

ROCKY MOUNTAIN HIGH TOURS LTD.



FLIGHT ACTIVITY ASSUMPTIONS

YEAR 1

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YEAR 1 TOTAL	YEAR 2 TOTAL	YEAR 3 TOTAL	YEAR 4 TOTAL	YEAR 5 TOTAL
NUMBER OF HELICOPTERS in operation during period	1	1	1	1	1	1	1	1	1	1	1	1	1	1			
CHARTER TOURS																	
Light Activity (sightseeing - picnics - hiking)																	
No. hours booked	25	25	30	30	35	35	40	40	45	45	50	50	450	520	600	960	1,100
Avg. price per hour	\$435.00	\$435.00	\$435.00	\$435.00	\$435.00	\$435.00	\$435.00	\$435.00	\$435.00	\$435.00	\$435.00	\$435.00	\$435.00	\$448.10	\$461.50	\$475.30	\$489.60
Avg. cost per hour	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$216.30	\$222.80	\$229.50	\$236.40
Medium Activity (fishing - skiing - camping - biking)																	
No. hours booked	25	25	30	30	35	35	40	40	45	45	50	50	450	520	600	960	1,100
Avg. price per hour	\$475.00	\$475.00	\$475.00	\$475.00	\$475.00	\$475.00	\$475.00	\$475.00	\$475.00	\$475.00	\$475.00	\$475.00	\$475.00	\$489.30	\$504.00	\$519.10	\$534.70
Avg. cost per hour	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$236.90	\$244.00	\$251.30	\$258.80
CORPORATE & INDUSTRY SERVICES																	
Light Activity (inspecting - ferrying - scouting)																	
No. hours booked	10	10	10	10	10	10	10	10	10	10	10	10	120	130	140	220	230
Avg. price per hour	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$515.00	\$530.50	\$546.40	\$562.80
Avg. cost per hour	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$216.30	\$222.80	\$229.50	\$236.40
Medium Activity (surveying - exploration)																	
No. hours booked	10	10	10	10	10	10	10	10	10	10	10	10	120	130	140	220	230
Avg. price per hour	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$618.00	\$636.50	\$655.60	\$675.30
Avg. cost per hour	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$247.20	\$254.60	\$262.20	\$270.10
Heavy Activity (construction - logging - spraying)																	
No. hours booked	10	10	10	10	10	10	10	10	10	10	10	10	120	130	140	220	230
Avg. price per hour	\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$875.50	\$901.80	\$928.90	\$956.80
Avg. cost per hour	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$309.00	\$318.30	\$327.80	\$337.60

