Car Dealership Business Plan

Northline Used Cars | Manchester

DOCUMENT GUIDE

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Feasibility plan for prospective investors and the proposed management team. Northline Used Cars is a working name for an independent Manchester dealership. Research reviewed 3 October 2026; GBP forecast January 2027 to December 2029. No site, franchise, authorisation, stock, credentials or finance is secured.

01 / BUSINESS PLAN

Executive summary

Investment decision

Northline Used Cars is a proposed independent dealership in Manchester. It would buy eligible used cars from private owners or documented margin-scheme suppliers, inspect and prepare them through external specialists, and sell with clear prices and a funded aftersales process. The owner would manage buying and complaints while two sales staff and an operations coordinator support customers. No property, vehicles, franchise, authorisation, supplier agreement or capital commitment is secured.

The model will test units, preparation throughput, stock days, acquisition cost, gross selling price, VAT margin liabilities, claims and an inventory lending facility. Initial approval should cover diligence and quotes. Full launch depends on permissions, title checks, safe preparation capacity and demonstrable funding. High turnover is not evidence of adequate contribution or cash.
Verified Base 2027 sells 207 vehicles, with net recognised revenue GBP 2,190,750, EBITDA GBP 8,386 and net result GBP (13,964). Proposed equity is GBP 500,000 and initial inventory facility draw GBP 168,300, both uncommitted. Opening cash after startup is GBP 238,300; minimum operating month-end cash is GBP 274,178. Downside minimum cash is GBP (740,640), requiring GBP 840,640 additional funding to retain the GBP 100,000 reserve. Reduce stock and fixed commitments or obtain evidenced capital before trading under that case.

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Business details

Company and activity

Northline Used Cars is an unregistered working name for a proposed UK limited company. Manchester is the chosen operating city, with a Greater Manchester customer catchment. The business would own stock and retail inspected mainstream used passenger cars. It would outsource mechanical preparation and MOT work and would not operate a repair workshop at launch.

The initial scope excludes new-car franchises, imported stock, rentals, consumer lending, insurance distribution and finance referrals. A subsequent regulated service needs a separate permissions review and revised economics. The business plan is for prospective investors and the proposed management team; it does not establish a trading licence, tax registration or actual business history.

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Business concept and objectives

A controlled used-car operation

The concept is a small forecourt with documented vehicle histories, independent inspections, itemised preparation and an accountable aftersales team. Stock selection focuses on affordable mainstream vehicles rather than a narrow premium niche. Management must verify ownership, outstanding finance, mileage, condition and scheme eligibility before agreeing a purchase.

First-year objectives are an approved site, a traceable stock book, preparation partners and a complaints system, followed by measured trading against unit contribution, stock age, customer complaints and cash. Monthly volume targets are planning hypotheses. Stop buying when liquidity or quality falls below agreed limits; do not use more borrowing to conceal unsaleable stock.

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Business model canvas

Stock to customer cash

The business creates value through acquisition discipline, independent preparation and clear handover. Private sellers and documented trade suppliers provide stock; customers pay for owned vehicles rather than a marketplace introduction. External workshops and vehicle-history providers support preparation.

Revenue is vehicle sales; there is no assumed finance commission or paid warranty upsell. Purchase cost, margin VAT, preparation, logistics and customer-claims expense determine contribution. Payroll, rent, marketing and funding costs continue when sales slow. The canvas must remain consistent with four paid staff, outsourced mechanical work and a single forecourt.

Business model canvas

Customers	Value	Channels
Mainstream used-car buyers in Greater Manchester	Documented condition clear prices accountable aftersales	Vehicle listings local viewings and paid delivery
Relationships	**Revenue**	**Activities**
Named handover contact and complaint records	Owned used vehicles; no finance commission	Buying preparation stock control and delivery
Resources	**Partners**	**Costs**
Four staff stock working capital and secure forecourt	External mechanics history providers and advisers	Vehicles VAT preparation claims staff and premises

V01 Proposed business model; no supplier or customer commitment is asserted.

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SWOT and longer term goals

Strengths and vulnerabilities

The proposed strengths are a focused stock policy, small management span and visible aftersales accountability. These are design choices, not proven advantages. Weaknesses include an untested brand, limited scale, dependence on external workshops and capital tied in stock. Opportunities include mainstream used-car demand and buyers seeking transparent histories; threats include weak prices, title fraud, mechanical defects and consumer disputes.

Longer-term expansion is conditional on two profitable quarters, positive cash after inventory needs and a reliable complaints record. There is no second-site income in the forecast. Capital should first improve inspection and stock control rather than fund speculative growth.

Strength or weakness	Opportunity or threat
Focused stock policy and owner control	Customers seeking documented condition
New brand and capital tied in vehicles	Slow stock and price compression
Outsourced preparation and small team	Mechanical defects and workshop delays

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TOWS strategy matrix

Actions linked to risks

Use the small team to make the owner accountable for buying decisions and complaints. Offset the new brand through factual condition reports and documented preparation, not invented ratings or review claims. Maintain more than one qualified preparation partner to reduce dependence on a single workshop.

A weak market should trigger revised stock limits, earlier price reviews and reduced purchases. Pair liquidity risk with an explicit funding reserve and lender availability test. Reject vehicles with unresolved title or safety issues even where the gross margin looks attractive. Growth must follow demonstrated contribution rather than national market volume.

Pairing	Action
Strength opportunity	Owner-controlled buying with factual vehicle records
Weakness opportunity	Pilot stock before expanding committed capital
Strength threat	Use transparent preparation and named complaint owner
Weakness threat	Reduce purchases before reserve or quality deteriorates

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Owner and management

Roles and control

The owner is proposed as managing director and head buyer, with a live monthly salary in the financial model. The identity, shareholding, experience and household budget have not been supplied. No motor-trade qualification or prior operating success is asserted. Two sales advisers handle viewings and delivery; an operations coordinator maintains documents, workshop bookings and aftersales records.

The owner approves purchases, price reductions and material complaints settlements. The coordinator reconciles vehicle records to accounting and loan availability. A separate accountant and legal adviser review tax and consumer contracts. Investors should require monthly stock-age, contribution, claims and liquidity reporting.

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Owner and key personnel profiles

Verification before appointment

Before appointing the owner, verify buying experience, vehicle valuation knowledge, complaint handling, financial competence and conflicts of interest. Sales advisers need truthful advertising, safe test-drive procedures and accurate handover documentation. The operations coordinator needs stock-book discipline, workshop coordination and customer-record skills.

External mechanics must have suitable competence and insurance for the actual work. No named adviser, workshop or employee is retained. Obtain references, check employment eligibility and document responsibilities before launch. Credentials are evidence to obtain, not blanks to fill with invented biographies.

