Executive Summary

Introduction

Compton Geotechnical Associates Inc. (CGA) will provide innovative approaches to geological engineering services throughout the state of Maine.

CGA will enter into this limited geographical area where it can leverage its staffs' existing collective reputation into long-term contracts centered on excellent service and cost effectiveness. We believe that we can service this limited market better than larger firms and we have better service packages at a more reasonable cost than existing competitors of equal size.

The Company

CGA will be a limited liability partnership registered in the state of Delaware for tax purposes. Its founder is Mr. Martin Compton, a former engineering geology department head with Wilson and Brown, Inc. Mr. Compton has brought together a highly respected group of geologists, hydrologists, engineers and graphic art specialists who, combined, have a total of 35 years of experience in this industry.

The company has a limited number of private investors and does not plan to go public. The company has its main offices in Augusta, Maine. The facilities include a soil/rock and water testing lab, conference rooms and office spaces. The company expects to begin offering its services in January of Year 1.

The company's main clients will be major construction companies, local and state governments, real estate companies and utility and water companies. By focusing on institutions such as these that have special needs, we believe we will be able to better serve our clients and produce a superior service that is more effective that other geo-engineering firms.

The Services
CGA offers comprehensive geo-engineering services to our diverse clients. Our services fall into two main categories of geotechnical engineering services and construction monitoring/laboratory testing.

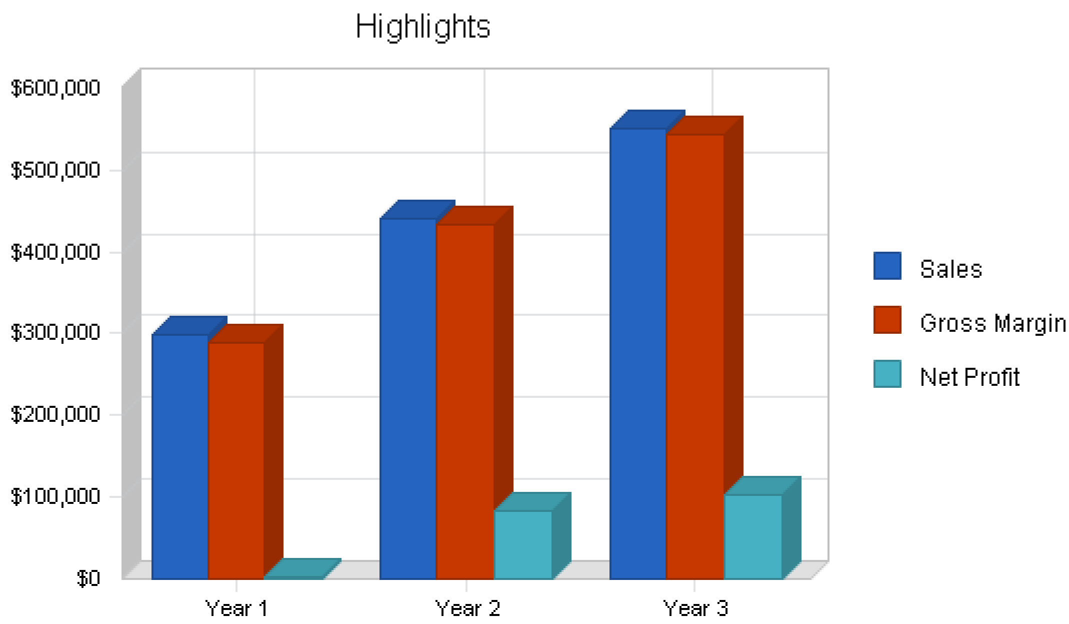
Some of these services include surface and groundwater evaluation, slope stability analysis, bluff studies, laboratory analysis of soils, rocks and groundwater, load testing, and settlement analysis. Each project is customized to our client and its scope, length, depth, reach, and cost are unique.

The Market
There are plenty of opportunities within this market especially since recent local and federal regulations have required many of our potential customers to carryout geotechnical studies and monitoring before construction.

The geoengineering industry has been growing at a very fast rate for the past twenty years. According to the Journal of Hydrology & Geoengineering, the industry has averaged approximately 22% per year over the past five years. The geotechnical consulting business consists of thousands of smaller consulting organizations and individual consultants for every one of the few dozen well-known companies. These companies range from major international name-brand firms to tens of thousands of individuals.

Financial Considerations
Start-up assets required are [see Start-up table]. This includes [see Start-up table] in expenses and the rest in cash needed to support operations until revenues reach an acceptable level. Most of the company's liabilities will come from outside private investors and management investment, however, we have obtained [see Start-up Funding table] in current borrowing from Bank of America Commercial Investments, the principal to be paid off in two years. A long-term loan of [see Start-up Funding table] through Charter Bank of Augusta will be paid off in ten years.

The company expects to reach profitability in year one and does not anticipate any serious cash flow problems. We conservatively believe that during the first three years, average profitability per month per segment will be about $8,000. We expect that about three projects per month will guarantee a break-even point.



1.1 Objectives

The three year goals for Compton Geotechnical Associates (CGA) are the following:

- Achieve break-even by year two.
- Establish long-term contracts with at least four clients.
- Establish a minimum of a 95% customer satisfaction rate to establish long-term relationships with our clients and create word-of-mouth marketing.

1.2 Mission

It is the mission of CGA to provide innovative approaches to geological engineering services and to build effective long-term relations with our clients with excellent services delivered in a timely and cost-effective manner.

1.3 Keys to Success

CGA's keys to long-term survival and profitability are as follows:

- Create long-term contracts that demand constant monitoring or on-call services.
- Keeping close contact with clients and establishing a well functioning long-term relationship with them to generate repeat business and obtain a top-notch reputation.
- Establish a comprehensive service experience for our clients that includes consultation, field and laboratory work, in-house design, analysis, and follow up monitoring of geo-hazards.

Company Summary

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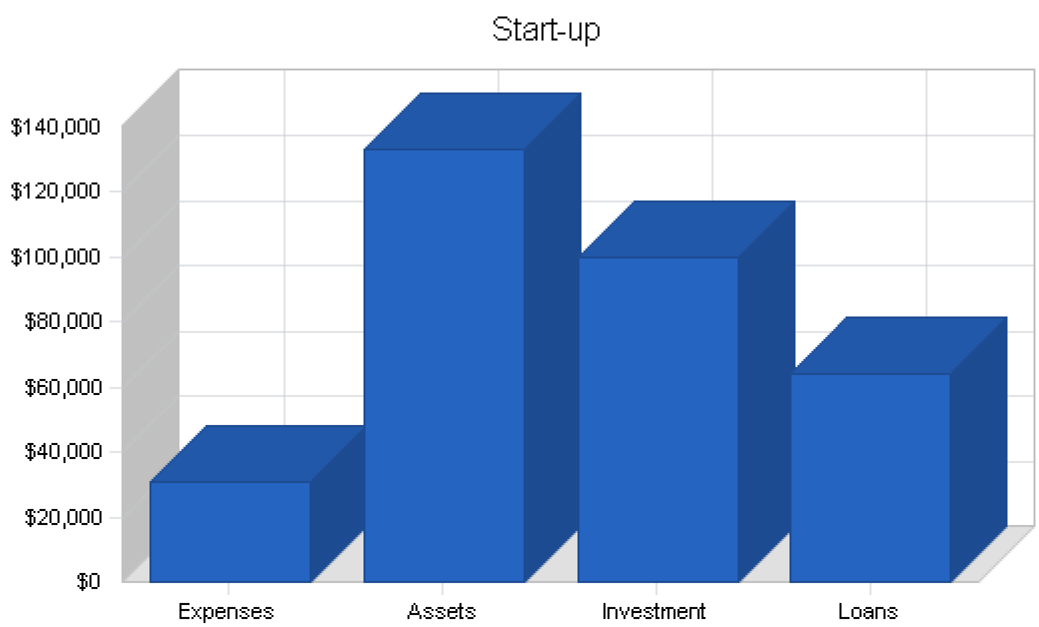
The company's main clients will be major construction companies, local and state governments, real estate companies and utility and water companies. By focusing on institutions such as these that have special needs, we believe we will be able to better serve our clients and produce a superior service that is more effective that other geo-engineering firms.

