Real Estate Fund Business Plan

Lea Industrial Fund London

Contents

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
Property and management product strategy....23
Pricing and property economics....24
Competitor price comparison....25
Brand and customer 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
Debt terms and property 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 / OPERATING PLAN

Executive summary

Lea Industrial Fund is a proposed five year closed-end London industrial property investment. It would acquire three separately titled existing estates, own 7200 square metres and appoint a separate paid management company. This is a feasibility plan for a prospective sponsor and professional investor review. No estate, tenant, investor or lender is committed.

Proceed only after commercial evidence, legal permissions and executable funding are established. The financial model separates rent, manager fees, mortgage debt and investor cash. It retains operating liquidity deficits and a dated exit waterfall rather than assuming rescue funding.

ref-v1 Base annual rent is GBP 2,332,800, 2,509,574, 2,612,360, 2,690,731, 2,771,453 in 2027 to 2031. Year five portfolio profit is GBP 734,772, December property cash GBP 5,130,683 and cost NAV GBP 25,612,027. Manager year five profit is GBP (67,908), with separate cash GBP 367,794. Downside minimum property cash is GBP (802,594), a GBP 1,802,594 reserve gap. Proposed funding remains uncommitted.

02 / OPERATING PLAN

Business details

The proposed registered office and management base are London. GBP is the reporting currency. Preparation is paid from October to December 2026, acquisitions open January 2027 and 60 operating months end December 2031. All names are working names.

A UK corporate property vehicle would hold the hypothetical estates. The manager has its own bank account, payroll, equity and VAT. Proposed professional investor equity is GBP 23 million, secured borrowing GBP 18 million and separate sponsor manager equity GBP 750000.

03 / OPERATING PLAN

Business concept and objectives

The mandate is existing industrial and logistics premises with lawful use, serviceable condition and identifiable tenant demand in London. Development, residential conversion and speculative planning gain are excluded.

The objective is documented net rent and a realizable terminal sale. Acquisition must meet title, environmental, rent, condition and funding gates. Preferred return and carry terms are assumptions for negotiation, not promised investment outcomes.

04 / OPERATING PLAN

Business model canvas

The fund provides premises to industrial occupiers while the manager provides documented leasing, maintenance and investor reporting. Property rent and management fee are separate revenues in separate companies.

The business model depends on paid tenant commitments, executable acquisition terms and sufficient initial capital. Sellers, lenders, property agents, valuers, solicitors and contractors are potential counterparties, with none engaged.



Figure Business model canvas. Proposed choices and evidence gaps. No observed demand or measured competitor ratings.

05 / OPERATING PLAN

SWOT and longer term goals

A narrow mandate and distinct cash records improve accountability. Three estates create substantial concentration, and a five year exit depends on buyer demand and mortgage repayment. Neither liquidity nor diversification resembles a widely diversified public security.

The longer term goal is to establish a repeatable evidence and reporting process. A successor fund would require its own record, legal clearance and funding; its proceeds do not support this forecast.



Figure SWOT and longer term goals. Proposed choices and evidence gaps. No observed demand or measured competitor ratings.

06 / OPERATING PLAN

TOWS strategy matrix

Use property records and transparent reporting to evaluate tenant fit and identify maintenance obligations before purchase. Record alternative rents, incentives and conditions rather than relying on advertised asking prices.

Vacancy, valuation and debt risks require lower leverage or additional committed equity before closing. Expansion waits for evidence. If service workload exceeds paid availability, the model pays incremental contractors.



Figure TOWS strategy matrix. Proposed choices and evidence gaps. No observed demand or measured competitor ratings.

07 / OPERATING PLAN

Owner and management

The sponsor would appoint a paid owner director, a paid property analyst and a paid operations coordinator. Each role is budgeted at 37.5 hours weekly. The owner controls capital decisions; analyst duties include leasing and reporting; coordinator duties cover maintenance and payment records.

Independent legal, tax, valuation, governance, agent and safety support is external. Actual AIF management permissions, delegation and board responsibilities must be agreed before investor contact or acquisition. The organisation diagram shows intended reporting rather than appointed people.

Paid manager and independent external support

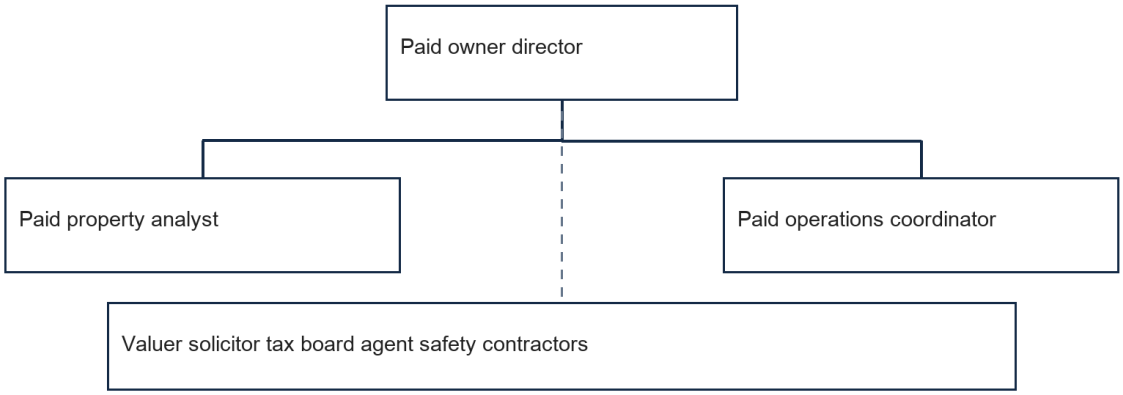


Figure Owner and management. Proposed choices and evidence gaps. No observed demand or measured competitor ratings.

08 / OPERATING PLAN

Owner and key personnel profiles

Founder credentials, investment track record, qualifications and fit and proper status are not provided. Hiring and professional reference checks remain required. No prior deal, tenant relationship or return history is asserted.

The director must demonstrate property investment and governance competence, the analyst must maintain cash and covenant reporting, and the coordinator must document suppliers and incidents. External advisers cover regulated and specialist work without being treated as unpaid employees.

09 / OPERATING PLAN

Target customers

Occupier customers are businesses seeking legally suitable industrial premises with loading access, acceptable lease terms and affordable total occupation cost. Separate investor customers are professionally advised investors able to accept concentrated illiquid capital exposure.

Tenant credit, fit and repair obligations must be assessed individually. Investor classification and lawful financial promotion must be established for each recipient; a professional label alone does not provide permission.

10 / OPERATING PLAN

Segmentation targeting and positioning

Segment tenants by unit size, loading, use rights, location, lease duration and credit quality. Target only an estate whose actual catchment supports the required occupations.

