expenses | €0 | €0 | €0 | €0 | €0 |
| Total Other Expenses | €43.200 | €43.200 | €43.200 | €43.200 | €43.200 |
| Other % | 7,69% | 6,99% | 6,36% | 5,78% | 5,25% |
| | | | | | |
| Total Operating Expenses | €319.160 | €321.010 | €325.791 | €331.476 | €336.730 |
| | | | | | |
| Profit Before Interest and Taxes | (€21.932) | €17.818 | €56.474 | €101.103 | €148.778 |
| EBITDA | €1.268 | €41.018 | €79.674 | €124.303 | €171.978 |
| Interest Expense | €10.370 | €9.720 | €8.420 | €7.120 | €5.820 |
| Taxes Incurred | €0 | €0 | €0 | €0 | €0 |
| | | | | | |
| Net Profit | (€32.302) | €8.098 | €48.054 | €93.983 | €142.958 |
| Net Profit/Sales | -5,75% | 1,31% | 7,07% | 12,57% | 17,39% |






The above graphs show clearly that based to our prediction we will achieve net profit after the second year of the operation. However all the partners will be working in the company with a standard salary as the rest of the employees until the loan is paid.






### 8.5 Projected Cash Flow

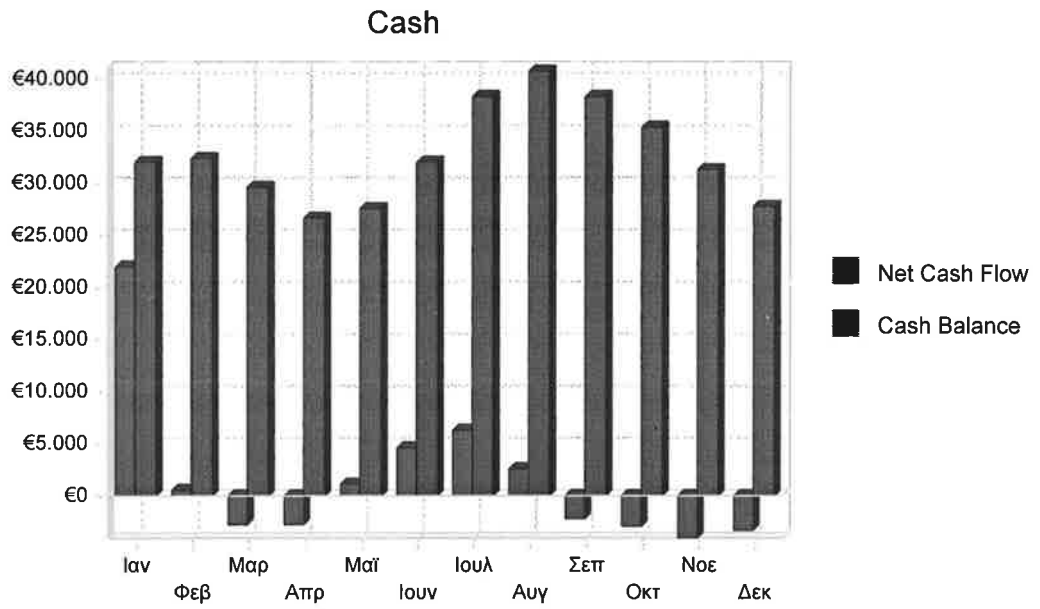
The following table and chart show the Projected Cash Flow for ELa Sushi Ltd.

By the end of the fifth year the cash available will be more than €350.000. This amount will be invested in the new take away points planned for. A new planning is needed to identify if a new loan is required to cover expansion.

Table: Cash Flow

| *Pro Forma Cash Flow* | | | | | |
|---|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Cash Received | | | | | |
| Cash from Operations | | | | | |
| Cash Sales | €561.600 | €617.759 | €679.537 | €747.460 | €822.221 |
| Subtotal Cash from Operations | €561.600 | €617.759 | €679.537 | €747.460 | €822.221 |
| Subtotal Cash Received | €561.600 | €617.759 | €679.537 | €747.460 | €822.221 |
| Expenditures | 2013 | 2014 | 2015 | 2016 | 2017 |
| Expenditures from Operations | | | | | |
| Cash Spending | €274.776 | €274.776 | €279.140 | €279.140 | €283.730 |
| Bill Payments | €269.044 | €308.949 | €327.708 | €349.329 | €370.591 |
| Subtotal Spent on Operations | €543.820 | €583.725 | €606.848 | €628.469 | €654.321 |
| Additional Cash Spent | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Other Liabilities Principal Repayment | €0 | €0 | €0 | €0 | €0 |
| Long-term Liabilities Principal Repayment | €0 | €13.000 | €13.000 | €13.000 | €13.000 |
| Purchase Other Current Assets | €0 | €0 | €0 | €0 | €0 |
| Purchase Long-term Assets | €0 | €0 | €0 | €0 | €0 |
| Dividends | €0 | €0 | €0 | €0 | €0 |
| Subtotal Cash Spent | €543.820 | €596.725 | €619.848 | €641.469 | €667.321 |
| Net Cash Flow | €17.780 | €21.034 | €59.689 | €105.991 | €154.900 |
| Cash Balance | €27.780 | €48.814 | €108.503 | €214.494 | €369.394 |




### 8.6 Projected Balance Sheet

Projected Balance Sheet shows an increase in net worth from the first year of operation. This will help us to explore the franchise opportunity already mentioned above.

