



BUSINESS PROPOSAL

Supporting Documentation PACKAGE

Prepared by: ELNOS
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INSTRUCTIONS TO THE APPLICANT

Detailed below, are the contents of the Supporting Documentation Package, which will assist a business in submitting a complete application for funding to ELNOS. This normally provides sufficient information to permit an assessment and decision on your application. You may be requested to submit additional information or clarification of the data provided. All information provided will be kept strictly confidential.

Please complete and sign the accompanying ELNOS application form and return it with the Supporting Documentation Package.

The following checklist has been provided for your convenience to assist you in tracking your progress in your business plan.

| | Enclosed | Yes | No |
|-------|--|-----|----|
| 1. | History of Business | | |
| 2. | Management Resume | | |
| 3. | Human Resource Plan | | |
| 4. | Markets and Competition | | |
| 5. | List of Project Costs | | |
| 6. | Sources of Financing | | |
| 7. | Historical Financial Statements (for existing businesses ONLY) | | |
| 8. | Projected Statement of Cash Flows (Years 1, 2 & 3) | | |
| 9. | Projected Income Statement (Years 1, 2 & 3) | | |
| 10. A | Pro Forma Balance Sheet (for existing businesses ONLY) | | |
| 10. B | Opening Balance Sheet (for new businesses ONLY) | | |
| 11. | Projected Balance Sheet (Years 1, 2 & 3) | | |
| 12. | Other Supporting Documentation | | |
| 13. | References | | |

1. HISTORY OF BUSINESS

1. What is your business' product or service?

2. Who started the business? When and where was the business established?

3. What changes are you proposing to your current business in terms of product, service or target market? What impact will these changes have on your business operation?

4. Please identify the principal Owners or Shareholders of the company. If a partnership, list partners and percentage of interest of each; if a sole proprietorship, give details of owner.

| Full Name | Position | Common Shares | Preferred Shares |
|------------------|-----------------|----------------------|-------------------------|
| | | | |
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| | | | |

5. Please list any subsidiaries or related companies.

6. What changes have occurred in either ownership or orientation since the business was started?

7. What are the key success factors for your business? What are your management strengths and management weaknesses of your business?

2. MANAGEMENT RESUME

Prepare a separate resume for the owner, manager of the business, and any other key personnel.

| | |
|---------------------|--|
| Name: | |
| Position with Firm: | |
| Address: | |
| | |
| Phone: | |
| | |
| Email: | |

Responsibilities, experience, education and background directly related to this business:

3 HUMAN RESOURCE PLAN

| Current Employees | | | | |
|----------------------------------|----------------------|------------|--------------|--------|
| JOB TITLE | KEY RESPONSIBILITIES | JOB SKILLS | COMPENSATION | |
| | | | WEEKLY | ANNUAL |
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |
| OTHERS | | | | |
| | | | | |
| Employee Policies and Procedures | | | | |
| Hours of Operation | | | | |
| Vacation Program | | | | |
| Performance Management | | | | |
| Training and Development Plan | | | | |

3. Describe your main competitors (name, location, product/service, sales volume). Compare them to your business.

4. Describe your target customer base (geographic location, client needs, buying profile, preferences, market size, etc.).

5. Describe your main suppliers (name, location, product/services, terms of purchase).

6. Describe in detail what promotional activities you will undertake to access this target market.

7. Describe what impact this marketing will have on your revenues and quantify on a per client or unit basis.

5. LIST OF PROJECT COSTS

(Land, Land Improvements, Buildings, Machinery and Equipment, Leases, Vehicles, Inventory, Pre-Paid Expenses, Professional Fees, Other Fixed Assets, Cash, etc.)

| Item # | Description of Project Cost | Supplier | Estimate Cost |
|--|-----------------------------|----------|---------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
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| | | | |
| | | | |
| | | | |
| | | | |
| TOTAL ESTIMATED COST | | | |
| * FIRM PRICE QUOTATIONS FROM SUPPLIERS SHOULD BE PROVIDED WHEREVER POSSIBLE. | | | |

