Flight School Business Plan

Mersey Flight Training | Manchester

DOCUMENT GUIDE

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Proposed PPL training school | 3 October 2026 | Model 1.0

Decision document for prospective owners and funders. Student demand, funding and training readiness are unconfirmed.

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01 / OVERVIEW

Executive summary

Mersey Flight Training Ltd is a proposed Manchester-area private-pilot school using two dry-leased single-engine aircraft. The narrow offer is PPL flight tuition, including supervised solo, with ground preparation included in instructor work. The name is a planning placeholder. No founder credentials, aircraft, aerodrome agreement, students, insurance or training registration have been secured.

The decision is whether to fund paid preparation and validate a safe, affordable launch. January 2027 is a conditional model date. Six months of paid owner and head-of-training preparation must precede it; the actual date must move if work has not begun or the gates cannot be met. Proposed GBP550,000 equity and GBP100,000 debt are uncommitted. The Base forecast is loss-making throughout its three years.

Verified Base year-one revenue is GBP312,200 and net loss GBP174,238. Minimum cash is GBP18,124; preserving GBP75,000 reserve needs GBP56,876 additional funding. Downside reserve gap is GBP544,351 and Upside gap GBP0. These are unmet requirements, not committed funds.

Launch gate	Evidence required
Safety and legality	Training declaration, programme and competent staff
Aircraft and site	Airworthiness, maintenance, lease and aerodrome terms
Demand	Medical-ready students and tested willingness to pay
Liquidity	Paid funding and a refund-capable cash plan

02 / OVERVIEW

Business details

The proposed commercial limited company would serve adults within practical travel distance of a suitable Greater Manchester aerodrome. Currency is GBP. Forecast periods are January 2027 to December 2029, with no historical trading results. All forecasts are hypothetical.

Scope is private-pilot training on leased aircraft. Exclude commercial pilot and airline training, instructor training, stand-alone aircraft rental, sightseeing, charter and tourist introductory flights. No state subsidy, school partnership or exam fee income is included. Students pay medical, examination, licensing and examiner charges separately to their providers.

03 / STRATEGY

Business concept and objectives

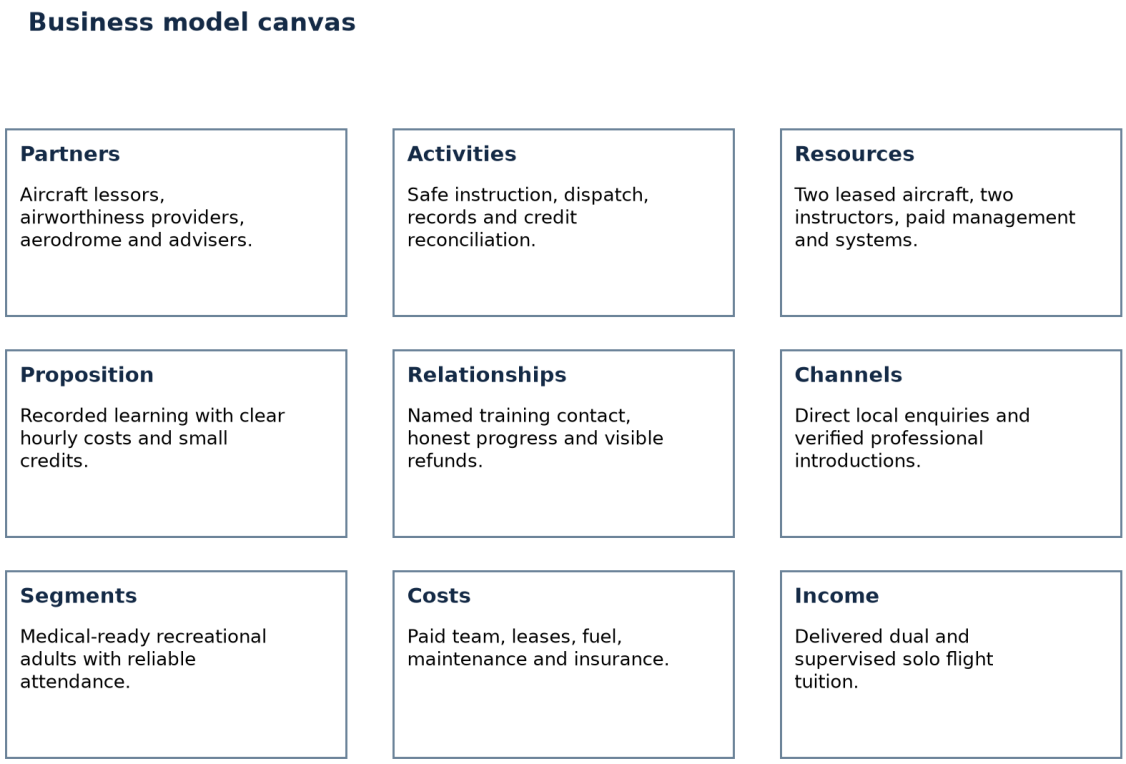
Offer an accountable training record, clear hourly pricing and small student-credit balances. Bookings must fit instructor, daylight, weather, aircraft and maintenance constraints. A cancelled flight earns no revenue. No completion time or employment outcome is guaranteed.

First-year priorities are verified training readiness, safe dispatch, reconciled student credits and a monthly cash review. Do not increase aircraft commitments until a revised forecast shows both capacity demand and the cash to support it. A three-year loss is a decision to change the economics or decline launch, rather than evidence that growth alone will solve the problem.

04 / STRATEGY

Business model canvas

The nine blocks connect the paid team and leased aircraft to earned tuition revenue. Student advances support future flights but remain obligations. Their receipt does not establish profit. The proposed maintenance contract must include the quoted hourly services and engine responsibilities before this model can be relied upon.



Planning framework and evidence limits.

05 / STRATEGY

SWOT and longer term goals

S1 is a narrow curriculum and transparent credit ledger. W1 is the absence of verified people, premises and demand, compounded by recurring operating losses. O1 is a possible local need for structured recreational training. T1 is simultaneous weather disruption, aircraft downtime and student withdrawals.

Years four and five are strategic aspirations only. Continue only after measured contribution, dispatch reliability and funding improve. No additional fleet or course is included in the forecast.

SWOT findings

Strength S1

Narrow programme and transparent student credit records.

Weakness W1

Unverified people, aircraft and demand; recurring losses.

Opportunity O1

Possible local need for consistent recreational training.

Threat T1

Weather, downtime and withdrawals can coincide.

Planning framework and evidence limits.

06 / STRATEGY

TOWS strategy matrix

The actions below connect the numbered SWOT findings. The owner funds preparation and refund capacity; the head of training controls eligibility and dispatch. Demand validation cannot override legal or safety readiness. Opening must pause if any critical obligation is unresolved.

TOWS management actions

S1 with O1

Test the clear-price offer with 30 suitable prospects.

W1 with O1

Fund paid preparation and verify staffing before enrolment.

