



## Feasibility Report

Accounting and Business Analysis (The University of Western Ontario)



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## Executive Summary

OnlyRoll is a London, Ontario based gourmet food truck that sells a variety of fusion spring rolls in unique flavours such as cheeseburger, pizza, and Nutella strawberry. OnlyRoll will sell an order of any two spring rolls for \$5, and drinks for \$1. OnlyRoll will primarily operate around popular London nightclubs and sell to bar or club goers who want something to eat on the way home, or while waiting in line. During the summer months, OnlyRoll will relocate to Toronto and the GTA to attend food truck festivals and popular events.

OnlyRoll aims to become one of London's most popular food trucks by providing its customers with high quality, delicious food and a friendly experience. OnlyRoll will look to break even in its first year of operations, with steady growth resulting in a positive net income in future years.

OnlyRoll competes directly with several of London's other food trucks, as well as with some brick and mortar restaurants that are located near London's more popular clubs. OnlyRoll possesses a distinct competitive advantage based on price, as well as its ability to move around London and find busy areas to make sales. It also has a new and unique product, and operates later at night than any other food truck in the city.

OnlyRoll will primarily target undergraduate students between the ages of 19-25, as they are the most likely to be around the city late at night while frequenting London's clubs and bars. They will likely be drawn to the truck because of its unique concept and student friendly price point.

There is significant upfront investment of \$102,445 required to start this business. The majority of this will go towards purchasing, outfitting, and designing the truck, as well as acquiring the necessary permits and licenses to operate in London.

Matthew Conacher will invest \$100,000 in OnlyRoll to start the business. It will operate as a sole proprietorship under his management. Matthew will also take out a short term, \$20,000 loan to finance the extra investments and costs of the business.

OnlyRoll projects \$99,616 in sales over its first year of operations, with a net income of \$1389. It projects growth of 15% in sales each year over the following two years.

In the long term, OnlyRoll would like to expand its operations to a second truck or brick and mortar restaurant. It will also consider partnering with some of London's nightclubs once it is well known in the community.

## Introduction

### Company Overview

OnlyRoll is a gourmet food truck that sells a variety of fusion spring rolls in London, Ontario. OnlyRoll focuses primarily on the undergraduate student population by operating in the heart of London's nightlife scene. OnlyRoll's mission is to provide its customers with a high quality food truck experience through a combination of low wait times, delicious food, and friendly staff. Its easy-to-follow menu and unique concept make OnlyRoll a fun 'after-the-bar' bite to eat. Matthew Conacher is the owner, CEO, and manager of OnlyRoll.

### Goals and Objectives

With a strong introduction to London, OnlyRoll hopes to see a steady increase in sales over its first five years. OnlyRoll also hopes to break even within its first year of operations, with positive net income by the second year. Through a combination of promotional and marketing strategies, OnlyRoll aims to capture a significant share of what is a relatively new and untapped market for food trucks in London. OnlyRoll is determined to establish a loyal, repeat customer base through friendly service and a positive reception of its product. This will lead to positive reviews on OnlyRoll's social media pages and further recognition and brand awareness amongst the students in London. OnlyRoll will work to adhere to all standards and guidelines set out for food services by the city of London by providing its employees with the necessary training in food handling. It will also prepare its employees with the leadership skills needed to operate a food truck in hopes of training its employees to be possible future franchisees.

## Market Research

### PEST Analysis

#### Political:

Despite an initial cautionary reaction to the emergence of mobile food services, food trucks have seen strong global growth year after year. Over the past several years, local governments

have introduced rules and regulations in an attempt to create an even playing field between mobile food services and traditional restaurants. Governments and restaurant lobby groups believe that mobile food services possess a distinct competitive advantage over traditional restaurants due to their ability to access the customer directly, and travel to locations with a high pedestrian traffic. Other concerns including parking, sanitation, property and sales taxes, and proximity to traditional restaurants have also been topics of debate amongst governments and restaurant associations<sup>1</sup>. Significant regulations have been levied against mobile food services, including a limitation that prohibits the parking of a mobile restaurant within 25 metres of a brick and mortar restaurant<sup>2</sup>.

#### Economic:

The recent economic growth in London will encourage consumer spending on restaurants and food services. London has experienced above average GDP and employment growth over the last several years, which is forecasted to continue<sup>3</sup>. According to the Canadian Restaurants and Food Services Association, the majority of Canadians (60%) did not cut back on the frequency of their restaurant visits during the economic downturn of 2008/2009. In fact, 14% of these Canadians reported that they were actually eating out more often<sup>4</sup>.

#### Social:

Recent restaurant trends suggest Canadians will be eager to try a new kind of food service, and spend money to eat out. On a typical day, Canadians make 17 million restaurant visits. They have a highly personal, direct, and frequent connection with the restaurant industry. According to a study by the Canadian Restaurant and Foodservice Association, 39% of Canadians say they enjoy trying new foods and flavours. 37% say they love to try new restaurants. The same study also found that more than 60% of Canadians eat out at restaurants at least once a week (exhibit 1), with

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<sup>1</sup> <http://datasmart.ash.harvard.edu/news/article/case-study-food-trucks-585>

<sup>2</sup> <https://www.london.ca/business/Permit-Licences/refreshment-vehicles/Pages/Food-Trucks-On-Street.aspx>

<sup>3</sup> <http://www.occ.ca/wp-content/uploads/2017/02/ontarioeconomicreport2017.pdf>

<sup>4</sup> [http://www.restaurantscanada.org/wp-content/uploads/2016/07/Report\\_IpsosPublicOpinion\\_Dec2010.pdf](http://www.restaurantscanada.org/wp-content/uploads/2016/07/Report_IpsosPublicOpinion_Dec2010.pdf)

37.6% of those respondents eating out multiple times per week. Canadians between the ages of 18 and 34 were found to frequent restaurants for both meals and snacks most often<sup>3</sup>.

## Market Analysis

Food trucks initially gained attention in large, urban cities such as Los Angeles and New York City; however, they have now spread to other cities, both large and small. According to Intuit Inc., the food truck industry is projected to reach 2.7 billion dollars in food revenue in 2017, making it a substantial player in food services<sup>1</sup>. The food truck market has grown rapidly over the past several years due to gourmet food trucks that serve quality food and charge higher prices than traditional mobile food services such as hot dog carts. According to the National Restaurant Association, food trucks are the fastest growing sector of the restaurant industry<sup>4</sup>. According to a study conducted by Schieling and Demetry, this growth can be attributed to a trend of favouring unique, local products<sup>5</sup>. This indicates an opportunity for growth, and suggests that a new food truck will be well received.

The city of London began selling permits for food trucks less than two years ago; since then, the growth of food trucks in the city has been steady, but not explosive<sup>2</sup>. In the first year of permits being released, London had only four food trucks. This year, there are eight. While this lack of competition could be seen as an advantage and opportunity to quickly acquire market share, it is possible that London is less receptive to food trucks than the average North American city.

## SWOT Analysis

### Strengths:

Due to the fact that OnlyRoll's physical operation is almost entirely performed inside the truck, the business is easy to scale and expand. With another truck, OnlyRoll could expand to additional cities if the London operation is successful. OnlyRoll's menu has been designed to

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<sup>5</sup> <http://ns.umich.edu/new/releases/22337-study-identifies-factors-that-contribute-to-food-trucks-fast-spread>



maximize the use of ingredients for each item, and allow several ingredients to be used in multiple items to limit variable costs and inventory. The rolls are easy to make once the preparation is finished, meaning additional rolls can be made on demand during busy rushes. Finally, because OnlyRoll is a mobile food service, it can go directly to the consumer, and change locations if business is slow or if there is an event nearby garnering a large crowd. OnlyRoll can also utilize social media to update customers on location or special offerings in real time.

#### Weaknesses:

Due to city restrictions on mobile food services, OnlyRoll will be unable to operate directly outside of clubs/bars or other brick and mortar restaurants, making it difficult to attract pedestrian customers. OnlyRoll's inventory is perishable, and any ingredients not used or product not sold within a reasonable timeframe will be taken as a loss. There is significant up-front investment and fixed costs associated with the business, namely the truck, the permits needed to operate in the city, and the fuel/insurance expenses once operations begin. Lastly, because the operation is dependent on the truck itself, malfunctions or damage to the truck would significantly hinder OnlyRoll's ability to operate until adequate repairs were made.

#### Opportunities:

The food truck industry in London is still very new and growing; as a result, there is no single food truck that is well established or that currently has a loyal customer base. This gives OnlyRoll the opportunity quickly gain market share with effective marketing and market penetration. With a large portion of OnlyRoll's customer base (students) leaving London in the summer months, OnlyRoll sees an opportunity to relocate to Toronto to participate in food truck festivals that will earn credibility and recognition. It will also act as a test in a different market that could serve as an expansion opportunity later on. OnlyRoll sees opportunities to expand with more trucks, by partnering with local bars and clubs, and by catering events or parties. The latter two

will provide additional revenue and distribute OnlyRoll spring rolls to large audiences at one time, providing strong word of mouth marketing.

#### Threats:

A sudden change in government legislation regarding mobile food services would directly impact OnlyRoll and potentially hinder sales. Additionally, weather (especially during winter months) poses a threat to OnlyRoll's sales on particularly cold, rainy, or snowy days. It will be difficult to compete with brick and mortar restaurants that may already have established customers. Furthermore, a rise in costs of fuel would raise OnlyRoll's costs and lower its profit margins. This is a cost that traditional restaurants do not have to account for and may serve as an advantage for them.

### Competitive Analysis

#### Direct Competition

OnlyRoll's direct competitors are other London food trucks and traditional restaurants located in the same area and providing a similar product. A breakdown of food truck competitors is in exhibit 2. Based on research of London's other food trucks, OnlyRoll's primary competitors are Donut Diva and The Daily Grind. The other trucks focus more on complete meals (ex. Tahini's), a niche (ex. McVegans), or a gourmet style of food (ex. Goodah and Smokestacks) and thus are not considered primary competition.

#### *Donut Diva:*

A truck that offers freshly made mini-donuts in a variety of flavours such as chocolate, cinnamon, etc. Donut Diva only makes donuts, which allows them to serve customers quickly. It competes with OnlyRoll by offering a shareable product that could act as a late night snack. One dozen donuts is offered at a very low price of \$3.75, which will attract student customers. However, Donut Diva's food is only sweet, whereas OnlyRoll offers both savory and sweet options. The Donut Diva truck also only accepts cash, which may result in students without cash being forced

to find an alternative. The Donut Diva has a very limited online presence, with no website or social media accounts.

#### *The Daily Grind:*

A Mexican themed food truck with an extensive menu, including hamburgers, sandwiches, tacos, burrito bowls, loaded fries, and a selection of vegetarian offerings. Its large menu allows it to have both single meal portions and shareable portions, and a wide range of prices from \$4 to \$13. However, their variety also works against them in that it takes much longer for food to be prepared and for customers to decide what they want. The Daily Grind has no dessert or sweet items on its menu. It also only accepts cash, and is never open later than 10pm. The Daily Grind has a strong social media presence on Facebook and an informative website that showcases its menu and pictures of food.

