Management Discussion and Analysis

Annual Report

June 1, 20xx

**Company's financial performance over the past year**

After reviewing our financial statements, we are quite proud of ourselves. We made a profit every month, except November. Because we were so busy developing the business plan and getting ready for the Bakersfield trade show In November we had only one open house. We had excellent sales at the December Trade Show in Bakersfield and had revenue of a little over $30,000. We expect to increase this revenue next year by having a number of door prizes – matchmaking services, and show a video of testimonials of our satisfied customers. We will also have the videos available on our web site.

We also plan to attend the Long Beach Trade Show in February which adds approximately $25,000 to our sales. Most of our sales in February came from a special Valentine Day promotion. Our worst revenue performance was in January of $20,000. We will choose a day in January for our grand opening. We were not able to have one this year. A grand opening could generate up to $50,000

We are planning to convert our on-line survey so that it runs on tablets and cell phones. This will increase our exposure to the teen market.

**Company’s current financial position**.

Our balance sheet shows the current financial status of our company.We have a large cash reserve and our accounts receivable are current – from the April Trade fair in San Diego. We will set up a depreciation schedule for our furniture and fixtures and equipment next year. Since we made approximately $49,000 in net profit, which we will distribute.

**Market Risk**

We will always fight the myth that it is not cool to get a date using a computer and that meeting people on-line is a risk. This is evidenced that almost half of the people that use computer dating Google their date before meeting them. Privacy is always a factor we need to consider as well as ever-changing technology.