Infrastructure Fund Business Plan

Severn Grid | London

DOCUMENT GUIDE

Contents

Proposed London infrastructure fund manager | 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
Fund mandate and product strategy....23
Pricing and fee economics....24
Competitor price comparison....25
Brand and investor experience....26
Sales channels and process....27
Launch marketing....28
Retention and ongoing sales....29
Daily operations and suppliers....30
Sustainability practices....31
Staffing and training....32
Staff skills and fair work....33
Legal and insurance requirements....34
Opening roadmap....35

Risks and management actions....36
Research and evidence....37
Quotes and assumptions....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

Severn Grid Capital is a proposed London manager of a UK professional-only closed-end infrastructure fund. The fund would acquire minority equity interests in operating UK electricity storage and grid-support project companies. No development construction, project borrowing, retail investors or investor redemption is included. The investment thesis remains untested and no founder qualifications, authorisation, asset offer, investor commitment or supplier quote has been supplied.

This document asks prospective founders and professional funders to assess a conditional launch. Manager equity pays the team and preparation. Investor commitments belong to a separate fund and are called only under signed terms. A 36-month investment-stage illustration cannot establish full-life investment returns or carried interest. Proposed GBP 2m manager equity supports paid preparation and operating cash. Base 2027 manager revenue is GBP 600,000 with net result GBP -33,733. Downside minimum manager cash is GBP 348,374 and additional cash required to preserve its reserve is GBP 1,626. These conditional results provide no investment-return assurance or launch approval.

Release gate	Required evidence
People and permissions	Qualified team FCA authorisation and marketing approval
Fund and assets	Signed partnership terms independent providers and technical diligence
Investors	Professional classification signed commitments and paid calls
Manager finance	Paid equity and forward regulatory capital assessment

02 / OVERVIEW

Business details

The proposed manager is Severn Grid Capital Ltd and the proposed fund is Severn Grid Infrastructure LP, an English private fund limited partnership. Both names are unregistered placeholders. A separate Severn Grid GP Ltd would be general partner, with costs covered within the fund administration allowance. Incorporation, PFLP designation and the partnership deed require counsel [S3 S4].

The manager proposes to opt into full-scope UK external AIFM authorisation, even at the illustrative scale [S1]. London is an operating base rather than evidence of investor demand. Currency is GBP. Preparation covers July to December 2026 and the manager forecast January 2027 to December 2029. The fund concept has a ten-year life, a five-year investment period and no investor redemption. This workbook covers only its first three investment years.

03 / OVERVIEW

Business concept and objectives

Acquire interests in already operating UK battery-storage and grid-support project companies after technical, title, revenue-contract and market-risk diligence. Storage earnings can be merchant and volatile. No guaranteed capacity payment, contracted yield, inflation protection or green impact is assumed. The aggregate model receives hypothetical cash yields after project expenses and taxes; it cannot validate dispatch economics or asset safety.

First objectives are appropriate permissions, a qualified team, paid independent diligence, credible commitments and enforceable call procedures. No asset is acquired before cleared investor cash and investment committee approval. There is no fund subscription credit facility or manager guarantee. A separate lifetime model must be approved before final partnership terms are signed.

04 / STRATEGY

Business model canvas

The manager earns a proposed annual fee on commitments during the investment period. Capital calls, project equity and distributions are fund economics, not manager revenue. Nine blocks identify the operating hypothesis and the distinct contracting parties.

Business model canvas

Partners Administrator depositary counsel and systems vendors	**Activities** Asset diligence risk review call and valuation oversight	**Resources** Paid team permissions separate fund cash and asset evidence
Value Clear fees independent risk and verified NAV operations	**Relationships** Professional due diligence and accountable reporting	**Channels** Approved professional contact and controlled documents
Segments UK professional allocators accepting ten-year illiquidity	**Costs** Manager payroll systems compliance and fund providers	**Revenue** Monthly commitment fees only; no modelled carry

Proposed operating assumptions.

05 / STRATEGY

SWOT and longer term goals

Operating assets avoid a forecast construction programme, but technical outages, degradation and merchant-price risk still threaten distributions and valuations. Entity separation and independent oversight are intended controls rather than demonstrated strengths. A new manager has no supplied track record or investor commitments.

Beyond year three, complete asset-level operating forecasts, the remaining investment programme and a full ten-year partnership waterfall before discussing realised investment returns. Additional funds, retail access and foreign marketing remain outside this plan.

SWOT planning hypotheses

Strengths S1 S2	Weaknesses W1 W2
Operating UK grid asset mandate and clear fund manager separation	No track record or commitments and a fixed cost burden
Opportunities O1	**Threats T1 T2**
Professional interest in transparent controls to test	Outages call default valuation losses and rule change

Proposed operating assumptions.

06 / STRATEGY

TOWS strategy matrix

S1 is a narrow operating-asset scope and S2 is separate fund and manager accounts. W1 is missing investment evidence and W2 is the manager fixed-cost burden. O1 is possible professional demand for transparent infrastructure exposure. T1 is project yield interruption and T2 is call default or regulatory change.

The four actions assign diligence, evidence gathering, liquidity limits and capital controls to named paid functions. They are choices to test rather than evidence of investor acceptance.

TOWS actions

SO S1 O1

Owner tests mandate and disclosure with professional prospects

WO W1 O1

Risk director verifies operating tests before investor diligence

ST S2 T1

Board separates investor NAV and manager capital in monitoring

WT W2 T2

Board funds downside and verifies final law before release

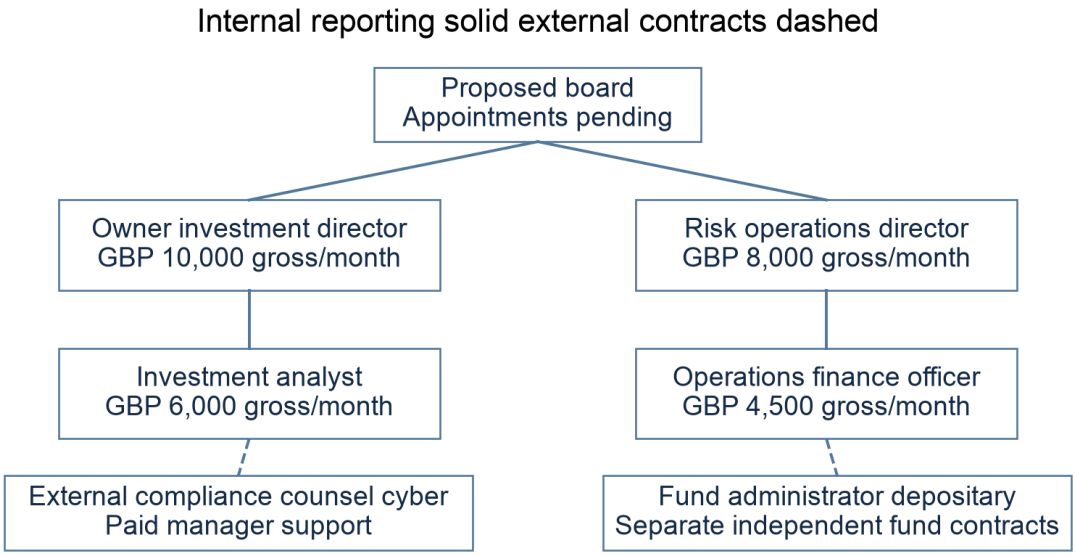
Proposed operating assumptions.

07 / PEOPLE

Owner and management

A paid owner investment director leads asset selection and professional relationships. A separately paid risk and operations director has board escalation and authority to stop launch or investment. An asset analyst reports to the owner. An operations and finance officer reports to the risk director. Governance appointments and competence are pending.

