



BUSINESS PLAN

Action Kayak Excursions

Kayak Fishing, Kayak Snorkeling & Nature Kayaking

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A handwritten signature in blue ink, consisting of a stylized 'J' followed by a long horizontal line that curves upwards at the end.

Executive Summary

Action Kayak Excursions (AKE) was formed to provide action adventure excursions with upscale service to both tourists and locals alike. AKE's adventures include kayak nature excursions, kayaking fishing and kayak snorkeling. The founders of AKE are Juanita (Jane) Diaz and Jeffrey Chicco, also the primary owners. Together they have ten years of college education and 35 years combined experience in client relations, hospitality management, human resources management and public relations/marketing. As outdoor lovers and kayakers, Jane & Jeff have focused the last year towards researching and designing AKE, as well as other successful hospitality concepts in Puerto Rico over the last five years. They bring to the company both educational insight and "real life" experience. In addition to their industry experience, they are passionate about the activities AKE will offer.

Virtually all companies that provide nature adventure activities appeal to a lower income client. Companies that appeal to a wealthier clientele generally provide "soft" adventure packages. Nature-adventure activities involve difficult physical requirements. They carry a higher level of risk than do "soft" activities. Soft adventure activities may involve some physical exertion, however they involve a low level of risk and can be engaged in by non-athletic people.

The company's target customers are high income (min. \$75,000 for single person), health-conscious individuals interested in popular nature-adventure sports. These are lawyers, bankers, executives, doctors, etc. The major purchasers are located in urban areas within major United States cities. Our customers are more likely to be married. 51% are men and 49% are women.

In addition, more niche markets are evolving. Initially, it will be difficult to compete with experienced providers, especially market leaders. However, AKE's target market is an exploitable niche and our service is differentiated. AKE's target market members will have similar activity interests, more disposable income and less sensitivity to price.

AKE will price its services at the mid-range of the market. We will provide a service with prestige value. Our prices will be within reach for the majority of adventure travelers. Service will be priced based upon similar competitor prices and the value added of our offering. Providers that offer top of the line services similar to ours do so at similar prices. We are competitively priced in the market. Because we appeal to a wider market, volume will be unlimited. Therefore, we will be able to capture a higher gross profit margin.

1.1 Objectives

AKE objectives for the first three years of operation include:

- To create a service-based company whose #1 mission is exceeding customers' expectations.
- Capturing 25% market share of the adventure travel space.
- To develop a sustainable, profitable business.
- To achieve a 35% return rate of customers within the first three years.
- To hire all employees; captains, guides, etc... local individuals from Ceiba and Naguabo for starters and expand to surrounding towns if unable to fill.
- To achieve a 35% return rate of customers within the first three years.

1.2 Mission

AKE's mission is to provide customers with the highest quality outdoor adventure. We exist to attract and maintain customers. When we adhere to this maxim, everything else will fall into place.

Company Summary

AKE, located in Ceiba, PR will offer adventure trips to the middle to upper end of the travel market. AKE will be concentrating on three activities, kayak nature excursions, kayaking fishing and kayak snorkeling. AKE has chosen these three activities to allow the company to not be restricted by seasons, we will have trips occurring through the year. While AKE's office is located in Puerto Rico, it will be seeking customers throughout the United States, and the world.

AKE expects the first several months will be used to plan excursions and train excursion leaders. By the end of year one the trips should be in full swing and AKE will be building a solid customer base.

2.1 Company Ownership

AKE will be a privately held Puerto Rico Corporation. Juanita (Jane) Diaz and Jeffrey Chicco, both will hold 50% equal AKE ownership.

2.2 Start-up Summary

AKE's start-up costs include all the equipment needed for a beach stand, home office, as well as the equipment needed for the kayaking adventures. Other costs will be marketing fees, website development, insurance and a deposit for the beach stand.

The office equipment will consist of two computer systems, high speed internet router/modem, printer, CD-RW, CPU to be used as an internal server, phones, all-in one copier/fax machine/scanner/printer and installation of high speed internet, two cell phones and one land line.

The equipment needed for the nature kayaking and snorkeling trips will be a fleet of 12 kayaks; 10 for customers and 2 for the guide.

The equipment for the kayak fishing adventures will be a fleet of 7 fishing kayaks and lots of dry bags; 6 for the customers and 1 for the guide. As well as other requisite related equipment like life jackets, first aid kit, etc..).

The marketing costs are for the brochures and advertisements. AKE will also incur costs in the development of our website. Lastly, insurance will be a large start-up expense.

We will not require any enabling of an existing structure or construction of a new building; the business will be operated from a 10' x10' tent strategically placed on the beach allowing access for customers to pay and enter the kayaks. Appropriate trash cans for proper trash disposal will be placed near tent and removed through the day and finally removed completely at end of shift which should come no later than 6PM; this space should include enough space to park the trailer that will transport and store the actual kayaks and pick up towing such equipment.

Proposal for monthly rent: for such space AKE is willing to pay a monthly rent of \$500 a month for the period of the initial lease with an option to renew at no more than a 20% increase at time of renewal.

