

# Martin Research LLC

Martin Research LLC  
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Wichita, Kansas. 67207

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# Martin Research LLC

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## 1.0 Executive Summary

Martin Research LLC is a start-up company offering a wide range of clinical trials for the Wichita, Kansas community.

### The Market

Martin Research LLC will market its services primarily to Physicians, Drug Manufacturers, and the FDA/NIH.

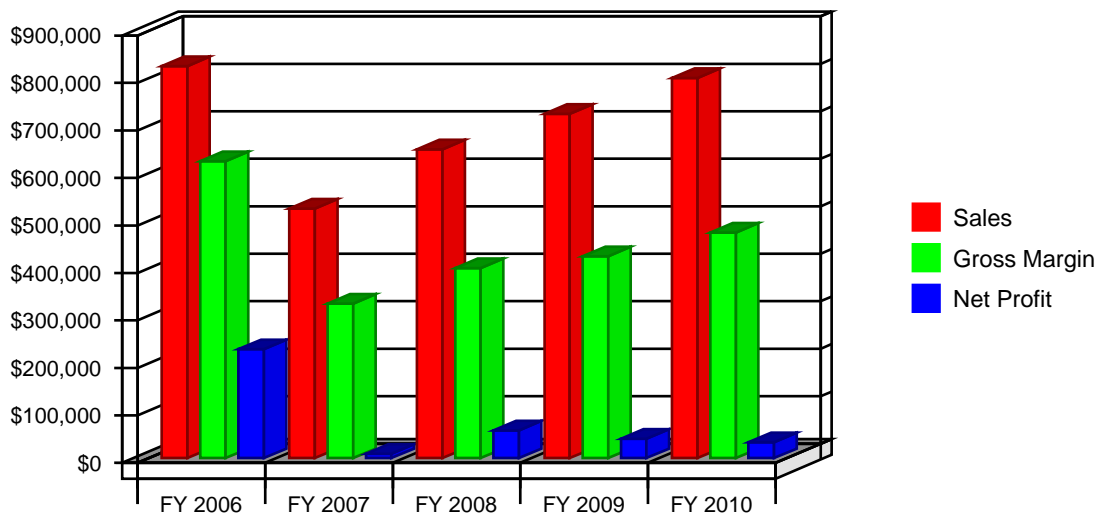
### Services

Martin Research LLC will offer clinical trials for the above sectors of the market. By providing minimal errors, a safe and clean environment, and efficient service, Martin Research will become known throughout Kansas.

### Management

Martin Research LLC will be lead Mr. Franklin Martin, a registered nurse with over fifteen years of experience in the industry.

## Highlights



## 1.1 Objectives

- To capture 40% of local physicians' business within two years.
- To reach profitability within the first eight months.
- To double sales by year three.

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## 1.2 Mission

It is Martin Research LLC's mission to be recognized as the leader in physician clinical trials in the state of Kansas. This will be achieved by friendly service, flexible approach for each project, and accurate analysis of test subjects.

## 1.3 Keys to Success

- Provide a clean, safe, and friendly environment in order to provide safe medical treatment.
- Increase our Physician's practice.
- Procure investment from local Physician's to increase company prestige.

## 2.0 Company Summary

Martin Research LLC has been formed as a Kansas LLC. It is solely owned by Mr. Franklin Martin.

## 2.1 Company Ownership

Franklin Martin is currently is the sole stockholder of Martin Research LLC.

## 2.2 Start-up Summary

Martin Research LLC. will need to purchase the necessary equipment for the clinic.

- Office furniture for our exam rooms. This equipment will be purchased used in good condition. This will be done as a cost saving measure.
- Receptionist office furniture and assorted waiting room furniture (this will also be purchased in good, used condition).
- Three computers, one with QuickBooks Pro, all with Microsoft Office, a central laser printer and broadband Internet connection.
- Misc. Medical devices:

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## Table: Start-up

<u>Start-up</u>	
<u>Requirements</u>	
<u>Start-up Expenses</u>	
Legal	\$3,000
Stationery etc.	\$300
Brochures	\$4,500
Consultants	\$25,000
Insurance	\$3,000
Marketing	\$25,000
Rent	\$2,500
Total Start-up Expenses	\$63,300
<u>Start-up Assets</u>	
Cash Required	\$20,000
Long-term Assets	\$15,000
Total Assets	\$44,500
Total Requirements	\$107,800

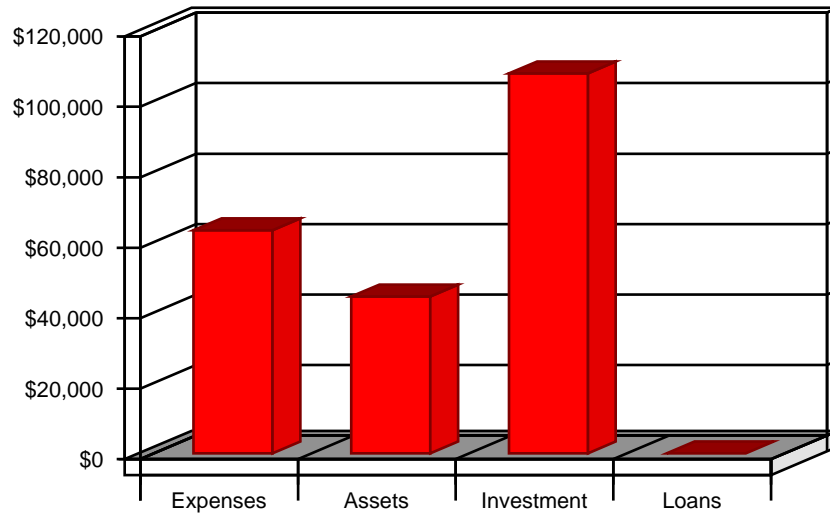
## Table: Start-up Funding

<u>Start-up Funding</u>	
Start-up Expenses to Fund	\$63,300
Start-up Assets to Fund	\$44,500
Total Funding Required	\$107,800
<u>Assets</u>	
Non-cash Assets from Start-up	\$24,500
Cash Requirements from Start-up	\$20,000
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$20,000
Total Assets	\$44,500
<u>Liabilities and Capital</u>	
<u>Liabilities</u>	
Long-term Liabilities	\$0
Total Liabilities	\$0
<u>Capital</u>	
<u>Planned Investment</u>	
Franklin Martin Investors/Loans	
Additional Investment Requirement	\$107,800
Total Planned Investment	\$107,800
Loss at Start-up (Start-up Expenses)	(\$63,300)
Total Capital	\$44,500
Total Capital and Liabilities	\$44,500
Total Funding	\$107,800

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## Start-up



### 3.0 Services

Martin Research LLC. offers the facilitation of clinical trials for physicians. Our clients will be comprised of physicians, drug manufacturers, the FDA, and NIH. We will garner income via payment from each sponsor.