External technical engineers, compliance, legal and cyber specialists are paid service providers. Administrator, depositary and independent valuer serve the fund under separate contracts. They do not become manager employees or relieve the AIFM of oversight responsibility. The GP company acts through properly appointed directors.



Proposed operating assumptions.

08 / PEOPLE

Owner and key personnel profiles

No CVs, licences, references or investment records are available. Required evidence includes project-equity diligence and contract analysis for the owner, independent valuation and liquidity-risk experience for the risk director, technical financial analysis for the analyst and partnership accounting competence for the officer. Appointments depend on fitness and regulatory requirements.

Base gross monthly salaries are GBP 10,000 owner, GBP 8,000 risk director, GBP 6,000 analyst and GBP 4,500 finance officer. A 20% employer allowance covers a budget for NI, pensions and benefits, not a statutory rate. Owner and risk director are paid for six preparation months. All four staff remain paid during a delayed launch.

09 / MARKET

Target customers

Target UK professional institutional investors and appropriately classified professional investment offices able to accept long illiquid commitments and losses. Eligibility is a legal classification, not an assumed consequence of wealth. Investors need their own liquidity, concentration and tax assessment.

Exclude retail savers, personal pension members, short-horizon customers and foreign distribution. No redemption right is offered during the ten-year term. Transfers require consent and legal review; the model supplies no secondary-market exit. An investor must understand call obligations, default remedies, valuation uncertainty and the absence of a supplied track record.

10 / MARKET

Segmentation targeting and positioning

Segment by professional status, commitment horizon, tolerance for merchant infrastructure risk and operational due-diligence requirements. Target a single inception cohort of UK professional investors able to fund scheduled calls. Position around transparent project selection, fees, call mechanics and independent oversight.

A longer holding period does not itself make cash flows stable. Neither superior returns nor capital preservation is claimed. The proposition must be tested through lawful professional conversations and actual diligence.



Proposed operating assumptions.

11 / MARKET

Value proposition canvas

The customer is a professional allocator evaluating a new infrastructure manager. Jobs include portfolio fit, committee approval and planning future calls. Pains include hidden fee drag, unreliable project valuations and unexpected funding requests. Proposed gain creators are dated call forecasts, independent asset review and clear fund-versus-manager reporting.

These services have value only after competent people, contracts and reconciliations exist. The investment remains exposed to power markets, technical failure and asset illiquidity.

Value proposition canvas

Customer jobs	Customer pains	Customer gains
Portfolio fit governance approval and future call planning	Opaque charges weak NAV controls and misleading records	Clear costs independent verification and reliable reporting

Products	Pain relievers	Gain creators
One closed UK operating grid-support equity fund	Administrator depositary fee examples and risk veto	Dated calls asset reports and independent valuations

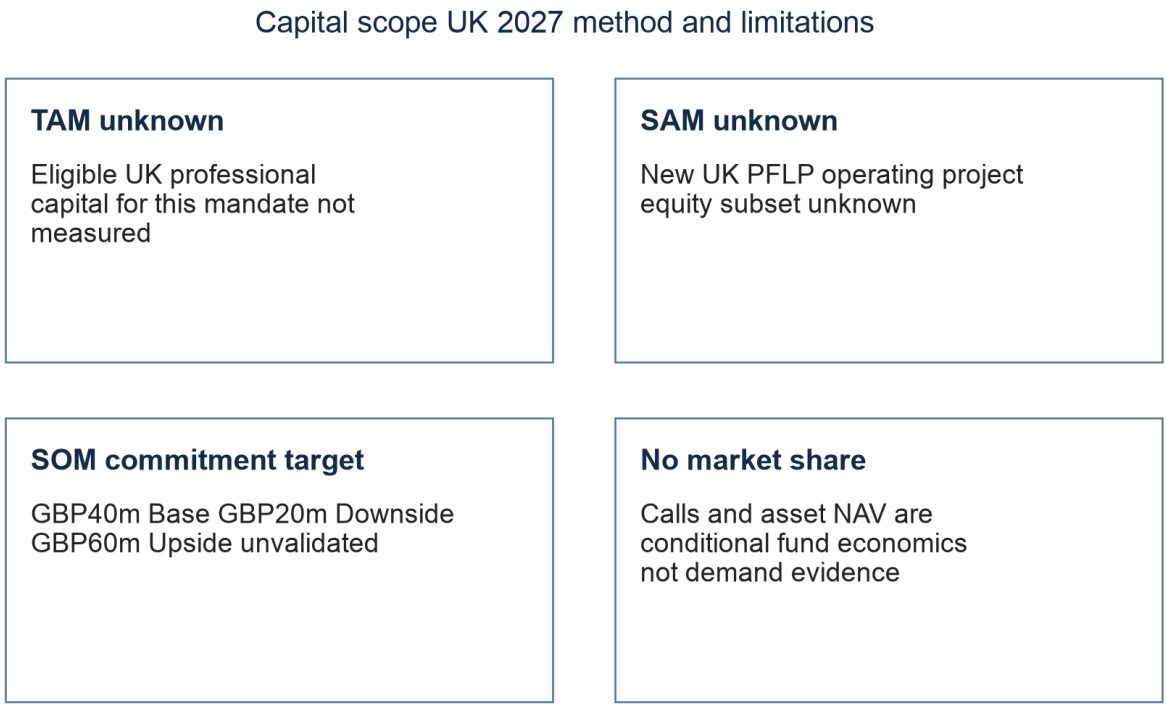
Proposed operating assumptions.

12 / MARKET

Market size and trends

TAM is UK professional capital potentially eligible to commit to this operating grid-support equity mandate in 2027. SAM is the subset permitted and willing to allocate to this new English PFLP after diligence. Neither denominator has been measured. The UK alternatives context in CP26/28 is broader than this strategy and cannot establish market share [S2].

SOM is an unvalidated commitment target of GBP 40m Base, GBP 20m Downside and GBP 60m Upside. Commitment is neither cash received nor invested assets. The scope diagram deliberately leaves TAM and SAM unavailable. Capital-call and NAV forecasts are conditional economics, not observed sales or demand.



Proposed operating assumptions.

13 / MARKET

PESTLE analysis

Current AIFM requirements apply unless replaced by enacted rules. CP26/28 proposes reform with an envisaged 2028 implementation date; consultation is not permission relief [S2]. Changes in electricity prices, connection arrangements and technical standards affect asset diligence, but no policy subsidy or consent is assumed.

The six panels connect external factors to specific approval, cash, valuation, cyber and environmental evidence gates.

PESTLE London UK October 2026

Political

CP26/28 consultation is not enacted permission relief

Economic

Yield outages call defaults and fixed manager costs

Social

Professional trust requires clear losses costs and governance

Technological

Asset data valuation operating records and cyber continuity

Legal

AIFM and marketing approval fund tax and independent functions

Environmental

No sustainable label; avoid unsupported portfolio impact claims

Proposed operating assumptions.

14 / MARKET

Local demand and evidence

No allocator interviews, letters of intent, commitments, project term sheets or independently measured catchment evidence have been obtained. London is a location choice. The Base GBP 40m target is a modelling assumption. The manager must validate a willingness to invest with a new team before spending beyond the authorised preparation budget.

Planned paid tasks are twenty properly scoped professional conversations, three service-provider proposals and technical screening of six operating project interests. These are tasks, not historical counts. Do not call them pipeline assets or committed investors.



Proposed operating assumptions.

15 / MARKET

Competitors and positioning

Alternatives include established infrastructure funds, listed infrastructure companies, direct project investment and holding liquid assets. Compare verified team records, fee bases, expenses, asset leverage, valuation policies and the ability to meet future calls. No comparable term sheets or performance database have been obtained.

An investor can reasonably prefer an established diversified manager. Severn Grid must demonstrate competent technical and financial underwriting before presenting a narrow strategy as useful diversification.