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Target customers

Buying situations

Priority customers are Greater Manchester households needing a practical used car at an accessible cash price. Target working drivers and families buying mainstream hatchbacks or compact family

vehicles. A customer's needs include reliability, running costs, usable space, condition transparency and confidence that a fault will be addressed. These are interview hypotheses.

The base average selling price is a portfolio assumption, not a promise that every model or buyer has the same budget. Customers may arrange their own funds. The business must not steer them to a lender or imply regulated finance services without the necessary legal basis and permissions.

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Segmentation targeting and positioning

A focused offer

Segment by practical use, budget and willingness to accept vehicle age or mileage, not by unsupported demographic labels. The primary segment is buyers of mainstream used passenger cars; a second segment is customers replacing a vehicle with known running-cost priorities. Premium and specialist cars remain outside the initial buying policy.

Position around documented condition, clear total price and an accountable local aftersales process. These attributes need operational evidence. The dealership is not claimed to be cheaper than large chains or to have better satisfaction. Verify positioning through customer interviews and actual comparable vehicles before committing marketing spend.

Segment	Offer	Evidence required
Practical household replacement	Mainstream used car with condition report	Budget running-cost priorities and comparable listings
Family transport	Space suitability and clear total cash price	Vehicle-specific needs and inspection
Specialist or premium buyer	Outside launch stock policy	Separate sourcing and preparation capability

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Value proposition canvas

Jobs pains and evidence

Customers need to choose a car that fits transport needs and a cash budget. Pains include hidden defects, unclear vehicle history, surprise fees and uncertainty over support after purchase. The proposed gain is a documented preparation and handover process with a named contact. No survey or conversion result has been observed.

The offer pairs independent mechanical checks, history reports and plain condition descriptions with an aftersales allowance. Those practices cost money and must be reflected in unit contribution. A warranty is not a substitute for statutory rights. Vehicle claims must describe actual evidence and any remaining defects.

Value proposition canvas

Jobs

Choose transport that fits use and cash budget

Pains

Hidden defects unclear history surprise fees

Gains

Documented handover and accountable support

Products

Inspected owned mainstream used cars

Pain relievers

History checks external inspection clear condition

Gain creators

Named contact claims process and transparent price

V02 Customer jobs and responses are interview hypotheses, not surveyed ratings.

Market size and trends

Scope and limitations

SMMT reported 2,009,318 UK used-car transactions in the second quarter of 2026 and 4,025,550 in the first half [S1]. These are national transactions across all channels, not the revenue available to a new Manchester dealer. Petrol and diesel remained dominant in that release, while electric-car transactions grew. This supports broad context only.

A validated Manchester SAM is unavailable. Define it as eligible mainstream vehicles within the intended cash-price band and reachable catchment. The model's units are an authored SOM trading target for 2027–2029, not a claimed share of national sales. Obtain local transaction data and comparable demand before relying on a market-share estimate.

TAM SAM and SOM scope

TAM context

UK used-car transactions: 2,009,318 Q2 2026; not dealership revenue

SAM definition

Greater Manchester mainstream eligible used cars in target cash-price band; size unavailable

SOM planning

2027–2029 units from forecast; no observed market share

Method and boundary

National SMMT transaction count plus local research needed; do not divide incomparable periods

V03 UK national context [S1], Greater Manchester intended catchment. Validated local SAM and monetary TAM unavailable.

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PESTLE analysis

External constraints

Consumer spending and credit conditions affect replacement decisions and achievable prices. Fuel and running-cost changes can alter model preferences. Legal and tax requirements constrain stock acquisition, price disclosure, consumer remedies and margin-scheme records. Permissions for finance activities are a separate gate.

Technology creates useful valuation and history tools but does not replace physical inspection. Environmental pressure requires responsible outsourcing and vehicle disclosure; the dealership should not make quantified carbon claims without data. Political and local planning decisions may affect the selected premises. Translate each factor into buying, preparation or liquidity controls rather than generic optimism.

PESTLE and proposed responses

Political Local use and transport policies Response: verify selected site	**Economic** Household budgets and used prices Response: stock and liquidity limits
Social Reliability and trust concerns Response: documented condition	**Technological** History and valuation tools Response: combine with physical inspection
Legal Consumer remedies VAT and finance permissions Response: records and adviser review	**Environmental** Workshop waste and changing vehicle preferences Response: responsible partners truthful disclosure

V04 Six external constraints and specific operating responses.

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Local demand and evidence

Manchester research plan

Manchester is a location hypothesis based on a broad urban catchment, not secured demand. Arnold Clark's Manchester page demonstrates an established regional competitor and broad online stock access [S7]. It does not establish a Northline customer pipeline. No interviews, bookings, reviews or observed dealership sales have been provided.

Research should record comparable vehicles by age, mileage, condition, fuel and total cash price, then interview buyers and workshop partners. Obtain local traffic, access and parking evidence for the chosen site. Qualified enquiries and completed viewings are leading indicators; cash sales, contribution and complaints determine whether the offer works.

Demand evidence and launch gates

Available	Unavailable
National transactions and direct regional competitor offer	Northline enquiries customers realised prices and repeat demand
Required	**Decision**
Local interviews comparable vehicle log site access and workshop quotes	Pilot stock and verify actual contribution claims and cash

V05 No bookings, sales, supplier quotes or customer interviews are claimed.

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Competitors and positioning

Alternatives available to buyers

Buyers can compare large dealer chains, independent forecourts, online retailers and private sellers. Arnold Clark serves Manchester and promotes collection from a wider stock network [S7]. Its public page also describes finance and trade-in services; Northline does not assume those capabilities.

Comparison must account for the exact vehicle, inspection, warranty terms, delivery and fees. A private sale may have a different legal relationship and service level. Do not assign fabricated competitor quality scores. The proposed position is a small, documented and locally accountable dealership; competitors' actual offers must be recorded before claiming an advantage.

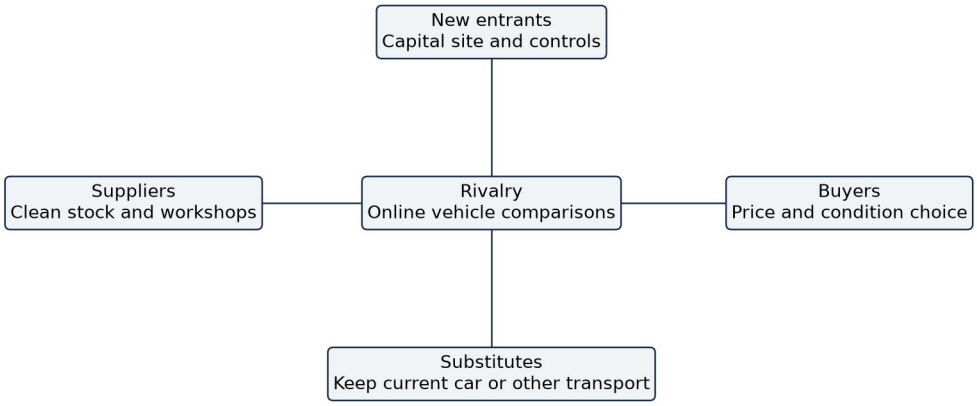
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Porter five forces

Margin under pressure

Rivalry is strong because customers can compare similar vehicles online. Buyer power rises when stock is slow or many alternatives exist. Suppliers can command higher prices for clean, documented stock; unresolved ownership or finance makes a vehicle unacceptable regardless of price. External workshop capacity may also constrain throughput.

