

Permission granted to share with future TRMT students

Capital Costs		<u>Units</u>	<u>Cost per unit</u>	<u>Total cost</u>
Leasehold improvements				
Walls and Paint				
Base coat paint	1	800.00	800.00	
UV Sensitive Murals	14	200.00	2,800.00	
UV Sensitive Posters	20	10.00	200.00	
Wall Mirrors	10	200.00	2,000.00	
Miscellaneous Gamer Decorations	1	1,000.00	1,000.00	
Security Metal bar Enforcement to Windows	1	12,000.00	12,000.00	
Partitions	10	300.00	3,000.00	
Lighting				
Black Light Sockets 120 Feet \$20/per 4 feet	40	20.00	800.00	
Dimmer Switch's	10	20.00	200.00	
Flooring	1	2,000.00	2,000.00	
Signage				
Storefront Signage	1	5,000.00	5,000.00	
Electrical				
Electrical Rewiring and Modifications	1	5,000.00	5,000.00	
Internet				
Fibber Optics Line Instalment	1	6,000.00	6,000.00	
Total Leasehold Improvements			\$	40,800.00
Furniture				
Retail Counters	1	9,000.00	9,000.00	
Custom Computer Tables	30	500.00	15,000.00	
Computer Chairs	30	200.00	6,000.00	
Stools for Work Bench and Reception	10	40.00	400.00	
Couchs	4	1,200.00	4,800.00	
Total Furniture Costs			\$	35,200.00
Equipment				
Security Equipment				
Retail Security Camera System 8 Camera Set	1	1,500.00	1,500.00	
Security Systems Computer	2	800.00	1,600.00	
Security Systems Software for Computer	1	400.00	400.00	
Security Chains and Locks for all Equipment	100	20.00	2,000.00	
Data Backup Drives	4	200.00	800.00	
Reception Area, Merchandise and Advertising Equipment				
Cash register and debit/credit card readers	2	1,000.00	2,000.00	
Service Counter Computers	2	600.00	1,200.00	
Image Editing and Merchandise Computers	2	800.00	1,600.00	
Computer Image Editing Software	2	900.00	1,800.00	
Digital Heat Press Machine for T-shirts and Hats	2	750.00	1,500.00	
Laser Printers	2	500.00	1,000.00	
Scanners	3	200.00	600.00	
Refrigeration Unit	2	1,200.00	2,400.00	
Hardware Tool Bench and Tools for Electronics	2	2,000.00	4,000.00	

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Capital Costs	<u>Units</u>	<u>Cost per unit</u>	<u>Total Cost</u>
Computer Gaming Area			
Gaming Computers	30	1,200.00	36,000.00
Gaming Monitors	30	220.00	6,600.00
Computer Projectors	4	3,000.00	12,000.00
Electrical Power Bars	20	14.00	280.00
Network Switch's	10	10.00	100.00
Wireless Network Routers	10	50.00	500.00
Modems	3	80.00	240.00
Computer ID Card Readers	40	40.00	1,600.00
Computer Timer Locks	40	50.00	2,000.00
Computer Token Dispenser	2	800.00	1,600.00
Arcade Area			
Arcade Machines	20	900.00	18,000.00
Arcade Token Dispensers	2	500.00	1,000.00
Miscellaneous Equipment			
Laser Show Projectors	6	120.00	720.00
Total Equipment			\$ 103,040.00
Total Capital Costs			\$ 179,040.00

