E Commerce Business Plan

Alder Home Online | Manchester

DOCUMENT GUIDE

Contents

Proposed Manchester online retailer | 3 October 2026 | Model 1.0

A decision document for prospective founders and funders. Financial forecasts are conditional planning assumptions. No authorisation, quoted supplier terms or committed funding is claimed.

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01 / OVERVIEW

Executive summary

Alder Home Online Ltd is a proposed Manchester retailer of home organisation kits sold through its own online shop to Great Britain consumers. The name, founder, warehouse, suppliers, traffic and funding are hypothetical. The business would buy domestically, hold stock and employ its own fulfilment team. No launch, customer order or supplier quote is represented as verified.

The decision is whether measured acquisition economics can support the proposed paid team and inventory before committing a lease and funding. The plan contains a 36-month conditional forecast for 2027–2029, with expected returns, stock constraints and cash obligations. It should support a controlled commercial pilot and financing review.

Verified model 1.0 Base net sales rise from GBP 243,297 in 2027 to GBP 615,765 in 2029, but net losses remain GBP (238,783), GBP (242,019) and GBP (188,666). Proposed GBP 400,000 equity and GBP 75,000 loan leave minimum cash GBP (271,328); another GBP 321,328 is needed to maintain a GBP 50,000 reserve. The current scale is not funded. Upside profit in 2029 depends on unverified stronger demand and does not validate Base.

02 / OVERVIEW

Business details

The intended legal form is a UK private company limited by shares with a paid working director. Manchester is a proposed operating base, not a selected warehouse. Products are non-electrical storage and organisation kits, purchased from UK suppliers and sold only to customers in Great Britain. Northern Ireland and overseas sales require separate assessment and are excluded.

One modelled order is one blended kit basket. The offer excludes food, cosmetics, toys, furniture installation and consumer credit. The company owns stock and merchant obligations. GBP forecasts are nominal budget estimates and do not include a company sale or terminal valuation.

Item	Planning scope
Legal form	Proposed UK limited company
Location	Manchester; unit unselected
Sales geography	Great Britain domestic direct retail
Forecast	January 2027–December 2029; GBP

03 / OVERVIEW

Business concept and objectives

Sell a narrow set of room organisation kits with clear dimensions, contents, delivery and returns information. Small, medium and large kit baskets are assumed at GBP 48, 72 and 96 including VAT. The 70%, 20% and 10% order mix gives GBP 57.60 gross average basket. These are planning offers, not market-tested prices.

Run a paid pilot to measure conversion, parcel damage, resalable returns and picking time. Commit to a permanent operating scale only when the full contribution after media, delivery and returns supports paid roles and a funded reserve.

Objective	Release evidence
Customer fit	Paid pilot orders and reasons for cancellation
Economic fit	Contribution after all delivery and acquisition costs
Operational fit	Timed picking, receiving and return inspection
Funding fit	Committed cash covering chosen stress case

04 / STRATEGY

Business model canvas

Alder Home would earn direct retail sales from stocked kit baskets. Paid search and content attract buyers; clear product dimensions and service reduce avoidable cancellations. UK suppliers, a commercial courier, a payment processor and professional advisers support the operating team.

The founder is paid for buying, controls and management. Fulfilment and customer service remain paid even when orders are weak. Holding stock improves dispatch control but exposes cash to slow sales and damage. The canvas describes an intended model, not an established customer base.

Proposed business model



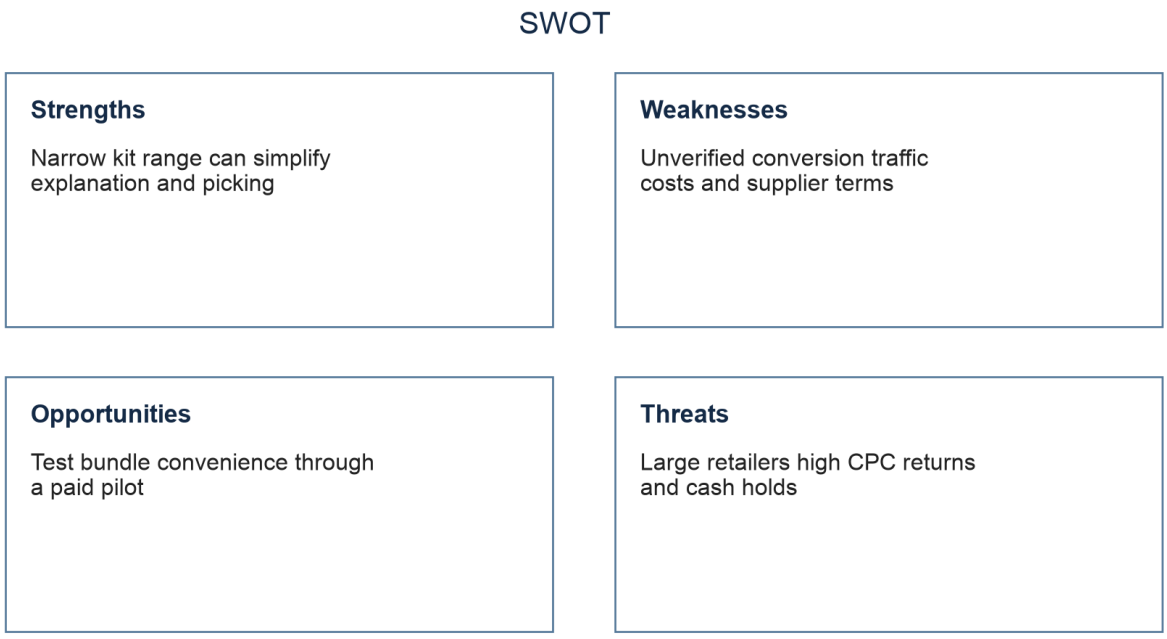
Nine proposed business model blocks. No relationship shown is a signed contract.

05 / STRATEGY

SWOT and longer term goals

The narrow kit range can simplify buying and product explanation. Weaknesses are unverified demand, little purchasing power, paid traffic dependence and a full team before scale. The financial case must retain these disadvantages rather than treat founder work as free.

A paid pilot may identify useful bundles and repeat purchases. Large retailers, low-cost marketplaces, rising media costs and poor resalable returns threaten contribution. Add categories only after SKU-level cash and quality evidence support them. No overseas expansion is assumed.



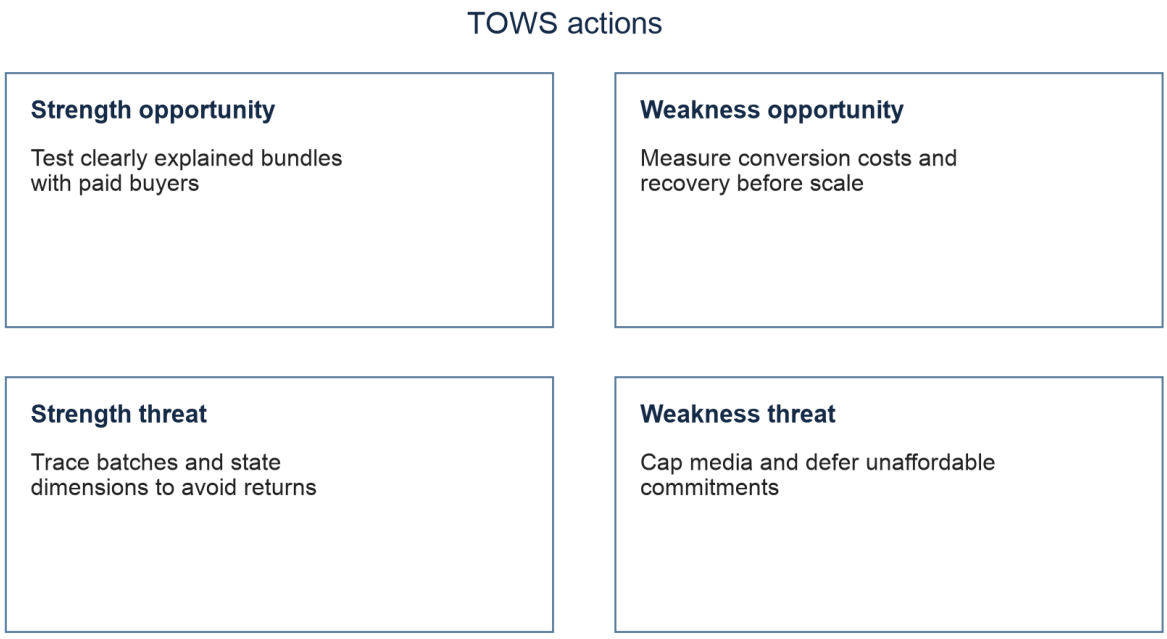
Assessment of the proposed design, without invented customer scores or competitor ratings.

06 / STRATEGY

TOWS strategy matrix

Use the simple kit range to test dimensions and bundle value before expanding. Use paid pilot feedback to refine content and reduce avoidable returns. Obtain multiple domestic supplier and courier quotes to reduce dependence.

Offset the unproven traffic hypothesis through a capped pilot budget and weekly contribution review. Stop campaigns that fail to cover variable costs. If paid team costs remain unsupported, redesign the scale and refresh the model before accepting new commitments.



Actions follow from the proposed strengths, weaknesses and external risks.