#### *Smokes Pouterie:*

OnlyRoll's other primary competition is Smokes Pouterie, a brick and mortar restaurant that offers different styles and flavours of poutine. Smokes is located on Richmond St. and is typically open very late at night, making it a direct source of competition for OnlyRoll. It also serves its poutine in takeaway containers, allowing customers to eat on the go just as they would when purchasing from a food truck. Its prices, however, are slightly higher than OnlyRoll's and start at \$8. It also typically has a line of customers due to wait times for the food.

#### **Indirect Competition**

OnlyRoll's indirect competition includes delivery food services such as Domino's Pizza and Just Eat as well as fast food style restaurants such as McDonalds. The delivery services cannot compete with OnlyRoll on the basis of price, but may be able to gain customers due to their convenience factor, as well as their menus. McDonalds can compete with OnlyRoll on price, and offers a similar style of handheld, often fried, food. However, OnlyRoll will be able to better

position itself in relation to potential customers, whereas McDonalds does not have a location in the immediate vicinity of where OnlyRoll will operate.

### Competitive Advantage

OnlyRoll's competitive advantage exists in its ability to service food quickly and move around the city to go directly to customers. OnlyRoll has a compact menu where each item possesses its own unique flavor, and customers have the option to mix and match their favourite flavours. OnlyRoll has a competitive price point that will appeal to its target market. OnlyRoll also has a product new to London – there are only a handful of other food trucks in the city and none of them offer Asian cuisine. Furthermore, none of the other food trucks in London are open past 10pm, which is when OnlyRoll will conduct most of its business in and around nightclubs such as Prohibition and Jacks. OnlyRoll also has active social media accounts (exhibit 3) to showcase its food, inform customers of where the truck is parked, and make announcements.

### Target Market Analysis:

The primary target market is males and females aged 19-25, currently enrolled at Western University in undergraduate programs. Targeting this demographic gives OnlyRoll access to a large and rapidly expanding population. In the 2015-2016 academic school year there were 23,500 students enrolled at Western University<sup>6</sup>. Since 1990, full-time enrollment at the University has increased 44%<sup>7</sup>. In targeting this particular demographic OnlyRoll will focus its operations largely on the Richmond row area (exhibit 4) with particular emphasis on areas near The Barking Frog, Prohibition, Jack's and The Ceeps, as they are most popular among Western students. In a survey conducted by OnlyRoll (see exhibit 5), 98% of Western students indicated they considered buying

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<sup>6</sup> "Facts & Figures," *Western University*, accessed February 8<sup>th</sup>, 2016.  
<http://www.uwo.ca/about/whoweare/facts.html>

<sup>7</sup> "Campus Master Plan 2016," *Western University*, last modified January 2016. 2016.  
[http://www.uwo.ca/ipb/publicaccountability/documents/WU\\_Campus\\_Masterplan\\_Feb10\\_2015a.pdf](http://www.uwo.ca/ipb/publicaccountability/documents/WU_Campus_Masterplan_Feb10_2015a.pdf)

food after attending a bar or club. By operating in these areas, OnlyRoll will position itself to capture a significant portion of its primary target market.

The secondary target market consists of males and females aged 25-34 working in the downtown core and looking for a snack or lunch during the work day. Targeting this market will reduce truck downtime as operations directed at the primary market will occur primarily during night hours while operations directed towards the secondary market take place during daytime hours. OnlyRoll expects to capture a smaller portion of this market due to higher competition from food vendors and restaurants, but the market size itself is much larger with 50,825 individuals in the target demographic. Growth in this market is stable with a 6% increase in size over a five year period from 2006-2011<sup>8</sup>. Though less impressive than the growth of the primary target market, it is expected that this growth of the secondary target market will continue.

## Operations:

### Ownership and Equity

OnlyRoll will operate as a sole-proprietorship [REDACTED] will own 100% of the company and thus be entitled to its profits, as well as liable for its debts [REDACTED] is putting up \$100,000 to finance OnlyRoll and make the necessary investments to begin operating. OnlyRoll opted not to incorporate in order to save the incorporation and legal fees associated with becoming a registered corporation.

### Pre-Operations

OnlyRoll will begin operations in September 2017, having a fiscal year of September 1<sup>st</sup> – August 31<sup>st</sup>. During the summer months, OnlyRoll will obtain the certifications and licenses

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<sup>8</sup> "Census Profile", *Statistics Canada*, last modified May 31<sup>st</sup>, 2016. <http://www12.statcan.gc.ca/census-recensement/2011/dp-prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=3539036&Geo2=PR&Code2=01&Data=Count&SearchText=london&SearchType=Begin&SearchPR=35&B1=All&Custom&TABID=1>

necessary to begin operating, as well as place an order with Venture Food Trucks to have its custom truck outfitted, designed, and made ready to work (exhibit 6). The first of the licenses is a Category 7 Refreshment Vehicle License issued by the city of London, for a one-time fee of \$1225. This license will need to be renewed on December 31st every year, for a fee of \$760<sup>9</sup>. Next, OnlyRoll will file its intent to operate both a food premises, and mobile food premises with the Middlesex-London Health Unit<sup>10</sup>(exhibit 7), so that both the food truck and food prep area can be certified by the city. All employees, as well as owner/operator [REDACTED] will be required to take the Food Handler Certification test provided by the Middlesex-London Health Unit<sup>11</sup> in order to ensure that the preparation of OnlyRoll spring rolls is up to standards. Finally, Venture Food Trucks will provide TSSA Certification and Approval, as well as ESA Electrical Certification on the OnlyRoll food truck, for a fee of \$2825 (exhibit 8).

### Operating Hours

OnlyRoll will be open to customers in London between Monday and Saturday every week, between the months of September and April. OnlyRoll will temporarily cease operations between December 23rd and January 2nd, as well as between February 19th and 23rd due to student holidays (exhibit 9).

### Food Preparation

On each day, 60 minutes has been allotted prior to the truck opening for food prep and cleanup for each shift. During this time, filling for the spring rolls will be prepared and cooked, and then put into spring roll wrappers and rolled up. The filled rolls will then be stored in the fridge on the food truck. Once the truck is parked, the chefs will fry the spring rolls so that they are hot

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<sup>9</sup> <http://www.london.ca/city-hall/by-laws/Documents/business-licence-L6.pdf>

<sup>10</sup> <https://www.healthunit.com/food-safety-for-operators>

<sup>11</sup> <https://www.healthunit.com/food-handler-certification-program>

and fresh for customers. CEO of OnlyRoll, Matthew Conacher, has agreed to rent his kitchen at 55 Beaufort St. to OnlyRoll for a fee of \$150 per month to be used for food preparation.

## Suppliers

OnlyRoll's ingredients and groceries will be supplied by the London, Ontario branch of Wholesale Club. The goods will be shipped FOB destination and paid for upon delivery. One order will cost approximately \$492, and yield about 800 spring rolls (exhibit 10). OnlyRoll has accounted for extra rolls that are mishandled or not properly prepared to be discarded. Based on these numbers, OnlyRoll will need to order four to six times per month, depending on anticipated sales and time of the year. This ensures ingredients stay fresh and the truck is constantly stocked.

## Cash Collections

The majority of food trucks only accept cash; however, OnlyRoll will accept both cash and credit/debit to appeal to as many people as possible. This is also to accommodate students that may have spent their cash earlier in the evening and want to purchase a late night snack from OnlyRoll. OnlyRoll will use Square, a mobile payment company that accepts all major bank credit cards and allows for fast collection of cash. Square takes 2.65% of each transaction and provides the card reader free of charge. The reader connects to any phone or tablet and can also be used to send receipts to customers<sup>12</sup>.

## Parking

OnlyRoll will abide by the restrictions and limitations set out for mobile food services by the city of London when choosing its parking locations<sup>13</sup>. The OnlyRoll food truck will be parked in the vicinity of nearby nightclubs during the night time, and in various locations in downtown London during the day time (exhibit 4).

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<sup>12</sup> <https://squareup.com/ca/reader>

<sup>13</sup> <https://www.london.ca/business/Permit-Licences/refreshment-vehicles/Pages/Food-Trucks-On-Street.aspx>

## Summer Relocation

Due to the vast majority of students leaving London over the summer months, OnlyRoll will cease its daily operations and drive to Toronto and the GTA between the months of April and September. There, OnlyRoll will take part in several food truck festivals and summer events that draw large crowds. This will earn credibility and recognition in the food truck industry and provide spring rolls to new customers and larger audiences. For a complete summer schedule and event listing, refer to exhibit 11.

## Marketing

### Product:

OnlyRoll is the only food truck that offers spring rolls in several distinct flavors. By putting a spin on the traditional spring roll, OnlyRoll provides customers with a unique combination of ingredients delivering an exciting taste experience. With a menu comprised of six distinct types of spring rolls: Cheeseburger, Regular Ol' Spring Roll, Pizza, Nutella Strawberry, Buffalo Chicken, and Korean BBQ, OnlyRoll is guaranteed to satisfy all palates. These unique rolls give consumers an opportunity to try something new while not venturing far outside of their comfort zone. The flavor combinations were selected due to their broad appeal amongst our target market as evidenced through survey results (exhibit 5). Utilizing seasonal demand trends and taste testing, OnlyRoll can alternate menu options, create new flavors, and have a weekly special to showcase flavor diversification.

### Place

OnlyRoll will target a captive audience in the downtown London core from September to April. This is an opportune time and place to capitalize on the student population enrolled at Western University and Fanshawe College. Furthermore, being strategically positioned Downtown will enable the targeting of a secondary audience, working professionals. The focus will be on serving lunch from 12:00pm-2:30pm, Monday to Saturday. The primary opportunity



will be meeting the needs of our target market by opening late on London event nights such as “Jacks dollar beers”, “Ceepes Thursday’s”, and “Frog Friday’s”. For these late nights, OnlyRoll will be open from 8:00pm-2:00am on Monday and Thursday and 9:00pm-2:30am on Friday and Saturday.

From May through August OnlyRoll will travel to different food truck events in Toronto and throughout the GTA. These opportunities during the summer months will serve to maximize revenue/profitability and increase brand awareness with the potential of fueling future franchising opportunities.

### Promotion:

As a startup company the main goal will be to generate customers and awareness. The company will focus on a marketing plan to maximize brand exposure and highlight the unique product offering to the target market. Since 96% of the target demographic frequents social networking sites<sup>14</sup>, advertising through social media was identified as a beneficial/cost effective means of awareness building. Experiential marketing will be critical to gaining product trial. For the first month after launch, the OnlyRoll mascot (exhibit 12) will engage consumers both downtown and on special event nights sampling and providing couponing incentives to purchase. Upon customer trial, a retention strategy (loyalty plan) will be introduced. This will consist of a stamp card and on the 10<sup>th</sup> visit the consumer will receive “Two free rolls”.