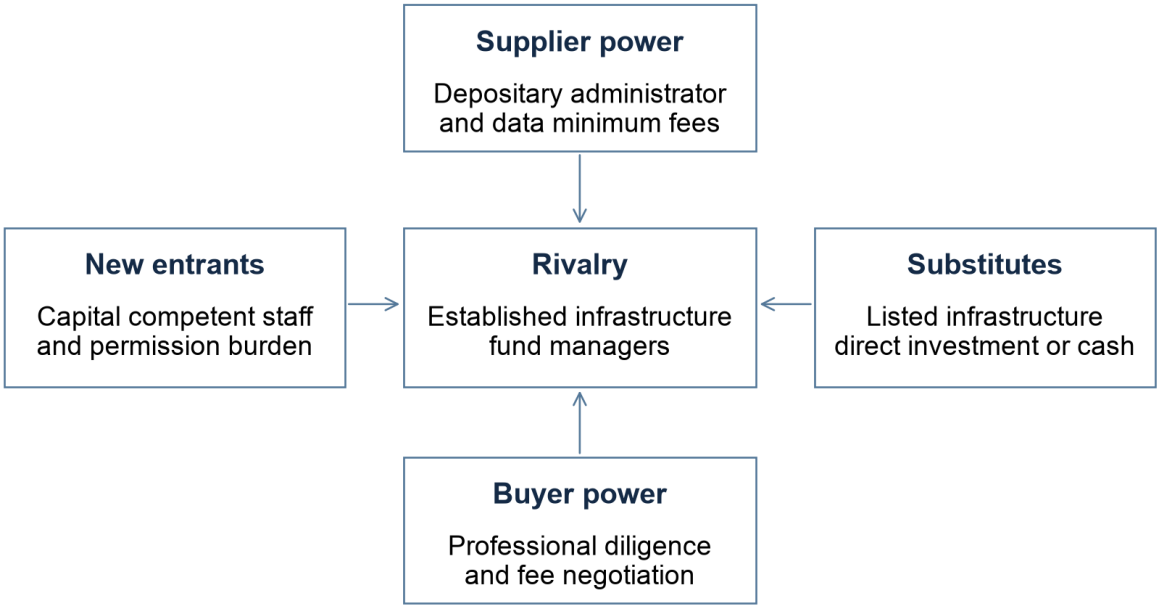
16 / MARKET

Porter five forces

Established infrastructure managers compete for assets and professional commitments. Investors have substantial bargaining power over expense caps, reporting, key-person terms and commitments. Technical, administration, depositary and valuation providers may impose minimum fees.

Permissions, a qualified team and diligent acquisition processes impose entry costs. Listed infrastructure or direct ownership can substitute for a new illiquid fund. The diagram contains qualitative management judgments, not competitor ratings or survey results.

Porter five forces qualitative judgments



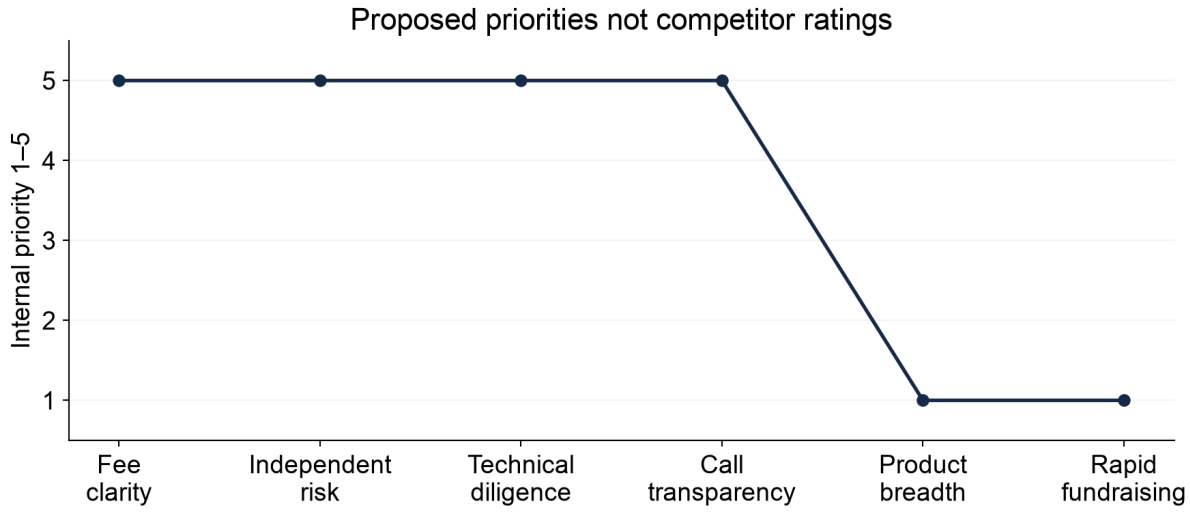
Proposed operating assumptions.

17 / MARKET

Strategy canvas

The one-to-five scale represents proposed internal priorities. Independent valuation, call transparency, technical diligence and fee clarity rank above product breadth and rapid deployment. No competitor is rated. The values are neither researched performance nor a forecast of investor preferences.

The investment committee must reject assets whose title, revenue risks or safety cannot be evidenced, even when that delays fee-scale plans.



Proposed operating assumptions.

18 / OPERATIONS

Location and premises

A controlled London office is proposed for four manager staff, secure meetings and managed devices. No lease or landlord terms are supplied. Base monthly VATable overhead includes GBP 3,500 rent and administration, and a GBP 12,000 refundable deposit is budgeted. Lease tax and recovery assumptions require written confirmation.

The fund has a separate bank account with appropriate depositary monitoring and dual approval. Manager devices and records must support independent administrator reconciliation. Remote access requires managed endpoints, role restrictions and tested recovery.

19 / OPERATIONS

Equipment and resource plan

Manager IT costs GBP 40,000 net before launch, with an incremental GBP 20,000 cohort in January 2029. Each has its own capped 36-month book life. Investor project equity is not manager equipment and is not depreciated in its company accounts.

Base VATable overhead is GBP 15,000 per month: data and systems GBP 6,500, office/admin GBP 3,500, external compliance/legal GBP 3,000 and professional communications/travel GBP 2,000. Insurance and rates add GBP 2,500 gross monthly. These are unquoted allowances. Fund service costs are a separate GBP 180,000 gross annual allowance covering administrator, depositary, audit, independent valuation, GP administration and technical/legal support.

20 / OPERATIONS

Fund mandate and product strategy

One inception commitment cohort, no later admissions and no investor redemption are modelled. Proposed fund life is ten years with a five-year investment period. Fees would step down after year five to an invested-cost basis under final counsel-approved terms, but that harvest stage is outside the three-year forecast.

Only interests in operating UK project companies are in scope. No construction, overseas assets, borrowed fund cash, subscription line, recycling or asset exits appear in the first 36 months. Full-life exits, preferred return, clawback and carried-interest allocations must be modelled separately before launch. Carried-interest revenue is zero in this package.

21 / OPERATIONS

Pricing and fee economics

The proposed management fee is 1.5% annually on signed commitments from launch, earned monthly. It is independent of asset valuations and call collection. A conservative 20% VAT allowance is added; this is a counsel-dependent taxable-fee scenario, not a conclusion that every private fund is taxable [S5 S6]. No fund VAT recovery is assumed.

GBP 40m commitments therefore produce GBP 600,000 annual net manager fees and GBP720,000 gross fund fee invoices before a delay. A 10% loss in project valuation does not reduce this commitment-based fee. This increases investor fee drag and must be explicit in signed terms. No acquisition fee, performance fee or GP co-investment is modelled.

