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INTRODUCTION

This document has been developed in order to provide insight into the plight of businesses who had no choice but to operate in the same COVID environment as their peers, but whom had **none of the same Federal Support**.

These businesses include;

- Businesses legally and **financially committed** prior to March 2020, but with no prior revenue
- Businesses who **expanded** their operations (and therefore their costs) just prior to the pandemic but who had not yet realized increased revenues as a result
- Businesses who started during the pandemic

Other businesses which had revenues that were highly impacted by COVID-19 had access to all 4 major programs;

CEWS, CERS, CEBA & HASCAP

The recently published budget acknowledged that the combined support of these programs was and is an **important factor in ensuring small businesses** (and the jobs they create) **survive the pandemic.**

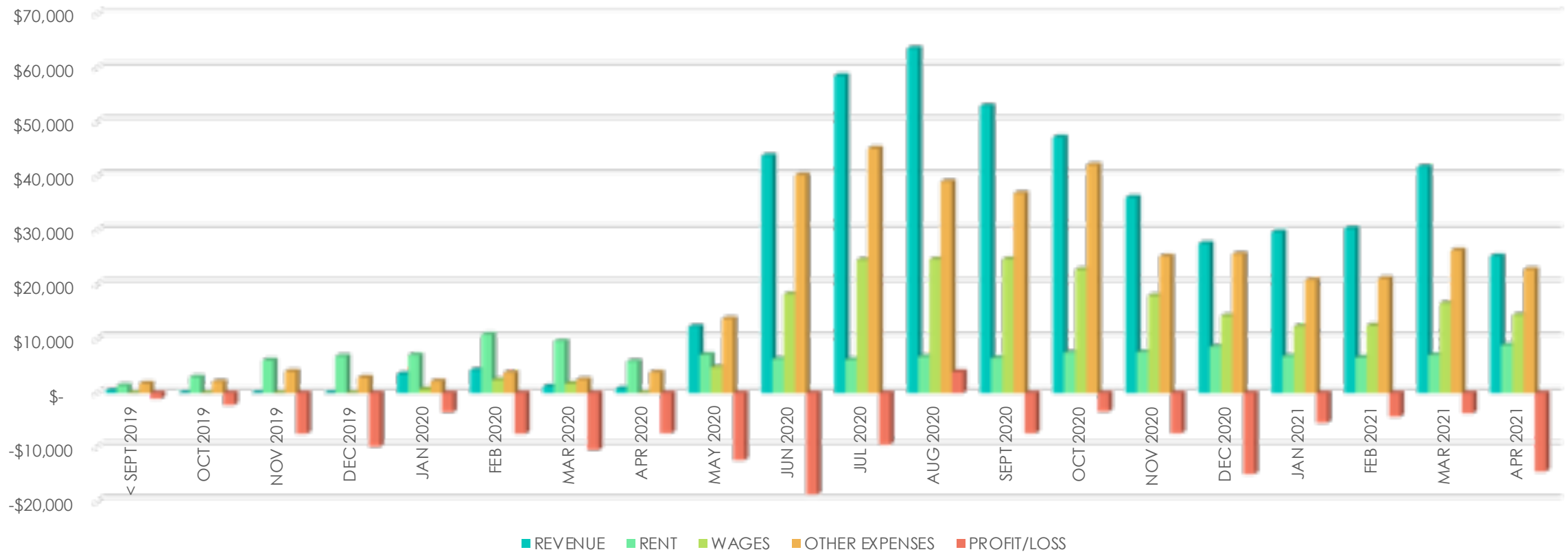
In response to being unfairly left out of these programs, and the financial hardship that this exclusion has created for these businesses, they have created the **savestartups.ca** initiative in order to amplify their voices.

