

Photography Studio Business Plan

Phoebe's Photo Studio

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Executive Summary

Families need photographs to capture the special moments of their lives. Families of professionals are busy, and if too much time goes by between photos, these moments are lost forever. Babies, especially, grow fast and parents need photos of them several times a year.

While nearly everyone has a camera for snapshots, people need professional quality photos when they will be shown to an important audience, and when people want to be seen in the best light. The Internet has expanded the use of photos, making it possible for anyone to send them or to publish them for wide viewing.

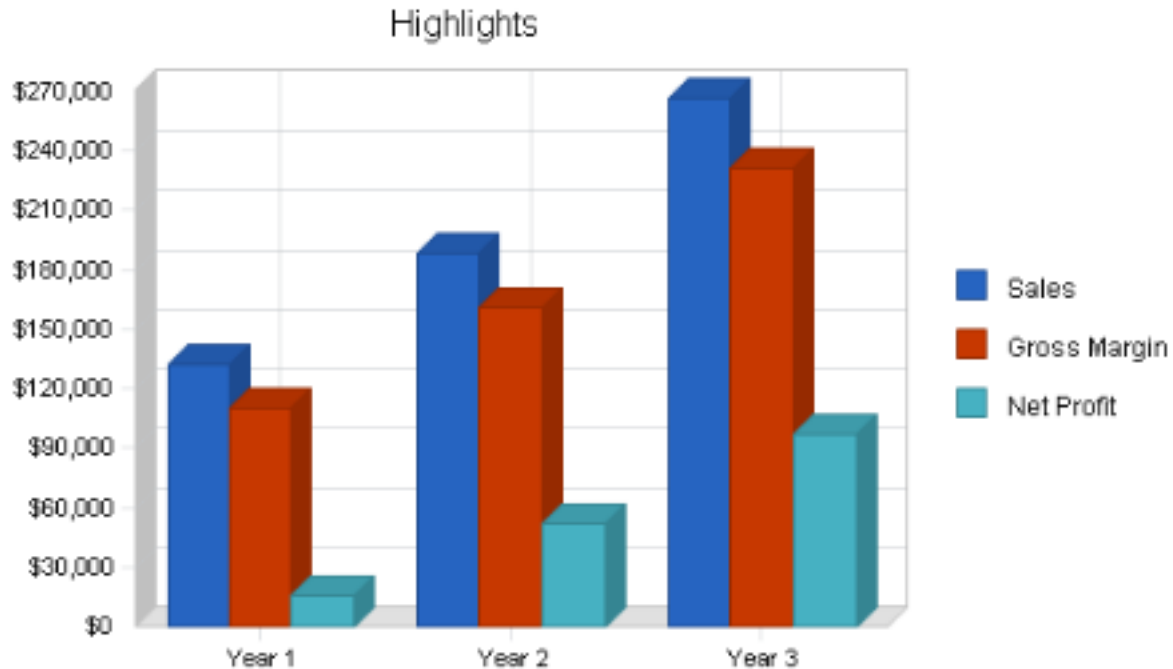
Professionals often have business needs for high-quality photos, and through this familiarity, they acquire a taste for them. When these professionals need photos to preserve memories, or to display family photos when they entertain at home, they have the budget and the desire for similarly high-quality photos. Just as they appoint their homes with fine furniture and decorations, the photos on their walls need to exhibit their standards of quality.

Most people use professional photo studios only on rare occasions, such as weddings, yearbook pictures, or baby portraits. Because the client has to initiate the call, many special moments are lost and the studio loses potential business. Photo studios generally charge a large fee for CDs of their clients' digital images. For these reasons, most photo studios are rarely used by families as a whole.

This photography business plan shows how Phoebe's Photo Studio will meet the needs of professionals and their families to capture the special moments in their lives and present them in the best light. We will establish a relationship in which we initiate the calls to keep their photos up to date. Digital files of their photos will be available for free by e-mail, or with a nominal fee for CD. Because of our relationship with the families, when something big like a wedding comes, there's no place else they would go.

Phoebe's will grow at an annual rate of over 40 percent by targeting families of professionals with newborn babies for baby pictures and then developing a relationship with the client over the years for ongoing photographs. The funding requested in this plan is projected to result in a comfortable annual net profit by Year 3.

The opening of Phoebe's Photo Studio will mark a change in the way professional photography is delivered. Rather than being a rare place to visit, this photo studio will be a fun part of a family's lives, helping them capture special moments and share them in a digital world.



Mission

Phoebe's Photo Studio helps clients preserve memories and portray themselves in the best light. We thrive on repeat business by developing relationships with our clients and calling them with timely reminders for new photos. We make professional quality photographs easily available in a digital format. We do this by using a pricing structure that makes our digital photographs a household staple and by making it fun for them to come here or to have us in their homes.

Objectives

In addition to livelihood, we're in this business for the enjoyment of photography and having fun with people. We want to keep it simple.

Our objectives are:

- To generate a comfortable net profit by the third year.
- To develop systems of production for each product category that are easy to replicate with new clients to keep it simple and fun.
- To have a client relationship system and call plan that will keep us on top of each of our client's scheduled needs at all times.

Keys to Success

Our keys for success are:

- Target marketing for the gateway products of baby pictures, high school photos and wedding albums.

- Developing relationships with our clients through personal customer service, to turn one-time customers into lifetime clients.
- Our system of tracking clients' ongoing needs for photos and taking the initiative to call them for appointments.

Company Summary

Phoebe Peters has worked as an industrial photographer and freelance portrait photographer in Southern California for 10 years. She has found that personal customer relationships are the key to repeat business and will open Phoebe's Photo Studio in downtown Eugene, Oregon on that premise.

Company Ownership

Phoebe's Photo Studio is a sole proprietorship owned by Phoebe Peters. It will open in a leased 800 square foot studio in downtown Eugene, Oregon.

Phoebe Peters is a graduate of Brooks Institute of Photography in Santa Barbara, California and is a member of the Professional Photographers of Oregon and the Professional Photographers of America. She has 10 years experience capturing the special moments of people's lives.

Start-up Summary

The total start-up requirements are broken down as follows:

Start-up expenses are itemized in the table.

Start-up current assets include:

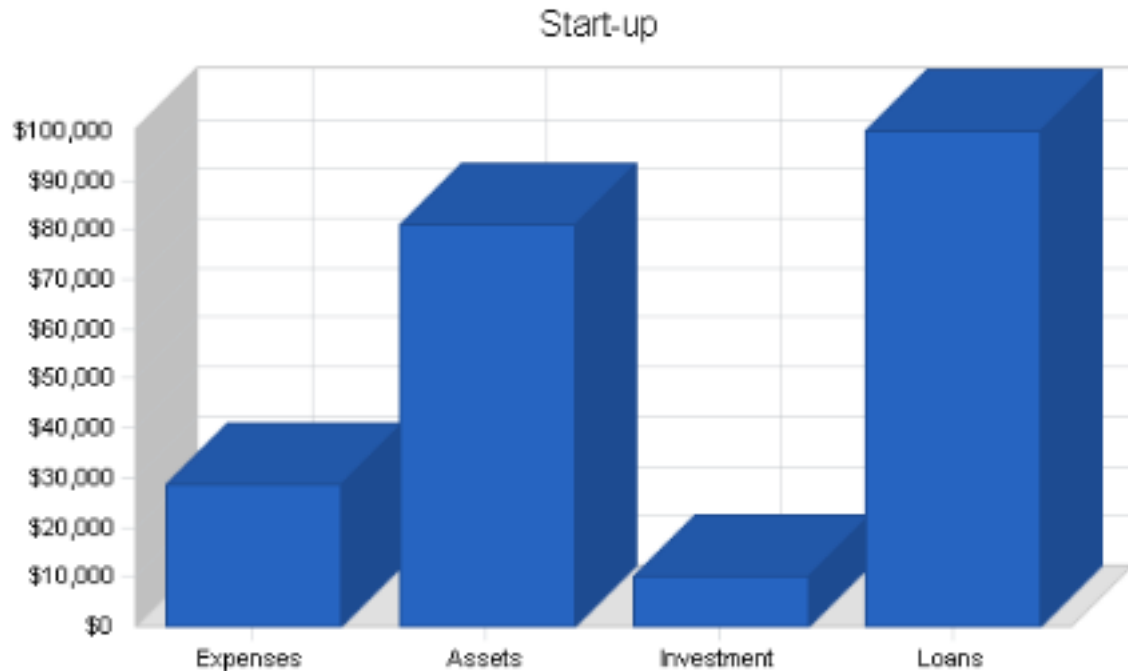
- Furniture £4,000
- Props £2,000
- Inventory of albums, mattes and frames £4,000

Cash on hand at start-up £10,770

Long-term assets required to start include:

- 2-1.4" Camera £5,000
- Camera Digital Back £30,000
- Lights £20,000
- Computer £2,500
- Electric Sign £3,000

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Start-up

Requirements

Start-up Expenses

Rent	£480
Insurance	£300
Filing Fees	£50
Utilities and Deposits	£500
Paper	£200
Website Development	£2,000
Marketing Consultant: Ad design, etc.	£20,000
Personnel Costs for December	£3,500
Software	£1,500
Office Expense	£200
Total Start-up Expenses	£28,730

Start-up Assets

Cash Required	£10,770
Other Current Assets	£10,000
Long-term Assets	£60,500
Total Assets	£81,270

Total Requirements	£110,000
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Company Locations and Facilities

We will open in an 800 square-foot studio at 100 Main Street, the heart of the commercial district with ample free parking. The space will be leased for three years

beginning at £800 a month with cost-of-living adjustments made annually.