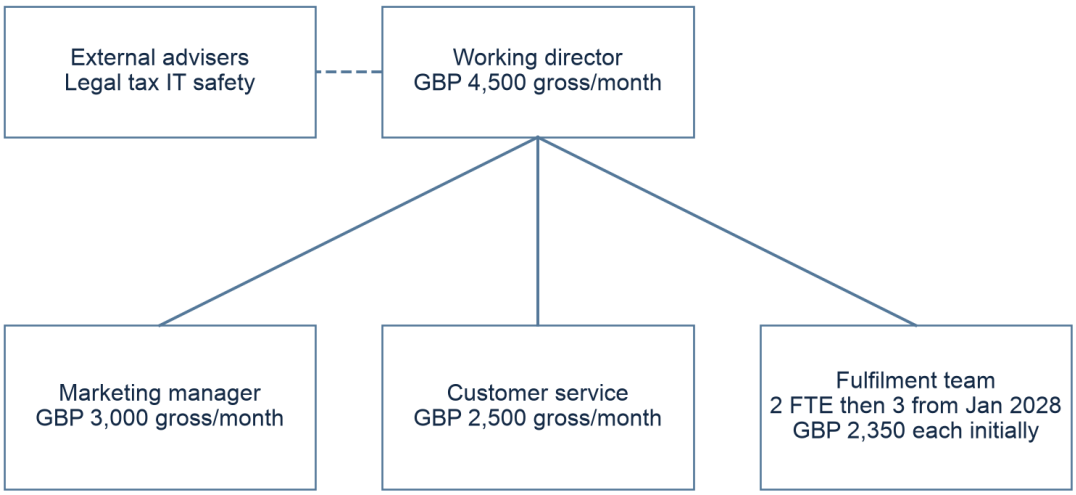
07 / PEOPLE

Owner and management

The working director controls buying, pricing, product compliance, cash and supplier approval. A marketing manager operates paid campaigns and product content. A customer service employee handles order exceptions and returns. Two fulfilment employees receive, pick, pack and inspect stock. A third is budgeted from January 2028 in Base and Upside.

An accountant, employment adviser, product safety adviser and IT contractor support the director under paid arrangements. Those services are included in the administration and preopening budgets. No founder credentials or employee appointment is supplied.

Paid reporting roles and professional support



Solid lines show internal reporting; dashed lines show external professional support.

08 / PEOPLE

Owner and key personnel profiles

Recruitment must establish retail buying, inventory control and safe warehouse competence. The director should demonstrate a record of reconciling merchant settlements, approving safe products and controlling advertising spend. Job titles do not establish these skills.

Test fulfilment candidates with supervised receiving, packing and returns tasks. Verify the marketing manager can distinguish charged clicks, visits, conversion and net contribution. No CV, endorsement or prior trading result is invented.

Role	Evidence required
Director	Buying, merchant cash and compliance experience
Marketing manager	Attribution, campaign control and product content
Customer service	Returns, complaint handling and accurate records
Fulfilment team	Safe receiving, counting, packing and inspection

09 / CUSTOMER

Target customers

Target Great Britain households organising small spaces who prefer an explained kit over selecting individual components. Household moves, seasonal reorganisation and room projects are possible purchase triggers, not measured demand. Buyers must understand dimensions and compatibility before ordering.

Focus the initial pilot on wardrobe and utility-space kits that can ship as ordinary parcels. Avoid promising that a kit fits every home. Customers needing installation, custom furniture or commercial quantity supply are outside the initial offer.

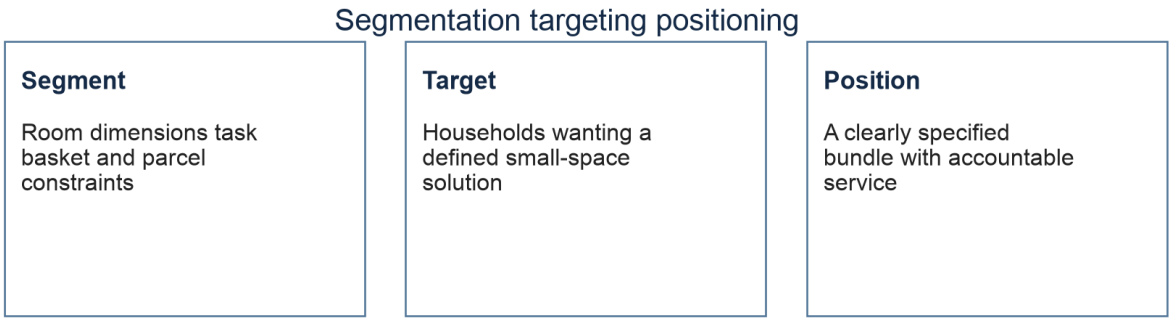
Segment	Purchase test
Small-space households	Does the kit solve a defined storage task
Moving households	Is the bundle useful at the advertised dimensions
Repeat room projects	Are further orders economically repeatable
Excluded buyers	Installation or bespoke furniture requirements

10 / CUSTOMER

Segmentation targeting and positioning

Segment by room, available dimensions, purchase trigger, basket size and delivery constraints. Target a practical storage task that can be described accurately online. Position the offer around a clear bundle and accountable service rather than unsupported claims of superior quality.

Evaluate segments using paid conversion, return reasons and contribution after delivery and media. Do not treat a traffic forecast or competitor category listing as evidence of market share.



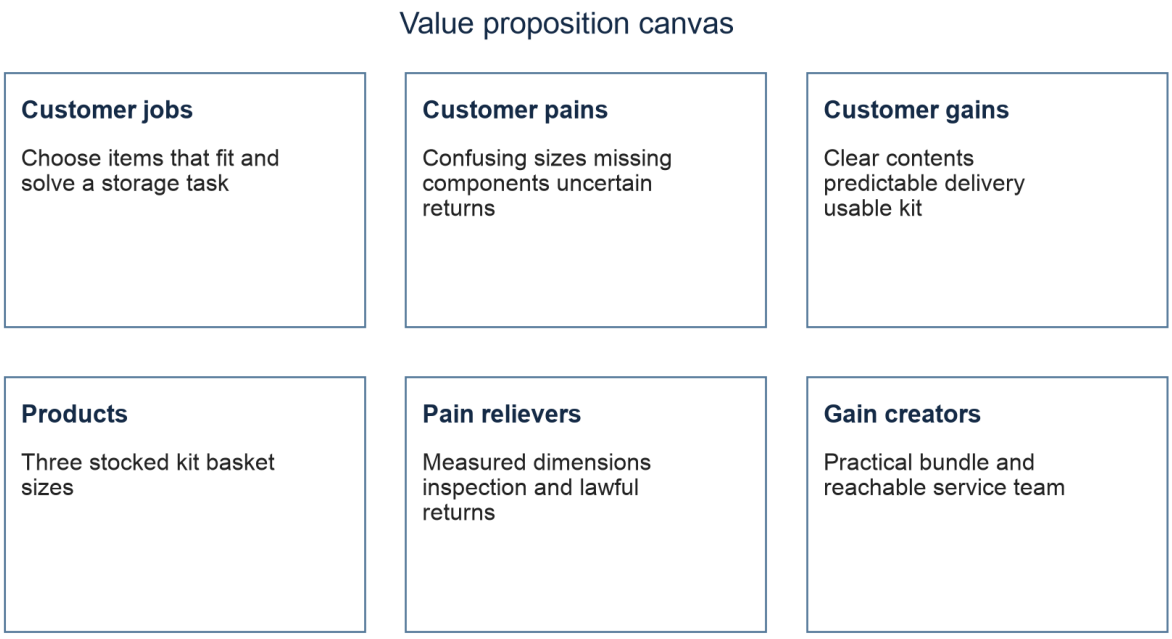
Qualitative targeting design to test through paid customer evidence.

11 / CUSTOMER

Customer problem and value proposition

Buyers can struggle to compare dimensions and select components that work together. The proposed kit provides a stated contents list, measured dimensions, photographs and use limits. Product pages should reduce mismatched expectations before payment.

The value proposition depends on whether buyers pay enough for this convenience after delivery, returns and acquisition costs. It cannot be validated by attractive product images alone. Use feedback and observed cancellation reasons to revise the offer.



Customer jobs, pains and gains linked to a concrete product and service response.

12 / MARKET

Market context and trends

ONS reports that 28.8% of Great Britain retail sales value was online in August 2026, up from 28.4% in July [S5]. The figure covers broad retail, is seasonally adjusted and does not measure demand for organisation kits. Monthly online values can be volatile.

IKEA and Dunelm have established home storage offers [S9–S10]. Their public categories confirm competing products, not Alder Home conversion or an addressable-spend total. The model assumes traffic growth and does not infer it from the national statistic.

