

Financial Modeling Templates

Company Financial Plan

<http://spreadsheetml.com/finance/companyfinancialplan.shtml>

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Table of Contents

1.	Company Financial Plan.....	1-1
1.1	Overview	1-1
2.	Company Financial Plan Input Worksheets	2-2
2.1	General Inputs and Assumptions Worksheet	2-2
2.1.1	General Inputs.....	2-2
2.1.2	Sales Assumptions	2-2
2.2	Tax Inputs	2-3
2.3	Sales Inputs	2-3
2.3.1	Sales Outputs.....	2-3
2.4	Fixed Assets Inputs.....	2-4
2.4.1	Fixed Assets Output.....	2-4
2.5	Expenses Inputs.....	2-5
2.5.1	Expenses Outputs.....	2-5
2.6	Loan Inputs	2-5
2.6.1	Loan Outputs.....	2-6
2.7	Equities Inputs.....	2-6
2.7.1	Funds provided by shareholders during Company Formation.....	2-6
2.7.2	Funds provided by shareholders during the Financial Plan period.....	2-6
2.7.3	Dividends Payout	2-7
3.	Company Financial Plan Output Worksheets	3-8
3.1	Income Statement Plan (By Months)	3-8
3.2	Balance Sheet Plan (By Months)	3-9
3.3	Cash Flow Statement Plan (By Months)	3-10
3.4	Financial Statements Forecast (Annual).....	3-11
3.5	Common Size Financial Statements.....	3-11
3.6	Financial Ratio Analysis	3-12
3.6.1	Liquidity Ratios.....	3-12
3.6.2	Leverage Ratios	3-12
3.6.3	Profitability Ratios	3-12
3.6.4	Turnover Ratios.....	3-12
4.	Equity Valuation	4-13
4.1	Valuation using Free Cash Flow to Equity	4-13
4.2	Valuation Summary	4-13
4.3	Assumptions.....	4-13
4.4	Equity Valuation	4-14
4.4.1	Terminal Value	4-14
4.4.2	Operating Value	4-14
4.4.3	Equity Value	4-14
5.	Printing.....	5-15

ConnectCode's Financial Modeling Templates

Have you thought about how many times you use or reuse your financial models? Everyday, day after day, model after model and project after project. We definitely have. That is why we build all our financial templates to be reusable, customizable and easy to understand. We also test our templates with different scenarios vigorously, so that you know you can be assured of their accuracy and quality and that you can save significant amount of time by reusing them. We have also provided comprehensive documentation on the templates so that you do not need to guess or figure out how we implemented the models.

All our template models are only in black and white color. We believe this is how a professional financial template should look like and also that this is the easiest way for you to understand and use the templates. All the input fields are marked with the '' symbol for you to identify them easily.*

Whether you are a financial analyst, investment banker or accounting personnel. Or whether you are a student aspiring to join the finance world or an entrepreneur needing to understand finance, we hope that you will find this package useful as we have spent our best effort and a lot of time in developing them.

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1. Company Financial Plan

1.1 Overview

This spreadsheet provides a complete three (or five) year company financial plan. It assumes no prior accounting knowledge and guides you through the steps in forecasting sales, calculating expenses, borrowing funds and purchase of fixed assets. With the inputs, the spreadsheet automatically generates a complete three (or five) year financial plan and forecasts including monthly and yearly Income Statements, Balance Sheets and Cash Flow Statements. A Common Size Financial Statement and a Financial Ratio Analysis worksheet are also generated automatically for further analysis of the company.

In general, inputs for the following are required.

- Sales Plan
- Expenses
- Loan
- Fixed Assets Purchases
- Equity Capital

The spreadsheet will then automatically generate the following output schedules

- Loan Amortization
- Fixed Assets Depreciation (Flexible choice in the number of years for depreciation)
- Expenses Summary
- Equity funds and dividends
- Monthly and Yearly Income Statements
- Monthly and Yearly Balance Sheets
- Monthly and Yearly Cash Flow Statements
- Common Size Financial Statements
- Financial Ratio Analysis
- Valuation (using Free Cash Flow to Equity)

2. Company Financial Plan Input Worksheets

The Financial Plan spreadsheet can be used by entering values from the first worksheet to the last worksheet in a sequential manner. All worksheets with names ending with "Inputs", for example, "SalesInputs" requires inputs to be entered. The values in other worksheets are automatically generated. Fields marked with "*" in the input worksheets require input values, other fields are used for interim calculations.