The studio will have a highly visible electric sign and a 20-foot wide display window visible to passing foot and auto traffic. Customers will enter a public area with a counter, samples of our photographs and albums, and couches for waiting. A separate playroom with props and other toys will accommodate children with sitting areas for parents, while a utility area off the back door will be set up to accommodate pets and their props. Children, pets and props can be brought into the photography studio for their photographs. An office and working area will be used for assembling the final product.

Products

Phoebe's Photo Studio will help our clients to look their best, will keep their photos up-to-date, and will capture the special moments of their lives.

Phoebe's Photo Studio has a comprehensive program to preserve memories on an ongoing basis. We see individual pictures, especially baby pictures, as gateway products for our programs of ongoing photography.

All of our photos are created in a high-resolution digital format, from which our prints are made. Since the Internet and commonly used printers typically use the lower-resolution 300 dpi format, 300 dpi digital files are available to clients for a nominal charge. Higher-quality digital photos and prints carry full pricing. We will retain the high-resolution data and clients can order more prints from us if they wish.

Our photo studio includes quality props for portraits and baby, child and pet photography. The physical environment of the studio is fun and accessible, making families want to come here. We also go regularly to people's homes and bring cameras and lights that are out of the budget of non-professionals.

Product Description

Our products include:

Baby Pictures

Our specialty is baby pictures. We have a unique combination of props and a passion for babies. Babies are also our prime gateway product for entering families into our programs of ongoing pictures.

High School Senior Yearbook Portraits

Senior pictures are a long-standing tradition that brings high school seniors into photo studios. By making these photos easily accessible in digital form, and by marketing prominently on the Internet, we hope to capture much of this market.

We offer a special package of a family portrait at half price with the senior picture. It is often the parents who are paying for the senior portrait, so we want to establish a relationship with the parents. The parents will want a picture of their senior with the rest of the family. This introduction to the family will allow us to market our other services.

Family and Pet Portraits

Portraits of the entire family are needed for display, to send to relatives and to use in family newsletters and websites. Most families have pets, and we can arrange family portraits that include them. While we don't specialize in pet portraits, we have props and will take stand-alone photos of pets as well. There's an additional charge for exotic animals.

Individual Portraits

Individual portraits are commonly needed for individual and business websites, business cards, brochures and annual reports.

Model's Portfolio and Glamour Shots

Photos suitable for magazine publication.

Wedding Album

Weddings are one of the most special moments of life. Our wedding album includes up to 7 hours of wedding photography, with prints displayed in a custom photo album and digital images on CD.

Annual Portrait Program

We take the initiative to schedule the annual portrait and we replace it in last year's frame while saving last year's photo in a portfolio.

Baby Picture Program

We arrange pictures of the baby at 1 month, 3 months, 6 months, 9 months, 1 year, 18 months, 2 years, and 2½ years.

Child Portrait Program

We arrange a portrait of the child at 3 years, 4 years and 5 years, or until the child begins to be photographed annually for school pictures.

Capturing Memories Program

We arrange an annual portrait of the family and individual pictures of each member of the family. Photos can include pets and the house and grounds, if desired.

Competitive Comparison

The competition for portrait photography is divided into several categories:

Award-Winning Photographers

Award-winning photographers are those who routinely deliver magazine-quality photographs. Their work is highly creative and spontaneous instead of routinely posing shots. They are rare and highly expensive.

Quality Photographers

These are professional-quality photographers, like us, who use a lot of posed shots. Most of the competition falls into this category.

Value Photographers

Low-priced, lower quality providers.

Same Day Photographers

Normally priced photo studios that provide lower quality photos on the same day.

Sales Literature

ACE Marketing Communications will develop the logo, electric sign, business cards, brochures, website and display ads. All will contain branding information around the theme of capturing the special moments of our lives. This theme is the backdrop of our program to maintain customer relationships and to take the initiative to schedule photo shoots at our studio, in our clients' homes, or in nature, to preserve their special moments.

Technology

Our innovative approach makes the most of consumers' fascination with the latest digital imagery. By playing to this market trend, we gain new customers and provide added value, with high-quality, small file-size images our clients can easily share with friends and family members.

Phoebe's Photo Studio will use several digital cameras, and will require a computer fully loaded with image-manipulating software, such as Adobe Photoshop. We will also need an ongoing maintenance agreement for the computer and software, and nightly backups of image files, in the event of computer failure, theft, or fire.

Market Analysis Summary

Families with children are the biggest market for portraits. For the purpose of this analysis, these families are divided into three socio-economic categories:

- College graduates
- High school graduates
- Non-graduates

Families of college graduates are most likely to be professionals and to have the means and the taste for professional portraits. There are nearly 20,000 such families in the metropolitan area.

We will target female professionals and wives of professionals, because women make the majority of purchasing decisions in these families.

The competitive environment is divided between luxury magazine-quality photographers, moderate professional photographers who mostly pose their subjects, and same-day photo studios.

The trend among our targeted consumers is toward more digital photography and more sending of digital images on the Internet. As the world becomes more technical, people need more personal support.

Phoebe's Photo Studio will use a "high-tech, high-touch" approach to reach and retain clients for their ongoing photo needs. We will make it affordable and easy for them to disseminate their photos electronically.

Market Segmentation

People who pay for professional photo portraits are generally status-conscious professionals who have children, and so we've segmented the Eugene-Springfield metropolitan area according to the social status of families. We've used education as a measure of social status.

Families of College Graduates

Professionals are, almost by definition, college graduates. They are the ones most likely to have a need for professional photo portraits for career purposes. They are also most likely to have the means and taste to want professional photos for their families, as well.

Families of High School Graduates

People who have not completed college are assumed to be more likely to be employees or be in a trade. While many of them may have the means for professional photos, relatively few will use them. They are more likely to use home-made photographs, except for rare occasions, such as a high school photo or wedding.

Families of Non-High-School Graduates

These are families who are generally without the means to hire professional photographers on a regular basis.

Demographics

The Eugene-Springfield metropolitan area has a total population of 330,527. There are 74,836 families.

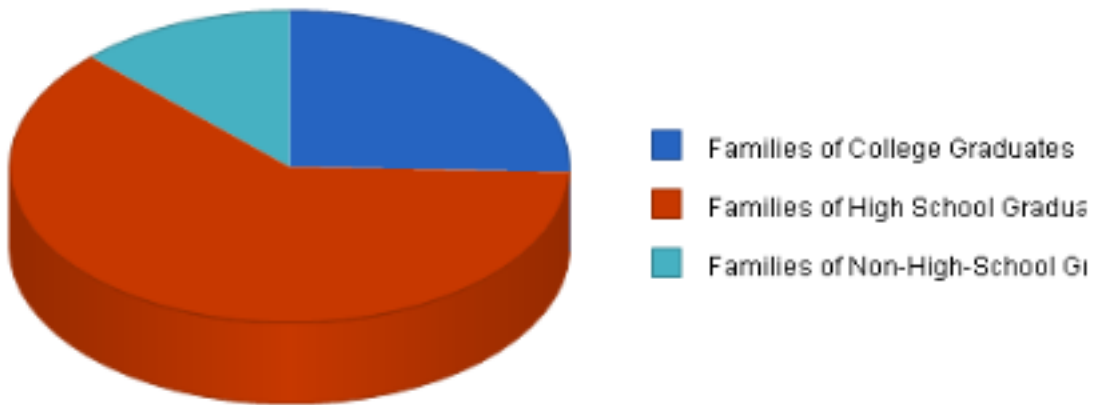
Some 25.5 percent of the adult population in the metropolitan area is composed of college graduates, which we will here define as *professionals*. Some 62 percent of the population is made up of high-school graduates.

The Eugene-Springfield metropolitan area closely conforms to the boundaries of Lane County, Oregon. The office will be located in Eugene, but clients are accessible throughout Lane County through physicians' offices. Most Lane County residents are accustomed to doing occasional business in Eugene.

The following table and graph give the breakdown in demographic terms.

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Market Analysis (Pie)



Market Analysis

Potential Customers	Growth	Year 1	Year 2	Year 3	Year 4	Year 5	CAGR
Families of College Graduates	1%	19,083	19,350	19,621	19,896	20,175	1.40%
Families of High School Graduates	1%	46,398	47,048	47,707	48,375	49,052	1.40%
Families of Non-High-School Graduates	1%	9,355	9,486	9,619	9,754	9,891	1.40%
Total	1.40%	74,836	75,884	76,947	78,025	79,118	1.40%

Target Market Segment Strategy

Our target market is families of college-educated people who are most likely to be professionals. This is the population most likely to order professional photos on a regular basis, having both the means and the desire for professional quality photographs.

Since women make most of the purchasing decisions in families, our specific target market is middle-aged professional women in the Eugene-Springfield metropolitan area, roughly 19,554 people.

Market Trends

Photography has gone digital. Digital cameras are replacing conventional cameras faster than DVDs are replacing VHS in video stores. Even cell phones have digital cameras on them. The uses of photography have expanded as well because of Web pages on the Internet and email. Digital images are needed for printing uses as well, for such uses as brochures and business cards.

Photo studios have mostly switched to digital format because it also allows for easy processing and manipulation. They have been less amenable to making digital files affordably available to clients, and this is a trend on which we intend to capitalize.

Market Growth

The growth rate used in the table is based on the 1.4 percent growth rate experienced by the Eugene-Springfield area over the past year. This growth is reflected in the accompanying chart and graph.

