

HydroHut

Water for the Healthy Consumer



Business Plan

HydroHut

Contact Information:

HydroHut, Inc.
12709 Enfield Terrace
Austin, TX 78704
(512) 555-1212
hydrohut@internet.com
Allis Walter, President
Matthew Strang, CEO

See how easy it is to create your own business plan with [Ultimate Business Planner](#)[®].
It's the fastest and easiest way to write a winning business plan.
We guarantee it!



To learn more about our business plan software, [click here](#) or call 1-800-874-8801.

Copyright ©1998-2007, Atlas Business Solutions, Inc.

Table of Contents

1. Executive Summary	1
Business Opportunity	
Product/Service Description	
Current Business Position	
Financial Potential	
The Request	

2. Company Background	3
Business Description	
Company History	
Current Position and Business Objectives	
Ownership	

3. Products	5
Product Overview	
Competitive Analysis	
Suppliers and Inventory	
Research and Development	

4. The Industry, Competition and Market	9
Industry Definition	
Primary Competitors	
Market Size	
Market Growth	
Customer Profile	

5. Marketing Plan	12
Competitive Advantage	
Pricing	
Distribution Channels	
Promotional Plan	
Feedback	

6. Operating Plan	15
Location	
Facility	
Operating Equipment	
Suppliers and Vendors	
Personnel Plan	
General Operations	

7. Management, Organization and Ownership	17
Management/Principals	
Organizational Structure	
Professional Consultants	

8. Goals and Strategies	18
Business Goals	
Keys to Success	
Future Plans	

9. Financial Assumptions	19
Beginning Balance Sheet	
Profit and Loss	
Balance Sheet	
Cash Plan	

10. Appendix	25
Income Projection	
Expense Projection	
Profit & Loss	
Balance Sheet	
Cash Plan	
Ratio Analysis	
Personal Financial Statement	
Equipment List	

1. Executive Summary

HydroHut is a unique concept ready to enter the Austin, Texas retail restaurant and bar market. Its products will consist of still water drinks and baked goods for health-conscious consumers. The partners, who bring more than 12 years of retail restaurant and bar operations experience to the venture, are seeking a line-of-credit of \$15,000 to facilitate the opening and operation of HydroHut.

1.1 Business Opportunity

Still (non-carbonated) water beverages are the trendiest new drinks since gourmet coffee. The market for still water drinks has been building strongly for three years and now appears ready to enter a new, accelerated period of growth.

1.2 Product/Service Description

Still water drinks are much different from the mass-produced carbonated beverages sold by the soft drink giants. They are usually produced in small quantities by entrepreneurial organizations and product quality is extremely high. Still water drinks include functional additives, including nutraceuticals, which further differentiate them from mass-market soft drinks and appeal to health-conscious consumers.

The product line, all purchased from outside vendors, will consist of approximately 20 different still water beverages and functional beverages, in addition to a selection of freshly baked breads, muffins, cookies, and other locally produced items.

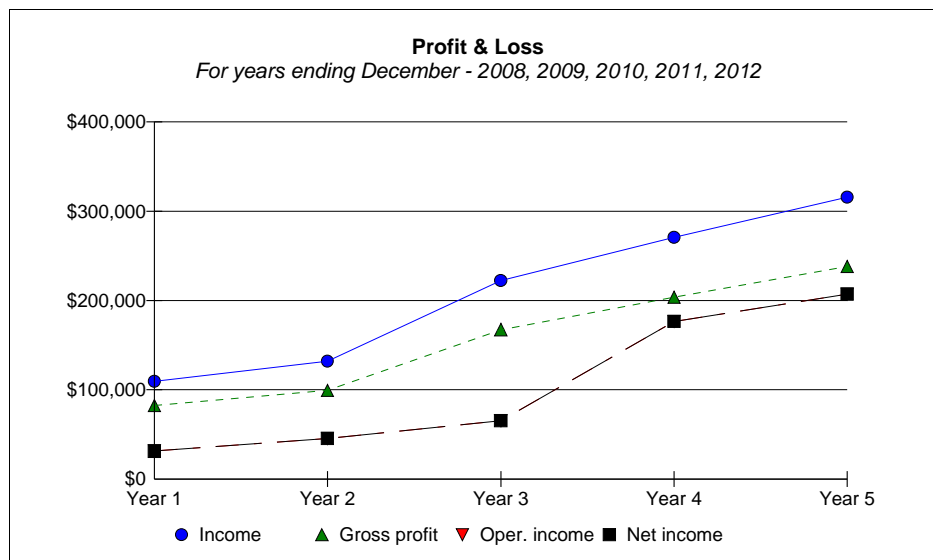


1.3 Current Business Position

HydroHut will be owned by Allis Walter and Matthew Strang. The business will be structured as an equal partnership, with Mr. Walter bearing the title of President and Mr. Strang operating as Chief Executive Officer. Mr. Walter and Mr. Strang are experienced in retail restaurant bar operations.

1.4 Financial Potential

Revenues of \$109,600 are expected in HydroHut's first year of operations, with a 20 percent revenue increase in year two. Early in year three, a second location is planned, which will increase HydroHut's potential for success. Revenues are expected to increase considerably after the second location is opened to \$222,400. Bank financing is not expected to be required after HydroHut's first year of operation, based on the projected cash flows.



1.5 The Request

HydroHut is seeking to establish a \$15,000 line-of-credit loan to cover start-up costs, purchase needed equipment, and provide working capital until the business can support itself financially. HydroHut is requesting this amount be formalized as a line of credit, which the company can draw from as needed.

Even though the amount requested is \$15,000, HydroHut projects it will only require funds equal to \$4,250. However, such a line of credit will help HydroHut cover operating expenses should the forecast fall short. The owners are prepared to pledge personal assets in the amount of the loan to collateralize the transaction. In addition, they are willing to invest \$10,000 of their own cash to help get HydroHut up and running.

2. Company Background

The two partners that will own HydroHut are Mr. Allis Walter and Mr. Matthew Strang, who together bring more than 12 years of restaurant hospitality experience to the business. The partners recognized the progressive, health-conscious lifestyles of much of Austin's population, and view the functional still water market as one with strong potential. Research of functional still water beverage locations elsewhere in the United States supported the partner's beliefs about its potential for success. There are no other such facilities in Austin at the current time.

2.1 Business Description

HydroHut will sell still water beverages through a retail outlet in Austin, Texas. The outlet will consist of a bar and seating area, as well as a service counter. It will serve beverages prepared on the premises for consumption either in the beverage bar or off-site. In addition, it will offer prepackaged products, including baked goods.



HydroHut will target its products to Austin's educated, progressive population. Austin has one of the country's highest per-capita rates of consumption of natural foods and beverages.

A retail business, including a small bar and seating area and drive-through window area, will be located in an existing facility near the intersection of Loop 1 and Enfield Road in central Austin.

2.2 Company History

Allis Walter and Matthew Strang became associated in the summer of 1996, through mutual memberships in a regional hospitality trade association. A combination of a

mutual passion for health-conscious products with shared entrepreneurial attitudes eventually led them to discuss becoming business partners. After doing considerable market research in the health products industry, the partners discovered the absence of functional still water products in Austin. Further research into existing functional water facilities in the United States showed the partners the potential for success in this type of business.

2.3 Current Position and Business Objectives

HydroHut is currently in the start-up phase of its business life. The first HydroHut location will be located near Sixth Street and Lamar Boulevard, one of the city's busiest intersections and hottest retail environments. The store will be the first of its kind in Austin, a major metro area of more than 1 million people.

HydroHut's mission statement is as follows:

"HydroHut will sell still water drinks and functional beverages to health-conscious consumers in Austin, Texas. Retail customers will consist of students, faculty, and staff from the nearby University of Texas campus, the nation's largest, and residents of the well-educated, affluent surrounding neighborhoods."

Long-term goals for HydroHut include an expansion to three locations by the end of its fifth year of operations, as well as the possibility of the creation of company-owned or franchised outlets thereafter.

2.4 Ownership

HydroHut will be owned by Allis Walter and Matthew Strang. The business will be structured as an equal partnership, with Mr. Walter bearing the title of President and Mr. Strang operating as Chief Executive Officer. Mr. Walter and Mr. Strang are experienced in retail restaurant bar operations.

3. Products

Still water is the fastest growing segment of the alternative beverage industry. Sales for 2006, the most recent year available, were up 25 percent, almost double the industry average of 13 percent. Other alternative beverage segments include juices, teas, sport drinks, sparkling waters, and natural sodas.

3.1 Product Overview

The primary products to be sold through HydroHut will be functional still water drinks in three categories:

1. Nutriceuticals

Nutriceutical waters include still waters to which have been added minerals such as potassium, calcium, vitamins including A, C, and D, and other substances, such as caffeine.

2. Bacteria-Free Still Water

Bacteria-free still waters are processed using techniques that eliminate microorganisms, including associated flavors and particles, from the water.

3. Exotic Waters

Exotic waters are bottled and imported from locations such as Alaska, Canada, France, Hawaii, Sweden, and Russia.

Functional still water fountain drinks will be offered at the following prices:

Small: \$1.00

Medium: \$1.50

Large: \$2.50

In addition, larger sizes of water will be sold for customer carryout or delivery. They will range from 1-liter bottles to 20-liter plastic jugs at prices ranging from \$2.50 to \$25.00.



HydroHut will sell these products, as well as prepackaged products (including baked goods), for consumption both in the beverage bar and off-site. The location will also have a drive-through window area for customer convenience.



3.2 Competitive Analysis

Currently, no other business in Austin focuses exclusively on the functional still water market. This will provide considerable flexibility in pricing and allow for the creation of a great deal of customer awareness and brand loyalty, erecting significant barriers to entry for potential competitors.

While no retail businesses devoted exclusively to functional water beverages exist in Austin, functional water beverages are sold at Whole Foods, Whole Earth Provision, Randall's Markets, and other grocery retailers.



3.3 Suppliers and Inventory

HydroHut's products will be supplied by various vendors, including the following: Aqua Health, Water for Life, H2Ah!, Nutri-Water, Hydration Technologies, Guava Cool, Soft Beverages, and Millennium Moisture. These vendors supply a variety of beverages with features such as nutraceutical content, bacteria-free processing, and a number of natural, organic flavorings, including berries, fruits, and spices.



