

METAPHOR

Power Through!

**Finance
Competition
2020-2021**

**Financial
Statements and
Highlights**



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METAPHOR FINANCE COMPETITION

COMPANY OVERVIEW

Here at Metaphor Inc. we have maintained our company name since it was founded in 2002, but we have reinvented the business with new products each year to sell to the customers' wants based on potential customer surveys. Last year, we sold self care products and ended the year with a loss, therefore we decided to enter the sporting good market.

We are a C corporation located in Murfreesboro, Tennessee, at 3956 Blaze Drive. We are a web--based company that strives to reach our customers using our website, participation in tradeshow, email, and social media. With tradeshow being virtual, we hope to maximize our profits while creating meaningful connections with every customer. We have sold a variety of products throughout the years because we see what customers want based on our customer surveys and the market share. Metaphor Inc. is a known name in our community due to the amount and variety of philanthropic efforts we have participated in. With years of experience, we are striving to lead our industry and maintain our positive impact on the community.

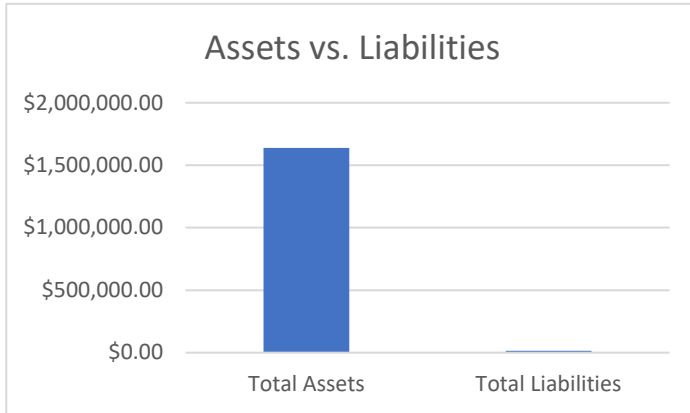
At Metaphor Inc., we sell athletic equipment and selective apparel that is distinguished from popularity. Our company also buys in bulk in order to sell our products at an affordable price. However, with our signature Metaphor Inc. water bottle, we make it in order to encourage an all-natural and environmentally friendly lifestyle. We believe by selling this, we can gain an attraction to customers wanting to buy from us and since average daily participation in exercise has increased 4% from the last 17 years, our efforts to market our brand influenced us to sell these products. Through developing our products to fit the wants of our customers and providing exceptional customer service, we here at Metaphor Inc. will strive to target those in the athletic world.

FINANCIAL HIGHLIGHTS

Metaphor Inc. has been used for 18 years as the name of the business however except for 2015 and 2018 each year the students select a new business model but keep the Metaphor name because we have real and virtual name recognition, liquid bank account, and Metaphor has a rich history as being one of the oldest firms in the Southern Region and the first in Tennessee. For 2020 – 2021 year, we, the financial team of Metaphor Inc., have employed two associates who had minimum experience in the Accounting field. Therefore, we utilized the month of October for training and began running the firm in November. Our financial team has made precise graphs and tables of a break-even analysis, a balance sheet, and a profit & loss statement, and a sales projection summary for the 2020 – 2021 fiscal year.

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As of November 30, 2020 we had \$1,529, 571.74 in our bank account. This comes after the Southern Region Trade Show that we exceeded our sales projections by \$17,935.00. We participated in the December National Online Trade Show and expect to break even after that trade show. Sales have not been finalized for December at the writing of this document. As you can see from the pie chart Trade Shows are very beneficial for us to get a majority of our total sales. We will be participating in four online trade



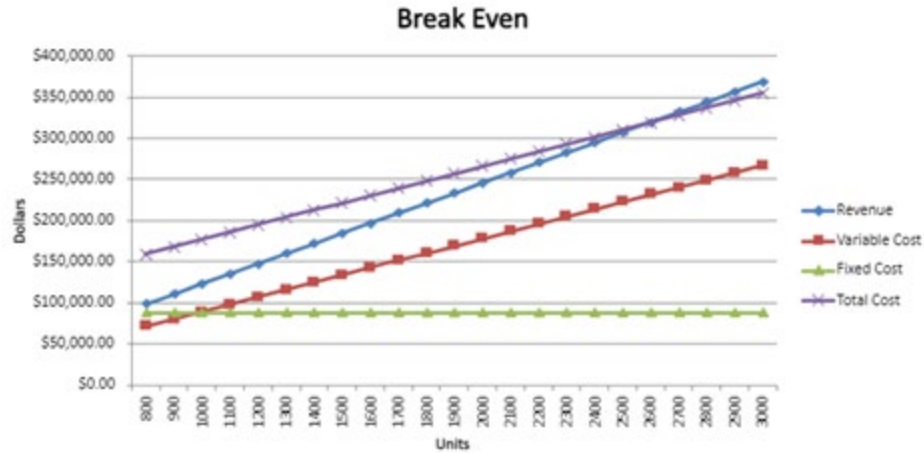
shows this fiscal year: November, December, March, and April.