Capital Asset	Amort %	Cost per unit	Total Cost	Residual Value	Residual Value Per unit	Life in Years	Monthly Amortization
Leasehold improvements							
Walls and Paint							
Base coat paint	0%	800.00	800.00	-	-	10	6.67
UV Sensitive Murals	0%	200.00	2,800.00	-	-	10	23.33
UV Sensitive Posters	0%	10.00	200.00	-	-	5	3.33
Wall Mirrors	10%		2,000.00	-	-	5	33.33
Miscellaneous Gamer Decorations	1%	1,000.00	1,000.00	10.00	10.00	5	16.50
Security Metal bar Enforcement to Windows	1%	12,000.00	12,000.00	120.00	120.00	20	49.50
Partitions	20%	300.00	3,000.00	600.00	60.00	5	40.00
Lighting							
Black Light Sockets 120 Feet \$20/per 4 feet	20%	20.00	800.00	160.00	4.00	5	10.67
Dimmer Switch's	0%	20.00	200.00	-	-	10	1.67
Flooring							
	0%	2,000.00	2,000.00	-	-	10	16.67
Signage							
Storefront Signage	0%	5,000.00	5,000.00	-	-	10	41.67
Electrical							
Electrical Rewiring and Modifications	0%	5,000.00	5,000.00	-	-	20	20.83
Internet							
Fibber Optics Line Instalment	0%	6,000.00	6,000.00	-	-	20	25.00
Total Leasehold Improvements			\$ 40,800.00	\$ 890.00			\$ 289.17
Furniture							
Retail Counters	40%	9,000.00	9,000.00	3,600.00	3,600.00	15.00	30.00
Custom Computer Tables	40%	500.00	15,000.00	6,000.00	200.00	10.00	75.00
Computer Chairs	20%	200.00	6,000.00	1,200.00	40.00	5.00	80.00
Stools for Work Bench and Reception	40%	40.00	400.00	160.00	16.00	10.00	2.00
Couchs	20%	1,200.00	4,800.00	960.00	240.00	5.00	64.00
Total Furniture Costs			\$ 35,200.00	\$ 11,920.00			\$ 251.00
Equipment							
Security Equipment							
Retail Security Camera System 8 Camera Set	40%	1,500	1,500	600	600	4	18.75
Security Systems Computer	10%	800	1,600	160	80	4	30.00
Security Systems Software for Computer	20%	400	400	80	80	4	6.67
Security Chains and Locks for all Equipment	50%	20	2,000	1,000	10	10	8.33
Data Backup Drives	10%	200	800	80	20	3	20.00
Reception Area, Merchandise and Advertising Equipment							
Cash register and debit/credit card readers	40%	1,000	2,000	800	400	4	25.00
Service Counter Computers	10%	600	1,200	120	60	4	22.50
Image Editing and Merchandise Computers	10%	800	1,600	160	80	4	30.00
Computer Image Editing Software	20%	900	1,800	360	180	4	30.00
Digital Heat Press Machine for T-shirts and Hats	50%	750	1,500	750	375	6	10.42
Laser Printers	5%	500	1,000	50	25	5	15.83
Scanners	5%	200	600	30	10	5	9.50
Refrigeration Unit	20%	1,200	2,400	480	240	5	32.00
Hardware Tool Bench and Tools for Electronics	20%	2,000	4,000	800	400	10	26.67
Computer Gaming Area							
Gaming Computers	30%	1,200	36,000	10,800	360	2	1,050.00
Gaming Monitors	30%	220	6,600	1,980	66	2	192.50
Computer Projectors	50%	3,000	12,000	6,000	1,500	5	100.00
Electrical Power Bars	20%	14	280	56	3	5	3.73
Network Switch's	20%	10	100	20	2	5	1.33
Wireless Network Routers	1%	50	500	5	1	2	20.63
Modems	1%	80	240	2	1	2	9.90
Computer ID Card Readers	30%	40	1,600	480	12	5	18.67
Computer Timer Locks	30%	50	2,000	600	15	5	23.33
Computer Token Dispenser	50%	800	1,600	800	400	10	6.67
Arcade Area							
Arcade Machines	50%	900	18,000	9,000	450	5	150.00
Arcade Token Dispensers	50%	500	1,000	500	250	10	4.17
Miscellaneous Equipment							
Laser Show Projectors	30%	120	720	216	36	4	10.50
Total Equipment			\$ 103,040.00	\$ 35,929.40			\$ 2,957.43
Total Capital Costs			\$ 179,040.00	\$ 48,739.40			\$ 3,497.59

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Capital Asset	Cost	Residual Value	Life in Years	Monthly Amortization	Year Amort
Leasehold improvements					
Walls and Paint					
Base coat paint	800.00	800.00	10.00	6.67	80.00
UV Sensitive Murals	2,800.00	200.00	10.00	23.33	280.00
UV Sensitive Posters	200.00	10.00	5.00	3.33	40.00
Wall Mirrors	2,000.00	-	5.00	33.33	400.00
Miscellaneous Gamer Decorations	1,000.00	1,000.00	5.00	16.50	198.00
Security Metal bar Enforcement to Windows	12,000.00	12,000.00	20.00	49.50	594.00
Partitions	3,000.00	300.00	5.00	40.00	480.00
Lighting					
Black Light Sockets 120 Feet \$20/per 4 feet	800.00	20.00	5.00	10.67	128.00
Dimmer Switch's	200.00	20.00	10.00	1.67	20.00
Flooring	2,000.00	2,000.00	10.00	16.67	200.00
Signage					
Storefront Signage	5,000.00	5,000.00	10.00	41.67	500.00
Electrical					
Electrical Rewiring and Modifications	5,000.00	5,000.00	20.00	20.83	250.00
Internet					
Fibber Optics Line Instalment	6,000.00	6,000.00	20.00	25.00	300.00
Total Leasehold Improvements	\$ 40,800.00	\$ -	0	\$ 289.17	\$ 3,470.00
Furniture					
Retail Counters	9,000.00	9,000.00	15.00	30.00	360.00
Custom Computer Tables	15,000.00	500.00	10.00	75.00	900.00
Computer Chairs	6,000.00	200.00	5.00	80.00	960.00
Stools for Work Bench and Reception	400.00	40.00	10.00	2.00	24.00
Couchs	4,800.00	1,200.00	5.00	64.00	768.00
Total Furniture Costs	\$ 35,200.00	\$ -	0	\$ 251.00	\$ 3,012.00
Equipment					
Security Equipment					
Retail Security Camera System 8 Camera Set	1,500.00	1,500.00	4.00	18.75	225.00
Security Systems Computer	1,600.00	800.00	4.00	30.00	360.00
Security Systems Software for Computer	400.00	400.00	4.00	6.67	80.00
Security Chains and Locks for all Equipment	2,000.00	20.00	10.00	8.33	100.00
Data Backup Drives	800.00	200.00	3.00	20.00	240.00
Reception Area, Merchandise and Advertising Equipment					1,005.00
Cash register and debit/credit card readers	2,000.00	1,000.00	4.00	25.00	300.00
Service Counter Computers	1,200.00	600.00	4.00	22.50	270.00
Image Editing and Merchandise Computers	1,600.00	800.00	4.00	30.00	360.00
Computer Image Editing Software	1,800.00	900.00	4.00	30.00	360.00
Digital Heat Press Machine for T-shirts and Hats	1,500.00	750.00	6.00	10.42	125.00
Laser Printers	1,000.00	500.00	5.00	15.83	190.00
Scanners	600.00	200.00	5.00	9.50	114.00
Refrigeration Unit	2,400.00	1,200.00	5.00	32.00	384.00
Hardware Tool Bench and Tools for Electronics	4,000.00	2,000.00	10.00	26.67	320.00
Computer Gaming Area Equipment					2,423.00
Gaming Computers	36,000.00	1,200.00	2.00	1,050.00	12,600.00
Gaming Monitors	6,600.00	220.00	2.00	192.50	2,310.00
Computer Projectors	12,000.00	3,000.00	5.00	100.00	1,200.00
Electrical Power Bars	280.00	14.00	5.00	3.73	44.80
Network Switch's	100.00	10.00	5.00	1.33	16.00
Wireless Network Routers	500.00	50.00	2.00	20.63	247.50
Modems	240.00	80.00	2.00	9.90	118.80
Computer ID Card Readers	1,600.00	40.00	5.00	18.67	224.00
Computer Timer Locks	2,000.00	50.00	5.00	23.33	280.00
Computer Token Dispenser	1,600.00	800.00	10.00	6.67	80.00
Arcade Area Equipment					17,121.10
Arcade Machines	18,000.00	900.00	5.00	150.00	1,800.00
Arcade Token Dispensers	1,000.00	500.00	10.00	4.17	50.00
Miscellaneous Equipment					1,850.00
Laser Show Projectors	720.00	120.00	4.00	10.50	126.00
Total Equipment	\$ 103,040.00			\$ 2,957.43	
Total Capital Costs	\$ 179,040.00			\$ 3,497.59	\$ 41,971.10

