

COURT FILE NUMBER 25-2251814
25-2251817

COURT COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT IN THE MATTER OF THE DIVISION I
PROPOSAL PROCEEDINGS OF
COMFORTABLE IMAGE INC. and WATCH
IT! INCORPORATED

DOCUMENT **SECOND REPORT OF THE PROPOSAL
TRUSTEE**

June 8, 2017

ADDRESS FOR SERVICE **PROPOSAL TRUSTEE**
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INTRODUCTION

1. On May 15, 2017, Watch It! Incorporated (“**WII**”) and Comfortable Image Inc. (“**CII**” and together the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) under Section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”), as amended (the “**NOI Proceedings**”). A. Farber & Partners Inc. (“**Farber**”) was appointed as proposal trustee (the “**Proposal Trustee**”) in the NOI Proceedings.
2. The Companies conduct retail operations that specialize in the sale of watches and sunglasses. The Companies currently have 8 corporate locations and 17 franchise locations in the Provinces of Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia. The Companies currently employ 73 employees, 64 of which are employed full time.
3. The NOI provides the Companies with a stay of proceedings until June 14, 2017 (the “**Initial NOI Period**”).
4. On May 19, 2017, the Companies obtained an order from this Court approving the Administrative Charge (as defined in the affidavit of Darren Bondar sworn May 16, 2017 (the “**First Bondar Affidavit**”)) and approving the administrative consolidation of the proceedings (the “**Administrative Charge and Consolidation Order**”). The Administrative Charge is a charge in the amount of \$225,000 in respect of CII and \$75,000 in respect of WII in priority to all other secured creditors except for security held by Xerox Canada Ltd., Nixon Inc., Citizen Watch Company of Canada, Ltd., Bulova Watch Company, Ltd., and the Bankers Hall Landlord (as defined in the First Report of the Proposal Trustee dated May 17, 2017 (the “**First Report**”)).
5. On May 23, 2017, pursuant to Section 50.4(2) of the BIA, CII filed with the Official Receiver a statement of projected cash flow (the “**Cash Flow**”) for the 13 week period from May 13, 2017 to August 11, 2017 (the “**Forecast Period**”). The Cash Flow was accompanied by a report on the reasonableness of the Cash Flow by the Proposal Trustee. It was also accompanied by a report containing prescribed representations by management of the Companies (“**Management**”) on the preparation of the Cash Flow.

6. On June 6, 2017, the Proposal Trustee determined that a material adverse change in the Cash Flow of CII had occurred, as described later in this report, and as a result of this change, the Proposal Trustee prepared a Notice of Material Adverse Change (the “MAC”), a copy of which is attached as **Appendix “A”**. A copy of the MAC was filed with the Official Receiver and sent to creditors of CII pursuant to sections 50.4(7)(b) and (c) of the BIA.

PURPOSES OF THE SECOND REPORT

7. The purposes of this report (the “**Second Report**”) are to provide information to this Honourable Court regarding the following:

- (a) the activities of the Companies since the filing of the NOI;
- (b) the activities of the Proposal Trustee since the filing of the NOI;
- (c) the Companies’ reported receipts and disbursements for the period from May 13, 2017 to May 26, 2017, a copy of which is attached as **Appendix “B”**;
- (d) CII’s amended statement of projected cash flow for the period from May 13, 2017 to July 7, 2017;
- (e) the terms of an asset purchase agreement dated June 6, 2017 (the “**Stalking Horse APA**”) between the Companies and 2048218 Alberta Ltd. (the “**Stalking Horse Bidder**”), a company related to the Companies, for the sale of substantially all of WII’s and CII’s business and assets, which, subject to the approval of this Court, would act as the stalking horse sale agreement (the “**Stalking Horse Bid**”);
- (f) the proposed Sale and Investment Solicitation Process (“**SISP**”), including the bidding procedures to be used in connection therewith; and
- (g) the Proposal Trustee’s request to extend the stay period to July 7, 2017, in order to complete the SISP.