These suppliers are, for the most part, located in the continental United States. While they are not currently available for wholesale distribution in Austin, which partially explains the lack of local retail distribution, all operate existing distribution systems with representatives in other Texas cities, including Houston, San Antonio, and Dallas. No problems in obtaining adequate supplies of important products are anticipated. A projected inventory level of 30 days' worth of inventory on hand at all times.

3.4 Research and Development

HydroHut success will come from educating customers about the appeal and benefits of functional still water beverages, and from providing a quality service and products not available in grocery stores. Price competition will be a minimal influence given current market conditions.

Expansion will begin in year three and includes the planned opening of a second location, an expansion of corporate sales, and added emphasis on special outside event promotions.

4. The Industry, Competition and Market

HydroHut will take advantage of the rapidly growing still water beverage market niche. The market for these products has been building strongly for over three years, appealing mainly to health-conscious consumers of all age groups. While Austin, Texas contains one of the highest demographic target markets for these products, the community currently has no still water beverage retailer. The following sections discuss the opportunities for HydroHut in the Austin area.

4.1 Industry Definition

Still water is the fastest growing segment of the alternative beverage industry. Sales for 1996, the most recent year available, were up 25 percent, almost double the industry average of 13 percent. Other alternative beverage segments include juices, teas, sport drinks, sparkling waters, and natural sodas.

Still water sales totaled 731 million cases, making the category by far the dominant in alternative beverages, whose total sales neared 1.9 billion cases. Still water's share of the alternative beverage market exceeded 39 percent, up 3.7 percent from the previous year, when 585 million cases of still waters were sold. Other strong categories included sport drinks and teas.

4.2 Primary Competitors

No other business in Austin focuses exclusively on the functional still water market. This will provide considerable flexibility in pricing and allow for the creation of a great deal of customer awareness and brand loyalty, erecting significant barriers to entry for potential competitors.

While no retail businesses devoted exclusively to functional water beverages exist in Austin, functional water beverages are sold at Whole Foods, Whole Earth Provision, Randall's Markets, and other grocery retailers.



4.3 Market Size

Austin is the capital of Texas, located near the center of the state approximately 70 miles north of San Antonio and 200 miles south of Dallas. The city has a population of roughly 500,000 and is the hub of a metropolitan area of more than 1 million people. It is home to the nation's largest university, as well as many offices related to the state government and also a booming business community, including the headquarters of Dell Computer Corp. and Whole Foods Market, the nation's largest retailer of natural foods.



4.4 Market Growth

HydroHut is an ideal business for Austin given the market including size and demographics. Based on average individual transactions of approximately \$2.25, including functional still water drinks and ancillary products, the business has the

potential to gross over \$220,000 in sales by its third year of operation. Three additional locations are planned by the end of HydroHut's fifth year of operations.

4.5 Customer Profile

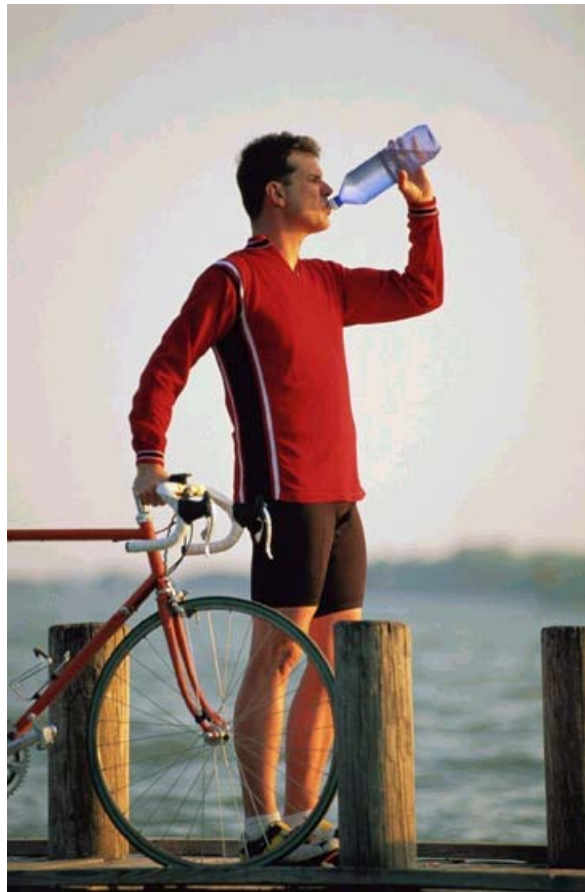
Austin has one of the highest percentages of adults possessing a college degree of any American city, and is generally regarded as a center of progressive lifestyles in the Southwest. The city has one of the country's highest per-capita rates of consumption of natural foods and beverages. The facility will be located near desirable residential areas, the state capital complex, and the University of Texas main campus.



5. Marketing Plan

HydroHut's overall marketing strategy will be to educate consumers about the benefits of still water and functional water beverages, and to promote the availability through HydroHut. Customers will be reached through fliers, newspaper advertisements, publicity efforts, and special event promotions.

HydroHut will target health-conscious, progressive, and generally well-educated and affluent customers who are interested in trying new products and experiences and are dissatisfied with the limited selection and lack of personal service found in grocery store-type water retailers.



5.1 Competitive Advantage

No other business in Austin focuses exclusively on the functional still water market. This will provide considerable flexibility in pricing and allow for the creation of a great deal of customer awareness and brand loyalty, erecting significant barriers to entry for potential competitors. HydroHut will be located in a high-traffic area of Austin, in the middle of its target market.

5.2 Pricing

Research in San Francisco, California, indicated that six functional still water beverage retail locations existed. The oldest has been in operation for slightly more than two years. These businesses were thriving, selling functional still water drinks units at prices ranging from \$1.25 for small counter-prepared beverages to be consumed on the premises, to \$24.00 for larger bottles to be installed off-premises in water coolers.



HydroHut's still water fountain drinks will be offered at the following prices:

Small: \$1.00

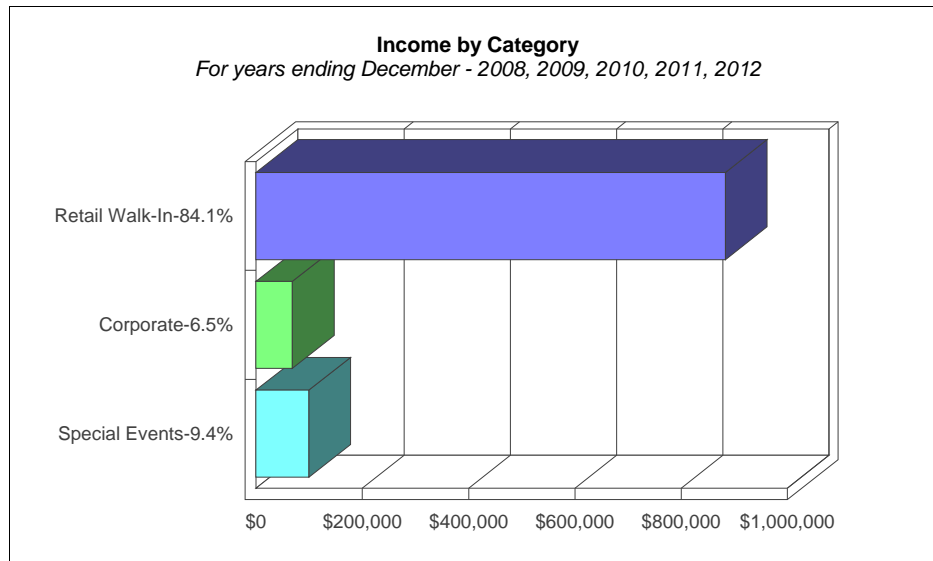
Medium: \$1.50

Large: \$2.50

In addition, larger sizes of water will be sold for customer carryout or delivery. They will range from 1-liter bottles to 20-liter plastic jugs at prices ranging from \$2.50 to \$25.00.

5.3 Distribution Channels

Primary distribution of functional still water drinks will be through the retail facility, centrally located within HydroHut's target market area. Secondary distribution will consist of deliveries of bottled water beverages to restaurants, retailers, and corporate locations. The partners' previous presence in the Austin hospitality industry will contribute to HydroHut's success in this market. Additional distribution will be accomplished through temporary booths set up at athletic and cultural events, such as bicycle races and concerts.



5.4 Promotional Plan

HydroHut will promote functional still water drinks to customers via:

Newspaper Advertisements:

Regular newspaper advertisements focusing on education and information about the benefits of functional still water beverages.

Public Relations:

A publicity campaign that will attempt to gain company owners' appearances as experts on functional still water beverages on health-related TV and radio broadcasts, and as expert sources for print publications.

Flyers:

Distributing educational and promotional fliers to residences within a one-mile radius.

Discounts:

Discounts offered to appropriate groups, such as health food cooperatives, organic gardening clubs, and cultural associations.

5.5 Feedback

When possible, HydroHut's management will conduct informal interviews with its customers. Questions regarding relative enjoyment of the products, acceptance of the product's prices, and overall satisfaction with the HydroHut experience will be asked. For corporate events, formal mail surveys will be sent to company coordinators, in order to receive feedback on how HydroHut's products were received. In addition, analysis of the effects of any marketing or promotional campaigns on immediate revenues will be performed on a case-by-case basis.

6. Operating Plan

HydroHut will be centrally located in Austin, Texas. The retail business will have a bar and seating area, as well as a drive-through window for convenience. Equipment needed will be minimal, as most of the store's products are pre-packaged. The following sections elaborate on HydroHut's operations.

6.1 Location

HydroHut will be located near the intersection of Loop 1 and Enfield Road in Austin, Texas, an attractive retail location near desirable residential areas, the state Capitol complex, and the University of Texas main campus.



A second location is planned to be added in the third year of operation at a suitable site to be determined. Also, a third location will be opened in the fifth year of operation.

6.2 Facility

An existing 900 square foot facility with seating and a drive-up window will be leased. Improvements will include additions to the seating area, a water bar, and landscaping.



Equipment purchased will be minimal, as the product line will be purchased from outside vendors. Baked goods will be pre-packaged and supplied from local producers.

