INTERNATIONAL BUSINESS GRADUATION PROJECT

Dog care Service in Madrid

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EXECUTIVE SUMMARY

The project´s main focus is to offer a solution to citizens that acquired a dog during the quarantine, as a way of distracting from the health crisis or mental health personal reasons. Fortunately, the situation has improved and therefore, in our process to come back to normality, people are not able to stay with their pets as they need to move every day to their office or job positioning, instead of working online. The purpose of this project is to analyze the feasibility of a business committed to provide a familiar household to our customers' pets granted by the daycare dog service. The following discussion will focus on market trends, business capabilities, and main competitors to determine the feasibility of this business plan. Since we are in a low saturated market, the possible lack of experience in the field would not be a liability, and so the barriers of entry are reduced, lowering the difference in experience with our main competitors.

Once the analysis is going to be performed different constraints may arise. The COVID-19 together with the Ukraine war is affecting the global economy, especially Spain. Due to the uncertainty and the continuity of both we do not know how it might have a negative impact on our business, especially the accessibility that potential customers might have to have access to our services.

Nonetheless, after analyzing the market and competitors the characteristics that will make our business unique is that Oh My Dog will ensure a healthy and educative environment while being a fun and loving place at the most affordable price to have a bigger scope of clients. Additionally, we offer transportation to and from our location in Brunete, making a positive difference with our direct competitors, which facilitated the access to our customers. Furthermore, our business will focus on sustainable and eco-friendly products which gave the customer a clear idea of the CSR image of the company and its concern with the environmental issues that are now having a more negative impact toon our planet.

Although the analyses are going to be based on forecasted information, the business plan might show an optimistic outcome believing that the corporation could prosper from the beginning of the post COVID era, due to the importance that the service is going to offer to the Spanish citizens in the digital world we are living.

Keywords: dog care, eco-friendly project, animal start-up.

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1 Introduction

As the once Nobel Prize winner Konrad Lorenz stated, "The bond with a true dog is as lasting as the ties of this earth will ever be" (Lorenz, s.f.). Since 2019, the world's way of living has been altering daily human lives due to the impact and expansion of SARS-CoV-2. The remarkable pandemic and its restrictions have introduced a change in society's priorities and necessities, largely on the social scope. Consequently, individual's physical and mental health have been injured, as the preventive isolation arose loneliness, anxiety, and depression levels. In the specific case of Spain, this could be perceived and analyzed on account of 30.00% Spanish citizens suffered panic attacks during confinement period, 25.00% suffered social exclusion and 55.00% suffered stress. Furthermore, regarding children's data, it is analyzed that 85.70% have suffered emotional condition and conduct alteration. (Confederación Salud Mental España, 2021)

To overcome the below analyzed mental-health crisis, individuals' reliability in animals have intensified in Spain's isolation period. Regarding animals in Spain's home environment, 89.00% of Spanish pets are dogs (Prats, 2020) and consequently of the pandemic, this figure has boosted from 9,764,600 dogs in 2019 to 10,165,498 in 2020, a resulting increase of 400,898 dogs. (Ruiz-Ocaña, 2021) Nonetheless, once the pandemic progressed positively and restrictions were set down, individuals started to face the responsibilities that a dog conveys and had complications combining his necessities and their professional life, leading to the abandonment of the animal. Although, abandonment levels have decreased 6.00% compared to the figures in 2019, it is still a concern as only in 2020, there have been 286,000.00 dogs abandoned in Spain.

In Oh My Dog we aspire to solve this problematic, giving customers the opportunity to bring together their animal's necessities without renouncing to their professional time. Our center is focused on offering an affordable, qualitative, and competent services, including health services, conductual activities, personal training, or beauty service. All the above, designed to improve dog's conduct and lifestyle, while taking care of, and been entertained during the customer's schedule of choice.

1.1 Research problem

As previously discussed, due to SARS-CoV-2 lockdown, a high number of citizens decided to incorporate a dog into their household. This was mainly caused by the isolation mental-health crisis or to make confinement more pleasant. Bearing this in mind and the fact that our lives in Spain are progressively recovering; work is no longer online, social life has returned, new issues have been introduced regarding time management during their day-to-day activities that previously were done online.

Another problem our customers are facing, is the available space in their domiciles, as most of them reside in small apartments without natural surroundings. Both circumstances have created the challenge for people of taking care and spending time with their canines, as it does not fit their lifestyle. On top of that, dog owners do not know where to leave them during their daily work schedule, which leads dogs to stay at the residence for several hours unattended.

1.2 Research question

Would a dog day care service in The Community of Madrid, be a feasible business?

1.3 Objectives

1.3.1 General objectives

To create a dog day care service that offers a second family home for our customer's pets. Providing the best location and team to fulfill the needs of our dogs and their families during their schedule of choice and make us responsible for all their demands and desires.

1.3.2 Specific objectives

- Identify the most relevant factors for the customers in order to choose Oh My Dog
- Determine the best location for Oh My Dog
- Examine the suggested business model's financial viability and financial freedom
- Check strategic feasibility for business model in the Community of Madrid

1.4 Methodology

1.4.1 Methodology for the specific objective 1

- Define the survey´s target audience and what do we want to obtain from it.
- Identify remarkable questions to get precise data from possible customers
- Choose the appropriate number and length of questions to provide the most accurate data.
- Send the questions to those who are interested in pets and have access to them. Especially if they have a say in the matter.

1.4.2 Methodology for the specific objective 2

- Conduct a survey with potential clients.
- Make use of macro and micro analysis studies to evaluate potential locations.
- Specify and define rivals, how they operate, and in which location they function.

1.4.3 Methodology for the specific objective 3

- Choose the tools required to do the data analysis
- Understand each piece of data and what it means in terms of key performance indicators
- Examine the data to see whether it is consistent and if it matches our expectations and assumptions.
- Examine the various ways to incorporate the survey results in our day-to-day operations

1.4.4 Methodology for the specific objective 4

- Track the potential members interested to be part in
- Based on the results of the survey, define a target market
- Know your competitors

1.5 Justification, relevance, and interest

To begin with our idea from the beginning was to bring together the knowledge we had learned and to encourage the creation of businesses that were necessary to improve the lives of our relatives and neighborhood. In this way, as the 2020 pandemic evolved and therefore did mental health issues, families started to rely on pets for company. As now life is getting back to normal, they are no longer available to offer their pets the same time and attention as in lockdown period. Consequently, we understood that there was a need for a business that would take care of pets when their owners were unable to do so, always with a direct and trustworthy treatment. Therefore, we decided to do a survey in which we asked them how our business should be from their point of view, regarding their requirements and needs to offer the best service possible. The results will help us to know the perceptions of our potential users, as well as to create a greater bond between us, as we want after all for our clients to feel that they form part of a family.

With these results we will implement a variety of business strategies, such as economic and marketing strategies, which would be impossible to execute without relevant data, obtained from finance analysis, surveys, personal knowledge and client’s information. On this basis, decisions will be made regarding the place where the service will be provided, and we will explain in detail what is involved in contracting our services.

2 STATE OF THE MATTER

The business model decided to incorporate a fishbone analysis, to be able to identify potential causes to our main problem described below “business failure and problems of expansion”, we want to identify any cause that can lead to this problem, in order to be ready and have any contingency plan needed for our business to succeed. This analysis will as well reveal any area of weakness in our decision making or business process, which will help us to adopt the actions needed to correct them. (see Figure 1) Once the analysis is complete one can determine, all the factors that need to be taken into account for the problem to be avoided. If the company applies all this factors in its contingency plan, the firm can ensure risk mitigation.

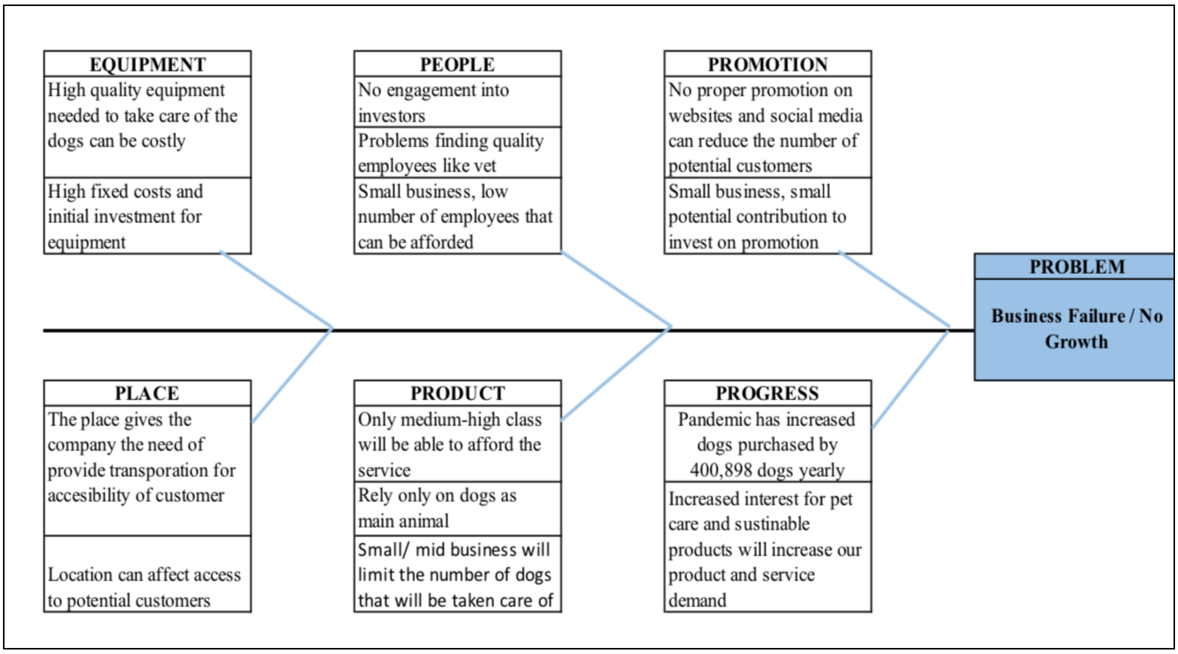


Figure 1 Cause-Effect analysis for business failure problem
Source: Own Elaboration

On the other hand, we decided to create a conceptual map in order to portray everything that we wanted to include in our business. In the figure below, we illustrate the services we want to offer, the products that will be included and the methods in which we want to obtain customer engagement (see Figure 2).

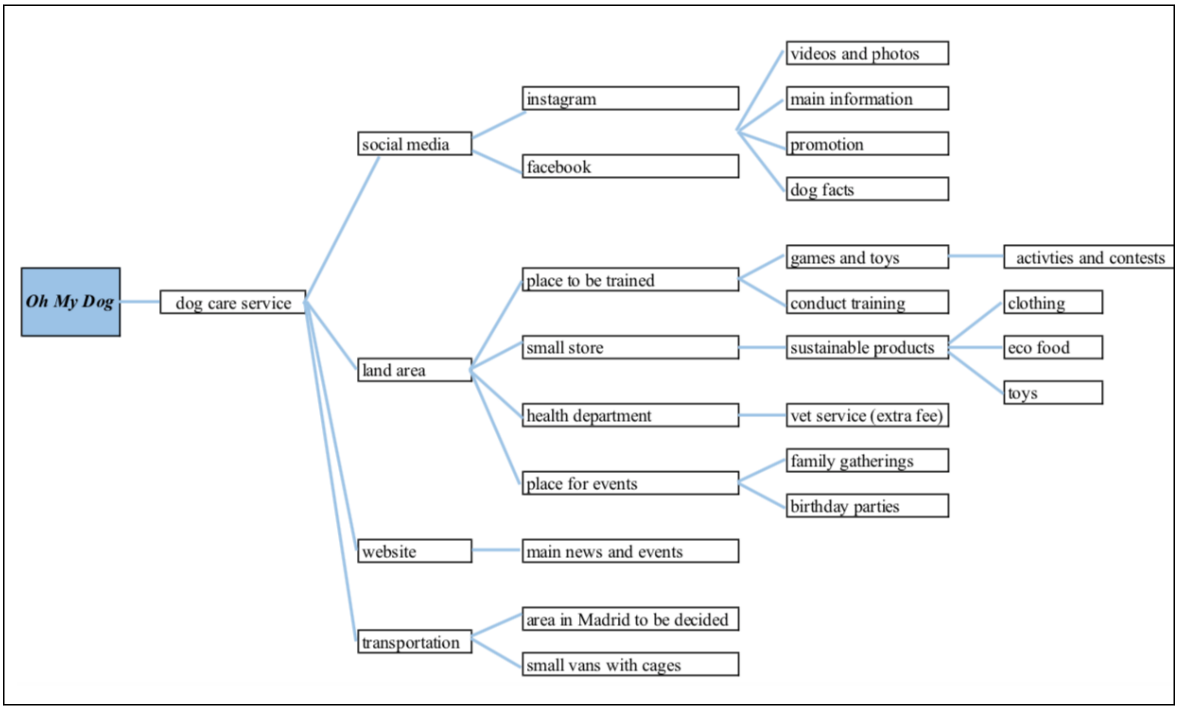


Figure 2 Brainstorm ideas for business structure and services
Source: Own Elaboration

Finally, we decided to incorporate a survey in our investigation to determine essential aspects to consider requirements and necessities of our clients. We conducted the survey in a sample of 50 people. With the answers we could conclude the following essential points, around 60.00% of the potential clients specified that their dogs stay at home for 1-2 hours, while the other 40.00% stay for 3-5 hours. On the other hand, another section of the survey specified that the time of the day in which the dogs stay by their own is on the morning (44.00%) and the afternoon (53.00%). This data gives us the information needed to establish the hours of our daycare service and the period of time most wanted, which will be from 8:00 AM to 6:00 PM.

Furthermore, the survey gave us information about the location of our potential customers, being located in Madrid Centro, Villaviciosa de Odon and Boadilla del Monte. Due to this, the company will base its operations near these districts and offer their services close to them. Regarding price, our potential clients considered to pay in a range of 5.00-15.00 € per day for the daycare service, which allow us to set a specific price in the future. In the case of services like vet or beauty care, our clients are willing to pay between 30.00-

40.00€ which is favorable to us considering the extra income. Finally, we decided to incorporate a section to see the main requirements of our clients for our services, being the following the most important: healthy and safe environment, positive environment and activities and training. (See Figure 16)

2.1 Strategic plan

In the following section, the research analysis will be undertaken, to understand the external and internal environment in which the firm will operate, in order to be prepared for future threats, opportunities and risks that could impact our operations.

2.1.1 Macro-environment analysis

The macro-environment analysis allows the company to identify possibilities and risks that can be included in our strategic management planning, to have knowledge in advance on how factors can affect operations. In order to achieve this knowledge analysis like the PESTEL analysis, will be undertaken.

The PESTEL analysis will be used to determine and monitor all macro-environment factors that may affect our company and its performance. With this tool of analysis, Oh My Dog will be able to determine which factors impact negatively and positively in the project and will prepare the business plan to undertake the strategies needed to mitigate negative factors and enhance opportunities.

- Political Factors

Regarding political factors that may influence our firm, the COVID-19 restrictions and regulations set by the government will affect in a negative perspective our company. Consequently, any change in government rule will change the way it contains the virus, and the confinement measures it will be implied.

As new variants of the virus emerged, new political measures, like lockdowns or restrictions, are considered to contain the pandemic. In this case, foreign policies also need to be considered, since countries like China continue in a strict quarantine, which can affect our supply chain, in addition to the possibility of causing an irregular amount of stock, without defined delivery times.

On the other hand, if the contrary happens and restrictions and regulations are reduced, positive effects will be presented to our company. People will return to presential jobs and life will return to pre-pandemic situations, leading people's animals to isolation. In here, Oh My Dog comes into place, solving this problematic for our clients. (see Table 1)

- Economic Factors

Considering how economy will affect our company, we can analyze how economic threats, such as 5.60% inflation in 2021, directly affect both the company's financial position and its customers' purchasing power. Due to the economic crisis the country is facing, factors such as unemployment, which has been set at 14.50% in the third quarter of 2021 (Bankinter, 2022), may lead to lower demand for our products as lower income is registered. Moreover, China continues with a strict quarantine due to COVID 19, which could make it difficult for us to access to suppliers, affecting our supply chain and the number of products sold. Furthermore, there is a new threat to take into account, the war between Ukraine and Russia, which is supposing a high tension for energetic sectors, consequently causing a rise in the prices of oil, gas and also in some foods, since Ukraine is the main supplier of corn to the Spanish market. As a result, this leads to a rise in prices and inflation, originating a reduction in the purchasing power, in addition to a higher cost of gasoline for our transportation. These threats will affect the pricing of our services and will lead us to determine the proper pricing strategy to attract as many customers as possible in the market. (seeTable 1)

- Social Factors

Taking into consideration social factors like income distribution we could analyze the following data. The data presents how income distribution in Spain throughout the last years have remained a constant growth. The red line presents how the income distribution of the top 10.00% citizens has been evolving, with an average of 91,562.00 €/ year, while the blue line shows the 50.00% flow of lower citizen's income in Spain, with an amount of 11,218.00 € / year. The green line on the other hand, shows how the average GDP has been evolving and we can see positive figures recorded at 31,73.00 € / year. As a result of this analysis, we can conclude that the firm should focus on clients reporting an income higher than the average GDP, as an amount of 11,218.00 € / year per citizens, will not perceive our service affordable and will not be as attracted to our products as higher income citizens. (see Table 1)(see Figure 3)

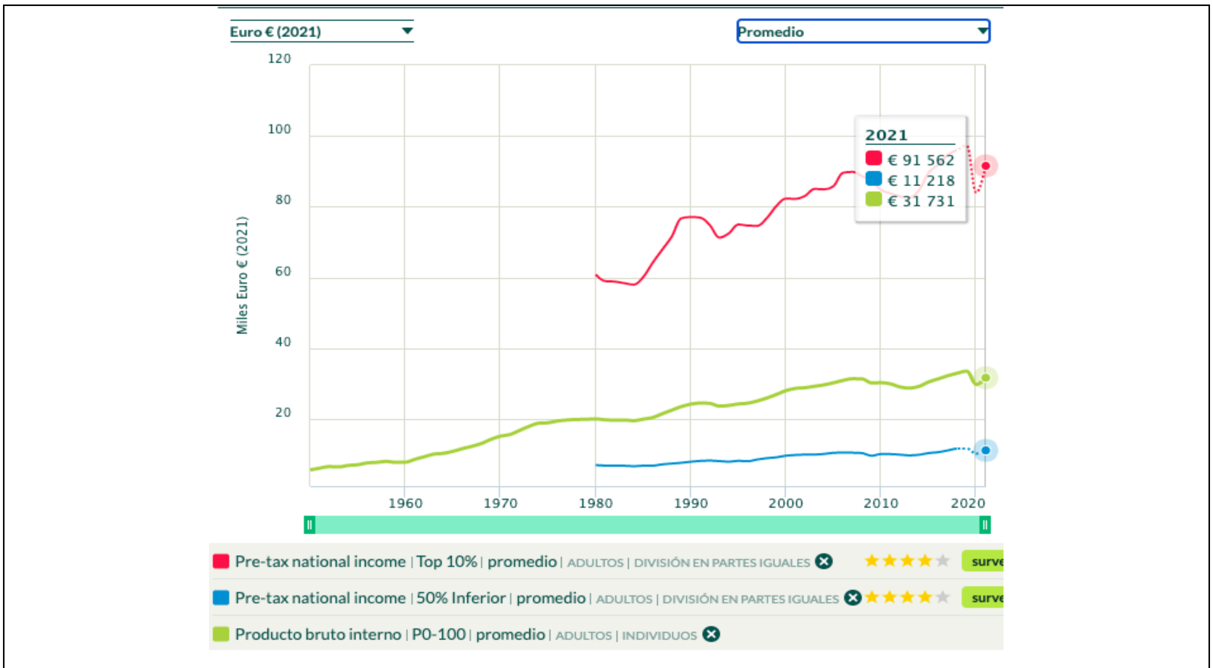


Figure 3 Pre-Tax National Income

Source: (World Inequality Database, 2021)

- <u>Technological Factors</u>

Technological changes and adaptation have been key since the pandemic emerged. Regarding changes in technology in the labor sector, it can be perceived how companies are relying now more than ever on remote working strategies, which leads its employees to have the facilities of working from their residence. The situation leads families to present the problem previously discussed, in which their dogs cannot be taken care of ideally due to the occupied job life of their owners. In here, Oh My Dog comes into place, presenting a service to solve the problematic people are now facing.