2.1 General Inputs and Assumptions Worksheet

2.1.1 General Inputs

- Company Name* - The name of the company.
- Date* - The start date for the financial plan.

The Start Year, Start Month and Start Day of the financial plan are calculated automatically from the Date field. These three fields are used for date calculations in the subsequent worksheets.

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2													
3													
4													
5	General Inputs												
6	Company Name*												Company ABC
7	Date*												1/1/2010
8	Start Year												2010
9	Start Month												1
10	Start Day												1
11	Sales Assumptions												
12	Account Receivables (As a Percentage of Monthly Sales)*												10.00%
13	Accounts Payable (As a Percentage of Monthly Cost of Sales)*												0.00%
14	Inventories (As a Percentage of Monthly Cost of Sales)*												0.00%

2.1.2 Sales Assumptions

Operating a business typically involves purchasing raw materials or services from suppliers, processing of the materials and selling the finished products to customers. In the process, customers may pay for the products delivered immediately or at a later time. Products that have been produced may be sold immediately or put in the warehouse waiting to be sold. Raw materials purchased from suppliers may be paid immediately or given a grace period to be paid at a later time. The following are three assumptions that we will need to make for calculating the capital required to run a business as described above.

- Accounts Receivables (As a Percentage of Monthly Sales)* - Accounts Receivables is an item in the balance sheet. It is basically the money owed to the company by customers for products and services that have been delivered. This is expressed as a percentage out of monthly Sales. One way of getting this percentage is to derive it by conducting research on public companies in a similar business. With the assumed value entered, the rest of the worksheets including the balance sheet will use this field for calculation automatically.
- Accounts Payable (As a Percentage of Monthly Cost of Sales)* - Accounts Payable is an item in the balance sheet. It is the company's obligations to suppliers for products purchased that have not been paid. This is expressed as a percentage out of monthly Cost of Sales.
- Inventories (As a Percentage of Monthly Cost of Sales)* - Inventories is an item in the balance sheet. It represents any finished or unfinished products waiting to be sold. This is expressed as a percentage out of monthly Cost of Sales.

2.2 Tax Inputs

The Financial Plan spreadsheet allows monthly tax rates to be entered in this worksheet. With the inputs, the total tax will be automatically calculated in the Income Statement.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	Tax Inputs													
2														
3														
4	Tax Assumptions													
5	Year 1		Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
6		Tax Rate *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7	Year 2		Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
8		Tax Rate *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Year 3		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
10		Tax Rate *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

2.3 Sales Inputs

Businesses earn a profit by selling goods, products or services. This worksheet is used for forecasting the sales for the next three (or five) years. Simply enter the values for the following fields and the sales forecast will automatically be incorporated into the financial statements.

- Price* - The price of the goods, products or services.
- Volume* - The number of units of the goods or products sold.
- Cost* - The direct cost of the goods or products. This is the usually cost for manufacturing the product.

The Revenue and Cost of Goods Sold will be automatically calculated. Multiple products are supported. It is important to remember to enter values for all the three (or five) years forecasting period.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	Sales Inputs													
2														
3	Year 1													
4	Products*		Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
5	Product 1	Price*	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
6		Volume*	10	10	10	10	10	10	10	10	10	10	10	10
7		Cost*	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
8	Product 2	Price*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9		Volume*	0	0	0	0	0	0	0	0	0	0	0	0
10		Cost*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11	Product 3	Price*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12		Volume*	0	0	0	0	0	0	0	0	0	0	0	0
13		Cost*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
14	Product 4	Price*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15		Volume*	0	0	0	0	0	0	0	0	0	0	0	0
16		Cost*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
17	Product 5	Price*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
18		Volume*	0	0	0	0	0	0	0	0	0	0	0	0
19		Cost*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
20	Revenue		\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
21	Cost of Goods Sold		\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00

