**FINANCIAL PLAN**

A Financial Plan for

**Veggiemai Business**

Submitted in

Partial Fulfillment of the Requirements

For **Business Finance** (ELEC 11)

First Semester

Academic Year 2024-2025

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Veggiemai is a siomai made from vegetables it offers a healthy and delicious twist to traditional siomai, catering to customers who prioritize wellness and sustainability. Made with a perfect blend of fresh, locally-sourced vegetables, herbs, and spices, our siomai provides a flavorful and guilt-free alternative to meat-based options. The product is carefully crafted to ensure a balance of taste, texture, and nutrition, appealing to health-conscious individuals and vegetarians. Whether enjoyed as a snack, appetizer, or main dish, Vegetables Siomai is a versatile and affordable choice for anyone seeking wholesome, high-quality food.

**Start-Up Date**

The Veggiemai financial plan contains projections starting from January 1, 2025, ready to serve customers with healthy and delicious siomai options that fit modern dietary preferences and lifestyles.

**Projected Costs of Set-up**

The financial statement projection on this financial plan will be complete with the following cost assumptions and amounts divided into two categories presented in tabular form.

|  |  |  |  |
| --- | --- | --- | --- |
| **Business startup expenses** | **Quantity** | **Unit Cost** | **Amount** |
| **Business Registration/Taxes**  Barangay Clearance  Mayor’s permit  DTI Registration  BIR Registration  Local Business Taxes  Business Permit |  |  | 100  1,000  250  500  100  500 |
| Total |  |  | **2,450** |
| **Cost of Business Space** |  |  |  |
| Commercial Space |  |  | **5,000** |
| **Cost of Equipment’s** |  |  |  |
| Food Processor  Digital Weighing Scale  Freezer  Refrigerator  Impulse Sealer  Knife  Peeler  Chopping Board  Measuring Cups  Measuring Spoon  Basin  Mixing Bowl  Colander | 3  2  1  1  2  3  3  2  2  2  3  5  2 | 1,482  542  11,962  7,155  506  39  38  63  39  39  50  50  77 | 4,446  1,084  11,962  7,155  1,012  117  114  126  78  78  150  250  154 |
| Total |  |  | **26,726** |
| **Cost of Supplies (Ingredients)** |  |  |  |
| Potato  Carrots  Tofu  Egg  Onion  Garlic  Black Pepper  Oyster Sauce  Salt  All Purpose Flour  Molo Wrapper |  |  | **15.00 x 100 pcs x 5 days x 4 weeks =**  **30,000** |
| Total |  |  | **30,000** |
| **Cost of Utilities** |  |  |  |
| Water  Electricity |  |  | 500  500 |
| Total |  |  | **1,000** |
| **Cost of Salaries** | **2 Staff** | **350 a day x 20 working days** | **14,000** |
| Total Amount |  |  | **79,176** |
| **Cost of Capital** |  |  |  |
| Owner’s Capital |  |  | **PHP 85,000** |

**Profit and Loss Statement**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **JANUARY** | **FEBRUARY** | **MARCH** |
| **Revenue** | **74,000**  (PHP 37.00 x 100pcs x 5 days x 4 weeks) | **75,480**  (PHP 37.00 x 102pcs x 5 days x 4 weeks) | **77,700**  (PHP 37.00 x 105pcs x 5 days x 4 weeks) |
| **Cost of Goods Sold** | **(30,000)** | **(30,600)** | **(31,500)** |
| **Gross Profit** | **44,000** | **44,880** | **46,200** |
| **Expenses**  Business start-up expenses  Rent expense  Utilities expense  Salaries Expense | 2,450  5,000  1,000  14,000 | 5,000  1,000  14,000 | 5,000  1,000  14,000 |
| **Total Expenses** | **(22,450)** | **(20,000)** | **(20,000)** |
| **Net Income** | **21,550** | **24,880** | **26,200** |

**Assumptions for this Projected Profit and Loss Statement**

**Revenue**

* Price per unit: PHP [37.00](tel:37.00) remains constant for all three months.
* Number of units sold:  
  **January:** [100](tel:100) pieces per day for 5 days per week across 4 weeks.  
  **February:** [102](tel:102) pieces per day for 5 days per week across 4 weeks.  
  **March:**[105](tel:105) pieces per day for 5 days per week across 4 weeks.