On the other hand, our company desires to integrate a sustainable food and products, as well as clothe retail inside our company. Due to the emerge of new technologies we could create proper platforms and attractive websites to sell the products online more easily, and at the same time, access as most customers as we can. As well, these new technologies will help us to create accounts of Instagram among others to attract and give our clients an insight into our company in a creative, original, and actual way (see Table 1).

- Environmental Factors

Environmental changes and new demand for eco-friendly goods will impact the performance and decision making of our company. Spain presents a constant growth in the demand for ecological products, recording a 7.00% growth in demand in 2020 compared to 2019, which account for over 2,528 million €. (Ministerio de Agricultura, 2021). This growth will benefit the company due to our objective of introducing a sustainable and ecological product section for our clients. We can see that the trends present interest for these products which makes a feasible option for the company to adopt this strategy. (see Table 1)

- Legal Factors

New health and safety laws or employment laws will be the ones that will mostly affect our project. Regarding the most actual law which declares that animals are considered in Spain as "sentient beings", animals cannot be abandoned, mistreated, or harmed in any physical or emotional way. Moreover, state regulations regarding retirement age could also have an impact on our demographic target, since depending on the established age, our range of clients can increase or decrease, as our potential client is a working adult who does not have time to take care of his pet. This implementation of the law gives Oh My Dog the opportunity to comply with the legislation and benefit families, and their dogs, to be treated as one more family member (Medina, 2022) (see Table 1)

Nonetheless, it is important to consider the political changes that affect Spain as it can bring alterations in the age considered for retirement and therefore will impact our demographic target. According to the Social Security Minister of the Spanish Government these will be the following expected years of retirement in Spain, however as we previously discussed the law can be changed depending on the government in place, something that Oh My Dog will consider for future operations.

	Importance Range (1 few relevance - 3 totally relevant)	-2	-1	0	1	2	TOTAL
	POLITICAL						
2	Taxation		x				-1
2	Political stability	x					-4
3	Coronavirus	x					-6
	(restrictions & regulations)						
	ECONOMIC						
2	Economic growth					x	4
3	Unemployment	x					-6
1	Inflation rates		x				-1
	SOCIAL						
3	Income					x	6
3	Lifestyles					x	6
1	Career attitudes				x		1
	TECHNOLOGICAL						
2	Technological innovations in labor sector				x		2
3	Marketing & Advertising					x	6
3	Basic Infrastructure					x	6
	ENVIRONMENTAL						
3	Sustainable products					x	6
2	Environmental policies			x			0
1	Climate change			x			0
	LEGAL						
2	Health & Safety regulations				x		2
3	Animal protection laws					x	3
2	Employment laws				x		2
	TOTAL						**27**

Table 1 Pestel Analysis

Source: Own Elaboration

Furthermore, companies like ours, should adapt to animal protection laws and to the increasing public awareness and customer expectations, as pets have become ingrained in most aspects of people daily life. Pet focused tourism and retail options such as animal health insurance, luxury stores and new items specifically made for pets have developed and will continue to grow as people increasingly desire to incorporate pets in their lives. Businesses can't afford to ignore this trend, either in terms of income or ethical treatment, therefore, here we present a diagram with the essential factors needed to be considered when performing the business plan.

It is important to surround your dog with a natural environment in order to develop properly, for this, we must commit to maintaining a clean, pleasant and above all, safe environment. If the dog feels safe, he will feel free to express natural behaviors easily and not be inhibited by fears, insecurities or discomfort. Moreover, adapt to the personal needs of the client and their pet also transmit confidence through the quality of services and products and a reliable and qualified staff. Lastly, the good and healthy growth of the animals will depend on the correct nutrition that they are provided, that is why it is important that the feed is made with natural ingredients and include all the nutrients and vitamins that the dog needs to grow healthy.

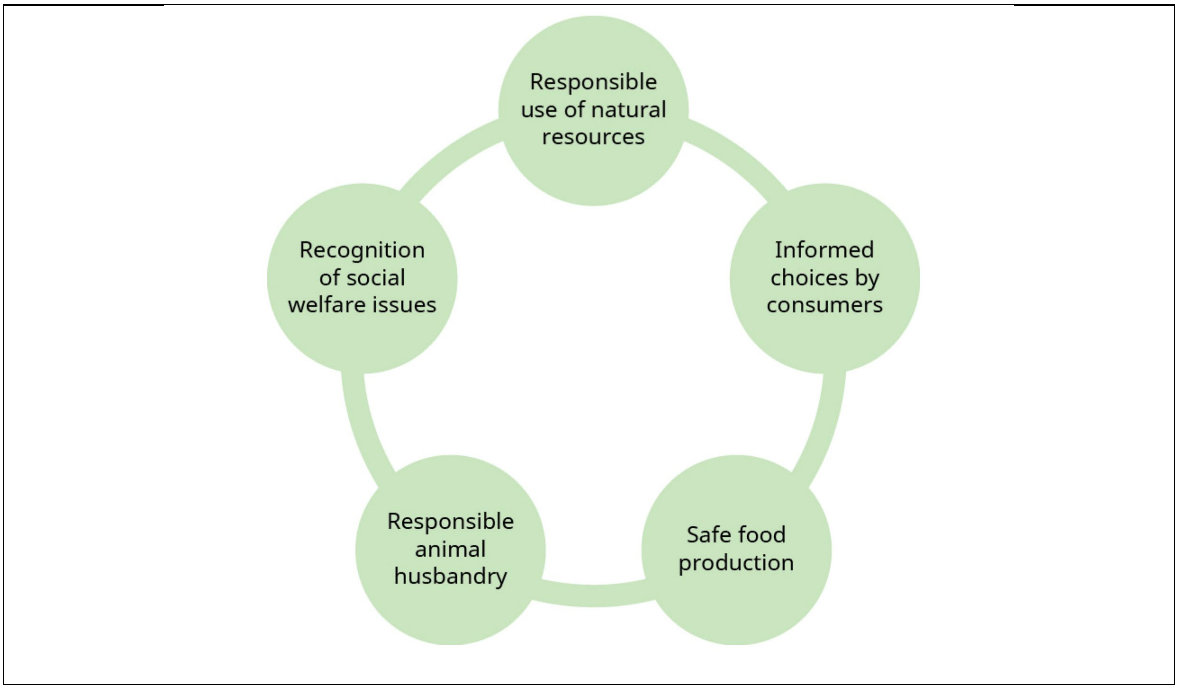


Figure 4 Essential Factors
Source: (BC Campus, 2019)

2.1.2 Five Forces Analysis

The five forces analysis helps to identify and analyze the strong and weak factors of the industry in which a firm operates. We plan to use this analysis to help the company decide on corporate action and decision making.

- Competition in the Industry

The level of competition in the industry is LOW as we could perceive a low number of competitors in the market. Due to that, the firm has power in the market to specify the pricing strategy desired and therefore have the profitability expected. Furthermore, this low competition gives the company the possibility of growth in the industry and be able to be positioned as market leader though the years.

- Threat of New Entrants

The level would be considered as MEDIUM. In this market there are limited barriers of entry, as we can see low number of competitors and firms working in the field, while the demand and need of animal care services are increasing consequently of the pandemic. As a result, new competitors like Oh My Dog can simply enter the market, compete with established companies, and gain market share, something that benefits our company. One weakness to consider will be that as there are more rivals in the industry, profit potential is lowered, however we plan to forecast a three-year period in which the company will be positioned in the market and achieve the profit level expected.

- Bargaining Power of Suppliers

The suppliers needed for our company are mainly based in the providers of sustainable food and clothing products for our dogs. Therefore, the level can be considered as LOW as there are multiple number of companies that provide this type of products such as “Edgard & Cooper” or “Eco Barf Diet” among others. Due to this, our company will be able to benefit from low-cost suppliers, high substitutes and identify differentiation between them, consequently providing the unique service and the profit desired.

- Bargaining Power of Buyers

Considering the low number of companies operating and providing the service that our company wants to offer, we could specify that the power of buyers will be also MEDIUM as customers cannot switch as easily from one company to another, basically because there are minimum number of companies that offer the same service. The existing companies working in our industry are perceived as high-priced services like the example of our competitor "Vive Pet-Resort". Our company will be based on more accessible prices, without losing the quality of service desired, which will attract new customers. On the other hand, our company can limit buyer power once introduced in the market by introducing loyalty programs or differentiating their products and services like sustainable food and clothing.

- Threat of Substitutes

In this specific case, the substitutes can be focused on our company's service and our products offered. Regarding company's service we can barely see number of competitors, as we mentioned before, and the perception of the service as a highly economic business will move the mission and vision of the company to a more economically accessible service, to attract the maximum number of customers in the market and give them an option of switching costs to our firm. Regarding products, we can perceive large number of substitutes, as there are multiple companies introducing themselves into the sustainable and eco-friendly animal product industry. Our company need to focus on how to solve this situation and attract customers to our products, something that will be achieved since our products will be available in our local shop but also through our personal website, which will give the customer the accessibility and feasibility needed to receive and compare the product online easily. Moreover, sustainable food will be included in our daily service, which will give the customer the assurance that the product is desired by their canines.

2.1.3 Life Cycle Analysis

We decided to implement this tool to see the evolution and progress that we expect for our company. As well, this tool helps us determine in which stages each decision should be taken and which services to offer to gain the highest profit achievable with the highest quality service offered to our clients.

- Development

During this phase the company will enter the market, attracting as many customers as needed and having a low-cost strategy progressively to increase profitability as much as possible. The company will analyze the necessities and desires of the customer and the market, to adapt and change, if needed, to the specifications and expectations of the customers.

- Growth

In this phase, we expect to have a considerable number of customers, but we will continue to work in strategies to meet consumer needs, while innovating our product and extend the product. In this phase we plan to begin with the sustainable clothing and food product supply, as we want to guarantee profit availability and appropriate demand. We expect that in this phase the company will have overpass initial investment and will be ready to implement new and attractive customer needs.

- Take off

During this phase, the company plans to be positioned in the market with a consolidation of service, a set pricing strategy and brand loyalty towards its customers. In this phase we plan to obtain the profit desired and needed to promote new ideas or customer expectations to achieve the market leader positioned desired. Once in this phase, we expect to promote our beauty care for the dogs, a vet or health service and the sustainable product and clothing previously discussed.

- Maturity

In the maturity section, the company plans to achieve stabilization. We plan to obtain a balanced revenue and will start to consider options like vertical backward integration or any other strategy that will benefit the company, its customers, and its cost strategy.

- Decline

This phase is marked as a phase of falling demand and consequently, decreasing revenue. We planned to overcome and extend as much as possible this phase by introducing new products, innovating strategies, or even expanding or business into other animals/pet's specifications such as cats among others.

2.1.4 Performance Analysis

We decided to use the performance analysis tool to position ourselves against competitors in the industry and ensure that we have the capabilities needed to compete. Nonetheless, this tool benefits us as well to identify which aspects to work on, may be price or location in order to offer our customers a unique service and have the tools needed to be differentiated from the market. Analyzing the market environment, we can determine the intensity of our competition and therefore identify our strengths and weaknesses to adopt a differentiating positioning and strategy. Having said this, we can say our main forces are the facilities provided since we proportionate a greater number of services compared to other competitors in addition to a superior quality, except for "Vive Pet Resort", since its amenities include a 5-star hotel service. Moreover, our location would be better located compared to the competition since we will focus on a central area that brings together several surrounding areas where we can receive clients from. Lastly, in terms of our prices, we are doing quite well compared to our competitors, but it is true that as we are entrepreneurs in this sector, we will adapt our prices based on demand and movements within the sector itself.
(see Figure 5)

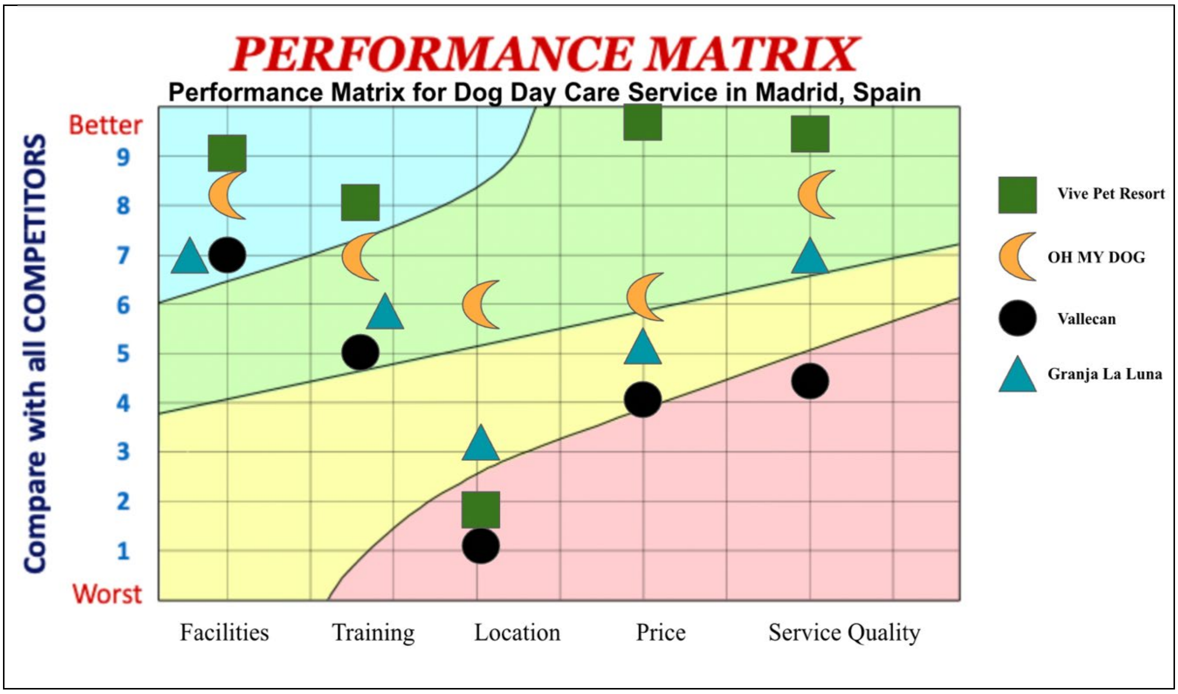


Figure 5 Performance Matrix for Dog Care Services

Source: (Vive Pet Resort, s.f.) (ValleCan Centro Canino, s.f.) (Granja La Luna, s.f.)

2.1.5 *Mixed analysis*

2.1.5.1 *SWOT Analysis*

Both internal and external factors that affect our business can be determined using the SWOT analysis. Below we can perceive way more strengths with which the company may confront the threats of the market, which give us security against problems and gives future investors a positive insight of the company's position against market fluctuations. In order to determine the level of negative or positive impact that the external factors have on the company, we decided to evaluate them from -5 to 5 as it can be seen below. After completing the analysis, we can conclude that the most powerful strength of the business will be the high demand for the service, as it overcomes all threats and meets all opportunities for growth presented, and at the same time it has the highest positive evaluation. Regarding the most important weakness for the company to focus on, we can identify the challenge of attracting investors as well as the challenge of obtaining initial capital to operate. This problem, together with the threats of the market such as economic disbalances or lack of brand loyalty and faith may negatively affect the firm. Nonetheless, we planned to oversee this and look for strategies to overcome these implications and minimize negative impact, by asking for a loan or even increasing the amount of our initial contribution to reduce the dependency on investors. (see Figure 6)

	Opportunities and Threats (from -5 to 5)					Total
Strengths	Economic crisis affecting customer's purchase power	Political decisions regarding COVID 19	Low competitive market	High demand for the service	Technological changes that allow the company to be promoted and operate services online	
Differentiation with existing companies	3	0	5	5	5	**18**
Price strategy more accessible than competitors	**5**	**0**	**5**	**5**	**5**	**20**
New ideas that meets actual customer needs	3	0	5	5	4	**17**
Employee potential and talent to hire	5	3	3	4	3	**18**
Weaknesses						
New company in a new and not recognized market	-5	-3	3	-5	3	**-7**
Lack of loyalty and trust in the company	-5	-3	3	-5	0	**-10**
Challenges in getting investors / initial capital	-5	0	-3	-5	0	**-13**

Figure 6 SWOT analysis of Oh My Dog

Source: Own elaboration

2.2 Production/operations plan

2.2.1 Organizational Structure and Human Resources

To begin with, it is important to consider that our company will be created as limited company, something essential to ensure that only the capital invested by the founders will be at stake, in this case, the 10,000.00 €. Once this is established, a description of our organizational structure, including management and human resources capabilities, philosophy and needs, the number of employees intended to hire, how they are going to be managed and estimated personnel costs, are all important elements to include in the business plan. This structure's major goal will be to organize and coordinate the corporation, ensuring that all acts carried out in the organizational sphere are directed toward the same goal.

For our business project we are going to propose an organizational design where the owner will have the position of Director and Manager. Said position will be covered by the four founding members, in addition to contributors to the initial investment in an equitable manner. This function will be focused on the organizational resolution when planning investments and expenses. However, each one of us will be specialized in what we consider the 4 most important elements to manage the project. There will be division in terms of decision-making marketing, logistics finance and human resources.

In the next lower category, we divide ourselves into different jobs needed to be performed. We will all be focused on specific activities but at the same time, we will cover much of the work ourselves until the company will be economically accessible for new workers. Consequently, we will be divided into different activities regarding taking charge of animal care, driving the van, as we all have license, we can reduce costs in this way, shop assistant or even administrative, financial or marketing matters. We will all cooperatively work for these activities to be performed while hiring a professional dog trainer for part time work and a specialized dog vet for the attention in our facilities of pets that are part of our service.

The positions and responsibilities of each of the people involved in this project, mainly the four founders, are listed below:

- Marketing manager: define a specific market, analysis of psychographic data, analysis of competitors and promotion of products and services.
- Logistics manager: optimize the processes of product acquisition, storage, transport, and distribution in an efficient way.
- Finance manager: analysis of budgets, conveniently structured financial plans, payment of workers' wage and administration of financing and investments.
- Animal care: staff with training in animal care, responsible for feeding and caring for them during their stay in our facilities, will also have the functions of reviewing the stock of products for food and hygiene, being responsible for

requesting from the supplier, if necessary.

- Dog trainer: a person who, in addition to being qualified as a trainer, is patient, affectionate and friendly with animals.
- Vet: personnel outside our company, who will come to our facilities to ensure our dog's health and safety.

2.2.2 Cost Analysis

Fixed Costs (€)	
Initial Costs	
Buildings	8,000.00
Motor Vehicles	11,000.00
Furniture	2,000.00
Machinery	4,000.00
Equipment	3,000.00
Technical Installations	2,000.00
Loan	20,000.00
Monthly Fixed Costs	
Wages	3,600.00
Advertising	500.00
Land	3,000.00
Utilities	100.00
Annual Fixed Costs	
Amortization	1,600.00
Depreciation	
Depreciation building	1,833.00
Depreciation vehicle	3,000.00
Depreciation machinery	600.00

Variable Costs (€)	
Merchandise Year 1	569.00
Merchandise Year 2	996.00
Merchandise Year 3	1,139.00
Gas for vehicles	600.00

Table 2 Cost Analysis
Source: Own Elaboration

2.2.3 Location, capacity planning

After analyzing the pet industry and comparing prices among the market, as a company, we decided to calculate the initial costs that the business could face when starting our service operations. Therefore, our research was focused on possible suppliers that could fit with our company brand and more importantly, in economic terms. In fact, we found land available in Brunete that perfectly suits our idea of having a free environment for our dogs, with available space for them to run or train.

