



INVESTORY



Lexi Vagar, Kyle Raincock, Riely Clarabut
BUSINESS PLAN

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Executive Summary:

Investory is a limited liability partnership founded to bring easy investment opportunities of start-ups forward to middle income Canadians. It will be a software application with the ability to process transactions between investors and companies, as well as build profiles and filter searches by category, investment amount, and company life cycle stage. Because of this, it is a company with many values and differentiations. By valuing sustainability, community, and education, we the founders have the passion to bring Investory success. Aside from values, Investory will be successful as it is differentiated by its service detail and community atmosphere tailored for middle class customer comfort. Our strategic marketing position of quality value pricing and directed promotions will aid in achieving our 10% target market share of middle aged, middle income, and middle risk averse Canadians. The value proposition is assuming investors need connectivity to start-ups for financial interaction/commitment. Investing behaviours will be measured through the number of verified members and the number of successful transactions.

The current developments of our company consist of talks with the Canadian Securities professionals in terms of legal abilities and making sure everything is sound and secure. We will outsource secondary activities with a managing department heading development.

The founding team has three members; Riely Clarabut, Alexandria Vagar, and Kyle Raincock. All three will have Bachelor of Commerce degrees from the University of Victoria with specialization in human resources, marketing, accounting, finance, and international business. They have networks in real estate, law, finance, data analysis, and marketing with experience in each field as co-op work terms.

This company will further fit to the market via its intimate organizational structure and internal cooperation, as competitors are more sizeable and bureaucratic. We would expand as demand grows by increasing revenue streams, meeting additional customer base needs, and having more profile development options. It is a company where start-ups can customize what they need and choose who invests unlike traditional portfolio management that involves little conversation. This is what makes this company unique without direct competition. Our growth assumption is customer acquisition through online media ads and word of mouth education for a brand community tested through a concierge MVP. Waste will be minimized through app feedback surveys after main changes are developed. Once our platform is established, we will be waiting for a pivot for optimal efficient and effective scalability.

Investory's financial scalability is strongly based on both competition numbers and phasing. (Kesting, 2019)

Product Idea:

Before thoroughly addressing the business idea behind Investory, it is crucial to understand the Canadian market. In Vancouver, British Columbia there are more start-ups per capita than any other city in Canada, which in turn has created a booming industry that relies on market reach and global connectedness (Edwards, 2018). These start-ups require significant support from organizations like the Business Development Bank of Canada (BDC) to provide everything from financing to consulting. However, even with government investment many of these businesses end up failing due to lack of funding; with a seven-year survival rate of under 58% (Grant & Croteau, 2019). This funding gap could be mended through investment from two separate demographics; the average middle class Canadian and larger investors/venture capitalists (VC's). With the average Canadian household having USD \$31,000 a year in disposable income but also general stigma towards investing this extra money in public markets on the Toronto Stock Exchange (TSX), it leaves an opening for other areas of investment (Better Life Index, 2018).

This is where Investory enters the market, "Creating a story, through investment™". By connecting these different demographics with companies that are looking for funding across the country, we can solve a critical problem for start-ups while also creating value for investors. The premise of Investory is to act as a Canadian platform for privatized investment where users can either register a company on the platform, or seek new companies to invest in. The innovative aspect to this platform that diversifies it from your regular stock exchange is the fact that the companies involved are all privately owned, and ownership can be purchased through the platform. For a person registering their company on Investory, access to increased company awareness, partnership potential, and new investment will all be available. The platform will showcase start-ups that have been verified by our Authentication team to potential investors and double as an advertisement for these start-ups. Investory will allow users to reach out to the start-up through the security of the platform and discuss anything from buying 10% of the company to connecting them to a potential partner. For investors, Investory will open them up to potential new markets, introduce them to local businesses, and act as a bridge between them and their new project. This is a key part of Investory; when an investor contacts a start-up to purchase stake in their company, they themselves are taking ownership in this company. That is why the start-ups have full control over

whether they accept an offer, because this investor now has a say in the company's direction. This is vastly different from the current investment structure where most investors have little to no say in a company, thus Investory aims to recreate privatized investment for small companies and investors through its platform.

For Investory to truly be established as a platform, some key technical components are needed. Firstly, the actual page/platform/webspace will need to be constructed in a way that makes sure start-ups values are being met, and the best way to do this is involving the start-ups in the development process. By outsourcing parts of the development of the platform to tech start-ups across Canada, it will allow Investory to keep costs down (i.e offering promotion/less commission to the companies using Investory) while also gaining research into the market on if stakeholders values will be met through the platform. The overall development will be monitored by a tech specialist hired by Investory to make sure a top-quality product is delivered before the platform is released. The reason the process will be outsourced originally is to show Investory's commitment to having trustworthy businesses on the platform. After initial release, development updates will be handled by an in-house team. Other than the actual software for the platform, another key component will be reaching the investors and start-ups needed to use Investory. Having a strong selection of companies and a large awareness at launch is key for gaining traction with the overall demographic. Using the assets and connections of the three founders to spread word of Investory in the initial stages combined with social media presence and an effective/efficient marketing budget, the Canadian audience will be well informed of Investory. From there, a first-year marketing budget of \$100,000 CAD will be enough to keep Investory at the forefront of the minds of people looking to either promote or invest in businesses.

Management Summary:

Brief Summary of Required Services and Departments for Operations

- **Coding, web and platform development for Investory:**

The development of the platform is the essential component for Investory as our all-in-one platform is the main component of our service. As such It must run seamlessly and be intuitive and easy to use.

- **Marketing and product promotion team:**

The idea of Investory must be sold to both start-ups and investors to develop a network of connections on the platform. Start-ups should be easy to convince but investors may be more difficult. As a result, this team will require a lot of resources.

- **IT and Platform Management/Authentication team:**

The IT team will be responsible for the general maintenance and upkeep of the platform as well as the facilitation of transactions between investors and investees on the website. Additionally, the IT team will be responsible for the approval and authentication of all new members to Investory. New members will be screened thoroughly to insure legitimacy and maintain the overall credibility of the platform. They will also be key in upholding both the site's functionality and security.

- **Finance and Accounting team:**

The Finance and Accounting team will maintain the company's books and ensure that Investory will remain solvent in the long-term. Additionally, they will search for new revenue streams as the company continues to grow and requires more funding.

- **Customer Service team:**

The Customer Service team will ensure both investors and start-ups using Investory are satisfied with the platform and will receive feedback from the users about what is working and what isn't. This will be essential for when the company will try to optimize the platform in its later stages of growth.

