

SunBurst Coffee Limited

Sources Uses

Funding Sources

Bank Loan (SBA 504)	\$	30,000
Evergreen Resource Capital	\$	20,000
Owner Investment	\$	40,000
Stockholders	\$	5,000
Total Investment	\$	95,000

Funding Uses

Furniture & Fixtures	\$	20,000
Leasehold Improvements	\$	10,000
Equipment	\$	35,000
Inventory	\$	5,000
Working Capital	\$	25,000
Total Uses	\$	95,000

Stock sold @ \$10 per share resulting in 4,500 shares issued.

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SunBurst Coffee Limited

Pro Forma Financial Statements

Balance Sheet	2009		2010		2011		2012		2013						
Current Assets															
Cash	\$	21,359	23%	\$	35,880	34%	\$	51,991	44%	\$	65,489	51%	\$	80,405	58%
Inventory	\$	5,000	5%	\$	5,000	5%	\$	5,000	4%	\$	5,000	4%	\$	5,000	4%
Total Current Assets	\$	26,359	28%	\$	40,880	39%	\$	56,991	49%	\$	70,489	55%	\$	85,405	61%
Long Term Assets															
Stock sold @ \$10 per share resu	\$	65,000	69%	\$	65,000	62%	\$	65,000	55%	\$	65,000	51%	\$	65,000	47%
Equipment - Accum Dep.	\$	(4,290)	-5%	\$	(8,297)	-8%	\$	(12,039)	-10%	\$	(15,535)	-12%	\$	(18,799)	-14%
Total Long Term Assets	\$	60,710	64%	\$	56,703	54%	\$	52,961	45%	\$	49,465	39%	\$	46,201	33%
Intangible Assets															
Goodwill	\$	-	0%	\$	-	0%	\$	-	0%	\$	-	0%	\$	-	0%
Intellectual Property	\$	7,500	8%	\$	7,500	7%	\$	7,500	6%	\$	7,500	6%	\$	7,500	5%
Total Intangible Assets	\$	7,500	8%	\$	7,500	7%	\$	7,500	6%	\$	7,500	6%	\$	7,500	5%
Total Assets	\$	94,569	100%	\$	105,083	100%	\$	117,452	100%	\$	127,454	100%	\$	139,106	100%
Current Liabilities															
Current Payable	\$	6,621	7%	\$	6,500	6%	\$	6,500	6%	\$	6,500	5%	\$	6,500	5%
Current L-TD	\$	-	0%	\$	-	0%	\$	-	0%	\$	-	0%	\$	-	0%
Total Current Liabilities	\$	6,621	7%	\$	6,500	6%	\$	6,500	6%	\$	6,500	5%	\$	6,500	5%
Long-term Liabilities															
Long-term Debt	\$	48,950	52%	\$	47,757	45%	\$	46,512	40%	\$	45,213	35%	\$	43,858	32%
Total Long-term Liabilities	\$	48,950	52%	\$	47,757	45%	\$	46,512	40%	\$	45,213	35%	\$	43,858	32%
Equity															
Beginning Balance	\$	45,000	48%	\$	45,000	43%	\$	45,000	38%	\$	45,000	35%	\$	45,000	32%
Paid-in-Capital	\$	-	0%	\$	-	0%	\$	-	0%	\$	-	0%	\$	-	0%
Dividend	\$	-	0%	\$	(4,500)	-4%	\$	(9,000)	-8%	\$	(13,500)	-11%	\$	(18,000)	-13%
Retained Earnings	\$	(6,002)	-6%	\$	5,827	6%	\$	19,440	17%	\$	37,240	29%	\$	68,248	49%
Total Equity	\$	38,998	41%	\$	50,827	48%	\$	64,440	55%	\$	82,240	65%	\$	95,248	68%
Total Equity and Liabilities	\$	94,569	100%	\$	105,083	100%	\$	117,452	100%	\$	127,454	100%	\$	139,106	100%
Income Statement															
Sales															
Coffee Sales	\$	124,000	85%	\$	136,400	82%	\$	150,040	83%	\$	165,044	84%	\$	181,548	84%
Merchandise	\$	21,390	15%	\$	28,970	18%	\$	30,418	17%	\$	31,939	16%	\$	33,536	16%
Other	\$	39	0%	\$	35	0%	\$	-	0%	\$	-	0%	\$	-	0%
Total Sales	\$	145,429	100%	\$	165,405	100%	\$	180,458	100%	\$	196,983	100%	\$	215,084	100%
Direct Costs															
Direct Labor	\$	21,598	15%	\$	26,097	16%	\$	28,084	16%	\$	30,238	15%	\$	32,575	15%
Total Operating Expenses	\$	47,895	33%	\$	55,405	33%	\$	60,221	33%	\$	65,483	33%	\$	57,251	27%
Gross Profit	\$	97,534	67%	\$	110,000	67%	\$	120,237	67%	\$	131,500	67%	\$	157,833	73%
General/Admin./Sales	\$	97,317	67%	\$	83,525	50%	\$	86,170	48%	\$	90,318	46%	\$	94,517	44%
EBIT/DEP	\$	218	0%	\$	26,475	16%	\$	34,067	19%	\$	41,182	22.8%	\$	63,317	35.1%
Depreciation	\$	4,290	3%	\$	4,007	2%	\$	3,742	2%	\$	3,495	1.9%	\$	3,265	1.8%
Interest	\$	1,929	1%	\$	2,057	1%	\$	2,057	1%	\$	2,057	1%	\$	2,057	1%
Taxes	\$	-	0%	\$	4,082	2%	\$	5,653	3%	\$	7,825	4%	\$	12,252	6%
Net Income (Loss)	\$	(6,002)	-4%	\$	16,328	10%	\$	22,614	13%	\$	31,300	16%	\$	49,008	23%