Investor segmentation considers liquidity horizon, concentration tolerance, governance needs and legal eligibility. The proposed position is a transparent private industrial portfolio with a defined terminal process, subject to commercial evidence.



Figure Segmentation targeting and positioning. Proposed choices and evidence gaps. No observed demand or measured competitor ratings.

11 / OPERATING PLAN

Value proposition canvas

Tenant jobs are to obtain suitable space and understand access, repairs and total charges. Unclear service obligations and slow defect response are hypotheses to test through interviews rather than observed complaints.

The offer is a lawful lease, documented condition and a named issue owner. Investor gains are distinct cash records and traceable fees; risks include illiquidity, valuation changes, tax and losses. These benefits do not establish willingness to pay.

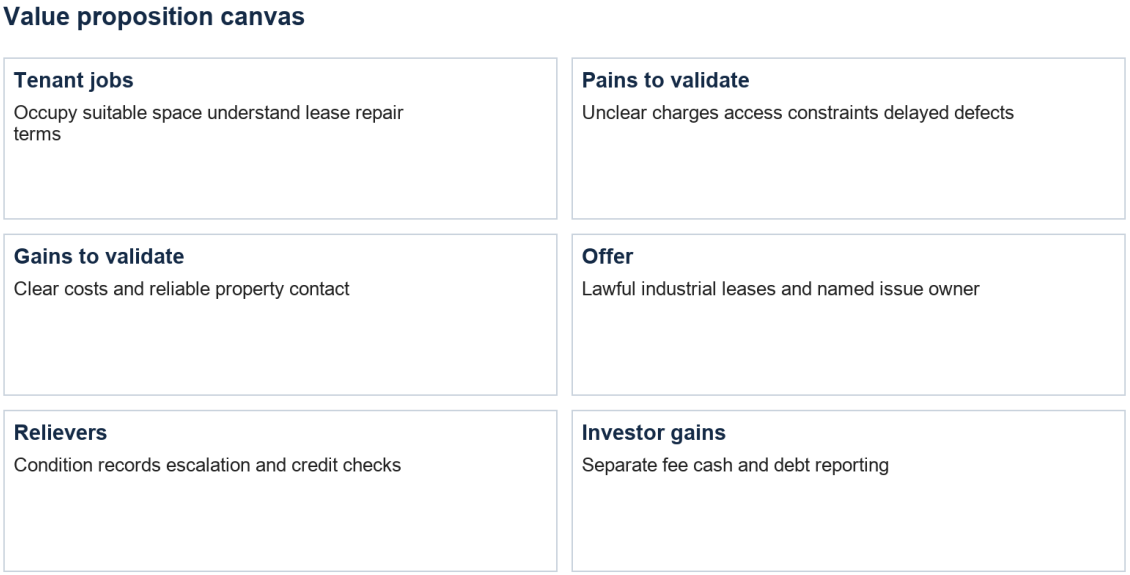


Figure Value proposition canvas. Proposed choices and evidence gaps. No observed demand or measured competitor ratings.

12 / OPERATING PLAN

Market size and trends

TAM means annual London spending on suitable industrial leases. SAM means the annual spend within the actual estate catchments, sizes and use classes. Neither monetary estimate has been validated.

SOM is the planned 7200 square metre physical capacity, not a demonstrated share of a market. A dated property and tenant survey must establish supply, achieved rents, incentives and affordable demand before a numerical market share is stated.

TAM SAM SOM scope and evidence

TAM unknown London suitable industrial rent spending annually	**SAM unknown** Actual estate catchment size use and affordability
SOM capacity 7200 sqm physical portfolio not measured market share	**Method required** Dated supply achieved rents incentives tenant evidence

Figure Market size and trends. Proposed choices and evidence gaps. No observed demand or measured competitor ratings.

13 / OPERATING PLAN

PESTLE analysis

Political and legal factors include planning, investment management regulation and tax changes. Economic factors include tenant failures, interest and buyer valuations. Social factors include access, jobs and neighbour impacts.

Technology supports payment controls and record keeping; it does not create lease demand. Environmental diligence must assess contamination, flood risk, energy performance, waste and repair obligations. Each factor feeds an acquisition condition or an operating task.

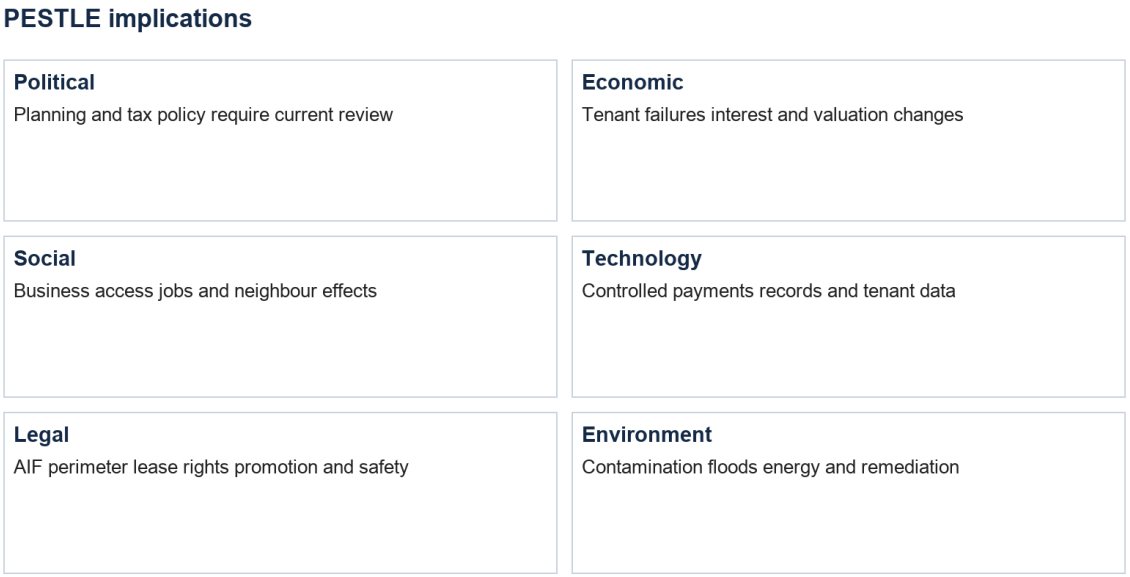


Figure PESTLE analysis. Proposed choices and evidence gaps. No observed demand or measured competitor ratings.

14 / OPERATING PLAN

Local demand and evidence

Official sources establish the relevant tax and investment management framework. There are no observed tenant interviews, site counts, actual lease comparables or acquisition quotations behind the forecast.

Obtain dated comparable transactions, condition surveys, title and planning reports, letting evidence, tenant covenant records and lender terms. Record contradictory evidence and revise assumptions. No visual in this plan represents fabricated observations.

