

<b>Location</b>	<b>Franchisee</b>	<b>Phone Number</b>
Sedona, Arizona	Glenn and Kim Gordon*	(352) 729-6762
Dunedin, Florida	Bill and Kristin Arim*	(231) 533-4443
St. Petersburg, Florida	Lisa Coleman*	(727) 319-4000
Mashpee, Massachusetts	Paulette and Gordon Callendar	(941) 301-7629

\*These franchisees transferred their Franchised Businesses but still remain in the System.

The following are the names and contact info for those franchisees who had signed but not yet opened as of the end of our last fiscal year:

Pam and John Robinson	p.robinson@spiceandtea.com	(203) 260-3762
Lawson and Trey Rankin	l.rankin@spiceandtea.com	(919) 621-1020
James and Tamara Ryan	j.ryan@spiceandtea.com	(602) 499-4040
Joseph Nachio Jr	j.nachio@spiceandtea.com	(954) 326-6746
Cathy and Tom Koch	c.koch@spiceandtea.com	(847) 309-4232
Maria Delgado	m.delgado@spiceandtea.com	(734) 558-4015
William McGloine	w.mcglaine@spiceandtea.com	(631) 974-5229
Lynn Kenney	l.kenny@spiceandtea.com	(201) 322-0002

During the last three years, in some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with THE SPICE & TEA EXCHANGE® franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

There are no trademark-specified franchisee organization associated with the franchise system being offered which we have created, sponsored or endorsed. No independent franchisee organizations have asked to be included in this disclosure document.

## **ITEM 21 FINANCIAL STATEMENTS**

~~Our~~ Our compiled balance sheet and income statement as of July 31, 2024 and our audited financial statements as of December 31, 2021, December 31, 2022, and December 31, 2023, are attached as Exhibit “A” to this Disclosure Document. Our Fiscal year end is December 31<sup>st</sup>.

## **ITEM 22 CONTRACTS**

**THE FOLLOWING INTERIM BALANCE SHEET OF FRANCHISOR AS OF 7/31/24, AS WELL AS ITS PROFIT AND LOSS STATEMENT FOR THE INTERIM PERIOD BEGINNING AS OF 1/1/2024 AND ENDING AS OF 7/31/24, ARE UNAUDITED AND HAVE NOT BEEN PREPARED OR OTHERWISE REVIEWED BY AN INDEPENDENT THIRD-PARTY AUDITOR OR ACCOUNT. NO SUCH THIRD-PARTY HAS EXPRESSED THEIR ANALYSIS AND/OR OPINION IN CONNECTION WITH THE SAME.**

THE SPICE & TEA EXCHANGE FRANCHISING, LLC  
*FINANCIAL STATEMENTS*  
JULY 31<sup>ST</sup>, 2024



2706 Alt 19 N Ste 270 | Palm Harbor, FL 34683 | (727) 787-4223 | [www.sskfirm.com](http://www.sskfirm.com)

## ***Accountants' Compilation Report***

The Spice & Tea Exchange Franchising, LLC  
210 Marshall Cir  
St Augustine, FL 32086

For the use of Management

September 6<sup>th</sup>, 2024

The management of The Spice & Tea Exchange Holdings, LLC is solely responsible for the accompanying financial statement of that entity. The attached statement comprises only the Income Statement and Balance Sheet, as of July 31<sup>st</sup>, 2024, and for both the month and the year to that date.

This statement is presented in accordance with generally accepted accounting principles as currently accorded within the United States of America and no conformity with International Standards of any other type are assured.

A compilation engagement has been performed in accordance with Statements on Standards for Accounting and Review Services as promulgated by the Accounting and Review Services Committee of the AICPA. This was performed only as a compilation and we have neither reviewed nor audited the financial statement attached. We were also neither engaged nor required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any form of assure regarding this financial statement.

No statement cash flows for the period has been presented. Accounting principles generally accepted in the United States of America require that such a statement be presented when financial statement are expected to present financial position and results of operations.

Management has also elected to omit substantially all disclosures required by generally accepted accounting principles within the United States of America. If such disclosures were included in the attached financial statement it is possible the user's conclusions about the Company would be altered materially. Therefore, it is important to note that these financial statements are intended only for those made fully aware of these limitations.

Finally, this financial statement consider all consolidated activities of the entity above listed inclusive of all active subsidiaries.



