

# CONFIDENTIAL INFORMATION MEMORANDUM

## PLASTIC WORLD PLASTIC CUTTING AND DISTRIBUTION COMPANY

**PLASTIC**WORLD

\*CONFIDENTIAL | APRIL 2024

 **TRANSWORLD®**  
Business Advisors  
Business Sales ♦ Mergers & Acquisitions ♦ Franchises

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**Waldemar Halek**  
President  
(647) 946-2605  
whalek@tworld.com

**Transworld Business Advisors of Ontario**  
3280 Bloor Street West, Suite 1140, Centre Tower  
Toronto, Ontario, Canada, M8X 2X3

# EXECUTIVE SUMMARY

## Established and Successful Plastic Cutting and Distribution Company

### TRANSACTION OVERVIEW

- **Asking price: \$5,000,000** (5x forecasted SDE)
- **Transaction type: share sale**
- Cash free and debt free transaction
- Working capital included in the asking price: **\$200,000**
- Seller's forecasted discretionary earnings: **~\$1,000,000**
- Forecasted revenue: **~\$3,000,000**
- **Seller financing:** available, including for excess inventory; the owner can consider retaining minority non-operating ownership
- **Transition:** owner will work on a smooth transition
- **Reason for sale:** retirement from the business

### This business is ideal for:

- ✓ An owner operator or an investor who wants to take over an existing successful business
- ✓ A local or out-of-province competitor that would benefit from growing through acquisitions
- ✓ A company in a broader plastics industry that can realize synergies offered by the business

### BUSINESS OVERVIEW

- **Established in 1998** by the current owner's family and became a **leading GTA-based plastic cutting and distribution business.**
- **Strong historic financial performance with opportunities to grow** the business.
- **Attractively located** in north Toronto **and offering online sales.**
- **B2B and B2C** clientele, including **repeat customers.**
- **Strong product and service selection** – in addition to clear and white acrylic, the business offers coloured sheets and other complimentary products. Services include cutting to size, laser cutting and fabrication.
- Web address: **[www.plasticworld.ca](http://www.plasticworld.ca)**

# KEY INVESTMENT HIGHLIGHTS

Established and Successful Plastic Cutting and Distribution Company

01



Healthy Historic  
Financial  
Performance and  
Further Growth  
Opportunities

02

**PLASTIC**WORLD

Reputable Business  
with Established  
B2B and B2C  
Clientele

03



Strong Main Products  
Selection (Clear and White  
Sheets), Niche Selection  
(Coloured Sheets)  
and Complimentary  
Products (Epoxies, Glues,  
Solvents, etc.)

04



Location, Location,  
Location – North  
Toronto with  
Proximity to  
Clientele and  
Augmented by  
Online Sales

05



Current Owner Will  
Work on a Smooth  
Transition



## BUSINESS OVERVIEW

### Established and Successful Plastic Cutting and Distribution Company

- This is a **successful and established plastic cutting and distribution business**. Attractively located in North Toronto allowing for proximity to many customers.
- **Revenue model** – primarily pay for service/product business model with limited receivables. No customer concentration; top 10 customers together account for less than 10% of sales – annually there are over 10,000 transactions. During F'2023 82% (2022 - 75%) of sales related to Plastic Sheets and 9% (2022-8%) to Epoxies, Resins and Mold Making.
- **Service and product offering** – the business sells variety of plastic sheets – clear, white and colour. It offers cutting services, laser cutting and fabrication. (See **Service and Product Offering** for further details).
- **Real estate** – leased 14,525 SF currently under 5-year lease ending January 2025; 5-year extension available at market rates. Current base lease rate of \$6.25/SF plus TMI est. at \$5.30/SF (thus ~\$14,000/month). All plus HST.
- Web address: [www.plasticworld.ca](http://www.plasticworld.ca)

Years Est.