S1 with T1

Reconcile refunds and refuse unsafe dispatch.

W1 with T1

Pause launch if funding or readiness remains unresolved.

Planning framework and evidence limits.

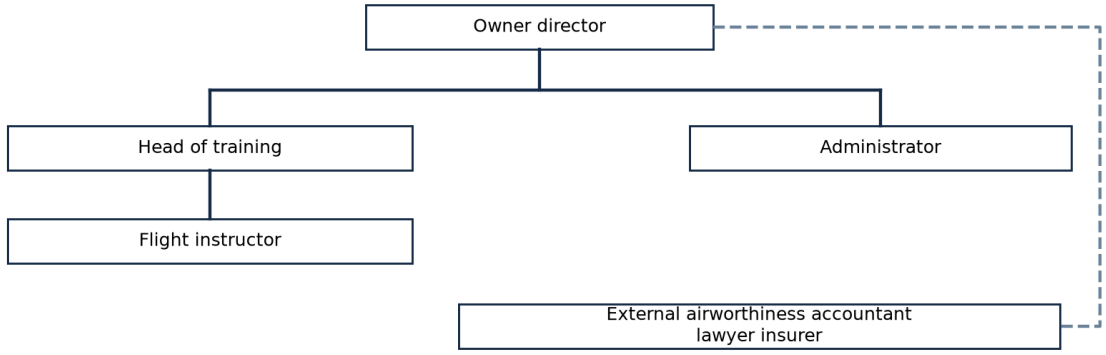
07 / PEOPLE

Owner and management

The owner is accountable for funding, employment, student-credit reconciliation, supplier terms and consumer communications. The owner is not assumed to hold instructor privileges. A separately recruited head of training is accountable for curriculum, instructional standards and flight release.

The head of training supervises the other instructor. The administrator reports to the owner. External airworthiness support, accountant, lawyer and insurer advise within verified contracts. These external providers do not replace the operator’s duties. Every position is unfilled.

Solid reporting lines and dashed external support



Planning framework and evidence limits.

08 / PEOPLE

Owner and key personnel profiles

No CV, licence history, personal net worth or founder experience has been supplied. Before appointment, verify identity, work eligibility, references, aviation privileges, medical validity and relevant training leadership competence. Record expiry dates and ongoing supervision.

Base monthly gross budgets are owner GBP5,000, head of training GBP4,500, instructor GBP4,200 and administrator GBP2,600. The 20% employer load is a planning allowance requiring payroll review. The owner and head of training are both paid during six months of preparation. No earlier unpaid founder work is assumed.

09 / MARKET

Target customers

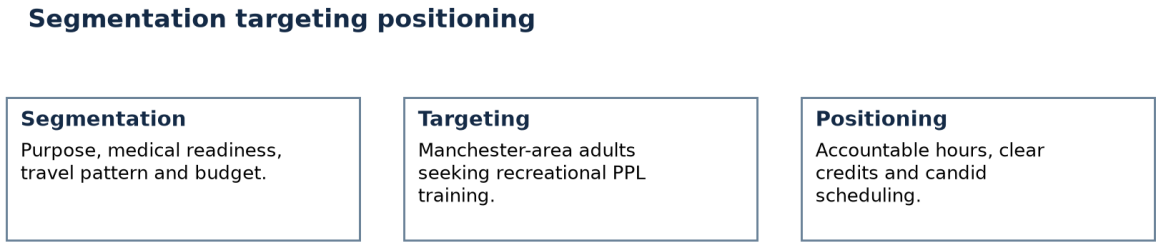
Target adults seeking recreational private-pilot training who can travel regularly, meet medical requirements and afford a variable course length. Suitability and ongoing budget are assessed before accepting credits. Avoid marketing this PPL offer as a route to an airline job.

A 55-hour total flight allowance is a planning illustration, not a licence minimum or a course-completion promise. At the initial weighted gross GBP240 per flight hour it implies GBP13,200 tuition before externally paid examinations, medical, licence and skill-test charges. Individual requirements may be greater.

10 / MARKET

Segmentation targeting and positioning

Segment by training purpose, readiness, travel reliability, medical position and total budget. Target motivated recreational adults able to attend consistently. Position on accountable training records, explicit cancellations and clear credits; validate these preferences with interviews rather than asserting them.



Planning framework and evidence limits.

11 / MARKET

Value proposition canvas

Students want safe, understandable progress without unexpected financial exposure. The offer combines a qualified instructional team, transparent hour records and small rolling advance balances. Weather, medical suitability and learning pace remain constraints. Refund and price-change terms must be visible before payment.

Value proposition canvas

Student jobs Learn safe flight skills and progress toward a private licence.	**Student pains** Unclear costs, cancelled lessons and trapped large deposits.	**Student gains** Visible progress, a named contact and manageable credits.
Offer Qualified instruction, records and supervised solo when ready.	**Pain relief** Small advances, stated refunds and realistic weather terms.	**Gain creation** Measured attendance and explained next training steps.

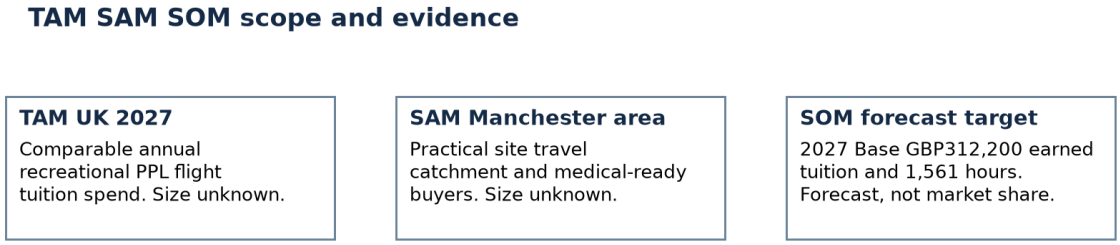
Planning framework and evidence limits.

12 / MARKET

Market size and trends

TAM means annual UK spending on comparable recreational aeroplane PPL flight tuition in 2027. SAM narrows it to eligible adults within practical travel distance of the eventual Manchester-area site. Both sizes are unknown. The CAA licence-holder stock cannot be multiplied into annual local tuition demand.

SOM is the school's modelled delivered-hour and revenue target, not validated market share. The chart deliberately separates unknown denominators from a forecast target. No unsupported national growth rate, local enrolment count or conversion rate is claimed.



Planning framework and evidence limits.

13 / MARKET

PESTLE analysis

The six panels link external conditions to operating actions. Aviation rules, weather, household affordability and supplier costs all matter. Regulatory context is sourced; each commercial response is a proposed decision. No subsidy or environmental certification is claimed.

PESTLE operating implications

Political No public training subsidy is assumed in the funding plan.	**Economic** Household affordability and fuel costs affect contribution.	**Social** Reliable attendance and clear refunds matter to learners.
Technological Protected records and scheduling reduce avoidable errors.	**Legal** Training, airworthiness, staff and tax requirements are gates.	**Environmental** Weather and local noise limits constrain dispatch.

