Escape Room Business Plan

Cipher Yard | Manchester

DOCUMENT GUIDE

Contents

Proposed Manchester three room escape venue | 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.

Executive summary....4
Business details....5
Business concept and objectives....6
Business model canvas....7
SWOT and longer term goals....8
TOWS strategy matrix....9
Owner and management....10
Owner and key personnel profiles....11
Target customers....12
Segmentation targeting and positioning....13
Value proposition canvas....14
Market size and trends....15
PESTLE analysis....16
Local demand and evidence....17
Competitors and positioning....18
Porter five forces....19
Strategy canvas....20
Location and premises....21
Equipment and resource plan....22
Game and product strategy....23
Competitor price comparison....24
Brand and customer experience....25
Sales channels and process....26
Launch marketing....27
Retention and ongoing sales....28
Daily operations and suppliers....29
Sustainability practices....30
Staffing and training....31
Staff skills and fair work....32
Legal and insurance requirements....33
Opening roadmap....34
Risks and management actions....35

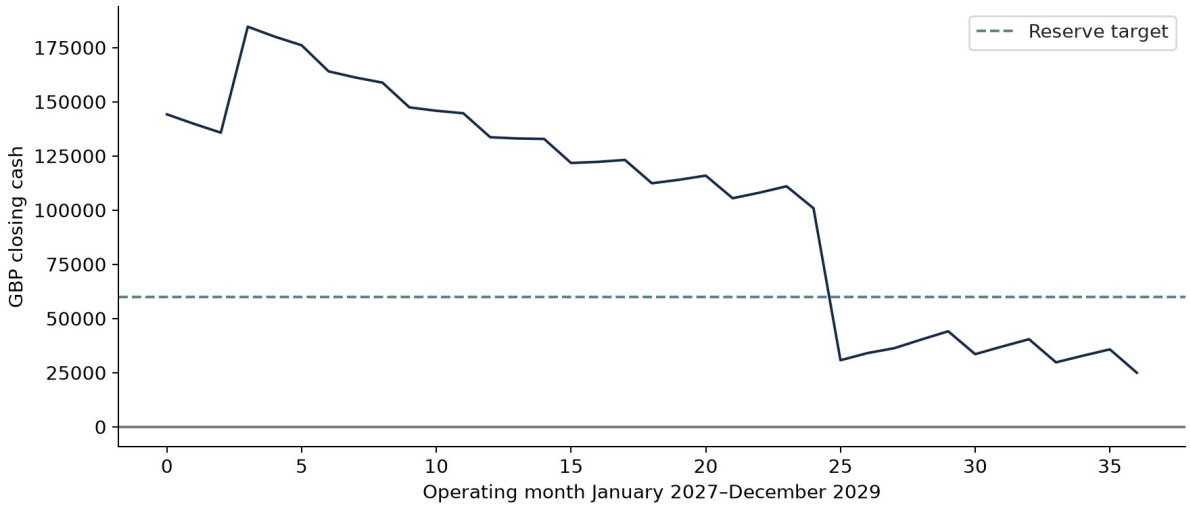
Research and evidence....36
Quotes and assumptions....37
Pricing and booking economics....38
Startup costs and funding....39
Itemized startup costs....40
Owner personal survival budget....41
Financing terms and security....42
Revenue forecast and capacity....43
Costs and projected profit....44
Profit and loss forecast....45
Cash flow and financial position....46
Cash flow forecast months one to six....47
Cash flow forecast months seven to twelve....48
Financial position summary....49
Break even and scenarios....50
Model guide and completion....51

01 / OVERVIEW

Executive summary

Cipher Yard is a proposed three-room escape venue in central Manchester. Each game lasts 60 minutes, serves 2–5 players and is sold to private groups or corporate teams. The concept uses original industrial mystery stories and accessible briefing information. The working name, site and ownership remain unconfirmed; no trading history, founder credentials or commitments are claimed.

The recommendation is a controlled validation stage before any lease or construction commitment. The Base forecast reaches positive 2029 EBITDA but produces a reserve shortfall after retheming and debt service. £450,000 equity and £100,000 debt are proposed, not secured. Founders and funders should approve the project only after demand tests, safety design, supplier quotes and finance resolve this gap.



Conditional Base monthly cash forecast January 2027–December 2029 GBP; £60,000 reserve target is not additional cash funding.

02 / OVERVIEW

Business details

The operating scope is a single indoor leisure venue in Manchester, United Kingdom, modelled in GBP. A proposed private limited company would rent approximately 300 square metres with three independently monitored game rooms, reception, accessible facilities and a workshop. This is a planning concept rather than an incorporated entity or identified property.

The 36- month forecast starts January 2027 after a separately funded preparation period. Original puzzle IP, trained operators and a controlled booking system are required. The plan sells games and a corporate debrief; it excludes alcohol, catering, franchises, merchandise and gift cards at launch. Any additional product requires fresh capacity, safety, tax and cash-flow analysis.

Field	Planning position
Concept	Cipher Yard working name
City	Manchester UK
Rooms and team size	3 rooms each 2–5 players
Forecast	January 2027–December 2029 GBP
Readiness	No lease finance or suppliers secured

03 / STRATEGY

Business concept and objectives

Offer private timed adventures for friends and facilitated group sessions for employers. Three separate themes give previous visitors another game to try without pretending a solved game has repeat value. The first-year objective is reliable delivery and evidence of sustainable acquisition cost rather than an arbitrary market share target.

Before launch, test a paid prototype, secure permissions and complete fire and accessibility reviews. After launch, measure bookings per available slot, realised price, refunds, labour hours and customer feedback by theme and channel. Stop expansion if contribution cannot cover owner pay, minimum opening coverage and replacement. Retheme one room in month 25 only after a safety redesign and funded closure plan.

Gate	Owner and release requirement
Prototype	Manager tests paid bookings and reset labour
Premises	Manager obtains legal safety and access clearance
Finance	Manager secures funding including reserve gap
Operations	Assistant proves reset and emergency procedures

04 / STRATEGY

Business model canvas

Revenue comes from private retail bookings and corporate games with a structured debrief. Customers reserve a room rather than buy individual pooled tickets. The operator pays hosts, maintains themed assets and keeps rooms available even when utilisation is weak. Suppliers cover design, fire systems, booking software and professional advice.

Retail groups prepay; Base corporate invoices collect one month later. Gift cards are excluded until expiry, VAT and liability accounting are agreed. Solved themes deplete repeat-play demand, so the model applies novelty decay and a funded replacement programme. Demand, prices, payment terms and supplier costs remain assumptions.



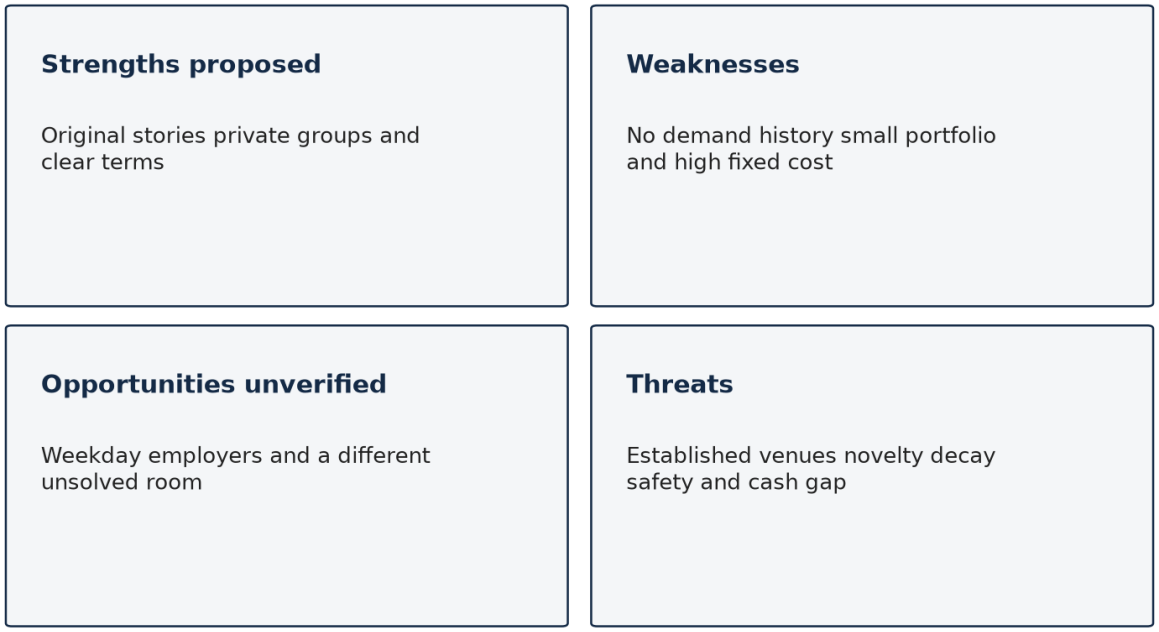
Proposed single-site business model; partners and customer relationships are unsecured.

05 / STRATEGY

SWOT and longer term goals

Strengths are proposed design choices: original local stories, clear group pricing and three independent monitored rooms. They require testing and do not establish superior quality. Weaknesses include no demand history, modest theme variety, substantial upfront asset spending and a small management team.