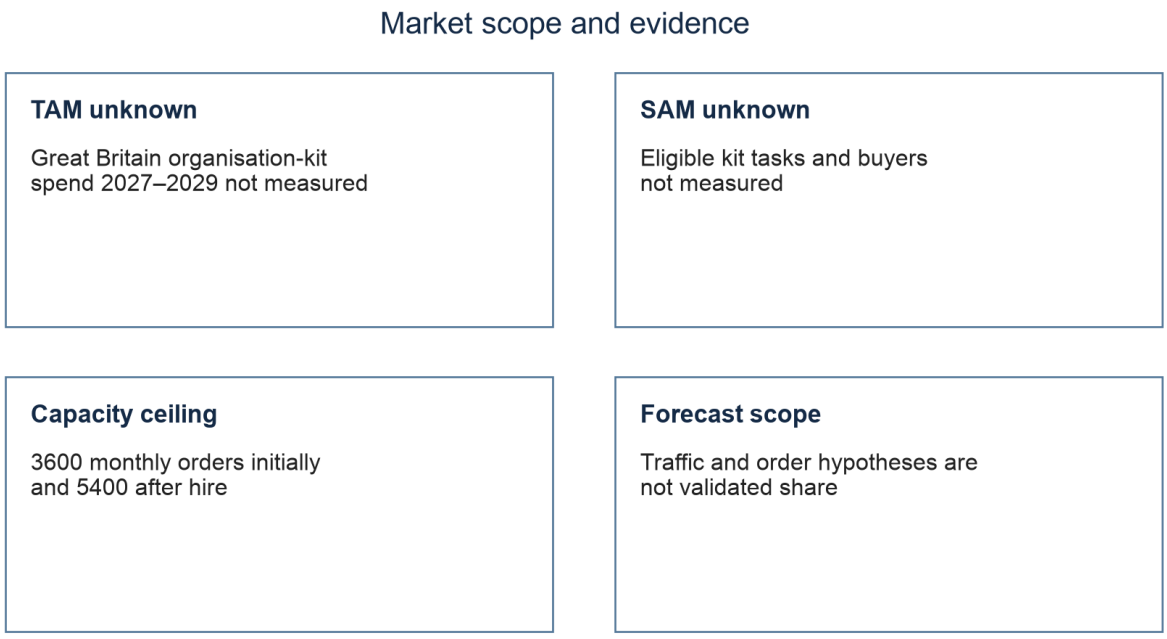
Evidence	Meaning for this proposal
ONS August 2026	Broad channel context, not a kit market size
Established storage offers	Buyers have credible alternatives
Traffic and basket forecast	Unvalidated operating hypothesis
Paid pilot requirement	Measure contribution and returns locally

13 / MARKET

Market size and accessible opportunity

The total Great Britain home-organisation kit spend is not available from the sources reviewed. The serviceable subset also remains unmeasured because product scope and customer fit are not validated. Do not assign a numerical TAM or SAM from all online retail.

The warehouse can initially fulfil 3,600 kit orders monthly under the productivity assumption, rising to 5,400 after the third hire. Capacity is a supply ceiling, not a market size or share. Forecast sales remain conditional on traffic, conversion, repeat orders and stock.



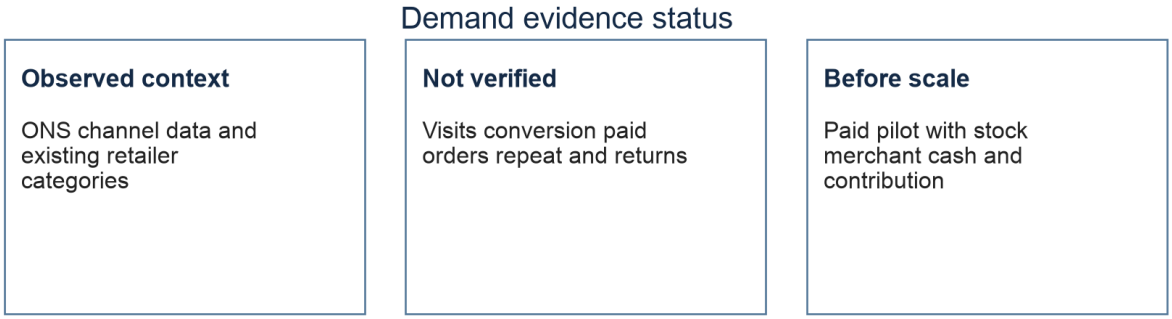
Scope and capacity shown separately. TAM and SAM are unknown; no forecast is presented as verified SOM.

14 / MARKET

Demand evidence and validation

There are no observed Alder Home visits, paid orders, supplier terms or customer interviews. Public category listings and national online retail context are insufficient to support the conversion and growth assumptions.

A controlled pilot should log spend, usable visits, first orders, gross charges, cancellations, recovered stock, settlement delay and parcel costs. Reconcile the merchant account and physical counts before scaling. Require positive contribution after variable acquisition and service costs.



Evidence status, proposed measurements and release gates. No invented survey or preorder count.

15 / MARKET

Competitors and alternatives

IKEA and Dunelm publicly offer storage products in Great Britain [S9–S10]. Other alternatives include buying individual items, using existing containers and specialist organisers. Alder Home must show that its kit convenience justifies the full delivered price.

Compare actual contents, dimensions, delivery terms and returns at the time of the pilot. No competitor rating, current basket comparison or price advantage is asserted. Large competitors may have procurement and traffic advantages that this plan cannot assume.

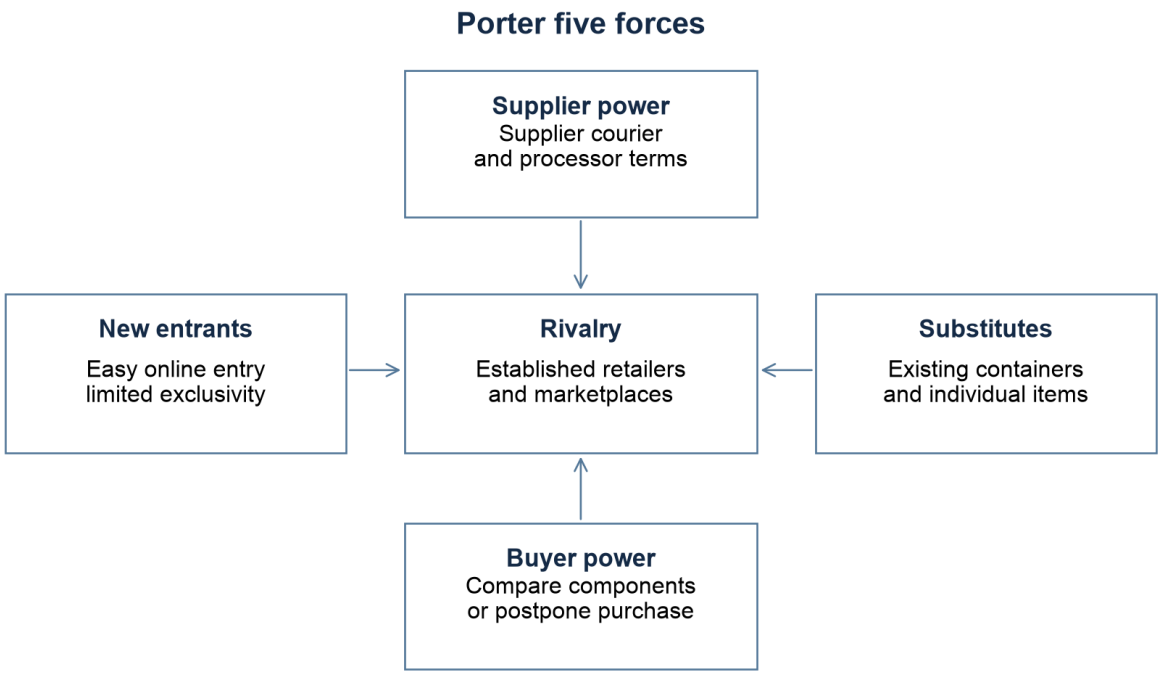
Alternative	Proposed response
IKEA and Dunelm	Explain contents and dimensional fit
Individual components	Test bundle convenience and price
Existing household containers	Show a practical task worth paying for
Specialist organisation help	Avoid installation or advisory claims

16 / STRATEGY

Porter five forces

Rivalry comes from established storage retailers and broad marketplaces. Buyers can compare component prices and often postpone a nonessential purchase. Suppliers and couriers can change cost or terms, while new small shops can enter online with little proprietary product protection.

Substitutes include existing containers, individual products and professional organising. Respond through accurate product information, contribution controls and supplier alternatives. The plan does not rely on a defensible patent or exclusive distribution agreement.



Rivalry in the centre with four surrounding forces. Responses are described beside the diagram.

17 / STRATEGY

PESTLE assessment

Consumer budgets and media prices affect discretionary baskets. Product safety, online consumer rights, employment and privacy rules require competent implementation. Website uptime and accurate inventory integration matter because charged orders create obligations.

Packaging and damage reduction can lower waste and cost. Environmental product claims need substantiation; no sustainability certification is assumed. The UK-only purchase and sale scope avoids assuming overseas customs or tax capability.