Moreover, once we selected the area of work, we decided to use a wood building system for creating the building of our organization. After doing the research, we found a prefabricated organization that oversees constructing houses and for a total of 6,000.00 €, we could obtain a building that fits with our necessities. In fact, for starting the development of the business, a bank loan is needed for having economic support and financial availability, therefore, we decided as a team to ask for a loan of 20,000.00 €. To make the initial investments, these ones will include key aspects such as machinery, furniture, technical installations, or equipment. This loan will support our shared capital of 10,000.00 €, so our idea is to establish the first operational system of the company with almost 30,000.00 €.

On the other hand, with the investment, we planned to acquire a van for offering our customers the service of transportation of dogs, for doing it, the vehicle needs to fulfill the minimum law requirements of health. In fact, our budget for the van is 10,000.00 €, so therefore will be able to find something that would adapt to our necessities. On top of that, with the initial investment we will cover eco-friendly suppliers for being able to offer merchandise to our dogs, a key element as we refer to basic needs such as food or beverage. Also, related with their maintenance and care, a veterinarian is going to be hired throughout outsourcing to have a qualified individual in charge of our main assets, dogs. It is not going to be the only outsourced activity, as seems logical, utilities are also inside of this group, as in every company water and electricity supply is essential for carrying out our service within the best conditions.

2.3 Marketing analysis

2.3.1 Marketing Characteristics

2.3.1.1 Target Market and Segmentation

In regard to the marketing characteristics, first of all, the company needs to ensure and determine the target market in which the firm is going to be focused on, to efficiently and successfully managed its marketing strategies. Referring to target market, once can say that is the group of potential customers that we seek to acquire for our product, or in this case, our service. Due to this, it is essential for the firm to properly identify it, in order to base all marketing strategies to potentially attain them. In order to properly determine our target market, we will base our research in four characteristics.

First, we will take a look into the demographic profile. Regarding age we can assume that our firm will be based on customers from their 30s onwards, up to until their 60s. This is mainly since our customers will be normally working long period of time and will need of our service for their pets. Nonetheless, it is important to consider the political changes that affect Spain as it can bring alterations in the age considered for retirement and therefore will impact our demographic target. According to the Social Security Minister of the Spanish Government these will be the following expected years of retirement in Spain, however as we previously discussed the law can be changed depending on the government in place, something that Oh My Dog will consider for future operations.

2022	37 años y 6 meses o más	65 años
	Menos de 37 años y 6 meses	66 años y 2 meses
2023	37 años y 9 meses o más	65 años
	Menos de 37 años y 9 meses	66 años y 4 meses
2024	38 o más años	65 años
	Menos de 38 años	66 años y 6 meses
2025	38 años y 3 meses o más	65 años
	Menos de 38 años y 3 meses	66 años y 8 meses
2026	38 años y 3 meses o más	65 años
	Menos de 38 años y 3 meses	66 años y 10 meses
A partir de 2027	38 años y 6 meses o más	65 años
	Menos de 38 años y 6 meses	67 años

Table 3 Retiring Years
Source: Gobierno de España (2022)

Considering gender, we can say that this will not be a problem and the company will focus its marketing strategies on all genders for the success of the service. Some essential aspect for our marketing campaign and therefore, target market, is that our potential customers will be based mainly on Madrid, as it will be our operations location. The company expects, as a long-term objective, to fully expand to other cities of Spain, but for the moment, Oh My Dog will be only based on Madrid

Moving into the sociocultural profile, the economic level of our customer is essential. It is true that the company does not plan to highly price our service compared to competitors, nonetheless, the concept of a dog care service is seen as exclusive and expensive for some citizens. As a result, the firm will be focused on mid-upper class that will be economically accessible for our service. Considering our customer's values, it is important to consider this aspect, as we will be working with their own pets, educational beliefs, and requirements. For that reason, the firm will be looking for strategies to adapt to each customer's needs while ensuring its pet's safety and enjoyment.

Considering the digital profile is essential for Oh My Dog. Nowadays, the digital era is a daily activity for humans, and especially considering our age gap, our potential customers can be determined and attain through the digital world. For that reason, the marketing strategy of the company will be mainly based on social media platforms, which will be useful for the company to attract potential customers and offer them the essential information for them to get to know us and what can we offer. Furthermore, the company can implement KPIs and other indicators to determine how many impressions, interactions and other trends arise from our platforms, to be continuously improving and offering the best service and experience as possible.

2.3.1.2 Marketing Objectives

Considering what the business wants to achieve in terms of their marketing, it can be said that the firm expects to attract and retain potential customers through its marketing strategies. This can be obtained and measured through the KPIs previously mentioned and the social platforms that we expect to implement. Furthermore, through the marketing implemented the company can provide useful information regarding schedule, events or promotions, and avoid information gaps with its actual customers. Being more specific, the company expects to achieve the following objectives: obtaining brand loyalty, attracting potential customers, retaining clients and finally, creating value and profit.

2.3.2 Marketing Mix: 7Ps Analysis

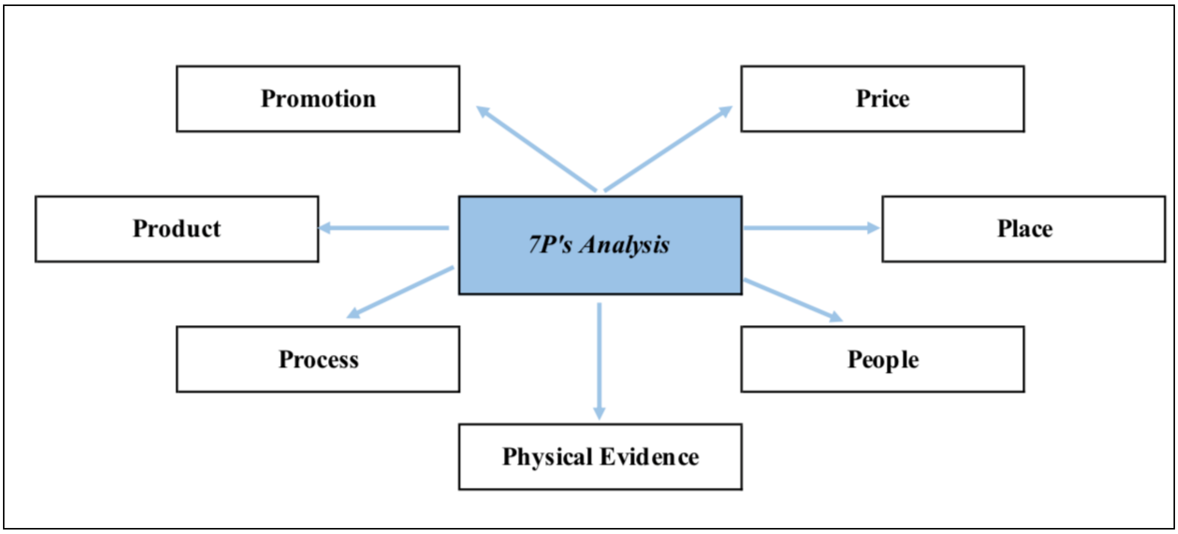


Figure 7 7Ps Analysis
Source: Own Elaboration

”

- Product

In this case our product will be the dog care service. The company will offer a dog care service in a specific schedule required by the client, and at the same time, the company will offer transportation for the pets regarding the location chosen for the firm to operate. Furthermore, the company will offer eco-friendly and sustainable products available for clients to purchase. These products will be the ones that the firm uses daily with its pets, but the firm wants to expand the business and offer the customer the possibility of acquiring them for personal use. Consequently, the company will obtain extra profits and will portray its corporate social responsibility reputation and its environmental concern.

- Price

Oh My Dog wants to achieve the highest market share with the highest number of clients possible. Due to that, we decided to do a survey and ask our potential clients the price accessibility that they have and set the price needed a win-win strategy for the company and the customers. According to the surveys, we decided to incorporate a price of 15.00€ per day.

- Place

Oh My Dog will opt for the land located on Madrid surroundings due to the variety of opportunities at lower costs. The location will help us to offer the best service for the customer and their pets while offering transportation in order to facilitate accessibility.

- People

Regarding the people that will ensure the service is effectively offered, we can analyze that the company will count with ourselves, the main associates as workers for the first years while the company obtains the profit needed, we will work in the shop, event planning, transportation area and any other aspect needed. On the other hand, we will count with a vet expert which will provide the health consult for the pets, and a dog trainer, to improve conduct and promote different activities.

- Physical Evidence

Our physical evidence will be mainly based on our facilities, where the dog care service will take place, and transportation service, which will be moving from all around Madrid in an Oh My Dog designed van. By this, the company can attract new potential customers while working and ensure visibility for the company.

- Process

The process in our service is essential, as it is the way in which the company will offer its services to the highest number of potential customers as possible, and the company needs a standard service plan to achieve this. Due to this, we decided to implement the transportation service, in order to offer the full experience and facilitate the process of accessibility. With the surveys the company had a clearer perspective about how this process should be achieved, regarding schedule of our dog care, prices, and customer requirements, which will be applied to the plan.

- Promotion

The promotion of the service will be based mainly on our Instagram and our website. In the following, general information, data and events will be announced, while showing pictures of our dogs for the clients to evidence the positive environment where their pets will be spending most of the days. Moreover, an extra promotion channel can be analyzed, our van. Once the pets are collected and moved to our facilities, the van will be promoting our service around all Madrid, which will attract new potential customers as previously discussed. The design of the van will be later analyzed.

2.3.3 Price/Sales

Considering price and sales of the business, we can breakdown the following categories. Firstly, the company will obtain income through the main service offered, dog care. According to the surveys we decided to establish the price of 15.00 €/day for our dog care service. At the same time, we will obtain an extra income from the vet service offered which will be priced in 35.00 € each clinic consultation, vaccines or extra consultation will be charged according to the state of matter. All these incomes will be then portrayed in the balance sheet and income statement and will be analyzed.

Income from Dog Care Service			
	Year 1	Year 2	Year 3
Price per service	€ 15.00	€ 15.00	€ 15.00
Number of Clients	10	15	20
Monthly Income	€ 3,000.00	€ 4,500.00	€ 6,000.00

Table 4 Income from Dog Care Service

Source: Own Elaboration

Income from Vet Service			
	Year 1	Year 2	Year 3
Price per service	€ 35.00	€ 35.00	€ 35.00
Number of Clients	10	15	20
Monthly number of Consults	15	45	60
Monthly Income	€ 525.00	€ 1,575.00	€ 2,100.00

Table 5 Income from Vet Services

Source: Own Elaboration

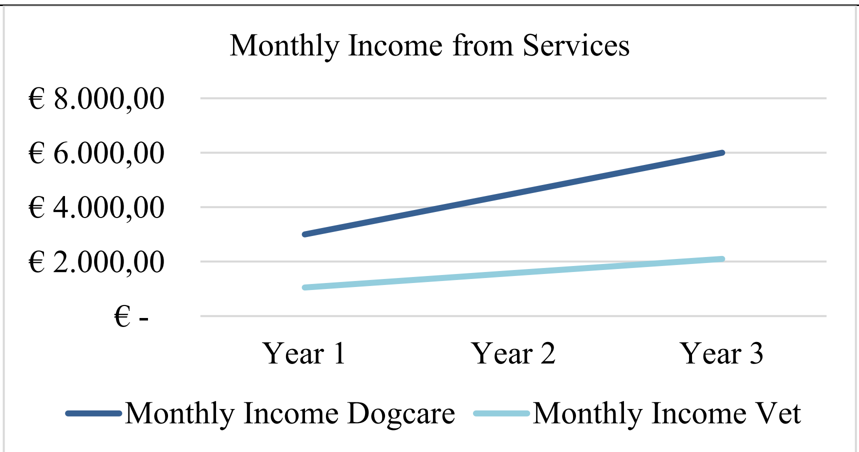


Figure 8 Monthly Income from Services

Source: Own Elaboration

Considering the dogs are going to spend most of the day with us, we need supplies to take care of them. We will follow our eco-friendly vision by introducing eco-friendly food, treats and toys to play in the center, also giving the opportunity for our customers to acquire our products for their own use. In this way, we will have an extra income, by providing not only eco-friendly food but also hygiene products, clothing, and toys.

Our supplier "China Pet Foods" (Shandong Wanpy Electronic Commerce Co., Ltd., 2022) was contacted via Alibaba and offer the different sustainable products required at a negotiated price. In the following table we illustrate the products that will be required, the acquisition price and selling price, all of those varying the number of products purchased, which will vary through the company's years. In the first year of operations, we will obtain 20 product orders, in the second we expect to have more clients and therefore sell more merchandise, which will lead us to acquire 50 orders. Finally in the third year, we are optimistic and will expect to acquire 100 orders. All these orders will take place every three months during the same year to ensure merchandise is not out of stock. (see Table 6) See for more merchandise details (see Appendix 2 1)

Merchandise Price Data			
	Year 1 (20 orders)	Year 2 (50 orders)	Year 3 (100 orders)
Purchase Price	569.40	996.45	1,138.80
Sold Price	1,270.00	3,175.00	6,350.00
Profit	**700.60**	**2,178.55**	**5,211.20**

Table 6 Merchandise Price Data

Source: Own Elaboration

Merchandise Price Data Optimistic Scenario			
	Year 1 (24 orders)	Year 2 (60 orders)	Year 3 (120 orders)
Purchase Price	855.00	1,395.00	1,367.00
Sold Price	1,905.00	4,445.00	7,620.00
Profit	**1,050.00**	**2,178.55**	**6,253.00**

Table 7 Merchandise Data Optimistic Scenario

Source: Own Elaboration

Merchandise Price Data Pessimistic Scenario			
	Year 1 (10 orders)	Year 2 (25 orders)	Year 3 (50 orders)
Purchase Price	284.70	500.00	996.45
Sold Price	635.00	1,588.00	3,175.00
Profit	**350.30**	**1,088.00**	**2,178.55**

Table 8 Merchandise Data Pessimistic Scenario

Source: Own Elaboration

2.3.4 Branding

In order for the company and service to be recognized, the firm decided to implement the following logo, found below, that will be used as the main image of company. The firm decided to incorporate the name of the company "Oh My Dog" as the main element, with a paw simulating the letter "O" to emphasize our specified dog care service. To emphasize our location, we incorporated the city "Madrid" for our potential client to understand clearly where we offer our service. Talking about aesthetic elements, we can perceive neutral colors to portray elegance and professionalism but at the same time incorporating the drawing of a dog with its paw for the customer to realize the fun-loving environment in where their pets could be educated and be entertained.

Figure 9 Oh My Dog Logo
Source: Own Elaboration

In addition, the firm needed a van to operate, to reduce the problem of accessibility and offer the customer the more reachable service possible. To get the most out of the service, we opt for the implementation of our logo and main information, so in that way, as the van operates, we can expand our promotion channels. As well, we decided to personalize the van, with an original design to attract attention to our actual and future clients.

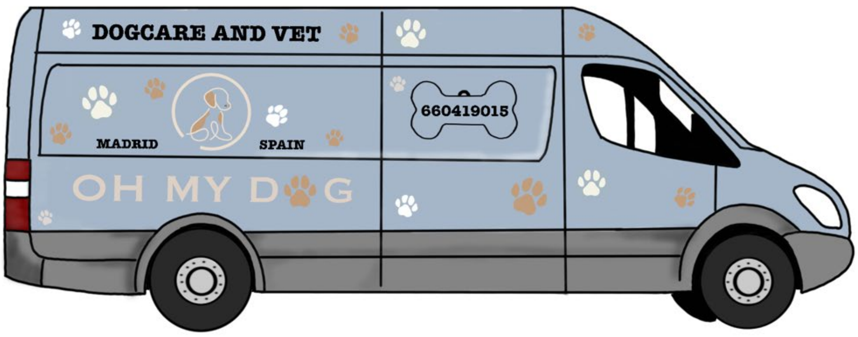


Figure 10 Oh My Dog Van
Source: Own Elaboration

2.3.5 *Marketing strategies*

For the company to achieve its objectives of gaining visibility and offer the data and information needed for the client, the company decided to create a website and an Instagram account. Incorporating both, the company can approach its target market efficiently while portraying the service with actual pictures, videos and important information to facilitate customer's recognition of the company. Below, we incorporate some pictures to show the website and the Instagram account structure, all based on our branding colors and with the appropriate information of the service. We provide the link as well below, for readers to analyze the website and Instagram account appropriately: "ohmydog.madrid" as the Instagram account and https://rocigongui.wixsite.com/oh-my-dog.

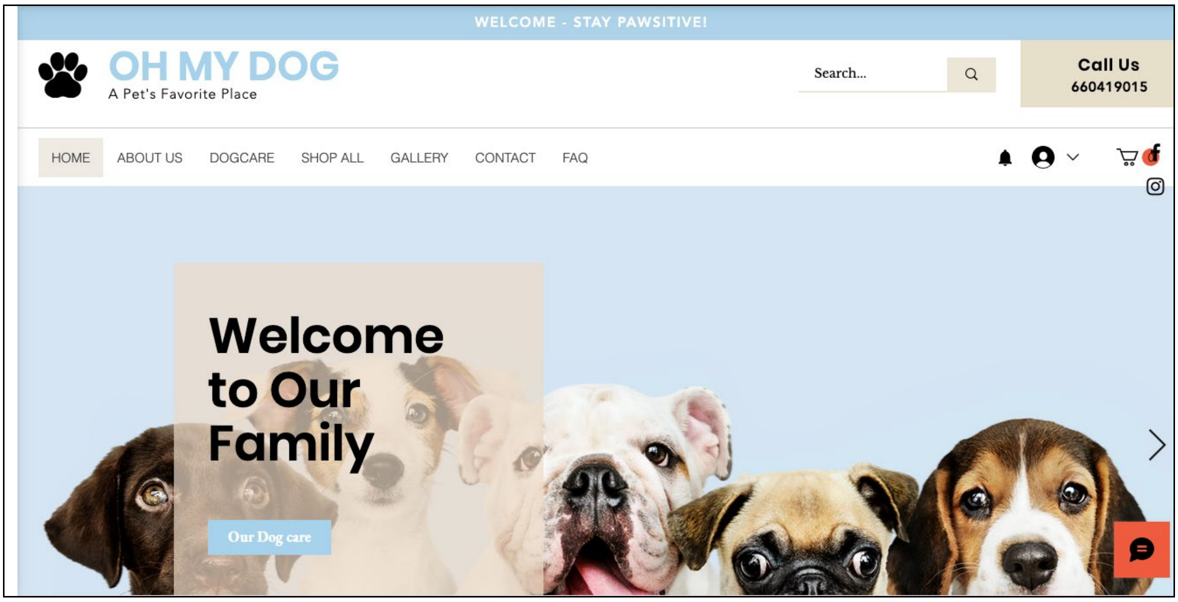
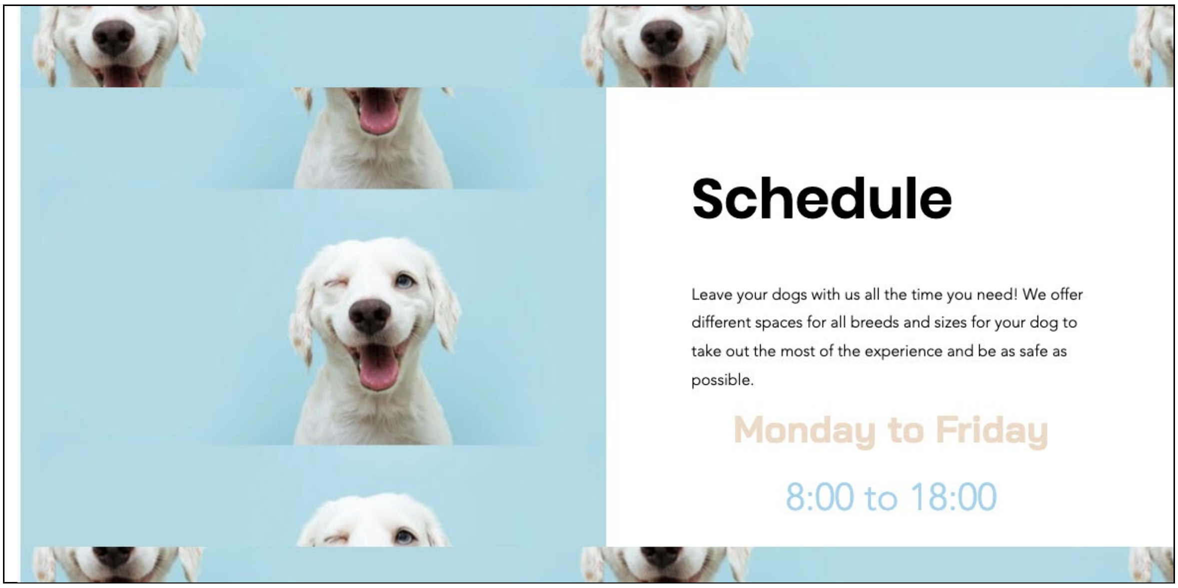