Corporate weekday bookings could improve slot use, while accessibility information could help customers select a suitable game. Established local venues, household discretionary spending and recurring theme replacement threaten returns. Longer-term growth is limited to profitable use of the existing site. A fourth room, second venue or franchise is outside the forecast.



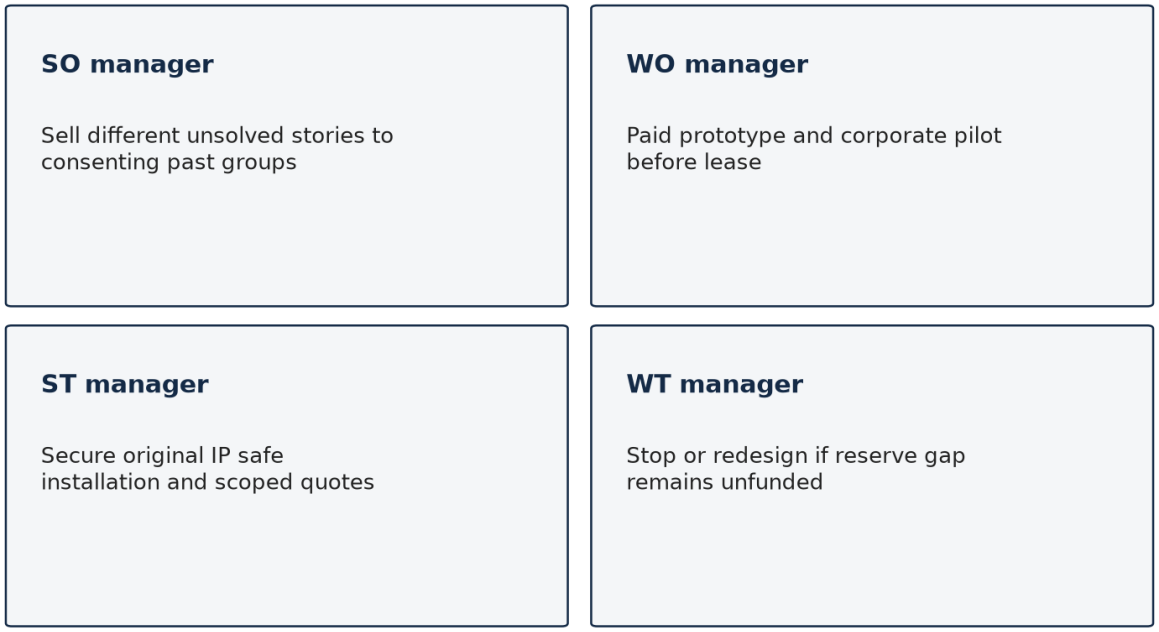
SWOT separates proposed capabilities from unverified opportunities and observed competitor presence.

06 / STRATEGY

TOWS strategy matrix

Use the three-theme portfolio to sell a different unsolved story to previous groups, with consent-based communications. Address the absence of demand evidence through a paid prototype and a bounded corporate pilot before the lease. The manager owns these evidence gates; no free survey alone proves willingness to pay.

Protect the differentiated story assets with IP rights and documented supplier deliverables. Against high fixed rent and novelty decay, keep expansion conditional on cash after debt service and replacement. If the Downside cannot be financed, shorten opening hours only after rebuilding staffing and capacity consistently, renegotiate the property or stop.



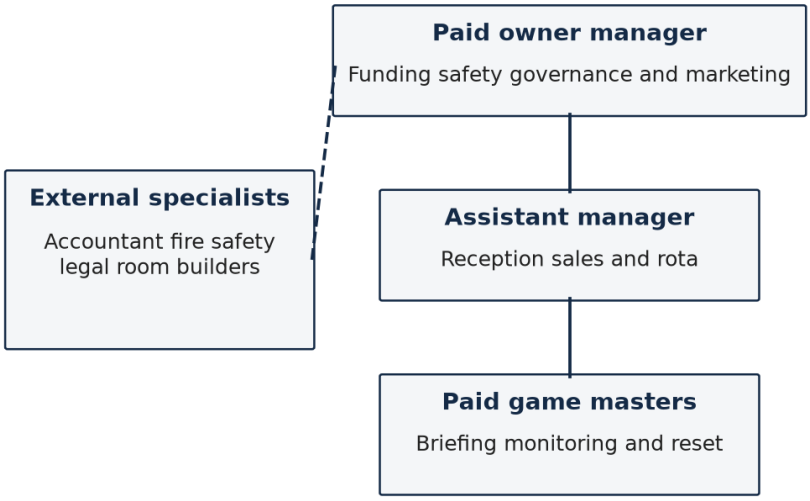
TOWS gives accountable actions; the Base reserve shortfall prevents unconditional launch approval.

07 / PEOPLE

Owner and management

The paid owner-manager controls funding, lease negotiations, recruitment, safety governance and marketing spend. An assistant manager coordinates reception, corporate bookings and shift quality. Game masters report to the assistant while on shift and monitor only the rooms assigned to them.

External specialists support accounts, payroll, fire assessment, electrical work, accessibility and themed construction. Their dashed reporting lines represent advice and contracts, not unpaid staff. There is no claimed founder biography. The owner works a planned 40 hourweek; the assistant also covers 40 hours. Neither can substitute for dedicated game supervision while absent or handling reception.



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

08 / PEOPLE

Owner and key personnel profiles

Recruit an owner-manager with demonstrable small-venue operations, cash control and incident-management competence. The assistant needs booking administration, group facilitation and customer handling. Require game masters to demonstrate accurate resets, clear hints, safeguarding awareness and safe evacuation rather than assume hobby experience is sufficient.

Suppliers must show relevant themed-installation experience, tested electrical equipment and clear ownership of original artwork and scripts. Verify references and insurance before appointment. These are hiring specifications, not invented credentials. Maintain relief staff able to cover absence and train on each theme before solo supervision.

Role	Appointment evidence
Owner manager	Budgeting safe venue operation and cash controls
Assistant manager	Reception scheduling facilitation and incident exercises
Game masters	Reset checklist hinting and evacuation assessment
External specialists	Relevant credentials references insurance and scope

09 / MARKET

Target customers

Retail targets are adult friendship groups, couples accompanied by another player, families with age-appropriate games and puzzle enthusiasts. Corporate buyers are Manchester employers and event planners seeking small-group team activities. The proposed maximum is 5 players per room, so simultaneous corporate groups split into at most 15 participants.

Customers buy a timed group experience and expect the advertised duration, suitability and cancellation terms. No customer interviews, corporate letters of intent or paid booking observations have been obtained. Validate group size and preferred times separately: a weekend retail booking cannot prove weekday employer demand.

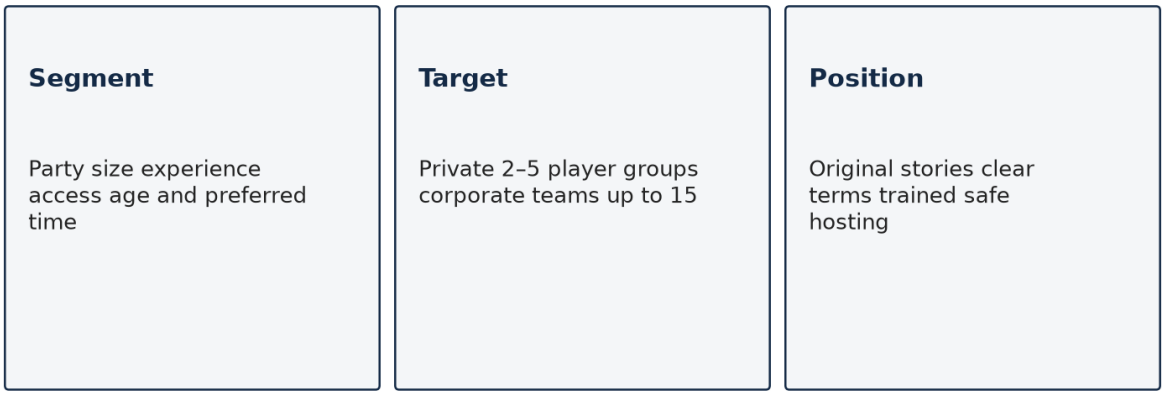
Segment	Need and validation
Friends and enthusiasts	New stories transparent difficulty paid prototype
Families	Age guidance content warnings and companion policy
Employers	Invoice terms debrief timings and attendance
Visitors	Location access directions and booking clarity

10 / STRATEGY

Segmentation targeting and positioning

Segment by party size, experience, age suitability, access requirements and desired time. Target 2–5 person private groups and corporate teams willing to split into three rooms. Decline larger in-room parties and activities that conflict with emergency routes or the safe supervision plan.

Position around original Manchester-inspired mystery stories, private bookings and clear information before purchase. Do not claim the best venue, a guaranteed escape or therapeutic team outcomes. A corporate debrief reflects observed collaboration during the game and is entertainment rather than an accredited assessment.



Proposed segmentation and positioning; willingness to pay and channel conversion remain unmeasured.