- Our main area of focus will be in the cardiology sector. We will monitor, assess, and follow-up with test subjects through scheduled appointments.
- There is currently no company in the Wichita area that has met this need in the market. By focusing in the field of cardiology, one of the largest in terms of drug testing, we will be able to meet our goal of eight to ten clinical trials per year.
- We will also be doing research in all Vascular areas, Cardio vascular and Peripheral vascular, this will allow us to eventually branch off into other areas of research.

### 4.0 Market Analysis Summary

Martin Research LLC. has identified two customer segments that they will target: drug manufacturers and physicians. For many physicians in the Wichita area, there has simply never been the opportunity to allow their patients to be part of clinical trials, because there is a lack of such facilities. Physicians in Wichita are looking forward to the launch of Martin Research LLC. as they will now be able to partake in the this area of practice.

For many drug manufacturers, sponsoring the research required to prove that their new pharmaceutical product is effective is required before they can market their product. Their view is the more research proving the effectiveness, the better, as it eventually must pass FDA scrutiny.

The FDA and NIH itself also will find it in their interest to sponsor clinical trials. This will allow them to form an educated decision on the effectiveness, as well as the side effects of differing

# Martin Research LLC

treatments.

Martin Research LLC. will meet the needs of these three market sectors. By providing service with minimal margin of error, we will excel as a leader in the Kansas area.

## 4.1 Market Segmentation

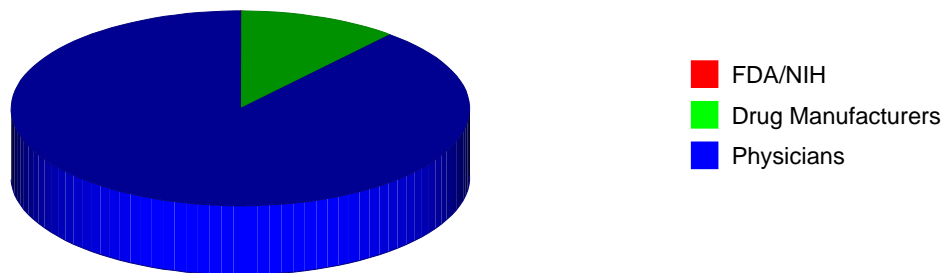
Martin Research LLC. will target these three targets immediately.

- Local area Research have already been informed of our offerings and the majority have already expressed and interest.
- We will be sending a mass mailing of our company literature to all major drug manufacturers in the USA and abroad. This will be followed up with phone calls, and if needed personal visits from Mr. Franklin Martin.
- FDA and NIH will be informed of our company via Research as well as our company literature. location relative to their office or to the patient's home.

**Table: Market Analysis**

Market Analysis		2005	2006	2007	2008	2009	CAGR
Potential Customers	Growth						
FDA/NIH	0%	2	2	2	2	2	0.00%
Drug Manufacturers	5%	263	289	303	318	334	6.16%
Physicians	4%	2,080	2,184	2,494	2,618	2,749	7.22%
Total	7.10%	2,345	2,475	2,799	2,938	3,085	7.10%

Market Analysis (Pie)





## 4.2 Target Market Segment Strategy

It is important that it be decided before the start of any clinical trial which target market will be doing the sponsoring. As is the case with physicians, many will do trials only with drug manufacturer sponsoring. With the FDA and NIH, paperwork will be an even greater issue and before the start of any trial all paperwork has to be reviewed by our retained attorney.

## 4.3 Service Business Analysis

A clinical trial (also clinical research) is a research study in human volunteers to answer specific health questions. Carefully conducted clinical trials are the fastest and safest way to find treatments that work in people and ways to improve health. Interventional trials determine whether experimental treatments or new ways of using known therapies are safe and effective under controlled environments. Observational trials address health issues in large groups of people or populations in natural settings.

Participants in clinical trials can play a more active role in their own health care, gain access to new research treatments before they are widely available, and help others by contributing to medical research

All clinical trials have guidelines about who can participate. Using both inclusion and exclusion criteria is an important principle of medical research that helps to produce reliable results. The factors that allow someone to participate in a clinical trial are called "inclusion criteria" and those that disallow someone from participating are called "exclusion criteria". These criteria are based on such factors as age, gender, the type and stage of a disease, previous treatment history, and other medical conditions. Before joining a clinical trial, a participant must qualify for the study. Some research studies seek participants with illnesses or conditions to be studied in the clinical trial, while others need healthy participants. It is important to note that inclusion and exclusion criteria are not used to reject people personally. Instead, the criteria are used to identify appropriate participants and keep them safe. The criteria help ensure that researchers will be able to answer the questions they plan to study.

### 4.3.1 Competition and Buying Patterns

There are currently no direct competitors in the Wichita, Kansas area. Martin Research LLC will enjoy an initial monopoly of the local market.

## 5.0 Strategy and Implementation Summary

There is not a significant amount of work that needs to occur to market Physicians. This activity is handled by our network already in place. Most activities directed at the drug manufacturers will occur through the sales campaign.

Martin Research will also embark on a sales strategy that has the goal of converting qualified doctors into referring doctors, Martin Research's source of clients. The following three sections provides this analysis.

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## 5.1 Competitive Edge

Martin Research LLC. will a nationally recognized expert clinical trial specialist in the field of cardiology. Franklin Martin has been part of the medical profession for the last 13 years. Clearly, our competitive edge is the monopoly we will have on the market as well as the referrals we will receive from local area physicians.

