



# Hair and Beauty Salon Business Plan

Trend Setters is a full-service beauty salon dedicated to consistently providing high customer satisfaction by rendering excellent service, quality products, and furnishing an enjoyable atmosphere at an acceptable price/value relationship. We will also maintain a friendly, fair, and creative work environment, which respects diversity, ideas, and hard work.

Our Mission: To supply services and products that enhance our clients' physical appearance and mental relaxation.

Our Motto: "The Trend Begins Here!"

The timing is right for starting this new venture. Patiently searching for six months for the perfect location, one was finally found. The demand from the owner's clients, as well as the ambitions of the owner to one day start her own salon, and the procurement of highly professional and qualified beauticians to support the salon, has made this business one of great potential.

Curley Comb, co-owner with Roller Comb, Jr., her husband, has worked in a prestigious, upscale salon in MyTown, Texas for the past two years. Curley has created a large client following through hard work and dedication. Curley, and her talented team of beauticians, has what it takes to make this venture an extremely successful one. We expect our growing reputation to lead to new clients and beauticians to support our anticipated growth.

To achieve our objectives, Trend Setters is seeking additional loan financing. This loan will be paid from the cash flow from the business, and will be collateralized by the assets of the company, and backed by the character, experience, and personal guarantees of the owners.

## 1.1 Keys to Success

The keys to success in our business are:

- Location: providing an easily accessible location for customers.
- Environment: providing an environment conducive to giving relaxing and professional service.
- Convenience: offering clients a wide range of services in one setting, and extended business hours.
- Reputation: reputation of the owner and other "beauticians" as providing superior personal service.

### Company Summary

Trend Setters will, upon commencement of operations, sell a wide range of beauty services and products. We will provide quality hair, nail, and skin services, along with top lines of beauty products. What will set Trend Setters apart from the competition is our commitment to providing all of these services in one convenient location.

The salon will be located in a retail strip mall at 1234 Stylish Road, MyTown. The salon will utilize 1,540 square feet. The location is strategically situated on one of the busiest streets in MyTown. It is a high profile area, with easy access from all parts of town.

## 2.1 Start-up Summary

After spending several months searching for a salon to purchase, the owners decided to start a salon from the ground up. The start-up capital will be used for the design, leasehold improvements, and equipment of the



salon.

Leasehold improvements will amount to approximately £32,500, and salon equipment will cost about £27,000. The owner will invest £500 for cash-on-hand at starting date.

## Start-up

### Requirements

#### Start-up Expenses

Rent deposit	£1,817
Other	£0
Total Start-up Expenses	£1,817

#### Start-up Assets

Cash Required	£500
Other Current Assets	£600
Long-term Assets	£59,500
Total Assets	£60,600

Total Requirements	£62,417
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## Start-up Funding

Start-up Expenses to Fund	£1,817
Start-up Assets to Fund	£60,600
Total Funding Required	£62,417

#### Assets

Non-cash Assets from Start-up	£60,100
Cash Requirements from Start-up	£500
Additional Cash Raised	£0
Cash Balance on Starting Date	£500
Total Assets	£60,600

## Liabilities and Capital

#### Liabilities

Current Borrowing	£0
Long-term Liabilities	£61,917



Accounts Payable (Outstanding Bills)	£0
Other Current Liabilities (interest-free)	£0
Total Liabilities	£61,917

#### Capital

Planned Investment	
Owner	£500
Investor	£0
Additional Investment Requirement	£0
Total Planned Investment	£500
Loss at Start-up (Start-up Expenses)	(£1,817)
Total Capital	(£1,317)
Total Capital and Liabilities	£60,600
Total Funding	£62,417

#### Products and Services

Trend Setters is considered an upscale full-service beauty salon. We will offer a wide range of services that include:

- Hair: cuts, relaxers, perms, colors, shampoo, conditioning, curling, reconstructing, weaving, waving.
- Nails: manicures, pedicures, polish, sculptured nails.
- Skin Care: European facials, body waxing, massage.

## Strategy and Implementation Summary

Skill at what we do, good customer service, and creating a pleasant environment for our customers will be important to implementing our business plan.

### 4.1 Competitive Edge

Trend Setters wants to set itself apart from other beauty salons that may offer only one or two types of services. Having come from such a salon, Curley has realized, from talking with her clients, that they desire all of the services that we are proposing, but they remain frustrated because they must get their hair done at one place, and nails done at another. Although the focus of Trend Setters is hair services, we do wish to offer our clients the convenience of these other services in one location.

There are a number of salons like ours, but they are mainly in the very high income parts of MyTown and surrounding areas. We do not intend to compete with these so called "Day Spas." We wish to offer a middle ground for those clients who can't quite afford those high-end luxury salons.

Our business atmosphere will be a relaxing one where clients can kick back and be pampered. Soft drinks will be offered to clients as they enter for service. Televisions will be located in the waiting and hair-drying area.