### Facebook

Facebook is the leading social network site worldwide<sup>15</sup>. With the Facebook Ads Manager tool, OnlyRoll can choose how much money to spend, the ad placement, and the demographics of the recipients. During the eight months in London, OnlyRoll will spend five

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<sup>14</sup> <http://www.statcan.gc.ca/daily-quotidien/141223/cg-b001-png-eng.htm>

<sup>15</sup> <https://www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/>

dollars a day on impressions, or \$1,120 per year on Facebook advertisements. The advertisement will be specific to 18-25-year-old, Fanshawe college and Western university students, the daily reach will be 700-1800 people (exhibit 13). When the add appears on a hungry university student's Facebook feed, with its bright colors and creative logo, students will be enticed to try something new the next time they are downtown. This cost-per-mention method will be best for the company as this form of Facebook advertisement is best known to create brand awareness<sup>16</sup>.

OnlyRoll's Facebook page (exhibit 3) will be used to respond to customer inquiries, share vehicle location, hours of operations and contests. For example, OnlyRoll will post statuses such as "Like and share our page for a chance to win free spring rolls", these contests will allow the name and logo to be spread across Facebook feeds by other students.

### Stamp Card Program

To retain customers Only Roll is going to set up a stamp card program. This includes receiving a stamp card on the customer's first purchase and with every purchase beyond that point they will receive a stamp. Upon reaching nine stamps on the card they will receive their 10th spring roll purchase for free (exhibit 14).

### Price:

OnlyRoll will charge a price of \$5 for two uniquely flavoured spring rolls. By using a market penetration pricing strategy, consumers will be attracted with "strategic" "value" pricing enticing our target market to try OnlyRoll spring rolls for the first time as well as drawing consumers from the competition. As a new offering, the strategic pricing will entice trial and adoption.

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<sup>16</sup> <https://gofishclientcatchers.com/facebook-increase-brand-awareness-ad-objective-winner/>

## Human Resources

### Company Structure

Matthew Conacher, OnlyRoll's owner and operator, will oversee the majority of the truck's operations. Matthew will manage the business, maintain relations with suppliers, and drive the truck. OnlyRoll will hire a team of employees that will work on rotating shifts as chefs to prepare and serve food. As sales increase and the OnlyRoll name becomes more recognized, OnlyRoll may look to expand. At this time, the company would look to hiring more part time workers and a full time employee to assist Matthew with operations and management on a consistent basis.

### Job Descriptions and Wages

As the owner and manager of OnlyRoll Matthew will not take a salary until the business can support it. As the truck will not exceed a weight of over 26,000lbs, additional truck licenses will not be required and drivers will only require an Ontario G license, allowing Matthew to act as the driver in between parking locations. While the truck is parked and open to customers, Matthew can fulfill a variety of roles depending on the situation. If there are long lines, he can take orders and interact with customers to allow the employees to focus only on cooking. If the kitchen is running behind, he can assist them with preparing the rolls. If business is slow, Matthew can attempt to interact with pedestrians and drive traffic towards the truck to generate sales.

Nadim Lalani, Amish Taploo, Brendan Chung, Rebecca Porter, Joseph Kim, Cooper Barret, and Rachel Coome will work as part time chefs for OnlyRoll. Their duties will include cooking and serving the spring rolls from the truck and food preparation at Matthew's house beforehand. The chefs will work on a rotation to best fit their schedule, which will be coordinated through Matthew and set two weeks before the shifts occur. The employees will be paid \$12/hour for their work, and receive one unpaid 30 minute break during the less busy parts of their shift. On days where the OnlyRoll truck is selling during both a daytime and nighttime shift, different chefs will be used for each shift.

## Corporate Values

First and foremost, OnlyRoll cares about its customers and their experience at the truck. This includes everything from their interaction at the window to eating their spring rolls. OnlyRoll will strive to provide the best food truck experience in London. OnlyRoll's core values include customer satisfaction, fun, quality, initiative, and accountability.

The OnlyRoll truck runs on a very tight schedule that is designed to take advantage of high pedestrian traffic at peak times and in popular locations. As such, lateness or absences by employees will not be tolerated.

## Training and Qualifications

Each employee is required to take free online courses from the Middlesex-London Health Unit to pass the city's Food Handler Certification. This will ensure that OnlyRoll upholds a standard of quality and cleanliness in its kitchen and with its food. Matthew will spend time with the chefs prior to beginning operations to teach each employee the recipes and verify that the chefs can consistently produce each of the spring rolls efficiently and correctly. All chefs will be required to know the menu and the ingredients that go into each roll.

## Finance

### Investments

OnlyRoll requires a significant up-front investment of \$102,445 in order to begin operations (exhibit 15). The largest investments are the truck itself and the appliances inside it which total \$95,075. This was not the least expensive quote (exhibit 8) OnlyRoll received for a food truck fitting its specifications, but Venture Food Trucks has a reputation for quality and excellent customer service. They have also designed and retrofitted another London food truck known as the Goodah Gastro Truck<sup>17</sup>. OnlyRoll opted to purchase a new truck instead of a used

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<sup>17</sup> <http://venturefoodtrucks.com/index.html#1>

one so that the truck could be designed to fit OnlyRoll's specific needs (exhibit 6). In addition to the truck, investments will be made in permits and certifications for the truck to allow OnlyRoll to conduct business in London, and in cooking utensils to prepare the food. To finance these investments, Matthew Conacher is investing \$100,000 of his money to pay for the truck and the initial licenses and certifications. He will take out a short term, \$20,000 loan using the truck as collateral to finance variable and fixed costs throughout the first year of operations.

### Variable Costs

OnlyRoll's most significant variable expenses are food and drink inventory and labour.

The cost of food was found by finding the cost of one full order (all the ingredients necessary to make one batch of approximately 800 spring rolls, distributed between each flavour based on primary research results) from Wholesale Club London and multiplying that total by the number of orders that OnlyRoll anticipated placing during one fiscal year. For a breakdown of one order, see exhibit 10. Labour costs were found by multiplying the number of hours worked per week by the wage rate of \$12/hour and then by 2 employees. Additional variable expenses come from cash short (0.5%) and the royalty fee (2.65%) charged by Square for each credit card transaction. In total, variable costs account for 69.81% of sales, yielding a contribution margin of 30.19% (exhibit 16). Although this seems high, it is not uncommon for a food truck to have similar margins. The industry average for COGS and labour is approximately 60%<sup>18</sup>.

### Fixed Costs

OnlyRoll's fixed costs are derived largely from the truck (exhibit 17). These include various types of insurance, fuel, and maintenance costs. Summer fuel costs were calculated based on estimated driving distances (exhibit 18). OnlyRoll requires general liability insurance, property insurance for the appliances on the truck, commercial auto insurance for the truck itself,

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<sup>18</sup> Food Truck Handbook (page 59)

and workers insurance for the employees<sup>19 20</sup>. Additional fixed costs include OnlyRoll's Facebook advertising, as well as the rent for Matthew Conacher's kitchen. In year one, there are single payment fixed costs, including the purchase of a license to operate a refreshment vehicle in London and the fees associated with OnlyRoll's employees becoming certified by the Middlesex-London Health Unit in food preparation. Non-cash fixed costs include the depreciation of the truck, its appliances, the cooking utensils, and the certifications on the truck. The truck itself has been depreciated using the double diminishing balance method over an eight year useful life. The certifications and appliances were depreciated using the straight line method over the same eight year life as the truck. The cooking utensils were depreciated straight line over three years. Fixed costs decrease after year one because the refreshment vehicle license becomes only \$760 to renew, and because the largest year for depreciation of the truck is year one. Year one also includes a \$390 interest cost for the short term loan, which will be repaid by the end of that year.

### Income Statement

OnlyRoll projects sales of \$99,616 in its first year of operations, with a net income of \$1389 (exhibit 19). This projection was calculated based on primary research collected from London food truck operators, staff at local nightclubs (exhibit 20), and OnlyRoll's survey results which indicated that almost 98% of students purchase or want to purchase food after going to clubs at night (exhibit 5). Based on this data, OnlyRoll estimated an average of 475 customers per week during the months of London operations (September – April). It was assumed that each customer would purchase one order of spring rolls, and that half of these customers (237) would also purchase a drink. The order price of \$5 and the drink price of \$1 were then multiplied by the

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<sup>19</sup> <https://foodservices.insureon.com/resources/cost/food-trucks>

<sup>20</sup> <http://foodtruckr.com/2014/05/start-food-truck-16-get-insurance/>

amount of customers per week, and then by the number of weeks OnlyRoll would be operating in London (28.5). This resulted in sales of \$74,442.

To calculate summer sales, OnlyRoll contacted promoters and owners of the food truck festivals it planned on attending (exhibit 20) to find details on attendance, registration fees, and the number of other trucks that would be there. The total attendance was divided by the number of food trucks participating, and then this number was reduced by 10% to account for OnlyRoll being a new food truck with no real recognition yet. It was assumed that everyone in attendance would purchase from a food truck because of the nature of the festival. For a detailed breakdown of projected summer sales, see exhibit 21.

The average gourmet food truck makes an estimated \$240,000 in revenue per year<sup>21</sup>. This estimate, however, is based on United States-based trucks operating in larger markets, and likely with higher price points. OnlyRoll sees a realistic peak sales figure (from one truck) of \$175,000 with steady growth rate of 15% each year for the first 5 years.

### Sensitivity

For a sensitivity analysis, sales were decreased and increased by 10% for each year of income statement projections (exhibit 19). Food costs, cash short, and credit card fees were adjusted proportionally; labour was kept the same. The low scenarios account for situations such as customers opting to share an order instead of purchasing their own, or having less customers purchase drinks. The high scenarios account for situations in which customers buy more than one order, more than one drink, or a higher percentage of customers purchasing drinks.

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<sup>21</sup> Food Truck Handbook (page 56)

In the low scenarios, OnlyRoll experiences a net loss during its first year of operations. However, it is profitable by year two and sees significant growth by year three. The business also has no liabilities.

The high scenarios show stronger growth over the first three years and the potential to reach over \$30,000 in net income by the end of the third fiscal year.

### Cash Budget

Sales during London operating months were divided based on the expected impact of seasonality. The main factor in accounting for seasonality was student schedules. September and October, at the beginning of the year and filled with university events such as Frosh Week and Homecoming, were expected to have higher sales than months such as December and April, when many students leave London and others are writing final exams.

September of year one shows single-time inflows such as Matthew's equity infusion and the short term loan, as well as single-time outflows under investments (exhibit 22). Daily average inventory represents materials such as frying oil, condiments and plates and napkins that the truck would need to purchase at the beginning of operations, and would have on hand at any given time. A loan repayment of \$1667 is budgeted for every month in order to pay off the loan within the first year. Fixed costs were divided evenly over 12 months. The first year cash budget shows inflows of \$219,616 and outflows of \$200,605, resulting in an ending cash balance of \$19,011 for the first year.