6.3 Operating Equipment

Operating equipment needed by HydroHut primarily consists of standard restaurant fixtures. The only specialized equipment relates to the water bar, and amounts to less than \$5,000 of the total capital expenditures. No future equipment is anticipated to be needed until the proposed second location is opened. HydroHut's equipment list can be found in the appendix.

6.4 Suppliers and Vendors

HydroHut's possible suppliers include Aqua Health, Water for Life, H2Ah!, Nutri-Water, Hydration Technologies, Guava Cool, Soft Beverages, and Millennium Moisture. These vendors supply a variety of beverages with features such as nutraceutical content, bacteria-free processing, and a number of natural, organic flavorings, including berries, fruits, and spices.

These suppliers are, for the most part, located in the continental United States. While they are not currently available for wholesale distribution in Austin, which partially explains the lack of local retail distribution, all operate existing distribution systems with representatives in other Texas cities, including Houston, San Antonio, and Dallas. No problems in obtaining adequate supplies of important products are anticipated.

6.5 Personnel Plan

HydroHut partners, Allis Walter and Matthew Strang, will perform the majority of the duties required to operate the initial store. One part-time employee will be hired to assist with the business.

6.6 General Operations

HydroHut will be open seven days a week, with the following hours of operation:

Monday - Friday, *10am - 10pm*

Saturday, *10am - 7pm*

Sunday, *12 pm - 7pm*

The current location is compliant with all local codes regarding accessibility for the disabled, environmental laws, and occupational safety regulations.

7. Management, Organization and Ownership

The HydroHut partners are well experienced in the restaurant and bar hospitality industry. The partners are experienced with both customer contact tasks as well as management/operations duties. The following sections discuss the principals of HydroHut and those that they will consult with.

7.1 Management/Principals

Allis Walter has five years of experience in the retail restaurant industry. He has served as Manager of the Lava Coffee Beanery and Assistant Manager of the Travis Bagel Shop. He is a 1994 graduate of the University of Texas at Austin business school.

Matthew Strang has seven years of experience in the hospitality industry. He has served as Assistant General Manager of the Hill Country Bed & Breakfast in Fredericksburg, Texas, and Manager of Bee Cave Bar & Grill.

7.2 Organizational Structure

The business will be structured as an equal partnership, with Mr. Walter bearing the title of president and Mr. Strang operating as chief executive officer. Due to the relatively small size of the initial location, the two partners will divide the day-to-day operations of the business between themselves. One part-time employee will be hired to assist operations as needed.

7.3 Professional Consultants

Due to the size of the store and the industry experience of the partners, the need to hire outside consultants should be minimal. Professional services, primarily accounting in nature, are projected to average less than \$1,500 per year.

8. Goals and Strategies

HydroHut will be the first of its kind in Austin, a major metropolitan area of more than 1 million people. The store's high quality products, marketed to Austin's health-conscious population, are expected to lead the partners to financial success.

8.1 Business Goals

HydroHut's business goals are as follows:

- To repay initial bank loans during the first year of operation.
- To open a second retail location in the third year of operation.
- To produce net income levels of over \$30,000, \$45,000, and \$65,000 for years one, two, and three, respectively.

8.2 Keys to Success

HydroHut's success will come from educating customers about the appeal and benefits of functional still water beverages, and from providing a quality service and products not available in grocery stores. Austin has one of the highest percentages of adults possessing a college degree of any American city, and is generally regarded as a center of progressive lifestyles in the Southwest.

No other business in Austin focuses exclusively on the functional still water market. This will provide considerable flexibility in pricing and allow for the creation of a great deal of customer awareness and brand loyalty.

Customers will be reached through fliers, newspaper advertisements, publicity efforts, and special event promotions. Location will also play a crucial role in marketing and promotion. The business will be located near a high-traffic retail area in central Austin, also close to the University of Texas main campus.

8.3 Future Plans

Assuming the HydroHut concept proves successful, the owners will explore possible franchising opportunities for other cities.

HydroHut's future plans include:

- To expand to three additional retail locations by the end of year five.
- To explore additional expansion through the creation of more company-owned or, possibly, franchised outlets after year five.

9. Financial Assumptions

This section of the business plan summarizes the financial assumptions used in creating the projected financial statements (included in the Appendix).

Follows is a summary of the assumptions used to forecast the next three years of HydroHut's planned operation, including Beginning Balance Sheet, Profit & Loss, Balance Sheet, and Cash Flow data.

9.1 Beginning Balance Sheet

Beginning Balance Sheet	
<i>For year beginning January, 2008</i>	
Assets:	
Current assets:	
Cash	1,000
Inventory	2,278
Total current assets	3,278
Fixed assets (net)	5,000
Other assets (net)	8,250
Total assets	16,528
Liabilities:	
Current liabilities:	
Accounts payable (inventory)	2,278
Line of credit	4,250
Total current liabilities	6,528
Total liabilities	6,528
Equity:	
Total equity	10,000
Total liabilities and equity	16,528
Debt-to-equity ratio	0.65

Cash - A minimum target balance of \$1,000 has been set for the cash account. The partners will be infusing \$10,000 into the business, and the \$15,000 line of credit will be available.

Inventory - HydroHut plans on having 30 days' worth of inventory on-hand, due to the perishability of its products. Beginning inventory is calculated by looking at the total cost of sales for month 1, which is \$2,278, and making sure the business has this inventory level prior to opening.

Property, Plant and Equipment (net) - This is the \$5,000 of equipment HydroHut needs to buy to open its store. A detailed equipment list can be found in the appendix.

Other Assets (net) - This account includes mostly intangible assets that can be amortized for accounting/tax purposes. These assets include leasehold improvements of \$5,000, legal and consulting fees of \$1,000, permit and licenses totaling \$750, and miscellaneous start-up expenses of \$1,500.

Accounts Payable - HydroHut will have Net 30 terms with its suppliers regarding inventory.

Line of Credit - Assumes a \$15,000 line-of-credit loan is available, and \$4,250 will be needed to fund initial start-up costs. The projected interest rate of this line of credit is 12 percent.

Contributed Cash - This is the \$10,000 investment by the owners.

9.2 Profit and Loss

Profit & Loss Statement					
<i>For years ending December - 2008, 2009, 2010, 2011, 2012</i>					
	Year 1	Year 2	Year 3	Year 4	Year 5
Income	109,600	132,000	222,400	270,500	315,725
Less COGS:					
Material	27,305	32,590	55,007	66,795	77,829
Total COGS	27,305	32,590	55,007	66,795	77,829
Gross profit	82,295	99,410	167,393	203,705	237,896
Operating expenses:					
Salaries & Wages	7,500	8,256	25,500	0	0
Professional Services	1,500	1,100	1,300	0	0
Rent	19,596	19,596	39,204	0	0
Maintenance	900	900	1,500	0	0
Equipment Rental	1,200	1,800	2,400	0	0
Insurance	1,920	2,160	4,200	0	0
Utilities	2,160	2,160	3,900	0	0
Office Supplies	900	900	900	900	900
Postage	780	900	1,200	1,500	1,800
Marketing/Advertising	10,200	11,400	13,200	15,600	18,000
Travel	1,150	1,600	2,750	2,750	3,160
Entertainment	325	600	900	1,200	1,575
Amortization	1,650	1,650	3,025	3,300	3,300
Depreciation	1,000	1,000	1,833	2,000	2,000
Total operating expenses	50,781	54,022	101,812	27,250	30,735
Operating income	31,514	45,388	65,581	176,455	207,161
Interest expense	180	0	0	0	0
Net income	31,334	45,388	65,581	176,455	207,161

Sales - Assumptions are based on anticipated sales for one HydroHut location, until March of the third year, when a second location is scheduled to open. Below is a breakdown summary of forecasted sales:

Income Projection					
<i>For years ending December - 2008, 2009, 2010, 2011, 2012</i>					
Income Category	Year 1	Year 2	Year 3	Year 4	Year 5
Retail Walk-In	100,100	107,000	189,100	226,500	260,475
Corporate	0	8,000	13,000	19,500	27,500
Special Events	9,500	17,000	20,300	24,500	27,750
Total Income	109,600	132,000	222,400	270,500	315,725

Cost of Sales - Calculated based on industry average information. Specifically, retail walk-in sales have a 25% cost of sales, corporate sales have a 22% cost of sales, and special event sales have a 24% cost of sales.

Salaries & Wages - Based on one planned part-time employee in years 1 & 2, with two additional part-time employees in year 3.

Marketing/Advertising - HydroHut will promote functional still water drinks to customers via newspaper advertisements, public relations activities, flyers, and group discounts.

Rent, Maintenance, Insurance, Utilities, and Travel - Reflects the higher expenses that will result from the second location opening in March of year 3.

9.3 Balance Sheet

Balance Sheet					
<i>For years ending December - 2008, 2009, 2010, 2011, 2012</i>					
	Year 1	Year 2	Year 3	Year 4	Year 5
Assets:					
Current assets:					
Cash	6,734	30,772	63,961	221,716	410,177
Inventory	2,730	3,065	4,815	5,604	6,526
Total current assets	9,464	33,837	68,776	227,320	416,703
Fixed assets (net)	4,000	3,000	6,167	4,167	2,167
Other assets (net)	6,600	4,950	10,175	6,875	3,575
Total assets	20,064	41,787	85,118	238,361	422,445
Liabilities and equity:					
Current liabilities:					
Accounts payable	2,730	3,065	4,815	5,604	6,526
Line of credit	0	0	0	0	0
Total current liabilities	2,730	3,065	4,815	5,604	6,526
Total liabilities	2,730	3,065	4,815	5,604	6,526
Equity	17,334	38,722	80,303	232,758	415,919
Total liabilities and equity	20,064	41,787	85,118	238,361	422,445

Cash - A minimum target balance of \$1,000 has been set for the cash account. The partners will be infusing \$10,000 into the business, and the \$15,000 line of credit will be available.

Inventory - HydroHut plans on having 30 days' worth of inventory on-hand, due to the perishability of its products. Beginning inventory is calculated by looking at the total cost of sales for month 1, which is \$2,278, and making sure the business has this inventory level prior to opening.

Property, Plant and Equipment (net) - This is the \$5,000 of equipment HydroHut needs to buy to open its store. A detailed equipment list can be found in the appendix.

Other Assets (net) - This account includes mostly intangible assets that can be amortized for accounting/tax purposes. These assets include leasehold improvements of \$5,000, legal and consulting fees of \$1,000, permit and licenses totaling \$750, and miscellaneous start-up expenses of \$1,500.

