Ashesi University

Strategic Financial Plan for Vera Causa Realty

By

Diana Koshie Evans

Undergraduate dissertation submitted to the Department of Business Administration, Ashesi University. Submitted in partial fulfillment of the requirements for the award of Bachelor of Science Degree in Business Administration.

Supervised by: Anthony Essel-Anderson

April 2021

DECLARATION

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this university or elsewhere.

Candidate’s Signature: ....

Candidate’s Name: Diana Koshie Evans

Date: ....27/04/2021.................................

I hereby declare that the preparation and presentation of the Applied Project were supervised in accordance with the guidelines on supervision of Applied Project laid down by Ashesi University.

Supervisor's Signature: ....

Supervisor's Name: Anthony Essel-Anderson

Date: ....27/04/2021......................

ACKNOWLEDGMENT

My utmost gratitude goes to the Lord God Almighty for giving me strength from the start to finish of the entire project. I am also grateful for the grace and favor He showed me for the duration of this project. I thank the Holy Spirit for being my helper when it seemed like understanding was not there. I would also like to thank my supervisor, Mr. Anthony Essel- Anderson (Papa T), for believing in me doing a good job. God richly bless him for all the time he took to break things down to understand better and give me constructive feedback. I appreciate you so much, Papa T.

I would also want to extend my gratitude and appreciation to the staff of Vera Causa Realty for availing themselves to work with me through the entire project. God bless you all. I couldn’t have capped my four-year Ashesi education without your willingness and consent to work with me.

I would also like to express my deepest gratitude to my parents for supporting me, being patient with me, and trying to understand me throughout this entire process. I could not have done any of this without your support, prayers, and words of encouragement. God bless you for everything you have done for me in my 4-year journey at Ashesi.

Finally, I would want to thank all my friends for the constant moral support and prayers that kept me going. Not forgetting Mrs. Nancy Henaku from the writing center for teaching me some techniques to self-check my work; thank you. God bless you all for believing in me.

ABSTRACT

The project identifies the problems of Vera Causa Realty, a Ghanaian real estate firm that has been in operation for five years. Vera Causa Realty provides affordable services for people looking to build their homes. However, the company has no financial plan; thus, they cannot evaluate an individual's current salary and future financial state by using present known variables to predict future income, asset values, and withdrawal plans. This project sought to create a stable financial plan for the company. The financial plan will contain the company's long-term monetary goals and strategies to achieve these goals.

Some insights gained during the need assessment stage were that as a result of the company's current mode of financing, i.e., self-financing, they have not been able to create a solid financial plan. The assessment revealed that the company would update its mode of funding to best suit it in the long term.

After extensive literature has been reviewed that financial planning requires six steps. These steps ensure that companies created a feasible and solid financial plan. More insight was gained in the understanding of the external financing processes in Ghana. Some requirements must be met to seek external funding from the financial institutions in Ghana successfully. The study proposed that Vera Causa Realty creates a financial plan to manage the company's long-term financial goals. However, if the company cannot do it, they can outsource to other companies that specialize.

Table of Contents

Table of Figures

CHAPTER 1: INTRODUCTION

1.1 Chapter Overview

This chapter provides an overview of Vera Causa Realty and the firm's internal and external analysis. The internal investigation will overview the company profile, company history, mission, and vision, using the Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis. The SWOT analysis will gain insights into the firm's idiosyncrasy concerning its strengths, weaknesses, opportunities, and threats. Externally, the Political, Economic, Social, Technological, Legal, and Environmental (PESTLE) framework will provide insights into the external environment. Lastly, Porter's five forces will be used to analyze the real estate industry in Ghana.

1.2 Background and Objective

A financial plan is a document that contains a person or a company's long-term monetary goals and strategies to achieve these goals. Strategic financial planning is when companies determine how they will manage themselves financially and ensure they achieve their short-term and long-term goals (*Strategic Financial Planning for Business*, n.d.). Every organization needs a solid financial plan to ensure they are achieving all their long-term and short-term goals. Vera Causa Realty is no exception; a financial plan is an essential tool that should be in the entrepreneur’s arsenal (Posell, 2017). This project examines the current financial plan of Vera Causa Realty and develops a more strategic plan for the company to increase profitability and meet more goals. This will be achieved by conducting a needs assessment.

1.3 Company Profile

Vera Causa Realty is a real estate firm based in Ghana. The firm was started in 2015 by Anita Keteku Arkutu. When the company started, it was located in the Airport Residential Area. The company is a boutique real estate firm that also offers brokerage services found in Ghana. A boutique real estate firm is a real estate firm that specializes in businesses with a culture centered on customer service and professionalism. The company also performs other development services such as Joint Land Redevelopment Ventures, Contracted Projects, and Building Renovation and Restoration.

Joint land redevelopment is where the developers buy land, finance real estate deals, build projects, and orchestrate the building process from start to finish. The company partners with landowners give the firm their plots of land to develop into houses and apartments. Individuals also hire the company to reconstruct their buildings to make them brand new again. The firm has built multiple properties which are selling on the market.

1.3.1 Mission

The organization's mission states that "To utilize our industry expertise and professional techniques to craft solutions to our client's real estate needs by providing turnkey construction, property renovations, and comprehensive brokerage services."

1.3.2 Vision

Their vision is “To elevate the homeownership experience for every Ghanaian, irrespective of budget, style, and location, by offering creative solutions to help them realize their homeownership aspirations."

1.4 Rationale for Selecting Vera Causa Realty

Some Ghanaian communities have abysmal planning coupled with buildings that tend not to last the test of time. Vera Causa Realty provides affordable services for people looking to build their homes. The company also creates good relationships with their clients to work with them to personalize the homes to their tastes and preferences. The selection of this company is to contribute to the company's success and help them provide quality but affordable services to Ghanaians by improving their current financial plan. The rationale for selecting the company is that it has a unique financing culture, which means it does not have debt financing. This culture sparked a curiosity to investigate how effective this method of funding is.

1.5 Overview of the Real Estate Industry in Ghana

Ghana's real estate industry is a fast-rising industry, which is expected to become the economy's backbone. As the population is increasing, there will be a higher demand for property. This is because more people will want to have a property, and the revenue received from that will boost the country's economic growth (News Ghana, 2019). The Ghanaian property market is dominated by residential and commercial developments (*The Immense Opportunities of Property Development in Ghana - Ghana Investment Promotion Centre (GIPC),* n.d.). The overall outlook of the real estate industry in Ghana is promising as in 2017; there was an 8% growth rate (*The Immense Opportunities of Property Development in Ghana - Ghana Investment Promotion Centre (GIPC),* n.d.). “Investors will continue to show great interest in the sector to diversify their investment portfolios in the economy” (Harris, 2017).

1.6 Porters Five Forces

Porter’s five forces is a competitive position analysis developed in 1979 by Michael E. Porter of Harvard Business School as a simple framework for assessing and evaluating a business organization's competitive strength and position (*Porter's Five Forces of Competitive Position Analysis*, 2013). The framework helps to analyze the level of competition within a specific industry. The five forces that make up the framework are:

1.6.1 The threat of new entrants in the industry

When there are new entrants in an industry, it means that the entrants have a desire to gain market share. However, the seriousness of the threat is dependent on the barriers of entry. In the case of the real estate industry, the threat to entry is medium to low. This is because it takes much investment to start a real estate company. Also, there is a need for permits and licenses to operate. Furthermore, the industry's existing players have obtained large portions of shares; thus, it is difficult for new entrants to join.

1.6.2 Bargaining power of suppliers

The force helps to analyze how much power suppliers have over the companies in the real estate industry. The supplies of real estate are the land, building material, and equipment. The suppliers of the building material and equipment have a weaker bargaining power than the companies. The companies buy the material in bulk for use; hence, the suppliers can make more in their contract with the companies than they will be selling to independent builders. However, suppliers of special equipment that are not too familiar have a good enough bargaining power because of the rarity of the products. Landowners have high bargaining power because the land is limited, and land cost appreciates with time.

1.6.3 The threat of substitute products

The demand of customers keeps changing over time. When companies cannot keep up with the customers' rapid and dynamic change, they may opt for properties more to their taste than from the other companies. Currently, more residential and luxury apartment homes have erupted in the country. This is partly because of the evolution of taste in the current customers resulting in their preference for such properties.

1.6.4 Rivalry among established competitors

Competition in the real estate industry is usually between companies selling similar properties in a particular area. Apart from profitmaking, these companies have the same goals: obtaining a more significant market share. The companies that manage to have broad but similar percentages in the market tend to have equal power. “Competition may include the price war, the advertising war, property management, product improvement, and increased services” (Zhang *et al*., 2006). Though Vera Causa Realty is a startup, it has established itself as a competitor and is well on its way to gain a significant share in the market.

1.6.5 Bargaining power of buyers

The buyers of real estate are usually individuals, families, expatriates, organizations, and government departments. The real estate companies can analyze how badly the buyers want the property to gain high bargaining power. Private consumers like individuals and families can use more time to bargain as they have the 'luxury of time. This gives them the upper hand in the bargaining process.

1.7 External Analysis

The external analysis focuses on how the business environment, including competitors, affects the overall performance of Vera Causa Realty. The PESTLE tool will effectively analyze the external environment. The PESTLE framework is a framework used to analyze the key factors that affect the company externally (*PESTLE Analysis | Factsheets*, 2020).

1.7.1 Political Factors

Ghana is considered one of the most stable countries in West Africa since its transitioning to multi-party democracy in 1992 (BBC, 2018). The democracy in Ghana is consolidated. “Ghana has a vibrant democracy where elections are vigorously contested” (Mills, 2018). The elections are free and fair, and there is always a good voter turnout.

Ghana has three arms of government, which are the Executive, Legislative, and Judiciary. However, these arms have separated powers; however, they check on one another to ensure that proper governing fosters a stable political climate. The stable political environment in Ghana has made it hospitable for the real estate sector to grow.

1.7.2 Economic Factors

“Ghana is among one of the ten fastest-growing economies in Africa” (AFB, 2019). The country's GDP growth was estimated at 6.7% after the first quarter (Overview, 2019). The country's economic growth was expected to increase even further by the end of 2020. However, as a result of the COVID-19 global pandemic, all the world economies, including Ghana, were negatively affected. The country's real estate sector has seen increasing growth in the past years. “Between 2007 to 2013, there was an upsurge in demand for real estate property” (News Ghana, 2019). The real estate industry in Ghana is well-becoming mainstream and will soon become the Ghanaian economy's backbone. This is because the increase in Ghana's population would also increase individuals' demand in the real estate market. This will eventually boost the country's economic growth. This relationship shows a strong relationship between the country’s economic growth and the real estate sector. In 2019, the cedi depreciated by 13%, which is the most significant drop thus far since 2015 when it went down by 18% (Dzawu, 2019). This will increase the prices of homes since the companies in the industry price in dollars.