- **Savestartups.ca** is made up of 82 (and growing) new businesses
- **Savestartups.ca** membership is made up of industries already identified by the government as being highly affected; primarily Food, Beverage & Accommodation, Tourism and Fitness

DATA SUMMARY

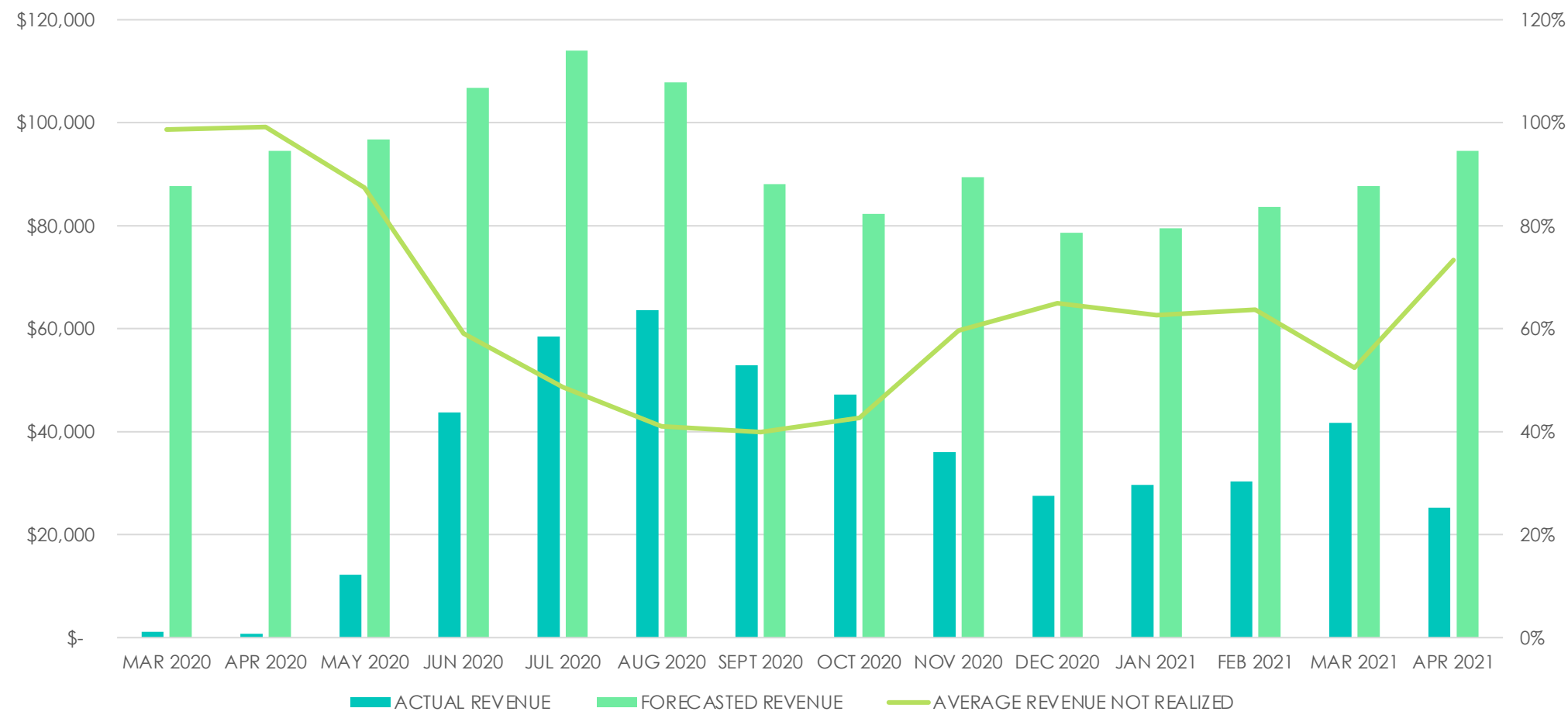
The following information is a summary of the data provided by 26 businesses; These businesses were willing to share this information in order to **better illustrate the severity and lack of equitability** of their situations