20+ Years

Business Hours

M-F

8.30am-5pm

Sat

Closed

Sun

Closed

# Staff

4 full-time plus the owner

111 Millwick Drive, Units 7-11, North York, ON M9L 1Y4



### KEY HIGHLIGHTS

~\$3 millions

Forecasted  
Normalized  
Annual  
Sales

~\$1 million

Forecasted  
Normalized  
Discretionary  
Earnings

20+ Years In Business







# SERVICE AND PRODUCT OFFERING

Selection of Products and Services Attracting B2B and B2C Customers

## SERVICES

- CUT TO SIZE
- LASER CUTTING
- FABRICATION

## PRODUCTS

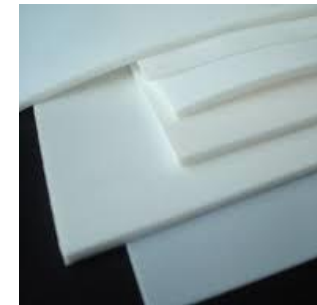
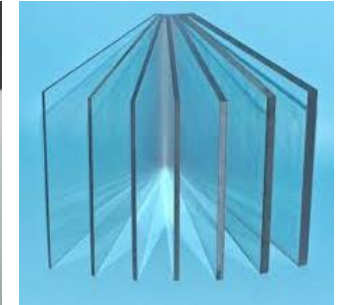
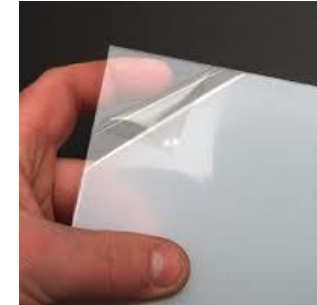
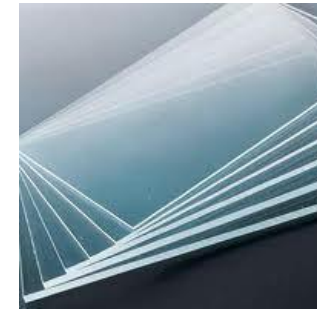
### PLASTIC SHEETS

- ABS (ACRYLONITRILE-BUTADIENE-STYRENE)
- ACETAN / DELRIN
- ACRYLIC
- ACRYLIC MIRROR
- CORROPLAST
- FOAMED PVC
- HDPE (HIGH DENSITY POLYETHYLENE)
- NYLON
- PETG / CO-POLYESTER / VIVAK
- POLYCARBONATE
- PVC
- STYRENE
- TEFLON
- TWINWALL POLYCARBONATE
- UHMW

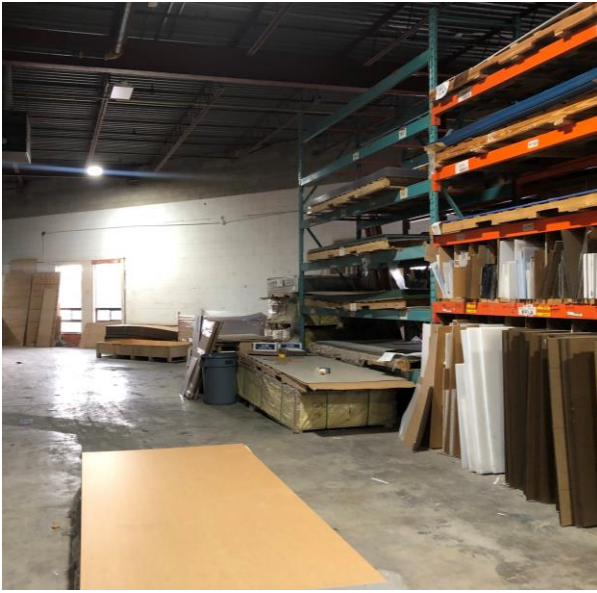
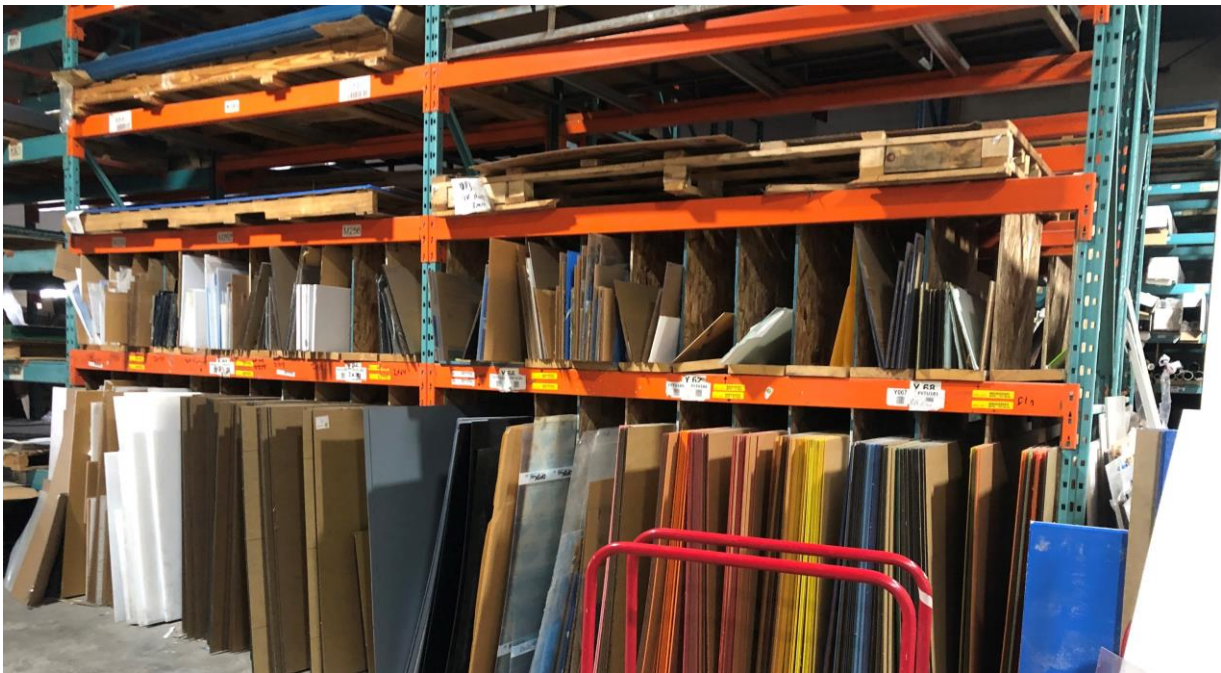
### OTHER