Commitment fee example illustrative GBP40m fund

Annual manager fee	Fund gross fee cost	No manager carry
GBP40m commitments times1.5% = GBP600k net annual fee	GBP600k fee plusGBP120k VAT = GBP720k annual invoices	No acquisition fee carry or investor capital recognised as manager revenue

Proposed operating assumptions.

22 / OPERATIONS

Competitor price comparison

No comparable offers have been obtained. Compare management rate and basis, investment-period length, harvest step-down, VAT, fund expense cap, technical-diligence charges and any carry waterfall together. A headline fee alone does not establish value.

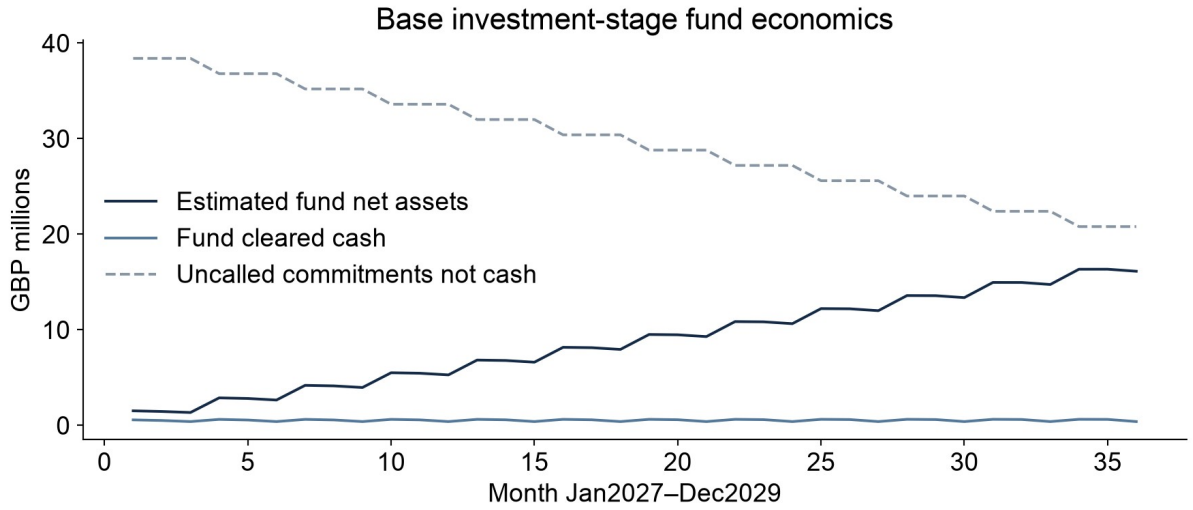
Comparison item	Evidence
Management terms	Severn Grid planning terms only
Provider charges and VAT	Unquoted allowance counsel confirmation pending
Competitor net economics	No verified comparable terms

23 / SALES

Brand and investor experience

The working name and navy presentation are placeholders. Materials must clearly show missing track record, illiquidity, commitment obligations and downside capital-call risk. The manager should provide a controlled diligence room with dated technical reports, valuation policies, fee illustrations and conflicts.

Investor reporting separates commitments, calls issued, cash received, called-but-unpaid amounts, uncalled commitments, investment cost, estimated NAV and distributions. A distribution can be a return of capital rather than investment profit.



Proposed operating assumptions.

24 / SALES

Sales channels and process

Controlled contact with properly classified UK professional prospects is the only route. Counsel and compliance must confirm promotion restrictions, approve materials and obtain the applicable domestic marketing approval under regulation 54 and FUND3.12 before marketing [S7]. A professional label is not a blanket exemption.

The process is lawful interest, diligence, eligibility, AML/source-of-funds checks, signed partnership documents and investor settlement to the fund account. Manager equity is raised separately. No public retail subscription funnel, foreign placement or adviser commission is assumed.

25 / SALES

Launch marketing

Base recurring overhead includes GBP 2,000 monthly for compliant professional communications and travel. Preparation includes counsel and operating tests rather than unapproved public investment advertising. The owner leads meetings and compliance approves substantive materials.

Do not present hypothetical yields as forecasts supported by asset offers. Spending must stop if permissions, classification or capital gates fail. The launch target is aspirational and delay leaves manager payroll and systems costs running.

26 / SALES

Retention and ongoing sales

The closed-end fund has no monthly customer churn or voluntary redemption. Retention means trustworthy reporting and enforceable commitments, not a recurring consumer subscription. Defaulted calls remain outstanding; the forecast assumes no interest, penalties, forfeiture or eventual collection of the unpaid fraction.

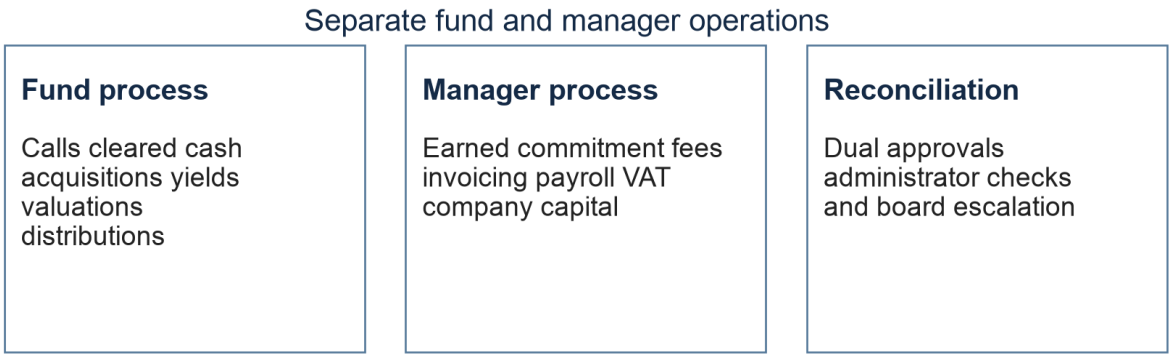
No follow-on fund or later closing is modelled. Expansion requires actual results, appropriate new permissions and a refreshed investment programme. Service quality is tracked through reporting punctuality, corrected valuations, call exceptions and investor complaints.

27 / OPERATIONS

Daily operations and suppliers

The analyst reviews asset operating evidence and cash-yield reports. The owner prepares investment recommendations. The risk director challenges revenue assumptions, technical exposure, title and conflicts before committee approval. The officer reconciles fund calls, cleared cash, fee invoices and independent administrator records.

Monthly manager fees are recognised when earned and collected through dated gross invoice cohorts. The fund pays exactly those collections, so an extended receivable period cannot create fictitious manager cash. Fund external-provider expenses are paid in their period in the simplified forecast. Written contracts must confirm actual billing and service scope.



Proposed operating assumptions.

28 / OPERATIONS

Sustainability practices

No sustainable, taxonomy-aligned or impact label is claimed. Battery storage can support grid flexibility while involving lifecycle emissions, mineral sourcing, degradation and fire risk. Require evidence on project safety, disposal obligations and environmental permissions before investment.