Accounts Payable - HydroHut will have Net 30 terms with its suppliers regarding inventory.

Line of Credit - Assumes a \$15,000 line-of-credit loan is available, and \$4,250 will be needed to fund initial start-up costs. The projected interest rate of this line of credit is 12 percent.

Contributed Cash - This is the \$10,000 investment by the owners.

9.4 Cash Plan

Cash Plan					
<i>For years ending December - 2008, 2009, 2010, 2011, 2012</i>					
	Year 1	Year 2	Year 3	Year 4	Year 5
Cash receipts	109,600	132,000	222,400	270,500	315,725
Operating cash expenses:					
Inventory purchases	27,305	32,590	55,007	66,795	77,829
Other expenses	48,131	51,372	96,954	21,950	25,435
Total operating cash exp.	75,436	83,962	151,961	88,745	103,264
Cash from operations	34,164	48,038	70,439	181,755	212,461
Capital expenditures	0	0	(13,250)	0	0
Debt activities:					
Interest payments	(180)	0	0	0	0
Total debt activities	(180)	0	0	0	0
Net cash after capital expenditures and debt	33,984	48,038	57,189	181,755	212,461
Distributions	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)
Change in cash	9,984	24,038	33,189	157,755	188,461
Beginning cash	1,000	6,734	30,772	63,961	221,716
Cash before borrowing	10,984	30,772	63,961	221,716	410,177
Line of credit activity	(4,250)	0	0	0	0
Ending cash	6,734	30,772	63,961	221,716	410,177

Cash Receipts - Assumes sales to all customer categories will be on a cash basis. Corporate and Special Events are assumed to be collected upon completion of respective jobs, due to the limited size of HydroHut's services; however, they are still treated as cash sales.

Inventory Purchases - HydroHut plans on buying enough inventory for 30 days' sales. Based on HydroHut research, the company assumes it will be able to secure payment terms of Net 30 with its suppliers.

Other Expenses - Below is a summary of HydroHut's other expenses:

Expense Projection					
<i>For years ending December - 2008, 2009, 2010, 2011, 2012</i>					
Expense Category	Year 1	Year 2	Year 3	Year 4	Year 5
Salaries & Wages	7,500	8,256	25,500	0	0
Professional Services	1,500	1,100	1,300	0	0
Rent	19,596	19,596	39,204	0	0
Maintenance	900	900	1,500	0	0
Equipment Rental	1,200	1,800	2,400	0	0
Insurance	1,920	2,160	4,200	0	0
Utilities	2,160	2,160	3,900	0	0
Office Supplies	900	900	900	900	900
Postage	780	900	1,200	1,500	1,800
Marketing/Advertising	10,200	11,400	13,200	15,600	18,000
Travel	1,150	1,600	2,750	2,750	3,160
Entertainment	325	600	900	1,200	1,575
Total Expenses	48,131	51,372	96,954	21,950	25,435

Distributions - Assumes a \$1,000 distribution to each partner on a monthly basis for the first three years. Should profitability performance meet expectations, the partners may increase their monthly distribution slightly in years 4 and 5.

10. Appendix

This section contains the following reports and supporting documentation:

- Income Projection
- Expense Projection
- Profit & Loss
- Balance Sheet
- Cash Plan
- Ratio Analysis
- Personal Financial Statement
- Equipment List

HydroHut
Income Projection
For year ending December, 2008

Income Category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 1
Retail Walk-In	8,150	8,150	8,300	8,400	8,300	8,350	8,400	8,400	8,450	8,400	8,400	8,400	100,100
Corporate	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Events	1,000	0	1,000	0	1,000	1,500	1,000	1,500	0	1,500	1,000	0	9,500
Total Income	9,150	8,150	9,300	8,400	9,300	9,850	9,400	9,900	8,450	9,900	9,400	8,400	109,600

HydroHut
Income Projection
 For year ending December, 2009

Income Category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 2
Retail Walk-In	8,600	8,650	8,700	8,700	8,800	8,800	8,850	8,900	9,100	9,000	9,400	9,500	107,000
Corporate	1,000	0	0	1,500	0	1,000	1,500	0	1,000	0	0	2,000	8,000
Special Events	1,500	2,000	1,000	1,500	2,000	1,000	1,000	1,500	1,200	1,600	1,700	1,000	17,000
Total Income	11,100	10,650	9,700	11,700	10,800	10,800	11,350	10,400	11,300	10,600	11,100	12,500	132,000

HydroHut
Income Projection
 For year ending December, 2010

Income Category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 3
Retail Walk-In	9,500	9,600	15,500	16,000	17,000	15,000	16,500	16,000	17,750	18,750	18,000	19,500	189,100
Corporate	1,500	1,000	0	1,000	1,500	2,000	0	1,000	1,500	1,000	0	2,500	13,000
Special Events	1,500	2,000	2,000	1,500	2,000	2,000	1,500	1,500	1,500	1,600	1,700	1,500	20,300
Total Income	12,500	12,600	17,500	18,500	20,500	19,000	18,000	18,500	20,750	21,350	19,700	23,500	222,400

HydroHut
Income Projection
 For year ending December, 2011

Income Category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 4
Retail Walk-In	16,500	17,500	18,000	17,500	18,500	19,000	19,500	20,000	20,500	20,000	20,000	19,500	226,500
Corporate	1,500	1,000	2,000	1,500	2,000	2,000	2,000	2,000	1,500	1,000	1,500	1,500	19,500
Special Events	1,500	2,000	2,250	2,000	2,250	2,250	2,500	2,250	2,500	1,750	1,750	1,500	24,500
Total Income	19,500	20,500	22,250	21,000	22,750	23,250	24,000	24,250	24,500	22,750	23,250	22,500	270,500

HydroHut
Income Projection
For year ending December, 2012

Income Category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 5
Retail Walk-In	18,975	20,125	20,700	20,125	21,275	21,850	22,425	23,000	23,575	23,000	23,000	22,425	260,475
Corporate	2,000	2,500	2,000	2,500	2,500	2,500	2,500	2,500	2,500	2,000	2,000	2,000	27,500
Special Events	1,750	2,250	2,500	2,500	2,500	2,500	2,750	2,500	2,500	2,000	2,000	2,000	27,750
Total Income	22,725	24,875	25,200	25,125	26,275	26,850	27,675	28,000	28,575	27,000	27,000	26,425	315,725

HydroHut
Expense Projection
For year ending December, 2008

Expense Category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 1
Salaries & Wages	625	625	625	625	625	625	625	625	625	625	625	625	7,500
Professional Services	500	0	0	350	0	0	0	0	0	0	0	650	1,500
Rent	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	19,596
Maintenance	75	75	75	75	75	75	75	75	75	75	75	75	900
Equipment Rental	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Insurance	160	160	160	160	160	160	160	160	160	160	160	160	1,920
Utilities	180	180	180	180	180	180	180	180	180	180	180	180	2,160
Office Supplies	75	75	75	75	75	75	75	75	75	75	75	75	900
Postage	65	65	65	65	65	65	65	65	65	65	65	65	780
Marketing/Advertising	850	850	850	850	850	850	850	850	850	850	850	850	10,200
Travel	75	100	75	75	150	100	75	75	100	150	75	100	1,150
Entertainment	25	25	25	25	25	25	25	25	25	25	25	50	325
Total Expenses	4,363	3,888	3,863	4,213	3,938	3,888	3,863	3,863	3,888	3,938	3,863	4,563	48,131

HydroHut
Expense Projection
For year ending December, 2009

Expense Category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 2
Salaries & Wages	688	688	688	688	688	688	688	688	688	688	688	688	8,256
Professional Services	0	0	0	500	0	0	0	0	0	0	0	600	1,100
Rent	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	19,596
Maintenance	75	75	75	75	75	75	75	75	75	75	75	75	900
Equipment Rental	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Insurance	180	180	180	180	180	180	180	180	180	180	180	180	2,160
Utilities	180	180	180	180	180	180	180	180	180	180	180	180	2,160
Office Supplies	75	75	75	75	75	75	75	75	75	75	75	75	900
Postage	75	75	75	75	75	75	75	75	75	75	75	75	900
Marketing/Advertising	950	950	950	950	950	950	950	950	950	950	950	950	11,400
Travel	150	150	200	100	75	150	150	200	100	75	100	150	1,600
Entertainment	50	50	50	50	50	50	50	50	50	50	50	50	600
Total Expenses	4,206	4,206	4,256	4,656	4,131	4,206	4,206	4,256	4,156	4,131	4,156	4,806	51,372

HydroHut
Expense Projection
For year ending December, 2010

Expense Category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 3
Salaries & Wages	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	25,500
Professional Services	0	0	0	600	0	0	0	0	0	0	0	700	1,300
Rent	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	39,204
Maintenance	125	125	125	125	125	125	125	125	125	125	125	125	1,500
Equipment Rental	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Insurance	350	350	350	350	350	350	350	350	350	350	350	350	4,200
Utilities	325	325	325	325	325	325	325	325	325	325	325	325	3,900
Office Supplies	75	75	75	75	75	75	75	75	75	75	75	75	900
Postage	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Marketing/Advertising	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	13,200
Travel	200	250	200	250	200	200	200	275	300	250	175	250	2,750
Entertainment	75	75	75	75	75	75	75	75	75	75	75	75	900
Total Expenses	7,942	7,992	7,942	8,592	7,942	7,942	7,942	8,017	8,042	7,992	7,917	8,692	96,954

HydroHut
Expense Projection
 For year ending December, 2011

Expense Category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 4
Salaries & Wages	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional Services	0	0	0	0	0	0	0	0	0	0	0	0	0
Rent	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0
Equipment Rental	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Office Supplies	75	75	75	75	75	75	75	75	75	75	75	75	900
Postage	125	125	125	125	125	125	125	125	125	125	125	125	1,500
Marketing/Advertising	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	15,600
Travel	200	250	200	250	200	200	200	275	300	250	175	250	2,750
Entertainment	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Total Expenses	1,800	1,850	1,800	1,850	1,800	1,800	1,800	1,875	1,900	1,850	1,775	1,850	21,950