- TUBES AND RODS
- EPOXIES\*
- MOLD MAKING
- FIBERGLASS RASINS AND GELCOATS\*
- CARBON FIBRE, FIBERGLASS AND KEVLAR
- GLUES, SOLVENTS AND CHEMICALS
- CLEANING AND POLISH
- ACRYLIC PARTS AND SHAPERS
- TOOLS AND ACCESSORIES

\* Categories include Plastic World private label products









# EQUIPMENT PARK

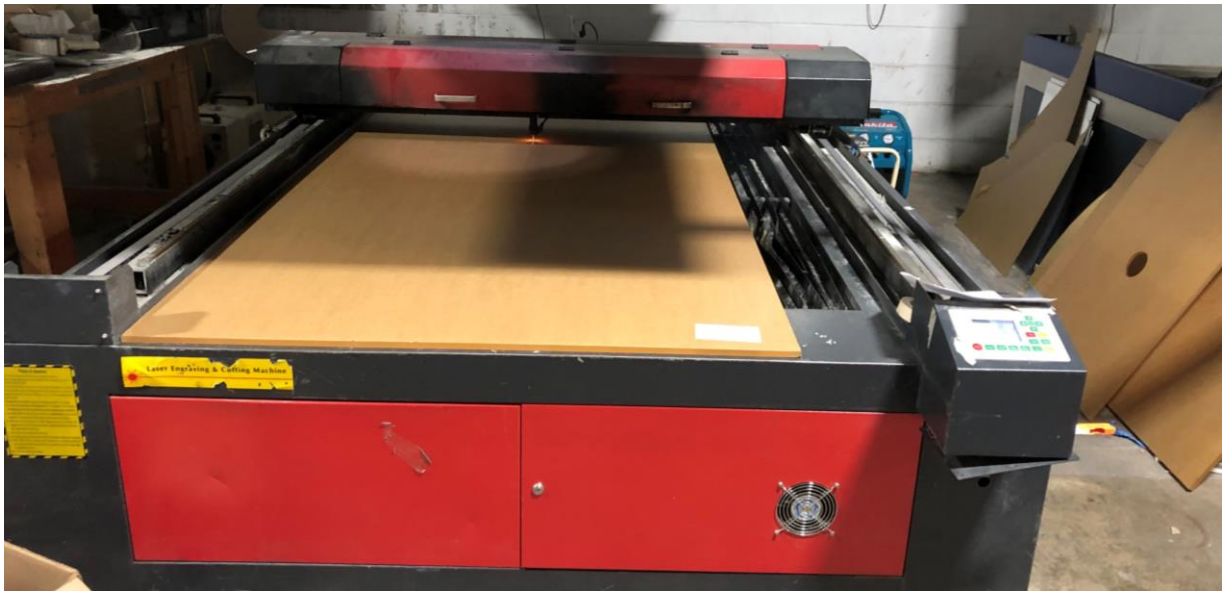
Equipment Park Allows the Company to Deliver on Its Service Offering