Table: Balance Sheet

| *Pro Forma Balance Sheet* | | | | | |
|---|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Assets | | | | | |
| Current Assets | | | | | |
| Cash | €27.780 | €48.814 | €108.503 | €214.494 | €369.394 |
| Inventory | €0 | €0 | €0 | €0 | €0 |

| | | | | | |
|---|---|---|---|---|---|
| Other Current Assets | €8.000 | €8.000 | €8.000 | €8.000 | €8.000 |
| Total Current Assets | €35.780 | €56.814 | €116.503 | €222.494 | €377.394 |
| | | | | | |
| Long-term Assets | | | | | |
| Long-term Assets | €116.000 | €116.000 | €116.000 | €116.000 | €116.000 |
| Accumulated Depreciation | €23.200 | €46.400 | €69.600 | €92.800 | €116.000 |
| Total Long-term Assets | €92.800 | €69.600 | €46.400 | €23.200 | €0 |
| Total Assets | €128.580 | €126.414 | €162.903 | €245.694 | €377.394 |
| | | | | | |
| Liabilities and Capital | 2013 | 2014 | 2015 | 2016 | 2017 |
| | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | €22.882 | €25.618 | €27.053 | €28.861 | €30.603 |
| Current Borrowing | €0 | €0 | €0 | €0 | €0 |
| Other Current Liabilities | €0 | €0 | €0 | €0 | €0 |
| Subtotal Current Liabilities | €22.882 | €25.618 | €27.053 | €28.861 | €30.603 |
| | | | | | |
| Long-term Liabilities | €103.700 | €90.700 | €77.700 | €64.700 | €51.700 |
| Total Liabilities | €126.582 | €116.318 | €104.753 | €93.561 | €82.303 |
| | | | | | |
| Paid-in Capital | €80.000 | €80.000 | €80.000 | €80.000 | €80.000 |
| Retained Earnings | (€45.700) | (€78.002) | (€69.904) | (€21.850) | €72.133 |
| Earnings | (€32.302) | €8.098 | €48.054 | €93.983 | €142.958 |
| Total Capital | €1.998 | €10.096 | €58.150 | €152.133 | €295.091 |
| Total Liabilities and Capital | €128.580 | €126.414 | €162.903 | €245.694 | €377.394 |
| | | | | | |
| Net Worth | €1.998 | €10.096 | €58.150 | €152.133 | €295.091 |

### 8.7 Business Ratios

The following table outlines some of the more important ratios, analyzing the company's performance. The company did not proceed with comparison with the Industry's profile yet.

**Table: Ratio**

| *Ratio Analysis* | | | | | | |
|---|---|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 | 2017 | Industry Profile |
| Sales Growth | 0,00% | 10,00% | 10,00% | 10,00% | 10,00% | 0,00% |
| | | | | | | |
| Percent of Total Assets | | | | | | |
| Inventory | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Other Current Assets | 6,22% | 6,33% | 4,91% | 3,26% | 2,12% | 100,00% |
| Total Current Assets | 27,83% | 44,94% | 71,52% | 90,56% | 100,00% | 100,00% |
| Long-term Assets | 72,17% | 55,06% | 28,48% | 9,44% | 0,00% | 0,00% |
| Total Assets | 100,00% | 100,00% | 100,00% | 100,00% | 100,00% | 100,00% |
| | | | | | | |
| Current Liabilities | 17,80% | 20,27% | 16,61% | 11,75% | 8,11% | 0,00% |
| Long-term Liabilities | 80,65% | 71,75% | 47,70% | 26,33% | 13,70% | 0,00% |
| Total Liabilities | 98,45% | 92,01% | 64,30% | 38,08% | 21,81% | 0,00% |
| Net Worth | 1,55% | 7,99% | 35,70% | 61,92% | 78,19% | 100,00% |
| | | | | | | |
| Percent of Sales | | | | | | |
| Sales | 100,00% | 100,00% | 100,00% | 100,00% | 100,00% | 100,00% |
| Gross Margin | 52,93% | 54,85% | 56,25% | 57,87% | 59,05% | 0,00% |
| Selling, General & Administrative Expenses | 58,68% | 53,54% | 49,18% | 45,30% | 41,66% | 0,00% |
| Advertising Expenses | 4,27% | 4,08% | 3,89% | 3,72% | 3,55% | 0,00% |
| Profit Before Interest and Taxes | -3,91% | 2,88% | 8,31% | 13,53% | 18,09% | 0,00% |
| | | | | | | |
| Main Ratios | | | | | | |
| Current | 1,56 | 2,22 | 4,31 | 7,71 | 12,33 | 0,00 |
| Quick | 1,56 | 2,22 | 4,31 | 7,71 | 12,33 | 0,00 |
| Total Debt to Total Assets | 98,45% | 92,01% | 64,30% | 38,08% | 21,81% | 0,00% |
| Pre-tax Return on Net Worth | -1616,91% | 80,21% | 82,64% | 61,78% | 48,45% | 0,00% |
| Pre-tax Return on Assets | -25,12% | 6,41% | 29,50% | 38,25% | 37,88% | 0,00% |
| | | | | | | |
| Additional Ratios | 2013 | 2014 | 2015 | 2016 | 2017 | |
| Net Profit Margin | -5,75% | 1,31% | 7,07% | 12,57% | 17,39% | n.a |
| Return on Equity | -1616,91% | 80,21% | 82,64% | 61,78% | 48,45% | n.a |
| | | | | | | |
| Activity Ratios | | | | | | |
| Inventory Turnover | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | n.a |
| Accounts Payable Turnover | 12,76 | 12,17 | 12,17 | 12,17 | 12,17 | n.a |
| Payment Days | 27 | 28 | 29 | 29 | 29 | n.a |
| Total Asset Turnover | 4,37 | 4,89 | 4,17 | 3,04 | 2,18 | n.a |
| | | | | | | |
| Debt Ratios | | | | | | |
| Debt to Net Worth | 63,36 | 11,52 | 1,80 | 0,61 | 0,28 | n.a |
| Current Liab. to Liab. | 0,18 | 0,22 | 0,26 | 0,31 | 0,37 | n.a |
| | | | | | | |
| Liquidity Ratios | | | | | | |
| Net Working Capital | €12.898 | €31.196 | €89.450 | €193.633 | €346.791 | n.a |
| Interest Coverage | -2,11 | 1,83 | 6,71 | 14,20 | 25,56 | n.a |
| | | | | | | |
| Additional Ratios | | | | | | |
| Assets to Sales | 0,23 | 0,20 | 0,24 | 0,33 | 0,46 | n.a |
| Current Debt/Total Assets | 18% | 20% | 17% | 12% | 8% | n.a |
| Acid Test | 1,56 | 2,22 | 4,31 | 7,71 | 12,33 | n.a |
| Sales/Net Worth | 281,11 | 61,19 | 11,69 | 4,91 | 2,79 | n.a |
| Dividend Payout | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | n.a |