## 5.2 Marketing Strategy

Martin Research LLC. will use several methods to communicate that it offers the most advanced technology and the best clinical trials in cardiology. This message will be communicate through various methods:

- **Physician Referrals:** Referrals will provide the majority of our clientele via clientele. Because there is a current need for a clinical trial facility in the Wichita, Kansas area, we will enjoy an excellent referral rate from local area referral.
- **Company Literature:** These will be pamphlets that are sent out to local physicians, drug manufacturers, and the FDA/NIH. The pamphlet will serve to introduce Martin Research LLC. and detail the different services that it offers. It will also provide information on Mr. Franklin Martin and will include background into his professional accomplishments and activities.
- **Networking:** Mr. Martin recognizes the importance of networking, getting to know the physicians that work in Wichita. A high percentage of referrals are made based on personal and professional contacts so networking is a very effective method of increasing the number of referrals. Mr. Martin will be active in the numerous organizations and committees that are present within the medical community.

## 5.3 Sales Strategy

Martin Research LLC will make a significant profit through the excellent opportunity of local monopoly on the market. Even though Martin Research LLC is new to the industry, the company will see profit within the first year due to beneficial word-of-mouth advertising via local opportunity. The company expects to double its' clientele every six months, for the first 18 months.

### 5.3.1 Sales Forecast

The sales forecast adopts a conservative approach to projecting future sales. As a start-up organization, Martin Research LLC. recognizes that sales will be slow initially but by the third month sales will be steady and grow as the marketing efforts are developed.

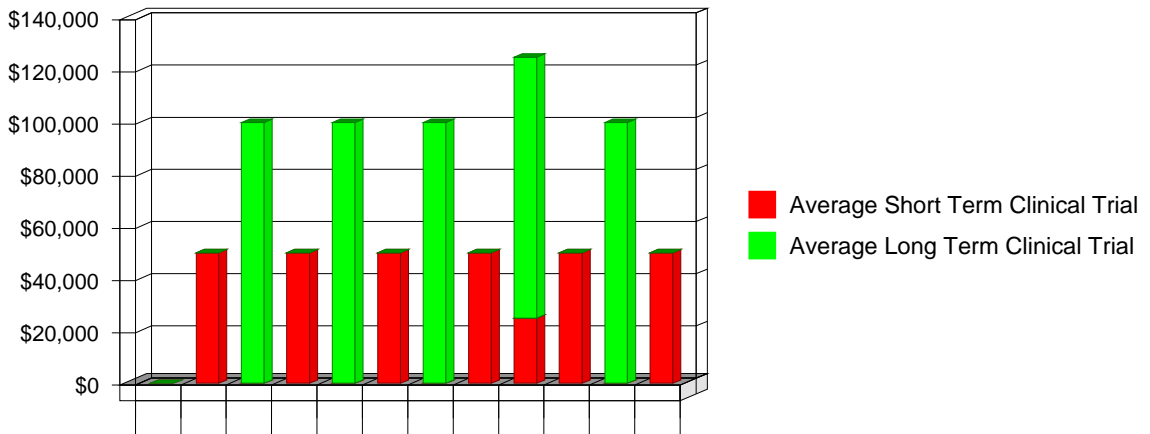
The sales forecast is broken down by the type of service provided and displayed in the following table. The charts give a visual representation of monthly and yearly figures.

# Martin Research LLC

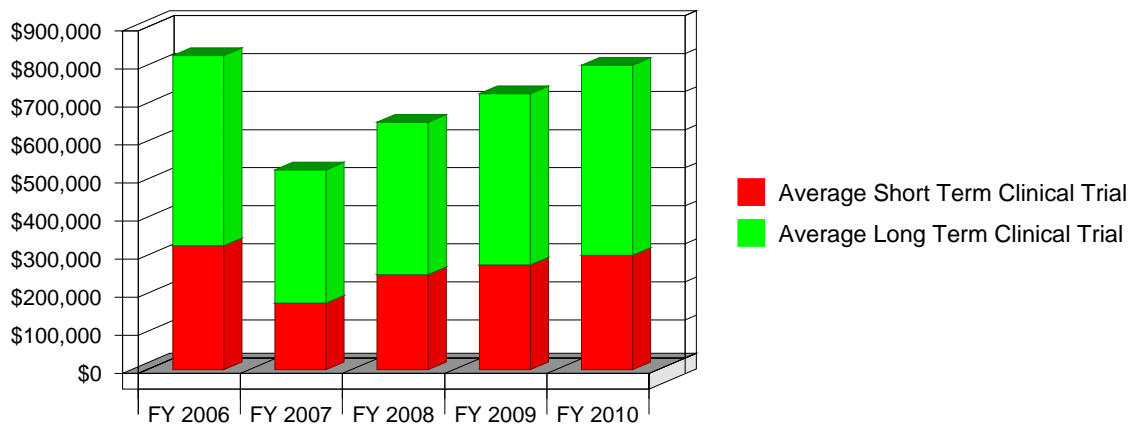
**Table: Sales Forecast**

Sales Forecast		FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
<b>Sales</b>						
Average Short Term Clinical Trial		\$325,000	\$175,000	\$250,000	\$275,000	\$300,000
Average Long Term Clinical Trial		\$500,000	\$350,000	\$400,000	\$450,000	\$500,000
<b>Total Sales</b>		<b>\$825,000</b>	<b>\$525,000</b>	<b>\$650,000</b>	<b>\$725,000</b>	<b>\$800,000</b>
<b>Direct Cost of Sales</b>						
Average Short Term Clinical Trial		\$100,000	\$100,000	\$100,000	\$150,000	\$150,000
Average Long Term Clinical Trial		\$100,000	\$100,000	\$150,000	\$150,000	\$175,000
<b>Subtotal Direct Cost of Sales</b>		<b>\$199,999</b>	<b>\$200,000</b>	<b>\$250,000</b>	<b>\$300,000</b>	<b>\$325,000</b>

**Sales Monthly**



**Sales by Year**



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## 5.4 Milestones

Martin Research LLC. has chosen several quantifiable milestones that have been developed as goals for the organization to achieve. The following table details the specific milestones, the time frame that has been estimated for completion of the milestone, and the specific employee responsible.