PROFIT & LOSS vs COVID TIMELINE (AVERAGE)



- Revenue losses as a whole mirror the 3 waves of covid
- Pre covid losses are non-capital expenses related to starting a business (no revenue to offset)
- Losses at their highest during peak restrictions
- Viability demonstrated during summer months, even under restrictions
- High costs in May/June/July are due extra startup expenses
- Other expenses include COGS, Utilities, Marketing, Fees etc

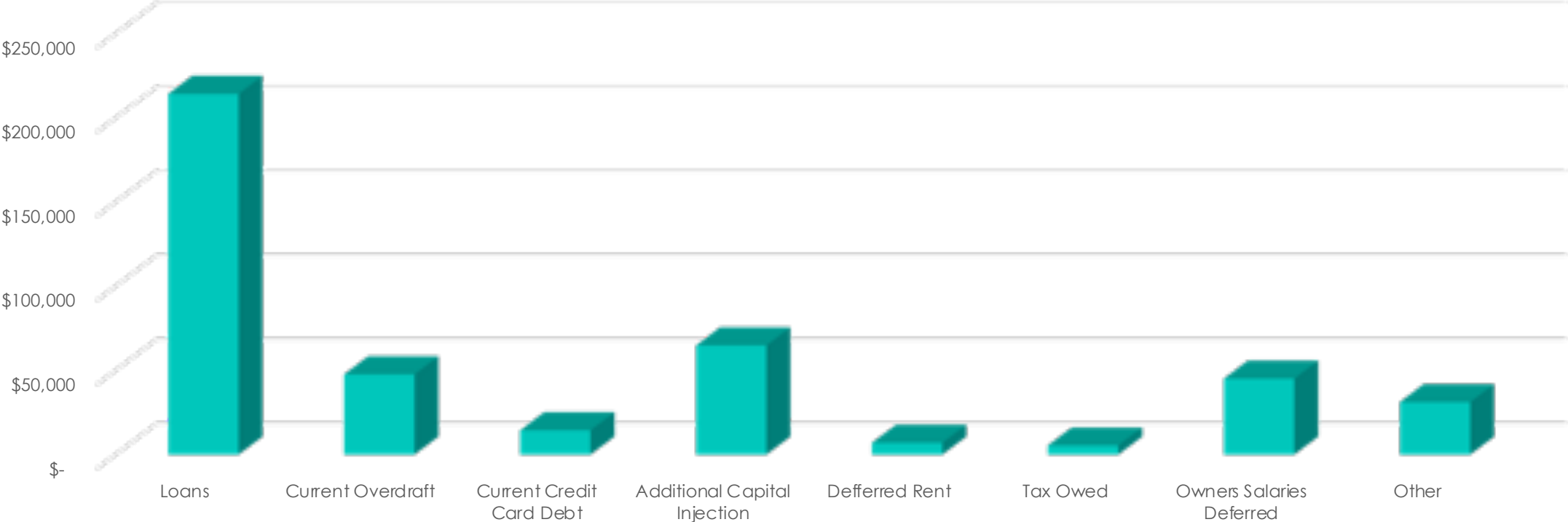
ACTUAL REVENUE vs FORECASTED REVENUE (AVERAGE)