DISCLAIMER AND TERMS OF REFERENCE

8. In preparing this Second Report, the Proposal Trustee has relied upon unaudited financial information of WII and CII, the books and records of the Companies and discussions with representatives of the Companies, including their lawyers. The Proposal Trustee has not performed an audit or other verification of such information. The Proposal Trustee expresses no opinion or other form of assurance with respect to the financial information presented in this Second Report.

9. Since future-oriented information is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, the Proposal Trustee expresses no assurance as to whether projections will be achieved. The Proposal Trustee expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon by the Proposal Trustee in preparing this report.

10. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

11. Capitalized terms not otherwise defined herein are as defined in the Companies' application materials, including the First Bondar Affidavit filed in support of the application for the Administrative Charge and Consolidation Order and the First Report. The Second Report should be read in conjunction with Affidavit #2 of Darren Bondar sworn June 7, 2017 (the "**Second Bondar Affidavit**").

ACTIVIES OF THE COMPANIES SINCE THE NOI FILINGS

Lease Disclaimers

12. As set out in the First Bondar Affidavit, CII, with the assistance of its advisors and in consultation with the Proposal Trustee, has concluded that a restructuring focusing on profitable stores, while vacating unprofitable locations, will maximize value for all stakeholders.

13. CII, with the assistance of the Proposal Trustee, has identified stores that are underperforming with a view to determining whether it is able to negotiate adequate rent concessions to continue operation of those stores or whether CII will be closing those locations and disclaiming those leases.

14. To date, five CII leases have been disclaimed. The Companies are continuing to negotiate with their landlords to determine whether additional disclaimers will be required.

Inventory Sales

15. During the first three-weeks of the Forecast Period, Management estimated total receipts from inventory sales of approximately \$1,026,000. Actual receipts for the same period were approximately \$440,000, representing a 57% shortfall.

16. Management does not believe CII will recover the lost inventory sales over the period of the Cash Flow and attributes the sales shortfall to on-going challenges in the retail sector.

17. The Proposal Trustee is of the opinion that the material shortfall in sales represents a material adverse change in CII's circumstances. Accordingly, as noted above, on June 6, 2017, the Proposal Trustee sent the MAC to the creditors of CII and filed a copy of same with the Official Receiver.

18. Management of CII subsequently worked with the Proposal Trustee to prepare a revised cash flow forecast which is described in more detail below.

Preparation in Support of the SISP

19. Management has been working with its counsel and the Proposal Trustee to establish the SISP by:

- (a) providing information required by the Proposal Trustee to prepare a teaser to be distributed to prospective purchasers;

(b) providing documentation required by the Proposal Trustee for inclusion in an electronic data room; and

(c) preparing financial information as required.

20. The SISP is discussed later in this Second Report.

Other Activities

21. Since the date of the NOI, other activities of the Companies have included:

(a) communicating with key suppliers to secure goods and services and address payment terms;

(b) meeting and communicating with the Companies' key employees; and

(c) reporting to the Proposal Trustee on the Companies' receipts and disbursements.

ACTIVITIES OF THE PROPOSAL TRUSTEE SINCE THE NOI FILINGS

22. Since the date of the NOI, the Proposal Trustee's activities have included:

(a) sending a notice within 5 days of the filing of the NOI to creditors in accordance with section 50.4(6) of the BIA;

(b) establishing a website at <http://www.farberfinancial.com/insolvency-engagements/watch-it-incorporated-and-comfortable-image-inc> where all materials filed with the Court and all orders made by the Court are available in electronic form;

(c) implementing procedures for the monitoring of the Companies' cash flows and ongoing reporting of variances on a weekly basis;

(d) communicating with creditors, landlords, and counsel for same regarding the NOI and the NOI Proceedings;

- (e) assisting the Companies in the evaluation of store profitability and lease cost in preparation for the closure of certain underperforming stores and the disclaimer of certain leases;
- (f) assisting the Companies in developing the SISP, including developing a list of potential interested parties, preparation of a teaser, and preparation of an electronic data room;
- (g) preparation of the MAC described earlier in this report, mailing of the MAC to the creditors of CII, and filing a copy with the Official Receiver;
- (h) assisting CII with the preparation of the Amended CII Cash Flow Forecast (as defined below); and
- (i) preparing the First Report and the Second Report.