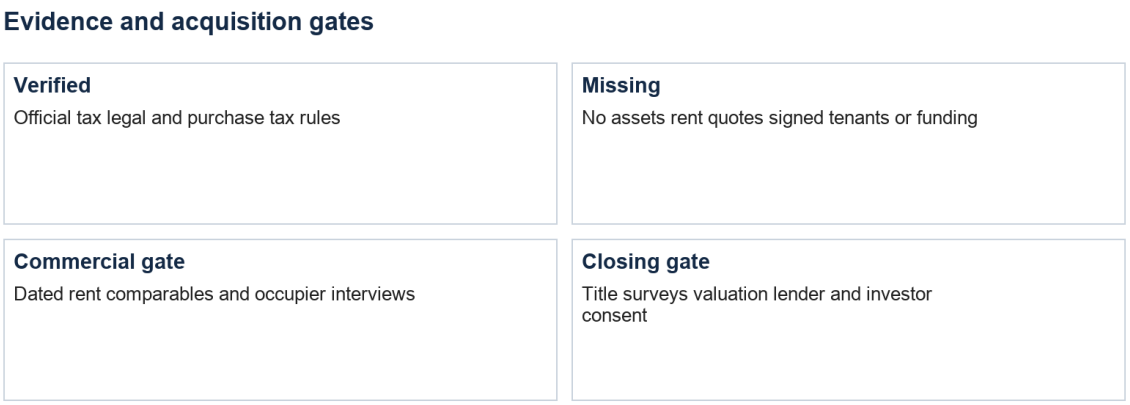


Figure Local demand and evidence. Proposed choices and evidence gaps. No observed demand or measured competitor ratings.

15 / OPERATING PLAN

Competitors and positioning

Competing options include existing local industrial premises, owner occupation, larger diversified funds and other illiquid investments. Specific alternatives depend on the actual catchment and investor mandate.

Compare lawful use, access, size, incentives, repair liability, vacancy and total cost using dated evidence. The strategy canvas records proposed priorities and generic alternatives, with explicitly illustrative judgement scores.

16 / OPERATING PLAN

Porter five forces

Rivalry concerns suitable local industrial space. Buyers are tenants and investors able to decline. Suppliers include sellers, lenders and technical advisers with negotiating power at closing.

Entrants need capital, lawful rights and management competence. Substitutes include existing premises, outsourced logistics and different assets. Responses are evidence led pricing, conservative finance and clear obligations rather than unsupported claims of a moat.

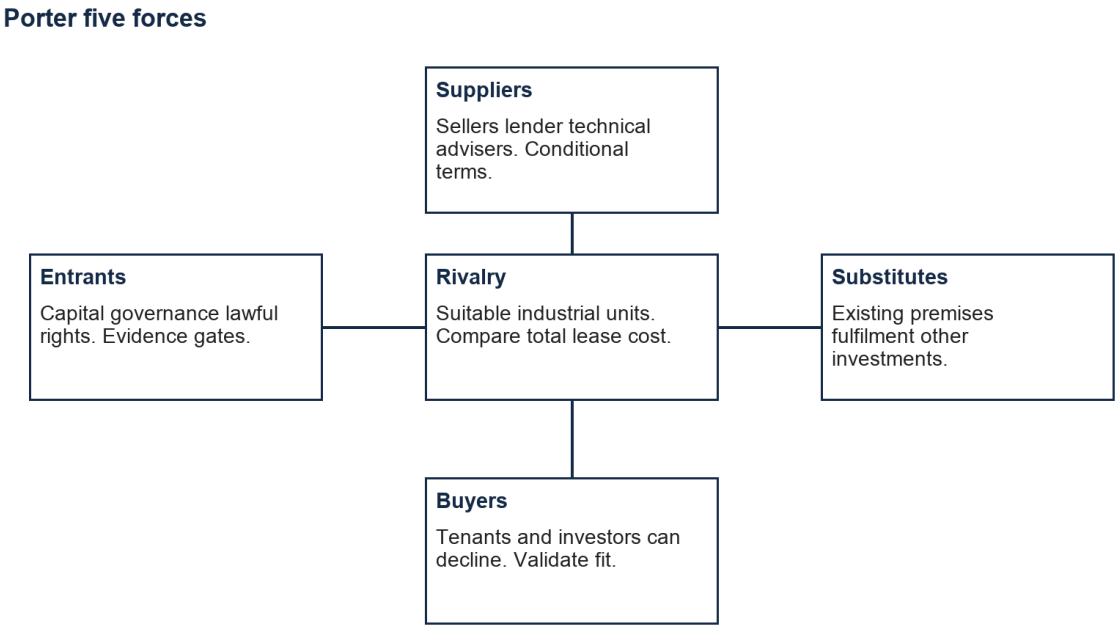


Figure Porter five forces. Proposed choices and evidence gaps. No observed demand or measured competitor ratings.

17 / OPERATING PLAN

Strategy canvas

The strategy canvas prioritizes cost transparency, industrial focus and disciplined debt. Concentration and liquidity score lower by design. These scores are proposed management choices, not measured competitor ratings.

Before adopting any comparative claim, gather comparable terms and obtain independent review. A useful positioning decision must remain consistent with the cash model and legal investor communications.

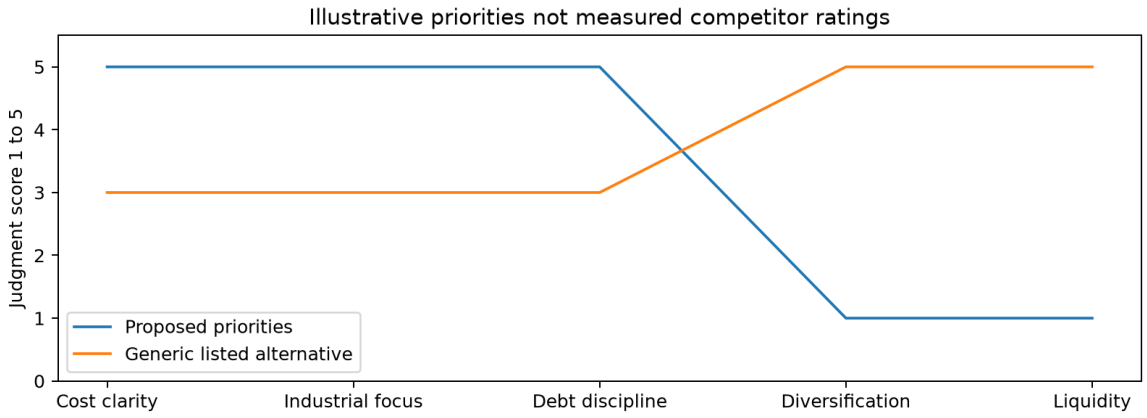


Figure Strategy canvas. Proposed choices and evidence gaps. No observed demand or measured competitor ratings.