2.1 Company Ownership

The company will have a number of outside private investors who will own 27% of the company's shares. The rest will be owned by the senior management including Mr. Martin Compton, (25%), Ms. Elizabeth Bathory (20%), Mr. David Gillen, (20%), and Mr. Jeremy Leither (8%). All other financing will come from loans.

2.2 Start-up Summary

Start-up assets required are shown below. This includes expenses and cash needed to support operations until revenues reach an acceptable level. Most of the company's liabilities will come from outside private investors and management investment, however, we have obtained current borrowing from Bank of America Commercial Investments, the principal to be paid off in two years. A long-term loan through Charter Bank of Augusta will be paid off in ten years.



START-UP REQUIREMENTS

Start-up Expenses	
Legal	$1,000
Insurance	$2,000
Utilities	$200
Rent	$3,000
Accounting and bookkeeping fees	$2,000
Expensed equipment	$8,000
Advertising	$6,500
Other	$8,000
TOTAL START-UP EXPENSES	**$30,700**
Start-up Assets	
Cash Required	$104,800

Other Current Assets	$3,500
Long-term Assets	$25,000
TOTAL ASSETS	**$133,300**
Total Requirements	$164,000

START-UP FUNDING	
Start-up Expenses to Fund	$30,700
Start-up Assets to Fund	$133,300
TOTAL FUNDING REQUIRED	**$164,000**
Assets	
Non-cash Assets from Start-up	$28,500
Cash Requirements from Start-up	$104,800
Additional Cash Raised	$0

Cash Balance on Starting Date	$104,800
TOTAL ASSETS	**$133,300**
Liabilities and Capital	
Liabilities	
Current Borrowing	$16,000
Long-term Liabilities	$45,000
Accounts Payable (Outstanding Bills)	$3,000
Other Current Liabilities (interest-free)	$0
TOTAL LIABILITIES	**$64,000**
Capital	
Planned Investment	
Mr. Martin Compton	$25,000

Ms. Elizabeth Bathory	$20,000
Mr. David Gillen	$20,000
Mr. Jeremy Leither	$8,000
Others	$27,000
Additional Investment Requirement	$0
TOTAL PLANNED INVESTMENT	**$100,000**
Loss at Start-up (Start-up Expenses)	($30,700)
TOTAL CAPITAL	**$69,300**
TOTAL CAPITAL AND LIABILITIES	**$133,300**
Total Funding	$164,000
Capital	
Planned Investment	

Mr. Martin Compton	$25,000
Ms. Elizabeth Bathory	$20,000
Mr. David Gillen	$20,000
Mr. Jeremy Leither	$8,000
Others	$27,000
Additional Investment Requirement	$0
TOTAL PLANNED INVESTMENT	$100,000
Loss at Start-up (Start-up Expenses)	($30,700)
TOTAL CAPITAL	$69,300
TOTAL CAPITAL AND LIABILITIES	$133,300
Total Funding	$164,000

Services

CGA offers comprehensive geo-engineering services to our diverse clients. Our services fall into two main opportunities of geotechnical engineering services and construction monitoring/laboratory testing. Our geotechnical engineering services include:

- Exploration and characterization of soil and rock.
- Surface and groundwater evaluation.
- Shoring requirements and analysis.
- Slope stability and landslide analysis.
- Forensic studies of failures and/or distress.

The services we provide for construction monitoring and laboratory testing include:

- Compaction monitoring and testing structural fill.
- Evaluation, tieback, and shoring monitoring.
- Pile and pier installation monitoring.
- Laboratory analysis of soil, rock, and water properties.
- Load testing, and settlement analysis.

Each project is customized to our client and its scope, length, depth, reach, and cost are unique.

Market Analysis Summary

CGA will be concentrating on four main types of market segments. These include major construction companies, local and state governments, real estate companies, and water and utility companies. This is because these types of organizations have the greatest needs and/or the best capitalized of all our potential clients.

The geo-engineering industry has been growing at a very fast rate for the past twenty years. According to the *Journal of Hydrology and Geo-engineering*, the industry has averaged approximately 22% growth per year over the past five years.

An analysis of the market using the five forces of profitability indicates that the greatest threat at the moment is in new entrants to the market who will want to capitalize on this high growth. Currently rivalry among different geotechnical companies is relatively moderate as much of the potential rivalry is absorbed by this high growth rate. Many of the competitors are able to improve profitability simply by keeping up with industry expansion.

Our most serious competitors are Goldner Geotechnical and Earth Sciences Consultants. These companies effect us most because of their higher capitalization or geographical proximity.

Companies usually enter into contracts with geotechnical companies based on their reputation of professionalism and quality of services rendered in the past. This reputation is difficult to obtain by new firms unless its personnel bring it with them from previous companies, as we are. Price and scope are also important reasons for accepting contracts, especially if the company is small.

4.1 Market Segmentation

There are various land-use companies and organizations within the state of Maine that CGA will be concentrating on. These include:

- Major construction companies.
- Local and state governments.
- Real estate companies.
- Utility and water companies.

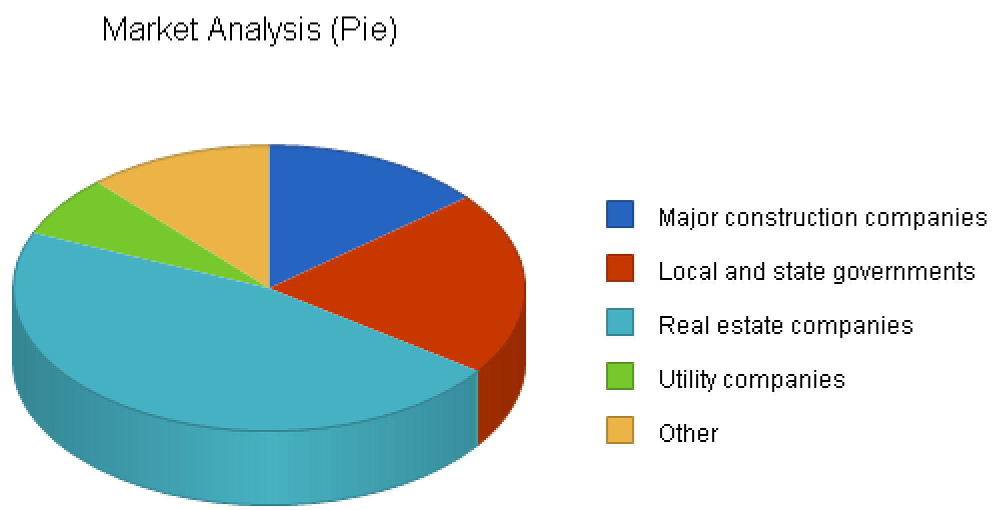
- Other.