2.3.1 Sales Outputs

The Sales Outputs worksheet contains a summary of the derived values from the Sales Inputs worksheet. Basically it contains the Revenue and Cost of Goods Sold in a monthly format. No inputs are required in this worksheet.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	Sales Outputs														
2															
3	Year 1														
4			Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total
5	Revenue		\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$120,000.00
6	Cost of Goods Sold		\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$2,400.00
7															
8	Year 2														
9			Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	
10	Revenue		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11	Cost of Goods Sold		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12															
13	Year 3														
14			Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	
15	Revenue		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
16	Cost of Goods Sold		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

2.4 Fixed Assets Inputs

A fixed asset is a long term asset and is considered to provide benefits to the business of the company. Examples for fixed assets include machineries, equipments and plants. Depreciation quantifies for the wear and tear of this fixed asset by spreading out the reduction of the value of the fixed asset over a period of time. This worksheet allows you to enter the purchase of fixed assets at any time during the planning period. By specifying the following fields, depreciation of the assets are automatically incorporated into the Income Statement, Balance Sheet and Cash Flow Statement.

- Asset Names* - Names of the Fixed Assets.
- Depreciation Duration* - This field allows you to specify the number of months for the depreciation of the fixed asset.
- Amount* - The cost of the fixed asset.
- Start Month* - The month to start depreciating the asset.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	Fixed Assets Inputs													
2														
3														
4	Asset Names*	Asset 1	Asset 2	Asset 3	Asset 4	Asset 5	Asset 6	Asset 7	Asset 8	Asset 9	Asset 10	Asset 11	Asset 12	
5	Depreciation Duration*	24	24	36	36	60	60	84	84	120	120	180	240	
6	Amount*	\$1,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
7	Start Month*	1	1	1	1	1	1	1	1	1	1	1	1	

2.4.1 Fixed Assets Output

This is a summary output of the Fixed Assets purchases and the Monthly Depreciation associated.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	Fixed Assets & Depreciation Outputs													
2														
3														
4	Year 1													
5		Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total
6	Cost	\$1,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
7	Monthly Depreciation	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$333.33
8														
9	Year 2													
10		Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Jan-12	Total
11	Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
12	Monthly Depreciation	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$333.33
13														
14	Year 3													
15		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Total
16	Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
17	Monthly Depreciation	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$27.78	\$333.33

2.5 Expenses Inputs

Other than the direct costs associated with producing goods and services, other costs like salary, marketing and administrative expenses will need to be calculated to determine the profitability of the company. This worksheet allows all the selling, administrative and general costs of running a business to be entered. All the expenses in the "Expenses SubCategory*" will be summed as expenses in the "Expenses Category*". The expenses are then incorporated into the financial statements.

Year 1		Expenses Amount*						
Expenses Category*	Expenses SubCategory*	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10
General & Admin. Expense	Salaries & Wages	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
	Lease & Rental Expense	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Travel & Entertainment Expense	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Administrative Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Marketing	Newspaper Advertising	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Web Advertising	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	T.V. Advertising	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Public Relations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Office Expenses	Office supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Office Maintenance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Machineries Expenses	Computer Maintenance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

2.5.1 Expenses Outputs

This worksheet shows the summary of the total of the high level category expenses to be included into the financial statements.

Year 1	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total
General & Admin. Expense	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00
Marketing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Office Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Machineries Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00

2.6 Loan Inputs

Capital is required for running a business. Capital can come from funds that are provided by the investors or loans from financial institutions. This worksheet considers the loan taken from financial institutions. By specifying the following fields, the loan will be automatically amortized and incorporated into the financial statements.