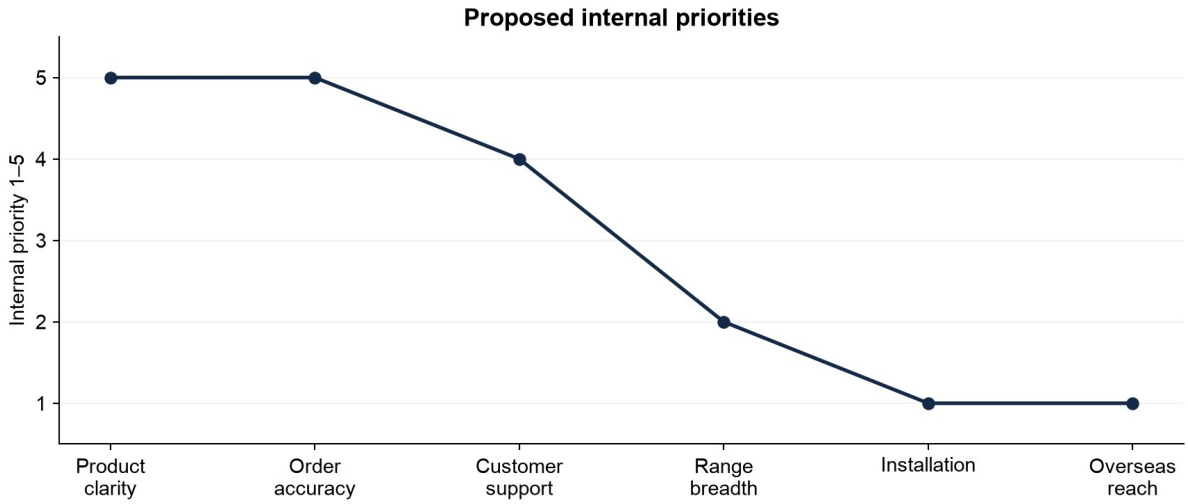
Six aligned panels reflecting the domestic stocked retail design.

18 / STRATEGY

Strategy canvas

Prioritise product clarity, order accuracy and accountable service. Range breadth, custom installation and international reach remain deliberately limited until the economics are measured. These are internal priorities, not customer ratings.

Validate whether clear kits improve purchase fit and returns. Maintain price and contribution discipline even if paid traffic rises. An untested differentiator cannot justify increasing acquisition spend.



Internal priority scale from 1 to 5. No unsupported competitor scoring is included.

19 / OFFER

Products and kit design

The offer consists of three basket sizes using non-electrical home storage items. The model weights all orders into a single kit equivalent for inventory and cost. Real SKU bills of materials, dimensional weights and return values must replace this simplification before buying.

Base order mix is 70% small at GBP 48 gross and GBP 14 landed net cost, 20% medium at GBP 72 and GBP 22 cost, and 10% large at GBP 96 and GBP 30 cost. No branded supplier agreement or quality certification is supplied.

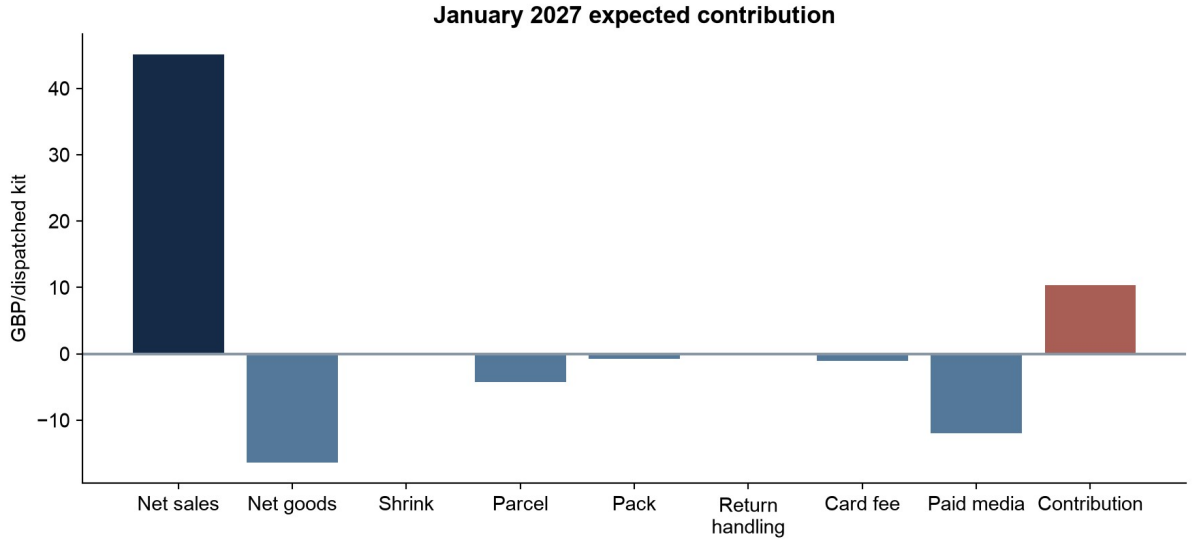
Basket	Gross price	Landed net cost
Small kit	GBP 48	GBP 14
Medium kit	GBP 72	GBP 22
Large kit	GBP 96	GBP 30
Weighted average	GBP 57.60	GBP 17.20

20 / OFFER

Pricing and product economics

Base average basket is GBP 57.60 including 20% VAT, or GBP 48 before expected refunds. At 6% expected returns, recognised net sales are GBP 45.12 per dispatched kit. With 75% resalable returns, expected product cost is GBP 16.426 per order before warehouse shrinkage.

Outbound shipping, packing, return handling and original processor fees remain costs. Media spend is driven by paid visits and continues when stock or fulfilment caps sales. Prices rise 2% each January in Base, while landed unit cost remains a fixed 36-month budget assumption requiring supplier review.



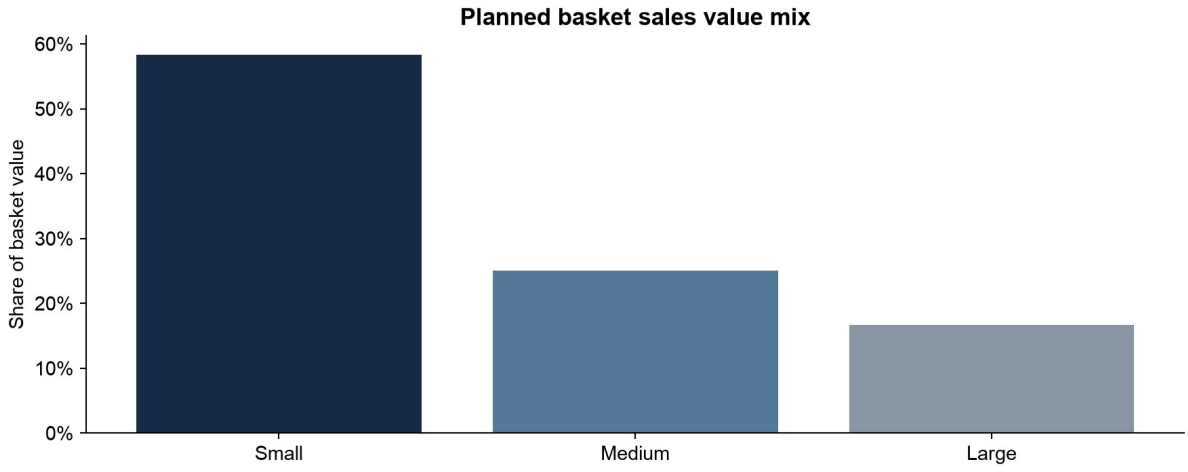
January 2027 expected per-order economics; acquisition cost and shrinkage are separately shown.

21 / SALES

Sales channels and basket mix

The direct shop is the sole sales channel. There is no marketplace commission, wholesale price or subscription revenue. The marketing manager owns product content and campaigns; the service employee handles enquiries and exceptions.

The assumed 70/20/10 basket mix applies throughout the forecast. Case price changes scale the average basket; the model does not claim category-level observed conversion. Selling on other channels requires explicit commission, returns, tax and settlement schedules.



Base planned basket mix weighted by gross basket value; not observed sales history.

22 / SALES

Marketing plan and budget

Base starts with 8,000 paid and 4,000 organic visits monthly. Paid visits grow 4% monthly and organic visits 3%; first-order conversion is 2.5%. Paid CPC is GBP 0.45 net with 2% annual escalation. These aggressive compounding assumptions require monthly evidence and limits.

The GBP 1,500 monthly brand budget and paid marketing role support content and measurement. Paid spend is not automatically cut when orders are unfulfilled. Stop or revise campaigns on poor contribution, returns or merchant cash results.

Activity	Base monthly budget or control
Paid visits at opening	GBP 3,600 net variable media
Brand content and testing	GBP 1,500 net fixed
Marketing employee	GBP 3,000 gross plus load
Release control	Paid conversion and net contribution

23 / SALES

Sales process and retention

The model converts paid and organic visits into first orders and adds repeat demand equal to 20% of the previous month’s fulfilled orders. This is an order-ratio shortcut, not a customer-cohort lifetime-value claim. Orders are never recognised until fulfilled from stock within paid capacity.

Use consented service and retention communication and clear unsubscribe controls. Monitor duplicate attribution, refunds and contribution by customer cohort in the pilot before making lifetime value or acquisition payback claims.