CREDITORS

23. The Proposal Trustee has requested an opinion from its independent legal counsel, McMillan LLP (“**McMillan**”) with respect to the validity and enforceability of the secured claims as against CII and WII.

24. McMillan is in the process of finalizing its opinion and at this time expects that it will conclude that, subject to usual and customary assumptions and qualifications to be set out therein, the security interests granted by the Companies in favour of the parties listed below are valid and effective against the Companies in the jurisdictions set out below:

(a) Secured Creditors of WII

Secured Party	Jurisdiction(s)
Comfortable Image Inc.	Ontario, Alberta, and British Columbia
Grenville Strategic Royalty Corp.	Alberta

(b) Secured Creditors of CII

Secured Party	Jurisdiction
Darren Bondar	Ontario, Alberta, and British Columbia
Bankers Hall LP, BCMIC Realty Corporation, Bankers Hall GP Inc., and Bankers Hall GP Trust as successors in interest to 4087844 Canada Inc.	Alberta
Raanan Katz, Mathew Wosk, and Bob Haber (“Proficio”)	Ontario, Alberta, and British Columbia
Grenville Strategic Royalty Corp.	Alberta
Citizen Watch Company of Canada, Ltd.	Ontario, Saskatchewan, Alberta, and British Columbia
Bulova Watch Company, Ltd.	Ontario, Saskatchewan, Alberta, and British Columbia
Thinking Capital Financial Corporation	Ontario, Saskatchewan, and British Columbia

25. As of the date hereof there are no *Personal Property Security Act* registrations against any goods located in Manitoba or any goods of WII located in Saskatchewan, except for the Administrative Charge.

AMENDED CII CASH FLOW FORECAST

26. CII, with the assistance of the Proposal Trustee, has prepared an amended cash flow forecast of its receipts and disbursements for the period from May 13 to July 7, 2017 (the “**Amended CII Cash Flow Forecast**”). The Amended CII Cash Flow Forecast is attached as **Appendix “C”** to this report and is summarized below:



WHERE TIME MATTERS MORE

Prepared June 7, 2017

COMFORTABLE IMAGE INC.**Total
8 Weeks****Receipts:**

Inventory Sales (excluding sales taxes)

1,191,320

Overhead recovery receipts

115,171**Total Receipts****1,306,491****Disbursements:**

Inventory payments

316,536

Credit card charge payments

14,154

GST and PST Payments

79,706

Occupation Costs

238,952

Salaries, Wages, Benefits

258,869

Overhead Costs

37,451**Total Disbursements****945,667****Net Cash Flow Before Professional Payments
and Secured Creditor Payments****360,824**

Professional fee payments

213,498

Proficio interest payments

-

Proficio principal repayments

84,000

Shareholder Advances (including cash operating
balances)

76,434

Scotia Fastline Principal Repayments

8,257**Total Above Payments****382,189****Net Cash Flow After Professional Payments
and Secured Creditor Payments****(21,365)**

Opening Cash Balance

23,008

Ending Cash Balance

1,643

27. The Amended CII Cash Flow Forecast provides that during the period of the projection CII will remain cash neutral by managing payments to CII's pre-NOI secured creditors.

28. The most significant changes contemplated in the Amended CII Cash Flow Forecast are:

- (a) a reduction in sales based on the experience of CII in the first three weeks of its liquidation;

(b) an increase in the number of stores being retained based on new negotiated rents with some of its landlords. As such, an increase in occupation and salaried costs have been assumed;

(c) an increase in overhead recoveries from certain related parties who make payments to CII on account of overhead incurred by CII for their benefit; and

(d) a reduction in the amount available to be paid to secured creditors.