Market Needs

Families have photos taken to preserve memories. Most photos are taken by consumers with their own cameras, which are increasingly digital and are even part of their cell phones. Most of these photos are low quality but no one cares because only the family views them.

Consumers generally engage professional portrait photographers when the photos will be viewed outside the family and when quality matters. Professionals, such as those in our target market, often have business needs for quality photos and have acquired a taste for them. These professionals have families, too. They have the budget and the need to use them for their families because they often entertain at home and their family photos will be on display. Just as they appoint their homes with fine furniture and decorations, the photos on their walls need to exhibit quality.

Specifically, some of their needs include:

- baby pictures
- portraits for home or office
- senior pictures for the high school yearbook
- family pictures to send to family members
- family newsletters
- family, individual or business websites
- portraits for business cards, such as for real estate agents
- portraits for brochures and annual reports

The world has become increasingly digital, but many professional photo studios have made it difficult for people to enter the digital age. The traditional practice of retaining negatives to require clients to return for prints has been carried over to charging high

fees for releasing digital files of their portraits.

The need to capture memories lasts for people's entire lives, and business portraits require a regular update. But people generally don't look forward to seeing a photographer. In fact, they find it a burdensome expense, have not established a relationship with a photographer and don't think often about going to one. As a result, a lot of memories are lost and ancient portraits of professionals continue to be hung on walls and portrayed in publications. This makes them appear to be trying to preserve their youth instead of embracing their maturity and experience, and doesn't show them in the best light.

Industry Analysis

The competition is divided between luxury magazine-quality photographers, moderate professional photographers who mostly pose their subjects, and same-day photo studios.

Phoebe's Photo Studio is not a luxury, magazine-quality studio, but our service and photo quality is high compared to other moderate professional photographers. Our rates are comparable to theirs, but we add value through personal contact and easy dissemination of digital images.

Main Competitors

Competitor X is an award-winning, highly creative photographer with a style that one would expect to find in a national magazine. His prices are the highest in the area, up to £15,000 for a wedding album. His strategy appears to be to capture the high-end market, where a magazine look is a luxury that people can afford.

Competitor Y is a more typical photographer with more staged photographs and wedding packages running up to £5,000. His strategy appears to be to occupy the middle-ground of quality and price where most of the market is likely to be.

Competitor Z offers same-day photos. This is easier to accomplish with digital processing for a studio organized around speed, but quality is necessarily sacrificed. The market for same-day photos doesn't necessarily demand quality. Prices are average. The strategy of this studio appears to be to appeal to convenience and speed.

Competition and Buying Patterns

Purchasing decisions generally begin with an urgent need, such as a high-school senior picture or the birth of a baby. Buyers are most likely to seek a professional by referral from someone who has used their services. If this is not available, they are most likely to look in the Yellow Pages, but increasingly online, especially if they are young.

Distribution Patterns

Photo studios are generally located in commercial areas with high visibility, but many studios are run out of the owner's home. This is possible because so much photography occurs on location: in people's homes or offices and in nature or at social events.

Industry Participants

Photo studios are run by professional photographers with various levels of education and experience. There is considerable variation in quality and taste according to the ability of the individual photographer. This is a highly individualized, creative process that makes it difficult for large corporations to enter the market or to create "chain stores." The participants are mostly individual photographers.

Strategy and Implementation Summary

The key element of Phoebe's strategy is to reach parents of newborn babies in target neighbourhoods soon after they leave the hospital. Parents and other relatives want baby photos several times a year, and this pattern can form the basis of a long-term relationship. We will take the initiative to phone parents to take pictures instead of waiting for them to remember, when parents request this service.

Referrals will be solicited from clients through specialty advertising to reach their friends and family.

The target market is female professionals. Professionals are more likely to have the means and taste for professional photographs.

The world is becoming more digital and we will exceed the competition in providing access to digital files easily and affordably.

Strategy Pyramid

Our strategy is to become an indispensable, recurring family expense by developing long-term relationships with clients and taking the initiative to call them when it's time for new pictures.

Our tactics include:

- Using individual photos as gateway products to our programs of ongoing photos.

Programs include:

Targeting Baby Pictures: By correlating public records of births with zip codes of target families, we will solicit baby pictures. Baby pictures can be the gateway to our programs of ongoing pictures for the baby and the whole family.

Web Site: Our website will offer free CDs with digital images of photos taken for high school senior photos. Many families who order senior pictures haven't established a relationship with a photo studio for other pictures.

- Developing long-term relationships through personal connection and programs for calling for appointments when they're due. Programs include:
 - Annual Portrait Program:** We take the initiative to schedule the annual portrait and we replace it in last year's frame while saving last year's photo in a portfolio.
 - Baby Picture Program:** We arrange pictures of the baby at 1 month, 3 months, 6 months, 9 months, 1 year, 18 months, 2 years, 2½ years.
 - Child Portrait Program:** We arrange a portrait of the child at 3 years, 4 years and 5 years, or until the child begins to be photographed annually for school pictures.
 - Capturing Memories Program:** We arrange an annual portrait of the family and individual picture of each member of the family. Photos include pets and the house and grounds, if desired.
- Soliciting referrals from the friends and neighbours of our clients.
 - Specialty Advertising:** Giving away interesting promotional products that are cool enough and inexpensive enough to ask them to give others away to their friends.

Competitive Edge

Our competitive edge is that we provide not only a photograph, but a program of ongoing portraits to capture the special moments in a family's life. We then make the digital images of their photos easily and affordably available for distributing on the Internet.

Marketing Strategy

Phoebe's Photo Studio is unique in having programs to capture the special moments of a family's life. These moments can easily pass by and be lost by busy professional families. We take the initiative to call them, if they request this service, to schedule appointments to mark the special stages of growth in their families. We're there for baby pictures, high school senior pictures, wedding pictures and photos for their professional needs.

Our prices are about the same as those at other photo studios, but we email digital files of our clients' images for free to help them put their pictures on the Web. There is no charge for our calling service, either, so we are a great value.

We will get the word out by conventional advertising to start, and by a yellow page ad and a website. We have a targeted marketing effort to families of newborn babies.

Distribution Strategy

Phoebe's Photo Studio will be located near where women dine and shop for higher-end clothes. Because of our parking, toy room and ample couches, we can accommodate more than one family at a time. Women who shop together can have their family pictures taken together or at the same time.

We will also be available for photo shoots at clients' homes or in nature.

Marketing Programs

Our marketing programs include:

- Website development by ACE Marketing Communications
- Yellow page ad developed by ACE Marketing Communications
- Direct mail program to parents of new babies in our target area
- Newspaper display ads the first six months
- Radio spots the first six months

Details are provided in Milestones.

Positioning Statement

For female professionals and wives of professionals with children who need to capture their growth and special moments and share them with wall portraits and the Internet, we have a program to remind our customers when photos need taken so these moments aren't lost. Unlike our competition, we take the initiative to make these calls and include inexpensive CDs and free emails of their digital images.

Pricing Strategy

Our prices are competitive with other high-quality professional photographers in the area, but digital files are delivered affordably by CD or free by email. Our value added is in our programs of calls to capture the growth of the family.

Promotion Strategy

We will have a professionally designed Yellow Page ad and a website. In addition, baby pictures will be targeted using public birth records and mailings to families in our target areas.

During the first six months, we will run display ads in the local paper and radio spots on several different local stations.

Sales Strategy

A special for the first baby picture will be a regular feature of our pricing structure. This is offered with the intent of getting the whole family on an ongoing basis as clients, because babies need photos frequently and we want these families to be clients for life.

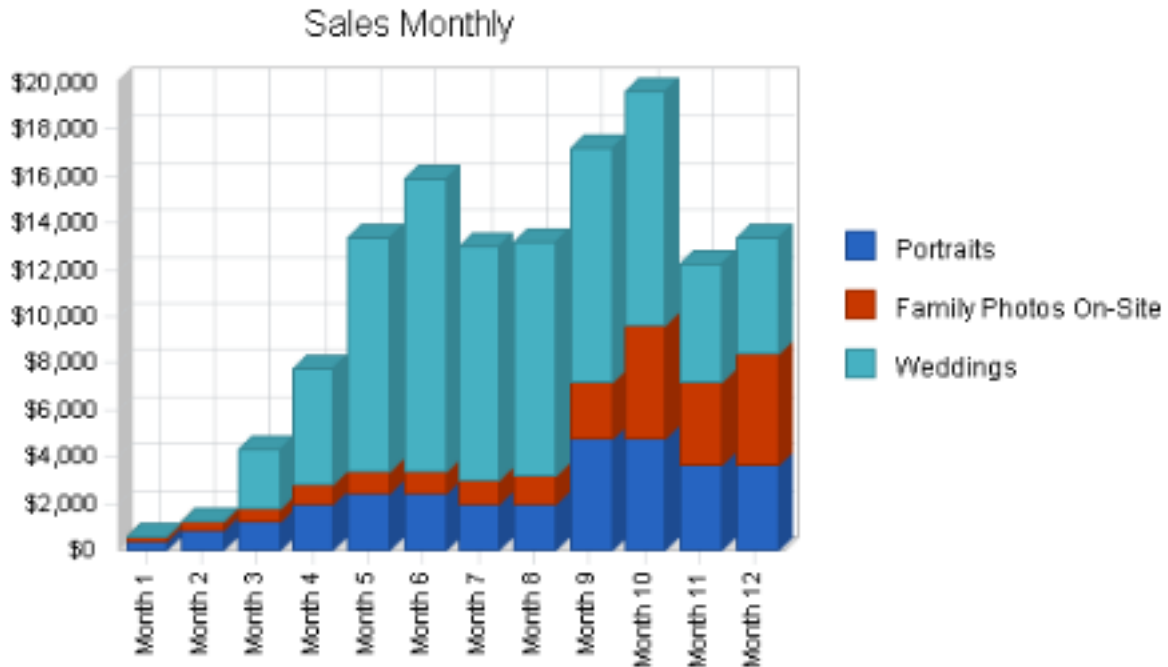
Sales Forecast

First year sales are projected at to double by 2008.