	A	B	C	D	E	F	G
1	Loan Inputs						
2							
3							
4	Beginning Date	12/1/2009			Summary		
5	Loan Amount*	\$1,000.00			Loan Pmts	\$29.97	
6	Annual Interest Rate*	5.00%			Total Pmts	\$1,078.95	
7	Loan Start Month*	1			Total Interest	\$78.95	
8	Number of Months*	36					

- Loan Amount* - The amount that the financial institution loans to the company.
- Annual Interest Rate* - The interest rate per year.
- Loan Start Month - The month where the loan is taken.
- Number of Months* - The total number of months for the loan to be paid off.

The other fields in this worksheet are used for internal calculation.

2.6.1 Loan Outputs

This is a summary output of the Loan Inputs showing the Monthly Interests to be paid and the outstanding Loan Balances.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	Loan Outputs													
2														
3														
4	Year 1													
5		Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total
6	Monthly Interests	\$41.67	\$40.59	\$39.51	\$38.43	\$37.34	\$36.25	\$35.15	\$34.05	\$32.94	\$31.83	\$30.71	\$29.59	\$428.04
7	Loan Balances	\$9,741.96	\$9,482.84	\$9,222.64	\$8,961.36	\$8,698.99	\$8,435.53	\$8,170.97	\$7,905.30	\$7,638.53	\$7,370.65	\$7,101.65	\$6,831.54	
8	Year 2													
9		Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Total
10	Monthly Interests	\$28.46	\$27.33	\$26.20	\$25.06	\$23.92	\$22.77	\$21.61	\$20.45	\$19.29	\$18.12	\$16.95	\$15.77	\$265.94
11	Loan Balances	\$6,560.29	\$6,287.92	\$6,014.41	\$5,739.76	\$5,463.97	\$5,187.02	\$4,908.93	\$4,629.67	\$4,349.25	\$4,067.67	\$3,784.91	\$3,500.97	
12	Year 3													
13		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Total
14	Monthly Interests	\$14.59	\$13.40	\$12.21	\$11.01	\$9.81	\$8.60	\$7.38	\$6.17	\$4.94	\$3.72	\$2.48	\$1.24	\$95.54
15	Loan Balances	\$3,215.85	\$2,929.54	\$2,642.03	\$2,353.33	\$2,063.43	\$1,772.32	\$1,479.99	\$1,186.45	\$891.69	\$595.69	\$298.47	\$0.00	

2.7 Equities Inputs

Capital for running the business can also come from funds provided by the investors. The funds can be provided when the company is formed or by investors that provide additional capital during the financial plan period. A finance charge may also be involved for raising capital from the investors. This worksheet considers the funds provided by investors for running the business.

2.7.1 Funds provided by shareholders during Company Formation

- Number of Existing Shares* - Number of shares issued during the formation of the company.
- Par Value* – The stated or face value of the shares.
- Issue Price* - Shares may be issued above the par value. The difference between the Issue Price and Par Value will be calculated as Capital Surplus in the financial statements.

Number of Existing Shares*															1000
Par Value*															\$1.00
Issue Price*															\$2.00
Equity															\$2,000.00
Financing Costs*															5.00%

2.7.2 Funds provided by shareholders during the Financial Plan period

- Number of New Shares* - Number of new shares to be issued to raise funds.
- Price per Share* - The issue price of the share.

The funds or Capital (provided by issuing new shares) minus the Financing Costs is also automatically calculated and incorporated into the financial statements..

10	Finance Expenses													
11	Year 1													
12		Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	
13	Number of New Shares*	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Price per Share*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15	Financing Expenses													
16	Financing Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
17	Capital	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
18														
19	Year 2													
20		Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	
21	Number of New Shares*	0	0	0	0	0	0	0	0	0	0	0	0	0
22	Price per Share*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
23	Financing Expenses													
24	Financing Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
25	Capital	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

2.7.3 Dividends Payout

Dividends represents a portion of the company's net income that is returned to shareholders. They are typically payout in a quarterly basis. This worksheet allows you to enter Dividends Payout in any months during the financial plan period.