**Table: Milestones**

Milestones					
Milestone	Start Date	End Date	Budget	Manager	Department
Business plan completion	4/8/2005	4/21/2005	\$300	Mr. Martin	Development
Secure lease	5/1/2005	6/15/2005	\$5,000	Mr. Martin	Development
Equipment purchases	6/10/2005	7/1/2005	\$9,500	Mr. Martin	Development
Facility open	6/15/2005	7/5/2005	\$0	Mr. Martin	Development
Profitability	7/5/2005	1/5/2005	\$0	Mr. Martin	Accounting
Totals			\$14,800		

## 6.0 Web Plan Summary

Martin Research LLC will have a website which will provide information regarding the services offered and benefits of choosing our company.

## 6.1 Website Marketing Strategy

Martin Research LLC has procured the services of Head Start Business Consulting, [www.headstartbusiness.com](http://www.headstartbusiness.com) to create, host, and maintain its corporate website. Head Start will employ the use of Search Engine Optimization and other online marketing techniques to get the online exposure we require.

## 7.0 Management Summary

Martin Research LLC will be lead by Mr. Franklin Martin. Mr. Martin is a registered nurse with 15 years of experience. He is the sole owner and initially will be the sole employee. Through the use of the network of physicians he is already familiar with, Mr. Martin will bring immediate credibility to Martin Research LLC.

# Martin Research LLC

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## 7.1 Personnel Plan

Martin Research LLC will require the following positions/responsibilities:

- **Franklin Martin:** In addition to being the President, he will also be responsible for business development, and some marketing and sales.
- **RNs:** Two people will be responsible for the duties of Registered Nurse
- **PAs:** Two people will be responsible for the duties of Physician's Assistant.

**Table: Personnel**

Personnel Plan	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Franklin Martin	\$60,000	\$75,000	\$80,000	\$80,000	\$90,000
RN + PA	\$200,000	\$200,000	\$200,000	\$250,000	\$300,000
Total People	5	5	5	6	7
Total Payroll	\$260,000	\$275,000	\$280,000	\$330,000	\$390,000

## 8.0 Financial Plan

The following sections will outline the financial planning for Martin Research LLC.

### 8.1 Important Assumptions

The following table details important Financial Assumptions.

**Table: General Assumptions**

General Assumptions	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Plan Month	1	2	3	4	5
Current Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%
Other	0	0	0	0	0

### 8.2 Break-even Analysis

The Break-even Analysis indicates that \$46,750 is needed in monthly revenue to reach the break-even point.

# Martin Research LLC

## Table: Break-even Analysis

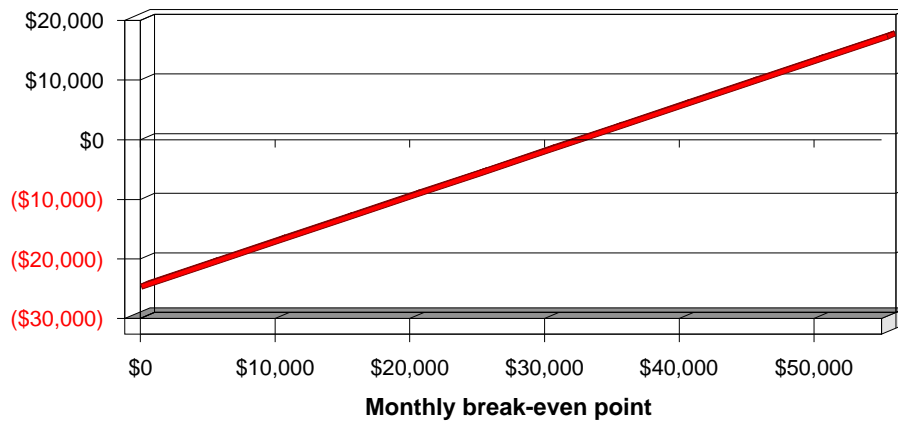
Break-even Analysis

Monthly Revenue Break-even                      \$32,670

Assumptions:

Average Percent Variable Cost	24%
Estimated Monthly Fixed Cost	\$24,750

## Break-even Analysis



Break-even point = where line intersects with 0

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## 8.3 Projected Profit and Loss

The following table and charts will indicate Projected Profit and Loss.

