

FA Traders Limited

BUSINESS PLAN | 2021

With the passage of time, demand of smartphone devices is increasing. In order to fulfil the demand in target area (i.e., United Kingdom), FA Traders Limited after three years of successful business growth is now aiming to expand its business and launch online selling platform.



CONFIDENTIALITY AGREEMENT

The undersigned reader of the **FA Traders Limited** Business Plan hereby acknowledges that the information provided in this business plan is completely confidential and reader does not disclose anything found in this business plan without the written consent by **FA Traders Limited**.

It is also accepted by the reader that the information in this business plan is confidential in nature and use of this information for any reason may cause serious harm or damage to **FA Traders Limited**.

This business plan will be return to **FA Traders Limited** immediately upon request.

Date

Signature

DISCLAIMER

Some of the statements contained in this **Business Plan**, includes information incorporated by reference, discuss future expectations and financial projections gathered by the management and is believed to be significant. Those statements subjected to both known and unknown risks, uncertainties and other unforeseen factors, which could be beyond the management control.

The financial projections are made on estimated revenues, expenses and cash flow, which are based on research and the assumptions discussed throughout this Business Plan. Some important factors that may cause the actual results to differ from calculated one may include, but are not limited to:

- Success or failure of the company's effort to successfully market its services as scheduled.
- The company's ability to maintain a substantial level of return customer and a growing referral base.
- The effect of changing legislation and government regulation.

However, the assumptions disclosed herein are those that management believes are significant to the growth of the company.

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1 BUSINESS OVERVIEW

1.1 Company Details

- Company Name -
- Director -
- Contact Number -
- Company Address -
- Working Area -
- Business Type -

1.2 Business Description

With the passage of time, demand of smartphone devices is increasing. In order to fulfil the demand in target area (i.e., United Kingdom), FA Traders Limited (also known as 338 mobiles) started mobile business in 2017 through its shop located on 338 Ladypool Road, Birmingham as a limited company. After three years of successful business, FA Traders Limited is now aiming to expand its business and launch online selling platform.

To grow the business, company needs a loan of £50,000. This amount will be utilized for website and app development, marketing campaign, purchasing inventory, and renovating the display racks.

1.3 Mission

FA Traders brings care and empathy along with a unique retail experience for the consumers, by providing them with ease and smooth access to best mobile phones, tablets, gadgets, laptops and accessories.

1.4 Vision

To bring the best quality based end-products to the customers.

1.5 Service Description

The main revenue driver for our firm will be the electronic gadgets that will include:

- Mobile Phones
 - iPhone 6
 - iPhone 6s
 - iPhone 7
 - iPhone 7 plus
 - iPhone 8
 - iPhone X
 - iPhone Xs
- iPhone Xs max
- iPhone SE
- iPhone XR
- iPhone 11
- Mobile Accessories
 - Apple
 - Samsung
 - Others
- Tablets
 - Universal
 - Android
 - Tablets
 - Gadgets
- Laptops

2 INDUSTRY RESEARCH

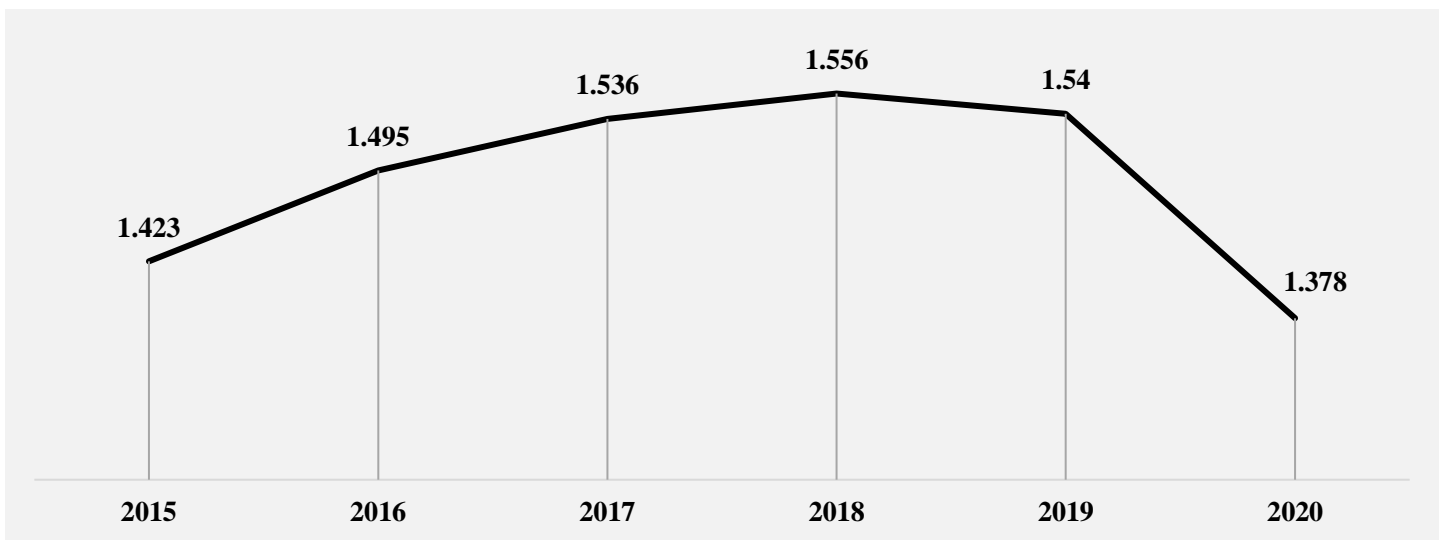
2.1 Global Industry Trends

2.1.1 Number of smartphones sold worldwide

Figure 1 depicts that the smartphone usage was increased significantly between 2010 & 2014 and afterwards the industry also grows continuously. In 2010, 0.29 billion smartphones were sold worldwide and in 2019 the sales were 1.5 billion units across the world. Due to COVID-19, the industry is facing a decline and it is expected to regain its sales in upcoming years.