We are concentrating on these specific market segments for a variety of reasons. The construction industry now requires, by law, certain certifications of safe practices including retaining wall and foundation load bearing capacities, slope stabilities, and geo-instrumentation installation.

Local and state governments often require services such as earth science historical reviews, geomorphological studies and coastal processes studies for their constituents. Real estate companies are in need of bluff studies and fault mapping.

Finally utility companies require a wide variety of services that also include soil and water analysis, seismicity studies, aerial photo interpretation, etc. All these companies further require ongoing services that will provide CGA with long-term profitability.

The market analysis table and graph which follows shows the number of each type of organizations in the state of Maine. This will be our expected geographical focus. It must be noted however, that some of the segments, although they are quite small in the number of potential clients, have very high profitability levels.



MARKET ANALYSIS							
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	
Potential Customers	Growth						CAGR
Major construction companies	2%	12	12	12	12	12	0.00%
Local and state governments	3%	18	19	20	21	22	5.14%
Real estate companies	4%	40	42	44	46	48	4.66%
Utility companies	0%	6	6	6	6	6	0.00%
Other	5%	10	11	12	13	14	8.78%
Total	4.36%	86	90	94	98	102	4.36%

4.2 Service Business Analysis

The geoengineering industry has been growing at a very fast rate for the past twenty years. According to the *Journal of Hydrology & Geoengineering*, the industry has averaged approximately 22% growth per year over the past five years. Much of this growth has been due to increased environmental awareness and the subsequent local and federal legislation that has resulted from this trend.

The geotechnical consulting business consists of thousands of smaller consulting organizations and individual consultants for every one of the few dozen well-known companies. These companies range from major international name-brand firms to tens of thousands of individuals.

CGA believes that the greatest threat at the moment is in new entrants to to market who will want to capitalize on this high growth industry. The most likely entrants will be new, small consulting companies with fewer than ten employees. However, the one major disadvantage to new entrants is that all firms engaged in contracting to geoengineering firms face significant switching costs when bringing on a consulting partner. Furthermore, CGA understands that in this industry there is a significant learning curve that creates declining "unit" costs as a firm gains more cumulative experience in the field itself and with long-term clients specifically.

Rivalry among different geotechnical companies is relatively moderate as much of the potential rivalry is absorbed by the high growth rate. Many of the competitors are able to improve profitability simply by keeping up with industry growth.

The power of potential clients is very great in this industry because most clients are very concentrated in our geographical area. furthermore, because of the high cost of our services, clients tend to "shop around" for the best package of services and cost. Finally, some of our market segments, such as governments have "profitability" restraints that cause them to pressure geotechnical companies for superior terms.

4.2.1 Competition and Buying Patterns

Competition

Competition includes all potential geotechnical companies in our geographical operating area. The geoengineering industry is highly fragmented, with a large number of small companies that mainly cater to small firms and a few large companies that seek the largest contracts. Our most serious competitors are Goldner Geotechnical and Earth Sciences Consultants. Goldner is an established company that has been in operation for the past ten years, with a fine track record of quality work. It currently employees twelve consultants and has long-term contracts with the city of Damrascotta and the Skowhegan River Water District. This company is analogous to CGA in size, capabilities, services, and estimated profits. Earth Sciences Consultants is one of the largest and best known geotechnical firms on the east coast and is expected to expand into a nationwide company within the next five years. It has hundreds of staff consultants and very deep pockets that can be used to counter any sort of competitive move.

Buying Patterns and Needs

Companies usually enter into contracts with geotechnical companies based on their reputation of professionalism and quality of services rendered in the past. This reputation is difficult to obtain by new firms unless, its personnel bring it with them from previous companies, as we are. Price and scope are also important reasons for accepting contracts, especially if the company is small.

Strategy and Implementation Summary

Compton Geotechnical Associates' business strategy is to enter into a limited geographical area where it can leverage its staff's existing collective reputation into long-term contracts centered on employee service and cost effectiveness. We believe that we can service this limited market better than larger firms and we have better service packages at a more reasonable cost than existing competitors of equal size.

5.1 Marketing Strategy

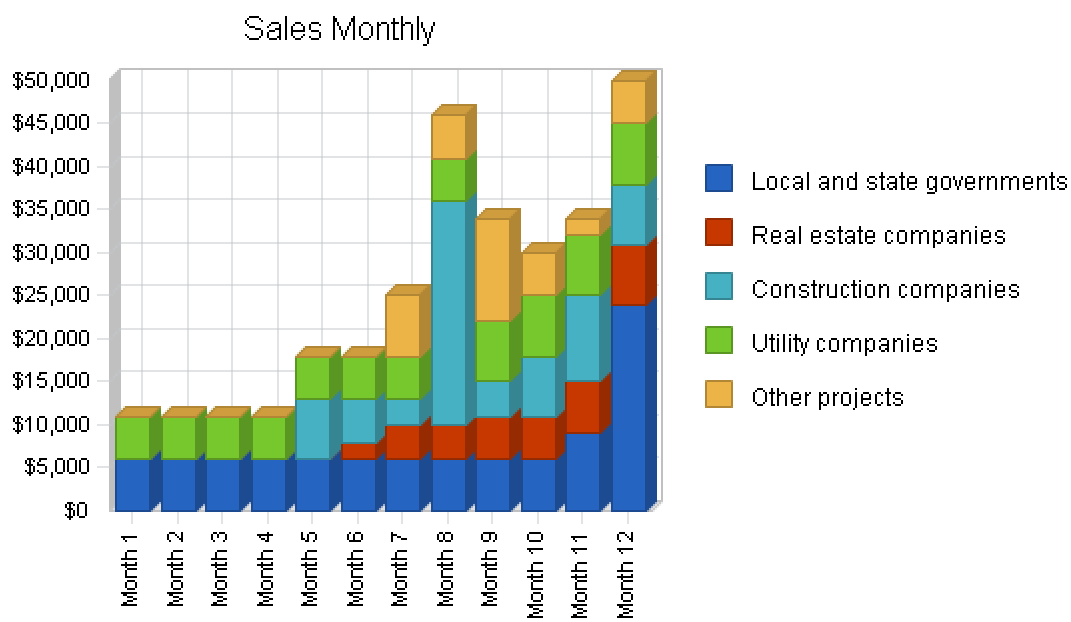
In order to attract clients, CGA will begin to contact promising organizations and offer free consultations, and an initial contract at reduced prices. These promotions will allow us to begin to make our reputation. In addition, Mr. Compton and Ms. Bathory will be traveling to six conventions across the eastern part of the country during the first year of operations where we will have booths to advertise our services. Finally we will be setting up cold calls to potential clients and have half- and full-page advertisements in various publications that address our clients needs.