## EQUIPMENT AND YEAR OF ACQUISITION

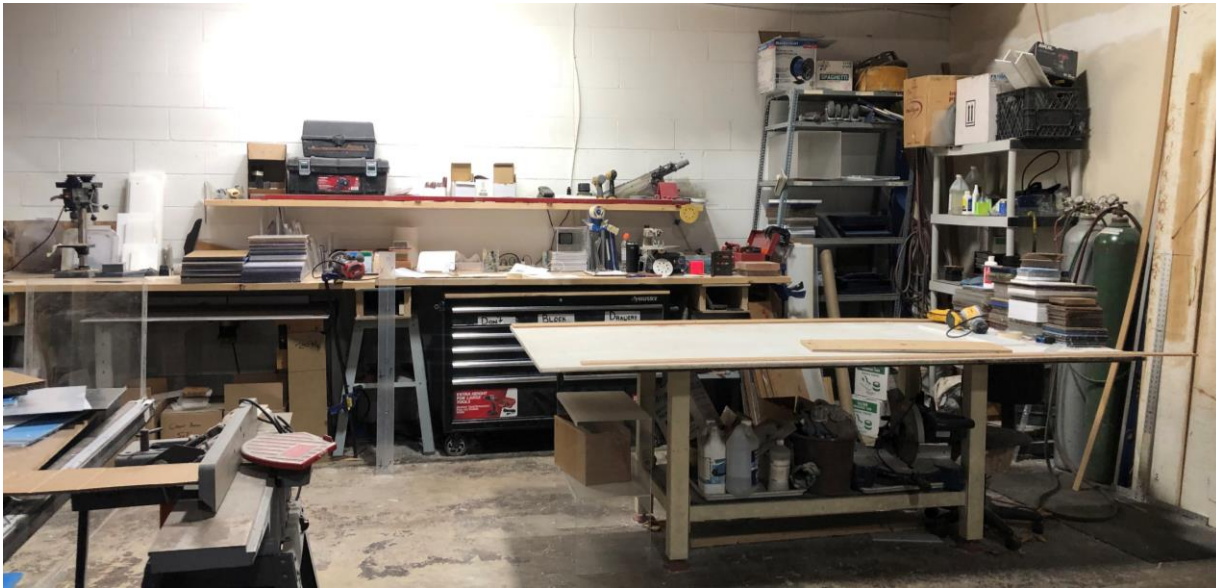
- CHINA OEM LASER 4X8 TABLE 150W (2016)
- CHINA OEM LASER 4X8 TABLE 150W (2020)
- CHINA OEM CNC 4X8 TABLE 3 AXIS (2020)
- HOLZ-HER PANEL SAW (2017 -> 2008 MODEL)
- SAW STOP TABLE SAW + DUST COLLECTOR (2012)
- SAW STOP TABLE SAW + DUST COLLECTOR (2018)
- ELECTRIC FORKLIFT 3 STAGE WITH 4' FORKS (2016 – BOUGHT USED; NEW BATTERIES INSTALLED ABOUT 2 YEARS AGO)
- ELECTRIC FORKLIFT 2 STAGE WITH 6' FORKS (PRE-2008 – BOUGHT USED; NEW BATTERIES INSTALLED ABOUT 2 YEARS AGO)
- 39 PALLET RACKING BAYS SET UP - 37 @ 8', 1 @ 10', 1 @ 6' (2014/2019)
- VARIOUS WAREHOUSE, PRODUCTION AND OFFICE EQUIPMENT











# ORGANIZATION STRUCTURE

## Efficient and Well-developed Organizational Structure

- **Owner** – works full-time; handles all accounting (other than annual T2), online sales emails (majority of time spent on this), most of warehouse truck shipping/receiving, purchasing, is a backup for handling phone calls and walk-ins, on occasion helps with saw cutting and laser cutting. Resolves any issues that cannot be handled by other staff.
- **Employee #1** – assists customers – phone/email/walk ins.
- **Employee #2** – cuts and fabricates.
- **Employee #3** – assists customers – phone/email/walk ins, cuts and operates laser machines.
- **Employee #4** – cuts, processes and packs online/Amazon orders.



# WEB SITE

Efficient and Informative Web Site with an Online Store

[www.plasticworld.ca](http://www.plasticworld.ca)



# POTENTIAL GROWTH STRATEGIES

## Significant Growth Opportunities Exist

- **Add sales staff and/or increase marketing spend to grow sales** and take advantage of physical and labour capacity to handle additional volume – currently the business spends under \$5k in marketing and does not actively pursue new clients, or follow up with past clients or quoted leads – **this represents #1 growth opportunity for immediate implementation**
- **Focus on efficiency and product mix** to further improve margins
- **Grow Amazon orders** – they account for ~15% of the company's sales; the business has ~500 listings on Amazon.ca, while it could add additional ones
- **Grow private label** – currently the business offers Plastic World private label products under two product categories: epoxies and fiberglass resins and gelcoats; sales are under \$50k, but could be expanded to cover other categories, including the main product – plastic sheets
- Consider increased **focus on fabrication** – this may require additional machinery
- Consider **additional locations** for a greater geographical coverage (organic or M&A)



A background image showing a person's hands working at a desk. One hand holds a pen over a document, while the other holds a calculator. Several papers with tables and charts are scattered on the desk. A dark green semi-transparent banner is overlaid on the right side of the image.