### Balance Sheet

By paying off the short term loan within the first year of operations, OnlyRoll has no liabilities besides taxes payable (exhibit 23). There is strong, consistent growth of retained earnings each year, which could potentially be taken out of the business for Matthew, or used to invest in growing OnlyRoll for the future.



## Return on Investment and Equity

With such significant upfront investment required, ROI will be important for Matthew to watch. Although the ROI for year one is only 1.4% (exhibit 24), it jumps significantly to 12% and then 22.6% in the following two years. Based on this growth, Matthew will be able to recoup his investments before they live out their useful life.

The ROE (exhibit 24) also shows strong growth over the three years, despite all the business' profits being added to retained earnings each year.

## Break Even

In year one, OnlyRoll has a breakeven sales figure of \$98,155 (exhibit 25), meaning the margin of safety is only 1.5%. This, however, is due to the large depreciation expenses occurred by OnlyRoll's assets, especially in year one when the truck depreciates by over \$9,000. The cash breakeven is much lower at only \$39,305, yielding a margin of safety of over 60%, meaning that OnlyRoll could breakeven with cash even in its low scenario sale projections. The breakeven for years two and three have much higher safety margins due to lower fixed costs and higher sales. OnlyRoll will breakeven, even with lower than projected sales in years two and three.

## Conclusion

### Long Term Plan

OnlyRoll sees several opportunities to grow and expand after the first three years of operations. The first will be to expand the truck's reach within London itself. OnlyRoll will look to partner with some of the popular nightclubs that it operates around in order to promote the truck directly to its target market. It will also propose catering food for these nightclubs when they host events or themed nights, so that OnlyRoll can get its spring rolls to a large audience with relative ease.

Another opportunity for expansion is to open a second truck. London is likely too small to house two OnlyRoll trucks; however, Toronto would be an ideal city as it would be a market

that OnlyRoll has experience in from its summertime operations. Although the food truck market in Toronto is much more competitive, the city has a much larger population, more areas to park, and more events to take advantage of. Additionally, OnlyRoll expects some consumers in Toronto to recognize OnlyRoll due to its summertime sales.

OnlyRoll will also continue to increase the amount of festivals and food truck fairs it participates in. Popular Toronto events such as the Roundhouse Craft Beer Festival, AwesTruck, and the Food Truck Festival of Ontario are all potential options in future years. If a second truck is added, smaller events such as Whitby's Food Truck Frenzy or the James Street Super Crawl in Hamilton can be considered as well.

OnlyRoll sees catering personal events as a way to increase sales. Weddings, parties, and student club events are potential targets for OnlyRoll to cater. This would allow current customers or fans of OnlyRoll to share their favourite spring rolls with friends and family, providing excellent word of mouth marketing and a way for hundreds of new people to try OnlyRoll spring rolls.

### Contingency

OnlyRoll has several contingency plans to act on, should business not go as planned. The first of these is to increase prices in order to increase sales and margins. At \$5 per order, OnlyRoll is the most affordable food truck in London. Primary survey data indicates that over 18% of people would pay up to \$7 for one order (exhibit 5). OnlyRoll could charge \$6 per order and still remain competitive within London's food truck industry.

OnlyRoll will also change its operating hours if certain times of the day or night are consistently less busy than expected. This would save labour costs and help to make the OnlyRoll truck a more efficient operation.

If the London market is not as receptive to OnlyRoll as anticipated, Matthew will consider relocating to Toronto full time. Toronto's food truck industry is more developed and would likely be more accepting of OnlyRoll's unique concept. An increase in costs would likely be offset by increased sales.

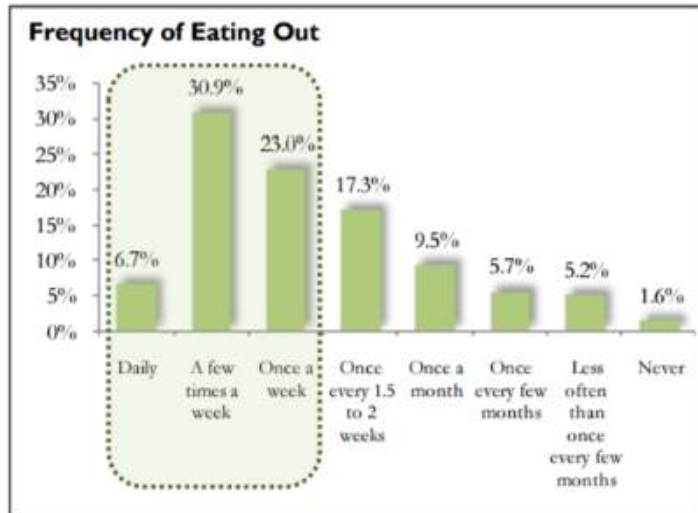
Finally, Matthew can consider selling the truck and remaining assets in order to exit the business completely if OnlyRoll begins to fail. The business will have little or minimal debt, which could easily be paid off through the sale of the truck, making Matthew's only loss the difference between his initial investments and what he sells for.

## Decision

Despite projecting positive cash flow and net profit in its first year of operations, OnlyRoll is not feasible. While the business is profitable, Matthew has not taken a salary, and would likely be unable to pay himself anything significant until after year four or five of operations, if sales growth continued. OnlyRoll would require Matthew to commit full time hours to the business, but would not be able to provide Matthew with the income of a full time job.

## Exhibits

### Exhibit 1: Frequency of Eating Out, Canadians



### Exhibit 2: Food Truck Competition (Primary Research)

Truck Name	Description	Average item price	Hours of Operation	Common location
Bifana Boys	Portuguese style sandwiches	\$7-8		Around London
McVegans	Vegan sandwiches and 'fast food'	\$8		UWO
Smokestack	Texas style BBQ meats and food	\$7		Around London
Goodah	Gourmet grilled cheese sandwiches	\$7		King St.
Donut Diva	Fresh, mini donuts	\$3.75		UWO
The Walking Fed	Themed BBQ style meats and food	\$10		Frances St.
Tahini's	Mediterranean fusion	\$10		Dufferin Ave.
The Daily Grind	Mexican handheld foods such as tacos, burritos, etc.	\$4-8		Dundas St.

### Exhibit 3: OnlyRoll Facebook Page



OnlyRoll  
@OnlyRoll

Home

Photos

Reviews

Posts

About

Likes

Create a Page


# ONLYROLL

Liked Following Share ...


Send Message

**Featured For You**

You're 3 km from OnlyRoll



**Get in touch**



Restaurant in London, Ontario

5.0 ★★★★★

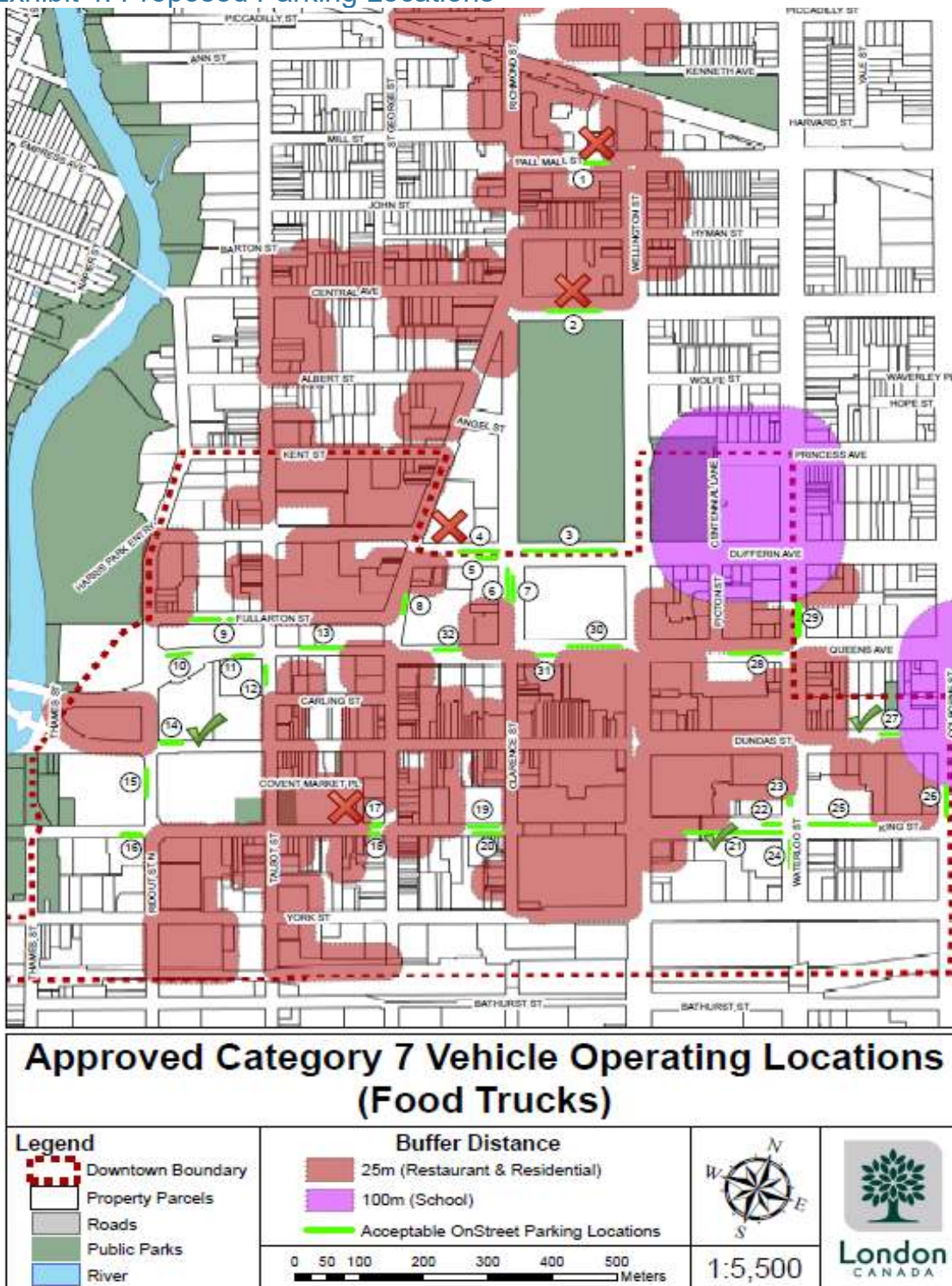
Invite friends to like this Page

**FAKE 4 FEASIBILITY STUDY REPORT**

OnlyRoll is a food truck parked around the London, Ontario vicinity which provides unique spring rolls to hungry patrons