## 4.2 Marketing Strategy

Our marketing strategy is a simple one: satisfied clients are our best marketing tool. When a client leaves our business with a new look, he or she is broadcasting our name and quality to the public. Most of our clients will be referrals from existing clients.

No major advertising campaigns are anticipated. Our research has shown that word of mouth is the best advertising for this type of business. We will, however, run specials throughout the week. We will also ask clients for referrals, and reward them with discounted or free services depending on the number of clients they bring. We will also offer discounts to the new clients who have been referred. There are plans for a lottery that will offer a free trip to, say, Cancun. A client would simply refer new clients to us, and we will place a card in a box for each client he or she brings. The more they bring, the more chances they have of winning the trip.

## 4.3 Sales Forecast

The following table and charts show our projected sales. We expect income to increase steadily over the next three years, as the reputation of the salon, its stylists and services become apparent to the general public. Second year revenues also anticipate the addition of one new stylist.

Note that we list no direct cost of sales here for services, only for products, since our service costs are more accurately tracked as regular monthly expenses for supplies in the Profit and Loss table.

### Sales Forecast

	Year 1	Year 2	Year 3
Sales			
Owner	£49,600	£57,040	£65,696
Stylist #1	£49,600	£57,040	£65,596
Barber #1	£16,800	£19,320	£22,218
Stylist #2	£22,800	£25,622	£29,465
Stylist #3	£0	£22,000	£24,000
Nails and massage	£18,000	£20,000	£22,000
Product sales	£9,600	£10,000	£11,000
Total Sales	£166,400	£211,022	£239,975

	Year 1	Year 2	Year 3
Direct Cost of Sales			
Product Costs	£4,320	£4,300	£4,400
Other	£0	£0	£0
Subtotal Direct Cost of Sales	£4,320	£4,300	£4,400

## 4.4 Milestones

Sample Milestones topic text.

The milestones table and chart show the specific detail about actual program activities that should be taking place during the year. Each one has its manager, starting date, ending date, and budget. During the year we will be keeping track of implementation against plan, with reports on the timely completion of these activities as planned.

### Milestones



Milestone	Start Date	End Date	Budget	Manager	Department
Sample Milestones	1/4/2008	1/4/2008	£0	ABC	Department
Finish Business Plan	8/20/2010	9/19/2010	£100	Dude	Boss
Acquire Financing	8/30/2010	10/19/2010	£200	Dudette	Legumers
Ah HA! Event	9/9/2010	9/14/2010	£60	Marianne	Bosses
Ah Merde Alors! Event	10/9/2010	10/14/2010	£250	Marionette	Bouc émissaire
Grande Opening	10/19/2010	10/24/2010	£500	Gloworm	Nobs
Marketing Program Starts	9/19/2010	10/14/2010	£1,000	Glower	Marketeers
Plan vs. Actual Review	2/14/2011	2/21/2011	£0	Galore	Alles
First Break-even Month	6/18/2011	7/18/2011	£0	Bouys	Salers
Hire Employees	5/17/2011	6/16/2011	£150	Gulls	HRM
Upgrade Business Plan Pro	8/5/2011	8/7/2011	£100	Brass	Bossies
Totals			£2,360		

## Management Summary

Trend Setters will be organized and managed in a creative and innovative fashion to generate very high levels of customer satisfaction, and to create a working climate conducive to a high degree of personal development and economic satisfaction for employees.

Training classes to help improve employee product knowledge and skills will be conducted on a regular basis. As the business grows, the company will consider offering an employee benefit package to include health and vacation benefits for everyone.

### 5.1 Personnel Plan

The personnel plan calls for a receptionist who will greet customers and receive payments for services and products. There will be five hair stylists, one barber, one nail technician, one facialist, and a massage therapist. Everyone but the receptionist will be contract workers, and will be paid a sliding commission scale based on the amount of revenue created. Future plans include the hiring of a shampoo technician as the business expands.

In the first year, assumptions are that there will only be three hair stylists, a barber, and part time nail, facial, and massage technician until the business can build a reputation that will attract others to work there.

#### Personnel Plan

	Year 1	Year 2	Year 3
Owner (Stylist)	£24,000	£25,000	£26,000
Receptionist	£14,400	£15,120	£15,876
Shampoo Tech	£8,000	£12,400	£13,000
Total People	3	3	3

Total Payroll    £46,400   £52,520   £54,876

#### Financial Plan

Источник бизнес-плана: <http://www.bplans.co.uk>



Our goal is to be a profitable business beginning in the first month. The business will not have to wait long for clients to learn about it since the stylists will already have an existing client base.

To assure the start-up funds lender that the owners are financially stable, a personal financial statement is enclosed illustrating other sources of income that include interest and dividend income from investments (£2,840), salary income (£29,658), and commission income (£15,000).