1.7.3 Social Factors

The social environment has a significant influence that affects consumer behavior. It helps identify people who comprise a client base and how they live, and how these factors may influence the relationship with them (Shpak, 2019). A critical detail of the social factors is that they are dynamic, thus change over time. In Ghana, for instance, when people get to a particular stage in life or can amass enough wealth, one of the very first things they buy is a piece of land or a house. However, in recent years, the youth in society purchase or rent property because they want to move out of their parent's homes and 'start life' early.

1.7.4 Technological factors

The technological factors relate to “the existence, availability, and development of technology” (Bush, 2016). Technology in Ghana has the potential to grow further than where it has reached currently. Ghana was the first country in sub-Saharan Africa to launch a mobile cellular network in 1992. It was also one of the first countries in Africa to be connected to the internet and introduce ADSL broadband services (*Technology & Science in Ghana*, n.d.). Technology has positively affected the real estate industry by creating an online marketplace to efficiently market their services and products. It has also developed smart devices like Google Home and Alexa, which has taken the ordinary home to a smarter and more modern level. This has improved the real estate industry over the years and has added value to properties.

1.7.5 Environmental Factors

Ghana is a country endowed with natural resources such as timber, gold, bauxite, and oil. Although the real estate industry companies make most of their money by cutting down trees to build houses, building these homes is environmentally safe. They use renewable goods such as timber, metals, recyclable concrete, amongst others (*Renewable Materials in Construction Market: Global Industry Analysis and Forecast 2017 – 2025*, 2020). It also positions these companies as environmentally conscious or eco-friendly.

1.7.6 Legal Factors

In Ghana, the majority of the lands are owned by chiefs. The Ghanaian real estate laws are both customary and common laws (Botchway, 2020). Before individuals may start building their projects on a piece of land, they must have a land title obtained from Lands Commissions and the Town and Country Planning (*7 Real Estate Laws You Should Know - Ghana House Plans*, n.d.). They must also have a building permit from the city authorities, district, metropolitan or municipal assembly under which area the building will be situated. An example of such authorities is the Accra Metropolitan Assembly (AMA). The Ghana Building Code (GBC) also has to ensure that all the building materials used in the building are of good quality. The law also requires that the building has emergency features such as exit and assembly points in case of fire, flood, or any other disaster. Before the foundation is being dug, the law requires that the builders check for water tables' depth, and sub-soil drainage must have a legal backing before excavation begins. This is to prevent water pollution and pollution of fertile soil. Also, the law requires individuals to estimate the funds to be put into the building and the funding process. Lastly, the builders must give an estimated time of completion and do well to complete the building process.

1.8 Internal Analysis

The SWOT analysis is designed to examine a company's strengths to enable them to build on them. The analysis also helps the company identify weaknesses and work on them. It also helps them identify their opportunities to push them to make use of it. Lastly, the analysis helps the company to prevent and mitigate the threats. This analysis helps to analyze the internal and some of the external environments of the company.

Table 1. Summary of the SWOT Analysis

Strength	Weakness
• Partnership with customers/landowners • Positive brand identity • Adequate levels of proactivity, assertiveness, and resilience. • Friendly employees • Modern building facilities • Good geographical locations	• Insufficient employees • Weak online presence • Construction loans in Ghana • New in the real estate industry, i.e., startup
Opportunity	**Threats**
• Expansion of the target market • Construction of smart homes • High unemployment rates • Untapped markets in other cities and regions in Ghana	• Pressure from other competitors • The emergence of new competitors • Instability of the economy causing currency depreciation

1.8.1 Strength

Vera Causa Realty performs brokerage, renovating, joint ventures, contracted projects, and project management. With their joint ventures, Vera Causa works with landowners to develop their land. They can work directly with the customers to build their modern dream homes.

The agency has a positive brand identity. Within the five years of being in existence, they have been able to break through the real estate industry and have been able to develop and sell high-quality properties. The company has been able to gain the trust of customers.

Although the company is understaffed, its employees are very proactive, assertive, and resilient. They all know their roles and go out of their way to take on additional responsibilities. The employees are very efficient and reliable and also work toward the collective vision to promote the company.

The employees are also amiable. They treat all the customers nicely and with optimum respect. They always are ready to help customers and also maintain a very high level of professionalism.

Vera Causa Realty builds very modern properties. Since they can work side-by-side with their customers, they can fuse ideas to build their ultimate dream homes.

The firm builds its properties in good geographical locations where families can easily access schools and hospitals. For example, they are selling a 4-bedroom house in East Legon. The area is a few kilometers away from the airport and has excellent schools. It also is a few meters from Accra Mall and several good hospitals.

1.8.2 Weakness

The company has insufficient employees. Vera Causa Realty has four permanent staff, which causes these employees to be overworked. In the long run, the employees will not be able to work to their total capacity. Their employees usually take on more than two tasks at a time.

The company has a deficient online presence. The information they have on their website usually becomes outdated before it gets updated. The company has other social media pages; however, they are not very active on them.

Construction loans in Ghana tend to be very expensive. The banks in Ghana grant loans only in Ghana cedis with massive interest rate prices, making it very difficult to acquire.

The firm has been in operation since 2014, which means it has not been in existence for a long time. Although they have been able to gain the trust of their current customers, they still have not been able to gain the confidence of potential investors.

1.8.3 Opportunity

Vera Causa Realty has the opportunity to expand its target market, people searching for affordable homes. They can start building luxury homes for high-end customers.

The company can also incorporate the building of smart homes into its current services. Smart homes have not become mainstream in Ghana yet; however, the company can build these homes and sell them to their customers.

The ratio of employees to work in Vera Causa is about 1:3. They can take advantage of the country's high employment rate to employ qualified personnel to work in the company.

Vera Causa Realty has properties in Tesano, Abelemkpe, East Legon, Cantonments, and Haatso. They can expand to cities outside of Accra and build properties there. This will extend the geographical locations of their customers from being only in Accra to other regions.

1.8.4 Threat

There is serious competition between Vera Causa Realty and its competitors. The company has to position itself to always put them one step ahead of its competition. There is always pressure from their competitors to show that they deserve to be respected in the industry.

There is frequent emergence of competitors in the real estate industry. The company also needs to find ways to stay relevant in the industry. They will have to find ways to compete to obtain a larger share in the industry strategically.

The Ghanaian economy has been facing some challenges; however, the economy has been miscued after the COVID-19 global pandemic. This has caused the cedi's devaluation and inflation amongst others. It has led to changes in the operational cost in the property building.

1.9 Conclusion

The chapter discusses the internal and external environment of Vera Causa Realty. It also discusses the industry that the company is found in. The next chapter focuses on the existing gaps in the company's financial plan and provides some solutions with a need assessment.

CHAPTER 2: NEEDS ASSESSMENT

2.1 Chapter Overview

This chapter outlines the research methods, findings, and process of conducting organizational need assessment. These processes will allow the easy understanding of the problem in the finance department of Vera Causa Realty. Following an interview, some insights were drawn to gain a proper understanding of the company's problems.

2.2 Overview of Needs Assessment

According to (McCawley 2009), “a need assessment is a systematic approach to studying the state of knowledge, ability, interest, or attitude of a defined audience or group involving a particular subject." It can also be defined as a valuable tool to address the needs between current and desired wants. “Organizations use it for strategic planning to allocate resources, make improvements, and determine priorities” (Bhasin, 2019). The discrepancy between the current condition and wanted condition must be measured to identify the need appropriately. “The need can be a desire to improve current performance or correct a deficiency” (Kizlik, 2019). The purpose of this need assessment is to identify any existing gaps in Vera Causa Realty's financial plan and how these gaps affect the firm. The evaluation will also help develop a strategic solution for the company to improve the current financial plan of Vera Causa Realty and allow the company to increase its profitability.

2.3 Objective of the Needs Assessment

This need assessment will allow me to probe and further determine the firm's problems and the root cause of their financial instability. The project aims to help the company create a financial plan and navigate different avenues of creating more funds for the company. The purpose of this need assessment is to identify any existing gaps in Vera Causa Realty's financial plan and how these gaps affect the firm. The development of Vera Causa Realty's strategic financial plan will help the company increase its profitability.

2.4 Methodology

There are two main methods of carrying out research which is quantitative research method and qualitative research method. For this project, the qualitative research method was used. Qualitative research involves collecting and analyzing non-numerical data, which allows the collector to understand concepts, experiences, and opinions (Bhandari, 2020). The qualitative research ensured a detailed perspective of the research participants and facilitated a better understanding of Vera Causa Realty's financial strategy.

Semi-structured interviews were used to obtain data from the respondents. Semi-structured interviews are interviews where a mixture of open-ended and close-ended questions are asked, and these questions are often accompanied by follow-up, why or how questions (Adams, 2015). With this method, interviewees were free to express their opinions and experiences about the asked questions. The interviews allowed the interviewees to freely express themselves and discuss issues that were not necessarily part of the questions—this research aimed at determining how the company finances its projects and how funds are gotten.

Purposive sampling was specifically used for the research. More precisely, the maximum variation sampling (MVS). Purposive sampling is a non-probability sampling method where the researcher selects individuals whose judgment and opinions will be most beneficial to the research (Etikan, 2016). The MVS is where the researcher uses their discretion to select the research participants to ensure maximum variability. Vera Causa Realty has five (5) employees in general, including the CEO, and out of these five, three workers were interviewed. The three workers were the CEO, the account manager, and the sales associate. The CEO and the account officer had the best knowledge about its finances and current investor. However, not so much for the sales associate.

2.4.1 Analysis of the Data

Thematic analysis was used to analyze the data. “It is a method for identifying, analyzing, organizing, describing, and reporting themes found within a data set” (Braun & Clarke, 2006). The thematic analysis allowed me to group and organize the obtained data and was later transformed into information. The thematic analysis helped bring out insightful findings. This helped to identify the company's key issues quickly.

One benefit of thematic analysis is that it is a highly flexible approach. “Many studies' needs can be modified, providing a rich and detailed yet complex data account “(King, 2004). “It does not require detailed knowledge about other forms of qualitative approaches, and it offers a more accessible form of analysis” (Braun & Clarke, 2006). “It forces the researcher to take a well-structured approach to handle data, producing a clear and organized final report” (King, 2004).

Just as this approach has advantages, it also has a few disadvantages, such as there is inadequate substantial literature on this form of analysis compared to ethnography and phenomenology (Nowell *et al*., 2017). The approach's flexibility may lead to inconsistency and a lack of coherence when developing themes derived from the research data (Holloway & Todres, 2003).