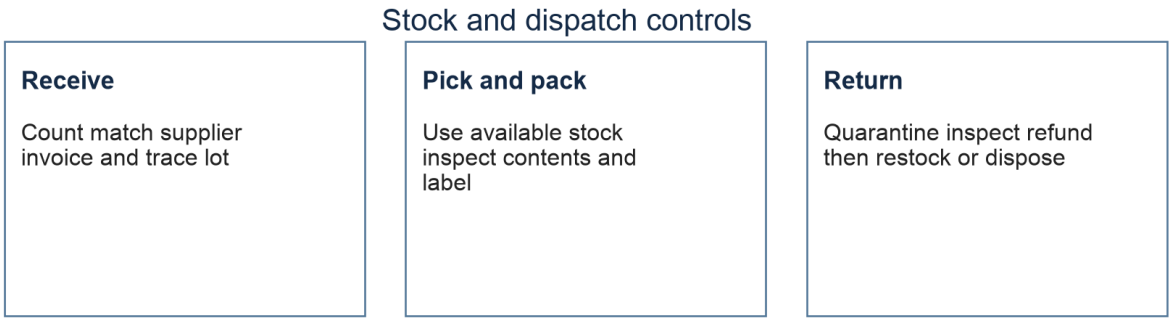
Stage	Evidence to retain
Visit	Charged click and usable landing visit
Order	Gross card charge and fulfilment record
Return	Refund, reason and stock disposition
Repeat	Identified permitted follow-up purchase

24 / OPERATIONS

Premises and logistics

Budget a Manchester leased unit at GBP 2,500 net monthly plus GBP 8,000 refundable deposit. No area, lease, permitted use, opted VAT status or rate assessment is verified. Obtain a fitted lease and courier access review before commitment.

Separate receiving, inspected saleable stock, picking, parcel staging and quarantine. The equipment budget supports benches, shelving, scanners and laptops. No floor-plan image establishes safety approval or storage capacity.



Proposed receipt to dispatch and quarantine flow; exact site layout remains unselected.

25 / OPERATIONS

Equipment and technology

Initial purchased website implementation is budgeted at GBP 18,000 net and packing equipment at GBP 22,000. Software depreciates over 36 months and equipment over 60, each starting January 2027. GBP 10,000 additional equipment at month 18 has a separate 24-month life.

Stock, order and merchant data must reconcile daily. Use role-based access, backups, a tested recovery procedure and a contracted implementation scope. No purchased software licence or supplier quote is represented as secured.

Asset	Base net budget	Book life
Website implementation	GBP 18,000	36 months
Packing equipment	GBP 22,000	60 months
Month 18 expansion	GBP 10,000	24 months separate cohort

26 / OPERATIONS

Suppliers and inventory control

Opening stock is 1,200 blended kits paid before opening. Purchase orders arrive in the following month; a receipt creates the supplier invoice and payable. The order rule tops up towards two times current requested demand after remaining stock and expected resalable returns. It does not promise a precise days-of-stock target.

Stock availability gates dispatch. Monthly shrinkage of 0.25% of available stock is charged at landed unit cost. Expected resalable returns form a recovery asset, then enter physical inventory one month later. Unit cost is constant within each case; FIFO layers, SKU substitutions and obsolescence need an operational extension.

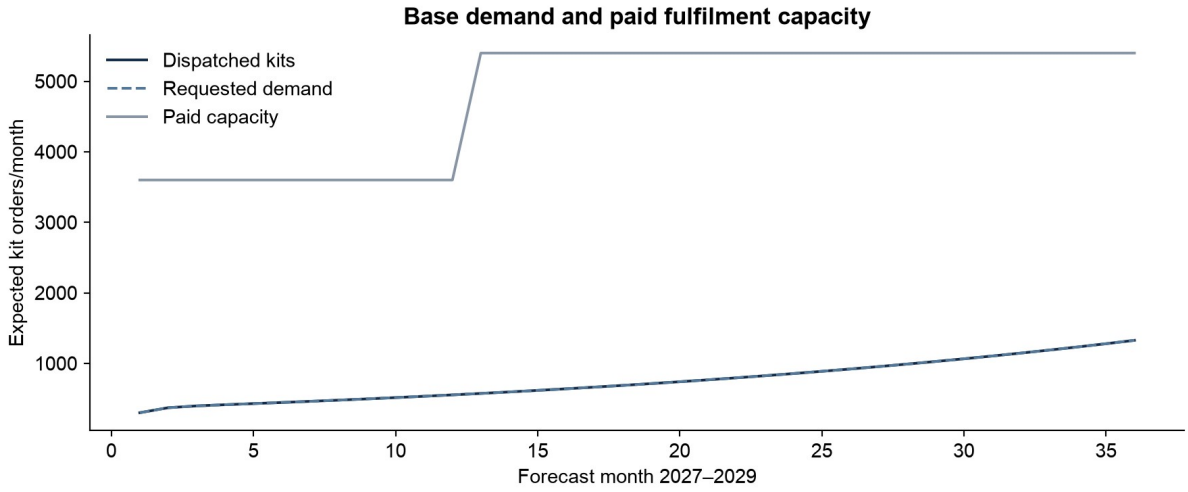
Control	Implementation
Receipt	Match purchase order, counted goods and invoice
Daily stock	Separate available and quarantined quantities
Return	Inspect and record resale or disposal
Cost	Landed invoices and quantity reconciliation

27 / OPERATIONS

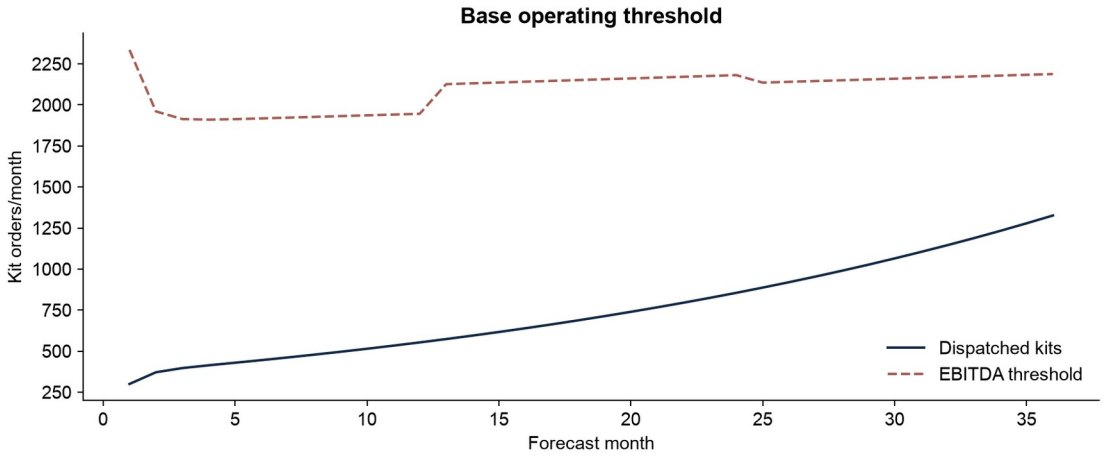
Capacity and delivery process

Two initial fulfilment FTE at 90 kit orders per day and 20 planning days monthly give 3,600 monthly orders. This productivity is assumed after receiving and packing duties and requires a timed workload study. The third hire increases the ceiling to 5,400 from January 2028 in Base.

Fulfilled orders are the lowest of demand, paid capacity and stock after shrinkage. Unfulfilled demand is displayed and earns no revenue or processor charge. It is not a backlog that automatically becomes a later sale.



Base dispatch, paid capacity and stock constraint across all 36 forecast months.



Base EBITDA order threshold excludes interest, depreciation, tax, capital expenditure and working capital funding.

28 / OPERATIONS

Sustainability and product quality

Reduce excess packaging and parcel damage through measured packing trials. Inspect incoming lots, trace supplier batches and quarantine doubtful returns. Do not market environmental benefits without evidence. Domestic purchasing is a scope choice and does not establish a lower lifecycle footprint.

Monthly shrinkage and nonresalable returns are charged in the model. Monitor discarded kits and packaging by reason, then revise purchasing and content. Reuse only inspected saleable products; faulty goods require a remedy within legal duties [S3, S8].

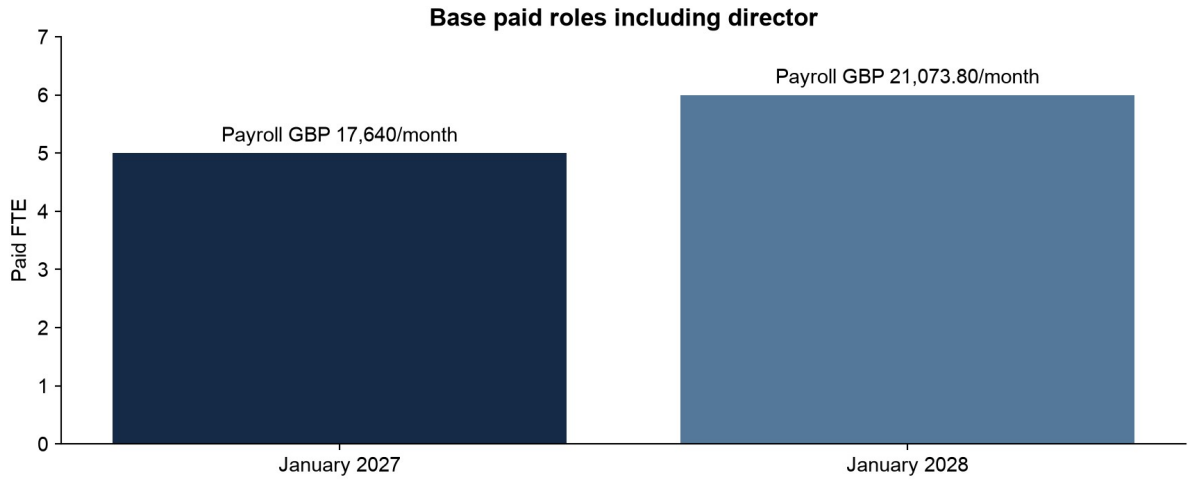
Measure	Operating action
Packaging and damage	Timed packing and damage-rate records
Product traceability	Supplier lot and contents record
Returned goods	Inspect resale, quarantine or disposal
Claims	Evidence before any environmental assertion

29 / PEOPLE

Staffing and organisation costs

Five initial paid roles comprise the director, marketing manager, customer service employee and two fulfilment employees. Gross monthly pay is GBP 4,500, 3,000, 2,500 and GBP 2,350 for each fulfilment FTE. Employer loading is a 20% budget allowance, giving GBP 17,640 initial payroll monthly.