6. SOURCES OF FINANCING

Please list all sources of financing for this project. Include banks, government agencies, ELNOS and the owner's contribution to the project.

| Organization | Contact Person | Amount Requested | Date Applied For |
|----------------------|----------------|------------------|------------------|
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| | | | |
| Total Sources | | | |

7. HISTORICAL FINANCIAL STATEMENTS

(for existing businesses ONLY)

Please provide copies of your financial statements for the last three fiscal years and the most recent interim financial statement. **Interim financial statements must be provided when the latest year-end statements are six months or older.**

These statements are to include the income statements, the balance sheets, current listings of aged receivables, current listings of payables, GST payable, PST payable, taxes payable (municipal, provincial, federal), and payroll deductions payables.

Also include a complete debt schedule and your T4 Summaries for the last three years.

8. CASH FLOW FORECASTS (YEARS 1-3)

| | | Year 1 * | Year 2 | Year 3 |
|---|---|----------|--------|--------|
| Cash Flows from Operating Activities: | | | | |
| Net Income (loss) for the year | | | | |
| Add: Adjustments for depreciation | | | | |
| | A | | | |
| Change in Non-Cash Working Capital Balances: | | | | |
| (Increase)/Decrease in Accounts Receivable | | | | |
| (Increase)/Decrease in Inventory | | | | |
| (Increase)/Decrease in Accounts Payable | | | | |
| | B | | | |
| Cash Flows from Investing Activities: | | | | |
| (Purchase) Sale of Capital Assets | | | | |
| | C | | | |
| Cash Flows from Financing Activities: | | | | |
| Increase/(Decrease) in Long-Term Debt | | | | |
| | D | | | |
| Net Increase/(Decrease) in Cash (A) + (B) + (C) + (D) | | | | |
| Cash Balance Beginning of Year | | | | |
| Cash Balance End of Year | | | | |

9. PROJECTED INCOME STATEMENT (YEARS 1-3)

* First full operating year after project.

| | Year 1 * | Year 2 | Year 3 | 1 |
|--|----------|--------|--------|-----------|
| Sales | | | | 2 |
| | | | | 3 |
| TOTAL SALES | | | | 4 |
| COST OF GOODS SOLD | | | | |
| Inventory – Opening (for existing business only) | | | | 5 |
| Purchases | | | | 6 |
| Less: Inventory – Closing | | | | 7 |
| Raw Material Cost (5 plus 6 minus 7) | | | | 8 |
| Labour | | | | 9 |
| Overhead (heat, lights, power) | | | | 10 |
| Repair & Maintenance – Building & Equipment | | | | 11 |
| Other (specify) | | | | 12 |
| TOTAL COST OF GOODS SOLD (Total 8 through 12) | | | | 13 |
| GROSS PROFIT (4 MINUS 13) | | | | 14 |
| SELLING EXPENSES | | | | |
| Salaries & Commissions | | | | 15 |
| Selling & Travelling | | | | 16 |
| Advertising | | | | 17 |
| Automotive | | | | 18 |
| Other (specify) | | | | 19 |
| TOTAL SELLING (TOTAL 15 THROUGH 19) | | | | 20 |
| ADMINISTRATIVE & FINANCIAL EXPENSES | | | | |
| Owners' Salaries (if incorporated) | | | | 21 |
| Office Salaries | | | | 22 |
| Professional Fees | | | | 23 |
| Office Expense | | | | 24 |
| Telephone | | | | 25 |
| Rent | | | | 26 |
| Interest & Bank Charges | | | | 27 |
| Bad Debt | | | | 28 |
| Insurance and Property Taxes | | | | 29 |
| Other (specify) | | | | 30 |
| Depreciation | | | | 31 |
| TOTAL ADMINISTRATIVE & FINANCIAL (TOTAL 21 THRU 31) | | | | 32 |
| TOTAL SELLING & ADMINISTRATIVE (20 PLUS 32) | | | | 33 |
| OPERATING PROFIT (LOSS) (14 MINUS 33) | | | | 34 |
| Add: Other Income | | | | 35 |
| Less: Proprietor's Drawings (if not incorporated) | | | | 36 |
| Less: Provisions for income taxes (if incorporated) | | | | 37 |
| NET PROFIT (LOSS) | | | | 38 |
| | | | | |
| | | | | |

10. A). PRO FORMA BALANCE SHEET

(for existing businesses ONLY)

For an existing business, a pro forma balance sheet is the current balance sheet amended to reflect the impact of your project.