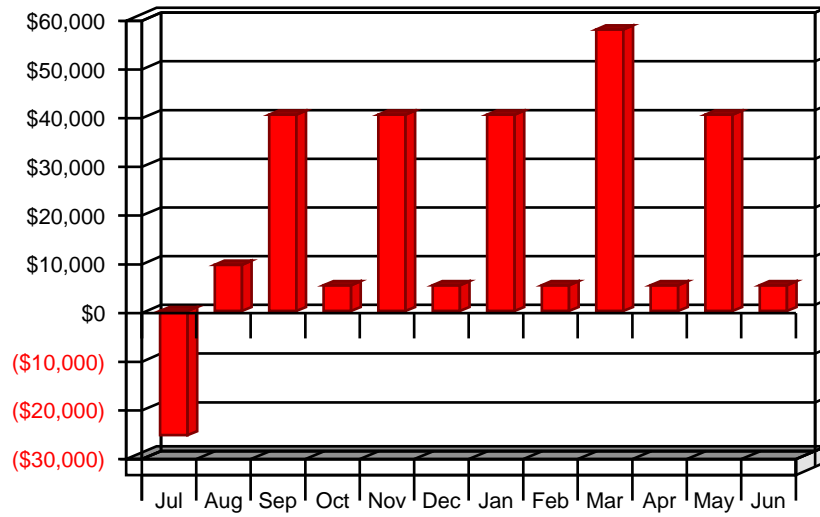
**Table: Profit and Loss**

Pro Forma Profit and Loss					
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Sales	\$825,000	\$525,000	\$650,000	\$725,000	\$800,000
Direct Cost of Sales	\$199,999	\$200,000	\$250,000	\$300,000	\$325,000
Other Costs of Sales	\$0	\$0	\$0	\$0	\$0
<b>Total Cost of Sales</b>	<b>\$199,999</b>	<b>\$200,000</b>	<b>\$250,000</b>	<b>\$300,000</b>	<b>\$325,000</b>
Gross Margin	\$625,001	\$325,000	\$400,000	\$425,000	\$475,000
Gross Margin %	75.76%	61.90%	61.54%	58.62%	59.38%
<b>Expenses</b>					
Payroll	\$260,000	\$275,000	\$280,000	\$330,000	\$390,000
Sales and Marketing and Other Expenses	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Depreciation	\$0	\$0	\$0	\$0	\$0
Rent	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000
Utilities	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600
Insurance	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400
<b>Total Operating Expenses</b>	<b>\$297,001</b>	<b>\$312,000</b>	<b>\$317,000</b>	<b>\$367,000</b>	<b>\$427,000</b>
Profit Before Interest and Taxes	\$328,000	\$13,000	\$83,000	\$58,000	\$48,000
Interest Expense	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	\$98,400	\$3,900	\$24,900	\$17,400	\$14,400
<b>Other Income</b>					
Interest Income	\$0	\$0	\$0	\$0	\$0
Other Income Account Name	\$0	\$0	\$0	\$0	\$0
<b>Total Other Income</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Expense</b>					
Account Name	\$0	\$0	\$0	\$0	\$0
Other Expense Account Name	\$0	\$0	\$0	\$0	\$0
<b>Total Other Expense</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Other Income</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Net Profit	\$229,600	\$9,100	\$58,100	\$40,600	\$33,600
Net Profit/Sales	27.83%	1.73%	8.94%	5.60%	4.20%