ROCKY MOUNTAIN HIGH TOURS LTD.
PROJECTION OF REVENUES AND EXPENSES

YEAR 1

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YEAR 1 TOTAL	YEAR 2 TOTAL	YEAR 3 TOTAL	YEAR 4 TOTAL	YEAR 5 TOTAL
REVENUE:																	
Charter Tours	\$22,800	\$22,800	\$27,300	\$27,300	\$31,900	\$31,900	\$36,400	\$36,400	\$41,000	\$41,000	\$45,500	\$45,500	\$409,800	\$487,400	\$579,300	\$954,600	\$1,126,700
Corporate & Industry Services	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	234,000	261,100	289,600	468,800	504,800
Total Revenue	\$42,300	\$42,300	\$46,800	\$46,800	\$51,400	\$51,400	\$55,900	\$55,900	\$60,500	\$60,500	\$65,000	\$65,000	\$643,800	\$748,500	\$868,900	\$1,423,400	\$1,631,500
DIRECT COSTS:																	
Charter Tours	\$11,000	\$11,000	\$13,200	\$13,200	\$15,400	\$15,400	\$17,600	\$17,600	\$19,800	\$19,800	\$22,000	\$22,000	\$198,000	\$235,700	\$280,100	\$461,600	\$544,700
Corporate & Industry Services	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	\$90,000	100,400	111,400	180,300	194,100
Total Direct Costs	\$18,500	\$18,500	\$20,700	\$20,700	\$22,900	\$22,900	\$25,100	\$25,100	\$27,300	\$27,300	\$29,500	\$29,500	\$288,000	\$336,100	\$391,500	\$641,900	\$738,800
GROSS MARGIN	\$23,800	\$23,800	\$26,100	\$26,100	\$28,500	\$28,500	\$30,800	\$30,800	\$33,200	\$33,200	\$35,500	\$35,500	\$355,800	\$412,400	\$477,400	\$781,500	\$892,700
as % of revenue	56.3%	56.3%	55.8%	55.8%	55.4%	55.4%	55.1%	55.1%	54.9%	54.9%	54.6%	54.6%	55.3%	55.1%	54.9%	54.9%	54.7%
FIXED EXPENSES:																	
Advertising & promotion	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000	\$12,400	\$12,800	\$13,200	\$13,600
Depreciation on building (25-years, straightline)	400	400	400	400	400	400	400	400	400	400	400	400	4,800	5,000	5,000	5,000	5,000
Depreciation on helicopters (10-years, straightline)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	20,400	20,000	20,000	41,200	41,200
Insurance & security	500	500	500	500	500	500	500	500	500	500	500	500	6,000	6,200	6,400	6,600	6,800
Interest on loan (5-years, 10%, straightline)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	13,200	13,200	13,200	13,200	13,200
Licences & property taxes	500	500	500	500	500	500	500	500	500	500	500	500	6,000	6,200	6,400	6,600	6,800
Maintenance & repairs	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	30,900	31,800	65,500	67,500
Management fees	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000	61,800	63,700	65,600	67,500
Office expenses	500	500	500	500	500	500	500	500	500	500	500	500	6,000	6,200	6,400	6,600	6,800
Professional fees	1,500	0	0	1,000	0	0	0	1,000	0	0	0	1,000	4,500	4,600	4,700	4,800	4,900
Salaries & benefits	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000	92,700	95,500	196,700	202,600
Telephone & utilities	300	300	300	300	300	300	300	300	300	300	300	300	3,600	3,700	3,800	3,900	4,000
Vehicle & travel	200	200	200	200	200	200	200	200	200	200	200	200	2,400	2,500	2,600	2,700	2,800
Miscellaneous	500	500	500	500	500	500	500	500	500	500	500	500	6,000	6,200	6,400	6,600	6,800
Total Fixed Expenses	\$23,200	\$21,700	\$21,700	\$22,700	\$21,700	\$21,700	\$21,700	\$22,700	\$21,700	\$21,700	\$21,700	\$22,700	\$264,900	\$271,600	\$278,700	\$438,200	\$449,600
GROSS PROFIT (LOSS)	\$600	\$2,100	\$4,400	\$3,400	\$6,800	\$6,800	\$9,100	\$8,100	\$11,500	\$11,500	\$13,800	\$12,800	\$90,900	\$140,800	\$198,700	\$343,300	\$443,100
Corporate Tax (35%, rough estimate only)	\$200	\$700	\$1,500	\$1,200	\$2,400	\$2,400	\$3,200	\$2,800	\$4,000	\$4,000	\$4,800	\$4,500	\$31,700	\$49,300	\$69,500	\$120,200	\$155,100
NET INCOME	\$400	\$1,400	\$2,900	\$2,200	\$4,400	\$4,400	\$5,900	\$5,300	\$7,500	\$7,500	\$9,000	\$8,300	\$59,200	\$91,500	\$129,200	\$223,100	\$288,000

ROCKY MOUNTAIN HIGH TOURS LTD.
CASH FLOW PROJECTION

YEAR 1

	at startup	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YEAR 1 TOTAL	YEAR 2 TOTAL	YEAR 3 TOTAL	YEAR 4 TOTAL	YEAR 5 TOTAL
OPENING CASH	\$100,000	\$25,000	\$23,300	\$22,600	\$23,400	\$23,500	\$25,800	\$28,100	\$31,900	\$35,100	\$40,500	\$45,900	\$52,800	\$100,000	\$59,000	\$125,100	\$16,900	\$235,800
CASH FOR (FROM) ESTABLISHMENT:																		
Financing received (bank loan)	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250,000	\$0	\$0	\$0	\$0
Debt principal repayment (5-years, straightline)	0	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(50,400)	(50,400)	(50,400)	(50,400)	(50,400)
Acquisition of building (hangar, office, furnishings)	(125,000)	0	0	0	0	0	0	0	0	0	0	0	0	(125,000)	0	0	0	0
Expansion of helicopter fleet	(200,000)	0	0	0	0	0	0	0	0	0	0	0	0	(200,000)	0	(212,000)	0	0
Net Establishment Cash	(\$75,000)	(\$4,200)	(\$4,200)	(\$4,200)	(\$4,200)	(\$4,200)	(\$4,200)	(\$4,200)	(\$4,200)	(\$4,200)	(\$4,200)	(\$4,200)	(\$4,200)	(\$125,400)	(\$50,400)	(\$262,400)	(\$50,400)	(\$50,400)
CASH FOR (FROM) OPERATIONS:																		
Revenues	\$0	\$42,300	\$42,300	\$46,800	\$46,800	\$51,400	\$51,400	\$55,900	\$55,900	\$60,500	\$60,500	\$65,000	\$65,000	\$643,800	\$748,500	\$868,900	\$1,423,400	\$1,631,500
Direct costs	0	(18,500)	(18,500)	(20,700)	(20,700)	(22,900)	(22,900)	(25,100)	(25,100)	(27,300)	(27,300)	(29,500)	(29,500)	(288,000)	(336,100)	(391,500)	(641,900)	(738,800)
Fixed expenses	0	(23,200)	(21,700)	(21,700)	(22,700)	(21,700)	(21,700)	(21,700)	(22,700)	(21,700)	(21,700)	(21,700)	(22,700)	(264,900)	(271,600)	(278,700)	(438,200)	(449,600)
add back depreciation	0	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	25,200	25,000	25,000	46,200	46,200
Corporate taxes	0	(200)	(700)	(1,500)	(1,200)	(2,400)	(2,400)	(3,200)	(2,800)	(4,000)	(4,000)	(4,800)	(4,500)	(31,700)	(49,300)	(69,500)	(120,200)	(155,100)
Net Operational Cash	\$0	\$2,500	\$3,500	\$5,000	\$4,300	\$6,500	\$6,500	\$8,000	\$7,400	\$9,600	\$9,600	\$11,100	\$10,400	\$84,400	\$116,500	\$154,200	\$269,300	\$334,200
<i>Change to Cash Position in Period</i>	(\$75,000)	(\$1,700)	(\$700)	\$800	\$100	\$2,300	\$2,300	\$3,800	\$3,200	\$5,400	\$5,400	\$6,900	\$6,200	(\$41,000)	\$66,100	(\$108,200)	\$218,900	\$283,800
CASH POSITION AT END OF PERIOD	\$25,000	\$23,300	\$22,600	\$23,400	\$23,500	\$25,800	\$28,100	\$31,900	\$35,100	\$40,500	\$45,900	\$52,800	\$59,000	\$59,000	\$125,100	\$16,900	\$235,800	\$519,600

