

## CHAPTER III

### FINANCIAL PLAN

#### Key Objectives and Financial Review

##### Sales and Marketing:

- to achieve sales in the first year by 444,000 Baht
- to achieve sales in the second year by 666,000 Baht
- to increase customers cover in Bangkok by 2012
- to increase organic farms from 15 Rai to 60 Rai in three years

##### Finance:

- to reduce the overdraft from 250,000 Baht to 150,000 Baht
- to reduce capital cost by 100,000 Baht – 300,000 Baht

#### Establishment Costs

**Table 8 Establishment Costs**

INITIAL COST			
ITEMS	TOTAL	SOURCES OF CAPITAL	
		OWNER'S EQUITY	LOAN
NON CURRENT ASSET			
COMPUTERS (1 SETS)	35,000.00	35,000.00	
FAX MATCHINE	10,000.00	10,000.00	
PRINTER	30,000.00	30,000.00	
TOTAL NON CURRENT ASSET	75,000.00		

**Table 8 (Cont.)**

INITIAL COST			
ITEMS	TOTAL	SOURCES OF CAPITAL	
		OWNER'S EQUITY	LOAN
EXPENSES BEFORE OPERATION			
REGISTRATION AND DECORATION	150,000.00	150,000.00	
TRANSPORT	500,000.00	500,000.00	
FERTILIZERS	240,000.00	240,000.00	
BIOLOGICAL FUNGICIDE - TRICHOSIA			
(Organic pesticide)	110,000.00	110,000.00	
SESAME SEEDS	150,000.00	150,000.00	
OFFICE STAFF	120,000.00	120,000.00	
FARMER STAFFS	480,000.00	480,000.00	
CASH	100,000.00	100,000.00	
BEGINNING CAPITAL	1,925,000.00	1,925,000.00	-

**Profit and Loss****Table 9 Profit and Loss**

INCOME STATEMENT					
	Y2010	Y2011	Y2012	Y2013	Y2014
SALES	1,776,000	1,776,000	1,776,000	1,776,000	1,776,000
Less VARIABLE COST	737,040	737,040	737,040	737,040	737,040
OPERATING INCOME	1,038,960	1,038,960	1,038,960	1,038,960	1,038,960
Less FIXED COST	311,000	324,260	338,182	352,798	368,145
PROFIT BEFORE OPERATING AND TAX	727,960	714,700	700,778	686,162	670,815
Less PAID INTEREST	-	-	-	-	-
PROFIT BEFORE TAX	727,960	714,700	700,778	686,162	670,815
Less 30 % TAX	218,388	214,410	210,233	205,848	201,245
NET PROFIT	509,572	500,290	490,545	480,313	469,571

## Cash Flow

**Table 10 Cash Flow**

<b>CASH FLOW STATEMENT</b>					
<b>CASH FROM OPERATING</b>	<b>Y2010</b>	<b>Y2011</b>	<b>Y2012</b>	<b>Y2013</b>	<b>Y2014</b>
NET PROFIT	509,572	500,290	490,545	480,313	469,571
ADD DEPRECIATION	15,000	15,000	15,000	15,000	15,000
ADD EXPENDITURES	30,000	30,000	30,000	30,000	30,000
ADD PAYABLE INTEREST	-	-	-	-	-
ADD ACCRUED TAX	218,388	3,978	4,177	4,385	4,604
ADD ACCOUNT PAYABLE	60,891	-	-	-	-
LESS INVENTORY	14,208	-	-	-	-
LESS ACCOUNT RECEIVABLE	- 304,457	-	-	-	-
CASH FROM OPERATING	515,186	541,312	531,368	520,928	509,967
<b>CASH FROM INVESTMENT</b>	<b>Y2010</b>	<b>Y2011</b>	<b>Y2012</b>	<b>Y2013</b>	<b>Y2014</b>
TOTAL NON CURRENT ASSET	75,000	-	-	-	-
REGISTRATION AND					
DECORATION	150,000	-	-	-	-
FARMER STAFFS	480,000	-	-	-	-
CASH FROM INVESTMENT	705,000	-	-	-	-
<b>CASH FROM FINANCING</b>	<b>Y2010</b>	<b>Y2011</b>	<b>Y2012</b>	<b>Y2013</b>	<b>Y2014</b>
BANK LOAN	-	-	-	-	-
LESS PRINCIPAL	-	-	-	-	-
LESS INTEREST	-	-	-	-	-
OWNER'S EQUITY	1,925,000	-	-	-	-
CASH FROM FINANCING	1,925,000				
NET CASH	1,735,186	541,312	531,368	520,928	509,967
PLUS BEGINNING CASH FLOW	-	1,735,186	2,276,498	2,807,866	3,328,795
ENDING CASH FLOW	1,735,186	2,276,498	2,807,866	3,328,795	3,838,761

## Balance Sheet

**Table 11 Balance Sheet**

<b>BALANCE SHEET</b>					
<b>ASSET</b>	<b>Y2010</b>	<b>Y2011</b>	<b>Y2012</b>	<b>Y2013</b>	<b>Y2014</b>
<b>CURRENT ASSET</b>					
CASH AND BANKS	1,735,186	2,276,498	2,807,866	3,328,795	3,838,761
ACCOUNT RECEIVABLE	304,457	304,457	304,457	304,457	304,457
INVENTORY	14,208	14,208	14,208	14,208	14,208
TOTAL CURRENT ASSET	2,053,851	2,595,163	3,126,532	3,647,460	4,157,427
NET NON CURRENT ASSET	60,000	45,000	30,000	15,000	-
REGISTRATION AND DECORATION	120,000	90,000	60,000	30,000	-
FARMER STAFFS	480,000	480,000	480,000	480,000	480,000
TOTAL NON CURRENT ASSET	660,000	615,000	570,000	525,000	480,000
TOTAL ASSET	2,713,851	3,210,163	3,696,532	4,172,460	4,637,427
<b>LIABILITIES AND OWNER'S EQUITY</b>					
ACCOUNT PAYABLE	60,891	60,891	60,891	60,891	60,891
ACCRUED TAX	218,388	214,410	210,233	205,848	201,245
SHORT TERM LOAN	279,279	275,301	271,125	266,740	262,136
BANK LOAN	-	-	-	-	-
TOTAL LIABILITIES	279,279	275,301	271,125	266,740	262,136
CAPITAL	1,925,000	1,925,000	1,925,000	1,925,000	1,925,000
RETAINED EARNING	509,572	1,009,862	1,500,407	1,980,720	2,450,291
OWNER'S EQUITY	2,434,572	2,934,862	3,425,407	3,905,720	4,375,291
TOTAL LIABILITIES AND O/E	2,713,851	3,210,163	3,696,532	4,172,460	4,637,427

## Break - Even Analysis

**Table 12 Break - Even Analysis**

<b>BREAK EVEN POINT CALCULATION</b>	<b>Y2010</b>	<b>Y2011</b>	<b>Y2012</b>	<b>Y2013</b>	<b>Y2014</b>
MARGINAL INCOME	1,038,960	1,038,960	1,038,960	1,038,960	1,038,960
MARGINAL INCOME RATIO	59 %	59 %	59 %	59 %	59 %
ANNUAL BREAK EVEN POINT	531,624	554,291	578,089	603,074	629,307
BREAK EVEN POINT PER MONTH	44,302	46,191	48,174	50,256	52,442
BREAK EVEN POINT PER DAY	1,477	1,540	1,606	1,675	1,748