## 6.1 Important Assumptions

The financials that are enclosed have a number of assumptions:

Revenues will grow at an annual rate of 15%, increasing 20% in November and December due to a historical jump in revenues at this time of year. We anticipate this increase to stay steady throughout the following year to account for the normal flow of new clients coming into the salon. Estimates for sales revenue and growth are intentionally low, while anticipated expenses are exaggerated to the high side to illustrate a worst case scenario.

We did not use cost of goods sold in our calculations of net service sales, but included all related recurring expenses, such as payroll and supplies, in the operating expenses area of the profit and loss table. The only direct costs in the sales forecast are for projected product sales.

Product sales are a minimal part of our market. We are not quite sure how much revenue will be derived from products, so we took a low-ball approach and estimated sales of £800 a month. Also in the sales projections table are services such as nails and massages. We are not quite sure how much revenue these two services will generate. We are certain that in time these services will be a large part of our revenue, but to err on the conservative side, we estimate revenues from these services to be only £1,500 a month for the first year.

### General Assumptions

	Year 1	Year 2	Year 3
Plan Month	1	2	3
Current Interest Rate	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%
Tax Rate	30.00%	30.00%	30.00%
Other	0	0	0

## 6.2 Projected Cash Flow

We expect to manage cash flow over the next three years simply by the growth of the cash flow of the business. The business will generate more than enough cash flow to cover all of its expenses.

### Pro Forma Cash Flow

	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	£166,400	£211,022	£239,975
Subtotal Cash from Operations	£166,400	£211,022	£239,975

Additional Cash Received



Sales Tax, VAT, HST/GST Received	£0	£0	£0
New Current Borrowing	£0	£0	£0
New Other Liabilities (interest-free)	£0	£0	£0
New Long-term Liabilities	£0	£0	£0
Sales of Other Current Assets	£0	£0	£0
Sales of Long-term Assets	£0	£0	£0
New Investment Received	£0	£0	£0
Subtotal Cash Received	£166,400	£211,022	£239,975

Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	£46,400	£52,520	£54,876
Bill Payments	£99,540	£128,730	£147,285
Subtotal Spent on Operations	£145,940	£181,250	£202,161

Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	£0	£0	£0
Principal Repayment of Current Borrowing	£0	£0	£0
Other Liabilities Principal Repayment	£0	£0	£0
Long-term Liabilities Principal Repayment	£12,000	£12,000	£12,000
Purchase Other Current Assets	£0	£0	£0
Purchase Long-term Assets	£0	£0	£0
Dividends	£0	£0	£0
Subtotal Cash Spent	£157,940	£193,250	£214,161

Net Cash Flow	£8,460	£17,772	£25,814
Cash Balance	£8,960	£26,733	£52,547

### 6.3 Break-even Analysis

The break-even analysis shows that Trend Setters has a good balance of fixed costs and sufficient sales strength to remain healthy. This calculation is focused on service sales, and excludes costs related to product sales. Our conservative forecast shows the salon just passing the break-even point throughout most of the first year, but we expect actual sales to be higher.

#### Break-even Analysis

Monthly Revenue Break-even £12,995

Assumptions:

Average Percent Variable Cost 3%

Estimated Monthly Fixed Cost £12,657



## 6.4 Projected Profit and Loss

The following table shows our very conservative profit and loss projections for the next three years. The table includes the payments for all independently contracted stylists and technicians, as well for all regularly occurring supply expenses associated with service sales.

### Pro Forma Profit and Loss

	Year 1	Year 2	Year 3
Sales	£166,400	£211,022	£239,975
Direct Cost of Sales	£4,320	£4,300	£4,400
Other Costs of Sales	£0	£0	£0
Total Cost of Sales	£4,320	£4,300	£4,400

Gross Margin	£162,080	£206,722	£235,575
Gross Margin %	97.40%	97.96%	98.17%

### Expenses

Payroll	£46,400	£52,520	£54,876
Marketing/Promotion	£22,800	£24,000	£26,000
Depreciation	£8,146	£8,146	£8,146
Rent	£22,740	£22,740	£22,740
Utilities	£4,200	£4,200	£4,200
Insurance	£1,200	£1,200	£1,200
Payroll Taxes	£0	£0	£0
Independently contracted stylists	£40,400	£55,000	£69,000
Supplies	£6,000	£6,000	£6,000
Other	£0	£0	£0

Total Operating Expenses	£151,886	£173,806	£192,162
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Profit Before Interest and Taxes	£10,194	£32,916	£43,413
EBITDA	£18,340	£41,062	£51,559
Interest Expense	£5,542	£4,392	£3,192
Taxes Incurred	£1,396	£8,557	£12,066

Net Profit	£3,257	£19,967	£28,155
Net Profit/Sales	1.96%	9.46%	11.73%

## 6.5 Projected Balance Sheet

As shown in the balance sheet, we expect a healthy growth in net worth.