Our balance sheet balances at \$1,637,530.80 with \$1,529,571.74 cash in bank. The only liabilities we have are sales tax payable and payroll taxes payable. All loans were paid off within five years of operating.

We are projecting a net income of \$325,077 for the fiscal year and a gross profit margin of 64%. For November we are still operating at a net loss, but will not be after December. For November our total gross revenues were 120,721. Cost of goods sold was \$83,831. We ordered enough merchandise inventory in November to have inventory for both November and December Trade Shows. The total operating expenses for November were 82,875. We had a net loss of 64,003 for November.

BREAK-EVEN ANALYSIS

Break-even analysis provides an analysis of the revenues that need to cover a company's expenses. Metaphor Inc. projected to meet break-even after the trade show in December due to its high sales. We projected \$100,000 in sales for the trade show in sales projection which could easily cover our expenses while also considering other purchases such as online.



Explanation of Break Even: The average sales are from the Marketing's Equipment and Prices document which calculated our prices and costs in great detail.

Metaphor Inc.'s fixed costs for the year are \$88,000. The average selling price per sale is \$122.78 and the average profit rate of 27.6%. Thus, a break-even occurs at 2600 units and \$319,003 in sales revenue. We should break even after the December 10th trade show.

BALANCE SHEET

The balance sheet reports assets, liabilities, and equity to display our firm's net worth. Currently, Metaphor Inc. has \$1,626,330.80 in current assets. We purchased new computers and equipment and therefore have fixed assets less depreciation of \$11,200.00. Total assets are \$1,637,530.80. We have liabilities of sales tax payable and payroll tax payable totaling \$14,369.00. Our firm has two angel investors at 50,000 each. Total stockholder's equity is \$1,623,161.80. Our balance sheet balances at \$1,637,530.80.



Metaphor Inc.
Balance Sheet
As of November 30, 2020

Assets	
Current Assets	
Cash	\$1,529,571.74
Investments in stocks	\$0.00
Accounts receivable	\$0.00
Merchandise inventory	\$96,759.06
Supplies	\$0.00
Total Current Assets	\$1,626,330.80
Fixed Assets	
Computers	\$4,000.00
Less: accumulated depreciation	\$0.00
Furniture and fixtures	\$6,000.00
Less: accumulated depreciation	\$0.00
Office equipment	\$2,000.00
Less: accumulated depreciation	\$800.00
Total Fixed Assets	\$11,200.00
Total Assets	\$1,637,530.80
Liabilities and Stockholders' Equity	
Current Liabilities	
Accounts payable	\$0.00
Sales tax payable	\$8,383.00
Payroll tax payable	\$5,986.00
401(k) payable	\$0.00
Other payable	\$0.00
Corporate tax payable	\$0.00
Total Current Liabilities	\$14,369.00
Long Term Liabilities	
Loan payable	\$0.00
Total Liabilities	\$14,369.00
Stockholders' Equity	
Common stock	\$100,000.00
Common stock O&E	\$1,523,161.80
Additional paid-in-capital	\$0.00
In excess of par value	\$0.00
Retained earnings	\$1,623,161.80
Total Stockholders' Equity	\$1,623,161.80
Total Liabilities and Stockholders' Equity	\$1,637,530.80

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SUMMARY PROFIT & LOSS STATEMENT

The Profit & Loss statement is used to report our revenues and expenses to show the net income or loss the firm will have. Revenues are based on total sales projections made in the sales projection summary. Also, the budget spreadsheet provided by Virtual Enterprise was utilized to obtain most of the information which included the salaries expense and payroll taxes as well as other important financial factors.