Base adds one fulfilment employee in month 13 even if demand is weak. Wages and fixed costs rise 3% each January. Neither founder effort nor return processing is free. Professional advice is in the admin and preopening budgets.



Five initial paid FTE and six after the third fulfilment hire. Load is a budget, not a statutory rate.

30 / PEOPLE

Staff skills and fair work

At a 40-hour weekly employment design, GBP 2,350 monthly is about GBP 13.56 per hour before any overtime. The April 2026 adult National Living Wage is GBP 12.71 [S6]; later annual minimums and working-time duties must be checked before payroll. The 20% load includes NI, pensions and benefits as a budget estimate.

Provide paid warehouse training, lifting and packing procedures, accurate hours and an absence plan. The 90-order productivity assumption includes ordinary handling tasks but is not a legally validated rota or a safe manual-handling assessment.

Capability	Evidence required
Warehouse	Supervised safe work and task timing
Service	Refund obligations and complaint records
Marketing	Consent, attribution and spend control
Payroll	Hours, minimum pay, NI and pension review

31 / COMPLIANCE

Legal and insurance requirements

Before selling, obtain advice on company and VAT registration, consumer cancellation, product safety, claims, data protection and warehouse employment. Source traceable safe goods and retain the required records. The proposal excludes electrical goods, toys and food-contact claims requiring separate assessment [S8].

Bind product and public liability, employers' liability, stock and interruption cover. GBP 500 monthly insurance is an unquoted allowance. Review lease VAT, parcel VAT eligibility and payment-fee treatment; no scheme exemption or full compliance is assumed.

Gate	Evidence
Products	Supplier traceability and relevant safety assessment
Consumers	Reviewed terms, confirmation and returns workflow
Data	Consent, processor contracts and access controls
People and premises	Safe procedures, employment and bound insurance

32 / IMPLEMENTATION

Opening roadmap

Before the forecast starts, complete a paid commercial pilot, product diligence, fit the lease, obtain quotes and commit adequate funding. The day-zero model assumes the initial stock, assets, setup and deposits have already been paid. The commercial pilot is outside this package and unfunded until its own bounded budget is approved. Do not assume free preparation. The Base GBP 9,000 non-VAT setup portion pays GBP 7,500 gross preparation labour plus GBP 1,500 employer loading: director GBP 3,750 and two fulfilment employees GBP 1,875 each, for limited paid preopening assignments. Earlier or longer work requires a new funded budget.

January begins full payroll, rent, media and dispatch. Establish daily merchant and stock reconciliations. Review the third hire before January 2028 and equipment expansion before month 18; if the decision changes, refresh all model cases and Word figures.

Gate	Responsible role
Preforecast pilot and product review	Director and advisers
Lease supplier courier funding	Director
January launch and reconciliation	All paid roles
Monthly contribution and reserve review	Director and marketing manager
Hire and equipment release	Director after verified cash review

33 / RISK

Risks and management actions

Traffic growth, conversion and repeat orders are unverified. CPC inflation, high returns, stock loss and settlement holds can exhaust cash despite a seemingly attractive gross margin. The paid team remains a fixed obligation and replenishment can absorb cash ahead of sales.

Fund the chosen downside and reserve before long commitments. Limit pilot media, confirm landed costs and account restrictions, and use physical counts and cash controls. The current Base forecast is a proposal requiring redesign or additional funding rather than a proven profitable launch.

Risk	Response
Weak conversion or high CPC	Capped test spend and measured contribution
Returns or defects	Accurate content and lot stop procedure
Stock mismatch	Counted receipt and cautious purchase release
Card hold or cash gap	Merchant terms and committed stress reserve
Fixed cost scale	Stage commitments and refresh model

34 / EVIDENCE

Research and evidence

Primary pages were reviewed on 3 October 2026. GOV.UK supports current VAT, tax, returns and employment context; Stripe provides a public UK processing benchmark; ONS gives broad retail channel context. IKEA and Dunelm establish existing storage offers. None verifies this shop's demand, supplier costs, staff productivity or funding.

The actual ecommerce and inventory-forecast workbooks and design sources were inspected. Gross-to-net returns, inventory receipts, acquisition cost and separate asset-life concepts informed a new GBP 36-month build. No US currency, automatic revolver, subscription uplift or unverified lifetime value was carried over.

Source	Use
S1–S2 HMRC	VAT and corporate tax context
S3 Consumer guidance	Cancellation and returns duties
S4 Stripe	Public standard UK fee benchmark
S5 ONS	Broad online channel context
S6–S8 GOV.UK	Pay, employer and safety context
S9–S10 Retailer categories	Competing storage offers

S1 UK standard VAT 20% https://www.gov.uk/vat-rates

S2 UK corporation tax and qualifications https://www.gov.uk/corporation-tax-rates

S3 Online cancellation and returns https://www.gov.uk/accepting-returns-and-giving-refunds

S4 Stripe UK public processing benchmark https://stripe.com/gb/pricing

S5 ONS Great Britain August 2026 online retail https://www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/august2026

S6 UK National Minimum Wage rates https://www.gov.uk/national-minimum-wage-rates

S7 Employer NI rates and thresholds https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2026-to-2027

S8 UK product safety duties https://www.gov.uk/guidance/product-safety-advice-for-businesses

S9 IKEA storage category https://www.ikea.com/gb/en/cat/storage-boxes-baskets-10550/

S10 Dunelm storage category https://www.dunelm.com/category/home-and-furniture/storage

S11 VAT refund credit records https://www.gov.uk/charge-reclaim-record-vat/keeping-vat-records

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Quotes and assumptions

Obtain kit bills of materials, traceable product safety records, supplier delivered quotes, lead times, credit limits and return recovery experience. Fit the unit, equipment and courier scope with insurance, software and merchant settlement terms. No founder profile, supplier discount, retail conversion or finance commitment is verified.

Replace the blue inputs with evidence and rerun the retained JavaScript to refresh case captures and Word figures. The live model adjusts selected-case outputs, while Cases reports deliberately captured comparisons and warns when case driver cells have changed.

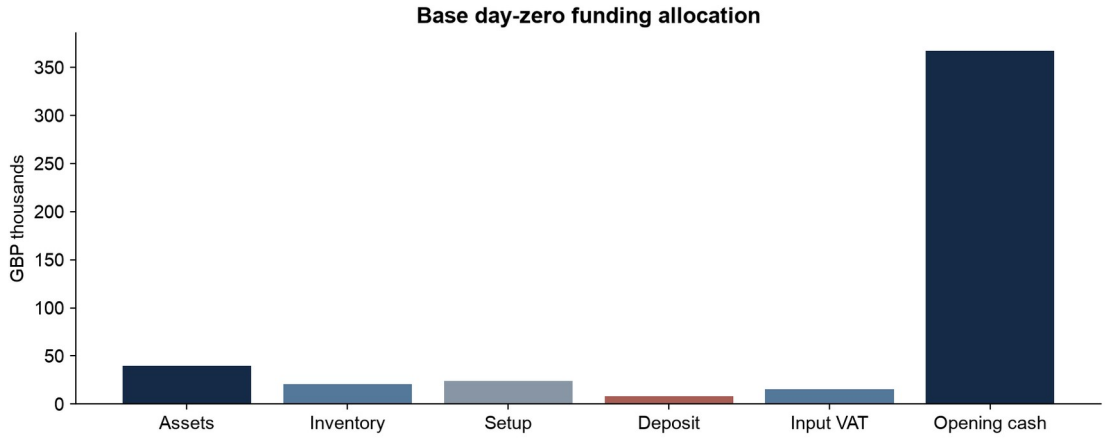
Unverified area	Required evidence
Product	Contents, safety, landed cost and resale recovery
Customers	Paid pilot conversion, repeat orders and returns
Operations	Unit, timed capacity, payroll and courier terms
Cash	Merchant reserve, supplier credit and committed funding
Taxes	Eligibility, VAT timing, payroll and CIT advice

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Startup costs and funding

Proposed sources total GBP 475,000: GBP 400,000 equity and GBP 75,000 debt, neither committed. Day-zero payments for assets, stock, setup, VAT and deposit leave GBP 367,232 cash. Initial reserve gap is GBP 0, but later operating losses create a separate GBP 321,328 need to the target reserve.

Minimum cash GBP (271,328) is an unfunded forecast balance, not an overdraft agreement. Additional funds needed to avoid any negative cash are GBP 271,328. Do not release the full lease and staffing proposal until redesign or committed funds support the chosen stress case.



Day-zero funding allocation from model 1.0; cash reserve target is not automatically injected.