35	Dividends												
36		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
37	Year 1 Dividends Payout*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
38	Year 2 Dividends Payout*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39	Year 3 Dividends Payout*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

3. Company Financial Plan Output Worksheets

The Financial Plan spreadsheet automatically generates the Monthly Income Statement Plan, Balance Sheet Plan and Cash Flow Statement Plan for the next three (or five) years. The Yearly Income Statement, Balance Sheet and Cash Flow Statement are also provided in the Financial Statements Forecast worksheet.

Finally a Common Size financial statement and Financial Ratio analysis worksheet are provided for further analyzing the company.

3.1 Income Statement Plan (By Months)

The Monthly Income Statement Plan shows the profitability of a company over the next three (or five) years breakdown by months.

Income Statement		Jan-10	Feb-10	Mar-10
Revenues:				
Sales		\$10,000.00	\$10,000.00	\$10,000.00
Cost of sales		\$200.00	\$200.00	\$200.00
Gross Profit		\$9,800.00	\$9,800.00	\$9,800.00
Expenses				
General & Admin. Expense		\$1,000.00	\$1,000.00	\$1,000.00
Marketing		\$0.00	\$0.00	\$0.00
Office Expenses		\$0.00	\$0.00	\$0.00
Machineries Expenses		\$0.00	\$0.00	\$0.00
Other Expenses		\$0.00	\$0.00	\$0.00
Total		\$1,000.00	\$1,000.00	\$1,000.00
Depreciation				
Depreciation		\$41.67	\$41.67	\$41.67
Operating income		\$8,758.33	\$8,758.33	\$8,758.33
Interest				
Interest expenses		\$4.17	\$4.06	\$3.95
Financing				
Finance Expenses		\$0.00	\$0.00	\$100.00
Income before taxes		\$8,754.17	\$8,754.27	\$8,654.38
Income taxes		\$0.00	\$0.00	\$0.00
Net income		\$8,754.17	\$8,754.27	\$8,654.38
Common Shares		1000.00	1000.00	2000.00
Earnings per Share		\$8.75	\$8.75	\$4.33
Dividends paid		\$0.00	\$0.00	\$0.00
Retained Earnings		\$8,754.17	\$8,754.27	\$8,654.38

3.2 Balance Sheet Plan (By Months)

The Balance Sheet Plan shows the company's resources and how they are funded (debt or shares) in months.

There is an optional input field, "Long-term debt" in these worksheets. It is included to make the Balance Sheet complete. If you are familiar with this field in the Balance Sheet, you can choose to input the values, otherwise you can leave it as zero.

Balance Sheet						
			Prev. Yr End*	Jan-10	Feb-10	Mar-10
Assets						
	Cash and cash equivalents		\$2,000.00	\$9,795.83	\$18,565.97	\$29,236.11
	Accounts receivable			\$1,000.00	\$1,000.00	\$1,000.00
	Inventories			\$0.00	\$0.00	\$0.00
	Total current assets			\$10,795.83	\$19,565.97	\$30,236.11
Fixed assets						
	Cost			\$1,000.00	\$1,000.00	\$1,000.00
	Acc. Depreciation			\$41.67	\$83.33	\$125.00
	Net fixed assets			\$958.33	\$916.67	\$875.00
	Total assets			\$11,754.17	\$20,482.64	\$31,111.11
Liabilities						
	Accounts payable			\$0.00	\$0.00	\$0.00
	Current debt		\$0.00	\$1,000.00	\$974.20	\$948.28
	Total current liabilities			\$1,000.00	\$974.20	\$948.28
	Long-term debt		\$0.00	\$0.00	\$0.00	\$0.00
	Other long-term liabilities			\$0.00	\$0.00	\$0.00
	Total liabilities			\$1,000.00	\$974.20	\$948.28
Shareholders' equity						
	Common Stock		\$1,000.00	\$1,000.00	\$1,000.00	\$2,000.00
	Additional Paid in Capital		\$1,000.00	\$1,000.00	\$1,000.00	\$2,000.00
	Retained Earnings			\$8,754.17	\$17,508.44	\$26,162.82
	Total Shareholders' Equity			\$10,754.17	\$19,508.44	\$30,162.82
	Total liabilities and shareholders' Equity			\$11,754.17	\$20,482.64	\$31,111.11

3.3 Cash Flow Statement Plan (By Months)

The Monthly Cash Flow Statement Plan shows the monthly Cash inflows and outflows of the business over the next three (or five) years.