Planning framework and evidence limits.

14 / MARKET

Local demand and evidence

No interviews, bookings, deposits or observed demand have been collected. Initial requested hours of 140 per month before seasonality and 10% annual growth are assumptions. Seasonal factors are a planning pattern, not measured local weather records.

Paid preparation should interview at least 30 suitable prospects, obtain price and cancellation feedback, and compare requested weekly availability with actual daylight and aircraft schedules. Require dated evidence of willingness to pay. Track cancellations, attendance, medical readiness and completion budgets without treating expressions of interest as revenue.



Planning framework and evidence limits.

15 / MARKET

Competitors and positioning

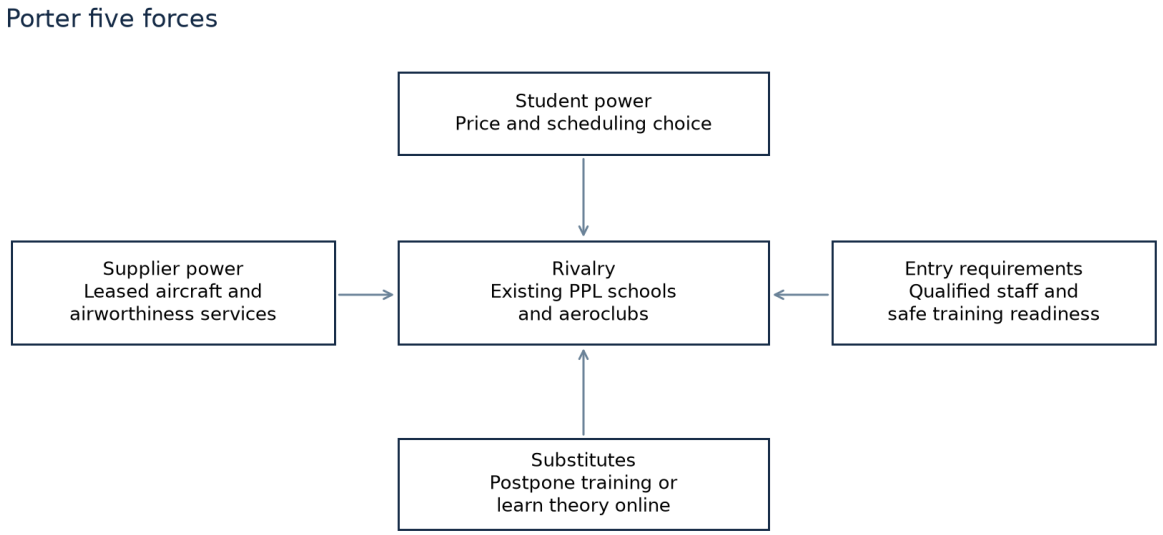
Other CAA-listed PPL training organisations and aeroclubs are alternatives. Compare full gross hour rates, aircraft type, instructor availability, solo rules, landing fees, refunds and expected total course cost. Existing organisations may offer a broader curriculum or community that the proposed school cannot match.

No competitor ratings or current written quotations have been obtained. The CAA list establishes provider context, not service quality, available slots or commercial advantage.

16 / MARKET

Porter five forces

Aircraft lessors and approved maintenance providers can constrain terms. Students can choose another school or defer training. Existing aeroclubs and providers create rivalry; qualified instructors and safe operating readiness create entry requirements. Digital ground learning substitutes for some classroom work but cannot replace flight instruction.

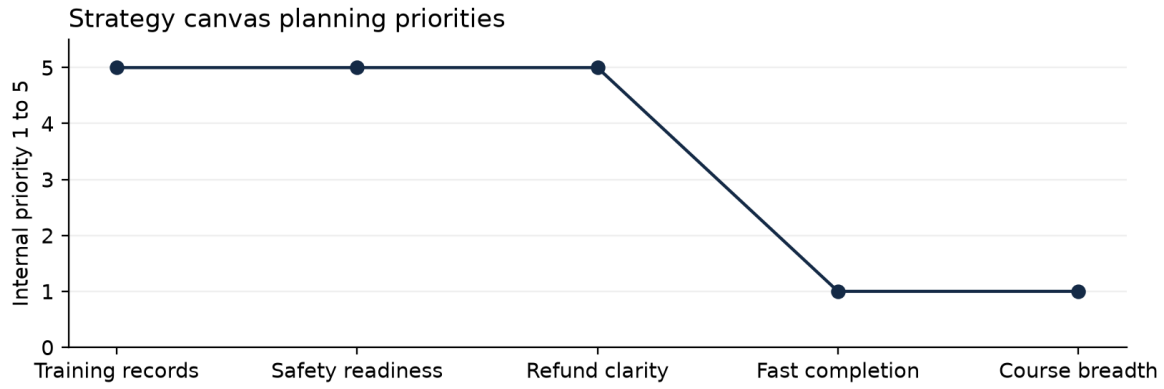


Planning framework and evidence limits.

17 / STRATEGY

Strategy canvas

The one-to-five values below are internal priorities, not observed competitor scores. Prioritize records, safety readiness and refund clarity over breadth or speed. The Base cost structure requires a real commercial improvement before launch. Higher prices must be tested against student affordability rather than assumed.



Planning framework and evidence limits.

18 / OPERATIONS

Location and premises

Select a licensed and suitable Manchester-area aerodrome only after confirming permitted training use, operating hours, runway suitability, weather exposure, rescue arrangements, hangarage and noise procedures. No named aerodrome has offered premises or aircraft access.

The fixed budget includes GBP1,800 net monthly per leased aircraft and GBP3,500 net other overhead. Other overhead assumes GBP1,600 premises and utilities, GBP800 marketing, GBP600 administration systems/accounting and GBP500 airworthiness oversight. These are budgets, not quotes. GBP1,500 monthly insurance is separately assumed exempt from VAT.

19 / OPERATIONS

Equipment and resource plan

Two dry-leased aircraft are dispatch resources and operating expenses, not purchased assets. Verify each aircraft's suitability for the programme, continuing airworthiness arrangements, maintenance records, insurance, engine hours and replacement availability. Modelled availability does not authorize dispatch.