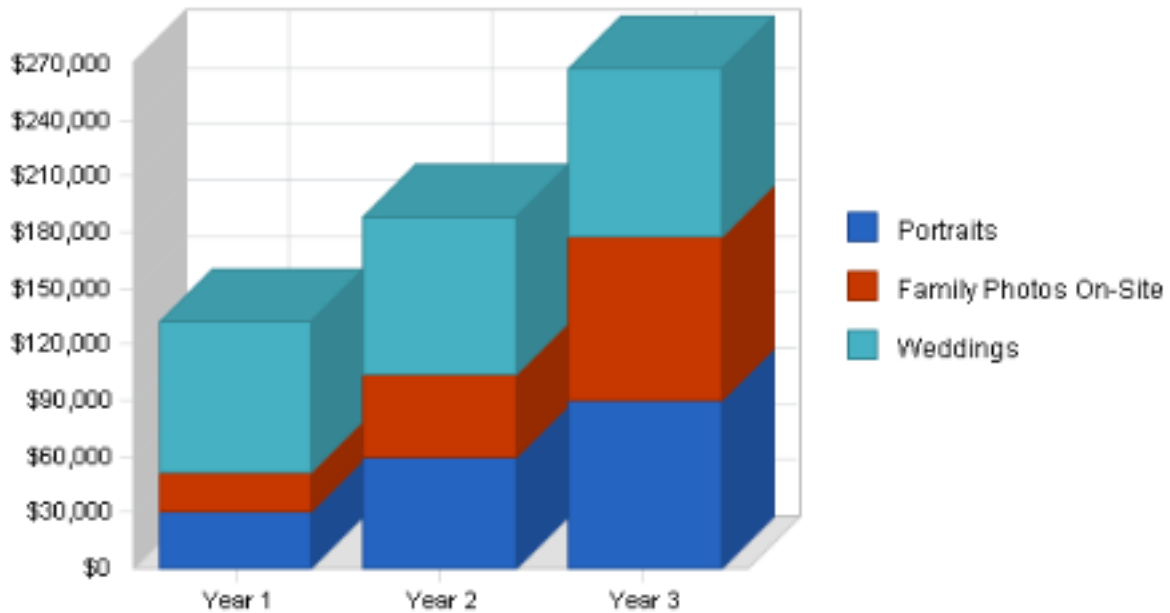
The sales forecast for 2006 assumes slow growth at first, a decline over summer and a large increase in fall for senior photos.

Sales are shown in terms of units of individual portraits at £100 each, photos at home at £200 each, and wedding albums at £2,500.

The per-unit cost is estimated at 10 percent for portraits and family photos, and 20% for weddings. This cost includes all expenses for outsourced high-resolution printing, as well as materials for producing digital products (CDs, labels, etc.). The direct costs are higher for weddings, because this sales category is the most traditional, and will result in a much higher percentage of printed final products than digital ones.



Sales by Year



Sales Forecast

	Year 1	Year 2	Year 3
Unit Sales			
Portraits	300	600	900
Family Photos On-Site	109	218	436
Weddings	32	34	36
Total Unit Sales	441	852	1,372
Unit Prices	Year 1	Year 2	Year 3
Portraits	£100.00	£100.00	£100.00
Family Photos On-Site	£200.00	£200.00	£200.00
Weddings	£2,500.00	£2,500.00	£2,500.00
Sales			
Portraits	£30,000	£60,000	£90,000
Family Photos On-Site	£21,800	£43,600	£87,200
Weddings	£80,000	£85,000	£90,000
Total Sales	£131,800	£188,600	£267,200
Direct Unit Costs	Year 1	Year 2	Year 3
Portraits	£10.00	£10.00	£10.00
Family Photos On-Site	£20.00	£20.00	£20.00
Weddings	£500.00	£500.00	£500.00
Direct Cost of Sales			
Portraits	£3,000	£6,000	£9,000
Family Photos On-Site	£2,180	£4,360	£8,720
Weddings	£16,000	£17,000	£18,000
Subtotal Direct Cost of Sales	£21,180	£27,360	£35,720

Milestones

- Installation of electric sign during the month of December.
 - Move in during the month of December.
 - Employee training while moving in during the month of December.
 - Website development by ACE Marketing Communications by December 1, 2005.
 - Yellow page ad developed by ACE Marketing Communications by December 1, 2005.
 - Design direct mail program to parents of new babies in our target area, with mailings to begin January 1, 2006.
 - Display advertising in the *Register-Guard* for the first six months.
 - Radio spots on radio stations targeted to female professionals the first six months.
- The budget for these milestones has been included as start-up expenses, except the sign, which is an asset. Other details are provided in the accompanying Milestones.



Milestones

Milestone	Start Date	End Date	Budget	Manager	Department
Web site development	9/12/2005	12/1/2005	£2,000	ACE Comm.	Contractor
Radio spot scrip	9/12/2005	12/1/2005	£1,000	ACE Comm.	Contractor
Yellow Page ad design	9/12/2005	12/1/2005	£1,200	ACE Comm.	Contractor
Direct mail	9/12/2005	12/10/2005	£5,000	ACE	Contractor

system for newborns				Comm.	
Newspaper display ad design	9/12/2005	12/15/2005	£1,200	ACE Comm.	Contractor
Electric Sign Installed	12/1/2005	12/30/2005	£3,000	A1 Signs	Contractor
Move in	12/1/2005	12/30/2005	£0	Phoebe	Owner
Employee training	12/1/2005	12/30/2005	£1,500	Phoebe	Owner
Radio spot production	12/1/2005	12/31/2005	£3,000	ACE Comm.	Contractor
Newspaper display ad run	1/1/2006	5/30/2006	£3,100	ACE Comm.	Contractor
Radio spot run	1/1/2006	5/30/2006	£4,000	ACE Comm.	Contractor
Totals			£25,000		

Web Plan Summary

Our website will be developed by ACE Communications and will be up and running by December 2005. For high schoolers and others in our target market under 30, websites are the preferred way of finding information. Our website will be designed to appeal to high schoolers for their senior photos, to young mothers with new babies, and engaged couples who are seeking wedding photographs.

The site will have information on our other programs for the growing number of middle-aged female professionals who shop the net. The website address will be included in the yellow page ad, display ads and radio spots (since the name will be easy to remember) to draw people to the site.

Website Marketing Strategy

We will register with the local Chamber of Commerce, which will include a link to our website from their own. We will hand out business cards with our URL and name at local high schools, especially targeting rising juniors who will need senior photos. We will advertise our website and address with fliers at local wi-fi cafes and clubs, especially those near schools and near where children's or baby products are sold.

Management Summary

Phoebe Peters is the Director of Phoebe's Photo Studio as well as the photographer. A receptionist / production assistant has been hired to commence December 1, 2005.

Management Team

Phoebe Peters is a graduate of Brooks Institute of Photography. She has 10 years

experience as an industrial photographer and freelance portrait photographer. Lisa Peters is a trusted family member with three years experience in retail sales. She is also an amateur photographer who has an active interest in and understanding of photography.

Management Team Gaps

There may be times when both Phoebe and Lisa Peters will need to be on location for a photo shoot. Usually, these shoots will be scheduled on weekends when the storefront will not be scheduled to be open. If these times occur during work days, it may be necessary to hire a temp to cover the storefront rather than close it -- especially during the first five months of expensive media advertising.

Personnel Plan

The owner, Phoebe Peters, will need to cover her personal living expenses of £24,000 per year during the first three years. A growth rate is assumed for cost of living. The employee, Lisa Peters, will be paid a wage at £8.25 per hour, which averages to £1,500 per month, with a raise of £1,000 per year for the first three years, as sales increase.

Personnel Plan

	Year 1	Year 2	Year 3
Owner	£24,000	£25,000	£30,000
Employee	£18,000	£19,000	£20,000
Total People	0	2	2
Total Payroll	£42,000	£44,000	£50,000

Financial Plan

Phoebe's Photo Studio will become profitable in its fifth month of operation, by May 2006. It will grow vigorously each year after that to its optimum level during 2008. This optimum level will produce sales sufficient for a generous net profit, even with the owner's and employee's salaries.

The business will be funded with an investment by the owner and loan secured by real estate.

Start-up Funding

The start-up requirements for Phoebe's Photo Studio including start-up expenses, current assets, cash on hand, and long-term assets were presented earlier in this plan. Start-up funding is presented in the table below.

The owner, Phoebe Peters will provide a seed investment. A loan for the balance will be secured by real estate.

