
BUSINESS PLAN

Leisure & Love Coffee Shop

Pyraminx

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1. Exclusive summary

1.1 Opportunity

1.1.1 Problem

It is true that the young find it more difficult to find a partner in these days in China. Therefore, we want to set up a special coffee shop which provides blind date place to satisfy this demand.

Honestly speaking, we are not a completely coffee shop, but we make profits only on food. Also, we are totally different from the existing blind date service agency because we only provide a special place for customer to blind date based on their choices by using our unique layouts.

1.1.2 Solution

Our shop's name is "leisure& love", and it will locate on the third floor of the MIXC in Wenzhou, China. Here is brief introduction of the layout of our coffee shop and the map is at the end.

Our coffee shop is roughly divided into two parts. The first part is for customers to start basic communication. In this part you can choose to write or speak to communicate, but you cannot see each other. There are two rooms and every room has two rows of seats. Between the seats, there is a board which can block each other's sight so that the embarrassment of unknown people can be effectively eased.

If you two both have the intention to get to know each other, you can walk into the second part of place. The second part is for those who have the inclination to meet face to face, but you only have one hour to talk. There are some small tables where the people can meet and enjoy their coffee and dessert. Additionally, every table has a timer to control the time of the meeting. What is more, customers will have a discount if they consume at the second part of place. After talking, you can choose to leave or come back into the first part to talk with others.

If you do not want to talk with that guy, you can just sit in another seat. As you cannot see each other, you do not need to worry about how to refuse others.

1.1.3 Target market

Our primary market is the single people in China, and the size of market is huge because nowadays people more concentrate on their education and career. Hence, as the demand increasing, the industry will provide more style for the single people to date and find the mate, so we are just following this trend.

1.1.4 Competition and Competitive Advantage

Compared with other shops, our layout is unique. First, with the help of the layout, customers can have more choices than the one-to-one blind date. Also, it is important that the board between

them can reduce the pressure of the conversation and they won't feel embarrassed if they want to leave.

Third, we have a better privacy protection than others because the customers can only share

information by themselves. Finally, even the shy people can have a pleased conversation because

they can communicate by writing. In general, our novel way of meeting may differentiate us from

other shops and that is also the reason the customer come to our coffee shop.

1.1.5 Why Us?

First, we think we are the right persons to set up such a company because we are making solutions

for the problems we may have after several years. Also, it is true that many people around us are

bothered by the problem that they have no right person to marry. We are trying to solve these

headaches and make people feel happy. Third, as business students, we are practicing what we have

learned from the school and putting them into real life.

1.2 Expectations

1.2.1 Forecast

Our customers may come to our shop on weekdays or weekends and holidays. We assume that

our customer flow is 30 per weekday and each customer will spend 50 RMB. The operation details

are showing in cash flow. Through calculation we expect our revenue may reach 290 thousand RMB

in the first year. It might be difficult but our calculation shows that our shop will be profitable in the latter half of the first year.

1.2.2 Financing Needed

In order to open our shop successfully, we need approximately 280 thousand RMB which is based on our calculation and we will explain it through our business plan. Fortunately, in China, we are college students; we can ask the government and big banks for no more than 500 thousand loans to fund our business. So we decided to make a loan of 290 thousand RMB. The possibility of asking for outside financing is low as our shop is new. However, if we can't get our shop started by using our own money, then we will try to get outside financing.

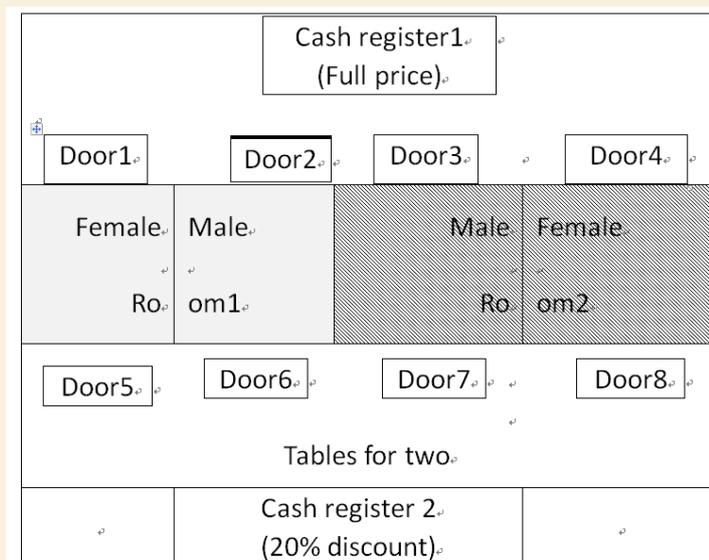


Figure1. Layout map

Leisure& Love Coffee Shop	
Budgeted Cash Flow (Yearly)	
(RMB in yuan)	
	2018
Cash flow from operations	
Net Income	286,434.50
Depreciation Expense	4,451.74
Increase in inventory	4,080.70
Increase in Added-value Tax	8,977.56
Cash flow from Investing Activities	
Purchase of equipment	21,897.50
Investment	281,155.01
Cash flow from Financial Activities	
Cash at the beginning	8,997.50
Net increase in cash	280,699.50
Cash at the end	289,697.00

Figure2. Cash Flow Statement

2. Company Description

2.1 Mission Statement

To maximize customer's leisure and help they find true love. Leisure& Love Coffee Shop will insist on these two objectives all the time. We are going to enter the market of coffee by offering the most satisfactory coffee, romantic atmosphere and unique dating service. We aim to build win-win relationships with our partners, employees, customers and the whole society by using the cost-effective coffee, making products with heart and serving everyone sincerely.