THE STALKING HORSE ASSET PURCHASE AGREEMENT

29. The Companies seek approval, *nunc pro tunc*, to enter into, execute, and deliver, the Stalking Horse APA attached to the Second Bondar Affidavit.

30. Certain material terms of the Stalking Horse APA are described in the Second Bondar Affidavit and a few are highlighted below.

31. The Stalking Horse APA includes only very limited and customary representations and warranties and conditions. In particular, no representations or warranties are given by the Companies with respect to the Acquired Assets except for their right to sell and transfer same subject to the terms and conditions in Stalking Horse APA and any sale order granted by the Court.

32. There are no due diligence or other material conditions other than the approval of the transaction by the Court.

33. The consideration for the acquisition by the Stalking Horse Bidder of the Acquired Assets is (a) the assumption of the Assumed Liabilities, and (b) payment, in cash, of an amount sufficient to satisfy any outstanding liabilities and obligations secured by the Administrative Charge.

34. The Assumed Liabilities are the liabilities of the Companies (i) under assigned contracts, (ii) to employees who accept offers of employment from the Purchaser, (iii) for costs required to cure monetary defaults under the assigned contracts, and (iv) to certain of the Companies' secured creditors.

35. The Acquired Assets do not include any deposits held in trust accounts to secure payment of the reasonable fees and disbursements of the Companies' professional advisors and those of the Proposal Trustee, including any fees and disbursements incurred by A. Farber & Partners Inc. if it is appointed trustee in bankruptcy of the Companies.

36. The Second Bondar Affidavit indicates that the Companies have determined that the total consideration to be paid by the Purchaser pursuant to the Stalking Horse APA is approximately \$3,400,000. Based on the information provided by the Companies to date, the Proposal Trustee is of the view that the Companies' valuation of the consideration is reasonable. The Proposal Trustee will analyze the valuation in more detail in connection with its evaluation of any bids submitted pursuant to the SISP.

37. The significant majority of the Assumed Liabilities consist of secured claims, in particular the Proficio individuals, Grenville Strategic Royalty Corp., Thinking Capital Financial Corporation, and Mr. Bondar. The Companies have advised the Proposal Trustee that they expect that all of these secured creditors will consent to having their secured claims assumed by the Purchaser.

38. The Stalking Horse APA provides that the Purchaser is not obligated to assume, perform or discharge any liabilities of the Companies other than the Assumed Liabilities.

39. Under the Stalking Horse APA the Purchaser is obligated to extend offers of employment to employees it selects on terms and conditions substantially similar in the aggregate as those in effect immediately prior to the closing of the transaction.

40. If no Superior Offer is received and the Stalking Horse Bid is approved by the Court then the transaction is to close one Business Day after court approval is obtained.

THE PROPOSED SALE AND INVESTMENT SOLICITATION PROCESS

41. The Proposal Trustee, the Companies, and their respective counsel developed the SISP as a means of establishing a benchmark for the value of the Acquired Assets and providing an opportunity for prospective purchasers to present a bid superior to that contemplated by the Stalking Horse APA.

42. The SISP contemplates a two phase bidding process. Following the signing of a confidentiality agreement and a specific indication of anticipated sources of capital or credit sufficient to close a transaction, potential bidders are to be provided with access to an electronic data room.

43. Due to the short timeframe provided for in the SISP, the first phase of the SISP commenced on June 6, 2017. Accordingly, the SISP is contemplated to run for a total of thirty days from the date of commencement to the date of completion of a transaction in accordance with the terms thereof.

44. In order to be a Qualified Bidder the SISP requires potential bidders to submit non-binding letters of intent on or before 5:00 pm (Calgary Time) on Friday, June 23, 2017. Paragraph 16 of the SISP describes the requirements for an LOI submitted by such time to be a Qualified LOI, including the requirement that such letter of intent provide for the completion of a transaction on or before Wednesday, July 5, 2017.