2.5 Data Finding

To better understand Vera Causa Realty's problems, the research participants were asked some questions to get their thoughts on the topic of how the company was financed and the financial planning that go into it. In the successive paragraphs, the discussions of the findings have been highlighted to provide a detailed understanding of the employees' different viewpoints, which partook in the research.

Funding for Building Construction

According to the interviewers, Vera Causa Realty is self-financed. This means that the shareholders and buyers push money into the company when they have projects coming up. The role of the buyers is that when the company has projects coming up, they sell the blueprints, design, and drawings from the company before it's completed. This process is called off-planning. With off-planning, the buyers enter into a structured payment plan with the company, and the money gotten from it is ploughed back into the project till completion.

The company chose the current funding process because, as a startup, they find that interest rates of the construction loans in Ghana are very high. They identified that the cost implication would be high because they have found that the nature of their job proves that regular inflow of money is not guaranteed in the company. Therefore, the loan facilities will keep accumulating interest, and by the time they get buyers, all their margins will end up being used to serve the interest on the loans acquired. This funding process proves to be a more stressful choice for the company.

The issue identified here was that the self-financing process of the company is only limited to whether the size of the projects and the company can sell off-plans. The company expressed that self-financing has been an effective way of financing, however as the company is growing, it will have to revise its financing methods.

Comparison to competitors

One of the participants mentioned that some of their well-established competitors seek financing from the banks and the sale of off-plans. These companies have ease seeking finance from the banks because they have been in the industry for a while and have made their name and have goodwill. They can show proof of the many projects they have undertaken. Also, convincing customers to buy off-plans is easy because of the reputation they have built for themselves in the industry.

Compared to startups such as Vera Causa Realty, it is not easy to sell off-plans because the companies usually have little to nothing to show for. Therefore, they are not able to convince the buyers that they will finish the projects. The reason why Vera Causa Realty does not go for the loans is a matter of logic. When they go for the loans and buyers don’t come in, the little money the company makes will go into settling the loans and accumulating interest.

The company was able to establish healthy competition with its competitors. They also were able to pick inspiration from them. The employees expressed that many of their competitors are more notable than they are and can take on major projects. Those companies also enforce some funding methods such as off-plan sales.

Loan Acquisition and Policy in Ghana

The ideal loan policy for Vera Causa Realty is to have loans at a price that is legal and reasonable. For instance, some interest rates are as high as 40%. The government sets the loan interests, which affects most small businesses in that they can’t go to the banks to borrow money. Vera Causa is limited to what it can self-finance. If the interest rates are low, more companies can apply for loans. However, when the rates are high, many companies cannot use everything to a standstill.

The employees found that loan acquisition in Ghana was favorable to small real estate companies. This influenced the company's current financing decision.

2.6 Justification

After careful analysis of the issues discussed in the interview, it was concluded that Vera Causa Realty needs a solid financial plan. Also, the current mode of financing is effective for the short-term; however, it has to be revised for the long-term. Vera Casa Realty needs a financial plan because it needs to properly document its current financial situation and estimate its long-term monetary goals and strategies to achieve these goals. The financial plan will also help the company determine if and when they will need external financing.

Currently, the company shareholder gives the company funds as and when they have projects to avoid idle capital. The absence of a financial plan implies that the likelihood of out-of-control spending is high. Also, there is an increased risk of unpreparedness for unexpected events and the company's probability of falling into debt. The company hopes that when they can take on massive projects in the near future, they will go for loan facilities. The financial plan will help the company better manage its funds and prepare for any situation that may lead to cash shortages.

2.7 Problem Statement

Vera Causa Realty has a short-term mode of financing their projects, and since inception, their mode of financing has been through the funds of their CEO. This has led to the slow development of properties and low profitability in the company. Their current financing mode has influenced the company's inability to create a strategic and sound financial plan. The company has also had issues securing loans from banks in Ghana due to the dollar to cedi exchange rate and the interest rates of Ghana's construction loans.

2.8 Summary of Chapter

In conclusion, the need assessment was done using purposive sampling. The data were analyzed using the thematic approach. Thematic analysis is a method for identifying, analyzing, organizing, describing, and reporting themes found within a data set. The assessment for the company showed that the company had no financial plan, and the funding for the company was short-term. The evaluation also showed that the company would continue with its current financing method for the foreseeable future because it was less stressful. However, in the long-term, the company hopes to apply for loan facilities when they get huge projects.

The next chapter discusses financial planning and its processes as well as funding for real estate companies. Some light will be shed on the accessibility of financing for startups, particularly real estate startups, and the financial planning process.

CHAPTER 3: LITERATURE REVIEW

3.1 Chapter Overview

This chapter reviews the scholarly works on financial planning and financing for real estate. The articles will help understand the processes and the best possible way for Vera Causa Realty to create their financial plan. The information will be gathered through an in-depth literature review of the articles focusing on startup businesses' financial planning. It will also seek to validate the importance of a financial plan in a business and how it helps the company prepare for any situation.

3.2 Financial Planning

According to Nolan and Foran (1983), it is imperative to create a strategic financial plan even in an uncertain environment, even though it is challenging to develop. They defined strategic financial planning as “a dynamic process that is different from traditional budgeting and planning” (Nolan & Foran, 1983). Financial planning provides a framework that allows for decision-making to be done and evaluating economic alternatives when new circumstances arise. “It also helps utilities adapt to volatile conditions and also plan for future requirements with confidence and assurance” (Nolan & Foran, 1983).

Strategic financial planning's underlying concepts are capital scarcity, risk-adjusted return on investment, and financial mobility. Financial planners are responsible for the organization of a company’s finances (*Financial Planner - Career Overview*, 2020). Their primary role is to ensure that their clients have developed long-term or short-term financial goals and have developed strategies to accomplish those goals (*Financial Planner - Career Overview,* 2020). Real estate is an industry that is capital intensive. Real estate in Ghana requires an investment size of about $3,000,000 and a minimum of $1,000,000 (*Real Estate Startup Company in Ghana Seeking Equity*

Investment, 2013). A lot of capital is required as well as operations. For Vera Causa Realty, there are not enough means of capital generation; the company's access to capital generation is critical for developing their properties. Therefore, their access to capital must be maintained and cannot be wasted or underused.

Nolan and Foran (1983) highlighted that "the corporate world has an extended risk-adjusted return on investment as a prime criterion for evaluating financial opportunities and measuring financial performance." In essence, economic rewards are evaluated in the light of the risk assumed. The risk involved in real estate is moderate; however, it has a high entry cost. Real estate has a high reward in the long term because it hedges against inflation (Montagne, 2018).

The final concept is financial mobility which is the ability to revise all capital resources and their allocation at any given time (Nolan & Foran, 1983). This means that for real estate companies such as Vera Causa Realty to pass through unexpected costs or revenue shortfalls immediately, the company must tap into new capital sources or reallocate existing money from low-priority projects to offset the effect of change.

According to Ahmed and Salleh (2016), financial planning is the process where the created financial plan aims to achieve an individual or, in this case, a company's goal from their present circumstances to their future goal. The scholars classify the significant elements of financial planning into four groups: money management, emergency planning, investing for goals, and transference or estate planning.

Money management essentially pertains to decisions that relate to the current financial period. It primarily involves managing cashflows and credit usage to ensure that funds are used accordingly. Budgeting is used to ensure that money is estimated and documented. Also, the company's expected income, savings, and also their expenses are monitored. Ameriks *et al*. (2003) also highlight the practical benefits of budgeting. The article showed that the empirical framework had two key models: the econometric and data requirements. The econometric model had two hypotheses were; “the first was defining the propensity to plan theory concerns the existence of specific attitudes and skills that influence financial planning” (Ameriks *et al*., 2003). “The second concerns the positive impact of increases in financial planning on wealth accumulation” (Ameriks *et al*., 2003). These two hypotheses were captured in these two econometric models

$$w = \alpha_0 + \alpha'_1\mathbf{x} + \alpha_2 p + \epsilon_w$$

$$p = \beta_0 + \beta'_1\mathbf{x} + \beta_2 w + \beta'_3\mathbf{z} + \epsilon_p$$

Ameriks *et al*. (2003) explained the terms:

> Where *w* is (log) wealth, *p* is reported intensity of planning activity, **x** is a vector of exogenous individual characteristics affecting both wealth and planning behavior, z is a vector of characteristics affecting only planning (i.e., the “propensity to plan”). The error terms ϵ_w in the wealth equation, and ϵ_p in the planning equation arise from unobserved shocks and heterogeneity and are not assumed to be independent. To empirically implement the model, data from the two equations above are needed. Therefore, for wealth to be identified, the **z** variables have to be uncorrelated with the error terms in both equations. Also, data on the financial planning data is needed to measure *p*. (p.1013)

Emergency planning used two primary tools to deal with unexpected events: creating an emergency fund and taking up insurance policies (Ahmed & Salleh, 2016). The emergency funds ensure that cash that was intended for daily expenditures does not get diverted for unforeseen problems. This falls under the general rule of thumb where households have enough funds to cover three months of expenses. Taking a relevant insurance plan on valued assets acts as a contingency plan or a cost-effective buffer (Ameriks *et al*., 2003).

Investing for goals is financial planning meant for expected events in the short-run and long run (Ahmed & Salleh, 2016). They may include investing in real assets and financial assets. For Vera Causa Realty, some of their real assets may be purchasing vast land to develop more properties. They also must realize the significance of long-term goals, such as building multiple properties and leasing them.

Lastly, "transference or estate planning is the process of developing a tax-efficient plan to administer and distribute assets after death in a manner consistent with the wishes of the individual" (Ahmed & Salleh, 2016). The process requires that users have the knowledge and also skill in the use of tax structures.

According to Cooper & Worsham (n.d.), the financial planning process has six steps which are:

1. Establishing financial goals
2. Gather relevant data
3. Analyze the data
4. Develop an action plan to achieve the goals
5. Implementation of the action plan
6. Consistent monitoring of the plans

The company should be able to establish financial goals; for instance, they can establish that they must be able to generate $50,000 in revenue at the end of the year. Regarding step two, the company must determine what their desired future situation is and what they are willing and able to do to achieve them (Cooper & Worsham, n.d.). To achieve the future position of the company, financial projections can be made. The company can also assess its risk as part of gathering relevant information.

The information gathered will then be analyzed to determine whether they can achieve the financial goals they have set up. Based on the analysis of the financial statements, their financial goals will either be lowered or maintained. After the analysis, the company will then develop an action plan to achieve the goals. The financial plan must be drawn tailored to the company's circumstances and goals (Cooper & Worsham, n.d.). After the plan has been created, it must be implemented and monitored by the assigned personnel in the finance department.