## Pro Forma Balance Sheet

	Year 1	Year 2	Year 3
<b>Assets</b>			
<b>Current Assets</b>			
Cash	£8,960	£26,733	£52,547
Other Current Assets	£600	£600	£600
Total Current Assets	£9,560	£27,333	£53,147
<b>Long-term Assets</b>			
Long-term Assets	£59,500	£59,500	£59,500
Accumulated Depreciation	£8,146	£16,292	£24,438
Total Long-term Assets	£51,354	£43,208	£35,062
Total Assets	£60,914	£70,541	£88,209
<b>Liabilities and Capital</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>Current Liabilities</b>			
Accounts Payable	£9,057	£10,717	£12,230
Current Borrowing	£0	£0	£0
Other Current Liabilities	£0	£0	£0
Subtotal Current Liabilities	£9,057	£10,717	£12,230
<b>Long-term Liabilities</b>	£49,917	£37,917	£25,917
Total Liabilities	£58,974	£48,634	£38,147
<b>Paid-in Capital</b>	£500	£500	£500
<b>Retained Earnings</b>	(£1,817)	£1,440	£21,407
Earnings	£3,257	£19,967	£28,155
Total Capital	£1,940	£21,907	£50,062
Total Liabilities and Capital	£60,914	£70,541	£88,209
<b>Net Worth</b>	£1,940	£21,907	£50,062

## 6.6 Business Ratios

Business ratios for the years of this plan are shown below. Industry profile ratios based on the Standard Industrial Classification (SIC) Index code 7231, Beauty Shops, are shown for comparison.

### Ratio Analysis

	Year 1	Year 2	Year 3	Industry Profile
Sales Growth	n.a.	26.82%	13.72%	7.35%

Percent of Total Assets

Источник бизнес-плана: <http://www.bplans.co.uk>



Other Current Assets	0.98%	0.85%	0.68%	50.11%
Total Current Assets	15.69%	38.75%	60.25%	64.74%
Long-term Assets	84.31%	61.25%	39.75%	35.26%
Total Assets	100.00%	100.00%	100.00%	100.00%

Current Liabilities	14.87%	15.19%	13.86%	21.71%
Long-term Liabilities	81.95%	53.75%	29.38%	25.39%
Total Liabilities	96.82%	68.94%	43.25%	47.10%
Net Worth	3.18%	31.06%	56.75%	52.90%

Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	97.40%	97.96%	98.17%	100.00%
Selling, General & Administrative Expenses	95.45%	88.50%	86.43%	67.01%
Advertising Expenses	4.90%	3.86%	3.39%	2.18%
Profit Before Interest and Taxes	6.13%	15.60%	18.09%	4.59%

Main Ratios				
Current	1.06	2.55	4.35	1.97
Quick	1.06	2.55	4.35	1.46
Total Debt to Total Assets	96.82%	68.94%	43.25%	53.38%
Pre-tax Return on Net Worth	239.86%	130.21%	80.34%	8.92%
Pre-tax Return on Assets	7.64%	40.44%	45.60%	19.14%

Additional Ratios	Year 1	Year 2	Year 3	
Net Profit Margin	1.96%	9.46%	11.73%	n.a
Return on Equity	167.90%	91.15%	56.24%	n.a

Activity Ratios				
Accounts Payable Turnover	11.99	12.17	12.17	n.a
Payment Days	27	28	28	n.a
Total Asset Turnover	2.73	2.99	2.72	n.a

Debt Ratios				
Debt to Net Worth	30.41	2.22	0.76	n.a
Current Liab. to Liab.	0.15	0.22	0.32	n.a

Liquidity Ratios				
Net Working Capital	£503	£16,616	£40,917	n.a
Interest Coverage	1.84	7.50	13.60	n.a

Additional Ratios				
Assets to Sales	0.37	0.33	0.37	n.a



Current Debt/Total Assets	15%	15%	14%	n.a
Acid Test	1.06	2.55	4.35	n.a
Sales/Net Worth	85.79	9.63	4.79	n.a
Dividend Payout	0.00	0.00	0.00	n.a