Source or cash measure	GBP
Equity proposed	400,000
Term loan proposed	75,000
Total proposed sources	**475,000**
Opening cash	**367,232**
Initial reserve gap	–
Later extra funds to reserve	321,328

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Itemized startup costs

Initial asset and stock purchases are capitalised; preopening setup is expensed and reduces retained earnings. Input VAT is an asset only where eligibility is assumed, and the model carries it forward without a cash refund. Deposit remains a refundable asset with no VAT.

The GBP 24,000 expense includes GBP 15,000 VAT-eligible advice, content and testing, with GBP 9,000 non-VAT preparation labour: GBP 3,750 director gross and GBP 1,875 gross each for two fulfilment employees, plus GBP 1,500 employer loading. These are finite assignments, not unlimited unpaid preparation. The separate commercial pilot is outside and unfunded until its own budget is approved. All figures require quotes and tax review. The later GBP 10,000 equipment purchase is month 18 capital spending, outside this day-zero table.

Use	Net GBP	VAT GBP	Gross GBP
Website software	18,000	3,600	21,600
Packing equipment	22,000	4,400	26,400
Opening stock 1200 kits	20,640	4,128	24,768
Preopening expense	24,000	3,000	27,000
Refundable deposit	8,000	–	8,000
Total paid before opening	**92,640**	**15,128**	**107,768**

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Owner personal survival budget

The director is paid GBP 4,500 gross monthly from January. A 65% take-home retention assumption gives GBP 2,925; it is not a personal-tax calculation. Household spending is a stated budget, independent of company cash.

GBP 325 illustrative surplus does not cure the company's funding gap. No dividends, unpaid director salary or founder capital beyond the proposed equity are assumed.

Monthly item	GBP
Owner gross pay	4,500
Illustrative take home	2,925
Housing	1,200
Living costs	900
Transport	300
Other household	200
Total household	**2,600**
Estimated surplus	**325**

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Financing terms and security

The hypothetical GBP 75,000 term loan is drawn before opening. It pays 7.5% annual interest on opening principal, with six months of principal grace. From July 2027, equal principal is GBP 1,250 monthly over 60 months; interest remains payable during grace.

No bank offer, security package, guarantee or covenant is secured. Rent is a cash operating lease, with no lease asset or liability booked. Loan balances remain GBP 67,500, 52,500 and 37,500 at the annual ends. Principal is excluded from profit and included in financing cash flow.

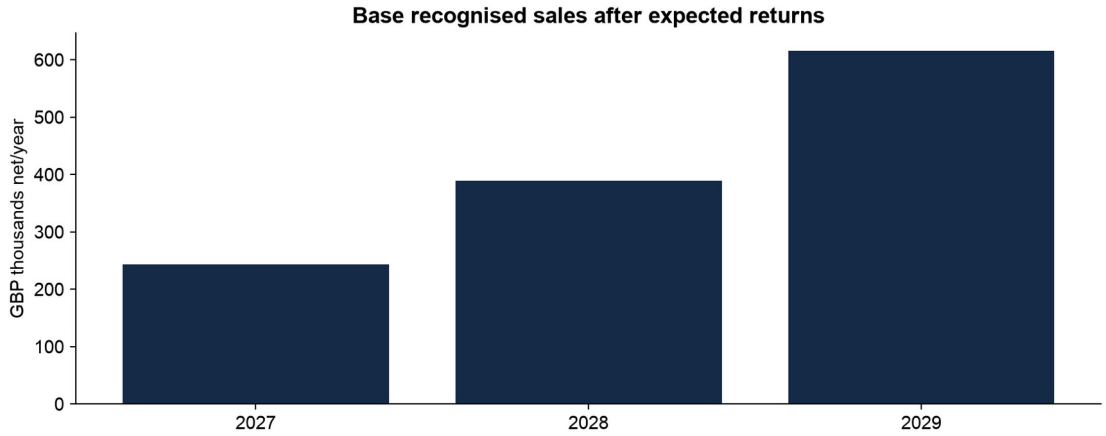
Measure	2027	2028	2029
Closing term debt	67,500	52,500	37,500
Interest	5,508	4,547	3,422
Principal paid	7,500	15,000	15,000

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Revenue forecast and capacity

Base dispatched kit orders are 5,392.2, 8,467.9 and 13,117.3 annually. Recognised sales deduct 6% expected refunds and VAT. Fractional forecast kits are expected values; dispatch operations use whole actual kits.

First-order conversion is 2.5%, repeat demand 20% of prior fulfilled orders, and the 3,600 initial monthly paid capacity rises to 5,400 from month 13. Dispatch is capped by stock and paid capacity. No unavailable or unfulfilled order earns revenue. Net sales total GBP 615,765 in 2029 under these unverified compounded traffic assumptions.



Net sales after expected returns and VAT; data from model 1.0.

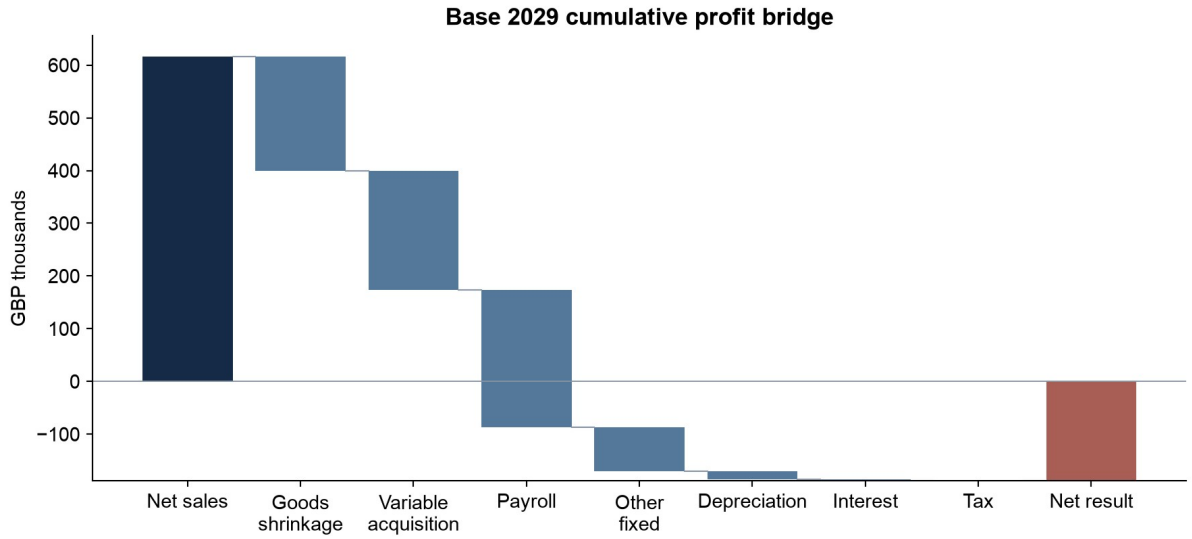
Measure	2027	2028	2029
Fulfilled kit orders	5,392.2	8,467.9	13,117.3
Net sales	243,297	389,715	615,765
Gross average basket January GBP	57.60	58.75	59.93

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Costs and projected profit

The cost build includes gross landed product issues less expected resalable returns, stock shrinkage, outbound parcels, packaging, return handling, original card fees and all paid acquisition spend. Payroll and fixed administration remain payable even at low sales.

Base 2029 continues to lose money after its paid team and overhead. Paid CPC rises 2% annually, wages and fixed costs 3%, while unit purchase cost remains fixed. The cumulative bridge reconciles revenue through all costs to net result; it is not a gross-margin-only view.



Base 2029 cumulative profit bridge, GBP; every step uses the verified statement totals.

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Profit and loss forecast

Three annual calendar summaries aggregate the live 36 monthly statements. CIT uses 25% of positive monthly PBT, paid in the same month as a conservative cash proxy. It omits tax loss relief, marginal relief and statutory filing/payment dates; no tax refund or deferred tax asset is created.

All three Base years report net losses. The payroll includes the owner and scheduled hires. Product recovery credits are expected cost recovery, not additional sales.