11 / STRATEGY

Value proposition canvas

The customer job is arranging a memorable activity that fits a group and a time budget. Hypothesised frustrations include unclear difficulty, surprise charges, unsuitable access and disrupted games. Validate these in interviews and paid tests before treating them as observed local demand.

The offer combines an original 60 minute private game, a trained host, advance suitability information and a simple booking flow. Relief comes from published price and cancellation terms, specific access descriptions and working emergency exits. Corporate buyers also receive a confirmed schedule and debrief. These promises require operational proof rather than promotional adjectives.



Jobs pains and gains are hypotheses. Offer features become promises only after testing.

12 / MARKET

Market size and trends

TAM is paid indoor escape-room spending by Manchester residents and visitors during 2027–2029. SAM is the part reachable by a central venue offering English-language private games for 2–5 players within the proposed hours. Public sources reviewed do not establish expenditure, unique demand or attainable share, so TAM and SAM monetary values remain unavailable.

SOM is a planning operating envelope:3 rooms×7 slots×26 days=546 slots per month before a single-room retheme closure. Forecast bookings are hypothetical utilisation of that capacity, not validated market share. Existing competitor themes and corporate promotions show an operating category, not unmet demand for Cipher Yard.



Geography Manchester; period 2027–2029; bottom-up slot method. TAM and SAM are unquantified and SOM is capacity rather than measured share.

13 / STRATEGY

PESTLE analysis

Political and legal factors include premises permissions, workplace fire obligations and consumer terms. Economic exposure comes from discretionary spending, wages, rent and retheme costs. Social considerations include age suitability, accessible information and the risk of customers exhausting a theme.

Technology supports safe monitoring, booking reliability and tested electronics, but every game needs a manual fail-safe. Environmental considerations favour repairable props, efficient lighting and separated waste. The six-factor diagram connects these factors to evidence gates and cost drivers, rather than imply a general leisure trend guarantees demand.



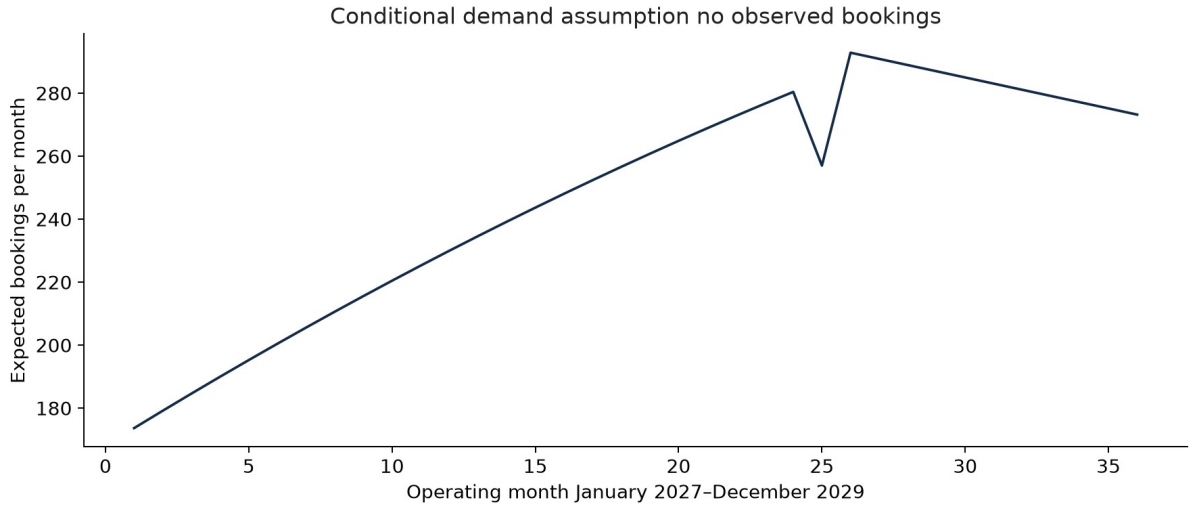
Six aligned panels show venue-specific factors and actions; legal applicability requires professional review.

14 / MARKET

Local demand and evidence

Breakout Manchester publishes 60 minute games for 2–5 players and hours 10 am–10 pm[S 1]. A September 2026 corporate promotion advertises prices from £22 per person[S 7]. These establish local competitor supply and a quoted promotional starting point, not the price of every booking or customer demand for a new venue.

No footfall study, conversion experiment or booking history is available. The demand chart therefore shows modelled bookings, clearly labelled as assumptions. Run a paid prototype with at least four different group types, record realised prices and labour hours, and ask employers to book specific trial dates. Rebuild the ramp if paid conversion is below the case assumptions.



Modelled bookings by month January 2027–December 2029; no observed demand series is fabricated.

15 / MARKET

Competitors and positioning

Breakout Manchester is a direct competitor with multiple themed games and a published private-group format[S 1]. Other escape operators and indoor leisure activities should be mapped before signing a lease. The reviewed sources do not provide a complete current competitor census or comparable quality ratings.

Compare actual bookable prices for matching dates, group sizes and cancellation terms. Cipher Yard proposes three original themes and a modest corporate debrief; it does not claim more variety than an established multi-room venue. Substitutes include cinema, bowling and group dining, which compete for leisure time despite a different experience.

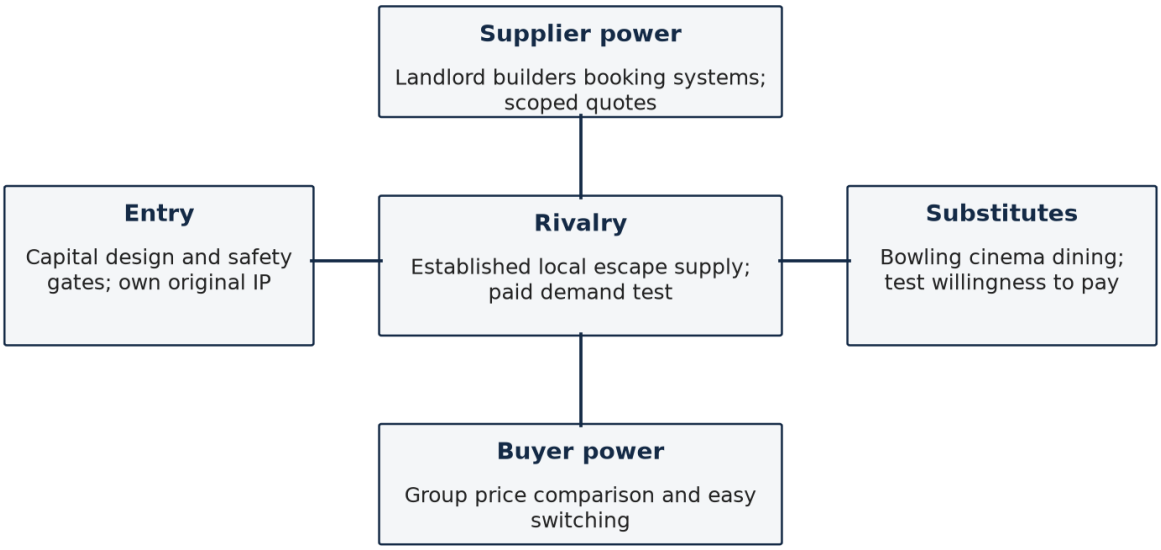
Comparison	Evidence and implication
Direct games	Breakout private 2–5 person 60 minuteformat S 1
Corporate offers	Breakout from £22 per person promotional S 7
Cipher Yard	3 rooms proposed; no trading evidence
Substitutes	Indoor leisure time and spend; survey required

16 / STRATEGY

Porter five forces

Rivalry is strong enough to require a paid proposition test: an established operator already serves retail and corporate groups. Buyer choice is broad and switching requires no contract. Original themed design can differentiate a venue, but it does not eliminate price comparison or refund demands.

Supplier power arises from specialist room builders, landlords and booking platforms. Entry needs capital, permissions and safe systems but does not require a unique scarce licence. Substitutes compete for the same evening budget. Respond through scoped quotes, portable booking data, a safe IP-owned room design and a reserve-backed launch.



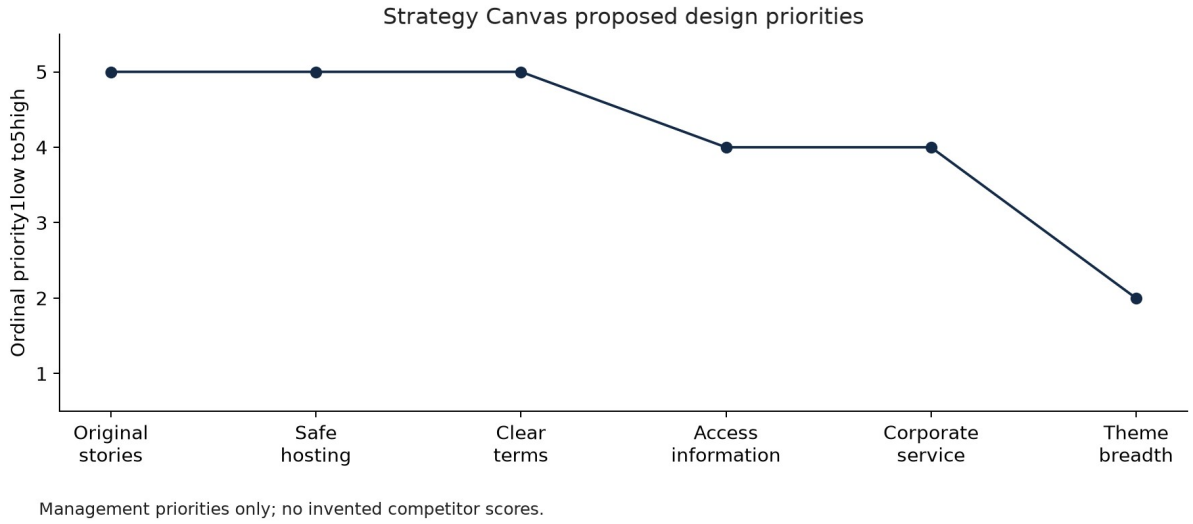
Rivalry sits at the centre; four surrounding forces connect to evidence and responses in this section.