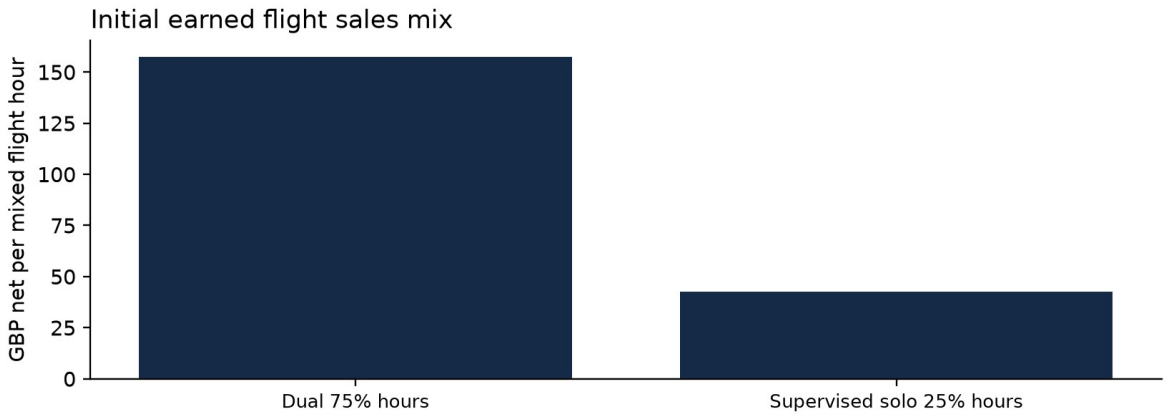
Initial net fitout GBP20,000 and IT GBP12,000 are depreciated over 60 and 36 months. A net GBP12,000 IT addition in month 19 has its own 36-month life. All cohorts stop depreciating at zero. A refundable GBP18,000 lease security payment remains an asset; it is not an expense or automatic refund inside this forecast.

20 / OFFER

Training products and curriculum

Offer PPL dual training and supervised solo under an appropriate verified or approved training programme. The current CAA guidance describes 40 hours for the ordinary route, with the specified supervised solo requirement; the 55-hour planning allowance is separate. Ground tuition is included in the paid instructor workload, with no separate revenue.

Instructor privileges, medical checks, training records and student readiness govern solo release. The 75% dual and 25% solo forecast mix is an aggregate planning average, not a syllabus substitution or promise that every student follows that exact split.



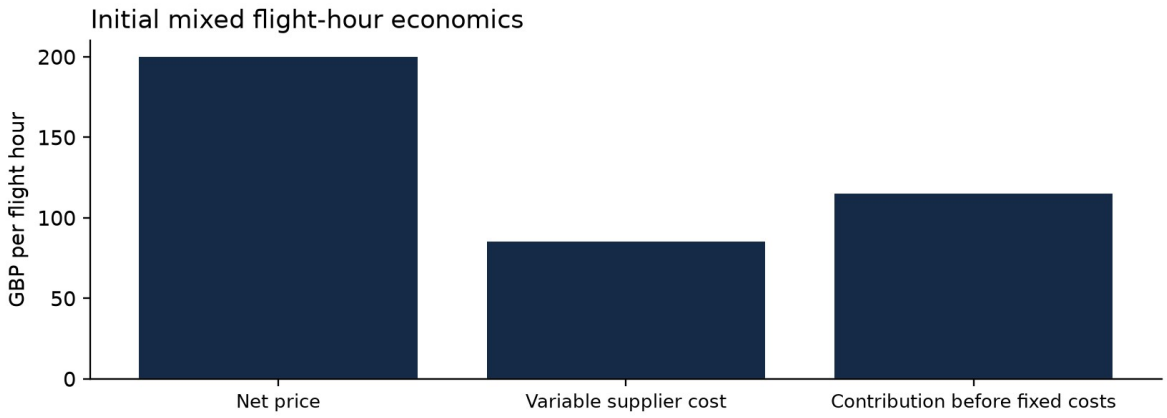
Planning framework and evidence limits.

21 / OFFER

Pricing and flight economics

Initial gross dual price is GBP252 and gross supervised solo price GBP204. A 75/25 mix gives GBP240 gross or GBP200 net at 20% VAT per delivered flight hour. Net supplier variable cost is GBP85 per hour: assumed fuel GBP45, maintenance GBP30 and landing/handling GBP10.

Net contribution before salaries, fixed leases, insurance, interest, depreciation and taxes is GBP115 per delivered hour. The maintenance rate assumes the supplier absorbs the contracted engine and overhaul work; verify exclusions and downtime before commitment. This hourly expense is neither retained cash nor a reserve liability.



Planning framework and evidence limits.

22 / OFFER

Competitor price comparison

Obtain at least three dated, comparable written quotes with aircraft, wet/dual/solo rates, VAT, landing fees and refund terms. No competitor quote is presented as evidence here. Compare 55-hour illustrative tuition and separately identify medical, exams, licensing and skill test costs.

Do not claim lowest price or best value. If required maintenance or instructor cost exceeds the budget, update the model and quote students a complete revised price before accepting money.

Comparison field	Mersey planning offer	Evidence status
Dual gross hourly	GBP252	Unquoted assumption
Solo gross hourly	GBP204	Unquoted assumption
External exams and medical	Paid separately	Provider quote needed
Other providers	Not yet obtained	Dated like-for-like quotes needed

23 / GROWTH

Brand and student experience

Use the placeholder Mersey Flight Training name only after availability checks. Communicate learning progress plainly and show flight hours, prices, credit balances and refunds in the same student ledger. Record complaints and agree a response process.

A student should understand the training scope and financial exposure before their first payment. Explain weather cancellation, aircraft substitutions, rescheduling and withdrawal terms. No image or testimonial should imply existing aircraft, qualified founders or successful graduates.

24 / GROWTH

Sales channels and process

Use direct local enquiries, a simple published offer and professional referrals after readiness is confirmed. The model includes no referral commission, third-party platform sales or institutional contract. The recurring marketing allowance is within fixed overhead.

Enquiry leads to suitability and affordability conversation, medical guidance, programme and contract explanation, schedule confirmation, small optional credit payment, flight delivery and ledger reconciliation. Payment is not proof of flight readiness. No bundled whole-course prepayment is assumed.

25 / GROWTH

Launch marketing

The GBP30,000 gross nonpay preparation allowance includes GBP3,000 communications and demand research, GBP10,000 legal and programme preparation, GBP7,000 recruitment and checks, GBP5,000 site and airworthiness diligence and GBP5,000 systems testing. Exactly half is provisionally treated as VATable, pending invoices.

The owner leads paid prospect interviews and written supplier comparisons. Avoid taking student money or advertising an operational start before the training, site, aircraft, staff and insurance gates are met. January is a conditional date, not a launch announcement.

26 / GROWTH

Retention and ongoing training

Review progress and affordability regularly; offer consistent bookings within safe dispatch capacity. Maintain a record of cancellations and training continuity so the head of training can intervene. Do not promise rapid completion through unsuitable weather or fatigued instruction.

Rolling credit topups equal 25% of current earned gross flights as a proxy for next bookings. Opening credits have a 5% monthly refund assumption before any application to lessons. Applied credits are capped by available balance and 25% of earned gross flights; no breakage income is assumed.

27 / OPERATIONS

Daily operations and suppliers

The head of training reviews aircraft status, weather, student readiness and instructor fitness before flight release. Record airborne hours consistently, debrief, update the training record and reconcile supplier and student invoices each day. Forecast fractions require an actual integer aircraft and instructor roster.

