Business Plan Milestone III

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July 9, 2017

**Financial summary**

Introduction

The aim of this section is to make visible the financial aspect of the enterprise and to make it possible to identify finance sources while seeing to it that every coin is properly spent such that all the needed resources are available at the implementation stage.

Projected sales forecast for the first year

|  |  |
| --- | --- |
| ITEM | AMOUNT IN USD |
| Weddings | 594,400 |
| Fund raising events | 100,000 |
| Sporting events | 100,000 |

Projected expenses for the first year

|  |  |
| --- | --- |
| ITEM | AMOUNT IN USD |
| Salaries | 180,000 |
| Overheads | 50,000 |
| Repairs | 35,000 |
| Licenses | 35,000 |
| Marketing | 30,000 |
| Loan and interest | 80,000 |

Projected cash flow statement

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Feb** | **Mar** | **April** | **May** | **June** | **July** | **August** | **Sept** | **Oct** | **Nov** | **Dec** | **Jan** | **TOTAL** |
| **CASH INFLOW** | **USD** | **USD** | **USD** | **USD** | **USD** | **USD** | **USD** | **USD** | **USD** | **USD** | **USD** | **USD** | **USD** |
| Cash sales | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 720,000 |
| Receipts | 6,200 | 6,200 | 6,200 | 6,200 | 6,200 | 6,200 | 6,200 | 6,200 | 6,200 | 6,200 | 6,200 | 6,200 | 74,400 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **TOTAL** | **66,200** | **66,200** | **66,200** | **66,200** | **66,200** | **66,200** | **66,200** | **66,200** | **66,200** | **66,200** | **66,200** | **66,200** | **794,400** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **CASH OUTFLOW** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Purchases | 6,600 | 6,600 | 6,600 | 6,600 | 6,600 | 6,600 | 6,600 | 6,600 | 6,600 | 6,600 | 6,600 | 6,600 | 79,200 |
| Internet | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 36,000 |
| Rates/Rent | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 96,000 |
| Salaries | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 180,000 |
| Communication | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 3,000 |
| Electricity | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 12,000 |
| Loan repayment plus interest (12.5%p.a) | - | - | - | 14,063 | 14,063 | 14,063 | 14,063 | 14,063 | 14,063 | 14,063 | 14,063 | 14,063 | 126,567 |
| Maintenance and improvement | - | - | - | - |  | 35,000 | - | - | - | - | - | - | 35,000 |
| Licenses | 35,000 | - | - | - | - | - | - | - | - | - | - | - | 35,000 |
| **TOTAL** | **30,850** | **18,850** | **18,850** | **32,913** | **32,913** | **37,913** | **32,913** | **32,913** | **32,913** | **32,913** | **32,913** | **32,913** | **369,767** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Surplus** | **35,350** | **47,350** | **47,350** | **33,287** | **33,287** | **27,787** | **33,287** | **33,287** | **33,287** | **33,287** | **33,287** | **33,287** | **424,633** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**Desired finance**

Start-up phase will require $50,000 to cover implementation and operation costs for the initial three months. After this implementation period the enterprise will be sufficiently able to meet its operational expenditure. Due to the high initial capital bootstrap financing may not be sufficient in financing the new business without placing pressure on the existing business. Therefore several sources of finance are considered as follows:

|  |  |
| --- | --- |
| SOURCE | ANTICIPATED AMOUNT IN USD |
| Loan from bank | 25,000 |
| Shareholders’ equity | 15,000 |
| Bootstrap financing | 10,000 |