Start-up Funding

Start-up Expenses to Fund	£28,730
Start-up Assets to Fund	£81,270
Total Funding Required	£110,000

Assets

Non-cash Assets from Start-up	£70,500
Cash Requirements from Start-up	£10,770
Additional Cash Raised	£0
Cash Balance on Starting Date	£10,770
Total Assets	£81,270

Liabilities and Capital

Liabilities

Current Borrowing	£0
Long-term Liabilities	£100,000
Accounts Payable (Outstanding Bills)	£0
Other Current Liabilities (interest-free)	£0
Total Liabilities	£100,000

Capital

Planned Investment

Owner	£10,000
Investor	£0
Additional Investment Requirement	£0
Total Planned Investment	£10,000

Loss at Start-up (Start-up Expenses)	(£28,730)
Total Capital	(£18,730)

Total Capital and Liabilities	£81,270
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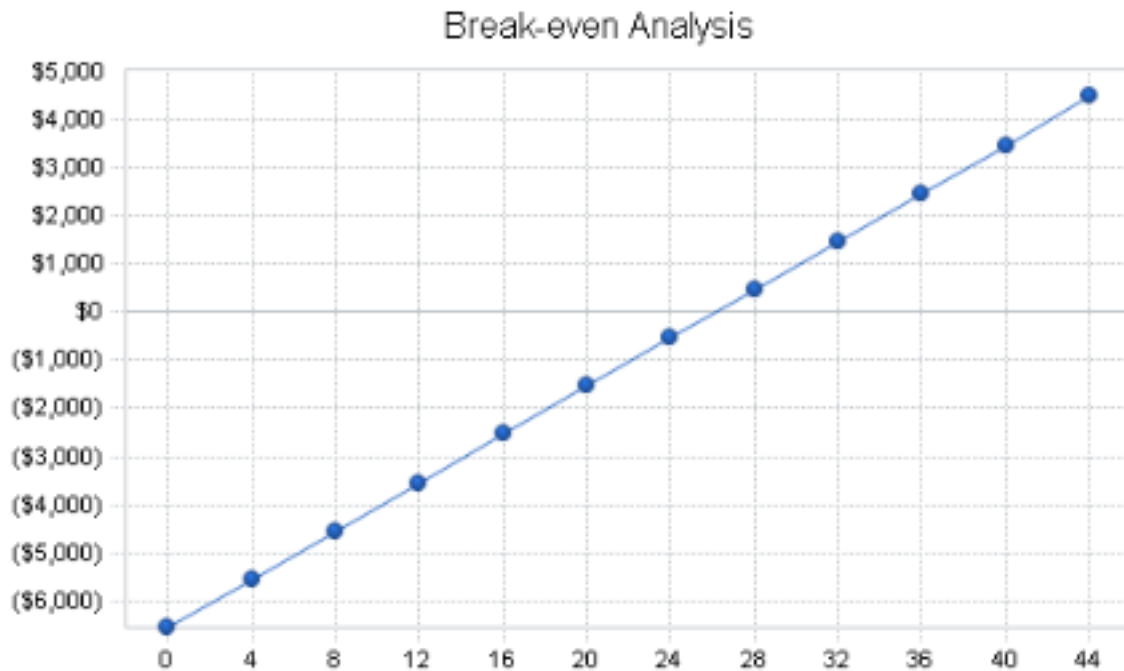
Total Funding	£110,000
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Important Assumptions

We assume a stable economy with reasonable growth and a steady rise in interest rates. We also assume that our competitors won't adopt our strategy within the first two years. After that, our approach is likely to make a change in what our competitors charge for digital files, because they'll see it's effective in bringing in repeat business as well as new business.

Break-even Analysis

The average monthly expenses are shown in the table below. With low average direct unit costs, we will need to make the monthly sales displayed to break even. We expect to pass the break-even point in May.



Break-even Analysis

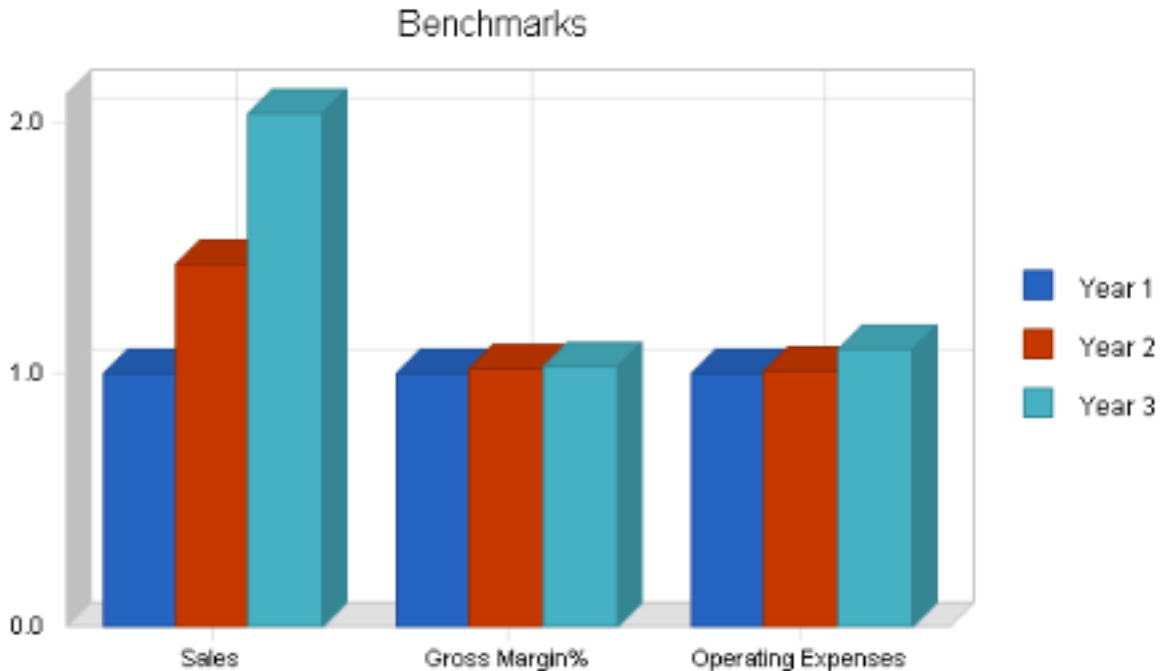
Monthly Units Break-even	26
Monthly Revenue Break-even	£7,812

Assumptions:

Average Per-Unit Revenue	£298.87
Average Per-Unit Variable Cost	£48.03
Estimated Monthly Fixed Cost	£6,557

Key Financial Indicators

The benchmarks chart, below, shows a quick comparison of Sales, Gross Margin %, and Operating Expenses over the next three years. Although Operating Expenses will rise slightly in future years, they are not rising proportionally with sales growth. The higher operating cost ratio in the first reflects the higher costs of advertising to establish visibility at the start of the business.

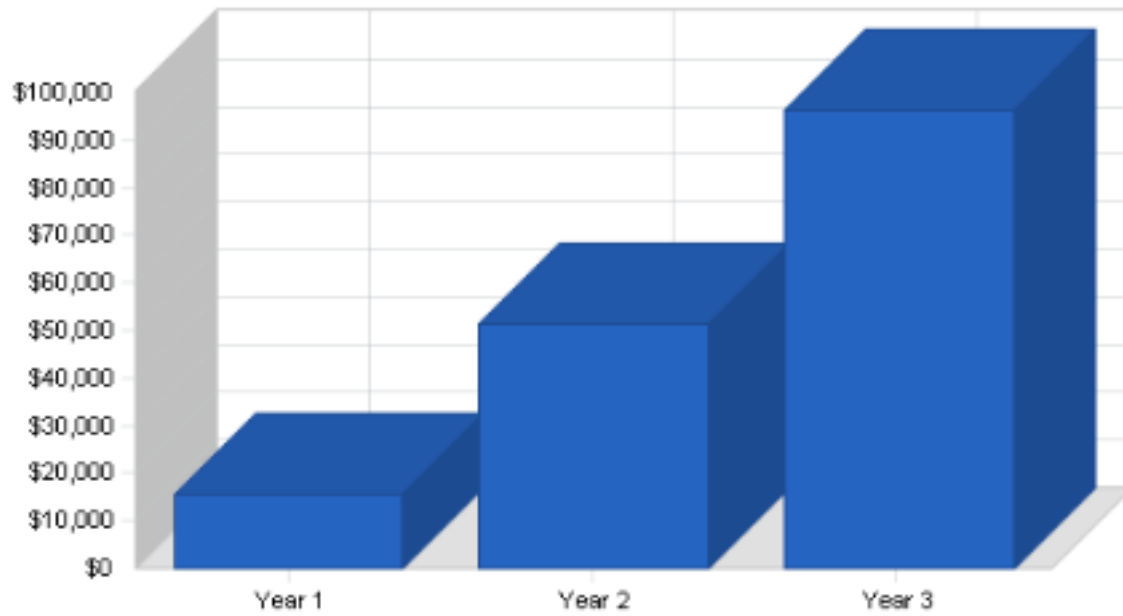


Projected Profit and Loss

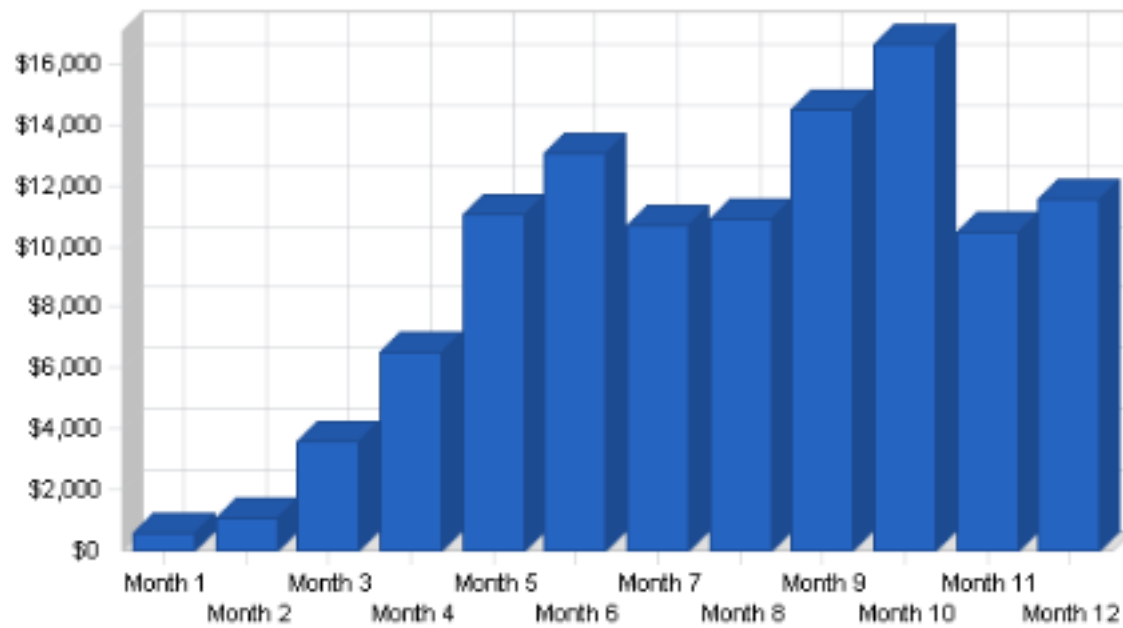
This business is projected to become profitable in May 2006, after the start-up advertising is completed and customers begin to discover the service. For the year 2006, the business will be profitable. It will grow at a vigorous rate over the next two years.