2.2 Brief Introduction

Leisure& Love Coffee Shop makes profit mainly depends on selling different types of coffee and desserts. Nowadays, more Chinese young people from 20 to 30-year-old find it hard to find suitable partners to build their long-time relationship. In order to combine this current society situation with our business and maximize our profit, we offer service as a self-matchmaker which hasn't been attempted by other coffeehouse in China.

2.3 Foundation of company

Leisure& Love Coffee Shop is planned to open in 2018, which means we have half of a year for preparation before we really start our business. Our coffee shop will be located in an approximately

120m²'s shop front in the MIXC, which is one of the most flourishing shopping malls in China. The average rent in the MIXC is 4.7 *RMB*/m²/day so that we need to pay 16380 *RMB* per month for our coffeehouse. This shopping mall is under the control of a company named China Resources.

According to fortune global 500 lists, this company is ranked at the 91st best corporation in the world, so our income and customer flow will be substantial. Meanwhile, the MIXC in Wenzhou is located beside the Wenzhou university town, which is another safeguard for our business because then our customers could be contained with many college students.

As the MIXC has already had Starbucks, Pacific Coffee and Sisyphe up Coffee on the 1st, 2nd, 4th and 5th floor, so we are going to open our shop on the 3rd floor to fill the vacancy. Refer to our demand of romantic atmosphere; the main decoration of our shop will be designed based on some light colors and we will design it by ourselves in order to highlight our unique styles and values.

3. Service and Product

3.1 Product

		Menu			
Love & Leisure					
Single Origin			Desserts		
	First Love (Hawaii Kona)	¥80		Macaroon	¥4
	Setimental Journey (Mandheling)	¥60		Puff Pastry	¥3
	Hold Hands (Colombian)	¥50		Coconut Ball	¥2.5
	Flat Light (Brazil)	¥55		Cookie (comined)	¥3
	Momery Precipitation (Blue Mou)	¥75		Nougat	¥2
				Chocolate	¥4
				Crisp Cream Pu	¥3
Fancy Coffee					
	Hidden Love (Irish Mist Coffee)	¥50		Ice Cream	¥5
	Thick Love (Java Mocha Coffee)	¥50		Mousse Cake	¥15
	Burning Love (Royal Coffee)	¥50	Other beverages		
	Courage (Chocolate Swiss Coffe)	¥50		free warm water	
	Encounter (Iced Latin Coffee)	¥50		milk	¥5
	Coming (Einspanner Coffee)	¥50			
	Paradise (Eden Coffee)	¥50			
	Green Elf (Green Tea Coffee)	¥50			
	The Last Straw (Mazagran Ameri)	¥50			

This is our coffee shop's menu. As you can see, we have two main categories of products. One is coffee and the other one is dessert.

As for Coffee, we divide it into three parts. First is the single origin coffee which made by siphon. The prices of this kind of coffee depend on the coffee beans we brought, so the price of each may have some differences. The second part, fancy coffee, is made by the espresso machine, using same coffee beans with other different ingredients. Because they all use the same coffee beans and the price of the ingredients put into it can be taken as same, we set all fancy coffees' prices as 50 RMB. In fact, the price of our coffee seems high comparing with other coffee shop, but we also count our service, blind date, in it. What is more, we give each coffee a name based on their tastes or their stories. For

example, we name Hawaii Kona first love because its sour taste and we give the name hidden love to Irish Mist coffee for its touching story.