5.2 Sales Strategy

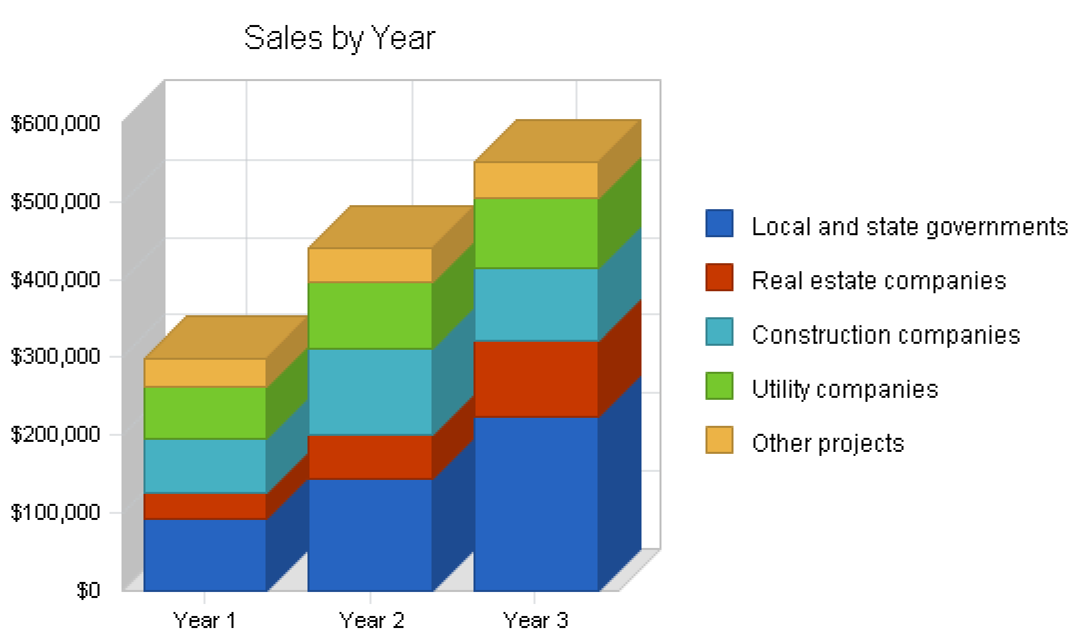
CGA's management will be focusing on leveraging its extensive contacts in its various market segments to generate contracts. In October of 2002 the Wiscasset Utility district announced it was accepting bids for a new long-term geotechnical contract focusing on groundwater and soil studies. CGA's founder Mr. Martin Compton has been aggressively pursuing this contact and based on recent events, it is likely that our firm will win the bid, to be announced in February 2003. This will generate both much needed revenue, and if successful, will generate the reputation CGA needs for further contracts. In addition, Mr. Gillen will be pursuing a number of other open-ended contracts through his contacts with real estate companies. At the current time, Amherst County has entered into negotiations with CGA for its Coastal Processes Studies Project (CPSP), which is expected to have a project life of five years.

5.2.1 Sales Forecast

Sales are based on the various contract projects we anticipate acquiring in the various market segments. Revenues are based on average costs per project based on estimated time and complexity of project plus and undisclosed profit margin. The company does not have any significant direct costs of sales.



Sales Monthly
$50,000
$45,000
$40,000
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$0
Month 1
Month 2
Month 3
Month 4
Month 5
Month 6
Month 7
Month 8
Month 9
Month 10
Month 11
Month 12
Local and state governments
Real estate companies
Construction companies
Utility companies
Other projects



Sales by Year
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0
Year 1
Year 2
Year 3
Local and state governments
Real estate companies
Construction companies
Utility companies
Other projects

SALES FORECAST			
	YEAR 1	YEAR 2	YEAR 3
Sales			
Local and state governments	$93,000	$145,000	$224,000
Real estate companies	$33,000	$56,000	$98,000
Construction companies	$69,000	$110,000	$93,000
Utility companies	$68,000	$85,000	$90,000
Other projects	$36,000	$45,000	$45,000
TOTAL SALES	**$299,000**	**$441,000**	**$550,000**
Direct Cost of Sales	Year 1	Year 2	Year 3
Row 1	$1,200	$0	$0
Other	$1,200	$0	$0

Subtotal Direct Cost of Sales	$2,400	$0	$0

Management Summary

The company will have four officers including our president, Mr. Martin Compton. Our head of operations will be Mr. David Gillen, plus we will have two initial geotechnical consultants and a CAD draftsperson. Finances and general admin will be handled by Ms. Bathory.

The company plans to hire additional consultants, design support and administrative personnel as we begin to get large numbers of contracts.

6.1 Personnel

CGA's management brings to the company strong capabilities in creative flair, research, and a unique combination of skills drawn from other businesses.

Key Personnel
Mr. Martin Compton is a graduate of the University of Kansas where he obtained his civil engineering degree in 1971. Since then, Mr. Compton has had extensive experience in site specific municipal, commercial and residential construction projects. This includes experience in budgeting, project oversight, resolving engineering issues, etc. In 1996 he obtained a graduate degree in geo engineering from MIT. Mr. Compton spent the last four years as the engineering geology department head with Wilson and Brown, Inc.

Mr. David Gillen graduated from Penn State University with a bachelors degree in Hydrology in 1975. From 1978-1988 Mr. Danielson worked for The USGS as a key figure in its groundbreaking National Water/Soil Suitability Survey. In 1989 he went to work for Anderson Consulting in their geotechnical division where he worked on subbottom acoustic profiling, tunnel and shaft rehabilitation, and designing procedures for testing ground water infiltration rates.

ENLARGE

PERSONNEL PLAN			
	YEAR 1	YEAR 2	YEAR 3
Mr. Martin Compton - president	$36,000	$40,000	$60,000
Mrs. Elizabeth Bathory - office manager	$36,000	$40,000	$60,000
Mr. David Gillen - projects manager	$36,000	$39,000	$45,000
Mr. Jeremy Leither - staff engineer	$36,000	$39,000	$45,000
Geo-engineering consultant	$36,000	$38,000	$42,000
CAD draftsperson P/T	$10,500	$13,000	$16,000
TOTAL PEOPLE	**6**	**6**	**6**
Total Payroll	$190,500	$209,000	$268,000

Financial Plan

Our financial plan anticipates one year of negative profits as we gain sales volume. We have budgeted enough investment to cover these losses and have an additional credit line available if sales do not match predictions.

7.1 Important Assumptions

We are assuming approximately 75% sales on credit and average interest rates of 10%. These are considered to be conservative in case our predictions are erroneous.

