

FINANCIAL REPORT / 01

The financial picture

Timberline Works | USD | 3 operating years | base scenario

Revenue, profit and cash flow.

Year 1 revenue

1,997,600.02

USD

Year 1 net income

79,491.12

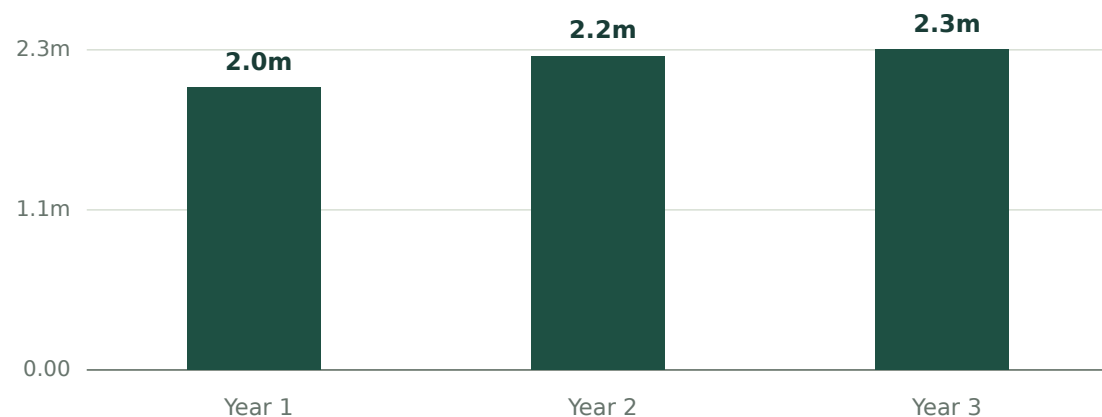
USD

Minimum cash

523,965.94

Includes the pre-opening period

ANNUAL REVENUE



Inside this report

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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	1,997,600.02	2,222,784.00	2,267,239.68
Cost of sales	1,288,452.02	1,433,695.68	1,462,369.56
Gross profit	709,148.00	789,088.32	804,870.12
Operating expenses	564,933.88	588,161.64	604,962.00
EBITDA	144,214.12	200,926.68	199,908.12
Depreciation	35,650.00	35,650.00	35,650.00
Interest expense	0.00	0.00	0.00
Tax provision	29,073.00	34,708.08	34,494.24
Net income	79,491.12	130,568.60	129,763.88

YEAR 1 EBITDA

144,214.12

YEAR 2 EBITDA

200,926.68

YEAR 3 EBITDA

199,908.12

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.

FINANCIAL REPORT / 03

Cash flow

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

Measure	Year 1	Year 2	Year 3
Opening cash	596,000.00	647,118.45	811,696.60
Customer collections	1,894,693.35	2,220,725.87	2,265,140.38
Supplier payments	1,249,568.02	1,433,278.00	1,461,943.52
Operating expenses paid	564,933.88	588,161.64	604,962.00
Interest paid	0.00	0.00	0.00
Tax provision paid	29,073.00	34,708.08	34,494.24
Operating cash flow	51,118.45	164,578.15	163,740.62
Investing cash flow	0.00	0.00	0.00
Financing cash flow	0.00	0.00	0.00
Net change in cash	51,118.45	164,578.15	163,740.62
Closing cash	647,118.45	811,696.60	975,437.22

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

FINANCIAL REPORT / 04

Year-end balance sheet

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

Measure	Year 1	Year 2	Year 3
Cash	647,118.45	811,696.60	975,437.22
Accounts receivable	102,906.67	104,964.80	107,064.10
Inventory	18,160.00	18,523.20	18,893.66
Net fixed assets	132,350.00	96,700.00	61,050.00
Total assets	900,535.12	1,031,884.60	1,162,444.98
Accounts payable	39,044.00	39,824.88	40,621.38
Loan balance	0.00	0.00	0.00
Total liabilities	39,044.00	39,824.88	40,621.38
Equity and retained earnings	861,491.12	992,059.72	1,121,823.60
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.

FINANCIAL REPORT / 05

Launch budget & funding

USD | Before opening; proposed sources and uses.

STARTUP USES

Use	USD
Fixed assets	168,000.00
Expensed setup	18,000.00
Opening inventory	18,000.00
Total startup uses	204,000.00

PROPOSED FUNDING

Source / balance	USD
Combined equity	800,000.00
Loan proceeds	0.00
Cash after startup uses	596,000.00

MINIMUM CASH THROUGHOUT THE FORECAST

523,965.94

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	1,542,665.88	1,588,945.85	1,636,614.64
Margin of safety	454,934.14	633,838.15	630,625.04

PROJECT PAYBACK

Recovered within 19.49 months

Project measure	USD
Initial project outlay	204,000.00
Cumulative project cash at forecast end	273,712.54
Peak project cash deficit	273,126.76

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 at eight active project-months, original mix and earned monthly fees. Staffing fixed: supervisor, two carpenters, paid owner and half-time office. No future project-count expansion; three-month ramp, 2% fee and 3% payroll/overhead growth. Direct costs 64.5%, including 30% goods and 30% trade packages; only goods stocked for ten physical days. Payment lag ten days is an explicit blended purchase assumption, not all suppliers on credit. Setup paid once; equity proposed, deposits/WIP/retentions excluded. Tax/employer allowance 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.