Founder Skills and Gaps

Founders	Finance	Accounting	Marketing	Web Development	IT	Customer Service	Communication	Management	Sales	Data Analysis
Lexi Vagar		X	X			X	X	X	X	
Kyle Raincock		X				X	X		X	X
Riely Clarabut	X	X				X	X			X
Skill Gaps				X	X					

Company Structure and Growth Strategy

In the early stages of the company's development, deciding on who will be responsible for what business activities will be crucial due to the company's limited resources. Each major role in the

company has the option of being conducted in house by one of our 3 founders, being allocated to a new hire at the company, or being outsourced to a contractor or consulting firm. These decisions must have been made through careful diligence as to maximize efficiency of our initial limited resources as the company is growing. Factors considered are: founder experience in that job, the amount of labor hours required to attend to that job, the cost of hiring or outsourcing the job, and the long-term importance of the job to the company. As a result of the high initial hiring costs to the company, the initial sizes of these departments will be relatively small and some of the roles will be filled by either one of the appropriate founders or a contract worker. The scaling and hiring of additional full-time employees to make each department work independently will take place in 3 major scaling stages as the company grows. These 3 stages are based on the phases outlined in the implementation section. These stages are:

Stage 1: Initial platform development and member acquisition (Years 1-3)

Stage 2: Marketing expansion and growth through networking effect (Years 4-7)

Stage 3: Revenue model growth and platform optimization (Year 8 onwards)

Team/Department	In-House/Hire or Outsource?	Reasoning	Scaling and departmental growth strategy
Coding, Web development etc.	Outsource	Hiring a full-time web development team serves no purpose as this would only be required in the initial setup of the company. Outsourcing the development to an external company with specific specifications listed would be the most cost-efficient and	Coding and web development will be contracted to ImageX and FreshWorksStudio in during the first year of stage 1 . Work will be outsourced between the two web development platforms and most of the costs relating to their contract will be incurred in stage 1 . Inventory's IT department will still be in contact with both web developers in case any

		ensure the highest quality platform.	technical problems arise with the platform.
Marketing and Product Promotion	In-House	<p>As marketing and product promotion are continuously important for the company, an In-house marketing team will be required.</p> <p>Consultants may be contacted for specific campaigns, but the recruitment of users and day-to-day promotion of the product will have to be done by a team within the company.</p>	<p>The marketing and product promotion team will begin initially as a 2 to 3-person team for the first year of stage 1. This initial team will consist of founders Lexi Vagar, Kyle Raincock, due to their experience in customer service and promotion, as well as a full-time employee and assistance from Riely Clarabut.</p> <p>During the last year of stage 1 (Year 3 of the company's existence), Kyle will leave the marketing department and 2 to 3 more full-time employees will be hired to increase the size and scope of the company's marketing platform. One of these new hires will be Lexi herself in year 3 of stage 1. From here, Lexi will act as the marketing team lead and will oversee the shift towards revenue generation in stage 2 and 3. The rest of the hires will take place in stage 2, and by stage 3</p>

			the department will have approximately 7 employees.
IT and Platform Development/Authentication Team	In-House/Outsource	An IT team will always need to be on-hand and able to respond to any issues with the platform as they occur to ensure no service blackouts. Any re-designs of the platform as the company grows may be outsourced to an external company.	The IT team will initially be a small but important part of stage 1 of the company's growth. In particular, the IT team along with the web development contractors, will be responsible for the successful launch of the platform. The team will be initially be 1-2 people dedicated to conducting maintenance on the site along with 1 full-time employee dedicated to verifying new companies on the platform. This employee will be the initial member of our authentication team. If any larger problems occur, a contractor will be brought in to provide assistance. The team will hire an additional worker in stage 2 to increase its size to approximately 4 employees. The department will remain with these 4 employees until stage 3 , when the company will shift its focus to platform optimization. As this will require significantly more resources, the department will increase

			in size to approximately 6 employees by this time.
Finance and Accounting Department	In-House/Outsource	External financial audits may be conducted by accounting firms on an annual basis. However, it will be important to maintain a financial department of the company to secure financing in the initial stages and ensure that the company can remain solvent for the long term.	The finance and accounting team will be a crucial element of the initial stages of the company's growth and will be responsible for securing adequate financing until the company can be self-sustaining in stage 2 . In stage 1 , Riely Clarabut will be the sole member of the financial team as the company looks to secure financing to hire web developers for the platform, Riely may be assisted by Lexi and/or Kyle in this initial process. Riely will be hired as a full-time employee in year 3 of stage 1 . During stage 2 , 1 to 2 full-time employees will replace Kyle and Lexi on the team and Riely will become the team lead and Chief Financial Officer. The department will grow again in the latter half of stage 2 , when the company will focus on revenue generation. Here, another 3 to 4 employees will be hired to keep up with the company's growth and implement its new revenue models.

Customer Service Department	In-House	<p>Having an in-house customer service department will be extremely vital to ensure the success of our platform. As Investory is a user-driven investment network, receiving feedback and ensuring users have a positive experience on the platform is critical. All information gathered here will be considered as the platform expands over time.</p>	<p>Throughout the first year of stage 1, customer service inquiries will be handled by a combination of the company's 3 founders. As the 2nd and 3rd years of stage 1 unfold, Kyle will become a full-time customer service employee to address any concerns of the platform members. The department will stay this size until the company's shift to implement its revenue mode in the second half of stage 2. Here, many users will likely have questions or concerns regarding the changes to the platform and as a result 2-3 more customer service employees will be needed. Once these new employees are hired, Riely and Lexi will step away from this department and Kyle will become the team lead. In stage 3 as the company shifts again to a more customer- focused model, the department will hire 2-3 more employees for a total of approximately 7 full-time employees.</p>
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Salaries:

For the first 2 years of Investory, the company's 3 founders will not receive a yearly salary and will have to rely on other sources for income. During year 3, each of the founders will be officially hired as full-

time employees by the company and will receive a yearly salary based on the department they are working in (Accounting-Riely Clarabut, Marketing- Lexi Vagar, Customer Service- Kyle Raincock). Because of the proportionate differences in wages (\$33,000 for customer service compared to \$69,000 for marketing), the founders will be proportionately allocated ownership shares to ensure that everyone receives the same net benefit from the company. For example, because Kyle only receives \$33,000 per year, he will receive a higher proportion of the company's shares than both Lexi and Riely have individually. As time passes and the company begins to generate more revenue, members with disproportionately higher ownership in the company can exchange their excess shares in favour of an increased annual salary.

Salaries for new employees at the company were calculated based on the median yearly income for specific industries in Canada as listed by the salary calculation site neuvoo.com ("Salaries in Canada," 2019). Average yearly salaries for the following positions were calculated and used within the financials:

- IT - \$72,290
- Marketing - \$69,000
- Accounting/Finance - \$57,501
- Customer Service - \$33,149

Total Salaries Paid Per-Year (Costing Breakdown)

These salaries are based on the average yearly salaries described above

Year 1 - \$69,000

Year 2 - \$213,580

Year 3 - \$373,230 (Founders officially hired as employees)

Year 4 - \$442,230

Year 5 - \$511,230

Year 6 - \$763,000

Year 7 - \$853,000

Year 8 - \$1,201,000

Hiring time frame breakdown (positions hired per year and corresponding department)

Year 1: 1 Full-Time Marketing position

Year 2: 2 IT positions

Year 3: 1 Marketing, 1 Accounting, 1 Customer Service (Founders officially hired as employees)

Year 4: 1 Marketing position

Year 5: 1 Marketing position

Year 6: 2 Accounting, 2 Customer Service, 1 IT position

Year 7: 1 Accounting, 1 Customer Service position

Year 8: 2 Customer Service, 2 IT, 2 Marketing positions

Office Space:

During the initial stages of the company's development (first year of stage 1), Investory will not have a permanent office space, and business operations will be conducted wherever the 3 founders of the company are located. After year one the platform will have been developed and the company will have 2-3 full time employees. The company's first office space will be rented at this point. The company will initially rent an office space with room for 12-14 full-time employees. At the average high-density office space rate of 150 square feet/employee (Aquila Commercial, 2019), this roughly calculates to an 1800 square foot office space. In 2018 average class B office space in Vancouver ranged between \$25-40 per square foot a year (Avison Young, 2018). At \$30 per square foot this calculates to a rent of **\$54,000 a year or \$4,500 per month**. The company will remain in this space until year 6 of its growth. Here the company will look to facilitate a move to a much larger space as the company moves to expand to 30 employees by the end of year 8. At this stage, the company will consider purchasing a full-time space as hiring more employees will not be a top priority. If purchasing a space is not financially feasible, the company will rent a much larger space at the same rate as before, amounting to 4,500 square feet of space at **\$135,000 per year or \$11,250 per month**.