Table 3: Supplies

Item		Jan, 2010 (Start-up Costs)	Monthly Replacements (Feb-March)	% of (if Variable)	Vairable	Number of units	Cost of Variable to units per year
Paper for Flyers and	\$	100.00	\$ 12.00				
New Computer Games	\$	12,000.00	\$ 1,200.00	10%	Number of Gaming Computer units	30	400
Cleaning/Janitorial Supplies	\$	180.00	\$ 21.60				
Ink for Printers	\$	200.00	\$ 24.00				
Black light Bulbs	\$	400.00	\$ 96.00	24%	Number of Black Lights	40	10
Computer Parts	\$	3,000.00	\$ 360.00	12%	Number of Gaming Computer units	30	100
Monthly Totals	\$	15,880.00	\$ 1,713.60				

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Inventory	Number of Units	Cost	Total
Soft Drinks	600 \$	0.35 \$	210.00
Bag of chips	300 \$	0.50 \$	150.00
Candy Bars	600 \$	0.50 \$	300.00
Energy Drinks	600 \$	1.50 \$	900.00
Protein bars	150 \$	1.50 \$	225.00
T-shirts	100 \$	5.00 \$	500.00
Hats	60 \$	4.00 \$	240.00
Custom mouse pads	60 \$	5.00 \$	300.00
Hoodies	60 \$	10.00 \$	600.00
Membership Cards	200 \$	0.05 \$	10.00
Tokens	6000 \$	0.40 \$	2,400.00
Total :			\$ 5,475.00

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Expenditure	Sep, 2010 (Start-up Costs)	Monthly Replacements (Oct-Nov)	Variable %	% of (if Variable)
Cost of Goods Sold, Computer Rental			1%	Computer Rental Sales
Cost of Goods Sold, Merchandise				Merchandise Sales
T-shirts	\$ 500.00		25%	Merchandise Sales
Hats	\$ 240.00		27%	Merchandise Sales
Custom mouse pads	\$ 300.00		20%	Merchandise Sales
Hoodies	\$ 600.00		20%	Merchandise Sales
Cost of Goods Sold, Arcade			10%	Arcade Sales
Cost of Goods Sold, Concessionary				Concessionary Sales
Soft Drinks	\$ 210.00		35%	Concessionary Sales
Bag of chips	\$ 150.00		33%	Concessionary Sales
Candy Bars	\$ 300.00		50%	Concessionary Sales
Energy Drinks	\$ 900.00		43%	Concessionary Sales
Protein bars	\$ 225.00		50%	Concessionary Sales
Cost of Goods Sold, Tournament Fees			20%	Tournament Fee Sales
Tournament Organizers Compensation			15%	Tournament Fee Sales
Advertising	\$ 10,000.00	\$ 1,000.00		Total Sales
Technical Repair of Electronics			1%	Total Sales
Professionals Compensation				
Staff Salary Expense		\$ 9,440.00		Total Sales
Staff Hiring Costs	\$ 1,000.00			
Facilities expense	\$ 8,333.33	\$ 8,333.33		Total Sales
Monthly Totals	\$ 22,758.33	\$ 18,773.33		

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Item	Cost
Leasehold improvements	
Walls and Paint	
Base coat paint	800.00
UV Sensitive Murals	2,800.00
UV Sensitive Posters	200.00
Wall Mirrors	2,000.00
Miscellaneous Gamer Decorations	1,000.00
Security Metal bar Enforcement to Windows	12,000.00
Partitions	3,000.00
Lighting	-
Black Light Sockets 120 Feet \$20/per 4 feet	800.00
Dimmer Switch's	200.00
Flooring	2,000.00
Signage	-
Storefront Signage	5,000.00
Electrical	-
Electrical Rewiring and Modifications	5,000.00
Internet	-
Fibber Optics Line Instalment	6,000.00
Total Leasehold Improvements	\$ 40,800.00
Furniture	\$ -
Retail Counters	9,000.00
Custom Computer Tables	15,000.00
Computer Chairs	6,000.00
Stools for Work Bench and Reception	400.00
Couchs	4,800.00
Total Furniture Costs	\$ 35,200.00
Equipment	\$ -
Security Equipment	-
Retail Security Camera System 8 Camera Set	1,500.00
Security Systems Computer	1,600.00
Security Systems Software for Computer	400.00
Security Chains and Locks for all Equipment	2,000.00
Data Backup Drives	800.00
Reception Area, Merchandise and Advertising Equipment	-
Cash register and debit/credit card readers	2,000.00
Service Counter Computers	1,200.00
Image Editing and Merchandise Computers	1,600.00
Computer Image Editing Software	1,800.00
Digital Heat Press Machine for T-shirts and Hats	1,500.00
Laser Printers	1,000.00
Scanners	600.00
Refrigeration Unit	2,400.00
Hardware Tool Bench and Tools for Electronics	4,000.00