45. Paragraph 19 of the SISP sets out the requirements for Qualified Bidders who submit Qualified LOIs to submit Qualified Bids and requires Qualified Bidders to submit binding and definitive agreements by no later than 5:00 pm (Calgary Time) on Monday, June 26. The requirements include a refundable deposit payable to the Proposal Trustee in an amount equal to 10% of the consideration to be paid pursuant to the bid.

46. The Proposal Trustee is permitted to waive non-compliance with any one or more requirements in relation to a Qualified LOI or a Qualified Bid.

47. If the Proposal Trustee determines that one or more Qualified Bids constitutes a Superior Offer then the Proposal Trustee will select the highest and/or best Qualified Bid and apply to the Court for approval. If approved by the Court then the Companies must complete the transactions contemplated thereby in accordance with the terms thereof and any order issued by the Court.

48. If no Qualified Bids are received or the Proposal Trustee determines that no Qualified Bid constitutes a Superior Offer then the SISP will terminate and the

Companies are required to file an application with the Court seeking approval of the Stalking Horse APA.

49. The current status of the SISP is summarized as follows:

(a) the Proposal Trustee, in consultation with the Companies, compiled a list of 44 potential interested parties, including strategic/financial purchasers and liquidators, primarily located in Canada and the United States (collectively, the **“Potential Interested Parties”**);

(b) on or about June 7, 2017, the Proposal Trustee distributed a teaser document, which it had prepared in consultation with the Companies and respective counsel, detailing the opportunity to acquire the Companies’ business or assets to the Potential Interested Parties; and

(c) Potential Interested Parties seeking to obtain additional information regarding the Companies have been asked to execute a confidentiality agreement.

50. The Purchaser under the Stalking Horse APA is related to the Companies and, if it is ultimately determined to be the winning bid in accordance with the SISP, will constitute a non-arm’s length transaction. Accordingly, the Proposal Trustee is responsible for administration of the SISP and the determination of whether a Superior Offer has been made.

51. Upon completing the SISP, the Companies are required to seek: (i) approval of the vesting and transfer of the Acquired Assets to the Purchaser, substantially in accordance with the terms of the Stalking Horse APA; or, should a Superior Offer be received, (ii) approval of the Superior Offer and any corresponding agreement and the vesting of the property, as contemplated therein.

52. Mr. Bondar deposed in the Second Bondar Affidavit that in the spring of 2016 and prior to the commencement of the NOI Proceedings, the Companies engaged in a sales and investment solicitation process that did not result in a transaction.

53. In light of the Companies' cash flow constraints and other factors the Proposal Trustee is comfortable that the expedited timeline contemplated by the SISP is reasonable and appropriate in the circumstances.

EXTENSION OF THE TIME TO MAKE A PROPOSAL

54. The initial 30-day period granted upon the filing of the NOI (the "NOI Period") expires on June 14, 2017.

55. If the NOI Period is not extended before June 14, then the Companies will be deemed pursuant to Section 50.4(8) of the BIA to have made assignments in bankruptcy. Accordingly, an extension of the NOI Period is required in order to complete the SISP. CII and WII have therefore asked for an extension to July 7, 2017.

56. The Companies will have sufficient funds to continue to operate during the extension period as provided in the WII Cash Flow Forecast and the Amended CII Cash Flow Forecast.

57. The Proposal Trustee is satisfied that both CII and WII have acted and continue to act in good faith and with due diligence in these proceedings.

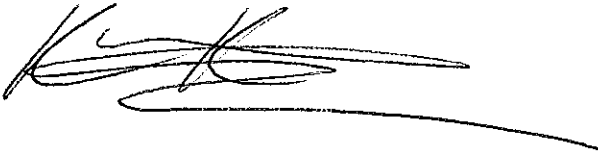
RECOMMENDATIONS

58. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court make an order:

- approving the Stalking Horse APA for the purpose of being the Stalking Horse Bid under the SISP;
- approving the SISP; and
- extending the stay of proceedings to July 7, 2017.