18 / OPERATING PLAN

Location and premises

No site has been selected. Three hypothetical existing London freehold industrial estates each contain 2400 square metres and cost GBP 12 million. These numbers are model inputs, not valuations or offers.

Survey title, access, leases, building condition, contamination, flood and energy performance. Confirm any tenant security deposits and service charge obligations. The model assumes no acquired deposits or service charge receipts; actual documents would require additional liability schedules.

19 / OPERATING PLAN

Equipment and resource plan

The property vehicle capitalizes purchase price, separately calculated nonresidential SDLT and conveyancing. Recurring property capex is separately paid and capitalized. Investment properties use an explicit feasibility cost ledger, without invented fair value gains or depreciation.

The manager budgets GBP 6000 for IT with a 36 month life. Insurance, safety inspections, data controls and supplier access remain necessary. No supplier quote or automatic improvement in terminal sale price is implied by capex.

20 / OPERATING PLAN

Property and management product strategy

The tenant product is legally usable industrial accommodation. The investor product is a private five year closed-end corporate participation with explicit debt, expenses and liquidation economics. Neither offers daily redemption.

The manager sells asset management services to the property vehicle at an assumed 0.65 percent annual fee on initial purchase price, plus 20 percent VAT. This fixed basis does not grow with hypothetical sale value.

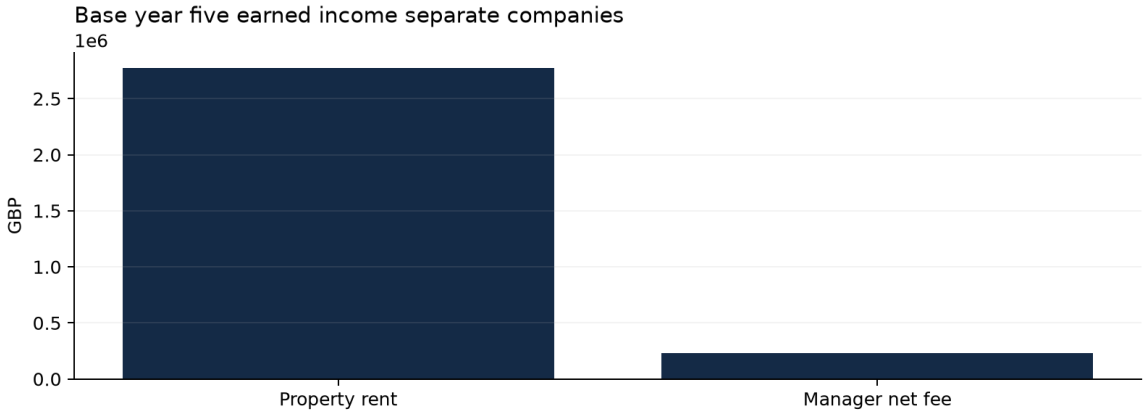


Figure Property and management product strategy. Source ref-v1 GBP January 2027 to December 2031. Corporate Base unless captured case stated.

21 / OPERATING PLAN

Pricing and property economics

Base rent is GBP 30 per square metre monthly before annual 3 percent assumed growth. Base average occupancy is 90 percent in year one, 94 percent in year two and 95 percent thereafter. One percent earned rent is modeled bad debt; 15 percent of collectible rent arrives the next month.

Rents are assumed exempt without an option to tax. Management VAT and property costs are gross unrecovered amounts. Actual leases, VAT options, deposits, rent free periods and collection terms would replace these simplifications.

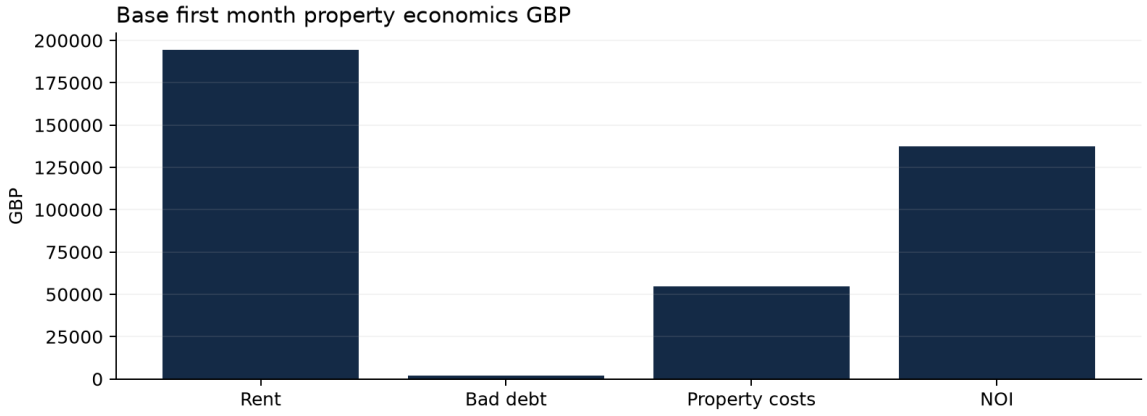


Figure Pricing and property economics. Source ref-v1 GBP January 2027 to December 2031. Corporate Base unless captured case stated.

22 / OPERATING PLAN

Competitor price comparison

No achieved competitor price comparisons have been gathered. An advertised price does not establish effective rent after incentives, repairs, service costs and vacancy.

Request comparable signed terms or independently supported achieved rents from the same catchment and period. Revise rent, occupancy and condition budgets together; do not infer a price advantage from the planning number.

23 / OPERATING PLAN

Brand and customer experience

The working identity is Lea Industrial Fund. Tenant experience should provide clear lease obligations, a named contact and recorded repair escalation. Investor experience should show fees, debt terms, conflicts and meaningful cash risks.

Marketing must avoid guaranteed returns, invented track records or implied regulatory approval. Claims require dated evidence and review by the responsible legal and compliance advisers.

24 / OPERATING PLAN

Sales channels and process

Tenant sales use property agents and direct qualified enquiries after legal and safety checks. Record requirements, viewings, negotiations, credit checks, signed leases and collected rent.

Investor contact begins only after perimeter and financial promotion clearance. Record recipient eligibility, disclosures, consents and actual committed capital. No social advertising funnel or public subscription is assumed.

25 / OPERATING PLAN

Launch marketing

The separate manager preparation expense includes an assumed GBP 15000 for targeted research and legally reviewed materials. This is not evidence of investor acquisition effectiveness.

Launch releases depend on appointed qualified advisers, approved communications, title and lender diligence, subscriptions and adequate paid capacity. Spending cannot bypass unresolved legal or commercial gates.