Revenue Calculation Formula:  
Revenue = Price per unit × Units sold per day × Number of days worked

**Cost of Goods Sold (COGS)**The COGS increases proportionally with the number of units sold each month.

* **January:** 30,[000](tel:000)
* **February:** 30,[600](tel:600)
* **March:** 31,[500](tel:500)

**Gross Profit**  
Gross Profit Formula: Gross Profit = Revenue − COGS

**Expenses**

* Business Start-up Expenses: Included only in January as a one-time expense of PHP 2,[450](tel:450).
* Rent Expense: Fixed monthly cost of PHP 5,[000](tel:000).
* Utilities Expense: Fixed monthly cost of PHP 1,[000](tel:000).
* Salaries Expense: Fixed monthly cost of PHP 14,[000](tel:000).

**Total Expenses**

* **January:** Includes start-up expenses, rent, utilities, and salaries (PHP 22,[450](tel:450)).
* **February and March:** Includes only rent, utilities, and salaries (PHP 20,[000](tel:000) per month).

**Net Income**  
Net Income Formula: Net Income = Gross Profit

**Total Expenses**  
Net income increases across months due to higher sales volume and the absence of start-up expenses after January.

**Cash flow Statement**

**Veggiemai Business**

**For the 1st Quarter**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **JANUARY** | **FEBRUARY** | **MARCH** |
| **Cash Revenue** |  |  |  |
|  | 74,000 | 75,480 | 77,700 |
| **Total Amount** | 74,000 | 75,480 | 77,700 |
| **Cash Disbursements** |  |  |  |
|  | 79,176 | 50,600  Total Amount (79,176) – 1st Month COGS (30,000) – Business Start-up (2,450) + 2nd Month COGS (30,600) – Equipment (26,726) | 51,500  Total Amount (79,176) – 1st Month COGS (30,000) – Business Start-up (2,450) + 3rd Month COGS (31,500) – Equipment (26,726) |
| **Total Amount** | 79,176 | 50,600 | 51,500 |
| **Reconciliation of Cash flow** |  |  |  |
| Opening cash balance | 85,000 | 79,824 | 104,704 |
| Add: Total cash sales | 74,000 | 75,480 | 77,700 |
| Less: Total cash disbursement | (79,176) | (50,600) | **(**51,500**)** |
| **Ending cash balance** | **79,824** | **104,704** | **130,904** |

**Assumptions for this Projected Cash Flow Statement**

**Cash Revenue:**

* Cash revenue is derived from projected monthly sales.
* Sales figures are consistent with the business's growth trends.

**Cash Disbursements:**

* Include variable costs such as Cost of Goods Sold (COGS) and fixed expenses like business start-up costs and equipment purchase.
* COGS are calculated based on monthly production requirements.

**Reconciliation of Cash Flow:**

* Opening balance carries over from the previous month's ending balance.
* Total cash sales represent gross monthly revenue.
* Total disbursements account for operational and capital expenditures.
* Ending cash balance is the net result of cash inflows and outflows.

**Balance Sheet**

**Veggiemai Business**

**As of January 01, - March 31, 2024**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **JANUARY** | **FEBRUARY** | **MARCH** |
| **Assets** |  |  |  |
| Current Assets |  |  |  |
| Cash | 79,824 | 104,704 | 130,904 |
| Non-current Assets |  |  |  |
| Equipment (Manufacturing Equipment) | 26,726 | 26,726 | 26,726 |
| **Total Assets** | **106,550** | **131,430** | **157,630** |
| **Liabilities** |  |  |  |
| Current Liabilities | 0 | 0 | 0 |
| (Insert list of current liabilities) | N/A | N/A | N/A |
| Long-term Liabilities |  |  |  |
| (Insert list long-term liabilities) | N/A | N/A | N/A |
| **Total Liabilities** | **0** | **0** | **0** |
| Beginning Capital | 85,000 | 106,550 | 131,430 |
| Add: Net Income | 21,550 | 24,880 | 26,200 |
| Less: Net Loss | 0 | 0 | 0 |
| **Ending Capital** | **106,550** | **131,430** | **157,630** |
| **Total Equity** | **106,550** | **131,430** | **157,630** |

**Financial Ratio Analysis**

(Based on the facts presented above, you can compute different financial ratios to determine how well your business performed at a given period. Kindly use Horizontal analysis for Profit and Loss Statement and Cash flow Statement and use Vertical Analysis for Balance Sheet.