Community Benefits Agreement:

AKE will benefit the community by creating more than a dozen local jobs during the first year in operation, committing to hire from the towns of Naguabo and Ceiba, before considering anyone else from the remaining surrounding town on the east coast. In addition, AKE will offer a 15% discount on any services or activities for the residents of this areas wanting to participate in the tours offered with proper identification. AKE commits to participate and or offer classes and free workshops to residents of the towns of Eastern Puerto Rico students. Involvement in improvements to sporting, educational and community facilities within the communities near the former Naval Station Roosevelt Roads.

Start-up Funding

Start-up Expenses to Fund \$2,400

Start-up Assets to Fund \$57,600

Total Funding Required \$60,000

Assets

Non-cash Assets from Start-up \$13,000

Cash Requirements from Start-up \$44,600

Additional Cash Raised \$0

Cash Balance on Starting Date \$44,600

Total Assets \$57,600

Liabilities and Capital

Liabilities

Current Borrowing \$0

Long-term Liabilities \$0

Accounts Payable (Outstanding Bills) \$0

Other Current Liabilities (Interest-free) \$0

Total Liabilities \$0

Capital

Planned Investment

Jane Diaz \$30,000

Jeffrey Chicco \$30,000

Additional Investment Requirement \$0

Total Planned Investment \$60,000

Loss at Start-up (Start-up Expenses) (\$2,400)

Total Capital \$57,600

Total Capital and Liabilities \$57,600

Total Funding \$60,000

Start-up

Requirements

Start-up Expenses

Legal \$0

Stationery etc. \$50

Brochures \$100
Consultants \$0
Insurance \$500
Rent \$450
Research and Development \$400
Website Development \$500
Office Equipment \$400
Other \$0
Total Start-up Expenses \$2,400
Start-up Assets
Cash Required \$44,600
Other Current Assets \$0
Long-term Assets \$13,000
Total Assets \$57,600
Total Requirements \$60,000

Services

AKE will position itself as a niche service provider within the outdoor adventure sports tourism market. It will offer high-quality outdoor adventure sports tourism for extreme sporting activities. To begin AKE will offer two trips per day: the first one accommodating 5 fishing kayaking customers and the second accommodating 10 nature/snorkeling kayaking customers.

The target market will be made up of young professionals who work and play hard. These people can afford to play expensively, and are willing to buy time in the form of our services. AKE will serve the nature-adventure niche market as a top quality, nature adventure provider. AKE defines quality by the unique aspects of the services offered. Those aspects include booking group or custom trips, assistance with lodging, providing top-of-the-line equipment and supplies, and a superior service offering with access to pristine waters.

The tours to be offered are as follows:

All adventures involve at least half a day to a full day long nature-adventure excursions. There can be a maximum of ten people per group for the nature or snorkeling trips. Local guides residing in the surrounding town of Ceiba and Naguabo will be hired as these are the most qualified individuals to tour the waters in their own backyards; guides are individuals currently in the industry in their respective towns.

Proposed Routes:

Initially, we will start with the proposed routes in Ensenada Honda and Bahía Puerca as set by DRNA in order to maintain the integrity of the ecosystem; as we explore the area during active tours and we come across routes offering more suited areas to explore, therefore offering more exceptional experiences to the customer; we will contact the appropriate authorities for proper permissions and proposals of any if we choose to change routes.

Market Analysis Summary

The outdoor adventure sports tourism industry is an upward growth industry. There are several reasons for this increase. First, a relative healthy domestic economy over the last several years and the devaluation of currency in other regions has made travel less expensive for U.S. residents. Pleasure travel has increased by 3.2% in 2009 and is predicted to grow 2.0% in 2010. Second, the healthy economy has increased business, which in turn boosted domestic business travel 4.8% in 2009 with an estimated increase of 3.6% in 2010.

Adventure travel is a growing segment of the outdoor adventure sports tourism industry. One theory of the recent increase in extreme sports has to do with the strong competitive nature of younger Americans. Statistics show that 8,000 U.S. companies (that offer adventure packages) generated \$7 billion in 2009. There also has been a 66% increase in executive participation between 1996 and 2010 (or an increase of 2,000 participants)(La Franco, Robert. Forbes, Feb 9, 1998 v161 n3 p168 (3)).

Some quick facts:

- Adventure travelers: More than 50% of the U.S. adult traveling population, or 147 million people, have taken an adventure trip in their lifetime (98 million in the past five years). Thirty-one million adults have engaged in nature-adventure activities like white-water rafting, scuba diving and mountain biking. An additional 25 million engaged in both a hard- and soft-adventure activity. Six-percent of those who participated in adventure trips spent more than \$2,500.
- Activities most commonly participated in during adventure vacations: camping (85%), hiking (74%), skiing (51%), snorkeling or scuba diving (30%), sailing (26%), kayaking or white-water rafting (24%), and biking trips (24%).
- Biking vacations: Twenty-seven million travelers with customers that tend to be young and affluent. Ages 18-34 and one-fourth are from household's w/annual income of \$75,000 or above.