## 9.0 Sensitivity Analysis

On the following table we can observe the variations that could occur on the net profit of "Ela Sushi" with a 10% and a 20% increase or decrease on the sales. No changes on the staff, marketing or any other expenses is been made except of the cost of the ingredients that will be used. The reason for this is that the percentage of increase or decrease on the particular amount of work (10-20%) could be handled from our staff and will not increase or decrease significantly any of the expenses except of the direct cost.

The first column represents a new forecasted income statement for Ela Sushi, assuming restaurant's original sales forecast decrease by 20%. The second column represents a new forecasted income statement for that original forecasted sales decrease by 10%. The forth column represents a new forecasted income statement, assuming sales increase by 10% and the fifth with 20%. The third column is the original sales forecast for the year 2013 according to which all the assumptions are based to.

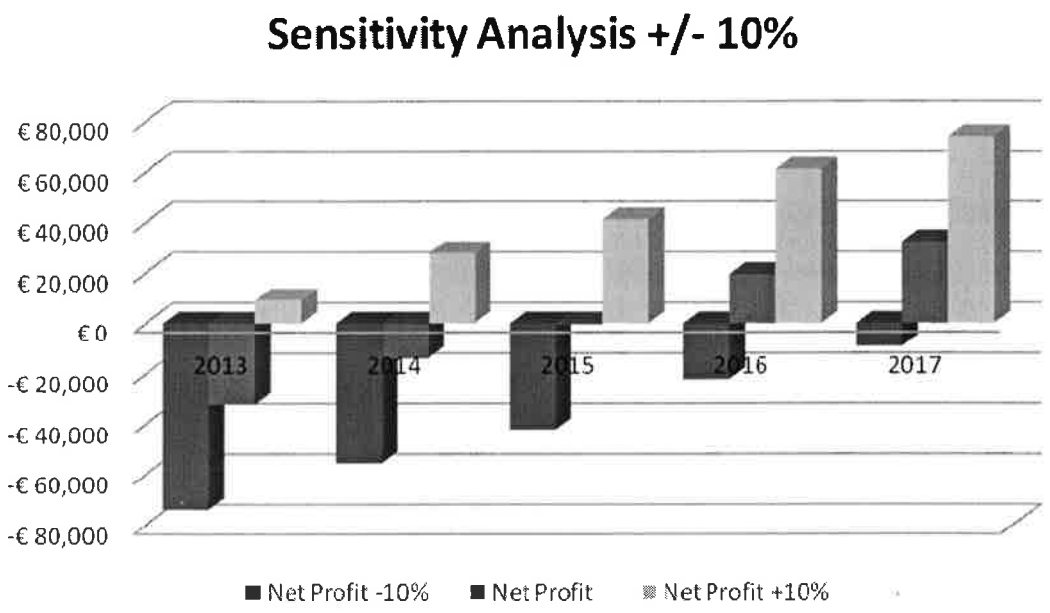
**Table: Sensitivity Analysis, Year 1**

| Sensitivity Analysis -Year 1 -Pro-Forma Profit and Loss | | | | | |
|---|---|---|---|---|---|
| Period : Year 2013 | | | | | |
| | Pessimist | Pessimistic | Projected | Optimistic | Optimistic |
| | **-20%** | **-10%** | **Original** | **10%** | **20%** |
| Sales | € 449.280 | €505.440 | €561.600 | €617.760 | €673.920 |
| Direct Cost of Sales | € 116.476 | €131.036 | €145.596 | €160.155 | €174.715 |
| Production Payroll | € 118.776 | €118.776 | €118.776 | €118.776 | €118.776 |
| Other Costs of Sales | € 0 | € 0 | € 0 | € 0 | € 0 |
| Total Cost of Sales | € 235.252 | €249.812 | €264.372 | €278.931 | €293.491 |
| Gross Margin | € 214.028 | €255.628 | €297.228 | €338.829 | €380.429 |
| Gross Margin % | 47,64% | 50,58% | 52,93% | 54,85% | 56,45% |
| Operating Expenses | | | | | |
| Sales and Marketing Expenses | | | | | |
| Sales and Marketing Payroll | € 72.000 | € 72.000 | € 72.000 | € 72.000 | € 72.000 |
| Advertising/Promotion | € 24.000 | € 24.000 | € 24.000 | € 24.000 | € 24.000 |
| Other Sales and Marketing | € 0 | € 0 | € 0 | € 0 | € 0 |