Dry leases assume two aircraft at GBP1,800 net monthly each. Net variable supplier cost GBP85 per hour is billed as flights occur. All taxable variable and fixed supplier invoices enter gross payables at issuance. Base supplier terms are 30 days under a uniform 30-day monthly cohort convention; verify the actual contract calendar. Insurance and payroll are paid monthly.

28 / OPERATIONS

Sustainability practices

Measure actual fuel use per flight hour, cancellations, ferry movements and paper use. Use scheduling to reduce avoidable repositioning while retaining training and safety requirements. Noise procedures must follow aerodrome agreements and local restrictions.

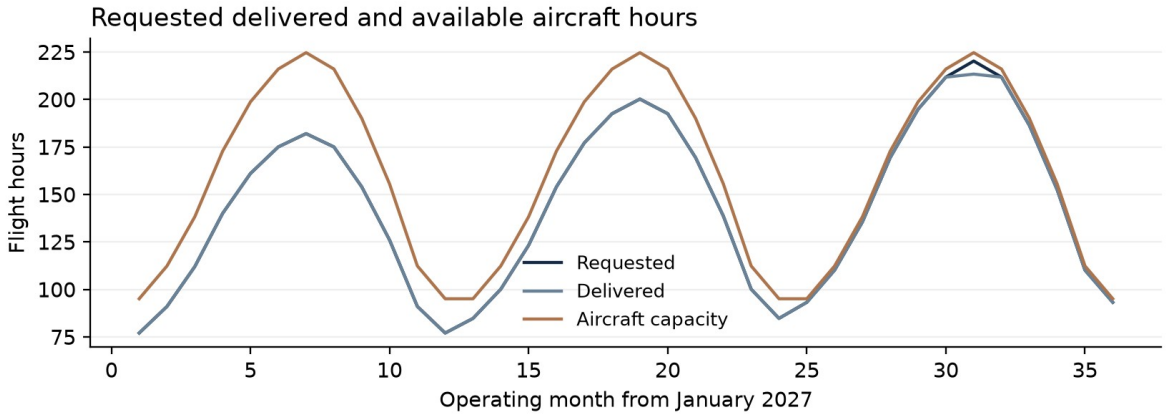
No emissions offset, sustainable fuel contract or electric fleet is assumed. Fuel cost is in the per-hour expense; reducing measured consumption changes the model only when the aircraft operation and training quality remain appropriate.

29 / PEOPLE

Staffing and training

Base operations employ an owner, head of training, another instructor and administrator. The two instructors are each budgeted for 37.5 paid hours weekly with at most 80 airborne dual hours monthly. Remaining time covers ground teaching, briefings, records, supervision, preparation and absence. The head of training's management workload must fit within this allowance.

Aircraft capacity is two aircraft times 120 bookable hours per month times 80% weather dispatch times 90% maintenance availability times the monthly seasonal factor. Delivery is the least of requested hours, aircraft hours and instructor dual capacity divided by the 75% dual share. This is a planning ceiling, not permission to bypass real daylight, fatigue or maintenance checks.



Planning framework and evidence limits.

30 / PEOPLE

Staff skills and fair work

Verify instructor privileges and medical validity, training leadership competence and the administrator’s student-ledger and data skills. Publish paid duties, rest, supervision, grievances and absence cover. The owner’s assumed role is business management. No unpaid trainees or self-produced instructor pipeline are modelled.

Administrator pay GBP2,600 monthly at 37.5 hours weekly is GBP16.00 per hour. This exceeds the published April 2026 adult minimum GBP12.71, but future statutory rates and employer obligations must be checked before 2027 contracts. The 20% load is a budget, not a calculation of exact employer taxes.

31 / OPERATIONS

Legal and insurance requirements

Obtain the applicable training declaration and appropriate programme before tuition; confirm the representative and head-of-training responsibilities and reporting requirements with the CAA. The company must demonstrate qualified staff, suitable aircraft, proper airworthiness oversight and training records.

Verify consumer contract/refund terms, privacy, employment, aerodrome use, insurance, aircraft leases, liability cover and VAT treatment. Contracting maintenance does not remove commercial DTO operator obligations. No registration, licence, policy or official acceptance is claimed. Recheck aviation rules before the conditional launch.

Requirement	Accountable role	Current status
Training and programme	Head of training	Not obtained
Aircraft and airworthiness	Head of training	Unverified
Insurance and site	Owner with advisers	No written offer
Consumer VAT and employment	Owner with advisers	Review required

32 / OPERATIONS

Opening roadmap

Six fully paid months of preparation are required. Months one and two establish funding, leadership suitability and regulatory scope. Months three and four validate programme, site, aircraft and maintenance terms. Months five and six complete recruitment, safety and ledger testing, insurance and the declaration process.

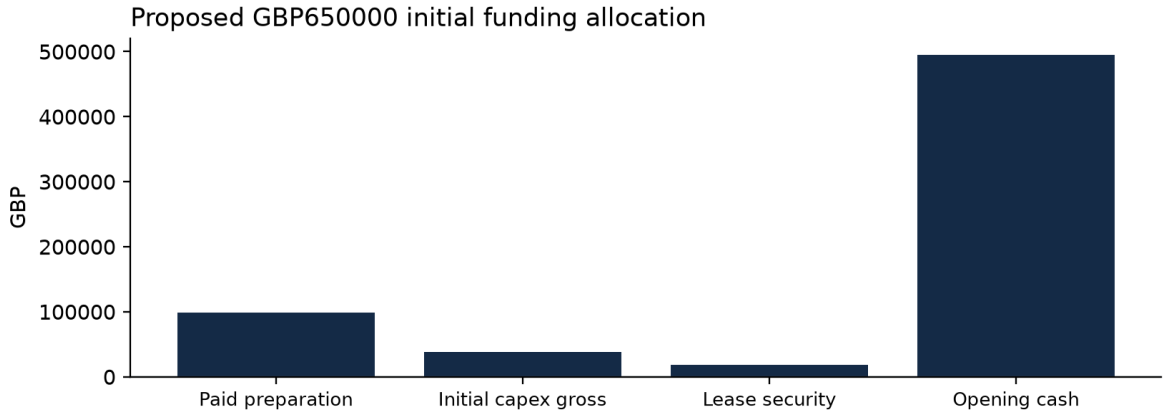
This is a dependency sequence, not a claim that the CAA will complete work within a fixed period. If the timetable is not already funded and underway, shift the calendar launch and recost paid preparation. The separate forecast delay input charges all operational payroll and leases during any postponed operational months, with zero flights or new student topups.

33 / FINANCE

Startup costs and funding

Proposed paid equity GBP550,000 and term debt GBP100,000 total GBP650,000. Day-zero cash spending is GBP98,400 paid preparation, GBP38,400 initial fitout and IT including VAT, and GBP18,000 refundable lease security. The resulting GBP495,200 opening cash supports losses, refunds and debt service. Startup input VAT of GBP8,900 remains a carried credit; no refund is assumed.