Marketing Summary:

With regards to Investory, we noticed a need in the market relating to a source to gain from disposable household income. Investory helps bridge the knowledge gap between middle class investors, VCs, and start-ups. It processes internal strengths such as reputation, service, security, passion, and experience. The service is more conversational than professional. At Investory, security will be a top priority and the people involved will be extremely dedicated to their industries to aid in investing conversations. This is mutually beneficial for those involved and presents information as easily accessible. These key strengths stem from a market size segmentation target of 1/10 adult Canadians, since 1/5 already participate in DIY investing. (Almazora, 2019) This allows product positioning to be

centered around the competitive advantages of customer service and community environment. These strengths translate into the customer's perceived value against any competition it may face.

It also possesses internal weaknesses of having a costly development process, less resources, dependency on the economic life cycle, and is slightly more at risk with less capital input. The competitors (Kickstart, Banks, QTrade, etc..) have similar weaknesses, however they have value of resources and size, as well as first mover advantages of barrier and price setting.

Despite this, we see opportunities in the exposure potential for clients and the economy as well as room to expand revenue streams into partnerships for involved businesses. We also see additional funding benefits for a rapidly growing customer base over time.

The players in the market consist of complementors that aid in achieving similar investment outcomes like Small Business BC, Square, and software developers. Our consumer base will largely be made up of customers like venture capitalists and entrepreneurs from the ages of 20 to 55 years old who share similar traits such as medium risk aversion levels, middle income earnings, and environmental awareness. These segments of middle-aged workers and investing environmentalists best contribute to this company because the service is tailored to their info seeking, self fulfilling, and convenience needs. It can cover approximately 0.5-9 million people based on Canada's population and our target (Bank, 2019). The company will be based in Vancouver, Canada with possibility to expand to the rest of the country as we grow. We feel these targets and players best suit the business' strategy and goals.

The marketing plan addresses trends of environmental social governance and social impact investing, as well as the surge in tech start-ups through the value chain. The value chain consists of both primary and secondary activities that bring value to the consumer. Primary values consist of things like networking, communications, technology development, data logistics, and marketing. Secondary values consist of things like infrastructure and human resources. The plan and activities are tailored to trends of communal integrated marketing, utilizing both online and offline mediums of sales and revenue generation.

The marketing plan wouldn't be complete without the following: the **product**; a private market investor/start-up connecting platform with differentiation of verified profiles, investing minimums, low commission, partner/mentorship options, and the highest end software and security. The price; strategy of being a quality leader (value-based competitive pricing) once more revenue streams open and penetration pricing to attract customers while building reputation and covering costs. **Prices** would be

negotiated between transaction participants with a 3% commission charged per transaction and no minimums to factor in elasticity. Future revenue streams will include ads at \$3 CAD per click (versus google \$2.12) (Shewan, 2019) and increasing our commission rate to 6%. This rate could change to 8% if the start-up wants to appear higher in search results or wants to partner with other businesses for service offerings. This strategy is most effective here because most of the top investing platforms use low cost leadership (1% commission plus fees) and as a result there are low barriers to entry since there are higher levels of competition (Questrade, 2019). **Place**; putting product online via application transactions since the company has a lower marketing budget and will have a secure online platform. Thus, the potential is easier for global expansion, the product and advertising will have a large reach, and customers will be comfortable (Almazora, 2019). And lastly **promotion**; Ads online on social media and viral directed word of mouth network effects for 2-way persuasion corporate Public Relations to communicate the product's value message with little intermediaries while minimizing costs and creating a functional awareness with meaningful dialogue (Turnbull, 2019).

The Cost of this marketing strategy would be approximately \$100,000 CAD a year once the company is up and running. This is due to the average cost of clicks on things like Google AdWords, Facebook, Instagram, and Bing ads. As well as how much the average small business spends a year on advertising in Canada (Shewan, 2019). After that phase one, the costs would increase parallel to growth (55%) and would reach approximately \$600,000/year in phase 3 during years 6 onwards.

Implementation Strategy:

To reduce risks and create a solid plan for Investory we have broken the implementation strategy down into three phases. Phase one will begin immediately and consist of obtaining primary funding, platform development, and solidifying the company's organizational structure and values among other things. Phase two focuses on making sure predicted audiences are being reached and receiving secondary investment and will begin in Q2 after release. Phase three of implementation will begin in Q4 of our first year and will focus on building strong relationships with industry partners, realizing the full potential of the marketing budget, and readdressing the current commission of 3% to increase profits.



Phase One: Year 1 -3

To bring Investory to fruition in the initial stages, we will require pre-seed and seed funding. This funding will be used to source the development of the platform, cover employee expenses such as traveling to connect with start-ups, and other unforeseen initial costs. Investory's platform will need to have a sleek design, unique functionality for connecting investors to start-ups, data imports for providing customers with investments relevant to them, and an integrated marketing plan. Below is a cost-break down of different sized e-commerce platforms (Smith, 2019):

	Small	Mid-Size	Enterprise
Design	\$5,000	\$10,000	\$35,000
Programming	\$2,000	\$15,000	\$75,000
Integrations	\$500	\$8,000	\$20,000
Data Imports	\$0	\$5,000	\$10,000
Hosting (annual)	\$500	\$6,000	\$10,000

SEO (annual)	\$12,000	\$36,000	\$60,000
Average eCommerce Website Cost (Annual)	\$20,000	\$80,000	\$210,000

In the first phase, Investory will enter the market as a Mid-Sized platform hoping to reach the 0.5-9 million people highlighted in the marketing section. Based on the sections needed for Investory's platform, predicted development costs will include everything from the table minus SEO, leaving costs at \$44,000. These costs will be outsourced to ImageX and FreshWorksStudio, local Vancouver web development start-ups, they will work alongside our inhouse development specialist to make sure all needs are met (Clutch.com, 2019). Usually the costs would be higher for development, but a 25% discount deal will be worked into the contract where these two companies will receive promotion once the platform is complete. Even though we are outsourcing the development, it will have the same quality assumptions as an in-house development due to the specialist overseeing the progress. Our IT team will oversee any continuous development and maintenance as we continue to add in future years. Initially, we will heavily develop and expect there to be issues with the software so \$48,000 will be allocated in the first year to covering this (Jordan, 2019). Combined with the importance of attracting businesses to use our platform comes travel costs. In the beginning stages we will set a yearly budget of \$6,500 for travel, this cost has been determined by the fact Investory is in Vancouver, BC and most start-ups will also be located here, thus keeping costs low. Travel is essential for Investory developing strong relationships with its users, and the costs in turn lead to profits, with every dollar spent on travel seeing a \$2.90 increase in profit on average (Certify.com, 2019).