Entry requires capital, suitable premises and compliance, but there is no patented barrier. Substitutes include retaining the current car, public transport, leasing or a private purchase. Responses are acquisition limits, preparation controls, alternative suppliers and cash discipline. The model therefore links sales to stock and preparation capacity rather than assuming unlimited turnover.



V06 Rivalry at centre. Controls: acquisition limits, preparation quality, supplier alternatives and cash discipline.

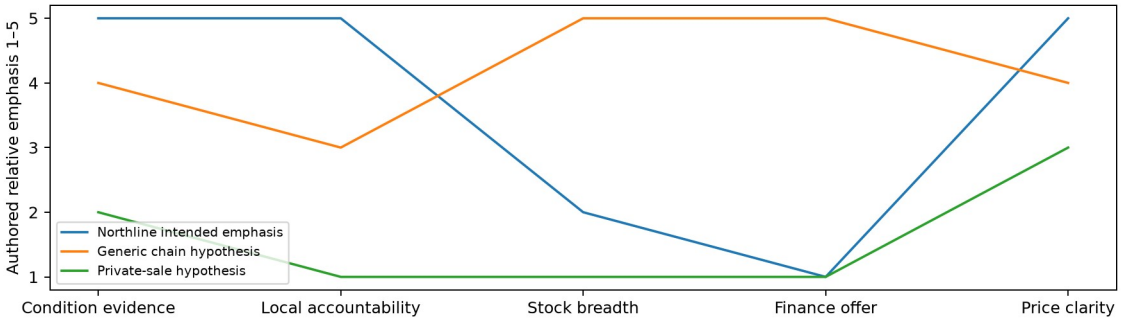
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Strategy canvas

Qualitative hypotheses

Compare Northline's intended emphasis with a broad chain and a private-sale alternative across documented condition, local accountability, stock breadth, finance availability and total-price clarity. Scores are authored relative emphasis, not observed competitor ratings. Finance breadth and stock choice are deliberately limited at launch.

The proposed advantage depends on executing preparation and complaint handling. It must be tested by buyers who consider the evidence valuable enough to buy. Marketing claims should describe specific processes and actual vehicles, not broad superiority. Update the canvas when research or operating results show a different buying priority.



V07 Qualitative positioning hypotheses requiring buyer research; no competitor rating is asserted.

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Location and premises

Forecourt with support space

Seek a Manchester-area forecourt with secure parking, a small office, safe customer access and space to hold prepared and unprepared vehicles separately. No address or lease has been selected. The model will constrain stock to physical capacity and include an occupancy allowance and refundable deposit.

Verify lawful use, signage, access, drainage, security, utilities, accessibility and insurer requirements with the relevant local authority and advisers. Do not imply that a general business plan establishes planning permission. External workshops reduce onsite equipment needs, but test drives and customer visits still require risk assessment and insurance.

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Equipment and resource plan

Lean physical resources

Startup assets cover secure IT, photography and stock-management tools, CCTV and modest office/forecourt equipment. No owned workshop lift, MOT station or diagnostic operation is assumed. Obtain quotes and classify costs before investment. A refundable premises deposit is an asset, not operating expense.

Stock is the largest working-capital use. Cars remain inventory until sale and must be individually recorded. Preparation invoices are separated from acquisition cost for VAT-margin calculation even when they form part of managerial unit economics. Equipment is depreciated by cohort; stock losses and price reductions must be reviewed separately.

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Product and stock strategy

Eligible mainstream cars

Buy a narrow selection of mainstream used cars with traceable title and a realistic preparation budget. Initially acquire only vehicles whose records support the assumed VAT margin scheme. Avoid imports, VAT-separately invoiced stock and unresolved outstanding finance. Do not offset one vehicle's loss against another vehicle's positive taxable margin [S2].

Buying limits should cover age, mileage, condition, expected sale price and days to sale. External preparation capacity limits handover throughput. An average-cost financial schedule is a planning simplification; actual accounting and VAT need a vehicle-level stock book. No brand franchise or authorised repairer status is claimed.

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Pricing and unit economics

Price from evidence

Set a cash selling price using actual comparable vehicles and documented preparation needs. The model separates customer cash price, original purchase cost, one-sixth VAT on a positive eligible margin, preparation, logistics, card costs and expected customer claims. Repairs do not reduce the margin used to calculate VAT [S2].

A gross spread is not contribution. Claims and stock ageing can consume it. Review asking prices weekly against age, condition and enquiry evidence. Do not advertise a low headline price that excludes unavoidable fees. Treat an average price as a portfolio driver and stress acquisition inflation and reduced selling prices separately.

Competitor price comparison

Match the vehicle and terms

No like-for-like vehicle quote has been verified for the selected launch stock. Arnold Clark's Manchester page offers online reservation with a refundable GBP 99 deposit and advertises broader stock access [S7]; that deposit is not a vehicle price. Northline's average selling-price assumption cannot be compared with it as a price advantage.

Before launch, collect at least five comparable live listings with date, model, age, mileage, condition, warranty terms and total cash price. Retain the source and distinguish asking from realised prices. Until that evidence exists, record competitor price as unavailable rather than invent a transaction or supplier quote.

Comparison	Verified offer or assumption	Limit
Arnold Clark Manchester [S7]	GBP 99 refundable reservation deposit	Not a car cash price
Northline forecast	Portfolio average price input	Not a comparable vehicle listing
Like-for-like vehicle comparison	Unavailable pending dated research	No price advantage claimed

Brand and customer experience

Clear promises and handover

Northline is a working name with trademark and registration checks pending. Advertisements should describe the actual vehicle and preparation evidence, show the full cash price and disclose relevant defects. No reviews, awards or dealer accreditation are invented. Customers should see the condition report before committing.

At handover, confirm identity, payment clearance, documents, keys, agreed accessories and the complaint contact. Record how customer concerns are resolved. Statutory remedies cannot be replaced by a warranty disclaimer [S3]. The customer experience must fit the claims budget and team capacity, not rely on unsupported satisfaction claims.