All of which is respectfully submitted this 8th day of June, 2017.

A. FARBER & PARTNERS INC.,
In its capacity as Trustee under the
Notice of Intention to Make a Proposal of
Watch It! Incorporated and Comfortable
Image Inc., and not in its personal
capacity



Appendix “A”

District of: Alberta
Division No. 02 - Calgary
Court No. 25-2251814
Estate No. 25-2251814

COMFORTABLE IMAGE INC.
NOTICE OF MATERIAL ADVERSE CHANGE
(Subsection 50.4(7)(b) OF THE BANKRUPTCY AND INSOLVENCY ACT)

TAKE NOTICE THAT:

1. On May 15, 2017, Comfortable Image Inc. ("**CII**") filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**") and A. Farber & Partners Inc. ("**Farber**") was appointed the Proposal Trustee.
2. On May 23, 2017 pursuant to Section 50.4(2) of the BIA, CII filed with the Official Receiver a statement of projected cash flow for the 13 week period from May 13, 2017 to the August 11, 2017 (the "**Cash Flow**", the "**Forecast Period**"). The Cash Flow was accompanied by a report on the reasonableness of the Cash Flow by the Trustee. It was also accompanied by a report containing prescribed representations by Management on the preparation of the Cash Flow.
3. During the first three-weeks of the Forecast Period, Management estimated total receipts from inventory liquidation of approximately \$1,026,000. Actual receipts for the same period were approximately \$440,000 representing a 57% shortfall.
4. Management does not believe CII will recover the lost inventory liquidation sales over the period of the Cash Flow. Accordingly, the Proposal Trustee is of the opinion that these events represent a material adverse change in CII's circumstances.
5. CII will be seeking approval of the Court of Queen's Bench of Alberta to enter into a sales and investment solicitation process ("**SISP**") which contemplates CII entering into a binding Asset Purchase Agreement ("**APA**") for the purchase of certain of its assets and the assumption of certain secured lender liabilities. Full particulars of the SISP and APA will be available on Farber's website on June 13, 2017 at the following link:
<http://www.farberfinancial.com/insolvency-engagements/watch-it-incorporated-and-comfortable-image-inc>

6. CII has prepared a revised projected cash flow for the 8 week period ended July 7, 2017, which provides for sufficient projected cash flow to fund the operations of CII, complete the SISP and enter into a binding agreement for the sale of CII's assets.

All of which is respectfully submitted this 6th day of June 2017.

A handwritten signature in blue ink, appearing to be 'A. Farber', written in a cursive style.

A. FARBER & PARTNERS INC.

**The Trustee acting in re the proposal of
COMFORTABLE IMAGE INC., and not in its personal capacity**

Appendix “B”

26-May-17



CASH FLOW FORECAST

Week ended - May 26, 2017

Forecast Actual \$ Variance % Variance

Cummulative week ended - May 26, 2017

Forecast Actual \$ Variance % Variance

Receipts:

Inventory sales	378,606	134,503	(244,104)	-64%	757,212	311,292	(445,921)	-59%
Overhead recovery receipts	8,710	-	(8,710)	-100%	17,419	-	(17,419)	-100%
Total Receipts	387,316	134,503	(252,813)	-65%	774,632	311,292	(463,340)	-60%

Disbursements:

Inventory payments	96,239	23,708	72,531	75%	192,478	46,765	145,713	76%
Credit card charge payments	5,254	-	5,254	100%	10,508	-	10,508	100%
GST and PST Payments	-	23,395	(23,395)	0%	44,000	45,920	(1,920)	-4%
Occupation Costs	17,186	(2,565)	19,751	115%	33,658	601	33,057	98%
Salaries, Wages, Benefits	45,781	494	45,288	99%	91,563	494	91,069	99%
Overhead Costs	4,176	1,122	3,053	73%	8,351	10,051	(1,700)	-20%
Royalty payments	14,494	-	14,494	100%	28,989	-	28,989	100%
Advertising payments	3,624	-	3,624	100%	7,247	-	7,247	100%
Total Disbursements	186,754	46,154	140,600	75%	416,794	103,831	312,964	75%