The first-year costs include a concierge minimum viable product testing for start-up valuation of relationship building and transparency. We would measure if they found the platform easy to use, and what they need in terms of verification of investors and communication. Feedback will be taken afterwards via surveys emailed.

The initial funding will come from the founder's own savings, family/friend's investment, and government grants. The table below highlights overall initial funding:

Investor	Amount Invested \$	Comments
Founders (Riely, Kyle, Lexi)	\$15,000	With each of the founders putting an equal \$5,000 from their own savings into the company, it creates an equal stake and a good start to covering development costs.
Family	\$15,000	Between the three founders' vast families, achieving this funding is doable.
Friends	\$5,000	Same as above.
Strategic Innovation Fund	\$25,000	A grant provided by the Canadian government to spur innovation. With Investory's goal to make investment easier for Canadian's, this grant is obtainable. (Government of Canada, 2019)
Industrial Research Assistance Program	\$25,000	A grant provided by the Canadian government for small – medium sized businesses involved in research and technology. (Government of Canada, 2019)

Based on these funding predictions, Investory will have an initial \$85,000 to cover costs of development and operating expenses before the platform is released. Following this, we will take out a business loan for \$100,000 at a 6% interest rate for 5 years at the beginning of each year till the fifth year to cover some of the losses taken the first year (Value Penguin, 2019). During the second year, we will also consider angel investment from outside sources, and with a noticeable increase in growth, we hope to receive \$250,000-\$500,000 in investment. For the financials, we will assume the lower is received. We will also have a yearly cost of \$4,500 CAD to cover patents and licensing costs.

Phase Two: Year 4 - 7

After Investory is developed and begins its release to national investors, phase two begins and will focus on expanding reach while maintaining the security and quality of the platform. With over 9000 start-ups in the major cities across Canada, Investory's job will be to connect these companies with the 0.5-9 million investors base nationwide (Duffin, 2017). Seeing as this platform is an entirely new market for Canada, it is hard to know the exact demand and market share Investory will have initially. However, the Canadian and United States markets behave very similarly and these type of peer-to-business lending platforms generated \$3 billion USD in revenue in 2018. (IBISWorld, 2019). To help with the forecast for the market, we take the \$3Bn in revenue and divide it by the total population in the U.S, 327 million people, to get \$9.2 USD generated in revenue per person. To forecast our initial revenue, assuming we would have the entire market share upon launch due to low competition, we would take our user base and multiply it by the revenue per person in relation to the U.S market due to its similarities, creating \$4.6 to \$82.8 million CAD in revenue respectively. Another consideration to take in, is that most transactions on these types of platforms charge a service fee on any size of transaction, whereas Investory charges a 3% commission on connecting the investors and start-ups, processing the transaction securely, and helping to create a long-lasting relationship between the two. With most transactions on these platforms ranging from \$5,000 to \$35,000 USD, Investory is in a good position to earn more revenue with commission as opposed to a service fee initially due to being in an oligopoly market in Canada. Since most start-ups overestimate their target reach, we will assume that Investory will reach 1 million out of its 9 million investor base and generate almost over a million in revenue by the fifth year due to the growth rate of the market and the intense marketing budget.

Phase Three: Year 7 – Continuous

To fully push Investory to its true market potential, phase three will address some major partnerships and a larger marketing roll out. By connecting with market leaders in other areas across Canada, Investory can access resources and reduce costs. An example of this type of partnership would be working with Small Business British Columbia (B.C) to promote start-ups and act as a tool and networking source for new business owners. Seeing as this is a non-for-profit as well, a partnership will boost our company image and potentially introduce Investory to a new audience (Bangen, 2018). On the financial side, partnering with a company like Square or VISA to handle our transaction security solely would bring a larger name onto the platform, encouraging safer and potentially more transactions from investors. These partnerships will be sought out by our travel team in the later quarters, who will

continue to focus on client relations but now add businesses as well. Another key aspect of the third phase is a huge increase in marketing costs to continue to reach new investors. As mentioned in the marketing section, the budget will relate to the growth of the market and increase respectively. During this stage we may want to consider adjusting our commission costs to allow for an increased revenue or reach. We hope to have more users in the later stages of Investory and introducing the option to choose your own commission level that is relative to how much promotion your start-up receives on the platform will possibly added in the later phases.

Risks:

Risk	Severity	Likelihood	Mitigation	Recovery
Running Costs	Medium	Low	Expand revenue stream as company grows	Increase financing
Lawsuit/ Restricting Government Policy	High	Medium	Profile verification, transaction security, participant legitimacy	Meetings, statements to stakeholders, settlements, brand change
No members	High	Low	Member incentives, ease of access, readability of information	Change sign up procedures, increase marketing efforts
Business leaves platform	Medium	Medium	Feedback surveys, software maintenance	Change sign up contracts, legal action
Can't get patent/Launch delay	High	Low	Research, Plan, Communicate	Update stakeholders, do due diligence, make product changes

The risks should be all inclusive and transparent. The quantitative effect of these risks could be dramatic. They could amount to higher debt, losses until revenue flows, as well as reputation damage. These costs could range from \$400 (cost of patent) (Canada, 2019) to millions in litigation fees. This company will put an emphasis on mitigation to the point where recovery shouldn't be needed. Communication is key in this case, with preparation, feedback, honest conversations with stakeholders,

timely growth, and preventative maintenance playing key roles. The scales for measurement here was high being extremely costly, time consuming, operationally implicating, and damaging to reputation.

Best case scenario in terms of risk would be no risks impacting operations more than minimal cash or marketing hiccups, whereas the worst case would be all of these risks coming into effect in high intensity at the same time. This would mean our company would have a delayed launch with a lawsuit, and huge difficulties attracting and retaining customers. Our company would therefore have cash deficits, reputation damage, low revenues, and possibly couldn't grow.

Financials:

To determine how Investory will fare financially we have included a profit/loss statement, cash flow statement, and balance sheet for the first year of operations by month below. For projections past the first year, please view the appendices. It is also worth noting that all numeric assumptions have been extracted from the above business plan. If the number has not been addressed in the plan than we have used similar American companies/industries to formulate an estimate of these numbers (AICPA, 2018). It is also important to note that Canadian small businesses are taxed at 10% on gross profit and 7% on payroll.

