**Financial Plan**

**Forecast**

**Key Assumptions:**

Using the survey for our platform and doing industry & market analysis, we are going to forecast the financial plan as well as propose budgeting for the same. Industry analysis includes differentiating our idea with the other key players of the industry, studying financial data of the competitors and flow of services in the market. Market analysis involves doing customer intensive research, studying demand and supply of services provided by competitors and satisfaction level of customers.

For our platform, we are expecting a steady growth since the usage of our services would highly depend upon popularity, which requires time. Currently we are aiming o get a customer base of more than 1Lakh due to free services being provided. Although there is subscription based mentoring available on the platform, but initially earning money through those subscriptions in apt number would not be possible. But we can expect a conversion rate of around 60% initially, as our survey gave result of conversion rate of around 60% when it comes to purchase of one-to-one mentorship subscription purchase. Since our major expense would just be to pay for the mentors, so keeping that number less in the beginning can solve our problem. But still making profit in the beginning is generally not possible in such industry, and thus we are looking forward for a long-term effect to achieve success.

**Revenue by month:**

Below are the projected revenues on monthly basis for a year.

**Expenses by month:**

Below are the projected expenses on monthly basis for a year.

**Net Profit (or loss) by year:**

Below are the projected expenses on monthly basis for a year.

**Financing**

**Use of funds:**

The funds collected from sources are used to pay for area where the company would be established, interiors, equipments, advertisements, licensing, salary, taxes, electricity, R&D, cloud solution, internet connection, maintenance, etc.

**Sources of funds:**

Since the amount of investment is not huge, there is no need to raise funds through venture capitalists. Thus, the board of directors are investing their own money in the business, thus reducing market risk in case of loans or partnerships. Other than that, revenue collected from one-to-one mentorship subscription (estimated $60 per subscription) and web advertisements also adds on to the amount of funds collected. Note that all estimations are made on the basis on key assumptions discussed already.

**Statements**

**Projected Profit & Loss:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | FY2018 | FY2019 | FY2020 |
| Revenue | $3.6 million | $3.8 million | $4.2 million |
|  |  |  |  |
| Direct Costs | $1.88 million | $2.1 million | $2.2 million |
|  |  |  |  |
| Gross Margin |  |  |  |
| Gross Margin % | 47.7 | 44.7 | 47.6 |
| Operating Expenses |  |  |  |
| Renting | $9200 | $9500 | $10000 |
| Establishment cost | $770 | - | - |
| Equipments | $7700 | - | - |
| Cloud Solutions | $7000 | $7000 | $7000 |
| Management Cost | $500 | $500 | $700 |
| Employee related expenses | $400 | $600 | $700 |
| Legal, accounting & professional services | $1800 | $2000 | $2000 |
| Domain | $10 | $15 | $15 |
| Total Operating Expenses | $27380 | $19615 | $20415 |
|  |  |  |  |
| Operating Income | $3.5 million | $3.78 million | $4.18 |
|  |  |  |  |
| Interest Incurred | - | - | - |
| Depreciation and Amortization | - | - | - |
| GST | - | - | - |
| Total Expenses | $1.9 million | $2.11 million | $2.22 million |
| Net Profit | $1.7 million | $1.69 million | $1.98 million |
| Net Profit / Sales | 0.47 | 0.44 | 0.47 |

**Projected Profit & Loss:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | FY2018 | FY2019 | FY2020 |
| Cash | - | - | - |
| Accounts Receivable | $3.6 million | $3.8 million | $4.2 million |
| Inventory | - | - | - |
| Other Current Assets | - | - | - |
| Total Current Assets | $3.6 million | $3.8 million | $4.2 million |
|  |  |  |  |
| Long-Term Assets | $7700 | $7700 | $7700 |
| Accumulated Depreciation | $3800 | $3800 | $3800 |
| Total Long-Term Assets | $3900 | $3900 | $3900 |
|  |  |  |  |
| Total Assets | $3.6 million | $3.8 million | $4.2 million |
|  |  |  |  |
| Accounts Payable | - | - | - |
| GST Payable | - | - | - |
| Short-Term Debt | - | - | - |
| Prepaid Revenue | - | - | - |
| Total Current Liabilities | - | - | - |
| Long-Term Debt | - | - | - |
|  |  |  |  |
| Total Liabilities | - | - | - |
|  |  |  |  |
| Paid-in Capital | - | - | - |
| Retained Earnings | $1.7 million | $3.39 million | $5.37 million |
| Earnings | $1.7 million | $1.69 million | $1.98 million |
| Total Owner's Equity | $3.6 million | $3.8 million | $4.2 million |
|  |  |  |  |

**Projected Cash flow statement:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | FY2018 | FY2019 | FY2020 |
| Net Cash Flow from Operations |  |  |  |
| Net Profit | $1.7 million | $1.69 million | $1.98 million |
| Depreciation and Amortization | - | - | - |
| Change in Accounts Receivable | - | - | - |
| Change in Inventory | - | - | - |
| Change in Accounts Payable | - | - | - |
| Change in GST Payable | - | - | - |
| Change in Prepaid Revenue | - | - | - |
| Net Cash Flow from Operations | $1.7 million | $1.69 million | $1.0 million |
| Investing & Financing |  |  |  |
| Assets Purchased or Sold | $7700 | - | - |
| Investments Received | - | - | - |
| Change in Long-Term Debt | - | - | - |
| Change in Short-Term Debt | - | - | - |
| Dividends & Distributions | - | - | - |
| Net Cash Flow from Investing & Financing | $7700 | - | - |
| Cash at Beginning of Period | $1.9 million | $2.11 million | $2.22 million |
| Net Change in Cash | - | - | - |
| Cash at End of Period | $3.6 million | $3.8 million | $4.2 million |