Student advances are obligations and cannot be described as permanent funding. Minimum cash and the additional funding needed to preserve the reserve are calculated across all 36 operating months. Negative balances show an unmet financing requirement.



Base model 1.0; planning assumptions, January 2027 to December 2029.

34 / FINANCE

Itemized startup costs

Preparation payroll is six months times owner GBP5,000 plus head of training GBP4,500, with 20% load: GBP68,400. Nonpay preparation is GBP30,000 gross. Preparation net expense GBP95,900 becomes an opening retained loss. Supplier VAT treatment requires actual invoices.

Startup use GBP gross	Amount
Paid owner and head of training preparation	68,400
Nonpay preparation	30,000
Fitout with VAT	24,000
IT with VAT	14,400
Refundable aircraft lease security	18,000
Opening operating cash	495,200
Total proposed initial funding	**650,000**

35 / FINANCE

Owner personal survival budget

Owner gross salary GBP5,000 per month is already in preparation and operating payroll. A 65% personal net-retention proxy gives GBP3,250 versus GBP3,000 assumed household spending, leaving GBP250 monthly. This proxy is not a personal tax calculation. No dividend or extra owner withdrawal is included.

The household budget assumes housing GBP1,300, food/utilities GBP650, transport GBP400, insurance and debt GBP350, and other commitments GBP300. Confirm actual liabilities and income with the owner. Six-month paid preparation supplies the modelled owner income; any earlier household requirement needs separate verified funding.

Household estimate GBP monthly	Amount
Estimated owner retained income	3,250
Total personal spending	**3,000**
Estimated monthly surplus	250

Financing terms and security

The hypothetical GBP100,000 loan carries 8% annual interest on opening principal, six months principal grace and equal principal of GBP1,667 per month thereafter over a 60-month principal term. Equity funds the paid preparation period. The loan is drawn immediately before operations, after preparation, and has no later automatic increase; no preopening debt interest is assumed. GBP50,000 remains after month 36.

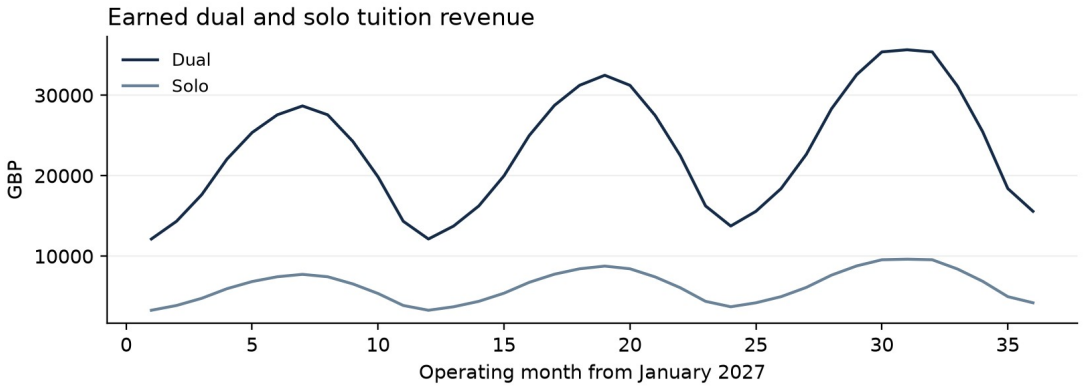
Rates, repayment timing, fees, covenants and security are unquoted. No guarantee or collateral commitment is claimed. Leased aircraft are not owned collateral. Negative projected cash must be addressed with a real revised funded plan before spending. The model does not recognize IFRS lease liabilities; statutory lease accounting requires separate adviser assessment.

37 / FINANCE

Revenue forecast and capacity

Requested hours and dispatch limits use the same seasonal pattern. Base initial nonseasonal requested hours are 140 and annual demand growth is 10%. Initial physical nonseasonal capacity is 172.8 hours, while the dual instructor ceiling supports at most 213.3 total hours at the modelled mix.

Forecast sales represent delivered dual and supervised solo hours, not student admissions, licences or completion. Changes in weather, aircraft availability and instructor hours can reduce delivery. No sale is booked for cancelled or refused hours.



Base model 1.0; planning assumptions, January 2027 to December 2029.

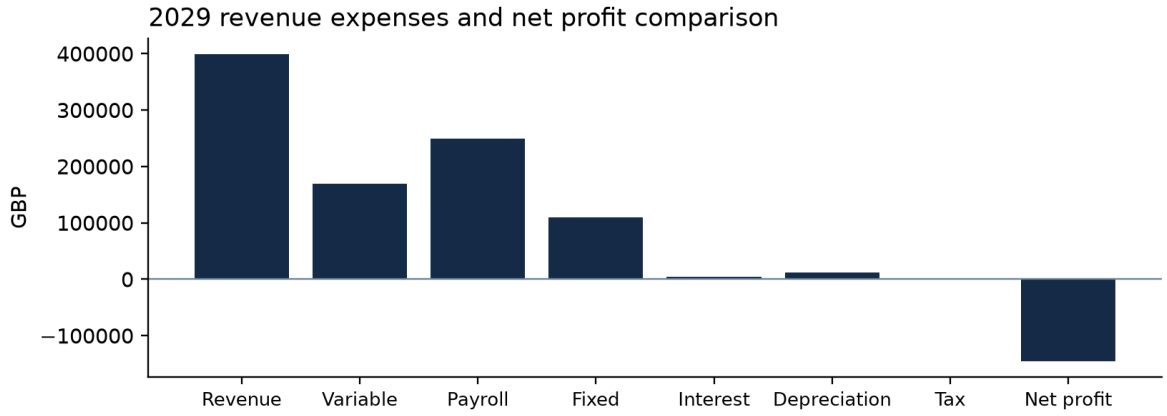
Base forecast GBP	2027	2028	2029
Delivered flight hours	1,561	1,717	1,882
Net dual revenue	245,858	278,557	314,454
Net solo revenue	66,342	75,166	84,853
Total net revenue	**312,200**	**353,723**	**399,306**

38 / FINANCE

Costs and projected profit

Variable expense starts at GBP85 net per delivered flight hour. Monthly Base fully loaded payroll is GBP19,560. Fixed taxable expenses are GBP7,100 net and insurance GBP1,500. Salaries and supplier costs grow 3% annually; student prices grow 3%.

These costs exceed forecast contribution. Annual losses and the eventual cash requirement must remain visible. Student topups, supplier credit or debt principal do not improve operating profit. The component chart compares monetary amounts rather than claiming to be a waterfall.



Base model 1.0; planning assumptions, January 2027 to December 2029.

39 / FINANCE

Profit and loss forecast

Figures below are Base GBP net of VAT for calendar 2027, 2028 and 2029. Payroll includes owner pay and employer load. Loan principal and capex are cash flows; depreciation and interest enter profit. A conservative 25% positive monthly PBT cash tax reserve omits statutory loss relief, marginal relief and capital allowances.