Investory

Balance Sheet

Date: 2020

Assets	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Current Assets												
Cash	85,000	76,819	68,886	61,318	54,132	47,348	40,984	35,051	29,581	24,584	20,094	16,126
Accounts receivable	4,000	4,184	4,376	4,578	4,788	5,009	5,239	5,480	5,732	5,996	6,272	6,560
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-
Angel investments	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	89,000	81,003	73,262	65,896	58,921	52,357	46,223	40,532	35,313	30,579	26,366	22,686
Fixed (Long-Term) Assets												
Intangible assets	4,500	-	-	-	-	-	-	-	-	-	-	-
Total fixed assets	4,500	-	-	-	-	-	-	-	-	-	-	-
Total Assets	93,500	81,003	73,262	65,896	58,921	52,357	46,223	40,532	35,313	30,579	26,366	22,686
Liabilities and Owner's Equity												
Current Liabilities												
Accounts payable	13,440	13,540	13,540	13,540	13,540	13,540	13,540	13,540	13,540	13,540	13,540	13,540
Taxes payable	400	420	440	460	480	500	530	550	580	600	630	660
Development cost payable	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667
Accrued salaries and wages	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of long-term debt	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933
Total current liabilities	25,190	25,310	25,330	25,350	25,370	25,390	25,420	25,440	25,470	25,490	25,520	25,550
Long-Term Liabilities												
Long-term debt	98,067	96,134	94,201	92,268	90,335	88,402	86,469	84,536	82,603	80,670	78,737	76,804
Total long-term liabilities	98,067	96,134	94,201	92,268	90,335	88,402	86,469	84,536	82,603	80,670	78,737	76,804
Owner's Equity												
Owner's investment	15,000	-	-	-	-	-	-	-	-	-	-	-
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total owner's equity	15,000	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities and Owner's Equity	138,257	121,444	119,531	117,618	115,705	113,792	111,889	109,976	108,073	106,160	104,257	102,354
Common Financial Ratios												
Debt Ratio (Total Liabilities / Total Assets)	1.32	1.50	1.63	1.78	1.96	2.17	2.42	2.71	3.06	3.47	3.95	4.51
Current Ratio (Current Assets / Current Liabilities)	3.53	3.20	2.89	2.60	2.32	2.06	1.82	1.59	1.39	1.20	1.03	0.89
Working Capital (Current Assets - Current Liabilities)	63,810	55,693	47,932	40,546	33,551	26,967	20,803	15,092	9,843	5,089	846	(2,864)
Assets-to-Equity Ratio (Total Assets / Owner's Equity)	6.23											
Debt-to-Equity Ratio (Total Liabilities / Owner's Equity)	8.22											

Profit and Loss Statement

Inventory

For the 2020 year \$ in: thousands

Gross margin [L/J]
Return on sales [T/J]

	Budget Month 1	Budget Month 2	Budget Month 3	Budget Month 4	Budget Month 5	Budget Month 6	Budget Month 7	Budget Month 8	Budget Month 9	Budget Month 10	Budget Month 11	Budget Month 12	Total for year
Sales Revenue													
Commission Revenue	\$ 3.50	\$ 3.66	\$ 3.83	\$ 4.01	\$ 4.19	\$ 4.38	\$ 4.58	\$ 4.80	\$ 5.02	\$ 5.25	\$ 5.49	\$ 5.74	\$ 54.44
Ad Revenue	\$ 0.50	\$ 0.52	\$ 0.55	\$ 0.57	\$ 0.60	\$ 0.63	\$ 0.65	\$ 0.69	\$ 0.72	\$ 0.75	\$ 0.78	\$ 0.82	\$ 7.78
Promotion Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Sales Revenue [J]	\$ 4.00	\$ 4.18	\$ 4.38	\$ 4.58	\$ 4.79	\$ 5.01	\$ 5.24	\$ 5.48	\$ 5.73	\$ 6.00	\$ 6.27	\$ 6.56	\$ 62.21
Cost of Sales													
Continuous Development	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 30.00
Continuous Maintenance	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 18.00
Total Cost of Sales [K]	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 48.00
Gross Profit [L=J-K]	\$ -	\$ 0.18	\$ 0.38	\$ 0.58	\$ 0.79	\$ 1.01	\$ 1.24	\$ 1.48	\$ 1.73	\$ 2.00	\$ 2.27	\$ 2.56	\$ 14.21
Operating Expenses													
Sales and Marketing													
Advertising	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 50.04
Direct marketing	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 50.04
Total Sales and Marketing Expenses [M]	\$ 8.34	\$ 8.34	\$ 8.34	\$ 8.34	\$ 8.34	\$ 8.34	\$ 8.34	\$ 8.34	\$ 8.34	\$ 8.34	\$ 8.34	\$ 8.34	\$ 100.08
Research and Development													
Technology licenses	\$ 3.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3.00
Patents	\$ 1.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.50
Total Research and Development Expenses [N]	\$ 4.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4.50
General and Administrative													
Wages and salaries	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ 69.00
Supplies	\$ 0.20	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 3.50
Rent & Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 4.80
Travel	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 6.00
Total General and Administrative Expenses [O]	\$ 6.85	\$ 6.95	\$ 6.95	\$ 6.95	\$ 6.95	\$ 6.95	\$ 6.95	\$ 6.95	\$ 6.95	\$ 6.95	\$ 6.95	\$ 6.95	\$ 83.30
Total Operating Expenses [P=M+N+O]	\$ 19.69	\$ 15.29	\$ 15.29	\$ 15.29	\$ 15.29	\$ 15.29	\$ 15.29	\$ 15.29	\$ 15.29	\$ 15.29	\$ 15.29	\$ 15.29	\$ 187.88
Income from Operations [Q=L-P]	\$ (19.69)	\$ (15.11)	\$ (14.91)	\$ (14.71)	\$ (14.50)	\$ (14.28)	\$ (14.05)	\$ (13.81)	\$ (13.56)	\$ (13.29)	\$ (13.02)	\$ (12.73)	\$ (173.67)
Other Income [R]	\$ 85.00												\$ 85.00
Taxes													
Income taxes	\$ -	\$ 0.02	\$ 0.04	\$ 0.06	\$ 0.08	\$ 0.10	\$ 0.12	\$ 0.15	\$ 0.17	\$ 0.20	\$ 0.23	\$ 0.26	\$ 1.42
Payroll taxes	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 4.83
Total Taxes [S]	\$ 0.40	\$ 0.42	\$ 0.44	\$ 0.46	\$ 0.48	\$ 0.50	\$ 0.53	\$ 0.55	\$ 0.58	\$ 0.60	\$ 0.63	\$ 0.66	\$ 6.25
Net Profit [T=Q+R-S]	\$ 64.91	\$ (15.53)	\$ (15.35)	\$ (15.17)	\$ (14.98)	\$ (14.78)	\$ (14.58)	\$ (14.36)	\$ (14.13)	\$ (13.90)	\$ (13.65)	\$ (13.39)	\$ (94.92)

Inventory Cash Flow Statement

For the Year Ending 12/31/2020

Cash at Beginning of Month 85,000 68,319 56,302 44,457 32,794 21,321 10,049 (1,023) (11,874) (22,503) (32,888) (43,027)