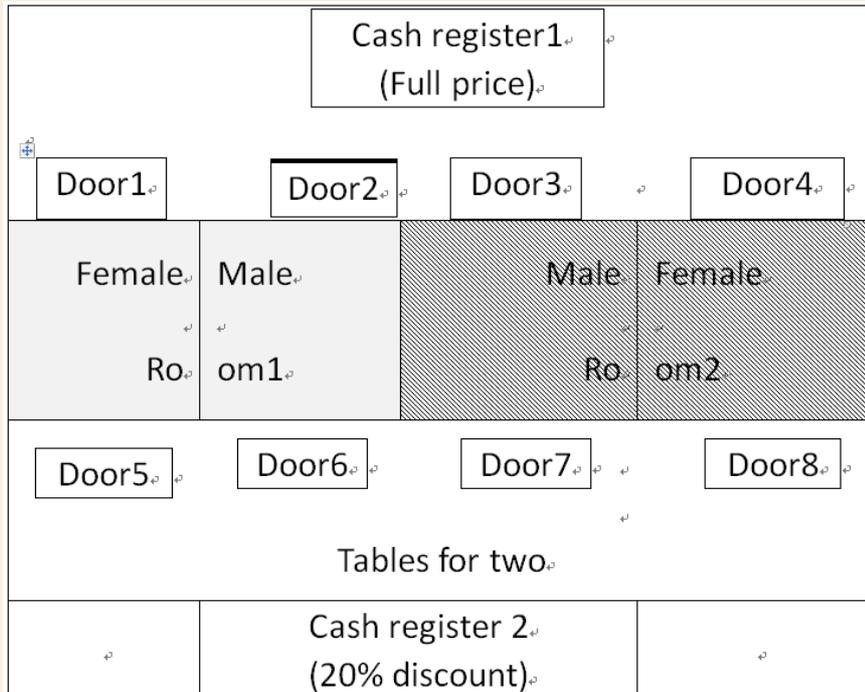
As for desserts, we have nine series of desserts and our tag price on the menu is for one piece. You can see that the prices of them are not high, that can be seen as a discount after buying our coffee. We only set a higher price of the desserts which are perishable.

Finally, it comes to the third category, other beverages. We provide warm water (free) and milk (5 RMB per bottle) to customers who have the need.

3.2 Service

3.2.1 Service Description

We are trying to provide our service via our special layout of the room. Please pay attention that only the customer who bought our coffee has the right to enjoy our service and we will provide special cards with unique number for customers to enjoy our blind date service. (The same map in the executive summary.)



How could a customer enjoy our service? Here is an example.

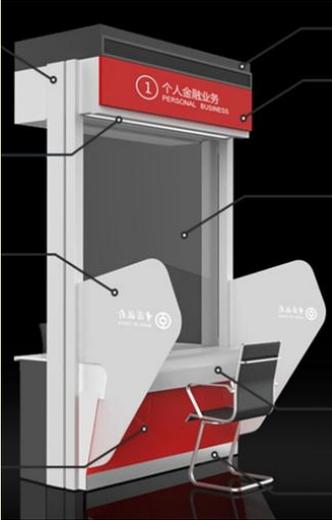
If I were a female customer, I first order a coffee at the first cash register. After I order the coffee, for instance, first love (Hawaii Kona), I get a card with the number 3. I can enter the door 1 or door 4 which are entrances for female. I first enter the room1 by the door 1, but unfortunately there are no seats. Hence, I enter the room 2 by door 4 and find a seat. The waiter comes and tells me the number of the males and females in the room 2 and tells me that if I can see a card in the hole of the desk, which means there has person in opposite desk. If I want to chat with him, I can just sit down or pick up a new desk, putting my card in the hole and waiting others come. I pick up one desk which has a card inside and sit down. Firstly, I knock the block just like knock a door and I hear the person in the opposite also knock the block. For the reason that I am a little shy, I initially use the pen and paper on

the desk to write something and put the paper into the hole to let him pick it. After some rounds, I think it is the time to say something, so I start to use my voice to communicate with him. However, after we talk a while, I find that the man is not the style I like, so I just say to him that may be it is the time to finish our conversation and then he can try to talk with other girls. The block in front of me helps me a lot, because usually it is hard for me to refuse others when they are looking at me. For we cannot see each other, I will feel more save and brave. Then I find a new seat and put my card in to wait others come. After some while, a new person comes and we start conversation again. I do not feel boring when I am waiting, because there are some books on the desk and I can enjoy my coffee at the same time. This time, I think I want to know more about him, so I ask him if I can have a drink with him. After getting his agreement, I walk out the door 7 into the public area and wait for someone walking out from the door 8. Then we sit in by choosing a table freely and get a further understanding of each other. After one hour, the waiter comes and reminds us to leave, because this is the rule for this public area. I am satisfied with this rule, because it will avoid embarrassment to ask for leaving. Finally, as I think it is enough for today, I get my bill and leave the shop.

3.2.2 Explanations

You may feel confused about the design of our desk, so we will explain it. Have you ever seen the

service desk in the bank before? I put a picture of the China Bank's service desk below. Our desks' basic structure is same as that but we put the wooden block between the desks instead of a piece glass.



Also, the hole I have motioned is the same as the picture I put below. Customers can transfer things by using the hole.



4. Marketing Plan

4.1 Industry analysis

Coffee, representing strength and passion in ancient Greek, whose popularity is no less than Chinese tea, is one of the three major beverages in the world. Chinese coffee industry has surged at the rate of 15% for several years. First, with the development of Chinese economy, more Chinese people have the ability to buy coffee in daily life. Second, following the pace of globalization, consumer's consumption is also becoming international and coffee is gradually accepted by Chinese people. As Chinese coffee industry just started since a few years ago, the market still has potential.

