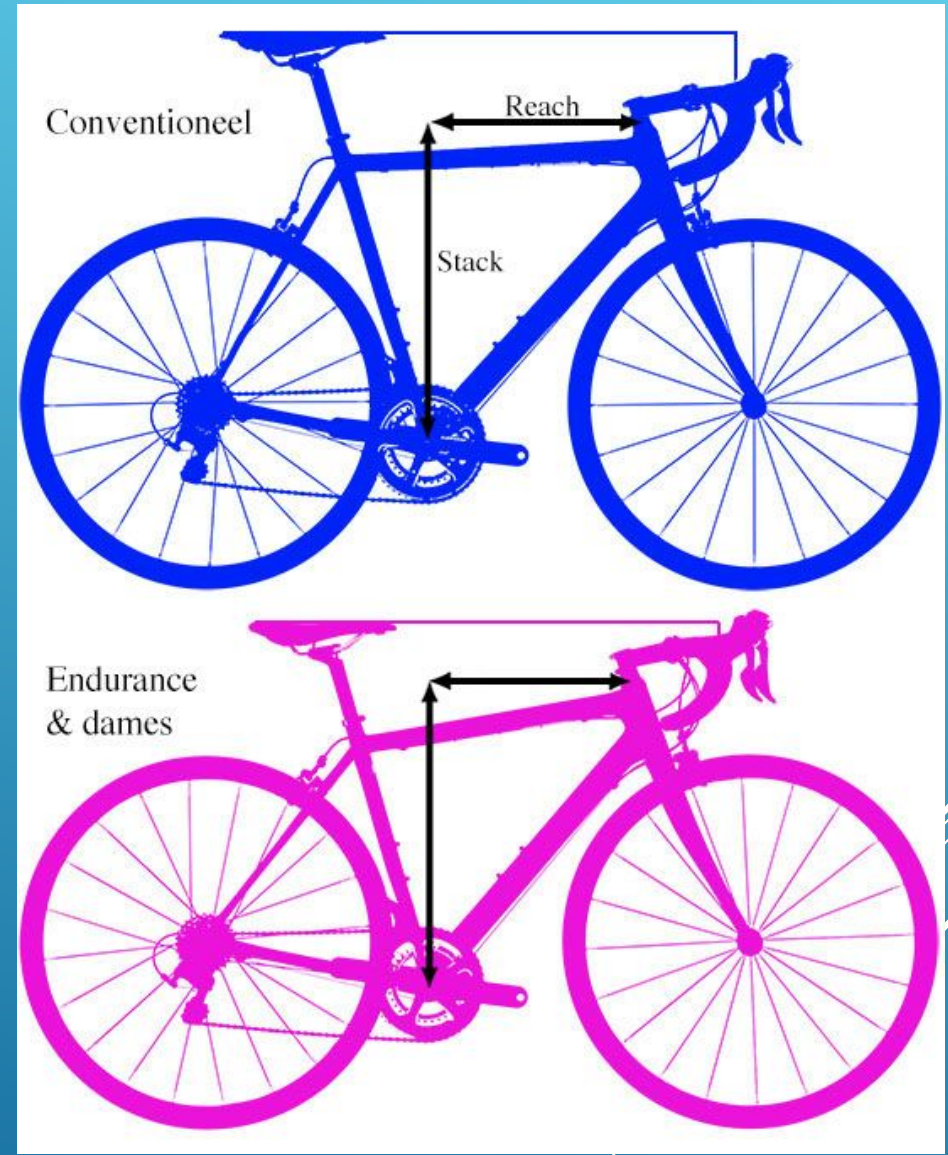


FINANCE IN THE BUSINESS PLAN

Yvette Hartink



YOUR BUSINESS

1ST STEP : INVESTMENT PLANNING

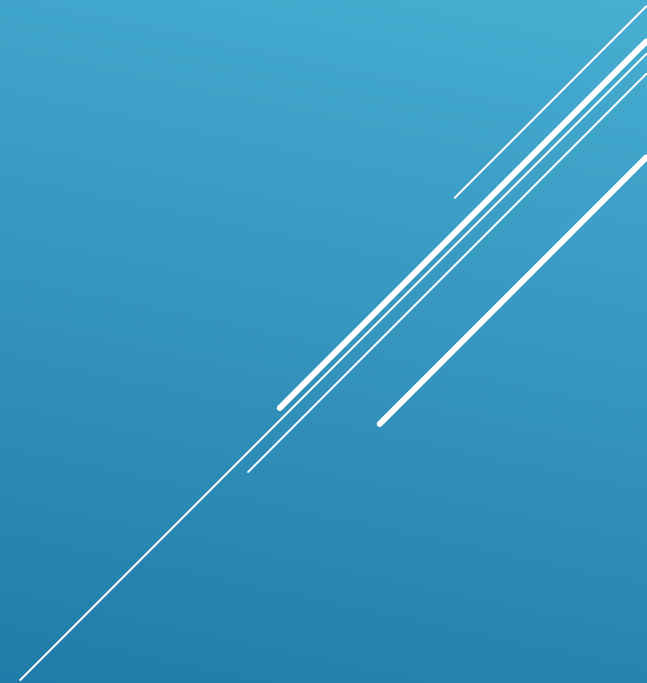
- ▶ What do you need before I can open my bikestore?
- 
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- ▶ Bikes, how many?
- ▶ Building (store), rent or buy?
- ▶ Store equipment
- ▶ Cash
- ▶ ...