HydroHut
Expense Projection
For year ending December, 2012

Expense Category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 5
Salaries & Wages	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional Services	0	0	0	0	0	0	0	0	0	0	0	0	0
Rent	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0
Equipment Rental	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Office Supplies	75	75	75	75	75	75	75	75	75	75	75	75	900
Postage	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Marketing/Advertising	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Travel	230	287	230	287	230	230	230	316	345	287	201	287	3,160
Entertainment	125	125	125	125	125	125	200	125	125	125	125	125	1,575
Total Expenses	2,080	2,137	2,080	2,137	2,080	2,080	2,155	2,166	2,195	2,137	2,051	2,137	25,435

HydroHut
Profit & Loss Statement
For year ending December, 2008

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 1
Income	9,150	8,150	9,300	8,400	9,300	9,850	9,400	9,900	8,450	9,900	9,400	8,400	109,600
Less COGS:													
Material	2,278	2,038	2,315	2,100	2,315	2,448	2,340	2,460	2,113	2,460	2,340	2,100	27,305
Total COGS	2,278	2,038	2,315	2,100	2,315	2,448	2,340	2,460	2,113	2,460	2,340	2,100	27,305
Gross profit	6,873	6,113	6,985	6,300	6,985	7,403	7,060	7,440	6,338	7,440	7,060	6,300	82,295
Operating expenses:													
Salaries & Wages	625	625	625	625	625	625	625	625	625	625	625	625	7,500
Professional Services	500	0	0	350	0	0	0	0	0	0	0	650	1,500
Rent	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	19,596
Maintenance	75	75	75	75	75	75	75	75	75	75	75	75	900
Equipment Rental	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Insurance	160	160	160	160	160	160	160	160	160	160	160	160	1,920
Utilities	180	180	180	180	180	180	180	180	180	180	180	180	2,160
Office Supplies	75	75	75	75	75	75	75	75	75	75	75	75	900
Postage	65	65	65	65	65	65	65	65	65	65	65	65	780
Marketing/Advertising	850	850	850	850	850	850	850	850	850	850	850	850	10,200
Travel	75	100	75	75	150	100	75	75	100	150	75	100	1,150
Entertainment	25	25	25	25	25	25	25	25	25	25	25	50	325
Amortization	138	138	138	138	138	138	138	138	138	138	138	138	1,650
Depreciation	83	83	83	83	83	83	83	83	83	83	83	83	1,000
Total operating expenses	4,584	4,109	4,084	4,434	4,159	4,109	4,084	4,084	4,109	4,159	4,084	4,784	50,781
Operating income	2,289	2,004	2,901	1,866	2,826	3,294	2,976	3,356	2,229	3,281	2,976	1,516	31,514
Interest expense	43	38	36	25	24	14	0	0	0	0	0	0	180
Net income	2,246	1,966	2,865	1,841	2,802	3,279	2,976	3,356	2,229	3,281	2,976	1,516	31,334

HydroHut
Profit & Loss Statement
For year ending December, 2009

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 2
Income	11,100	10,650	9,700	11,700	10,800	10,800	11,350	10,400	11,300	10,600	11,100	12,500	132,000
Less COGS:													
Material	2,730	2,643	2,415	2,865	2,680	2,660	2,783	2,585	2,783	2,634	2,758	3,055	32,590
Total COGS	2,730	2,643	2,415	2,865	2,680	2,660	2,783	2,585	2,783	2,634	2,758	3,055	32,590
Gross profit	8,370	8,008	7,285	8,835	8,120	8,140	8,568	7,815	8,517	7,966	8,342	9,445	99,410
Operating expenses:													
Salaries & Wages	688	688	688	688	688	688	688	688	688	688	688	688	8,256
Professional Services	0	0	0	500	0	0	0	0	0	0	0	600	1,100
Rent	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	19,596
Maintenance	75	75	75	75	75	75	75	75	75	75	75	75	900
Equipment Rental	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Insurance	180	180	180	180	180	180	180	180	180	180	180	180	2,160
Utilities	180	180	180	180	180	180	180	180	180	180	180	180	2,160
Office Supplies	75	75	75	75	75	75	75	75	75	75	75	75	900
Postage	75	75	75	75	75	75	75	75	75	75	75	75	900
Marketing/Advertising	950	950	950	950	950	950	950	950	950	950	950	950	11,400
Travel	150	150	200	100	75	150	150	200	100	75	100	150	1,600
Entertainment	50	50	50	50	50	50	50	50	50	50	50	50	600
Amortization	138	138	138	138	138	138	138	138	138	138	138	138	1,650
Depreciation	83	83	83	83	83	83	83	83	83	83	83	83	1,000
Total operating expenses	4,427	4,427	4,477	4,877	4,352	4,427	4,427	4,477	4,377	4,352	4,377	5,027	54,022
Operating income	3,943	3,581	2,808	3,958	3,768	3,713	4,141	3,338	4,140	3,614	3,965	4,418	45,388
Interest expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Net income	3,943	3,581	2,808	3,958	3,768	3,713	4,141	3,338	4,140	3,614	3,965	4,418	45,388

HydroHut
Profit & Loss Statement
For year ending December, 2010

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 3
Income	12,500	12,600	17,500	18,500	20,500	19,000	18,000	18,500	20,750	21,350	19,700	23,500	222,400
Less COGS:													
Material	3,065	3,100	4,355	4,580	5,060	4,670	4,485	4,580	5,128	5,292	4,908	5,785	55,007
Total COGS	3,065	3,100	4,355	4,580	5,060	4,670	4,485	4,580	5,128	5,292	4,908	5,785	55,007
Gross profit	9,435	9,500	13,145	13,920	15,440	14,330	13,515	13,920	15,623	16,059	14,792	17,715	167,393
Operating expenses:													
Salaries & Wages	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	25,500
Professional Services	0	0	0	600	0	0	0	0	0	0	0	700	1,300
Rent	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	39,204
Maintenance	125	125	125	125	125	125	125	125	125	125	125	125	1,500
Equipment Rental	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Insurance	350	350	350	350	350	350	350	350	350	350	350	350	4,200
Utilities	325	325	325	325	325	325	325	325	325	325	325	325	3,900
Office Supplies	75	75	75	75	75	75	75	75	75	75	75	75	900
Postage	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Marketing/Advertising	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	13,200
Travel	200	250	200	250	200	200	200	275	300	250	175	250	2,750
Entertainment	75	75	75	75	75	75	75	75	75	75	75	75	900
Amortization	138	138	275	275	275	275	275	275	275	275	275	275	3,025
Depreciation	83	83	167	167	167	167	167	167	167	167	167	167	1,833
Total operating expenses	8,163	8,213	8,384	9,034	8,384	8,384	8,384	8,459	8,484	8,434	8,359	9,134	101,812
Operating income	1,272	1,287	4,761	4,886	7,056	5,946	5,131	5,461	7,139	7,625	6,433	8,581	65,581
Interest expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Net income	1,272	1,287	4,761	4,886	7,056	5,946	5,131	5,461	7,139	7,625	6,433	8,581	65,581

HydroHut
Profit & Loss Statement
For year ending December, 2011

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 4
Income	19,500	20,500	22,250	21,000	22,750	23,250	24,000	24,250	24,500	22,750	23,250	22,500	270,500
Less COGS:													
Material	4,815	5,075	5,480	5,185	5,605	5,730	5,915	5,980	6,055	5,640	5,750	5,565	66,795
Total COGS	4,815	5,075	5,480	5,185	5,605	5,730	5,915	5,980	6,055	5,640	5,750	5,565	66,795
Gross profit	14,685	15,425	16,770	15,815	17,145	17,520	18,085	18,270	18,445	17,110	17,500	16,935	203,705
Operating expenses:													
Salaries & Wages	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional Services	0	0	0	0	0	0	0	0	0	0	0	0	0
Rent	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0
Equipment Rental	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Office Supplies	75	75	75	75	75	75	75	75	75	75	75	75	900
Postage	125	125	125	125	125	125	125	125	125	125	125	125	1,500
Marketing/Advertising	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	15,600
Travel	200	250	200	250	200	200	200	275	300	250	175	250	2,750
Entertainment	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Amortization	275	275	275	275	275	275	275	275	275	275	275	275	3,300
Depreciation	167	167	167	167	167	167	167	167	167	167	167	167	2,000
Total operating expenses	2,242	2,292	2,242	2,292	2,242	2,242	2,242	2,317	2,342	2,292	2,217	2,292	27,250
Operating income	12,443	13,133	14,528	13,523	14,903	15,278	15,843	15,953	16,103	14,818	15,283	14,643	176,455
Interest expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Net income	12,443	13,133	14,528	13,523	14,903	15,278	15,843	15,953	16,103	14,818	15,283	14,643	176,455

HydroHut
Profit & Loss Statement
For year ending December, 2012

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 5
Income	22,725	24,875	25,200	25,125	26,275	26,850	27,675	28,000	28,575	27,000	27,000	26,425	315,725
Less COGS:													
Material	5,604	6,121	6,215	6,181	6,469	6,613	6,816	6,900	7,044	6,670	6,670	6,526	77,829
Total COGS	5,604	6,121	6,215	6,181	6,469	6,613	6,816	6,900	7,044	6,670	6,670	6,526	77,829
Gross profit	17,121	18,754	18,985	18,944	19,806	20,238	20,859	21,100	21,531	20,330	20,330	19,899	237,896
Operating expenses:													
Salaries & Wages	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional Services	0	0	0	0	0	0	0	0	0	0	0	0	0
Rent	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0
Equipment Rental	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Office Supplies	75	75	75	75	75	75	75	75	75	75	75	75	900
Postage	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Marketing/Advertising	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Travel	230	287	230	287	230	230	230	316	345	287	201	287	3,160
Entertainment	125	125	125	125	125	125	200	125	125	125	125	125	1,575
Amortization	275	275	275	275	275	275	275	275	275	275	275	275	3,300
Depreciation	167	167	167	167	167	167	167	167	167	167	167	167	2,000
Total operating expenses	2,522	2,579	2,522	2,579	2,522	2,522	2,597	2,608	2,637	2,579	2,493	2,579	30,735
Operating income	14,600	16,175	16,463	16,365	17,285	17,716	18,262	18,492	18,895	17,751	17,837	17,320	207,161
Interest expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Net income	14,600	16,175	16,463	16,365	17,285	17,716	18,262	18,492	18,895	17,751	17,837	17,320	207,161