68 Likes

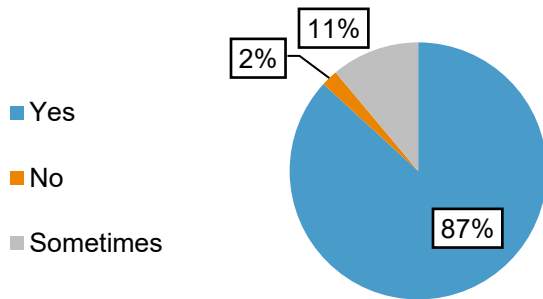
Exhibit 4: Proposed Parking Locations



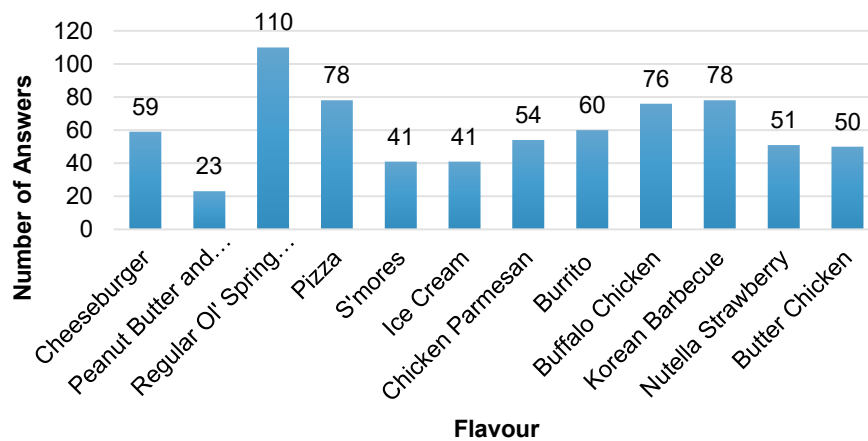
- Red X's indicate nighttime parking locations
- Green checkmarks indicate daytime parking locations

## Exhibit 5: Survey Results

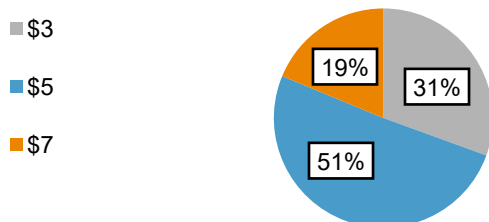
**Q: Do you find yourself wanting and/or eating food after a night out?**



**Q: Which of the following spring roll 'flavours' appeal to you?**



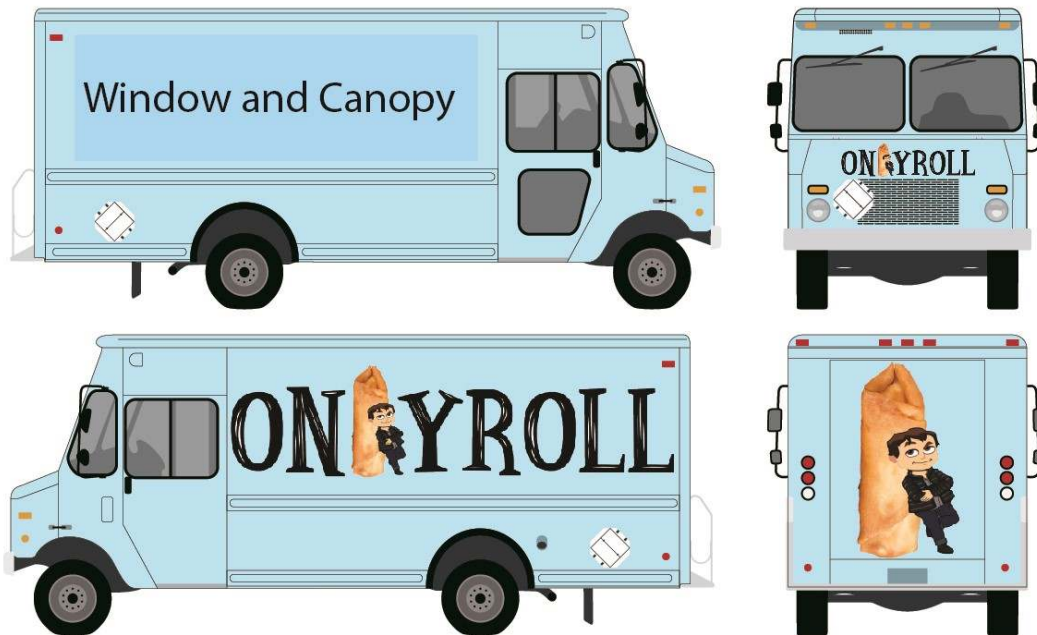
**Q: What would you would be willing to pay for an order of 2 of the above kinds of spring rolls?**



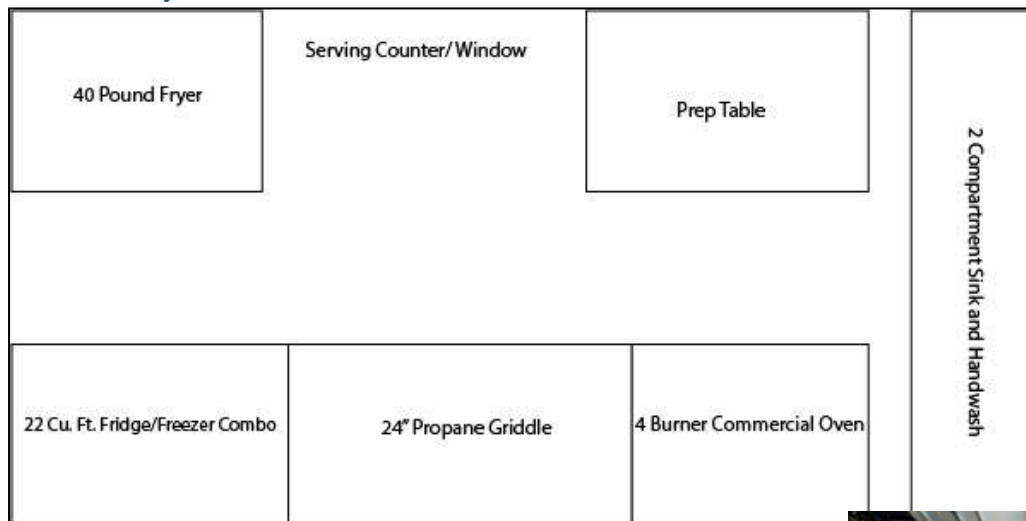


## Exhibit 6: Food Truck Design

### Food Truck Wrap




### Interior Layout





## Exhibit 7: Intent to Operate a Food Premises Application Form

	<h3 style="margin: 0;">NOTICE OF INTENT TO OPERATE A MOBILE PREMISES/CATERING VEHICLE</h3>	<p style="font-size: small;">50 King Street, London, ON N6A 5L7 (519) 663-5317 Ext. 2300 (519) 663-9276 (fax)</p>
<p style="font-size: small;">Kenwick Mall, 51 Front St. E., Strathroy, ON N7G 1Y5 (519) 245-3230 (519) 245-4772 (fax)</p>		
<p><b>File #:</b> _____ <b>Unit #:</b> _____ <b>Risk:</b> _____ (Office use only)</p>		
<p><b>Business Name:</b> _____</p>		<p><b>Business Address:</b> _____</p>
<p><b>Business Phone:</b> _____</p>		<p><b>Location Set-up:</b> _____</p>
<p><b>Owner Name:</b> _____</p>		<p><b>Home Address:</b> _____</p>
<p><b>Home Phone No.</b> _____</p>		<p><b>Owner Birth Date:</b> _____ / _____ / _____ year month day</p>
<p><b>Operator Name:</b> _____</p>		<p><b>Home Address:</b> _____</p>
<p><b>Home Phone Number:</b> _____</p>		<p><b>Operator Birth Date:</b> _____ / _____ / _____ year month day</p>
<p><b>Corporation Name:</b> _____</p>		<p><b>Corporate Address:</b> _____</p>
<p><b>Corporate Phone Number:</b> _____</p>		<p><b>Name of Principal Officer:</b> _____</p>
<p><b><u>Type of Food Premise:</u></b></p> <p>Mobile Preparation Premises <input type="checkbox"/> Hot Dog Cart <input type="checkbox"/> Catering Vehicle <input type="checkbox"/> New Operation <input type="checkbox"/> Existing Operation <input type="checkbox"/></p>		
<p><b><u>Background Information:</u></b></p> <p>Food Prepared or Sold: _____</p> <p>Food Suppliers: _____</p> <p>Water Supply: Municipal <input type="checkbox"/> Private: <input type="checkbox"/> Tank Gauges: <input type="checkbox"/></p> <p>Waste Holding Tanks: Yes <input type="checkbox"/> No <input type="checkbox"/> Disposal Location: _____</p> <p>Permanently Located on Site: Yes <input type="checkbox"/> No <input type="checkbox"/> Seasonal: Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Seating Provided: Yes <input type="checkbox"/> No <input type="checkbox"/> <b>If Yes, washroom location:</b> _____</p> <p>Business Licence: Yes <input type="checkbox"/> No <input type="checkbox"/> <b>If Yes, type of class:</b> _____</p> <p>V.I.N.: _____ Total number of units: _____</p>		
<p><b><u>PLEASE NOTE THE FOLLOWING</u></b></p>		
<p>1. Section 16(2) of Ontario Health Protection and Promotion Act requires that every person who intends to commence to operate a food premise shall give notice of his/her intention to the Medical Officer of Health of the health unit in which the food premise will be located.</p> <p>2. The personal information on this form is collected under authority of The Health Protection and Promotion Act, R.S.O. 1990, Ch. H7. It will be used for ownership identification and enforcement of the pertinent Regulations under this Act. Contact the Director of Environmental Health at the above address if you have further questions.</p>		
<p>_____ Signature of Operator/Owner</p> <p>_____ Print Name</p>		<p>_____ Date</p>

## Exhibit 8: Food Truck Quote



Venture Food Trucks  
212 Camden Road Unit 14  
Napanee ON, K7R 1E3  
Phone: (855) 405-2324  
18-foot truck  
Quote Number: 2452

Prepared for:  
Nadim Lalani  
nadimlalani@rocketmail.com  
416-716-4276  
Only Roof  
London, Ontario, Canada  
Generated On: 02/01/17

### Quote Overview

Qty	Description	Cost
<b>TRUCK / TRAILER DETAILS</b>		
1	18' Food Truck Package	
	18' truck	\$16,900.00
	Labour	\$14,300.00
	Stainless Steel Lining and Insulation	\$812.50
	Diamond Plate Aluminum Flooring	\$884.00
	Large service window and aluminum canopy	\$1,267.50
	Stainless Steel Shelving and Countertops	\$2,600.00
	Vehicle Total	\$36,764.00
<b>GAS APPLIANCES</b>		
1	24" PROPANE GRIDDLE - Commercial grade	\$1,652.00
1	40 Pound Fryer, Commercial Grade	\$1,296.00
1	4 BURNER OVEN - Commercial grade, classic design	\$3,400.00
<b>LPG &amp; OTHER FUEL SYSTEMS, CONCESSION HOODS &amp; EXHAUST FANS</b>		
1	72" X 30" (6 FEET) EXHAUST FANS & HOODS Built and installed by master stainless fabricators	\$3,230.00
1	COMPLETE FIRE SUPPRESSION SYSTEMS, AUTOMATIC/MANUAL	\$3,620.00
1	Liquid Propane Gas Fuel System - Includes crush-proof baskets for up to two 100 pound tanks. Inspected and tagged by master gas fitter.	\$3,134.00
1	ELECTRICAL SYSTEMS, MASTER ELECTRICIAN INCLUDES STANDARD LIGHTS, RECEPTACLES, 30 AMP BREAKER	\$4,160.00
<b>ELECTRICAL APPLIANCES</b>		
1	22 CU. FT. FRIDGE-FREEZER COMBO, STANDARD GRADE	\$1,700.00
<b>WATER SYSTEM</b>		
1	2 COMPARTMENT SINK + 1 HAND WASH	\$1,678.00
1	FRESH WATER TANK 20 GAL/90 LITRE	\$254.00
1	WASTE WATER TANK 25 GAL/125 LITRE	\$290.00
1	WATER HEATER 2.5 GAL/11.25 LITRE	\$295.00