4.1 Market Segmentation

AKE's target customers are high income (min. \$75,000 for single person), health-conscious individuals interested in popular nature-adventure sports such as skiing, white-water sports and mountain biking. The major purchasers are located in urban areas within these United States cities.

Customer Location (within the United States):

1. California
2. Florida
3. New York
4. Texas
5. Illinois
6. Nevada
7. Hawaii
8. New Jersey
9. Pennsylvania
10. Georgia

Nature-adventure travelers are more likely to be men. Therefore, AKE's primary target market for nature-adventure sports is men between the ages of 18-34. However an increasing number of nature-adventure travelers are women

(some statistics suggest that women comprise 49% of the nature-adventure market). Men, on average, spend more than women on their adventure travels.

Customers will be reached through traditional marketing communication methods. Information has been located relating to specific profiles of both hard- and soft-adventure travelers, where they live, work, what they do, etc. Research suggests that many of our target customers, and travelers in general, are Internet savvy. As such, the Internet will serve as an appropriate and effective medium of communication. Many adventure travelers purchase over the Internet or buy through travel agents. Purchase decisions are influenced by the amount of disposable income held, family issues, and the economy of a given year.

AKE will be targeting two specific groups:

1. High-income health-conscious individuals.
2. Young, active "trustafarians."

The common elements between these two groups are money and a love for adventures. Group one has a lot of money from income that they earn. Group two has a lot of disposable income because the money was given to them, typically by members of their family. The second group, the trustafarians, is a very small group relative to the first group.

Market Analysis

		Year 1	Year 2	Year 3	Year 4	Year 5	
Potential Customers	Growth						CAGR
High-income Health-conscious Individuals	12%	750,000	840,000	940,800	1,053,696	1,180,139	12.00%
Young, Active Trustafarians	5%	137,500	154,000	172,480	193,177	216,607	5.00%
Total	10.19%	887,000	994,000	1,113,280	1,246,873	1,396,746	10.19%

4.2 Target Market Segment Strategy

AKE will promote/position itself as a differentiated provider of nature-adventure travel, and will price accordingly within the chosen service niche.

AKE is targeting this special population for several reasons:

1. This segment, up until now, has been underserved.
2. This market segment traditionally spends a fair amount of money on adventure trips.
3. This target segment seems to be willing to pay a premium for a top-shelf adventure excursion.

Methods of communication will include direct mail, magazine advertising, personal selling to USA based travel agents and WWW presence. Continuous magazine advertising will be costly. Initially the use of direct mail, and personal selling will be employed. These methods of communication will be tailored to reach our target segment.

4.3 Service Business Analysis

As operations progress, AKE will continue to measure our progress relative to competitors and to the growth of the market(s) in which we operate. Though the primary target market has been defined, there may be new possibilities to serve additional segments. As the product is defined, and the strategy differentiation is defined based on competitive strengths, AKE will be better able to determine whether adjustments in positioning are necessary. Access to important information concerning the market, competitors, etc., is available. However it is not free. For the purposes of this project, we feel it is unnecessary to incur additional expense.

The marketing strategy will be to develop long-term relationships with customers. We will keep a database from which to obtain important demographic and psychographic information. As the business becomes profitable, plans will be implemented to expand. There is virtually no limit to the number and variety of trips AKE can provide. Trips can take place on every continent and in most countries. The goal is to establish AKE as an international provider of top-of-the-line nature-adventure travel.

4.3.1 Competition and Buying Patterns

Strengths and weaknesses of the competitors:

The competitors in this market are of two primary types. First there is the outdoor adventure sports provider who specializes in a single type of nature-adventure activity such as bio bay kayaking or tarpon fishing. They typically serve clients who purchase trips for less than \$750 (and closer to the mean purchase price of around \$200). Their strength is their expertise in a given sport. Their weakness is that they provide an undifferentiated product in a competitive market. In addition, they do not have the resources, ability or desire to target and/or accommodate a customer demanding more accommodation and a more /adventure-oriented service.

Companies that offer higher-priced, more deluxe packages generally provide a "soft" adventure. The activities are more along the lines of sightseeing and low-risk alternatives. The advantages these companies have include established reputations, extensive knowledge of the industry, and key personnel and management. Some have been in operation for more than twenty years. They are familiar with local service providers and have established strategic relationships.

Disadvantages to us:

- It may be difficult to price ourselves competitively when we first enter the market.
- Most of AKE's activities are year round. Recurring revenue will depend upon successful trips during low-season on the island.
- The weather for a given year is hard to predict. Poor conditions will threaten the success of trips. Unforeseen occurrences such as inadequate water conditions could affect the viability of activities.

Closely related competitors:

Any bio-bay provider: These are well-established providers. Their focus is mainly on "soft" adventure packages such as bio-bay kayaking, bio bay boat trips and sightseeing, etc. However they do offer a "Connoisseur" line of packages. These are generally priced starting from \$45-200. Some of their packages include biking and hiking, however most are touring packages.