Sales channels and process

Enquiry to paid delivery

Use targeted online listings and local viewings. Track enquiry, appointment, inspection, purchase agreement, cleared payment and delivery as distinct stages. No funnel conversion is observed. Sales volume in the model is constrained by available stock and monthly preparation capacity.

Customer deposits, if introduced, need separate liability and refund accounting; the launch model assumes full payment at delivery and no advance deposits. The business does not introduce borrowers to lenders or earn finance commission in the forecast. Any later credit broking or financed part exchange must pass the FCA permissions assessment [S4].

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Launch marketing

Evidence before promotion

Preopening costs include photography, listings setup, contracts and launch preparation; the model must prevent double counting them with equipment. Ongoing marketing covers vehicle listing and local promotion allowances. No platform contract, campaign result or qualified lead volume is secured.

Prioritise complete and accurate listings, including total price and condition evidence. Do not promote finance terms or insured warranty products without the required legal basis. Measure cost per qualified viewing and contribution per completed sale, with complaints and refunds considered. Stop channels that produce traffic without credible customers.

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Retention and ongoing sales

Aftersales and repeat trust

Repeat custom depends on how the dealership resolves problems, not a subscription forecast. Record complaints, repair authorisations, customer communications and actual costs against the allowance. A customer recommendation is useful evidence only after it exists; no testimonials are fabricated.

The claims reserve covers expected internal repair and remedy costs under planning assumptions. It is not an insurer premium or a limit on customer rights. Significant returns can restore vehicles to inventory and require a revised model. Track such events at vehicle level and retain liquidity for them rather than spending all apparent sales cash.

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Daily operations and suppliers

Traceable buying and preparation

The owner approves each acquisition after history, title and cost checks. The coordinator logs the purchase, preparation scope, workshop status and delivery documents. External workshops quote and evidence completed work; safety-critical concerns must be resolved before advertising a car as ready.

Reconcile physical stock to the stock book and inventory loan records weekly. Restrict access to keys and payment authorisation. Supplier payments for vehicles are assumed immediate; no unsupported trade credit finances stock. Preparation and administrative expenses are separate. Maintain alternative workshops and history providers, subject to competence and insurance checks.

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Sustainability practices

Practical controls

Outsource preparation to workshops with appropriate waste, fluid, battery and tyre handling controls. Record responsibilities in contracts and retain relevant disposal evidence. Efficient routing and preparation scheduling can reduce unnecessary transport, but no quantified environmental saving is claimed.

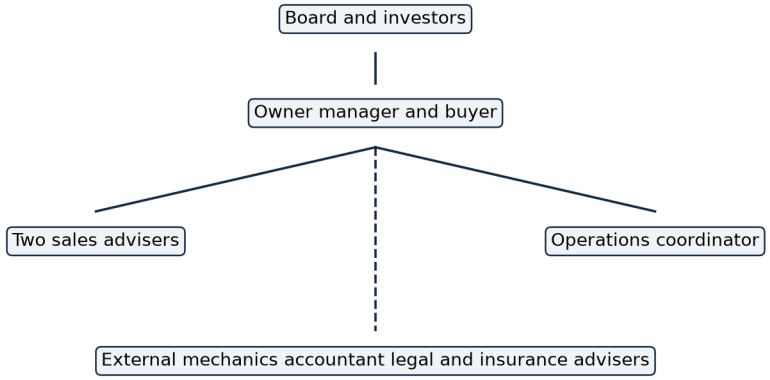
Disclose actual fuel type, emissions and available condition information. Do not describe a vehicle or dealership as carbon neutral without a defensible method. Electric vehicles would require appropriate battery and safety checks before inclusion; growth in national electric transactions does not establish Northline's technical capability or customer demand.

Staffing and training

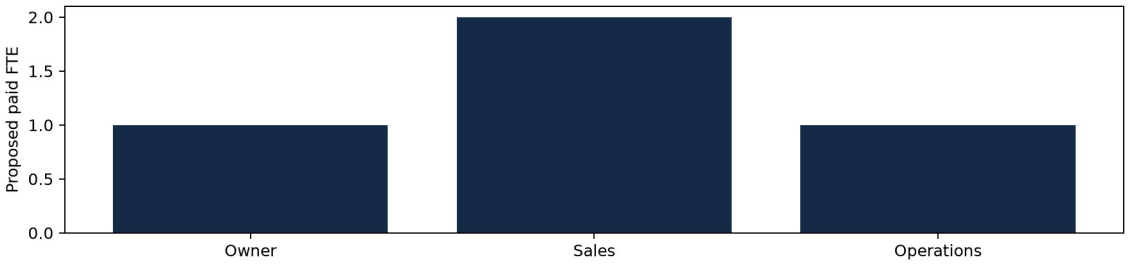
Four paid roles

The initial team is one owner manager, two sales advisers and one operations coordinator. External mechanics, accountant and legal advisers are not company FTE. Model salaries are unquoted planning allowances; owner salary must recalculate payroll. Staffing capacity should align with viewings, preparation coordination and complaints.

Employer NIC and pension costs are added transparently. Current 2026/27 employer NIC rates are context for future planning and must be rechecked [S5]. Pension is a conservative gross-pay proxy, not an individual payroll calculation. No employment allowance, trained staff or recruitment commitment is assumed.



V08 Solid reporting lines; dashed external advisers. Four paid FTE; external mechanics excluded.



V09 Staffing capacity before any growth; all roles proposed, not filled.

Staff skills and fair work

Employment and honest sales

Verify references, right to work, relevant skills and training needs before recruitment. Train staff in vehicle disclosure, lawful advertising, complaints, data protection, safe test drives and payment security. Do not reward a sale that conceals a defect or misstates customer rights.

Use written employment terms, predictable shifts, proper breaks and fair absence procedures. Pay and eligibility must be checked against rules effective when trading starts. Staff should be able to stop a handover or raise a safety concern without retaliation. The owner remains responsible for purchase and complaint decisions.

Legal and insurance requirements

Gates before trading

Obtain professional review of consumer contracts, advertising, complaints, tax registration, margin eligibility and records. Consumer remedies can apply regardless of warranty terms; GOV.UK describes repair/replacement obligations and the significance of faults within six months [S3]. Do not treat the claims allowance as a legal cap.

Credit broking, consumer hire and certain financed part exchanges may need permissions [S4]. No such revenue is forecast. Verify premises use, motor-trade insurance, public/employer liability, test-drive cover, data protection and security. No authorisation, insurance quote or lease is secured by this plan.