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Item	Cost
Computer Gaming Area	-
Gaming Computers	36,000.00
Gaming Monitors	6,600.00
Computer Projectors	12,000.00
Electrical Power Bars	280.00
Network Switch's	100.00
Wireless Network Routers	500.00
Modems	240.00
Computer ID Card Readers	1,600.00
Computer Timer Locks	2,000.00
Computer Token Dispenser	1,600.00
Arcade Area	-
Arcade Machines	18,000.00
Arcade Token Dispensers	1,000.00
Miscellaneous Equipment	-
Laser Show Projectors	720.00
Total Equipment	\$ 103,040.00
Total Capital Costs	\$ 179,040.00
Supplies (startup/September)	\$ 15,880.00
Supplies (Oct/Nov)	\$ 1,713.60
Expenditures (startup/September)	\$ 22,758.33
Expenditures (Oct/Nov)	\$ 18,773.33
Totals	\$ 238,165.27

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Item	Cost	Details
Corporate income tax rate	26%	
Leasehold expense	\$ 8,333.33	\$50 per square foot per year
5-year term loan rate	9.0%	
Chattel Mortgage rate	8.5%	
Line of credit interest rate	10%	
% of inventory purchases on 30 day credit	60%	
% of sale on 60 day credit	20%	
Shareholders' expected return on investment	15%	

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Investment	Amount	% Interest/Return	Proportion	Weighted Cost of Capital	
				% before taxes	% after taxes
Investment in Share capital (majority shareholder)	\$ 53,712.00	15.00%	23%	3.38%	3.38%
Investment in Share Capital (monoritory)	\$ 17,904.00	15.00%	8%	1.13%	1.13%
Chattel Mortgage	\$ 107,424.00	8.50%	45%	3.83%	2.84%
Term loan	\$ 59,125.27	9.00%	25%	2.23%	1.65%
Line of Credit	\$ 5,000.00				
Totals	\$ 238,165.27		100%	10.58%	9.00%

The HUB Inc.	
Interest rate	9.0%
Term loan	5
Loan amount	\$ 59,125.27
Monthly payment	\$1,227.34

Amortization Schedule

Month Number	1	2	3	4	5	6	7	8	9	10	11	12	Total for the year
Beginning-of-month balance	0	-\$783.90	-\$1,573.69	-\$2,369.39	-\$3,171.07	-\$3,978.75	-\$4,792.50	-\$5,612.35	-\$6,438.34	-\$7,270.53	-\$8,108.97	-\$8,953.69	
Repayment of principal	\$783.90	\$789.78	\$795.71	\$801.67	\$807.69	\$813.74	\$819.85	\$826.00	\$832.19	\$838.43	\$844.72	\$851.06	\$9,804.74
Interest payment	\$443.44	\$437.56	\$431.64	\$425.67	\$419.66	\$413.60	\$407.50	\$401.35	\$395.15	\$388.91	\$382.62	\$376.29	\$4,923.38
End-of-month balance	-\$783.90	-\$1,573.69	-\$2,369.39	-\$3,171.07	-\$3,978.75	-\$4,792.50	-\$5,612.35	-\$6,438.34	-\$7,270.53	-\$8,108.97	-\$8,953.69	-\$9,804.74	

The HUB Inc.	
Interest rate	8.5%
Term (in years)	10
Chattel Mortgage	\$ 107,424.00
Monthly payment	\$1,331.90

Amortization Schedule

Month Number	1	2	3	4	5	6	7	8	9	10	11	12	Total for the year
Beginning-of-month balance	0	-\$570.98	-\$1,146.01	-\$1,725.11	-\$2,308.32	-\$2,895.65	-\$3,487.15	-\$4,082.83	-\$4,682.73	-\$5,286.89	-\$5,895.32	-\$6,508.06	
Repayment of principal	\$570.98	\$575.03	\$579.10	\$583.20	\$587.33	\$591.49	\$595.68	\$599.90	\$604.15	\$608.43	\$612.74	\$617.08	\$7,125.15
Interest payment	\$760.92	\$756.88	\$752.80	\$748.70	\$744.57	\$740.41	\$736.22	\$732.00	\$727.75	\$723.47	\$719.16	\$714.82	\$8,857.70
End-of-month balance	-\$570.98	-\$1,146.01	-\$1,725.11	-\$2,308.32	-\$2,895.65	-\$3,487.15	-\$4,082.83	-\$4,682.73	-\$5,286.89	-\$5,895.32	-\$6,508.06	-\$7,125.15	