In terms of Liquidity ratio, **compute and explain** for current ratio, for Profitability ratio- Gross profit margin, for Solvency ratio-debt ratio, equity ratio, debt to equity ratio and equity to debt ratio)

**Horizontal Analysis for Profit and Loss Statement**

**Percentage Change = Current Period Value – Previous Period Value/ Previous Period Value x 100**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Description** | **JANUARY** | **FEBRUARY** | **MARCH** | **Horizontal Analysis (%) (Jan to Feb)** | **Horizontal Analysis (%)**  **(Feb to Mar)** |
| **Revenue** | 74,000 | 75,480 | 77,700 | **2.00%** | **2.94%** |
| **Cost of Goods Sold (COGS)** | (30,000) | (30,600) | (31,500) | **2.00%** | **2.94%** |
| **Gross Profit** | 44,000 | 44,880 | 46,200 | **2.00%** | **2.94%** |
| **Total Expenses** | (22,450) | (20,000) | (20,000) | **-10.91%** | **0.00%** |
| **Net Income** | 21,550 | 24,880 | 26,200 | **15.47%** | **5.31%** |

**Horizontal Analysis for Cash Flow Statement**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Description** | **JANUARY** | **FEBRUARY** | **MARCH** | **Horizontal Analysis (%) (Jan to Feb)** | **Horizontal Analysis (%)**  **(Feb to Mar)** |
| **Opening Cash Balance** | 85,000 | 79,824 | 104,704 | **-6.08%** | **31.16%** |
| **Total Cash Sales** | 74,000 | 75,480 | 77,700 | **2.00%** | **2.94%** |
| **Total Cash Disbursements** | (79,176) | (50,600) | (51,500) | **-36.08%** | **1.78%** |
| **Ending Cash Balance** | 79,824 | 104,704 | 130,904 | **31.17%** | **25.03%** |

**Vertical Analysis for Balance Sheet**

**Vertical Analysis Percentage = Individual Item/Total Assets x 100**

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **JANUARY** | **FEBRUARY** | **MARCH** |
| **Total Assets** | 100% | 100% | 100% |
| **Current Assets** | 74.95% | 89.72% | 93.02% |
| **Cash** | 74.95% | 79.68% | 83.01% |
| **Non-current Assets** | 25.05% | 20.32% | 16.99% |
| **Equipment** | 25.05% | 20.32% | 16.99% |
| **Total Liabilities** | 0% | 0% | 0% |
| **Total Equity** | 100% | 100% | 100% |

**Liquidity Ratio:** Current Ratio

Formula: **Current Ratio = Current Assets/Current Liabilities**

* **For January:** 79,824/0 = Infinite (No liabilities, highly liquid)
* **For February:** 104,704/0 = Infinite
* **For March:** 130,904/0 = Infinite

Explanation:  
The business has no current liabilities, meaning it is extremely liquid. This indicates the company can cover its short-term obligations (if any) comfortably.

**Profitability Ratios:** Gross Profit Margin

**Gross Profit Margin = Gross Profit/Revenue x 100**

* **For January:** 44,000/74,000 x 100 = 59.46%
* **For February:** 44,880/75,480 x 100 = 59.45%
* **For March:** 46,200/77,700 x 100 = 59.44%

Explanation:  
The gross profit margin is consistently around 59%, which shows strong profitability from core operations.

**Solvency Ratios**

1. **Debt Ratio**

Formula: **Debt Ratio = Total Liabilities/Total Assets**

**All Months:**

* Debt Ratio = 0/Total Assets = 0

Explanation:  
With no liabilities, the business is entirely solvent, having no debt burden.

1. **Equity Ratio**

Formula: **Equity Ratio = Total Equity/Total Assets**

* **For January:** 106,550/106,550= 1 (100% Equity-Financed)
* **For February:** 131,430/131,430x= 1 (100% Equity-Financed)
* **For March:** 157,630/157,630= 1 (100% Equity-Financed)

Explanation:  
The company is entirely equity-funded, demonstrating high financial independence.

1. **Debt to Equity Ratio**

Formula: **Debt to Equity Ratio = Total Liabilities/Total Equity**

* **For January:** 0/106,550= 0% (since there are no liabilities)
* **For February:** 0/131,430= 0% (since there are no liabilities)
* **For March:** 0/157,630= 0% (since there are no liabilities)

Explanation:  
The absence of debt indicates no leverage, making this ratio irrelevant for the company.

1. **Equity to Debt Ratio**

Formula: **Equity to Debt Ratio = Total Equity/Total Liabilities**

* **For January:** 106,550/0= 0% (since there are no liabilities)
* **For February:** 131,430/0= 0% (since there are no liabilities)
* **For March:** 157,630/0= 0% (since there are no liabilities)

Explanation:  
Since there are no liabilities, the company is fully equity-financed, indicating financial strength and no reliance on borrowed funds.

**Conclusion:**

The business is in an **excellent financial position, characterized by strong liquidity, consistent profitability, and robust solvency.** These factors indicate the company is well-positioned for growth, stable operations, and resilience against economic uncertainties. Moving forward, the business could consider leveraging its profitability and equity base for expansion or investments if necessary.