Opening roadmap

Staged launch

First confirm funding evidence, management competence and candidate-site feasibility. Then obtain legal/tax review, premises and insurance quotes, workshop terms, vehicle-history services and accounting controls. Only buy initial stock after the title, VAT and preparation process is operational.

Run a limited initial batch through purchase, preparation, listing, viewing and delivery before committing to full turnover. Review actual contribution, preparation days, stock age and complaints monthly. A weak result should reduce buying rather than raise the sales forecast. Growth remains conditional on liquidity and quality gates.

Risks and management actions

Triggers and accountability

Key risks are bad title, unexpected mechanical costs, slow stock, price compression, customer disputes and withdrawal of inventory lending. The owner stops purchases where title or safety is unresolved; the coordinator escalates aged stock and documentation gaps. Material claims or low liquidity require board review.

Downside cases must retain fixed payroll and occupancy costs while reducing sales and margins. No balancing lender draw should manufacture solvency. A facility is subject to eligibility, limits and lender terms. If the reserve is breached, secure evidenced capital or reduce commitments before continuing acquisition.

Risk	Trigger	Accountable action
Title or safety	Unresolved finance or defect	Owner rejects vehicle or stops delivery

Risk	Trigger	Accountable action
Slow inventory	Stock days above policy	Owner revises price and purchasing
Claims	Repeated defects or reserve pressure	Coordinator escalates to owner
Lender withdrawal	No available facility or breach	Board secures evidence capital or reduces stock

Research and evidence

Sources and scope

Research reviewed 3 October 2026. SMMT supplies UK transaction context, HMRC supplies margin-scheme and payroll/tax rules, FCA supplies regulated-activity boundaries, GOV.UK supplies consumer guidance and Arnold Clark supplies a direct competitor offer. These sources do not validate the proposed stock, premises, customer demand, recruitment or funding.

The actual nine-sheet car-dealership reference workbook and its design/builder were inspected. Its large franchised USD model has no balance sheet and treats floorplan through working capital. The new plan needs explicit inventory, debt interest and linked statements in GBP; no reference enterprise valuation is used to fund cash.

S1 SMMT Q2 2026 transactions
https://www.smmt.co.uk/used-car-market-returns-to-growth-as-ev-sales-accelerate/

S2 HMRC vehicle margin scheme
https://www.gov.uk/guidance/using-the-vat-margin-scheme-for-second-hand-vehicles

S3 GOV UK consumer returns
https://www.gov.uk/accepting-returns-and-giving-refunds

S4 FCA motor dealers
https://www.fca.org.uk/firms/authorisation/consumer-credit-brokers/motor-dealers

S5 Employer rates 2026/27
https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2026-to-2027

S6 Corporation tax
https://www.gov.uk/corporation-tax-rates

S7 Arnold Clark Manchester
https://www.arnoldclark.com/used-cars-for-sale/manchester

Quotes and assumptions

Evidence to obtain

No supplier, landlord, insurer or lender quote is secured. Obtain forecourt terms, equipment invoices, workshop prices, vehicle acquisition evidence, listing fees, wages and facility covenants. Verify ownership and scheme eligibility individually. Keep dated evidence and explain changes to the forecast.

The plan's budgets and trading cases are authored assumptions. Actual transaction and claims data should replace them after the initial trading batch. Founder experience, customer demand and competitor quality remain unverified. Investments must be evaluated against the final model's working-capital and downside funding conclusions.

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Startup costs and funding

Cash sources and inventory

Base startup uses are GBP 306,000 owned vehicle inventory, GBP 50,000 equipment, GBP 24,000 refundable deposit and GBP 50,000 preopening expense. Total initial uses are GBP 430,000. Proposed equity GBP 500,000 plus a GBP 168,300 inventory facility draw produces GBP 238,300 cash before operations. The GBP 100,000 board reserve remains cash, not a further payment.

The proposed GBP 200,000 revolving facility advances 55% of eligible book inventory up to its limit. The initial stock borrowing is included in sources once; stock is an asset, not an immediate expense. Availability changes with inventory values, generating draw or repayment cash. Neither equity nor debt is secured. A borrowing-base reduction can consume sales cash even if gross revenue rises.

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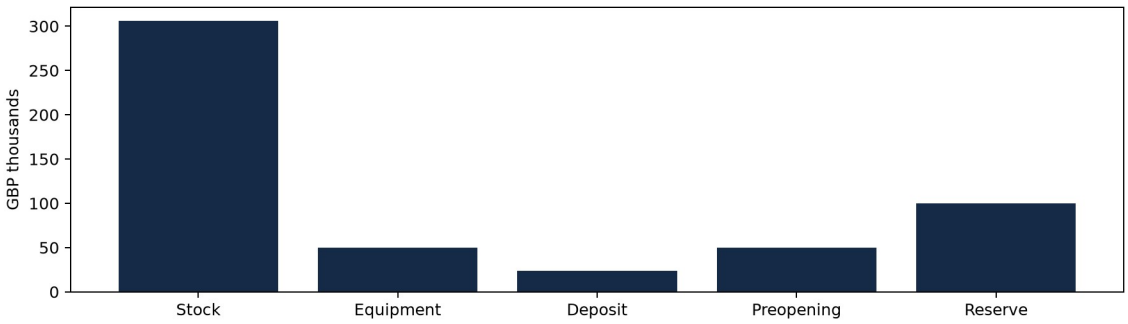
Itemized startup costs

Classification and control

All startup budgets are unquoted all-in allowances. Equipment is depreciated over 60 months with zero residual; the refundable deposit remains an asset. Preopening expense includes legal/tax and site diligence GBP 15,000, launch/listings GBP 10,000, training and formation GBP 10,000 and opening preparation contingency GBP 15,000. These costs are distinct from the ongoing per-sold-car preparation budget. Actual opening stock preparation may differ.

There is no acquired goodwill or franchise asset. Capital assets and overhead allowances assume applicable irrecoverable VAT with no input recovery. Eligible car acquisitions contain no VAT separately reclaimable. Margin VAT on sales is modelled explicitly; this is separate from the all-in expense convention.

Base startup GBP	Amount	Treatment
Initial 36 vehicles at GBP 8,500	306,000	Inventory asset
Equipment office IT security	50,000	Equipment asset
Refundable premises deposit	24,000	Deposit asset
Preopening expense	50,000	Opening retained loss
Total initial cash uses	430,000	Before operating month 1
Board reserve requirement	100,000	Cash retained
Total startup and reserve	530,000	Compared with proposed sources 668,300



F01 Base initial uses and cash reserve from model v1.0. Reserve is not an expense.

Owner personal survival budget

Illustrative household allowance

No owner household budget was supplied. An illustrative monthly cost allowance is GBP 2,800: housing/utilities GBP 1,500, food GBP 450, transport GBP 300 and insurance/personal contingency GBP 550. Reliable other income is zero. At a planning 72% gross-to-net retention, GBP 4,200 owner monthly gross salary produces GBP 3,024 estimated net and GBP 224 surplus.