Cash Flow Statement				
		Jan-10	Feb-10	Mar-10
Cash flows from Operations				
Net income		\$8,754.17	\$8,754.27	\$8,654.38
Depreciation		\$41.67	\$41.67	\$41.67
Decrease (increase) in Inventories		\$0.00	\$0.00	\$0.00
Decrease (increase) in Accounts Receivable		-\$1,000.00	\$0.00	\$0.00
Increase (decrease) in Accounts Payable		\$0.00	\$0.00	\$0.00
Total cash flows from operations		\$7,795.83	\$8,795.94	\$8,696.05
Cash flows from Investing				
Payments for property and equipment		\$1,000.00	\$0.00	\$0.00
Total cash flows from investing		\$1,000.00	\$0.00	\$0.00
Cash flows from Financing				
Increase (decrease) in short term debt		\$1,000.00	-\$25.80	-\$25.91
Increase (decrease) in long term debt		\$0.00	\$0.00	\$0.00
Increase (decrease) in common stock and paid in capital		\$0.00	\$0.00	\$2,000.00
Less Dividends paid		\$0.00	\$0.00	\$0.00
Total cash flows from Financing		\$1,000.00	-\$25.80	\$1,974.09
Net increase in cash and cash equivalents				
		\$9,795.83	\$8,770.14	\$10,670.14
Cash at beginning of month				
		\$2,000.00	\$11,795.83	\$20,565.97
Cash at end of month				
		\$11,795.83	\$20,565.97	\$31,236.11

3.4 Financial Statements Forecast (Annual)

This worksheet contains the annual financial statements for the next three (or five) years summarised from the Monthly Statements.

Income Statement		Year		
		12/1/2010	12/1/2011	12/1/2012
Revenues:				
	Sales	\$120,000.00	\$0.00	\$0.00
	Cost of sales	\$2,400.00	\$0.00	\$0.00
	Gross Profit	\$117,600.00	\$0.00	\$0.00
Expenses				
	General & Admin. Expense	\$12,000.00	\$12,000.00	\$12,000.00
	Marketing	\$0.00	\$0.00	\$0.00
	Office Expenses	\$0.00	\$0.00	\$0.00
	Machineries Expenses	\$0.00	\$0.00	\$0.00
	Other Expenses	\$0.00	\$0.00	\$0.00
	Total	\$12,000.00	\$12,000.00	\$12,000.00
Depreciation				
	Depreciation	\$500.00	\$500.00	\$500.00
Operating income		\$105,100.00	-\$12,500.00	-\$12,500.00
Interest				
	Interest expenses	\$42.80	\$26.59	\$9.55
Financing				
	Finance Expenses	\$100.00	\$0.00	\$0.00
Income before taxes		\$104,957.20	-\$12,526.59	-\$12,509.55
Income taxes		\$0.00	\$0.00	\$0.00
Net income		\$104,957.20	-\$12,526.59	-\$12,009.55
Common Shares		2,000.00	2,000.00	2,000.00
Earnings per Share		\$61.23	-\$6.26	-\$6.00
Dividends paid		\$0.00	\$0.00	\$0.00
Retained Earnings		\$104,957.20	-\$12,526.59	-\$12,009.55

3.5 Common Size Financial Statements

The Common Size Financial Statements express all the fields in the Income Statement and Balance Sheet as a ratio over Sales. By expressing the fields in ratio, a standardized financial statement can be created to reveal insights and trends of companies. It will be easy to compare financial statements of different size companies or the same company at different times.

