

Skills for the Workplace

Module Assignment Submission

Student Name:	ABDUR RAHIM ROAP
Student Number:	1911044
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Prepared by; Mr Abdur Rahim Roap

artisan bakers

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Date

This is a business plan. It does not imply an offering of securities.



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Executive Summary

This business plan will show how a total investment of only £31,546 could yield cumulative net profits in excess of £46,283 over the trading period (August 2020 to July 2021), and average monthly sales of £28,652, while maintaining adequate levels of liquidity to cover costs at the end of the trading period.

Cake Wallah will be a family-run start-up business dedicated to providing excellent quality artisan bakery product to the Asian community, in a manner that generates a fair and equitable return and superior value to our customers. We specialise in creating and offering a variety of deliciously different cupcakes.

The Asian demographics have increased over time with a corresponding growth in business that caters to them. Over four million according to the 2011 Census now live in the United Kingdom. Businesses are slowly catching up with this ongoing opportunity and we are opening a new specialty business to offer a unique product to cater to this market.

The problem. Currently, the business' that does offer anything remotely comparable to our products is the traditional Asian 'Mishti' (sweets).



Fig. 1: Traditional Asian Mishti

The Concept. Cake Wallah will offer a healthy eco-friendly sustainable product that will a contemporary, superior product, at a reasonable price. In other words, our unique selling point.

Objectives

- To fulfil a market niche yet untouched by others.
- To offer an excellent product, at a reasonable price, and provide outstanding customer experience and customer satisfaction rate of no less than 90 percent.
- To donate 5% of net profits to local charities.

- To attract a minimum of 50 regular retail sales channels and attain a near-monopoly in the local Asian eventing market.

Our Mission and Vision

Cake Wallah's *mission* is to “**spread the sweet taste of Desi-licious food**” by offering our clientele a unique product unlike anything offered by others. We are committed to providing service quality and value that will be indistinguishable to our ethos



This will be achieved through the provision of consistent three-part customer experience, the product: cupcakes, service environment, and service delivery each part of which will meet or exceed our clientele' expectations.

Our *vision* is to become the first choice for our type of product and a respected business as measured by our clientele, our employees, and the wider community.

Our *values* are critical to our success. They are the strong foundation of Cake Wallah, define who we are, and set us apart. They underscore, our vision of the future. These values include:

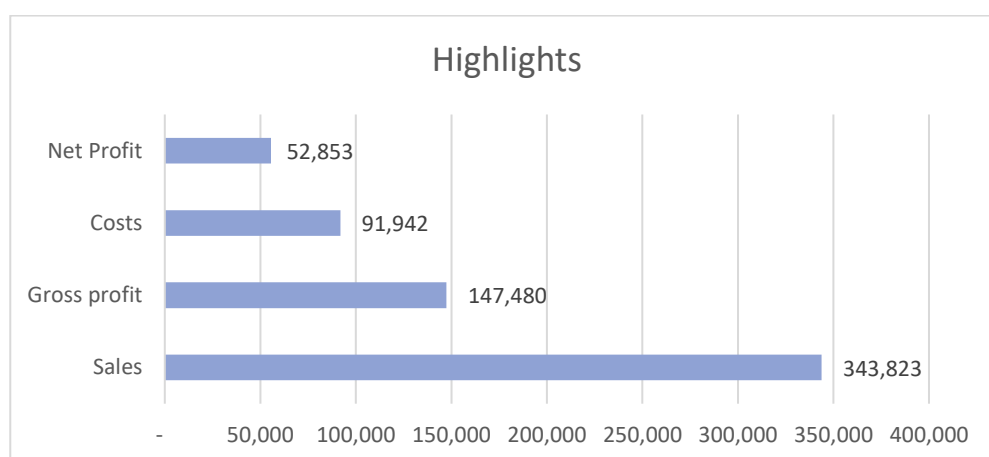
- *Performance excellence.* We act as responsible owners, always seeking to meet or exceed expectations.
- *Teamwork.* We act as a team, committed to each other, and bound by trust and family loyalty.
- *Integrity.* We treat one another, and all our stakeholders with dignity and respect. Honesty, ethical behaviour, and integrity are fundamental characteristics of our business conduct.
- *Sustainability.* Our commitment to the use of sustainable products and packaging.
- *Health.* To promote and encourage a healthy diet.
- *Charity.* Encourage our clientele to adopt our ethos of giving and help those in need. This is our way of giving back to the community and each client will have direct part in it.

Keys elements for success

Our keys to success are:

- Excellent product and service that will build and maintain clientele loyalty.
- A business location at the heart of the Asian community that will assure high visibility and high throughput of clientele.
- Proven management ability to successfully run a similar business.
- Our commitment to continuous improvement and total quality services.
- Maintain our commitment to donate 5% of net profits to local charities.

Graph 1



Start-up costs and funding

After careful consideration, it was decided to utilise and sublet a local food wholesalers' premises at the heart of the local Asian community as our base of operations. The start-up capital will be used for kitchen inventory and equipment, packing and other materials, public liability insurance, rent, promotion, business signage, as detailed in the business summary section of this plan. It is estimated that the total start-up costs of £31,456 is required and is reflected in the start-up and the start-up funding Table 1.

We will provide all start-up financing of £45,000 from savings and this entitles each partner an equal share of ownership. Of which, approximately £13,454 will be held in reserve as working capital, and as such no additional funding is needed. In addition to returning the initial start-up costs to the partners, the purpose of this business plan is to test the feasibility of the business idea, to minimise the risk of entry, for strategic planning for future funding requirements, and to provide a yardstick to measure achievable goals and milestones.

Investors and co-owners will be welcome to participate in the business' future capital requirements and could be offered a portion of ownership of the business capital. The funds provided by any investor will be used for further expansion

Our cash-flow analysis demonstrates the business' ability to maintaining adequate liquidity and generating positive cash flow, and sufficient cash reserves for unforeseen future events.

Business formation



After careful consideration, it was decided that Cake Wallah will be a privately held limited liability partnership owned equally by all partners. Any new investor will be invited to the equal share capital of the partnership or in the event of a future transition to limited liability status a share of the company's common stock.

A simple partnership under the Partnership Act 1890 was considered as we are a family concern but the Limited Liability Act 2000 affords the same level of protection as a limited company whilst allowing us to retain the tax and accounting flexibility associated with partnerships.

Another key feature is that the organisation and structure is as flexible as a partnership and any agreement between the partners (in the form of an LLP agreement) is a private document. This document will set out our duties and responsibilities, our share structure, disputes handling and dissolution of the partnership. We are aware, of the need to submit our details and annual filing to Companies House. This will make the transition to limited company status a relatively simple process if we decide to choose this route.

Furthermore, any income derived will be taxed as individual income thus, maximising the tax efficiency of the partnership.

Product and Services

The proposition. Cake Wallah will offer an assortment of cupcakes with an 'Asian twist' to fill gaps in the market. According to a [Mintel](#) finding 21% of consumers felt vegan cakes sounded appealing, and that launches in cakes, pastries, and sweet bakery trailed behind the overall food category.

Market



Therefore, the market for our product is yet untapped and the growth opportunities unbound. The business will sell through our partner distributor.

The main market segments are:

- retail businesses (the resellers), and.
- eventing businesses which, in terms of purchase orders, typically make larger orders for their needs and.
- charitable donations for fundraising events.

Strategy

Our strategy is based on delivering a strong customer value proposition in a niche market. We are looking to offer the local and surrounding areas a new choice in artisan bakery products with an Asian twist.

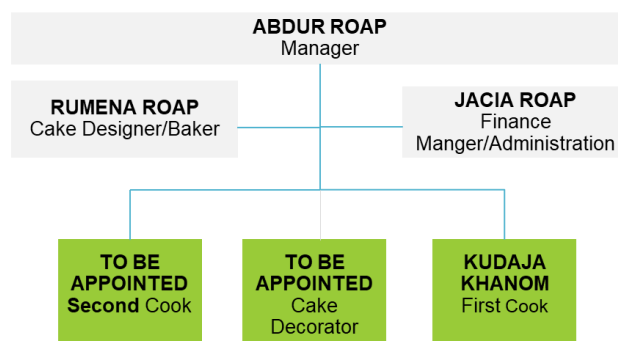
We intend to build our marketing infrastructure so that we can eventually reach more customers with the same product offering. Our focus, satisfying the needs of Asian demographic short-term and expansion into other demographic markets in the medium to long-term. This may include direct wholesaling and franchising.

Management

We expect to use resources wisely, operate profitably, pay suppliers, and abide by laws and regulations. Our management philosophy is based on teamwork, responsibility, and mutual respect. People who work at Cake Wallah would be part of our team as we operate in an environment that encourages creativity, diversity, growth, and performance.

I will be a senior partner and take on the role of management, assisted by my spouse. We have successfully owned and operated a food business and have nearly twenty years of relevant experience in the industry. The third partner, our daughter, will be responsible for the financial, and administrative aspects of the business as her area of expertise in accounting.

Fig. 1: Organisational chart



Financials

Measuring performance. According to our conservative estimates, Cake Wallah is expected to maintain a healthy financial position over the trading period. Our business is expected to break even in the ninth month of operations (Table 9).

We expect to be profitable in the first year of operation, with profits increasing over time, as we establish and increase our clientele. This performance will probably be rewarded by a higher market price if the business decides to go public.

Sustaining success while maintaining cost-efficiency. Our primary concern will be to have sufficient cash on hand to meet our payment obligations and be prepared for unexpected needs of cash. Our conservative projections indicate that our business can generate positive cash flows and sufficient cash reserves.

Monthly accrual-based accounting will record our finances, and financial records will be managed through Sage Cloud Accounting 50.

Company Summary

Cake Wallah will be a new type of artisan baker specialising in Asian delicatessen products. The business will be family-run. My spouse and I have many years' experience in the catering industry having owned our Indian takeaway in the Penarth area of Wales.

My spouse has prior experience in the baking industry having worked many years for Memory Lane Bakers, Cardiff. Our daughter has a financial background and will be the creative part of the business. As my daughter and I are the management team, we have included our Curriculum Vitæ in Appendix A for your perusal. My spouses Curriculum Vitæ is available upon request.



Our focus is to meet or exceed customer expectations for an exceptional quality product. The company's location is very favourable, providing high visibility and a large flow of customers.

Cake Wallah's prices may not better the competition as and when it arises. We are aware that we may not compete on price only. Therefore, our focus on assessing customer expectations, and our core competencies, decide which expectations we can reasonably meet, then make sure to constantly exceed them wholeheartedly. Thus, we will be able to maintain and increase the level of customer satisfaction, as a strong foundation for future growth.

The entire delivery process will be conducted through our strategic business supplier that has an excellent reputation in the local area and beyond. In this way, we can save on storage, delivery, and logistical costs. This will negate the need for the business to purchase delivery vehicles or employ drivers. Simultaneously, we acquire access to the high exposure of their business customers and supplier network for sales and marketing.