| Expenses | | | | | |
|---|---|---|---|---|---|
| Total Sales and Marketing Expenses | € 96.000 | € 96.000 | € 96.000 | € 96.000 | € 96.000 |
| Sales and Marketing % | € 0 | € 0 | € 0 | € 0 | € 0 |
| | | | | | |
| General and Administrative Expenses | | | | | |
| General and Administrative Payroll | € 40.800 | € 40.800 | € 40.800 | € 40.800 | € 40.800 |
| Marketing/Promotion | € 5.040 | € 5.040 | € 5.040 | € 5.040 | € 5.040 |
| Depreciation | € 23.200 | € 23.200 | € 23.200 | € 23.200 | € 23.200 |
| Rent | € 72.000 | € 72.000 | € 72.000 | € 72.000 | € 72.000 |
| Utilities | € 2.800 | € 2.800 | € 2.800 | € 2.800 | € 2.800 |
| Insurance | € 2.400 | € 2.400 | € 2.400 | € 2.400 | € 2.400 |
| Professional fees | € 1.500 | € 1.500 | € 1.500 | € 1.500 | € 1.500 |
| Payroll Taxes | € 27.720 | € 27.720 | € 27.720 | € 27.720 | € 27.720 |
| Other General and Administrative Expenses | € 4.500 | € 4.500 | € 4.500 | € 4.500 | € 4.500 |
| Total General and Administrative Expenses | € 179.960 | €179.960 | €179.960 | €179.960 | €179.960 |
| General and Administrative % | € 0 | € 0 | € 0 | € 0 | € 0 |
| | | | | | |
| Other Expenses: | | | | | |
| Other Payroll | € 43.200 | € 43.200 | € 43.200 | € 43.200 | € 43.200 |
| Consultants | € 0 | € 0 | € 0 | € 0 | € 0 |
| Other Expenses | € 0 | € 0 | € 0 | € 0 | € 0 |
| Total Other Expenses | € 43.200 | € 43.200 | € 43.200 | € 43.200 | € 43.200 |
| Other % | € 0 | € 0 | € 0 | € 0 | € 0 |
| | | | | | |
| Total Operating Expenses | € 319.160 | €319.160 | €319.160 | €319.160 | €319.160 |
| | | | | | |
| Profit Before Interest and Taxes | -€ 81.376 | -€51.654 | -€21.932 | € 7.792 | € 37.514 |
| EBITDA | -€ 58.176 | -€28.454 | € 1.268 | € 30.992 | € 60.714 |
| Interest Expense | € 10.370 | € 10.370 | € 10.370 | € 10.370 | € 10.370 |
| Taxes Incurred | | | € 0 | | |
| | | | | | |
| Net Profit | -€ 115.502 | -€73.902 | -€32.302 | **€ 9.299** | € 50.899 |
| Net Profit/Sales | -25,71% | -14,62% | -5,75% | 1,51% | 7,55% |

The figures that have resulted from the increase or decrease of sales based on the original forecast are extremely close because all the operating and other expenses will be the same.

The most realistic scenario is the company's forecast for the first year to be inaccurate no more than a plus or minus 10%, that's why we analyze this scenario than the scenario with the 20% difference from the original forecast.




In the case where the restaurants will have 10% decrease on the sales, the company's income statement will show a negative figure event on the third year (2015). The restaurants will actually start having profit on the fourth year. On the other hand 10% increase on sales on the first year will help the company to have profit from year one. From this analysis we can determine that even with 10% fewer sales "Ela Sushi" company will be able to settle up the loan from the bank on the fourth year and start making a profit on the fifth.

