**FINANCIAL PLAN**

A Financial Plan for

Bro Code Café

Submitted in

Partial Fulfillment of the Requirements

For **Business Finance** (ELEC 11)

First Semester

Academic Year 2024-2025

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**Start-up Date**

The financial plan contains projections starting from **January 2025.**

**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** | Amount |
| DTI Registration fee  Business Permit | P 600  600 |
| Total | **1, 200** |
| **Cost of Business space** |  |
| Café Space Rental | **12,000** |
| **Cost of Equipment’s** |  |
| |  | | --- | | Espresso Machine |  |  |  | | --- | --- | | Coffee Grinder |  |  |  |  | | --- | --- | | Brewing Equipment (Drip, Pour Over) |  |  |  | | --- | | Refrigerator |  |  |  | | --- | --- | | Storage Containers |  |  |  |  | | --- | --- | | Cups, Mugs, and Cutlery |  |  |  | | --- | | Cleaning Supplies |  |  | | --- | | Furniture (Tables and Chairs) | | |  | | --- | | 40,000 |   15,000  10,000   |  | | --- | | 25,000 |   5,000  8,000   |  | | --- | | 2,000 | | 20,000 | | | |
| Total | **125,000** |
| **Cost of Supplies** | **Total** |
| Coffee Beans **500 PHP×2kg/day×7days×4weeks**  Milk, Cream, Sugar, Flavors **400 PHP/day×7days×4weeks**  Pastry Ingredients **35.00×50units/day×7days×4weeks**  Packaging Materials **5.00×100units/day×7days×4weeks** | 28,000  11,200  49,000  14,000 |
| **Total** | **102, 200** |
| **Cost of Utilities** |  |
| |  | | --- | | Water & Electricity |  |  | | --- | | Internet |  |  | | --- | | Gas | | |  | | --- | | 3,000 | | 1,500 | |  | | 1,000 | |
| Total | **5,500** |
| **Cost of Salaries** |  |
| |  |  | | --- | --- | | 2 Baristas |  |  |  | | --- | | 1 Assistant | | 30,000   |  | | --- | | 15,000 | |
| Total amount | **45,000** |
| Total Amount | **290, 900** |
| **Cost of Capital** | **PHP 300,000** |

**Profit and Loss Statement**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Month 1** | **Month 2** | **Month 3** |
| **Revenue (Coffee & Pastry Sales)** | **PHP 210,000** (100cups/day x 20days = 2,000cups 50pcs/day x 20days = 1,000  2,000 cups x 80 = PHP 160, 000  1,000 x 50 = 50, 000) = PHP 210,000 | **PHP 242,000** (120cups/day x 20days = 2,400cups 50pcs/day x 20days = 1,000  2,400 cups x 80 = PHP 192, 000  1, 000 x 50 =50,000) = PHP 242,000 | **PHP 290, 000**  (150cups/day x 20days = 3,000 50pcs/day x 20days = 1,000  3,000 cups x 80 = PHP 240, 000  1,000 x 50 = 50,000) = PHP 290, 000 |
| **Cost of Goods Sold** | **(102,200)** | **(118,100)** | **(142,300)** |
| **Gross Profit** | **107,800** | **123,900** | **147,700** |
| **Expenses**  Business start-up expenses  Rent expense  Utilities expense  Salaries Expense | 1,200  12, 000  5,500  45, 000 | 12, 000  5,500  45, 000 | 12, 000  5,500  45, 000 |
| **Total Expenses** | **(63,700)** | **(62,500)** | **(62,500)** |
| **Net Income** | **44,100** | **61,400** | **85,200** |

**Assumptions for the Profit and Loss Statement**

1. **Revenue Assumptions**:
   * **Coffee Sales**:
     + January: 100 cups/day × 20 days × PHP 80 = PHP 160,000.
     + February: 120 cups/day × 20 days × PHP 80 = PHP 192,000.
     + March: 150 cups/day × 20 days × PHP 80 = PHP 240,000.
   * **Pastry Sales**:
     + Consistent across all months: 50 pastries/day × 20 days × PHP 50 = PHP 50,000.
   * Total Revenue: Coffee Sales + Pastry Sales.
2. **Cost of Goods Sold (COGS) Assumptions**:
   * Coffee Beans:
     + 2 kg/day × 20 days × PHP 500 = PHP 20,000/month.
   * Milk, Cream, Sugar, Flavors:
     + PHP 400/day × 20 days = PHP 8,000/month.
   * Pastry Ingredients:
     + 50 units/day × 20 days × PHP 35 = PHP 35,000/month.
   * Packaging Materials:
     + 100 units/day × 20 days × PHP 5 = PHP 10,000/month.
   * Total COGS: Sum of all supply costs.
3. **Gross Profit**:
   * Revenue - COGS.
4. **Expense Assumptions**:
   * **Rent**: Fixed at PHP 12,000/month.
   * **Utilities**: Fixed at PHP 5,500/month.
   * **Salaries**:
     + Two baristas = PHP 30,000/month.
     + One assistant = PHP 15,000/month.
     + Total Salaries = PHP 45,000/month.
   * **Business Startup Expenses**: PHP 1,200 allocated fully in January.
5. **Net Income**:
   * Gross Profit - Total Expenses.