ROCKY MOUNTAIN HIGH TOURS LTD.
BALANCE SHEET PROJECTION

YEAR 1

	Opening Balance	end Month 1	end Month 2	end Month 3	end Month 4	end Month 5	end Month 6	end Month 7	end Month 8	end Month 9	end Month 10	end Month 11	end Month 12	end YEAR 1	end YEAR 2	end YEAR 3	end YEAR 4	end YEAR 5
ASSETS:																		
Cash	\$25,000	\$23,300	\$22,600	\$23,400	\$23,500	\$25,800	\$28,100	\$31,900	\$35,100	\$40,500	\$45,900	\$52,800	\$59,000	\$59,000	\$125,100	\$16,900	\$235,800	\$519,600
Building (hangar, office, & furnishings)	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
less accumulated depreciation	0	(400)	(800)	(1,200)	(1,600)	(2,000)	(2,400)	(2,800)	(3,200)	(3,600)	(4,000)	(4,400)	(4,800)	(4,800)	(9,800)	(14,800)	(19,800)	(24,800)
Helicopters (plus associated parts)	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	412,000	412,000	412,000
less accumulated depreciation	0	(1,700)	(3,400)	(5,100)	(6,800)	(8,500)	(10,200)	(11,900)	(13,600)	(15,300)	(17,000)	(18,700)	(20,400)	(20,400)	(40,400)	(60,400)	(101,600)	(142,800)
TOTAL ASSETS	\$350,000	\$346,200	\$343,400	\$342,100	\$340,100	\$340,300	\$340,500	\$342,200	\$343,300	\$346,600	\$349,900	\$354,700	\$358,800	\$358,800	\$399,900	\$478,700	\$651,400	\$889,000
LIABILITIES:																		
Loans payable	\$250,000	\$245,800	\$241,600	\$237,400	\$233,200	\$229,000	\$224,800	\$220,600	\$216,400	\$212,200	\$208,000	\$203,800	\$199,600	\$199,600	\$149,200	\$98,800	\$48,400	\$0
TOTAL LIABILITIES	\$250,000	\$245,800	\$241,600	\$237,400	\$233,200	\$229,000	\$224,800	\$220,600	\$216,400	\$212,200	\$208,000	\$203,800	\$199,600	\$199,600	\$149,200	\$98,800	\$48,400	\$0
EQUITY:																		
Shareholders' capital	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Retained earnings	0	400	1,800	4,700	6,900	11,300	15,700	21,600	26,900	34,400	41,900	50,900	59,200	59,200	150,700	279,900	503,000	789,000
TOTAL EQUITY	\$100,000	\$100,400	\$101,800	\$104,700	\$106,900	\$111,300	\$115,700	\$121,600	\$126,900	\$134,400	\$141,900	\$150,900	\$159,200	\$159,200	\$250,700	\$379,900	\$603,000	\$889,000
<i>Liabilities + Equity</i>	\$350,000	\$346,200	\$343,400	\$342,100	\$340,100	\$340,300	\$340,500	\$342,200	\$343,300	\$346,600	\$349,900	\$354,700	\$358,800	\$358,800	\$399,900	\$478,700	\$651,400	\$889,000