Start-up Summary

Start-up Summary

The start-up capital will be used for, kitchen inventory and equipment, packing and other materials, insurance, rent, promotion, and business signage, etc., are listed in the Table 10.

Rent.

A section of the commercial unit will be let for no less 136 days in the year as per our Letter of memorandum that can be found in Appendix B. This will include access to on-site cold storage facilities.

Kitchen inventory

Kitchen inventory will include specific tools and accessories that are typically needed for baking and includes:

- Food preparation: disposable gloves and aprons, blender, storage containers, muffin trays, mixers, condiment bottles, cleaning and sanitiser supplies and equipment, paper cupcake and edible decorations, etc.
- Utensils: cooking utensils, tableware, pots and pans, glassware, etc

Kitchen equipment

Equipment to be purchased will include a dough mixer, digital temperature gauges, cooling package, muffin trays, trolleys, ovens, sinks, tables, and various other equipment.

All selected manufacturers produce and supply high-quality, energy-efficient catering equipment, and they compete primarily on price. A complete list of the equipment to be purchased, including Prices, again can be located in Table 10 for your consideration.



Our company policy is to purchase only new, state-of-the-art, energy-efficient equipment from reliable suppliers in the food industry and do so through the profits generated by the business organically.

Other expensed equipment

Consists of advertising hoarding, signage, health, and safety signs and documentation.

Inventory on hand

At start-up includes specific ingredients for baking preparation, flour, spices, and baking condiments, toppings, various vegetarian and vegan products. It also includes supplies that are used during the packing, sale, and delivery process, and miscellaneous supplies.

Transportation

Our strategic supplier and reseller will manage our transportation and delivery. As an indication of the cost-saving based on their vehicle leasing terms, currently, £438 per month for a refrigerated van or a daily rate of £14.40.

Insurance premium

For business public liability, coverage is initially established at £500 on an annual basis and will be paid by direct debit annually.

Promotion

Expenses are initially estimated at £727 and will be used for various marketing information materials and advertisements including artwork, A5 leaflets (5000), business cards, and website creation.

Legal

Expenses include partnership formation, advice, and assistance, rent contracts, and general business advice.

Office supplies

Include, record books, forms, ink consumables, etc, Again, this is reflected in the start-up costs.

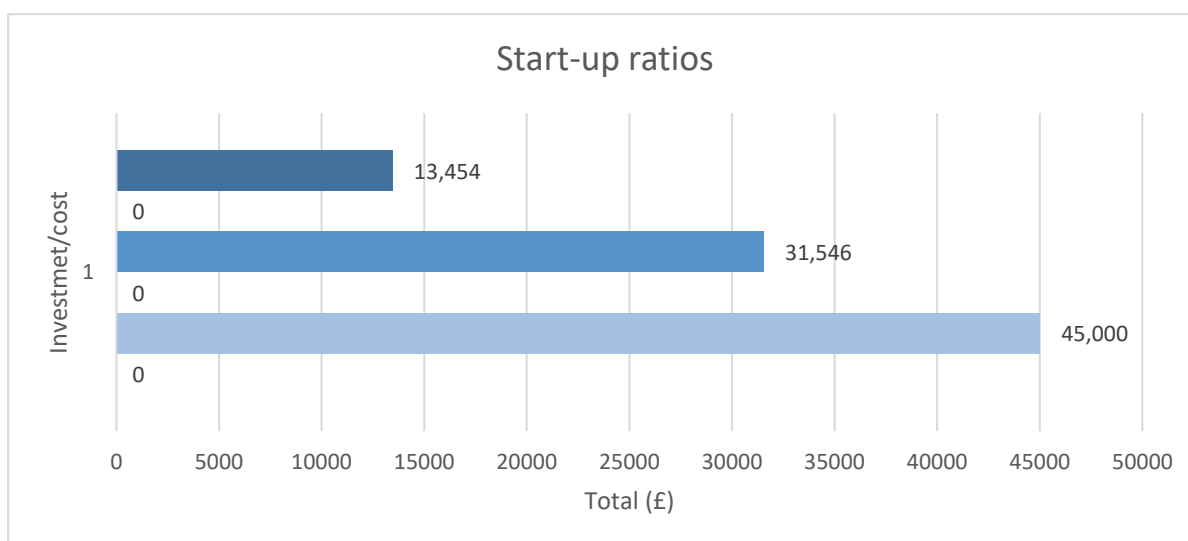
Regulatory

As we will be based at LS Wholesale Ltd, a commercial unit, no planning consent is required other than the permission required for a grease and odour extraction system to be fitted to operate legally. The specific system supplier will be chosen, based on the competitive bidding process. The kitchen construction will meet and fulfil all regulatory laws including [Food Safety Act 1990](#) and a minimum hygiene certification rating of 3 under the [Food Hygiene Act 2006](#). Again, this is reflected in the accounts forecast.

Table 2: Start-up costs

FUNDING		£
Investor Funding	Partner 1	15,000
	Partner 2	15,000
	Partner 3	15,000
	Total	45,000
Loans	Bank Loan	-
	Bank overdraft	-
	Total	-
Other Funding	Grant	-
	Other	-
	Total Other	-
TOTAL FUNDING		45,000
COSTS		£
Business sign		500
Business card		180
Brand development		150
Insurance		500
Kitchen Inventory		1,938

Kitchen equipment	17,350
Legal	500
Other expensed kitchen equipment/disposables/clothing	500
Office equipment and supplies	1,000
Other (inventory/ labour and material, certification, etc)	7,244
Promotion/Advertising	227
Rent	200
Telephone	100
Training	800
Website	500
TOTAL START-UP EXPENSES	31,546
SURPLUS/(DEFICIT)	13,454



Important notes

- a) Rent inclusive of business rates, utilities, and office use
- b) Itemised breakdown of kitchen equipment and inventory required can be found in Table 7
- c) Inventory/equipment costed at a trade discount of 60%
- d) All figures inclusive all relevant taxes
- e) Surplus to be held as working capital

Start-up funding

We have estimated the total start-up costs of £31,456. The numbers in the start-up and the start-up funding tables are meant to reflect these estimates. The partnership will provide all the start-up financing of £45,000. The initial investment will cover start-up costs and equipment, as well as cover any cashflow deficits during the start-up phase.

Capital

Partner 1	15,000
Partner 2	15,000
Partner 3	15,000
Total funding	

In the event the business does not grow organically as anticipated, then an investor or co-owner could in time be welcome to participate in the business's capital raising requirement and could be offered a portion of the business in return.

Start-up funding

Start-up expenses to fund	31,546
Working capital	13,454
Total capital and liabilities	45,000
Total funding	45,000

The funds provided by the investor will be used to buy or lease equipment for expansion. Our cash-flow analysis demonstrates the business's ability to finance any leasing agreement, while adequate maintaining liquidity and generating positive cash flow and sufficient cash reserves for unforeseen future events.

Table: 3 Funding

Business Legal Status

Cake Wallah will be a private limited liability partnership owned equally by myself, my spouse, and my daughter. The relevant legal checks for partnership and business name have been performed and are available for registration.

Product and Services

Cake Wallah will offer a wide variety of varying sizes of bespoke cupcakes tailored for each of our clientele needs.

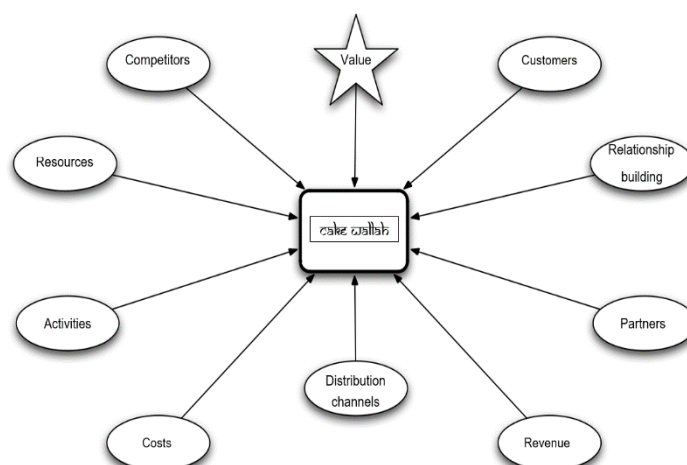
This will include 'vanilla' ingredients and vegetarian and vegan options. Prominence will be given towards the latter as it is our aim to promote healthy eating. The 'Asian twist' will add a distinguished flavour to our offering.

The cakes will be offered in one size and ingredients will be individually tailored to add a touch of uniqueness. Various topping will be on offer and where possible locally sourced ingredients will be used. Furthermore, our suppliers will be requested to source 'Fair Trade' products as substitute ingredients.

Our products will be supplied wholesale to the retail resellers at a competitive price to encourage them to purchase and resell at a profitable mark-up. They will be packaged appropriately and be offered the option for bespoke labelling and product names and 'funky' packaging to market them as their product. For the eventing aspect of Cake Wallah's clientele, it is envisaged that a minimum order value of 750 cupcakes will be processed at a time. Orders may be taken online, by phone, or at our location, delivered refrigerated by our partner supplier to the location indicated in our customer orders.

Business Model

Cake Wallah is not your typical artisan baker. Our ethos dictates that it is located at the heart of its target market. Not only will this give great exposure from a marketing point of view, but there will also be an ample supply of potential employees for our growing business. As we intend to donate 5% of our annual profits to local charities, it is hoped to increase our workforce through volunteer engagement thus, building a rapport with the local community, in short. our value proposition.



This has the added benefit of keeping employee costs to a minimum whilst boosting the bottom line and charitable donations.

We as partners will draw no income from the business other than a 10% share of the net profits as a return on investment.

Our business model relies on our strategic business suppliers who have agreed to rent space in their commercial units.

The advantage to our supplier is many.

- The cost of doing business is shared.
- Vehicle utilisation is maximised.
- The sales team will have new product to market.

As per the letter of memorandum, Cake Wallah has agreed to pay a 10% commission for all sales rendered. For us, this has the advantage of negating the necessity of our own sales team and its associated costs. Besides, our products will be available through their web-based ordering platform. Thereby, benefiting from the high internet exposure of our partner.

Credit policies

- Cake Wallah sales avenue will be that of our distributor, LS Wholesale Ltd
- Credit checks will be the sole responsibility of LS Wholesale as it is, they who are our customer
- Thirty-day credit terms will be on offer.
- Credit policy will be no more than one-twelfth of our annual turnover
- Products to be sold on a sale and no return basis.



LS Wholesale Ltd currently supply over a hundred businesses per week and that is expected to grow annually by 50% from a weekly turnover of £75,000. They have recently entered the market as exclusive distributors for certain products.

All production will take place on-site. If the facilities are no longer available or adequate then other 'dark kitchens' will be sought either through the trade or through the use of intermediaries such as [Kitchup](#). This could be a short-term solution to any production bottlenecks. However, we do not anticipate any potential problems as we have spare capacity of approximately 70,000 units as discussed later in the Sales strategy section.