Qty	Description	Cost
1	PLUMBING INSTALLATION & HARDWARE. MASTER PLUMBER 20 GAL. FRESH AND 25 GAL. WASTE WATER TANK	\$2,084.00
GENERATORS		
1	GENERATOR 7000 QUIET RUN HONDA 7 KW.	\$4,700.00
1	GENERATOR DRAWER OR INSTALLATION (REQUIRED WITH GENERATOR)	\$2,730.00
COSMETIC & ART / ADVERTISING		
1	MAKE TRUCK PAINT READY - PRIMED, BUFFED, & SMOOTHED	\$2,500.00
1	FULL WRAP FOR TRUCK OR TRAILER	\$5,200.00
1	42" LED MENU BOARD. PROGRAMMABLE	\$2,100.00
1	SOUND PACKAGE AM/FM/IPOD/MP3 STEREO	\$1,550.00
ADDS		
1	AIR CONDITIONING & HEAT. ROOF-MOUNTED	\$1,800.00
CERTIFICATIONS AND INSPECTIONS		
1	TSSA CERTIFICATION AND FIELD APPROVAL	\$2,000.00
1	ESA ELECTRICAL CERTIFICATION	\$500.00
SPECIAL ITEMS		
	6 Month FULL POWERTRAIN WARRANTY: Included. Some conditions may apply.	\$0.00
	1 Year warranty on all appliances and workmanship: Included.	\$0.00
	Fully insulated to keep the cool in and the hot out: Included.	\$0.00
	Fully lined with 24ga 304 food grade stainless steel: Included.	\$0.00
	Canopy over serving window: Included.	\$0.00
	Hand held fire extinguisher: Included.	\$0.00
	First aid kit: Included.	\$0.00
	Soap dispenser: Included.	\$0.00
	Paper towel rack: Included.	\$0.00
	Full operators manuals for all appliances and warranties: Included.	\$0.00
	Manufacturer's signature plate and proof of authenticity: Included.	\$0.00
	Cat's Whiskers - A special advertising feature	\$0.00
ORDER TOTAL		
	Sub Total	\$86,637.00
	Tax (HST/GST)	11,262.81
	Total	\$97,899.81

### Exhibit 9: OnlyRoll Operating Hours and Holidays

Day	Paid Hours for Workers	Hours of Operation
Monday	11:30AM – 3:00PM ; 7:30PM – 2:30AM	12:00PM – 2:30PM ; 8:00PM – 2:00AM
Tuesday	11:30AM – 3:00PM	12:00PM – 2:30PM
Wednesday	11:30AM – 3:00PM	12:00PM – 2:30PM
Thursday	11:30AM – 3:00PM ; 7:30PM – 2:30AM	12:00PM – 2:30PM ; 8:00PM – 2:00AM
Friday	11:30AM – 3:00PM ; 8:30PM – 3:00AM	12:00PM – 2:30PM ; 9:00PM – 2:30AM
Saturday	11:30AM – 3:00PM ; 8:30PM – 3:00AM	12:00PM – 2:30PM ; 9:00PM – 2:30AM
Sunday	CLOSED	CLOSED

#### Holidays:

- Winter break: December 23<sup>rd</sup> – January 2<sup>nd</sup>
- Reading week: February 19 – 23<sup>rd</sup>

### Exhibit 10: Wholesale Club Order and Spring Roll Costs

Wholesale Club – London				
Item	Ingredients – Prices	Total Cost	Assumptions	Unit Cost
Cheeseburger	Ground beef – 10.00 / 1.2 Kg Onions – 2.92 / Kg Worcestershire sauce – 25.47/ 3L Garlic – 5.97 / Kg Cheddar cheese (shredded) – 12.97/ Kg	Ground beef X 3 Onions X 1 Worcestershire X 1 Garlic X 1 Cheddar X 2 Wrappers X 5 \$97.80	3.6 kg of beef = 7.93664 lbs 1 lb = 12 rolls (based on recipes) 12 X 7.93664 = 95 spring rolls 95 rolls	\$1.0294
Regular	Mushrooms (sliced) – 7.60/ Kg Vermicelli noodles – 2.50 / Kg Chinese cabbage – 2.14 / Kg Carrots – 1.46 / Kg Onions – 2.92 / Kg Ginger – 3.90 / Kg Chili – 4.47/ bottle (340g)	Mushrooms X 1 Noodles X 1 Cabbage X 1 Carrots X 1 Onions X 1 Ginger X 1 Chili X 1 Wrappers X 10 \$39.99	5g of noodles / roll 1000g / 5 = 200 rolls 200 rolls	\$0.1999
Pizza	Pizza sauce – 6.47 / 2.84 L Pepperoni – 11.91 / 1.5 Kg Mozzarella (shredded) – 20.97 / 2.27 Kg	Pizza sauce X 1 Pepperoni X 1 Mozzarella X 1 Wrappers X 4 \$45.35	1.5 kg = 3.30693 lbs 1 lb = 20 rolls 20 X 3.30693 = 66 66 rolls	\$0.6871

Buffalo Chicken	Franks red hot – 16.97 / 3L Mayo – 8.61 / 2.67L Chicken strip – 19.94/ 4 Kg (108 strips)	Franks X 1 Mayo X 1 Chicken X 1 Wrappers X 6 \$54.52	108 strips → 1 strip / roll 108 rolls	\$0.5048
Korean BBQ	Rib eye beef – 43.88 / 4 Kg Soy sauce – 3.68 / 1.9L Sesame oil – 4.48 / 900 g Garlic – 5.97 / Kg Brown sugar – 2.47 / Kg Rice wine – 1.07 / 500 mL	Beef X 2 Soy sauce X 1 Sesame oil X 1 Garlic X 1 Brown sugar X 1 Rice wine X 1 Wrappers X 11 \$121.93	8Kg = 17.637 lbs 1 lb = 12 rolls 12 X 17.637 = 211 rolls 211 rolls	\$0.5779
Nutella Strawberry	Nutella – 25.97 / 3 Kg Strawberries – 3.47 / 454g Icing sugar – 2.27/ Kg	Nutella X 1 Strawberries X 4 Icing sugar X 1 Wrappers X 8 \$54.12	454g X 4 = 1816g 12g / strawberry 1816/ 12= 150 150 rolls	\$0.3608
Frying Oil	Canola oil – 12.14/ 6L			
Drinks	Water bottles – 2.29/ 24x500mL Coke – 6.99/ 24x335mL Diet coke – 6.99 / 24x335mL Sprite – 6.99/ 24x335mL Orange soda – 6.99/ 24x335mL			
Plates + napkins + utensils + condiments	Trays – 35.99/ 500 → \$0.071 each Napkins – 4.27/ 500 → 0.0085 each Utensils – 3.97/ 200 → 0.0198 each Ketchup – 6.97 / 4L Sweet chili sauce – 14.98/ 3L			



## Exhibit 11: Summer Event Schedule

Festival Name	Location	Dates	LINK TO APPLICATION OR INFO ABOUT FESTIVAL
Food Truck'n Friday	Etobicoke	"April 1st and will continue bi-weekly until the weather cools down"	<a href="https://www.facebook.com/FoodTrucknFriday/">https://www.facebook.com/FoodTrucknFriday/</a>
Whitby Ontario Food Truck Frenzy	Whitby	May 27th - May 28th	<a href="https://www.facebook.com/FoodFrenzyWhitby">https://www.facebook.com/FoodFrenzyWhitby</a>
Taste of Toronto	Garrison Common at Fort York, Toronto	June 15th - June 18th	*647 788 8079 or email <a href="mailto:Jordan.Vaneverdingen@img.com">Jordan.Vaneverdingen@img.com</a> *
Night It Up: Night Market	Markham	July 14th - July 16th	* sales@power-unit.org*
Toronto Food Truck Festival	<ul style="list-style-type: none"> <li>- July 22nd + 23rd - Burlington</li> <li>- August 4th - August 7th - Toronto (Woodbine Park)</li> <li>- August 11th - 13th - Pickering</li> <li>- September 2nd - 3rd - Richmond Hill</li> </ul>		<a href="http://www.canadianfoodtruckfestivals.com/participate/#trucks">http://www.canadianfoodtruckfestivals.com/participate/#trucks</a>
CNE Food Truck Frenzy	CNE, Toronto	August 26th - August 28th	<a href="http://theex.com/footer/vendor-info/outdoor-concessionaires/reserve-your-space">http://theex.com/footer/vendor-info/outdoor-concessionaires/reserve-your-space</a>
James Street Super Crawl	Hamilton	September 8th - September 10th	<a href="http://supercrawl.ca">http://supercrawl.ca</a> <a href="https://www.facebook.com/Supercrawl/">https://www.facebook.com/Supercrawl/</a>

## Exhibit 12: OnlyRoll Mascot



## Exhibit 13: Facebook Marketing

### Audience Definition



Your audience is defined.