Figure 11 Oh My Dog Website

Source: Own Elaboration



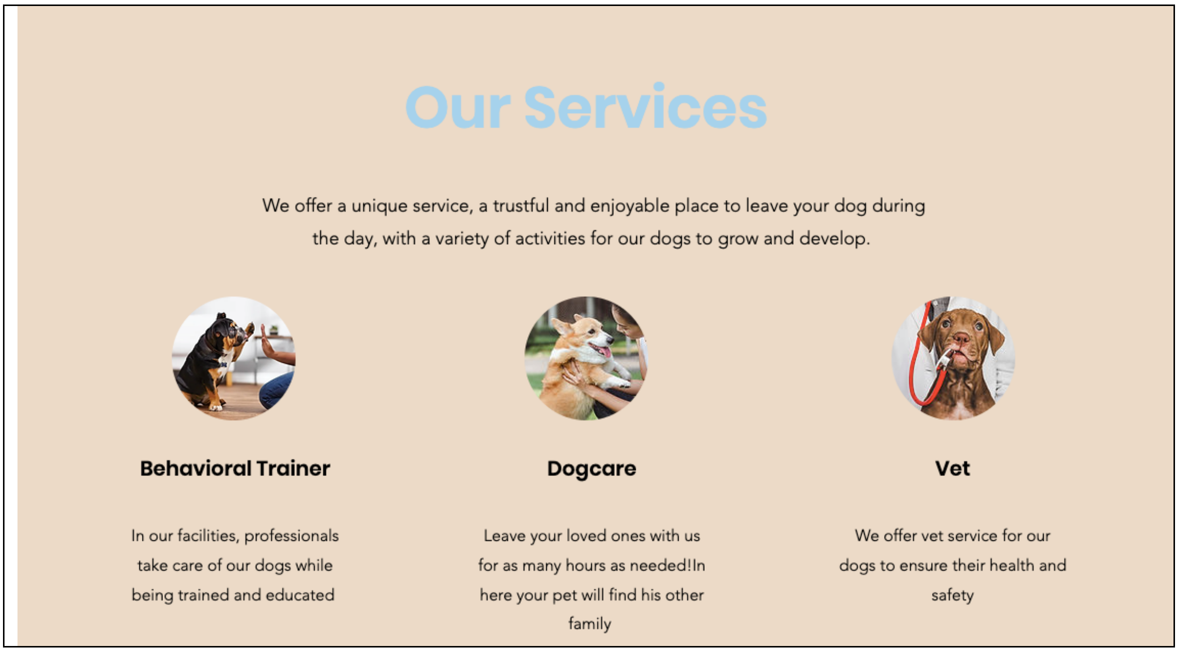


Figure 12 Website Schedule

Source: Own Elaboration

Figure 13 Oh My Dog Services

Source: Own Elaboration

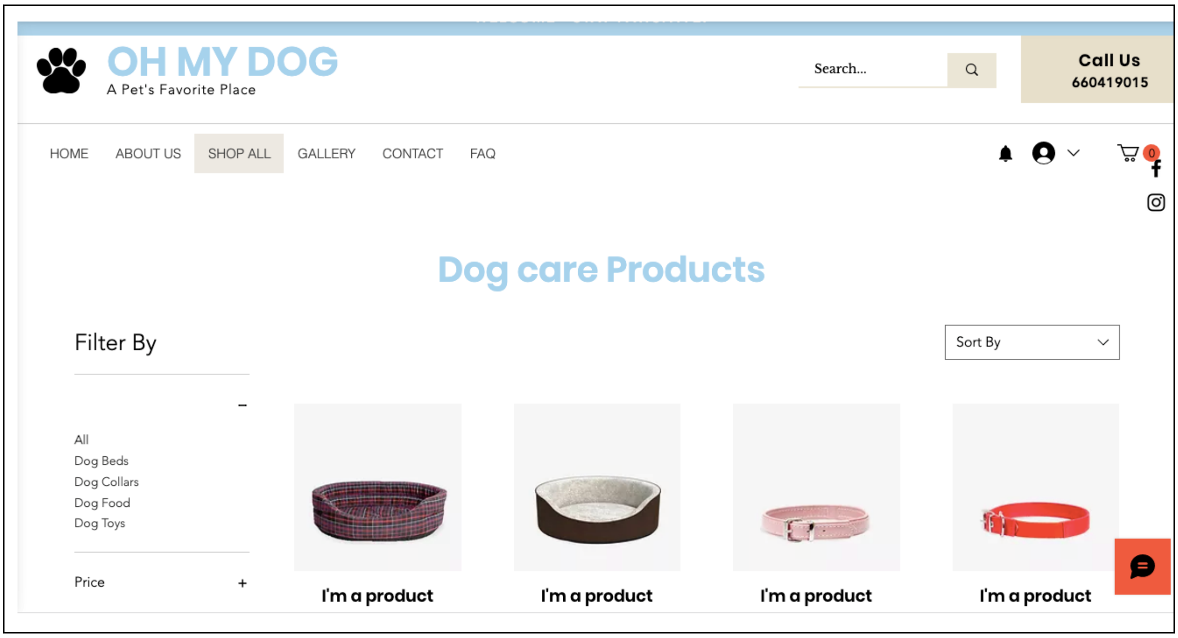


Figure 14 Oh My Dog Products

Source: Own Elaboration

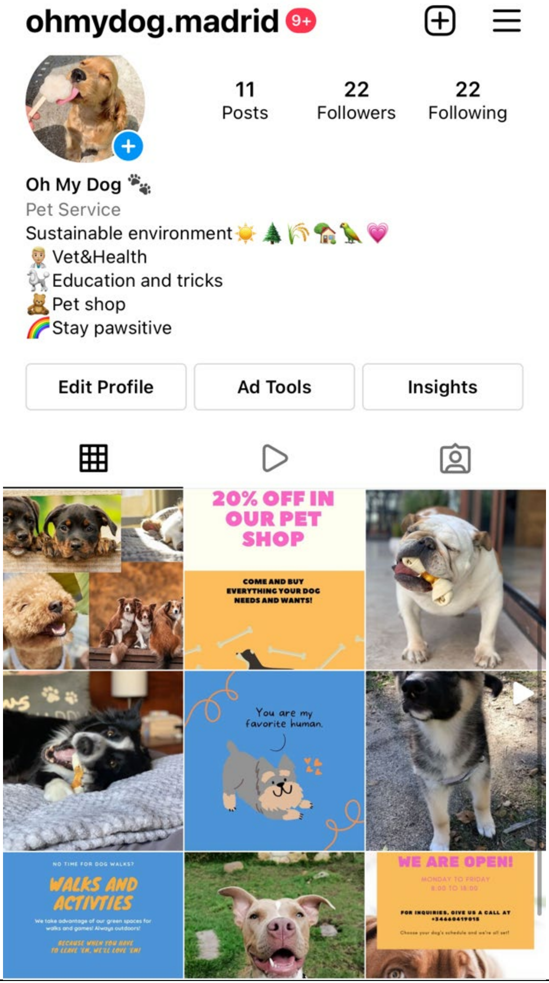


Figure 15 Oh My Dog Instagram

Source: Own Elaboration

2.4 Financial plan

One can define financial planning as a managerial function that is projected into the future: it seeks to project what it wants to achieve and how it wants to achieve it by identifying both the goals and the methods to achieve them.

In order to prepare future financial forecasts, it is necessary to assess the needs of the project. To do so, the following steps should be observed: Project the income from sales and expenses of the company for the planned period, estimate the levels of investment in fixed and current assets necessary to maintain the forecast sales and determine financing needs during the planned period.

For our project, we are going to focus on the analysis of three main elements. First, the sources of financing necessary to put the project into operation. Secondly, the financial forecast constituted in the financial statements. Lastly, the financial predictions under three scenarios: realistic, optimistic and pessimistic.

In our assumption of the financial plan, the objective is to rent a land with its own wood building where to locate the offices. The pet residence will be built on said land using cages that will be placed under a roof for protection. In addition, an adaptation of the offices will be required to work as a department for customer service and administrative purposes. For this, the facilities will be suitably furnished.

The initial investment is broken down into two parts: the first is 10,000.00 € contributed by the owners of the business, that is 2,500.00 € each, and the second is 20,000.00 € requested from a bank through the ICO entrepreneurial loans with BBVA bank. This loan will be repaid within a period of 5 years from its signature, through installments of 1,050.00 € per year, considering the TIN is 5.25%, TAE 5.46%, startup fee 0.00% and the total to be returned, adding capital, interest and expenses is the amount of 22,851.94 €. (BBVA, 2022)

2.4.1 Cost of Debt

To calculate the cost of debt for our project, we had to take into account the ICO loan from BBVA Bank. This loan accounted for an amount of 20,000.00 € for a period of 60 months, 5 years in total, at an interest rate of 5.25%. Results from calculating these 5 next years showed a pretax cost of debt of 4.70% and an after-tax cost of debt of 3.60%.

Cost of Debt		
Loan	20,000.00	ICO loan from BBVA for an amount of 20,000.00 €, for a period of 60 months (5 years) and interest rate of 5.25%. Total to be returned 22,851.94€.
Maturity	5 years	
Interest rate	5.25%	
Fees and expenses	0	
Tax Rate	25.00%	

Table 9 Cost of Debt

Source: Own Elaboration

Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Pre tax Kd	After tax Kd
20,000.00	-1,050.00	-1,050.00	-1,050.00	-1,050.00	-18,950.00	**3.28%**	**2.46%**

Table 10 Annuities
Source: Own Elaboration

2.4.2 Cost of Equity

Regarding the Cost of Equity, which indicates the minimum profitability required by investors, or in other words, how much it costs the company to request funds from investors, we used the CAMP model. Then, we have started with the Spanish 10-year bond which we have considered as the most optimal indicator to use as a risk-free rate, then adding the market risk premium and the beta. In addition, we have obtained the market risk premium from the annual study published by the renowned economist Aswath Damodaran on the portal pages.stern.nyu.edu, in which we can find an analysis of the risk premiums by country and by market, as well as betas from different sectors for both the European and North American markets. As it can be seen in the calculation table, the resulting Ke is 6.94%.

As it can be seen in the calculation table, we could say that it clearly shows the higher profitability that investors demand compared to debt providers, which makes sense considering that the cost of external financing is lower than your own resources. Finally, it is also important to highlight the value of the beta, since it refers to our type of market, the higher the beta, exceeding the value of 1, the greater the volatility it has, therefore less stability and greater variety of profitability. In this case, the other way around, being a value less than one, means that our market is quite stable, and its profitability is more fixed.

Cost of Equity	
CAMP Model	**ke = rf + β (E(Rm)– rf)**
E(Rm)– rf	5.82%
Rf	1.59%
β	0.92
Cost of Equity	**6.94%**

Table 11 Cost of Equity
Source: Own Elaboration

2.4.3 Profitability of the Investment Calculations (WACC)

In order to calculate the WACC, we chose Gudog which is a leading platform for dog accommodation and day care services. We found out the total equity for Gudog is 402,334.46 € and total debt of 0 and after we calculate the percentages. In addition, we did the same for Oh My Dog. The following values were found for debt and equity. 66.70% for debt and 33.30% for equity. Moreover, we calculated the cost of equity and cost of debt to calculate the WACC. Gudog, having more experience in the sector, has no debts, while Oh My Dog, could not represent a 0% debt because it is a new business that will have a bigger debt at the start than equity, which is why we applied those rates. Finally, we applied the 25.00% limited liability corporate Spanish rate. The WACC is 3.19%.

Finally, the average cost will decrease, since the cost of the debt is cheaper, resulting in a lower average (WACC). However, there will come a time when replacing debt with equity will no longer be as profitable, because the financial risk will increase, and this will have a direct impact on the cost of capital and the cost of debt. Which will increase the WACC. If at that time we do not increase the debt, we will have a minimum WACC that maximizes the value of the company. This is because by discounting the company's future profits with the minimum WACC, the current value of the company will increase. That is, a higher WACC, the lower company value and a lower WACC, the higher company value. Therefore, considering that our own financing percentage exceeds that of external financing, it maintains a low WACC value and therefore adds value to our company.

	Equity and Debt for OMD	Percentages of E and D	Gudog	Gudog Percentage
Debt	997,504.00	74.07%	0	0.00%
Equity	349,125.00	25.93%	402,334.46	100.00%
Total	1,346,625.00	100.00%	402,334.46	100.00%

Table 12 Gudog Equity and Debt

Source: Own Elaboration

$$WACC = k_E \cdot \frac{E}{E+D} + k_D\,(1 - t_s) \cdot \frac{D}{E+D}$$

Equation 1WACC Equation
Source: Own Elaboration

WACC	
Ke	6.94%
E	25.93%
D	74.07%
Kd	2.50%
ts	25.00%
WACC (with no Tax)	**3.65%**
WACC (with Tax)	**3.19%**

Table 13 WACC
Source: Own Elaboration

2.4.4 Scenario Analysis

The business model will approach three different financial scenarios, regarding realistic, optimistic, and pessimistic possible results that may arise from business operations. This analysis allows the company to oversee how the economy of the firm will result if any of these cases arises and helps to deal with uncertainty regarding events that can derange your business plan resulting in negative consequences. The results were based on potential clients attracted to our service. In the realistic scenario we expect to obtain a total of 10 clients in the first year, 15 in the second year and 20 in the third year. On the other hand, regarding merchandise the firm expects to sell and acquire around 20 order in the first year, 50 orders in the second year and 100 order in the third year, all of this orders will take place around 3 times per year. Moving into the optimistic scenario, we expect an increase of 5 clients each year regarding the realistic scenario, resulting in 15 clients in year 1, 20 clients in year 2 and 25 clients in year 3. All of this is added to an increase of 20.00% merchandise change. Regarding the pessimistic scenario, we expect a decrease of 5 clients than in the realistic scenario, finishing with 5 clients in year 1, 10 clients in year 2 and 15 clients in year 3, all of these added to a decrease of 50.00% of merchandise acquired and sold. That said, the three plausible scenarios that we would face, will be analyzed below (see Appendix 4 1) (see Appendix 6 1)

In order to evaluate how these scenarios could impact our company and prepare a project risk management plan, we decided to calculate the probabilities of the scenarios to take place. Consequently, the firm decided to analyze the probability based on number clients engaged yearly, which was stated in the previous paragraph. Due to the difficulty of having an accurate percentage of each scenario probability, we decided to base our results on the information gathered from the market research and the survey conducted. Although, the survey does not present a significant sample size, as it was conducted on only 50 people, it covers fairly the minimum number of 5 clients in the pessimistic scenario even reaching the amount of 25 people as the maximum number of clients in the optimistic scenario. This together with the market research analyzed, that presents a high demand in this service sector, we can conclude that there is a really low possibility of the pessimistic scenario to happen and even a more realistic feasibility of the project to occur under the optimistic scenario guidelines. Nonetheless, as the analysis is mainly subjective and cannot be certainly accurate, we decided to focus on the realistic scenario to have a midpoint perspective financially and strategically in order to be prepare for any plausible scenario without leaving aside the speculation of the optimistic scenario become a reality.

2.4.5 Balance Sheet Analysis

As seen in Table 15 portrays, we can analyze an evolution of the total assets through the years, reaching an increase of almost 340.00% in the first three years. Furthermore, breaking down the assets we could determine how the non-current assets present a decrease through the years due to the amortization and depreciation. We observe how the non-current assets in the first year take 93.00% of the total assets, since the first year will be based on consolidating the company and investing on equipment and property. This percentage starts decreasing at the same time current assets start to grow, considering that the company starts acquiring assets that can be liquidated and used by the company's requirements. Furthermore, it is important to analyze how the current assets overpass the current liabilities which indicates the sort-term liquidity ability of the company, something that attract not only potential investors but also creditors, as a solvency indicator.

Balance Sheet Summarized Realistic Scenario						
	Year 1	%	Year 2	%	Year 3	%
Assets						
Noncurrent Assets	24,567.00	93.00%	19,134.00	51.00%	13,701.00	15.00%
Current Assets	1,754.00	7.00%	18,390.00	49.00%	75,874.00	85.00%
Total Assets	**26,321.00**		**37,524.00**		**89,575.00**	
Equity and liabilities						
Equity	4,707.00	18.00%	14,411.00	38.00%	62,612.00	70.00%
Noncurrent Liabilities	20,000.00	76.00%	20,000.00	53.00%	20,000.00	22.00%
Current Liabilities	1,614.00	6.00%	3,113.00	8.00%	6,963.00	8.00%
Total Equity and Liabilities	**26,321.00**		**37,524.00**		**89,575.00**	

Table 14 Balance Sheet Summarized Realistic Scenario

Source: Own Elaboration

On the contrary, evaluating the equity of the company, we could observe a decrease in non-current liabilities, caused by the decrease of the initial investment provided by the financial institutions. As the company reduces its debt with the bank by paying annual interest, the non-current liability percentage decreases. Nevertheless, the equity increases through the years, as it is expected an increase in retained earnings. This increase is mainly caused by the increase in net income, and as the company will not be paying dividends in the first three years, this net income evolves positively each year. It is important to understand the relation of both elements, as the decrease of non-current liabilities and the increase of equity throughout the years, indicates that the company mainly depends on the external funding to operate in the first years. However, as the company evolves, it can start being funded by their own means and reduce their economic dependence.

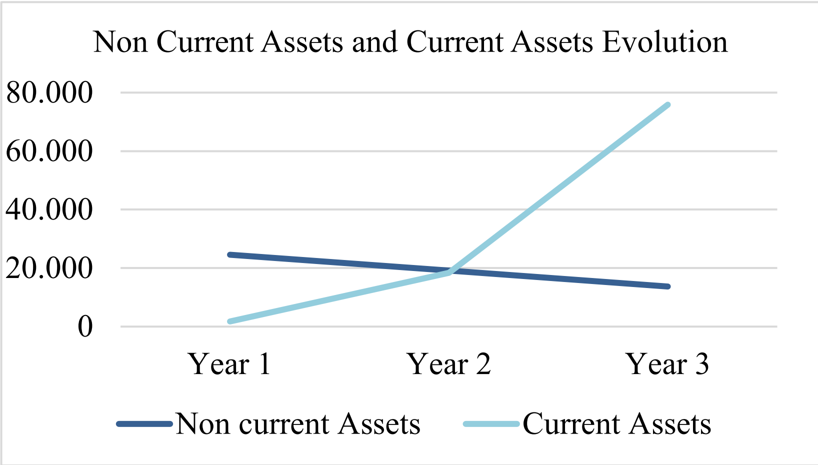


Table 15 Non-current and Current Asset Evolution
Source: Own Elaboration

Regarding the optimistic scenario that the firm forecast once can perceive how the total assets increase consequently through the years achieving a 420.00% growth, however some factors affect the finance in this scenario. Firstly, we can perceive how the noncurrent assets stays the same, as property, plant and equipment will not change comparing scenarios. One significant change can be perceived in the current assets. If we compare the realistic and optimistic scenario, the current assets and current liabilities are higher in the optimistic, due to the increase of 20.00% in the merchandise acquired and sold (see Appendix 2 1) and due to the higher income obtained from services. As we previously stated, in the optimistic analysis we expect an increase of 5 clients more than in the realistic scenario per year. (see Table 4) (see Table 5) This increase therefore increments the business benefits by increasing consequently our liquidation, something perceived in the table below. The increase is more defined in the first years of operations since in the realistic scenario the current assets count with 1,754.00 € while the optimistic is 38,725.00€

Balance Sheet Summarized Optimistic Scenario						
	Year 1	%	Year 2	%	Year 3	%
Assets						
Noncurrent Assets	24,567.00	39.00%	19,134.00	16.00%	13,701.00	5.00%
Current Assets	38,725.00	61.00%	103,275.00	84.00%	252,154.00	95.00%
Total Assets	**63,292.00**		**122,409.00**		**265,855.00**	
Equity and liabilities						
Equity	38,318.00	61.00%	94,634.00	77.00%	230,160.00	87.00%
Noncurrent Liabilities	20,000.00	32.00%	20,000.00	16.00%	20,000.00	8.00%
Current Liabilities	4,975.00	8.00%	7,775.00	6.00%	15,695.00	6.00%
Total Equity and Liabilities	**63,293.00**		**122,409.00**		**265,855.00**	

Table 16 Balance Sheet Summarized Optimistic Scenario

Source: Own Elaboration

Moving into the pessimistic scenario the main element to consider is that the company takes the possibility of a decrease in clients by 5 less than in the realistic scenario, (see Table 4) (see Table 5) concluding into a decrease of benefits. One can perceive in Table 17 that the noncurrent assets are maintained, same as the other scenarios, but the current assets present a significant decrease to the decrease in merchandise purchased and sold, which decreases by 50.00% from the realistic scenario. Again, this is mainly due to the low number of incomes obtained from our services and number of clients, which do not overpass the current liabilities indicator concluding into a insolvency situation in where the company will not be able to meet its short-term obligations. These results will affect the company in regarding to creditors and potential investors, as the company will not be appealing as a profitable investment.