## Table: Sales Forecast

| *Sales Forecast* | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Ιαν | Φεβ | Μαρ | Απρ | Μαϊ | Ιουν | Ιουλ | Αυγ | Σεπ | Οκτ | Νοε | Δεκ |
| Unit Sales | | | | | | | | | | | | | |
| Hand Rolls ( 2 pieces) | | 800 | 640 | 640 | 640 | 800 | 960 | 960 | 860 | 760 | 640 | 640 | 640 |
| Box Sets (Sushi / Sashimi / Nigiri ) | | 1.840 | 1.800 | 1.800 | 1.800 | 1.940 | 2.000 | 2.100 | 2.000 | 1.950 | 1.850 | 1.740 | 1.740 |
| Special Salads | | 400 | 360 | 360 | 360 | 350 | 450 | 450 | 450 | 360 | 360 | 360 | 360 |
| Sushi / Nigiri (3 Pieces) | | 540 | 520 | 520 | 520 | 560 | 640 | 640 | 640 | 520 | 520 | 480 | 520 |
| Maki (6 Pieces) | | 480 | 520 | 520 | 520 | 500 | 530 | 640 | 640 | 520 | 520 | 520 | 520 |
| Sashimi ( 6 Pieces) | | 480 | 480 | 480 | 480 | 580 | 700 | 800 | 696 | 472 | 470 | 473 | 480 |
| Bevarages | | 1.920 | 1.920 | 1.920 | 1.920 | 1.920 | 2.160 | 2.160 | 2.160 | 1.920 | 1.920 | 1.920 | 1.920 |
| Total Unit Sales | | 6.460 | 6.240 | 6.240 | 6.240 | 6.650 | 7.440 | 7.750 | 7.446 | 6.502 | 6.280 | 6.133 | 6.180 |
| | | | | | | | | | | | | | |
| Unit Prices | | Ιαν | Φεβ | Μαρ | Απρ | Μαϊ | Ιουν | Ιουλ | Αυγ | Σεπ | Οκτ | Νοε | Δεκ |
| Hand Rolls ( 2 pieces) | | €6,00 | €6,00 | €6,00 | €6,00 | €6,00 | €6,00 | €6,00 | €6,00 | €6,00 | €6,00 | €6,00 | €6,00 |
| Box Sets (Sushi / Sashimi / Nigiri ) | | €14,00 | €14,00 | €14,00 | €14,00 | €14,00 | €14,00 | €14,00 | €14,00 | €14,00 | €14,00 | €14,00 | €14,00 |
| Special Salads | | €8,00 | €8,00 | €8,00 | €8,00 | €8,00 | €8,00 | €8,00 | €8,00 | €8,00 | €8,00 | €8,00 | €8,00 |
| Sushi / Nigiri (3 Pieces) | | €5,00 | €5,00 | €5,00 | €5,00 | €5,00 | €5,00 | €5,00 | €5,00 | €5,00 | €5,00 | €5,00 | €5,00 |
| Maki (6 Pieces) | | €5,00 | €5,00 | €5,00 | €5,00 | €5,00 | €5,00 | €5,00 | €5,00 | €5,00 | €5,00 | €5,00 | €5,00 |
| Sashimi ( 6 Pieces) | | €10,00 | €10,00 | €10,00 | €10,00 | €10,00 | €10,00 | €10,00 | €10,00 | €10,00 | €10,00 | €10,00 | €10,00 |
| Bevarages | | €1,00 | €1,00 | €1,00 | €1,00 | €1,00 | €1,00 | €1,00 | €1,00 | €1,00 | €1,00 | €1,00 | €1,00 |
| | | | | | | | | | | | | | |
| Sales | | | | | | | | | | | | | |
| Hand Rolls ( 2 pieces) | | €4.800 | €3.840 | €3.840 | €3.840 | €4.800 | €5.760 | €5.760 | €5.160 | €4.560 | €3.840 | €3.840 | €3.840 |
| Box Sets (Sushi / Sashimi / Nigiri ) | | €25.760 | €25.200 | €25.200 | €25.200 | €27.160 | €28.000 | €29.400 | €28.000 | €27.300 | €25.900 | €24.360 | €24.360 |
| Special Salads | | €3.200 | €2.880 | €2.880 | €2.880 | €2.800 | €3.600 | €3.600 | €3.600 | €2.880 | €2.880 | €2.880 | €2.880 |
| Sushi / Nigiri (3 Pieces) | | €2.700 | €2.600 | €2.600 | €2.600 | €2.800 | €3.200 | €3.200 | €3.200 | €2.600 | €2.600 | €2.400 | €2.600 |
| Maki (6 Pieces) | | €2.400 | €2.600 | €2.600 | €2.600 | €2.500 | €2.650 | €3.200 | €3.200 | €2.600 | €2.600 | €2.600 | €2.600 |
| Sashimi ( 6 Pieces) | | €4.800 | €4.800 | €4.800 | €4.800 | €5.800 | €7.000 | €8.000 | €6.960 | €4.720 | €4.700 | €4.730 | €4.800 |
| Bevarages | | €1.920 | €1.920 | €1.920 | €1.920 | €1.920 | €2.160 | €2.160 | €2.160 | €1.920 | €1.920 | €1.920 | €1.920 |
| Total Sales | | €45.580 | €43.840 | €43.840 | €43.840 | €47.780 | €52.370 | €55.320 | €52.280 | €46.580 | €44.440 | €42.730 | €43.000 |
| | | | | | | | | | | | | | |
| Direct Unit Costs | | Ιαν | Φεβ | Μαρ | Απρ | Μαϊ | Ιουν | Ιουλ | Αυγ | Σεπ | Οκτ | Νοε | Δεκ |
| Hand Rolls ( 2 pieces) | 25,00% | €1,50 | €1,50 | €1,50 | €1,50 | €1,50 | €1,50 | €1,50 | €1,50 | €1,50 | €1,50 | €1,50 | €1,50 |
| Box Sets (Sushi / Sashimi / Nigiri ) | 25,00% | €3,50 | €3,50 | €3,50 | €3,50 | €3,50 | €3,50 | €3,50 | €3,50 | €3,50 | €3,50 | €3,50 | €3,50 |
| Special Salads | 25,00% | €2,00 | €2,00 | €2,00 | €2,00 | €2,00 | €2,00 | €2,00 | €2,00 | €2,00 | €2,00 | €2,00 | €2,00 |
| Sushi / Nigiri (3 Pieces) | 25,00% | €1,25 | €1,25 | €1,25 | €1,25 | €1,25 | €1,25 | €1,25 | €1,25 | €1,25 | €1,25 | €1,25 | €1,25 |
| Maki (6 Pieces) | 25,00% | €1,25 | €1,25 | €1,25 | €1,25 | €1,25 | €1,25 | €1,25 | €1,25 | €1,25 | €1,25 | €1,25 | €1,25 |
| Sashimi ( 6 Pieces) | 30,00% | €3,00 | €3,00 | €3,00 | €3,00 | €3,00 | €3,00 | €3,00 | €3,00 | €3,00 | €3,00 | €3,00 | €3,00 |
| Bevarages | 33,00% | €0,33 | €0,33 | €0,33 | €0,33 | €0,33 | €0,33 | €0,33 | €0,33 | €0,33 | €0,33 | €0,33 | €0,33 |
| | | | | | | | | | | | | | |
| Direct Cost of Sales | | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Hand Rolls ( 2 pieces) | €1.200 | €960 | €960 | €960 | €1.200 | €1.440 | €1.440 | €1.290 | €1.140 | €960 | €960 | €960 |
| Box Sets (Sushi / Sashimi / Nigiri ) | €6.440 | €6.300 | €6.300 | €6.300 | €6.790 | €7.000 | €7.350 | €7.000 | €6.825 | €6.475 | €6.090 | €6.090 |
| Special Salads | €800 | €720 | €720 | €720 | €700 | €900 | €900 | €900 | €720 | €720 | €720 | €720 |
| Sushi / Nigiri (3 Pieces) | €675 | €650 | €650 | €650 | €700 | €800 | €800 | €800 | €650 | €650 | €600 | €650 |
| Maki (6 Pieces) | €600 | €650 | €650 | €650 | €625 | €663 | €800 | €800 | €650 | €650 | €650 | €650 |
| Sashimi ( 6 Pieces) | €1.440 | €1.440 | €1.440 | €1.440 | €1.740 | €2.100 | €2.400 | €2.088 | €1.416 | €1.410 | €1.419 | €1.440 |
| Bevarages | €634 | €634 | €634 | €634 | €634 | €713 | €713 | €713 | €634 | €634 | €634 | €634 |
| Subtotal Direct Cost of Sales | €11.789 | €11.354 | €11.354 | €11.354 | €12.389 | €13.615 | €14.403 | €13.591 | €12.035 | €11.499 | €11.073 | €11.144 |