For the 20-21 fiscal year, Metaphor Inc. is projecting to have \$1,470, 665 in total revenue. The total projected cost of goods sold is \$535,885. The firm did not start operating as a sports equipment store until November, so we have not made any profit for this year yet. The sales from May to October are from when we were a self-care firm which proved to be non-profitable. Metaphor is projecting to have \$934,781 in gross profit with a gross profit margin of 64%. The total expenses include bank charges, insurance, utilities, and promotion, sales tax, and payroll tax, etc. and is projected to be \$531,108. Total projected net income of \$325,077.

Due to the abrupt shut down in March due to Covid Metaphor Inc was closed down too. We did not have any salary expenses since our employees were not working. From March through October our expenses were mostly regular monthly bills that we pay regardless if we are open or not such as rent, insurance, and utilities. In November, we began paying our current employees based on our current budgeted amounts for payroll.

As part of our marketing plan being a new firm in the sports equipment industry we are going to give back to under privileged, under funded youth sports leagues. For every \$1,000 we have in sales, we will donate a product back to a local sports league in our local community. Those expenses are noted in other expenses on the projected profit and loss statement below. To calculate the amount in the other expenses row we took our total sales revenue and divided by 1,000 and that gave us the number of products we were going to donate to youth sports leagues. We will follow the table below for donations:

Month	Sport League	Average COGS for sport
November	Football	25.68
December	Basketball	18.27
January	Basketball	18.27
February	Soccer	17.50
March	Baseball	29.48
April	Baseball	29.48

In the last section of the profit and loss statement, we are showing a loss from operations in November. We believe this is due to the excess merchandise inventory we purchased to prepare for the November and December trade shows. Corporate income taxes are paid quarterly, the income statement has the actual amount that will be due for November but will not be paid until January.

METAPHOR

Income Statement For the Year Ending 04/30/2021

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	TOTAL
	May	June	July	August	September	October	November	December	January	February	March	April	
Gross revenues													
Trade show revenues	0	0	0	0	0	0	117,935	100,000	0	0	100,000	100,000	417
Contractual sales to non-VE entities	0	0	0	0	180,000	0	0	704,250	0	0	0	0	884
Online Sales	1,454	0	0	54	0	2,400	1,823	32,550	32,550	32,550	32,550	32,550	168
Interest Income	840	868	839	866	865	906	963	965	965	965	965	965	10
Total gross revenues	2,294	868	839	54	180,865	3,306	120,721	837,765	33,515	33,515	133,515	133,515	1,470
Cost of goods sold or services provided	1,018	0	0	-569	126,000	1,680	83,831	92,785	22,785	22,785	92,785	92,785	535
Gross profit	1,277	868	839	622	54,865	1,626	36,890	744,980	10,730	10,730	40,730	40,730	934
Gross Profit Margin %													
Operating expenses													
Salaries	0	0	0	0	0	0	62,754	62,754	62,754	62,754	62,754	62,754	376
Rent	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24
Depreciation	400	400	400	400	400	400	400	400	400	400	400	400	4
Matching Social Security Expense	0	0	0	0	0	0	4,851	4,851	4,851	4,851	4,851	4,851	29
Matching Medicare Expense	0	0	0	0	0	0	1,135	1,135	1,135	1,135	1,135	1,135	6
Advertising	0	0	0	0	0	0	0	0	0	0	0	0	0
Promotion	0	0	0	0	0	0	0	25,000	0	0	0	0	25
Insurance	525	525	525	525	525	525	525	525	525	525	525	525	6
Matching Pension or 401(k) Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Tax	102	0	0	4	0	168	8,383	9,279	2,279	2,279	9,279	9,279	41
Utilities	308	308	308	308	308	308	308	308	308	308	308	308	3
Other							2,429	2,412	585	560	3,920	3,920	13
Total operating expenses	3,335	3,233	3,233	3,237	3,233	3,401	82,785	108,663	74,836	74,811	85,171	85,171	531
Income from operations	-2,058	-2,365	-2,394	-2,615	51,632	-1,775	-45,894	636,317	-64,106	-64,081	-44,441	-44,441	403
Other revenues/gains and expenses/losses	0	0	0	0	0	0	0	10,000					10
Net income before taxes	-2,058	-2,365	-2,394	-2,615	51,632	-1,775	-45,894	646,317	-64,106	-64,081	-44,441	-44,441	413
Corporate income tax	344	130	126	8	27,130	496	18,108	19,883	5,027	5,027	20,027	20,027	88
Net income after taxes	-2,402	-2,495	-2,520	-2,623	24,502	-2,271	-64,003	626,434	-69,133	-69,108	-64,468	-64,468	325

SALES PROJECTION SUMMARY

The sales projection summary includes projected sales for each month. It allows us to make a better business decision with accurate sales forecasting. Due to the effects of the Covid-19 global pandemic, we concluded that we would decrease our projected sales from last year by 7% for sales other than trade shows and 50% for trade shows sales. At the time of preparation of this document December Trade Show sales have not been finalized due to online sales as well as POS sale.