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GENERAL ASSUMPTIONS
Plan Month
Current Interest Rate
Long-term Interest Rate
Tax Rate
Other

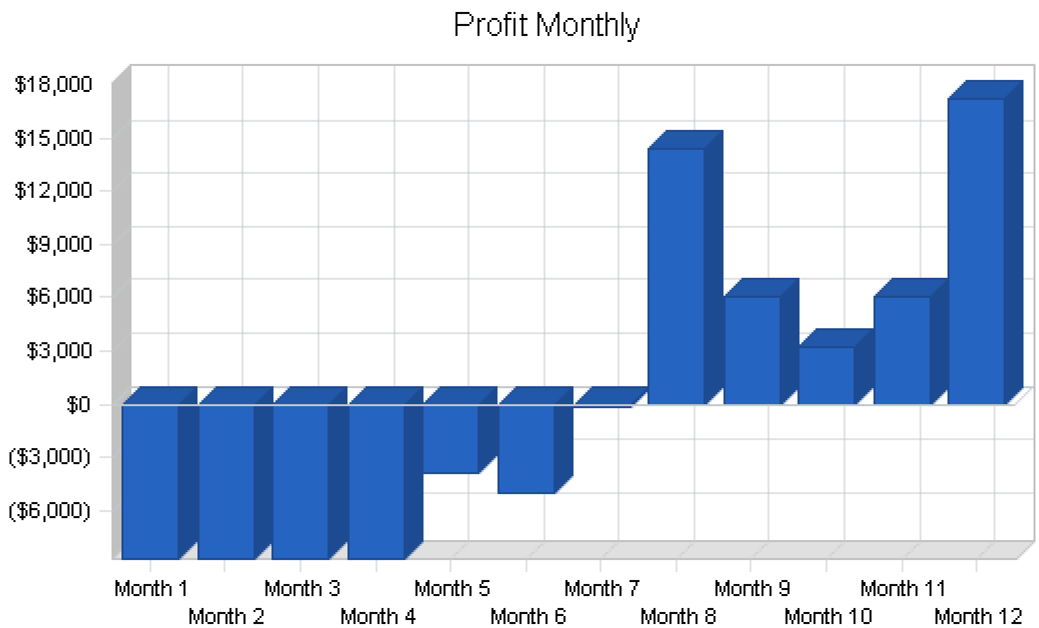
7.2 Break-even Analysis

Our Break-even Analysis is based on the assumptions that our gross margin is 100%. In other words, we will have insignificant direct cost of sales. Since each project will be of different scope, length, and complexity, it is difficult to assign and average per unit revenue figure. However, it is conservatively believed that during the first three years, average profitability per month per segment will be about $8,000. This is because we will be dealing with smaller companies at first that have smaller projects. We expect that about three projects per month will guarantee a break-even point.

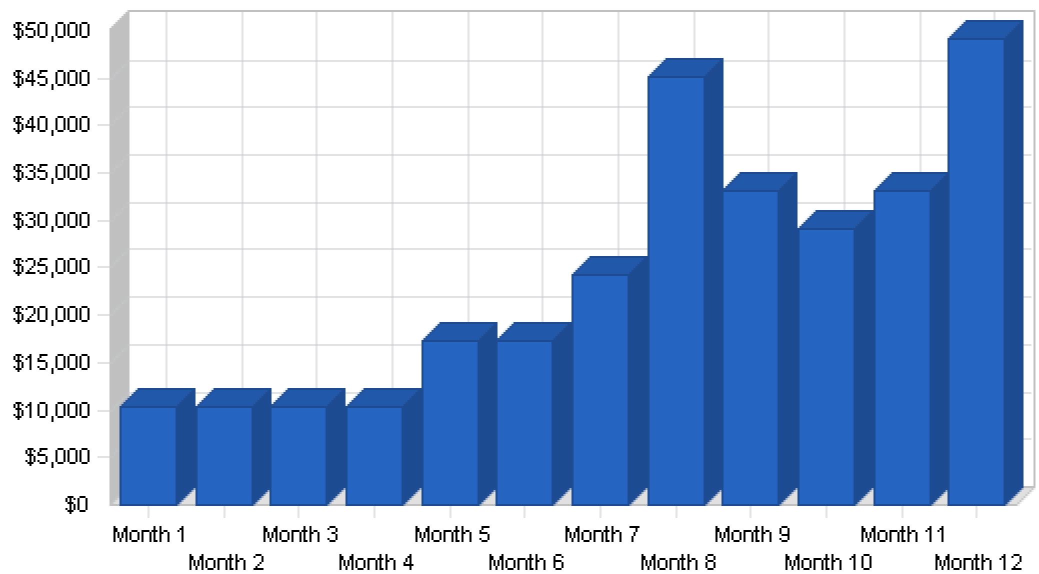
BREAK-EVEN ANALYSIS	
Monthly Revenue Break-even	$23,444
Assumptions:	
Average Percent Variable Cost	1%
Estimated Monthly Fixed Cost	$23,256

7.3 Projected Profit and Loss

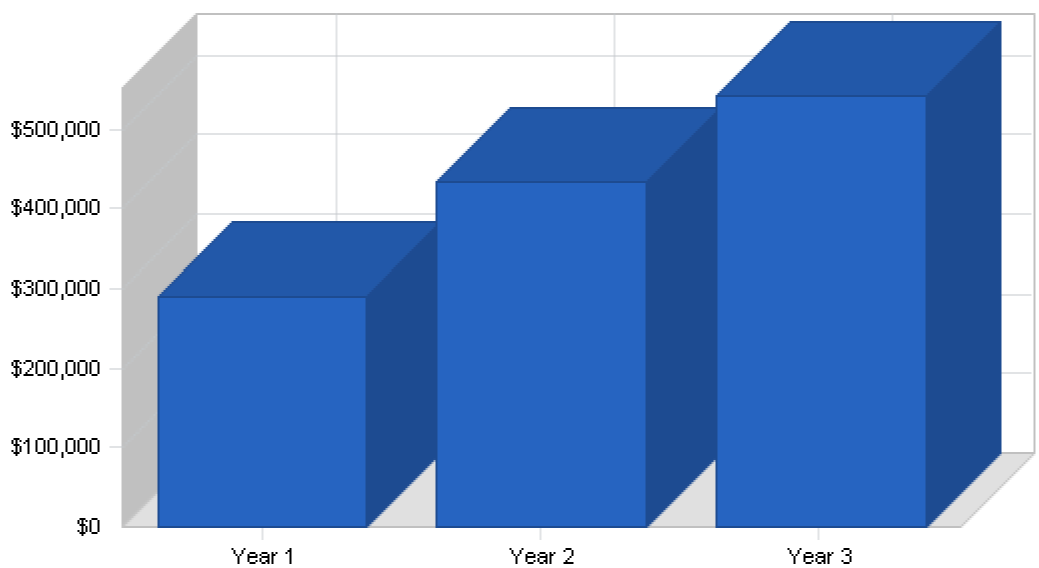
The following table itemizes our revenues and associated costs. We expect to be paying higher costs in marketing and advertising than other companies as we attempt to build sales volume. As the reader can see, we expect monthly profits to begin in fourth quarter of 2003 (see appendix for monthly Profit and Loss table).