Our utility costs include monthly charges for high-speed Internet access via a corporate account, which will be essential to delivering our finished images to most of our customers. The optimum level of profitability for this one-photographer shop is reached in 2008. Our profit margins are much higher than the industry average because of our innovative product-delivery options - digital images require no film, no paper, and no chemicals, just storage units (CDs and DVDs) and delivery (computer and Internet access).

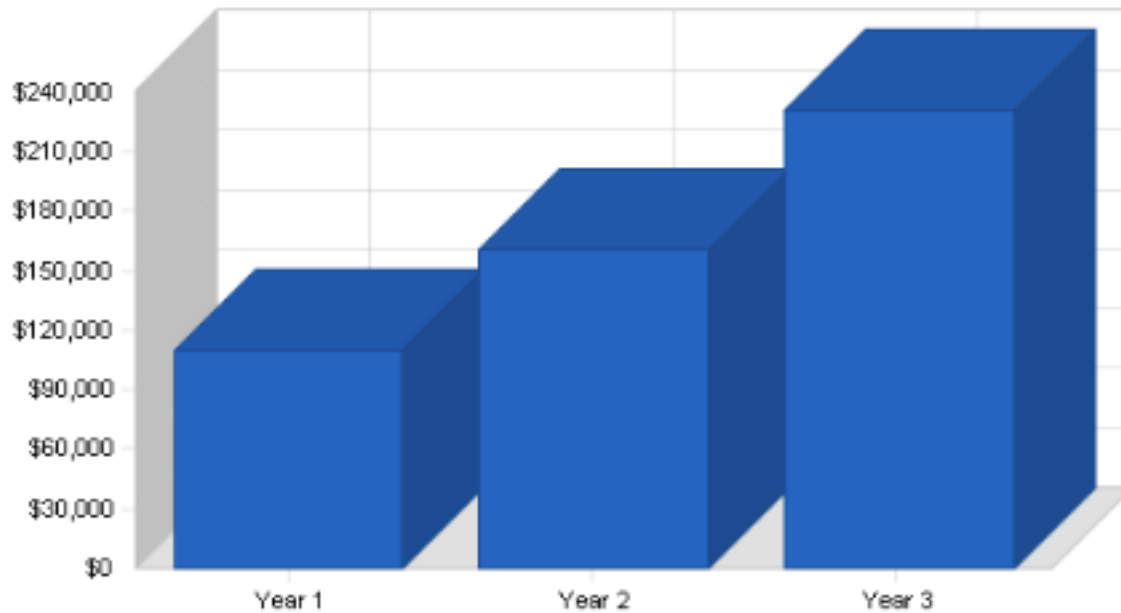
Profit Yearly



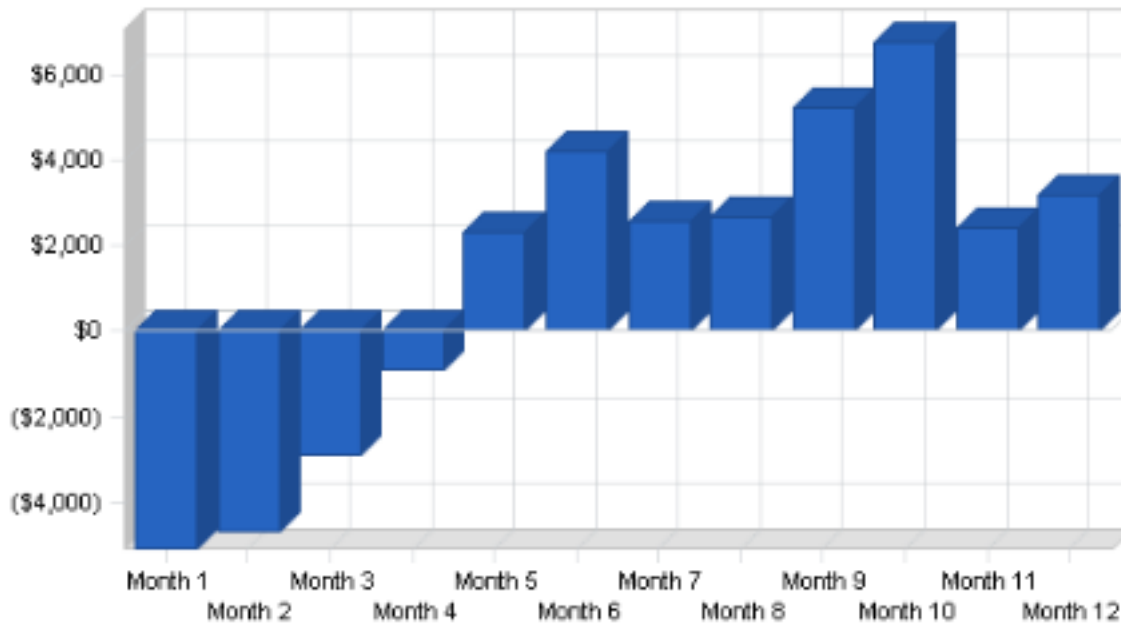
Gross Margin Monthly



Gross Margin Yearly



Profit Monthly



Pro Forma Profit and Loss

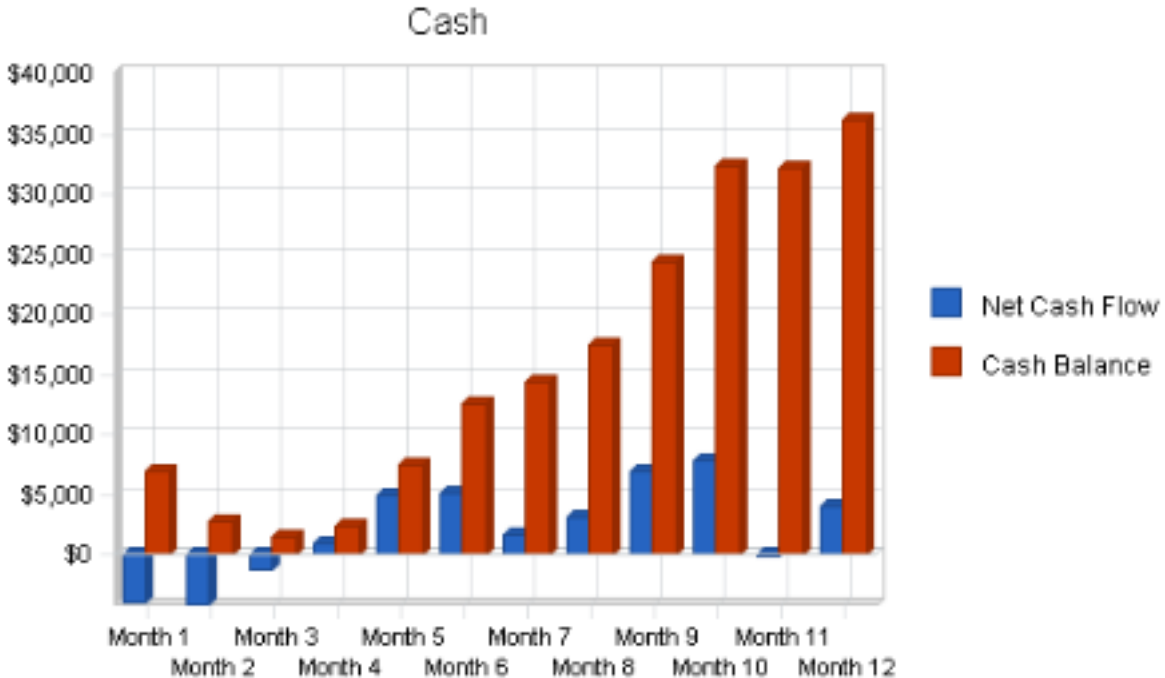
	Year 1	Year 2	Year 3
Sales	£131,800	£188,600	£267,200
Direct Cost of Sales	£21,180	£27,360	£35,720
Other Costs of Sales	£0	£0	£0
Total Cost of Sales	£21,180	£27,360	£35,720

Gross Margin	£110,620	£161,240	£231,480
Gross Margin %	83.93%	85.49%	86.63%
Expenses			
Payroll	£42,000	£44,000	£50,000
Marketing/Promotion	£7,100	£4,800	£4,800
Depreciation	£15,960	£15,960	£15,960
Rent	£9,600	£10,000	£10,400
Utilities	£1,200	£1,200	£1,200
Maintenance of Cameras and Equipment	£600	£800	£1,000
Offsite file backups and support	£720	£1,000	£1,000
Software upgrades	£0	£500	£800
Insurance	£300	£300	£300
Payroll Taxes	£0	£0	£0
Other	£1,200	£1,200	£1,200
Total Operating Expenses	£78,680	£79,760	£86,660
Profit Before Interest and Taxes	£31,940	£81,480	£144,820
EBITDA	£47,900	£97,440	£160,780
Interest Expense	£9,376	£8,223	£6,923
Taxes Incurred	£6,769	£21,977	£41,369
Net Profit	£15,795	£51,280	£96,528
Net Profit/Sales	11.98%	27.19%	36.13%

Projected Cash Flow

Cash reserves reach the minimum point in March 2006. From that point, cash flow is positive, reaching a robust level by the end of 2008.