Sales Assumptions	
Computer Rental	
Number of computers	30
Selling price per hour	\$ 3.00
Average hours sold a day per computer in high months	6 (May, June, July , Aug)
Hours per day in high months	180 (May, June, July , Aug)
Average hours sold a day per computer in low months	4 (Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr)
Hours per day in low months	120 (Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr)
Sales durring first 2 months will only be	40%
Average selling days per month	30
% of sales on credit	40%
Merchandise	
T-shirts Seilling price	\$ 20.00
T-shirts sold per day in high months	5 (May, June, July , Aug)
T-shirts sold per day in low months	1 (Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr)
Sales durring first 2 months will only be	20%
Average selling days per month	30
% of sales on credit	25%
Hat seilling price	\$ 15.00
Hat sold per day in high months	4 (May, June, July , Aug)
Hat sold per day in low months	1 (Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr)
Sales durring first 2 months will only be	20%
Average selling days per month	30
% of sales on credit	25%
Custom mouse pad seilling price	\$ 25.00
Custom mouse pads per day in high months	5 (May, June, July , Aug)
Custom mouse pads per day in low months	1 (Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr)
Sales durring first 2 months will only be	20%
Average selling days per month	30
% of sales on credit	25%
Hoodie seilling price	\$ 50.00
Hoodie per day in high months	4 (May, June, July , Aug)
Hoodie per day in low months	1 (Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr)
Sales durring first 2 months will only be	20%
Average selling days per month	30
% of sales on credit	25%

Sales Assumptions		
Arcade		
Tokens selling price	\$	0.25
Number of Arcade Machines		20
Average Tokens sold a day per Arcade Machine in high months		200 (May, June, July , Aug)
Tokens sold per day in high months		4000 (May, June, July , Aug)
Average Tokens sold a day per Arcade Machine in low months		50 (Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr)
Tokens sold per day in low months		1000 (Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr)
Sales durring first 2 months will only be		50%
Average selling days per month =		30
% of sales on credit		40%
Concessionary		
Soft drinks selling price	\$	1.00
Soft drinks per day in high months		40 (May, June, July , Aug)
Soft drinks per day in low months		20 (Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr)
Sales durring first 2 months		50%
Average selling days per month =		30
Bag of chips selling price	\$	1.50
Bag of chips per day in high months		35 (May, June, July , Aug)
Bag of chips per day in low months		10 (Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr)
Sales durring first 2 months		50%
Average selling days per month =		30
Candy bar selling price	\$	1.00
Candy bar per day in high months		35 (May, June, July , Aug)
Candy bar per day in low months		20 (Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr)
Sales durring first 2 months		50%
Average selling days per month =		30
Energy drink selling price	\$	3.50
Energy drink per day in high months		40 (May, June, July , Aug)
Energy drink per day in low months		20 (Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr)
Sales durring first 2 months		50%
Average selling days per month =		30
Protein bars selling price	\$	3.00
Protein bars per day in high months		20 (May, June, July , Aug)
Protein bars per day in low months		5 (Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr)
Sales durring first 2 months		50%
Average selling days per month =		30
% of sales on credit		40%

Sales Assumptions	
Tournament Registration	
Entrance Fee	\$15
Participants per day in high months	30 (May, June, July , Aug)
Participants per day in high months	5 (Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr)
sales during firs 2 months will only be	50%
Average selling days per month	30
% of sales on credit	20%