Not only the amount of coffee shop is increasing, but also the type of coffeehouse is more varied. Our shop is planned to found in the MIXC, where has already have several kinds of coffee shop. However, every coffee shop's market niche is differentiated. Starbucks, like McDonald's, provide a kind of "fast consumption" service in American and Europe style. Pacific Coffee focuses on a business style which gives customers best experience of holding trade talks. In terms of Sisyphus Coffee, this shop and Starbucks are opposites as it seeks the "slow consumption" in South Korea style. Finally, our Leisure& Love Coffee shop will put effort on specifically create a romantic style.

4.2 Target people

Our customers should have two characteristics. First, they must be fans of coffee otherwise they won't come to our shop. Second, they are supposed to have the ability to purchase our coffee. As we will choose the best raw material and sell hand-made coffee, our price certainly cannot be as cheap as instant coffee. Last, the most essential feature of our customers is that they must be single and that's also the meaning of our Leisure& Love's existence.

According to statistics from the Ministry of Civil Affairs of the People's Republic of China, the number of Chinese single males and females has hit 0.2 billion, which contributes around 15% of the Chinese population. Nowadays, the young have a more tolerant attitude towards other countries' culture and are more likely to try new things. From this standpoint, coffee is a good choice. Besides this, there is another important geographical advantage we can't ignore. As the MIXC is not far from campus, college students contribute a great proportion of our customers. Firstly, they are young so they are crazy about pursuing high quality life which may make them feel like true adults. Next, for college students, they are more inclined to coffee compared with Chinese traditional tea, because coffee seems friendlier in price. In addition, most Chinese people are somewhat shy and not as outgoing as people in other countries. At this time, our shop could be suitable for them to find their way in a shy person's way.

4.3 Publicity Strategy

Limited by the capital we have, we will pay more attention to on-line publicity. Social communication software is an effective weapon for us. Wechat public account is absolutely necessary for Chinese in recent years. So our first step is to build Leisure& Love Wechat public account. We will share our making process of coffee to our followers. For those who leave messages under our push notification, we will put some discount and prizes for them periodically.

Like Face book and Twitter abroad, we have Weibo in China which has huge influence among Chinese. We will create our Weibo account; put some beautiful and vivid coffee, desserts and our shop's pictures which may attract some customers. If our Weibo doesn't operate well, which means our account doesn't have many followers especially at the time we just start, we will pay money to increase our number of views and build a good image for potential customers. It has the same principle as putting advertisement on television. Only cost one RMB can make 500 Weibo accounts see our push.

Focusing on on-line publicity doesn't mean we abandon off-line publicity. Comparing with social media which can be used for a long-term business, our off-line actions are much briefer which will only be conducted during our opening phase. Meanwhile, the method is simple and traditional,

that is sending leaflets to pedestrians. Although this is an old-fashion way, it is still accessible

otherwise it won't have existed for such a long time and nowadays we can still see many people do

this.

5. Management

5.1 Leadership

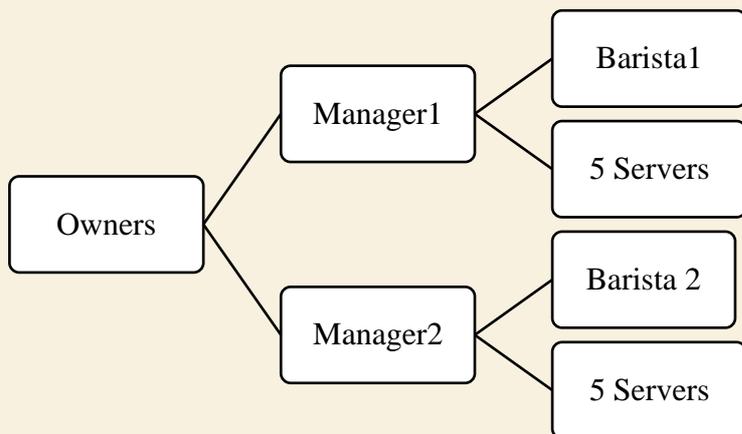
Leisure& Love is a partnership corporation. Both two owners will hold 50% ownership of this company equally and legally. Owners won't oversee the staffs directly but there will be two managers to do this. As for our shop is divided into two parts, so the managers will in charge of two parts respectively and reply to owners periodically. They should have the strong sense of responsibility because they need to concern much about the whole coffeehouse's operation. Therefore, their salary is relatively high: 4,000 *RMB* per month.

5.2 Staff

We always believe that every staff in our corporation has compulsory for the development of our coffee shop. The technical staffs will do jobs by using their professional skills such as making coffee and dessert. They must have the basic knowledge of using coffee machines and other materials, at the same time, they are supposed to have the enthusiasm to invent new kinds of drinks which can impart better experience to our customers and show the innovation of our company. Their salary is 3,000 *RMB* per month, which is higher than non-technological staffs because they are equipped with coffee making skills.