As sales increase, we will supplement our prop and furniture inventory with the purchase of new items as current assets.



Pro Forma Cash Flow

	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	£131,800	£188,600	£267,200
Subtotal Cash from Operations	£131,800	£188,600	£267,200
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	£0	£0	£0
New Current Borrowing	£0	£0	£0
New Other Liabilities (interest-free)	£0	£0	£0
New Long-term Liabilities	£0	£0	£0
Sales of Other Current Assets	£0	£0	£0
Sales of Long-term Assets	£0	£0	£0
New Investment Received	£0	£0	£0
Subtotal Cash Received	£131,800	£188,600	£267,200
Expenditures			
Expenditures from Operations			
Cash Spending	£42,000	£44,000	£50,000
Bill Payments	£52,845	£76,202	£102,464
Subtotal Spent on Operations	£94,845	£120,202	£152,464
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	£0	£0	£0
Principal Repayment of Current Borrowing	£0	£0	£0

Other Liabilities Principal Repayment	£0	£0	£0
Long-term Liabilities Principal Repayment	£11,520	£12,500	£13,500
Purchase Other Current Assets	£0	£0	£2,000
Purchase Long-term Assets	£0	£0	£0
Dividends	£0	£0	£0
Subtotal Cash Spent	£106,365	£132,702	£167,964
Net Cash Flow	£25,435	£55,898	£99,236
Cash Balance	£36,205	£92,103	£191,339

Projected Balance Sheet

Net worth becomes positive in the second year. It then steadily builds through the end of this plan, in 2008. There is an excellent return on equity by the third year.

Pro Forma Balance Sheet

	Year 1	Year 2	Year 3
Assets			
Current Assets			
Cash	£36,205	£92,103	£191,339
Other Current Assets	£10,000	£10,000	£12,000
Total Current Assets	£46,205	£102,103	£203,339
Long-term Assets			
Long-term Assets	£60,500	£60,500	£60,500
Accumulated Depreciation	£15,960	£31,920	£47,880
Total Long-term Assets	£44,540	£28,580	£12,620
Total Assets	£90,745	£130,683	£215,959
Liabilities and Capital			
Current Liabilities			
Accounts Payable	£5,200	£6,358	£8,606
Current Borrowing	£0	£0	£0
Other Current Liabilities	£0	£0	£0
Subtotal Current Liabilities	£5,200	£6,358	£8,606
Long-term Liabilities			
Long-term Liabilities	£88,480	£75,980	£62,480
Total Liabilities	£93,680	£82,338	£71,086
Paid-in Capital			
Paid-in Capital	£10,000	£10,000	£10,000
Retained Earnings	(£28,730)	(£12,935)	£38,345
Earnings	£15,795	£51,280	£96,528
Total Capital	(£2,935)	£48,345	£144,873
Total Liabilities and Capital	£90,745	£130,683	£215,959
Net Worth			
Net Worth	(£2,935)	£48,345	£144,873

Business Ratios

Phoebe's Photo Studios is part of the photographic portrait studio industry (SIC Code 7221). Industry standard growth is currently 7.3% annually. Phoebe's Photo Studio is projected to grow weed-like annually by seizing its target market early and building on it. Long-term assets are a smaller percentage of this business because expensive printing equipment isn't required. High resolution printing will be outsourced and is included under Cost of Goods Sold.

Ratio Analysis

	Year 1	Year 2	Year 3	Industry Profile
Sales Growth	n.a.	43.10%	41.68%	7.32%
Percent of Total Assets				
Other Current Assets	11.02%	7.65%	5.56%	51.55%
Total Current Assets	50.92%	78.13%	94.16%	71.67%
Long-term Assets	49.08%	21.87%	5.84%	28.33%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities				
Current Liabilities	5.73%	4.87%	3.99%	24.01%
Long-term Liabilities	97.50%	58.14%	28.93%	21.85%
Total Liabilities	103.23%	63.01%	32.92%	45.86%
Net Worth	-3.23%	36.99%	67.08%	54.14%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	83.93%	85.49%	86.63%	100.00%
Selling, General & Administrative Expenses	71.95%	58.30%	50.51%	76.37%
Advertising Expenses	0.00%	0.00%	0.00%	1.11%
Profit Before Interest and Taxes	24.23%	43.20%	54.20%	5.49%
Main Ratios				
Current	8.89	16.06	23.63	1.89
Quick	8.89	16.06	23.63	1.37
Total Debt to Total Assets	103.23%	63.01%	32.92%	53.64%
Pre-tax Return on Net Worth	-768.74%	151.53%	95.19%	11.50%
Pre-tax Return on Assets	24.87%	56.06%	63.85%	24.81%
Additional Ratios				
Net Profit Margin	Year 1	Year 2	Year 3	
Net Profit Margin	11.98%	27.19%	36.13%	n.a
Return on Equity	0.00%	106.07%	66.63%	n.a
Activity Ratios				
Accounts Payable Turnover	11.16	12.17	12.17	n.a
Payment Days	27	27	26	n.a

Total Asset Turnover	1.45	1.44	1.24	n.a
Debt Ratios				
Debt to Net Worth	0.00	1.70	0.49	n.a
Current Liab. to Liab.	0.06	0.08	0.12	n.a
Liquidity Ratios				
Net Working Capital	£41,005	£95,745	£194,733	n.a
Interest Coverage	3.41	9.91	20.92	n.a
Additional Ratios				
Assets to Sales	0.69	0.69	0.81	n.a
Current Debt/Total Assets	6%	5%	4%	n.a
Acid Test	8.89	16.06	23.63	n.a
Sales/Net Worth	0.00	3.90	1.84	n.a
Dividend Payout	0.00	0.00	0.00	n.a

Appendix

Sales Forecast

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Unit Sales													
Portraits	0%	4	8	12	20	24	24	20	20	48	48	36	36
Family Photos	0%	1	2	3	4	5	5	5	6	12	24	18	24
On-Site	0%	0	0	1	2	4	5	4	4	4	4	2	2
Weddings	0%	0	0	1	2	4	5	4	4	4	4	2	2
Total Unit Sales		5	10	16	26	33	34	29	30	64	76	56	62
Unit Prices													
Portraits	£100.00	£100.00	£100.00	£100.00	£100.00	£100.00	£100.00	£100.00	£100.00	£100.00	£100.00	£100.00	£100.00
Family Photos	£200.00	£200.00	£200.00	£200.00	£200.00	£200.00	£200.00	£200.00	£200.00	£200.00	£200.00	£200.00	£200.00
On-Site	£2,500.00	£2,500.00	£2,500.00	£2,500.00	£2,500.00	£2,500.00	£2,500.00	£2,500.00	£2,500.00	£2,500.00	£2,500.00	£2,500.00	£2,500.00
Weddings	£2,500.00	£2,500.00	£2,500.00	£2,500.00	£2,500.00	£2,500.00	£2,500.00	£2,500.00	£2,500.00	£2,500.00	£2,500.00	£2,500.00	£2,500.00
Sales													
Portraits	£400	£800	£1,200	£2,000	£2,400	£2,400	£2,000	£2,000	£4,800	£4,800	£3,600	£3,600	£3,600
Family Photos	£200	£400	£600	£800	£1,000	£1,000	£1,000	£1,200	£2,400	£4,800	£3,600	£4,800	£4,800
On-Site	£0	£0	£2,500	£5,000	£10,000	£12,500	£10,000	£10,000	£10,000	£10,000	£5,000	£5,000	£5,000
Weddings	£0	£0	£2,500	£5,000	£10,000	£12,500	£10,000	£10,000	£10,000	£10,000	£5,000	£5,000	£5,000
Total Sales	£600	£1,200	£4,300	£7,800	£13,400	£15,900	£13,000	£13,200	£17,200	£19,600	£12,200	£13,400	£13,400
Direct Unit Costs													
Portraits	10.00 %	£10.00	£10.00	£10.00	£10.00	£10.00	£10.00	£10.00	£10.00	£10.00	£10.00	£10.00	£10.00
Family Photos	10.00 %	£20.00	£20.00	£20.00	£20.00	£20.00	£20.00	£20.00	£20.00	£20.00	£20.00	£20.00	£20.00
On-Site	20.00 %	£500.00	£500.00	£500.00	£500.00	£500.00	£500.00	£500.00	£500.00	£500.00	£500.00	£500.00	£500.00
Weddings	20.00 %	£500.00	£500.00	£500.00	£500.00	£500.00	£500.00	£500.00	£500.00	£500.00	£500.00	£500.00	£500.00
Direct Cost of Sales													
Portraits	£40	£80	£120	£200	£240	£240	£200	£200	£480	£480	£360	£360	£360
Family Photos	£20	£40	£60	£80	£100	£100	£100	£120	£240	£480	£360	£480	£480
On-Site	£0	£0	£500	£1,000	£2,000	£2,500	£2,000	£2,000	£2,000	£2,000	£1,000	£1,000	£1,000
Weddings	£0	£0	£500	£1,000	£2,000	£2,500	£2,000	£2,000	£2,000	£2,000	£1,000	£1,000	£1,000
Subtotal Direct Cost of Sales	£60	£120	£680	£1,280	£2,340	£2,840	£2,300	£2,320	£2,720	£2,960	£1,720	£1,840	£1,840