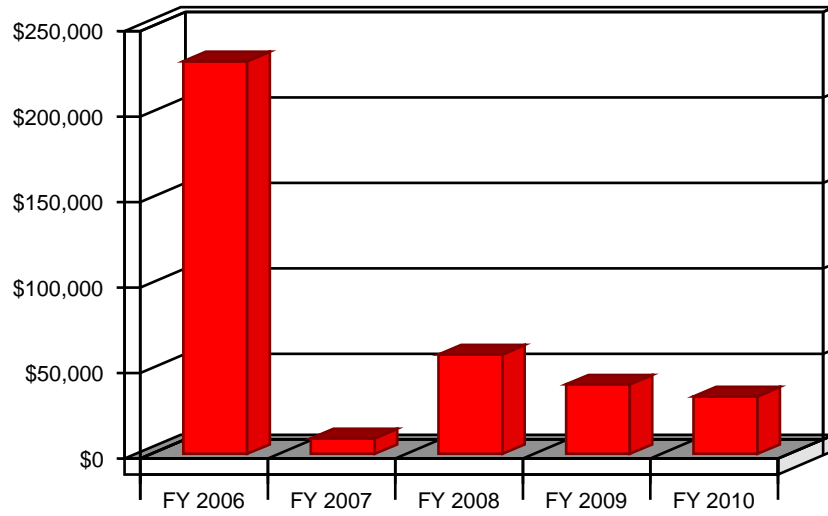
# Martin Research LLC

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## Profit Monthly



## Profit Yearly

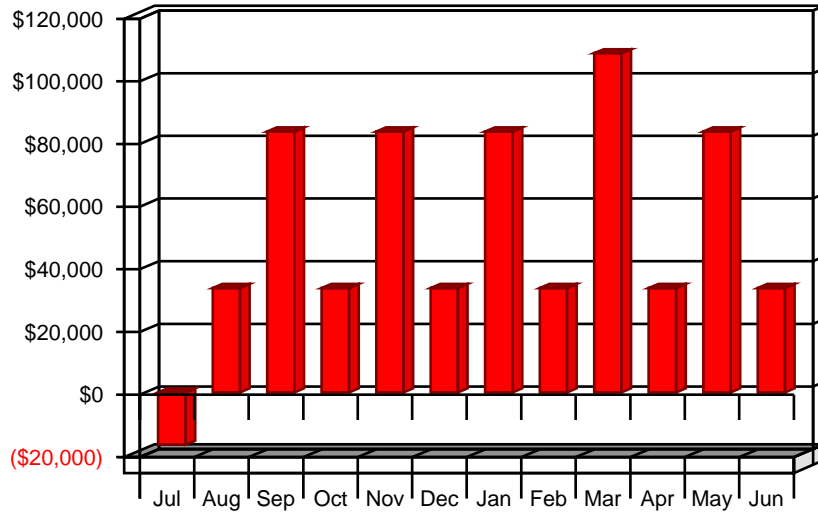




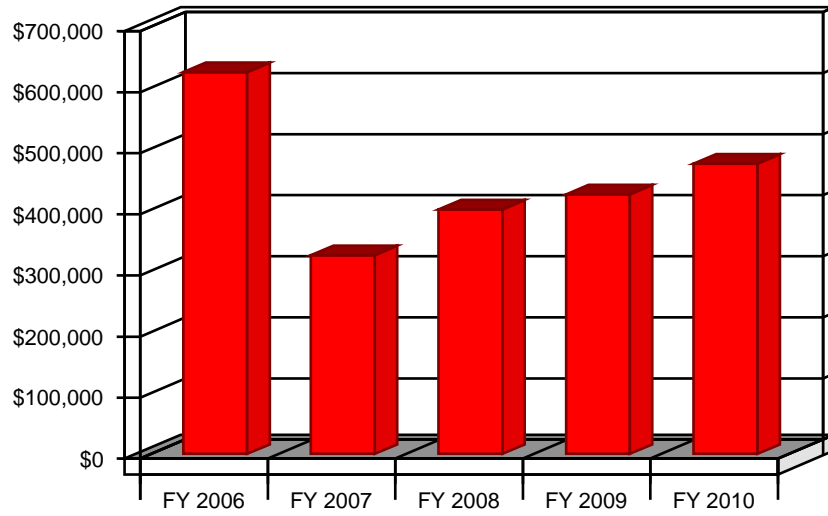
# Martin Research LLC

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## Gross Margin Monthly



## Gross Margin Yearly



# Martin Research LLC

## 8.4 Projected Cash Flow

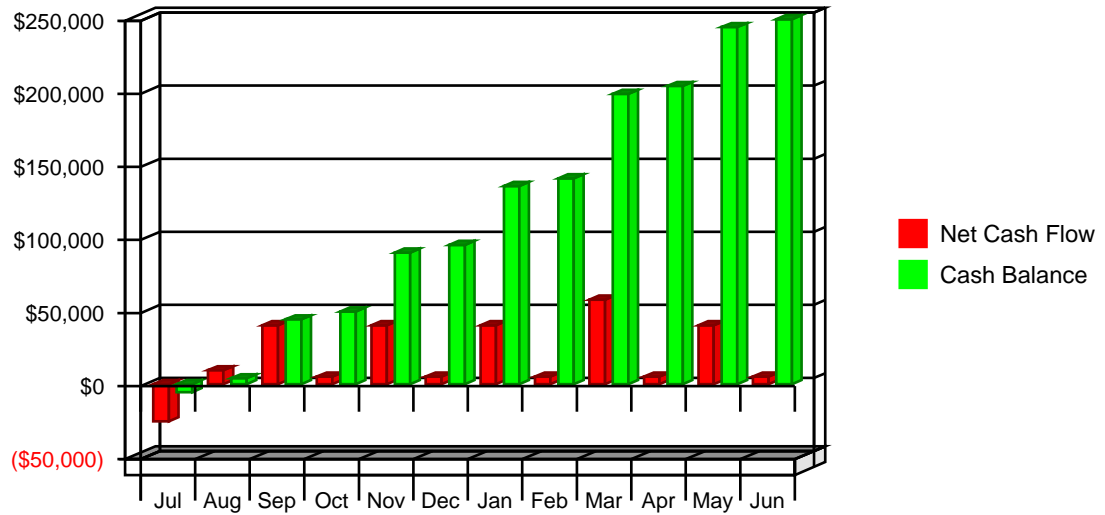
The following table and chart will indicate Projected Cash Flow.

**Table: Cash Flow**

Pro Forma Cash Flow	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
<b>Cash Received</b>					
<b>Cash from Operations</b>					
Cash Sales	\$825,000	\$525,000	\$650,000	\$725,000	\$800,000
Subtotal Cash from Operations	\$825,000	\$525,000	\$650,000	\$725,000	\$800,000
<b>Additional Cash Received</b>					
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$825,000	\$525,000	\$650,000	\$725,000	\$800,000
<b>Expenditures</b>					
<b>Expenditures from Operations</b>					
Cash spending	\$595,400	\$515,900	\$591,900	\$684,400	\$766,400
Subtotal Spent on Operations	\$595,400	\$515,900	\$591,900	\$684,400	\$766,400
<b>Additional Cash Spent</b>					
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$595,400	\$515,900	\$591,900	\$684,400	\$766,400
<b>Net Cash Flow</b>	<b>\$229,600</b>	<b>\$9,100</b>	<b>\$58,100</b>	<b>\$40,600</b>	<b>\$33,600</b>
<b>Cash Balance</b>	<b>\$249,600</b>	<b>\$258,700</b>	<b>\$316,800</b>	<b>\$357,400</b>	<b>\$391,000</b>

# Martin Research LLC

## Cash



## 8.5 Projected Balance Sheet

The following table will indicate the Projected Balance Sheet.

**Table: Balance Sheet**

Pro Forma Balance Sheet					
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
<b>Assets</b>					
<b>Current Assets</b>					
Cash	\$249,600	\$258,700	\$316,800	\$357,400	\$391,000
Other Current Assets	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500
<b>Total Current Assets</b>	<b>\$259,100</b>	<b>\$268,200</b>	<b>\$326,300</b>	<b>\$366,900</b>	<b>\$400,500</b>
<b>Long-term Assets</b>					
Long-term Assets	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0
<b>Total Long-term Assets</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>
<b>Total Assets</b>	<b>\$274,100</b>	<b>\$283,200</b>	<b>\$341,300</b>	<b>\$381,900</b>	<b>\$415,500</b>
<b>Liabilities and Capital</b>					
<b>Current Liabilities</b>					
Current Borrowing	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0
<b>Subtotal Current Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Long-term Liabilities</b>					
Long-term Liabilities	\$0	\$0	\$0	\$0	\$0
<b>Total Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Paid-in Capital	\$107,800	\$107,800	\$107,800	\$107,800	\$107,800
Retained Earnings	(\$63,300)	\$166,300	\$175,400	\$233,500	\$274,100
Earnings	\$229,600	\$9,100	\$58,100	\$40,600	\$33,600
<b>Total Capital</b>	<b>\$274,100</b>	<b>\$283,200</b>	<b>\$341,300</b>	<b>\$381,900</b>	<b>\$415,500</b>

## Martin Research LLC

Total Liabilities and Capital	\$274,100	\$283,200	\$341,300	\$381,900	\$415,500
Net Worth	\$274,100	\$283,200	\$341,300	\$381,900	\$415,500

### 8.6 Business Ratios

The following table details Business Ratios as they relate to Martin Research LLC, as well as the industry that it participates in.