17 / STRATEGY

Strategy canvas

The canvas shows management design priorities on a 1–5 ordinal scale. Priorities are original stories, safe hosting, transparent terms, access information and weekday corporate service. Portfolio breadth is deliberately lower because only three rooms are funded.

No competitor performance scores are invented. The diagram is a design tool, not a survey or customer rating. Test whether customers value the priorities enough to pay the proposed gross prices. If customers mainly buy the cheapest available slot, reduce the cost base or change the concept rather than rely on an unproven premium.



Ordinal design priorities only; competitor ratings and customer-preference measurements are unavailable.

18 / OPERATIONS

Location and premises

Seek a central Manchester property of approximately 300 square metres with safe independent exits, suitable access, ventilation, toilets and a landlord willing to permit themed alterations. No location is selected. The £4,500 monthly net rent and £18,000 deposit are planning allowances, with rent treated as VAT exempt pending an actual lease.

Obtain planning advice, permitted-use confirmation, building control requirements, fire review and accessibility assessment before signing. The functional layout is not a surveyed plan and establishes no legal occupancy limit. Three rooms need separate monitoring and evacuation paths; puzzle doors must never prevent an immediate safe exit.

Functional concept only; premises and occupancy approval required.



Illustrative functional layout; no measured premises design or approved occupancy is claimed.

19 / OPERATIONS

Equipment and resource plan

Startup assets total £300,000 netin Base:£180,000 common fitout and £120,000 for three initial themes. The fitout allowance covers reception, services, safety access, monitoring and controls; theme spending covers original design, props, puzzles and installation. Costs are unquoted and include no separately disguised contingency.

Use reliable spare locks, sensors and replaceable props, a tested manual override, room cameras and microphones with a documented privacy policy. Obtain detailed installed quotes and lead times . Retheme one room in month 25 for £60,000 net, disposing of its original £40,000 grosscost and remaining book value.

Resource	Net GBP and timing
Common fitout services controls	180,000 before opening
Three initial themes	120,000 before opening
Replacement theme	60,000 month 25
Routine small repair budget	500 per month within fixed costs

20 / OPERATIONS

Game and product strategy

Launch three original themes with distinct plots and difficulty guidance: a railway archive mystery, a mill workshop investigation and a signal-room puzzle. These are working creative concepts with no IP clearance or finished scripts. Use an age-appropriate tone and publish any darkness, flashing light or confined-space elements before purchase.

Each private game takes 60 minutes, followed by 20 minutes of reset and transition within a scheduled slot. Retail average 4 players and corporate 5 players are model assumptions. The corporate package adds a brief facilitated discussion after play, paid through dedicated host time. No food, drink, merchandise or gift-card revenue is forecast.

21 / MARKET

Competitor price comparison

Breakout's September 2026 corporate promotion states prices from £22 per person[S 7]. Its FAQ states prices depend on party size and peak/off-peak timing and directs users to the booking flow[S 1]. This starting quote is not a like-for-like all-date tariff.

Cipher Yard's £27 retail and £30 corporate Base prices are proposed VAT inclusive averages, not supplier-confirmed or market-tested prices. Capture dated actual offers for 4- person retail and 5-person corporate groups at the intended opening times before launch. No fabricated competitor average or rating is used.

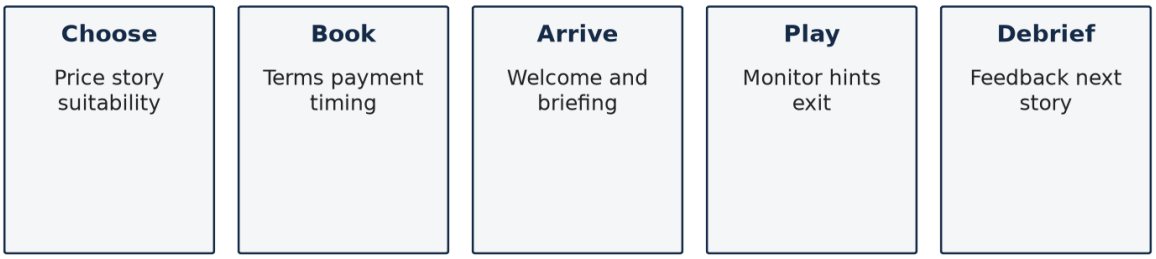
Offer	Published or assumed basis
Breakout corporate	From £22 per person September 2026 promotion S 7
Breakout retail	Group and time dependent; no universal quote S 1
Cipher Yard retail	£27 gross per player proposed Base
Cipher Yard corporate	£30 gross per player proposed Base

22 / MARKETING

Brand and customer experience

Use Cipher Yard as a working brand for original industrial mysteries, subject to name and trademark checks. Explain the story, private party size, duration, difficulty and access in plain language. Avoid imagery suggesting real confinement or unsafe locked exits.

The journey is discover, choose, book, receive suitability information, arrive, briefing, play, debrief and optional feedback. Confirmation includes directions, late-arrival policy and cancellation terms. The host should ask about support needs discreetly and offer a pause or exit without pressure. Monitor complaints, refunds and reset failures by theme, without claiming observed satisfaction scores.



Proposed customer process; optional follow-up requires appropriate consent and privacy handling.

23 / MARKETING

Sales channels and process

Retail bookings use a direct website and booking system; no website build is part of this package. Corporate prospects receive a scoped schedule, total gross price, attendance limits and payment terms. Base assumes corporate collection one month after the game; Upside assumes prepayment.

Track source of each booking and reconcile games delivered, payment receipts and refunds. A 20% Base corporate mix is a hypothesis rather than a sales contract. Ensure intermediaries disclose commissions and do not oversell room capacity. The model applies a 2.5% gross invoice platform and payment fee to both channels; actual contracts may require a different split.

24 / MARKETING

Launch marketing

Base ongoing marketing is £2,200 net per month within £3,800 eligible fixed costs. The preparation expense is separately funded and is not an extra unmodelled campaign. Use this recurring budget for paid search, local content, prototype invitations and employer outreach after the game has passed safety testing.

Approve small test spend with a clear maximum acquisition cost based on contribution. Paid advertising conversion is unobserved, so no chart of invented impressions or bookings is supplied. Compare paid bookings with clicks and refunds by campaign. If acquisition cost consumes contribution, pause advertising and revise the offer before increasing spend.

Base fixed cost component	Net GBP monthly
Marketing	2,200
Utilities	600
Software and administration	500
Routine repair	500
Total eligible fixed costs	3,800

25 / MARKETING

Retention and ongoing sales

A solved game cannot be resold as a fresh puzzle to the same group. Encourage customers to try a different unsolved room, and ask permission for announcements when a new theme opens. Avoid recurring membership revenue or an assumed repeat rate unsupported by data.

The model tracks average theme age and reduces demand by 0.6% per month until an 80% freshness floor, with one room rethemed in month 25. These are assumptions, not measured depletion rates. Analyse customer cohorts by room, returning party and gross price. Fund retheming from a realistic cash plan rather than treat a new story as a free marketing update.

26 / OPERATIONS

Daily operations and suppliers

Each opening shift checks emergency routes, controls, monitoring, equipment and the prior reset record before customers enter. A game master conducts briefing, monitors the assigned game and completes a signed reset checklist. The assistant coordinates reception and confirms every party has arrived before the timed session begins.

Schedule 7 slots per room per dayover 26 days per month. Stagger starts to make reception workable, while maintaining a dedicated host for parallel games. The model pays at least 312 hosthours per monthand scales above that with bookings. Supplier contracts need response times , spare-part access, IP rights and change approval. Close a faulty room rather than sell an unsafe game.

27 / OPERATIONS

Sustainability practices

Specify repairable modular props, efficient lighting and controls that power down after closing. Keep a component inventory to repair broken puzzles without discarding an entire set. Retheming should reuse common fitout where safety and the story permit, while the model conservatively expenses disposal of the old theme book value.