Matthew Kessenich, CPA  
*Managing Partner*  
Snyder, Snyder, & Kessenich CPA Firm LLP

## Income Statement

For the month, and year, to date as of 7.31.2024

Franchise Fees (502100)	\$ 23,265	\$ 155,798
IT Subscription Fees	2,439	16,379
Miscellaneous Revenue	50	15,150
POS Cross Charge	26,054	141,286
Royalties	263,749	1,764,892
System Development Fees	37,775	245,771
COGS - Merchant Account Fees	\$ (232)	\$ (1,579)
<b>Gross Profit</b>	<b>\$ 353,100</b>	<b>\$ 2,337,697</b>
General - Taxes / Permits / Licenses / Certifications	\$ -	\$ 14,596
Management Fees	191,265	1,270,996
Professional - Accounting	-	9,000
Professional - Legal	-	4,283
<b>Total Operating Expenses</b>	<b>\$ 191,265</b>	<b>\$ 1,298,875</b>
Interest Income	3,775	29,656
<b>Net Income</b>	<b>\$ 165,610</b>	<b>\$ 1,068,478</b>

*See Accountants' Compilation Report for Information*

**Snyder, Snyder, & Kessenich CPA Firm LLP**

**Balance Sheet**  
As at July 31, 2024

<b>Assets</b>	
<b>Cash and Cash Equivalents</b>	
PNC - Franchising Main	\$ 844,636
PNC - Franchising SDF	619,434
<b>Total Cash and Cash Equivalents</b>	<b>\$ 1,464,070</b>
<b>Current Assets</b>	
Accounts Receivable	\$ -
Notes Receivable - ST	304,039
<b>Total Current Assets</b>	<b>\$ 304,039</b>
<b>Property, Plant and Equipment</b>	
AD - Other Assets	\$ (27,712)
FA - Computers & Equipment	13,149
FA - Furniture & Fixtures	3,897
FA - Leasehold Improvements	10,666
<b>Total Property, Plant and Equipment</b>	<b>\$ -</b>
<b>Other Non-current Assets</b>	
Notes Receivable - LT	\$ -
<b>Total Other Non-current Assets</b>	<b>\$ -</b>
<b>Total Assets</b>	<b>\$ 1,768,109</b>
<b>Liabilities and Equity</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ (2,800)
Franchise Deposits	240,000
Franchise Fees (203200)	1,509,076
<b>Total Current Liabilities</b>	<b>\$ 1,746,276</b>
<b>Total Liabilities</b>	<b>\$ 1,746,276</b>
<b>Equity</b>	
Current Year Earnings	\$ 1,068,478
Distributions	(8,702,381)
Intercompany	1,271,296
Retained Earnings	6,384,440
<b>Total Equity</b>	<b>\$ 21,833</b>
<b>Total Liabilities and Equity</b>	<b>\$ 1,768,109</b>

*See Accountants' Compilation Report for Information*

**Snyder, Snyder, & Kessenich CPA Firm LLP**

**ADDENDUM TO THE  
SPICE & TEA EXCHANGE FRANCHISING, LLC  
FRANCHISE DISCLOSURE DOCUMENT**

**FOR USE IN MINNESOTA**

1. Item 13 is amended to add the following:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.12, Subd. 1(g) which requires us to indemnify you from any loss, costs or expenses arising out of any claims, suites or demands regarding your use of the Marks.

2. Item 17, summary column for (f) is amended to add the following:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, sbds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the franchise agreement and that consent to transfer of the franchise will not be unreasonably withheld.

3. Item 17, summary column for (m) is amended to add the following:

Any release signed as a condition of transfer will not apply to any claims you may have under the Minnesota Franchise Act.

4. Item 17, summary columns for (v) and (w) are amended to add the following:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

5. Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation or waiver that would relieve any person from liability under Minnesota Statutes 80C.01 through 80C.22. The Franchise Agreement contains provisions requiring a general release as a condition of renewal or transfer of a franchise. Such release will exclude claims arising under Minnesota Statutes 80C.01 through 80C.22. In addition, no representation or acknowledgement by you in the Franchise Agreement is intended to or shall act as a release, assignment, novation or waiver that would relieve any person from liability under Minnesota Statutes 80C.01 through 80C.22.

6. You cannot consent to us obtaining injunctive relief. We may seek injunctive relief. See Minnesota Rule 2860.4400J. Also, a court will determine if a bond is required.

7. Any limitations of claims sections must comply with Minnesota Statutes, Section 80.17, Subdivision 5.

8. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.