26 / OPERATING PLAN

Retention and ongoing sales

Tenant retention depends on premises fit, timely issue records and transparent lease obligations. Review arrears and credit deterioration monthly and plan renewal work before expiry.

Investor reporting should reconcile operating cash, mortgage balances, manager fees, capex and covenant proxies. Any additional capital or extension requires its own consent; the model assumes no automatic renewal or successor financing.

27 / OPERATING PLAN

Daily operations and suppliers

The coordinator logs repairs, contractor access and invoices; analyst reconciles rent and maintains arrears and cash records; owner approves commitments under documented authority. Separate bank accounts and dual payment review reduce conflicts.

Budgeted external site contractors and governance costs do not constitute supplier contracts. VAT and lease cost recovery require actual records. Emergency obligations need documented cover and approved liquidity before an asset is acquired.

28 / OPERATING PLAN

Sustainability practices

Acquire only after energy, flood, contamination and condition diligence. Track actual energy work, waste, water and contractor practices against lease responsibilities.

Recurring capex is a paid cash assumption rather than a sustainability outcome. No carbon reduction, certification, energy savings or valuation uplift is asserted without a baseline and measured evidence.

29 / OPERATING PLAN

Staffing and training

Three paid 37.5 hour roles provide 112.5 hours weekly. After 15 percent paid absence and 15 administration hours, productive availability is 80.625 hours against 60 required service hours for three estates.

The model pays external support for any shortfall at an assumed gross GBP 45 hourly, annualized over 52 weeks. Coverage, skills and emergency response must be contracted; headcount alone does not demonstrate workable on call cover.

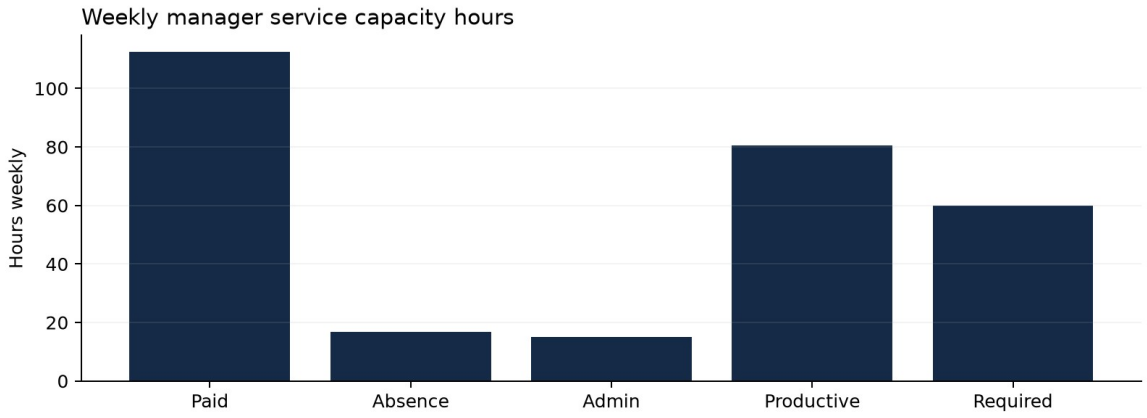


Figure Staffing and training. Source ref-v1 GBP January 2027 to December 2031. Corporate Base unless captured case stated.

30 / OPERATING PLAN

Staff skills and fair work

Pay is budgeted at GBP 6000 monthly for owner, GBP 4500 analyst and GBP 3500 coordinator. Employer NI uses the reviewed 2026 to 2027 15 percent rate above a GBP 5000 annual threshold; later years retain an explicit update assumption.

Employer pension is conservatively 3 percent of full gross pay with no Employment Allowance. Check actual ages, hours, eligibility, minimum wage, holiday and pension rules before hiring. Annual pay and cost inflation are 3 percent Base assumptions.

31 / OPERATING PLAN

Legal and insurance requirements

UK AIF management and marketing perimeter require specialist assessment. FCA sources describe registration and authorisation routes; no small manager eligibility or permission is assumed. The August 2026 reform consultation is a proposal, and legal advisers must check rules effective at launch.

Confirm corporate and investor documents, financial promotion permissions or applicable exemptions, AML, beneficial ownership, conflicts, valuation and custody requirements. Property insurance, statutory safety, leases and director responsibilities remain separate workstreams. No REIT exemption is modeled.

32 / OPERATING PLAN

Opening roadmap

October to December 2026 preparation pays owner three months, analyst two and coordinator one, plus loaded payroll, IT and legal work. Funding must be executable before acquisition in January 2027.

Closing gates are title, surveys, valuation, tenant evidence, corporate and AIF perimeter, investor documents, approved debt, insurance and funded capacity. Failure delays or cancels purchase; forecast dates are a planning calendar rather than promises.

33 / OPERATING PLAN

Risks and management actions

Main risks are unvalidated purchase and tenant assumptions, leverage and bridge liquidity, concentration, delayed sale, lease liabilities, manager costs and legal perimeter. Test failure must change acquisition decisions rather than merely adding a narrative caveat.

Negative interim cash means additional committed finance is needed before closing. A terminal surplus does not finance an earlier mortgage payment without an actual bridge agreement. Neither sponsor capital nor later investor contributions appear automatically.

34 / OPERATING PLAN

Research and evidence

Sources were reviewed on 3 October 2026 and are recorded in the workbook inputs and this plan. Official tax and FCA framework facts remain distinct from commercial assumptions. FCA consultation CP26/28 was published 14 July 2026 and updated 28 August 2026; proposed regime changes are not current permissions.

The real estate, real estate fund and exit waterfall reference workbooks informed driver layout and allocation controls; this model is a reference inspired rebuild. Their generic US benchmarks, subscription lines and validation ranges do not validate this London concept.

UK AIF manager perimeter: https://www.fca.org.uk/firms/aifmd-uk

Small registered AIFM eligibility: https://www.fca.org.uk/firms/aifmd/apply-registered-aifm

AIFM reform consultation August 2026: https://www.fca.org.uk/publications/consultation-papers/cp26-28-uk-aifm-regime

Nonresidential SDLT bands: https://www.gov.uk/stamp-duty-land-tax/nonresidential-and-mixed-rates

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

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

Property VAT exemption and option: https://www.gov.uk/guidance/vat-on-land-and-property-notice-742

Financial promotions: https://www.fca.org.uk/firms/financial-promotions-adverts

35 / OPERATING PLAN

Quotes and assumptions

No supplier, lender, property, legal, tenant or valuation quote has been obtained. All costs and fees are selected planning assumptions awaiting dated quotations or lawful terms.

Maintain a quote register with scope, VAT, validity, counterparty, exclusions and payment dates. Replace both the source arrays and narrative whenever verified costs or contractual obligations materially differ.