Personnel Plan

	Mont h 1	Mont h 2	Mont h 3	Mont h 4	Mont h 5	Mont h 6	Mont h 7	Mont h 8	Mont h 9	Mont h 10	Mont h 11	Month 12
Owner	0 %	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000
Employee	0 %	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500

	%	00	00	00	00	00	00	00	00	00	00	00	00
Total People		0	0	0	0	0	0	0	0	0	0	0	0
Total Payroll		£3,500	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500

Pro Forma Profit and Loss

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales	£600	£1,200	£4,300	£7,800	£13,400	£15,900	£13,000	£13,200	£17,200	£19,600	£12,200	£13,400
Direct Cost of Sales	£60	£120	£680	£1,280	£2,340	£2,840	£2,300	£2,320	£2,720	£2,960	£1,720	£1,840
Other Costs of Sales	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total Cost of Sales	£60	£120	£680	£1,280	£2,340	£2,840	£2,300	£2,320	£2,720	£2,960	£1,720	£1,840
Gross Margin	£540	£1,080	£3,620	£6,520	£11,060	£13,060	£10,700	£10,880	£14,480	£16,640	£10,480	£11,560
Gross Margin %	90.00%	90.00%	84.19%	83.59%	82.54%	82.14%	82.31%	82.42%	84.19%	84.90%	85.90%	86.27%
Expenses												
Payroll	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500
Marketing/Promotion	£1,000	£1,000	£1,000	£1,000	£1,000	£300	£300	£300	£300	£300	£300	£300
Depreciation	£1,330	£1,330	£1,330	£1,330	£1,330	£1,330	£1,330	£1,330	£1,330	£1,330	£1,330	£1,330
Rent	£800	£800	£800	£800	£800	£800	£800	£800	£800	£800	£800	£800
Utilities	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100
Maintenance of Cameras and Equipment	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50
Offsite file backups and support	£60	£60	£60	£60	£60	£60	£60	£60	£60	£60	£60	£60
Software upgrades	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Insurance	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25
Payroll Taxes	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Other	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100
Total Operating Expenses	£6,965	£6,965	£6,965	£6,965	£6,965	£6,265	£6,265	£6,265	£6,265	£6,265	£6,265	£6,265
Profit Before Interest and Taxes	(£6,425)	(£5,885)	(£3,345)	(£445)	£4,095	£6,795	£4,435	£4,615	£8,215	£10,375	£4,215	£5,295
EBITDA	(£5,095)	(£4,555)	(£2,015)	£885	£5,425	£8,125	£5,765	£5,945	£9,545	£11,705	£5,545	£6,625
Interest Expense	£825	£817	£809	£801	£793	£785	£777	£769	£761	£753	£745	£737
Taxes Incurred	(£2,175)	(£2,011)	(£1,246)	(£374)	£990	£1,803	£1,807	£1,154	£2,236	£2,886	£1,041	£1,367
Net Profit	(£5,075)	(£4,692)	(£2,908)	(£872)	£2,311	£4,207	£2,560	£2,692	£5,218	£6,735	£2,429	£3,190
Net Profit/Sales	845.87%	390.97%	67.63%	11.19%	17.25%	26.46%	19.70%	20.39%	30.33%	34.36%	19.91%	23.81%

Pro Forma Cash Flow

	Month h 1	Month h 2	Month h 3	Month h 4	Month h 5	Month h 6	Month h 7	Month h 8	Month h 9	Month h 10	Month h 11	Month 12
Cash Received												
Cash from Operations												
Cash Sales	£600	£1,200	£4,300	£7,800	£13,400	£15,900	£13,000	£13,200	£17,200	£19,600	£12,200	£13,400
Subtotal Cash from Operations	£600	£1,200	£4,300	£7,800	£13,400	£15,900	£13,000	£13,200	£17,200	£19,600	£12,200	£13,400
Additional Cash Received												

Sales Tax, VAT, HST/GST Received	0.00%	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
New Current Borrowing		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
New Other Liabilities (interest-free)		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
New Long-term Liabilities		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Sales of Other Current Assets		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Sales of Long-term Assets		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
New Investment Received		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Subtotal Cash Received		£600	£1,200	£4,300	£7,800	£13,400	£15,900	£13,000	£13,200	£17,200	£19,600	£12,200	£13,400
Expenditures		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Expenditures from Operations													
Cash Spending		£3,500	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500	£3,500
Bill Payments		£28	£852	£1,106	£2,427	£3,923	£6,279	£6,821	£5,612	£5,727	£7,182	£7,932	£4,956
Subtotal Spent on Operations		£3,528	£4,352	£4,606	£5,927	£7,423	£9,779	£10,321	£9,112	£9,227	£10,682	£11,432	£8,456
Additional Cash Spent													
Sales Tax, VAT, HST/GST Paid Out		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Principal Repayment of Current Borrowing		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Other Liabilities Principal Repayment		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Long-term Liabilities Principal Repayment		£960	£960	£960	£960	£960	£960	£960	£960	£960	£960	£960	£960
Purchase of Other Current Assets		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Purchase of Long-term Assets		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Dividends		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Subtotal Cash Spent		£4,488	£5,312	£5,566	£6,887	£8,383	£10,739	£11,281	£10,072	£10,187	£11,642	£12,392	£9,416
Net Cash Flow		(£3,888)	(£4,112)	(£1,266)	£1,913	£5,017	£5,161	£1,719	£3,128	£7,013	£7,958	(£192)	£3,984
Cash Balance		£6,882	£2,769	£1,504	£2,417	£7,434	£12,595	£14,314	£17,442	£24,455	£32,413	£32,221	£36,205

Pro Forma Balance Sheet

	Starting Balances	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Assets													
Current Assets													
Cash	£10,770	£6,882	£2,769	£1,504	£2,417	£7,434	£12,595	£14,314	£17,442	£24,455	£32,413	£32,221	£36,205
Other Current Assets	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000
Total Current Assets	£20,770	£16,882	£12,769	£11,504	£12,417	£17,434	£22,595	£24,314	£27,442	£34,455	£42,413	£42,221	£46,205
Long-term Assets													
Long-term Assets	£60,500	£60,500	£60,500	£60,500	£60,500	£60,500	£60,500	£60,500	£60,500	£60,500	£60,500	£60,500	£60,500
Accumulated Depreciation	£0	£1,330	£2,660	£3,990	£5,320	£6,650	£7,980	£9,310	£10,640	£11,970	£13,300	£14,630	£15,960
Total Long-term Assets	£60,500	£59,170	£57,840	£56,510	£55,180	£53,850	£52,520	£51,190	£49,860	£48,530	£47,200	£45,870	£44,540
Total Assets	£81,270	£76,052	£70,609	£68,014	£67,597	£71,284	£75,115	£75,504	£77,302	£82,985	£89,613	£88,091	£90,745
Liabilities and Capital													
Current Liabilities													
Accounts Payable	£0	£817	£1,026	£2,299	£3,714	£6,050	£6,634	£5,423	£5,489	£6,914	£7,767	£4,777	£5,200
Borrowing	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Other Current Liabilities	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Subtotal Current Liabilities	£0	£817	£1,026	£2,299	£3,714	£6,050	£6,634	£5,423	£5,489	£6,914	£7,767	£4,777	£5,200
Long-term Liabilities													
Long-term Liabilities	£100,000	£99,040	£98,080	£97,120	£96,160	£95,200	£94,240	£93,280	£92,320	£91,360	£90,400	£89,440	£88,480
Total Liabilities	£100,000	£99,857	£99,106	£99,419	£99,874	£101,250	£100,874	£98,703	£97,809	£98,274	£98,167	£94,217	£93,680
Equity													
Paid-in Capital													
Paid-in Capital	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000
Retained Earnings													
Retained Earnings	(£28,730)	(£28,730)	(£28,730)	(£28,730)	(£28,730)	(£28,730)	(£28,730)	(£28,730)	(£28,730)	(£28,730)	(£28,730)	(£28,730)	(£28,730)
Earnings													
Earnings	£0	(£5,075)	(£9,767)	(£12,675)	(£13,547)	(£11,236)	(£7,029)	(£4,469)	(£1,777)	£3,441	£10,176	£12,604	£15,795
Total Capital	(£18,730)	(£23,805)	(£28,497)	(£31,405)	(£32,277)	(£29,966)	(£25,759)	(£23,199)	(£20,507)	(£15,289)	(£8,554)	(£6,126)	(£2,935)
Total Liabilities and Capital	£81,270	£76,052	£70,609	£68,014	£67,597	£71,284	£75,115	£75,504	£77,302	£82,985	£89,613	£88,091	£90,745
Net Worth	(£18,730)	(£23,805)	(£28,497)	(£31,405)	(£32,277)	(£29,966)	(£25,759)	(£23,199)	(£20,507)	(£15,289)	(£8,554)	(£6,126)	(£2,935)