Figure 1: Number of Smartphones Sold (In Billions)

Source: Statista

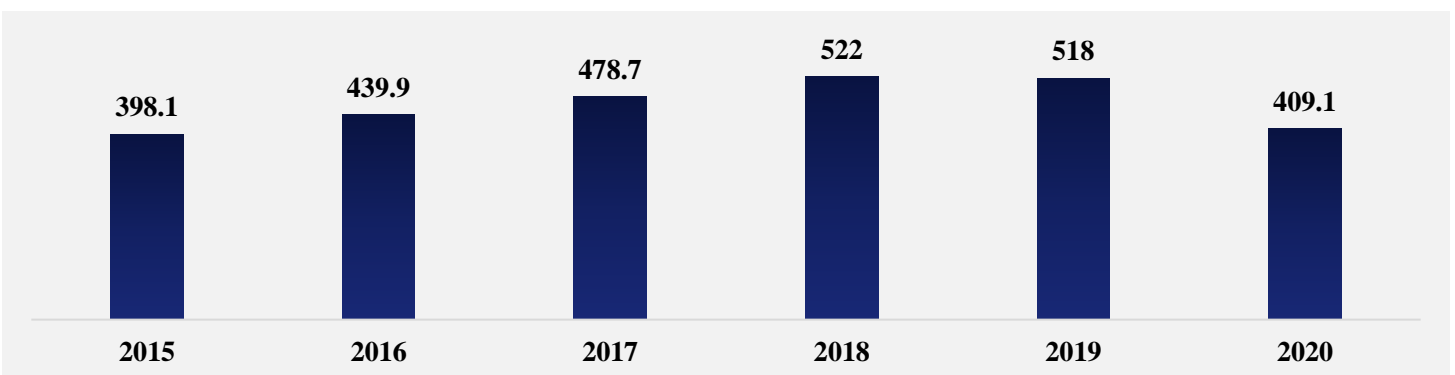


2.1.2 Revenue Trends of Global Smartphone Industry

Global Revenue trends of smartphone industry shows a continuous growth from 2015 and onwards but a decline in 2019 and 2020 mainly due to COVID-19.

Figure 2: Revenue Trends of Global Smartphone Industry (In Billions)

Source: Statista



2.1.3 Global laptop industry growth

Global laptop industry shows some ups and downs over last five years. Due to COVID-19 the revenue is decreased in 2020.

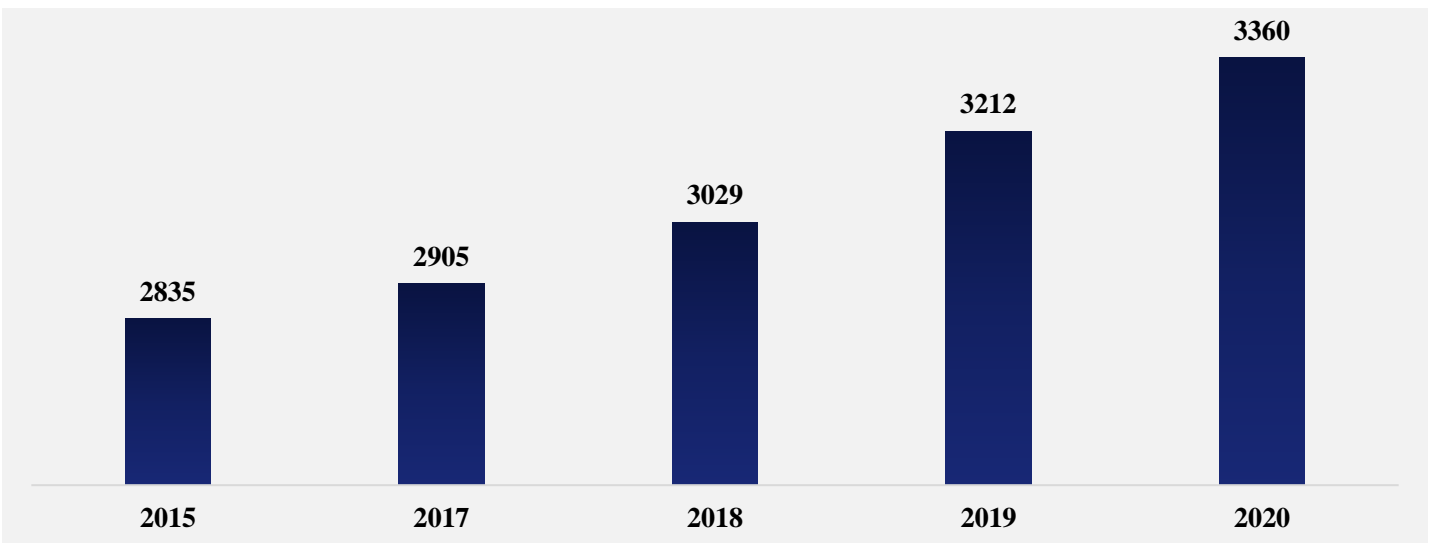
Figure 3: Global Laptop Industry Revenue Growth (in Billion \$)
Source: Statista



2.1.4 Global spending on technology market

Global technology market includes telecom services, software, smart devices, computer equipment, communication equipment, and accessories. These statistics show that global spending on technology market is increasing from 2015 to onwards.

Figure 4: Total Technology Spending Worldwide (in Billion \$)
Source: Statista



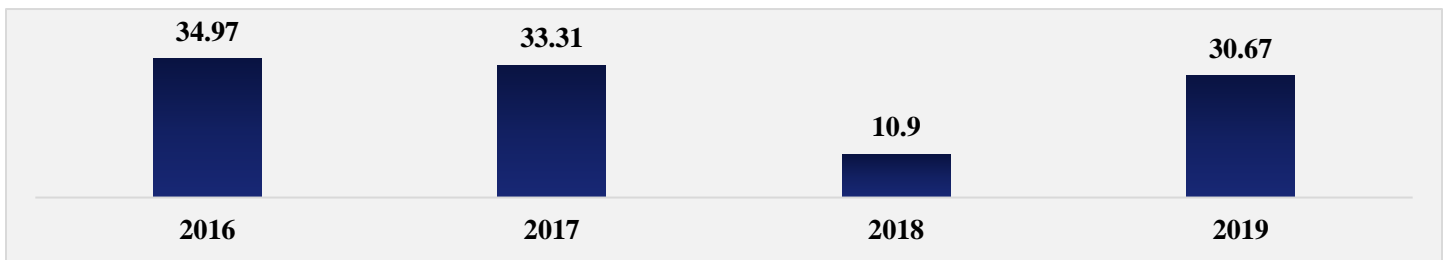
2.2 Target Area Trends

2.2.1 Consumer electronics revenue in western Europe

The statistic shows trends in Consumer Electronics (CE) revenue in Western Europe from the 2016 to 2019.