Competing or substitute products:

There are many activities and types of travel available to people contemplating a vacation. Theme parks, motorhome trips, and cruises are just a few. Substitutes could include less expensive, self-planned trips, trips geared towards soft-travel, adventure trips involving hunting or fishing as primary activities, or exclusive adventure trips such as personal submarine tours of the Titanic or a trip around the world in a Leer Jet. Many activities that take place outside and involve some level of risk could be seen as nature-adventure competition.

Another alternative is to do nothing. Consumers do not have to vacation. They may opt to spend the money they would have otherwise spent on a vacation on something else.

Strategy and Implementation Summary

AKE will be going after the upper-end of the nature-adventure market. This market up until now has been underserved, there are nature-adventure tour companies, but none that are catering to the deluxe spectrum. With the adventuring traveling industry steadily increasing, AKE sees a unique opportunity.

AKE's main objective in its marketing and sales activity is to make the impression on prospective customers that AKE offers a higher level of service relative to any other provider of nature-adventure tours. This will be communicated through all of the different media that we use. If AKE can make the impression that our trips are truly different and superior, then our research indicates that there will be steady demand.

Once AKE has clients signed up and participating on our trips, it will rely on superior customer attention and service to impress and retain clients for future trips. Developing long-term relationships will be the key to steady growth.

5.1 Competitive Edge

The competitive edge in our services is the access we provide to popular nature adventure sports without the budget constraint of typical travelers. That is, most travelers are looking to spend less than nature adventure sports without the budget constraint of typical travelers. The majority of providers cater to these people. AKE intends to use the same service providers but provide more exclusive trips. In addition, the adventure activities will be better than average because the clients have more money. They won't get stuck with people they don't like; they will get access to the best terrain, sections of ocean, lakes, rivers, etc. AKE's activities are very popular. AKE's target market has no problem spending \$4,000 per week on a vacation. Moreover, they generally make this type of activity an annual event.

5.2 Sales Strategy

The sales strategy is to create long-term relationships with customers through superior service. The intent is to initially target the primary customer group. This group has been defined as persons who have purchased, or are likely to purchase, a "nature-adventure" vacation for over \$2,500.

The trips planned are designed with the affluent adventure traveler in mind. All marketing efforts will include trips geared towards corporate clients, Eco-tourism or nature-adventure trips for people who want to spend less money. Target customers will be identified through standard research methods. There are a number of publications available that contain profiles of Adventure travelers.

Methods by which we will contact customers will depend on results of marketing/sales research. We will likely use trade or special interest magazines, direct mail, Web-based communication, and personal selling. In addition printed materials will be made available to customers through travel agencies that cater to the adventure target market. Initially, service will be introduced regionally, and possibly nationally. Sales will be extended into the global market within a few years of operation.

Our services are year-round. Recurring revenue will be dependent upon successful trips involving a variety of activities offered year-round. We hope to promote out of season services through frequent customer contact and our own publication, most likely a magazine blog of some sort. We will review up-and-coming trips, offer highlights of past trips and try to do other creative articles, giveaways, customer profiles, etc.

Most sales will occur at the retail level. The sales that occur between customers and travel agencies will be discounted appropriately, approximately 15%. Transactions will occur as the result of customer contact in response to communication efforts. In addition, AKE will engage in personal selling.

5.2.1 Sales Forecast

Sales Forecast

	Year 1	Year 2	Year 3
Sales			
Kayak Fishing	\$360,000	\$500,000	\$570,000
Nature Kayaking	\$140,000	\$260,000	\$310,000
Snorkeling Kayaking	\$100,000	\$200,000	\$240,000
Total Sales	\$600,000	\$960,000	\$1,120,000
Direct Cost of Sales			
	Year 1	Year 2	Year 3
Kayak Fishing	\$0	\$0	\$0
Nature Kayaking	\$40,000	\$70,000	\$78,000
Snorkeling Kayaking	\$28,000	\$50,000	\$64,000
Subtotal Direct Cost of Sales	\$68,000	\$120,000	\$142,000

5.3 Milestones

AKE will have several milestones early on:

1. Business plan completion. This will serve as a roadmap for the organization. While AKE does not need a business plan to raise capital, it will be an indispensable tool for the ongoing performance and improvement of the company.
2. Set up the office. This will be the main/only office located in Ceiba, PR.
3. Develop the training program. This program will be used to train the leaders of our trips.
4. Completion of first trip.
5. Completion of fiftieth trip.

Milestones

Milestone	Start Date	End Date	Budget	Manager	Department
Business Plan Completion	3/20/2014	5/9/2014	\$0	Jane	Marketing
Office Set-up	6/9/2014	7/9/2014	\$0	Jane	Department
Develop Leadership Training Program	5/9/2014	7/9/2014	\$0	Jeffrey	Department
Completion of First Trip	8/9/2014	8/9/2014	\$0	Jeffrey	Department
Completion of 50th Trip	8/9/2014	10/15/2014	\$0	Jeffrey	Department
Totals			\$0		

Management Summary

The two founders of AKE are Juanita (Jane) Diaz and Jeffrey Chicco. They will occupy management roles within AKE, as well as being the specialist in at least one type of nature-adventure activity and being responsible for the management and operation of key functional areas.