Metaphor Sales Projections

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	TOTAL
	May	June	July	August	September	October	November	December	January	February	March	April	
Gross revenues													
Trade show revenues	0	0	0	0	0	0	117,935	100,000	0	0	100,000	100,000	417,935
Contractual sales to non-VE entities	0	0	0	0	180,000	0	0	704,250	0	0	0	0	884,250
Online Sales	1,454	0	0	54	0	2,400	1,823	32,550	32,550	32,550	32,550	32,550	168,481
Interest Income	840	868	839	866	865	906	963	965	965	965	965	965	10,972
Total gross revenues	2,294	868	839	54	180,865	3,306	120,721	837,765	33,515	33,515	133,515	133,515	1,470,665
Cost of goods sold or services provided	1,018	0	0	-569	126,000	1,680	83,831	92,785	22,785	22,785	92,785	92,785	535,885
Gross profit	1,277	868	839	622	54,865	1,626	36,890	744,980	10,730	10,730	40,730	40,730	934,781
Gross Profit Margin %													64%

Due to the global pandemic, there will be no in-person trade shows which hold most of our profit for the 2020-2021 fiscal year. Therefore, we estimated that there will be a 50% decrease in trade show sales from

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previous years. We decreased our online sales from previous years by 7% as well. We concluded that we could take advantage of four virtual trade shows as opposed to the normal two in person trade shows as in previous years.

SCREEN SHOT OF METAPHOR’S BANK BALANCE

M. Roberts (Metaphor, Inc. - PF Code US01509) | [Return to Marketplace Tools](#) | [Return to Hub](#)

US Network Bank

Account: Metaphor, Inc. (Interest Checking) - 100002410 [Download account details \(Excel\)](#)

Period: from 11/1/2020 until 11/30/2020 Show

Date	Name/Description/Acct#	Ref#	Amount	Balance
Nov. 30, 2020	Jonathan Batmunkh.31214.31214 (US01528), Long Island City, NY VEI Checkout transaction #513097 11/30/2020 03:19 PM CT Acct #630843376	5275630	\$7.65	\$1,529,571.74
Nov. 30, 2020	Ashley Medina.31525.31525 (US01528), Long Island City, NY VEI Checkout transaction #513086 11/30/2020 03:09 PM CT Acct #630843546	5275608	\$34.24	\$1,529,564.09
Nov. 30, 2020	Daniel Miller.21019.21019 (US061445), Summertown, TN VEI Checkout transaction #513064 11/30/2020 02:46 PM CT Acct #630870144	5275564	\$7.99	\$1,529,529.85
Nov. 30, 2020	Sarah Potts (US061445), Summertown, TN VEI Checkout transaction #513061 11/30/2020 02:30 PM CT Acct #630718911	5275558	\$0.41	\$1,529,521.86
Nov. 30, 2020	Austin Abbott.21012.21012 (US061445), Summertown, TN VEI Checkout transaction #513059 11/30/2020 02:19 PM CT Acct #630812764	5275554	\$8.13	\$1,529,521.45
Nov. 30, 2020	Fowzia Chowdhury.31216.31216 (US01528), Long Island City, NY VEI Checkout transaction #512916 11/30/2020 11:33 AM CT Acct #630843503	5275266	\$7.01	\$1,529,513.32
Nov. 30, 2020	Thomas Kloeckner.28207.28207 (US01045), LYNBROOK, NY VEI Checkout transaction #512870 11/30/2020 10:42 AM CT Acct #630828059	5275182	\$1.18	\$1,529,506.31
Nov. 28, 2020	William Fitzgerald.27472.27472 (US01509), Murfreesboro, TN Salary Acct #630861781	5272150	-\$1,522.18	\$1,529,505.13
Nov. 28, 2020	Allison Selling.25390.25390 (US01509), Murfreesboro, TN Salary Acct #630822700	5272148	-\$1,522.18	\$1,531,027.31



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