Competitive landscape

Currently, there is no comparable competitor for the market that Cake Wallah will be entering. Traditionally, Asians have consumed 'Mishti' at events such as the bi-annual Eid festivals, Mehndi and Weddings, birthdays, 'Akikah's' (in celebration of a child's birth), Diwali or simply given as a gift when visiting family or friends.

Locally, we have [Pooja Sweets](#) and nationally we have the likes of [Mushtaq's](#), [Ambala](#), and [Royal](#) who supplies the likes of Asda to cater to this market segment.

Until we face a competitor whether on price or quality, our products will be unique, and we intend to be the 'go-to' business for this kind of product by offering a better product, at a reasonable price.

Therefore, we do not consider ourselves in direct competition with the 'Mishti' providers instead, simply another option for the consumer.

Market Analysis and Summary

According to the [Department for Business, Energy and Industrial Strategy](#) accommodation and food service activities accounted for 36.9% for businesses with two to four employees and 20.4% for those with five to nine employees¹. And, according to the [Federation of Bakers](#), the UK bakery market including specialty bakery services, is worth in the region of £3.6 billion in 2019. That equates to an average of 11 million sales of baked goods every day, including bread, cakes, and other bakery items. As such it could be argued that we are entering a saturated market.



However, this is balanced by the growth of our intended market. Asian population growth projections reproduced by the [UK Data Service](#) (Table 4) show that from 2001 to 2031 the Asian demographic will increase from 2,627,000 to 8,626,000 and reaching 15,373,000 by 2061. Further breakdown of the data available suggest that the Asian demographics of Indian, Bangladeshi, and Pakistani (Table 5) will experience a healthy growth rate thereby, offering the potential for Cake Wallah to grow correspondingly.

Table 4: BPS Projection (Population in 1000s, %)

Group	MY2001	MY2011	MY2031	MY2051	MY2061
WHITE	54,384	55,211	58,467	57,851	56,778
Per cent	92.0%	87.3%	79.9%	72.9%	69.7%
MIXED	687	1,260	2,258	3,405	3,978
ASIAN	2,627	4,333	8,626	13,159	15,373
BLACK	1,174	1,881	2,711	3,432	3,652
OTHER	238	592	1,075	1,529	1,718
ALL	59,111	63,278	73,137	79,375	81,500
BAME	4,726	8,066	14,670	21,525	24,721
Per cent	8.0%	12.7%	20.1%	27.1%	30.3%
Diff (vs TRENDEF)					
WHITE		-1,345	-1,325	-2,232	
BAME		1,249	3,474	5,825	
Diff (vs NPP2012)					
ALL			1,758	2,141	1,829

Specifically, we hope to cater for British born third and fourth generation of the Asian ethnic demographic, in marketing speak, Millennials, those born between 1980–1995 and Generation Z those born between 1996 and 2015. Many would have been brought up with contemporary ‘British’ diet as opposed to ‘old school Asian cuisine’.

We estimate that over 94% of our sales will go to individuals retail customers and the remaining balance to corporate customers and given as samples for promotional purposes. However, it is important to note that, typically, corporate customers make larger orders for their special business events.

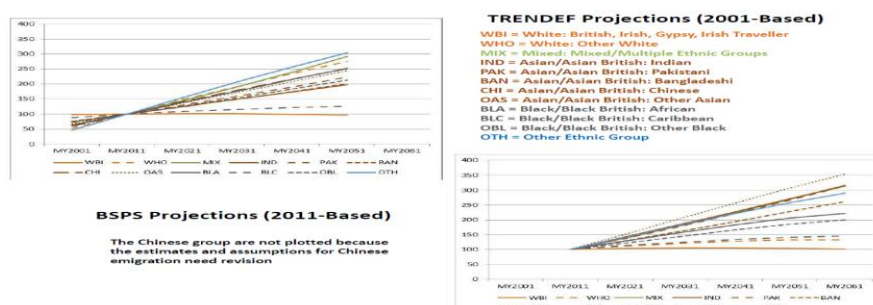


Table 5

Markets Segmentation

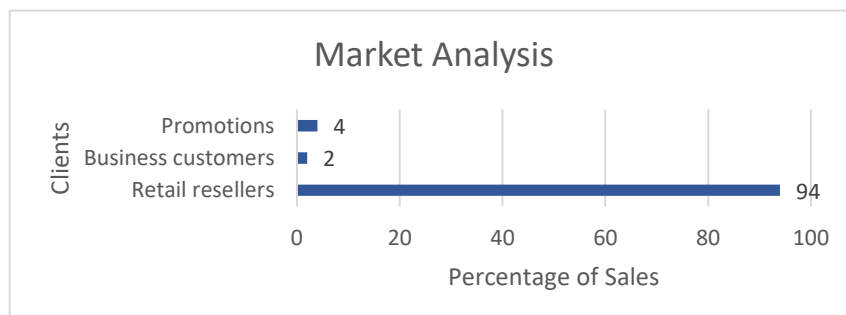
As explained above, the main market segments are:

- individuals through retail resellers, and
- local businesses, eventing businesses, and so forth.

Next illustration shows the market segmentation, considering for conservative purposes, only the potential number of businesses that would order our product i.e. 50% of LS Wholesale Ltd customer base.

Table 6: Market Analysis Chart

	%
Retail resellers	94
Business customers	2
Promotions	4
	100



Important notes

- a) Resellers are LS Wholesale Ltd customers
- b) Business event including. weddings, birthdays etc
- c) Figures are rounded

Target Market Segment strategy

Cake Wallah will focus on the production of cupcakes to the prescribed market as stated earlier.

According to our distributor's feedback, there is a willing market for our products to be resold through the catering trade.

Cake Wallah will let our distributor deal with the retail aspect of sales whilst we focus energy on the Asian eventing market. The primary providers for the local market is [Grameen Juboraj](#), [Clifton Juboraj](#), and [Mehndi Wedding Services](#), all of whom are known to us personally and have agreed to market our products as a substitute for the traditional Asian sweets.

By always focusing on meeting or exceeding our client's needs, wants and expectations, we will be able to build brand and customer loyalty and word-of-mouth sales that many of our potential competitors are lacking.

Target Market Share.

The estimated total market share is 50% of LS Wholesale Ltd customers initially. We anticipate this to grow around 4 clients per month in tandem with their current sales growth trajectory. We believe this target market share to be reasonable and achievable. Further details are provided in the sales forecast section of this plan.

Strategy and implementation summary

Our strategy is based on delivering a strong customer value proposition in a niche market. We are looking to offer the community and its surrounding areas a new choice in artisan bakery products.



We are building our marketing infrastructure in conjunction with LS Wholesale Ltd so that we can eventually reach more customers with the same offering. We focus on satisfying the needs of our intended market segment.

We intend to use various forms of marketing communication as an efficient way to reach our target market and raise their awareness of Cake Wallah.

Besides, Cake Wallah will use effective advertising tools to promote the business. Flyers are a common way to advertise in the area. Distribution through reseller channels, local Asian businesses, sponsored charities, and community-based organisations and religious outlets will be the prime focus. Sample products will be offered free or at a favourable discount initially as a 'taster' to encourage the use of our products.

Adequate funding has been accounted for when projecting the promotion expenses. We intend to spend the marketing most cost-effectively. Therefore, many other advertising options will be evaluated during the business implementation, to make sure, that we achieve the best results.

SWOT Analysis



The SWOT analysis provides us with an excellent opportunity to examine and evaluate the internal strengths and weaknesses of Cake Wallah. It also allows us to focus on the external opportunities presented by the business environment as well as potential threats.

Next sections explain major strengths, weaknesses, opportunities, and threats that Cake Wallah should be aware of it.

Strength

Cake Wallah has a valuable reservoir of strengths that would help us to be successful. These strengths include:

- Location
- excellent quality of artisan bakery products that are currently not available in the local area

- management's proven experience in successfully running a catering business
- access to state-of-the-art, energy-efficient preparation equipment and technology
- a clear vision of the market needs: we know the customers' needs, and we can offer the product and services that would bring the two together

Weakness

Strengths are valuable, but it is useful to consider the weaknesses. We have identified some of our weaknesses:

- cost factor associated with ingredients due to currency fluctuations
- we are a new entrant in the new market segment
- start-up challenges
- potential lack of operating capacity during peak sales periods

Opportunities

Cake Wallah's strengths and the awareness of weaknesses will help it capitalise on emerging opportunities. These opportunities include, but are not limited to:

- fast-growing Asian population locally and the wider area
- no other Asian orientated artisan baker in Wales.
- a large segment of Millennials and Generation Z population, and expanding Asian focused retail businesses in the locality
- there is no potential competitor that offers a similar product in the surrounding area
- Asian consumer behaviour changing due to dietary and lifestyle changes
- To get as many of our product in front of as many potential customers, even if it delays our profits

Threats

Threats that Cake Wallah should be aware of include:

- An economic downturn inactivity
- changes in the business environment of our distributor that might reduce our sales
- the removal of the tax-free status of our products

- the commercial property is rented, not owned by our company
- the future cost of equipment purchases

Competitive edge

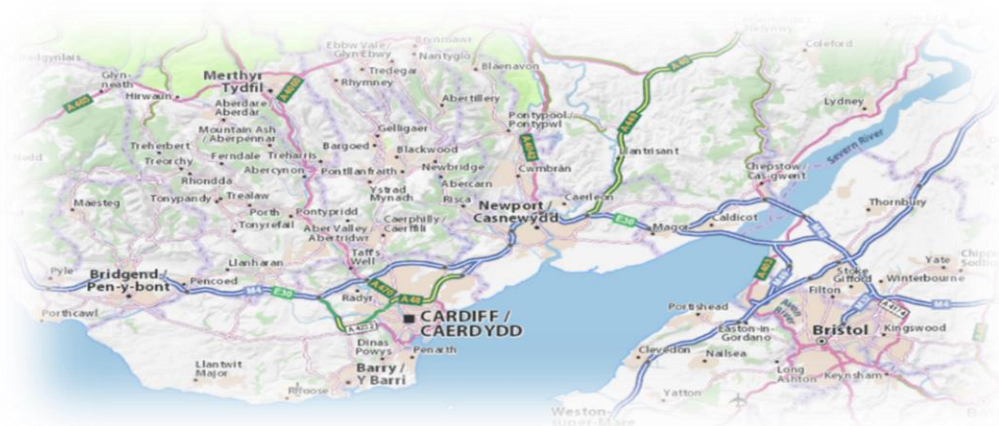
Cake Wallah's competitive edge is:

- Location: Cake Wallah is in the heart of Cardiff's Asian community near the centre of the city. This is the busiest area both commercially and residentially.
- Lower operating cost and reasonable prices: Our collaboration with a partner business enables us to be nimbler financially and since Cake Wallah's policy is to purchase locally sourced ingredients this collaboration will give us access to greater purchasing power.
- Volunteer workforces enable us to keep employee costs to a minimum
- Excellent products and services, timely delivery, and convenience.