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SunBurst Coffee Limited

Pro Forma Financial Statements

Ratio Analysis	2009	2010	2011	2012	2013
ACTIVITY					
NWC Turnover	7.37	4.81	3.57	3.08	2.73
Asset Turnover	1.54	1.57	1.54	1.55	1.55
Fixed Asset Turnover	2.40	2.92	3.41	3.98	4.66
Days of Cash	65.25	88.97	113.69	128.82	142.95
LEVERAGE					
Debt to Asset	51.8%	45.4%	39.6%	35.5%	31.5%
Equity to Asset	41.2%	48.4%	54.9%	64.5%	68.5%
Debt to Equity	125.5%	94.0%	72.2%	55.0%	46.0%
Current Liabilities to Equity	17.0%	12.8%	10.1%	7.9%	6.8%
LIQUIDITY					
Current Ratio	3.98	6.29	8.77	10.84	13.14
Quick Ratio	3.23	5.52	8.00	10.08	12.37
Net Working Capital (NWC)	\$ 19,738	\$ 34,380	\$ 50,491	\$ 63,989	\$ 78,905
PROFITABILITY					
Gross Profit Margin	67.1%	66.5%	66.6%	66.8%	73.4%
Net Income (Loss)	-4.1%	9.9%	12.5%	15.9%	22.8%
ROI	-6.3%	15.5%	19.3%	24.6%	35.2%
EQUITY					
Earnings Per Share (EPS)	\$ (1.33)	\$ 3.63	\$ 5.03	\$ 6.96	\$ 10.89
Price/Earnings Ratio (PE)	-	2.76	1.99	1.44	0.92
Dividend Payout Ratio	0.00%	27.56%	39.80%	43.13%	36.73%
Dividend	\$ -	\$ 1.00	\$ 2.00	\$ 3.00	\$ 4.00
Z-SCORE					
Components					
Activity	.998 x (S/TA)	1.53	1.57	1.53	1.54
Liquidity	.717 x (NWC/TA)	0.150	0.235	0.308	0.407
H/ROA	.847 x (RetE/TA)	-0.054	0.047	0.140	0.416
Profitability	3.107 x (NI/TA)	-0.197	0.483	0.598	1.095
Equity	.420 x (EQ/TL)	0.335	0.447	0.582	0.912
Z-Score		1.77	2.782	3.16	3.68
Z-Score Scale					
1.10 or Less		Likely		High Risk	
1.82 to 2.60		Moderate		Moderate Risk	
3.0 or Greater		Unlikely		Low Risk	
PAYBACK					
Payback Period	4 years and 5 months				
Initial Investment	\$ 95,000				
Year 1	\$ (6,002)	\$ 101,002	Year 10	\$ -	\$ -
Year 2	\$ 16,328	\$ 84,673	Year 11	\$ -	\$ -
Year 3	\$ 22,614	\$ 62,060	Year 12	\$ -	\$ -
Year 4	\$ 31,300	\$ 30,760	Year 13	\$ -	\$ -
Year 5	\$ 49,008	\$ (18,248)	Year 14	\$ -	\$ -
Year 6	\$ -	\$ -	Year 15	\$ -	\$ -
Year 7	\$ -	\$ -	Year 16	\$ -	\$ -
Year 8	\$ -	\$ -	Year 17	\$ -	\$ -
Year 9	\$ -	\$ -	Year 18	\$ -	\$ -
				Total Cash Flow	\$ 113,248