Operations	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Cash receipts from												
Commissions, Ad revenue, Promotions	4,000	4,184	4,376	4,578	4,788	5,009	5,239	5,480	5,732	5,996	6,272	6,560
Cash paid for												
Development	(3,667)	(3,667)	(3,667)	(3,667)	(3,667)	(3,667)	(3,667)	(3,667)	(3,667)	(3,667)	(3,667)	(3,667)
General operating and administrative expenses	(13,440)	(13,440)	(13,440)	(13,440)	(13,440)	(13,440)	(13,440)	(13,440)	(13,440)	(13,440)	(13,440)	(13,440)
Wage expenses	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)
Interest	(1,933)	(1,933)	(1,933)	(1,933)	(1,933)	(1,933)	(1,933)	(1,933)	(1,933)	(1,933)	(1,933)	(1,933)
Taxes	(400)	(420)	(440)	(460)	(480)	(500)	(530)	(550)	(580)	(600)	(630)	(660)
Net Cash Flow from Operations	(21,190)	(21,026)	(20,854)	(20,672)	(20,482)	(20,281)	(20,081)	(19,860)	(19,638)	(19,394)	(19,148)	(18,890)
Investing Activities												
Cash paid for												
Purchase of property and equipment	0	0	0	0	0	0	0	0	0	0	0	0
Making loans to other entities	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of investment securities	(4,500)											
Net Cash Flow from Investing Activities	(4,500)	0	0	0	0	0	0	0	0	0	0	0
Financing Activities												
Cash receipts from												
Issuance of stock	0	0	0	0	0	0	0	0	0	0	0	0
Borrowing	9,009	9,009	9,009	9,009	9,009	9,009	9,009	9,009	9,009	9,009	9,009	9,009
Cash paid for												
Repurchase of stock (treasury stock)												
Repayment of loans	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
Net Cash Flow from Financing Activities	9,009	9,009	9,009	9,009	9,009	9,009	9,009	9,009	9,009	9,009	9,009	9,009
Net Increase in Cash	(16,681)	(12,017)	(11,845)	(11,663)	(11,473)	(11,272)	(11,072)	(10,851)	(10,629)	(10,385)	(10,139)	(9,881)
Cash at End of Month	68,319	56,302	44,457	32,794	21,321	10,049	(1,023)	(11,874)	(22,503)	(32,888)	(43,027)	(52,908)

Appendix:

Inventory

Balance Sheet

Date: 2021

Assets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Current Assets				
Cash	103,697	280,363	213,039	152,555
Accounts receivable	24,500	27,660	31,260	35,350
Prepaid expenses	-	-	-	-
Angel Investments	250,000	-	-	-
Total current assets	378,197	308,023	244,299	187,905
Fixed (Long-Term) Assets				
Intangible assets	4,500	-	-	-
Total fixed assets	4,500	-	-	-
Total Assets	382,697	308,023	244,299	187,905
Liabilities and Owner's Equity				
Current Liabilities				
Accounts payable	57,350	57,350	57,350	57,350
Taxes payable	5,790	6,100	6,460	6,870
Development cost payable	-	-	-	-
Accrued salaries and wages	53,395	53,395	53,395	53,395
Unearned revenue	-	-	-	-
Current portion of long-term debt	5,799	5,799	5,799	5,799
Total current liabilities	122,334	122,644	123,004	123,414
Long-Term Liabilities				
Long-term debt	176,804	171,005	165,206	159,407
Total long-term liabilities	176,804	171,005	165,206	159,407
Owner's Equity				
Owner's investment	15,000	-	-	-
Retained earnings	-	-	-	-
Other	-	-	-	-
Total owner's equity	15,000	-	-	-
Total Liabilities and Owner's Equity	314,138	293,649	288,210	282,821
Common Financial Ratios				
Debt Ratio (Total Liabilities / Total Assets)	0.78	0.95	1.18	1.51
Current Ratio (Current Assets / Current Liabilities)	3.09	2.51	1.99	1.52
Working Capital (Current Assets - Current Liabilities)	255,863	185,379	121,295	64,491
Assets-to-Equity Ratio (Total Assets / Owner's Equity)	25.51	-	-	-
Debt-to-Equity Ratio (Total Liabilities / Owner's Equity)	19.94	-	-	-

Inventory

Balance Sheet

Date: 2022

Assets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Current Assets				
Cash	164,491	105,365	62,569	38,333
Accounts receivable	63,500	71,820	81,280	92,050
Prepaid expenses	-	-	-	-
Angel Investments	-	-	-	-
Total current assets	227,991	177,185	143,849	130,383
Fixed (Long-Term) Assets				
Intangible assets	4,500	-	-	-
Total fixed assets	4,500	-	-	-
Total Assets	232,491	177,185	143,849	130,383
Liabilities and Owner's Equity				
Current Liabilities				
Accounts payable	81,230	81,230	81,230	81,230
Taxes payable	5,790	6,100	6,460	6,870
Development cost payable	-	-	-	-
Accrued salaries and wages	93,307	93,307	93,307	93,307
Unearned revenue	-	-	-	-
Current portion of long-term debt	5,799	5,799	5,799	5,799
Total current liabilities	186,126	186,436	186,796	187,206
Long-Term Liabilities				
Long-term debt	176,804	171,005	165,206	159,407
Total long-term liabilities	176,804	171,005	165,206	159,407
Owner's Equity				
Owner's investment	15,000	-	-	-
Retained earnings	-	-	-	-
Other	-	-	-	-
Total owner's equity	15,000	-	-	-
Total Liabilities and Owner's Equity	377,930	357,441	352,002	346,613
Common Financial Ratios				
Debt Ratio (Total Liabilities / Total Assets)	1.56	2.02	2.45	2.66
Current Ratio (Current Assets / Current Liabilities)	1.22	0.95	0.77	0.70
Working Capital (Current Assets - Current Liabilities)	41,865	(9,251)	(42,947)	(56,823)
Assets-to-Equity Ratio (Total Assets / Owner's Equity)	15.50	-	-	-
Debt-to-Equity Ratio (Total Liabilities / Owner's Equity)	24.20	-	-	-