Juanita (Jane) Diaz, Business Development, Sales and Reservations Manager: Jane received her Bachelor of Arts in business administration from the University of North Texas in, Denton, Texas. She completed her Masters of Human Resources at the University of Texas in Austin, Texas. Jane has worked for various fortune 500 companies in a Human Resources capacity as well as in Operations. Jane has also operated her own consulting firm offering a range of services from hospitality consulting to developing talent acquisition and customer relations departments from the ground up.

Jeffrey's expertise in ocean kayaking comes from years of working for various service providers throughout Puerto Rico and practicing the sport as a hobby. Jeffrey has worked in various high end resort hotels throughout Puerto Rico providing top of the line customer service and interacting with high end clients of the hotel, including high profile people and celebrities alike. Jeffrey's extra-curricular activities are based upon his love for the outdoors. The AKE business concept is a reflection of this desire.

Though the founding members intend to take an active role in the operation of AKE, additional management will be sought out. AKE is open to assistance from experienced managers associated with venture capital providers.

6.1 Personnel Plan

The following table shows the personnel plan for AKE.

Personnel Plan	Year 1	Year 2	Year 3
Jane Diaz	\$30,000	\$30,000	\$30,000
Jeffrey Chicco	\$30,000	\$30,000	\$30,000
Kayaking Personnel	\$70,000	\$150,000	\$170,000
Total People	4	19	19
Total Payroll	\$130,000	\$210,000	\$230,000

Financial Plan

The following subtopics will provide more financial information.

7.1 Projected Cash Flow

The following figures indicate projected cash flow.

Cash Flow	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	\$600,000	\$960,000	\$1,120,000
Subtotal Cash from Operations	\$600,000	\$960,000	\$1,120,000
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0

New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$600,000	\$960,000	\$1,120,000
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	\$368,000	\$535,000	\$615,000
Bill Payments	\$168,145	\$245,468	\$305,745
Subtotal Spent on Operations	\$536,145	\$780,468	\$920,745
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$536,145	\$780,468	\$920,745
Net Cash Flow	\$63,855	\$179,532	\$199,255
Cash Balance	\$108,455	\$287,987	\$487,243

7.2 Important Assumptions

See the following figures for general assumptions.

General Assumptions

	Year 1	Year 2	Year 3
Plan Month	1	2	3
Current Interest Rate	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%
Tax Rate	25.42%	25.00%	25.42%

7.3 Break-even Analysis

This Break-even Analysis explanation, below, project the figures for monthly sales break even.

Break-even Analysis

Monthly Revenue Break-even \$43,114

Assumptions:

Average Percent Variable Cost 11%

Estimated Monthly Fixed Cost \$38,228

7.4 Projected Profit and Loss

The following table indicates the projected profit and loss.

Profit and Loss	Year 1	Year 2	Year 3
Sales	\$600,000	\$960,000	\$1,120,000
Direct Cost of Sales	\$68,000	\$120,000	\$142,000
Total Cost of Sales	\$68,000	\$120,000	\$142,000
Gross Margin	\$532,000	\$840,000	\$978,000
Gross Margin %	88.67%	87.50%	87.32%
Expenses			
Payroll	\$368,000	\$535,000	\$615,000
Sales and Marketing and Other Expenses	\$21,000	\$0	\$0
Depreciation	\$4,332	\$4,332	\$4,332
Leased Equipment	\$0	\$0	\$0
Utilities	\$0	\$0	\$0
Insurance	\$4,800	\$4,800	\$4,800
Rent	\$5,400	\$5,400	\$5,400
Payroll Taxes	\$55,200	\$80,250	\$92,250
Other	\$0	\$0	\$0
Total Operating Expenses	\$458,732	\$629,782	\$721,782
Profit Before Interest and Taxes	\$73,268	\$210,218	\$256,218
EBITDA	\$77,600	\$214,550	\$260,550
Interest Expense	\$0	\$0	\$0
Taxes Incurred	\$17,825	\$52,555	\$65,122
Net Profit	\$55,443	\$157,664	\$191,096
Net Profit/Sales	9.24%	16.42%	17.06%

7.5 Projected Balance Sheet

The following will indicate the projected balance sheet.