Sales strategy

Growth strategy. Because Cake Wallah is a new business entity, we recognise that we will need to prove our worth to customers, to earn respect and business. Most important, we need to sell our business, not necessarily our products and services, and create positive word-of-mouth. We will have to push our service and delivery capacities to reach new regions.

Fig 2: Sales area



Securing our market. Our sales strategy is based on the belief that there will be a regular flow of first-time customers, due to our convenient location and having access to our

distributor's customer and supplier network that ranges from the west and mid-Wales to the southwest of include as per Figure 2.

This will give us a strong foundation that will act as a springboard for the business to grow. The sales effort will be to focus on the conversion of each first-time customer into a long-term customer relationship, who bring or recommend new businesses to share our experience.

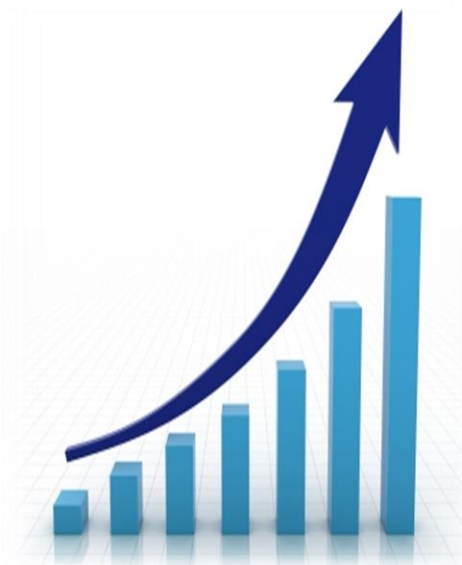
This focus recognises that it would cost our business less money to convert a new customer into a long-term relationship, then it does to attract a new customer. With this in mind, our sales activities will concentrate on keeping existing customers happy, and always meet or exceed their expectations.

Consistent, customer-centric service is the absolute requirement, and so it is for all our employees. Every member of our team will be empowered to deal with our customers' requests in such a way that no customer should leave dissatisfied. Problem-solving will be encouraged throughout the business, and it would also be fair to say that each employee is part of the team.

Sales forecast

Revenues. The following table and charts illustrate the sales forecast for the trading year. The first few months will be slower, a consequence of being a start-up business, struggling to become more visible. A steady growth cycle will occur as the months' pass. Profitability is projected to occur during the ninth month.

The projected average monthly sales are approximately £28,652. Considering an average price of £0.80 (less 10% commission payable) per cupcake, Cake Wallah would need to sell on average 2,851 cupcakes each production day equating to 11.33 days per month.



The reason why sales in certain months are projected to be higher than normal is due to Eid and Diwali celebrations and festivals. See Table 4.

Using the catering facilities, we will be able to produce a maximum of 3,360 units per day with a theoretical surplus in operating capacity of 509 units or 69,224 per year. In periods of peak sales, the normal operating capacity could be extended, therefore, we believe that, from the operating point of view, our sales forecast is feasible. In short, we can grow and cater to the projected sales rise of LS Wholesale Ltd.

According to a recent study by [IDG](#), convenience stores and supermarkets are set to grow 17.7 and 5.9% from 2017 to 2022. If this growth is replicated by the Asian business community combined with projected growth in the Asian demographic, then there is ample opportunity to grow our sales too.

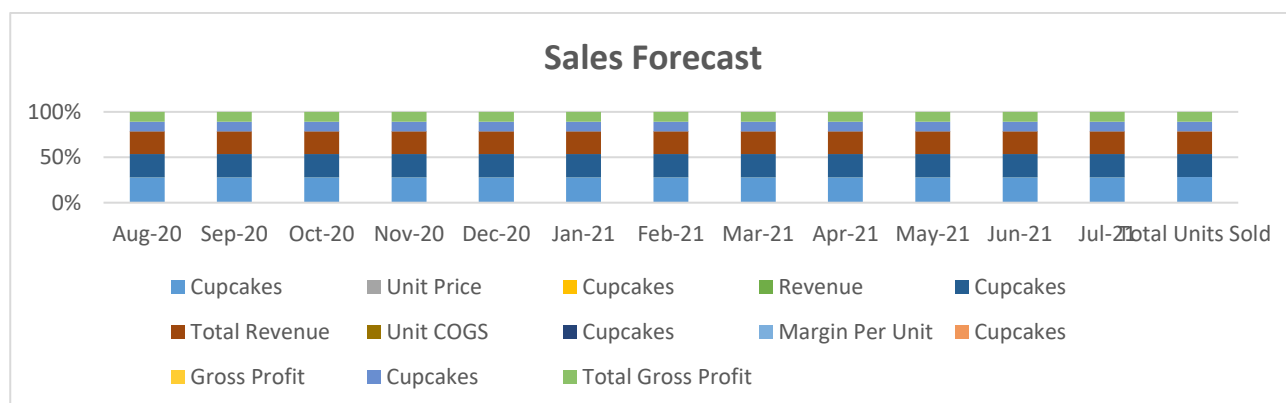
Table 7: Sales forecast year 1

Sales Forecast													
Units Sold	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Total Units Sold
Cupcakes	22600	23200	24800	31400	28000	29600	31200	33800	36400	43000	40600	43200	387800
Unit Price													Avg Unit Price
Cupcakes	£0.89	£0.89	£0.89	£0.89	£0.89	£0.89	£0.89	£0.89	£0.89	£0.89	£0.89	£0.89	£0.89
Revenue (Units Sold * Unit Price)													Total Revenue
Cupcakes	£20,037	£20,569	£21,988	£27,839	£24,825	£26,243	£27,662	£29,967	£32,272	£38,124	£35,996	£38,301	£343,823
Total Revenue	£20,037	£20,569	£21,988	£27,839	£24,825	£26,243	£27,662	£29,967	£32,272	£38,124	£35,996	£38,301	£343,823
Unit COGS													Avg COGS
Cupcakes	£0.51	£0.51	£0.51	£0.51	£0.51	£0.51	£0.51	£0.51	£0.51	£0.51	£0.51	£0.51	£0.51
Margin Per Unit (Unit Price - Unit COGS)													Avg Margin
Cupcakes	£0.38	£0.38	£0.38	£0.38	£0.38	£0.38	£0.38	£0.38	£0.38	£0.38	£0.38	£0.38	£0.38
Gross Profit (Revenue - COGS or Margin Per Unit * Units Sold)													Total Gross Profit
Cupcakes	£8,595	£8,823	£9,431	£11,941	£10,648	£11,257	£11,865	£12,854	£13,843	£16,353	£15,440	£16,429	£147,480
Total Gross Profit	£8,595	£8,823	£9,431	£11,941	£10,648	£11,257	£11,865	£12,854	£13,843	£16,353	£15,440	£16,429	£147,480

Important assumptions

- Sales growth calculated from LS Wholesale Ltd's average customer growth at one new customer per week, four per month
- Conservative sales growth calculated from weekly orders obtained from 50% of LS Wholesale Ltd's customer base
- Average order from reseller is 100 cupcakes per week
- Average wedding covers is 500 to 1500. A median sales figure of 1000 assumed. One weddings per month
- Religious festivals sales assumed at 5000 extra sales
- Religious festivals per year is three per year: Eid ul Fitar, Eid ul Adha and Diwali

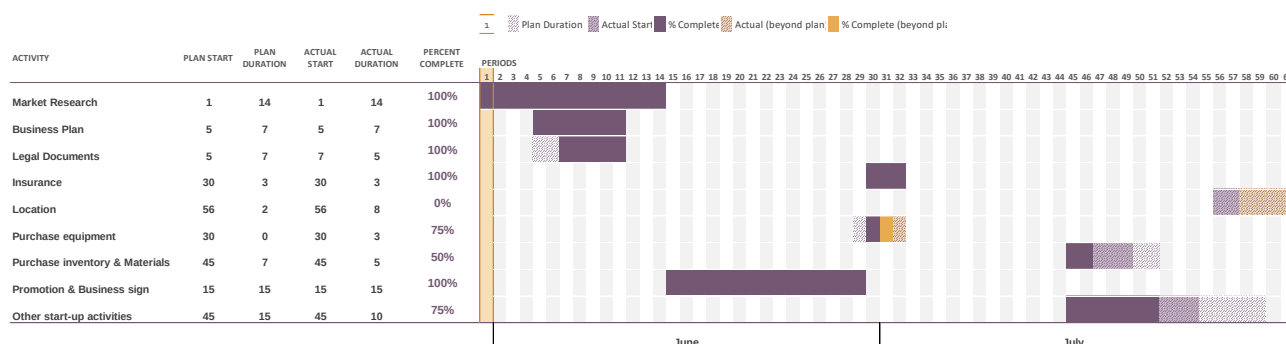
Eid-ul-Fitar Eid-ul-Adha Diwali
May-21 Jul-21 Nov-20



Milestones

The following table lists important start-up program milestones. The schedule indicates Cake Wallah's emphasis on planning for implementation.

Table 8: Project Planner



Marketing Strategy

The marketing strategy of Cake Wallah centres on creating and developing a business identity that clearly defines our market niche in terms that benefit our retail and event organiser clientele. The focus will be tied to the development of vegetarian and vegan products and the promotion of their health benefits.

Market needs and trends. Since our target market includes two major segments; the Asian demographic of the local and surrounding areas, and local businesses that are located inside or outside Cardiff, their most important needs are service, price, and delivery, in that order.

One of the key points of Cake Wallah's strategy is to focus on these target segments that know and understand these needs and are willing to pay a reasonable price to have them fulfilled.

Factors such as current trends and sales data of our distributor and supplier, ensure that the high demand for our product will continue over the period.

Trends are in our favour:

- New business creation for Wales continues to grow and as of 2018 had grown by **2.2** from 2003.
- According to [Mintel](#), in 2018, the UK launched more vegan products than any nation and is the fastest-growing takeaway choice with a growth rate of **388%** between 2016 and 2018.



- Vegans and vegetarians look set to make up a quarter of the British population in 2025, and flexitarians just under half of all UK consumers according to [Sainsbury's](#).
- [World Health Organization's](#)¹ first step to healthy eating is: "Eat a nutritious diet based on a variety of foods originating mainly from plants, rather than animals".



Our adaptability allows us to pivot our products to market trends. As an example, the Pantone Colour Institute has named [Classic Blue](#)¹ the Colour of the Year for 2020. In the era of social media, the food needs to deliver on a visual level. Millennials and Gen Z's opt for "Instagram-able" foods that offer as much visually as they do in taste. Logically, we will produce and market products including our packaging to current trends.

Visuals attract people's attention and according to [research](#), posts with images produce a 180% more engagement as our brain processes visual 60,000 times faster

Ingredients. As our primary supplier is affiliated with Cake Wallah, we can source the latest ingredients. For example, [Whitworth Bros Ltd](#) is one of the largest suppliers of milled flour in the U.K market. This will enable us to procure 'on-trend' flours such as almond, coconut, and cassava to use in our products. The use of different ingredients will add to our unique selling point and will enable us to create '[Fusion](#)'¹ foods. Vegan ingredients that display versatile qualities allow us to add choice. Where food trends go, Cake Wallah will follow.