## Table: Personnel

| *Personnel Plan* | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Ιαν | Φεβ | Μαρ | Απρ | Μαϊ | Ιουν | Ιουλ | Αυγ | Σεπ | Οκτ | Νοε | Δεκ |
| Production Personnel | | | | | | | | | | | | |
| People | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Average per Person | €1.414 | €1.414 | €1.414 | €1.414 | €1.414 | €1.414 | €1.414 | €1.414 | €1.414 | €1.414 | €1.414 | €1.414 |
| Subtotal | €9.898 | €9.898 | €9.898 | €9.898 | €9.898 | €9.898 | €9.898 | €9.898 | €9.898 | €9.898 | €9.898 | €9.898 |
| Sales and Marketing Personnel | | | | | | | | | | | | |
| People | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Average per Person | €1.000 | €1.000 | €1.000 | €1.000 | €1.000 | €1.000 | €1.000 | €1.000 | €1.000 | €1.000 | €1.000 | €1.000 |
| Subtotal | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 |
| General and Administrative Personnel | | | | | | | | | | | | |
| People | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Average per Person | €1.700 | €1.700 | €1.700 | €1.700 | €1.700 | €1.700 | €1.700 | €1.700 | €1.700 | €1.700 | €1.700 | €1.700 |
| Subtotal | €3.400 | €3.400 | €3.400 | €3.400 | €3.400 | €3.400 | €3.400 | €3.400 | €3.400 | €3.400 | €3.400 | €3.400 |
| Other Personnel | | | | | | | | | | | | |
| People | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Average per Person | €900 | €900 | €900 | €900 | €900 | €900 | €900 | €900 | €900 | €900 | €900 | €900 |
| Subtotal | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 |
| Total People | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| Total Payroll Expenditures | €22.898 | €22.898 | €22.898 | €22.898 | €22.898 | €22.898 | €22.898 | €22.898 | €22.898 | €22.898 | €22.898 | €22.898 |

## Table: Profit and Loss

| *Pro Forma Profit and Loss* | | Ιαν | Φεβ | Μαρ | Απρ | Μαΐ | Ιουν | Ιουλ | Αυγ | Σεπ | Οκτ | Νοε | Δεκ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sales | | €45.580 | €43.840 | €43.840 | €43.840 | €47.780 | €52.370 | €55.320 | €52.280 | €46.580 | €44.440 | €42.730 | €43.000 |
| Direct Cost of Sales | | €11.789 | €11.354 | €11.354 | €11.354 | €12.389 | €13.615 | €14.403 | €13.591 | €12.035 | €11.499 | €11.073 | €11.144 |
| Production Payroll | | €9.898 | €9.898 | €9.898 | €9.898 | €9.898 | €9.898 | €9.898 | €9.898 | €9.898 | €9.898 | €9.898 | €9.898 |
| Other Costs of Sales | | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 |
| Total Cost of Sales | | €21.687 | €21.252 | €21.252 | €21.252 | €22.287 | €23.513 | €24.301 | €23.489 | €21.933 | €21.397 | €20.971 | €21.042 |
| Gross Margin | | €23.893 | €22.588 | €22.588 | €22.588 | €25.493 | €28.857 | €31.019 | €28.791 | €24.647 | €23.043 | €21.759 | €21.958 |
| Gross Margin % | | 52,42% | 51,52% | 51,52% | 51,52% | 53,36% | 55,10% | 56,07% | 55,07% | 52,91% | 51,85% | 50,92% | 51,07% |
| Operating Expenses | | | | | | | | | | | | | |
| Sales and Marketing Expenses | | | | | | | | | | | | | |
| Sales and Marketing Payroll | | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 |
| Advertising/Promotion | | €2.000 | €2.000 | €2.000 | €2.000 | €2.000 | €2.000 | €2.000 | €2.000 | €2.000 | €2.000 | €2.000 | €2.000 |
| Other Sales and Marketing Expenses | | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 |
| Total Sales and Marketing Expenses | | €8.000 | €8.000 | €8.000 | €8.000 | €8.000 | €8.000 | €8.000 | €8.000 | €8.000 | €8.000 | €8.000 | €8.000 |
| Sales and Marketing % | | 17,55% | 18,25% | 18,25% | 18,25% | 16,74% | 15,28% | 14,46% | 15,30% | 17,17% | 18,00% | 18,72% | 18,60% |
| General and Administrative Expenses | | | | | | | | | | | | | |
| General and Administrative Payroll | | €3.400 | €3.400 | €3.400 | €3.400 | €3.400 | €3.400 | €3.400 | €3.400 | €3.400 | €3.400 | €3.400 | €3.400 |
| Marketing/Promotion | | €420 | €420 | €420 | €420 | €420 | €420 | €420 | €420 | €420 | €420 | €420 | €420 |
| Depreciation | | €1.933 | €1.933 | €1.933 | €1.933 | €1.933 | €1.933 | €1.933 | €1.933 | €1.933 | €1.933 | €1.933 | €1.933 |
| Rent | | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 | €6.000 |
| Utilities | | €233 | €233 | €233 | €233 | €233 | €233 | €233 | €233 | €233 | €233 | €233 | €233 |
| Insurance | | €200 | €200 | €200 | €200 | €200 | €200 | €200 | €200 | €200 | €200 | €200 | €200 |
| Profesional fees | | €125 | €125 | €125 | €125 | €125 | €125 | €125 | €125 | €125 | €125 | €125 | €125 |
| Payroll Taxes | 0% | €2.310 | €2.310 | €2.310 | €2.310 | €2.310 | €2.310 | €2.310 | €2.310 | €2.310 | €2.310 | €2.310 | €2.310 |
| Other General and Administrative Expenses | | €375 | €375 | €375 | €375 | €375 | €375 | €375 | €375 | €375 | €375 | €375 | €375 |
| Total General and Administrative Expenses | | €14.997 | €14.997 | €14.997 | €14.997 | €14.997 | €14.997 | €14.997 | €14.997 | €14.997 | €14.997 | €14.997 | €14.997 |
| General and Administrative % | | 32,90% | 34,21% | 34,21% | 34,21% | 31,39% | 28,64% | 27,11% | 28,69% | 32,20% | 33,75% | 35,10% | 34,88% |
| Other Expenses: | | | | | | | | | | | | | |
| Other Payroll | | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 |
| Consultants | | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 |
| Other Expenses | | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 |
| Total Other Expenses | | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 | €3.600 |