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Appendix: A

Pro Forma Income Statement - Monthly - SunBurst Coffee Limited

Sales	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	TOTAL	%
Coffee Sales	\$ 14,880	\$ 14,880	\$ 12,400	\$ 11,160	\$ 9,920	\$ 7,440	\$ 6,200	\$ 4,960	\$ 9,920	\$ 11,160	\$ 11,160	\$ 9,920	\$ 124,000	85.3%
Merchandise	\$ 1,616	\$ 1,496	\$ 1,700	\$ 1,727	\$ 1,783	\$ 1,783	\$ 1,871	\$ 1,839	\$ 1,867	\$ 1,955	\$ 1,859	\$ 1,895	\$ 21,390	14.7%
Other	\$ 3	\$ 3	\$ 4	\$ 4	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 39	0.0%
Total Sales	\$ 16,499	\$ 16,379	\$ 14,103	\$ 12,891	\$ 11,706	\$ 9,226	\$ 8,074	\$ 6,802	\$ 11,790	\$ 13,118	\$ 13,022	\$ 11,818	\$ 145,429	100.0%
Stock sold @ \$10 per share resulting in 4,500 shares issued.														
Direct Costs	\$ 2,183	\$ 2,131	\$ 1,971	\$ 1,859	\$ 1,759	\$ 1,511	\$ 1,425	\$ 1,287	\$ 1,795	\$ 1,957	\$ 1,915	\$ 1,807	\$ 21,598	14.9%
Direct Labor	\$ 3,089	\$ 3,081	\$ 2,599	\$ 2,353	\$ 2,109	\$ 1,613	\$ 1,371	\$ 1,121	\$ 2,115	\$ 2,369	\$ 2,362	\$ 2,117	\$ 26,297	18.1%
Total Operating Expenses	\$ 5,272	\$ 5,212	\$ 4,570	\$ 4,212	\$ 3,868	\$ 3,124	\$ 2,796	\$ 2,408	\$ 3,909	\$ 4,325	\$ 4,277	\$ 3,923	\$ 47,895	32.9%
Gross Profit	\$ 11,227	\$ 11,167	\$ 9,533	\$ 8,680	\$ 7,839	\$ 6,103	\$ 5,279	\$ 4,394	\$ 7,880	\$ 8,793	\$ 8,745	\$ 7,895	\$ 97,534	67.1%
General/Admin/Sales														
Administrative Salary	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 14,400	9.9%
Payroll Taxes & Benefits	\$ 643	\$ 642	\$ 570	\$ 533	\$ 496	\$ 422	\$ 386	\$ 348	\$ 497	\$ 535	\$ 534	\$ 497	\$ 6,105	4.2%
Advertising/Marketing	\$ 1,650	\$ 1,638	\$ 1,410	\$ 1,289	\$ 1,171	\$ 923	\$ 807	\$ 680	\$ 1,179	\$ 1,312	\$ 1,302	\$ 1,182	\$ 14,543	10.0%
Professional Fees	\$ 7,500	\$ 3,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,016	\$ 13,532	9.3%
Office Rent	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 36,000	24.8%