Some limitations of financial planning are that there is no availability of data (Team, 2018). This is where the financial planners cannot find all the valuable information needed to conduct a financial plan for a company. There is also a lack of communication (Team, 2018). This is where there is no proper coordination between the necessary departments and the financial planners. Usually, this happens in larger companies (Team, 2018). Another limitation is that financial planning can be a costly process (Team, 2018). Here, expensive means that it can be very time-consuming. For small businesses especially, financial planning can be tedious them because the expense regarding the planning is proportional to the amount of time invested in it (Team, 2018). Financial planning also lacks accuracy in based data ('Five Limitations of Financial Planning, 2019). This is concerning the forecasted data. The basis on which the forecasts are made is based on past figures and researched data. Accuracy in financial planning is necessary, showing how estimates may go wrong if the forecasts lack that accuracy.

Even though financial planning is helpful for organizations, some mistakes made during the financial planning process are as follows. During the financial planning process, the financial plan is not reviewed regularly (Munt, 2020). The entire process does not end when the first financial plan has been created. The company and financial planners have to periodically review the financial plan to check where they are and make sure they stick with their financial goals. Another pitfall in corporate financial planning is that there can be information overload (Pay, 2016). When too much information is being sought to create a financial plan, many people wonder why such vast amounts of information are needed. The finance department can simplify their research and seek only relevant information. There is also a risk of homogeneity (Pay, 2016). Many companies start to combine all the different risks they face into a single risk score (Pay, 2016). When this happens, the risk is concentrated in one form; therefore, financial planners should seek to differentiate the different dangers. It will help them access and evaluate these risks separately. Also, there is uncertainty when it comes to how the consumers behave. The consumers have a mind of their own and have no idea of the companies' financial goals for themselves. This may slow the company down in achieving its financial goals.

3.3 Financing for Real Estate

Mwathi and Karanja (2017) “reviewed whether financing in real estate originated from mortgage financing, savings, venture capital, and equity financing” (p. 43). This article was particular to all the real estate firms in Kenya, particularly Nairobi (Mwathi & Karanja, 2017). Mwathi and Karanja picked the four different sources of financing and analyzed them. “A mortgage is a loan that is secured by real property through the use of a mortgage note” (Mwathi & Karanja, 2017, p. 43). Mortgage markets are essential for the entire capital accumulation in a developing economy process and are vital to enhancing how real estate firms reach the financial markets. “Housing finance and other real estate finance are crucial elements in developing a dynamic housing sector and a growing and deepening financial sector” (Mwathi & Karanja, 2017, p. 44). Funds for real estate in Ghana are acquired through diverse resources. However, relatively few Ghanaian banks give financial support to the real estate developers, provided all their requirements are fulfilled through debt financing.

According to Derban *et al.* (2002), their survey showed “a lack of confidence in Ghana's banking system by the public” (p. 2). The banks were unable to engage in venture capital. They had high default rates, and there were widespread fraudulent practices and lack of expertise to properly appraise projects were some of the problems facing the banking system (Derban *et al.*, 2002). As a result, most households use their savings, sweat equity, barter arrangements, and remittances from abroad to build their houses (Derban *et al*., 2002).

Mwathi and Karanja (2017) further discussed that direct new expenditures in the construction industry or other real estate-related sectors stimulate the economy and generate jobs. This means that significant parts of the real estate industry's income are ploughed back into the economy as it becomes the backbone of the economy.

According to Nkyi and Dinye (2013a), vital elements in corporate real estate organizations are their financial accessibility. The real estate industry is a very capital-intensive industry thus, most developers find it very difficult to access financing. Some firms usually use cash savings, personal loans, and also loans from family members. Many of the banking institutions in Ghana demand higher interest rates and generally make loan acquisition very intricate. Even though the government policies recognize the dominant role the real estate industry is playing in Ghana, the banks provide short-term funding. They cannot lend on medium or long-term basis, thus crippling the real estate industry. As firms are growing, they need to have financial foresight in planning financially to confront issues before they arise. “Some researchers believe that proper organization of capital can enhance a firm’s productivity inputs” (Nkyi & Dinye, 2013a, p. 2290).

The article further discusses the key findings from their research done in analyzing the gaps in the finances of real estate companies. From the research done, it was determined that 79.2% of the real estate firms interviewed found difficulty in the financial lending system (Nkyi & Dinye, 2013a). Even though the real estate industry in Ghana is quickly developing, there are still inherent challenges in acquiring finance by the developers.

In another article written by Nkyi & Dinye (2013b), they discussed finance for real estate. The article stated some sources of financing for real estate companies. Some examples were debt financing which meant borrowing from banks and other financial institutions, informal financing methods such as sweat equity, barter agreements, and remittances from abroad.

The article went further to describe some of the difficulties faced when raising finance for real estate. “Access to finance for real estate development is influenced by the characteristics of the corporate real estate institutions such as age, size (number of employees, turnover, profitability, net worth, etc.) and legal status” (Nkyi & Dinye, 2013b, p. 37). The article mentioned how smaller firms have limited access to the capital markets because of the perception of higher risk, informational barriers, and higher costs of intermediation. These smaller firms cannot obtain long-term debt and equity finance. Nkyi and Dinye (2013b) added that firms with “larger or more profitable firms are likely to have access to a larger pool of earnings that can easily be reinvested in the firm, as well as a broader set of credit instruments” (p. 38).

Real estate developers have to consider the factors involved in accessing loans or funding for their firms. First, they have to consider the highest Relative Importance Index (RII), the profitability cash flow, and the transaction cost. “However, getting funds for real estate in their initial years is difficult, especially when the companies have no track records" (Binks *et al*., 1990). "The real estate industry in Ghana is characterized by the uncertainty in cash flow predictions which increases the challenge of attracting funding from lending institutions" (Nkyi & Dinye, 2013b, p. 42). The table below shows the constraints that affect the external financial decisions of real estate firms in Ghana.

	Frequency of Ranking								
Factors	**1**	**2**	**3**	**4**	**5**	**Total**	**Weightings**	**RII**	**Ranking**
Information asymmetry	1	9	26	9	3	48	148	0.617	11th
Agency cost	6	8	29	5	0	48	129	0.538	12th
Tax implication	5	17	16	9	1	48	128	0.533	13th
Inflation	1	4	4	26	13	48	190	0.792	4th
Corporate policy	1	2	19	18	8	48	174	0.725	6th
Banks' limit of lending	2	4	24	14	4	48	158	0.658	10th
Interest rate	1	0	0	5	42	48	231	0.963	1st
Prepayment conditions	1	0	22	9	16	48	183	0.763	5th
Maturity period	1	4	17	18	8	48	172	0.717	7th
Transaction cost	1	4	5	21	17	48	193	0.804	3rd
Credit history	1	5	25	8	9	48	163	0.679	8th
Ownership of asset	1	0	30	13	4	48	163	0.679	8th
Profitability Cash flow	1	1	0	21	25	48	212	0.883	2nd

Source (Nkyi & Dinye, 2013b)

Figure 1: The ranking of the constraints affecting the external financing decisions of real estate firms in Ghana.

From research done by Nkyi and Dinye (2013b), the constraints of the external financing decisions have been ranked in order of which one affects them the most. The interest rate is ranked first. The interest rates for real estate/construction loans in Ghana have interest rates between 25% to 30% (Nkyi & Dinye, 2013b). The second constraint was their probability cash flow, and the third was their transaction cost. The constraint that was last on the list was the tax implication.

3.4 Conclusion

The chapter discusses reviewed papers on financial planning and financing for real estate companies. Even though it might be challenging for small real estate companies to have financial plans, it is essential because it helps them navigate uncertain times. Financial planning provides a framework that allows for decision-making to be done, and it also evaluates the economic alternatives in the wake of new circumstances. Real estate is an industry that is very capital intensive thus, companies have to be very critical when it comes to managing it. Small companies have very little access to external financing, so they primarily have to manage it properly.

In discussing the financing of real estate companies, the small real estate companies found grave difficulty finding external financing for their projects. As a result, these companies ended up using savings, sweat equity, barter arrangements, and remittances from abroad to fund their projects. Many financial institutions demand higher interest rates and generally make loan acquisition very intricate. Drawing insights from the reviewed articles, a solution that can be suggested for Vera Causa Realty can be that the company can create a financial plan. In addition to that, the company can also increase its human capital.

According to Nkyi & Dinye (2013a), “firms with more human capital are more likely to receive funding from financial institutions” (p. 2290). The financial manager(s) should also undergo proper training. Many of the managers of small businesses know how important financial planning is; however, they do not plan.

Finally, from the literature reviewed above, steps have been given to create a good and solid financial plan. Financial plans are essential because it helps companies to be successful (Whatman, 2020). Successful is that companies can adequately plan and execute those plans in the specified period of the financial plan.

CHAPTER 4: SOLUTION/TOOL AND IMPLEMENTATION PLAN

4.1 Chapter Overview

This chapter details how Vera Causa Realty can create a strategic financial plan that best suits the company. Looking at the literature reviewed and the data found during the research, the company needs a financial plan that will cater to their current mode of financing. However, this will be edited in the future to make provision for any new or additional form of financing.

The financial plan will allow the company to have a controlled and more organized form of financing. The solution includes suggestions on how the company can adequately document its funds to get a regulated and streamlined process. The company relies heavily on the funds that are brought in by its shareholders.

According to Hayford (2021), "the company cannot release their financial statement; however, the company is doing well financially." This may probably be because of legal reasons. Vera Causa Realty currently uses a short-term financing method, resulting in the company not having a financial plan.

4.2 Financial Plan

A proper financial plan includes a definition of financial goals, gathering financial information, i.e., three financial statements: the income statement, the cash flow statement, and the balance sheet. The process also includes analyzing that information providing an action plan. Analyzing these three statements gives the company a fair idea of how they are doing, what they expect to achieve in the coming years, and their long-term and future visions. The financial plan will also allow the company to break even. Following the analysis, an action plan will be created to develop strategies to achieve those goals. The plans must be implemented and then constantly monitored.

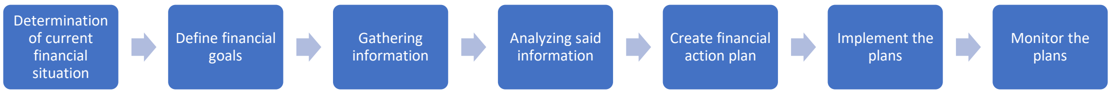

Figure 2: Financial Planning Framework

4.2.1 Determination of the current financial situation

Vera Causa Realty currently finances its projects with funds from the CEO and an investor. This current financing mode is considered a short-term financing method because it can fund small projects such as the ones the company has done so far. However, as the company develops, their current financing mode will not be enough to sustain them when they start to take on major projects. They will have to look into acquiring external financing.

