FINANCIAL REPORT / 01

The financial picture

Harbor Trace | USD | 3 operating years | base scenario

Revenue, profit and cash flow.

Year 1 revenue

205,040.00

USD

Year 1 net income

-12,737.51

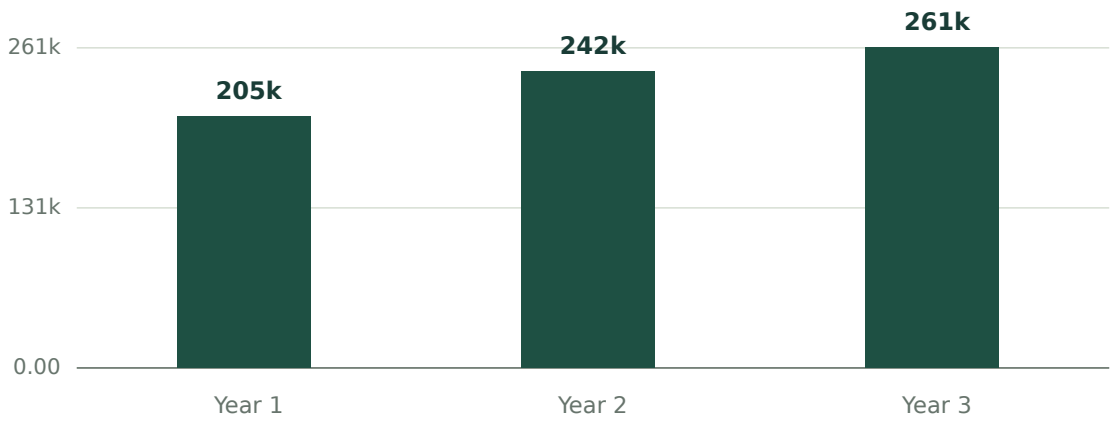
USD

Minimum cash

37,451.64

Includes the pre-opening period

ANNUAL REVENUE



Inside this report

02 Profit & loss
03 Cash flow
04 Year-end balance sheet
05 Launch budget & funding
06 Break-even & payback
07 Assumptions & review

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	205,040.00	241,842.84	261,480.36
Cost of sales	18,453.60	21,765.84	23,533.20
Gross profit	**186,586.40**	**220,077.00**	**237,947.16**
Operating expenses	196,579.36	205,848.48	213,386.16
EBITDA	**-9,992.96**	**14,228.52**	**24,561.00**
Depreciation	2,283.33	2,283.34	2,283.33
Interest expense	0.00	0.00	0.00
Tax provision	461.22	2,508.48	4,678.32
Net income	**-12,737.51**	**9,436.70**	**17,599.35**

YEAR 1 EBITDA

-9,992.96

YEAR 2 EBITDA

14,228.52

YEAR 3 EBITDA

24,561.00

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	60,500.00	40,725.82	51,689.07
Customer collections	195,720.00	241,086.05	260,662.13
Supplier payments	18,453.60	21,765.84	23,533.20
Operating expenses paid	196,579.36	205,848.48	213,386.16
Interest paid	0.00	0.00	0.00
Tax provision paid	461.22	2,508.48	4,678.32
Operating cash flow	**-19,774.18**	**10,963.25**	**19,064.45**
Investing cash flow	0.00	0.00	0.00
Financing cash flow	0.00	0.00	0.00
Net change in cash	**-19,774.18**	**10,963.25**	**19,064.45**
Closing cash	**40,725.82**	**51,689.07**	**70,753.52**

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	40,725.82	51,689.07	70,753.52
Accounts receivable	9,320.00	10,076.79	10,895.02
Inventory	0.00	0.00	0.00
Net fixed assets	5,716.67	3,433.33	1,150.00
Total assets	**55,762.49**	**65,199.19**	**82,798.54**
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	**55,762.49**	**65,199.19**	**82,798.54**
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	8,000.00
Expensed setup	6,500.00
Opening inventory	0.00
Total startup uses	**14,500.00**

PROPOSED FUNDING

Source / balance	USD
Combined equity	75,000.00
Loan proceeds	0.00
Cash after startup uses	**60,500.00**

MINIMUM CASH THROUGHOUT THE FORECAST

37,451.64

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	217,531.20	224,057.18	230,779.12
Margin of safety	-12,491.20	17,785.66	30,701.24

PROJECT PAYBACK

Recovered within 34.34 months

Project measure	USD
Initial project outlay	14,500.00
Cumulative project cash at forecast end	3,401.54
Peak project cash deficit	37,502.24

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.
- Source two-investigator hourly case retained for 36 months, with compensated owner already in the field team and quarter-time admin fixed. Original five shares/fees remain. Three-month ramp and 6% requested growth replace later staffing/utilization steps. Travel and records access are 9% purchased services with no stock. Source 1% uncollectible allowance becomes paid credit-control contingency with full collections assumed; 15-day blended lag has no advance ledger. Setup paid once, deposit excluded. Simplified 21% tax, 15% employer allowance, 2% fees and 3% fixed costs.
- 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.