# FINANCIAL OVERVIEW

# NORMALIZED FINANCIALS:

## INCOME STATEMENT

### NOTES:

- The business continued to generate **strong organic sales** with **minimal advertising budget**
- Gross Profit %** and **Seller's Discretionary Earnings (SDE)** continued to increase post COVID; **the business continued to perform stronger during 2023**
- The larger facility that the business moved into in early 2020 offers **space to facilitate further growth**
- 2020 spike in sales** was due to COVID driven demand, while 2021 decrease in sales was due to COVID related slowdown

### ROLLING 12-MONTHS FORECAST:

- Forecast is based on **~8% growth in sales** vs. 2023 (see **Potential Growth Strategies page** how growth could be magnified)
- Product mix and gross profit % were based on 2023 and included **\$100,000 in additional cost savings** related to product sourcing identified by management (this opportunity has existed for 2021-2023 but was not executed on due to excess inventory)
- Salaries represent 4 employees** (see Organizational Structure page) and exclude owner's compensation

### Q1 2024 PERFORMANCE:

- Overall, Q1 2024 reflects further growth in the business**
- Gross Profit margin realized: **58.2%**
- Gross Profit growth vs. Q1 2023: **7.4%**
- SDE growth vs. Q1 2023: **21.8%**

For the Year-Ended November 30	2018	2019	2020	2021	2022	2023	Rolling 12 Months Forecast
Gross Sales	\$ 3,054,025	\$2,833,772	\$4,810,658	\$ 2,484,104	\$2,852,439	\$2,765,399	\$ 2,986,631
Cost of Sales	1,535,253	1,381,414	2,520,673	1,058,165	1,343,703	1,237,338	1,236,325
Gross Profit	1,518,772	1,452,358	2,289,985	1,425,939	1,508,736	1,528,061	1,750,306
Gross Profit %	49.7%	51.3%	47.6%	57.4%	52.9%	55.3%	58.6%
Expenses							
Advertising	4,002	3,690	4,311	5,077	2,630	3,173	3,427
Bad Debt	-	5,823	65,124	-	-	-	-
Bank Charges US	-	57	-	18	-	-	-
Bank Service Charges	7,328	3,531	853	1,086	494	622	672
Broker Fees	12,265	3,407	6,352	1,585	3,826	1,667	1,800
Client Promotion	1,406	1,250	1,779	1,930	195	1,386	1,497
Commissions Paid	-	-	640	-	-	-	-
Computer and Internet Expenses	1,011	478	1,211	1,177	2,014	1,061	1,146
Duty	125	34	-	153	-	38	41
Employer CCP	9,654	10,529	11,980	13,210	7,625	9,769	10,551
Employer EI	4,703	4,078	5,496	5,696	3,362	3,467	3,744
Employer Health Tax	2,411	4,821	4,595	-	-	-	-
Employer WISB	3,750	2,006	3,382	2,439	1,986	1,013	1,094
Equipment Leased	408	-	-	-	-	-	-
Fabrication Supplies	5,260	4,582	8,082	2,815	4,025	1,924	2,078
Fees and Charges	-	18	-	12	12	-	-
Freight Expense	97,214	94,442	234,484	140,764	223,380	206,554	223,078
Group Insurance	15,596	14,367	16,222	12,425	8,847	11,898	12,850
Insurance Expense	5,721	15,174	22,011	20,495	20,041	18,516	19,997
Janitorial Expense	820	1,008	2,235	1,394	3,229	4,024	4,346
Membership	274	279	232	224	244	1,224	1,322
Merchant Account Fees	57,341	49,681	66,138	38,584	40,822	43,175	46,629
Office Supplies	3,101	2,547	6,018	2,656	2,209	1,549	1,673
Packaging	1,126	833	14,587	12,748	13,893	12,577	13,583
Postage	114	48	-	16	37	-	-
Professional Fees	500	500	513	500	500	1,050	1,134
Rent Expense	68,997	94,684	145,829	141,047	164,267	168,027	168,480
Repairs and Maintenance	-	237	-	537	1,000	1,159	1,252
Salaries	215,852	198,923	239,640	212,159	182,302	176,448	201,240
Salaries - Temps	21,946	8,157	23,195	(2,357)	44,563	20,885	-
Telephone Expense	1,426	453	1,737	2,438	2,218	3,008	3,249
Utilities	12,317	12,408	19,045	16,087	18,400	22,492	24,291
Expenses	554,669	538,047	905,691	634,915	752,121	717,201	749,708
Seller's Discretionary Earnings	964,104	914,311	1,384,294	791,024	756,615	810,860	1,000,598
Seller's Discretionary Earnings %	31.6%	32.3%	28.8%	31.8%	26.5%	29.3%	33.5%