4.2.2 Defining the financial goals

The financial goal is to set a goal for the company in terms of income and put all the possible measures to achieve that. The financial goals are the results that companies want to acquire in their finances. The important element that the company must ensure is that these financial goals must be specific, measurable, achievable, realistic, and time-bound (SMART). In defining the financial objectives, some key elements that must be featured must clearly define the company's revenue goals. Depending on how long their financial plans will be, the revenue goals must be annually, bi-annually, or quarterly. For instance, revenue should increase by 20% every specified period.

From the interview, the employees stated that the company established healthy competition with their competitors. Vera Causa Realty can analyze their competitors' marketing plan, optimize pricing and offer additional services to theirs. This can help the company reach a more extensive and more diverse market to increase their sales and generate profit. The company can also set goals involving a reduction in their expenses. They can do this by going through the previous year's expenses to analyze the following years' expenses to eliminate "unnecessary" expenses.

Lastly, the company must make sure that the set's financial goals will include a measure to improve the employees' productivity and profit margins. The planners should set financial goals that will encourage the company to conduct its business processes faster and better. This means that fewer resources will be used in conducting business; however, they must be making the most out of these resources. All these goals that will be set will ensure that the company can increase their profit margins.

4.2.3 Gathering & Analyzing Information

The information that financial planners gather is in the financial statements of the companies. The financial statements for the two recently ended financial periods should be gathered. A forecast will be done based on the previous financial statements, and the analysis will be done using the estimates. The following ratios will be used to analyze the statements:

- Solvency Ratio
- Current Ratio
- Cash Ratio
- Asset Turnover Ratio

These ratios were chosen specifically to help understand the company's financial circumstances and identify its strengths and weaknesses. A break-even analysis will also be done to determine whether the business is viable and profitable.

4.2.3.1 Income Statement/Statement of Profit or Loss

An income statement is a financial statement used to report a company's financial performance over an accounting period. The income statement focuses on the company's revenue and expenses during a particular financial period. The income statement is also known as a profit and loss statement or revenue and expense statement. Vera Causa Realty can tell if they are generating a profit by increasing revenues or decreasing costs with an income statement. With this, the company can identify whether the strategies they set in place at the beginning of the financial year have been effective. The figures in the income statement created for Vera Causa Realty are based on assumptions. It also contains projected figures for the next three years.

Vera Causa Realty										
Income Statement										
Historical Statement						Projected Statement				
	2019	% of sales	2020	%of sales			% of sales	2021	2022	2023
Rental income	$22,470.00	62.3%	$24,333.00	56.22%		Rental income		$28,469.61	$33,309.44	$38,972.05
Revenue from services to tenants	$2,584.00	7.2%	$2,197.00	5.08%		Revenue from services to tenants		$2,570.49	$3,007.47	$3,518.74
Expense from services to tenants	($2,654.00)	7.4%	($2,254.00)	5.21%		Expense from services to tenants		($383.18)	($65.14)	($11.07)
Other property operating expenses	($2,118.00)	5.9%	($3,149.00)	7.28%		Other property operating expenses		($535.33)	($91.01)	($15.47)
Net rental income	**$20,282.00**	56.3%	**$21,127.00**	48.81%		**Net rental income**		**($918.51)**	**($156.15)**	**($26.54)**
Revenue from the sale of completed inventory property	$5,000.00	13.9%	$13,750.00	31.77%		Revenue from the sale of completed inventory property		$16,087.50	$18,822.38	$22,022.18
Revenue from the sale of inventory property under development	$6,000.00	16.6%	$3,000.00	6.93%		Revenue from the sale of inventory property under development		$3,510.00	$4,106.70	$4,804.84
Total Revenue	**$36,054.00**	**100.0%**	**$43,280.00**	100.00%		**Total Revenue**		**$50,637.60**	**$59,245.99**	**$69,317.81**
Cost of sales – inventory property	($7,000.00)	19.4%	($9,000.00)	20.79%		Cost of sales – inventory property		($10,530.00)	($12,320.10)	($14,414.52)
Profit/(loss) on inventory property	**$4,000.00**	11.1%	**$7,750.00**	17.91%		**Profit/(loss) on inventory property**		**$9,067.50**	**$10,608.98**	**$12,412.50**
Administrative expenses	($4,876.00)	13.5%	($4,276.00)	9.88%		Administrative expenses		($213.80)	($10.69)	($0.53)
Profit on disposal of investment property	$2,000.00	5.5%	1200			Profit on disposal of investment property		$120.00	$12.00	$1.20
Valuation gains from completed investment property	$14,980.00	41.5%	$9,480.00	21.90%		Valuation gains from completed investment property		$948.00	$94.80	$9.48
Valuation gains from investment property under development	$3,920.00	10.9%	$2,005.00	4.63%		Valuation gains from investment property under development		$200.50	$20.05	$2.01
Net gains on investment property	**$20,900.00**	58.0%	**$12,685.00**	29.31%		**Net gains on investment property**		**$1,268.50**	**$126.85**	**$12.69**
Operating profit	**$40,306.00**	111.8%	**$37,286.00**	86.15%		**Operating profit**		**$9,203.69**	**$10,568.99**	**$12,398.11**
Interest revenue calculated using the effective interest method	$8,765.00	24.3%	$7,457.00	17.23%		Interest revenue calculated using the effective interest method		$1,267.69	$215.51	$36.64
Other finance income	$430.00	1.2%	$102.00	0.24%		Other finance income		$48.00	$48.00	$48.00
Finance costs	$0.00		$0.00			Finance costs		$0.00	$0.00	$0.00
Share of profit of joint ventures	$3,250.00	9.0%	$1,300.00	3.00%		Share of profit of joint ventures		$179.85	$24.88	$3.44
Profit before tax	$52,751.00	146.3%	$46,145.00	106.62%		Profit before tax		$10,699.23	$10,857.38	$12,486.18
Income tax expense	($7,298.00)	20.2%	($3,597.00)	8.31%		Income tax expense		$1,818.87	$1,845.75	$2,122.65
Profit for the year	$45,453.00	126.1%	$42,548.00	98.31%		Profit for the year		$12,518.10	$12,703.13	$14,608.84
Attributable to:						Attributable to:				
Equity holders of the parent	$20,824.00	57.8%	$13,521.00	31.24%		Equity holders of the parent		$1,502.17	$1,524.38	$1,753.06
Non-controlling interests	$2,589.00	7.2%	$958.00	2.21%		Non-controlling interests		$114.96	$13.80	$1.66
	$23,413.00	64.9%	$14,479.00	33.45%				$1,617.13	$1,538.17	$1,754.72
Earnings per share:										
Basic and diluted earnings	$0.10		$0.07							

Figure 3: Income Statement/Profit or loss Statement

The income statement above shows what the company’s funds have been used for and from where they get their funds from. The income statement shows that the company made profits previously and if the company has made profits or losses in a particular financial year. With the help of the previous financial year's income statement, Vera Causa Realty will estimate if they will make profits or suffer losses and plan accordingly.

Revenue Growth	17%
Tax growth rate	8%
Other income statement items	14%
Current Assets other than cash & cash equivalents and short term investment	17%
Current liabilities other than borrowings	9%
Short term borrowings	4%
Admin Growth rate	5%
COGS growth rate	-21%
Investment Policy Growth	10%
Dividend Payout ratio	12%

Figure 4: The Assumed growth rates

These assumed/estimated figures are facilitated in the projections of the forecasted years' statements.

4.2.3.2 Balance Sheet

A balance sheet is a financial statement which reports on the company's assets, liabilities, and shareholder's equity in a financial year. The balance sheet shows what the company owns, owes, and the amounts invested by the shareholders. The balance sheet provides insights into the business, such as liquidity, efficiency, and leverage.

Liquidity is how much cash the company has readily available. This serves as a buffer between the company’s current assets and current liabilities to cover short-term financial obligations. Efficiency is the measure of how the company uses its assets efficiently. Leverage is where the company can tell its financial risks. The balance sheet will also contain assumed figures and will also have a three-year projection.

Vera Causa Realty

Statement of Financial Position

Historical Statement

	2020	% Growth	2019	% Growth	As at January 1 2019
Assets					
Non-current assets					
Goodwill	$3,000.00	7%	-		-
Completed investment property	$452,991.00	1047%	$388,620.00	1078%	$302,240.00
Investment property under development	$30,146.00	70%	$30,869.00	86%	$9,540.00
Right-of-use assets	$1,128.00	3%	$1,045.00	3%	$1,219.00
Investments in Joint Ventures	$103,250.00	239%	$2,300.00	6%	$1,000.00
Deferred tax assets	-		$2,992.00	8%	$3,754.00
	$590,515.00	1364%	$425,826.00	1181%	$317,753.00
Current assets					
Inventory property	$6,533.00	15%	$9,850.00	27%	$19,000.00
Contract cost assets	$144.00	0%	$166.00	0.5%	$121.00
Rent and other trade receivables	$11,640.00	27%	$21,450.00	59%	$16,310.00
Contract assets	$2,920.00	7%	$1,410.00	4%	$2,543.00
Prepayments	$9,950.00	23%	$12,513.00	35%	$13,744.00
Cash and short-term deposits	$78,038.00	180%	$34,613.00	96%	$33,165.00
	$109,225.00	252%	**$80,002.00**	222%	**$84,883.00**
Investment property held for sale	**$10,560.00**	24%	-		-
Total assets	**$710,300.00**	1641%	**$505,828.00**	1403%	**$402,636.00**
Equity and Liabilities					
Issued hare capital	$2,000.00	5%	$984.00	3%	$984.00
Share premuim	$5,996.00	14%	-		-
Cash flow hedge reserve	($419.00)	-1%	($9,019.00)	-25%	($7,637.00)
Foreign Translation reserve	($4,398.00)	-10%	($2,698.00)	-7%	($1,044.00)
Retained earnings	$56,621.00	131%	$35,490.00	98%	$21,580.00
Equity attributable to equity holders of the parent	**$59,800.00**	138%	**$24,757.00**	69%	**$13,883.00**
Non-controlling interests	$973.00	2%	$845.00	2%	$845.00
Total equity	**$60,773.00**	140%	**$25,602.00**	71%	**$14,728.00**
Non-current Liabilities					
Interest bearing loans and borrowings	$0.00	0%	$0.00	0%	$0.00
Rent deposits from tenants	$3,593.00	8%	$2,142.00	6%	$1,906.00
Provisions	$41.00	0%	$48.00	0.13%	$39.00
Lease liabilities, Non-current portion	$2,558.00	6%	$2,516.00	7%	$1,135.00
Deferred tax liabilities	$11,314.00	26%	-		-
Derivative financial instruments	$425.00	1%	$12,804.00	36%	$10,904.00
	$17,931.00	41%	**$17,510.00**	49%	**$13,984.00**
Current Liabilities					
Trade and other payables	$6,064.00	14%	$10,019.00	28%	$10,120.00
Contract liabilites	$472.00	1%	$306.00	1%	$204.00
Income tax payable	$2,146.00	5%	$2,275.00	6%	$1,958.00
Lease liabilities, current portion	$361.00	1%	$373.00	1%	$161.00
	$9,043.00	21%	**$12,973.00**	36%	**$12,443.00**
Total Liabilities	**$26,974.00**	62%	**$30,483.00**	85%	**$26,427.00**
Total equity and liabilities	**$87,747.00**	203%	**$56,085.00**	156%	**$41,155.00**