## Appendix

### Sales Forecast

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Sales</b>												
Hardware Products	£3,000	£3,900	£5,070	£6,591	£8,568	£11,138	£14,479	£18,823	£24,470	£31,811	£41,354	£53,760
Key Services	£300	£390	£507	£659	£857	£1,114	£1,448	£1,882	£2,447	£3,181	£4,135	£5,376
Repair Services	£500	£650	£845	£1,098	£1,427	£1,855	£2,412	£3,136	£4,077	£5,300	£6,890	£8,957
Installation Services	£1,500	£1,950	£2,535	£3,296	£4,285	£5,570	£7,241	£9,413	£12,237	£15,908	£20,680	£26,884
Emergency Services	£400	£520	£676	£879	£1,143	£1,486	£1,932	£2,512	£3,266	£4,246	£5,520	£7,176
Referral Commissions	£1,000	£1,300	£1,690	£2,197	£2,856	£3,713	£4,827	£6,275	£8,158	£10,605	£13,786	£17,922
<b>Total Sales</b>	<b>£6,700</b>	<b>£8,710</b>	<b>£11,323</b>	<b>£14,720</b>	<b>£19,136</b>	<b>£24,876</b>	<b>£32,339</b>	<b>£42,041</b>	<b>£54,655</b>	<b>£71,051</b>	<b>£92,365</b>	<b>£120,075</b>
<b>Direct Cost of Sales</b>												
Hardware Cost	£1,800	£2,340	£3,042	£3,955	£5,141	£6,683	£8,687	£11,294	£14,682	£19,087	£24,812	£32,256
Services Cost	£540	£702	£913	£1,186	£1,542	£2,005	£2,607	£3,389	£4,405	£5,727	£7,445	£9,679
<b>Subtotal Direct Cost of Sales</b>	<b>£2,340</b>	<b>£3,042</b>	<b>£3,955</b>	<b>£5,141</b>	<b>£6,683</b>	<b>£8,688</b>	<b>£11,294</b>	<b>£14,682</b>	<b>£19,087</b>	<b>£24,814</b>	<b>£32,257</b>	<b>£41,935</b>

### Personnel Plan

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Owner</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£5,000</b>	<b>£6,000</b>
<b>Assistant Store Manager</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£4,000</b>
<b>Store Staff</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>
<b>Assistant Locksmith</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>
<b>Total People</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Total Payroll</b>	<b>£8,000</b>	<b>£8,000</b>	<b>£8,000</b>	<b>£8,000</b>	<b>£8,000</b>	<b>£8,000</b>	<b>£8,000</b>	<b>£8,000</b>	<b>£8,000</b>	<b>£8,000</b>	<b>£9,000</b>	<b>£10,000</b>

### Pro Forma Cash Flow

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Cash Received</b>												
Cash from Operations												
Cash Sales	£5,025	£6,533	£8,492	£11,040	£14,352	£18,657	£24,254	£31,531	£40,991	£53,288	£69,274	£90,056
Cash from Receivables	£0	£893	£1,943	£2,526	£3,284	£4,269	£5,549	£7,214	£9,378	£12,192	£15,850	£20,605
<b>Subtotal Cash from Operations</b>	<b>£5,025</b>	<b>£7,426</b>	<b>£10,435</b>	<b>£13,566</b>	<b>£17,636</b>	<b>£22,926</b>	<b>£29,804</b>	<b>£38,745</b>	<b>£50,370</b>	<b>£65,480</b>	<b>£85,124</b>	<b>£110,661</b>
<b>Additional Cash Received</b>												
Sales Tax, VAT, HST/GST Received	0.00%	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
New Current Borrowing	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
New Other Liabilities (interest-free)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
New Long-term Liabilities	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Sales of Other Current Assets	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Sales of Long-term Assets	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
New Investment Received	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
<b>Subtotal Cash Received</b>	<b>£5,025</b>	<b>£7,426</b>	<b>£10,435</b>	<b>£13,566</b>	<b>£17,636</b>	<b>£22,926</b>	<b>£29,804</b>	<b>£38,745</b>	<b>£50,370</b>	<b>£65,480</b>	<b>£85,124</b>	<b>£110,661</b>
<b>Expenditures</b>												
<b>Expenditures from Operations</b>												
Cash Spending	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£9,000	£10,000
Bill Payments	£20,124	£3,721	£4,146	£4,690	£5,388	£6,506	£14,937	£25,531	£32,431	£41,406	£53,074	£67,941
<b>Subtotal Spent on Operations</b>	<b>£28,124</b>	<b>£11,721</b>	<b>£12,146</b>	<b>£12,690</b>	<b>£13,388</b>	<b>£14,506</b>	<b>£22,937</b>	<b>£33,531</b>	<b>£40,431</b>	<b>£49,406</b>	<b>£62,074</b>	<b>£77,941</b>
<b>Additional Cash Spent</b>												
Sales Tax, VAT, HST/GST Paid Out	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Principal Repayment of Current Borrowing	£0	£0	£0	£0	£500	£500	£1,000	£1,000	£1,000	£2,000	£2,000	£2,000
Other Liabilities Principal Repayment	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Long-term Liabilities Principal Repayment	£1,100	£1,100	£1,100	£1,100	£1,100	£1,100	£1,100	£1,100	£1,100	£1,100	£1,100	£1,100
Purchase Other Current Assets	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500
Purchase Long-term Assets	£0	£0	£0	£0	£0	£0	£500	£500	£500	£500	£500	£500
Dividends	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
<b>Subtotal Cash Spent</b>	<b>£29,724</b>	<b>£13,321</b>	<b>£13,746</b>	<b>£14,290</b>	<b>£15,488</b>	<b>£16,606</b>	<b>£26,037</b>	<b>£36,631</b>	<b>£43,531</b>	<b>£53,506</b>	<b>£66,174</b>	<b>£82,041</b>
<b>Net Cash Flow</b>	<b>(£24,699)</b>	<b>(£5,896)</b>	<b>(£3,311)</b>	<b>(£724)</b>	<b>£2,148</b>	<b>£6,320</b>	<b>£3,767</b>	<b>£2,114</b>	<b>£6,838</b>	<b>£11,974</b>	<b>£18,949</b>	<b>£28,620</b>
<b>Cash Balance</b>	<b>£19,551</b>	<b>£13,656</b>	<b>£10,345</b>	<b>£9,620</b>	<b>£11,768</b>	<b>£18,088</b>	<b>£21,855</b>	<b>£23,969</b>	<b>£30,807</b>	<b>£42,781</b>	<b>£61,730</b>	<b>£90,350</b>