**Table: Ratios**

Ratio Analysis	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Industry Profile
Sales Growth	0.00%	-36.36%	23.81%	11.54%	10.34%	5.93%
<b>Percent of Total Assets</b>						
Other Current Assets	3.47%	3.35%	2.78%	2.49%	2.29%	39.66%
Total Current Assets	94.53%	94.70%	95.61%	96.07%	96.39%	71.21%
Long-term Assets	5.47%	5.30%	4.39%	3.93%	3.61%	28.79%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Current Liabilities	0.00%	0.00%	0.00%	0.00%	0.00%	34.75%
Long-term Liabilities	0.00%	0.00%	0.00%	0.00%	0.00%	23.98%
Total Liabilities	0.00%	0.00%	0.00%	0.00%	0.00%	58.73%
Net Worth	100.00%	100.00%	100.00%	100.00%	100.00%	41.27%
<b>Percent of Sales</b>						
Sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Gross Margin	75.76%	61.90%	61.54%	58.62%	59.38%	100.00%
Selling, General & Administrative Expenses	102.84%	0.00%	0.00%	0.00%	0.00%	80.94%
Advertising Expenses	0.00%	0.00%	0.00%	0.00%	0.00%	0.53%
Profit Before Interest and Taxes	39.76%	2.48%	12.77%	8.00%	6.00%	1.35%
<b>Main Ratios</b>						
Current	0.00	0.00	0.00	0.00	0.00	1.71
Quick	0.00	0.00	0.00	0.00	0.00	1.37
Total Debt to Total Assets	0.00%	0.00%	0.00%	0.00%	0.00%	2.89%
Pre-tax Return on Net Worth	119.66%	4.59%	24.32%	15.19%	11.55%	64.61%
Pre-tax Return on Assets	119.66%	4.59%	24.32%	15.19%	11.55%	8.18%
<b>Additional Ratios</b>						
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	
Net Profit Margin	27.83%	1.73%	8.94%	5.60%	4.20%	n.a
Return on Equity	83.77%	3.21%	17.02%	10.63%	8.09%	n.a
<b>Activity Ratios</b>						
Accounts Payable Turnover	15.75	-16.88	5.00	4.85	5.54	n.a
Total Asset Turnover	3.01	1.85	1.90	1.90	1.93	n.a
<b>Debt Ratios</b>						
Debt to Net Worth	0.00	0.00	0.00	0.00	0.00	n.a
Current Liab. to Liab.	0.00	0.00	0.00	0.00	0.00	n.a
<b>Liquidity Ratios</b>						
Net Working Capital	\$259,100	\$268,200	\$326,300	\$366,900	\$400,500	n.a
Interest Coverage	0.00	0.00	0.00	0.00	0.00	n.a
<b>Additional Ratios</b>						
Assets to Sales	0.33	0.54	0.53	0.53	0.52	n.a
Current Debt/Total Assets	0%	0%	0%	0%	0%	n.a
Acid Test	0.00	0.00	0.00	0.00	0.00	n.a
Sales/Net Worth	3.01	1.85	1.90	1.90	1.93	n.a
Dividend Payout	0.00	0.00	0.00	0.00	0.00	n.a

## 8.7 Long-term Plan

# Appendix

**Appendix Table: Sales Forecast**

Sales Forecast		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Sales</b>													
Average Short Term Clinical Trial	0%	\$0	\$50,000	\$0	\$50,000	\$0	\$50,000	\$0	\$50,000	\$25,000	\$50,000	\$0	\$50,000
Average Long Term Clinical Trial	0%	\$0	\$0	\$100,000		\$100,000		\$100,000		\$100,000	\$0	\$100,000	\$0
<b>Total Sales</b>		<b>\$0</b>	<b>\$50,000</b>	<b>\$100,000</b>	<b>\$50,000</b>	<b>\$100,000</b>	<b>\$50,000</b>	<b>\$100,000</b>	<b>\$50,000</b>	<b>\$125,000</b>	<b>\$50,000</b>	<b>\$100,000</b>	<b>\$50,000</b>
<b>Direct Cost of Sales</b>													
Average Short Term Clinical Trial		\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333
Average Long Term Clinical Trial		\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333
<b>Subtotal Direct Cost of Sales</b>		<b>\$16,666</b>	<b>\$16,667</b>	<b>\$16,667</b>	<b>\$16,667</b>	<b>\$16,667</b>	<b>\$16,667</b>	<b>\$16,667</b>	<b>\$16,667</b>	<b>\$16,667</b>	<b>\$16,667</b>	<b>\$16,667</b>	<b>\$16,667</b>

# Appendix

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**Appendix Table: Personnel**

Personnel Plan		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Franklin Martin	0%	\$0	\$0	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
RN + PA	0%	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667
Total People		0	0	0	3	3	5	5	5	5	5	5	5
Total Payroll		\$16,667	\$16,667	\$22,667	\$22,667	\$22,667	\$22,667	\$22,667	\$22,667	\$22,667	\$22,667	\$22,667	\$22,667

# Appendix

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## Appendix Table: General Assumptions

General Assumptions	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Plan Month	1	2	3	4	5	6	7	8	9	10	11	12
Current Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Other	0	0	0	0	0	0	0	0	0	0	0	0



# Appendix

## Appendix Table: Profit and Loss

Pro Forma Profit and Loss												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Sales	\$0	\$50,000	\$100,000	\$50,000	\$100,000	\$50,000	\$100,000	\$50,000	\$125,000	\$50,000	\$100,000	\$50,000
Direct Cost of Sales	\$16,666	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667
Other Costs of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Cost of Sales</b>	<b>\$16,666</b>	<b>\$16,667</b>	<b>\$16,667</b>	<b>\$16,667</b>	<b>\$16,667</b>	<b>\$16,667</b>	<b>\$16,667</b>	<b>\$16,667</b>	<b>\$16,667</b>	<b>\$16,667</b>	<b>\$16,667</b>	<b>\$16,667</b>
Gross Margin	(\$16,666)	\$33,333	\$83,333	\$33,333	\$83,333	\$33,333	\$83,333	\$33,333	\$108,333	\$33,333	\$83,333	\$33,333
Gross Margin %	0.00%	66.67%	83.33%	66.67%	83.33%	66.67%	83.33%	66.67%	86.67%	66.67%	83.33%	66.67%
<b>Expenses</b>												
Payroll	\$16,667	\$16,667	\$22,667	\$22,667	\$22,667	\$22,667	\$22,667	\$22,667	\$22,667	\$22,667	\$22,667	\$22,667
Sales and Marketing and Other Expenses	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent	\$2,167	\$2,167	\$2,167	\$2,167	\$2,167	\$2,167	\$2,167	\$2,167	\$2,167	\$2,167	\$2,167	\$2,167
Utilities	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217
Insurance	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
<b>Total Operating Expenses</b>	<b>\$19,751</b>	<b>\$19,750</b>	<b>\$25,750</b>	<b>\$25,750</b>	<b>\$25,750</b>	<b>\$25,750</b>	<b>\$25,750</b>	<b>\$25,750</b>	<b>\$25,750</b>	<b>\$25,750</b>	<b>\$25,750</b>	<b>\$25,750</b>
Profit Before Interest and Taxes	(\$36,417)	\$13,583	\$57,583	\$7,583	\$57,583	\$7,583	\$57,583	\$7,583	\$82,583	\$7,583	\$57,583	\$7,583
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	(\$10,925)	\$4,075	\$17,275	\$2,275	\$17,275	\$2,275	\$17,275	\$2,275	\$24,775	\$2,275	\$17,275	\$2,275
Other Income												
Interest Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income Account Name	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Other Income</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Other Expense												
Account Name	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Expense Account Name	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Other Expense</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Net Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	(\$25,492)	\$9,508	\$40,308	\$5,308	\$40,308	\$5,308	\$40,308	\$5,308	\$57,808	\$5,308	\$40,308	\$5,308
Net Profit/Sales	0.00%	19.02%	40.31%	10.62%	40.31%	10.62%	40.31%	10.62%	46.25%	10.62%	40.31%	10.62%