**Cash flow Statement**

**Bro Code Café**

**For the First Quarter (January – March 2025)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Month 1** | **Month 2** | **Month 3** |
| **Cash Revenue** |  |  |  |
|  | 210,000 | 242,000 | 290, 000 |
| **Total Amount** | 210,000 | 242,500 | 290,000 |
| **Cash Disbursements** |  |  |  |
|  | **290, 900** | **180, 600**  (290, 900 - 102,200-1,200 + 118,100- 125,000) = 180, 600 | **204, 800**  (290, 900 – 102, 200-1,200 + 142,300- 125,000) = 204, 800 |
| **Total Amount** | **290, 900** | **180, 600** | **204, 800** |
| **Reconciliation of Cash flow** |  |  |  |
| Opening cash balance | 300,000 | 219, 100 | 280, 500 |
| Add: Total cash sales | 210,000 | 242,000 | 290, 000 |
| Less: Total cash disbursement | (290, 900) | (180, 600) | (204, 800) |
| **Ending cash balance** | **219, 100** | **280, 500** | **365, 700** |

**Assumptions for the Cash Flow Statement**

1. Opening Cash Balance:
   * January (Month 1): Starting capital of PHP 300,000.
   * February (Month 2): Ending cash balance from January is carried forward.
   * March (Month 3): Ending cash balance from February is carried forward.
2. Cash Revenue:
   * January: Total revenue from sales of coffee and pastries = PHP 210,000 (coffee + pastries).
     + Coffee sales: 100 cups/day × 20 days × PHP 80 = PHP 160,000.
     + Pastry sales: 50 pastries/day × 20 days × PHP 50 = PHP 50,000.
   * February: Total revenue from sales = PHP 242,000 (coffee + pastries).
     + Coffee sales: 120 cups/day × 20 days × PHP 80 = PHP 192,000.
     + Pastry sales: 50 pastries/day × 20 days × PHP 50 = PHP 50,000.
   * March: Total revenue from sales = PHP 290,000 (coffee + pastries).
     + Coffee sales: 150 cups/day × 20 days × PHP 80 = PHP 240,000.
     + Pastry sales: 50 pastries/day × 20 days × PHP 50 = PHP 50,000.
3. Total Cash Revenue:
   * The total cash revenue is the sum of coffee and pastry sales for each month.
4. Cash Disbursements:
   * Cost of Goods Sold (COGS):
     + Coffee beans, milk, cream, sugar, flavors, pastry ingredients, and packaging materials are all paid in cash on a monthly basis.
     + January: COGS = PHP 98,000.
     + February: COGS = PHP 114,000.
     + March: COGS = PHP 138,000.
   * Other Expenses:
     + Business Start-Up Expenses: PHP 1,200 is paid only in January.
     + Rent: PHP 12,000 paid monthly.
     + Utilities: PHP 5,500 paid monthly.
     + Salaries: PHP 45,000 paid monthly.
5. Total Cash Disbursements:
   * This is the sum of COGS, business start-up expenses (if applicable), rent, utilities, and salaries each month.
     + January: PHP 290,900 (includes business start-up expenses).
     + February: PHP 180,700.
     + March: PHP 204,700.
6. Ending Cash Balance:
   * The ending cash balance for each month is calculated as follows:
     + Ending Cash Balance = Opening Cash Balance + Cash Revenue - Cash Disbursements.
7. Reconciliation of Cash Flow:
   * Opening Cash Balance: The cash balance from the previous month is carried forward.
   * Add: Total Cash Sales: The revenue from sales each month.
   * Less: Total Cash Disbursements: The total expenses (cost of goods sold + other expenses).
   * Ending Cash Balance: Calculated based on the formula above.

These assumptions help track the cash flow of the business, ensuring that the business has enough liquidity to cover its operating expenses and any unexpected costs.

**Balance Sheet**

**Bro Code Café**

**As of March 2025**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Month 1** | **Month 2** | **Month 3** |
| **Assets** |  |  |  |
| Current Assets |  |  |  |
| Cash | **219, 100** | **280, 500** | **365, 700** |
| Non-current Assets |  |  |  |
| Equipment | **125,000** | **125,000** | **125,000** |
| **Total Assets** | **344, 100** | **405, 500** | **490, 700** |
| **Liabilities** |  |  |  |
| Current Liabilities |  |  |  |
| (Insert list of current liabilities) | **n/a** | **n/a** |  |
| Long-term Liabilities |  |  |  |
| (Insert list long-term liabilities) | **n/a** | **n/a** |  |
| Beginning Capital | **300, 000** | **344, 100** | **405, 500** |
| Add: Net Income | **44,100** | **61,400** | **85,200** |
| Less: Net Loss | **-** | **-** | **-** |
| Ending Capital | **344, 100** | **405, 500** | **490, 700** |
| **Total Equity** | **344, 100** | **405, 500** | **490, 700** |

**Financial Ratio Analysis**