Inventory

Balance Sheet

Date: 2023-27

Assets	Year 4	Year 5	Year 6	Year 7	Year 8
Current Assets					
Cash	43,177	(377,179)	190,835	1,277,769	3,109,533
Accounts receivable	479,700	946,700	1,373,600	1,816,300	2,618,500
Prepaid expenses	-	-	-	-	-
Angel Investments	-	-	-	-	-
<i>Total current assets</i>	<i>522,877</i>	<i>569,521</i>	<i>1,564,435</i>	<i>3,094,069</i>	<i>5,728,033</i>
Fixed (Long-Term) Assets					
Intangible assets	4,500	4,500	4,500	4,500	4,500
<i>Total fixed assets</i>	<i>4,500</i>	<i>4,500</i>	<i>4,500</i>	<i>4,500</i>	<i>4,500</i>
Total Assets	527,377	574,021	1,568,935	3,098,569	5,732,533
Liabilities and Owner's Equity					
Current Liabilities					
Accounts payable	457,300	662,100	684,900	684,900	684,900
Taxes payable	77,330	128,860	189,170	239,740	344,320
Development cost payable	-	-	-	-	-
Accrued salaries and wages	442,230	511,230	763,000	853,000	1,201,000
Unearned revenue	-	-	-	-	-
Current portion of long-term debt	23,196	23,196	23,196	23,196	23,196
<i>Total current liabilities</i>	<i>1,000,056</i>	<i>1,325,386</i>	<i>1,660,266</i>	<i>1,800,836</i>	<i>2,253,416</i>
Long-Term Liabilities					
Long-term debt	276,804	353,608	330,412	307,216	284,020
<i>Total long-term liabilities</i>	<i>276,804</i>	<i>353,608</i>	<i>330,412</i>	<i>307,216</i>	<i>284,020</i>
Owner's Equity					
Owner's investment	15,000	15,000	15,000	15,000	15,000
Retained earnings	-	-	-	-	-
Other	-	-	-	-	-
<i>Total owner's equity</i>	<i>15,000</i>	<i>15,000</i>	<i>15,000</i>	<i>15,000</i>	<i>15,000</i>
Total Liabilities and Owner's Equity	1,291,860	1,693,994	2,005,678	2,123,052	2,552,436
Common Financial Ratios					
Debt Ratio (Total Liabilities / Total Assets)	2.42	2.92	1.27	0.68	0.44
Current Ratio (Current Assets / Current Liabilities)	0.52	0.43	0.94	1.72	2.54
Working Capital (Current Assets - Current Liabilities)	(477,179)	(755,865)	(95,831)	1,293,233	3,474,617
Assets-to-Equity Ratio (Total Assets / Owner's Equity)	35.16	38.27	104.60	206.57	382.17
Debt-to-Equity Ratio (Total Liabilities / Owner's Equity)	85.12	111.93	132.71	140.54	169.16

Profit and Loss Statement

Inventory

For the 2021 year \$ in: thousands

Gross margin [L/J]
Return on sales [T/J]

	Budget Quarter 1	Budget Quarter 2	Budget Quarter 3	Budget Quarter 4
Sales Revenue				
Commission Revenue	\$ 20.00	\$ 22.75	\$ 25.88	\$ 29.44
Ad Revenue	\$ 3.00	\$ 3.41	\$ 3.88	\$ 4.42
Promotion Revenue	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50
Total Sales Revenue [J]	\$ 24.50	\$ 27.66	\$ 31.26	\$ 35.35
Cost of Sales				
Continuous Development	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Continuous Maintenance	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Total Cost of Sales [K]	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00
Gross Profit [L=J-K]	\$ 20.50	\$ 23.66	\$ 27.26	\$ 31.35
Operating Expenses				
Sales and Marketing				
Advertising	\$ 19.38	\$ 19.38	\$ 19.38	\$ 19.38
Direct marketing	\$ 19.38	\$ 19.38	\$ 19.38	\$ 19.38
Total Sales and Marketing Expenses [M]	\$ 38.75	\$ 38.75	\$ 38.75	\$ 38.75
Research and Development				
Technology licenses	\$ 3.00	\$ -	\$ -	\$ -
Patents	\$ 1.50	\$ -	\$ -	\$ -
Total Research and Development Expenses [N]	\$ 4.50	\$ -	\$ -	\$ -
General and Administrative				
Wages and salaries	\$ 53.40	\$ 53.40	\$ 53.40	\$ 53.40
Supplies	\$ 0.90	\$ 0.90	\$ 0.90	\$ 0.90
Rent	\$ 13.50	\$ 13.50	\$ 13.50	\$ 13.50
Insurance	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.20
Travel	\$ 1.63	\$ 1.63	\$ 1.63	\$ 1.63
Total General and Administrative Expenses [O]	\$ 70.63	\$ 70.63	\$ 70.63	\$ 70.63
Total Operating Expenses [P=M+N+O]	\$ 113.88	\$ 109.38	\$ 109.38	\$ 109.38
Income from Operations [Q=L-P]	\$ (93.38)	\$ (85.71)	\$ (82.12)	\$ (78.02)
Other Income [R]				
Taxes				
Income taxes	\$ 2.05	\$ 2.37	\$ 2.73	\$ 3.14
Payroll taxes	\$ 3.74	\$ 3.74	\$ 3.74	\$ 3.74
Total Taxes [S]	\$ 5.79	\$ 6.10	\$ 6.46	\$ 6.87
Net Profit [T=Q+R-S]	\$ (99.16)	\$ (91.82)	\$ (88.58)	\$ (84.90)

Profit and Loss Statement

Inventory

For the 2022 year \$ in: thousands

Gross margin [L/J]
Return on sales [T/J]

Budget Quarter 1	Budget Quarter 2	Budget Quarter 3	Budget Quarter 4
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Sales Revenue

Commission Revenue	\$ 55.00	\$ 62.56	\$ 71.16	\$ 80.95
Ad Revenue	\$ 5.50	\$ 6.26	\$ 7.12	\$ 8.10
Promotion Revenue	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
Total Sales Revenue [J]	\$ 63.50	\$ 71.82	\$ 81.28	\$ 92.05

Cost of Sales

Continuous Development	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Continuous Maintenance	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Total Cost of Sales [K]	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00

Gross Profit [L=J-K]	\$ 59.50	\$ 67.82	\$ 77.28	\$ 88.05
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Operating Expenses

Sales and Marketing

Advertising	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Direct marketing	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Total Sales and Marketing Expenses [M]	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00

Research and Development

Technology licenses	\$ 3.00	\$ -	\$ -	\$ -
Patents	\$ 1.50	\$ -	\$ -	\$ -
Total Research and Development Expenses [N]	\$ 4.50	\$ -	\$ -	\$ -

General and Administrative

Wages and salaries	\$ 93.30	\$ 93.30	\$ 93.30	\$ 93.30
Supplies	\$ 0.90	\$ 0.90	\$ 0.90	\$ 0.90
Rent	\$ 13.50	\$ 13.50	\$ 13.50	\$ 13.50
Insurance	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.20
Travel	\$ 1.63	\$ 1.63	\$ 1.63	\$ 1.63
Total General and Administrative Expenses [O]	\$ 110.53	\$ 110.53	\$ 110.53	\$ 110.53

Total Operating Expenses [P=M+N+O]	\$ 175.03	\$ 170.53	\$ 170.53	\$ 170.53
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Income from Operations [Q=L-P]	\$(115.53)	\$(102.71)	\$ (93.24)	\$ (82.48)
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Other Income [R]				
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Taxes

Income taxes	\$ 5.95	\$ 6.78	\$ 7.73	\$ 8.80
Payroll taxes	\$ 6.53	\$ 6.53	\$ 6.53	\$ 6.53
Total Taxes [S]	\$ 12.48	\$ 13.31	\$ 14.26	\$ 15.34

Net Profit [T=Q+R-S]	\$(128.01)	\$(116.02)	\$(107.50)	\$ (97.82)
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Profit and Loss Statement

Inventory

For the 2023 - 2027 year

\$ in: thousands

Gross margin [L/J]

Return on sales [T/J]

Budget Year 4	Budget Year 5	Budget Year 6	Budget Year 7	Budget Year 8
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Sales Revenue