Balance Sheet	Year 1	Year 2	Year 3
Assets			
Current Assets			
Cash	\$108,455	\$287,987	\$487,243
Other Current Assets	\$0	\$0	\$0
Total Current Assets	\$108,455	\$287,987	\$487,243
Long-term Assets			
Long-term Assets	\$13,000	\$13,000	\$13,000
Accumulated Depreciation	\$4,332	\$8,664	\$12,996

Total Long-term Assets	\$8,668	\$4,336	\$4
Total Assets	\$117,123	\$292,323	\$487,247
Liabilities and Capital	Year 1	Year 2	Year 3
Current Liabilities			
Accounts Payable	\$4,080	\$21,617	\$25,444
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$4,080	\$21,617	\$25,444
Long-term Liabilities	\$0	\$0	\$0
Total Liabilities	\$4,080	\$21,617	\$25,444
Paid-in Capital	\$60,000	\$60,000	\$60,000
Retained Earnings	(\$2,400)	\$53,043	\$210,706
Earnings	\$55,443	\$157,664	\$191,096
Total Capital	\$113,043	\$270,706	\$461,802
Total Liabilities and Capital	\$117,123	\$292,323	\$487,247
Net Worth	\$113,043	\$270,706	\$461,802

7.6 Business Ratios

Business ratios for the years of this plan are shown below. Industry profile ratios based on the Standard Industrial Classification (SIC) code 4725, Tour Operators, are shown for comparison.

Ratio Analysis

	Year 1	Year 2	Year 3	Industry Profile
Sales Growth	0.00%	60.00%	16.67%	4.00%
Percent of Total Assets				
Other Current Assets	0.00%	0.00%	0.00%	42.80%
Total Current Assets	92.60%	98.52%	100.00%	65.80%
Long-term Assets	7.40%	1.48%	0.00%	34.20%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	3.48%	7.39%	5.22%	33.10%
Long-term Liabilities	0.00%	0.00%	0.00%	16.40%
Total Liabilities	3.48%	7.39%	5.22%	49.50%
Net Worth	96.52%	92.61%	94.78%	50.50%

Percent of Sales

Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	88.67%	87.50%	87.32%	40.10%
Selling, General & Administrative Expenses	79.51%	71.08%	70.16%	30.80%
Advertising Expenses	0.00%	0.00%	0.00%	0.80%
Profit before Interest and Taxes	12.21%	21.90%	22.88%	1.20%

Main Ratios

Current	26.58	13.32	19.15	1.66
Quick	26.58	13.32	19.15	1.29
Total Debt to Total Assets	3.48%	7.39%	5.22%	49.50%
Pre-tax Return on Net Worth	64.81%	77.66%	55.48%	2.70%
Pre-tax Return on Assets	62.56%	71.91%	52.58%	5.30%
Additional Ratios	Year 1	Year 2	Year 3	
Net Profit Margin	9.24%	16.42%	17.06%	n.a
Return on Equity	49.05%	58.24%	41.38%	n.a
Activity Ratios				
Accounts Payable Turnover	42.21	12.17	12.17	n.a
Payment Days	33	18	28	n.a
Total Asset Turnover	5.12	3.28	2.30	n.a
Debt Ratios				
Debt to Net Worth	0.04	0.08	0.06	n.a
Current Liab. to Liab.	1.00	1.00	1.00	n.a
Liquidity Ratios				
Net Working Capital	\$104,375	\$266,370	\$461,798	n.a
Interest Coverage	0.00	0.00	0.00	n.a
Additional Ratios				
Assets to Sales	0.20	0.30	0.44	n.a
Current Debt/Total Assets	3%	7%	5%	n.a
Acid Test	26.58	13.32	19.15	n.a
Sales/Net Worth	5.31	3.55	2.43	n.a
Dividend Payout	0.00	0.00	0.00	n.a

Sales Forecast

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Sales													
Heli-skiing	0%	\$0	\$0	\$0	\$0	\$0	\$120,000	\$0	\$0	\$120,000	\$120,000	\$0	\$0
White-water Rafting	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$70,000	\$0	\$70,000	\$0	\$0
Mountain Biking	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$50,000	\$0	\$0	\$0	\$0
Other	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sales		\$0	\$0	\$0	\$0	\$0	\$120,000	\$50,000	\$120,000	\$120,000	\$190,000	\$0	\$0
Direct Cost of Sales	Month	1 Month	2 Month	3 Month	4 Month	5 Month	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Heli-skiing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
White-water Rafting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000	\$0	\$20,000	\$0	\$0	\$0
Mountain Biking	\$0	\$0	\$0	\$0	\$0	\$0	\$14,000	\$14,000	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Direct Cost of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$14,000	\$34,000	\$0	\$20,000	\$0	\$0	\$0

Personnel Plan

		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Jane Diaz	0%	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Jeffrey Chicco	0%	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Captain	0%	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Kayaking Personnel	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000	\$35,000	\$0	\$0	\$0	\$0
Total People		2	2	4	4	9	9	14	9	14	4	4	
Total Payroll		\$7,500	\$7,500	\$7,500	\$9,500	\$9,500	\$49,500	\$44,500	\$79,500	\$49,500	\$84,500	\$9,500	\$9,500

General Assumptions

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Plan Month	1	2	3	4	5	6	7	8	9	10	11	12
Current Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate	30.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%