Non-technological staffs include cashiers and waiters. They should be outgoing and friendly because their attitudes can directly influence our customers. Due to the special function of the coffee shop's two parts, we can't use competition of revenue to increase their enthusiasm. But we also award bonus for them who perform well during work. Their basic salary is 2,500 RMB per month as they don't have technical skills. We also encourage college students to get a part-time job here as a waiter. Their time is more flexible so their wages are given by hours: 8 *RMB* per hour.

5.3 Organization form



6. Operation

We will use our cash-basis net income to show our operations.

6.1 Daily Operation:

1. In our one day's business, we will start our business at 9:00am and finish at 9:00pm.
2. We expect that there are 30 customers per day, and one cup of coffee cost 12 grams coffee beans. Also we set memory precipitation (Blue Mountain) and thick love (Java Mocha) as our most popular coffee types. Therefore, we make the assumption that every day we will sell 3 cups memory precipitation, 3 cups thick love and two cups of other types of coffee. Then, we can get our sales of coffee.
3. Also, we assume that half of our customers will order three or four desserts and five of them will order a bottle of milk. In this way, we can get the result of sales of dessert and sales of other beverages.
4. We use the price in the Taobao on March 12, 2017 to calculate the cost of goods sold and supplies expense. (More details can be found in the attachment.) Rent is calculated by 4.7 RMB per square per day. When it comes to electricity and water expense, we consulted one of the coffee shops in MIXC and got the result of 3000 RMB per month. Finally, the salaries expense

adds by three kinds of jobs in other shop. (2 managers: 4000 RMB; 2 baristas: 3000 RMB; 10 servers: 2500 RMB). The salaries we mention here is monthly salary, so when we calculate it, we will divide it by 30 days.

Our calculation is based on our assumptions.

6.2 Daily Cash-Basis Net Income

Cash-Basis Net Income Per Day	
Revenue	
	Sales of Coffee 1665
	Salea of Dessert 83
	Sales of Other Beverages 25
	1773
Expense	
	Cost of Good Sold 185
	Rent Expense 546
	Supllies Expense 2.966
	Salaries Expense 107
	Eletricity and Water Expense 100
	940.966
Net Income	832.034

Based on our research, for small-scale taxpayers, the Value-Added Tax rate is 3% of our net income and it will be shown on the income statement.

7. Financing:

We will get our loan from the government because Chinese government supports college students to create our own jobs and provides preferential policy to us. We refer to the government policy about college students self-employed on the government's website. It says that college students have a maximum loan of 500,000 RMB and should pay back it in three years with an interest rate of 6.40%.

We get the result of our needed loan of 201187.6 RMB by adding our equipment expense and rent expense of the first year. Considering that we may use some money to decoration, therefore, we decide to borrow 21000 RMB from the government to operate our business and we will pay back our money at the end of the third year (2020). As the loan is lump-sum payment, so we don't recognize it on our balance sheet.

8. Financial Projections

8.1 Income Statement

8.1.1 Income Statement (Monthly)

Leisure& Love Coffee Shop												
Budgeted Income Statement (Monthly)												
(RMB in yuan)												
	Jan, 2018	Feb, 2018	Mar, 2018	Apr, 2018	May, 2018	June, 2018	July, 2018	Aug, 2018	Sept, 2018	Oct, 2018	Nov, 2018	Dec, 2018
Sales of Coffee	¥ 51,615.00	¥ 46,620.00	¥ 51,615.00	¥ 49,950.00	¥ 51,615.00	¥ 49,950.00	¥ 51,615.00	¥ 51,615.00	¥ 49,950.00	¥ 51,615.00	¥ 49,950.00	¥ 51,615.00
Sales of Dessert	2,573.00	2,324.00	2,573.00	2,490.00	2,573.00	2,490.00	2,573.00	2,573.00	2,490.00	2,573.00	2,490.00	2,573.00
Sales of Other Beverage	775.00	700.00	775.00	750.00	775.00	750.00	775.00	775.00	750.00	775.00	750.00	775.00
Total Sales Revenue	54,963.00	49,644.00	54,963.00	53,190.00	54,963.00	53,190.00	54,963.00	54,963.00	53,190.00	54,963.00	53,190.00	54,963.00
Cost of Goods Sold	5,735.00	5,180.00	5,735.00	5,550.00	5,735.00	5,550.00	5,735.00	5,735.00	5,550.00	5,735.00	5,550.00	5,735.00
Gross Profit	49,228.00	44,464.00	49,228.00	47,640.00	49,228.00	47,640.00	49,228.00	49,228.00	47,640.00	49,228.00	47,640.00	49,228.00
Operating Expense												
Rent Expense	16,926.00	15,288.00	16,926.00	16,380.00	16,926.00	16,380.00	16,926.00	16,926.00	16,380.00	16,926.00	16,380.00	16,926.00
Supply expense	91.95	83.05	91.95	88.98	91.95	88.98	91.95	91.95	88.98	91.95	88.98	91.95
Salary expense	3,317.00	2,996.00	3,317.00	3,210.00	3,317.00	3,210.00	3,317.00	3,317.00	3,210.00	3,317.00	3,210.00	3,317.00
Electricity& Water expense	3,100.00	2,800.00	3,100.00	3,000.00	3,100.00	3,000.00	3,100.00	3,100.00	3,000.00	3,100.00	3,000.00	3,100.00
Accumulate Depreciation-Equipment	377.13	340.63	377.13	364.96	377.13	364.96	377.13	377.13	364.96	377.13	364.96	377.13
Total Operating Expense	23,812.07	21,507.68	23,812.07	23,043.94	23,812.07	23,043.94	23,812.07	23,812.07	23,043.94	23,812.07	23,043.94	23,812.07
Operating Income	25,415.93	22,956.32	25,415.93	24,596.06	25,415.93	24,596.06	25,415.93	25,415.93	24,596.06	25,415.93	24,596.06	25,415.93
Interest expense	320.00	320.00	320.00	320.00	320.00	320.00	320.00	320.00	320.00	320.00	320.00	320.00
Value-added Tax	762.48	688.69	762.48	737.88	762.48	737.88	762.48	762.48	737.88	762.48	737.88	762.48
Total Expense	24,894.55	22,516.37	24,894.55	24,101.82	24,894.55	24,101.82	24,894.55	24,894.55	24,101.82	24,894.55	24,101.82	24,894.55
Net Income	¥ 24,333.45	¥ 21,947.63	¥ 24,333.45	¥ 23,538.18	¥ 24,333.45	¥ 23,538.18	¥ 24,333.45	¥ 24,333.45	¥ 23,538.18	¥ 24,333.45	¥ 23,538.18	¥ 24,333.45