# Appendix

## Appendix Table: Cash Flow

### Pro Forma Cash Flow

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Cash Received</b>												
<b>Cash from Operations</b>												
Cash Sales	\$0	\$50,000	\$100,000	\$50,000	\$100,000	\$50,000	\$100,000	\$50,000	\$125,000	\$50,000	\$100,000	\$50,000
Subtotal Cash from Operations	\$0	\$50,000	\$100,000	\$50,000	\$100,000	\$50,000	\$100,000	\$50,000	\$125,000	\$50,000	\$100,000	\$50,000
<b>Additional Cash Received</b>												
Sales Tax, VAT, HST/GST Received	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$0	\$50,000	\$100,000	\$50,000	\$100,000	\$50,000	\$100,000	\$50,000	\$125,000	\$50,000	\$100,000	\$50,000
<b>Expenditures</b>												
<b>Expenditures from Operations</b>												
Cash spending	\$25,492	\$40,492	\$59,692	\$44,692	\$59,692	\$44,692	\$59,692	\$44,692	\$67,192	\$44,692	\$59,692	\$44,692
Subtotal Spent on Operations	\$25,492	\$40,492	\$59,692	\$44,692	\$59,692	\$44,692	\$59,692	\$44,692	\$67,192	\$44,692	\$59,692	\$44,692
<b>Additional Cash Spent</b>												
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$25,492	\$40,492	\$59,692	\$44,692	\$59,692	\$44,692	\$59,692	\$44,692	\$67,192	\$44,692	\$59,692	\$44,692
Net Cash Flow	(\$25,492)	\$9,508	\$40,308	\$5,308	\$40,308	\$5,308	\$40,308	\$5,308	\$57,808	\$5,308	\$40,308	\$5,308
Cash Balance	(\$5,492)	\$4,016	\$44,325	\$49,633	\$89,941	\$95,250	\$135,558	\$140,866	\$198,675	\$203,983	\$244,291	\$249,600

## Appendix

### Appendix Table: Balance Sheet

Pro Forma Balance Sheet													
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Assets</b>	<b>Starting Balances</b>												
<b>Current Assets</b>													
Cash	\$20,000	(\$5,492)	\$4,016	\$44,325	\$49,633	\$89,941	\$95,250	\$135,558	\$140,866	\$198,675	\$203,983	\$244,291	\$249,600
Other Current Assets	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500
<b>Total Current Assets</b>	<b>\$29,500</b>	<b>\$4,008</b>	<b>\$13,516</b>	<b>\$53,825</b>	<b>\$59,133</b>	<b>\$99,441</b>	<b>\$104,750</b>	<b>\$145,058</b>	<b>\$150,366</b>	<b>\$208,175</b>	<b>\$213,483</b>	<b>\$253,791</b>	<b>\$259,100</b>
<b>Long-term Assets</b>													
Long-term Assets	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Long-term Assets</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>
<b>Total Assets</b>	<b>\$44,500</b>	<b>\$19,008</b>	<b>\$28,516</b>	<b>\$68,825</b>	<b>\$74,133</b>	<b>\$114,441</b>	<b>\$119,750</b>	<b>\$160,058</b>	<b>\$165,366</b>	<b>\$223,175</b>	<b>\$228,483</b>	<b>\$268,791</b>	<b>\$274,100</b>
<b>Liabilities and Capital</b>													
<b>Current Liabilities</b>													
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
<b>Subtotal Current Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Long-term Liabilities</b>													
<b>Total Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Paid-in Capital	\$107,800	\$107,800	\$107,800	\$107,800	\$107,800	\$107,800	\$107,800	\$107,800	\$107,800	\$107,800	\$107,800	\$107,800	\$107,800
Retained Earnings	(\$63,300)	(\$63,300)	(\$63,300)	(\$63,300)	(\$63,300)	(\$63,300)	(\$63,300)	(\$63,300)	(\$63,300)	(\$63,300)	(\$63,300)	(\$63,300)	(\$63,300)
Earnings	\$0	(\$25,492)	(\$15,984)	\$24,325	\$29,633	\$69,941	\$75,250	\$115,558	\$120,866	\$178,675	\$183,983	\$224,291	\$229,600
<b>Total Capital</b>	<b>\$44,500</b>	<b>\$19,008</b>	<b>\$28,516</b>	<b>\$68,825</b>	<b>\$74,133</b>	<b>\$114,441</b>	<b>\$119,750</b>	<b>\$160,058</b>	<b>\$165,366</b>	<b>\$223,175</b>	<b>\$228,483</b>	<b>\$268,791</b>	<b>\$274,100</b>
<b>Total Liabilities and Capital</b>	<b>\$44,500</b>	<b>\$19,008</b>	<b>\$28,516</b>	<b>\$68,825</b>	<b>\$74,133</b>	<b>\$114,441</b>	<b>\$119,750</b>	<b>\$160,058</b>	<b>\$165,366</b>	<b>\$223,175</b>	<b>\$228,483</b>	<b>\$268,791</b>	<b>\$274,100</b>
<b>Net Worth</b>	<b>\$44,500</b>	<b>\$19,008</b>	<b>\$28,516</b>	<b>\$68,825</b>	<b>\$74,133</b>	<b>\$114,441</b>	<b>\$119,750</b>	<b>\$160,058</b>	<b>\$165,366</b>	<b>\$223,175</b>	<b>\$228,483</b>	<b>\$268,791</b>	<b>\$274,100</b>