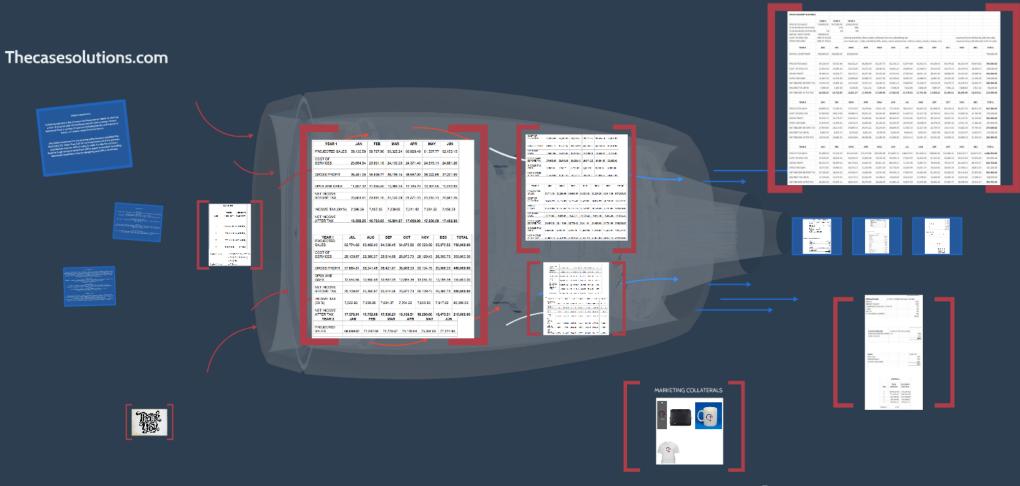


# Company Acquisition, Financial Analysis And Projections



# Company Acquisition, Financial Analysis And Projections

## **Initial Investment**

 Initial investment is the money a business owner needs to start up a firm. It may include the business owner's own money, money borrowed from a variety of sources including family and friends or banks, or money raised from investors.

 My initial investment in my photography business totalled Php 700,000.00. More than half of my investment are from printers and devices that we will be using in order for the firm to start.
 Another huge amount came from office space renovation including electrical installation, interior designing and office furnitures.

### Projected Sales in peso

Peso Sales actually follow sales in volume. In this business plan, I projected my sales in peso guided with the percentage.
 With the initial amount of Php 750,000 to its first year of operation, deriving from Php 62,500 projected average monthly sales. Normally, first year of operation would be the lowest projected output and increases as the firms matures. I put up 25% and 50% increase in my peso sales from the second and third year respectively. Thus, Php 937,500 and 1,406,250 would be my projected peso sales from the second and third year.

### Cost of Service

- These are the cost that has a direct participation in rendering our services. These includes printing materials (papers, ink,
  etc), professional fees/salary of the photographer and graphic designers.
  - This covers 40% of my total sales.

## **Operating Expense**

- A category of expenditure that a business incurs as a result of performing its normal business operation
   These includes salary of office staff, owners commission, electricity, water, communication and internet, and other overhead cost.
  - It also includes taxes and licenses, permits, dues, rentals, repairs and depreciation of an asset.
    I projected my operating expense to be 20% of my total sales.

### E. Projected Cashflow

- Initial investment of Php 700,000 would resulted a negative cashflow in my first year of operation. I scattered my
  investment in my first 3 months, since most of the supplier would have credit terms in buying their equipments/devices. Php
  350,000, Php 250,000 and Php 100,000 in my first three months respectively.
- Average of Php 17,500 is my net cash inflow every month on its first year while average of Php 21,875 every month is the
  net cash inflow on its second year and average of Php 32,812 every month if the net cash inflow on its third year.