HydroHut
Balance Sheet
For year ending December, 2008

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 1
Assets:													
Current assets:													
Cash	1,000	1,000	1,000	1,000	1,000	1,074	2,271	3,848	4,298	5,800	6,997	6,734	6,734
Inventory	2,038	2,315	2,100	2,315	2,448	2,340	2,460	2,113	2,460	2,340	2,100	2,730	2,730
Total current assets	3,038	3,315	3,100	3,315	3,448	3,414	4,731	5,961	6,758	8,140	9,097	9,464	9,464
Fixed assets (net)	4,917	4,833	4,750	4,667	4,583	4,500	4,417	4,333	4,250	4,167	4,083	4,000	4,000
Other assets (net)	8,113	7,975	7,838	7,700	7,563	7,425	7,288	7,150	7,013	6,875	6,738	6,600	6,600
Total assets	16,067	16,123	15,688	15,682	15,593	15,339	16,436	17,444	18,020	19,182	19,918	20,064	20,064
Liabilities and equity:													
Current liabilities:													
Accounts payable	2,038	2,315	2,100	2,315	2,448	2,340	2,460	2,113	2,460	2,340	2,100	2,730	2,730
Line of credit	3,783	3,596	2,510	2,448	1,426	0	0	0	0	0	0	0	0
Total current liabilities	5,821	5,911	4,610	4,763	3,873	2,340	2,460	2,113	2,460	2,340	2,100	2,730	2,730
Total liabilities	5,821	5,911	4,610	4,763	3,873	2,340	2,460	2,113	2,460	2,340	2,100	2,730	2,730
Equity	10,246	10,212	11,077	10,918	11,720	12,999	13,976	15,332	15,560	16,842	17,818	17,334	17,334
Total liabilities and equity	16,067	16,123	15,688	15,682	15,593	15,339	16,436	17,444	18,020	19,182	19,918	20,064	20,064

HydroHut
Balance Sheet
For year ending December, 2009

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 2
Assets:													
Current assets:													
Cash	8,898	10,699	11,728	13,907	15,896	17,830	20,192	21,751	24,112	25,947	28,133	30,772	30,772
Inventory	2,643	2,415	2,865	2,680	2,660	2,783	2,585	2,783	2,634	2,758	3,055	3,065	3,065
Total current assets	11,540	13,114	14,593	16,587	18,556	20,613	22,777	24,534	26,746	28,705	31,188	33,837	33,837
Fixed assets (net)	3,917	3,833	3,750	3,667	3,583	3,500	3,417	3,333	3,250	3,167	3,083	3,000	3,000
Other assets (net)	6,463	6,325	6,188	6,050	5,913	5,775	5,638	5,500	5,363	5,225	5,088	4,950	4,950
Total assets	21,920	23,273	24,531	26,304	28,052	29,888	31,831	33,367	35,358	37,097	39,359	41,787	41,787
Liabilities and equity:													
Current liabilities:													
Accounts payable	2,643	2,415	2,865	2,680	2,660	2,783	2,585	2,783	2,634	2,758	3,055	3,065	3,065
Line of credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	2,643	2,415	2,865	2,680	2,660	2,783	2,585	2,783	2,634	2,758	3,055	3,065	3,065
Total liabilities	2,643	2,415	2,865	2,680	2,660	2,783	2,585	2,783	2,634	2,758	3,055	3,065	3,065
Equity	19,277	20,858	21,666	23,624	25,392	27,105	29,246	30,584	32,724	34,339	36,304	38,722	38,722
Total liabilities and equity	21,920	23,273	24,531	26,304	28,052	29,888	31,831	33,367	35,358	37,097	39,359	41,787	41,787

HydroHut
Balance Sheet
For year ending December, 2010

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 3
Assets:													
Current assets:													
Cash	30,265	29,773	19,726	23,054	28,552	32,940	36,513	40,416	45,996	52,063	56,938	63,961	63,961
Inventory	3,100	4,355	4,580	5,060	4,670	4,485	4,580	5,128	5,292	4,908	5,785	4,815	4,815
Total current assets	33,365	34,128	24,306	28,114	33,222	37,425	41,093	45,543	51,288	56,971	62,723	68,776	68,776
Fixed assets (net)	2,917	2,833	7,667	7,500	7,333	7,167	7,000	6,833	6,667	6,500	6,333	6,167	6,167
Other assets (net)	4,813	4,675	12,650	12,375	12,100	11,825	11,550	11,275	11,000	10,725	10,450	10,175	10,175
Total assets	41,094	41,636	44,623	47,989	52,655	56,417	59,643	63,652	68,955	74,196	79,506	85,118	85,118
Liabilities and equity:													
Current liabilities:													
Accounts payable	3,100	4,355	4,580	5,060	4,670	4,485	4,580	5,128	5,292	4,908	5,785	4,815	4,815
Line of credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	3,100	4,355	4,580	5,060	4,670	4,485	4,580	5,128	5,292	4,908	5,785	4,815	4,815
Total liabilities	3,100	4,355	4,580	5,060	4,670	4,485	4,580	5,128	5,292	4,908	5,785	4,815	4,815
Equity	37,994	37,281	40,043	42,929	47,985	51,932	55,063	58,524	63,663	69,288	73,721	80,303	80,303
Total liabilities and equity	41,094	41,636	44,623	47,989	52,655	56,417	59,643	63,652	68,955	74,196	79,506	85,118	85,118

HydroHut
Balance Sheet
For year ending December, 2011

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 4
Assets:													
Current assets:													
Cash	74,846	86,421	99,391	111,356	124,701	138,421	152,706	167,101	181,646	194,906	208,631	221,716	221,716
Inventory	5,075	5,480	5,185	5,605	5,730	5,915	5,980	6,055	5,640	5,750	5,565	5,604	5,604
Total current assets	79,921	91,901	104,576	116,961	130,431	144,336	158,686	173,156	187,286	200,656	214,196	227,320	227,320
Fixed assets (net)	6,000	5,833	5,667	5,500	5,333	5,167	5,000	4,833	4,667	4,500	4,333	4,167	4,167
Other assets (net)	9,900	9,625	9,350	9,075	8,800	8,525	8,250	7,975	7,700	7,425	7,150	6,875	6,875
Total assets	95,821	107,359	119,593	131,536	144,564	158,028	171,936	185,964	199,653	212,581	225,679	238,361	238,361
Liabilities and equity:													
Current liabilities:													
Accounts payable	5,075	5,480	5,185	5,605	5,730	5,915	5,980	6,055	5,640	5,750	5,565	5,604	5,604
Line of credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	5,075	5,480	5,185	5,605	5,730	5,915	5,980	6,055	5,640	5,750	5,565	5,604	5,604
Total liabilities	5,075	5,480	5,185	5,605	5,730	5,915	5,980	6,055	5,640	5,750	5,565	5,604	5,604
Equity	90,746	101,879	114,408	125,931	138,834	152,113	165,956	179,909	194,013	206,831	220,114	232,758	232,758
Total liabilities and equity	95,821	107,359	119,593	131,536	144,564	158,028	171,936	185,964	199,653	212,581	225,679	238,361	238,361

HydroHut
Balance Sheet
For year ending December, 2012

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 5
Assets:													
Current assets:													
Cash	234,757	249,374	264,279	279,086	294,812	310,969	327,673	344,607	361,943	378,136	394,415	410,177	410,177
Inventory	6,121	6,215	6,181	6,469	6,613	6,816	6,900	7,044	6,670	6,670	6,526	6,526	6,526
Total current assets	240,878	255,589	270,460	285,554	301,424	317,786	334,573	351,651	368,613	384,806	400,942	416,703	416,703
Fixed assets (net)	4,000	3,833	3,667	3,500	3,333	3,167	3,000	2,833	2,667	2,500	2,333	2,167	2,167
Other assets (net)	6,600	6,325	6,050	5,775	5,500	5,225	4,950	4,675	4,400	4,125	3,850	3,575	3,575
Total assets	251,478	265,747	280,177	294,829	310,258	326,177	342,523	359,159	375,680	391,431	407,125	422,445	422,445
Liabilities and equity:													
Current liabilities:													
Accounts payable	6,121	6,215	6,181	6,469	6,613	6,816	6,900	7,044	6,670	6,670	6,526	6,526	6,526
Line of credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	6,121	6,215	6,181	6,469	6,613	6,816	6,900	7,044	6,670	6,670	6,526	6,526	6,526
Total liabilities	6,121	6,215	6,181	6,469	6,613	6,816	6,900	7,044	6,670	6,670	6,526	6,526	6,526
Equity	245,357	259,532	273,996	288,361	303,645	319,361	335,623	352,115	369,010	384,761	400,599	415,919	415,919
Total liabilities and equity	251,478	265,747	280,177	294,829	310,258	326,177	342,523	359,159	375,680	391,431	407,125	422,445	422,445

**HydroHut
Cash Plan**
For year ending December, 2008

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 1
Cash receipts	9,150	8,150	9,300	8,400	9,300	9,850	9,400	9,900	8,450	9,900	9,400	8,400	109,600
Operating cash expenses:													
Inventory purchases	2,278	2,038	2,315	2,100	2,315	2,448	2,340	2,460	2,113	2,460	2,340	2,100	27,305
Other expenses	4,363	3,888	3,863	4,213	3,938	3,888	3,863	3,863	3,888	3,938	3,863	4,563	48,131
Total operating cash exp.	6,641	5,926	6,178	6,313	6,253	6,336	6,203	6,323	6,001	6,398	6,203	6,663	75,436
Cash from operations	2,510	2,225	3,122	2,087	3,047	3,515	3,197	3,577	2,450	3,502	3,197	1,737	34,164
Capital expenditures	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt activities:													
Interest payments	(43)	(38)	(36)	(25)	(24)	(14)	0	0	0	0	0	0	(180)
Total debt activities	(43)	(38)	(36)	(25)	(24)	(14)	0	0	0	0	0	0	(180)
Net cash after capital expenditures and debt	2,467	2,187	3,086	2,062	3,023	3,500	3,197	3,577	2,450	3,502	3,197	1,737	33,984
Distributions	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(24,000)
Change in cash	467	187	1,086	62	1,023	1,500	1,197	1,577	450	1,502	1,197	(263)	9,984
Beginning cash	1,000	1,000	1,000	1,000	1,000	1,000	1,074	2,271	3,848	4,298	5,800	6,997	1,000
Cash before borrowing	1,467	1,187	2,086	1,062	2,023	2,500	2,271	3,848	4,298	5,800	6,997	6,734	10,984
Line of credit activity	(467)	(187)	(1,086)	(62)	(1,023)	(1,426)	0	0	0	0	0	0	(4,250)
Ending cash	1,000	1,000	1,000	1,000	1,000	1,074	2,271	3,848	4,298	5,800	6,997	6,734	6,734