Utilities	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200	2.9%
Travel & Entertainment	\$ 247	\$ 246	\$ 212	\$ 193	\$ 176	\$ 138	\$ 121	\$ 102	\$ 177	\$ 197	\$ 195	\$ 177	\$ 2,181	1.5%
Insurance	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	3.4%
Office Supplies	\$ 82	\$ 82	\$ 71	\$ 64	\$ 59	\$ 46	\$ 40	\$ 34	\$ 59	\$ 66	\$ 65	\$ 59	\$ 727	0.5%
Misc. Expenses	\$ 82	\$ 82	\$ 71	\$ 52	\$ 47	\$ 37	\$ 32	\$ 27	\$ 47	\$ 52	\$ 52	\$ 47	\$ 629	0.4%
Total G/A/S Expenses	\$ 14,756	\$ 10,255	\$ 6,883	\$ 6,681	\$ 11,498	\$ 6,116	\$ 5,937	\$ 5,742	\$ 6,509	\$ 6,712	\$ 6,699	\$ 9,529	\$ 97,317	66.9%
EBIT/DEP	\$ (3,529)	\$ 912	\$ 2,651	\$ 1,998	\$ (3,659)	\$ (13)	\$ (658)	\$ (1,347)	\$ 1,371	\$ 2,081	\$ 2,046	\$ (1,634)	\$ 218	0.1%
Other Expenses														
Depreciation	\$ 358	\$ 358	\$ 358	\$ 358	\$ 358	\$ 358	\$ 358	\$ 358	\$ 358	\$ 358	\$ 358	\$ 358	\$ 4,290	2.9%
Interest	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 1,929	1.3%
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Net Profit (Loss)	\$ (4,047)	\$ 393	\$ 2,132	\$ 1,480	\$ (4,177)	\$ (531)	\$ (1,177)	\$ (1,866)	\$ 853	\$ 1,562	\$ 1,527	\$ (2,153)	\$ (6,002)	-4.1%

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SunBurst Coffee Limited

Appendix: B

Pro Forma Cash Flow Statement - Monthly - SunBurst Coffee Limited

Cash From Sales	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	TOTAL	%
Coffee Sales	\$ 14,880	\$ 14,880	\$ 12,400	\$ 11,160	\$ 9,920	\$ 7,440	\$ 6,200	\$ 4,960	\$ 9,920	\$ 11,160	\$ 11,160	\$ 9,920	\$ 124,000	85.29%
Merchandise	\$ 1,616	\$ 1,496	\$ 1,700	\$ 1,727	\$ 1,783	\$ 1,783	\$ 1,871	\$ 1,839	\$ 1,867	\$ 1,955	\$ 1,859	\$ 1,895	\$ 21,390	14.71%
Other	\$ 3	\$ 3	\$ 4	\$ 4	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 39	0.03%
Net Cash From Sales	\$ 16,499	\$ 16,379	\$ 14,103	\$ 12,891	\$ 11,706	\$ 9,226	\$ 8,074	\$ 6,802	\$ 11,790	\$ 13,118	\$ 13,022	\$ 11,818	\$ 145,390	100%

Stock sold @ \$10 per share resulting in 4,500 shares issued.