The HUB Inc.													
Sales and Expense Budget													
for the year ended August 31, 2009													
	September	October	November	December	January	February	March	April	May	June	July	August	Total
Sales for computer rentals	4,320.00	4,320.00	10,800.00	10,800.00	10,800.00	10,800.00	10,800.00	10,800.00	16,200.00	16,200.00	16,200.00	16,200.00	\$ 138,240
Cost for computer rentals	43.20	43.20	108.00	108.00	108.00	108.00	108.00	108.00	162.00	162.00	162.00	162.00	\$ 1,382
Gross Margin	\$ 4,277	\$ 4,277	\$ 10,692	\$ 10,692	\$ 10,692	\$ 10,692	\$ 10,692	\$ 10,692	\$ 16,038	\$ 16,038	\$ 16,038	\$ 16,038	\$ 136,858
													\$ -
Sales for Merchandise													\$ -
T-shirts	120	120	600	600	600	600	600	600	3,000	3,000	3,000	3,000	\$ 15,840
Cost of T-shirts	30	30	150	150	150	150	150	150	750	750	750	750	\$ 3,960
Hats	90	90	450	450	450	450	450	450	1,800	1,800	1,800	1,800	\$ 10,080
Cost of Hats	24	24	120	120	120	120	120	120	480	480	480	480	\$ 2,688
Custom mouse pads	150	150	750	750	750	750	750	750	3,000	3,000	3,000	3,000	\$ 16,800
Cost of Custom mouse pads	30	30	150	150	150	150	150	150	600	600	600	600	\$ 3,360
Hoodies	300	300	1,500	1,500	1,500	1,500	1,500	1,500	6,000	6,000	6,000	6,000	\$ 33,600
Cost of Hoodies	60	60	300	300	300	300	300	300	1,200	1,200	1,200	1,200	\$ 6,720
Gross Margin	\$ 516	\$ 516	\$ 2,580	\$ 2,580	\$ 2,580	\$ 2,580	\$ 2,580	\$ 2,580	\$ 10,770	\$ 10,770	\$ 10,770	\$ 10,770	\$ 59,592
													\$ -
Sales for Arcade	3,750	3,750	7,500	7,500	7,500	7,500	7,500	7,500	30,000	30,000	30,000	30,000	\$ 172,500
Costs for Arcade	375	375	750	750	750	750	750	750	3,000	3,000	3,000	3,000	\$ 17,250
Gross Margin	\$ 3,375	\$ 3,375	\$ 6,750	\$ 6,750	\$ 6,750	\$ 6,750	\$ 6,750	\$ 6,750	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 155,250
													\$ -
Sales for Concessionary													\$ -
Soft drinks	300	300	600	600	600	600	600	600	1,200	1,200	1,200	1,200	\$ 9,000
Cost of Soft drinks	105	105	210	210	210	210	210	210	420	420	420	420	\$ 3,150
Bags of chips	225	225	450	450	450	450	450	450	1,575	1,575	1,575	1,575	\$ 9,450
Cost of bags of chips	75	75	150	150	150	150	150	150	525	525	525	525	\$ 3,150
Candy bars	300	300	600	600	600	600	600	600	1,050	1,050	1,050	1,050	\$ 8,400
Cost of candy bars	150	150	300	300	300	300	300	300	525	525	525	525	\$ 4,200
Energy drinks	1,050	1,050	2,100	2,100	2,100	2,100	2,100	2,100	4,200	4,200	4,200	4,200	\$ 31,500
Cost of energy drinks	450	450	900	900	900	900	900	900	1,800	1,800	1,800	1,800	\$ 13,500
Protein bars	225	225	450	450	450	450	450	450	1,800	1,800	1,800	1,800	\$ 10,350
Cost of Protein bars	113	113	225	225	225	225	225	225	900	900	900	900	\$ 5,175
Gross Margin	\$ 1,208	\$ 1,208	\$ 2,415	\$ 2,415	\$ 2,415	\$ 2,415	\$ 2,415	\$ 2,415	\$ 5,655	\$ 5,655	\$ 5,655	\$ 5,655	\$ 39,525
Tournament Registration													
Entrance fees	1,125	1,125	2,250	2,250	2,250	2,250	2,250	2,250	13,500	13,500	13,500	13,500	\$ 69,750
Tournament costs	394	394	788	788	788	788	788	788	4,725	4,725	4,725	4,725	\$ 24,413
Gross Margin	\$ 731	\$ 731	\$ 1,463	\$ 1,463	\$ 1,463	\$ 1,463	\$ 1,463	\$ 1,463	\$ 8,775	\$ 8,775	\$ 8,775	\$ 8,775	\$ 45,338
Total Gross Margin for sales	\$ 10,107	\$ 10,107	\$ 23,900	\$ 23,900	\$ 23,900	\$ 23,900	\$ 23,900	\$ 23,900	\$ 68,238	\$ 68,238	\$ 68,238	\$ 68,238	\$ 436,562

The HUB Inc.													
Sales and Expense Budget for the year ended August 31, 2009													
	September	October	November	December	January	February	March	April	May	June	July	August	Total
Operating Expenses													
Facilities expense	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	\$ 100,000
Paper	100.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	\$ 232
New Computer Games	12,000.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	\$ 25,200
Cleaning/Janitorial Supplies	180.00	21.60	21.60	21.60	21.60	21.60	21.60	21.60	21.60	21.60	21.60	21.60	\$ 418
Ink for Printers	200.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	\$ 464
Black light Bulbs	400.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	\$ 1,456
Additional Computer Parts	3,000.00	360.00	360.00	360.00	360.00	360.00	360.00	360.00	360.00	360.00	360.00	360.00	\$ 6,960
Salary Expense	9,440	9,440	9,440	9,440	9,440	9,440	9,440	9,440	9,440	9,440	9,440	9,440	\$ 113,280
Advertising	10,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	\$ 21,000
Amortization- Leasehold improvements	289	289	289	289	289	289	289	289	289	289	289	289	\$ 3,470
Amortization-Furniture	251	251	251	251	251	251	251	251	251	251	251	251	\$ 3,012
Amortization-Equipment	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	2,957	\$ 35,489
Interest expense, term loan & LOC	443.44	437.56	459.68	427.65	419.66	413.60	407.50	401.35	395.15	388.91	382.62	376.29	\$ 4,953
Interest expense on Mortgage	760.92	756.88	752.80	748.70	744.57	740.41	736.22	732.00	727.75	723.47	719.16	714.82	\$ 8,858
Sub-total- Operating Expenses	48,355	25,179	25,197	25,161	25,149	25,139	25,128	25,118	25,107	25,097	25,086	25,076	324,792
Income before tax	\$ (38,249)	\$ (15,072)	\$ (1,298)	\$ (1,261)	\$ (1,249)	\$ (1,239)	\$ (1,229)	\$ (1,218)	\$ 43,131	\$ 43,141	\$ 43,152	\$ 43,162	\$ 111,770