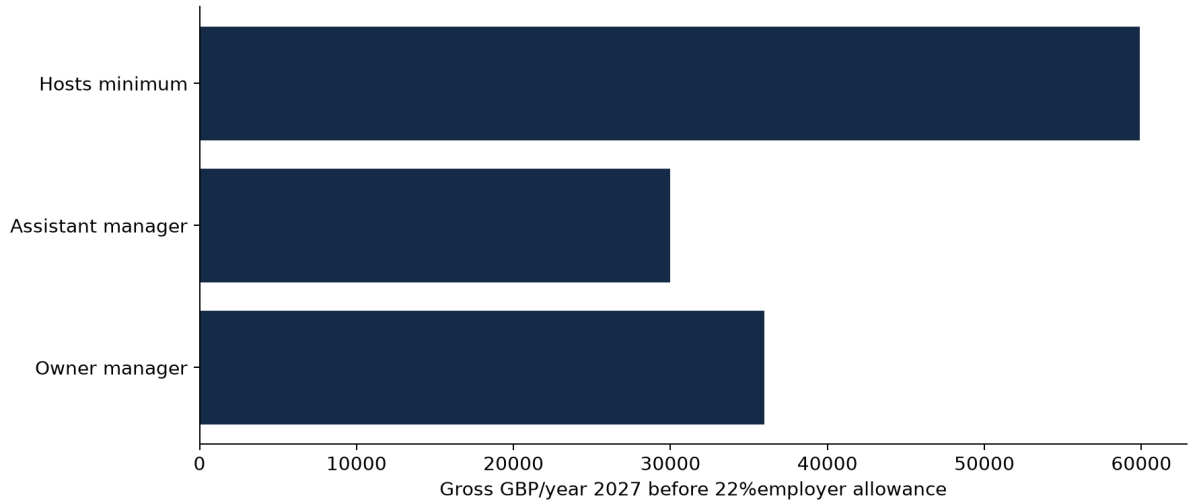
Separate waste and document supplier packaging and disposal responsibilities. Encourage public transport directions without inventing carbon savings. Record actual electricity use and waste after opening; no sustainability certification or emissions reduction is claimed. The rent and utilities estimates require real premises evidence before launch.

28 / PEOPLE

Staffing and training

Base employs a paid owner-manager at £3,000 gross monthly and assistant at £2,500. Game masters earn £16 gross hourly, with paid hours equal to the greater of 312 per monthor 1.5 per booking. Add 22% employer loading to all gross labour; this allowance must be replaced by a payroll quotation.

At peak times three simultaneously active rooms require three trained hosts plus reception, even if monthly demand is low. Set staggered starts and a rota with paid relief, breaks and closing work. Minimum labour is retained in weak months. Training covers reset accuracy, hints, safeguarding, access, privacy and evacuation; assess each host on all three themes before assignment.



Base gross labour budget and minimum coverage; fractional game-master FTE reflects paid hours, not an invented headcount.

29 / PEOPLE

Staff skills and fair work

The reviewed UK adult minimum wage is £12.71 from April 2026[S 2]. The £16 Base host rate is above that current benchmark, but 2027 hiring rates must be verified. Use written terms, paid training, recorded hours and lawful holiday and pension arrangements. The 22% employer allowance is a budget rather than a claim to compute statutory liabilities.

Plan game-master relief so breaks do not leave an occupied room unsupervised. Avoid relying on the owner’s unpaid hours to repair a shortfall. Recruit facilitators who can give clear clues without belittling customers, handle distressed guests and escalate incidents. Store competency records and review near misses after each shift.

30 / OPERATIONS

Legal and insurance requirements

Before opening, obtain site-specific advice on permitted use, building works, fire safety, accessibility, employment, consumer terms, privacy and original game IP. The responsible person must record and regularly review a fire risk assessment[S 5]. Plan immediate exits and accessible evacuation; props and puzzle locks never override life safety.

Employers' liability generally requires at least £5 million cover from an authorised insurer[S 6]; confirm company-specific applicability and obtain public liability, contents and business-interruption quotes. The model's £900 monthly insurance and rates allowance is unquoted. No licence, planning consent, fire approval or insurance cover is claimed secured.

Evidence gate	Required before customer games
Property	Lease consent permitted use and works approval
Safety	Written risk assessment tests and evacuation training
Insurance	Insurer confirmation EL public liability and assets
Consumer and privacy	Terms refunds camera policy and data controls

31 / OPERATIONS

Opening roadmap

The tentative opening is January 2027. A three-month preparation budget precedes the forecast and includes owner pay, employer allowance, rent and limited setup services. This tight schedule is conditional on a suitable property, complete designs and supplier availability; any delay requires a rebuilt cash budget.

Month minus 3: lease diligence, safety design and funding. Month minus 2: installation and booking terms. Month minus 1: host training and paid prototype. Release opening only after acceptance tests and cash verification. During months 1–6 review weekly price and labour data; after 12 months reassess novelty. Month 25 retheming requires a funded 10 day closure of one room and new acceptance tests.

Timing	Release condition
Before lease	Demand safety scope and finance
Before build	Installed quotes IP and approvals
Before first booking	Emergency reset monitoring and staff tests
Before month 25 retheme	Cash quote closure and safety acceptance

32 / GOVERNANCE

Risks and management actions

The most serious risks are unverified demand, unsafe design, capex overrun and insufficient replacement cash. Base falls below the reserve target despite positive late EBITDA. Downside produces negative cash; that is an unfunded shortfall and not an approved overdraft. Safety gates apply even in an attractive Upside.

The manager reviews bookings, realised gross price, wage hours, cash and theme feedback each week. Pause nonessential spend when the rolling cash forecast crosses the reserve target. Obtain new committed finance, revise the scope or delay opening if the fundable Downside remains negative. Do not hide the gap with unsecured gift-card cash.

Risk	Trigger and action owner
Demand	Manager rebuilds cases from paid trials
Safety	Assistant closes room on failed check
Replacement cash	Manager funds retheme before commitment
Supplier overrun	Manager requires fixed scope and staged acceptance
Staff cover	Assistant blocks slots without trained host

33 / GOVERNANCE

Research and evidence

Research reviewed 3 October 2026 covers local competitor format and corporate pricing, the current adult wage benchmark, VAT, corporation tax, fire assessment and employers' liability. These sources support context and obligations; they do not establish Cipher Yard demand, property availability, costs or funding. Source IDs throughout refer to the list below.

The Escape Room reference workbook and design were inspected for slot capacity, novelty decay, retheming and channel separation. This new GBP monthly model is rebuilt rather than imported. The reference's dollars, existing gift-card liability, DCF and assumed immediate breakage are not used as startup facts. The café pilot informs linked statements and the approved Word design.

S1 Breakout Manchester FAQ and booking https://breakoutmanchester.com/about

S2 UK minimum wage April2026 https://www.gov.uk/government/publications/the-national-minimum-wage-in-2026/the-national-minimum-wage-in-2026

S3 VAT standard rate https://www.gov.uk/vat-rates

S4 Corporation tax https://www.gov.uk/corporation-tax-rates

S5 Workplace fire risk assessment https://www.gov.uk/workplace-fire-safety-your-responsibilities/fire-risk-assessments

S6 Employers liability insurance https://www.gov.uk/employers-liability-insurance

S7 Competitor corporate offer22September2026 https://breakoutmanchester.com/blog/post/choose-breakout-manchester-this-christmas

34 / GOVERNANCE

Quotes and assumptions

Every rent, fitout, theme, wage loading, finance, utilisation and payment-term figure is a planning assumption unless identified as a cited external fact. No founder credentials, supplier quote, survey observation or committed facility is invented. The competitor promotional price is a dated starting offer rather than a confirmed future tariff.

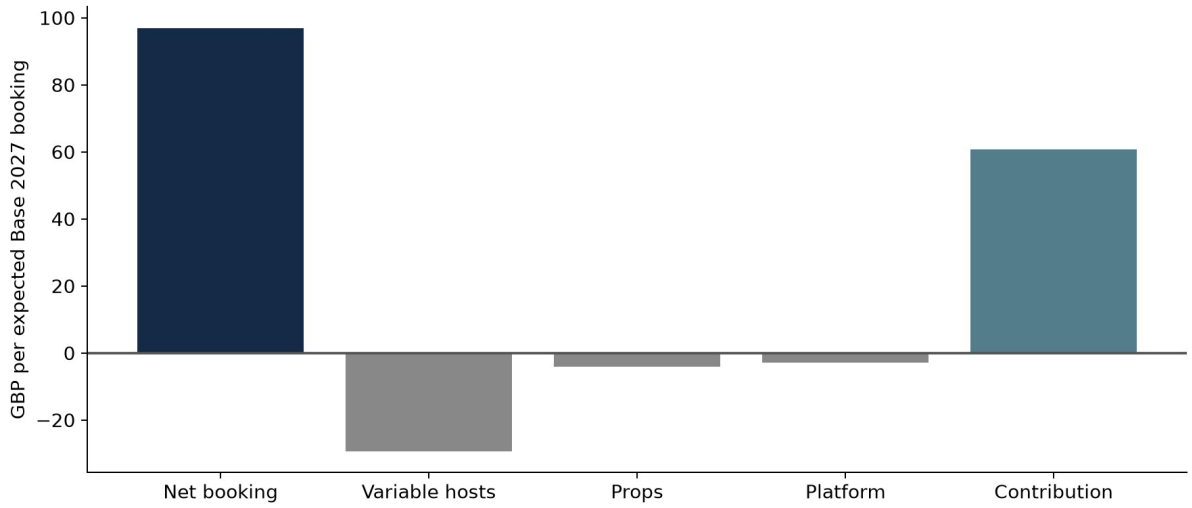
Obtain at least two installed room quotes, an actual property schedule, payroll advice, insurance cover, payment-platform terms and lender documentation. Test demand through paid bookings. Rebuild model results, document tables and charts together after any change. The captured scenario table labels stale inputs in Excel; the Word report remains a dated snapshot until regenerated.