Potential Reach: 61,000 people

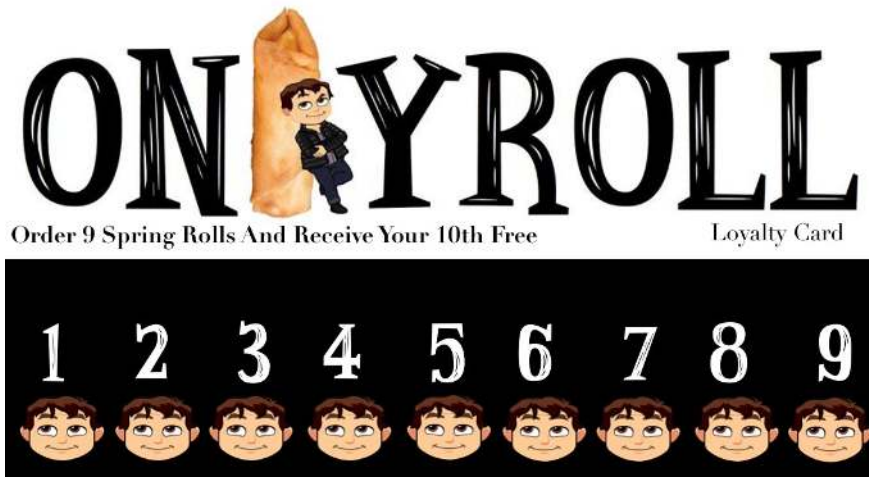
### Audience Details:

- Location:
  - Canada: London (+25 mi) Ontario
- Age:
  - 18 - 26
- People Who Match:
  - Education Level: In college, College grad or Master's degree
  - Undergrad Years: 2017-2021
- Placements:
  - Facebook Feeds and Instagram Feed

### Estimated Daily Reach



## Exhibit 14: Stamp Card



## Exhibit 15: Investments

### OnlyRoll

#### Initial Investment Required

Vehicle License	1,225
TSSA Certification	2,260
ESA Certification	565
Food Handler Certification	120
Truck	36,764
Appliances	58,311
Cooking Utensils	2,000
Daily Average Inventory	200
Cash Float	1,000
<b>Total</b>	<b>\$ 102,445</b>

Equity Infusion	\$ 100,000
Short Term Loan	20,000
<b>Total</b>	<b>\$ 120,000</b>

## Exhibit 16: Variable Cost Schedule

### OnlyRoll

#### Variable Cost Schedule

Food and Drink Costs	27.95%
Labour Costs	38.72%
Cash Short	0.50%
Square Transaction Royalty	2.65%
<b>Total</b>	<b>69.81%</b>

<b>Contribution Margin</b>	<b>30.19%</b>
----------------------------	---------------



## Exhibit 17: Fixed Cost Schedule

### Only Roll

### Fixed Cost Schedule

	Year 1	Year 2	Year 3
<b>EXPENSES</b>			
<b>Cash Expenses</b>			
Advertising & Promotion	\$ 1,120	\$ 1,120	\$ 1,120
Rent	1,800	1,800	1,800
General Liability Insurance	500	500	500
Property Insurance	600	600	600
Worker's Compensation Insurance	1,800	1,800	1,800
Auto Insurance	2,500	2,500	2,500
Maintenance	1,000	1,000	1,000
Fuel	1,200	1,350	1,500
Total Cash Expenses	<b>10,520</b>	<b>10,670</b>	<b>10,820</b>
<b>Single Payment Expenses</b>			
Vehicle License	1,225	760	760
Food Handler Certification	120		
Total Single Payment Expenses	<b>1,345</b>	<b>760</b>	<b>760</b>
<b>Non-Cash Expenses</b>			
Depreciation - Truck	9,191	6,893	5,170
Depreciation - Appliances	7,164	7,164	7,164
Depreciation - Cooking Utensils/Supplies	667	667	667
Amortization - Certifications	353	354	353
Total Non-Cash Expenses	<b>17,375</b>	<b>15,078</b>	<b>13,354</b>
<b>Total Non-Interest Fixed Costs</b>	<b>29,240</b>	<b>26,508</b>	<b>24,934</b>
<b>INTEREST</b>			
Interest	390		
<b>Total Fixed Costs</b>	<b>\$ 29,630</b>	<b>\$ 26,508</b>	<b>\$ 24,934</b>

## Exhibit 18: Summer Fuel Costs Calculations

### FUEL BREAKDOWN

#### SCHOOL YEAR FUEL

3.5 km from 55 Beaufort St. (A) to Downtown London  
x 20 trips per week (Monday 4 Trips, Tuesday/Wednesday 2 Trips, Thursday/Friday/Saturday 4 Trips)  
x 28.5 weeks per school year  
= 3,990km @ \$1.10/L @ 5km/L (fuel economy)  
= \$877.80 (for the school year)

#### SUMMER FUEL

183 km from 55 Beaufort St. to Etobicoke  
1.5 km from 16 Warnica Ave. (C) to Downtown Etobicoke (6 Trips ... 3 Weekends)  
10.4 km from Downtown Etobicoke to Garrison Common at Fort York, Toronto  
35.5 km from Garrison Common at Fort York, Toronto to 140 Garden Ave, Richmond Hill (B)  
12.5 km from 140 Garden Ave, Richmond Hill to Downtown Markham  
91 km from Downtown Markham to Downtown Burlington  
64.7 km from Downtown Burlington to Woodbine Park, Toronto  
27.4 km from Woodbine Park, Toronto to Downtown Pickering  
44.4 km from Downtown Pickering to Richmond Hill  
44.2 km from Richmond Hill to CNE Toronto  
192 km from CNE Toronto to 55 Beaufort St. London  
= 714.1 km @ \$1.10/L @ 5km/L (fuel economy)  
= \$157.1 (for the summer)

**TOTAL FUEL: \$1,034.9**



## Exhibit 19: Income Statement and Sensitivity Analysis

Only Roll			
Three Year Income Projections			
	Year 1	Year 2	Year 3
Sales	\$ 99,616	\$ 114,558	\$ 131,742
Less: Variable Costs	<u>68,250</u>	<u>72,702</u>	<u>77,824</u>
Contribution	\$ 31,366	\$ 41,856	\$ 53,919
Non-Interest Fixed Costs	<u>29,240</u>	<u>26,508</u>	<u>24,934</u>
Earnings Before Interest and Tax	\$ 2,126	\$ 15,348	\$ 28,985
Less: Interest	<u>390</u>	<u>-</u>	<u>-</u>
Net Income Before Tax	\$ 1,736	\$ 15,348	\$ 28,985
Less: Tax	347	3,070	5,797
<b>Net Income</b>	<b>\$ 1,389</b>	<b>\$ 12,279</b>	<b>\$ 23,188</b>

	Year 1 Low	Year 1 High	Year 2 Low	Year 2 High	Year 3 Low	Year 3 High
Sales	\$ 89,654	\$ 109,578	\$ 103,103	\$ 126,014	\$ 118,568	\$ 144,916
Less: Variable Costs	<u>62,590</u>	<u>76,499</u>	<u>69,289</u>	<u>76,116</u>	<u>73,898</u>	<u>81,749</u>
Contribution	\$ 27,064	\$ 33,078	\$ 33,814	\$ 49,899	\$ 44,670	\$ 63,167
Non-Interest Fixed Costs	<u>29,240</u>	<u>29,240</u>	<u>26,508</u>	<u>26,508</u>	<u>24,934</u>	<u>24,934</u>
Earnings Before Interest and Tax	\$ (2,176)	\$ 3,838	\$ 7,306	\$ 23,391	\$ 19,736	\$ 38,233
Less: Interest	<u>390</u>	<u>390</u>				
Net Income Before Tax	\$ (2,566)	\$ 3,448	\$ 7,306	\$ 23,391	\$ 19,736	\$ 38,233
Less: Tax	-	690	1,461	4,678	3,947	7,647
<b>Net Income</b>	<b>\$ (2,566)</b>	<b>\$ 2,759</b>	<b>\$ 5,845</b>	<b>\$ 18,713</b>	<b>\$ 15,789</b>	<b>\$ 30,587</b>

## Exhibit 20: Conversations with Food Truck Owners and Event Staff

Transcript: Phone Call with The Daily Grind (226- 236-7202)

02/07/2017 (1:23 p.m. – 1:25 p.m.)

**Joseph:** Hey, I'm a student from Western University trying to gather some information about the food truck business for a project, could you spare a minute to answer a few questions about The Daily Grind?

**The Daily Grind:** Sure

**Joseph:** Is business better during September when students begin returning to London for school?

**The Daily Grind:** Our busiest season is during the summer. Also, most of our customers are working professionals, not students.

**Joseph:** That's interesting. How many customers do you expect on your busiest day?

**The Daily Grind:** About 80 to 100 people on our busiest days.

**Joseph:** Okay, that's all the questions I have. Thanks for taking the time to answer my questions. Have a good day!

**The Daily Grind:** Bye!

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To whom it may concern,  
I had a few questions regarding the application and operation for a food truck at the CNEs Food Truck Frenzy. The first is there any fee to go along with the application? Second, if the truck is selected what costs are we looking at for operating the duration of the festival? In addition, I don't know if this number is something you might have but an estimate for festival attendance would be greatly appreciated.  
Thanks for your time, Cooper



food\_truck...m\_2017.pdf  
1.3 MB

## concessions

Wednesday



To: Cooper Barrett

[Details](#)

Cooper,

Please refer to the 2<sup>nd</sup> page (item #12) of the application for costs/fees

The CNE is the 6<sup>th</sup> largest fair in North America, in 2016 there were 1, 540,000 visitors

Food Truck Frenzy weekend is very popular with our guests

What is the name of your Food Truck?

**Lynn Yorke**

Assistant Concessions and Operations Coordinator

**Canadian National Exhibition**

210 Princes' Blvd | Exhibition Place |  
Toronto, ON M6K 3C3



## Exhibit 21: Summer Sales Projections

<b>Festival</b>	<b>Fees</b>	<b>Projected Attendance</b>	<b>Projected Orders</b>	<b>Projected Sales</b>	<b>Labour Cost</b>	<b>Variable Cost</b>	<b>Projected total cost</b>	<b>Projected total profit</b>
Food Truck'n Friday	\$ 450	2000-3000	600	\$ 3,300	\$ 1,008	\$ 1,476	\$2,934	\$366
Taste of Toronto	\$ 250	4000-5000	267	\$ 1,469	\$ 672	\$ 492	\$1,414	\$54
Night Market	\$ 250	3000-4000	250	\$ 1,375	\$ 672	\$ 492	\$1,414	-\$39
Toronto Food Truck Festival	\$ 1,200	4000-5000	1068	\$ 5,874	\$ 1,344	\$ 1,476	\$4,020	\$1,854
CNE Food Truck Frenzy	\$ 1,695	64000-65000	2400	\$ 13,200	\$ 672	\$ 1,476	\$3,843	\$9,357
<b>Totals:</b>	<b>\$3,845</b>		<b>4,585</b>	<b>\$ 25,218</b>	<b>\$ 4,368</b>	<b>\$ 5,412</b>	<b>\$ 13,625</b>	<b>\$ 11,592</b>