Profit and Loss

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales	\$0	\$0	\$0	\$0	\$0	\$120,000	\$50,000	\$120,000	\$120,000	\$190,000	\$0	\$0
Direct Cost of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$14,000	\$34,000	\$0	\$20,000	\$0	\$0
Total Cost of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$14,000	\$34,000	\$0	\$20,000	\$0	\$0
Gross Margin	\$0	\$0	\$0	\$0	\$0	\$120,000	\$36,000	\$86,000	\$120,000	\$170,000	\$0	\$0
Gross Margin %	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	72.00%	71.67%	100.00%	89.47%	0.00%	0.00%
Expenses												
Payroll	\$7,500	\$7,500	\$7,500	\$9,500	\$9,500	\$49,500	\$44,500	\$79,500	\$49,500	\$84,500	\$9,500	\$9,500
Sales and Marketing and Other Expenses	\$0	\$0	\$0	\$0	\$0	\$5,000	\$1,500	\$3,000	\$5,000	\$6,500	\$0	\$0
Depreciation	\$361	\$361	\$361	\$361	\$361	\$361	\$361	\$361	\$361	\$361	\$361	\$361
Leased Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400
Rent	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450
Payroll Taxes 15%	\$1,125	\$1,125	\$1,125	\$1,425	\$1,425	\$7,425	\$6,675	\$11,925	\$7,425	\$12,675	\$1,425	\$1,425
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$9,836	\$9,836	\$9,836	\$12,136	\$12,136	\$63,136	\$53,886	\$95,636	\$63,136	\$104,886	\$12,136	\$12,136
Profit before Interest and Taxes	(\$9,836)	(\$9,836)	(\$9,836)	(\$12,136)	(\$12,136)	\$56,864	(\$17,886)	(\$9,636)	\$56,864	\$65,114	(\$12,136)	(\$12,136)
EBITDA	(\$9,475)	(\$9,475)	(\$9,475)	(\$11,775)	(\$11,775)	\$57,225	(\$17,525)	(\$9,275)	\$57,225	\$65,475	(\$11,775)	(\$11,775)
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	(\$2,951)	(\$2,459)	(\$2,459)	(\$3,034)	(\$3,034)	\$14,216	(\$4,472)	(\$2,409)	\$14,216	\$16,279	(\$3,034)	(\$3,034)
Net Profit	(\$6,885)	(\$7,377)	(\$7,377)	(\$9,102)	(\$9,102)	\$42,648	(\$13,415)	(\$7,227)	\$42,648	\$48,836	(\$9,102)	(\$9,102)
Net Profit/Sales	0.00%	0.00%	0.00%	0.00%	0.00%	35.54%	-26.83%	-6.02%	35.54%	25.70%	0.00%	0.00%

Cash Flow

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
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Accumulated Depreciation	\$0	\$361	\$722	\$1,083	\$1,444	\$1,805	\$2,166	\$2,527	\$2,888	\$3,249	\$3,610	\$3,971	\$4,332
Total Long-term Assets	\$13,000	\$12,639	\$12,278	\$11,917	\$11,556	\$11,195	\$10,834	\$10,473	\$10,112	\$9,751	\$9,390	\$9,029	\$8,668
Total Assets	\$57,600	\$50,715	\$44,281	\$37,372	\$28,738	\$20,370	\$90,326	\$68,272	\$88,897	\$112,332	\$189,020	\$125,491	\$117,123

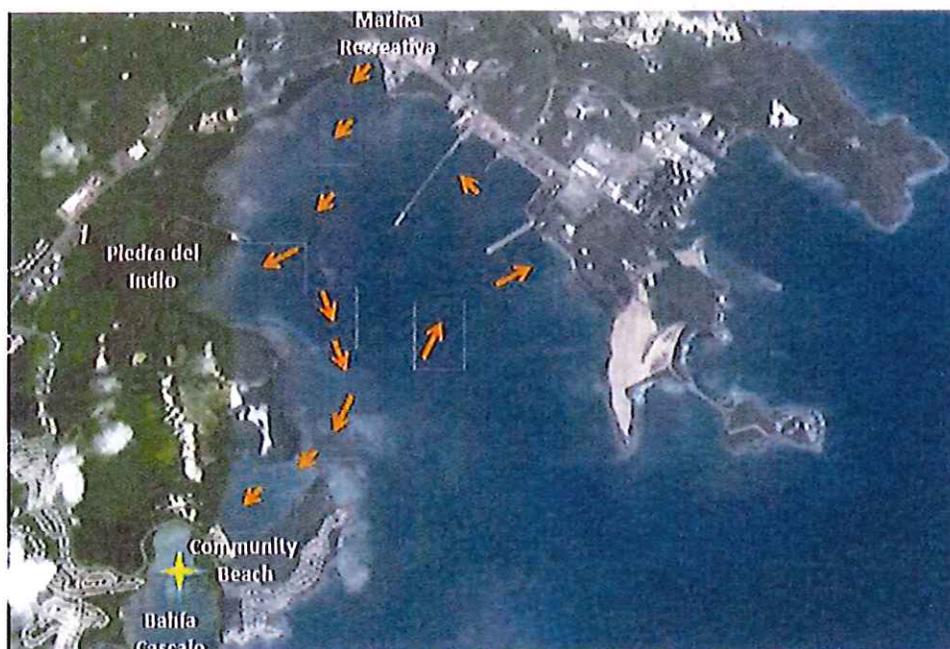
Liabilities and Capital		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Current Liabilities													
Accounts Payable	\$0	\$0	\$943	\$1,411	\$1,879	\$2,613	\$29,921	\$21,281	\$49,134	\$29,921	\$57,773	\$3,346	\$4,080
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$0	\$0	\$943	\$1,411	\$1,879	\$2,613	\$29,921	\$21,281	\$49,134	\$29,921	\$57,773	\$3,346	\$4,080
Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$0	\$0	\$943	\$1,411	\$1,879	\$2,613	\$29,921	\$21,281	\$49,134	\$29,921	\$57,773	\$3,346	\$4,080
Paid-in Capital	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Retained Earnings	(\$2,400)	(\$2,400)	(\$2,400)	(\$2,400)	(\$2,400)	(\$2,400)	(\$2,400)	(\$2,400)	(\$2,400)	(\$2,400)	(\$2,400)	(\$2,400)	(\$2,400)
Earnings	\$0	(\$6,885)	(\$14,262)	(\$21,639)	(\$30,741)	(\$39,843)	\$2,805	(\$10,610)	(\$17,837)	\$24,811	\$73,647	\$64,545	\$55,443
Total Capital	\$57,600	\$50,715	\$43,338	\$35,961	\$26,859	\$17,757	\$60,405	\$46,990	\$39,763	\$82,411	\$131,247	\$122,145	\$113,043
Total Liabilities and Capital	\$57,600	\$50,715	\$44,281	\$37,372	\$28,738	\$20,370	\$90,326	\$68,272	\$88,897	\$112,332	\$189,020	\$125,491	\$117,123
Net Worth	\$57,600	\$50,715	\$43,338	\$35,961	\$26,859	\$17,757	\$60,405	\$46,990	\$39,763	\$82,411	\$131,247	\$122,145	\$113,043