# HISTORICAL FINANCIALS

## WITH ADJUSTMENTS: INCOME STATEMENT

For the Year-Ended November 30	2018		2018		2019		2019		2020		2020		2021		2021		2022		2022		2023		Adj.	2023		
	As Reported		Adj.	Normalized	As Reported		Adj.	Normalized	As Reported		Adj.	Normalized	As Reported		Adj.	Normalized	As Reported		Adj.	Normalized	As Reported		Normalized		Notes	
Gross Sales	\$ 3,054,025	\$	-	\$	-	\$ 2,833,772	\$	-	\$ 2,833,772	\$ 4,810,658	\$	-	\$ 4,810,658	\$ 2,484,104	\$	-	\$ 2,484,104	\$ 2,852,439	\$	-	\$ 2,852,439	\$ 2,768,326	\$	(2,927)	\$ 2,765,399	
Cost of Sales	1,535,253	-		1,535,253	1,379,511	1,903		1,381,414	2,520,673	-		2,520,673	1,088,165	(30,000)		1,058,165	1,313,703	30,000		1,343,703	1,237,338	-		1,237,338	Reclass between 2021/2022	
Gross Profit	1,518,772	-		1,518,772	1,454,261	(1,903)		1,452,358	2,289,985	-		2,289,985	1,395,939	30,000		1,425,939	1,538,736	(30,000)		1,508,736	1,530,988	(2,927)		1,528,061		
Expenses																										
Advertising	4,002	-		4,002	3,690	-		3,690	4,311	-		4,311	5,077	-		5,077	2,630	-		2,630	3,173	-		3,173		
Amazon Fees	-	-		-	1,903	(1,903)		-	-	-		-	-	-		-	-	-		-	-	-	-	-		
Automobile Expense	-	-		-	361	(361)		-	24	(24)		-	-	-		-	-	-		-	-	-	-	-	Owner's benefit	
Bad Debt	-	-		-	5,823	-		5,823	90,765	(25,641)		65,124	(9,476)	9,476		-	(10,502)	10,502		-	-	-	-	-	Reversal of prior year's write off that was collected	
Bank Interest	-	-		-	-	-		-	38	(38)		-	7	(7)		-	-	-		-	-	-	-	-	Interest	
Bank Charges US	-	-		-	57	-		57	-	-		-	18	-		18	-	-		-	-	-	-	-		
Bank Service Charges	7,328	-		7,328	3,531	-		3,531	853	-		853	1,086	-		1,086	494	-		494	622	-		622		
Broker Fees	12,265	-		12,265	3,407	-		3,407	21,988	(15,636)		6,352	1,585	-		1,585	3,826	-		3,826	1,667	-		1,667	Amount booked in error in 2020	
Client Promotion	1,406	-		1,406	1,250	-		1,250	1,779	-		1,779	1,930	-		1,930	195	-		195	1,386	-		1,386		
Commissions Paid	-	-		-	-	-		-	640	-		640	-	-		-	-	-		-	-	-	-	-		
Computer and Internet Expenses	1,011	-		1,011	478	-		478	1,211	-		1,211	1,177	-		1,177	2,014	-		2,014	1,061	-		1,061		
Corporate Business tax	64,223	(64,223)		-	40,909	(40,909)		-	-	-		-	55,143	(55,143)		-	-	-		-	-	-	-	-	Income taxes	
Depreciation Expense	15,127	(15,127)		-	4,871	(4,871)		-	10,555	(10,555)		-	14,593	(14,593)		-	-	-		-	10,453	(10,453)		-	Non-cash	
Duty	125	-		125	34	-		34	-	-		-	153	-		153	(126)	126		-	38	-		38		
Employer CCP	14,842	(5,188)		9,654	16,471	(5,942)		10,529	17,776	(5,796)		11,980	18,592	(5,382)		13,210	14,805	(7,180)		7,625	15,926	(6,157)		9,769	Owner's benefit	
Employer EI	4,703	-		4,703	4,078	-		4,078	5,496	-		5,496	5,696	-		5,696	3,362	-		3,362	3,467	-		3,467		
Employer Health Tax	17,640	(15,229)		2,411	4,821	-		4,821	4,595	-		4,595	-	-		-	-	-		-	-	-	-	-	2018 additional expense related to prior years	
Employer WISB	3,750	-		3,750	2,006	-		2,006	3,382	-		3,382	2,439	-		2,439	1,986	-		1,986	1,013	-		1,013		
Equipment Leased	408	-		408	-	-		-	-	-		-	-	-		-	-	-		-	-	-	-	-		
Equipment Small	1,198	(1,198)		-	86	(86)		-	6,221	(6,221)		-	1,114	(1,114)		-	2,099	(2,099)		-	495	-		495	One-time costs	
Fabrication Supplies	5,260	-		5,260	4,582	-		4,582	8,082	-		8,082	2,815	-		2,815	4,025	-		4,025	1,924	-		1,924		
Fees and Charges	98	(98)		-	18	-		18	10,591	(10,591)		-	12	-		12	12	-		12	-	-	-	-	2020 one time cost	
Freight Expense	97,214	-		97,214	94,442	-		94,442	234,484	-		234,484	140,764	-		140,764	223,380	-		223,380	206,554	-		206,554		
Group Insurance	15,596	-		15,596	14,367	-		14,367	16,222	-		16,222	12,425	-		12,425	8,847	-		8,847	11,898	-		11,898		
Insurance Expense	5,721	-		5,721	15,174	-		15,174	22,011	-		22,011	20,495	-		20,495	3,041	17,000		20,041	18,516	-		18,516		
Interest Expense	11	(11)		-	49	(49)		-	1,308	(1,308)		-	5	(5)		-	104	(104)		-	489	(489)		-	Interest cost	