Pro Forma Balance Sheet

| | Current As At | At End of Project | | Current As At | At End of Project |
|------------------------|------------------|----------------------|---|------------------|----------------------|
| Current Assets | | | Current Liabilities | | |
| Cash | \$ | \$ | Bank Loan | \$ | \$ |
| Accounts Receivable | | | Accounts Payable | | |
| Inventory | | | Current Portion of Term Debt | | |
| Other | | | Other | | |
| Total Current | | | Total Current | | |
| Fixed Assets | | | Long-Term Debt (less current portion) | | |
| Land | | | | | |
| Land Improvement | | | | | |
| Buildings | | | Total Liabilities | | |
| Machinery & Equipment | | | Owner's Equity | | |
| Furnishings & Fixtures | | | Share Capital/Proprietor's Investment | | |
| Vehicles | | | Retained Earnings | | |
| Other Assets | | | Total Equity | | |
| Total Assets | \$ | \$ | Total Liabilities & Owner's Equity | \$ | \$ |

10. B). OPENING BALANCE SHEET

(for new businesses ONLY)

For a new business, an opening balance sheet shows the assets, liabilities and equity of the company, once the project and proposed financing are in place.

Opening Balance Sheet

| Current Assets | | Current Liabilities | |
|------------------------|-----------|---|-----------|
| Cash | \$ | Bank Loan | \$ |
| Accounts Receivable | | Accounts Payable | |
| Inventory | | Current Portion of Term-Debt | |
| Other | | Other | |
| Total Current | | Total Current | |
| Fixed Assets | | Long-Term Debt (less current portion) | |
| Land | | | |
| Land Improvements | | ELNOS | |
| Buildings | | Total Liabilities | |
| Machinery & Equipment | | Owner's Equity | |
| Furnishings & Fixtures | | Share Capital/Proprietor's Investment | |
| Vehicles | | Retained Earnings | |
| Other Assets | | Total Equity | |
| Total Assets | \$ | Total Liabilities & Owner's Equity | \$ |

11. PROJECTED BALANCE SHEET (YEARS 1-3)

Opening Balance Sheet

| ASSETS | Year 1 * | Year 2 | Year 3 |
|--|----------|--------|--------|
| Short-Term | | | |
| Cash & Equivalent | | | |
| Accounts Receivable | | | |
| Inventory | | | |
| Other Current Assets | | | |
| Total Short-Term | | | |
| Long-Term | | | |
| Land & Building (Net) | | | |
| Other Fixed Assets (Net) | | | |
| Other Non-Current Assets | | | |
| Total Long-Term | | | |
| TOTAL ASSETS | | | |
| LIABILITIES | | | |
| Short-Term | | | |
| Payables – Current Portion of Long-Term Debt | | | |
| Other Current Liabilities | | | |
| Total Short-Term | | | |
| Long-Term | | | |
| Mortgage | | | |
| Loans | | | |
| Other Long-Term Debt | | | |
| Total Long-Term | | | |
| TOTAL LIABILITIES | | | |
| OWNER'S EQUITY | | | |
| TOTAL | | | |

12. OTHER SUPPORTING DOCUMENTATION

| | Enclosed | Yes | No |
|----|--|-----|----|
| 1. | Photographs of existing business or proposed business site. | | |
| 2. | Layout of proposed building additions. | | |
| 3. | Partnership Agreement or Certificate of Incorporation (if applicable). | | |
| 4. | Organization Chart. | | |

13. REFERENCES

| | Name | Address | Telephone |
|------------------------|------|---------|-----------|
| Bank Manager | | | |
| | | | |
| Accountant | | | |
| | | | |
| Solicitor | | | |
| | | | |
| Insurance Agent | | | |
| | | | |