8.1.2 Income Statement (Yearly)

Leisure& Love Coffee Shop					
Budgeted Income Statement (Yearly)					
(RMB in yuan)					
	2018	2019	2020	2021	2022
Sales of Coffee	¥ 607,725.00	¥ 607,725.00	¥ 609,390.00	¥ 607,725.00	¥ 607,725.00
Sales of Dessert	30,295.00	30,295.00	30,378.00	30,295.00	30,295.00
Sales of Other Beverage	9,125.00	9,125.00	9,150.00	9,125.00	9,125.00
Total Sales Revenue	647,145.00	647,145.00	648,918.00	647,145.00	647,145.00
Cost of Goods Sold	67,525.00	67,525.00	67,710.00	67,525.00	67,525.00
Gross Profit	579,620.00	579,620.00	581,208.00	579,620.00	579,620.00
Operating Expense					
Rent Expense	199,290.00	199,290.00	199,836.00	199,290.00	199,290.00
Supply expense	1,082.59	1,082.59	1,085.56	1,082.59	1,082.59
Salary expense	39,055.00	39,055.00	39,162.00	39,055.00	39,055.00
Electricity& Water expense	36,500.00	36,500.00	36,600.00	36,500.00	36,500.00
Acumulate Depreciation-Equipment	4,440.35	4,440.35	4,452.51	4,440.35	4,440.35
Total Expense	280,367.94	280,367.94	281,136.07	280,367.94	280,367.94
Operating Income	299,252.06	299,252.06	300,071.93	299,252.06	299,252.06
Interest expense	3,840.00	3,840.00	3,840.00	3,840.00	3,840.00
Value-added Tax	8,977.56	8,977.56	9,002.16	8,977.56	8,977.56
Net Income	¥ 286,434.50	¥ 286,434.50	¥ 287,229.77	¥ 286,434.50	¥ 286,434.50