Figure 5: Consumer Electronics Revenue Growth in Western Europe (in Billion \$)

Source: Statista

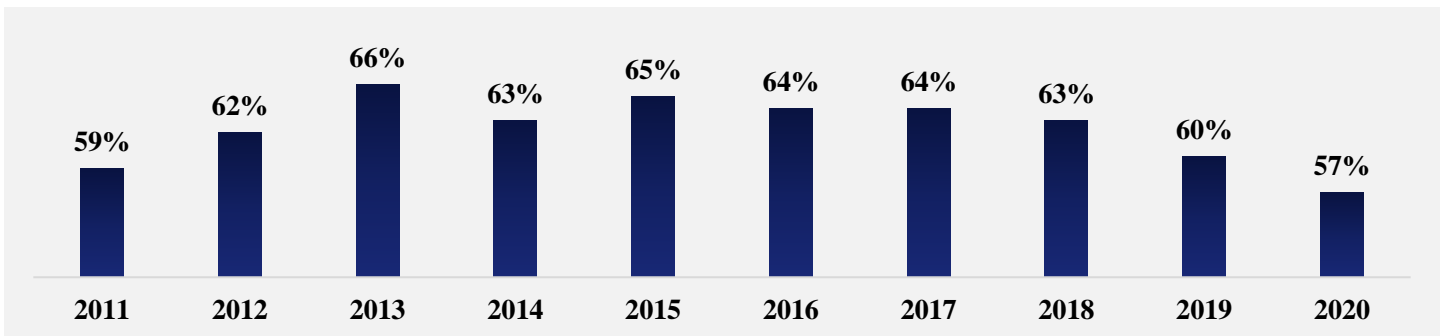


2.2.2 Laptop penetration in United Kingdom

The penetration rate of the laptop in the United Kingdom reflects this, increasing from 59 percent in 2011, to 57 percent in 2020.

Figure 6: Laptop Penetration in the UK a % of the population

Source: Statista

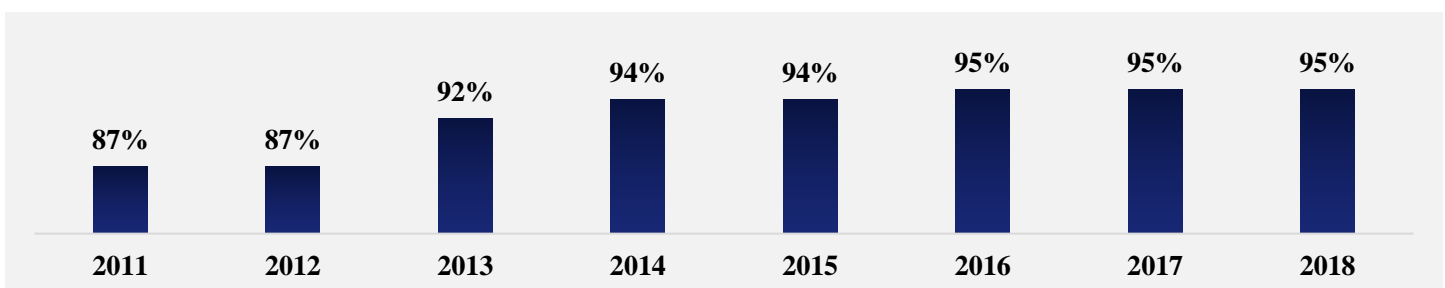


2.2.3 Percentage of households with mobile phones in the United Kingdom

Mobile user penetration in the United Kingdom is continuously increasing from 2011 to 2020.

Figure 7: Percentage of Households with Mobile phones in the United Kingdom

Source: Statista



3 INDUSTRY ANALYSIS

3.1 Competitor Analysis

In this section, our potential competitors and their strengths are discussed. Primary target of FA Traders Limited includes local mobile sellers, mobile selling websites, amazon, and eBay.

Sr. No.	Company	Address	Year of Establishment / Seniority	Expertise/ Strengths	Products & Services	URL
1	Amazon	All over the UK	2003	Online orders, door-to-door shipment, and large number of sellers	All types of mobile devices, laptops, gadgets, and accessories	https://www.amazon.co.uk
2	eBay	All over the UK	1999	Online orders and shipment	All mobile brands, laptops, gadgets, and accessories	https://www.ebay.co.uk
3	Mobile Land	Stratford Rd, Sparkbrook, Birmingham	-	On shop sales	Wide range of mobiles, gadgets and accessories	No Website
4	Madina Mobiles	Stratford Rd, Birmingham	Over 15-years of experience	Buy, Sell, and Repair Phones	Major brands including Samsung, and Apple etc.	https://madinamobiles.com/
5	Yut Mobiles	Stratford Rd, Birmingham	-	Mobile Phones and Accessories	Different mobile brands	-

3.2 Porter's Five Forces

Porter's five forces analysis for FA Traders Limited is developed and given as follows:

3.2.1 Threat from New Entrants: Medium

- Threat of new entrants: Medium
- Access to various types of products: Medium
- Possibility to compete: Medium
- Price competition: Medium

3.2.2 Threats of Substitutes: Medium

- Threat of substitute: Medium
- Attractiveness of substitutes price: Medium
- User comfortability with substitute: Low

3.2.3 Bargaining Power of Buyer: High

- Number of potential customers: High
- Alternative company price: Medium

3.2.4 Bargaining Power of Supplier: Medium

- Number of suppliers: Medium
- Bargaining power of supplier: Low
- Switching cost from one supplier to another: Medium