Projected Statement

	% Growth	2021	2022	2023
Assets				
Non-current assets				
Goodwill	7%	$3,510.00	$4,106.70	$4,804.84
Completed investment property	1062%	$537,906.82	$629,350.98	$736,340.65
Investment property under development	78%	$39,313.06	$45,996.28	$53,815.65
Right-of-use assets	3%	$1,393.73	$1,630.66	$1,907.87
Investments in Joint Ventures	122%	$62,016.42	$72,559.21	$84,894.27
Deferred tax assets	8%	$4,202.24	$4,916.63	$5,752.45
		$648,342.27	$758,560.46	$887,515.73
Current assets				
Inventory property	21%	$10,738.93	$12,564.55	$14,700.53
Contract cost assets	0%	$200.81	$234.95	$274.89
Rent and other trade receivables	43%	$21,872.59	$25,590.93	$29,941.39
Contract assets	5%	$2,698.37	$3,157.09	$3,693.80
Prepayments	29%	$14,607.96	$17,091.32	$19,996.84
Cash and short-term deposits	138%	$69,959.09	$81,852.14	$95,767.00
	237%	**$120,077.76**	**$140,490.98**	**$164,374.45**
Investment property held for sale	24%	**$12,355.20**	**$14,455.58**	**$16,913.03**
Total assets		**$780,775.23**	**$913,507.02**	**$1,068,803.21**
Equity and Liabilities				
Issued hare capital	4%	$1,861.01	$2,177.38	$2,547.54
Share premuim		$0.00	$0.00	$0.00
Cash flow hedge reserve	-13%	($6,578.68)	($7,697.05)	($9,005.55)
Foreign Translation reserve	-9%	($4,467.49)	($5,226.96)	($6,115.55)
Retained earnings	115%	$58,046.02	$67,913.84	$79,459.19
Equity attributable to equity holders of the parent	103%	**$48,860.86**	**$57,167.21**	**$66,885.63**
Non-controlling interests	2%	$1,162.60	$1,360.25	$1,591.49
Total equity		**$50,023.46**	**$58,527.45**	**$68,477.12**
Non-current Liabilities				
Interest bearing loans and borrowings	0%	$0.00	$0.00	$0.00
Rent deposits from tenants	7%	$3,606.12	$4,219.16	$4,936.41
Provisions	0.1%	$57.69	$67.50	$78.98
Lease liabilities, Non-current portion	6%	$3,263.28	$3,818.04	$4,467.11
Deferred tax liabilities		$425.00	$425.00	$425.00
Derivative financial instruments	18%	$9,240.19	$10,811.02	$12,648.90
		$16,592.28	**$19,340.72**	**$22,556.39**
Current Liabilities				
Trade and other payables	21%	$10,583.25	$12,382.40	$14,487.41
Contract liabilites	1%	$491.01	$574.48	$672.14
Income tax payable	6%	$2,853.02	$3,338.03	$3,905.50
Lease liabilities, current portion	1%	$473.12	$553.55	$647.66
		$14,400.40	**$16,848.47**	**$19,712.71**
Total Liabilities		**$30,992.68**	**$36,189.19**	**$42,269.10**
Total equity and liabilities		**$81,016.15**	**$94,716.64**	**$110,746.22**

Figure 5: Balance Sheet/ Statement of Financial Position (Historical & Projection)

The figure above shows an assumption of both the historical and projected balance sheet figures of Vera Causa Realty. These figures show how much the company is likely to make in the next three years at an estimated growth rate. The growth rate was derived from an average of the historical growth rate. This is to get a fair idea of the growth projections.

External financing needed						
Total assets	$710,300.00		$505,828.00		$13,883.00	
Total liabilities & equity	$87,747.00		$56,085.00		$41,155.00	
Difference	($622,553.00)	$0.00	($449,743.00)		$27,272.00	
Plug	EFN		EFN		Excess Cash	

External financing needed				
Total assets		$48,860.86	$57,167.21	$66,885.63
Total liabilities & equity		$81,016.15	$94,716.64	$110,746.22
Difference		$32,155.29	$37,549.44	$43,860.59
Plug		Excess Cash	Excess Cash	Excess Cash
Total EFN	$113,565.31			

Figure 6: External Financing Needed

The external financing needed shows how much assets the company needs to offset its liabilities. This example shows that the company needed external funding for the historical figures (2019 & 2020). However, the projections show they will have excess cash in the future. The company's finances are balanced if the total assets equal the total liabilities and equity.

4.2.3.3 Cashflow Statement

A cash flow statement measures how well companies manage how they generate cash to pay their debt and fund their operating expenses. It shows the money flowing in and out of the company in a particular financial year. The cash flow statement allows the investors to make investment decisions by viewing future cash flow projections. The figures used in the cash flow statement will all be based on assumptions and have a three-year forecast.

Vera Causa Realty Cashflow Statement									
Historical Statement					Projected Statement				
	2019	% of sales	2020	% of sales		% of sales	2021	2022	2023
Operating Activities					**Operating Activities**				
Profit before tax	$52,751.00		$46,145.00		Profit before tax		$10,699.23	$10,857.38	$12,486.18
Adjustments to reconcile profit before tax to net cash flows:					Adjustments to reconcile profit before tax to net cash flows:				
Valuation gains on investment property	($18,900.00)	-52%	($11,485.00)	-27%	Valuation gains on investment property	-39%	($19,991.19)	($23,389.69)	($27,365.93)
Gain on disposal of investment property	($2,000.00)	-6%	$0.00	0%	Gain on disposal of investment property	-3%	($1,404.49)	($1,643.26)	($1,922.61)
Depreciation of right-of-use assets	$202.00	1%	$174.00	0%	Depreciation of right-of-use assets	0%	$243.64	$285.06	$333.52
Share of profit in joint ventures	($3,250.00)	-9%	($1,300.00)	-3%	Share of profit in joint ventures	-6%	($3,042.80)	($3,560.08)	($4,165.29)
Share based payments	$307.00	1%	$389.00	1%	Share based payments	1%	$443.15	$518.49	$606.63
Finance income	($9,195.00)	-26%	$7,559.00	17%	Finance income	-4%	($2,035.14)	($2,381.12)	($2,785.91)
Finance cost	$0.00		$0.00		Finance cost		$0.00	$0.00	$0.00
	($32,836.00)		($4,663.00)				($15,087.59)	($19,313.21)	($22,813.40)
Working capital adjustments					Working capital adjustments				
Decrease/(increase) in rent and other trade receivables	$6,178.00		($6,262.00)		Decrease/(increase) in rent and other trade receivables	4%	$2,126.78	$2,488.33	$2,911.35
Decrease in prepayments	$2,475.00		$1,491.00		Decrease in prepayments	6%	$3,038.26	$3,554.76	$4,159.07
Decrease in inventory property	$2,000.00		$9,420.00		Decrease in inventory property	10%	$5,063.76	$5,924.60	$6,931.78
Decrease/(increase) contract cost assets	$22.00		($45.00)		Decrease/(increase) contract cost assets	3%	$1,519.13	$1,777.38	$2,079.53
(Decrease)/increase in trade, other payables and contract liabilities	$2,189.00		$1,975.00		(Decrease)/increase in trade, other payables and contract liabilities	7%	$3,544.63	$4,147.22	$4,852.25
(Decrease)/increase in provisions	($18.00)		$21.00		(Decrease)/increase in provisions	2%	$1,012.75	$1,184.92	$1,386.36
(Decrease)/increase in tenants' rental deposits	$1,407.00		$126.00		(Decrease)/increase in tenants' rental deposits	0.5%	$253.19	$296.23	$346.59
	$14,253.00		$6,726.00				$16,558.50	$19,373.44	$22,666.92
Income tax paid	($3,050.00)		($2,093.00)		Income tax paid		$0.00	$0.00	$0.00
Net cash flows from operating activities	**$31,118.00**		**$46,115.00**		**Net cash flows from operating activities**		**$12,170.13**	**$10,917.61**	**$12,339.71**
Investing activities					**Investing activities**				
Acquisition of businesses, net of cash acquired	($57,023.00)	-158%	$0.00	0%	Acquisition of businesses, net of cash acquired	-79%	($40,044.21)	($46,851.73)	($54,816.52)
Investments in joint ventures	($97,700.00)	-271%	$0.00	0%	Investments in joint ventures	-135%	($68,609.50)	($80,273.11)	($93,919.54)
Purchase of investment property	$0.00	0%	($70,925.00)	-164%	Purchase of investment property	-82%	($41,491.13)	($48,544.62)	($56,797.20)
Capital expenditure on completed investment property	($504.00)	-1%	($5,475.00)	-13%	Capital expenditure on completed investment property	-7%	($3,556.81)	($4,161.46)	($4,868.91)
Expenditure on investment property under development	($5,150.00)	-14%	($18,141.00)	-42%	Expenditure on investment property under development	-28%	($14,229.06)	($16,647.99)	($19,478.15)
Proceeds from disposal of investment property	$28,670.00	80%	$0.00	0%	Proceeds from disposal of investment property	40%	$20,133.41	$23,556.09	$27,560.63
Interest received	$8,209.00	23%	$6,710.00	16%	Interest received	19%	$9,690.09	$11,337.41	$13,264.77
Net cash flows from investing activities	**($123,498.00)**		**($87,831.00)**		**Net cash flows from investing activities**		**($138,107.19)**	**($161,585.41)**	**($189,054.93)**
Financing activities					**Financing activities**				
Proceeds from borrowings	$123,596.00		$87,183.00		Proceeds from borrowings		$0.00	$0.00	$0.00
Proceeds from issue of share capital	$40,180.00		$0.00		Proceeds from issue of share capital		$1,861.01	$2,177.38	$2,547.54
Transaction costs on issue of shares	($184.00)	-0.4%	$0.00	0%	Transaction costs on issue of shares	-0.2%	($92.00)	($107.64)	($125.94)
Repayment of principal portion of lease liabilities	($232.00)	-0.5%	($292.00)	-1%	Repayment of principal portion of lease liabilities	-1%	($286.82)	($335.58)	($392.63)
Interest paid	($23,179.00)		($19,404.00)		Interest paid				
Net cash flows from financing activities	**$140,181.00**		**$67,487.00**		**Net cash flows from financing activities**		**$1,482.19**	**$1,734.16**	**$2,028.97**
Net increase in cash and cash equivalents	$43,420.00	86%	$1,453.00	3%	Net increase in cash and cash equivalents	45%	$22,560.01	$26,395.21	$30,882.39
Cash and cash equivalents at 1 January	$34,618.00	96%	$33,165.00	77%	Cash and cash equivalents at 1 January	86%	$43,711.90	$51,142.92	$59,837.22
Cash and cash equivalents at 31 December	**$78,038.00**		**$34,618.00**		**Cash and cash equivalents at 31 December**		**$66,271.90**	**$77,538.13**	**$90,719.61**