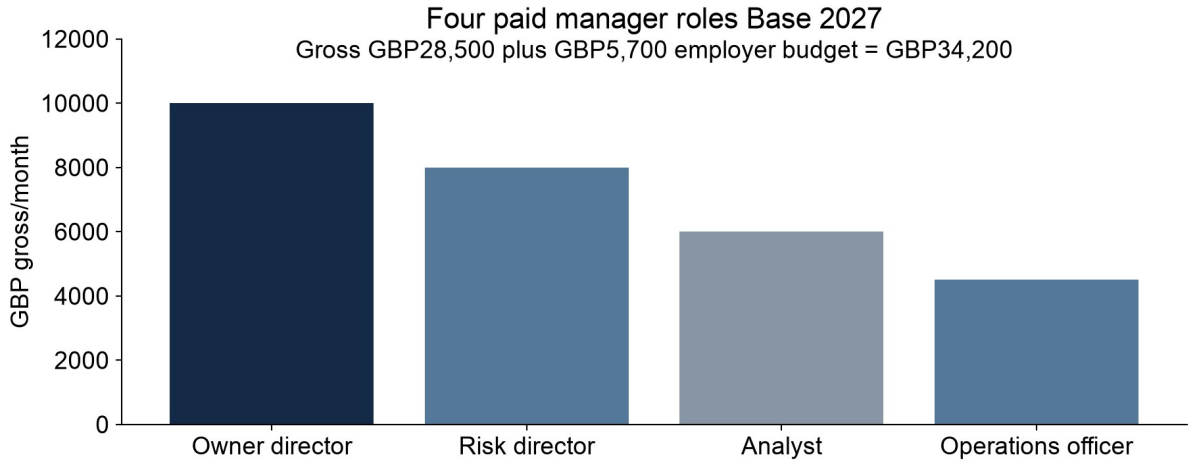
Any sustainability statement must be asset-specific and reviewed under applicable rules [S12]. Measure available lifecycle and operating information consistently. Missing evidence remains missing rather than becoming a positive score. Technical diligence and ongoing review are included in paid external service allowances.

29 / PEOPLE

Staffing and training

The four paid roles each have distinct duties. The owner and analyst handle selection; the independent risk director and finance officer handle risk challenge and reconciliation. Provider supervision, training, annual leave and operational recovery are part of paid time. No free founder work is assumed.

Six preparation months pay the owner and risk director at full gross pay plus employer loading. Preparation counsel, authorisation and service testing cost GBP 100,000 net Base. Training covers power-market risks, project documents, call defaults, valuation challenge, AML, financial promotions and incident escalation.



Proposed operating assumptions.

30 / PEOPLE

Staff skills and fair work

Appointments require documented competence and references rather than invented qualifications. Technical engineers and valuers must be suitably qualified and independent for the work commissioned. Current UK wage and employment obligations must be checked for actual contracts; the 2026 wage floor is context rather than a validated 2027 payroll rate [S11].

The employer allowance is a budget. Payroll advisers must verify NI, pensions, leave, overtime and employment status. The team cannot replace specialist asset safety inspections with financial spreadsheets.

31 / OPERATIONS

Legal and insurance requirements

Counsel must confirm the English PFLP deed, GP liability arrangements, AIFM permissions, FCA marketing approval, investor classification, AML, valuation, depositary eligibility and ownership verification [S1 S3 S4 S7 S8]. Incorporation does not authorise fund management. The manager proposes full-scope external authorisation.

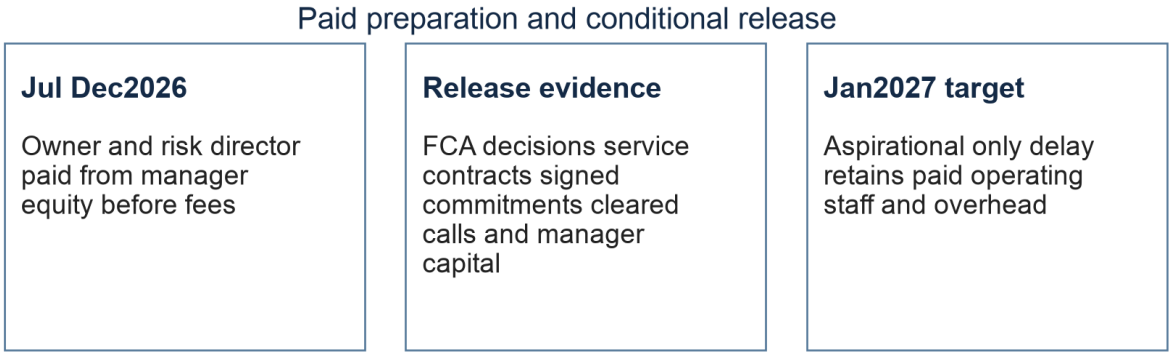
Confirm professional indemnity, cyber, employers liability and directors cover, with separate asset insurance diligence. Current prudential requirements and qualifying own funds need a formal assessment. CP26/28 remains a proposal [S2]. Fee VAT, partnership tax allocations, project tax and individual carried-interest treatment need written advice before issue.

32 / OPERATIONS

Opening roadmap

July to December 2026 is a proposed paid preparation window. Raise manager equity first, appoint competent people, commission legal and technical work, obtain appropriate permissions and contract independent providers. There is no guarantee that six months is sufficient for approval.

The January 2027 target is released only after approvals, signed commitments, lawfully issued notices, cleared first-call cash and tested controls. Downside delays fee and fund activity for three months while all manager staff remain paid. No fund operations or calls are assumed before the release gate.



Proposed operating assumptions.

33 / OPERATIONS

Risks and management actions

Project outages, lower merchant yields, call default, uncertain valuations and manager capital depletion are the principal risks. The investment committee caps acquisitions to cleared cash after a reserve. Commitments and call receivables are never treated as spendable bank cash. No credit line fills a deficit.

The board monitors manager liquidity and a separate indicative equity floor monthly. Suspend commitments to new assets if the fund cannot pay service costs or preserve cash. Obtain binding additional manager capital before breaching its reserve or prudential requirement. Analytical forecasts continue through negative cash only to expose a funding need.

Risk	Owner and action
Technical and yield failure	Owner obtains independent engineering and revenue diligence
Call default	Risk director limits acquisitions to cleared cash
Valuation uncertainty	Independent valuer and board challenge supporting evidence
Manager capital deficit	Board funds before reserve or regulatory breach

34 / OPERATIONS

Research and evidence

Sources establish current legal and tax questions, not the commercial assumptions. Research is dated 3 October 2026. Current FCA requirements apply; consultation changes remain proposed. The manager fee VAT allowance is conservative pending a fund-specific opinion. Partnership tax transparency does not make investors exempt [S4].

Commitments, yield, valuation growth, staffing, overhead and supplier allowances are planning assumptions. No template benchmark is accepted as market evidence. Saved source pages and claim notes support the references below. Legal guidance must be rechecked at any actual launch.

S1 FCA full-scope AIFM opt-in and prudential capital https://www.fca.org.uk/firms/aifmd/apply-authorised-aifm

S2 CP26/28 proposed reform not enacted https://www.fca.org.uk/publications/consultation-papers/cp26-28-uk-aifm-regime

S3 Companies House PFLP registration https://www.gov.uk/government/publications/limited-partnership-act/register-a-limited-partnership

S4 HMRC partnership profits assessed to partners https://www.gov.uk/hmrc-internal-manuals/partnership-manual/pm136000

S5 HMRC fund management VAT GfC20 https://www.gov.uk/government/publications/help-with-vat-on-fund-management-services-gfc20/help-with-vat-on-fund-management-services-gfc20

S6 UK VAT rates https://www.gov.uk/vat-rates

S7 FCA FUND3.12 domestic marketing approval https://handbook.fca.org.uk/handbook/fund3/fund3s12

S8 FCA FUND3.11 depositary eligibility and functions https://handbook.fca.org.uk/handbook/fund3/fund3s11

S9 UK corporation tax rates https://www.gov.uk/corporation-tax-rates

S10 UK VAT reporting and payment deadline https://www.gov.uk/submit-vat-return

S11 UK minimum wage rates https://www.gov.uk/national-minimum-wage-rates

S12 FCA anti-greenwashing rule https://www.fca.org.uk/publications/finalised-guidance/fg24-3-finalised-non-handbook-guidance-anti-greenwashing-rule

35 / OPERATIONS

Quotes and assumptions

No signed quotes exist. Obtain separate proposals for depositary, administrator, independent valuer, audit, technical engineering, counsel, compliance, data and insurance. Confirm which entity pays each charge and whether VAT is recoverable. No expense may be counted twice between project yields, fund service charges and manager overhead.