Gross Margin Monthly



Gross Margin Yearly



PRO FORMA PROFIT AND LOSS

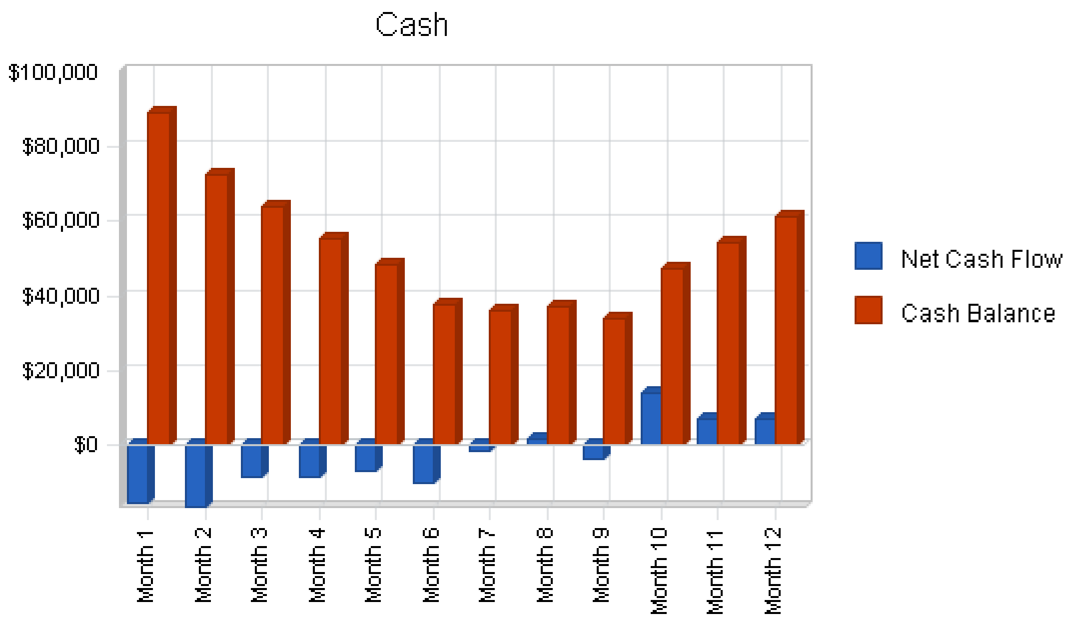
	YEAR 1	YEAR 2	YEAR 3

Sales	$299,000	$441,000	$550,000
Direct Cost of Sales	$2,400	$0	$0
Other Costs of Sales	$7,000	$7,000	$7,000
TOTAL COST OF SALES	**$9,400**	**$7,000**	**$7,000**
Gross Margin	$289,600	$434,000	$543,000
Gross Margin %	96.86%	98.41%	98.73%
Expenses			
Payroll	$190,500	$209,000	$268,000
Sales and Marketing and Other Expenses	$6,000	$10,000	$14,000
Depreciation	$0	$2,500	$2,500
Rent	$18,000	$20,000	$22,000
Utilities	$3,600	$3,600	$4,000

Insurance	$13,200	$14,000	$15,000
Payroll Taxes	$28,575	$31,350	$40,200
Travel	$12,000	$12,000	$15,000
Other	$7,200	$8,000	$10,000
Total Operating Expenses	$279,075	$310,450	$390,700
Profit Before Interest and Taxes	$10,525	$123,550	$152,300
EBITDA	$10,525	$126,050	$154,800
Interest Expense	$6,100	$5,500	$4,300
Taxes Incurred	$1,328	$35,415	$44,400
Net Profit	$3,097	$82,635	$103,600
Net Profit/Sales	1.04%	18.74%	18.84%

7.4 Projected Cash Flow

The following is our cash flow chart and diagram. We do not expect to have any short-term cash flow problems even though we will be operating at a loss for the first nine months. Our short-term loan will be repaid in two equal payments in 2004-2005. Our long-term loan will be paid off in ten years.



PRO FORMA CASH FLOW			
	YEAR 1	**YEAR 2**	**YEAR 3**
Cash Received			
Cash from Operations			
Cash Sales	$74,750	$110,250	$137,500

Cash from Receivables	$162,100	$301,234	$389,843
SUBTOTAL CASH FROM OPERATIONS	**$236,850**	**$411,484**	**$527,343**
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	$0	$0	$0
New Current Borrowing	$0	$0	$0
New Other Liabilities (interest-free)	$0	$0	$0
New Long-term Liabilities	$0	$0	$0
Sales of Other Current Assets	$0	$0	$0
Sales of Long-term Assets	$0	$0	$0
New Investment Received	$3,000	$0	$0
SUBTOTAL CASH RECEIVED	**$239,850**	**$411,484**	**$527,343**
Expenditures	Year 1	Year 2	Year 3

Expenditures from Operations			
Cash Spending	$190,500	$209,000	$268,000
Bill Payments	$92,676	$150,520	$173,514
SUBTOTAL SPENT ON OPERATIONS	**$283,176**	**$359,520**	**$441,514**
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	$0	$0	$0
Principal Repayment of Current Borrowing	$0	$8,000	$8,000
Other Liabilities Principal Repayment	$0	$0	$0
Long-term Liabilities Principal Repayment	$0	$4,000	$4,000
Purchase Other Current Assets	$0	$0	$0
Purchase Long-term Assets	$0	$0	$0
Dividends	$0	$0	$0

SUBTOTAL CASH SPENT	$283,176	$371,520	$453,514
Net Cash Flow	($43,326)	$39,964	$73,830
Cash Balance	$61,474	$101,438	$175,267

7.5 Projected Balance Sheet

The following table shows the projected balance sheet for Compton Geotechnical.

PRO FORMA BALANCE SHEET			
	YEAR 1	YEAR 2	YEAR 3
Assets			
Current Assets			
Cash	$61,474	$101,438	$175,267
Accounts Receivable	$62,150	$91,666	$114,323
Other Current Assets	$3,500	$3,500	$3,500

TOTAL CURRENT ASSETS	**$127,124**	**$196,604**	**$293,090**
Long-term Assets			
Long-term Assets	$25,000	$25,000	$25,000
Accumulated Depreciation	$0	$2,500	$5,000
TOTAL LONG-TERM ASSETS	**$25,000**	**$22,500**	**$20,000**
TOTAL ASSETS	**$152,124**	**$219,104**	**$313,090**
Liabilities and Capital	Year 1	Year 2	Year 3
Current Liabilities			
Accounts Payable	$15,726	$12,071	$14,458
Current Borrowing	$16,000	$8,000	$0
Other Current Liabilities	$0	$0	$0
SUBTOTAL CURRENT LIABILITIES	**$31,726**	**$20,071**	**$14,458**

Long-term Liabilities	$45,000	$41,000	$37,000
TOTAL LIABILITIES	**$76,726**	**$61,071**	**$51,458**
Paid-in Capital	$103,000	$103,000	$103,000
Retained Earnings	($30,700)	($27,603)	$55,032
Earnings	$3,097	$82,635	$103,600
TOTAL CAPITAL	**$75,398**	**$158,033**	**$261,633**
TOTAL LIABILITIES AND CAPITAL	**$152,124**	**$219,104**	**$313,090**
Net Worth	$75,398	$158,033	$261,633

7.6 Business Ratios

We have included industry standard ratios from the construction and civil engineering industry to compare with ours. These ratios are as closely matched to our industry as management could find, however there are some significant differences, especially in sales growth, financing ratios, long-term asset investments and net worth. However, our projections indicate a healthy company that will be able to obtain and retain long-term profitability.

