

Projection and Financial Planning

Income Statement

Particular	Year 1	Year 2	Year 3
Revenue	\$ 1.2 M	\$ 1.8 M	\$ 2.4 M
Less - Cost of goods sold (COGS)	\$ 360 K	\$ 540 K	\$ 720 K
Gross profit	\$ 840 K	\$ 1.26 M	\$ 1.68 M
Less - Operating expenses	\$ 360 K	\$ 378 K	\$ 403.2 K
Operating profit	\$ 480 K	\$ 882 K	\$ 1.2768 M
Less - Interest expense	\$ 12 K	\$ 12 K	\$ 12 K
Net profit before tax	\$ 468 K	\$ 870 K	\$ 1.2648 M
Less - Tax expense	\$ 140.4 K	\$ 261 K	\$ 379.44 K
Net profit after tax	\$ 327.6 K	\$ 609 K	\$ 885.36 K

Cash Flow Statement

Particular	Year 0	Year 1	Year 2	Year 3
Cash flow from operating activities:				
Net profit after tax	-	327.6 K	609 K	885.36 K
Adjustments for non-cash items:				
Depreciation expense	-	20 K	20 K	20 K
Changes in working capital:				
Increase in inventory	-	-60 K	-90 K	-120 K

Increase in accounts receivable	-	-120 K	-180 K	-240 K
Increase in accounts payable	-	60 K	90 K	120 K
Net cash flow from operating activities:	\$ 0	\$ 227.6 K	\$ 449 K	\$ 665.36 K
Cash flow from investing activities:				
Purchase of fixed assets	\$ -100 K (startup cost)	\$ 0	\$ 0	\$ 0
Net cash flow from investing activities:	\$ -100 K	\$ 0	\$ 0	\$ 0
Cash flow from financing activities:				
Investment received	\$ 100 K (investment)	\$ 0	\$ 0	\$ 0
Loan received	\$ 0	\$ 60 K (loan)	\$ 0	\$ 0
Loan repaid	\$ 0	\$ -30 K (loan repayment) + \$ -12 K (loan interest) = \$ -42 K	\$ -30 K (loan repayment) + \$ -12 K (loan interest) = \$ -42 K	\$ -30 K (loan repayment) + \$ -12 K (loan interest) = \$ -42 K
Net cash flow from financing activities:	\$ 100 K	\$ 18 K	\$ -42 K	\$ -42 K
Net increase/decrease in cash:				
	\$ 0	\$ 245.6 K	\$ 407 K	\$ 623.36 K
Cash at the beginning of the year:				
	\$ 0	\$ 0	\$ 245.6 K	\$ 652.6 K
Cash at the end of the year:				
	\$ 0	\$ 245.6 K	\$ 652.6 M	\$ 1.27596 M

Balance Sheet

Particular	Year 0	Year 1	Year 2	Year 3
Assets				
Current assets:				
Cash and cash equivalents	\$ 0	\$ 245.6 K	\$ 652.6 K	\$ 1.27596 M
Inventory	\$ 0	\$ 60 K	\$ 90 K	\$ 120 K
Accounts receivable	\$ 0	\$ 120 K	\$ 180 K	\$ 240 K
Total current assets:	\$ 0	\$ 425.6 K	\$ 922.6 K	\$ 1.63596 M
Non-current assets:				
Fixed assets (net)	\$ 100 K	\$ 80 K	\$ 60 K	\$ 40 K
Total non-current assets:	\$ 100 K	\$ 80 K	\$ 60 K	\$ 40 K
Total assets:	\$ 100 K	\$ 505.6 K	\$ 982.6 K	\$ 1.67596 M
Liabilities and equity:				
Current liabilities:				
Accounts payable	\$ 0	\$ 60 K	\$ 90 K	\$ 120 K
Loan payable (current portion)	\$ 0	\$ 42 K	\$ 42 K	\$ 42 K
Total current liabilities:	\$ 0	\$ 102 K	\$ 132 K	\$ 162 K
Non-current liabilities:				
Loan payable (long-term portion)	\$40 K	\$30K	\$0	\$30K
Total non-current liabilities:	\$40 K	\$30K	\$0	\$30K
Total liabilities:	\$40K	\$132K	\$132K	\$192K
Equity:	-	-	-	-

Share capital	\$0	\$100 K	\$100 K	\$100 K
Retained earnings	\$60 K	\$273.6 K	\$750.6 K	\$1.38396 M
Total equity	\$60 K	\$373.6 K	\$850.6 K	\$1.48396 M
Total liabilities and equity	\$100 K	\$505.6 K	\$982.6 K	\$1.67596 M