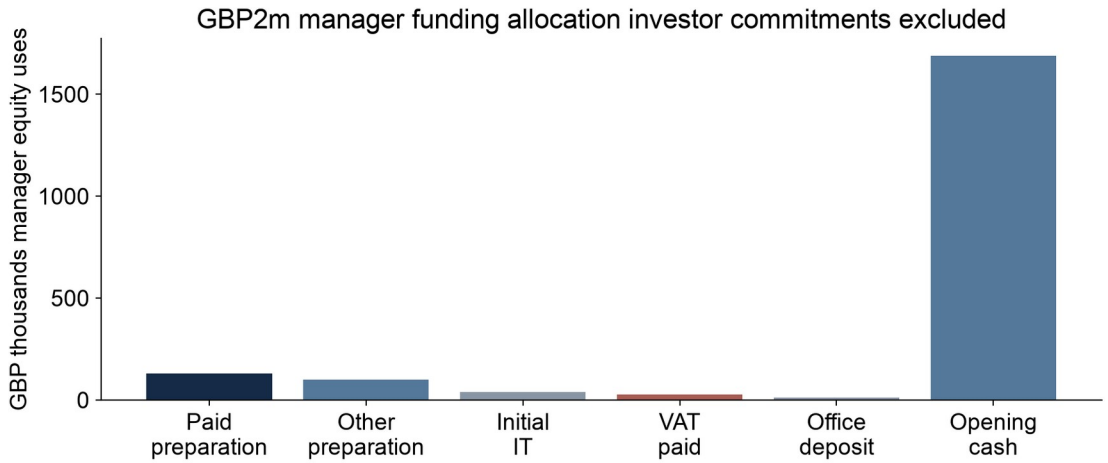
Asset-level yields are assumed net of project operating expenses and taxes, before fund fees and gross external fund expenses. Mark growth is noncash and hypothetical. Delinquent calls remain recorded at face value in the separate call ledger but are fully impaired and excluded from estimated fund NAV. No future recovery or default remedy is assumed. A launch requires a proper impairment policy and asset-level underwriting.

36 / FINANCE

Startup costs and funding

Proposed GBP 2m manager ordinary equity is paid before July 2026 preparation. Six months of owner and risk-director loaded payroll cost GBP 129,600. Other preparation costs GBP 100,000 net, IT GBP 40,000 net, supplier VAT GBP 28,000 and deposit GBP 12,000. Opening manager cash is GBP 1,690,400.

The separate fund commitment targets are GBP 40m Base, GBP 20m Downside and GBP 60m Upside. These are contractual future contributions, not manager financing. First Base call is GBP 1.6m and cleared cash is invested only after the fund reserve. No fund capital or manager debt fills a funding gap. All proposed funding remains uncommitted.



Proposed operating assumptions.

Manager funding GBP	Amount
Manager paid equity	2,000,000
Opening manager cash	1,690,400
Separate Base fund commitments	40,000,000

37 / FINANCE

Itemized startup costs

Manager paid preparation is expensed, not capitalised as founder labour. Input VAT is paid to suppliers and retained as a credit; no cash refund is assumed. Initial IT and deposit are manager assets. Each IT cohort has a separate capped life.

The fund separately pays GBP 180,000 gross annually Base: GBP 110,000 administration/depositary/audit/valuation, GBP 20,000 GP administration and GBP 50,000 technical/legal support. These unquoted all-in allowances include first-year establishment work; confirm setup billing before launch rather than silently charging an unmodelled investor entry expense.

Manager equity uses GBP	Amount
Paid preparation payroll	129,600
Preparation nonpay expense net	100,000
Initial IT net	40,000
Preparation input VAT paid	28,000
Refundable deposit	12,000
Manager opening cash	**1,690,400**
Total manager funding uses	**2,000,000**

38 / FINANCE

Owner personal survival budget

Owner salary is GBP 10,000 gross monthly through preparation and operations. A 65% retained-pay assumption gives GBP 6,500 take-home against GBP 5,000 household spending, leaving GBP 1,500. This is a household illustration, not tax advice.

No founder dividend, investor distribution or carried interest funds personal spending. Investor capital belongs to the partnership. Household spending and manager prudential resources remain distinct.

Household monthly GBP	Amount
Illustrative take-home	6,500
Housing	2,500
Living	1,500
Transport	500
Other	500
Illustrative surplus	1,500

39 / FINANCE

Financing terms and security

Manager equity is a fixed proposed GBP 2m contribution before preparation. No investor, shareholder contract, settled cash, bank loan or collateral is secured. There is no rescue injection, subscription facility or manager guarantee.

Fund commitment obligations and capital calls are governed by the partnership deed. Calls are issued only after permissions and notices, capped at total commitments. Uncalled balances decrease when called, while unpaid called amounts remain separate and are fully impaired for this estimated NAV. No default recovery, forfeiture or enforcement receipts are assumed.

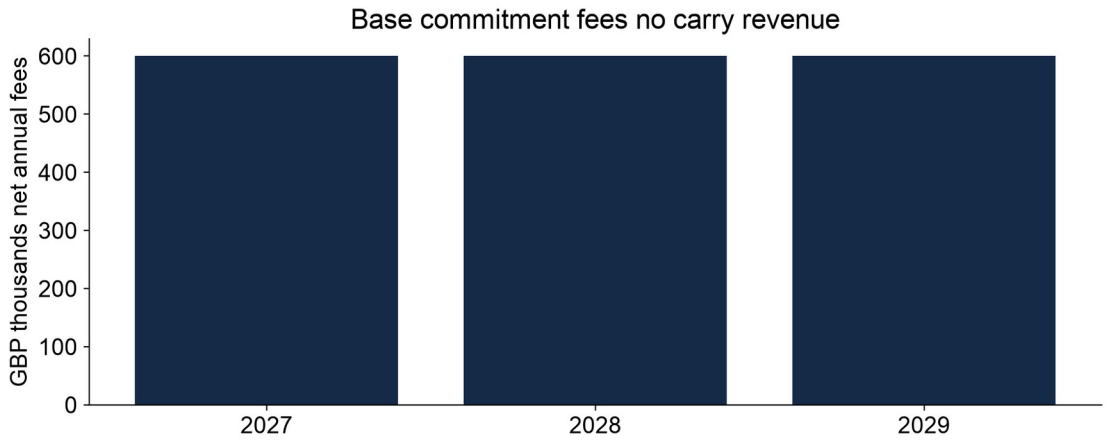
Funding item	Treatment
Manager ordinary equity	Proposed GBP 2m, uncommitted
Debt rescue or guarantees	None assumed
Investor commitments	Separate contractual fund obligations
Called cash	Cleared fund bank receipts only

40 / FINANCE

Revenue forecast and capacity

Manager fees are earned monthly from launch at 1.5% annual commitments. Carry and acquisition fees are zero. Fee revenue is independent of hypothetical asset yield, valuations and collection of calls. Delayed launch reduces earned fees while the paid team and manager overhead continue.

Quarter-start calls equal 4% commitments Base, 3.5% Downside and 4.5% Upside. Collections are 100%, 85%, 100% respectively. Acquisitions use 85%, 70%, 90% of positive fund cash above reserve on quarter starts. Calls never exceed commitments. The current-month reserve limit does not guarantee future months: monitor the separate forward fund cash schedule and stop new deployment or distributions before its reserve is breached. Cash distributions occur only at quarter ends from cash above reserve and are capped at cumulative paid capital less prior distributions. They are a simplified return-of-capital priority, not a full partnership waterfall. One cohort and no subsequent admissions are included.



Proposed operating assumptions.