36 / FINANCE

Startup costs and funding

Proposed property funds are GBP 23 million equity and GBP 18 million secured debt. The manager proposes separate GBP 750000 sponsor equity. These are uncommitted sources, not money raised.

The startup schedule includes SDLT per separate transaction, conveyancing, fund legal and governance preparation, financing fee and separately paid manager setup. Opening cash is residual from identified sources and uses; no unexplained balancing item is added.

Base fund cash uses are GBP 38,608,500, leaving GBP 2,391,500 opening cash. Manager startup cash uses are GBP 132,615, leaving GBP 617,385. The opening cash balances are separate and include paid setup.

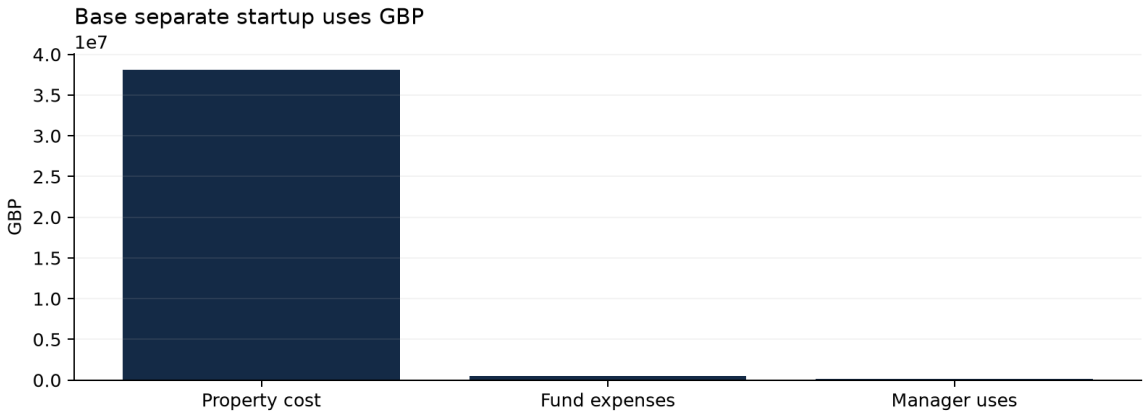


Figure Startup costs and funding. Source ref-v1 GBP January 2027 to December 2031. Corporate Base unless captured case stated.

37 / FINANCE

Itemized startup costs

Fund costs capitalize three purchase prices, purchase tax and conveyancing, while GBP 300000 fund preparation and a one percent debt fee are expensed and paid. Linked opening cash and retained earnings include these costs. SDLT is calculated per unrelated unlinked vendor transaction; linked acquisitions may have different tax and require a revised calculation.

Manager setup includes three paid owner months, two analyst months, one coordinator month, employer NI, pension, GBP 91000 other preparation and GBP 6000 capital equipment. Source assumptions distinguish gross cash and accounting expense.

Fund uses and sources	GBP
Purchase price total	36,000,000
SDLT total separate transactions	1,768,500
Conveyancing capital	360,000
Investment property initial cost	**38,128,500**
Fund paid preparation	300,000
Loan upfront fee	180,000
Fund startup expense	**480,000**
Fund total startup cash uses	**38,608,500**
Fund proposed total funds	**41,000,000**
Fund opening cash	**2,391,500**
Separate manager setup	**GBP**
Owner gross setup pay	18,000
Analyst gross setup pay	9,000
Coordinator gross setup pay	3,500
Employer NI setup	4,200
Employer pension setup	915
Total paid setup payroll	**35,615**
Other manager preparation	91,000
Manager setup expense	**126,615**
Manager IT capital	6,000
Manager total startup cash uses	**132,615**
Manager proposed equity	**750,000**
Manager opening cash	**617,385**

38 / FINANCE

Owner personal survival budget

Owner salary is paid by the manager and already included in payroll. An illustrative personal monthly budget assumes GBP 4080 take home from GBP 6000 gross, GBP 3500 household spending and GBP 580 surplus.

Take home is an assumed personal budget figure, not a PAYE calculation or employer cash saving. Confirm actual tax code, deductions and commitments. Sponsor manager equity and possible carry are separate from salary and cannot be treated as guaranteed household cash.

Illustrative monthly budget	GBP
Gross owner pay	6,000
Illustrative take home net	**4,080**
Household costs	3,500
Personal balance	**580**

39 / FINANCE

Debt terms and property security

The assumed GBP 18 million mortgage is interest only at 5.5 percent, with principal due in month 60 December 2031. The live schedule also tests earlier maturity. Security, fees and covenants require actual lender approval.

The proposed loan to value limit is 60 percent and NOI interest cover 1.5 times using distinct valuation and operating proxies. Violations block interim payouts. Default principal is retained until the December 2031 contemporaneous sale closing and paid once from sale proceeds, subject agreed lender release and executable funds flow. Earlier maturity must be paid from operating cash and can create an unfinanced bridge requirement. No automatic refinance is assumed. Current lender valuation is a separate selected input from the terminal sale price. Neither is an actual valuation.

40 / FINANCE

Revenue forecast and capacity

Rent equals rentable area times selected occupancy times selected monthly rent after any opening delay. Expected bad debt reduces collectible rent, and a receivable schedule distinguishes recognition from receipts.

Paid service workload and external support track actual inputs. Forecast capacity does not establish tenant demand. Occupancy caps at 100 percent; years four and five use the year three occupancy input while rent and costs continue annual growth.

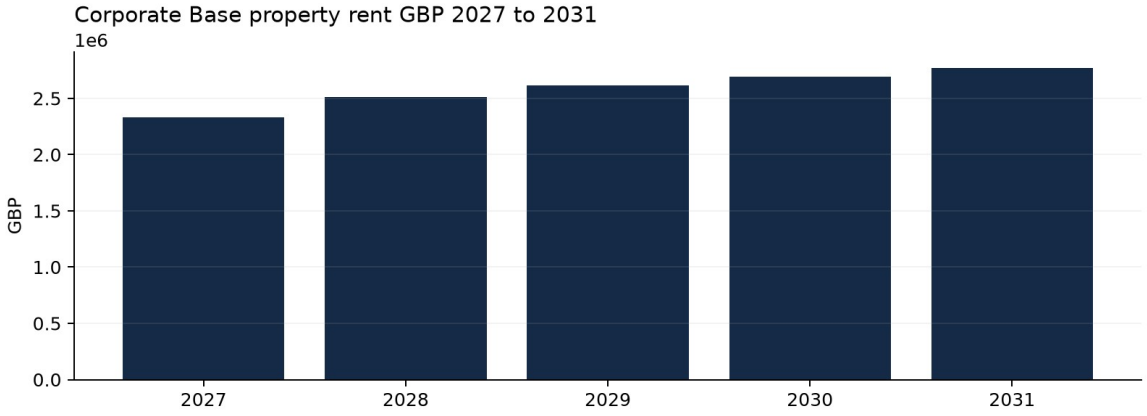


Figure Revenue forecast and capacity. Source ref-v1 GBP January 2027 to December 2031. Corporate Base unless captured case stated.