The HUB Inc. Cash Flow Budget for the year ended August 31, 2009													
	Startup September	October	November	December	January	February	March	April	May	June	July	August	Total
Cash Receipts:													
Cash sales for Computer Rentals	2,592	2,592	6,480	6,480	6,480	6,480	6,480	6,480	9,720	9,720	9,720	9,720	\$ 82,944.00
Cash sales for Merchandise	495	495	2475	2475	2475	2475	2475	2475	10350	10350	10350	10350	\$ 57,240.00
Cash sales for Arcade	2250	2250	4500	4500	4500	4500	4500	4500	18000	18000	18000	18000	\$ 103,500.00
Cash sales for Concessionary	1260	1260	2520	2520	2520	2520	2520	2520	5895	5895	5895	5895	\$ 41,220.00
Cash sales for Tournament Registration	900	900	1800	1800	1800	1800	1800	1800	10800	10800	10800	10800	\$ 55,800.00
Accounts receivable collected													
Accounts receivable for Computer Rentals		1,728.00	4,320.00	4,320.00	4,320.00	4,320.00	4,320.00	4,320.00	6,480.00	6,480.00	6,480.00	6,480.00	\$ 55,296.00
Accounts receivable for Merchandise		165	825	825	825	825	825	825	3450	3450	3450	3450	\$ 19,080.00
Accounts receivable for Arcade		1500	3000	3000	3000	3000	3000	3000	12000	12000	12000	12000	\$ 69,000.00
Accounts receivable for Concessionary		840	1680	1680	1680	1680	1680	1680	3930	3930	3930	3930	\$ 27,480.00
Accounts receivable for Tournament Registration													
Registration		225	450	450	450	450	450	450	2700	2700	2700	2700	\$ 13,950.00
Cash investment (majority shareholder)	53,712												\$ 53,712.00
Cash investment (monority)	17,904												\$ 17,904.00
Loan Proceeds (mortgage)	107,424												\$ 107,424.00
Loan Proceeds (term loan)	59,125												\$ 59,125.27
Total cash receipts	\$ 245,662.27	\$ 11,955.00	\$ 28,050.00	\$ 28,050.00	\$ 28,050.00	\$ 28,050.00	\$ 28,050.00	\$ 28,050.00	\$ 83,325.00	\$ 83,325.00	\$ 83,325.00	\$ 83,325.00	\$ 763,675.27
Cash Disbursements:													
Costs for Computer Rentals	-	43	43	108	108	108	108	108	108	162	162	162	\$ 1,220.40
Costs for Merchandise	1,640	144	144	720	720	720	720	720	720	3,030	3,030	3,030	\$ 15,338.00
Costs for Arcade	2,400	375	375	750	750	750	750	750	750	3,000	3,000	3,000	\$ 16,650.00
Costs for Concessionary	1,785	893	893	1,785	1,785	1,785	1,785	1,785	1,785	4,170	4,170	4,170	\$ 26,790.00
Costs for Tournament Registration	10	394	394	788	788	788	788	788	788	4,725	4,725	4,725	\$ 19,697.50
Facilities expense	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	\$ 100,000.00
Paper	100	12	12	12	12	12	12	12	12	12	12	12	\$ 232.00
New Computer Games	12,000	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	\$ 25,200.00
Cleaning/Janitorial Supplies	180	22	22	22	22	22	22	22	22	22	22	22	\$ 417.60
Ink for Printers	200	24	24	24	24	24	24	24	24	24	24	24	\$ 464.00
Black light Bulbs	400	96	96	96	96	96	96	96	96	96	96	96	\$ 1,456.00
Additional Computer Parts	3,000	360	360	360	360	360	360	360	360	360	360	360	\$ 6,960.00
Salary Expense	9,440	9,440	9,440	9,440	9,440	9,440	9,440	9,440	9,440	9,440	9,440	9,440	\$ 113,280.00
Advertising	10,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	\$ 21,000.00
Purchase of capital assets	179,040												\$ 179,040.00
Line of credit interest		-	28.04	1.98	-	-	-	-	-	-	-	-	\$ 30.02
Term loan	1,227.34	1,227.34	1,227.34	1,227.34	1,227.34	1,227.34	1,227.34	1,227.34	1,227.34	1,227.34	1,227.34	1,227.34	\$ 14,728.12
Mortgage	1,331.90	1,331.90	1,331.90	1,331.90	1,331.90	1,331.90	1,331.90	1,331.90	1,331.90	1,331.90	1,331.90	1,331.90	\$ 15,982.85
Total cash disbursements	\$ 231,087.58	\$ 24,894.63	\$ 24,922.67	\$ 27,198.66	\$ 27,196.68	\$ 27,196.68	\$ 27,196.68	\$ 27,196.68	\$ 27,196.68	\$ 38,133.18	\$ 38,133.18	\$ 38,133.18	\$ 558,486.49
Monthly surplus (deficit)	\$ 14,574.69	-\$ 12,939.63	\$ 3,127.33	\$ 851.34	\$ 853.32	\$ 853.32	\$ 853.32	\$ 853.32	\$ 56,128.32	\$ 45,191.82	\$ 45,191.82	\$ 45,191.82	\$ 200,730.78
Cash balance - beginning of month	\$ -	\$ 14,574.69	\$ 1,635.06	\$ 4,762.38	\$ 5,613.72	\$ 6,467.04	\$ 7,320.36	\$ 8,173.68	\$ 9,027.00	\$ 65,155.32	\$ 110,347.14	\$ 155,538.96	
Cash balance - end of month	\$ 14,574.69	\$ 1,635.06	\$ 4,762.38	\$ 5,613.72	\$ 6,467.04	\$ 7,320.36	\$ 8,173.68	\$ 9,027.00	\$ 65,155.32	\$ 110,347.14	\$ 155,538.96	\$ 200,730.78	
Line of Credit	-	3,364.94	237.62	-	-	-	-	-	-	-	-	-	
Balance after line of credit	\$ 14,574.69	\$ 5,000.00	\$ 5,000.00	\$ 5,613.72	\$ 6,467.04	\$ 7,320.36	\$ 8,173.68	\$ 9,027.00	\$ 65,155.32	\$ 110,347.14	\$ 155,538.96	\$ 200,730.78	