Direct Costs	\$ 2,183	\$ 2,131	\$ 1,971	\$ 1,859	\$ 1,759	\$ 1,511	\$ 1,425	\$ 1,287	\$ 1,795	\$ 1,957	\$ 1,915	\$ 1,807	\$ 21,598	15%
Direct Labor	\$ 3,089	\$ 3,081	\$ 2,599	\$ 2,353	\$ 2,109	\$ 1,613	\$ 1,371	\$ 1,121	\$ 2,115	\$ 2,369	\$ 2,362	\$ 2,117	\$ 26,297	18%
General/Admin/Sales	\$ 14,756	\$ 10,255	\$ 6,883	\$ 6,681	\$ 11,498	\$ 6,116	\$ 5,937	\$ 5,742	\$ 6,509	\$ 6,712	\$ 6,699	\$ 9,529	\$ 97,317	67%
Total Cash Expenses	\$ 20,028	\$ 15,467	\$ 11,452	\$ 10,893	\$ 15,366	\$ 9,240	\$ 8,732	\$ 8,149	\$ 10,419	\$ 11,037	\$ 10,976	\$ 13,452	\$ 145,212	100%

Additional Cash Expenses

Interest	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 1,929	1%
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Additional Expenses	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 1,929	1%

Increase (Decrease) in cash	\$ (3,850)	\$ 590	\$ 2,329	\$ 1,677	\$ (3,981)	\$ (335)	\$ (980)	\$ (1,669)	\$ 1,050	\$ 1,759	\$ 1,724	\$ (1,956)	\$ (3,641)	-3%
Beginning Balance	\$ 25,000	\$ 21,150	\$ 21,740	\$ 24,069	\$ 25,746	\$ 21,765	\$ 21,430	\$ 20,450	\$ 18,782	\$ 19,831	\$ 21,590	\$ 23,314		
Ending Balance	\$ 21,150	\$ 21,740	\$ 24,069	\$ 25,746	\$ 21,765	\$ 21,430	\$ 20,450	\$ 18,782	\$ 19,831	\$ 21,590	\$ 23,314	\$ 21,359	\$ 21,359	

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SunBurst Coffee Limited

Fixed and Variable Expenses

Expense Category	Fixed Cost	Variable Cost
Direct Costs	\$ -	\$ 21,597.70
Direct Labor	\$ -	\$ 26,297.30
Administrative Salary	\$ 14,400.00	
Payroll Taxes & Benefits	\$ 2,160.00	\$ 3,944.60
Advertising/Marketing	\$ -	\$ 14,542.92
Professional Fees	\$ 13,531.82	
Office Rent	\$ 36,000.00	
Utilities	\$ 4,200.00	
Travel & Entertainment		\$ 2,181.44
Insurance	\$ 5,000.00	\$ -
Office Supplies		\$ 727.15
Misc. Expenses		\$ 628.70
Depreciation	\$ 4,290.00	
Interest	\$ 1,929.45	
Taxes	\$ -	
Total	\$ 81,511.27	\$ 69,919.79

Total Sales	\$ 145,429.18
Average Selling Price	\$ 5.50
Total Units	26,453
*Variable Cost (per unit)	\$ 2.64