Pro Forma Balance Sheet													
	Starting Balances	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Assets</b>													
<b>Current Assets</b>													
Cash	£44,250	£19,551	£13,656	£10,345	£9,620	£11,768	£18,088	£21,855	£23,969	£30,807	£42,781	£61,730	£90,350
Accounts Receivable	£0	£1,675	£2,959	£3,847	£5,001	£6,501	£8,452	£10,987	£14,283	£18,569	£24,139	£31,381	£40,795
Inventory	£40,000	£37,660	£34,618	£30,663	£25,522	£18,839	£17,376	£22,588	£29,365	£38,175	£49,627	£64,515	£83,869
Other Current Assets	£20,000	£20,500	£21,000	£21,500	£22,000	£22,500	£23,000	£23,500	£24,000	£24,500	£25,000	£25,500	£26,000
<b>Total Current Assets</b>	<b>£104,250</b>	<b>£79,386</b>	<b>£72,233</b>	<b>£66,355</b>	<b>£62,144</b>	<b>£59,609</b>	<b>£66,915</b>	<b>£78,930</b>	<b>£91,617</b>	<b>£112,050</b>	<b>£141,548</b>	<b>£183,126</b>	<b>£241,014</b>
<b>Long-term Assets</b>													
Long-term Assets	£40,000	£40,000	£40,000	£40,000	£40,000	£40,000	£40,000	£40,500	£41,000	£41,500	£42,000	£42,500	£43,000
Accumulated Depreciation	£0	£1,500	£3,000	£4,500	£6,000	£7,500	£9,000	£10,500	£12,000	£13,500	£15,000	£16,500	£18,000
<b>Total Long-term Assets</b>	<b>£40,000</b>	<b>£38,500</b>	<b>£37,000</b>	<b>£35,500</b>	<b>£34,000</b>	<b>£32,500</b>	<b>£31,000</b>	<b>£30,000</b>	<b>£29,000</b>	<b>£28,000</b>	<b>£27,000</b>	<b>£26,000</b>	<b>£25,000</b>
<b>Total Assets</b>	<b>£144,250</b>	<b>£117,886</b>	<b>£109,233</b>	<b>£101,855</b>	<b>£96,144</b>	<b>£92,109</b>	<b>£97,915</b>	<b>£108,930</b>	<b>£120,617</b>	<b>£140,050</b>	<b>£168,548</b>	<b>£209,126</b>	<b>£266,014</b>
<b>Liabilities and Capital</b>													
<b>Current Liabilities</b>													
Accounts Payable	£20,000	£3,584	£3,991	£4,512	£5,180	£6,020	£14,093	£24,460	£31,064	£39,653	£50,831	£65,057	£83,646
Current Borrowing	£10,000	£10,000	£10,000	£10,000	£10,000	£9,500	£9,000	£8,000	£7,000	£6,000	£4,000	£2,000	£0
Other Current Liabilities	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
<b>Subtotal Current Liabilities</b>	<b>£30,000</b>	<b>£13,584</b>	<b>£13,991</b>	<b>£14,512</b>	<b>£15,180</b>	<b>£15,520</b>	<b>£23,093</b>	<b>£32,460</b>	<b>£38,064</b>	<b>£45,653</b>	<b>£54,831</b>	<b>£67,057</b>	<b>£83,646</b>
<b>Long-term Liabilities</b>													
Long-term Liabilities	£70,000	£68,900	£67,800	£66,700	£65,600	£64,500	£63,400	£62,300	£61,200	£60,100	£59,000	£57,900	£56,800
<b>Total Liabilities</b>	<b>£100,000</b>	<b>£82,484</b>	<b>£81,791</b>	<b>£81,212</b>	<b>£80,780</b>	<b>£80,020</b>	<b>£86,493</b>	<b>£94,760</b>	<b>£99,264</b>	<b>£105,753</b>	<b>£113,831</b>	<b>£124,957</b>	<b>£140,446</b>
<b>Paid-in Capital</b>	<b>£77,000</b>	<b>£77,000</b>	<b>£77,000</b>	<b>£77,000</b>	<b>£77,000</b>	<b>£77,000</b>	<b>£77,000</b>	<b>£77,000</b>	<b>£77,000</b>	<b>£77,000</b>	<b>£77,000</b>	<b>£77,000</b>	<b>£77,000</b>
<b>Retained Earnings</b>	<b>(£32,750)</b>	<b>(£32,750)</b>	<b>(£32,750)</b>	<b>(£32,750)</b>	<b>(£32,750)</b>	<b>(£32,750)</b>	<b>(£32,750)</b>	<b>(£32,750)</b>	<b>(£32,750)</b>	<b>(£32,750)</b>	<b>(£32,750)</b>	<b>(£32,750)</b>	<b>(£32,750)</b>
<b>Earnings</b>	<b>£0</b>	<b>(£8,847)</b>	<b>(£16,808)</b>	<b>(£23,607)</b>	<b>(£28,886)</b>	<b>(£32,161)</b>	<b>(£32,828)</b>	<b>(£30,080)</b>	<b>(£22,897)</b>	<b>(£9,953)</b>	<b>£10,466</b>	<b>£39,919</b>	<b>£81,318</b>
<b>Total Capital</b>	<b>£44,250</b>	<b>£35,403</b>	<b>£27,442</b>	<b>£20,643</b>	<b>£15,364</b>	<b>£12,089</b>	<b>£11,422</b>	<b>£14,170</b>	<b>£21,353</b>	<b>£34,297</b>	<b>£54,716</b>	<b>£84,169</b>	<b>£125,568</b>
<b>Total Liabilities and Capital</b>	<b>£144,250</b>	<b>£117,886</b>	<b>£109,233</b>	<b>£101,855</b>	<b>£96,144</b>	<b>£92,109</b>	<b>£97,915</b>	<b>£108,930</b>	<b>£120,617</b>	<b>£140,050</b>	<b>£168,548</b>	<b>£209,126</b>	<b>£266,014</b>
<b>Net Worth</b>	<b>£44,250</b>	<b>£35,403</b>	<b>£27,442</b>	<b>£20,643</b>	<b>£15,364</b>	<b>£12,089</b>	<b>£11,422</b>	<b>£14,170</b>	<b>£21,353</b>	<b>£34,297</b>	<b>£54,716</b>	<b>£84,169</b>	<b>£125,568</b>