Figure 7: Cashflow Statement of Vera Causa Realty

Based on the cash flow statement of Vera Causa Realty, potential investors will see how well the company is fairing. This will motivate investors or demotivate investors to put money in the company. The investors will be able to see how the company spends the money invested, how much is generally spent on their operating activities and financing activities.

4.2.3.4 Ratio Calculations

Solvency Ratio: The solvency ratio is to help access a company's ability to meet long-term financial needs. It is calculated by adding the net income to the firm's depreciation, divided by total liabilities. A company will be termed financially strong if its solvency ratio is above 20%. In 2019, the solvency ratio was 14%, which meant the company wasn't financially strong. However, in 2020, it increased to 29%, and then from 2021 to 2022, it stayed at 30%.

Current Ratio: The current ratio compares the company's existing assets to their current liabilities and assesses liquidity. The current ratio is calculated by dividing the current assets by the current liabilities. A company has a healthy current ratio when it is greater than 1. The current ratios of the company from 2019 to 2022 were 6.17, 12.08, 8.34, 8.34, and 8.34, respectively. These ratios were very high, meaning the company is very healthy.

Cash Ratio: The cash ratio of the company considers only the company's most liquid resources. The cash ratio is calculated by dividing the cash and cash equivalents by the total liabilities. A good cash ratio is more significant than one because they have more cash to settle their liabilities. In 2019, the company had a cash ratio of 2.56 and 1.28 in 2020. The projections stated that their cash ratios would be 2.14, 2.14, and 2.15 in 2021, 2022, and 2023.

Asset Turnover Ratio: The ratio is calculated by dividing the total revenue by the average of total assets. The asset turnover ratio explains how efficiently the company's assets are used to generate sales. The company's asset turnover ratio was low. In 2019 the company had an asset turnover of 0.059; in 2020, the ratio was 0.071, and for 2021 to 2023, they were 0.06, 0.06, and 0.07, respectively. These low ratios implied that the company is not using the assets efficiently.

4.2.3.5 Break-even Analysis

Break-even analysis allows the company to calculate the amount of money they will need not to lose money. The break-even point of business is where the company's total cost is equal to its total revenue. Break-even analysis helps the company to determine whether the business is viable and profitable.

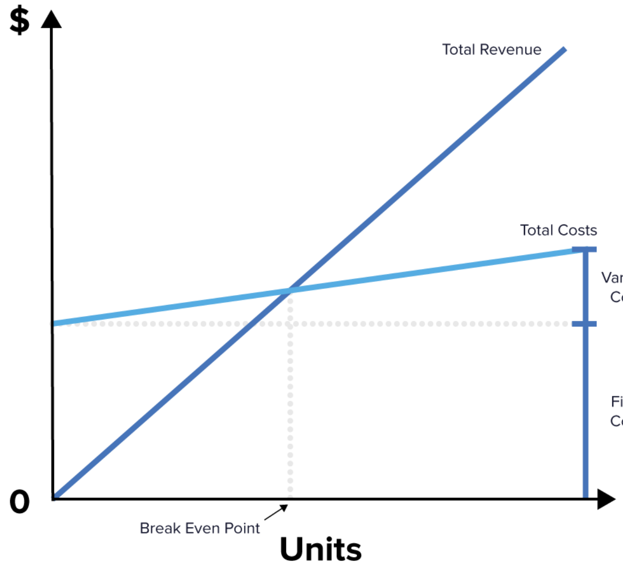

Figure 8: Break-even analysis diagram

4.2.4 Action Plan

The action plan contains all the strategies that the planner will implement to achieve the company's financial goals. The company can create a monthly budget to prioritize and keep a close eye on their expenses. This action plan can be targeted at achieving the goal of reducing their costs. The company can also review the performance of the employees, which analyzes their productivity level. One goal of the firm is to optimize productivity; if the employees in the company are not working at optimum productivity levels, the company has to ensure that every measure is put in place to establish that. Another goal that the company set is that they have found a healthy relationship with their competitors and, in so doing, have analyzed their processes to do it better. The company must make sure that it has established and implemented good marketing plans to grab customers' attention. This process will require that the finance department works with the marketing department to produce good results. The traction and feedback from this will help the finance planner analyze the results to determine whether the results can generate more revenue.

Lastly, the company should always plan for contingencies. These are emergency funds or cash reserves. Companies should always look into increasing their cash reserves. These reserves will serve as a cushion for when any uncertain crises occur.

4.2.5 Implementing the Plan and Monitoring the Plan

The proposed solution will have to be carried out by the finance department of the company. After the entire financial planning process has been carried out, it will have to be implemented by the finance department, more specifically, the finance planner. The process does not end there; the planner will constantly monitor and update the plan. This will ensure that the company is on the right track and achieving all its goals. It will also make sure that the company stays within their budget and avoid excess expenses. At the end of the financial year, the projected financial statements will have to be corrected to match what happened and serve as a basis for the following year's projection. To identify that the financial plan is working, the financial planner must assess that the profit generation has increased while expenses have decreased.

4.3 Outsourcing Financial Planning

However, the entire financial plan can be outsourced to external companies such as Deloitte and Good Life companies. This will help reduce the employees' workload, especially if there is no room in the company's budget to hire extra personnel. The outsourced financial planning will cost less than hiring additional personnel. Outsourcing financial planning will be very effective because the company has personnel that specializes in financial planning and are very qualified. These people will have time to create a befitting financial plan for the company.

One major disadvantage will be that the company will have to be willing to give out their financial information to the chosen outsourced company. The company will have no other choice than to trust the said company to keep their information private.

4.4 Implementation Plan

The financial plan is a long-term plan that a company creates to manage its funds. It seeks to help the company establish a controlled and more organized form of financing. Every business must have a financial plan. Suppose the company's finance department does not have the know-how to create a financial plan or the required personnel. In that case, they can outsource it to companies that mainly specialize in creating financial plans, such as Deloitte and Good Life Companies. Even though the financial plan can be outsourced, the account officer will have to communicate with the company that has been outsourced to constantly. However, if the company's finance department has the capacity and capabilities to create a financial plan, they will first have to establish and determine their financial situation. The financial planner will do this with the help of the account manager.

The financial planner will then define the financial goals with the help of the account manager. This will set the tone for how their financial action plans will be done. Information will be gathered and analyzed by the financial planner. The account manager will provide this information. The financial action plan will then be created, and this will be done primarily by the financial planner. However, there will be communication between the financial planner and the marketing departments or other necessary departments involved. Lastly, the financial planner will monitor the financial action plan and the entire financial planning process. They will have to keep updating and revising the information consistently.

The financial plan will be used constantly and consistently. The impact of the financial plan must be tracked by how well the company has been able to save money and growth in profit of the company. To keep the financial planning framework relevant, the company will have to make sure to have a financial planner constantly reviewing and revising the plan to ensure the company is always in check and on the right track. The financial plan should be reviewed every month.

CHAPTER 5: CONCLUSION AND RECOMMENDATION

5.1 Chapter Overview

This final chapter gives a general conclusion of the research. The recommendations given will be based on what the company has to do to have maximum use of the solution. In addition to this, the chapter will feature insights drawn from the research and the limitations faced in conducting the research.

5.2 Recommendations

For the financial plan to be successful, Vera Causa Realty will always have to update the financial plan consistently. The major update will be done at the beginning and the end of the financial period. The subsequent reviews and revisions will be done on a month-by-month basis. With that, they will see if they could achieve all the financial goals they set at the beginning of the year. They will also compare it with the previous year's plans and goals and compare to see whether the firm has done well collectively or not.

The firm may also need to employ more employees to cover some of the more demanding tasks to improve productivity. The solution will be time-consuming to update and monitor. This task will be very daunting because the account manager will have to juggle their day-to-day activities with the consistent monitoring of the financial plan.

5.3 Significant Insights

The company has a unique financing method which is self-financing. This method may be considered short-term for certain companies; however, for Vera Causa Realty, it has been the most reliable and most convenient mode of financing. Though this method has been reliable all these years, the company still needs a financial plan of which they had lacked to plan their long-term finances properly. As the company is growing more significantly, they hope to look into other forms of financing to buttress the current financing method. As the company grows, it will build its portfolio to have access to funding from financial institutions.

This solution is expensive because it will require a lot of time and attention if the company decides to take on the task. However, the alternative solution is also considerably costly but rather in terms of money.

5.4 Pitfalls Vera Causa Realty Must Look Out For

Vera Causa Realty should also look into expanding the finance department. One person does the work of ideally about three or more people. This can lead to low productivity and also lead burnout. The company must record all the non-recurring expenses that can lead to a misallocation of funds. Planning for these non-recurring costs in the financial plan can ensure a foolproof financial plan. The company must also look out for communication among the departments and the financial planner. If there is no constant communication, the financial planner will not be able to determine the costs incurred and will not be able to properly analyze how effective the goals set toward these departments are being achieved.

The company must understand that the financial plan needs constant attention and must be reviewed regularly. If the company is unsure of taking on this time-consuming task, they can outsource it to qualified professionals.

5.5 Limitations of the Solution

The solution was provided based on assumptions since the company could not provide the financial statements needed to create a financial plan accurately. The entire financial plan was done based on the school of thought that the company was financially sound. As a result of the vagueness of the financial position of the firm, the solution provided was only a blueprint to creating a strategic financial plan for Vera Causa Realty. The proposed solution will have to be edited to suit the current financial state of the company.