41 / FINANCE

Costs and projected profit

Property costs include fixed site services, variable costs, gross manager fee, governance, funded capacity support, mortgage interest, tax reserve and separately capitalized capex. The manager records fee revenue, loaded pay, overhead, IT depreciation and output VAT.

Positive corporate profit reserves 25 percent tax immediately, with no tax benefit from losses. Property tax and terminal disposal tax are conservative feasibility estimates; actual group, loss relief and payable timing require professional calculation.

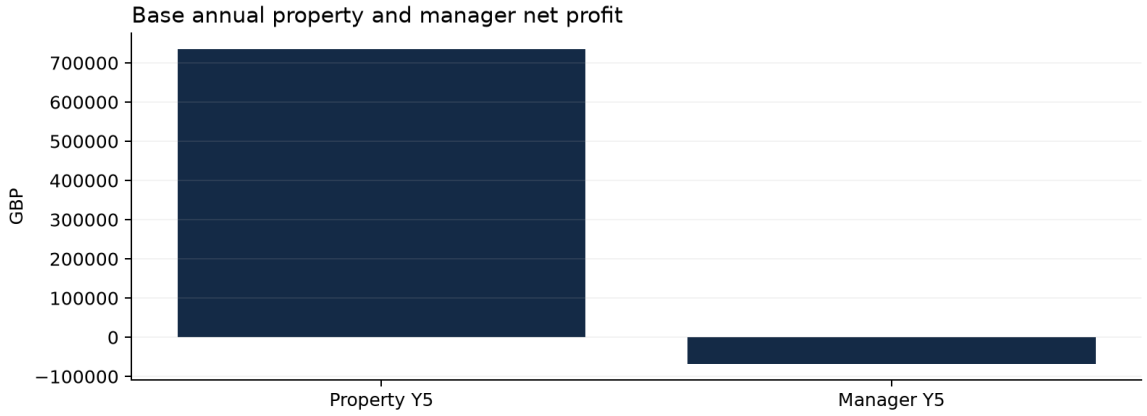


Figure Costs and projected profit. Source ref-v1 GBP January 2027 to December 2031. Corporate Base unless captured case stated.

42 / FINANCE

Profit and loss forecast

Five annual property and manager summaries link to all 60 months. Gross rent and bad debt are distinct from net rental income; capex and principal are cash transactions rather than P and L expenses.

Property cost accounts retain assets immediately before the separately modeled terminal liquidation. The manager remains a separate operating company. A feasibility cost NAV is not an audited fair value valuation or statutory distribution certificate.

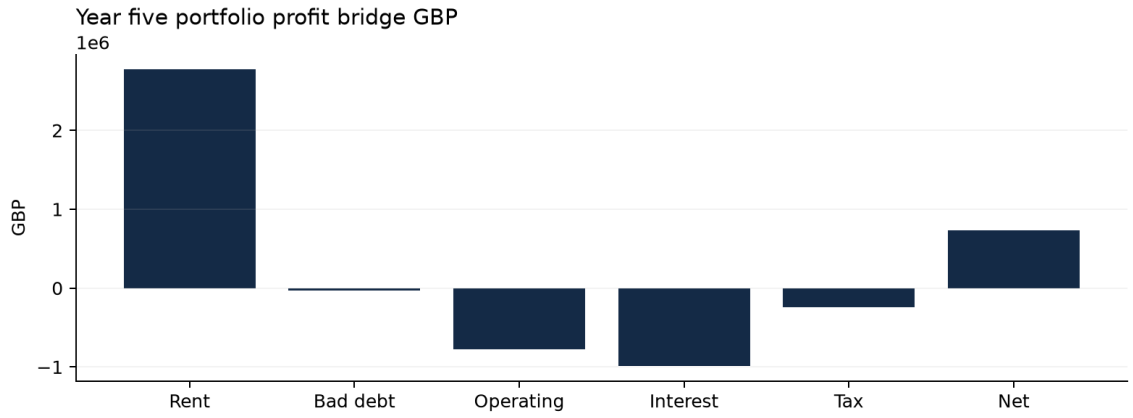


Figure Profit and loss forecast. Source ref-v1 GBP January 2027 to December 2031. Corporate Base unless captured case stated.

Property company GBP	**2027**	**2028**	**2029**	**2030**	**2031**
Gross rent	2,332,800	2,509,574	2,612,360	2,690,731	2,771,453
Bad debt	23,328	25,096	26,124	26,907	27,715
Net rental income	**2,309,472**	**2,484,479**	**2,586,237**	**2,663,824**	**2,743,738**
Property NOI	**1,651,392**	**1,804,401**	**1,891,431**	**1,956,598**	**2,023,720**
Governance	48,000	49,440	50,923	52,451	54,024
Extra support	–	–	–	–	–
Interest	990,000	990,000	990,000	990,000	990,000
Profit before tax	**613,392**	**764,961**	**850,508**	**914,147**	**979,695**
Tax reserve	153,348	191,240	212,627	228,537	244,924
Net profit	**460,044**	**573,721**	**637,881**	**685,610**	**734,772**
Gross distributions paid	**–**	**–**	**–**	**–**	**–**
Separate manager GBP	**2027**	**2028**	**2029**	**2030**	**2031**
Net fee revenue	234,000	234,000	234,000	234,000	234,000
Total paid payroll	**195,990**	**201,937**	**208,063**	**214,372**	**220,871**
Gross overhead	72,000	74,160	76,385	78,676	81,037
Depreciation	2,000	2,000	2,000	–	–
Manager net profit	**(35,990)**	**(44,097)**	**(52,448)**	**(59,049)**	**(67,908)**
Manager closing cash	**587,295**	**545,198**	**494,750**	**435,702**	**367,794**

43 / FINANCE

Cash flow and financial position

Monthly cash distinguishes rent receipts, operating payments, interest, tax reserves, capex, principal and lawful interim distributions. Balance sheets roll property costs, receivables, debt and accumulated earnings without a cash plug.

Default policy retains all interim distributable cash. December 2031 operating accounts show cash and debt immediately before liquidation. The terminal transaction sells properties, collects receivables, reserves disposal tax and wind up cost, and repays the remaining mortgage once before investor allocation. Simultaneous lender release and closing funds flow require actual agreement. Sale proceeds are not also counted in operating cash.