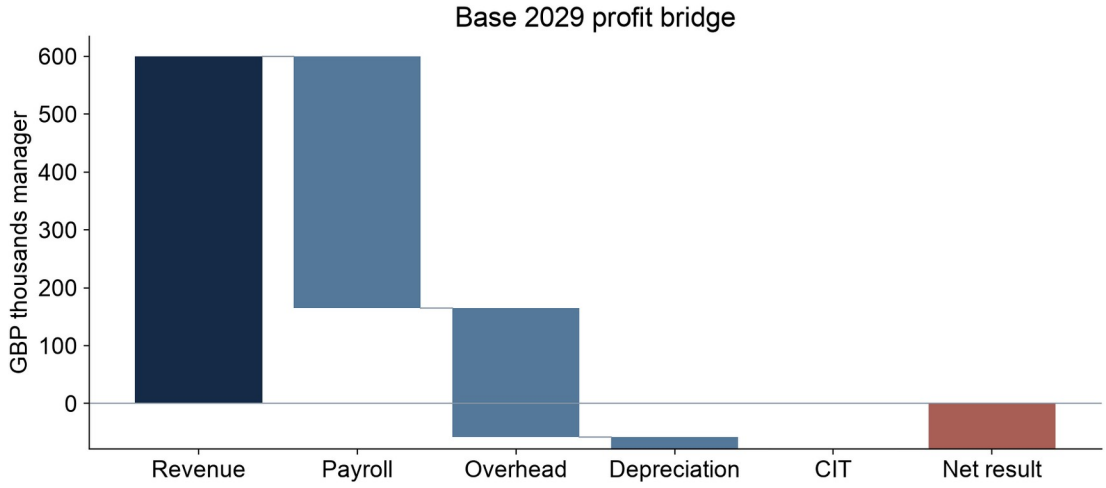
GBP annual distinct entities	2027	2028	2029
Management fees net	600,000	600,000	600,000
Carry excluded zero	–	–	–
Manager total revenue	**600,000**	**600,000**	**600,000**
Investor call cash collected	6,400,000	6,400,000	6,400,000

41 / FINANCE

Costs and projected profit

Base loaded manager payroll is GBP 34,200 monthly. VATable overhead is GBP 15,000 net and insurance/rates GBP 2,500 gross monthly, increasing 3% each calendar January. Fund providers are excluded from manager overhead.

Initial IT costs GBP 40,000 net and the January 2029 incremental cohort GBP 20,000. Both depreciate over their own 36months, capped at cost. There is no unpaid founder work, bonus or dividends. Fund project yield is assumed net of project costs and taxes before fund-level expenses and fees.



Proposed operating assumptions.

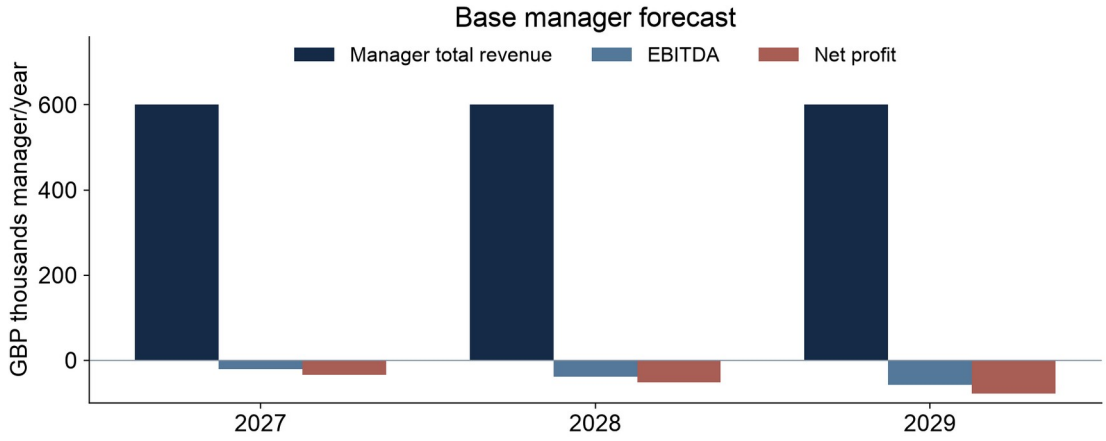
Manager GBP annual	2027	2028	2029
Paid payroll	410,400	422,712	435,393
Manager overhead	210,000	216,300	222,789
Depreciation	13,333	13,333	20,000

42 / FINANCE

Profit and loss forecast

Manager recurring fees must cover paid payroll, overhead and depreciation. Base incurs a loss; Upside can earn profit only under its larger unvalidated commitment target. Fund calls, project fair value and distributions never appear as manager revenue.

The company tax cash proxy is25% of positive monthly book profit. It excludes loss and marginal relief, capital allowances and statutory payment dates. Partnership investors are taxed according to applicable profit allocations, not automatically only when cash is distributed [S4 S9]. Net project yield assumes project-level taxes already paid.



Proposed operating assumptions.

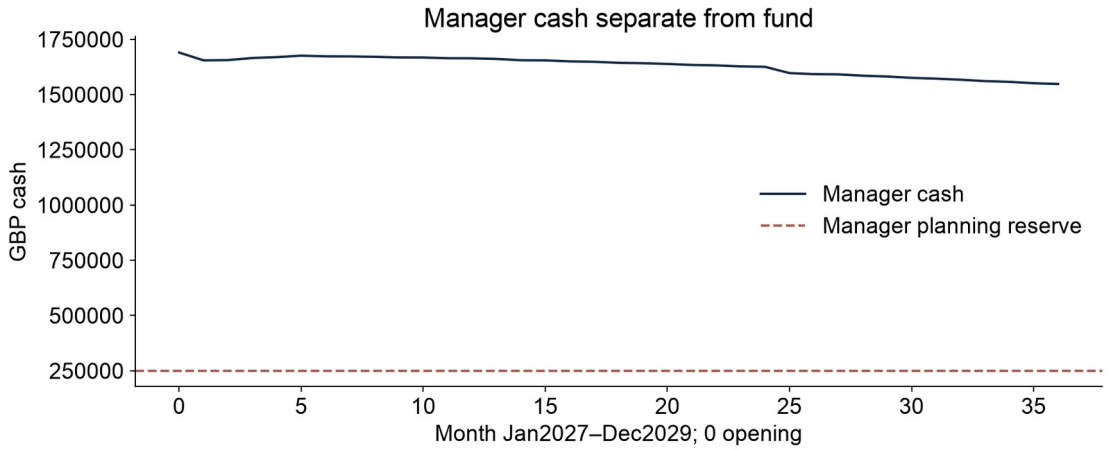
Manager GBP annual	2027	2028	2029
Manager total revenue	**600,000**	**600,000**	**600,000**
Paid payroll	410,400	422,712	435,393
Manager overhead	210,000	216,300	222,789
EBITDA	**(20,400)**	**(39,012)**	**(58,182)**
Depreciation	13,333	13,333	20,000
CIT provision paid	–	–	–
Net profit	**(33,733)**	**(52,345)**	**(78,182)**

43 / FINANCE

Cash flow and financial position

Base minimum manager cash is GBP 1,548,039 versus its GBP 250,000 reserve. Downside minimum is GBP 348,374 and cash funding gap is GBP 1,626 to preserve GBP 350,000. Upside minimum is GBP 1,635,804. Recapitalise or stop before a reserve or regulatory breach. Downside fund cash separately falls to GBP 455,455, requiring GBP 44,545 of additional liquidity to preserve its GBP 500,000 reserve. Calls are not accelerated or automatically financed. Require documented liquidity for future provider and fee payments before acquisitions or distributions; suspend them before a fund reserve breach.

Actual calendar daily invoice vintages govern receivables and payables, including long terms and February. Manager gross fee collections equal fund fee cash paid. Earned unpaid fees remain manager receivables and fund payables; neither entity receives fictitious cash. Negative cash remains visible without automatic financing.