35 / FINANCE

Pricing and booking economics

Retail Base gross price is £27 per player; corporate is £30, both assumed 20% VAT inclusive. Four retail players give £108 gross or £90 net per booking; five corporate players give £150 gross or £125 net. A 20% corporate booking mix gives £97 weighted net revenue before anniversary price increases.

The model deducts gross-sales platform fees, props and paid hosts rather than a blended margin. Host time is the greater of 312 monthly hours or 1.5 hours per booking. Break-even uses variable host economics and must also satisfy the minimum labour floor. Discounts need to be tested against contribution and the cash reserve, not granted only to fill rooms.



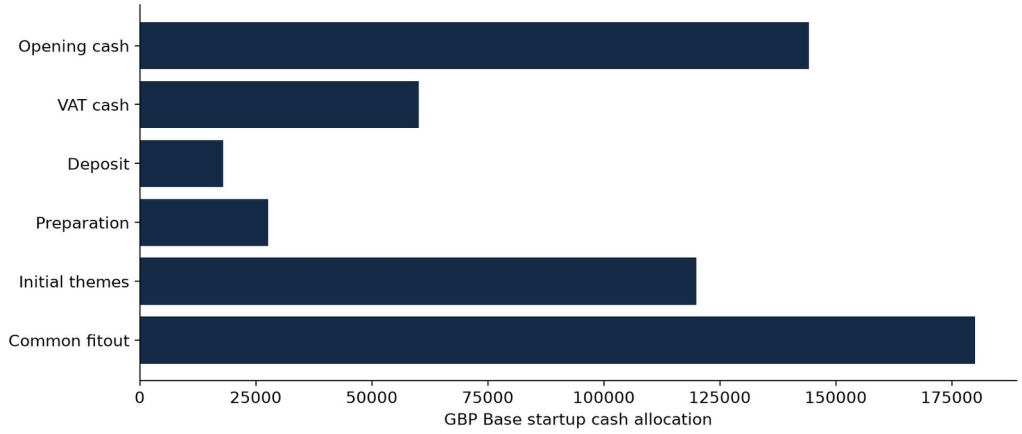
Base 2027 net contribution per modelled booking before fixed payroll rent insurance and other fixed expenses.

36 / FINANCE

Startup costs and funding

The Base proposal funds £300,000 net assets, £27,696 preparation expense and £18,000 refundable rent deposit. Startup VAT credit is £60,104 and opening cash is £144,200. Proposed equity and loan total £550,000; none is secured.

Minimum Base cash is £24,987 against the £60,000 reserve, leaving £35,013 additional reserve funding or cost redesign required. A loan or equity plug is not inserted. Cash is protected by demand validation, scoped suppliers and a funded replacement schedule; startup VAT recovery timing is assumed rather than approved.



Base startup cash uses GBP before January 2027. Reserve target is retained cash rather than an expense.

Source or use	GBP
Proposed equity	450,000
Proposed loan	100,000
Initial net capital assets	300,000
Preparation expense	27,696
Refundable deposit	18,000
Initial VAT cash	60,104
Opening cash	**144,200**
Reserve gap	**35,013**

37 / FINANCE

Itemized startup costs

Common fitout and initial themes are capitalised with separate straight-line lives. Preparation is paid and expensed before opening, creating an opening retained loss. The refundable deposit remains an asset. Startup VAT is paid in cash and assumed recoverable through the first quarterly settlement; it is not revenue.

Base preparation totals £27,696. It includes owner pay £9,000, employer allowance £1,980, rent £13,500 and eligible external setup services £520. Paid host training is 60 hours at £16, and assistant induction is half a month at £2,500. A further 22% employer allowance applies to both training pay lines. Wages carry no input VAT. Obtain a complete training and installation schedule before approval.

Base use	Net GBP	Life or treatment
Common fitout	180,000	120 months
Three original themes	120,000	60 months
Owner preparation pay	9,000	Expense
Employer allowance	1,980	Expense
Preparation rent	13,500	Expense
Setup services	520	Expense
Paid host training	960	Expense
Assistant induction	1,250	Expense
Training employer allowance	486	Expense
Rent deposit	18,000	Refundable asset

38 / FINANCE

Owner personal survival budget

The illustrative household budget is £2,300 monthly: £1,300 housing, £600 essentials, £200 transport and £200 contingency. It is not the founder's observed finances. Base owner gross salary £3,000 times 75% estimated retention gives £2,250 net, a £50 monthly shortfall.

The retention fraction is an assumption rather than personal payroll-tax advice. Resolve the household gap through documented lower costs or reliable outside income, or increase salary and rerun business liquidity. No dividends are assumed and business equity is not spendable household income. Owner salary is fully included in employer-loaded operating cost.

Household item	Monthly GBP
Housing	1,300
Essentials	600
Transport	200
Contingency	200
Required net income	2,300
Estimated owner net salary	2,250
Estimated surplus	**(50)**

39 / FINANCE

Financing terms and security

The proposed £100,000 term loan bears 8% Base annual interest on the starting monthly balance. Principal is deferred for three operating months then paid in 60 equal monthly instalments, capped at outstanding principal. The loan is drawn on opening day; equity funds the preparation and no preopening loan interest is incurred. Interest is paid throughout operation and no refinancing is assumed. At December 2029 the loan balance is £45,000.

Terms and collateral are unagreed. Themed assets may have weak resale value and the lease may restrict assignment; deposits are not assumed lender collateral. No personal guarantee or arrangement fee is invented. Proposed £450,000 equity requires proof of funds, and the reserve shortfall needs a separate committed solution before launch.

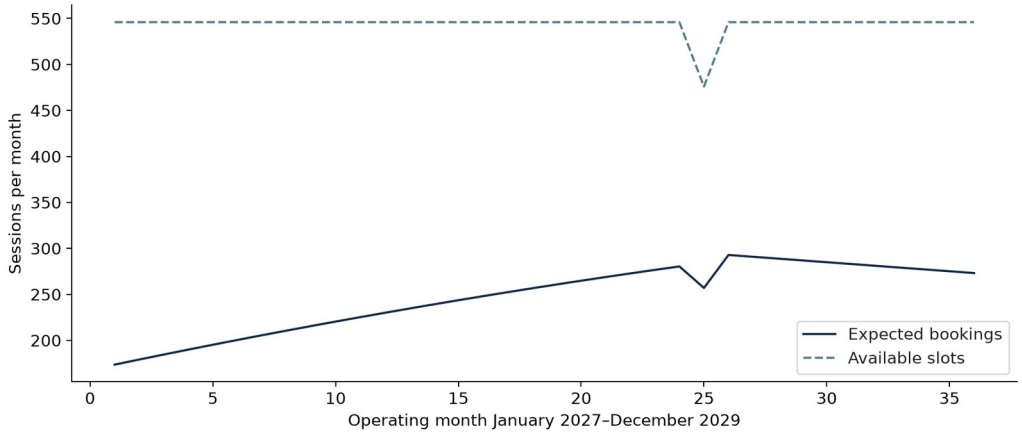
Proposed Base term	Value
Loan	100,000
Annual interest	8%
Principal grace	3 months
Amortisation	60 months equal principal
December 2029 balance	45,000
Equity	450,000

40 / FINANCE

Revenue forecast and capacity

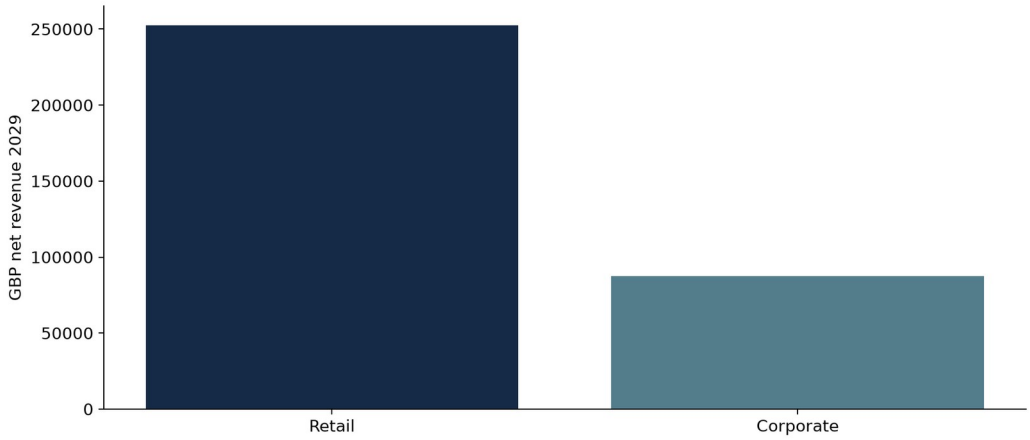
The forecast combines three rooms, seven daily slots and 26 monthly open days. A 60 minute game plus 20 minute transition uses 560 minutes per scheduled room day. Available slots are 546 monthly except month 25, when one room closes 10 days and capacity falls to 476.