3.2.5 Revelry Among Competitors: Medium

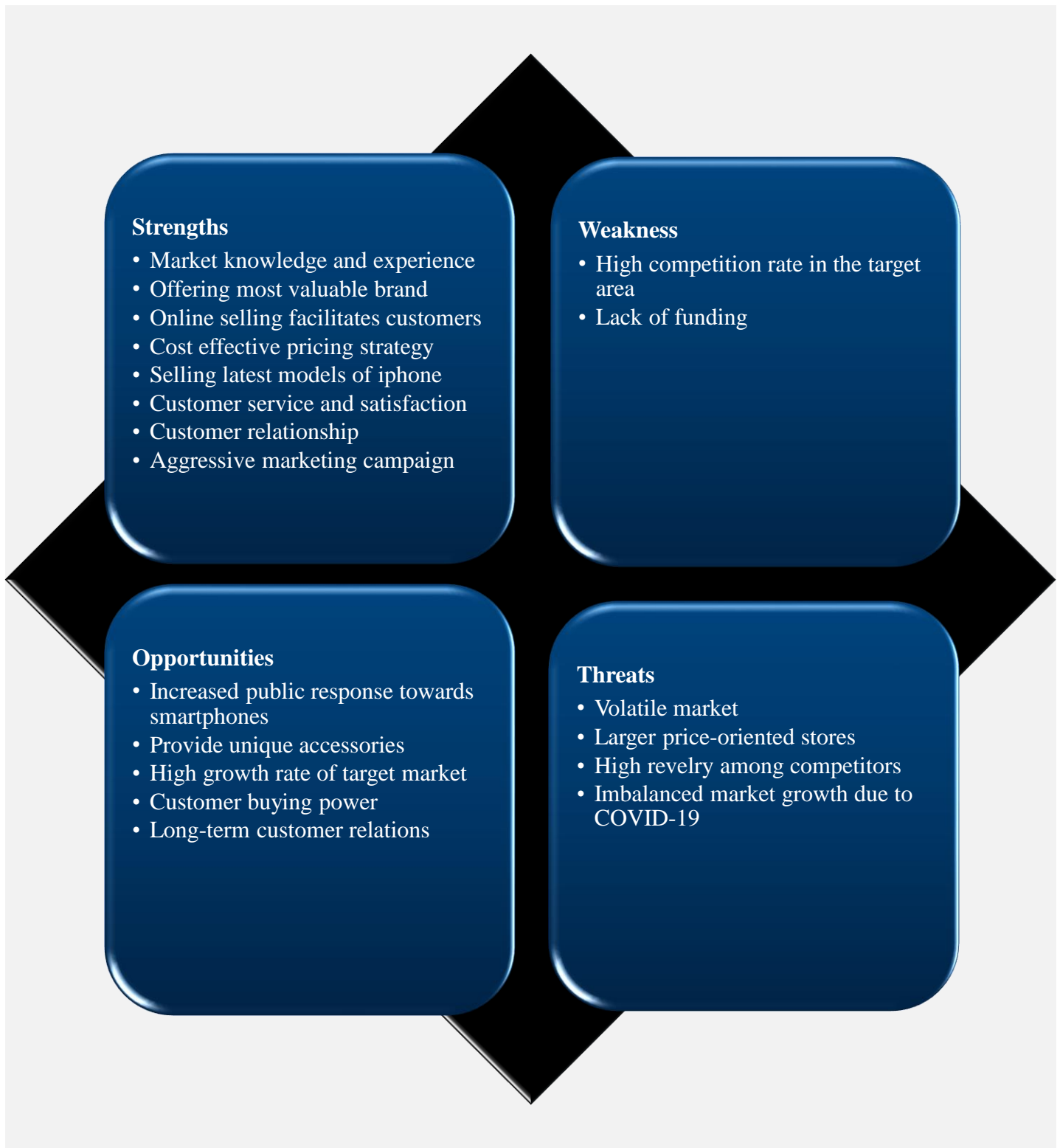
- Number of potential customers: High
- Probability of potential customers using another company's products: Low

3.2.6 Competitive Analysis Grid

	Low	Medium	High
<i>Threat of Substitute</i>		✓	
<i>Threat of new entrants</i>		✓	
<i>Rivalry among existing firms</i>		✓	
<i>Bargaining power of suppliers</i>		✓	
<i>Bargaining power of Buyers</i>			✓

3.3 SWOT Analysis

FA Traders Limited's SWOT analysis:



4 MARKETING PLAN

4.1 Marketing Objectives

4.1.1 Public Awareness

Public awareness about new brands of laptops, mobiles, accessories, their features, quality, and price are important for better market penetration. A powerful marketing campaign will be helpful to display our new and already existing products along with their features and price at different social and electronic media platforms to a large number of audiences.

4.1.2 Enhance sale revenue

Consumers of smartphones and laptops are interested to know about latest models with modified features. We are also aimed to attract customers from social and electronic media advertisement. Link of our website will also be given in ad description and audience can easily search for our products by clicking the link.

4.1.3 Brand Recognition

Online advertisement will connect us directly with our customers through online chat. Therefore, online marketing plays a significant role in brand recognition of new products and our shop in customer's mind. Clients want a detailed description of products that can be fulfilled by a successful online marketing. Brand recognition is the long-term goal of marketing campaign of FA Traders Limited.

4.1.4 Attracting, Retaining and Attaining Clients

In recent years, the customer frequency of smartphones and latest laptop models have been increased significantly and the trend is continuously rising. Marketing campaign of FA Traders Limited will play vital role in attracting and attaining more customers.

4.1.5 Amplification of Sales on E-platforms

In United Kingdom, the consumers are now more interested in online shopping of smart devices to save their time. In this way, a successful marketing campaign plays its role to penetrate more customers and brand awareness.

4.2 Target Market

United Kingdom is highly populated country with 66 million population in 2019. We are targeting such a large audience through online selling channel. Our target audience is divided into following categories.

- **Luxury families:** It includes upper class of the society need to buy expensive products.
- **Middle class:** Most of the target audience belongs to this class. It includes job persons, small business owners, doctors, and bankers.
- **Students:** They also like to buy average priced smart devices.

4.3 Marketing Strategy

As a running business, FA Traders Limited will consider various marketing strategies that will enhance its revenue and profit. For this purpose, following strategies are important.

4.3.1 Cost Leadership Strategy

Cost leadership is one of the effective strategies that FA Traders Limited will adopt. Due to COVID-19 a limited supply of smartphone devices causes high prices. In this situation and after COVID-19, FA Traders Limited will ensure the supply of smartphones at competitive prices. The company will have low-cost structure through cost leadership strategy and we will compete over price.

4.3.2 Customer-Oriented Strategy

This strategy will be focused to popularize new products among public via successive marketing and identify customer needs and offer products according to customer's demand. FA Traders Limited will start an aggressive marketing campaign to introduce its products to potential customers. Moreover, customer feedback will also be analyzed and those products will be promoted more whose demand will be high.