This is not a payroll-tax calculation. Verify actual household obligations and director tax/pension treatment. Owner pay is already included in company payroll and must not be added again as drawings. Increasing it changes employer payroll costs and linked cash in the workbook.

Monthly household GBP	Amount
Housing utilities	1,500
Food	450
Transport	300
Insurance personal contingency	550
Total costs	2,800
Estimated net salary	3,024
Illustrative surplus	224

Financing terms and security

Uncommitted inventory facility

The facility limit is GBP 200,000 in Base, with assumed 55% advance against inventory book value and 10% annual interest on average opening/closing debt. The aggregate schedule treats all book stock as eligible and has no maturity during the 36-month horizon. Actual vehicle ageing exclusions, audits, curtailments, fees, covenants, repayment triggers and maturity could reduce availability materially.

Verify collateral title, lender rights, personal guarantees and any restrictions before purchase. Inventory is not automatically acceptable security. No property, customer finance receivable, franchise or borrower credit business is assumed. The model caps debt at eligible inventory and the facility limit;

it never draws extra debt simply because cash is negative. A zero-advance stress removes financing and shows the cash consequence.

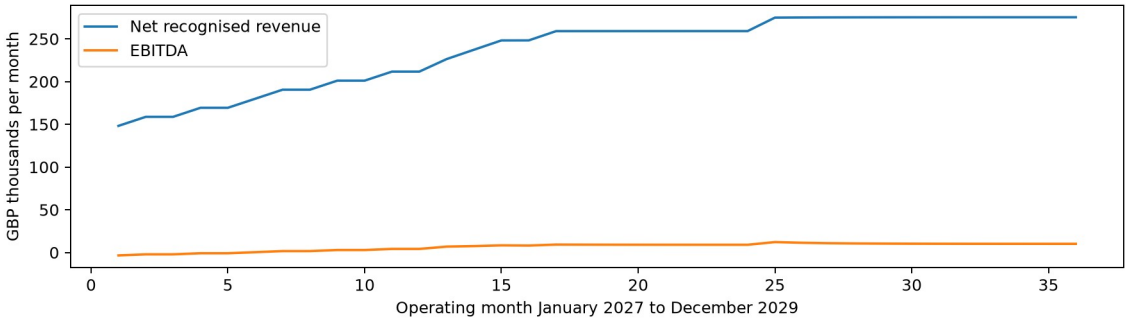
Revenue forecast and capacity

Units backed by stock and preparation

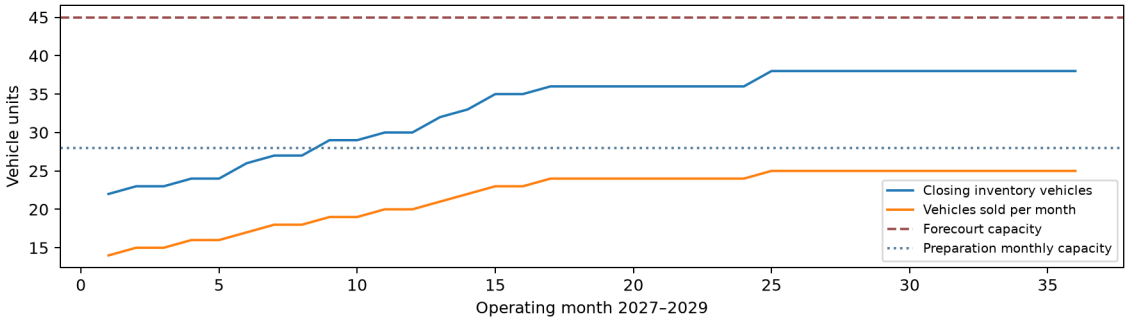
Base desired sales start at 14 vehicles monthly and ramp toward 24 by month 18, with 2% annual unit growth. Preparation capacity is assumed 28 vehicles per month; forecourt capacity 45 and opening stock 36. Desired units are rounded and actual sales cannot exceed opening stock or preparation capacity. Closing stock targets 45 days at a 30-day month proxy with a 20-vehicle minimum. No volume has been observed.

Customer cash selling price starts at GBP 11,000 and current purchase price GBP 8,500; both increase 2% annually in Base. Purchases replenish stock to the target, with zero acquisition credit. Vehicles sold cost is an average-cost planning schedule. Actual VAT and title records must remain vehicle specific. Customer cash is collected at handover; there are no advance deposits or finance commissions.

Annual	2027	2028	2029
Units sold	207	281	300
Gross customer receipts	2,277,000	3,152,820	3,433,320
Vehicle output VAT accrued	86,250	120,273	131,090
Net recognised vehicle revenue	2,190,750	3,032,547	3,302,230



F02 Base net vehicle revenue and EBITDA from v1.0. No finance or warranty sales assumed.



F03 Base sales and stock capacity; site and workshop capacities are unquoted assumptions.

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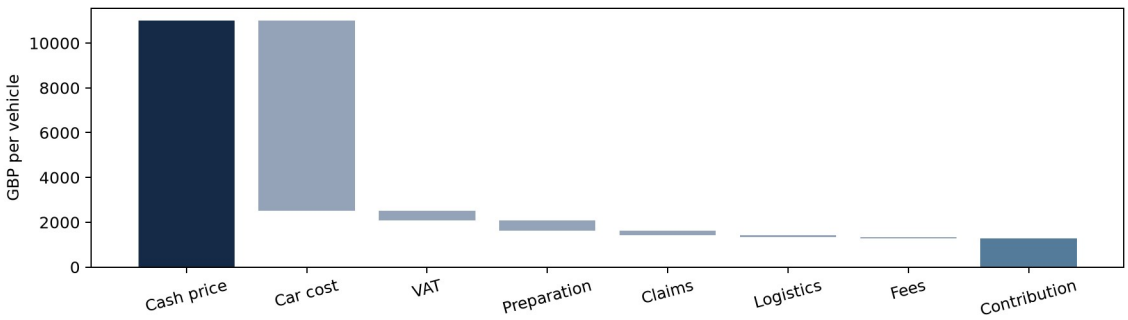
Costs and projected profit

Contribution after VAT and claims

January Base economics per vehicle are GBP 11,000 gross selling price less GBP 8,500 purchase book cost, GBP 416.67 positive-margin VAT, GBP 450 preparation, GBP 200 expected claims, GBP 100 logistics and GBP 66 collection fees. Contribution is GBP 1,267.33 before payroll, occupancy and overhead. VAT uses a separate original acquisition-cost ledger. Accounting NRV write-downs reduce book stock and later accounting cost of sales, but never reduce the original price paid when calculating taxable margin [S2]. Repairs do not reduce taxable purchase-to-sale margin [S2]. No losses on other vehicles offset a positive taxable margin.