Bookings ramp from 32% to 60% target utilisation before freshness. The novelty multiplier reduces this by 0.6% per theme age month until an 80% floor. Retheming resets one-third of average portfolio age. Price grows 2% at each anniversary; retail 4 players and corporate 5 with 20% corporate mix remain fixed. Fractional bookings represent expected averages, not executable bookings.



Modelled monthly bookings versus hard available slot ceiling January 2027–December 2029; month 25 includes one room closure.

Metric	2027	2028	2029
Expected bookings	2,431	3,099	3,371
Net revenue	235,784	306,628	340,152



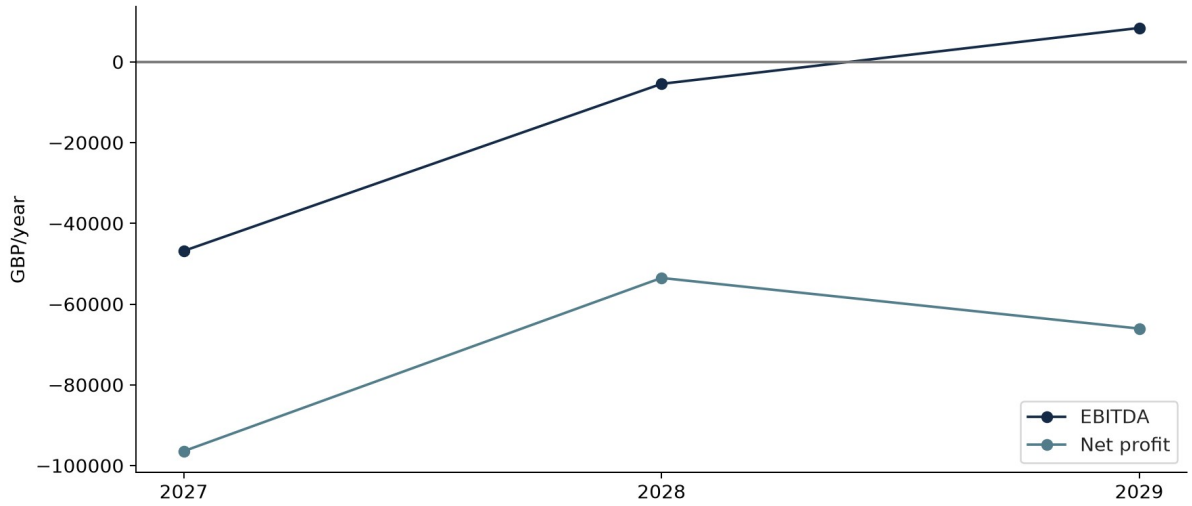
Base net sales mix GBP 2029 from verified retail and corporate bookings.

41 / FINANCE

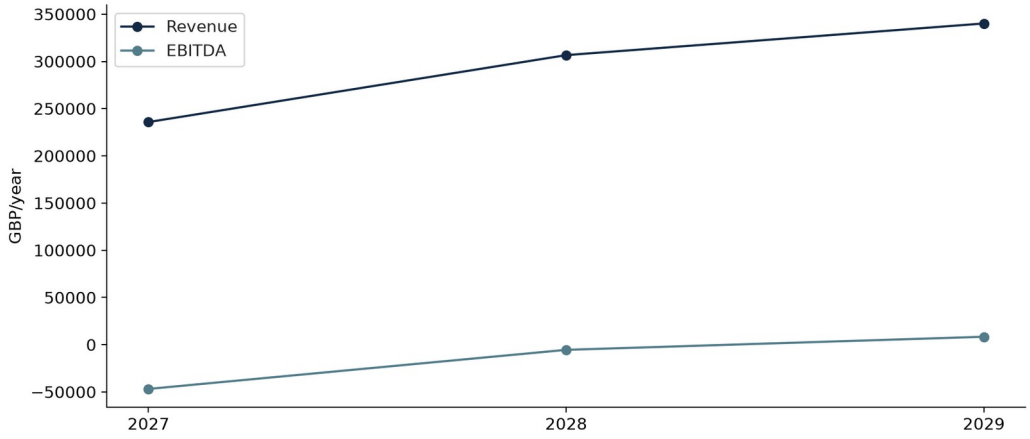
Costs and projected profit

Base 2027 operating cost is £282,613 and EBITDA is (£46,830). In 2029 revenue is £340,152 and EBITDA is £8,397. Paid minimum hosts, owner salary, assistant pay, rent and marketing remain in weak months.

Annual 3% wage and cost inflation exceeds 2% price growth. Depreciation and a £24,000 old theme book disposal loss reduce 2029 net profit to (£66,070). Positive EBITDA therefore does not establish full profitability or debt-funded return. Host hours are the greater of minimum opening coverage and booked-session labour, avoiding a zero-cost empty venue.



Base annual EBITDA and net profit GBP 2027–2029, including paid owner and disposal of the original theme.



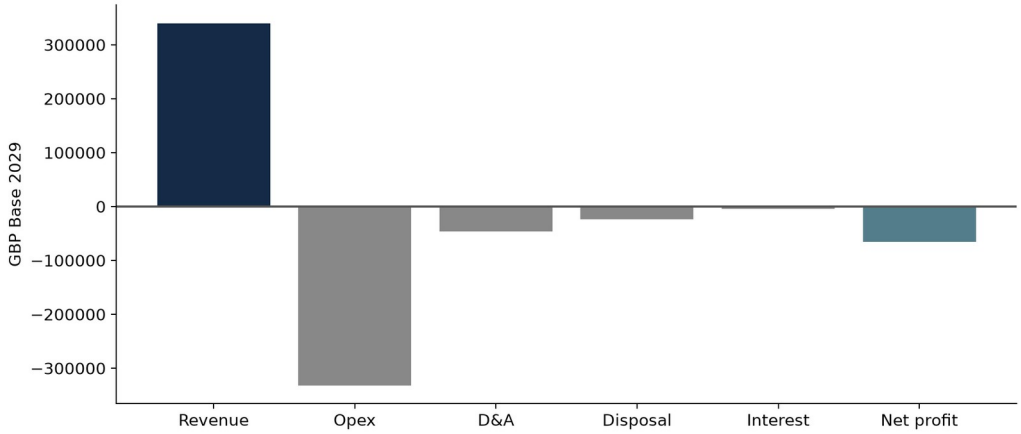
Base annual revenue and EBITDA GBP 2027–2029 from model v 1.0.

42 / FINANCE

Profit and loss forecast

The profit and loss forecast uses net revenue excluding 20% VAT. Operating costs include all paid labour, employer loading, props, gross-based platform fees, rent, eligible fixed cost and insurance/rates. Theme replacement is capitalised, with remaining old theme value separately expensed.

Tax is a conservative 25% positive book profit monthly provision paid in the same month. It ignores loss relief, capital allowances, marginal relief and statutory payment dates, so it is not a filed tax computation. This approximation can charge tax during a profitable month in a loss-making year. The model retains that conservative cash charge rather than claim a tax refund.



Base 2029 profitbridge GBP; separate disposal loss prevents conflating net profit and recurring cash expense.

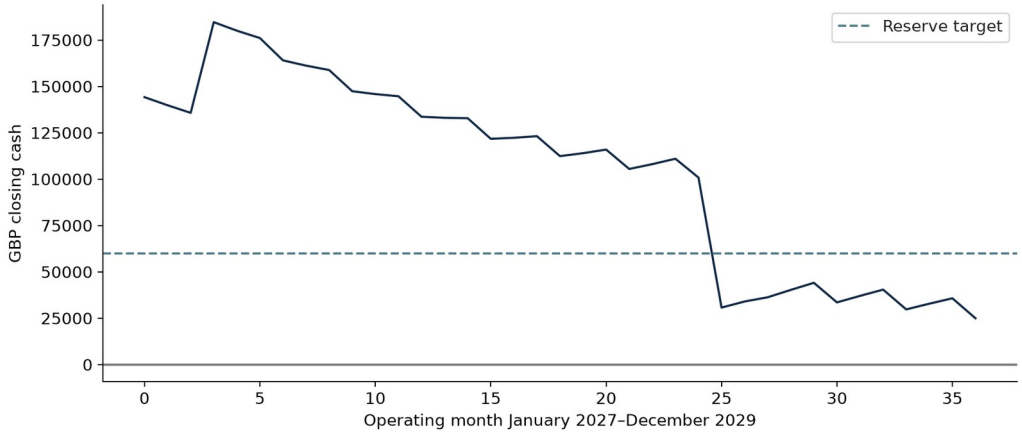
GBP	2027	2028	2029
Revenue	**235,784**	**306,628**	**340,152**
Operating expenses	**282,613**	**312,080**	**331,755**
EBITDA	**(46,830)**	**(5,452)**	**8,397**
Depreciation	42,000	42,000	46,000
Disposal loss	–	–	24,000
Interest	7,600	6,067	4,467
Profit before tax	**(96,430)**	**(53,518)**	**(66,070)**
Tax provision paid	–	–	–
Net profit	**(96,430)**	**(53,518)**	**(66,070)**

43 / FINANCE

Cash flow and financial position

Cash starts at £144,200 after initial assets, preparation, VAT and deposit. Retail receipts are immediate; Base corporate invoices collect a month later. Eligible suppliers receive one-month terms. VAT balances settle every third operating month with same-month settlement at quarter end, including initial recovery; this timing needs adviser confirmation.