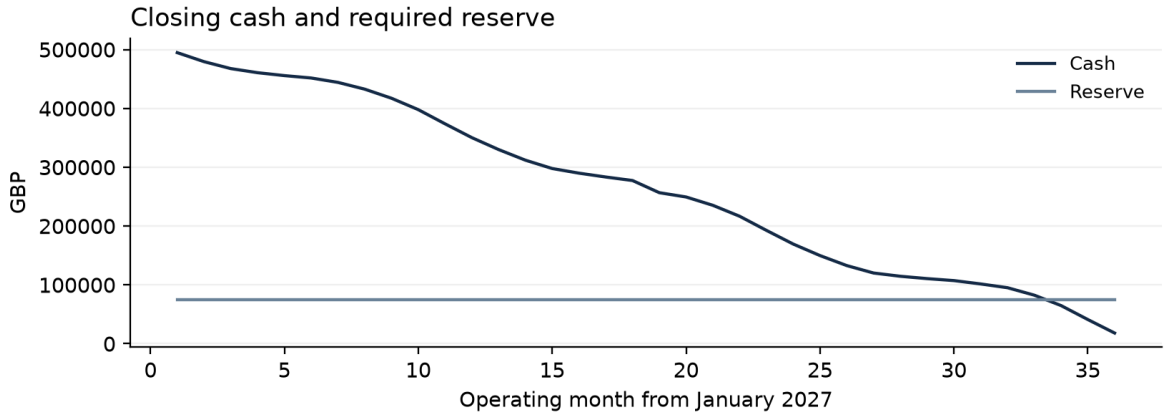
Base GBP	2027	2028	2029
Total net revenue	**312,200**	**353,723**	**399,306**
Variable supplier expense	132,685	150,332	169,705
Payroll	234,720	241,762	249,014
Fixed supplier and insurance expense	103,200	106,296	109,485
EBITDA	**-158,405**	**-144,667**	**-128,898**
Depreciation	8,000	10,000	12,000
Loan interest	7,833	6,467	4,867
Profit before tax	**-174,238**	**-161,134**	**-145,765**
Tax reserve	0	0	0
Net profit	**-174,238**	**-161,134**	**-145,765**

40 / FINANCE

Cash flow and financial position

Collections follow gross issued invoices and student advance receipts. Refunds, supplier payments, insurance, payroll, prior positive VAT settlements, loan service and IT capex reduce cash. Unused credits net of VAT remain liabilities; refundable lease security and VAT credits remain assets.

A uniform 30-day invoice cohort convention is used for student and supplier terms. It ages all existing vintages and caps unpaid fractions at one. Negative VAT credits carry without assumed repayment. VAT and tax monthly cash conventions are conservative planning proxies, not statutory deadlines. No balancing equity or cash plug is present.



Base model 1.0; planning assumptions, January 2027 to December 2029.

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Cash flow forecast months one to six

Base monthly cash movements are shown in GBP. Initial equity and debt have already entered day-zero cash. Student credits enter cash without becoming income; issued refunds reduce cash and deferred credits.

Base GBP	01 2027	02 2027	03 2027	04 2027	05 2027	06 2027
Opening cash	**495,200**	**494,725**	**479,408**	**467,595**	**460,652**	**455,681**
Student invoice receipts gross	16,632	17,554	21,269	26,664	30,316	32,607
New student advances gross	4,620	5,460	6,720	8,400	9,660	10,500
Credit refunds gross	0	231	273	336	420	483
Supplier payments gross	0	16,374	17,802	19,944	22,800	24,942
Payroll and insurance cash	21,060	21,060	21,060	21,060	21,060	21,060
VAT cash	0	0	0	0	0	0
Interest and tax cash	667	667	667	667	667	667
Capital spending gross	0	0	0	0	0	0
Principal repayment	0	0	0	0	0	0
Net cash change	-475	-15,318	-11,813	-6,943	-4,971	-4,045
Closing cash	**494,725**	**479,408**	**467,595**	**460,652**	**455,681**	**451,636**

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Cash flow forecast months seven to twelve

Continue the same Base cash rollforward. Loan principal starts after the six-month grace period. Receivables and supplier payables reflect invoice vintages rather than a growing revenue-times-days balance.

Base GBP	07 2027	08 2027	09 2027	10 2027	11 2027	12 2027
Opening cash	**451,636**	**444,166**	**432,652**	**417,201**	**397,824**	**373,705**
Student invoice receipts gross	33,617	31,834	28,111	23,184	17,010	14,112
New student advances gross	10,920	10,500	9,240	7,560	5,460	4,620
Credit refunds gross	525	546	525	499	474	450
Supplier payments gross	26,370	27,084	26,370	24,228	21,372	17,802
Payroll and insurance cash	21,060	21,060	21,060	21,060	21,060	21,060
VAT cash	1,718	2,836	2,535	2,034	1,395	594
Interest and tax cash	667	656	644	633	622	611
Capital spending gross	0	0	0	0	0	0
Principal repayment	1,667	1,667	1,667	1,667	1,667	1,667
Net cash change	-7,470	-11,514	-15,451	-19,377	-24,120	-23,452
Closing cash	**444,166**	**432,652**	**417,201**	**397,824**	**373,705**	**350,253**

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Financial position summary

Base year-end cash can be negative, signalling an unmet financing requirement. Property and IT values reflect capped individual depreciation cohorts. The security payment remains refundable only subject to lease terms. Net student credits exclude VAT already recognized at the advance tax point. Equity is paid funds plus accumulated losses.

Base GBP	Dec2027	Dec2028	Dec2029
Closing cash	**350,253**	**169,365**	**18,124**
Receivables	1,386	1,570	1,779
VAT credit	0	0	0
Lease security	18,000	18,000	18,000
Property and IT	24,000	26,000	14,000
Total assets	**393,639**	**214,936**	**51,903**
Supplier payables	16,374	17,674	19,121
Deferred student credits net	7,127	8,075	9,149
VAT payable	276	459	671
Loan debt	90,000	70,000	50,000
Total liabilities	**113,777**	**96,208**	**78,940**
Paid equity	550,000	550,000	550,000
Retained earnings	-270,138	-431,272	-577,037
Total equity	**279,862**	**118,728**	**-27,037**
Total liabilities and equity	**393,639**	**214,936**	**51,903**
Balance sheet difference	0	0	0