4.4 Growth Plan

To grow the business, growth plan of FA Traders Limited is divided into following phases.

4.4.1 Initial Phase

This phase is related to loan approval, web development, creating company logo & slogan, brand identity, and Mission/Vision. Overall focus of this phase is building a brand by applying different marketing strategies with different tools to get response from targeted audience.

4.4.2 Starting Phase

This phase includes careful market analysis and response from audience after aggressive marketing campaign in initial phase. This phase is mainly focused to customer care and make them regular customers. Aggressive marketing campaign will also be a part of this phase to trigger more customers.

4.4.3 Ramping Phase

After building a brand and getting targeted response from customers, it's the time for brand growth. In ramping phase more marketing techniques will be applied to attract more customers.

4.4.4 Established

When the targets of ramping phase have been achieved, the business is marked as established. After establishing the business, intensity of marketing campaign will fall gradually and become constant. Major focus of this phase will be customer response and feedback.

4.5 7P's of Marketing

Product/Services

FA Traders Limited is a Mobile Retail Shop that provides Variety of mobiles and their accessories. Details are mentioned in the product section



Price

The company will charge cost effective prices for the variety of offered products and services.



Promotion

A combination of digitally and traditionally infused marketing activities will be implemented for the generation of successful marketing activities.



Place

Clients can avail the services and products from both physical (brick) and virtual (click) environments.



Processes

The Company has three set SOP Categories to ensure the deliverance high quality services:

- General SOPs
- Company Shop SOPs
- Digital Platform SOPs



People

Company have highly trained, experienced & qualified personal to deliver the Services & Products through its Digital and physical Platform while offering highly effective customer support.



Physical

Company has introduced the following as a proof of its existence and for the delivery of its offered service

- Annual accounts
- Business cards
- Logos and brochures
- Equipment



4.5.1 Product & Services

FA Traders Limited will offer various models of smartphones, gadgets, laptops, and accessories. Primarily the company will target the local area of Birmingham through its physical shop and other areas of the United Kingdom via online selling platform.

4.5.2 Price

Due to COVID-19, the supply of smart devices is disturbed and invoice price of mobile devices are fluctuating. As our prices directly depends on cost of purchase so, we will also change our prices according to the cost of purchase. Price of Apple smartphones is mainly concerned with their storage capacity and price of same model with different storage capacity have different prices. However, FA Traders Limited is providing its customers with competitive prices.

4.5.3 Placement

Click and brick business model will be available 24/7 for the consumers who need to buy from us. Our potential customers can approach us via our website as well as our shop located on 338 Ladypool Road, Birmingham.

The online and physical presence is fulfilled by following sources.

- **Website:** Customers will have remote access to our website and they can place an order at company website. It also acts as a source of information. Customers can also ask questions through company website.
- **Company App:** It includes the same accessible services for customers including product portfolio and company information.
- **FA Traders Limited location:** As well as the company offer online platforms for purchasing products, company also has a physical shop located on 338 Ladypool Road, Birmingham.

4.5.4 Processes

Processes include procedure and mechanism of business activities that occur when the customer and the business interact with each other.

All of these processes need to be tightly controlled to ensure the supply of quality products and consistent customer experience. Standard Operating Procedure (SOPs) of FA Traders Limited is divided into following categories.

- **General SOPs:** This includes a set of general SOPs that will be applicable to overall operations of the company including physical shop, and digital domain.
- **Company shop SOPs:** The formulation of SOPs will be followed to ensure the application of quality assurance practices. It will also be applicable on the staff.
- **Digital Platform SOPs:** The formulation of standard SOPs that will be followed to ensure the availability of quality products. It also covers the online presence of company for smartphone selling through advertisement campaigns, Facebook page and website.

4.5.5 Physical Evidence

Physical evidence is necessary as customers want to see the products before purchasing. By considering the importance of physical shop, we already have a shop located on 338 Ladypool Road, Birmingham. Experienced and customer friendly staff will provide our customers with a memorable experience.

4.5.6 People

This includes the respective personnel who will be directly or indirectly involved in the business of FA Traders Limited. Operational team of FA Traders Limited is composed of Director, Sales assistant, and an outsourcer (web developer). Our website, mobile app, and marketing campaign will be handled by outsourcing team. We will further expand our staff with the growth of business.

4.5.7 Promotion

Promotion Objective: To promote FA Traders limited business as a reliable seller of smartphone devices, and accessories at reasonable price.

Promotion Strategy: FA Traders Limited promotional strategy is designed as a hybrid of both traditional and digital promotional activities. Marketing activities of FA Traders Limited are divided into following categories.

4.6 Marketing Activities of FA Traders Limited

Following marketing programs will be adopted for the marketing of FA Traders Limited

4.6.1 Digital Marketing Activities

- **Website:** A responsive, informative and user-friendly website is a source that portrays mission, vision, who we are and our products. Our website is featured with products, portfolio and their description. The reason behind this is to provide detail information of our products and price. Additionally, it also provides us with online presence and customers can purchase online. Our website also provides customers to chat with us about

products and price. We will also display reviews on FA Traders Limited website to show authentication to the visitors who view our website for the first time.

The website's feature includes services but are not limited to:

- Home Page
- Products Page

- **SEO optimization:** S.E.O is important to rank the website among the top searches and to enhance web traffic. FA Traders Limited is aimed to get more traffic and subscribers and this could be done by SEO optimization.

Website ranking by specific keywords is done through two types of SEO techniques:

- **On Page SEO:** It is done by uploading unique content in the website and app. The existing content is edited on regular basis to retain its worth.
- **Off Page SEO:** It is done through affiliation with different blogs, websites and other online posted content.

The best tools that can be used for search engine optimization along with the nature of the tool are as below.

S.E.O Tools	Nature of the Tools
Ahrefs	SEO Keyword Tool
Google Search Console	Top SEO Tool
SEMRush	Marketing SEO Tools
KWFinder	SEO Keyword Tool

- **Email Marketing:** It is another way of customer optimization. We will deliver emails to targeted audience group including general public to attract more customers.