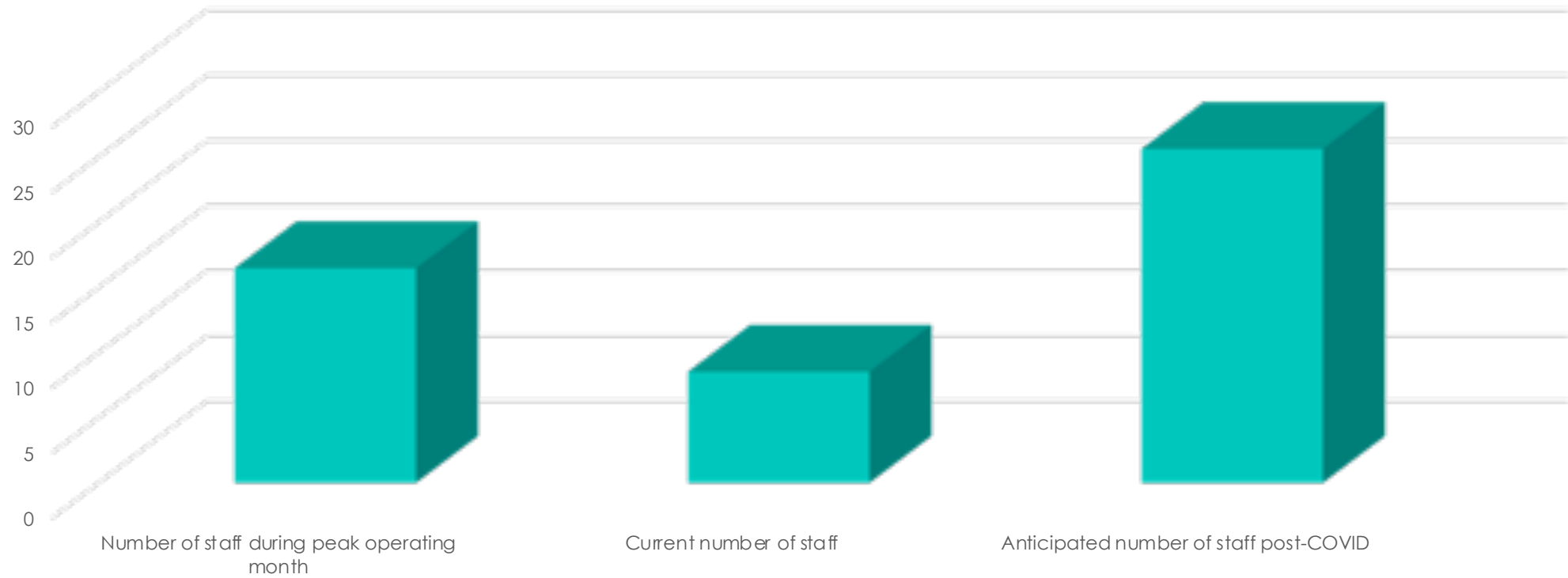


**ACTUAL LOSSES SUSTAINED vs ESTIMATED CEWS & CERS
(AVERAGE)**

AVERAGE COVID-RELATED DEBT LOAD - \$430,520



AVERAGE STAFFING LEVELS



RECOMMENDATIONS

- Create a **new Alternative Baseline Revenue** Option for CEWS and CERS
- Adjust the **eligibility** to the HASCAP program to include new businesses

In response to previously tabled e-petition 3054, we were told;

*“The wage subsidy and the rent subsidy are broad-based, legislated programs and as such, **require straightforward, objective rules that can accommodate businesses and organizations of all sizes and sectors**, while still maintaining the integrity of the programs.*

*The current revenue-decline test allows comparisons between an organization’s pre-COVID-19 revenues and its revenues during the pandemic, **helping estimate the impact of the pandemic** on its revenue.”*

In response to this, we propose the following;

ALTERNATIVE BASELINE REVENUE

(FOR NEW OR NEWLY EXPANDED BUSINESS)

Create a new Alternative Baseline Revenue Option for CEWS and CERS using Post-COVID revenue.

This achieves the goal of allowing comparisons between an organization's revenues during the pandemic with their own revenues in a normal operating environment, helping estimate the impact of the pandemic on its revenue.

This Baseline would be generated on a period-by-period basis by **businesses' own revenue** over the period of one calendar year. As each period's baseline was created, the business would then apply for retroactive payments to offset losses incurred due to the COVID-19 pandemic.