Although it is true that the company will recover in year 2, where the current assets overpass the current liabilities, Oh My Dog must ensure a contingency strategy in case that if the pessimistic scenario was to be encounter, the company can be ready to mitigate the problems and limitations that can be presented in terms of capital in year 1.

Balance Sheet Summarized Pessimistic Scenario						
	Year 1	%	Year 2	%	Year 3	%
Assets						
Noncurrent Assets	24,567.00	98.00%	19,134.00	16.00%	13,701.00	5.00%
Current Assets	563.00	2.00%	103,275.00	84.00%	252,154.00	95.00%
Total Assets	**25,130.00**		**122,409.00**		**265,855.00**	
Equity and liabilities						
Equity	38,318.00	61.00%	94,634.00	77.00%	230,160.00	87.00%
Noncurrent Liabilities	20,000.00	32.00%	20,000.00	16.00%	20,000.00	8.00%
Current Liabilities	4,975.00	8.00%	7,775.00	6.00%	15,695.00	6.00%
Total Equity and Liabilities	**63,293.00**		**122,409.00**		**265,855.00**	

Table 17 Balance Sheet Summarized Pessimistic Scenario
Source: Own Elaboration

2.4.6 Income Statement Analysis

As Table 18 demonstrates, the company presents a growth regarding profit. The first year the company presents an economic loss, mainly caused by the initial investment needed for the company to be consolidated and start operations. Nonetheless, this loss is then compensated with the future profit expected. It can be perceived that the company expects an increase of 283.00% from year 1 to year 2, and a future increase of 496.00% from the year 2 to year 3. This numbers compensate the previous loss and allows the company to attract new investors to the project. Although the company has not considered dividends, it can be said that the company will have enough economic resources to efficiently distribute them and retain remaining income for future operations, and therefore, attract the needed investors for the company to positively evolve in the future.

Income Statement Realistic Summarized			
	Year 1	Year 2	Year 3
Sales Revenue	47,810.00	75,525.00	115,050.00
Profit/Loss from Operations	-3,693.00	11,304.00	49,800.00
Net Finance Income/Expense	-1,600.00	-1,600.00	-1,600.00
Profit/Loss of the year	**-5,293.00**	**9,704.00**	**48,200.00**
Tax amount	-	2,426.00	12,050.00
Profit/Loss of the year after tax	**-5,293.00**	**7,278.00**	**36,150.00**

Table 18 Income Statement Summarized Realistic Scenario
Source: Own Elaboration

Regarding the income statement in the optimistic scenario, positive profits through the years are recorded. Compared to the realistic scenario, the optimistic does not present a loss in the first year, as it will generate enough profit to cover initial investments and expenses. It shows a difference of 23,024.00 € in the first year's profit, something very expected by the company if it will achieve this desirable scenario. This profit result could be obtained just by having 5 more clients (see Table 5) (see Table 4) each year and by incrementing income by 20.00% (see Appendix 2 1)something that the company will seek to obtain through different marketing and finance strategies.

Income Statement Summarized Optimistic			
	Year 1	Year 2	Year 3
Sales Revenue	84,715.00	123,375.00	202,860.00
Profit/Loss from Operations	29,917.00	57,917.00	137,126.00
Net Finance Income/Expense	-1,600.00	-1,600.00	-1,600.00
Profit/Loss of the year	**28,317.00**	**56,317.00**	**135,526.00**
Tax amount	7,079.00	14,079.00	33,882.00
Profit/Loss of the year after tax	**21,238.00**	**42,238.00**	**101,645.00**

Table 19 Income Statement Summarized Optimistic Scenario
Source: Own Elaboration

Moving into the pessimistic scenario, one can perceive a loss until the third year of operations, something that will affect negatively in financial terms for the company. It is true that in the realistic scenario we can perceive a loss as well, but the company quickly recovers in the second year by increasing its profit by 14,997.00 € in just one year, while in the pessimistic it only grows 9,499.00 €. This indicator will give us a negative influence in creditors and potential investors and the company should ensure strategies to avoid this scenario or overcome in case of occurrence.

Income Statement Summarized Pessimistic			
	Year 1	Year 2	Year 3
Sales Revenue	21,905.00	46,764.00	99,525.00
Profit/Loss from Operations	-25,468.00	-15,969.00	35,982.00
Net Finance Income/Expense	-1,600.00	-1,600.00	-1,600.00
Profit/Loss of the year	**-27,068.00**	**-17,569.00**	**34,382.00**
Tax amount	-	-	8,596.00
Profit/Loss of the year after tax	**-27,068.00**	**-17,569.00**	**25,787.00**

Table 20 Income Statement Summarized Pessimistic Scenario
Source: Own Elaboration

Furthermore, in order to portray all these profit/loss accounts, we decided to implement a graph for investors to oversee the company's financial status over the years and how the different scenarios will look like.

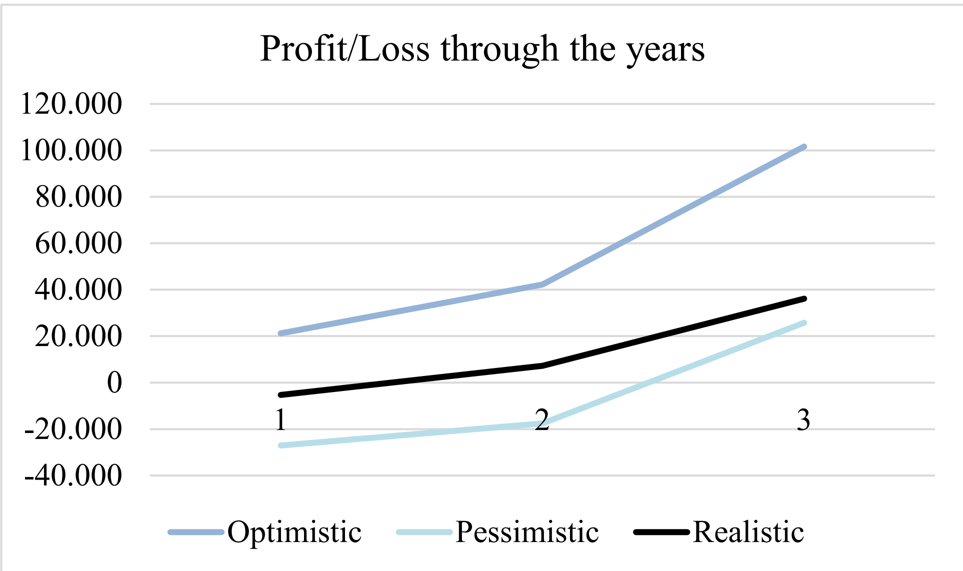


Table 21 Profit Evolution
Source: Own Elaboration

2.4.7 *Cashflows Analysis*

The cashflow statement covers all the cash inflows it receives from the day-to day operations and investments and outflows the company has that pay the business activities. The cashflow analysis not only allows the company to oversee the financial status in a long-term perspective, but also allows the firm to optimize expenses while showing financial institutions our financial position, something that will be essential for us at the time of asking a loan. As a result, the firm decided to incorporate the direct method, which directly compares the cash equivalents from the first three years, this verifies the projection of everything with all data of the business as we considered all transactions and operations since day 1. Once this was analyzed, it can be perceived how in the realistic scenario Oh My Dog's cash flow is only negative in the first year because all the set up and investments the company has, but it has a clear growth tendency in the following years. This growth means that the company will have more cash inflows than cash outflows, meaning that it would enable the firm to meet the financial obligation with more ease. Investors do consider this evidence, because the cash flow represents the health of the company, they take this financial statement as a valuable measure of its profitability and long-term outlook.

Cash Flows Realistic Scenario				
	Year 0	Year 1	Year 2	Year 3
Cash Equivalents	30,000.00	1,754.00	18,390.00	75,874.00
Cash Flows	**0**	**-28,246.00**	**16,636.00**	**57,484.00**
Cash Flows with Amortizations	**0**	**-10,726.00**	**4,271.00**	**42,767.00**

Table 22 Cash Flow Realistic Scenario
Source: Own Elaboration

Furthermore, as one can perceive below the cashflows in the optimistic scenario are all positive, indicating that the company will record more cash inflows that outflows each year. This is mainly caused by the cash equivalents in each year of operations, which surpass the ones in the realistic scenario up to 2,207.00% of incrementation in year 1. These results are favorable for the firm, which expects to cover future debt with the cashflows recorded and can be therefore used to pay dividends to future investors, making our firm attractive in the market. For that reason, the company will optimize its strategies to seek and achieve the closest to this scenario as possible.

Cash Flows Optimistic Scenario				
	Year 0	Year 1	Year 2	Year 3
Cash Equivalents	30,000.00	38,725.00	103,275.00	252,154.00
Cash Flows	**0**	**8,725.00**	**64,550.00**	**148,879.00**
Cash Flows with Amortizations	**0**	**22,884.00**	**50,884.00**	**130,093.00**

Table 23 Cash Flow Optimistic Scenario

Source: Own Elaboration

Additionally to the optimistic scenario, a pessimistic cash flow was done. As showed in the table below, the cash flows from years one and two are negative while in year three it recovers to be a positive number. This is mainly because in the first two years the bank loan exceeds the cash and equivalents, so there is no way liquidate it, consequently the that amount of money goes to the bank borrowings, making the cash and equivalents 0 in the Balance Sheet. The improvement in year three happens because the amount of cash and equivalents does not surpass the payables, so the company is able to pay its expenses and therefore the cash flow is positive.

Cash Flows Pessimistic Scenario				
	Year 0	Year 1	Year 2	Year 3
Cash Equivalents	30,000.00	22,198.00	33,384.00	11,625.00
Cash Flows	**0**	**-52,198.00**	**-55,582.00**	**45,009.00**
Cash Flows with Amortizations	**0**	**-32,501.00**	**-23,002.00**	**28,949.00**

Table 24 Cash Flow Pessimistic Scenario

Source: Own Elaboration

2.4.8 Net Present Value

Following the previous structure and for creating a reliable structure, we are going to create a forecast analysis focused on three different scenarios: realistic, pessimistic, and optimistic. This prediction is going to be made in three years forward, for maintaining our data the most reliable as possible. This information is going to be useful, if in the future we decide to open the company to new investors to increase the budget of the company or to overcome different business operations. Therefore, attracting shareholders will be taken into consideration in our analysis.

This financial forecast includes Net Present Value, Internal Rate of Return and Financial Ratios in three scenarios: Realistic, Optimistic and Pessimistic.

- Net Present Value

For a better understanding, before stating the different scenarios it is important to understand the meaning and the implications of using Net Present Value in our company. The NPV value will give the company an insight of the actual value of all future cashflows over the project life, in other words, to oversee the worth of our investment, as one Euro today is not the same as one Euro tomorrow. (Corporate Finance Institute, 2022)

After calculating it, we appreciate a positive NPV result in all scenarios, meaning that all scenario investments will profitable. This is mainly due to the reason that all NPV results exceed the 30,000.00 € invested, indicating that future project earnings, in present currency, overpass the costs.

Regarding the scenarios, we can perceive an increase of 6,313.00 € in the realistic one, 17,673.00 € in the optimistic and only 921.00 € in the pessimistic, mainly caused due to the different cash inflows considered in each scenario. From the NPV results, and comparing them with the initial investment, we can oversee the already said positive profitability however, not all values are as desirable. Considering investors requirements, a margin of safety is needed, which is stipulated around 10,000.00 € greater than the initial investment (Investopedia, 2022) something that is only perceived in the optimistic scenario. As a consequence, the company is well positioned in actual value of investment but should promote strategies to achieve the so desirable optimistic scenario to provide potential investors the most appropriate investment.

	Realistic	Optimistic	Pessimistic
Net Present Value	36,313.00	47,673.00	30,921.00

Table 25 Net Present Value
Source: Own Elaboration

- Internal Rate of Return

Another key indicator to establish a valid and precise forecast is calculating the Internal Rate of Return, a concept really related to the NPV, used for obtaining an estimation of the returning profitability of an investment, and to check its efficiency. In other words, determining the feasibility for a possible shareholder or external investor when deciding whether investing in our company or not. As a consequence, every business tries to obtain a positive ratio that results in a successful execution of their internal economic strategy for fulfilling the objectives stated at the beginning of their financial year.

To achieve the indicators, the firm decided to incorporate the formula of the IRR with a project life of three years due to the analysis performed. The results are presented below, with a realistic scenario result of 11.08% meaning that the investment will produce a 11.00% annual rate of return in the first 3 years of operations, something that will attract future investors. Nonetheless, looking at the result of the optimistic scenario, a result of 124.00% is recorded, something that will attract investors even more as for each Euro invested, two Euros will be rewarded. Both results are favorable and beneficial for the firm, as we are now positioned in the realistic scenario but with more possibilities of the optimistic one to be reached, something that gives the company the insurance that positive IRR have more possibilities to be obtained.

Nonetheless, in the pessimistic scenario a negative IRR is recorded, due to the fact that the inflows from the investment in this scenario do not overpass the outflows. This is a negative financial data for investors, however, Oh My Dog expects low possibilities of the scenario to happen and therefore obtain the positive results presented in the other scenarios.

	Realistic	Optimistic	Pessimistic
Internal Rate of Return	11.08%	124.02%	-43.31%

Table 26 Internal Rate of Return
Source: Own Elaboration

2.4.9 Ratios

2.4.9.1 Liquidity Ratios

After doing the analysis of the Net Present Value and Internal Rate of Return, the next step is to calculate the liquidity forecast of our company, the main reason why liquidity ratios are important in every business is because they represent how much current assets are available to meet short-term creditor claims. Therefore, depending on the data obtained we are going to know whether the company is able to have convertible assets during the beginning of our operation cycle or not, and consequently, if the entity has the ability to generate cash to meet payments. As expected, although we started with nine convertible assets, throughout the years the company will be able to face convertible assets into cash because of paying creditors the value owed and reducing current debts.

Once the calculations were conducted, we could perceive a result in the realistic scenario of 1.09 ratio in year 1, 5.91 in year 2 and 10.90 in year 3. According to accounting, the best margin to establish the ratio is between 1.5 and 2, and according to our analysis our values vary from the margin. Nonetheless, it is true that in first years of operations we present a loss in yearly forecast due to the multiple liabilities to cover, which can be the reason for the low, but not a concerned ratio. Regarding the following years of operations in the realistic scenario, the firm presents a highly liquidity status, due the high ratios recorded. According to Investopedia, “A high liquidity ratio shows a company is more liquid and has better coverage of outstanding debts” (Investopedia, 2022) meaning that the company will have competitive advantage and attract future investors due to the future liquidity trends. Although it is true that high ratios bring concern to possible investors, we can say that a high liquidity indicator can be perceived due to capital misallocation, something that is presented in Oh My Dog due to the lack of distribution of dividends or reallocation of cash equivalents into retained profit. (Corporate Finance Institution, 2022).

Regarding the optimistic and pessimistic scenarios that the firm could encounter, we can perceive the following data. In the optimistic scenario, numbers higher than 7 are presented as indicators. As it was previously discussed, these high ratios are beneficial for the company as it presents a highly liquidity indicator for the company but, these elevated results are mainly due to the non-allocation of current assets in this case cash. Moving into the pessimistic values, we perceive results close to 0. At this point, the company is unable to meet its debt showing a shortage of cash to meet payment obligations, in this case the company should enter into a consensus with creditors in order to resolve the problem. In the case of Oh My Dog, the pessimistic scenario starts to recover its liquidity in the third year of operations, something that could be taken into account at the time of arrangement with creditors.

Liquidity Ratio			
	Realistic	Optimistic	Pessimistic
Year 1	1.09	7.78	0.03
Year 2	5.91	13.28	0.00
Year 3	10.9	16.07	2.08

Table 27 Liquidity Ratios
Source: Own Elaboration

2.4.9.2 Acid Test Ratios

On the other hand, the Acid Test, is considered to be a more conservative ratio compared to current ratio of liquidity as it measures the ability to pay without selling inventory or prepaids assets. Therefore, if there is similar data in both ratios would mean that we are applying a conservative strategy, as we are able to cover current liabilities without selling our assets. An idea linked with the relationship between risk and profitability, as the higher the value of turnover assets is, the higher benefits we obtain if the business is successful. However, if the opposite situation occurs a higher debt will be accumulated.

Following the same structure, the acid test shows the same indicators than in the liquidity analysis, due to the lack of inventories presented in Oh My Dog, with a result of a realistic scenario with a 1.09 ratio in year one; 5.91 ratio in year two; and finally, a 10.90 ratio in year three. In fact, in most industries the ratio should always exceed one (Ross, 2022), something that is accomplished in this forecast, although not having in the first year a big margin of difference. In other words, our current assets can cover our current liabilities.

Moreover, during the optimistic scenario, we still have values higher than one, to be more concrete we have a 7.78 ratio during year one; 13.28 ratio during year two; and 16.07 in year three. A positive trend that is increasing its value over time as a consequence of acquiring more assets among our business growth as a company. On the other hand, during the year one and two of the pessimistic scenario, where the value is lower than one, we expect to have no capacity to pay creditors without selling assets, a dramatic situation that we need to avoid. As the company counts with cash mainly as current assets, we can perceive that in the realistic and optimistic scenario, the firm is able to pay creditors, something that improves with time as the company has higher benefits. By contrast, in the pessimistic scenario, the company is facing a financial crisis because we will not have enough funds to pay creditors, something that could result in unpayments and bankruptcy.

Acid Test			
	Realistic	Optimistic	Pessimistic
Year 1	1.09	7.78	0.03
Year 2	5.91	13.28	0.00
Year 3	10.90	16.07	2.08

Table 28 Acid Test
Source: Own Elaboration

2.4.9.3 Leverage Ratios

Firstly, the leverage ratio determines the percentage of assets that is financed with debt, therefore if it is reduced over time, means that the company has the enough strength and economic power to finance assets with equity or internal reserves. In fact, having assets financed with debt is not something to be worried about if we are able to pay it. In fact, brings you the opportunity to acquire more assets or to invest in other internal departments for developing the company. But of course, always under control in the accounting process.

Furthermore, the realistic ratios on the leverage shows that in the first year a 0.82 ratio was obtained: 0.62 ratio in year two and 0.30 ratio in year three. We need to understand that for being considered a good industry standard, the financial leverage should be always lower than one (Girsch-Bock, 2022). Something that fortunately is achieved in every year of our realistic and optimistic forecast when we even reduce our ratios for achieving higher economic power for obtaining more assets through equity.