HydroHut
Cash Plan
For year ending December, 2009

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 2
Cash receipts	11,100	10,650	9,700	11,700	10,800	10,800	11,350	10,400	11,300	10,600	11,100	12,500	132,000
Operating cash expenses:													
Inventory purchases	2,730	2,643	2,415	2,865	2,680	2,660	2,783	2,585	2,783	2,634	2,758	3,055	32,590
Other expenses	4,206	4,206	4,256	4,656	4,131	4,206	4,206	4,256	4,156	4,131	4,156	4,806	51,372
Total operating cash exp.	6,936	6,849	6,671	7,521	6,811	6,866	6,989	6,841	6,939	6,765	6,914	7,861	83,962
Cash from operations	4,164	3,802	3,029	4,179	3,989	3,934	4,362	3,559	4,361	3,835	4,186	4,639	48,038
Capital expenditures	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt activities:													
Interest payments	0	0	0	0	0	0	0	0	0	0	0	0	0
Total debt activities	0	0	0	0	0	0	0	0	0	0	0	0	0
Net cash after capital expenditures and debt	4,164	3,802	3,029	4,179	3,989	3,934	4,362	3,559	4,361	3,835	4,186	4,639	48,038
Distributions	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(24,000)
Change in cash	2,164	1,802	1,029	2,179	1,989	1,934	2,362	1,559	2,361	1,835	2,186	2,639	24,038
Beginning cash	6,734	8,898	10,699	11,728	13,907	15,896	17,830	20,192	21,751	24,112	25,947	28,133	6,734
Cash before borrowing	8,898	10,699	11,728	13,907	15,896	17,830	20,192	21,751	24,112	25,947	28,133	30,772	30,772
Line of credit activity	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending cash	8,898	10,699	11,728	13,907	15,896	17,830	20,192	21,751	24,112	25,947	28,133	30,772	30,772

**HydroHut
Cash Plan**
For year ending December, 2010

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 3
Cash receipts	12,500	12,600	17,500	18,500	20,500	19,000	18,000	18,500	20,750	21,350	19,700	23,500	222,400
Operating cash expenses:													
Inventory purchases	3,065	3,100	4,355	4,580	5,060	4,670	4,485	4,580	5,128	5,292	4,908	5,785	55,007
Other expenses	7,942	7,992	7,942	8,592	7,942	7,942	7,942	8,017	8,042	7,992	7,917	8,692	96,954
Total operating cash exp.	11,007	11,092	12,297	13,172	13,002	12,612	12,427	12,597	13,170	13,284	12,825	14,477	151,961
Cash from operations	1,493	1,508	5,203	5,328	7,498	6,388	5,573	5,903	7,581	8,067	6,875	9,023	70,439
Capital expenditures	0	0	(13,250)	0	0	0	0	0	0	0	0	0	(13,250)
Debt activities:													
Interest payments	0	0	0	0	0	0	0	0	0	0	0	0	0
Total debt activities	0	0	0	0	0	0	0	0	0	0	0	0	0
Net cash after capital expenditures and debt	1,493	1,508	(8,047)	5,328	7,498	6,388	5,573	5,903	7,581	8,067	6,875	9,023	57,189
Distributions	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(24,000)
Change in cash	(507)	(492)	(10,047)	3,328	5,498	4,388	3,573	3,903	5,581	6,067	4,875	7,023	33,189
Beginning cash	30,772	30,265	29,773	19,726	23,054	28,552	32,940	36,513	40,416	45,996	52,063	56,938	30,772
Cash before borrowing	30,265	29,773	19,726	23,054	28,552	32,940	36,513	40,416	45,996	52,063	56,938	63,961	63,961
Line of credit activity	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending cash	30,265	29,773	19,726	23,054	28,552	32,940	36,513	40,416	45,996	52,063	56,938	63,961	63,961

**HydroHut
Cash Plan**
For year ending December, 2011

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 4
Cash receipts	19,500	20,500	22,250	21,000	22,750	23,250	24,000	24,250	24,500	22,750	23,250	22,500	270,500
Operating cash expenses:													
Inventory purchases	4,815	5,075	5,480	5,185	5,605	5,730	5,915	5,980	6,055	5,640	5,750	5,565	66,795
Other expenses	1,800	1,850	1,800	1,850	1,800	1,800	1,800	1,875	1,900	1,850	1,775	1,850	21,950
Total operating cash exp.	6,615	6,925	7,280	7,035	7,405	7,530	7,715	7,855	7,955	7,490	7,525	7,415	88,745
Cash from operations	12,885	13,575	14,970	13,965	15,345	15,720	16,285	16,395	16,545	15,260	15,725	15,085	181,755
Capital expenditures	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt activities:													
Interest payments	0	0	0	0	0	0	0	0	0	0	0	0	0
Total debt activities	0	0	0	0	0	0	0	0	0	0	0	0	0
Net cash after capital expenditures and debt	12,885	13,575	14,970	13,965	15,345	15,720	16,285	16,395	16,545	15,260	15,725	15,085	181,755
Distributions	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(24,000)
Change in cash	10,885	11,575	12,970	11,965	13,345	13,720	14,285	14,395	14,545	13,260	13,725	13,085	157,755
Beginning cash	63,961	74,846	86,421	99,391	111,356	124,701	138,421	152,706	167,101	181,646	194,906	208,631	63,961
Cash before borrowing	74,846	86,421	99,391	111,356	124,701	138,421	152,706	167,101	181,646	194,906	208,631	221,716	221,716
Line of credit activity	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending cash	74,846	86,421	99,391	111,356	124,701	138,421	152,706	167,101	181,646	194,906	208,631	221,716	221,716

HydroHut
Cash Plan
For year ending December, 2012

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 5
Cash receipts	22,725	24,875	25,200	25,125	26,275	26,850	27,675	28,000	28,575	27,000	27,000	26,425	315,725
Operating cash expenses:													
Inventory purchases	5,604	6,121	6,215	6,181	6,469	6,613	6,816	6,900	7,044	6,670	6,670	6,526	77,829
Other expenses	2,080	2,137	2,080	2,137	2,080	2,080	2,155	2,166	2,195	2,137	2,051	2,137	25,435
Total operating cash exp.	7,684	8,258	8,295	8,318	8,549	8,693	8,971	9,066	9,239	8,807	8,721	8,663	103,264
Cash from operations	15,041	16,617	16,905	16,807	17,726	18,158	18,704	18,934	19,336	18,193	18,279	17,762	212,461
Capital expenditures	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt activities:													
Interest payments	0	0	0	0	0	0	0	0	0	0	0	0	0
Total debt activities	0	0	0	0	0	0	0	0	0	0	0	0	0
Net cash after capital expenditures and debt	15,041	16,617	16,905	16,807	17,726	18,158	18,704	18,934	19,336	18,193	18,279	17,762	212,461
Distributions	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(24,000)
Change in cash	13,041	14,617	14,905	14,807	15,726	16,158	16,704	16,934	17,336	16,193	16,279	15,762	188,461
Beginning cash	221,716	234,757	249,374	264,279	279,086	294,812	310,969	327,673	344,607	361,943	378,136	394,415	221,716
Cash before borrowing	234,757	249,374	264,279	279,086	294,812	310,969	327,673	344,607	361,943	378,136	394,415	410,177	410,177
Line of credit activity	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending cash	234,757	249,374	264,279	279,086	294,812	310,969	327,673	344,607	361,943	378,136	394,415	410,177	410,177

HydroHut
Ratio Analysis
For year ending December, 2008

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 1
Profitability ratios:													
Gross profit margin	75.11%	75.00%	75.11%	75.00%	75.11%	75.15%	75.11%	75.15%	75.00%	75.15%	75.11%	75.00%	75.09%
Operating profit margin	25.01%	24.58%	31.20%	22.22%	30.39%	33.44%	31.66%	33.90%	26.37%	33.14%	31.66%	18.05%	28.75%
Net profit margin	24.55%	24.12%	30.81%	21.92%	30.13%	33.29%	31.66%	33.90%	26.37%	33.14%	31.66%	18.05%	28.59%
Return on equity	22.19%	19.22%	26.92%	16.74%	24.75%	26.53%	22.07%	22.90%	14.43%	20.25%	17.17%	8.63%	234.47%
Return on assets	14.04%	12.45%	18.24%	11.90%	18.07%	21.30%	18.73%	19.81%	12.57%	17.64%	15.22%	7.58%	185.57%
Liquidity ratios:													
Current ratio	0.52	0.56	0.67	0.70	0.89	1.46	1.92	2.82	2.75	3.48	4.33	3.47	3.47
Quick ratio (Acid-test)	0.17	0.17	0.22	0.21	0.26	0.46	0.92	1.82	1.75	2.48	3.33	2.47	2.47
Working capital ratio	-0.30	-0.32	-0.16	-0.17	-0.05	0.11	0.24	0.39	0.51	0.59	0.74	0.80	0.06
Activity ratios:													
Accounts receivable days	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory days	26.84	34.09	27.21	33.07	31.72	28.68	31.54	25.76	34.93	28.54	26.92	39.00	35.99
Inventory turnover	1.06	0.94	1.05	0.95	0.97	1.02	0.98	1.08	0.92	1.03	1.05	0.87	11.90
Sales-to-assets	0.56	0.51	0.58	0.54	0.59	0.64	0.59	0.58	0.48	0.53	0.48	0.42	6.45
Leverage ratios:													
Debt-to-equity	0.57	0.58	0.42	0.44	0.33	0.18	0.18	0.14	0.16	0.14	0.12	0.16	0.16
Debt ratio	0.36	0.37	0.29	0.30	0.25	0.15	0.15	0.12	0.14	0.12	0.11	0.14	0.14
Times-interest (TI) earned:													
Operating income	2,289	2,004	2,901	1,866	2,826	3,294	2,976	3,356	2,229	3,281	2,976	1,516	31,514
Interest expense (÷)	43	38	36	25	24	14	0	0	0	0	0	0	180
TI earned ratio	53.85	52.97	80.68	74.35	115.45	231.13	n/a	n/a	n/a	n/a	n/a	n/a	174.95