Commission Revenue	\$ 417.90	\$ 837.00	\$ 1,222.00	\$ 1,600.80	\$ 2,340.30
Ad Revenue	\$ 41.80	\$ 78.70	\$ 106.60	\$ 152.50	\$ 194.20
Promotion Revenue	\$ 20.00	\$ 31.00	\$ 45.00	\$ 63.00	\$ 84.00
Total Sales Revenue [J]	\$ 479.70	\$ 946.70	\$ 1,373.60	\$ 1,816.30	\$ 2,618.50

Cost of Sales

Continuous Development	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
Continuous Maintenance	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
Total Cost of Sales [K]	\$ 16.00	\$ 16.00	\$ 16.00	\$ 16.00	\$ 16.00

Gross Profit [L=J-K] \$ 463.70 \$ 930.70 \$1,357.60 \$1,800.30 \$2,602.50

Operating Expenses

Sales and Marketing

Advertising	\$ 186.20	\$ 288.60	\$ 300.00	\$ 300.00	\$ 300.00
Direct marketing	\$ 186.20	\$ 288.60	\$ 300.00	\$ 300.00	\$ 300.00
Total Sales and Marketing Expenses [M]	\$ 372.40	\$ 577.20	\$ 600.00	\$ 600.00	\$ 600.00

Research and Development

Technology licenses	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
Patents	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50
Total Research and Development Expenses [N]	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50

General and Administrative

Wages and salaries	\$ 442.23	\$ 511.23	\$ 763.00	\$ 853.00	\$ 1,201.00
Supplies	\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60
Rent	\$ 54.00	\$ 54.00	\$ 54.00	\$ 54.00	\$ 54.00
Insurance	\$ 4.80	\$ 4.80	\$ 4.80	\$ 4.80	\$ 4.80
Travel	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50
Total General and Administrative Expenses [O]	\$ 511.13	\$ 580.13	\$ 831.90	\$ 921.90	\$ 1,269.90

Total Operating Expenses [P=M+N+O] \$ 888.03 \$ 1,161.83 \$ 1,436.40 \$ 1,526.40 \$ 1,874.40

Income from Operations [Q=L-P] \$(424.33) \$(231.13) \$ (78.80) \$ 273.90 \$ 728.10

Other Income [R]

Taxes

Income taxes	\$ 46.37	\$ 93.07	\$ 135.76	\$ 180.03	\$ 260.25
Payroll taxes	\$ 30.96	\$ 35.79	\$ 53.41	\$ 59.71	\$ 84.07
Total Taxes [S]	\$ 77.33	\$ 128.86	\$ 189.17	\$ 239.74	\$ 344.32

Net Profit [T=Q+R-S] \$(501.66) \$(359.99) \$ (267.97) \$ 34.16 \$ 383.78

Investory Cash Flow Statement

For the Year Ending 12/31/2021
Cash at Beginning of Quarter (52,908) (24,837) (89,416) (150,755)

Operations	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Cash receipts from				
Commissions, Ad revenue, Promotions	24,500	27,660	31,260	35,350
Cash paid for				
Development	0	0	0	0
General operating and administrative expenses	(13,440)	(13,440)	(13,440)	(13,440)
Wage expenses	(53,400)	(53,400)	(53,400)	(53,400)
Interest	(5,799)	(5,799)	(5,799)	(5,799)
Taxes	(5,790)	(6,100)	(6,460)	(6,870)
Net Cash Flow from Operations	(53,929)	(51,079)	(47,839)	(44,159)
Investing Activities				
Cash paid for				
Purchase of property and equipment	(13,500)	(13,500)	(13,500)	(13,500)
Making loans to other entities	0	0	0	0
Purchase of investment securities	(4,500)			
Net Cash Flow from Investing Activities	(18,000)	(13,500)	(13,500)	(13,500)
Financing Activities				
Cash receipts from				
Issuance of stock	0	0	0	0
Borrowing	100,000	0	0	0
Cash paid for				
Repurchase of stock (treasury stock)				
Repayment of loans	0	0	0	0
Dividends	0	0	0	0
Net Cash Flow from Financing Activities	100,000	0	0	0
Net Increase in Cash	28,071	(64,579)	(61,339)	(57,659)

Cash at End of Month (24,837) (89,416) (150,755) (208,414)

Investory Cash Flow Statement

For the Year Ending 12/31/2022
Cash at Beginning of Quarter 21,951 (113,368) (240,177)

Operations	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Cash receipts from				
Commissions, Ad revenue, Promotions	63,500	71,820	81,280	92,050
Cash paid for				
Development	0	0	0	0
General operating and administrative expenses	(81,230)	(81,230)	(81,230)	(81,230)
Wage expenses	(93,300)	(93,300)	(93,300)	(93,300)
Interest	(5,799)	(5,799)	(5,799)	(5,799)
Taxes	(12,480)	(13,310)	(14,260)	(15,340)
Net Cash Flow from Operations	(129,309)	(121,819)	(113,309)	(103,619)
Investing Activities				
Cash paid for				
Purchase of property and equipment	(13,500)	(13,500)	(13,500)	(13,500)
Making loans to other entities	0	0	0	0
Purchase of investment securities	(4,500)			
Net Cash Flow from Investing Activities	(18,000)	(13,500)	(13,500)	(13,500)
Financing Activities				
Cash receipts from				
Issuance of stock	250,000	0	0	0
Borrowing	100,000	0	0	0
Cash paid for				
Repurchase of stock (treasury stock)				
Repayment of loans	0	0	0	0
Dividends	0	0	0	0
Net Cash Flow from Financing Activities	350,000	0	0	0
Net Increase in Cash	202,691	(135,319)	(126,809)	(117,119)
Cash at End of Month	21,951	(113,368)	(240,177)	(357,296)

Investory Cash Flow Statement

For the Year Ending 12/31/2023-27
Cash at Beginning of Year (357,296)

Operations	Year 4	Year 5	Year 6	Year 7	Year 8
Cash receipts from					
Commissions, Ad revenue, Promotions	479,700	946,700	1,373,600	1,816,300	2,618,500
Cash paid for					
Development	0	0	0	0	0
General operating and administrative expenses	(457,300)	(662,100)	(684,900)	(684,900)	(684,900)
Wage expenses	(442,300)	(511,230)	(763,000)	(853,000)	(1,201,000)
Interest	(23,196)	(23,196)	(23,196)	(23,196)	(23,196)
Taxes	(77,330)	(128,860)	(189,170)	(239,740)	(344,320)
Net Cash Flow from Operations	(520,426)	(378,686)	(286,666)	15,464	365,084
Investing Activities					
Cash paid for					
Purchase of property and equipment	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)
Making loans to other entities	0	0	0	0	0
Purchase of investment securities	(4,500)				
Net Cash Flow from Investing Activities	(18,000)	(13,500)	(13,500)	(13,500)	(13,500)
Financing Activities					
Cash receipts from					
Issuance of stock		0	0	0	0
Borrowing	100,000	100,000	0	0	0
Cash paid for					
Repurchase of stock (treasury stock)					
Repayment of loans	0	0	0	0	0
Dividends	0	0	0	0	0
Net Cash Flow from Financing Activities	100,000	100,000	0	0	0
Net Increase in Cash	(438,426)	(292,186)	(300,166)	1,964	351,584

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