Tools that can be used for Email marketing by our marketers are given below:

Tools	(Free Email's per month)

Sender	5,000
Sendinblue	9000
Omnisend	15,000
SendPulse	15,000
Benchmark Email	14,000

• **Social Media Marketing**

- **Facebook marketing:** Facebook is the largest social media network in the world with 2.4 billion Monthly Active Users and 1.6 billion Daily Active Users. Every user spends an average 58 minutes on Facebook daily. Such a platform with high traffic act as an effective digital marketing platform.
- **Instagram:** Instagram has more than 600 million daily active users with 500 million daily Stories users. This statistic is attractive for Instagram marketing.
- **YouTube:** You Tube is 3rd most popular website worldwide. YouTube has more than 1.9 billion logged-in visits every month. 149 million people logins to YouTube daily and viewers are spending an average of 1 hour per day watching YouTube videos. You Tube advertisement will provide us fast penetration to targeted audience.

For marketing on social media platform, we need a strategic approach and professional marketing tools through which we can create, post, check, and analyze the results of that special social media campaigns.

Sr. No.	Tools
1	Biteable
2	Buffer
3	Buzzsumo
4	Missingltr
5	MeetEdgar

4.6.2 PR & Media Campaigns

- **Word of mouth:** The reason behind this is to get reviews and referrals from the respective customers to develop healthy and loyal relations with other future customers by providing products of high quality efficiently and effectively. Word of mouth is an important element in development of your brand repute as its directly comes from the clients who have already experienced your services, and this can be positive or negative word of mouth, so our aim is to develop a strong positive image of our household products in the customer's mind regarding their quality and price so he/she can be a positive source of marketing. Based on their positive experience, they can recommend us to their friends and family circle.
- **Print media:** Print media marketing includes t-shirts, stickers, caps, mugs, calendars, flexes, billboards, booklets, catalogues, brochures and bus side prints with 338 Mobiles name and logo. Other printing material include newspapers, magazines, flyers, pens and other stationery items. Our name and logo will also be printed on our vehicles in order to increase our visibility.

4.6.3 Events



5 HUMAN RESOURCE DEPARTMENT

5.1 Executive Team and Their Responsibilities

The positions in the company are formatted on the basis of financial inflow forecast. The company may add additional positions after a period of time when needed. Executive team of FA Traders Limited along with their responsibilities are given below.

5.1.1 Director

Hafiz Fawad Hassan is the director of FA Traders Limited controls the business operations, make decisions, and leads the business towards success. He is the person with authority and give commands to staff. He conducts meetings with sales persons of different smartphone manufacturing companies, handle financial inflow and outflow of the company, manage inventory, and also deal some customers.

5.1.2 Sales Assistant

Amina Moughfire is working as sales assistant in FA Traders Limited. She is responsible to showcase the inventory, customer dealing, managing online orders, handling offline marketing, and make a record of daily sales.

5.2 Outsourcing Team

FA Traders Limited will hire a professional outsourcing team responsible to handle online marketing campaign, showcase new brands on website and their description, managing social media accounts, and SEO optimization of website. Outsourcing team of FA Traders Limited will consist of following members.

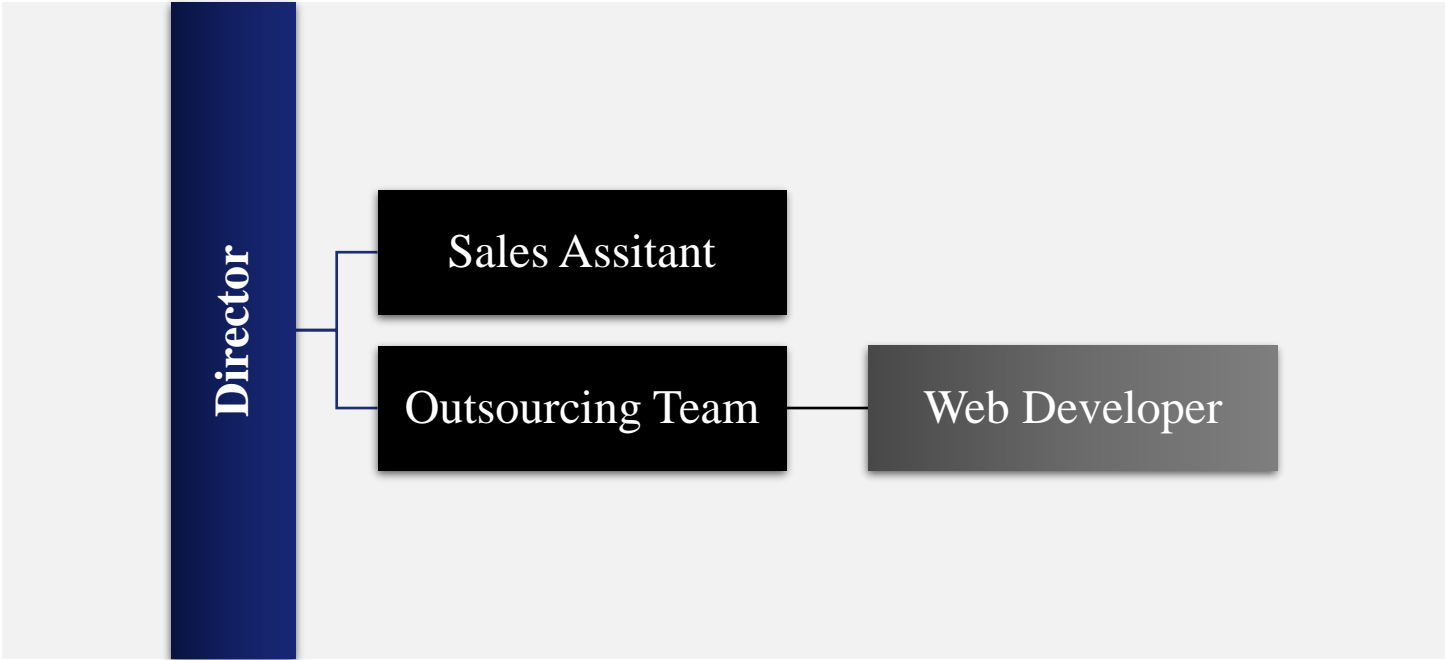
5.2.1 Web Developer

A web developer will be at a pro-level because it plays as major role of online presence of FA Traders Limited. Web developer will also perform duties of content write and write an appropriate content for website.

