FINANCIAL REPORT / 01

# The financial picture

PocketHarbor Studio | USD | 3 operating years | base scenario

## Revenue, profit and cash flow.

**Year 1 revenue**

708,136.00

USD

**Year 1 net income**

-84,300.39

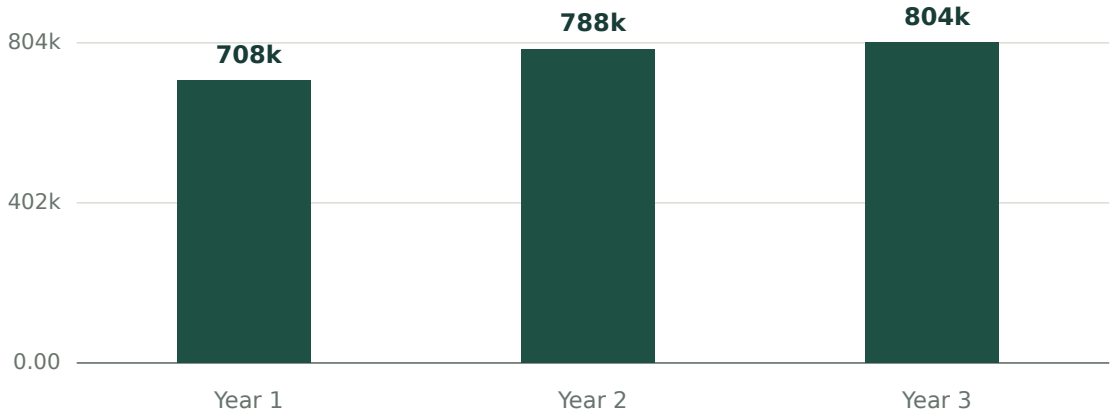
USD

**Minimum cash**

43,963.35

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 | 708,136.00 | 787,962.24 | 803,721.48 |
| Cost of sales | 42,488.16 | 47,277.72 | 48,223.44 |
| **Gross profit** | **665,647.84** | **740,684.52** | **755,498.04** |
| Operating expenses | 741,281.56 | 764,106.00 | 786,950.16 |
| **EBITDA** | **-75,633.72** | **-23,421.48** | **-31,452.12** |
| Depreciation | 8,666.67 | 8,666.66 | 8,666.67 |
| Interest expense | 0.00 | 0.00 | 0.00 |
| Tax provision | 0.00 | 0.00 | 0.00 |
| **Net income** | **-84,300.39** | **-32,088.14** | **-40,118.79** |

YEAR 1 EBITDA

-75,633.72

YEAR 2 EBITDA

-23,421.48

YEAR 3 EBITDA

-31,452.12

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.

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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 | 241,447.46 | 101,437.74 | 76,728.74 |
| Customer collections | 643,760.00 | 786,674.72 | 802,408.21 |
| Supplier payments | 42,488.16 | 47,277.72 | 48,223.44 |
| Operating expenses paid | 741,281.56 | 764,106.00 | 786,950.16 |
| Interest paid | 0.00 | 0.00 | 0.00 |
| Tax provision paid | 0.00 | 0.00 | 0.00 |
| **Operating cash flow** | **-140,009.72** | **-24,709.00** | **-32,765.39** |
| Investing cash flow | 0.00 | 0.00 | 0.00 |
| Financing cash flow | 0.00 | 0.00 | 0.00 |
| **Net change in cash** | **-140,009.72** | **-24,709.00** | **-32,765.39** |
| **Closing cash** | **101,437.74** | **76,728.74** | **43,963.35** |

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 | 101,437.74 | 76,728.74 | 43,963.35 |
| Accounts receivable | 64,376.00 | 65,663.52 | 66,976.79 |
| Inventory | 0.00 | 0.00 | 0.00 |
| Net fixed assets | 21,333.33 | 12,666.67 | 4,000.00 |
| **Total assets** | **187,147.07** | **155,058.93** | **114,940.14** |
| 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** | **187,147.07** | **155,058.93** | **114,940.14** |
| **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 | 30,000.00 |
| Expensed setup | 14,500.00 |
| Opening inventory | 0.00 |
| **Total startup uses** | **44,500.00** |

## PROPOSED FUNDING

| Source / balance | USD |
|---|---|
| Combined equity | 285,947.46 |
| Loan proceeds | 0.00 |
| **Cash after startup uses** | **241,447.46** |

### MINIMUM CASH THROUGHOUT THE FORECAST

43,963.35

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 | 789,462.58 | 813,146.63 | 837,540.97 |
| Margin of safety | -81,326.58 | -25,184.39 | -33,819.49 |

PROJECT PAYBACK

## Not reached within 3 years

| Project measure | USD |
|---|---|
| Initial project outlay | 44,500.00 |
| Cumulative project cash at forecast end | -241,984.11 |
| Peak project cash deficit | 241,984.11 |

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 narrowed to Jan 2027-Dec 2029; initial paid roster, mix and base fees retained. Later expansion omitted. Fixed utilization and three-month ramp; fees grow 2%, paid/fixed costs 3%. Fractional rows are prorated budgets. Owner pay counted once. Stock uses physical goods days; supplier lag is blended. Deposits/prepayments excluded; setup paid once. Source noncash loss allowances become conservative cash buffers. Tax/employer allowances 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.