## Exhibit 22: Cash Budgets Years 1-3

OnlyRoll													
ANNUAL CASH BUDGET													
Year 1													
	September	October	November	December	January	February	March	April	May	June	July	August	Totals
Sales	\$ 13,468	\$ 10,000	\$ 9,300	\$ 6,000	\$ 12,000	\$ 9,300	\$ 10,000	\$ 8,000	\$ 1,100	\$ 1,468	\$ 2,843	\$ 16,137	\$ 99,616
Inflows:													
Collections	\$ 13,468	\$ 10,000	\$ 9,300	\$ 6,000	\$ 12,000	\$ 9,300	\$ 10,000	\$ 8,000	\$ 1,100	\$ 1,468	\$ 2,843	\$ 16,137	\$ 99,616
Equity Infusion	100,000												100,000
Short Term Loan	20,000												20,000
Total Inflows	\$ 133,468	\$ 10,000	\$ 9,300	\$ 6,000	\$ 12,000	\$ 9,300	\$ 10,000	\$ 8,000	\$ 1,100	\$ 1,468	\$ 2,843	\$ 16,137	\$ 219,616
Outflows:													
Variable Expenses:													
Food and Drink Expense	\$ 4,101	\$ 2,952	\$ 2,460	\$ 1,968	\$ 3,609	\$ 2,460	\$ 2,952	\$ 2,417	\$ 492	\$ 492	\$ 1,968	\$ 1,968	\$ 27,839
Labour Costs	\$ 4,611	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,947	\$ 336	\$ 672	\$ 1,008	\$ 1,344	\$ 38,568
Cash Short	67	50	47	30	60	47	50	40	6	7	14	81	498
Square Royalty Fee	182	135	126	81	162	126	135	108	15	20	38	218	1,345
Cash Expenses	877	877	877	877	877	877	877	877	877	877	877	877	10,520
Interest	33	33	33	33	33	33	33	33	33	33	33	33	390
Daily Average Inventory	200												200
Food Handler Certification	120												120
Investments													
Certifications	2,825												\$ 2,825
Vehicle License	1,225												\$ 1,225
Cooking Supplies	2,000												\$ 2,000
Fixed Assets	95,075												\$ 95,075
Loan Repayment	1,668	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	\$ 20,001
Total Outflows	\$ 112,983	\$ 9,988	\$ 9,483	\$ 8,930	\$ 10,682	\$ 9,483	\$ 9,988	\$ 10,088	\$ 3,424	\$ 3,767	\$ 5,604	\$ 6,186	\$ 200,605
Net Cash Flow	\$ 20,485	\$ 12	\$ (183)	\$ (2,930)	\$ 1,318	\$ (183)	\$ 12	\$ (2,088)	\$ (2,324)	\$ (2,299)	\$ (2,761)	\$ 9,951	\$ 19,011
Beginning Cash	-	20,485	20,497	20,314	17,384	18,703	18,520	18,532	16,444	14,120	11,821	9,060	-
Ending Cash	\$ 20,485	\$ 20,497	\$ 20,314	\$ 17,384	\$ 18,703	\$ 18,520	\$ 18,532	\$ 16,444	\$ 14,120	\$ 11,821	\$ 9,060	\$ 19,011	\$ 19,011

OnlyRoll													
ANNUAL CASH BUDGET													
Year 2													
	September	October	November	December	January	February	March	April	May	June	July	August	Totals
Sales	\$ 15,488	\$ 11,500	\$ 10,695	\$ 6,900	\$ 13,800	\$ 10,695	\$ 11,500	\$ 9,200	\$ 1,265	\$ 1,688	\$ 3,269	\$ 18,558	\$ 114,558
Inflows:													
Collections	\$ 15,488	\$ 11,500	\$ 10,695	\$ 6,900	\$ 13,800	\$ 10,695	\$ 11,500	\$ 9,200	\$ 1,265	\$ 1,688	\$ 3,269	\$ 18,558	\$ 114,558
Total Inflows	\$ 15,488	\$ 11,500	\$ 10,695	\$ 6,900	\$ 13,800	\$ 10,695	\$ 11,500	\$ 9,200	\$ 1,265	\$ 1,688	\$ 3,269	\$ 18,558	\$ 114,558
Outflows:													
Variable Expenses:													
Food and Drink Expense	\$ 4,328	\$ 3,214	\$ 2,989	\$ 1,928	\$ 3,857	\$ 2,989	\$ 3,214	\$ 2,571	\$ 354	\$ 472	\$ 914	\$ 5,186	\$ 32,015
Labour Costs	\$ 4,611	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,947	\$ 336	\$ 672	\$ 1,008	\$ 1,344	\$ 38,568
Cash Short	77	58	53	35	69	53	58	46	6	8	16	93	573
Square Royalty Fee	209	155	144	93	186	144	155	124	17	23	44	251	\$ 1,547
Cash Expenses	889	889	889	889	889	889	889	889	889	889	889	889	\$ 10,670
Tax Payable			347										\$ 347
Investments													
Vehicle License	760												\$ -
Total Outflows	\$ 10,875	\$ 8,591	\$ 8,698	\$ 7,220	\$ 9,276	\$ 8,351	\$ 8,591	\$ 8,577	\$ 1,602	\$ 2,064	\$ 2,871	\$ 7,763	\$ 84,479
Net Cash Flow	\$ 4,613	\$ 2,909	\$ 1,997	\$ (320)	\$ 4,524	\$ 2,344	\$ 2,909	\$ 623	\$ (337)	\$ (376)	\$ 398	\$ 10,795	\$ 30,079
Beginning Cash	19,011	23,624	26,533	28,530	28,210	32,734	35,078	37,987	38,610	38,272	37,896	38,295	19,011
Ending Cash	\$ 23,624	\$ 26,533	\$ 28,530	\$ 28,210	\$ 32,734	\$ 35,078	\$ 37,987	\$ 38,610	\$ 38,272	\$ 37,896	\$ 38,295	\$ 49,090	\$ 49,090

Onlyroll												
ANNUAL CASH BUDGET												
Year 3												
	September	October	November	December	January	February	March	April	May	June	July	August
Totals												
Sales	\$ 17,811	\$ 13,225	\$ 12,299	\$ 7,935	\$ 15,870	\$ 12,299	\$ 13,225	\$ 10,580	\$ 1,455	\$ 1,941	\$ 3,760	\$ 21,341
Inflows:												
Collections	\$ 17,811	\$ 13,225	\$ 12,299	\$ 7,935	\$ 15,870	\$ 12,299	\$ 13,225	\$ 10,580	\$ 1,455	\$ 1,941	\$ 3,760	\$ 21,341
Total Inflows	\$ 17,811	\$ 13,225	\$ 12,299	\$ 7,935	\$ 15,870	\$ 12,299	\$ 13,225	\$ 10,580	\$ 1,455	\$ 1,941	\$ 3,760	\$ 21,341
Outflows:												
Variable Expenses:												
Food and Drink Expense	\$ 4,978	\$ 3,696	\$ 3,437	\$ 2,218	\$ 4,435	\$ 3,437	\$ 3,696	\$ 2,957	\$ 407	\$ 543	\$ 1,051	\$ 5,964
Labour Costs	\$ 4,611	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,275	\$ 4,947	\$ 336	\$ 672	\$ 1,008	\$ 1,344
Cash Short	89	66	61	40	79	61	66	53	7	10	19	107
Square Royalty Fee	240	179	166	107	214	166	179	143	20	26	52	288
Cash Expenses	902	902	902	902	902	902	902	902	902	902	902	902
Tax Payable			3,070									
Investments												
Vehicle License	760											
Total Outflows	\$ 11,580	\$ 9,117	\$ 11,911	\$ 7,541	\$ 9,905	\$ 8,841	\$ 9,117	\$ 9,001	\$ 1,671	\$ 2,152	\$ 3,031	\$ 8,605
Net Cash Flow	\$ 6,232	\$ 4,108	\$ 388	\$ 394	\$ 5,965	\$ 3,458	\$ 4,108	\$ 1,579	\$ (216)	\$ (211)	\$ 729	\$ 12,737
Beginning Cash	49,090	55,321	59,429	59,817	60,211	66,176	69,634	73,741	75,320	75,104	74,893	75,622
Ending Cash	\$ 55,321	\$ 59,429	\$ 59,817	\$ 60,211	\$ 66,176	\$ 69,634	\$ 73,741	\$ 75,320	\$ 75,104	\$ 74,893	\$ 75,622	\$ 88,358



## Exhibit 23: Balance Sheets Years 1-3

OnlyRoll						
Three-Year Statement of Financial Position Projections						
	Year 1		Year 2		Year 3	
<b>ASSETS</b>						
Cash in bank	\$ 18,011		\$ 48,090		\$ 87,360	
Cash Float	\$ 1,000		\$ 1,000		\$ 1,000	
Total Cash		\$ 19,011		\$ 49,090		\$ 88,358
Ending Inventory		\$ 200		\$ 200		\$ 200
Intangible Asset: Certifications	2,825		2,825	-	2,825	-
Less: Amortization	353	2,472	707	2,118	1,060	1,765
Fixed Asset: Truck	36,764		36,764		36,764	
Less: Accumulated Depreciation	9,191	27,573	16,084	20,680	21,254	15,510
Fixed Asset: Appliances	58,311		58,311		58,311	
Less: Accumulated Depreciation	7,164	51,147	14,328	43,983	21,492	36,819
Fixed Asset: Cooking Supplies/Utensils	2,000		2,000		2,000	
Less: Accumulated Depreciation	667	1,333	1,334	666	2,000	-
<b>Total Assets</b>		<b>\$ 101,736</b>		<b>\$ 116,737</b>		<b>\$ 142,652</b>
<b>LIABILITIES AND EQUITY</b>						
Tax Payable		347		3,070		5,797
<b>Total Liabilities</b>		<b>\$ 347</b>		<b>\$ 3,070</b>		<b>\$ 5,797</b>
Equity Infusion		100,000		100,000		100,000
Retained Earnings		1,389		13,667		36,855
<b>Total Equity</b>		<b>\$ 101,389</b>		<b>\$ 113,667</b>		<b>\$ 136,855</b>
<b>Total Liabilities and Equity</b>		<b>\$ 101,736</b>		<b>\$ 116,737</b>		<b>\$ 142,652</b>

## Exhibit 24: ROI and ROE Years 1-3

OnlyRoll			
Return Analysis			
Return on Investment	Year 1	Year 2	Year 3
Net Income	\$ 1,389	\$ 12,279	\$ 23,188
Investments	\$ 102,445	\$ 102,445	\$ 102,445
<b>ROI</b>	<b>1.4%</b>	<b>12.0%</b>	<b>22.6%</b>

Return on Equity	Year 1	Year 2	Year 3
Net Income	\$ 1,389	\$ 12,279	\$ 23,188
Equity	\$ 101,389	\$ 113,667	\$ 136,855
<b>ROE</b>	<b>1.4%</b>	<b>10.8%</b>	<b>16.9%</b>

## Exhibit 25: Breakeven Analysis Years 1-3

OnlyRoll			
Break-Even Analysis			
Break-Even	Year 1	Year 2	Year 3
Total Fixed Costs	\$ 29,630	\$ 26,508	\$ 24,934
Contribution Margin	30.2%	30.2%	30.2%
B/E Sales (\$)	\$ 98,155	\$ 87,813	\$ 82,598
Projected Sales	\$ 99,616	\$ 114,558	\$ 131,742
Margin of Safety	1.5%	23.3%	37.3%
Cash Break-Even	Year 1	Year 2	Year 3
Total Cash Fixed Costs	\$ 11,865	\$ 11,430	\$ 11,580
Contribution Margin	30.2%	30.2%	30.2%
Cash B/E Sales (\$)	\$ 39,305	\$ 37,864	\$ 38,361
Projected Sales	\$ 99,616	\$ 114,558	\$ 131,742
Margin of Safety	60.5%	66.9%	70.9%