FINANCIAL REPORT / 01

# The financial picture

FrameHarbor Campaigns | USD | 3 operating years | base scenario

## Revenue, profit and cash flow.

**Year 1 revenue**

617,760.00

USD

**Year 1 net income**

-86,170.04

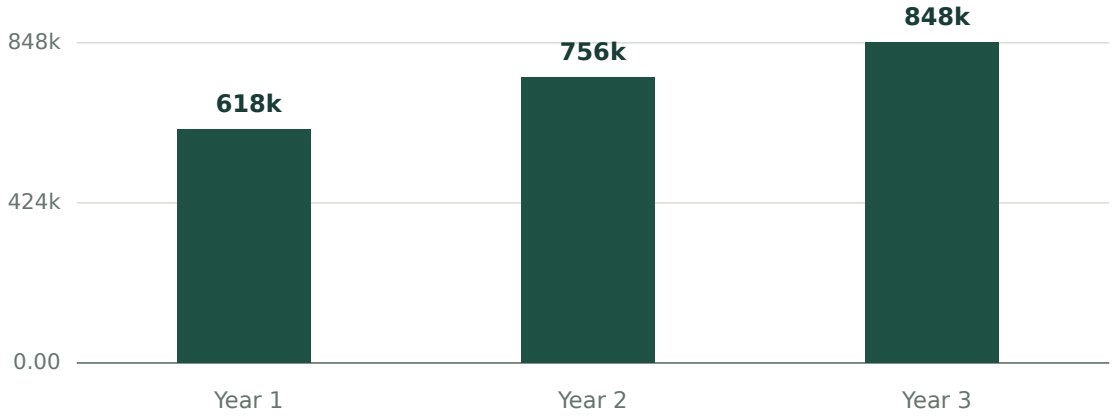
USD

**Minimum cash**

96,554.20

Includes the pre-opening period

### ANNUAL REVENUE

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Planning forecast. Populated illustrative inputs are complete but unverified. Proposed funding is not a commitment.

FINANCIAL REPORT / 02

# Profit & loss

USD | Annual operating results; pre-opening expenses are separate.

| Measure | Year 1 | Year 2 | Year 3 |
|---|---|---|---|
| Net revenue | 617,760.00 | 756,138.24 | 848,387.16 |
| Cost of sales | 46,332.00 | 56,710.44 | 63,629.16 |
| **Gross profit** | **571,428.00** | **699,427.80** | **784,758.00** |
| Operating expenses | 652,073.04 | 676,429.20 | 699,504.48 |
| **EBITDA** | **-80,645.04** | **22,998.60** | **85,253.52** |
| Depreciation | 5,525.00 | 5,525.00 | 5,525.00 |
| Interest expense | 0.00 | 0.00 | 0.00 |
| Tax provision | 0.00 | 3,669.48 | 16,743.00 |
| **Net income** | **-86,170.04** | **13,804.12** | **62,985.52** |

YEAR 1 EBITDA

-80,645.04

YEAR 2 EBITDA

22,998.60

YEAR 3 EBITDA

85,253.52

Expense rows are positive charges. Net income retains its sign. Tax is the planning provision; annual losses do not reverse provisions already calculated within the year.

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# Cash flow

USD | Flows exclude launch; opening and closing cash are balances.

| Measure | Year 1 | Year 2 | Year 3 |
|---|---|---|---|
| Opening cash | 238,600.00 | 101,794.96 | 114,272.56 |
| Customer collections | 561,600.00 | 749,286.72 | 840,699.75 |
| Supplier payments | 46,332.00 | 56,710.44 | 63,629.16 |
| Operating expenses paid | 652,073.04 | 676,429.20 | 699,504.48 |
| Interest paid | 0.00 | 0.00 | 0.00 |
| Tax provision paid | 0.00 | 3,669.48 | 16,743.00 |
| **Operating cash flow** | **-136,805.04** | **12,477.60** | **60,823.11** |
| Investing cash flow | 0.00 | 0.00 | 0.00 |
| Financing cash flow | 0.00 | 0.00 | 0.00 |
| **Net change in cash** | **-136,805.04** | **12,477.60** | **60,823.11** |
| **Closing cash** | **101,794.96** | **114,272.56** | **175,095.67** |

Supplier payments differ from cost of sales because stock and supplier terms affect timing. Positive financing cash is funding, not customer revenue or profit.

