

## FINANCIAL PLAN

### Financial Assumptions

- Sales will increase 26% per year
- Costs of sales will increase 10% per year
- Utilities will increase 5% every year
- Salaries will increase Php 1000 per year
- Taxes and Licenses will increase 10% per year

### Financial Statements

This section includes the Income Statement, showing revenue, expenses, and net income over a period; the Balance Sheet, providing a snapshot of assets, liabilities, and equity; and the Cash Flow Statement, tracking cash inflows and outflows from operating, investing, and financing activities. These statements are essential for assessing profitability, financial stability, and liquidity for informed decision-making.

#### Income Statement

The Income Statement is a financial report that shows a company's revenue, expenses, and net income or loss over a specific period, providing insights into its profitability.

KOPI KANTO			
INCOME STATEMENT YEAR 2024-2025			
Category	2024 (₱)	2025 (₱)	2026 (₱)
<b>Revenue</b>			
Product Sales	965,360.00	1,215,353.60	1,531,340.54
<b>Total Revenue</b>	965,360.00	1,215,353.60	1,531,340.54
<b>Cost of Goods Sold (COGS)</b>			
Raw Materials	81,621.00	89,783.10	98,761.41
<b>Total COGS</b>	81,621.00	89,783.10	98,761.41
<b>Gross Profit</b>	883,739.00	1,125,570.50	1,432,579.13
<b>Operating Expenses</b>			
Salaries	240,000.00	252,000.00	264,000.00
Rent	54,000.00	54,000.00	54,000.00
Utilities	38,400.00	40,320.00	42,336.00
Marketing	24,000.00	24,000.00	24,000.00
Miscellaneous Expenses	40,841.00	40,841.00	40,841.00

Taxes and Licenses	9,500.00	150,000.00	150,000.00
<b>Total Operating Expenses</b>	406,741.00	952,320.10	1,799,984.39
<b>Earnings Before Interest and Taxes (EBIT)</b>	476,998.00	1,102,320.10	1,949,984.39
<b>Income Tax (10%)</b>	47,699.80	1,228,365.75	2,125,498.40
<b>Net Profit After Tax</b>	429,298.20	633,563.55	896,316.41

## Income Statement

The Income Statement shows our revenue, expenses, and net income or loss over a specific period. The Cash Flow Statement tracks cash inflows and outflows from operating, investing, and financing activities, providing insights into our liquidity and financial stability.

Category	2024 (₱)	2025 (₱)	2026 (₱)
<b>Current Assets</b>			
Cash	523,290.00	1,160,223.55	2,059,977.98
Inventory	6,802.00	7,482.20	8,230.42
Prepaid Expenses	9,500.00	0.00	0.00
<b>Total Current Assets</b>	539,592.00	1,167,705.75	2,068,208.40
<b>Non-Current Assets</b>			
Equipment (At Cost)	67,400.00	67,400.00	67,400.00
Accumulated Depreciation	(3,370.00)	(6,740.00)	(10,110.00)
Net Equipment Value	64,030.00	60,660.00	57,290.00
Total Assets	603,622.00	1,228,365.75	2,125,498.40
<b>Liabilities</b>			
Accounts Payable	6,802.00	7,482.20	8,230.42
Taxes Payable	80,249.80	118,563.45	167,283.59
Total Liabilities	87,051.80	126,045.65	175,514.01
<b>Equity</b>			
Owner's Equity	150,000.00	150,000.00	150,000.00
Retained Earnings	366,570.20	952,320.10	1,799,984.39
<b>Total Equity</b>	516,570.20	1,102,320.10	1,949,984.39
<b>Total Liabilities and Equity</b>	603,622.00	1,228,365.75	2,125,498.40

## Income Statement

This section provides a snapshot of our financial position at a specific point in time by showing our assets, liabilities, and equity. It offers insights into the company's financial stability and resources.

<b>Category</b>	<b>2024 (₱)</b>	<b>2025 (₱)</b>	<b>2026 (₱)</b>
<b>Cash Flow from Operating Activities</b>			
Net Profit After Tax	429,298.20	633,563.55	896,316.41
<b>Adjustments for Non-Cash Items</b>			
Depreciation of Equipment	3,370.00	3,370.00	3,370.00
<b>Changes in Working Capital</b>			
Increase in Accounts Payable	6,802.00	680.20	748.22
Increase in Inventory	-680.20	-680.20	-680.20
Net Cash Provided by Operating Activities	438,790.00	636,933.55	899,754.43
<b>Cash Flow from Investing Activities</b>			
Purchase of Equipments	-67,400.00	0.00	0.00
Net Cash Used in Investing Activities	-67,400.00	0.00	0.00
<b>Cash Flow from Financing Activities</b>			
Owner's Equity Contribution	150,000.00	0.00	0.00
Net Cash Provided by Financing Activities	150,000.00	0.00	0.00
Net Cash Flow	523,290.00	636,933.55	899,754.43
Beginning Cash Balance	0.00	523,290.00	1,160,223.55
Ending Cash Balance	523,290.00	1,160,223.55	2,059,977.98

## Financial Ratio Analysis

A process of evaluating a company's financial performance by analyzing key financial ratios. These ratios measure profitability, liquidity, efficiency, and financial stability, providing insights for decision-making and performance assessment.

### **Gross Profit Margin**

The gross profit margin measures the percentage of revenue that exceeds the cost of goods sold (COGS). It's calculated as:

$$\text{Gross Profit Margin} = ( (\text{Revenue} - \text{COGS}) / \text{Revenue} ) * 100$$

It shows how efficiently a company is producing and selling its products. The higher the margin, the better.

Year	Revenue (₱)	COGS (₱)	Gross Profit (₱)	Gross Profit Margin (%)
2024	965,360.00	81,621.00	883,739.00	91.54%
2025	1,215,353.60	89,783.10	1,125,570.50	93.55%
2026	1,531,340.54	98,761.41	1,432,579.13	93.55%

### **Return on Assets (ROA)**

The return on assets (ROA) ratio measures how efficiently a company uses its assets to generate profit. It shows the percentage of profit a company earns from its total assets.

$$\text{Return on Assets (ROA)} = ( \text{Net Income} / \text{Total Assets} ) * 100$$

Year	Net Income (₱)	Total Assets (₱)	ROA (%)
2024	429,298.20	603,622.00	71.10%
2025	633,563.55	1,228,365.75	51.58%
2026	896,316.41	2,125,498.40	42.17

## Payback Period

The payback period measures the amount of time it takes for an investment to generate an amount of cash inflows sufficient to recover the initial investment cost. It helps determine how long it will take for an investment to become profitable.

$$\text{Payback Period} = \text{Initial Investment} / \text{Annual Net Cash Inflow}$$

Year	Net Cash Inflow (₱)	Cumulative Cash Flow (₱)	Initial Investment Remaining (₱)	Payback Period
2024	438,790.00	438,790.00	150,000 - 438,790 = 0 (Fully Recovered)	< 1 year
End of 2025	636,933.55	1,075,723.55	0.00 (Fully Recovered)	
End of 2026	899,754.43	1,975,477.98	0.00	
Summary				<b>0.34 years</b>