Our previous experience in running a similar business has taught us that advertising costs can easily overwhelm a new business, so keeping marketing simple, creative, and cost-efficient will be a challenge. Cost-effective use of marketing funds is one of our keys to profitability.

To reach our potential customers, we will use an integrated marketing communication based on segmentation, targeting, and positioning. A combination of marketing techniques will be utilised for this purpose including:

- **Sales literature:** to drive sales initially, Cake Wallah will utilise a catalogue with a price list enclosed displaying our current charges for both retail and wholesale. Also, we will produce business cards and flyers that will be distributed by the following methods: a) give-away in store, b) enclosed with order shipments,

c) through our affiliate product distributor d) distribute at local trade shows and other business events, and e) personal handouts.

- **Internet marketing through Social media;** we will use social media to promote our brand, our products including channels such as Facebook, Instagram, YouTube videos.
- **Website:** the front-facing component of the business.
- **Events and Shows:** promoting our product by attending events such [Cake International Show](#) at the NEC
- **Telesales:** we will utilise LS Wholesales Ltd.'s sales team to market our products
- **Promotional offers and give a way's:** this will include discounted products and donations to our chosen charities as a prize for raffle ompetitions
- **Word of mouth;** through family and friends, local business, and the local community.



The main task will be to clearly define the message of our sales literature to make certain that we are selling the company, the products, and services.

All marketing decisions concerning specific media choices, frequency, size, and costs will be conducted on an ongoing basis with careful consideration of results generated.

Pricing Strategy

Like all businesses, our clients are sensitive to service value. Cake Wallah must ensure that price and service are perceived to be a good value to our customers. Therefore, our pricing strategy will be competitive within the product range, but will not rely on the selling

price to overshadow other advantages of doing business with us, such as a high-quality product, that is readily available, reasonably priced, and backed by service excellence and on-time delivery. Besides, we recognise that price flexibility is critical to our success. We are prepared to offer discounts and allowances, sales promotion prices, and to reduce the price over limited periods during the slow sales, to maintain our operating capacity usage, and reduce or eliminate idle capacity and potential losses. As we anticipate that we will have no natural competitor for the foreseeable future this outcome is not expected to be utilised.



Table 9: Product Unit cost

Ingredients	Cupcakes
Flour	0.0076
Eggs	0.0560
Misc. sugar	0.0080
Unsalted butter	0.0203
Milk	0.3070
Icing	0.0680
Bakery disposables	0.0060
Misc. decorations	0.0167
Misc. ingredients 'Asian twist'	0.0167
Unit cost	0.5063
Plus target Gross profit of 75%	0.8860
Unit Selling price	£0.89

Important notes

- a) Misc. sugars can include standard sugar, icing & caster
- b) 'Asian twist' includes any spices and or flavourings added to the product assumed cost like misc. decorations
- c) Upon clients request the suitable ingredient will be substituted for vegetarian and vegan options
- d) 75% Gross profit margin assumed

Sourcing Strategy

There are myriad sourcing options for Cake Wallah to procure its raw materials. However, it is in our best interest to do so with LS Wholesale Ltd our distributor and supplier. This has the added advantage of a traceable supply chain and thereby reduce food fraud. The wholesale discount on offer is 15% (from a gross profit margin of 18%) as per the letter of memorandum. They are willing to make a profit sacrifice to help us get off the ground. However, there still benefits to be had as LS Wholesale Ltd.'s unit price of goods purchased reduces as the order size increases. This due to transportation costs being fixed regardless of the quantity delivered.

We will be maintaining low levels of inventory that will help to reduce the cost of financing, handling, and storage. However, too low inventory levels may also result in lost sales and unhappy customers. Therefore, we will strive to implement a just-in-time operating



environment. This will be achieved by working closely with our suppliers to coordinate and schedule shipments so that goods and materials arrive just at the time they are needed. Thereby, reduce our supply chain.

Suppliers of equipment, packing, and accessories for our products will be chosen based on competitive pricing and quality. Table 10 contains an indicative list of various items that will be purchased for the start-up phase of the business plan. Please note, the prices shown are retail and not trade. We anticipate a trade discount of 60%. By way of a comparison [Nisbets](#) the catering equipment supplier lists, 100 quantity box of vinyl hygiene blue gloves £8.00 plus Vat. Whereas, LS Wholesale Ltd offers the same item for £3.50 inclusive of Vat. The potential to negotiate a large discount is there. This is reflected in our cost projections included in this business plan.

Other discounts can be negotiated gradually, depending on the increasing quantity purchased, and customer loyalty. We need to focus on making sure our volume gives us negotiating strengths. Because of our past work experience in purchasing materials and ingredients, we have several supplier contacts within the industry to fall back to if new suppliers are needed in the future. Ultimately, suppliers will help us to achieve lower cost-of-goods and reach our financial performance objectives.

Table 10: Start-up Inventory

Buffalo 29Ltr Planetary Mixer*	4	1,700	2,040	8,160
Bourgeat full Gastronorm racking trolley 20 shelves*	5	480	576	2,880
Disposable racking trolley cover (Pack of 300)*	1	190	228	228
Nisbets essentials mini infrared thermometer*	5	13	16	78
Vogue cling film 440mm x 300m*	10	5	6	60
PME Cupcake baking cases (Pack of 60)*	160	1	2	267
Fiesta Cup cake cases 75mm (Pack of 1000)*	10	10	12	122
Colpac single-cavity cupcake boxes (Pack of 10)*	1000	3	3	3,120
Vogue Stainless steel centre table 1880mm*	2	420	504	1,008
Vogue Stainless steel double/strainer 2.4m*	1	760	912	912
Vogue Monobloc pre rinse spray*	1	190	228	228
Vogue stainless mini wash basin*	2	55	66	132
Blue Seal turbofan convection oven E35D6*	3	6,270	7,524	22,572
Wall mounted commercial oscillatingfan 26"	4	132	158	634
Stainless steel cladding 304 Grade 2.5 x 1m	20	83	100	2,000
Electrical inc. lighting, cabling, sockets etc	1	200	240	240
Suspended ceiling	1	1,000	1,200	1,200
Electrical certification	1	104	125	125
Odour and grease extraction system	1	3,750	4,500	4,500
Dynamic Master stick blender MF002UK*	1	597	716	716
Labour	1	500	600	600
Prodis Compact S903-6D 6 draw refrigerator*	1	1,239	1,487	1,487
Huxain vacuum cooling machine	1	1,878	2,254	2,254
Timber etc	1	208	250	250
Colpac Four-cavity cupcake Boxes (Pack of 4)*	250	2	3	687
Colpac Recycleable Kraft Gable boxes (Pack 125)*	10	54	65	648
		19,845	23,814	55,106

Important assumptions

a) * Indicated prices obtained from Nisbets Catering Equipment www.nisbets.co.uk

Location and Facilities

The business's location is very favourable, providing high visibility, high traffic, and a high flow of customers wishing to stop at LS Wholesale Ltd. The business is in Cardiff's old Fruit Market and itself has a weekly car boot sale that attracts large crowds each weekend. Currently, the business Fig. 3, occupies units 24 and 22 (see Appendix C for site map) and we will part-occupy Unit 22 for our intended purpose.

Fig.3 Location - front



The rent on offer as per our letter of memorandum is on a pro-rata basis. Currently, LS Wholesale Ltd pays £500 per circular month inclusive bills including business rates and electricity, etc. This equates to £6000 per annum or £16.44 per day. LS Wholesale Ltd has granted the use of their facilities including access to the cold rooms for an agreed daily rental of £50 inclusive. The floor space required for our operation is 50m².

We envisage that we will require one hundred and four days of use plus an extra thirty-two days to allow for religious festivals and weddings that we anticipate will be held during the months between March and August each year.

Flexibility for the days sublet is implied in the letter of memorandum and LS Wholesale Ltd has agreed to accept rent payable in arrears every four weeks. This is reflected in our accounts.

The premise has ample space for us to sustain our business for the first year and beyond. In the event we outgrow the premises then we will seek to utilise a larger unit on the grounds of the market. This is our preferred option.

Has our hosts intend to acquire further units for their expansion, we do not foresee any problems acquiring the use of the said unit.

Other advantages of the chosen location include:

- Proximity to the heart of Cardiff's Asian community.
- Plenty of parking, and additional storage area available
- Excellent central location with easy access to major destinations, road networks, and other transportation means.
- Short commute for local customers
- Strategically located on one of the busiest business hubs.
- High profile area with easy access from all parts of town.

The characteristics of the location will provide us, a solid foundation from which to grow.

Fig.3 Location - rear



Management Summary

We expect to use our resources wisely, operate profitably, pay suppliers, and abide by laws and regulations. Our philosophy is based on teamwork, responsibility,

and mutual respect. People who work at Cake Wallah would want to be part of our team because we operate in an environment that encourages creativity, diversity, growth, and performance.

As discussed previously, we have been part of the catering trade for over twenty years and amassed an enormous amount of experience and knowledge. My spouse has had prior experience with cake production having been employed at [Memory Lane Cakes Cardiff](#). Day to day management will be our responsibility. Our daughter is an accountant by training and will take the lead in dealing with all things financial and administrative.

We will constantly focus on continuous improvement of the business by applying modern management techniques, such as quality control, activity-based management, the theory of constraints, and just-in-time operating environment.

As key members of the management team, I have attached my daughter's and my curriculum vitae in Appendix A. My spouses are available upon request if needed.

Personnel Plan

The personnel plan reflects the need to bolster our capabilities to match our positioning. Cake Wallah will have the following staff:

- Manager
- Financial Officer/Administrative
- Cake Designer/Baker
- Cake Decorator/cook
- Two Cooks



In our experience, a team of multi-skilled employees works best for our kind of business. Working as a team is critical to our success. We recognise that human resources are Cake Wallah's most valuable asset. Our personnel strategy focuses on selecting, training, rewarding, and stimulating all employees to build employee loyalty, and increase performance.

It will be easy to find and select the best new members of our team. The traditional local food-service industry is well represented in the area. In the selection process, the background check is a must in this line of business.

Further personnel will be either employed on an ad-hoc basis or local volunteers from charitable organisations from the local community that stands to benefit from our donations would be asked to help.

We will operate during the weekends to prepare products for sale. The hours of work would be a flexible duration of which will reflect the size of production. We anticipate that on average each production run will take 10 hours.

Table 11: Work schedule

Day	Start time	Finish time	Production run	Hours worked
Saturday	Flexible	Flexible	500 – 3360	Up to 10*
Sunday	Flexible	Flexible	500 - 3360	Up to 10*

Important assumptions

Cupcakes take up to 30 minutes to prepare and decoration and packaging (including all regulatory labelling and use by dates etc) another 15 minutes for 24 cupcakes. A production run of 2000 cupcakes will take approximately eight to ten hours using existing capacity. Extra hours will be allocated for weddings and religious festivals during the trading year.

