

# Manage financial resources for a small business enterprise



**ASSIGN  
BUSTER**



	000
Collateral & Stationery	\$3, 500
Store Planner/Design	\$2, 000
DSL Installation & Service Activation	\$200
Office Supplies, Gift-wrap, Packaging	\$2, 000
Furniture	\$1, 400
Other	\$0
TOTAL START-UP EXPENSES	\$11, 900
Start-up Assets	
Cash Required	\$70, 550
Start-up Inventory	\$1, 600

Other Assets	\$50
Long-term Assets	\$11, 560
TOTAL ASSETS	\$85, 400
Total Requirements	\$96, 000
START-UP FUNDING	
Start-up Expenses to Fund	\$11, 700
Start-up Assets to Fund	\$83, 500
TOTAL FUNDING REQUIRED	\$95, 500
Assets	
Non-cash Assets Start-up	\$13, 060

Cash Requirements	\$70,
Start-up	360
Additional Cash Raised	\$50
Cash Balance on Starting	\$70,
Date	550
TOTAL ASSETS	\$83, 500
Liabilities and Capital	
Liabilities	
Current Borrowing	\$50, 100
Long-term Liabilities	\$1
Accounts Payable (Outstanding Bills)	\$5
Other Current Liabilities (interest-free)	\$5
TOTAL LIABILITIES	\$50, 100

## Capital

### Planned Investment

Investor \$0. 0

Other \$0. 0

Additional Investment  
Requirement \$0. 0

TOTAL PLANNED \$45,  
INVESTMENT 500

Loss (Start-up Expenses) (\$11,  
700)

TOTAL CAPITAL \$33,  
900

TOTAL CAPITAL AND \$83,  
LIABILITIES 900

Total Funding \$95,  
500

### Cash flow statement of " Magic Floral Store"

#### PRO FORMA CASH FLOW

YEAR 1	YEAR 2	YEAR 3	
Cash			
Received			
Cash from			
Operations			
Cash Sales	\$79,700	\$137,500	\$166,700
SUBTOTAL	\$79,700	\$137,300	\$166,700
CASH FROM			
OPERATIONS			
Sales Tax,			
VAT, HST/GST	\$0	\$0	\$0
Received			
New Current			
Borrowing	\$0	\$0	\$0
New Other			
Liabilities	\$0	\$0	\$0
(interest-free)			
New Long-	\$0	\$0	\$0
term			

Liabilities

Sales of Other

Current	\$0	\$0	\$0
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Assets

Sales of Long-

term Assets	\$0	\$0	\$0
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New

Investment	\$0	\$0	\$0
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Received

SUBTOTAL

	\$79,	\$137,	\$166
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CASH

	700	300	, 700
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RECEIVED

Expenditures

	Year	Year	Year
	1	2	3

Cash

	\$0	\$0	\$0
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Spending

Bill Payments	\$64,	\$117,	\$135
	914	366	, 554



SUBTOTAL	\$64,	\$117,	\$135
SPENT ON	914	357	, 554
OPERATIONS			

Additional  
Cash Spent

Sales Tax, VAT, HST/GST	\$0	\$0	\$0
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Principal Repayment of Borrowing	\$15, 001	\$13, 861	\$13, 861
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Other Liabilities Principal Repayment	\$0	\$0	\$0
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Long-term Liabilities Principal Repayment	\$0	\$0	\$0
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Purchase Other Current	\$0	\$0	\$0
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Assets



Other Current	\$0	\$0	\$0
Assets			
TOTAL	\$73,	\$82,	\$101
CURRENT	985	834	, 445
ASSETS			
Long-term	\$11,	\$11,	\$11,
Assets	551	552	553
Accumulated	\$1,	\$2,	\$3,
Depreciation	151	301	451
TOTAL LONG-	\$10,	\$9,	\$8,
TERM ASSETS	300	251	200
TOTAL	\$84,	\$92,	\$109
ASSETS	385	174	, 545
Liabilities and	Year	Year	Year
Capital	1	2	3
Accounts	\$8,	\$9,	\$11,
Payable	391	756	267
Current	\$35,	\$21,	\$7,
Borrowing	100	150	281
Other Current	\$0	\$0	\$0