Pro Forma Profit and Loss													
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 12
<b>Sales</b>	<b>£6,700</b>	<b>£8,710</b>	<b>£11,323</b>	<b>£14,720</b>	<b>£19,136</b>	<b>£24,876</b>	<b>£32,339</b>	<b>£42,041</b>	<b>£54,655</b>	<b>£71,051</b>	<b>£92,365</b>	<b>£120,075</b>	<b>£160,075</b>
<b>Direct Cost of Sales</b>	<b>£2,340</b>	<b>£3,042</b>	<b>£3,955</b>	<b>£5,141</b>	<b>£6,683</b>	<b>£8,688</b>	<b>£11,294</b>	<b>£14,682</b>	<b>£19,087</b>	<b>£24,812</b>	<b>£32,257</b>	<b>£41,935</b>	<b>£53,795</b>
<b>Other Costs of Sales</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>
<b>Total Cost of Sales</b>	<b>£2,340</b>	<b>£3,042</b>	<b>£3,955</b>	<b>£5,141</b>	<b>£6,683</b>	<b>£8,688</b>	<b>£11,294</b>	<b>£14,682</b>	<b>£19,087</b>	<b>£24,812</b>	<b>£32,257</b>	<b>£41,935</b>	<b>£53,795</b>
<b>Gross Margin</b>	<b>£4,360</b>	<b>£5,668</b>	<b>£7,368</b>	<b>£9,579</b>	<b>£12,453</b>	<b>£16,188</b>	<b>£21,045</b>	<b>£27,359</b>	<b>£35,568</b>	<b>£46,239</b>	<b>£60,108</b>	<b>£78,140</b>	<b>£106,280</b>
<b>Gross Margin %</b>	<b>65.07%</b>	<b>65.07%</b>	<b>65.07%</b>	<b>65.07%</b>	<b>65.08%</b>	<b>65.08%</b>	<b>65.08%</b>	<b>65.08%</b>	<b>65.08%</b>	<b>65.08%</b>	<b>65.08%</b>	<b>65.08%</b>	<b>65.08%</b>
<b>Expenses</b>													
Payroll	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£9,000	£10,000
Marketing/Promotion	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000
Depreciation	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500
Rent	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000
Utilities	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200
Insurance & Bonding	£300	£300	£300	£300	£300	£300	£300	£300	£300	£300	£300	£300	£300
Payroll Taxes	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Store Supplies	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500
Van Fuel, Maintenance & Parking	£300	£300	£400	£450	£475	£500	£500	£500	£500	£500	£525	£525	£525
Training and Education	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500
<b>Total Operating Expenses</b>	<b>£16,300</b>	<b>£16,350</b>	<b>£16,400</b>	<b>£16,450</b>	<b>£16,475</b>	<b>£16,500</b>	<b>£16,500</b>	<b>£16,500</b>	<b>£16,500</b>	<b>£16,525</b>	<b>£16,525</b>	<b>£17,525</b>	<b>£18,525</b>
<b>Profit Before Interest and Taxes</b>	<b>(£11,940)</b>	<b>(£10,682)</b>	<b>(£9,077)</b>	<b>(£6,721)</b>	<b>(£4,022)</b>	<b>(£1,312)</b>	<b>£4,545</b>	<b>£12,859</b>	<b>£26,571</b>	<b>£41,239</b>	<b>£57,814</b>	<b>£75,540</b>	<b>£92,250</b>
<b>EBITDA</b>	<b>(£10,440)</b>	<b>(£9,182)</b>	<b>(£7,577)</b>	<b>(£5,221)</b>	<b>(£2,522)</b>	<b>£1,188</b>	<b>£6,045</b>	<b>£12,359</b>	<b>£26,068</b>	<b>£40,736</b>	<b>£57,311</b>	<b>£74,836</b>	<b>£91,311</b>
<b>Interest Expense</b>	<b>£699</b>	<b>£690</b>	<b>£681</b>	<b>£672</b>	<b>£666</b>	<b>£661</b>	<b>£659</b>	<b>£658</b>	<b>£657</b>	<b>£656</b>	<b>£655</b>	<b>£654</b>	<b>£653</b>
<b>Taxes Incurred</b>	<b>(£3,792)</b>	<b>(£3,412)</b>	<b>(£2,914)</b>	<b>(£2,263)</b>	<b>(£1,404)</b>	<b>(£206)</b>	<b>£1,178</b>	<b>£3,078</b>	<b>£5,548</b>	<b>£8,751</b>	<b>£12,623</b>	<b>£17,743</b>	<b>£23,448</b>
<b>Net Profit</b>	<b>(£6,847)</b>	<b>(£7,960)</b>	<b>(£6,799)</b>	<b>(£5,280)</b>	<b>(£3,275)</b>	<b>(£667)</b>	<b>£2,748</b>	<b>£7,183</b>	<b>£12,944</b>	<b>£20,420</b>	<b>£29,453</b>	<b>£40,399</b>	<b>£51,359</b>
<b>Net Profit/Sales</b>	<b>-132.05%</b>	<b>-91.39%</b>	<b>-60.04%</b>	<b>-35.87%</b>	<b>-17.11%</b>	<b>-2.68%</b>	<b>8.50%</b>	<b>17.09%</b>	<b>23.68%</b>	<b>28.74%</b>	<b>31.89%</b>	<b>34.48%</b>	<b>31.48%</b>