RATIO ANALYSIS	YEAR 1	YEAR 2	YEAR 3	INDUSTRY PROFILE
Sales Growth	0.00%	47.49%	24.72%	6.39%
Percent of Total Assets				
Accounts Receivable	40.85%	41.84%	36.51%	39.28%
Other Current Assets	2.30%	1.60%	1.12%	34.90%
Total Current Assets	83.57%	89.73%	93.61%	77.16%
Long-term Assets	16.43%	10.27%	6.39%	22.84%
TOTAL ASSETS	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Current Liabilities	20.86%	9.16%	4.62%	38.24%
Long-term Liabilities	29.58%	18.71%	11.82%	13.12%
Total Liabilities	50.44%	27.87%	16.44%	51.36%

NET WORTH	**49.56%**	**72.13%**	**83.56%**	**48.64%**
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	96.86%	98.41%	98.73%	100.00%
Selling, General & Administrative Expenses	96.06%	79.67%	79.89%	81.87%
Advertising Expenses	0.00%	0.00%	0.00%	0.32%
Profit Before Interest and Taxes	3.52%	28.02%	27.69%	2.33%
Main Ratios				
Current	4.01	9.80	20.27	1.73
Quick	4.01	9.80	20.27	1.43
Total Debt to Total Assets	50.44%	27.87%	16.44%	5.72%
Pre-tax Return on Net Worth	5.87%	74.70%	56.57%	57.36%

Pre-tax Return on Assets	2.91%	53.88%	47.27%	13.43%
Additional Ratios	Year 1	Year 2	Year 3	
Net Profit Margin	1.04%	18.74%	18.84%	n.a
Return on Equity	4.11%	52.29%	39.60%	n.a
Activity Ratios				
Accounts Receivable Turnover	3.61	3.61	3.61	n.a
Collection Days	55	85	91	n.a
Accounts Payable Turnover	6.70	12.17	12.17	n.a
Payment Days	28	35	28	n.a
Total Asset Turnover	1.97	2.01	1.76	n.a
Debt Ratios				
Debt to Net Worth	1.02	0.39	0.20	n.a

Current Liab. to Liab.	0.41	0.33	0.28	n.a
Liquidity Ratios				
Net Working Capital	$95,398	$176,533	$278,633	n.a
Interest Coverage	1.73	22.46	35.42	n.a
Additional Ratios				
Assets to Sales	0.51	0.50	0.57	n.a
Current Debt/Total Assets	21%	9%	5%	n.a
Acid Test	2.05	5.23	12.36	n.a
Sales/Net Worth	3.97	2.79	2.10	n.a
Dividend Payout	0.00	0.00	0.00	n.a

Appendix

SALES FORECAST				
		MONTH 1	MONTH 2	MO
Sales				
Local and state governments	0%	$6,000	$6,000	$
Real estate companies	0%	$0	$0	
Construction companies	0%	$0	$0	
Utility companies	0%	$5,000	$5,000	$
Other projects	0%	$0	$0	
TOTAL SALES		**$11,000**	**$11,000**	**$1**
Direct Cost of Sales		Month 1	Month 2	M
Row 1		$100	$100	
Other		$100	$100	
Subtotal Direct Cost of Sales		$200	$200	

PERSONNEL PLAN												
	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12

Mr. Martin Compton - president	0%	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000
Mrs. Elizabeth Bathory - office manager	0%	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000
Mr. David Gillen - projects manager	0%	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000
Mr. Jeremy Leither - staff engineer	0%	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000
Geo-engineering consultant	0%	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000
CAD draftsperson P/T	0%	$0	$0	$0	$0	$0	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500
TOTAL PEOPLE	**0%**	**5**	**5**	**5**	**5**	**5**	**6**	**6**	**6**	**6**	**6**	**6**	**6**
Total Payroll		$15,000	$15,000	$15,000	$15,000	$15,000	$16,500	$16,500	$16,500	$16,500	$16,500	$16,500	$16,500

GENERAL ASSUMPTIONS												
	MONTH 1	**MONTH 2**	**MONTH 3**	**MONTH 4**	**MONTH 5**	**MONTH 6**	**MONTH 7**	**MONTH 8**	**MONTH 9**	**MONTH 10**	**MONTH 11**	**MONTH 12**
Plan Month	1	2	3	4	5	6	7	8	9	10	11	12
Current Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%

Other	0	0	0	0	0	0	0	0	0	0	0	0

PRO FORMA PROFIT AND LOSS

	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12
Sales	$11,000	$11,000	$11,000	$11,000	$18,000	$18,000	$25,000	$46,000	$34,000	$30,000	$34,000	$50,000
Direct Cost of Sales	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200
Other Costs of Sales	$500	$500	$500	$500	$500	$500	$500	$700	$700	$700	$700	$700
TOTAL COST OF SALES	**$700**	**$700**	**$700**	**$700**	**$700**	**$700**	**$700**	**$900**	**$900**	**$900**	**$900**	**$900**
Gross Margin	$10,300	$10,300	$10,300	$10,300	$17,300	$17,300	$24,300	$45,100	$33,100	$29,100	$33,100	$49,100
Gross Margin %	93.64%	93.64%	93.64%	93.64%	96.11%	96.11%	97.20%	98.04%	97.35%	97.00%	97.35%	98.20%
Expenses												
Payroll	$15,000	$15,000	$15,000	$15,000	$15,000	$16,500	$16,500	$16,500	$16,500	$16,500	$16,500	$16,500
Sales and Marketing and Other Expenses	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500
Depreciation	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Rent	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500
Utilities	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300

Insurance		$1,100	$1,100	$1,100	$1,100	$1,100	$1,100	$1,100	$1,100	$1,100	$1,100	$1,100	$1,100
Payroll Taxes	15%	$2,250	$2,250	$2,250	$2,250	$2,250	$2,475	$2,475	$2,475	$2,475	$2,475	$2,475	$2,475
Travel	15%	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
Other		$600	$600	$600	$600	$600	$600	$600	$600	$600	$600	$600	$600
Total Operating Expenses		$22,250	$22,250	$22,250	$22,250	$22,250	$23,975	$23,975	$23,975	$23,975	$23,975	$23,975	$23,975
Profit Before Interest and Taxes		($11,950)	($11,950)	($11,950)	($11,950)	($4,950)	($6,675)	$325	$21,125	$9,125	$5,125	$9,125	$25,125
EBITDA		($11,950)	($11,950)	($11,950)	($11,950)	($4,950)	($6,675)	$325	$21,125	$9,125	$5,125	$9,125	$25,125
Interest Expense		$508	$508	$508	$508	$508	$508	$508	$508	$508	$508	$508	$508
Taxes Incurred		($3,738)	($3,738)	($3,738)	($3,738)	($1,637)	($2,155)	($55)	$6,185	$2,585	$1,385	$2,585	$7,385
Net Profit		($8,721)	($8,721)	($8,721)	($8,721)	($3,821)	($5,028)	($128)	$14,432	$6,032	$3,232	$6,032	$17,232
Net Profit/Sales		-79.28%	-79.28%	-79.28%	-79.28%	-21.23%	-27.94%	-0.51%	31.37%	17.74%	10.77%	17.74%	34.46%