5.6 Future Steps

Going forward, the financial plan will have to be edited and updated to ensure that it features everything the company wants to achieve. The financial statements workbook can be provided to the company, which has all the formulae for the projections and calculating the ratios. The company will only have to fill it with their correct figures. They also will have to set the financial goals, and the action plans to achieve them. These goals will establish what the company hopes to perform at the end of the financing period.

5.4 Limitations of the entire project

When the proposed solution was being created, it would have been straightforward if Vera Causa Realty provided their financial statements. However, it was communicated that for legal reasons, the company was unable to provide that information.

REFERENCE

7 Real Estate Laws You Should Know—Ghana House Plans. (n.d.). Retrieved October 19, 2020, from https://ghanahouseplans.com/gh/7-real-estate-laws-you-should-know/

Adams, W. (2015). *Conducting Semi-Structured Interviews*. https://doi.org/10.1002/9781119171386.ch19

AFB. (2019, March 28). *Ghana Economic Outlook* [Text]. African Development Bank - Building Today, a Better Africa Tomorrow; African Development Bank Group. https://www.afdb.org/en/countries/west-africa/ghana/ghana-economic-outlook

Ahmed Habib & Salleh Ak Md Hasnol Alwee Pg Md. (2016). Inclusive Islamic financial planning: A conceptual framework. International Journal of Islamic and Middle Eastern Finance and Management, 9(2), 170–189. https://doi.org/10.1108/IMEFM-01-2015-0006

Ameriks, J., Caplin, A., & Leahy, J. (2003). WEALTH ACCUMULATION AND THE PROPENSITY TO PLAN. QUARTERLY JOURNAL OF ECONOMICS, 41.

BBC. (2018, May 1). *Ghana country profile—BBC News*. https://www.bbc.com/news/world-africa-13433790

Binks, M. R. Ennew C. T. and Reed G. V. (1990) Finance Gaps and Small Firms, Paper presented to Royal Economics Society Annual Conference. Royal Economics Society, Nottingham

Bhasin, H. (2019, September 20). *Needs Assessment: Meaning, Steps, Benefits, and Limitations*. Marketing91. https://www.marketing91.com/needs-assessment/

Botchway, N. A. (2020, March). *Ghana—The Real Estate Law Review—Edition 9—TLR - The Law Reviews*. https://thelawreviews.co.uk/edition/the-real-estate-law-review-edition-9/1215688/ghana

Braun, V., Clarke, V. (2006). Using thematic analysis in psychology. Qualitative Research in Psychology, 3, 77–101. doi:10.1191/1478088706qp063oa

Bush, T. (2016, July 11). *PESTLE Analysis: Technological Factors Affecting Business*. PESTLE Analysis. https://pestleanalysis.com/technological-factors-affecting-business/

Cooper, R. W., & Worsham, C. B. (n.d.). The Financial Planning Process. 46.

Derban, W. K., Derban, D. K., Ibrahim, G., & Rufasha, K. (2002). Microfinance for Housing for Low / Moderate-income Households In.

Dzawu, M. M. (2019, December 5). *Ghana Cedi (GHS USD) News: Currency Heads for 25th Drop Vs. Dollar—Bloomberg*. https://www.bloomberg.com/news/articles/2019-12-05/there-s-no-escaping-quarter-century-losing-run-for-ghana-s-cedi

Etikan, I. (2016). Comparison of Convenience Sampling and Purposive Sampling. *American Journal of Theoretical and Applied Statistics*, 1-4.

Financial Planner—Career Overview. (2020, August 14). Accounting.Com. https://www.accounting.com/careers/financial-planner/

Five Limitations of Financial Planning. (2019, November 23). WIKIACCOUNTING. https://www.wikiaccounting.com/five-limitations-of-financial-planning/

Hayford, Gifty S. Personal Interview. February 18 2021.

Harris, J. (2017, November 16). 5 Reasons Why Real Estate Is a Great Investment. https://www.entrepreneur.com/article/304860

Holloway, I., Todres, L. (2003). The status of method: Flexibility, consistency, and coherence. Qualitative Research, 3, 345–357. doi:10.1177/1468794103033004

King, N. (2004). Using templates in the thematic analysis of text. In Cassell, C., Symon, G. (Eds.), Essential guide to qualitative methods in organizational research (pp. 257–270). London, UK: Sage.

Kizlik, B. (2019). *Needs Assessment Information*. Retrieved November 23, 2020, from http://www.adprima.com/needs.htm

McCawley, P. F. (2009). *Methods for Conducting an Educational Needs Assessment*. 24.

Mills, C. A. (2018, August 18). *Politics, policy, and implementation: The 'Ghanaian Paradox*.' https://www.brookings.edu/blog/africa-in-focus/2018/07/18/politics-policy-and-implementation-the-ghanaian-paradox/

Montagne, B. (2018, February 5). Council Post: Does Real Estate Belong In Your Investment Portfolio? Forbes. https://www.forbes.com/sites/forbesrealestatecouncil/2018/02/05/does-real-estate-belong-in-your-investment-portfolio/

Munt, N. (2020, August 11). 10 common financial planning mistakes—Lucas Fettes. Lucas Fettes Financial Planning. https://lffinancialplanning.co.uk/10-common-financial-planning-mistakes/

Mwathi, J., & Karanja, D. J. M. (2017). THE EFFECT OF FINANCING SOURCES ON REAL ESTATE DEVELOPMENT IN KENYA. International Journal of Finance and Accounting, 2(2), 43–62. https://doi.org/10.47604/ijfa.297

News Ghana. (2019, September 20). Ghana's Real Estate Market: Growth Enhancing, Immense Opportunities For Investors. *News Ghana*. https://newsghana.com.gh/ghanas-real-estate-market-growth-enhancing-immense-opportunities-for-investors/

Nkyi, B. A., & Dinye, R. D. (2013a). Addressing corporate real estate finance gap in Ghana. 2(4), 25.

Nkyi, B. A., & Dinye, R. D. (2013b). ACCESSIBILITY TO REAL ESTATE FINANCE IN GHANA: POLICY DIRECTIONS FOR STAKEHOLDER ENGAGEMENT IN THE CONSTRUCTION INDUSTRY. Business and Finance, 1(3), 18.

Nolan, R., & Foran, R. (1983). Strategic financial planning. Journal (American Water Works Association), 75(9), 436-440. Retrieved February 25, 2021, from http://www.jstor.org/stable/41273028

Nowell, L. S., Norris, J. M., White, D. E., & Moules, N. J. (2017). Thematic Analysis: Striving to Meet the Trustworthiness Criteria. *International Journal of Qualitative Methods, 16*(1), 1609406917733847. https://doi.org/10.1177/1609406917733847

Overview. (2019, September 26). [Text/HTML]. World Bank. https://www.worldbank.org/en/country/ghana/overview

PESTLE Analysis | Factsheets. (2020, February 26). CIPD. https://www.cipd.co.uk/knowledge/strategy/organisational-development/pestle-analysis-factsheet

Porter's Five Forces of Competitive Position Analysis. (2013, June 11). CGMA. https://www.cgma.org/resources/tools/essential-tools/porters-five-forces.html

Posell, J. (2017, October). Startups & Financial Models and Plans: Why They Are Important | Full Stack Finance. https://fullstackfinance.com/startups-financial-modelsplans-why-they-are-important/

Real Estate Sector Hit By Cedi Fall, High Duty Tariffs. (2018, September 28). *Ghana Talks about Business*. https://ghanatalksbusiness.com/2018/09/real-estate-sector-hit-cedi-fall-high-duty-tariffs/

Real Estate Startup Company in Ghana Seeking Equity Investment. (2013, July 11). https://www.merar.com/meeting-place/ghana/real-estate/equity-investment-sought-for-a-real-estate-business-start-up-project-with-10-roi/

Renewable Materials in Construction Market: Global Industry Analysis and Forecast 2017—2025. (2020, December). https://www.persistencemarketresearch.com/market-research/renewable-materials-in-construction-market.asp

Shpak, S. (2019, January 25). *Social Factors Affecting Retail Business | Small Business—Chron.com*. https://smallbusiness.chron.com/social-factors-affecting-retail-business-71662.html

Strategic Financial Planning for Business. (n.d.). Retrieved November 25, 2020, from https://www.rochefinancialgroup.ca/site/financial-planning-business

Team, E. (2018, December 1). Limitations of Financial Planning | Determinants | Disadvantages. WikiFinancepedia. https://wikifinancepedia.com/finance/limitations-of-financial-planning

Technology & Science in Ghana. (n.d.). Retrieved October 19, 2020, from https://www.ghanaweb.com/GhanaHomePage/technology/

The Immense Opportunities for Property Development in Ghana—Ghana Investment Promotion Centre (GIPC). (n.d.). Retrieved October 19, 2020, from https://www.gipcghana.com/press-and-media/617-the-immense-opportunities-of-property-development-in-ghana.html

Zhang, G. Q., Ren, X., T., & Porter, M. (2006). *ANALYSIS OF THE COMPETITION ENVIRONMENT FOR REAL ESTATES*. 5.

APPENDIX

Appendix 1: Consent Form

CONSENT FORM

I would like to ask your permission to be part of my research study on Vera Causa Realty. The purpose of the study is to create a strategic financial plan for Vera Causa Realty. Your participation will be that you will be interviewed. This interview will be done to collect some general information to help with the research. You will play an essential role in this research however are free to be part of this activity, and you are free to stop at any moment during the activity. The risk in being part of this study is that the participants will have to be honest. The benefit is that through your cooperation, I will be able to come up with a strategic financial plan for Vera Causa Realty. If you have any questions, you can ask since it is going to be an interview. Your participation be an immense contribution to generating results for this research. For further information, you can contact my supervisor Anthony Essel-Anderson via email at Aeanderson@ashesi.edu.gh. This study and consent Form has been reviewed by Ashesi IRB for Human Subjects Research. For further information, contact the committee through irb@ashesi.edu.gh.

Students Signature	Subjects Signature
___________________	_____________________
Diana Koshie Evans	(subject name)

Yours Truly,

Diana Koshie Evans

Appendix 2: Interview Questions

Interview questions

1. How do you get financing for the construction?
2. What is the company's most reliable form of financing currently? (What would you say will be the best form of financing for Vera Causa right now?)
3. Why do you consider that as that the most reliable?
4. What do you think will be the most ideal loan policy in Ghana?
5. What do you think about the exchange rate and how it is affecting loan security in the real estate sector right now?