By contrast, when a value is higher than 1, then this investment could be considered risky and as result, if the final value is higher than 2, a concern must be established as things have not been done in a successful way. In fact, this situation can be found in year two of the pessimistic scenario, but fortunately we recover in the last year of analysis reaching almost good standards in the industry.

Leverage Ratios			
	Realistic	Optimistic	Pessimistic
Year 1	0.82	0.39	1.68
Year 2	0.62	0.23	2.81
Year 3	0.30	0.13	1.01

Table 29 Leverage Ratios
Source: Own Elaboration

2.4.9.4 Profitable Ratios

When speaking about the development of a business, profitability ratios are key as they are used by potential investors or creditors for determining the percentage of return of their investment. Something important for choosing whether investing in our organization or not.

- Gross Profit Margin

To start with, Gross Profit Margin give us the perception of how much gross profit is generated with one dollar, but always with the cost of sales deducted. That's why a high-level profit is desired in every company because it entails a low-level cost of sales for the entity. If we focus on the table, we observe that the gross profitability is achieved in every year, and that it is increasing with time. Something essential for attracting new possible investors and for keeping current ones. For instance, we consider a healthy gross profit margin rate if it is higher than 70.00%, according to Canadian Business Development Bank. (Canada, 2021)

On overall results, once can perceive how all indicators are almost 100.00%, indicating that sales are increasing faster than operating costs (Investopedia, 2022) this is due to the fact that in all scenarios, sales of goods are always positive regarding the cost of them, the only thing changing is the quantity sold and purchased, due to this, there is always going to be a positive profitability. Moreover, this result indicator is due to the low operating costs recorded in the company, as most costs are presented as initial costs. Consequently, the almost 100.00% ratio is commonly perceived in-service entities, something that verifies our financial status as a healthy entity to our stakeholders and potential investors.

Gross Profit Margin			
	Realistic	Optimistic	Pessimistic
Year 1	95.25%	96.97%	94.80%
Year 2	96.04%	96.61%	96.9%
Year 3	97.03%	97.98%	98.28%

Table 30 Gross Profit Margin
Source: Own Elaboration

- Net Profit Margin

On the other hand, Net Profit Margin shows how much Oh My Dog is earning after tax, in other words, how much net income comes from revenue of sales. Moreover, in our industry a 10.00% net profit margin is considered average, a 20.00% or higher is considered good, and a 5.00% is considered low, according to Tide Business (tide, 2019).

In the results, one can perceive that in the realistic scenario there is a negative indicator in year 1. This is mainly due to the fact that there is a loss in that year, making the company unsuitable of paying taxes, together with the fact that high initial costs are presented in year one of operations. As the result in this case comes from a percentage rather that an analysis of Euros invested, this positive index is covered in the next years of operations resulting on almost 50.00% indicators, showing that Oh My Dog's main source of income comes from the sale of eco-friendly goods provided.

The same situation arises in the optimistic scenario, with even higher indicators to show how the company's sales increase. On the other hand, the pessimistic scenario shows a negative indicator in year one and two of operations, caused by the same factor that lowered the indicator in the year one of the realistic forecast, the net loss. As in this case the company is unsuitable of paying taxes, the net income is presented negatively, making the sales unable to overcome the net loss. This is then recovered once the company starts making positive profits, in this case in the third year of operations.

Net Profit Margin			
	Realistic	Optimistic	Pessimistic
Year 1	-7.72%	35.31%	-116.27%
Year 2	14.97%	46.96%	-34.15%
Year 3	43.29%	67.60%	36.15%

Table 31 Net Profit Margin
Source: Own Elaboration

- Return on Investments (ROI)

Moreover, linked with the business viewpoint, Return on Investment (ROI), expresses how much our company is earning on each dollar of investment, that is closely related with earning power. For having a healthy Return on Investment, the percentage should be higher than 7.00% as Forbes stated (Birken, 2021).

As occurred previously with other profitable ratios, the realistic ROI ratios during the realistic scenario are -14.03% ratio in year one; 30.12% in year two, and 55.60% in year three. The negative indicators in year one of operations is caused by the net loss incurred, mainly caused due to the high initial costs presented that cannot be overcome by the cash inflows. However, the firm presents higher indicators in the following years of operations, same situation happening in all stages of the optimistic scenario, perceiving in that way that the company will be profitable. The company gets to reach an indicators of 50.00%, showing that for each dollar invested the company will receive 1.50 €, a fact that will allow the company to penetrate the market and attract potential investors.

In the pessimistic scenario we perceive an indicator of -100.00%, which is something that the firm needs to avoid, as it indicates that all money invested will be lost. Although it recovers in the following years of operations, the company does not expect, and will try to avoid, this scenario as much as possible.

Return on Investments Ratio			
	Realistic	Optimistic	Pessimistic
Year 1	-14.03%	47.27%	-101.34%
Year 2	30.12%	47.31%	-83.76%
Year 3	55.60%	51.58%	142.07%

Table 32 Return on Investment Ratios
Source: Own Elaboration

- Return on Assets (ROA)

Additionally, the net Return on Assets tells us how much a firm earns on each dollar invested after having paid both, interests and taxes, and it determines the efficiency of the company's management on how the assets generate a profit. (Hargrave, 2022) Furthermore, Forbes stated that a 5.00% of Return on Investments is something positive for every entity, however reaching over 20.00% is considered excellence (Curry, 2021).

It is important to highlight that the ROA of the company has an increasing trend in the three potential scenarios, meaning that the company is maximizing the profits with each dollar invested in it. As mentioned previously a good Return would be 5.00% or over, and we can see that Oh My Dog's ratios meet that number in the optimistic scenario from year 1, and keep increasing until reaching almost that return 20.00%, which is considered a very good ratio. On the realistic scenario the firm is able to achieve that desired 5.00% in year 2 and keeps increasing, meaning that it is in a good path. Furthermore, the pessimistic scenario grows over the course of the first three years, surpassing that 5.00% on year 3 and with a growing tendency.

Return on Assets Ratio			
	Realistic	Optimistic	Pessimistic
Year 1	3.27%	6.83%	2.45%
Year 2	7.49%	11.34%	3.89%
Year 3	13.19%	18.4%	5.62%

Table 33 Return on Assets
Source: Own Elaboration

- Return on Equity (ROE)

To conclude with the ratios, Return on Equity is analyzed, which gives the owner or the potential investors the information of what each dollar invested in the company generates in the company's net income. This is calculated by dividing the total equity with the net income of the fiscal year.

So, starting with the analysis of the realistic scenario, the first year has a large negative number, but this happens because the first year a profit loss happened, so if there is no net income, the ratio cannot be positive. From year two on, a growing trend can be identified, meaning that the company is generating profit without the need of big amounts of capital. In the optimistic scenario we can see that a reduction happens, but that is because the equity grows at a faster pace than the net income, which is not a negative aspect, because the ROE is still a very positive number. Finalizing with the pessimistic scenario, the three first years are negative numbers, in the first year, both, the net income and the equity are negative, and so if there is a loss in net income, the return is always negative, the second year both numbers are still negative and in the third year the net income is positive, but the equity is negative, resulting on the ratio being negative. This aspect is not necessarily negative just because this pessimistic approach is the one that has the lowest probability of happening.

Return on Equity Ratio			
	Realistic	Optimistic	Pessimistic
Year 1	-112.45%	73.90%	-158.59%
Year 2	67.34%	59.51%	-50.72%
Year 3	76.98%	58.88%	-134.83%

Table 34 Return on Equity

Source: Own Elaboration

3 IMPLEMENTATION AND EMPIRICAL FINDINGS

Once analyzed, explained, and documented each of the aspects that are required for the development of this business project, we can certify that the goal of studying the feasibility of a day care pet residence in all its slopes so that it can be implanted in the market was met. We reassert this approach, based on the existing opportunities in the sector within our sphere of influence, in the wide range of offering services options: residence, hairdressing, training and care. In addition, we can conclude the following regarding the specific objectives:

3.1 Implementation of specific objectives

3.1.1 Objective 1. Identify factors for customers to choose Oh My Dog

From the market study we have acquired sufficient information in order to confirm our business as viable and it has acted as a point of departure for tackling new difficulties in terms of facility and service quality. Moreover, we decided to incorporate a survey in the investigation, conducted with a sample of 50 people. With the answers we could establish the schedule and opening times of our day care center, the percentage of people interested and the establishment of the location. Finally, through the analysis of the variance in relation to the prices, our clients have demonstrated the importance of theses, and have helped us to determine our market prices.

3.1.2 Objective 2. Determine the best location

Through the preparation of a survey, we have agreed that the most appropriate location for our company will focus on the Southwest area of the Community of Madrid, based in Brunete, but also with amplitude capacity towards nearby areas. Consequently, we could verify that it is an area with low saturation of competitors and with high customer demand. In addition, both for the clients and for us, the proximity is a primary factor, since not even the clients would be willing to take their pet to a distant center, since it would cost them money and time and, on our part, picking up pets that live far away would suppose a high expense.

3.1.3 Objective 3. Examine the suggested business model's financial viability

After reviewing the research conducted for this project, we can say that it is economically and financially viable. Optimistic and pessimistic viewpoints were used to make valuations. From the start, we obtained favorable data, with sales forecasts of 47,810.00€ and increasing. However, the profit projection for the first year is negative, but will be compensated with the future profit expectations. Moreover, given a recovering consumer market, the possibility of obtaining a realistic scenario is more likely to come true. In the worst-case scenario, with the planning investment, an increase in the funding will be needed, since with the initial financing, we would not be able to cover the expenses of two years of losses. To finish, as a recommendation, we must have the capacity to react and adapt to be able to accommodate any possible modification caused by external variables, for example the entrance of new competitors or relapse in the economic crisis.

3.1.4 Objective 4. Check feasibility for business in the Community of Madrid

The study and analysis of the company's internal and external environments strengthen our project idea. Taking into account the SWOT analysis carried out in our business project, the business management capacity will be a key aspect to overcome the weaknesses and threats present in the sector. Including, positioning and establishing the business in the short term, in an unsettled economic situation such as the current one. Regarding the strengths and opportunities, our objectives will be to take advantage of the offered labor market, enhance the positioning in the sector and take advantage of the existing low competition in the geographical area.

3.2 Contingency Plan

3.2.1 Contingency Plan

A contingency plan is a proactive strategy that will help you deal with both negative and positive situations and ensure business continuity. The contingency plan is associated with the scenario analysis of the income statements specified in section 2.4.5. Moreover, the hypotheses for the estimation of the variables that intervene in the determination of the Net Cash Flows have been made trying to adjust to what is expected to happen throughout the planning horizon of the project.

3.2.1.1 Realistic Scenario

Generally, it is the scenario that is expected to take place with the highest probability. However, taking into account the number of favorable responses obtained in the surveys and the high demand in the area, we could expect a higher number of clients rather than those in the realistic scenario. This scenario will be subject to a budgetary control in which deviations must be avoided and if they occur try to correct them, in the shortest time possible. Furthermore, by carrying out future planning, being proactive and avoiding risk, numbers could be kept at realistic levels.

3.2.1.2 Optimistic Scenario

It is the scenario with the highest possibility of occurring. The future expectations of the evolution of the variables are better than those initially forecast. First of all, the initial year will result in a negative profit, giving a loss of 5,293.00 €. Taking into account that our initial investment is 30,000.00 € and that the following year we would already have an annual profit of 9,704.00 €, we would have the adequate amount to cover the expenses of the first year and be able to continue. The same occurs for annual cash flows. In this case, therefore, it would be sufficient to maintain our initial investment.

3.2.1.3 Pessimistic Scenario

As previously stated, a fishbone analysis (see Figure 1) was conducted to identify possible causes for our main problem, which is enterprise failure and expansion difficulties. Based on these factors, we can determine several pessimistic scenarios. On the one hand, the pandemic having a rebound in the number of cases and consequently ending up in another transfer to a more domestic life and the return to remote working. It is true that this scenario is unlikely to happen since the pandemic is progressing positively, but if that was the case, instead of declaring bankruptcy or not moving forward with the project, we would look for a business alternative. On the other hand, we have the rise in gasoline and raw material prices and the decrease in purchasing power due to the conflict between Russia and Ukraine. Having said this, our alternative solution would be the following: promote sales and attract new customers by innovating our products and services. That is, we would look for neighborhoods where our target clients are adults between 30 and 40 years old who are still developing in their professional career and do not have enough time to take care of their pets. Instead, we offer them a walk and care service around their neighborhood during their busiest hours. Moreover, our local would be our website, where we would make our services visible in addition to contacting clients.

Another factor of consideration is the quarantine in China, since our suppliers of products and food are located there, purchases could result in late deliveries or even lack of stock. Taking into account that our main supplier China Pet Foods has production plants in other countries, such as the United States, the inventory could be requested through Amazon. Lastly, we would maintain our business for lower costs until the return to normality.

4 CONCLUSION

The business plan is set to be implemented towards the end of 2022, beginning of next year, 2023. The business idea is in a good path, well directed, but some of the notions need to be readjusted and reconsidered in order to be appealing for potential investors. Since the world is slowly recovering from the pandemic, our project becomes a necessity for citizens, giving us an opportunity to start up the project as soon as possible and expand our idea mainly since the demand for the service is continuously growing. Additionally, there are several external factors that have negative impact in the growth of the economy such as the war between Ukraine and Russia, which is directly affecting most of the supply chains all over the globe, as well as the raise of commodity prices and the increase in the uncertainty of the projected future sales of the businesses. Another negative fact is the second lockdown in China, affecting mainly the world's manufacturing sector, for instance, this influences our business directly, our merchandise supplier is based in China, so it is expected that the second lockdown, will have a bottleneck effect ending late 2022. Other important factor to consider is the economic upturn, which will encourage investors to fund our business and make the service more accessible in the market. To achieve these, marketing, financial and logistics strategies were implemented and analyzed throughout the business plan.

The project as it is exhibited, assumes a lot of instruments and tools that were implemented mainly to overcome the lack of experience in the field of running a business. In fact, a possible limitation affecting the business plan is that the analyses carried out along with the scenarios forecasted have been based on subjective data, and therefore we could not determine fully accurate results. However, the analyses performed in the project are made with the experience gained throughout the years, and business management, economic and strategy courses taken during the last four academic terms. Breaking down the business plan, the practical data was mainly obtained from personal knowledge obtained from the previously discussed academic sources, complementing with market research and informational interviews from potential clients.

Regarding the specific objectives set in starting point of the business plan, we could determine that all the specified objectives were successfully achieved. Firstly, the identification of relevant factors for the customer to choose us were effectively analyzed and eventually met. In regard to the survey, the firm could perceive that the main elements for the customer were to have a healthy and safe conditions, positive environment and proper activities and training for all breeds. Moving into another objective, the evaluation of a suitable location to be established was accomplished as well due to the survey by reaching a conclusion of establishing the operations in Brunete, a place near our location target of Madrid Centro, Villaviciosa de Odón and Boadilla del Monte. The identification of the previously discussed, allow the firm to include them as a priority in the business plan and will be implemented once in action.

Considering funding, the founders will contribute 10,000.00 € in order to achieve the objectives proposed and maximize value as much as viable. This capital will be likewise used to ensure to future investors, that even us have great expectations for the business and will commit entirely to the project. To complement, the business worked with financial institutions to obtain the capital needed to properly achieve the goals previously stated by the company. Due to this, financial institutions, in this case BBVA, will cover two thirds of the initial investment while founders will complement with their personal one. A noticeable advantage for us is that once the initial investment is made, most of the costs are going to be variable, minimizing the risk of a possible future bankruptcy, as it could be perceived in the financial statements. (see Appendix 4 1) (see Appendix 3 1) The financial objective of our start-up is that we reach financial freedom by the end of the fifth year of operations, justified by the optimistic and realistic scenarios from year two on.

Due to our physical, material, and human resources, the firm expects and forecasts a positive number of sales and services rendered that will eventually grow over time as it could be perceived in the analyses previously discussed. Nevertheless, we have carried out three possible scenarios in each financial statements, a realistic, a pessimistic and an optimistic one, to have a more pragmatic perception of possible future benefits and be prepared for any financial turndowns. In the pessimistic approach we lowered the merchandise purchased, merchandise sold, and services rendered by 50.00% and in the optimistic approach we increased those same variables by 20.00%. This forecast statement was based on client's supply and demand fluctuations that could be altered in the market. All of these results will be achievable through the marketing strategies used, mainly the website, the Instagram account and the word-of-mouth promotion that will be accomplished with the van service previously discussed.

The firm is aware that the prices might change whenever we bring our idea into a reality, and we cannot verify this without the help of an external person and validation. Consequently, we opted to implement a contingency plan in order to be ready for any possible turndown, safe time and reduce possible future costs while minimizing potential damage. Therefore, after the analyses were concluded, the firm can estimate a high demand for the service and products, on account of the market research and surveys, which lead us to perceive higher customer engagement and therefore a potential positive financial report, while giving Oh My Dog an insight of the optimistic financial scenario being more reachable. All of these allows future potential investors and stakeholders to be attracted to the company and make a safe profitable investment while portraying our feasible initial business idea.

4.1 Limitations of the study

The scope of the project is to determine the feasibility of starting a business with said characteristics. The limitations of this business plan are:

- Lack of accessibility to certain information
- Survey sample size limitation (non-significant sample size)
- Not taking into account all possible costs

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❖ APPENDIX 1 – SURVEY

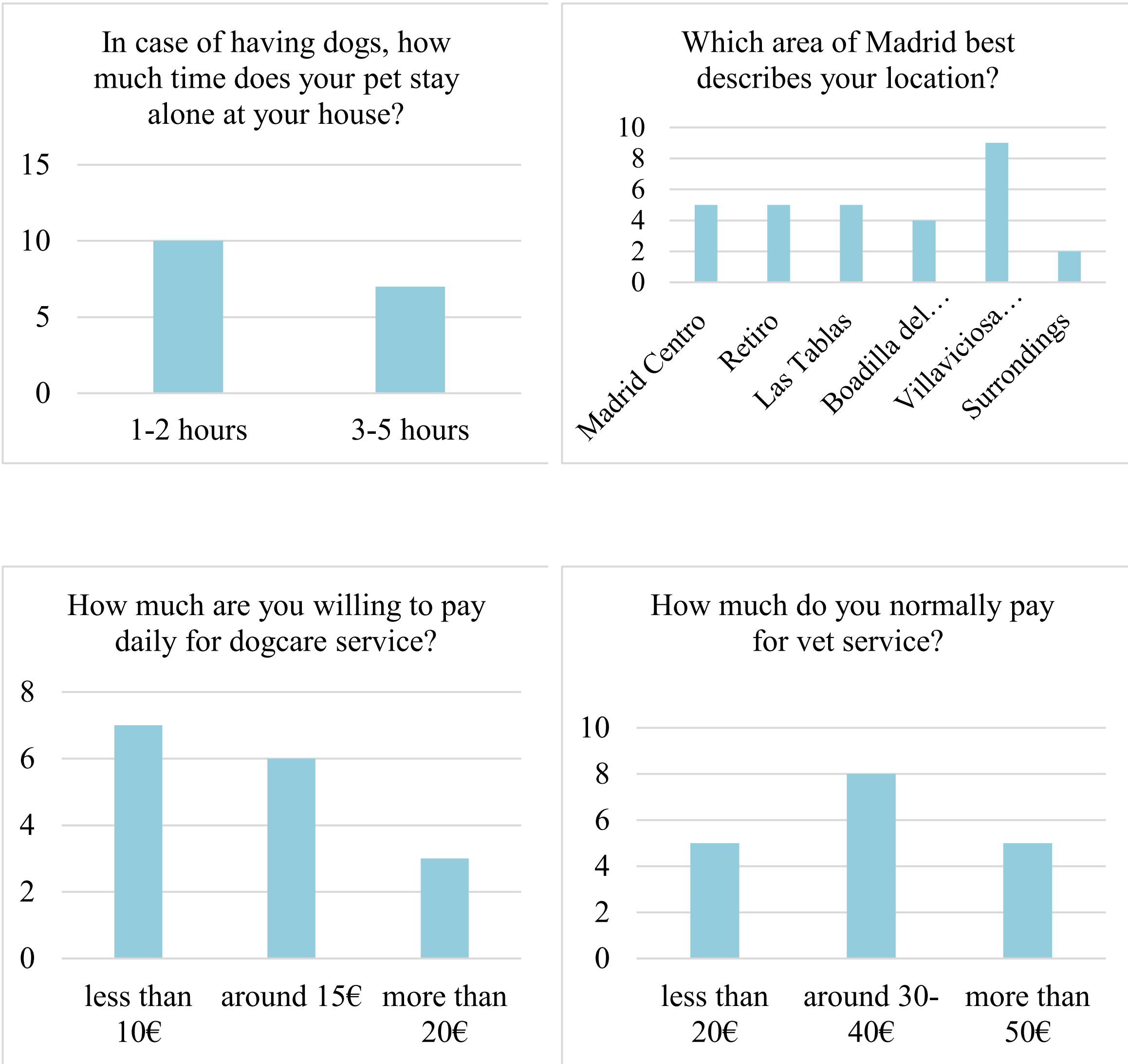

Figure 16 Survey

Source: Own Elaboration

❖ APPENDIX 2 – MERCHANDISE DATA

Appendix 2 1 Extended Merchandise Data

Source: Own Elaboration

Merchandise Price Data Year 1		
Product Type	Purchasing Price (€)	Sold Price (€)
Organic Dog Coats	7.05	10.50
Dog Straps	1.70	7.00
Dog Bed	3.00	15.00
Rubber Ball (2 included)	1.75	1.50
Rubber Bone	0.59	1.50
Flying Disc	0.73	2.50
Rope Toy	1.00	3.00
Organic toothpaste (2 included)	5.50	5.00
Organic Shampoo (2 included)	3.30	4.50
Ear Cleaner	1.25	3.00
Treats (1 kg bag)	0.60	4.00
Organic Food (5 kg bag)	2.00	6.00
Total	**28.47**	**63.50**
Total for 20 orders	**569.40**	**1,270.00**