# Appendix

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Other % | 7,90% | 8,21% | 8,21% | 8,21% | 7,53% | 6,87% | 6,51% | 6,89% | 7,73% | 8,10% | 8,42% | 8,37% |
| Total Operating Expenses | €26.597 | €26.597 | €26.597 | €26.597 | €26.597 | €26.597 | €26.597 | €26.597 | €26.597 | €26.597 | €26.597 | €26.597 |
| Profit Before Interest and Taxes | (€2.703) | (€4.008) | (€4.008) | (€4.008) | (€1.103) | €2.260 | €4.423 | €2.195 | (€1.949) | (€3.553) | (€4.837) | (€4.638) |
| EBITDA | (€770) | (€2.075) | (€2.075) | (€2.075) | €830 | €4.193 | €6.356 | €4.128 | (€16) | (€1.620) | (€2.904) | (€2.705) |
| Interest Expense | €864 | €864 | €864 | €864 | €864 | €864 | €864 | €864 | €864 | €864 | €864 | €864 |
| Taxes Incurred | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 |
| Net Profit | (€3.567) | (€4.872) | (€4.872) | (€4.872) | (€1.967) | €1.396 | €3.558 | €1.330 | (€2.813) | (€4.417) | (€5.701) | (€5.502) |
| Net Profit/Sales | -7,83% | -11,11% | -11,11% | -11,11% | -4,12% | 2,67% | 6,43% | 2,54% | -6,04% | -9,94% | -13,34% | -12,80% |

## Table: Cash Flow

| *Pro Forma Cash Flow* | | Ιαν | Φεβ | Μαρ | Απρ | Μαΐ | Ιουν | Ιουλ | Αυγ | Σεπ | Οκτ | Νοε | Δεκ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cash Received | | | | | | | | | | | | | |
| Cash from Operations | | | | | | | | | | | | | |
| Cash Sales | | €45.580 | €43.840 | €43.840 | €43.840 | €47.780 | €52.370 | €55.320 | €52.280 | €46.580 | €44.440 | €42.730 | €43.000 |
| Subtotal Cash from Operations | | €45.580 | €43.840 | €43.840 | €43.840 | €47.780 | €52.370 | €55.320 | €52.280 | €46.580 | €44.440 | €42.730 | €43.000 |
| Additional Cash Received | | | | | | | | | | | | | |
| Sales Tax, VAT, HST/GST Received | 0,00% | €0 | €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 | | €45.580 | €43.840 | €43.840 | €43.840 | €47.780 | €52.370 | €55.320 | €52.280 | €46.580 | €44.440 | €42.730 | €43.000 |
| Expenditures | | Ιαν | Φεβ | Μαρ | Απρ | Μαΐ | Ιουν | Ιουλ | Αυγ | Σεπ | Οκτ | Νοε | Δεκ |
| Expenditures from Operations | | | | | | | | | | | | | |
| Cash Spending | | €22.898 | €22.898 | €22.898 | €22.898 | €22.898 | €22.898 | €22.898 | €22.898 | €22.898 | €22.898 | €22.898 | €22.898 |
| Bill Payments | | €677 | €20.435 | €23.881 | €23.881 | €23.916 | €24.957 | €26.169 | €26.903 | €26.066 | €24.544 | €24.012 | €23.602 |
| Subtotal Spent on Operations | | €23.575 | €43.333 | €46.779 | €46.779 | €46.814 | €47.855 | €49.067 | €49.801 | €48.964 | €47.442 | €46.910 | €46.500 |
| 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 | | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 |
| 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 | | €23.575 | €43.333 | €46.779 | €46.779 | €46.814 | €47.855 | €49.067 | €49.801 | €48.964 | €47.442 | €46.910 | €46.500 |
| Net Cash Flow | | €22.005 | €507 | (€2.939) | (€2.939) | €966 | €4.515 | €6.253 | €2.479 | (€2.384) | (€3.002) | (€4.180) | (€3.500) |
| Cash Balance | | €32.005 | €32.512 | €29.573 | €26.634 | €27.600 | €32.115 | €38.368 | €40.847 | €38.462 | €35.460 | €31.280 | €27.780 |