HydroHut
Ratio Analysis
For year ending December, 2009

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 2
Profitability ratios:													
Gross profit margin	75.41%	75.19%	75.10%	75.51%	75.19%	75.37%	75.48%	75.14%	75.37%	75.15%	75.15%	75.56%	75.31%
Operating profit margin	35.52%	33.62%	28.95%	33.83%	34.89%	34.38%	36.48%	32.10%	36.64%	34.10%	35.72%	35.35%	34.38%
Net profit margin	35.52%	33.62%	28.95%	33.83%	34.89%	34.38%	36.48%	32.10%	36.64%	34.10%	35.72%	35.35%	34.38%
Return on equity	21.54%	17.84%	13.21%	17.48%	15.38%	14.15%	14.70%	11.16%	13.08%	10.78%	11.23%	11.78%	165.48%
Return on assets	18.78%	15.85%	11.75%	15.57%	13.86%	12.82%	13.42%	10.24%	12.05%	9.98%	10.37%	10.89%	150.50%
Liquidity ratios:													
Current ratio	4.37	5.43	5.09	6.19	6.98	7.41	8.81	8.82	10.15	10.41	10.21	11.04	11.04
Quick ratio (Acid-test)	3.37	4.43	4.09	5.19	5.98	6.41	7.81	7.82	9.15	9.41	9.21	10.04	10.04
Working capital ratio	0.80	1.00	1.21	1.19	1.47	1.65	1.78	2.09	2.13	2.45	2.53	2.46	0.23
Activity ratios:													
Accounts receivable days	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory days	29.04	27.42	35.59	28.06	29.78	31.38	27.87	32.30	28.39	31.41	33.23	30.10	33.86
Inventory turnover	1.02	1.05	0.91	1.03	1.00	0.98	1.04	0.96	1.03	0.98	0.95	1.00	11.94
Sales-to-assets	0.53	0.47	0.41	0.46	0.40	0.37	0.37	0.32	0.33	0.29	0.29	0.31	4.38
Leverage ratios:													
Debt-to-equity	0.14	0.12	0.13	0.11	0.10	0.10	0.09	0.09	0.08	0.08	0.08	0.08	0.08
Debt ratio	0.12	0.10	0.12	0.10	0.09	0.09	0.08	0.08	0.07	0.07	0.08	0.07	0.07
Times-interest (TI) earned:													
Operating income	3,943	3,581	2,808	3,958	3,768	3,713	4,141	3,338	4,140	3,614	3,965	4,418	45,388
Interest expense (÷)	0	0	0	0	0	0	0	0	0	0	0	0	0
TI earned ratio	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

HydroHut
Ratio Analysis
For year ending December, 2010

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 3
Profitability ratios:													
Gross profit margin	75.48%	75.40%	75.11%	75.24%	75.32%	75.42%	75.08%	75.24%	75.29%	75.22%	75.09%	75.38%	75.27%
Operating profit margin	10.18%	10.22%	27.21%	26.41%	34.42%	31.30%	28.51%	29.52%	34.40%	35.71%	32.66%	36.52%	29.49%
Net profit margin	10.18%	10.22%	27.21%	26.41%	34.42%	31.30%	28.51%	29.52%	34.40%	35.71%	32.66%	36.52%	29.49%
Return on equity	3.32%	3.42%	12.32%	11.78%	15.52%	11.90%	9.59%	9.62%	11.69%	11.47%	9.00%	11.14%	123.36%
Return on assets	3.07%	3.11%	11.04%	10.55%	14.02%	10.90%	8.84%	8.86%	10.77%	10.65%	8.37%	10.43%	113.43%
Liquidity ratios:													
Current ratio	10.76	7.84	5.31	5.56	7.11	8.34	8.97	8.88	9.69	11.61	10.84	14.28	14.28
Quick ratio (Acid-test)	9.76	6.84	4.31	4.56	6.11	7.34	7.97	7.88	8.69	10.61	9.84	13.28	13.28
Working capital ratio	2.42	2.36	1.13	1.25	1.39	1.73	2.03	2.18	2.22	2.44	2.89	2.72	0.29
Activity ratios:													
Accounts receivable days	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory days	30.34	42.15	31.55	33.14	27.69	28.81	30.64	33.59	30.96	27.83	35.36	24.97	31.51
Inventory turnover	0.99	0.83	0.97	0.95	1.04	1.02	0.99	0.94	0.98	1.04	0.92	1.09	11.81
Sales-to-assets	0.30	0.30	0.41	0.40	0.41	0.35	0.31	0.30	0.31	0.30	0.26	0.29	3.85
Leverage ratios:													
Debt-to-equity	0.08	0.12	0.11	0.12	0.10	0.09	0.08	0.09	0.08	0.07	0.08	0.06	0.06
Debt ratio	0.08	0.10	0.10	0.11	0.09	0.08	0.08	0.08	0.08	0.07	0.07	0.06	0.06
Times-interest (TI) earned:													
Operating income	1,272	1,287	4,761	4,886	7,056	5,946	5,131	5,461	7,139	7,625	6,433	8,581	65,581
Interest expense (÷)	0	0	0	0	0	0	0	0	0	0	0	0	0
TI earned ratio	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

HydroHut
Ratio Analysis
For year ending December, 2011

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 4
Profitability ratios:													
Gross profit margin	75.31%	75.24%	75.37%	75.31%	75.36%	75.35%	75.35%	75.34%	75.29%	75.21%	75.27%	75.27%	75.31%
Operating profit margin	63.81%	64.07%	65.30%	64.40%	65.51%	65.71%	66.01%	65.79%	65.73%	65.14%	65.73%	65.08%	65.23%
Net profit margin	63.81%	64.07%	65.30%	64.40%	65.51%	65.71%	66.01%	65.79%	65.73%	65.14%	65.73%	65.08%	65.23%
Return on equity	14.55%	13.64%	13.43%	11.25%	11.26%	10.50%	9.96%	9.23%	8.61%	7.39%	7.16%	6.47%	114.63%
Return on assets	13.75%	12.93%	12.80%	10.77%	10.80%	10.10%	9.60%	8.91%	8.35%	7.19%	6.97%	6.31%	110.60%
Liquidity ratios:													
Current ratio	15.75	16.77	20.17	20.87	22.76	24.40	26.54	28.60	33.21	34.90	38.49	40.57	40.57
Quick ratio (Acid-test)	14.75	15.77	19.17	19.87	21.76	23.40	25.54	27.60	32.21	33.90	37.49	39.57	39.57
Working capital ratio	3.84	4.22	4.47	5.30	5.48	5.95	6.36	6.89	7.41	8.57	8.97	9.85	0.82
Activity ratios:													
Accounts receivable days	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory days	31.62	32.39	28.39	32.43	30.67	30.97	30.33	30.38	27.94	30.59	29.03	30.21	30.20
Inventory turnover	0.97	0.96	1.03	0.96	0.99	0.98	0.99	0.99	1.04	0.99	1.02	1.00	11.93
Sales-to-assets	0.22	0.20	0.20	0.17	0.16	0.15	0.15	0.14	0.13	0.11	0.11	0.10	1.70
Leverage ratios:													
Debt-to-equity	0.06	0.05	0.05	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03	0.02	0.02
Debt ratio	0.05	0.05	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03	0.02	0.02	0.02
Times-interest (TI) earned:													
Operating income	12,443	13,133	14,528	13,523	14,903	15,278	15,843	15,953	16,103	14,818	15,283	14,643	176,455
Interest expense (÷)	0	0	0	0	0	0	0	0	0	0	0	0	0
TI earned ratio	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

HydroHut
Ratio Analysis
For year ending December, 2012

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 5
Profitability ratios:													
Gross profit margin	75.34%	75.39%	75.34%	75.40%	75.38%	75.37%	75.37%	75.36%	75.35%	75.30%	75.30%	75.30%	75.35%
Operating profit margin	64.24%	65.03%	65.33%	65.13%	65.78%	65.98%	65.99%	66.04%	66.12%	65.75%	66.06%	65.54%	65.61%
Net profit margin	64.24%	65.03%	65.33%	65.13%	65.78%	65.98%	65.99%	66.04%	66.12%	65.75%	66.06%	65.54%	65.61%
Return on equity	6.11%	6.41%	6.17%	5.82%	5.84%	5.69%	5.58%	5.38%	5.24%	4.71%	4.54%	4.24%	64.46%
Return on assets	5.96%	6.25%	6.03%	5.69%	5.71%	5.57%	5.46%	5.27%	5.14%	4.63%	4.47%	4.18%	63.18%
Liquidity ratios:													
Current ratio	39.35	41.12	43.75	44.14	45.58	46.62	48.49	49.92	55.26	57.69	61.44	63.85	63.85
Quick ratio (Acid-test)	38.35	40.12	42.75	43.14	44.58	45.62	47.49	48.92	54.26	56.69	60.44	62.85	62.85
Working capital ratio	10.33	10.03	10.49	11.11	11.22	11.58	11.84	12.31	12.67	14.01	14.61	15.52	1.30
Activity ratios:													
Accounts receivable days	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory days	32.77	30.46	29.84	31.40	30.67	30.92	30.37	30.63	28.41	30.00	29.35	30.00	30.19
Inventory turnover	0.96	0.99	1.00	0.98	0.99	0.98	0.99	0.99	1.03	1.00	1.01	1.00	11.93
Sales-to-assets	0.09	0.10	0.09	0.09	0.09	0.08	0.08	0.08	0.08	0.07	0.07	0.06	0.96
Leverage ratios:													
Debt-to-equity	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Debt ratio	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Times-interest (TI) earned:													
Operating income	14,600	16,175	16,463	16,365	17,285	17,716	18,262	18,492	18,895	17,751	17,837	17,320	207,161
Interest expense (÷)	0	0	0	0	0	0	0	0	0	0	0	0	0
TI earned ratio	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a