Permission granted to share with future TRMT students

The HUB Inc. Income Statement for the year ended August 31, 2009	
Sales Revenue	
Sales rev computer rentals	\$ 138,240.00
Costs for computer rentals	1,382.40
Gross margin	136,857.60
Sales rev merchandise	76,320.00
Costs for merchandise	16,728.00
Gross margin	59,592.00
Sales rev arcade	172,500.00
Costs for arcade	17,250.00
Gross margin	155,250.00
Sales rev concessionary	68,700.00
Costs for concessionary	29,175.00
Gross margin	39,525.00
Sales rev tournament registration	69,750.00
Costs tournament registration	24,412.50
Gross margin	45,337.50
Total gross margin	\$ 436,562.10
Operating expenses	
Facilities expense	\$ 100,000.00
Paper	232.00
New Computer Games	25,200.00
Cleaning/Janitorial Supplies	417.60
Ink for Printers	464.00
Black light Bulbs	1,456.00
Additional Computer Parts	6,960.00
Salary Expense	113,280.00
Advertising	21,000.00
Amortization- Leasehold improvements	3,470.00
Amortization-Furniture	3,012.00
Amortization-Equipment	35,489.10
Interest expense on term loan	4,953.40
Interest expense on Mortgage	8,857.70
Sub-total- Operating Expenses	324,791.80
Income before tax	111,770.30
Income taxes (26%)	29,060.28
Net income after taxes	\$ 82,710.02

Permission granted to share with future TRMT students

The HUB Inc. Income Statement for the year ended August 31, 2009			
Sale Revenue	Base Scenario	Worst Scenario	Best Scenario
Sales rev computer rentals	\$ 138,240.00	\$ 55,296.00	\$ 179,712.00
Costs for computer rentals	1,382.40	552.96	1,797.12
Gross margin	136,857.60	54,743.04	181,509.12
Sales rev merchandise	76,320.00	15,264.00	106,848.00
Costs for merchandise	16,728.00	3,345.60	23,419.20
Gross margin	59,592.00	11,918.40	130,267.20
Sales rev arcade	172,500.00	138,000.00	207,000.00
Costs for arcade	17,250.00	13,800.00	20,700.00
Gross margin	155,250.00	124,200.00	227,700.00
Sales rev concessionary	68,700.00	34,350.00	96,180.00
Costs for concessionary	29,175.00	14,587.50	40,845.00
Gross margin	39,525.00	19,762.50	137,025.00
Sales rev tournament registration	69,750.00	13,950.00	125,550.00
Costs tournament registration	24,412.50	4,882.50	43,942.50
Gross margin	45,337.50	9,067.50	169,492.50
Total gross margin	436,562.10	219,691.44	845,993.82
	Base Scenario	Worst Scenario	Best Scenario
Operating expenses			
Facilities expense	\$ 100,000.00	\$ 110,000.00	\$ 130,000.00
Paper	232.00	232.00	232.00
New Computer Games	25,200.00	25,200.00	25,200.00
Cleaning/Janitorial Supplies	417.60	501.12	626.40
Ink for Printers	464.00	464.00	464.00
Black light Bulbs	1,456.00	1,456.00	1,456.00
Additional Computer Parts	6,960.00	6,960.00	6,960.00
Salary Expense	113,280.00	90,624.00	135,936.00
Advertising	21,000.00	42,000.00	21,000.00
Amortization- Leasehold improv.	3,470.00	3,296.50	3,643.50
Amortization-Furniture	3,012.00	2,108.40	3,614.40
Amortization-Equipment	35,489.10	35,489.10	35,489.10
Term loan	#REF!	#REF!	#REF!
Interest expense on term loan	4,953.40	4,953.40	4,953.40
Interest on Chattel Mortgage	8,857.70	8,857.70	8,857.70
Interest expense on Mortgage	8,857.70	8,857.70	8,857.70
Sub-total- Operating Expenses	\$ 324,791.80	#REF!	#REF!
Income before tax	111,770.30	#REF!	#REF!
Income taxes (26%)	29,060.28	#REF!	#REF!
Net income after taxes	\$ 82,710.02	#REF!	#REF!

Permission granted to share with future TRMT students

The HUB Inc. Balance Sheet As at August 31, 2009		
Assets		
Cash	\$ 200,730.78	
Accounts Receivable	28,560.00	
Inventory	5,475.00	
Supplies	15,880.00	
Total current assets		<u>\$ 250,645.78</u>
Capital assets		
Leasehold improvements	40,800.00	
(less accumulated amortization)	- 3,470.00	37,330.00
Furniture	35,200.00	
(less accumulated amortization)	- 3,012.00	32,188.00
Security Equipment	6,300.00	
(less accumulated amortization)	- 1,005.00	5,295.00
Reception Area, Merchandise and Advertising Equipment	16,100.00	
(less accumulated amortization)	- 2,423.00	13,677.00
Computer Gaming Area Equipment	60,920.00	
(less accumulated amortization)	- 17,121.10	43,798.90
Arcade Area Equipment	19,000.00	
(less accumulated amortization)	- 1,850.00	17,150.00
Miscellaneous Equipment	720.00	
(less accumulated amortization)	- 126.00	594.00
Total capital assets		\$ 150,032.90
Total Assets		<u>\$ 400,678.68</u>
Liabilities and Equity		
Current liabilities		
Income tax payable	\$ 29,060.28	
Accounts payable	67,673.00	
Long term debits		
Chattel Mortgage	100,298.85	
Term loan	49,320.52	
Total		\$ 246,352.66
Shareholders' equity		
Common shares	71,616.00	
Retained earnings	82,710.02	
Total Liability and Equity		<u>\$ 400,678.68</u>