Sales Forecast													
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 12
<b>Sales</b>													
Hardware Products	£3,000	£3,900	£5,070	£6,591	£8,568	£11,138	£14,479	£18,823	£24,470	£31,811	£41,354	£53,760	£69,350
Key Services	£300	£390	£507	£659	£857	£1,114	£1,448	£1,882	£2,447	£3,181	£4,135	£5,376	£7,036
Repair Services	£500	£650	£845	£1,098	£1,427	£1,855	£2,412	£3,136	£4,077	£5,300	£6,890	£8,957	£11,679
Installation Services	£1,500	£1,950	£2,535	£3,296	£4,285	£5,570	£7,241	£9,413	£12,237	£15,908	£20,680	£26,884	£35,164
Emergency Services	£400	£520	£676	£879	£1,143	£1,486	£1,932	£2,512	£3,266	£4,246	£5,520	£7,176	£9,360
Referral Commissions	£1,000	£1,300	£1,690	£2,197	£2,856	£3,713	£4,827	£6,275	£8,158	£10,605	£13,786	£17,922	£23,424
<b>Total Sales</b>	<b>£6,700</b>	<b>£8,710</b>	<b>£11,323</b>	<b>£14,720</b>	<b>£19,136</b>	<b>£24,876</b>	<b>£32,339</b>	<b>£42,041</b>	<b>£54,655</b>	<b>£71,051</b>	<b>£92,365</b>	<b>£120,075</b>	<b>£160,075</b>
<b>Direct Cost of Sales</b>													
Hardware Cost	£1,800	£2,340	£3,042	£3,955	£5,141	£6,683	£8,688	£11,294	£14,682	£19,087	£24,812	£32,257	£41,935
Services Cost	£540	£702	£913	£1,186	£1,542	£2,005	£2,607	£3,389	£4,405	£5,727	£7,445	£9,679	£12,679
<b>Subtotal Direct Cost of Sales</b>	<b>£2,340</b>	<b>£3,042</b>	<b>£3,955</b>	<b>£5,141</b>	<b>£6,683</b>	<b>£8,688</b>	<b>£11,294</b>	<b>£14,682</b>	<b>£19,087</b>	<b>£24,812</b>	<b>£32,257</b>	<b>£41,935</b>	<b>£53,795</b>