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# Year-end balance sheet

USD | Closing positions at the end of each operating year.

| Measure | Year 1 | Year 2 | Year 3 |
|---|---|---|---|
| Cash | 101,794.96 | 114,272.56 | 175,095.67 |
| Accounts receivable | 56,160.00 | 63,011.52 | 70,698.93 |
| Inventory | 0.00 | 0.00 | 0.00 |
| Net fixed assets | 12,875.00 | 7,350.00 | 1,825.00 |
| **Total assets** | **170,829.96** | **184,634.08** | **247,619.60** |
| Accounts payable | 0.00 | 0.00 | 0.00 |
| Loan balance | 0.00 | 0.00 | 0.00 |
| **Total liabilities** | **0.00** | **0.00** | **0.00** |
| **Equity and retained earnings** | **170,829.96** | **184,634.08** | **247,619.60** |
| **Reconciliation difference** | **0.00** | **0.00** | **0.00** |

Closing balances show the end-of-year position; monthly balances are never summed. A zero reconciliation difference means assets equal liabilities plus equity.

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# Launch budget & funding

USD | Before opening; proposed sources and uses.

## STARTUP USES

| Use | USD |
|---|---|
| Fixed assets | 18,400.00 |
| Expensed setup | 3,000.00 |
| Opening inventory | 0.00 |
| **Total startup uses** | **21,400.00** |

## PROPOSED FUNDING

| Source / balance | USD |
|---|---|
| Combined equity | 260,000.00 |
| Loan proceeds | 0.00 |
| **Cash after startup uses** | **238,600.00** |

### MINIMUM CASH THROUGHOUT THE FORECAST

96,554.20

USD

### UNFUNDED CASH GAP

0.00

A deficit measure, not secured financing

Equity and loans shown here are planning assumptions. Cash remaining after launch is the initial operating buffer; it is not an additional startup expense.

FINANCIAL REPORT / 06

# Break-even & project payback

USD | Operating profitability and investment recovery are separate measures.

| Annual measure | Year 1 | Year 2 | Year 3 |
|---|---|---|---|
| Break-even revenue | 708,884.34 | 730,151.11 | 752,055.49 |
| Margin of safety | -91,124.34 | 25,987.13 | 96,331.67 |

PROJECT PAYBACK

## Not reached within 3 years

| Project measure | USD |
|---|---|
| Initial project outlay | 21,400.00 |
| Cumulative project cash at forecast end | -64,491.85 |
| Peak project cash deficit | 163,140.01 |

Operating break-even excludes depreciation, interest and income tax. Project payback uses pre-tax project cash before financing and is not a dividend or an investor payout.

FINANCIAL REPORT / 07

# Assumptions & review

The operating assumptions, accounting policies and items requiring review.

## 11 financial checks passed | 0 need attention | 6 forecast warnings

- Planning model, not audited accounts or tax advice. Revenue is invoiced as earned; monthly subscriptions only. Annual prepayments, refundable deposits, milestone invoices, unbilled contract assets, customer taxes, seller settlements, capitalized interest and tax-loss carryforwards are not modeled.
- Collection and supplier terms use 30-day monthly interpolation. Inventory purchases and non-stock direct costs use supplier terms; operating costs, setup costs, taxes and opening stock are paid immediately. Stock coverage applies only to linked goods costs. Production stock is tracked separately at unit cost.
- Fictional editorial scenario. Prices, workload, wages, costs and financing are illustrative planning inputs, not current quotes, measured local averages or actual company results.
- Five-year source adapted to 36 months with 4.5 delivery FTE, paid director and quarter-time operations fixed. Original shares/fees remain; three-month ramp, 10% requested-hour growth, 2% fee and 3% payroll/overhead growth replace expansion. Strategy/analytics salaries are combined without losing pay. Direct costs remain 7.5%, with no inventory. Source noncash credit loss becomes a separate 0.5% paid credit-control contingency; full collection is assumed. Setup is paid once; equity is proposed and deposits excluded. Tax and employer allowance are illustrative.
- A 15% illustrative employer allowance is added to paid salaries. The flat 21% native tax provision is a simplified planning input, not an entity or personal tax opinion. Customer sales-tax receipts/remittances and owner distributions are outside this scenario.
- All equity is proposed, uncommitted month-0 cash. No debt is modeled. Opening cash is a reserve, not an extra startup expense. Asset/setup/insurance/premises allowances need scoped quotes; refundable premises deposits and site-specific additional works are excluded.