Duties of web developer

- Optimize copy and landing pages for search engine marketing
- Perform ongoing keyword discovery, expansion, and optimization
- Research and implement search engine optimization recommendations
- Research and analyze competitor advertising links
- Write extraordinary content for marketing and website upload
- Write well designed, testable, efficient code by using best software development practices
- Create a website layout/user interface by using standard HTML/CSS practices
- Be responsible for maintaining, expanding, and scaling up website

5.3 Organizational Hierarchy



6 FINANCIAL PLAN

This section covers the detailed discussion about financial projection of FA Traders Limited. This section is subdivided into following categories. The currency used to calculate amounts related to the financials is the

6.1 Key Assumptions

- The Industry Compound Annual Growth (CAGR) would be 4% in the UK. (Source: Internet Research)
- The Mobile Usage Penetration would be 2% in the UK. (Source: Internet Research)
- The inflation rate would be 2.4% in the UK. (Source: Internet Research)
- The money spent on Advertisement would increase the growth by 10%.
- The bank will give the loan before the start of July, 2021.
- The annual interest rate would be 10%.
- By the market trends it is assumed that the profit margin on mobile phones and tablets would be 10% and the purchases are based on this assumption.
- By the market trends it is assumed that the profit margin on accessories would be 40% and the purchases are based on this assumption.

6.2 Projected Monthly & Annual Expenses

6.2.1 Monthly & Annual Expenses for 2021-22 (Year 1)

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Year 1
Wages and Salaries	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Employer's PAYE & NI contribution	120	120	120	120	120	120	120	120	120	120	120	120	1,434
Director Salaries	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Accountancy Fee	50	50	50	50	50	50	50	50	50	50	50	50	600
Utilities	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Rent	700	700	700	700	700	700	700	700	700	700	700	700	8,400
General Traveling Expenses	100	500	500	500	500	500	500	500	500	500	500	500	5,600
Advertisement	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Website Maintenance Charges	50	50	50	50	50	50	50	50	50	50	50	50	600
Insurance	50	50	50	50	50	50	50	50	50	50	50	50	600
Stationary and Postage	25	25	25	25	25	25	25	25	25	25	25	25	300
Total Expenses	3,695	4,095	4,095	4,095	4,095	4,095	4,095	4,095	4,095	4,095	4,095	4,095	48,734

6.2.2 Monthly & Annual Expenses for 2022-23 (Year 2)

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Year 2
Wages and Salaries	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Employer's PAYE & NI contribution	120	120	120	120	120	120	120	120	120	120	120	120	1,434
Director Salaries	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024	12,288
Accountancy Fee	50	50	50	50	50	50	50	50	50	50	50	50	600
Utilities	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Rent	750	750	750	750	750	750	750	750	750	750	750	750	9,000
General Traveling Expenses	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Advertisement	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Website Maintenance Charges	75	75	75	75	75	75	75	75	75	75	75	75	900
Insurance	72	72	72	72	72	72	72	72	72	72	72	72	860
Stationary and Postage	51	51	51	51	51	51	51	51	51	51	51	51	614
Total Expenses	4,941	4,941	4,941	4,941	4,941	4,941	4,941	4,941	4,941	4,941	4,941	4,941	59,297

6.3 Projected Profit & Loss Statement

6.3.1 Monthly & Annual Profit & Loss Statement for 2021-22

Monthly-Projected Profit and Loss Year-1													
Year 2021-22													
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Year 1
Net Revenue	5,594	8,532	9,022	9,512	15,769	16,259	16,749	17,239	23,496	24,460	25,424	26,388	198,444
Cost of Sale	3,917	5,871	6,258	6,104	10,374	11,029	11,227	11,426	15,735	15,049	15,379	15,889	128,258
Gross Profit	1,677	2,661	2,764	3,408	5,395	5,230	5,522	5,813	7,761	9,411	10,045	10,499	70,186
General Operating Cost	3,695	4,095	4,095	4,095	4,095	4,095	4,095	4,095	4,095	4,095	4,095	4,095	48,734
Finance Cost	208	205	£203	200	197	194	191	188	185	182	179	177	2,309
Net Expenses	3,903	4,300	4,297	4,294	4,291	4,288	4,285	4,283	4,280	4,277	4,274	4,271	51,043
Profit before Tax	(2,226)	(1,639)	(1,533)	(886)	1,104	942	1,236	1,531	3,482	5,134	5,771	6,228	19,143
Income Tax	-	-	-	(177)	220	188	247	306	696	1,026	1,154	1,245	3,828
Net Profit	(2,226)	(1,639)	(1,533)	(709)	883	754	989	1,225	2,785	4,107	4,617	4,982	15,314

6.3.2 Monthly & Annual Profit & Loss Statement for 2022-23

Monthly-Projected Profit and Loss Year-1													
Year 2021-22													
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Year 2
Net Revenue	31,309	31,309	31,309	31,309	31,309	31,309	31,309	31,309	31,309	31,309	31,309	31,309	375,710
Cost of Sale	24,506	22,799	22,504	21,409	21,287	21,287	21,287	21,287	21,287	19,158	18,922	18,922	254,654
Gross Profit	6,803	8,510	8,806	9,900	10,022	10,022	10,022	10,022	10,022	12,151	12,387	12,387	121,055
General Operating Cost	4,941	4,941	4,941	4,941	4,941	4,941	4,941	4,941	4,941	4,941	4,941	4,941	59,297
Finance Cost	174	171	168	165	162	159	156	153	150	148	145	142	1,892
Net Expenses	5,115	5,112	5,109	5,106	5,103	5,101	5,098	5,095	5,092	5,089	5,086	5,083	61,189
Profit before Tax	1,688	3,398	3,696	4,794	4,919	4,922	4,924	4,927	4,930	7,062	7,301	7,304	59,866
Income Tax	337	679.61	739	958	983	984	984	985	986	1,412	1,460	1,460	11,973
Net Profit	1,688	2,718	2,957	3,835	3,935	3,937	3,940	3,942	3,944	5,649	5,841	5,843	47,893

6.4 Projected Balance Sheet

Statement Of Financial Position		
At The Year Ended		
	Year 1	Year 2
Assets		
Non-Current Assets		
Other Assets	7,000	3,000
Website (Intangible Asset)	500	-
Total Non-Current Assets	7,500	3,000
Current Assets		
Inventories	12,985	12,510
Account Receivable	3,806	3,400
Cash and Cash Equivalentents	90,388	127,405
Total Current Assets	107,179	143,315
Total Assets	114,679	146,315
Liabilities & Equity		
Liabilities		
Non-Current Liabilities		
Loan Payable	41,667	33,333
Accumulate Depreciation	-	-
Total Long Term Liabilities	41,667	33,333
Current Liabilities		
Trade and account Payables	3,870	3,115
Current Tax Payable	3,829	11,973
Total Current liabilities	7,698	15,089
Total liabilities	49,365	48,422
Equity		
Share Capital (loan amount)	50,000	50,000
Retained Earnings	15,314	47,893
Total Equity	65,314	97,893
Total Equity and Liabilities	114,679	146,315

6.5 Projected Cash flow Statement

The projected statement of cash flows is presenting the expected changes in forecasted cash of the company's operating, financing, and investing activities that would affect cash and cash equivalents in the future period. It also shows the availability of cash to meet the current and long-term liabilities of the company. Cash flow statement of FA Traders Limited is given below.