Proposed operating assumptions.

Manager GBP annual	2027	2028	2029
Operating cash flow	**(26,045)**	**(38,579)**	**(53,737)**
Manager capex gross	–	–	24,000
Net cash movement	(26,045)	(38,579)	(77,737)
Closing manager cash	1,664,355	1,625,775	1,548,039
Fund maximum cash reserve shortfall	–	–	–

44 / FINANCE

Cash flow forecast months one to six

Receipts are gross fee cash collected from the fund; payroll and nonVAT overhead are paid immediately. VATable operating invoices follow actual calendar supplier vintages. Capex is paid immediately. Launch delay does not defer manager pay.

VAT credits carry forward with no cash refund. Positive prior VAT is remitted next planning month. This conservative financing proxy differs from normal quarterly UK VAT returns due one month plus seven days after period end and must be replaced for a statutory cash forecast [S10].

2027 month	Fee cash gross	Operating cash flow	Closing cash
Jan	1,935	(35,345)	1,655,055
Feb	54,194	1,235	1,656,290
Mar	65,806	9,365	1,665,655
Apr	58,065	3,945	1,669,600
May	61,935	6,655	1,676,255
Jun	58,065	(3,055)	1,673,200

45 / FINANCE

Cash flow forecast months seven to twelve

Receipts are gross fee cash collected from the fund; payroll and nonVAT overhead are paid immediately. VATable operating invoices follow actual calendar supplier vintages. Capex is paid immediately. Launch delay does not defer manager pay.

VAT credits carry forward with no cash refund. Positive prior VAT is remitted next planning month. This conservative financing proxy differs from normal quarterly UK VAT returns due one month plus seven days after period end and must be replaced for a statutory cash forecast [S10].

2027 month	Fee cash gross	Operating cash flow	Closing cash
Jul	61,935	(345)	1,672,855
Aug	60,000	(1,700)	1,671,155
Sep	58,065	(3,055)	1,668,100
Oct	61,935	(345)	1,667,755
Nov	58,065	(3,055)	1,664,700
Dec	61,935	(345)	1,664,355

Financial position summary

This table includes manager assets and liabilities only. Investor commitments, projects, distributions and partnership NAV belong to the fund. Manager gross receivables match fund gross management-fee payables. VAT credits, IT and deposit remain company assets.

The separate investment-stage fund schedule estimates cleared cash plus investment fair value less accrued manager-fee payable. It excludes unpaid calls through full impairment. Cash yield and marks are hypothetical; no statutory consolidated project accounts, lifetime return, carry waterfall, redemption or exit is provided. Before launch complete a ten-year fund model and formal valuation and accounting policies.

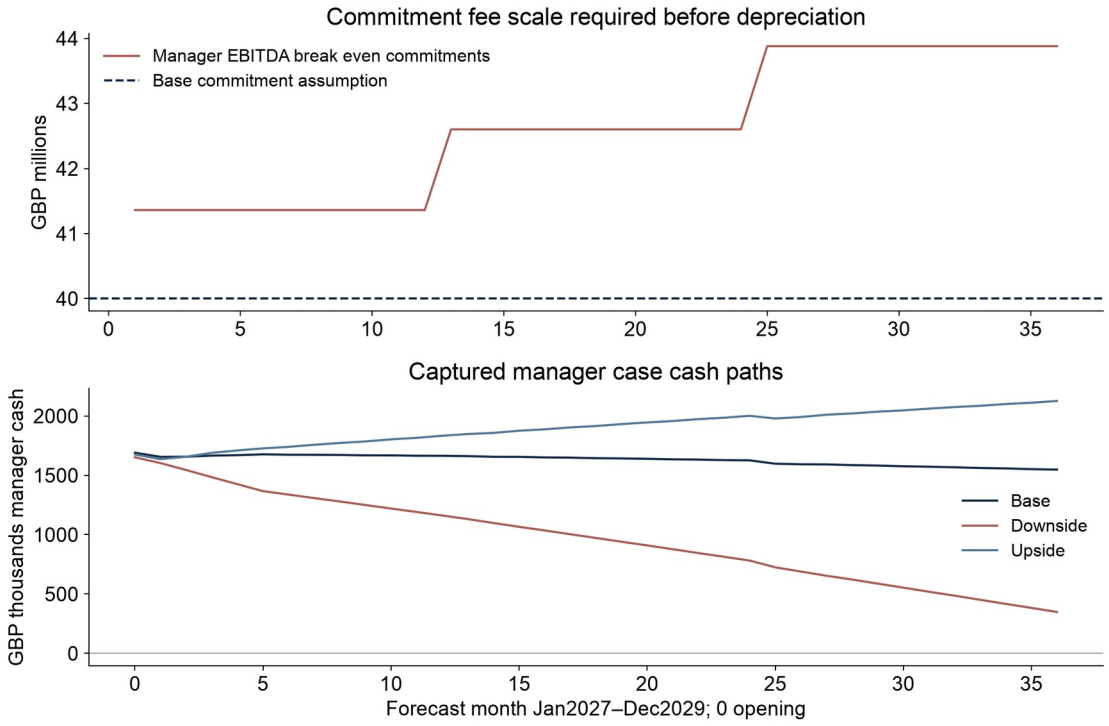
Manager GBP year end	2027	2028	2029
Closing manager cash	1,664,355	1,625,775	1,548,039
Gross fee receivables	58,065	58,065	58,065
VAT credit	–	–	–
Refundable deposit	12,000	12,000	12,000
Manager PPE net	26,667	13,333	13,333
Total manager assets	**1,761,086**	**1,709,173**	**1,631,436**
Total manager liabilities	**24,419**	**24,852**	**25,297**
Manager paid equity	2,000,000	2,000,000	2,000,000
Retained earnings	(263,333)	(315,679)	(393,861)
Total manager equity	**1,736,667**	**1,684,321**	**1,606,139**
Total manager liabilities and equity	**1,761,086**	**1,709,173**	**1,631,436**

47 / FINANCE

Break even and scenarios

Base recurring EBITDA break even requires GBP 41,360,000 commitments at 1.5%, versus the unvalidated GBP 40m target. Depreciation and tax would require more fee scale. This is a cost threshold, not investor demand.

Downside combines GBP 20m commitments, three-month launch delay,85% call collection, lower project yield, negative fair-value marks and higher paid costs. Its maximum indicative book-equity screen deficit is GBP 0. Own-funds and liquidity screens are simplified planning warnings, not regulatory certification. Captured cases become stale when any case input changes.



Proposed operating assumptions.

Case	2027 manager revenue	Minimum manager cash	Cash gap to reserve
Base	600,000	1,548,039	–
Downside	225,000	348,374	1,626
Upside	900,000	1,635,804	–

48 / FINANCE

Model guide and completion

Inputs selects1 Base, 2 Downside, 3 Upside. Fund separates commitments, calls, arrears, cash, acquisitions, distributions and estimated NAV. Fees contains earned manager income; Costs, Assets, WorkingCapital and Statements form the company forecast. Summary contains annual flows and year-end stocks. Cases holds captured comparisons and flags edits or blanks.

Retained JavaScript reproduces the workbook and results. Missing active drivers propagate unavailable outputs. Tests cover all cases, call caps/defaults, zero commitments, delay, long calendar invoice terms, valuation/yield changes, reserve limits and capped asset cohorts. Final-file and visual review records accompany the package. Approvals, paid funding, supplier terms, actual asset diligence and the ten-year fund model remain launch gates.

Completion item	Status
All48 topics and operating draft	Saved before financial integration
Monthly model and retained code	Three cases and36months
Fund and manager separation	Explicit with simplified scope
Launch permissions and funding	Evidence pending