ASSETS



HOW WILL YOU FINANCE YOUR
ASSETS?



- ▶ Credit from suppliers
- ▶ Bank loan

LIABILITIES



- ▶ Own money
- ▶ Investment from shareholders'

EQUITY



ONE RULE....

- ▶ ASSETS = LIABILITIES + EQUITY

INVESTMENT PLANNING / OPENING BALANCE SHEET

Balance sheet 1/6/19			
Yvette's Bikestore			
Assets:		Liabilities:	
Equipment	€ 5.000,00	Accounts payable	€ 5.250,00
Inventory	€ 10.000,00	Bank loan 5 years	€ 5.000,00
Prepaid rent	€ 3.000,00		
Prepaid insurance	€ 1.800,00	Equity	
Cash	€ 450,00	Own investment	€ 10.000,00
		Total Liabilities+	
Total assets	€ 20.250,00	Equity	€ 20.250,00

SALES FORECAST

	June	July	August	September	October	November	
Units	25	35	55	55	40	35	
Sales	€ 18.750,00	€ 26.250,00	€ 41.250,00	€ 41.250,00	€ 30.000,00	€ 26.250,00	
	December	January	February	March	April	May	
Units	25	25	40	55	60	75	
Sales	€ 18.750,00	€ 18.750,00	€ 30.000,00	€ 41.250,00	€ 45.000,00	€ 56.250,00	

PROFIT?

Revenues - costs

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INCOME STATEMENT


Income statement 1st year					
Yvette's bikestore					
Revenues	€ 393.750,00				sales forecast, price 750
Cost of sales	€ 262.500,00				sales forecast, price 500
Gross margin		€ 131.250,00			
Operational expenses					
Rent	€ 12.000,00				
Wages	€ 24.000,00				
Insurance	€ 1.800,00				
Promotion	€ 12.000,00				
Other expenses	€ 6.000,00				utilities, office supplies, etc
Total operational expenses		€ 55.800,00			
Interest		€ 200,00	4%		
Income before taxes		€ 75.250,00			
Taxes		€ 15.050,00	20%		
Profit/loss		€ 60.200,00			

SO I MADE A PROFIT, BUT WHAT
ABOUT CASH??

Remember... CASH IS KING!!

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CASH FLOW STATEMENT


- ▶ Sales: 50% in month of sale, 50% month after
 - ▶ Suppliers: one month credit
 - ▶ Rent: pay for 3 months in advance
 - ▶ Interest: after 1 year
 - ▶ Taxes: after the first year
- 
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CASH FLOW STATEMENT

CASH FLOW STATEMENT						
YVETTE'S BIKESTORE						
	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER
Cash in						
Revenues	€ 9.375,00	€ 22.500,00	€ 33.750,00	€ 41.250,00	€ 35.625,00	€ 28.125,00
Total cash in	€ 9.375,00	€ 22.500,00	€ 33.750,00	€ 41.250,00	€ 35.625,00	€ 28.125,00
Cash out						
Suppliers	€ 5.250,00	€ 12.500,00	€ 17.500,00	€ 27.500,00	€ 27.500,00	€ 20.000,00
Wages	€ 2.000,00	€ 2.000,00	€ 2.000,00	€ 2.000,00	€ 2.000,00	€ 2.000,00
Promotion	€ 1.000,00	€ 1.000,00	€ 1.000,00	€ 1.000,00	€ 1.000,00	€ 1.000,00
Other expenses	€ 500,00	€ 500,00	€ 500,00	€ 500,00	€ 500,00	€ 500,00
Rent	€ -	€ -	€ 3.000,00	€ -	€ -	€ 3.000,00
Insurance	€ -	€ -	€ -	€ -	€ -	€ -
etc...						
Total Cash out	€ 8.750,00	€ 16.000,00	€ 24.000,00	€ 31.000,00	€ 31.000,00	€ 26.500,00
Cash flow (cash in - cash out)	€ 625,00	€ 6.500,00	€ 9.750,00	€ 10.250,00	€ 4.625,00	€ 1.625,00
Beginning cash	€ 450,00	€ 1.075,00	€ 7.575,00	€ 17.325,00	€ 27.575,00	€ 32.200,00
Ending cash	€ 1.075,00	€ 7.575,00	€ 17.325,00	€ 27.575,00	€ 32.200,00	€ 33.825,00

Can't be negative!!!

YOUR BUSINESS PLAN

- ▶ Investment and finance planning (opening balance sheet)
 - ▶ Sales forecast (1 year)
 - ▶ Income statement (1 year)
 - ▶ Cash flow statement (monthly for 1 year)
 - ▶ EXPLANATIONS!!!
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GOOD LUCK!!