Income Statement		Year		
		12/1/2010	12/1/2011	12/1/2012
Revenues:				
	Sales	100.00%	0.00%	0.00%
	Cost of sales	2.00%	0.00%	0.00%
	Gross Profit	98.00%	0.00%	0.00%
Expenses				
	General & Admin. Expense	10.00%	0.00%	0.00%
	Marketing	0.00%	0.00%	0.00%
	Office Expenses	0.00%	0.00%	0.00%
	Machineries Expenses	0.00%	0.00%	0.00%
	Other Expenses	0.00%	0.00%	0.00%
	Total	10.00%	0.00%	0.00%
Depreciation				
	Depreciation	0.42%	0.00%	0.00%
Operating income		87.58%	0.00%	0.00%
Interest				
	Interest expenses	0.04%	0.00%	0.00%
Financing				
	Finance Expenses	0.08%	0.00%	0.00%
Income before taxes		87.46%	0.00%	0.00%
Income taxes		0.00%	0.00%	0.00%
Net income		87.46%	0.00%	0.00%
Common Shares		1.67%	0.00%	0.00%
Earnings per Share		0.05%	0.00%	0.00%

3.6 Financial Ratio Analysis

This worksheet contains all commonly-used industry financial ratios for further analyzing of the company.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	Financial Ratio Analysis													
2														
3	Financial Ratios												Year	
4												12/1/2010	12/1/2011	12/1/2012
5	Liquidity Ratios													
6	Current Ratio (Current Assets/Current Liabilities)											153.72	255.78	2829.50
7	Acid Test Ratio ((Current Assets-Inventories)/Current Liabilities)											153.72	255.78	2829.50
8	Current Cash Debt Coverage Ratio (Operating Cash/Average Current Liabilities)											147.09	-31.78	-402.38
9	Leverage Ratios													
10	Debt to Total Assets (Total Debt/Total Assets)											0.01	0.00	0.00
11	Times Interest Earned (EBIT/Interest)											2455.36	-470.03	-1308.34
12	Cash Debt Ratio (Operating Cash/Average Total Liabilities)											147.09	-31.78	-402.38
13	Profitability Ratios													
14	Gross Profit Margin ((Sales-COGS)/Sales)											0.98	0.00	0.00
15	Earnings per Share (Net Income/Number of Shares Outstanding)											52.48	-6.26	-6.00
16	Profit Margin on Sales (Net Income/Net Sales)											0.87	0.00	0.00
17	Return on Assets (Net Income/Average Total Assets)											0.96	-0.13	-0.14
18	Return on Equity (Net Income/Average Equity)											0.96	-0.13	-0.14
19	Dividends Payout Ratio (Dividends/Net Income)											0.00	0.00	0.00
20	Turnover Ratios													
21	Receivables Turnover (Net Sales/Average Receivables)											120.00	0.00	0.00
22	Inventory Turnover (COGS/Average Inventory)											0.00	0.00	0.00
23	Asset Turnover (Net Sales/Average Total Assets)											1.09	0.00	0.00
24	Days' sales in inventory (365/Inventory Turnover)											0.00	0.00	0.00
25	Days' sales in receivables (365/Receivable Turnover)											3.04	0.00	0.00

3.6.1 Liquidity Ratios

The liquidity ratios provide information on a company's ability to repay its short-term debt.

- Current Ratio = (Current Assets/Current Liabilities)
- Acid Test Ratio = ((Current Assets-Inventories)/Current Liabilities)
- Current Cash Debt Coverage Ratio = (Operating Cash/Average Current Liabilities)

3.6.2 Leverage Ratios

The leverage ratios provide information on a company's long-term solvency. The leverage ratios focus on the long term unlike liquidity ratios which focus on the short term.

- Debt to Total Assets = (Total Debt/Total Assets)
- Times Interest Earned = (EBIT/Interest)
- Cash Debt Ratio = (Operating Cash/Average Total Liabilities)

3.6.3 Profitability Ratios

The profitability ratios provide information on the success of the company at making profits.