esta certificación que se pueden diferenciar los diversos operadores de excursiones que hay en el mercado y le permite a los clientes/turistas conocer cuales cumplen con la Compañía de Turismo.

Recomendaciones del DRNA y Para la Naturaleza

Ubicación de lugares donde podrían establecerse pequeños comerciantes relacionados a las áreas de conservación en Roosevelt Roads. Existen dos zonas generales donde el DRNA ve potencial de desarrollo de empresas de pequeños comerciantes a corto plazo dentro de las áreas propiedad de la Autoridad en los terrenos circundantes a Ensenada Honda y en Bahía Puerca.

1. Ensenada Honda



→ Posible Ruta Kayaks -- Ensenada Honda

★ Posible Área de Snorkeling - Bahía Cascajo

- Se propone redesarrollar toda la zona relacionada a la marina deportiva y a su vez, promover el desarrollo de una villa pesquera.
- Esta zona es propicia para fomentar empresas de alquiler y excursiones en kayaks, alquiler y excursiones en bicicletas, paseos en lancha y venta de equipo y carnada para la pesca recreativa. A su vez, podrían establecerse restaurantes y tiendas de venta de productos y recordatorios.
- En los paseos en kayaks se podrían ir a observar los petroglifos de la Piedra del Indio desde el agua y se podría llegar hasta algunas playas que circundan Ensenada Honda, como el "Community Beach" y otras. En la playa de "Community Beach" se puede cruzar hacia Bahía Cascajo, donde el Plan de Manejo del ANPMMD propone desarrollar una vereda acuática sumergida. Esta zona podría ser de interés para aquellos visitantes que disfrutan del "snorkeling".

- Es importante aclarar que el DRNA no recomienda el uso de kayaks en Ensenada Honda a menos que se establezca e implemente un sistema de boyas, rotulación de velocidad y demás regulaciones para garantizar la seguridad de todos los usuarios del cuerpo de agua.

2. Bahía Puerca



← Posible Ruta Kayak – Bahía Puerca

- Cuenta con varias de las playas más frecuentadas por los que antes vivían en la antigua base naval, "Enlisted Men's Beach", "All Hands Beach" y "Officer's Beach". En la parte suroeste de Bahía Puerca, hay un pequeño cayo que antes era reconocido como un buen lugar para practicar el "snorkeling".
- Punta Puerca siempre ha sido un lugar de primer orden para aquellos que disfrutaban del "mountain bike". Puede desarrollarse una red de veredas para ciclistas que aprovechen de las oportunidades que brinda esta zona de alto valor ecológico.
- En el pasado Isla de Cabra tenía un pequeño faro y en colaboración con el Coast Guard (dueño de esta parcela), podría desarrollarse una vereda que interprete los pasados usos de este faro y aproveche las vistas panorámicas que hay desde esta isla.
- En algunas de las playas, todavía quedan parte de las estructuras utilizadas para su uso y disfrute, gazebos, "club house", restaurantes y baños públicos. Por consiguiente, recomendamos redesarrollar estas estructuras para propiciar la creación de diversas empresas, tales como empresas de alquiler y excursiones en kayaks, alquiler y excursiones en bicicletas, y venta de