Employees will be paid a living wage or more on an hourly basis. We, the management will not draw an income for work rendered as we are fortunate to have other income sources to draw upon. Instead, we will take an equal share of profits generated after each year of trading. This will aid cashflow and increase the amount of retained earnings, as a strategy to strengthen the business financial position for sustainable future growth, to increase its net worth, and subsequently the market value if and when it goes public. This including employment costs is reflected in the accounts.

Table 12 Personnel

Personnel Plan	FY 2020/21
Manager*	-
Financial Officer*	-
Cake Designer/Baker*	-
Cake Decorator	15,389
First Cook	15,389
Second Cook	15,389

Important notes

- a) * Partners will take a share of profits at the end of each trading in place of a salary
- b) £10 hourly wage assumed
- c) Peak wedding season is March to August at two weddings per month
- d) Religious festivals per year are three per year: Eid ul Fitar, Eid ul Adha and Diwali
- e) Peak wedding season is March to August at two weddings per month

f) Religious festivals per year are three per year: Eid ul Fitar, Eid ul Adha and Diwali

Eid-ul-Fitar
May-21

Eid-ul-Adha
Jul-21

Diwali
Nov-20

Personnel	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Total
Manager	-	-	-	-	-	-	-	-	-	-	-	-	-
Finanacial Officer	-	-	-	-	-	-	-	-	-	-	-	-	-
Cake Designer/Baker	-	-	-	-	-	-	-	-	-	-	-	-	-
Cake Decorator	897	921	984	1246	1111	1175	1238	1341	1444	1706	1611	1714	15389
First Cook	897	921	984	1246	1111	1175	1238	1341	1444	1706	1611	1714	15389
Second Cook	897	921	984	1246	1111	1175	1238	1341	1444	1706	1611	1714	15389
	2690	2762	2952	3738	3333	3524	3714	4024	4333	5119	4833	5143	46167

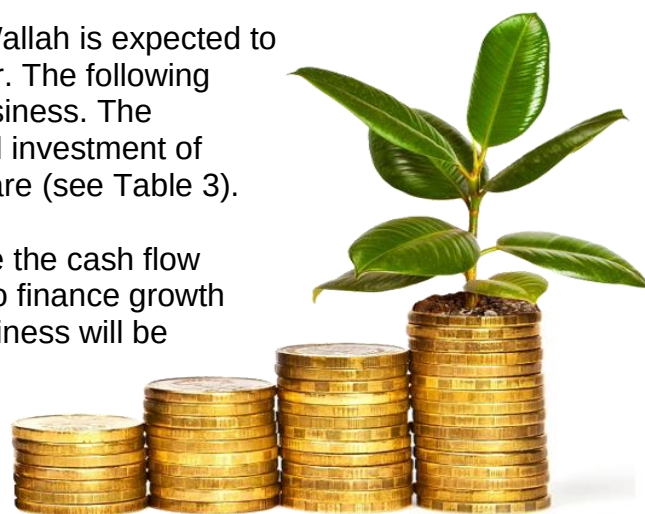
An estimate of pay totals has been included in Appendix D

The cornerstone of our personnel plan is to maximize productivity and minimize labour burden of the business' operating expenses, while maintaining strong employee commitment to the success of operations. The goal of all our employees is to meet or exceed our customers' expectations. They are all empowered to take any reasonable action to avoid a customer being dissatisfied. Our continuous improvement policy encourages all employees to look for ways to keep updated with the latest technology, to improve processes, reduce costs, and save time. This approach serves the goal of reducing costs and delivery times and increasing service quality and client satisfaction.

Financial Plan

According to our conservative estimates, Cake Wallah is expected to maintain a healthy financial position over the year. The following plan outlines the financial development of the business. The business will be initially financed by a total capital investment of £45,000 with each partner providing an equal share (see Table 3).

The source to repay the capital investment will be the cash flow generated from operations. The business will also finance growth through cash flow. After the initial period, the business will be able to make further expansion through retained earnings. It is envisioned that equity funding through the sale of a share of the business maybe be sought to finance the new development. The projected financial



statements have been prepared under the general accounting principles, and necessarily include some amounts that are based on reasonable estimates and judgment. For accounting purposes, the long-term assets are expensed using the straight-line depreciation method, and inventory is accounted for based on the First-In, First-Out (FIFO) method. The following sections outline important financial information.

Break-even Analysis

For our break-even analysis, we assume running costs of approximately £25,659 per month, which include payroll, utilities, insurance, rent, and other fixed costs. We need to sell about 32,317 for a minimum of £28,652 per month to break even, based on our assumptions.

Table 13: Breakeven Analysis

Sales		
Sales price per unit	0.8866	
Sales volume per period (units)	387,800.00	
Total Sales		343,823.48
Commission per unit	0.08866	
Direct material per unit	0.5063	
Shipping per unit	0.0000	
Supplies per unit	0.0000	
Other variable costs per unit	0.0000	
Variable costs per unit	0.5063	
Total Variable Costs		196,343
Unit contribution margin	0.3803	
Gross Margin		147,480
Administrative costs	51,014	
Insurance	500	
Utilities	0	
Rent	6,800	
Other fixed costs	53,254	
Total Fixed Costs per period		111,568
Net Profit (Loss)		35,912

Since our theoretical operating capacity is 3360 units per day, as explained in the sales forecast section, and sales are expected to be much greater than the computed break-even point, we believe that our business is likely to easily reach and maintain profitability.

Breakeven Point (units):

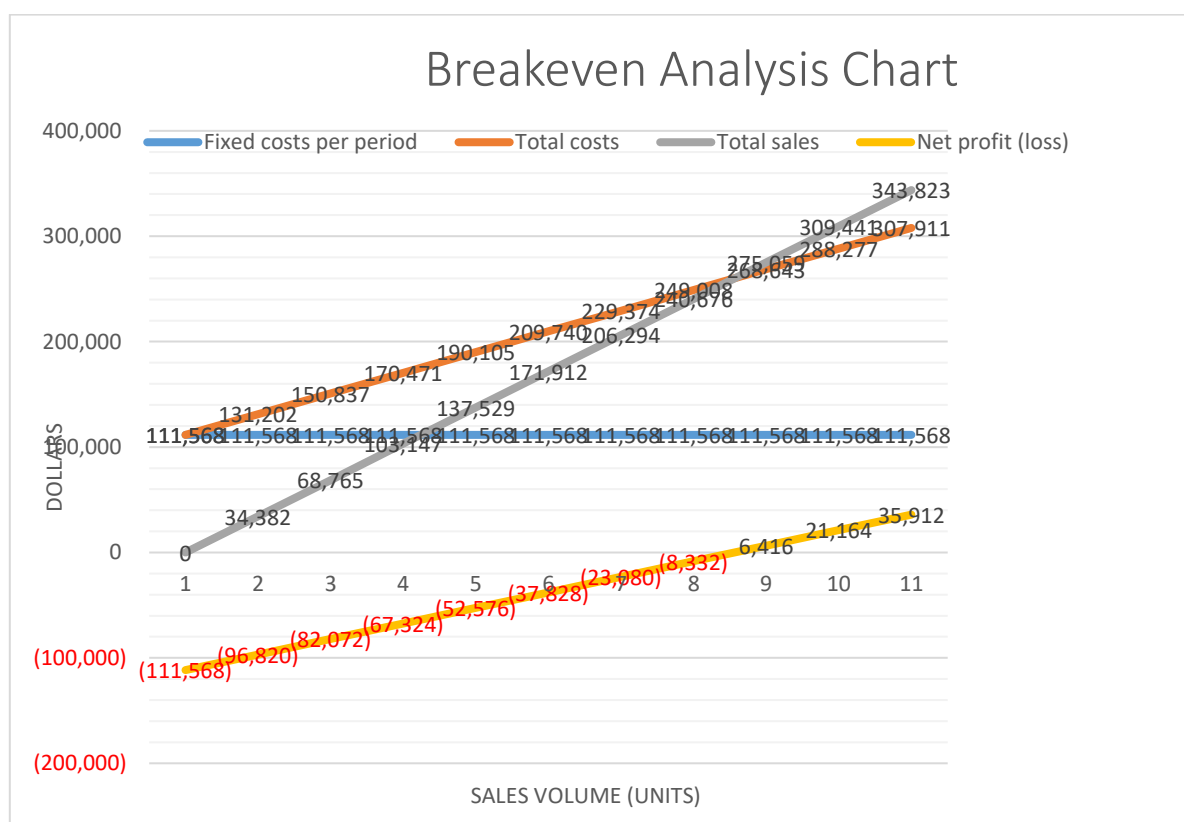
293,368

Sales volume analysis:

Sales volume per period (units)	0	38,780	77,560	116,340	155,120	193,900	232,680	271,460	310,240	349,020	387,800
Sales price per unit	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89
Fixed costs per period	111,568	111,568	111,568	111,568	111,568	111,568	111,568	111,568	111,568	111,568	111,568
Variable costs	0	19,634	39,269	58,903	78,537	98,172	117,806	137,440	157,075	176,709	196,343
Total costs	111,568	131,202	150,837	170,471	190,105	209,740	229,374	248,008	266,643	285,277	303,911
Total sales	0	34,382	68,765	103,147	137,529	171,912	206,294	240,676	275,059	309,441	343,823
Net profit (loss)	-111,568	-96,820	-82,072	-67,324	-52,576	-37,828	-23,080	-8,332	6,416	21,164	35,912

Cake Wallah is expected to break even in the ninth month of operations.

Graph 2



Projected Profit and Loss

We expect to be profitable in the first year of operations, with profits increasing over the year, as we establish and increase our customer base. The following table and charts show the projected profit and loss for the trading.