Base closing cash is £133,638 in 2027,£100,858 in 2028 and £24,987 in 2029. The £60,000 month 25 net retheme and £20,000 annual principal repayments consume late cash. Negative Downside balances are missing finance, not an authorised bank overdraft.



Base monthly closing cash GBP and £60,000 reserve threshold. No financing plug funds the threshold.

GBP	2027	2028	2029
Operating cash flow	**4,438**	**(12,780)**	**4,130**
Capital spending net	–	–	60,000
Principal repayment	15,000	20,000	20,000
Net cash change	(10,562)	(32,780)	(75,870)
Closing cash	**133,638**	**100,858**	**24,987**

44 / FINANCE

Cash flow forecast months one to six

These monthly cash figures come directly from the verified Base model. Profit is adjusted for depreciation, disposal, gross receivables, payables and VAT; principal and capital purchases are separate. Opening cash is the prior closing balance.

VAT refund in the first quarter recovers startup cash already spent, not operating profit. Quarterly settlement creates uneven cash despite stable monthly capacity. All stated terms remain planning assumptions. The retained monthly model contains the complete 36-month cash roll-forward and no unexplained balancing line.

GBP	M1	M2	M3	M4	M5	M6
Opening cash	**144,200**	**139,833**	**135,743**	**184,633**	**180,054**	**176,063**
Operating cash flow	**(4,367)**	**(4,090)**	**48,890**	**(2,912)**	**(2,325)**	**(10,361)**
Capital spending net	–	–	–	–	–	–
Principal repayment	–	–	–	1,667	1,667	1,667
Closing cash	**139,833**	**135,743**	**184,633**	**180,054**	**176,063**	**164,035**

45 / FINANCE

Cash flow forecast months seven to twelve

These monthly cash figures come directly from the verified Base model. Profit is adjusted for depreciation, disposal, gross receivables, payables and VAT; principal and capital purchases are separate. Opening cash is the prior closing balance.

VAT refund in the first quarter recovers startup cash already spent, not operating profit. Quarterly settlement creates uneven cash despite stable monthly capacity. All stated terms remain planning assumptions. The retained monthly model contains the complete 36-month cash roll-forward and no unexplained balancing line.

GBP	M7	M8	M9	M10	M11	M12
Opening cash	**164,035**	**161,191**	**158,831**	**147,406**	**145,854**	**144,697**
Operating cash flow	**(1,177)**	**(693)**	**(9,758)**	**115**	**509**	**(9,392)**
Capital spending net	–	–	–	–	–	–
Principal repayment	1,667	1,667	1,667	1,667	1,667	1,667
Closing cash	**161,191**	**158,831**	**147,406**	**145,854**	**144,697**	**133,638**

Financial position summary

The balance sheet contains cash, gross corporate receivables, any recoverable VAT, refundable rent deposit and net fixed assets. Liabilities comprise loan, supplier payables and VATdue; equity is proposed paid capital plus cumulative retained profit after the opening preparation loss. No gift-card liability or unexplained working-capital plug is included.

The original theme disposal removes its cost and accumulated depreciation at replacement. The new theme begins 60 month depreciation immediately. All 36 monthly balances reconcile assets with liabilities and equity within £0.01; year-end columns are the December balances, not the sum of monthly balances.

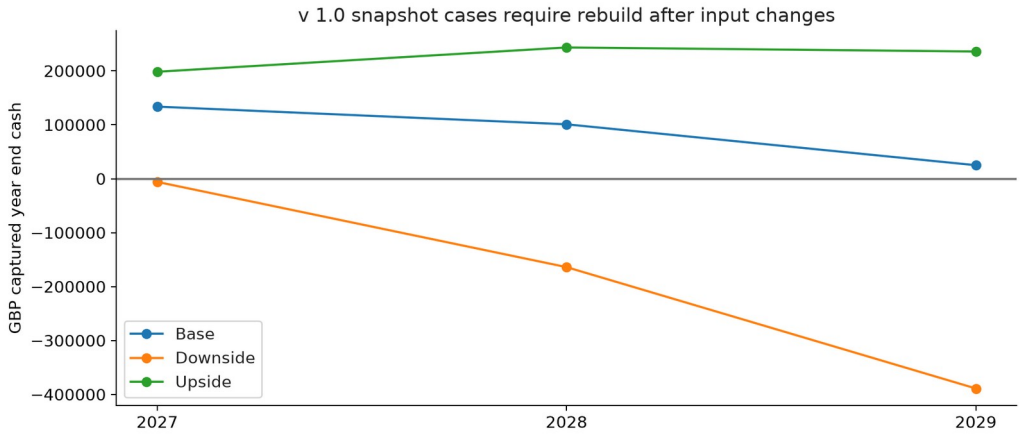
GBP	2027	2028	2029
Closing cash	**133,638**	**100,858**	**24,987**
Receivables gross	6,900	8,581	8,528
Refundable deposit	18,000	18,000	18,000
Net fixed assets	258,000	216,000	206,000
Total assets	**416,538**	**343,439**	**257,515**
Loan	85,000	65,000	45,000
Supplier payables	5,664	6,083	6,229
Total liabilities	**90,664**	**71,083**	**51,229**
Paid equity	450,000	450,000	450,000
Retained earnings	(124,126)	(177,644)	(243,714)
Total equity	**325,874**	**272,356**	**206,286**
Liabilities and equity	**416,538**	**343,439**	**257,515**

47 / FINANCE

Break even and scenarios

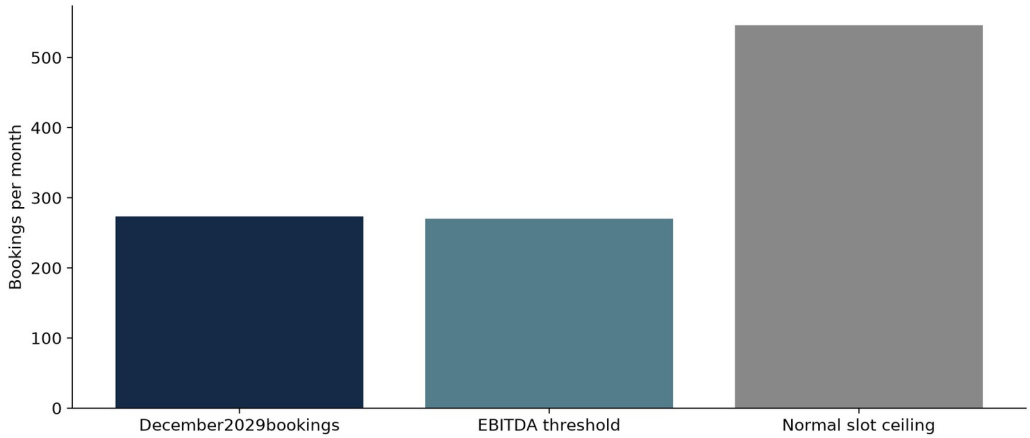
December 2029 Base EBITDA break-even is approximately 270 bookings per month versus 546 normal available slots. It includes variable host economics and fixed management and overhead, but excludes depreciation, disposal, tax, capital and debt service. At that threshold the variable-host branch exceeds the 312 hour minimum, so the formula is applicable.

Captured Base, Downside and Upside cases change demand, prices, labour, capex and payment terms. The comparison is a v 1.0 snapshot, not automatic reforecasting. Excel flags changed drivers as STALE CAPTURE; rerun the retained builder and refresh this Word report after any change. Downside negative cash must be financed or the scope redesigned.



Captured v 1.0 case closing cash GBP 2027–2029; assumptions are uncommitted and no automatic funding is added.

Case	2029 revenue	2029 EBITDA	Minimum cash	Reserve gap
Base	340,152	8,397	24,987	35,013
Downside	196,189	(124,197)	(388,977)	448,977
Upside	456,198	78,435	143,334	–



Base December 2029 EBITDA threshold compared with expected bookings and the normal 546 slot ceiling; excludes debt and capex.

48 / FINANCE

Model guide and completion

Use Inputs case selector 1 Base 2 Downside 3 Upside. Edit blue case assumptions; active values drive Sessions, Costs, Assets, Debt, Statements and Summary. Cases contains captured comparisons and a stale-input flag. Native charts reference workbook ranges; Summary output values link directly to the monthly statements.

The retained Java Script rebuilds the model and model-results.json, which drives Word tables and financial images. The package was built from the approved Word template and industry reference mechanics, with independent arithmetic and native recalculation checks. It remains a conditional proposal with unsecured premises demand and finance. Acceptance of the document does not replace lease safety payroll or tax approval.