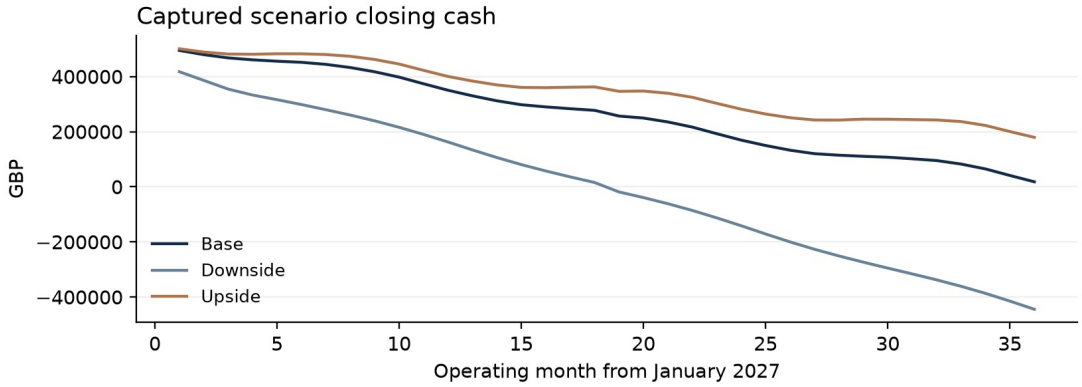
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Break even and scenarios

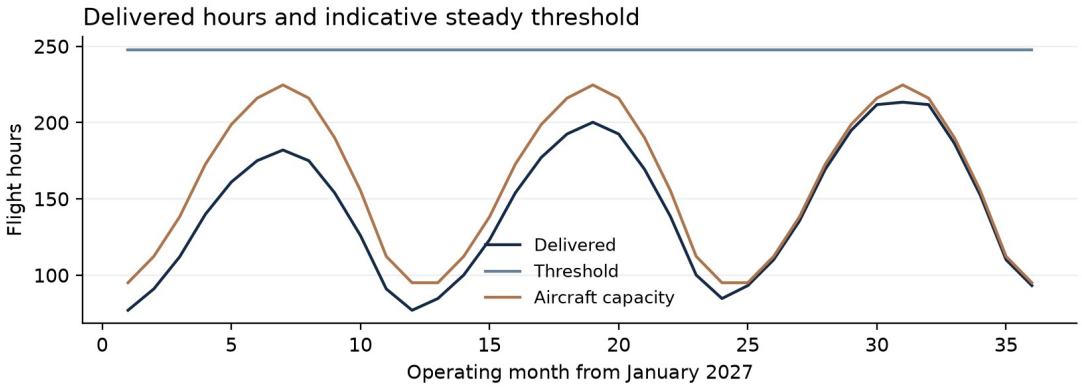
The steady flight-hour threshold covers year-three salaries, fixed expenses, insurance and interest using year-three hourly contribution. It excludes depreciation, tax, loan principal, growth working capital and refunds. Compare this indication with aircraft and instructor capacity before proposing higher volumes.

The three cases are assumptions, not probabilities. Downside includes a nine-month paid preparation period, three-month operational delay, weaker weather and cost pressure. Upside still needs actual demand, staffing and aircraft availability. Static case comparisons flag any changed input as stale; the active build remains live.

Base indicative steady threshold is 247.7 flight hours monthly. December 2029 aircraft capacity is 95.0 hours and annual average capacity 160.6; the current fleet cannot reliably cover the threshold.



Base model 1.0; planning assumptions, January 2027 to December 2029.



Steady flight-hour indicator excludes capex, tax, principal and growth working capital.

Captured case GBP	Minimum cash	Reserve funding gap
Base	18,124	56,876
Downside	-444,351	544,351
Upside	179,351	0

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Risks and management actions

The owner reviews cash and refund obligations weekly; the head of training reviews aircraft and instructional safety daily. Pause new credit acceptance if training readiness or refund capacity is uncertain. Stop dispatch for any unresolved airworthiness, weather or instructor issue.

Do not use a favourable scenario as secured funding. Obtain actual supplier terms, recost an approval delay and demonstrate a funded route through all forecast months before launching.

Risk	Early warning	Management action
Unfunded losses	Cash below reserve	Revise economics and secure funds before commitments
Student withdrawals	Rising refund requests	Reconcile credits and protect refund capacity
Aircraft unavailable	Defects or missed maintenance	Cancel or reschedule without revenue
Training readiness	Expired privileges or unresolved programme	Pause instruction and verify requirements

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Research and evidence

Official CAA and HMRC sources were checked on 3 October 2026. The facts summarized concern the legal training context and tax framework. They do not establish this proposed business's readiness, student demand or supplier pricing. All live commercial inputs require written evidence.

The inspected flight-school financial reference is an annual US academy with a graduate-instructor pipeline and pooled engine-reserve mechanism. This output is rebuilt as a 36-month UK PPL school: exogenous paid instructors, binding leased-aircraft availability and contracted maintenance expense. No US legal assumption, workbook import or invented instructor pipeline is claimed.

S1 https://www.caa.co.uk/general-aviation/pilot-licences/aeroplanes/private-pilot-licence-for-aeroplanes/

S2 https://www.caa.co.uk/general-aviation/pilot-training-organisations/declared-training-organisations/

S3 https://regulatorylibrary.caa.co.uk/1321-2014/Content/Document%20Structure/05b%20ML/2%20Regs/03770_ML.A.201.htm

S4 https://www.gov.uk/guidance/vat-on-education-and-vocational-training-notice-70130

S5 https://www.gov.uk/guidance/vat-guide-notice-700

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

S7 https://www.gov.uk/government/publications/the-national-minimum-wage-in-2026/the-national-minimum-wage-in-2026

S8 https://www.caa.co.uk/data-and-analysis/approved-persons-and-organisations/personnel-licensing-statistics/pilot-licence-holders-by-age-and-sex/

47 / APPENDIX

Quotes and assumptions

Obtain written aircraft and site offers, insurance coverage, maintenance scope and engine responsibilities, programme costs, qualified staffing offers and comparable tuition quotes. Record VAT status, deposits, payment terms, cancellation rights, dates and responsible reviewer.

Neither the model's dry lease nor hourly maintenance rate is a verified quote. If supplier exclusions expose the operator to overhaul or substitute-aircraft costs, replace the relevant inputs and schedules, rerun cases and update this plan. No engine reserve is held or available in the present model.

Assumption	Budget	Evidence required
Two aircraft dry lease	GBP1,800 net each monthly	Written availability and maintenance terms
Variable flight costs	GBP85 net hourly	Fuel maintenance landing invoices
Paid leadership preparation	Six months Base	Qualified appointments and funded timetable
Student hours and rates	140 monthly before seasonality	Dated interview and booking tests

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Model guide and completion

Model 1.0 uses GBP and January 2027 to December 2029. Inputs C5 selects Base, Downside or Upside. Blue case cells and seasonal factors are editable. One live set of operating, credits, invoice ageing, assets/debt and statements feeds Summary. Cases contains labelled static captures and a stale-input warning.

Before circulation, verify real people, site, aircraft, programme, insurance, supplier terms and paid funding. Rebuild comparison results and refresh the Word figures together after assumptions change. The delivered package is a planning proposal; no launch gate is marked complete solely because a forecast balances.