Table 10: Profit and Loss

Pro forma profit and loss	
	<u>FY 2020/21</u>
Sales	343,823
Other production expenses	-
Cost of goods sold	197,778
Gross profit margin	146,045
Gross profit margin (%)	58
Expenses	
Payroll	48,899
Sales and marketing and other expenses	34,018
Depreciation at 10% per annum	1,720
Office supplies	360
Telephone	360
Insurance	500
Rent	6,800
Accounting and legal	240
Repairs and maintenance	295
Subscriptions	936
	-
Other	360
Total operating expenses	93,192
Profit before taxes	52,853
Net profit	52,853

Projected Cash Flow

Table 14: Projected Cashflow

	Pre-startup	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	TOTAL
1. CASH ON THE PREMISES	13,454	13,454	16,539	19,715	23,135	23,572	27,480	31,631	35,991	40,783	45,972	48,178	54,007	
2. INCOME														
(a) Cash sales		20,037	20,569	21,988	23,406	24,825	26,243	27,622	29,967	32,272	33,691	35,996	38,301	334,917
(b) Collections from credit accounts		87	87	87	87	87	87	87	87	87	87	87	127	1,086
(c) Loan or other cash injection		-	-	-	-	-	-	-	-	-	-	-	-	-
3. TOTAL CASH RECEIPTS														
[2a + 2b + 2c=3]	-	20,124	20,656	22,075	23,493	24,912	26,330	27,709	30,054	32,359	33,778	36,083	38,428	336,003
4. TOTAL CASH AVAILABLE														
(Before cash out) [1 + 3]	13,454	33,578	37,195	41,790	46,628	48,484	53,810	59,340	66,046	73,143	79,750	84,261	92,435	
5. OUTGOINGS														
Purchases		11,526	11,832	12,648	16,014	14,280	15,096	15,912	17,238	18,564	21,930	20,706	22,032	197,778
Gross wages		2,690	2,762	2,952	3,738	3,333	3,524	3,714	4,024	4,333	5,119	4,833	5,143	46,165
Payroll expenses		68	78	104	213	157	183	209	252	295	403	364	407	2,734
Outside services		25	25	25	25	25	25	25	25	25	25	25	25	300
Supplies (office and operating)		25	25	25	25	25	25	25	25	25	25	25	25	300
Repairs and maintenance		-	-	-	-	-	-	-	-	-	-	-	295	295
Advertising		43	43	43	43	43	43	43	43	43	43	43	43	520
Travel expenses		-	-	-	-	-	-	-	-	-	-	-	-	-
Accounting and legal		-	-	-	-	-	-	-	-	-	-	-	200	200
Rent		361	361	361	361	361	361	361	361	361	361	361	361	4,330
Telephone		25	25	25	25	25	25	25	25	25	25	25	25	300
Utilities		-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance		42	42	42	42	42	42	42	42	42	42	42	42	500
Taxes (VAT)		87	87	87	87	87	87	87	87	87	87	87	127	1,086
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses (depreciation)		143	143	143	143	143	143	143	143	143	143	143	143	1,720
Sales Commission at 10%		2,004	2,057	2,199	2,341	2,483	2,624	2,762	2,997	3,227	3,369	3,600	3,830	33,492
Miscellaneous (unspecified)		-	-	-	-	-	-	-	-	-	-	-	-	-
(r) Subtotal	-	17,039	17,480	18,654	23,057	21,004	22,179	23,349	25,262	27,170	31,573	30,254	32,698	289,720
(s) Loan principal payment		-	-	-	-	-	-	-	-	-	-	-	-	-
(t) Capital purchases (specify)		-	-	-	-	-	-	-	-	-	-	-	-	-
(u) Other start-up costs		-	-	-	-	-	-	-	-	-	-	-	-	-
(v) Reserve and/or escrow (specify)		-	-	-	-	-	-	-	-	-	-	-	-	-
(w) Owner's withdrawal		-	-	-	-	-	-	-	-	-	-	-	-	-
6. TOTAL CASH PAID OUT														
[Total from 5a to 5w]	-	17,039	17,480	18,654	23,057	21,004	22,179	23,349	25,262	27,170	31,573	30,254	32,698	289,720
7. CASH POSITION														
(End of month) [4 minus 6]	13,454	16,539	19,715	23,135	23,572	27,480	31,631	35,991	40,783	45,972	48,178	54,007	59,737	
ESSENTIAL OPERATING DATA														
(Non-cashflow information)														
A. Sales volume		20,037	20,569	21,988	23,406	24,825	26,243	27,622	29,967	32,272	33,691	35,996	38,301	334,917
B. Accounts receivable (end of month)		20,037	20,569	21,988	23,406	24,825	26,243	27,622	29,967	32,272	33,691	35,996	38,301	
C. Bad debt (end of month)		-	-	-	-	-	-	-	-	-	-	-	-	-
D. Stock on hand (end of month)		-	-	-	-	-	-	-	-	-	-	-	-	-
E. Accounts payable (end of month)		14,738	15,126	16,159	20,419	18,224	19,258	20,290	21,968	23,646	27,906	26,357	28,036	
F. Depreciation		143	143	143	143	143	143	143	143	143	143	143	143	1,720

Important notes

- a) Rent/Telephone/Office supplies net of VAT
- b) Collections from credit accounts input VAT payments
- c) Utilities include in rent payment
- d) Outside services include Pest control and Fire Regulations service (net of VAT)
- e) Advertising through Facebook 9n0n-vatable)

Many profitable businesses go bankrupt because of cash flow deficiencies. That is why our main concern will be to have sufficient cash on hand to meet our payment obligations and be prepared for unexpected needs of cash. Our conservative projections indicate that our business can generate positive cash flows and sufficient cash reserves.

In addition to normal cash inflows and outflows, we will focus on establishing sufficient cash reserves for contingencies. This may include an overdraft facility with our bank, that could be used in the event of slow sales. This is a good way to control the cash flow risk. Also, excess cash, as projected, will be held in an interest-paying deposit account. Table11 shows the projected cash flow for the year.

Projected Balance Sheet

We expect healthy growth in net worth and a healthy financial position. We do not project any real trouble if we achieve our specific objectives. A balance sheet will be prepared after the second year of trading thereby providing a better snapshot of the business financially. This is a one-year plan. Projections for further periods are not considered relevant at this time.

Important assumptions

Our assumptions are conservative. In judging and estimating, we have chosen the alternatives that are least likely to overstate assets and income.

The key underlying assumptions are:

- we assume a steady economic growth over the years
- we assume access to capital and financing sufficient to maintain our financial plan as shown in the tables
- we assume the continued popularity of our products in our target market

Risks

We are responsible for constantly evaluating risks and taking corrective actions to provide adequate prevention, control, and risk reserves. We have identified several risks that are associated with our business project.

There are many possible classifications of risks, but for this plan, we have chosen to group them as follows:

a) External Risks (These risks come from outside the company and are more difficult to prevent and control.)

- **Economic depression.** We will continually monitor the economic climate and adjust our business model to ride out any downturn economic activity.
- **Competition and buying patterns change.** There is a risk that a new competitor will arrive in the relevant marketplace. Our continuous improvement management strategy and cost control techniques will help us to stay on top of customer preference. Our client's buying patterns are not likely to significantly change over the next year. Also, the population growth predicted will increase the chances to maintain and boost sales.
- **Suppliers.** Our purchases do not depend on a single or a limited group of suppliers. There is a large supply of materials and ingredients for our products, and other specific products from which we can source. The risk to supply constrictions is low.
- **Technology.** New and more efficient food preparation equipment is expected to become available. However, by deciding to purchase only state-of-the-art, energy-efficient equipment, we believe to have reduced this risk over the trading year.
- **Location.** The chosen locations will be sublet for a minimum of one year, with the option to extend for a further year. We do not anticipate any issues with letting.
- **Inflation.** According to expert estimates, the inflation rate is likely to remain under control over the year. We have accounted for a 2 percent annual inflation rate.
- **Currency.** All our operations are in the U.K, but some of our raw materials are sourced from abroad and are therefore may be susceptible to currency fluctuations. No currency risk has been accounted for.
- **Taxation and economic policy changes.** Our products are not liable for Value added tax. However, government-mandated changes to taxation might influence our financial performance. This is why our estimates are conservative.

b) Internal Risks (These risks come from inside the business and can be better prevented or controlled.)

- **Cash flow deficiency.** One main concern will be to have sufficient cash on hand to meet our payment obligations and be prepared for unexpected needs of cash. Our conservative projections indicate that our business can generate positive cash flows and sufficient cash reserves to reduce the risk of cash flow deficiency.
- **Business continuity** over the year. In the event something happens to one of the business partners and co-owners, the other will have the skills and experience required to take over and continue operations. Besides, the partnership's legal documents will include provisions for any eventuality.

Entry Strategy

We will invest £15,000 each in the capital for an equal share of the business.

Exit Strategy

There are several options but are not limited to:

- IPO (Initial Public Offering)
- Acquisition by a competitor
- Liquidation
- Selling to a friendly buyer

We do not plan on going public after the first year of operations. However, Cake Wallah believes that the level of financial resources might become an important competitive factor, and we may later choose to raise additional capital through debt or equity financing, to strengthen our financial position, stimulate growth, and provide flexibility to take advantage of business opportunities that may arise.

Appendix A

Abdur Rahim Roap - Curriculum Vitæ

ABDUR ROAP		Book Keeper
		Payroll Officer
Contact Address: 2 Norrell Close, Lansdowne Gardens, Cardiff CF11 8Dw Phone: +44 29 20161147 +44 7834981075 Email: abdur.rahim@hotmail.co.uk		Summary Experienced Financial Bookkeeper with a demonstrated history of working in financial environment. Skilled in Revenue Improvement, Microsoft Excel, Sage Accounting and Payroll, and easily adaptable. Strong accounting professional with qualifications focused in Accounting and Finance. Studying towards CertHE in Skills in the Workplace.
Languages Bengali		Skill and Personal Highlights - Numerical skills - Strong decision maker - Problem solver - Researching - Innovational - Service-focused
Software Sage Accounts 50 Sage Payroll Payroll Manager 100 Microsoft Excel		Experience Bookkeeper - 12/2018 to 11/2019 LS Wholesale Ltd, Cardiff - Processed invoices, credit card purchases, petty cash, BACS payments onto Sage Accounts 50 Books. - Maintained daily/weekly filing. - Carried out bank reconciliations every week - I had full responsibility that all direct debits were paid & posted onto Sage Accounts 50 every week - Processed all payments, receipts, supplier invoices and customer invoices - Managed payroll every month, liaising with accountants, getting salaries in every month on time and then checking what has been processed - Produced invoices on a daily basis - Daily reconciliations were done with SAGE, including monthly bank statement reconciliation - Carried out year ends for the financial year - Providing administrative and clerical services as and when

Jacia Roap - Curriculum Vitæ

Jacia Roap
59 Claylands Road, London, SW8 1PH
Email: jroap@hotmail.co.uk
D.O.B.: 24th August 1990
Mobile: 07718229166
Full UK drivers licence

I am a very dependable, enthusiastic, hardworking and committed individual with a strong academic background and working experience, who always strives to achieve the best of my ability. Seeking an opportunity to utilise my skills and knowledge; within the finance sector.