Claims expense accrues on sale, then cash settles after a three-month Base lag. It represents expected dealer remedy costs, not a sold insurance product or a cap on consumer rights. Stock is written down if estimated selling proceeds less direct costs and output VAT fall below book cost. Homogeneous portfolio assumptions are insufficient for actual individual vehicle tax returns or impairment judgements.

Annual GBP	2027	2028	2029
Vehicles sold cost	1,759,500	2,431,181	2,646,781
Preparation expense	93,150	130,244	143,222
Claims expense	41,400	57,886	63,654
Logistics expense	20,700	28,943	31,827
Payment fees	13,662	18,917	20,600
Inventory write-down expense	0	0	0
Total direct costs	1,928,412	2,667,171	2,906,083
Vehicle contribution	262,338	365,376	396,147
Payroll including owner	157,952	162,691	167,571
Occupancy expense	48,000	49,440	50,923
Listing marketing expense	30,000	30,900	31,827
Other overhead expense	18,000	18,540	19,096
Total fixed operating cost	253,952	261,571	269,418



F04 Arithmetic unit contribution waterfall from January 2027 Base results; GBP per vehicle.

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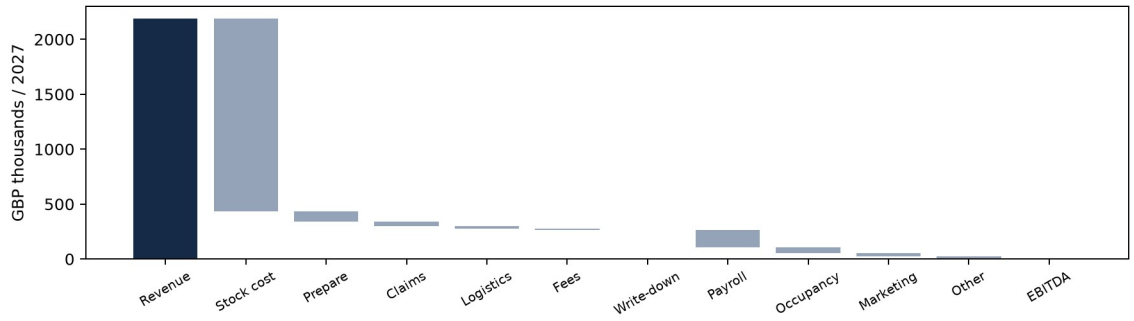
Profit and loss forecast

Three operating years

The forecast covers January–December 2027, 2028 and 2029 in GBP. Net recognised revenue excludes output VAT. Vehicle cost transfers from inventory when sold; preparation, expected claims and overhead are expenses. Annual owner gross pay is GBP 50,400, sales pay GBP 56,000 across two advisers and operations pay GBP 30,000. Employer NIC at 15% above a GBP 5,000 threshold per role plus a 3% gross-pay pension proxy produce GBP 157,952 first-year total payroll. No employment allowance is booked.

The UK tax model uses a conservative 25% provision after carried preopening and operating losses, paid monthly as a cash proxy. HMRC small-profit and marginal-relief rules may reduce actual tax depending on circumstances [S6]. This is not a tax return; no deferred-tax asset or tax incentive is assumed. Interest is an operating cash expense; lender principal movement is financing cash.

Annual GBP	2027	2028	2029
Net recognised vehicle revenue	2,190,750	3,032,547	3,302,230
Total direct costs	1,928,412	2,667,171	2,906,083
Vehicle contribution	262,338	365,376	396,147
Total fixed operating cost	253,952	261,571	269,418
EBITDA	8,386	103,806	126,729
Depreciation	10,000	10,167	12,000
Inventory interest expense paid	12,350	16,643	18,384
Tax provision paid	0	3,258	24,086
Net result	(13,964)	73,738	72,259



F05 Arithmetic Base 2027 net revenue less costs to EBITDA; no inventory purchase expense double count.

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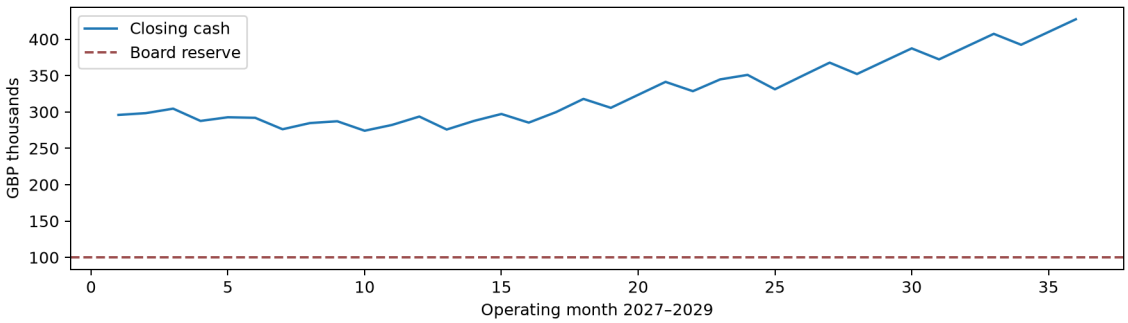
Cash flow and financial position

Working capital and lending

Cash reflects customer gross receipts, vehicle purchases, operating payments, claims settlements, quarterly VAT payments, tax, capital expenditure and inventory-facility movements. The linked cash

flow starts from net result, adds depreciation, adjusts inventory and claims/VAT liabilities, then records capex and loan draws/repayments. No customer receivable or advance deposit is assumed.

Initial cash is GBP 238,300. Base minimum operating month-end cash is GBP 274,178, excluding that opening startup balance. The minimum of opening and operating balances is therefore GBP 238,300. Quarterly VAT is accrued monthly and paid in the month after each quarter. Claims cash follows the selected lag; reserved claims and VAT cash must not be mistaken for surplus capital. Negative Downside cash represents unfunded trading, not an approved overdraft.



F06 Base month-end cash after VAT, claims and inventory lending; opening cash GBP 238,300.

Cash flow forecast months one to six

Initial stock release and replenishment

Amounts GBP; January–June 2027. Startup uses occur before month 1. January sells 14 of 36 opening cars with no new purchases, releasing cash and reducing inventory borrowing. This cash release is not operating profit. Subsequent purchases restore target assortment. April pays January–March VAT. Claims settlement begins after the selected lag.