**Variable Cost (VC): VC/TU = Variable Cost (per unit)*

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SunBurst Coffee Limited

Breakeven Calculation

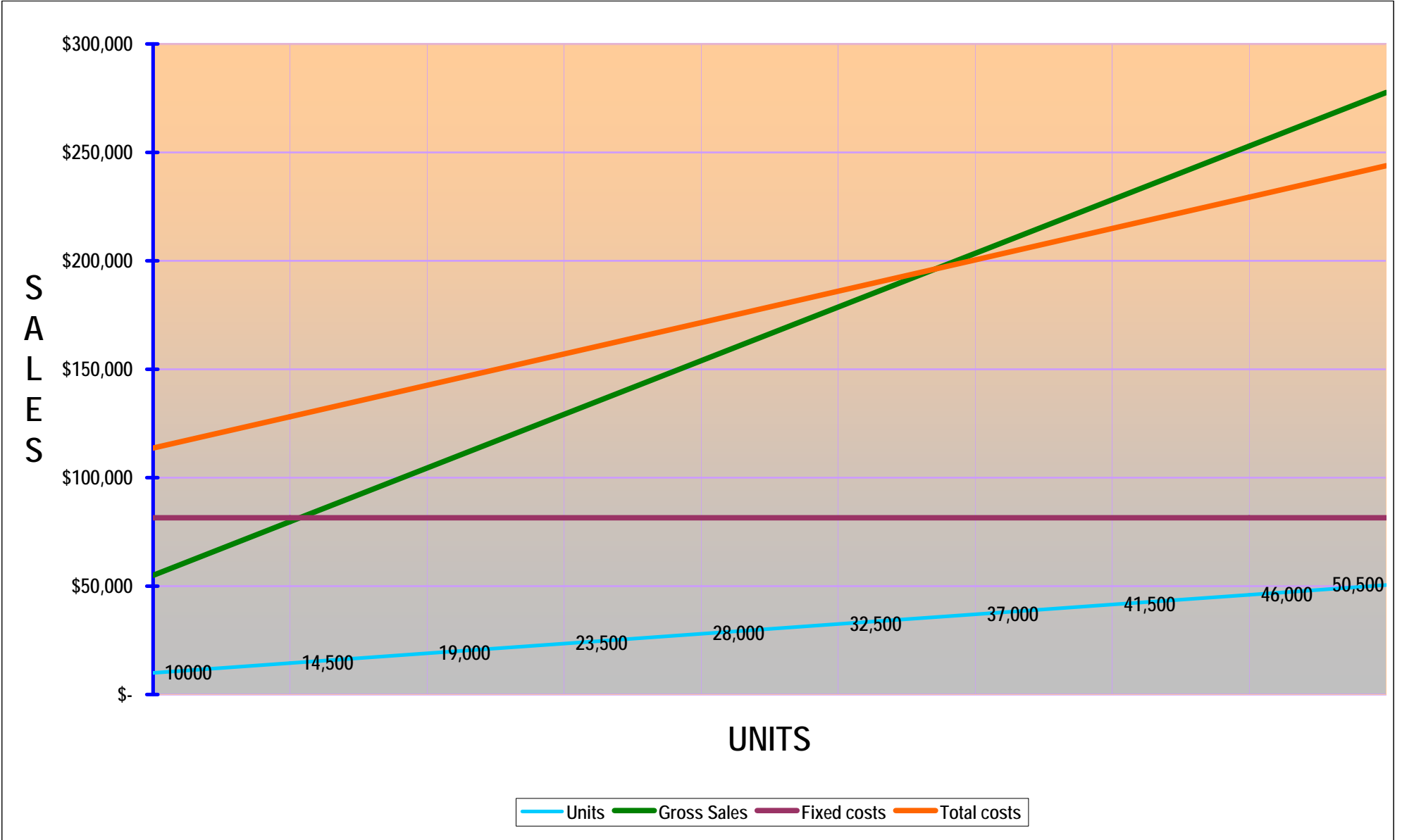
DATA		CALCULATION	
Fixed Costs	\$ 81,511	Unit Contribution	\$ 2.28
Variable Costs	\$ 2.64		
Selling price	\$ 5.50	Results	
Tax Rate(Estimated @ 20%)	\$ 0.57	Breakeven Units	35,694
		Breakeven Gross \$	\$ 156,989
WHAT IF ANALYSIS		RESULTS	
Units Equals	10,000	Net Income	\$ (22,728)
Gross Sales Equals	\$ 800,000	Net Income	\$ 143,262
Net Income Equals	\$ 100,000	Total Units	110,197

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Breakeven Chart



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