# HISTORICAL FINANCIALS

## WITH ADJUSTMENTS: INCOME STATEMENT (CONT.)

For the Year-Ended November 30	2018 As Reported	2018 Adj. Normalized	2019 As Reported	2019 Adj. Normalized	2020 As Reported	2020 Adj. Normalized	2021 As Reported	2021 Adj. Normalized	2022 As Reported	2022 Adj. Normalized	2023 As Reported	2023 Adj. Normalized	Notes						
Janitorial Expense	820	-	820	1,008	-	1,008	2,235	-	2,235	1,394	-	1,394	3,229	-	3,229	4,024	-	4,024	
Meals and Entertainment	-	-	-	-	-	-	97	(97)	-	-	-	-	38	(38)	-	-	-	-	Owner's benefit
Membership	774	(500)	274	1,779	(1,500)	279	1,232	(1,000)	232	1,224	(1,000)	224	1,244	(1,000)	244	1,224	-	1,224	Owner's benefit
Merchant Account Fees	57,341	-	57,341	49,681	-	49,681	66,138	-	66,138	38,584	-	38,584	40,822	-	40,822	43,175	-	43,175	
Moving and Renovation	-	-	-	-	-	-	35,364	(35,364)	-	-	-	-	7,161	(7,161)	-	-	-	-	One-time costs
Office Supplies	3,101	-	3,101	2,547	-	2,547	6,018	-	6,018	2,656	-	2,656	2,209	-	2,209	1,549	-	1,549	
Packaging	1,126	-	1,126	833	-	833	14,587	-	14,587	12,748	-	12,748	13,893	-	13,893	12,577	-	12,577	
Postage	114	-	114	48	-	48	-	-	-	16	-	16	37	-	37	-	-	-	
Professional Fees	980	(480)	500	500	-	500	3,729	(3,216)	513	500	-	500	250	250	500	1,050	-	1,050	One-time costs
Reconciliation Discrepancies	2	(2)	-	2	(2)	-	4	(4)	-	(337)	337	-	3	(3)	-	(12)	12	-	
Rent Expense	88,517	(19,520)	68,997	129,886	(35,202)	94,684	145,829	-	145,829	141,047	-	141,047	164,267	-	164,267	168,027	-	168,027	2018/2019 i/co transactions
Repairs and Maintenance	4,975	(4,975)	-	237	-	237	27,353	(27,353)	-	537	-	537	17,906	(16,906)	1,000	1,159	-	1,159	2022 capital asset purchase; 2020 one-time moving costs
Salaries	641,977	(426,125)	215,852	737,242	(538,319)	198,923	1,011,702	(772,062)	239,640	528,159	(316,000)	212,159	484,302	(302,000)	182,302	494,992	(318,544)	176,448	Owner's benefit
Salaries - Temps	21,946	-	21,946	8,157	-	8,157	23,195	-	23,195	(2,357)	-	(2,357)	44,563	-	44,563	20,885	-	20,885	
Telephone Expense	1,426	-	1,426	453	-	453	1,737	-	1,737	2,438	-	2,438	2,218	-	2,218	3,008	-	3,008	
Exchange Gain or Loss	4,367	(4,367)	-	2,914	(2,914)	-	(30,254)	30,254	-	(9,260)	9,260	-	(1,530)	1,530	-	183	(183)	-	FX
Expenses	1,111,712	(557,043)	554,669	1,170,105	(632,058)	538,047	1,790,344	(884,653)	905,691	1,009,086	(374,171)	634,915	1,059,204	(307,083)	752,121	1,053,015	(335,814)	717,201	
Net Income /																			
Seller's Discretionary Earnings	407,060	557,043	964,104	284,156	630,155	914,311	499,641	884,653	1,384,294	386,853	404,171	791,024	479,532	277,083	756,615	477,973	332,887	810,860	