Education

University of Glamorgan, Pontypridd (2011-2012)
MSc Islamic Banking & Finance - Distinction

Dissertation Title: *Performance of Islamic Banks & Conventional Banks during the global financial crisis – A comparative study, Country: Bahrain*

University of Glamorgan, Pontypridd (2008-2011)
BA (Hons) Accounting and Finance 2.1

Coleg Glan Hafren, Cardiff (September 2007-2008)
A Level: Psychology

Fitzalan High School (Sixth Form), Cardiff (2006-2008)
A Level: Biology, Maths
As Level: Chemistry and Psychology

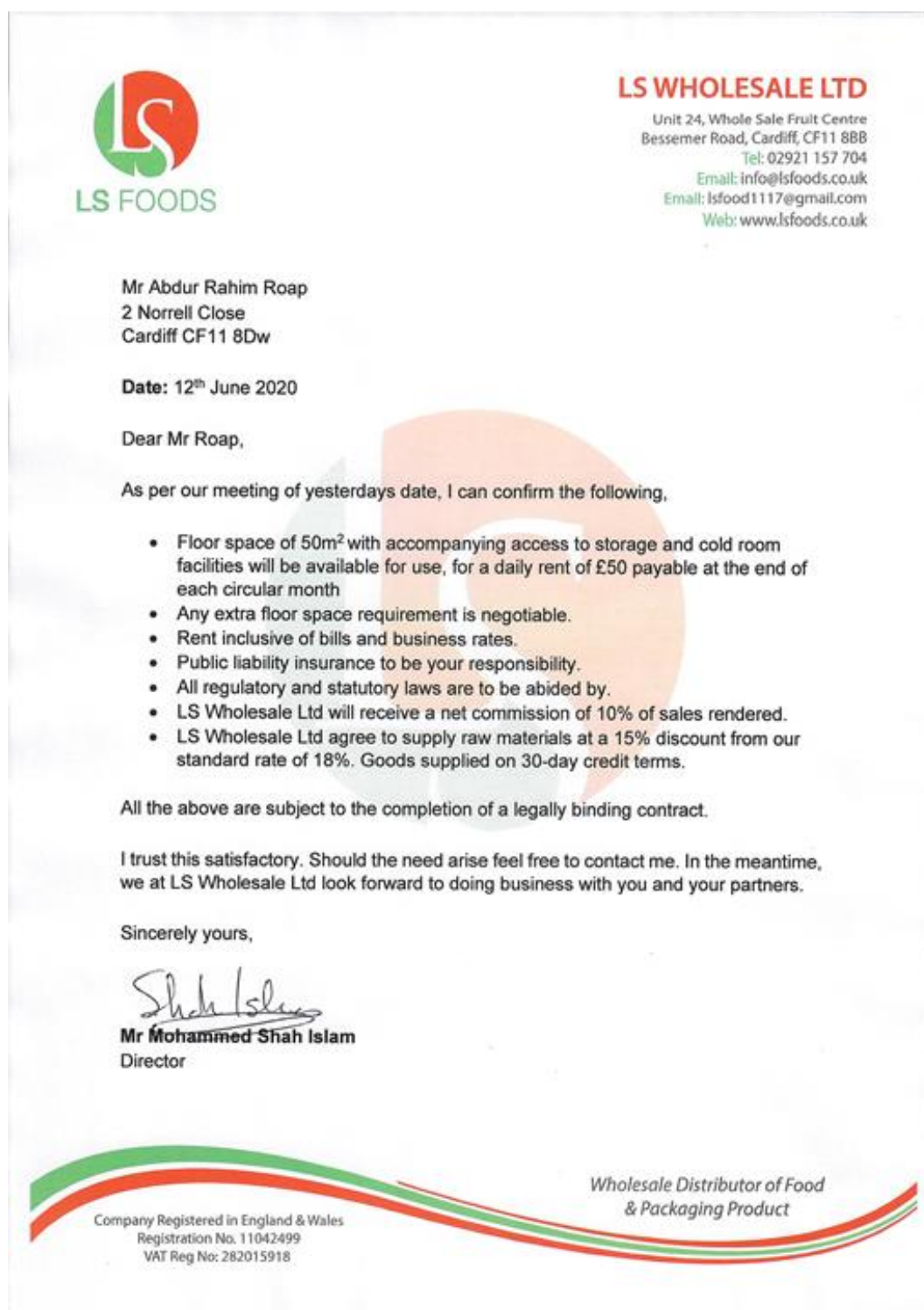
Fitzalan High School, Cardiff (September 2001-2006)
GCSE's grades (A*- C): Chemistry, Biology, Physics, Welsh, Business Studies, ICT, Maths, History, Food Technology, and English Language & Literature

Employment

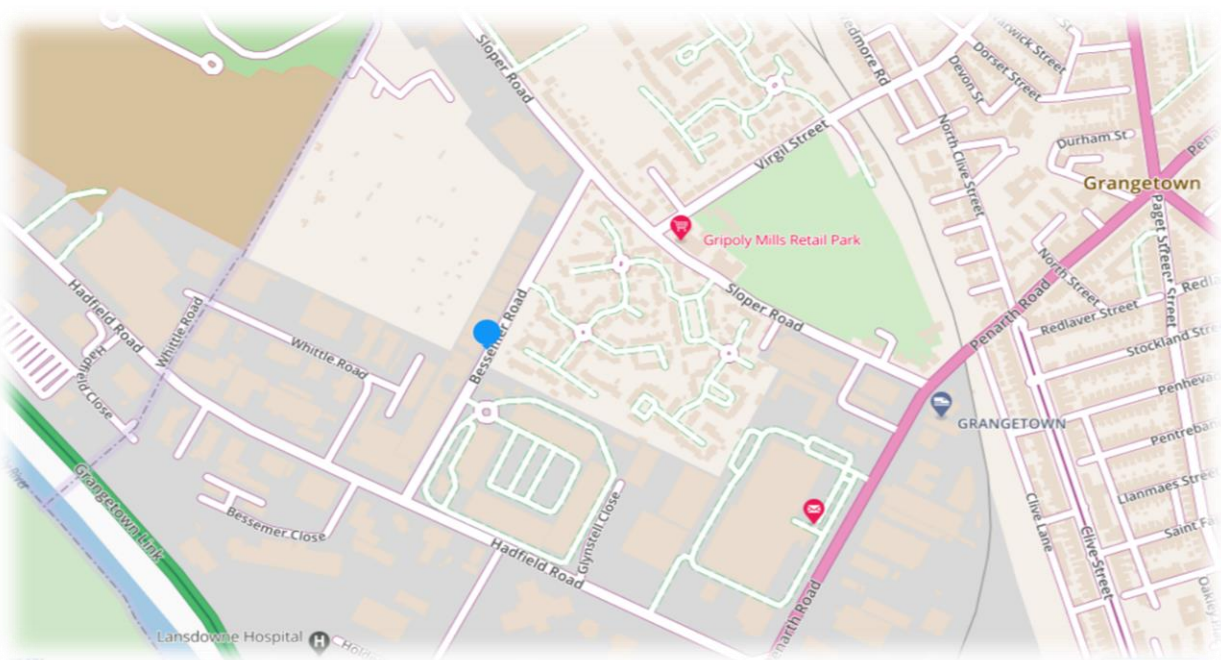
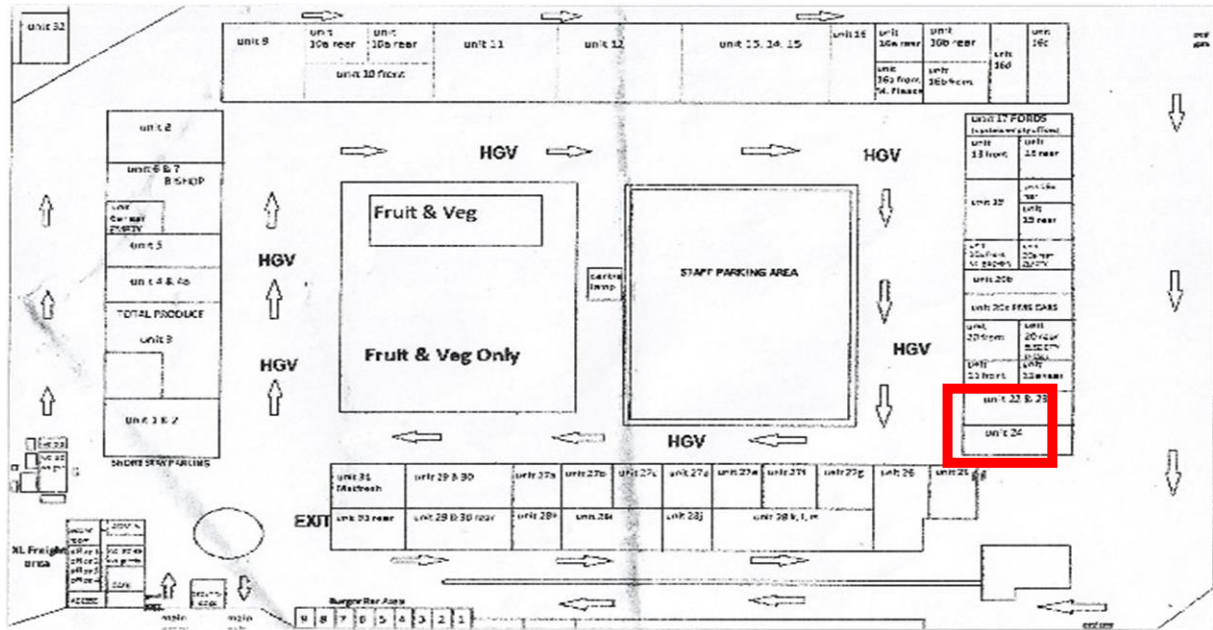
Blenheim CDP (Part time)
Finance Officer
10th December 2014 – 18th November 2016

- Completed admin duties – duties included opening & closing office on designated days, included attending weekly admin meetings & covering reception.
- Attended finance team meetings.
- Finance officers, including myself were given specific projects that were run by the charity that were located all around London. I managed and dealt with 10+ projects finances.
- Visited projects time to time so that I could get to know who I am working with.
- Responsibilities included direct contact with project employees & managers to deal with financial enquiries, i.e. supplier invoices, credit card purchase requests, petty cash requests, monthly reports.
- Used TAS Books
- Direct contact with suppliers.
- Assisted in yearly audit.
- Processed invoices, credit card purchases, petty cash, BACS payments onto TAS Books.
- Processed & issued cheques to suppliers.
- Sent remittances.

Appendix B



Appendix C



Appendix D

CAKE WALLAH 2020-21

Period Totals

Layout: Basic

Pay Period	Total Payments	Tax Deducted	Employee NIC	Net Pay	Employer NIC
Month 1	897.00		12.60	884.40	22.77
Month 2	921.00		15.48	905.52	26.08
Month 3	984.00		23.04	960.96	34.78
Month 4	1,246.00		54.48	1,191.52	70.93
Month 5	1,111.00		38.28	1,072.72	52.30
Month 6	1,175.00	15.80	45.96	1,113.24	61.13
Month 7	1,238.00	39.00	53.52	1,145.48	69.83
Month 8	1,341.00	59.80	65.88	1,215.32	84.04
Month 9	1,444.00	80.40	78.24	1,285.36	98.26
Month 10	1,706.00	132.60	109.68	1,463.72	134.41
Month 11	1,611.00	113.80	98.28	1,398.92	121.30
Month 12	1,714.00	134.20	110.64	1,469.16	135.52
Year Total	15,388.00	575.60	706.08	14,106.32	911.35

Important notes

- Above calculations period is for April 200 through to April 2021.
- No allowance has been for period from April 2021 as taxation criteria are not available at the time of publication
- Trading year is 1st August 2020 to 31st July 2021



Abdur Rahim Roap, Founder & Senior Partner
Unit 24
Bessemer Fruit Market
Bessemer Road
Cardiff CF11 8BB

Tel: 029 20123456
Email: info@cakewallah.co.uk
Website: www.cakewallah.co.uk

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