ENLARGE

PRO FORMA CASH FLOW	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12
Cash Received												
Cash from Operations												
Cash Sales	$2,750	$2,750	$2,750	$2,750	$4,500	$4,500	$6,250	$11,500	$8,500	$7,500	$8,500	$12,500

Cash from Receivables		$0	$275	$8,250	$8,250	$8,250	$8,425	$13,500	$13,675	$19,275	$34,200	$25,400	$22,600
SUBTOTAL CASH FROM OPERATIONS		**$2,750**	**$3,025**	**$11,000**	**$11,000**	**$12,750**	**$12,925**	**$19,750**	**$25,175**	**$27,775**	**$41,700**	**$33,900**	**$35,100**
Additional Cash Received													
Sales Tax, VAT, HST/GST Received	0.00%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
New Current Borrowing		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
New Other Liabilities (interest-free)		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
New Long-term Liabilities		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sales of Other Current Assets		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sales of Long-term Assets		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
New Investment Received		$0	$0	$0	$0	$0	$0	$1,500	$1,500	$0	$0	$0	$0
SUBTOTAL CASH RECEIVED		**$2,750**	**$3,025**	**$11,000**	**$11,000**	**$12,750**	**$12,925**	**$21,250**	**$26,675**	**$27,775**	**$41,700**	**$33,900**	**$35,100**
Expenditures		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Expenditures from Operations													
Cash Spending		$15,000	$15,000	$15,000	$15,000	$15,000	$16,500	$16,500	$16,500	$16,500	$16,500	$16,500	$16,500
Bill Payments		$3,157	$4,721	$4,721	$4,721	$4,791	$6,811	$6,598	$8,843	$14,948	$11,428	$10,308	$11,628
SUBTOTAL SPENT ON OPERATIONS		**$18,157**	**$19,721**	**$19,721**	**$19,721**	**$19,791**	**$23,311**	**$23,098**	**$25,343**	**$31,448**	**$27,928**	**$26,808**	**$28,128**
Additional Cash Spent													
Sales Tax, VAT, HST/GST Paid Out		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Principal Repayment of Current Borrowing	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Liabilities Principal Repayment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Long-term Liabilities Principal Repayment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Purchase Other Current Assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Purchase Long-term Assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Dividends	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
SUBTOTAL CASH SPENT	**$18,157**	**$19,721**	**$19,721**	**$19,721**	**$19,791**	**$23,311**	**$23,098**	**$25,343**	**$31,448**	**$27,928**	**$26,808**	**$28,128**
Net Cash Flow	($15,407)	($16,696)	($8,721)	($8,721)	($7,041)	($10,386)	($1,848)	$1,332	($3,673)	$13,772	$7,092	$6,972
Cash Balance	$89,393	$72,697	$63,976	$55,255	$48,214	$37,828	$35,980	$37,312	$33,639	$47,410	$54,502	$61,474

PRO FORMA BALANCE SHEET													
		MONTH 1	**MONTH 2**	**MONTH 3**	**MONTH 4**	**MONTH 5**	**MONTH 6**	**MONTH 7**	**MONTH 8**	**MONTH 9**	**MONTH 10**	**MONTH 11**	**MONTH 12**
Assets	Starting Balances												
Current Assets													
Cash	$104,800	$89,393	$72,697	$63,976	$55,255	$48,214	$37,828	$35,980	$37,312	$33,639	$47,410	$54,502	$61,474
Accounts Receivable	$0	$8,250	$16,225	$16,225	$16,225	$21,475	$26,550	$31,800	$52,625	$58,850	$47,150	$47,250	$62,150
Other Current Assets	$3,500	$3,500	$3,500	$3,500	$3,500	$3,500	$3,500	$3,500	$3,500	$3,500	$3,500	$3,500	$3,500

TOTAL CURRENT ASSETS	**$108,300**	**$101,143**	**$92,422**	**$83,701**	**$74,980**	**$73,189**	**$67,878**	**$71,280**	**$93,437**	**$95,989**	**$98,060**	**$105,252**	**$127,124**
Long-term Assets													
Long-term Assets	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000
Accumulated Depreciation	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL LONG-TERM ASSETS	**$25,000**	**$25,000**	**$25,000**	**$25,000**	**$25,000**	**$25,000**	**$25,000**	**$25,000**	**$25,000**	**$25,000**	**$25,000**	**$25,000**	**$25,000**
TOTAL ASSETS	**$133,300**	**$126,143**	**$117,422**	**$108,701**	**$99,980**	**$98,189**	**$92,878**	**$96,280**	**$118,437**	**$120,989**	**$123,060**	**$130,252**	**$152,124**
Liabilities and Capital		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Current Liabilities													
Accounts Payable	$3,000	$4,563	$4,563	$4,563	$4,563	$6,593	$6,311	$8,341	$14,566	$11,086	$9,926	$11,086	$15,726
Current Borrowing	$16,000	$16,000	$16,000	$16,000	$16,000	$16,000	$16,000	$16,000	$16,000	$16,000	$16,000	$16,000	$16,000
Other Current Liabilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
SUBTOTAL CURRENT LIABILITIES	**$19,000**	**$20,563**	**$20,563**	**$20,563**	**$20,563**	**$22,593**	**$22,311**	**$24,341**	**$30,566**	**$27,086**	**$25,926**	**$27,086**	**$31,726**
Long-term Liabilities	$45,000	$45,000	$45,000	$45,000	$45,000	$45,000	$45,000	$45,000	$45,000	$45,000	$45,000	$45,000	$45,000
TOTAL LIABILITIES	**$64,000**	**$65,563**	**$65,563**	**$65,563**	**$65,563**	**$67,593**	**$67,311**	**$69,341**	**$75,566**	**$72,086**	**$70,926**	**$72,086**	**$76,726**
Paid-in Capital	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$101,500	$103,000	$103,000	$103,000	$103,000	$103,000
Retained Earnings	($30,700)	($30,700)	($30,700)	($30,700)	($30,700)	($30,700)	($30,700)	($30,700)	($30,700)	($30,700)	($30,700)	($30,700)	($30,700)
Earnings	$0	($8,721)	($17,442)	($26,163)	($34,883)	($38,704)	($43,733)	($43,861)	($29,429)	($23,398)	($20,166)	($14,134)	$3,097

TOTAL CAPITAL	**$69,300**	**$60,579**	**$51,858**	**$43,138**	**$34,417**	**$30,596**	**$25,567**	**$26,939**	**$42,871**	**$48,902**	**$52,134**	**$58,166**	**$75,398**
TOTAL LIABILITIES AND CAPITAL	**$133,300**	**$126,143**	**$117,422**	**$108,701**	**$99,980**	**$98,189**	**$92,878**	**$96,280**	**$118,437**	**$120,989**	**$123,060**	**$130,252**	**$152,124**
Net Worth	$69,300	$60,579	$51,858	$43,138	$34,417	$30,596	$25,568	$26,939	$42,871	$48,903	$52,134	$58,166	$75,398