Professional fee payments	31,888	-	31,888	100%	63,777	10,000	53,777	84%
Proficio principal repayments	12,000	12,000	-	0%	24,000	12,000	12,000	50%
Thinking capital - royalty of Metrotown	-	-	-	0%	-	13,922	(13,922)	0%
Shareholder Advances (including cash operating balances)	74,960	(6,599)	81,559	109%	188,347	165,125	23,222	12%
Scotia Fastline Principal Repayments	-	8,257	(8,257)	0%	-	8,257	(8,257)	0%
Total Above Payments	118,848	13,658	105,191	89%	276,124	209,304	66,820	24%

Net Cash Flow After Professional Payments and Secured Creditor Payments

	81,713	74,691	(7,022)	-9%	81,713	(1,843)	(83,556)	-102%
Opening Cash Balance	-	(53,526)	(53,526)	0%	-	23,008	23,008	0%
Ending Cash Balance	81,713	21,165	(60,548)	-74%	81,713	21,165	(60,548)	-74%

Appendix “C”

COMFORTABLE IMAGE INC.

	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Total
	19-May-17	26-May-17	2-Jun-17	9-Jun-17	16-Jun-17	23-Jun-17	30-Jun-17	7-Jul-17	8 Weeks
CASH FLOW FORECAST									
Receipts:									
Inventory Sales (excluding sales taxes)	176,789	134,503	125,177	179,304	179,304	138,115	138,115	120,012	1,191,320
Overhead recovery receipts	-	-	85,171	-	-	-	-	30,000	115,171
Total Receipts	176,789	134,503	210,348	179,304	179,304	138,115	138,115	150,012	1,306,491
Disbursements:									
Inventory payments	23,057	23,708	88,596	37,575	37,575	37,575	37,575	30,876	316,536
Credit card charge payments	-	-	7,154	-	-	-	-	7,000	14,154
GST and PST Payments	22,525	23,395	9,786	-	-	24,000	-	-	79,706
Occupation Costs	3,166	(2,565)	28,688	88,159	32,014	22,014	2,014	65,461	238,952
Salaries, Wages, Benefits	-	494	106,482	-	80,946	-	70,946	-	258,869
Overhead Costs	8,928	1,123	5,751	4,023	4,023	4,312	5,112	4,178	37,451
Royalty payments	-	-	-	-	-	-	-	-	-
Advertising payments	-	-	-	-	-	-	-	-	-
Total Disbursements	57,676	46,155	246,457	129,756	154,558	87,901	115,648	107,515	945,667
Net Cash Flow Before Professional Payments and Secured Creditor Payments	119,113	88,348	(36,109)	49,548	24,746	50,214	22,467	42,497	360,824
Professional fee payments	10,000	-	58,498	29,000	29,000	29,000	29,000	29,000	213,498
Proficio principal repayments	-	12,000	12,000	12,000	12,000	12,000	12,000	12,000	84,000
Thinking capital - royalty of Metrotown	13,922	-	-	(13,922)	-	-	-	-	-
Shareholder Advances (including cash operating balances)	171,724	(6,599)	(88,691)	-	-	-	-	-	76,434
Scotia Fastline Principal Repayments	-	8,257	-	-	-	-	-	-	8,257
Total Above Payments	195,646	13,658	(18,193)	27,078	41,000	41,000	41,000	41,000	382,189
Net Cash Flow After Professional Payments and Secured Creditor Payments	(76,533)	74,690	(17,916)	22,470	(16,254)	9,214	(18,533)	1,497	(21,365)
Opening Cash Balance	23,008	(53,525)	21,165	3,249	25,719	9,465	18,679	146	23,008
Ending Cash Balance	(53,525)	21,165	3,249	25,719	9,465	18,679	146	1,643	1,643