## Table: Balance Sheet

| *Pro Forma Balance Sheet* | | Ιαν | Φεβ | Μαρ | Απρ | Μαΐ | Ιουν | Ιουλ | Αυγ | Σεπ | Οκτ | Νοε | Δεκ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Assets | Starting Balances | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | | |
| Cash | €10.000 | €32.005 | €32.512 | €29.573 | €26.634 | €27.600 | €32.115 | €38.368 | €40.847 | €38.462 | €35.460 | €31.280 | €27.780 |
| Inventory | €4.000 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 | €0 |
| Other Current Assets | €8.000 | €8.000 | €8.000 | €8.000 | €8.000 | €8.000 | €8.000 | €8.000 | €8.000 | €8.000 | €8.000 | €8.000 | €8.000 |
| Total Current Assets | €22.000 | €40.005 | €40.512 | €37.573 | €34.634 | €35.600 | €40.115 | €46.368 | €48.847 | €46.462 | €43.460 | €39.280 | €35.780 |
| Long-term Assets | | | | | | | | | | | | | |
| Long-term Assets | €116.000 | €116.000 | €116.000 | €116.000 | €116.000 | €116.000 | €116.000 | €116.000 | €116.000 | €116.000 | €116.000 | €116.000 | €116.000 |
| Accumulated Depreciation | €0 | €1.933 | €3.867 | €5.800 | €7.733 | €9.667 | €11.600 | €13.533 | €15.467 | €17.400 | €19.333 | €21.267 | €23.200 |
| Total Long-term Assets | €116.000 | €114.067 | €112.133 | €110.200 | €108.267 | €106.333 | €104.400 | €102.467 | €100.533 | €98.600 | €96.667 | €94.733 | €92.800 |
| Total Assets | €138.000 | €154.071 | €152.645 | €147.773 | €142.900 | €141.933 | €144.515 | €148.835 | €149.380 | €145.062 | €140.127 | €134.014 | €128.580 |
| Liabilities and Capital | | Ιαν | Φεβ | Μαρ | Απρ | Μαΐ | Ιουν | Ιουλ | Αυγ | Σεπ | Οκτ | Νοε | Δεκ |
| Current Liabilities | | | | | | | | | | | | | |
| Accounts Payable | €0 | €19.639 | €23.085 | €23.085 | €23.085 | €24.086 | €25.271 | €26.033 | €25.248 | €23.743 | €23.225 | €22.813 | €22.882 |
| 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 |
| Subtotal Current Liabilities | €0 | €19.639 | €23.085 | €23.085 | €23.085 | €24.086 | €25.271 | €26.033 | €25.248 | €23.743 | €23.225 | €22.813 | €22.882 |
| Long-term Liabilities | €103.700 | €103.700 | €103.700 | €103.700 | €103.700 | €103.700 | €103.700 | €103.700 | €103.700 | €103.700 | €103.700 | €103.700 | €103.700 |
| Total Liabilities | €103.700 | €123.339 | €126.785 | €126.785 | €126.785 | €127.786 | €128.971 | €129.733 | €128.948 | €127.443 | €126.925 | €126.513 | €126.582 |
| Paid-in Capital | €80.000 | €80.000 | €80.000 | €80.000 | €80.000 | €80.000 | €80.000 | €80.000 | €80.000 | €80.000 | €80.000 | €80.000 | €80.000 |
| Retained Earnings | (€45.700) | (€45.700) | (€45.700) | (€45.700) | (€45.700) | (€45.700) | (€45.700) | (€45.700) | (€45.700) | (€45.700) | (€45.700) | (€45.700) | (€45.700) |
| Earnings | €0 | (€3.567) | (€8.440) | (€13.312) | (€18.185) | (€20.152) | (€18.756) | (€15.198) | (€13.868) | (€16.681) | (€21.098) | (€26.800) | (€32.302) |
| Total Capital | €34.300 | €30.733 | €25.860 | €20.988 | €16.115 | €14.148 | €15.544 | €19.102 | €20.432 | €17.619 | €13.202 | €7.500 | €1.998 |
| Total Liabilities and Capital | €138.000 | €154.071 | €152.645 | €147.773 | €142.900 | €141.933 | €144.515 | €148.835 | €149.380 | €145.062 | €140.127 | €134.014 | €128.580 |
| Net Worth | €34.300 | €30.733 | €25.860 | €20.988 | €16.115 | €14.148 | €15.544 | €19.102 | €20.432 | €17.619 | €13.202 | €7.500 | €1.998 |

# Neapolis University
## Pafos

New influences in Cyprus Culture

**Cuisine:** Japanese – Sushi, Sashimi

Specific part: Take away

Town: _____

Restaurant: ____ Take Away: ____

1. What percentage of the customer's order dishes only from Japanese cuisines?
2. What percentage of your customer prefers only raw dishes?
3. Do you offer delivery service?
4. What percentage of the customers who order only Japanese cuisine, takes food to go or delivery?
5. Approximately how many customers average go for Japanese cuisine every day take away or delivery?
6. What is an average amount that a customer can spend to have Japanese for lunch?
7. What is an average amount that a customer can spend to have Japanese for dinner?
8. Did we have an increase on the preference of the Cypriots towards to Japanese cuisine? If yes what percentage approximately per year?
9. Please grade the follow four customer groups based to their preference in Japanese cuisine.

| | 1-4 | % |
|---|---|---|
| 15-25 | ____ | ____ |
| 25-35 | ____ | ____ |
| 35-50 | ____ | ____ |
| 50 + | ____ | ____ |