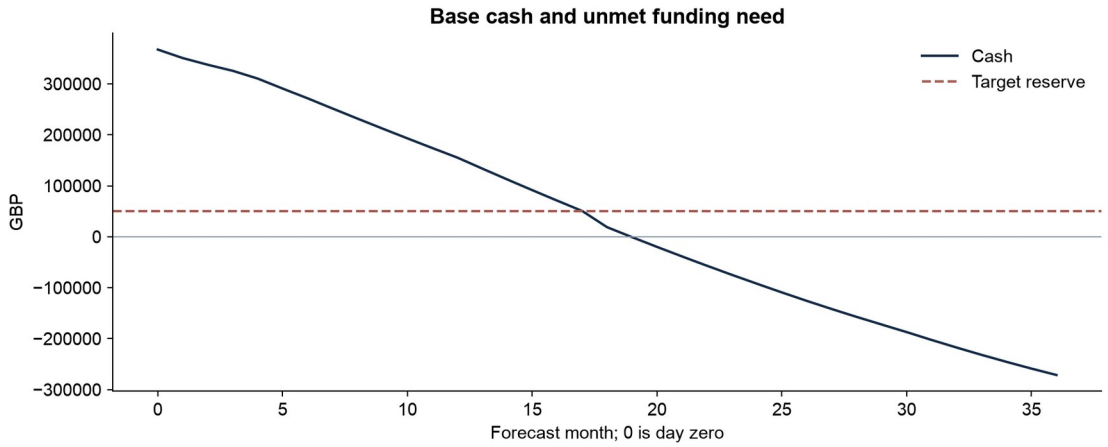
GBP	2027	2028	2029
Net sales	243,297	389,715	615,765
Product and shrinkage cost	89,054	139,797	216,553
Variable cost incl acquisition	87,438	140,849	225,834
Contribution	**66,805**	**109,070**	**173,378**
Payroll	211,680	252,886	260,472
Other fixed operating costs	78,000	80,340	82,750
EBITDA	**(222,875)**	**(224,156)**	**(169,844)**
Depreciation	10,400	13,317	15,400
Interest	5,508	4,547	3,422
Profit before tax	**(238,783)**	**(242,019)**	**(188,666)**
CIT provision paid	–	–	–
Net profit	**(238,783)**	**(242,019)**	**(188,666)**

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Cash flow and financial position

Cash starts at GBP 367,232. Returns are accrued at dispatch and settled one month later, while card cash uses a three-day gross receivable proxy. Stock purchase orders arrive a month later, and 30-day supplier credit applies only to stock receipt invoices. VAT is charged on full dispatch sales and credited only when the prior return cohort is refunded. Expected refund VAT recovery is a separate asset until credit issuance [S11]. VAT credits carry forward with no refund; positive VAT balances are paid one month later.

Indirect operating cash reconciles profit to changes in card receivables, inventory, goods recovery, payables, refund liabilities and VAT. The Base minimum GBP (271,328) indicates missing funding, not available borrowing. Model cash may be negative to show the gap honestly.



Base cash from day zero to December 2029; reserve and zero reference lines are planning boundaries.

GBP	2027	2028	2029
Operating cash flow	**(204,493)**	**(222,457)**	**(164,110)**
Capital expenditure net	–	(10,000)	–
Principal paid	(7,500)	(15,000)	(15,000)
Net cash change	(211,993)	(247,457)	(179,110)
Closing cash	**155,239**	**(92,218)**	**(271,328)**

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Cash flow forecast months one to six

Monthly cash flow includes the effects of merchant settlement, stock, refunds, VAT, capital spending and principal. These forecast figures are expected values and do not replace a weekly payment calendar. Negative cash remains a visible unmet funding need.

GBP	2027-01	2027-02	2027-03
Opening cash	**367,232**	**350,493**	**337,441**
Operating cash flow	**(16,739)**	**(13,052)**	**(11,925)**
Capital expenditure net	–	–	–
Principal paid	–	–	–
Net cash change	(16,739)	(13,052)	(11,925)
Closing cash	**350,493**	**337,441**	**325,516**

GBP	2027-04	2027-05	2027-06
Opening cash	**325,516**	**310,338**	**290,673**
Operating cash flow	**(15,178)**	**(19,665)**	**(19,103)**
Capital expenditure net	–	–	–
Principal paid	–	–	–
Net cash change	(15,178)	(19,665)	(19,103)
Closing cash	**310,338**	**290,673**	**271,570**

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Cash flow forecast months seven to twelve

Monthly cash flow includes the effects of merchant settlement, stock, refunds, VAT, capital spending and principal. These forecast figures are expected values and do not replace a weekly payment calendar. Negative cash remains a visible unmet funding need.

GBP	2027-07	2027-08	2027-09
Opening cash	**271,570**	**251,518**	**231,727**
Operating cash flow	**(18,802)**	**(18,540)**	**(18,280)**
Capital expenditure net	–	–	–
Principal paid	(1,250)	(1,250)	(1,250)
Net cash change	(20,052)	(19,790)	(19,530)
Closing cash	**251,518**	**231,727**	**212,197**

GBP	2027-10	2027-11	2027-12
Opening cash	**212,197**	**192,933**	**173,944**
Operating cash flow	**(18,014)**	**(17,739)**	**(17,455)**
Capital expenditure net	–	–	–
Principal paid	(1,250)	(1,250)	(1,250)
Net cash change	(19,264)	(18,989)	(18,705)
Closing cash	**192,933**	**173,944**	**155,239**

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Financial position summary

Annual balances are the December live monthly statements. Refund liabilities are gross amounts still owed for the latest dispatch cohort; recovery assets are the expected cost of saleable goods not yet physically restocked. These are separate from available stock and merchant receivables.

Retained earnings start at negative GBP 24,000 preopening expense and accumulate profit or loss. No balancing equity, overdraft, fair-value uplift or unpaid wage creditor is inserted. The displayed accounting equality holds even where the forecast is unfunded.

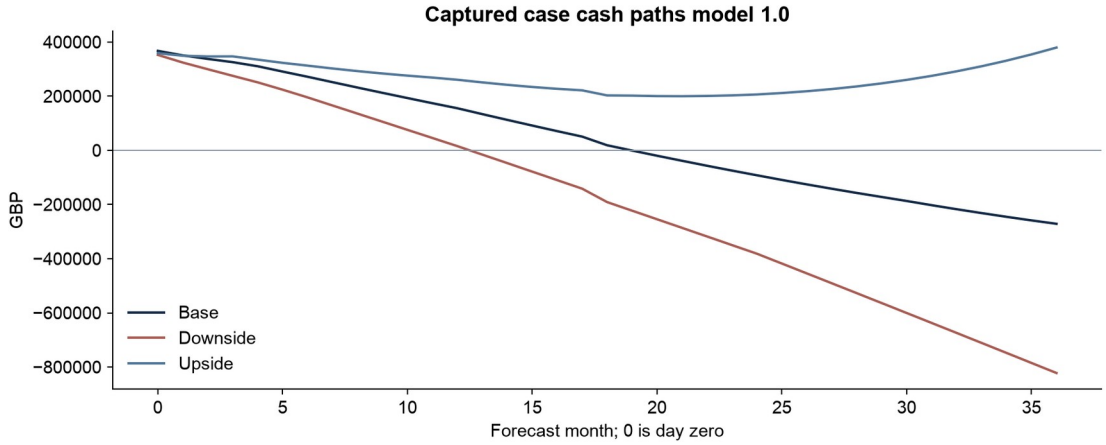
GBP	2027	2028	2029
Expected refund VAT recovery asset	319	502	795
Cash	155,239	(92,218)	(271,328)
Card receivables gross	3,185	5,025	7,948
Inventory net	8,789	13,586	21,060
Goods recovery asset	428	662	1,027
VAT credit	12,416	6,426	–
Refundable deposit	8,000	8,000	8,000
Net PPE	29,600	26,283	10,883
Total assets	**217,976**	**(31,734)**	**(221,615)**
Term loan	67,500	52,500	37,500
Supplier payables	11,348	17,554	27,229
Customer refund liability	1,911	3,015	4,769
VAT payable	–	–	2,356
Total liabilities	**80,759**	**73,069**	**71,853**
Paid equity	400,000	400,000	400,000
Retained earnings	(262,783)	(504,803)	(693,468)
Total equity	**137,217**	**(104,803)**	**(293,468)**
Total liabilities and equity	**217,976**	**(31,734)**	**(221,615)**

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Break even and scenarios

December 2029 Base EBITDA break-even is about 2,188.1 dispatched orders against 1,326.3 forecast orders. It divides payroll and fixed costs by current contribution after acquisition, returns, shrink and fulfilment variable costs. It excludes depreciation, interest, taxes, capital spending and working-capital funding. No finite threshold is shown where contribution is nonpositive.

Downside has 1.8% conversion, higher CPC and returns, slower traffic growth and 14-day settlement. Minimum cash is GBP (822,225), requiring GBP 897,225 to its GBP 75,000 reserve. Upside reaches 2029 profit GBP 161,548 with minimum cash GBP 199,709. Stronger demand is an unverified condition, not a funding commitment.



Captured model 1.0 case comparisons. Inputs edits trigger stale warnings until the builder refreshes snapshots.

Captured case	Minimum cash GBP	Extra funds to reserve GBP
Base	(271,328)	321,328
Downside	(822,225)	897,225
Upside	199,709	–

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Model guide and completion

Use Inputs C5 to select Base 1, Downside 2 or Upside 3. Blue case cells are editable assumptions and green formulas pull active selected values. Summary links to Orders, Inventory, Costs, Assets, Debt, WorkingCapital and Statements. Cases is an explicit comparison snapshot with live stale-input checks.

The retained build_model.mjs refreshes all cases, model-results.json and native range charts. Meaningful stresses cover returns, 180-day card settlement and supplier terms, zero conversion, cost, owner pay, short asset life and demand overload. Before committing, replace all unverified assumptions with evidence, test cash adequacy and refresh this plan. Month 36 purchase orders remain future supplier commitments, not stock or payables before receipt; final refunds and recovery assets also continue beyond the forecast. The model does not assume liquidation. No website publication or operating launch is part of these deliverables.

Schedule	Purpose
Orders and Inventory	Traffic, caps, receipts, returns and stock
Costs Assets Debt	Paid team, variable cost and distinct asset cohorts
WorkingCapital and Statements	Merchant cash, supplier credit, VAT and linked statements
Cases	Captured comparisons and stale warnings
Internal QA	Saved-import/native recalculation and actual-file visual checks