8.2 Balance Sheet

8.2.1 Balance Sheet (Monthly)

Leisure& Love Coffee Shop Budgeted Balance Sheet (Monthly) (RMB in yuan)												
	Jan. 2018	Feb. 2018	Mar. 2018	Apr. 2018	May. 2018	June. 2018	July. 2018	Aug. 2018	Sept. 2018	Oct. 2018	Nov. 2018	Dec. 2018
Assets												
Cash	¥ 27,595.95	¥ 49,543.58	¥ 73,877.03	¥ 97,415.21	¥ 121,748.66	¥ 145,286.84	¥ 169,620.29	¥ 193,953.74	¥ 217,491.92	¥ 241,825.37	¥ 265,363.55	¥ 289,697.00
Inventory	346.58	659.62	1,006.20	1,341.60	1,688.18	2,023.58	2,370.16	2,716.74	3,052.14	3,398.72	3,734.12	4,080.70
Total Current Assets	27,942.53	50,203.20	74,883.23	98,756.81	123,436.84	147,310.42	171,990.45	196,670.48	220,544.06	245,224.09	269,097.67	293,777.70
Equipment	21,897.50	21,897.50	21,897.50	21,897.50	21,897.50	21,897.50	21,897.50	21,897.50	21,897.50	21,897.50	21,897.50	21,897.50
Accumulate Depreciation	377.13	729.12	1,106.25	1,471.21	1,848.34	2,213.30	2,590.43	2,967.56	3,332.52	3,709.65	4,074.61	4,451.74
Total Long-term Assets	21,520.37	21,168.38	20,791.25	20,426.29	20,049.16	19,684.20	19,307.07	18,929.94	18,564.98	18,187.85	17,822.89	17,445.76
Total Asset	49,462.90	71,371.58	95,674.49	119,183.10	143,486.00	166,994.62	191,297.52	215,600.42	239,109.04	263,411.94	286,920.56	311,223.46
Liability												
Accounts Payable	-	-	-	-	-	-	-	-	-	-	-	-
Owner's Equity												
Revenue	54,963.00	49,644.00	54,963.00	53,190.00	54,963.00	53,190.00	54,963.00	54,963.00	53,190.00	54,963.00	53,190.00	54,963.00
Expense	24,894.55	22,516.37	24,894.55	24,101.82	24,894.55	24,101.82	24,894.55	24,894.55	24,101.82	24,894.55	24,101.82	24,894.55
Investment	19,394.45	44,243.95	65,606.03	90,094.93	113,417.55	137,906.44	161,229.07	185,531.97	210,020.86	233,343.49	257,832.38	281,155.01
Total Owner's Equity												
Total Liability and Owner's Equity	¥ 49,462.90	¥ 71,371.58	¥ 95,674.49	¥ 119,183.10	¥ 143,486.00	¥ 166,994.62	¥ 191,297.52	¥ 215,600.42	¥ 239,109.04	¥ 263,411.94	¥ 286,920.56	¥ 311,223.46

8.2.2 Balance Sheet (Yearly)

Leisure& Love Coffee Shop					
Budgeted Balance Sheet (Yearly)					
(RMB in yuan)					
	2018	2019	2020	2021	2022
Assets					
Cash	289697.00	579394.00	869091.00	928788.00	1218485.00
Inventory	4080.70	4080.70	4080.70	4080.70	4080.70
Total Current Assets	293777.70	583474.70	873171.70	932868.70	1222565.70
Equipment	21897.50	21897.50	21897.50	21897.50	21897.50
Accumulate Depreciation	4451.74	8903.48	13355.22	17806.96	21897.50
Total Long-term Assets	17445.76	12994.02	8542.28	4090.54	0.00
Total Asset	¥ 311,223.46	¥ 596,468.72	¥ 881,713.98	¥ 936,959.24	¥ 1,222,565.70
Liability					
Accounts Payable					
Owner's Equity					
Revenue	54,963.00	54,963.00	54,963.00	54,963.00	54,963.00
Expense	24,894.55	24,894.55	24,894.55	24,894.55	24,894.55
Investment	281,155.01	566,400.27	1,081,645.53	906,890.79	1,192,497.25
Drawing			230,000.00		
Total Owner's Equity					
Total Liability and Owner's Equity	¥ 311,223.46	¥ 596,468.72	¥ 881,713.98	¥ 936,959.24	¥ 1,222,565.70

8.3 Cash Flow

8.3.1 Cash Flow (Monthly)

Leisure& Love Coffee Shop												
Budgeted Cash Flow (Monthly)												
(RMB in yuan)												
	Jan. 2018	Feb. 2018	Mar. 2018	Apr. 2018	May. 2018	June. 2018	July. 2018	Aug. 2018	Sept. 2018	Oct. 2018	Nov. 2018	Dec. 2018
Cash flow from operations												
Net Income	¥ 24,333.45	¥ 21,947.63	¥ 24,333.45	¥ 23,538.18	¥ 24,333.45	¥ 23,538.18	¥ 24,333.45	¥ 24,333.45	¥ 23,538.18	¥ 24,333.45	¥ 23,538.18	¥ 24,333.45
Depreciation Expense	377.13	340.63	377.13	364.96	377.13	364.96	377.13	377.13	364.96	377.13	364.96	377.13
Increase in inventory	346.58	313.04	346.58	335.40	346.58	335.40	346.58	346.58	346.58	335.40	346.58	346.58
Increase in Value-added Tax	762.48	688.69	762.48	737.88	762.48	737.88	762.48	762.48	737.88	762.48	737.88	762.48
Cash flow from Investing Activities												
Purchase of equipment	21,897.50	-	-	-	-	-	-	-	-	-	-	-
Investment	19,394.45	44,243.95	65,606.03	90,094.93	113,417.55	137,906.44	161,229.07	185,531.97	210,020.86	233,343.49	257,832.38	281,155.01
Cash flow from Financial Activities												
Cash at the beginning	8,997.50	27,595.95	49,543.58	73,877.03	97,415.21	121,748.66	145,286.84	169,620.29	193,953.74	217,491.92	241,825.37	265,363.55
Net increase in cash	18,598.45	21,947.63	24,333.45	23,538.18	24,333.45	23,538.18	24,333.45	24,333.45	23,538.18	24,333.45	23,538.18	24,333.45
Cash at the end	¥ 27,595.95	¥ 49,543.58	¥ 73,877.03	¥ 97,415.21	¥ 121,748.66	¥ 145,286.84	¥ 169,620.29	¥ 193,953.74	¥ 217,491.92	¥ 241,825.37	¥ 265,363.55	¥ 289,697.00