The first baseline period would start at whatever point CEWS and CERS are no longer extended - and would be **used to measure COVID related revenue decline** for the year before

(Previous 2 years in March/April/May/June)

PERIOD	1	2	3	4	5	6	7	8
DATES	mar 12 - apr 11 2020	apr 12 - may 9 2020	may 10 - june 6 2020	june 7 - july 4 2020	july 5 - aug 1 2020	aug 2 - aug 29 2020	aug 30 - sept 26 2020	sep 27 - oct 24 2020
CURRENT REVENUE BASELINE	Same Period 2019	Same Period 2019	Same Period 2019	Same Period 2019	Same Period 2019	Same Period 2019	Same Period 2019	Same Period 2019
ALTERNATIVE REVENUE BASELINE	January or February 2020	January or February 2020	January or February 2020	January or February 2020	January or February 2020	January or February 2020	January or February 2020	January or February 2020
SUGGESTED NEW ALTERNATIVE	Same Period 2022	Same Period 2022	Same Period 2022	Same Period 2021*	Same Period 2021*	Same Period 2021*	Same Period 2021*	Same Period 2021*
				*Or 2022 if CEWS extended	*Or 2022 if CEWS extended	*Or 2022 if CEWS extended	*Or 2022 if CEWS extended	*Or 2022 if CEWS extended

ALTERNATIVE BASELINE REVENUE (FOR NEW OR NEWLY EXPANDED BUSINESS)

CONTINUED

[illegible]

ALTERNATIVE BASELINE REVENUE

(FOR NEW OR NEWLY
EXPANDED BUSINESS)

Where revenue declines are demonstrated using the new baseline, CEWS and CERS would be calculated using the same method as current eligibility, and back-paid

Not only would this be highly motivating, but it would ensure that Federal investment goes **only towards active new businesses who were also active during the pandemic**

ADJUST HASCAP ELIGIBILITY

For new businesses and newly expanded businesses ensure access to borrowing which would allowing them to consolidate the debt that they accrued as a result of being left out of key programs for a year

ADJUST HASCAP ELIGIBILITY

(FOR NEW OR NEWLY
EXPANDED BUSINESS)

This would have the advantage of stabilizing the cashflow of these businesses, ensuring a higher level of long term success in an environment where their CEWS and CERS repayments will trickle in over a full year.

CEWS & CERS back payments
could be re-allocated as
repayments



FINANCIAL INFORMATION PROVIDED BY:

PART 1 - NEW BUSINESSES (LEGALLY COMMITTED PRIOR TO COVID)



El Segundo

The image shows a modern restaurant interior. The space is filled with white square tables and bright green chairs. A large, multi-tiered gold chandelier hangs from the ceiling. The walls are a mix of light green and white, with arched openings and pendant lights. Potted plants are scattered throughout the room. The text "Bear & Joey" is overlaid in a bold, orange font.

Bear & Joey

The image shows the interior of a restaurant, viewed through a dark wooden frame. The room features long, green tufted booths along the walls, with small wooden tables placed in front of them. The walls are covered in a patterned wallpaper, and the ceiling has recessed lighting. The floor is made of dark wood with a herringbone pattern. The text "The Radiant" is overlaid in a bold, orange font on the left side of the image.

The Radiant



The Vicious Poodle



Orchard



The Lakehouse



Café Wildflower

The image shows the interior of a modern Indian bistro. On the right, a long bar with a dark wooden countertop is lined with black high-top stools. Behind the bar, a dark wood wall features several shelves displaying a variety of colorful liquor bottles. To the left of the bar, there are decorative pillars with white geometric patterns on a dark background. The ceiling is white with a series of vertical wooden slats. In the foreground on the left, there are round wooden tables and dark, patterned upholstered chairs. The overall lighting is warm and ambient.

Delight Indian Bistro

Seed n' Salt





Barre Made



MĀ

Ma Yoga





Eggcetra



A photograph of a modern wooden house with a large deck, a hot tub, and a garden. The text "Cedar Coast Retreat" is overlaid in orange. The house features large glass doors and windows, a balcony with a railing, and a satellite dish. The deck is furnished with white chairs and a hot tub. The garden is landscaped with various plants and flowers.