Month	CFO	Capex	Draw	Repayment	Closing cash
2027-01	123,084	0	0	65,450	295,934
2027-02	(2,279)	0	4,675	0	298,329
2027-03	6,201	0	0	0	304,531
2027-04	(21,568)	0	4,675	0	287,638
2027-05	5,046	0	0	0	292,684
2027-06	(10,109)	0	9,350	0	291,926

Cash flow forecast months seven to twelve

Continuing stock control

Amounts GBP; July–December 2027. Sales increase under the Base ramp, while payroll and occupancy continue. Vehicle purchases and repayments are separate from the cost of vehicles sold. July and October pay the preceding quarter VAT; the following January pays fourth-quarter VAT. These obligations remain on the year-end balance sheet.

Month	CFO	Capex	Draw	Repayment	Closing cash
2027-07	(20,400)	0	4,675	0	276,201
2027-08	8,497	0	0	0	284,699
2027-09	(6,857)	0	9,350	0	287,191
2027-10	(13,013)	0	0	0	274,178
2027-11	3,268	0	4,675	0	282,121
2027-12	11,549	0	0	0	293,670

Financial position summary

Full balance sheet

Assets consist of cash, owned vehicle inventory at average book cost after any NRV write-down, net equipment and the refundable deposit. Liabilities include expected customer claims, output VAT and the inventory facility. Equity is proposed paid-in capital plus retained earnings, including the GBP 50,000 preopening loss. No goodwill, franchise, receivable or deferred-tax asset is inserted.

All three cases reconcile the balance sheet, cash and stock units across all 36 months. Actual accounts require vehicle-level purchase/sale records, eligibility evidence, inventory valuation and complaint estimates. The facility borrowing base is an aggregate simplification and may overstate available debt if lenders exclude aged or disputed stock.

Year end GBP	2027	2028	2029
Closing cash	293,670	350,931	427,419
Closing inventory value	255,000	312,109	336,035
Net equipment assets	40,000	39,833	27,833
Refundable premises deposit	24,000	24,000	24,000
Closing claims liability	11,800	14,832	15,914
Closing VAT liability	24,583	30,607	32,521
Closing inventory facility	140,250	171,660	184,819
Paid in equity	500,000	500,000	500,000
Retained earnings	(63,964)	9,774	82,033
Total assets	612,670	726,873	815,287
Total liabilities and equity	612,670	726,873	815,287

Break even and scenarios

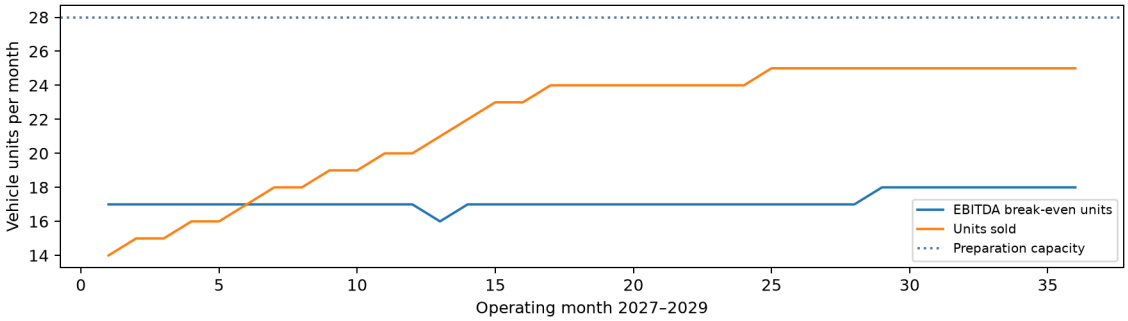
Contribution and downside cash

January Base monthly fixed operating costs are GBP 21,163 and contribution GBP 1,267.33 per car, producing an EBITDA threshold of 17 vehicles per month. A zero or negative contribution has no finite break-even; the workbook leaves that numeric series blank and shows an explicit status. The

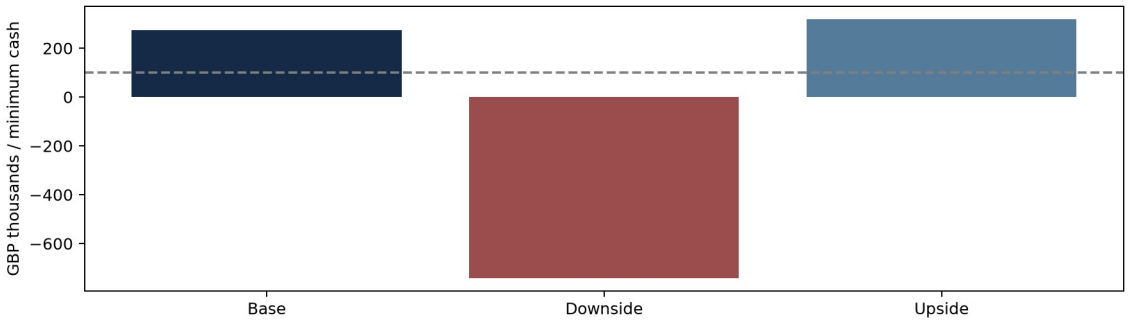
threshold excludes depreciation, interest, tax and startup funding; cash requires additional inventory and liability timing. As costs inflate and stock book cost changes, later thresholds vary. Preparation capacity is 28, so a viable threshold must also fit staffing and workshops.

Case figures are static v1.0 snapshots from 3 October 2026. The live selector recalculates the active case; per-cell comparisons flag snapshots stale after edits. Downside reduces sales and price, increases acquisition/preparation/claims costs and weakens lending availability. It is not a probability-weighted cash forecast. No rescue capital is inserted.

Case snapshot	36m net revenue	36m EBITDA	Min month-end cash	Reserve gap
Base	8,525,527	238,921	274,178	0
Downside	4,360,761	(910,659)	(740,640)	840,640
Upside	10,807,364	1,013,591	318,322	0



F07 Base EBITDA unit threshold, planned sales and preparation capacity. No cash break-even claim.



F08 Static case minimum operating cash; lender/capital commitments remain unverified.

Model guide and completion

Recalculation and checks

Companion northline-used-cars-financial-model.xlsx v1.0 contains Dashboard, Inputs, Stock, Operations, Annual, Funding, VAT, Cases and Checks. Inputs F4 selects 1 Base, 2 Downside or 3 Upside. Blue fields are editable; supported whole-month lags and scheme flags are constrained. Owner pay, prices, stock days, lending terms and claims timing affect the live build.

Retained build_model.mjs rebuilds the workbook, results JSON and previews. Refresh snapshots and Word figures after input changes, then regenerate the native contents last. Checks show monthly balance/cash/stock differences, capacity, reserve and missing raw inputs. Verify premises, title, margin eligibility, lender covenants, quoted costs, founder skills, payroll and customer-remedy processes before investment.