Merchandise Price Data Year 2		
Product Type	Purchasing Price (€)	Sold Price (€)
Organic Dog Coats	4.94	10.50
Dog Straps	1.19	7.00
Dog Bed	2.10	15.00
Rubber Ball (2 included)	1.23	1.50
Rubber Bone	0.41	1.50
Flying Disc	0.51	2.50
Rope Toy	0.70	3.00

Organic toothpaste (2 included)	3.85	5.00
Organic Shampoo (2 included)	2.31	4.50
Ear Cleaner	0.88	3.00
Treats (1 kg bag)	0.42	4.00
Organic Food (5 kg bag)	1.40	6.00
Total	**19.929**	**63.50**
Total for 50 orders	**996.45**	**3,175.00**

Merchandise Price Data Year 3		
Product Type	Purchasing Price (€)	Sold Price (€)
Organic Dog Coats	2.82	10.50
Dog Straps	0.68	7.00
Dog Bed	1.20	15.00
Rubber Ball (2 included)	0.70	1.50
Rubber Bone	0.24	1.50
Flying Disc	0.29	2.50
Rope Toy	0.40	3.00
Organic toothpaste (2 included)	2.20	5.00
Organic Shampoo (2 included)	1.32	4.50
Ear Cleaner	0.50	3.00
Treats (1 kg bag)	0.24	4.00
Organic Food (5 kg bag)	0.80	6.00
Total	**11.388**	**63.50**
Total for 100 orders	**1,138.80**	**6,350.00**

Table 35 Extended Merchandise Data

Source: Own Elaboration

❖ APPENDIX 3 – BALANCE SHEET

Appendix 3 1 Extended Balance Sheet

Source: Own Elaboration

Balance Sheet Year 1

ASSETS	2022
A) NON-CURRENT ASSETS	**24,567.00**
I. Intangible assets	0.00
II. Property, plant and equipment	24,567.00
III. Investment property	0.00
IV. Non-current investments in group companies and associates	0.00
V. Non-current investments	0.00
VI. Deferred tax assets	0.00
B) CURRENT ASSETS	**1,754.00**
I. Non-current assets held-for-sale	0.00
II. Inventories	0.00
III. Trade and other receivables	0.00
1. Trade receivables	0.00
2. Receivable on called-up capital from partners or equity holders	0.00
3. Other receivables	0.00
IV. Current investments in group companies and associates	0.00
V. Current investments	0.00
VI. Prepayments for current assets	0.00
VII. Cash and cash equivalents	1,754.00
TOTAL ASSETS (A+B)	26,321.00

EQUITY AND LIABILITIES	2022
A) EQUITY	**4,707.0**
A-1 Equity attributable to owners of the company	**4,707.0**
I. Capital	10,000.0
1. Registered capital	10,000.0
2. (Uncalled capital)	0.0
II. Share premium	0.0
III. Reserves	0.0
IV. (Treasury shares and own equity holdings)	0.0
V. Retained earnings (losses)	0.0
VI. Other owners/equity holders' contributions	0.0
VII. Profit (loss) for the year	-5,293.0
VIII. (Interim dividend)	0.0
IX. Other equity instruments	0.0
A-2) Valuation adjustments	**0.0**
A-3) Grants, donations and bequests received	**0.0**
B) NON-CURRENT LIABILITIES	**20,000.0**
I. Non-current provisions	0.0
II. Non-current payables	20,000.0
1. Bank borrowings	20,000.0
2. Non-current obligations under finance leases	0.0
3. Other non-current payables	0.0
III. Non-current payables to group companies and associates	0.0
IV. Deferred tax liabilities	0.0
V. Non-current deferred income/revenue	0.0
VI. Non-current payable with special features	0.0
C) CURRENT LIABILITIES	**1,614.0**
I. Liabilities associated to non-current assets held for sale	0.0
II. Current provisions	0.0
III. Current payables	0.0
1. Bank borrowings	0.0
2. Current obligations under finance leases	0.0
3. Other current payables	0.0
IV. Current payables to group companies and associates	0.0
V. Trade and other payables	1,614.0
1. Trade payables	0.0
2. Other payables	1,614.0
VI. Current deferred income/revenue	0.0
VII. Current payables with special features	0.0
TOTAL EQUITY AND LIABILITIES (A+B+C)	**26,321.0**

Figure 17 Extended Balance Sheet Year 1

Source: Own Elaboration

Balance Sheet Year 2

ASSETS	2022	EQUITY AND LIABILITIES	2022
A) NON-CURRENT ASSETS	**19,134.00**	**A) EQUITY**	**14,411**
I. Intangible assets	0.00	**A-1 Equity attributable to owners of the company**	**14,411**
II. Property, plant and equipment	19,134.00	I. Capital	10,000
III. Investment property	0.00	1. Registered capital	10,000
IV. Non-current investments in group companies and associates	0.00	2. (Uncalled capital)	0
V. Non-current investments	0.00	II. Share premium	0
VI. Deferred tax assets	0.00	III. Reserves	0
B) CURRENT ASSETS	**18,390.70**	IV. (Treasury shares and own equity holdings)	0
I. Non-current assets held-for-sale	0.00	V. Retained earnings (losses)	0
II. Inventories	0.00	VI. Other owners/equity holders' contributions	0
III. Trade and other receivables	0.00	VII. Profit (loss) for the year	4,411
1. Trade receivables	0.00	VIII. (Interim dividend)	0
2. Receivable on called-up capital from partners or equity holders	0.00	IX. Other equity instruments	0
3. Other receivables	0.00	**A-2) Valuation adjustments**	**0**
IV. Current investments in group companies and associates	0.00	**A-3) Grants, donations and bequests received**	**0**
V. Current investments	0.00	**B) NON-CURRENT LIABILITIES**	**20,000**
VI. Prepayments for current assets	0.00	I. Non-current provisions	0
VII. Cash and cash equivalents	18,390.70	II. Non-current payables	20,000
		1. Bank borrowings	20,000
		2. Non-current obligations under finance leases	0
		3. Other non-current payables	0
		III. Non-current payables to group companies and associates	0
		IV. Deferred tax liabilities	0
		V. Non-current deferred income/revenue	0
		VI. Non-current payable with special features	0
		C) CURRENT LIABILITIES	**3,113**
		I. Liabilities associated to non-current assets held for sale	0
		II. Current provisions	0
		III. Current payables	0
		1. Bank borrowings	0
		2. Current obligations under finance leases	0
		3. Other current payables	0
		IV. Current payables to group companies and associates	0
		V. Trade and other payables	3,113
		1. Trade payables	0
		2. Other payables	3,113
		VI. Current deferred income/revenue	0
		VII. Current payables with special features	0
TOTAL ASSETS (A+B)	37,524.70	**TOTAL EQUITY AND LIABILITIES (A+B+C)**	**37,524**

Figure 18 Extended Balance Sheet Year 2

Source: Own Elaboration

Balance Sheet Year 3

ASSETS	2022	EQUITY AND LIABILITIES	2022
A) NON-CURRENT ASSETS	**13,701.00**	**A) EQUITY**	**62,611**
I. Intangible assets	0.00	**A-1 Equity attributable to owners of the company**	**62,611**
II. Property, plant and equipment	13,701.00	I. Capital	10,000
III. Investment property	0.00	1. Registered capital	10,000
IV. Non-current investments in group companies and associates	0.00	2. (Uncalled capital)	0
V. Non-current investments	0.00	II. Share premium	0
VI. Deferred tax assets	0.00	III. Reserves	0
B) CURRENT ASSETS	**75,874.20**	IV. (Treasury shares and own equity holdings)	0
I. Non-current assets held-for-sale	0.00	V. Retained earnings (losses)	0
II. Inventories	0.00	VI. Other owners/equity holders' contributions	0
III. Trade and other receivables	0.00	VII. Profit (loss) for the year	52,611
1. Trade receivables	0.00	VIII. (Interim dividend)	0
2. Receivable on called-up capital from partners or equity holders	0.00	IX. Other equity instruments	0
3. Other receivables	0.00	**A-2) Valuation adjustments**	**0**
IV. Current investments in group companies and associates	0.00	**A-3) Grants, donations and bequests received**	**0**
V. Current investments	0.00	**B) NON-CURRENT LIABILITIES**	**20,000**
VI. Prepayments for current assets	0.00	I. Non-current provisions	0
VII. Cash and cash equivalents	75,874.20	II. Non-current payables	20,000
		1. Bank borrowings	20,000
		2. Non-current obligations under finance leases	0
		3. Other non-current payables	0
		III. Non-current payables to group companies and associates	0
		IV. Deferred tax liabilities	0
		V. Non-current deferred income/revenue	0
		VI. Non-current payable with special features	0
		C) CURRENT LIABILITIES	**6,963**
		I. Liabilities associated to non-current assets held for sale	0
		II. Current provisions	0
		III. Current payables	0
		1. Bank borrowings	0
		2. Current obligations under finance leases	0
		3. Other current payables	0
		IV. Current payables to group companies and associates	0
		V. Trade and other payables	6,963
		1. Trade payables	0
		2. Other payables	6,963
		VI. Current deferred income/revenue	0
		VII. Current payables with special features	0
TOTAL ASSETS (A+B)	89,575.20	**TOTAL EQUITY AND LIABILITIES (A+B+C)**	**89,575**

Figure 19 Extended Balance Sheet Year 3

Source: Own Elaboration

❖ APPENDIX 4 – INCOME STATEMENT

Appendix 4 1 Income Statement
Source: Own Elaboration

Income Statement Year 1

Items	2022
1. Revenue	47,810.0
2. Changes in finished goods and work in process inventories	0.0
3. Work carried out by the company for assets	0.0
4. Supplies	-2,270.0
5. Other operating income	0.0
6. Personnel expenses	-14,400.0
7. Other operating expenses	-29,400.0
8. Amortization and depreciation charges on non-current assets	-5,433.0
9. Allocation to profit/(loss) of grants related to non-financial non current assets and other grants	0.0
10. Provision surpluses	0.0
11. Impairment and gains/(losses) on disposal of non-current assets	0.0
12. Losses in business combinations	0.0
13. Other gains/(losses)	0.0
A) PROFIT/ (LOSS) FROM OPERATIONS (1+2+3+4+5+6+7+8+9+10+11+12)	**-3,693.0**
14. Finance income	0.0
15. Finance costs	-1,600.0
16. Change in fair value of financial instruments	0.0
17. Exchange gains/(losses) differences	0.0
18. Impairment and gains/ (losses) on financial instrument disposals	0.0
B) NET FINANCE INCOME/(EXPENSE) (13+14+15+16+17)	**-1,600.0**
C) PROFIT (LOSS) BEFORE TAX (A + B)	**-5,293.0**
19. Income tax	0.0
PROFIT/(LOSS) FOR THE YEAR (C + 18)	**-5,293.0**

Figure 20 Extended Income Statement Year 1
Source: Own Elaboration

Income Statement Year 2

Items	2022
1. Revenue	75,525.0
2. Changes in finished goods and work in process inventories	0.0
3. Work carried out by the company for assets	0.0
4. Supplies	-2,988.0
5. Other operating income	0.0
6. Personnel expenses	-14,400.0
7. Other operating expenses	-41,400.0
8. Amortization and depreciation charges on non-current assets	-5,433.0
9. Allocation to profit/(loss) of grants related to non-financial non current assets and other grants	0.0
10. Provision surpluses	0.0
11. Impairment and gains/(losses) on disposal of non-current assets	0.0
12. Losses in business combinations	0.0
13. Other gains/(losses)	0.0
A) PROFIT/ (LOSS) FROM OPERATIONS (1+2+3+4+5+6+7+8+9+10+11+12)	**11,304.0**
14. Finance income	0.0
15. Finance costs	-1,600.0
16. Change in fair value of financial instruments	0.0
17. Exchange gains/(losses) differences	0.0
18. Impairment and gains/ (losses) on financial instrument disposals	0.0
B) NET FINANCE INCOME/(EXPENSE) (13+14+15+16+17)	**-1,600.0**
C) PROFIT (LOSS) BEFORE TAX (A + B)	**9,704.0**
19. Income tax	0.0
PROFIT/(LOSS) FOR THE YEAR (C + 18)	**9,704.0**

Figure 21 Extended Income Statement Year 2

Source: Own Elaboration

Income Statement Year 3

Items	2022
1. Revenue	115,050.0
2. Changes in finished goods and work in process inventories	0.0
3. Work carried out by the company for assets	0.0
4. Supplies	-3,416.4
5. Other operating income	0.0
6. Personnel expenses	-14,400.0
7. Other operating expenses	-42,000.0
8. Amortization and depreciation charges on non-current assets	-5,433.0
9. Allocation to profit/(loss) of grants related to non-financial non current assets and other grants	0.0
10. Provision surpluses	0.0
11. Impairment and gains/(losses) on disposal of non-current assets	0.0
12. Losses in business combinations	0.0
13. Other gains/(losses)	0.0
A) PROFIT/ (LOSS) FROM OPERATIONS (1+2+3+4+5+6+7+8+9+10+11+12)	**49,800.6**
14. Finance income	0.0
15. Finance costs	-1,600.0
16. Change in fair value of financial instruments	0.0
17. Exchange gains/(losses) differences	0.0
18. Impairment and gains/ (losses) on financial instrument disposals	0.0
B) NET FINANCE INCOME/(EXPENSE) (13+14+15+16+17)	**-1,600.0**
C) PROFIT (LOSS) BEFORE TAX (A + B)	**48,200.6**
19. Income tax	0.0
PROFIT/(LOSS) FOR THE YEAR (C + 18)	**48,200.6**

Figure 22Extended Income Statement Year 3

Source: Own Elaboration

❖ APPENDIX 6 – BALANCE SHEET OPTIMISTIC SCENARIO

Appendix 6 1 Balance Sheet Optimistic Scenario

Source: Own Elaboration

Balance Sheet Year 1

ASSETS	2022	EQUITY AND LIABILITIES	2022
A) NON-CURRENT ASSETS	**24,567.00**	**A) EQUITY**	**38,317.**
I. Intangible assets	0.00	**A-1 Equity attributable to owners of the company**	**38,317.**
II. Property, plant and equipment	24,567.00	I. Capital	10,000.
III. Investment property	0.00	1. Registered capital	10,000.
IV. Non-current investments in group companies and associates	0.00	2. (Uncalled capital)	0.
V. Non-current investments	0.00	II. Share premium	0.
VI. Deferred tax assets	0.00	III. Reserves	0.
B) CURRENT ASSETS	**38,725.00**	IV. (Treasury shares and own equity holdings)	0.
I. Non-current assets held-for-sale	0.00	V. Retained earnings (losses)	0.
II. Inventories	0.00	VI. Other owners/equity holders' contributions	0.
III. Trade and other receivables	0.00	VII. Profit (loss) for the year	28,317.
1. Trade receivables	0.00	VIII. (Interim dividend)	0.
2. Receivable on called-up capital from partners or equity holders	0.00	IX. Other equity instruments	0.
3. Other receivables	0.00	**A-2) Valuation adjustments**	**0.**
IV. Current investments in group companies and associates	0.00	**A-3) Grants, donations and bequests received**	**0.**
V. Current investments	0.00	**B) NON-CURRENT LIABILITIES**	**20,000.**
VI. Prepayments for current assets	0.00	I. Non-current provisions	0.
VII. Cash and cash equivalents	38,725.00	II. Non-current payables	20,000.
		1. Bank borrowings	20,000.
		2. Non-current obligations under finance leases	0.
		3. Other non-current payables	0.
		III. Non-current payables to group companies and associates	0.
		IV. Deferred tax liabilities	0.
		V. Non-current deferred income/revenue	0.
		VI. Non-current payable with special features	0.
		C) CURRENT LIABILITIES	**4,975.**
		I. Liabilities associated to non-current assets held for sale	0.
		II. Current provisions	0.
		III. Current payables	0.
		1. Bank borrowings	0.
		2. Current obligations under finance leases	0.
		3. Other current payables	0.
		IV. Current payables to group companies and associates	0.
		V. Trade and other payables	4,975.
		1. Trade payables	0.
		2. Other payables	4,975.
		VI. Current deferred income/revenue	0.
		VII. Current payables with special features	0.
TOTAL ASSETS (A+B)	63,292.00	**TOTAL EQUITY AND LIABILITIES (A+B+C)**	**63,292.**

Figure 23 Extended Balance Sheet Optimistic Scenario Year 1

Source: Own Elaboration

Balance Sheet Year 2

ASSETS	2022	EQUITY AND LIABILITIES	2022
A) NON-CURRENT ASSETS	**19,134.00**	**A) EQUITY**	**94,634.0**
I. Intangible assets	0.00	**A-1 Equity attributable to owners of the company**	**94,634.0**
II. Property, plant and equipment	19,134.00	I. Capital	10,000.0
III. Investment property	0.00	1. Registered capital	10,000.0
IV. Non-current investments in group companies and associates	0.00	2. (Uncalled capital)	0.0
V. Non-current investments	0.00	II. Share premium	0.0
VI. Deferred tax assets	0.00	III. Reserves	0.0
B) CURRENT ASSETS	**103,275.00**	IV. (Treasury shares and own equity holdings)	0.0
I. Non-current assets held-for-sale	0.00	V. Retained earnings (losses)	0.0
II. Inventories	0.00	VI. Other owners/equity holders' contributions	0.0
III. Trade and other receivables	0.00	VII. Profit (loss) for the year	84,634.0
1. Trade receivables	0.00	VIII. (Interim dividend)	0.0
2. Receivable on called-up capital from partners or equity holders	0.00	IX. Other equity instruments	0.0
3. Other receivables	0.00	**A-2) Valuation adjustments**	**0.0**
IV. Current investments in group companies and associates	0.00	**A-3) Grants, donations and bequests received**	**0.0**
V. Current investments	0.00	**B) NON-CURRENT LIABILITIES**	**20,000.0**
VI. Prepayments for current assets	0.00	I. Non-current provisions	0.0
VII. Cash and cash equivalents	103,275.00	II. Non-current payables	20,000.0
		1. Bank borrowings	20,000.0
		2. Non-current obligations under finance leases	0.0
		3. Other non-current payables	0.0
		III. Non-current payables to group companies and associates	0.0
		IV. Deferred tax liabilities	0.0
		V. Non-current deferred income/revenue	0.0
		VI. Non-current payable with special features	0.0
		C) CURRENT LIABILITIES	**7,775.0**
		I. Liabilities associated to non-current assets held for sale	0.0
		II. Current provisions	0.0
		III. Current payables	0.0
		1. Bank borrowings	0.0
		2. Current obligations under finance leases	0.0
		3. Other current payables	0.0
		IV. Current payables to group companies and associates	0.0
		V. Trade and other payables	7,775.0
		1. Trade payables	0.0
		2. Other payables	7,775.0
		VI. Current deferred income/revenue	0.0
		VII. Current payables with special features	0.0
TOTAL ASSETS (A+B)	122,409.00	**TOTAL EQUITY AND LIABILITIES (A+B+C)**	**122,409.0**