## Liabilities

SUBTOTAL	\$43,	\$30,	\$18,
CURRENT	393	899	546
LIABILITIES			

Long-term	\$0	\$0	\$0
Liabilities			

TOTAL	\$43,	\$30,	\$18,
LIABILITIES	393	899	546

Paid-in	\$45,	\$45,	\$45,
Capital	100	001	005

Retained	(\$11,	(\$4,	\$16,
Earnings	500)	007)	177

Earnings	\$7,	\$20,	\$29,
	591	183	823

TOTAL	\$40,	\$61,	\$90,
CAPITAL	993	177	899

TOTAL	\$84,	\$92,	\$109
LIABILITIES	381	073	, 545
AND CAPITAL			

Net Worth	\$40,	\$61,	\$90,
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991 171 899

PROFIT & LOSS

YEAR 1	YEAR	YEAR	
	2	3	
Sales	\$79,500	\$137,100	\$166,500
Direct Cost of Sales	\$23,870	\$41,161	\$49,840
Other Costs of Goods	\$0	\$0	\$0
TOTAL COST OF SALES	\$23,870	\$41,170	\$49,840
Gross Margin	\$55,721	\$96,041	\$116,771
Gross Margin %	71.00%	71.00%	71.09%
Payroll	\$0	\$0	\$0

Marketing & Advertising	\$4,641	\$6,861	\$8,331
Depreciation	\$1,151	\$1,151	\$1,151
Rent	\$4,700	\$7,700	\$8,500
Delivery Labour	\$4,000	\$8,400	\$10,300
Temp Labour	\$767	\$2,000	\$2,000
Contracted Floral Designer	\$0	\$16,000	\$18,100
Insurance	\$3,490	\$4,048	\$4,048
Dues & Subscriptions	\$251	\$200	\$400
Repairs & Maintenance	\$1,100	\$1,100	\$1,300
Supplies	\$2,	\$5,	\$6,

	651	487	945
Taxes	\$1,333	\$2,400	\$2,501
Other Fees	\$1,400	\$1,800	\$1,700
Buildout Costs	\$9,100	\$0.1	\$0.1
Deposits	\$1,000	\$0.1	\$0.0
Utilities	\$3,300	\$4,100	\$4,100
Van	\$1,411	\$1,693	\$1,693
Merchant Fees	\$1,331	\$2,714	\$3,482
Total Operating Expenses	\$42,711	\$65,803	\$73,556
Profit Before Interest and	\$13,	\$30,	\$43,

Taxes	012	232	311
EBITDA	\$14,151	\$31,381	\$44,461
Interest Expense	\$2,151	\$1,401	\$712
Taxes Incurred	\$3,255	\$8,655	\$12,782
Net Profit	\$7,593	\$20,183	\$29,823
Net Profit/Sales	9.53%	15.72%	17.91%

SALES FORECAST

	YEAR 1	YEAR 2	YEAR 3
Sales			
Retail Sales	\$6,500	\$9,500	\$9,500



Commercial	\$31,	\$53,	\$71,
Accounts	000	600	000
Frequent			
Buyer	\$31,	\$46,	\$61,
Programs	000	000	000
Holidays/	\$10,	\$25,	\$25,
Events	100	100	100
TOTAL	\$79,	\$137,	\$166,
SALES	300	100	400

Direct Cost  
of Sales

	Year 1	Year 2	Year 3
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Flowers &	\$23,	\$41,	\$49,
Materials	870	120	820
Other	\$0	\$0	\$0

Subtotal			
Direct Cost	\$23,	\$41,	\$49,
of Sales	780	170	840

Break-point analysis:

### BREAK-EVEN ANALYSIS

Monthly Revenue Break- \$5,

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even 075

Average Percent Variable  
Cost 31%

Estimated Monthly Fixed \$3,  
Cost 660

## EXECUTIVE SUMMARY

Employees of small businesses in the sector, more than half of employees in the private sector, this study goals in the identification of how small businesses are managed in relation to large companies. Small business management in the context of key resources such as space and people are talking.