<u>Cash flow Forecast for 2-Years (FA Traders Limited)</u>		
	Year 1	Year 2
Profit Before Tax	19,143	59,866
Adjustments For Non-Cash		
Depreciation	-	-
Cash Flow Before Working Capital Requirements	19,143	59,866
(Increase)/Decrease in Receivables	(3,806)	(3,400)
(Increase)/Decrease in Inventory	(12,985)	(12,510)
Increase/(Decrease) in Payables	(3,870)	3,115
Income Tax Paid	(3,829)	(11,973)
Net Working Capital	(16,750)	(24,768)
Net Cash flows From Operations	(2,393)	(35,099)
Cash Flow From Investing Activities		
Pre-Revenue Advertisement	(8,000)	-
Website	(500)	-
Wages	(2,000)	-
Inventory For First Month	(4,352)	-
Furniture And Fixtures	(7,000)	(3,000)
Net Cash Flow From Investing Activities	(21,852)	(3,000)
Cash Flow From Financing Activities		
Long Term Loan	(50,000)	
Repayment Of Loan	(8,333)	(8,333)
Net Cash Flow From Financing Activities	(41,667)	(8,333)
Net Cash Flow During The Year	(22,208)	(23,765)
Cash And Cash Equivalence At Start Of Year	-	(22,208)
Cash And Cash Equivalence At End Of Year	(22,208)	(45,973)

6.6 Loan Repayment Schedule

FA Traders Limited aims to obtain £50,000 in Loan that will be paid back over a tensure of 6 years at an average interest rate of 10% with a monthly principal repayment amount of £694. The repayment schedule of the Loan is presented as follows:

Months	Outstanding Opening	Principle Repayment	Interest	Closing Outstanding	Months	Outstanding Opening	Principle Repayment	Interest	Closing Outstanding
0				(£50,000)					
1	£50,000	£694	£416.67	£49,306	37	£25,000	£694	£208.33	£24,306
2	£49,306	£694	£410.88	£48,611	38	£24,306	£694	£202.55	£23,611
3	£48,611	£694	£405.09	£47,917	39	£23,611	£694	£196.76	£22,917
4	£47,917	£694	£399.31	£47,222	40	£22,917	£694	£190.97	£22,222
5	£47,222	£694	£393.52	£46,528	41	£22,222	£694	£185.19	£21,528
6	£46,528	£694	£387.73	£45,833	42	£21,528	£694	£179.40	£20,833
7	£45,833	£694	£381.94	£45,139	43	£20,833	£694	£173.61	£20,139
8	£45,139	£694	£376.16	£44,444	44	£20,139	£694	£167.82	£19,444
9	£44,444	£694	£370.37	£43,750	45	£19,444	£694	£162.04	£18,750
10	£43,750	£694	£364.58	£43,056	46	£18,750	£694	£156.25	£18,056
11	£43,056	£694	£358.80	£42,361	47	£18,056	£694	£150.46	£17,361
12	£42,361	£694	£353.01	£41,667	48	£17,361	£694	£144.68	£16,667
13	£41,667	£694	£347.22	£40,972	49	£16,667	£694	£138.89	£15,972
14	£40,972	£694	£341.44	£40,278	50	£15,972	£694	£133.10	£15,278
15	£40,278	£694	£335.65	£39,583	51	£15,278	£694	£127.31	£14,583
16	£39,583	£694	£329.86	£38,889	52	£14,583	£694	£121.53	£13,889
17	£38,889	£694	£324.07	£38,194	53	£13,889	£694	£115.74	£13,194
18	£38,194	£694	£318.29	£37,500	54	£13,194	£694	£109.95	£12,500
19	£37,500	£694	£312.50	£36,806	55	£12,500	£694	£104.17	£11,806
20	£36,806	£694	£306.71	£36,111	56	£11,806	£694	£98.38	£11,111
21	£36,111	£694	£300.93	£35,417	57	£11,111	£694	£92.59	£10,417
22	£35,417	£694	£295.14	£34,722	58	£10,417	£694	£86.81	£9,722
23	£34,722	£694	£289.35	£34,028	59	£9,722	£694	£81.02	£9,028
24	£34,028	£694	£283.56	£33,333	60	£9,028	£694	£75.23	£8,333
25	£33,333	£694	£277.78	£32,639	61	£8,333	£694	£69.44	£7,639
26	£32,639	£694	£271.99	£31,944	62	£7,639	£694	£63.66	£6,944
27	£31,944	£694	£266.20	£31,250	63	£6,944	£694	£57.87	£6,250
28	£31,250	£694	£260.42	£30,556	64	£6,250	£694	£52.08	£5,556
29	£30,556	£694	£254.63	£29,861	65	£5,556	£694	£46.30	£4,861
30	£29,861	£694	£248.84	£29,167	66	£4,861	£694	£40.51	£4,167
31	£29,167	£694	£243.06	£28,472	67	£4,167	£694	£34.72	£3,472
32	£28,472	£694	£237.27	£27,778	68	£3,472	£694	£28.94	£2,778
33	£27,778	£694	£231.48	£27,083	69	£2,778	£694	£23.15	£2,083
34	£27,083	£694	£225.69	£26,389	70	£2,083	£694	£17.36	£1,389
35	£26,389	£694	£219.91	£25,694	71	£1,389	£694	£11.57	£694
36	£25,694	£694	£214.12	£25,000	72	£694	£694	£5.79	£0

**FA Traders
Limited**

For More Details Contact

Contact Person -

Phone Number -

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