Figure 24 Extended Balance Sheet Optimistic Scenario Year 2

Source: Own Elaboration

Balance Sheet Year 3

ASSETS	2022
A) NON-CURRENT ASSETS	**13,701.00**
I. Intangible assets	0.00
II. Property, plant and equipment	13,701.00
III. Investment property	0.00
IV. Non-current investments in group companies and associates	0.00
V. Non-current investments	0.00
VI. Deferred tax assets	0.00
B) CURRENT ASSETS	**252,154.90**
I. Non-current assets held-for-sale	103,275.00
II. Inventories	0.00
III. Trade and other receivables	0.00
1. Trade receivables	0.00
2. Receivable on called-up capital from partners or equity holders	0.00
3. Other receivables	0.00
IV. Current investments in group companies and associates	0.00
V. Current investments	0.00
VI. Prepayments for current assets	0.00
VII. Cash and cash equivalents	148,879.90
TOTAL ASSETS (A+B)	265,855.90

EQUITY AND LIABILITIES	2022
A) EQUITY	**230,160.0**
A-1 Equity attributable to owners of the company	**230,160.0**
I. Capital	10,000.0
1. Registered capital	10,000.0
2. (Uncalled capital)	0.0
II. Share premium	0.0
III. Reserves	0.0
IV. (Treasury shares and own equity holdings)	0.0
V. Retained earnings (losses)	0.0
VI. Other owners/equity holders' contributions	0.0
VII. Profit (loss) for the year	220,160.0
VIII. (Interim dividend)	0.0
IX. Other equity instruments	0.0
A-2) Valuation adjustments	**0.0**
A-3) Grants, donations and bequests received	**0.0**
B) NON-CURRENT LIABILITIES	**20,000.0**
I. Non-current provisions	0.0
II. Non-current payables	20,000.0
1. Bank borrowings	20,000.0
2. Non-current obligations under finance leases	0.0
3. Other non-current payables	0.0
III. Non-current payables to group companies and associates	0.0
IV. Deferred tax liabilities	0.0
V. Non-current deferred income/revenue	0.0
VI. Non-current payable with special features	0.0
C) CURRENT LIABILITIES	**15,695.9**
I. Liabilities associated to non-current assets held for sale	0.0
II. Current provisions	0.0
III. Current payables	0.0
1. Bank borrowings	0.0
2. Current obligations under finance leases	0.0
3. Other current payables	0.0
IV. Current payables to group companies and associates	0.0
V. Trade and other payables	15,695.9
1. Trade payables	0.0
2. Other payables	15,695.9
VI. Current deferred income/revenue	0.0
VII. Current payables with special features	0.0
TOTAL EQUITY AND LIABILITIES (A+B+C)	**265,855.9**

Figure 25 Extended Balance Sheet Optimistic Scenatio Year 3

Source: Own Elaboration

❖ APPENDIX 6 – BALANCE SHEET PESSIMISTIC SCENARIO

Balance Sheet Year 1

ASSETS	2022	EQUITY AND LIABILITIES	2022
A) NON-CURRENT ASSETS	**24,567.00**	**A) EQUITY**	**-17,068**
I. Intangible assets	0.00	**A-1 Equity attributable to owners of the company**	**-17,068**
II. Property, plant and equipment	24,567.00	I. Capital	10,000
III. Investment property	0.00	1. Registered capital	10,000
IV. Non-current investments in group companies and associates	0.00	2. (Uncalled capital)	0
V. Non-current investments	0.00	II. Share premium	0
VI. Deferred tax assets	0.00	III. Reserves	0
B) CURRENT ASSETS	**563.50**	IV. (Treasury shares and own equity holdings)	0
I. Non-current assets held-for-sale	0.00	V. Retained earnings (losses)	0
II. Inventories	0.00	VI. Other owners/equity holders' contributions	0
III. Trade and other receivables	563.50	VII. Profit (loss) for the year	-27,068
1. Trade receivables	0.00	VIII. (Interim dividend)	0
2. Receivable on called-up capital from partners or equity holders	0.00	IX. Other equity instruments	0
3. Other receivables	563.50	**A-2) Valuation adjustments**	**0**
IV. Current investments in group companies and associates	0.00	**A-3) Grants, donations and bequests received**	**0**
V. Current investments	0.00	**B) NON-CURRENT LIABILITIES**	**20,000**
VI. Prepayments for current assets	0.00	I. Non-current provisions	0
VII. Cash and cash equivalents	0.00	II. Non-current payables	20,000
		1. Bank borrowings	20,000
		2. Non-current obligations under finance leases	0
		3. Other non-current payables	0
		III. Non-current payables to group companies and associates	0
		IV. Deferred tax liabilities	0
		V. Non-current deferred income/revenue	0
		VI. Non-current payable with special features	0
		C) CURRENT LIABILITIES	**22,198**
		I. Liabilities associated to non-current assets held for sale	0
		II. Current provisions	0
		III. Current payables	22,198
		1. Bank borrowings	22,198
		2. Current obligations under finance leases	0
		3. Other current payables	0
		IV. Current payables to group companies and associates	0
		V. Trade and other payables	0
		1. Trade payables	0
		2. Other payables	0
		VI. Current deferred income/revenue	0
		VII. Current payables with special features	0
TOTAL ASSETS (A+B)	25,130.50	**TOTAL EQUITY AND LIABILITIES (A+B+C)**	**25,130**

Figure 26 Extended Balance Sheet Pessimistic Scenario

Source: Own Elaboration

Balance Sheet Year 2

ASSETS	2022
A) NON-CURRENT ASSETS	19,134.00
I. Intangible assets	0.00
II. Property, plant and equipment	19,134.00
III. Investment property	0.00
IV. Non-current investments in group companies and associates	0.00
V. Non-current investments	0.00
VI. Deferred tax assets	0.00
B) CURRENT ASSETS	0.00
I. Non-current assets held-for-sale	0.00
II. Inventories	0.00
III. Trade and other receivables	0.00
1. Trade receivables	0.00
2. Receivable on called-up capital from partners or equity holders	0.00
3. Other receivables	0.00
IV. Current investments in group companies and associates	0.00
V. Current investments	0.00
VI. Prepayments for current assets	0.00
VII. Cash and cash equivalents	0.00
TOTAL ASSETS (A+B)	19,134.00

EQUITY AND LIABILITIES	2022
A) EQUITY	-34,637.0
A-1 Equity attributable to owners of the company	-34,637.0
I. Capital	10,000.0
1. Registered capital	10,000.0
2. (Uncalled capital)	0.0
II. Share premium	0.0
III. Reserves	0.0
IV. (Treasury shares and own equity holdings)	0.0
V. Retained earnings (losses)	0.0
VI. Other owners/equity holders' contributions	0.0
VII. Profit (loss) for the year	-44,637.0
VIII. (Interim dividend)	0.0
IX. Other equity instruments	0.0
A-2) Valuation adjustments	0.0
A-3) Grants, donations and bequests received	0.0
B) NON-CURRENT LIABILITIES	20,000.0
I. Non-current provisions	0.0
II. Non-current payables	20,000.0
1. Bank borrowings	20,000.0
2. Non-current obligations under finance leases	0.0
3. Other non-current payables	0.0
III. Non-current payables to group companies and associates	0.0
IV. Deferred tax liabilities	0.0
V. Non-current deferred income/revenue	0.0
VI. Non-current payable with special features	0.0
C) CURRENT LIABILITIES	33,771.0
I. Liabilities associated to non-current assets held for sale	0.0
II. Current provisions	0.0
III. Current payables	33,384.6
1. Bank borrowings	33,384.6
2. Current obligations under finance leases	0.0
3. Other current payables	0.0
IV. Current payables to group companies and associates	0.0
V. Trade and other payables	386.4
1. Trade payables	0.0
2. Other payables	386.4
VI. Current deferred income/revenue	0.0
VII. Current payables with special features	0.0
TOTAL EQUITY AND LIABILITIES (A+B+C)	19,134.0

Figure 27 Extended Balance Sheet Pessimistic Scenario Year 2

Source: Own Elaboration

Balance Sheet Year 3

ASSETS	2022
A) NON-CURRENT ASSETS	13,701.00
I. Intangible assets	0.00
II. Property, plant and equipment	13,701.00
III. Investment property	0.00
IV. Non-current investments in group companies and associates	0.00
V. Non-current investments	0.00
VI. Deferred tax assets	0.00
B) CURRENT ASSETS	11,625.50
I. Non-current assets held-for-sale	0.00
II. Inventories	0.00
III. Trade and other receivables	0.00
1. Trade receivables	0.00
2. Receivable on called-up capital from partners or equity holders	0.00
3. Other receivables	0.00
IV. Current investments in group companies and associates	0.00
V. Current investments	0.00
VI. Prepayments for current assets	0.00
VII. Cash and cash equivalents	11,625.50
TOTAL ASSETS (A+B)	25,326.50

EQUITY AND LIABILITIES	2022
A) EQUITY	-255.0
A-1 Equity attributable to owners of the company	-255.0
I. Capital	10,000.0
1. Registered capital	10,000.0
2. (Uncalled capital)	0.0
II. Share premium	0.0
III. Reserves	0.0
IV. (Treasury shares and own equity holdings)	0.0
V. Retained earnings (losses)	0.0
VI. Other owners/equity holders' contributions	0.0
VII. Profit (loss) for the year	-10,255.0
VIII. (Interim dividend)	0.0
IX. Other equity instruments	0.0
A-2) Valuation adjustments	0.0
A-3) Grants, donations and bequests received	0.0
B) NON-CURRENT LIABILITIES	20,000.0
I. Non-current provisions	0.0
II. Non-current payables	20,000.0
1. Bank borrowings	20,000.0
2. Non-current obligations under finance leases	0.0
3. Other non-current payables	0.0
III. Non-current payables to group companies and associates	0.0
IV. Deferred tax liabilities	0.0
V. Non-current deferred income/revenue	0.0
VI. Non-current payable with special features	0.0
C) CURRENT LIABILITIES	5,581.5
I. Liabilities associated to non-current assets held for sale	0.0
II. Current provisions	0.0
III. Current payables	0.0
1. Bank borrowings	0.0
2. Current obligations under finance leases	0.0
3. Other current payables	0.0
IV. Current payables to group companies and associates	0.0
V. Trade and other payables	5,581.5
1. Trade payables	0.0
2. Other payables	5,581.5
VI. Current deferred income/revenue	0.0
VII. Current payables with special features	0.0
TOTAL EQUITY AND LIABILITIES (A+B+C)	25,326.5

Figure 28 Extended Balance Sheet Pessimistic Scenario Year 3

Source: Own Elaboration

❖ APPENDIX 7 – INCOME STATEMENT OPTIMISTIC SCENARIO

Income Statement Year 1

1. Revenue	84,715.00
2. Changes in finished goods and work in process inventories	0.00
3. Work carried out by the company for assets	0.00
4. Supplies	-2,565.00
5. Other operating income	0.00
6. Personnel expenses	-14,400.00
7. Other operating expenses	-32,400.00
8. Amortization and depreciation charges on non-current assets	-5,433.00
9. Allocation to profit/(loss) of grants related to non-financial non current assets and other grants	0.00
10. Provision surpluses	0.00
11. Impairment and gains/(losses) on disposal of non-current assets	0.00
12. Losses in business combinations	0.00
13. Other gains/(losses)	0.00
A) PROFIT/ (LOSS) FROM OPERATIONS (1+2+3+4+5+6+7+8+9+10+11+12)	**29,917.00**
14. Finance income	0.00
15. Finance costs	-1,600.00
16. Change in fair value of financial instruments	0.00
17. Exchange gains/(losses) differences	0.00
18. Impairment and gains/ (losses) on financial instrument disposals	0.00
B) NET FINANCE INCOME/(EXPENSE) (13+14+15+16+17)	**-1,600.00**
C) PROFIT (LOSS) BEFORE TAX (A + B)	**28,317.00**
19. Income tax	0.00
PROFIT/(LOSS) FOR THE YEAR (C + 18)	**28,317.00**

Figure 29 Extended Income Statement Optimistic Scenario Year 1

Source: Own Elaboration

Income Statement Year 2

1. Revenue	123,335.00
2. Changes in finished goods and work in process inventories	0.00
3. Work carried out by the company for assets	0.00
4. Supplies	-4,185.00
5. Other operating income	0.00
6. Personnel expenses	-14,400.00
7. Other operating expenses	-41,400.00
8. Amortization and depreciation charges on non-current assets	-5,433.00
9. Allocation to profit/(loss) of grants related to non-financial non current assets and other grants	0.00
10. Provision surpluses	0.00
11. Impairment and gains/(losses) on disposal of non-current assets	0.00
12. Losses in business combinations	0.00
13. Other gains/(losses)	0.00
A) PROFIT/ (LOSS) FROM OPERATIONS (1+2+3+4+5+6+7+8+9+10+11+12)	**57,917.00**
14. Finance income	0.00
15. Finance costs	-1,600.00
16. Change in fair value of financial instruments	0.00
17. Exchange gains/(losses) differences	0.00
18. Impairment and gains/ (losses) on financial instrument disposals	0.00
B) NET FINANCE INCOME/(EXPENSE) (13+14+15+16+17)	**-1,600.00**
C) PROFIT (LOSS) BEFORE TAX (A + B)	**56,317.00**
19. Income tax	0.00
PROFIT/(LOSS) FOR THE YEAR (C + 18)	**56,317.00**

Figure 30 Extended Income Statement Optimistic Scenario Year 2

Souce: Own Elaboration

Income Statement Year 3

1. Revenue	202,860.0(
2. Changes in finished goods and work in process inventories	0.0(
3. Work carried out by the company for assets	0.0(
4. Supplies	-4,101.0(
5. Other operating income	0.0(
6. Personnel expenses	-14,400.0(
7. Other operating expenses	-41,800.0(
8. Amortization and depreciation charges on non-current assets	-5,433.0(
9. Allocation to profit/(loss) of grants related to non-financial non current assets and other grants	0.0(
10. Provision surpluses	0.0(
11. Impairment and gains/(losses) on disposal of non-current assets	0.0(
12. Losses in business combinations	0.0(
13. Other gains/(losses)	0.0(
A) PROFIT/ (LOSS) FROM OPERATIONS (1+2+3+4+5+6+7+8+9+10+11+12)	**137,126.0(**
14. Finance income	0.0(
15. Finance costs	-1,600.0(
16. Change in fair value of financial instruments	0.0(
17. Exchange gains/(losses) differences	0.0(
18. Impairment and gains/ (losses) on financial instrument disposals	0.0(
B) NET FINANCE INCOME/(EXPENSE) (13+14+15+16+17)	**-1,600.0(**
C) PROFIT (LOSS) BEFORE TAX (A + B)	**135,526.0(**
19. Income tax	0.0(
PROFIT/(LOSS) FOR THE YEAR (C + 18)	**135,526.0(**

Figure 31 Extended Income Statement Optimistic Scenario Year 3

Source: Own Elaboration

❖ APPENDIX 8 – INCOME STATEMENT PESSIMISTIC SCENARIO

Income Statement Year 1

1. Revenue	21,905.0
2. Changes in finished goods and work in process inventories	0.0
3. Work carried out by the company for assets	0.0
4. Supplies	-1,140.0
5. Other operating income	0.0
6. Personnel expenses	-14,400.0
7. Other operating expenses	-26,400.0
8. Amortization and depreciation charges on non-current assets	-5,433.0
9. Allocation to profit/(loss) of grants related to non-financial non current assets and other grants	0.0
10. Provision surpluses	0.0
11. Impairment and gains/(losses) on disposal of non-current assets	0.0
12. Losses in business combinations	0.0
13. Other gains/(losses)	0.0
A) PROFIT/ (LOSS) FROM OPERATIONS (1+2+3+4+5+6+7+8+9+10+11+12)	**-25,468.0**
14. Finance income	0.0
15. Finance costs	-1,600.0
16. Change in fair value of financial instruments	0.0
17. Exchange gains/(losses) differences	0.0
18. Impairment and gains/ (losses) on financial instrument disposals	0.0
B) NET FINANCE INCOME/(EXPENSE) (13+14+15+16+17)	**-1,600.0**
C) PROFIT (LOSS) BEFORE TAX (A + B)	**-27,068.0**
19. Income tax	0.0
PROFIT/(LOSS) FOR THE YEAR (C + 18)	**-27,068.0**

Figure 32 Extended Income Statement Pessimistic Scenario Year 1

Source: Own Elaboration

Income Statement Year 2

1.	Revenue	46,764.0
2.	Changes in finished goods and work in process inventories	0.0
3.	Work carried out by the company for assets	0.0
4.	Supplies	-1,500.0
5.	Other operating income	0.0
6.	Personnel expenses	-14,400.0
7.	Other operating expenses	-41,400.0
8.	Amortization and depreciation charges on non-current assets	-5,433.0
9.	Allocation to profit/(loss) of grants related to non-financial non current assets and other grants	0.0
10.	Provision surpluses	0.0
11.	Impairment and gains/(losses) on disposal of non-current assets	0.0
12.	Losses in business combinations	0.0
13.	Other gains/(losses)	0.0
A)	**PROFIT/ (LOSS) FROM OPERATIONS (1+2+3+4+5+6+7+8+9+10+11+12)**	**-15,969.0**
14.	Finance income	0.0
15.	Finance costs	-1,600.0
16.	Change in fair value of financial instruments	0.0
17.	Exchange gains/(losses) differences	0.0
18.	Impairment and gains/ (losses) on financial instrument disposals	0.0
B)	**NET FINANCE INCOME/(EXPENSE) (13+14+15+16+17)**	**-1,600.0**
C)	**PROFIT (LOSS) BEFORE TAX (A + B)**	**-17,569.0**
19.	Income tax	0.0
	PROFIT/(LOSS) FOR THE YEAR (C + 18)	**-17,569.0**

Figure 33 Extended Income Statement Pessimistic Scenario Year 2

Source: Own Elaboration

Income Statement Year 3

1. Revenue	99,525.0
2. Changes in finished goods and work in process inventories	0.0
3. Work carried out by the company for assets	0.0
4. Supplies	-1,710.0
5. Other operating income	0.0
6. Personnel expenses	-14,400.0
7. Other operating expenses	-42,000.0
8. Amortization and depreciation charges on non-current assets	-5,433.0
9. Allocation to profit/(loss) of grants related to non-financial non current assets and other grants	0.0
10. Provision surpluses	0.0
11. Impairment and gains/(losses) on disposal of non-current assets	0.0
12. Losses in business combinations	0.0
13. Other gains/(losses)	0.0
A) PROFIT/ (LOSS) FROM OPERATIONS (1+2+3+4+5+6+7+8+9+10+11+12)	**35,982.0**
14. Finance income	0.0
15. Finance costs	-1,600.0
16. Change in fair value of financial instruments	0.0
17. Exchange gains/(losses) differences	0.0
18. Impairment and gains/ (losses) on financial instrument disposals	0.0
B) NET FINANCE INCOME/(EXPENSE) (13+14+15+16+17)	**-1,600.0**
C) PROFIT (LOSS) BEFORE TAX (A + B)	**34,382.0**
19. Income tax	0.0
PROFIT/(LOSS) FOR THE YEAR (C + 18)	**34,382.0**

Figure 34 Extended Income Statement Pessimistic Scenario Year 3

Source: Own Elaboration