8.3.2 Cash Flow (Yearly)

Leisure& Love Coffee Shop					
Budgeted Cash Flow (Yearly)					
(RMB in yuan)					
	2018	2019	2020	2021	2022
Cash flow from operations					
Net Income	286,434.50	286,434.50	286,434.50	286,434.50	286,434.50
Depreciation Expense	4,451.74	8,903.48	13,355.22	17,806.96	21,897.50
Increase in inventory	4,080.70	4,080.70	4,080.70	4,080.70	4,080.70
Increase in Added-value Tax	8,977.56	8,977.56	9,002.16	8,977.56	8,977.56
Cash flow from Investing Activities					
Purchase of equipment	21,897.50	-	-	-	-
Investment	281,155.01	285,245.26	796,400.27	110,490.52	1,082,006.73
Cash flow from Financial Activities					
Cash at the beginning	8,997.50	289,697.00	579,394.00	869,091.00	928,788.00
Net increase in cash	280,699.50	289,697.00	289,697.00	59,697.00	289,697.00
Cash at the end	¥ 289,697.00	¥ 579,394.00	¥ 869,091.00	¥ 928,788.00	¥ 1,218,485.00

9. Reference

1. <http://www.hfyinyou.com/display.asp?id=32>
2. http://img.machine365.com/product/2012/10/9/b_20121009113756950.jpg
3. <http://tradecommissioner.gc.ca/world-monde/132269.aspx?lang=eng>
4. <http://www.nbaic.gov.cn/gsmh/hdpd.shtml?dispatch=zxzxView&lsh=44140&mima=wh5414daxueshengchuangye>
5. <http://beta.fortune.com/global500/list>
6. <http://www.mca.gov.cn/article/sj/>

10. Attachment

10.1 Price Reference Table

Coffee Beans				Equipment			
Hawaii Kona	¥	108.0	100g	Coffee Mill	¥	1,180.0	1 ¥ 1,180.0
Mandheling	¥	138.0	227g	Siphon	¥	188.0	2 ¥ 376.0
Colombian	¥	185.0	500g	Espresso Machine	¥	1,399.0	1 ¥ 1,399.0
Brazil	¥	99.0	227g	Refrigerator	¥	1,598.0	1 ¥ 1,598.0
Blue Mountain	¥	230.0	227g	Cash Register	¥	899.0	2 ¥ 1,798.0
Espresso	¥	98.0	454g	Small Table	¥	198.0	8 ¥ 1,584.0
Ingredient Cream	¥	38.0	250g	Long Table	¥	200.0	8 ¥ 1,600.0
Vanilla	¥	63.0	500ml	Low Table	¥	180.0	2 ¥ 360.0
Honey	¥	56.0	340g	Chair	¥	119.0	40 ¥ 4,760.0
Cube Sugar	¥	32.8	300pieces	Sofa	¥	623.0	2 ¥ 1,246.0
Chocolate Syrup	¥	24.0	680g	Sound Box	¥	54.7	6 ¥ 328.2
White Sugar	¥	14.8	500g	Custom Wood (bloc	¥	50.0	8 ¥ 400.0
Fructose	¥	27.8	2500g	Coffe Cup Sets	¥	24.9	40 ¥ 996.0
Lemon	¥	4.0	depend on season	Dessert Plate Sets	¥	12.0	40 ¥ 480.0
Caramel	¥	29.8	623g	Coffee pot	¥	75.0	10 ¥ 750.0
Milk	¥	89.0	24*250ml				¥ 18,855.2
White Crème de Menthe	¥	50.0	700ml				
Green Tea powder	¥	138.0	100g	cleaning Tools			
Soda Water	¥	65.0	24*357ml	Broom	¥	10.9	2 ¥ 21.80
				Mop	¥	19.9	2 ¥ 39.80
				Trash Bin	¥	8.8	6 ¥ 52.80
				Cleaner	¥	23.8	2 ¥ 47.60
				Cleaning Cloth	¥	1.9	15 ¥ 28.35
							¥ 190.35
				Decorations			
				Ceiling Lamp	¥	198.0	9 ¥ 1,782.0
				Wall Paper	¥	68.0	8 ¥ 544.0
				Chlorophytum	¥	26.00	6 ¥ 156.0
				Succulant Plant	¥	7.50	20 ¥ 150.0
				Wind Chime	¥	22.00	10 ¥ 220.0
				Supplies			¥ 2,852.00
				Paper	¥	20.60	500pieces
				Pens	¥	20.80	12