Cedar Coast Retreat



Le Barbershop

A photograph of the exterior of Sedona Café & Lounge at night. The building features large glass windows and a curved glass section. Two tall, black, rectangular light fixtures are visible on the left side. A tree is visible on the right side. The text "Sedona Café & Lounge" is overlaid in the center in a red, sans-serif font. The background shows the interior of the lounge through the glass, with tables and chairs visible. The overall lighting is warm and ambient.

Sedona Café & Lounge

A modern, open-plan office space with a high ceiling and exposed ductwork. The room features large windows on the right side, providing a view of the city. In the center, there is a glass-walled enclosure. The foreground shows a wooden desk with a computer monitor. The background includes a lounge area with yellow and grey armchairs and a sofa. The overall atmosphere is bright and professional.

Venture X Oakville

A modern office interior with a mix of yellow and grey furniture. In the foreground, there are several grey armchairs and a small round white table with white chairs. In the background, there are more yellow armchairs, a brown leather sofa, and a large window looking out onto a green landscape. The ceiling is dark with exposed pipes and lights. The overall atmosphere is bright and contemporary.

Venture X Richmond Hill



Speed Mechanics

A dark, moody photograph of a restaurant interior. In the foreground, a bar counter is visible with several glasses and bottles. The background shows a bar area with a patterned wall and a ladder leaning against it. The lighting is dim, with some bright spots from overhead lights.

FINANCIAL INFORMATION PROVIDED BY:

PART 2 - EXISTING BUSINESSES (UNDERWENT EXPANSION)

A photograph of a coffee shop scene. A barista with a beard and glasses is serving a customer wearing a patterned beanie. The counter is filled with coffee-making equipment, including a manual grinder, a scale, and several cups of coffee. In the background, other customers are visible, including a couple embracing. The text "Hey Happy Coffee" is overlaid in a bold, orange font.

Hey Happy Coffee



Peaked Pies

WHISTLER , VANCOUVER & BURNABY

105 – 4369 MAIN STREET
WHISTLER

975 DENMAN STREET
VANCOUVER

(parking available at rear)

4114 HASTINGS STREET
BURNABY HEIGHTS

(NOW OPEN!)



Evocative Essentials



FINANCIAL INFORMATION PROVIDED BY:

PART 3 - NEW BUSINESSES (COMMITTED DURING PANDEMIC)



Compass Coach Lines



Gritlabs



Jucee



ange with windows open

The Latch Inn



CONCLUSION

- CEWS & CERS were highly successful programs, responsible for saving many small businesses throughout the COVID pandemic
- The existing program has gaps, and wrongfully excludes new businesses and businesses who have undergone expansion
- The result of these gaps is an inequitable playing field where new businesses are at a disadvantage
- Allowing new and newly expanded businesses to retroactively apply for CEWS and CERS, calculated against their own post-pandemic revenue would resolve this in-equitability and allow these businesses to get on top of their extra debt more quickly
- **100% of businesses who responded to this request for information answered YES they will be viable post-covid**
- **100% of businesses who responded to this request for information answered that YES the CEWS and CERS subsidies would offset any lack of viability that they may have demonstrated as a result of the COVID-19 pandemic**

CONTACT INFORMATION

PLEASE DIRECT ANY QUESTIONS OR COMMENTS ABOUT THIS
DOCUMENT TO SCARLET OSBORNE, 604 329 7877

SCARLET@EATELSEGUNDO.COM

ALTERNATIVELY, THERE ARE DIRECT CONTACT DETAILS FOR EACH BUSINESS ON THEIR
FINANCIAL SUBMISSIONS

SPREADSHEETS AVAILABLE ON REQUEST

THESE FIGURES WERE PROVIDED IN GOOD FAITH & WITH NO EXTERNAL AUDIT