The first year, the company plans to expand business in Auckland City, attracting manufacturers and retailers in the name of the product distribution. In first year company started fair, is silk and silk products and buyers to deal with suppliers and organizations to sell trading plans. They will supply the flowers in different stores and gift shops. Next year, the company plans to create a catalogue to expand sales by catalogue direct mail, as well as a similar target market. Then company will start the new unique colourful lights in flowers for decoration.

Company summary:

The Magic Floral shop is retail store located at queen street in Auckland this is start up business with small property. Surrounded by lots of other stores  
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and colleges through which the shop can do better marketing in different celebration. Affordable and attractive offers are given to customers.

#### Services:

The excellent customer service with mega offers and deals are given to customers for better marketing. The online ordering also provided by shop to save the time of customers. The catalogues and online order service with free delivery is promotional strategy of this shop.

#### Market Analysis:

The competitors of this project is few like craft and gift shop and natural flowers shop, though the different offers are more helpful in expanding business as in many occasions. The customer loyalty program is best option to attract consumers.

#### Financial Plan:

The Magic Floral, first year sales of about US \$ 786, 000, the second-year sales of \$ 881, 000, the third-year sales of \$ 991, 000. This year's margin of 0. 39, 0. 40 and 0. 49. If you want to save a substantial increase in profits, but the store does not expect any cash flow problems.

#### Startup asset & expenses:

The initial costs of about \$ 50, 500, including product costs and costs associated with the creation of marketing programs and distribution centres associated MF first opened.

Mission:

MF's mission is to admit became business high-quality silk gift items in New Zealand Auckland. We guarantee 100% satisfaction and customer value and friendly service. MF's aims to increase appreciation client handmade silk flowers and other silk products, and provides customers with a unique and beautiful artistic decoration.

### Assessment part 1

(1. 1) Two different financial objectives

Sustainability:

Sometimes, companies or brands can focus on basic economic survival. The reduction is based on financial goals marketing techniques aimed at preserving the brand vitality, and "Product / Brand Life Cycle time" to maintain the current level of revenue and profits decline further. The company can focus on financial ship during economic turmoil. Common financial goals, including survival time and fully recover all outstanding debts, debt deleveraging and unanimously approved safe levels of income.

Investment return:

Back on the price of money is not the same, and the company's investment in the company to return money to the real net savings. The benefits, however, is interested in the business, do not confuse himself refund on justice. This also is a different story. Total company or a fair amount equivalent to only companies.

(1. 2) financing requirements:

- The operation
- Buying – ‘ Magic Floral’ store invest \$15, 000 to purchase some equipment like, computer, flower cases, printer for invoice etc.
- Medical essential –insurance policy is must for any kind of business as per following by policy and New Zealand legislation.
- Furniture –store invest for furniture for decorative equipment.
- Other expenses –Store advertising through newspapers, television and brochures. Advertising will be much easier to attract the attention of consumers. For security reasons, the store is still in the camera monitoring the invention.
- The development :
- Wages –According to the law, the minimum wage in New Zealand is \$ 15. 25 an hour, but it depends on the skill of the workers, to pay attention to the assistant store.
- Improvement –Save about \$ 90, 000, the best way to do business every year, to provide high quality customer service, to ensure that they do not want to be in need hosting customers.

(1. 3) operational period.

- As per the calculations of BOB Bank’s commercial loan in three years, 7. 26 per cent from \$ 150. 000 \$ 4. 650. Total commercial loans and interest monthly repayment necessary of \$ 178, 000. This means that the total cost of \$ 167 366 dollars

- 3: 45 % annual deposit of three years and six months \$ 10, 000 \$ 10, 000 30. 3% P. A.