- Gross Profit Margin = ((Sales-COGS)/Sales)
- Earnings per Share = (Net Income/Number of Shares Outstanding)
- Profit Margin on Sales = (Net Income/Net Sales)
- Return on Assets = (Net Income/Average Total Assets)
- Return on Equity = (Net Income/Average Equity)
- Dividends Payout Ratio = (Dividends/Net Income)

3.6.4 Turnover Ratios

Receivables turnover provides information on how quickly a company collect its accounts receivables. Inventory turnover provides information on the number-of-days worth of inventory on-hand. A low turnover may point to a situation where overstocking has occurred. Asset turnover ratios provide information on how efficiently a company utilizes its assets.

- Receivables Turnover = (Net Sales/Average Receivables)
- Inventory Turnover = (COGS/Average Inventory)
- Asset Turnover = (Net Sales/Average Total Assets)
- Days' sales in inventory = (365/Inventory Turnover)
- Days' sales in receivables = (365/Receivable Turnover)

4. Equity Valuation

4.1 Valuation using Free Cash Flow to Equity

This worksheet values the company's share price by using the Free Cash Flow to Equity model. The Free Cash Flow to Equity is defined as the sum of the cash flows to the equity holders in the firm.

4.2 Valuation Summary

The Free Cash Flow to Equity (FCFE) is calculated as follows:

$$\text{FCFE} = \text{EBIT} * (1 - \text{Tax rate}) + \text{Depreciation} - \text{Capital expenditure} - \text{Change in Working Capital} + \text{New debt issued} - \text{Debt repayments}$$

The terminal value of the firm's equity beyond the projection horizon is also estimated and added to the cash flow. The final cash flow discounted with the cost of equity provides the equity value.

4.3 Assumptions

The following are inputs to be entered into the spreadsheet as assumptions. The values will be used for valuation.

- Cost of Equity - This is used to discount the cash flow to equity.
- Growth rate of Cash Flow after projection horizon - A fix growth rate after the projection horizon. This growth rate is used in the estimation of the Terminal Value of the company.
- Value of Non Operating Assets - The Discounted value of the Free Cash Flow to Equity yields the value of the operating assets. The equity value can be derived by adding the value of the **Non Operating Assets** from the value of the operating assets.

	A	B	C	D	E	F	G
1	Valuation - Free Cash Flow to Equity						
2	Company XYZ						
3							
4	Assumptions						
5		Cost of Equity*					8.00%
6		Growth rate of Cash Flow after projection horizon(at terminal)*					5.00%
7		Value of Non Operating Assets*					\$0.00
8		Tax Rate					0.00%
9		Number of Common Shares					1,000.00

The following values are calculated from the previous worksheets.

- Tax Rate - Company's Tax Rate. This is calculated as the average of the monthly tax rate in the tax inputs worksheet.
- Number of Common Shares - The equity value will be divided by the number of common shares to determine the price per share. This value is derived from the Number of Common Shares in the Income Statement.

4.4 Equity Valuation

4.4.1 Terminal Value

The Terminal Value of the Firm's Equity is estimated as follows:

Terminal Value = Final Year Cash Flow * (1+Growth rate of Cash Flow after projection horizon) / (WACC Discount Rate - Growth rate of Cash Flow after projection horizon)

4.4.2 Operating Value

Operating Value is calculated as follows:

Value of Operating Assets = Net Present Value of Cash Flows + Discounted Terminal Value

4.4.3 Equity Value

Equity Value is calculated as follows:

Equity Value = Value of Operating Assets + Value of Non Operating Assets

51	Equity Valuation		
52		Projection Horizon	
53		Net Present Value	\$9,276,613.94
54		Terminal Value	\$125,874,122.23
55		Discounted Terminal Value (PV)	\$58,304,073.74
56		Add : Value of Non Operating Assets	\$0.00
57		Equity Value	\$67,580,687.67
58		Equity Value per share	\$67,580.69

5. Printing

These spreadsheets can be printed quickly and easily in Landscape mode in Microsoft Excel. Simply set the “% to normal size” option to include all the fields in the worksheets.

To print several worksheets at once, simply click the tab for the first sheet in Excel, then hold down CTRL while you click the tabs of the other sheets that you want to select.