# HISTORICAL FINANCIALS: BALANCE SHEET

As at November 30	2023	2022	2021	2020	2019	2018
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash	118,284	302,082	196,913	207,988	333,003	407,996
Accounts Receivable	44,173	48,076	40,689	71,503	139,766	139,810
Inventory	1,186,284	1,323,070	1,611,909	2,053,862	748,626	615,422
Prepaid Expenses and Other Assets	17,342	41,176	23,028	58	13,809	5,028
Corporate Tax Instalments	56,997	-	-	-	-	-
Due from Related Party	414,952	-	-	-	-	-
<b>Current Assets</b>	<b>1,838,032</b>	<b>1,714,404</b>	<b>1,872,539</b>	<b>2,333,411</b>	<b>1,235,204</b>	<b>1,168,256</b>
<b>Long-term Assets</b>						
Fixed Assets	143,326	143,326	143,326	143,326	89,187	89,187
Less: Accumulated Amortization	(121,034)	(110,755)	(98,393)	(83,801)	(73,246)	(68,375)
Security Deposits Asset	29,778	29,778	36,940	77,854	107,247	37,362
<b>Long-term Assets</b>	<b>52,070</b>	<b>62,349</b>	<b>81,873</b>	<b>137,379</b>	<b>123,188</b>	<b>58,174</b>
<b>ASSETS</b>	<b>1,890,102</b>	<b>1,776,753</b>	<b>1,954,412</b>	<b>2,470,790</b>	<b>1,358,392</b>	<b>1,226,430</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>						
<b>Current Liabilities</b>						
Accounts Payable and Accrued Liabilities	237,028	94,846	154,280	658,636	168,068	161,893
Other Current Liabilities	2,551	7,602	34,669	122,455	1,409	4,680
<b>Current Liabilities</b>	<b>239,579</b>	<b>102,448</b>	<b>188,949</b>	<b>781,091</b>	<b>169,477</b>	<b>166,573</b>
<b>Long-term Liabilities</b>						
Term Debt	-	-	-	-	-	-
<b>Long-term Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>	<b>239,579</b>	<b>102,448</b>	<b>188,949</b>	<b>784,100</b>	<b>169,477</b>	<b>166,573</b>
<b>Shareholder's Equity</b>						
Share Capital	10	10	10	10	10	10
Retained Earnings	1,650,513	1,674,295	1,765,453	1,689,689	1,188,905	1,059,847
<b>SHAREHOLDER'S EQUITY</b>	<b>1,650,523</b>	<b>1,674,305</b>	<b>1,765,463</b>	<b>1,689,699</b>	<b>1,188,915</b>	<b>1,059,857</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>1,890,102</b>	<b>1,776,753</b>	<b>1,954,412</b>	<b>2,470,790</b>	<b>1,358,392</b>	<b>1,226,430</b>

# PROJECTED FINANCIALS:

## BALANCE SHEET

- The following net assets are proposed to be on the opening balance sheet and included in the purchase price:
  - ✓ Working capital balance: \$200,000, consisting of \$300,000 inventory and (\$100,000) non-inventory working capital
  - ✓ In addition to inventory included in the working capital balance, there will be some excess inventory related to products ordered in anticipation of heavier Covid-related demand – significant portion of this inventory has been absorbed through regular sales already; the exact amount is to be determined on closing and treated as additional consideration
  - ✓ Fixed assets – as per balance sheet
- No cash and no debt is to be assumed
- All other assets and liabilities are assumed to be nil or to be adjusted for, if included in the opening balance sheet



# NEXT STEPS

- Meeting with the Seller and a Q&A Process

- 
- Offer with Deposit and Offer Acceptance

- 
- Due Diligence

- 
- Transaction Closing and Post-Closing Transition



**The process culminates with a transaction closing and a successful post-closing transition.**

# ABOUT TRANSWORLD

## Business Sales, Franchises, Mergers and Acquisitions

Transworld is the global leader in the marketing and sales of businesses and franchises assisting clients for over 40 years through more than 250 independently owned and managed offices around the world.

Transworld Business Advisors of Ontario is a member of Transworld's global network servicing businesses in the Province of Ontario, Canada. The company is headquartered in Toronto. The focus of the firm is on selling owner-managed businesses in the main street and lower middle market across industries. The firm also works with franchise systems on selling new or existing franchises.

## Transaction Lead Team



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