(1. 4) fund process

Two sources

Westpac bank BOB bank

The commercial bank rate by 9. 45%  
 - Interest rate corporate lending benchmark 10. 46%

- overdraft interest rate of 11. 75%  
 - without pay overdraft of 22. 51%

- Australia and New Zealand to measure the three-year long 40%.  
 - BOB long money for 3 years 3. 76%.  
 Claim:

important:  
 - Loan fees: 1% of the amount of micro-credit, which cost \$  
 • System used by law first, as a representa tive of

250

- back: weekly,  
monthly, once  
every three  
months

- Using mortgage to buy a property.
- Interest payments alone
- When the security file and the process took
- You want to get your work should be detailed and professio

Banco do  
you want  
to see your  
goals, and  
how.

Moreover,  
it shows  
that you  
are the  
main  
objectives,  
and keep  
your way.

- Address to give to, business began to tell your GST registration , you tax the bank. Also, you need to do some other

- You can also search the Internet to find experts in bank
- ways to start a business

(1. 5) performance

Preparation of Key economical Statements:

They wants each group and many agricultural reports, the paper with the words money. This shows that the work is not difficult, and damages law. He says the health industry money briefly tell how lifting all owners need to know

Preparation of Inventory Records:

It seems that investment in machinery, vehicles and materials companies. They need to learn history accurately. They can tell you how they buy stocks, how much in the final product, because of what we do, and the device may

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be lost each other. They will tell you if they want to buy equipment to help calculate the input / output and inventory turnover rate.

Analysis of Marketing Expenses:

In the economic times? If you come up with the right money, or how many people will begin business? This is the money and businesses are sceptical, see the company's money.

(1. 6) economical claims in terms of:

- Administration –
- payable –

This is money that rules the store. Because the money in the form of short-term debt to buy goods to sell stores and shops. It's written in the sale of the balance sheet liquidity.

- salary–

Weekly and monthly procedures that saved others must pay wages, Sal-Aries will be used to save the bill unpaid income and record retention -ons and net wages.

- Inventory–

Inventory is a species which is currently valued assets are calculated correctly, store the value in the first store accounting should be set for each of the legal profit loss. as and New Zealand, the store will have to do a little inventory of all shares, save data and files. Besides saving allowed to store employees.

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- Buying-

Buy and sell goods or provider to the target or purpose of the store, as some research before it is too late, they have to take responsibility for their day, week, and month to buy from the scene.

- Keep records-

Each businesses small and large should be a system like, magic Floral Shop of storing documents all important, as the rules of purchase, payment of any invoice provided by Profile delivery and reporting of business sales tax money every day. Because the store can use all the evidence is true, find a rule, it should be easy to value the rules before buying a product inspection.

- Report-

Made is stored in a different report every day, weekly, monthly, and quarterly and staff should all store books, magazines and all fixed assets to report weekly report. It can be ordered by the store manager, who have problems and methods to solve quickly these problems exist?

## 1. 7) financial objectives

- Economical Requirements: The total revenue is drastically raised by 5-12 % per annum.
  - Funding Agreement: invest sufficient funds to bolster start-up costs and the first year of trading.
  - Data requirements: store require to maintain the 7 days balance sheet and investment in appropriate financial reports.
  - Targets and indicators: profit raised driven breakeven point.

- Forecast: as a regular increase in total revenue, as per the revenue forecast.

(1. 8) the economic plan & effective implementation for the purpose of stockowners and staff.

- Economic planning and management of the owners. Talk to calculate carefully. This article should monitor financial and economic data from the reckoning. Finally, the financial system should lead to better translate the real in order to avoid misunderstandings. Also, be sure to merchants and financial system in strict accordance with the business.

### Assessment part two

(2. 1) record of economic system

“ The magic floral” stores deli following Bakery & Resource