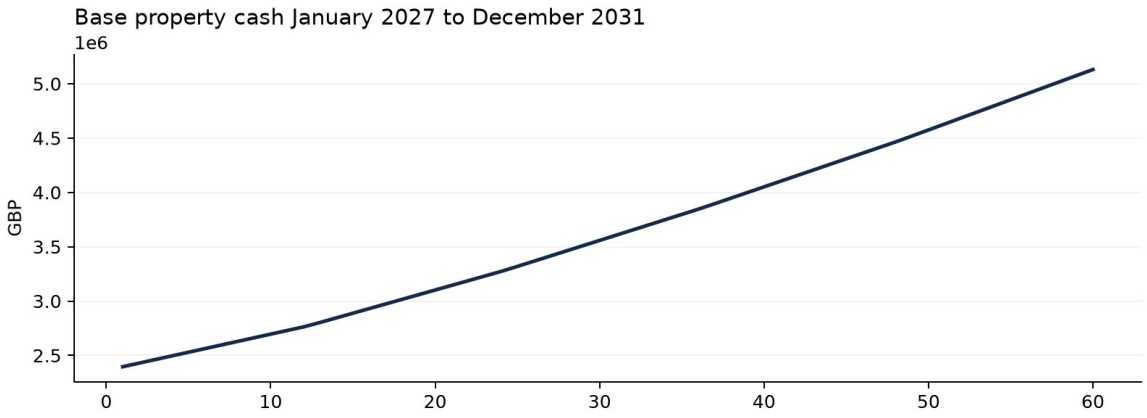


Figure Cash flow and financial position. Source ref-v1 GBP January 2027 to December 2031. Corporate Base unless captured case stated.

44 / FINANCE

Cash flow forecast months one to six

The first six monthly cash figures cover January to June 2027 and are calculated from the live Base case. Setup is already included in opening cash and is not expensed again.

Receivables delay rent cash without changing earned rent. Interest, tax and gross management VAT reduce available cash; capex creates property cost assets. Any deficit remains visible in closing cash.

GBP	Jan 27	Feb 27	Mar 27	Apr 27	May 27	Jun 27
Opening cash	2,391,500	2,395,969	2,429,306	2,462,643	2,495,980	2,529,317
Receipts	163,588	192,456	192,456	192,456	192,456	192,456
Operating costs	58,840	58,840	58,840	58,840	58,840	58,840
Interest tax	95,279	95,279	95,279	95,279	95,279	95,279
Operating cash flow	**9,469**	**38,337**	**38,337**	**38,337**	**38,337**	**38,337**
Capex	5,000	5,000	5,000	5,000	5,000	5,000
Distributions	–	–	–	–	–	–
Closing cash	**2,395,969**	**2,429,306**	**2,462,643**	**2,495,980**	**2,529,317**	**2,562,654**

45 / FINANCE

Cash flow forecast months seven to twelve

The next six monthly cash figures cover July to December 2027. They use the same rent, collection and paid cost schedules as the annual accounts.

Later years remain fully available in Excel through December 2031, including debt maturity. First year cash tables do not substitute for inspection of the full 60 month horizon.

GBP	Jul 27	Aug 27	Sep 27	Oct 27	Nov 27	Dec 27
Opening cash	2,562,654	2,595,991	2,629,328	2,662,665	2,696,002	2,729,339
Receipts	192,456	192,456	192,456	192,456	192,456	192,456
Operating costs	58,840	58,840	58,840	58,840	58,840	58,840
Interest tax	95,279	95,279	95,279	95,279	95,279	95,279
Operating cash flow	**38,337**	**38,337**	**38,337**	**38,337**	**38,337**	**38,337**
Capex	5,000	5,000	5,000	5,000	5,000	5,000
Distributions	–	–	–	–	–	–
Closing cash	**2,595,991**	**2,629,328**	**2,662,665**	**2,696,002**	**2,729,339**	**2,762,676**

46 / FINANCE

Financial position summary

Property assets comprise cash, collectible rent receivables and an explicit cost ledger for investment properties. Liabilities comprise secured debt, with operating tax conservatively paid or reserved immediately.

Manager assets comprise its own cash and net IT; output VAT is a next month liability. Sponsor equity and accumulated earnings reconcile separately. Negative cash or negative equity remains visible rather than being converted to promised funding.

Property closing GBP	**2027**	**2028**	**2029**	**2030**	**2031**
Cash	2,762,676	3,272,409	3,845,364	4,464,441	5,130,683
Receivable	28,868	31,056	32,328	33,298	34,297
Property cost ledger	38,188,500	38,250,300	38,313,954	38,379,518	38,447,048
Total property assets	**40,980,044**	**41,553,765**	**42,191,646**	**42,877,256**	**43,612,027**
Secured debt	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
Total liabilities	**18,000,000**	**18,000,000**	**18,000,000**	**18,000,000**	**18,000,000**
Paid investor equity	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000
Retained earnings	(19,956)	553,765	1,191,646	1,877,256	2,612,027
Total property equity	**22,980,044**	**23,553,765**	**24,191,646**	**24,877,256**	**25,612,027**
Liabilities plus equity	**40,980,044**	**41,553,765**	**42,191,646**	**42,877,256**	**43,612,027**
Separate manager closing GBP	**2027**	**2028**	**2029**	**2030**	**2031**
Cash	587,295	545,198	494,750	435,702	367,794
Net IT	4,000	2,000	–	–	–
Total manager assets	**591,295**	**547,198**	**494,750**	**435,702**	**367,794**
Output VAT	3,900	3,900	3,900	3,900	3,900
Total manager liabilities	**3,900**	**3,900**	**3,900**	**3,900**	**3,900**
Paid sponsor equity	750,000	750,000	750,000	750,000	750,000
Retained earnings	(162,605)	(206,702)	(259,150)	(318,198)	(386,106)
Total sponsor equity	**587,395**	**543,298**	**490,850**	**431,802**	**363,894**
Liabilities plus equity	**591,295**	**547,198**	**494,750**	**435,702**	**367,794**

47 / FINANCE

Break even and scenarios

Base, Downside and Upside share one live formula chain. Downside uses rent GBP 27, occupancy 70 then 75 then 80 percent, four opening lost rent months, 3 percent bad debt, 30 percent next month collections and 7.5 percent interest. Upside improves rent and occupancy within physical limits.

Snapshot comparisons disclose their build date and flag stale on any exact individual input change, missing value or compensating changes. Selected live output remains independent of a missing unselected input. Zero is a valid numeric driver. Missing selected data makes dependent results unavailable.

Base year five interest break even occupancy is 57.3%, before capex and distributions. Base final lender proxies are 50.0% LTV and 2.04 times NOI interest cover. Taxable corporate accounts remain the delivered basis.

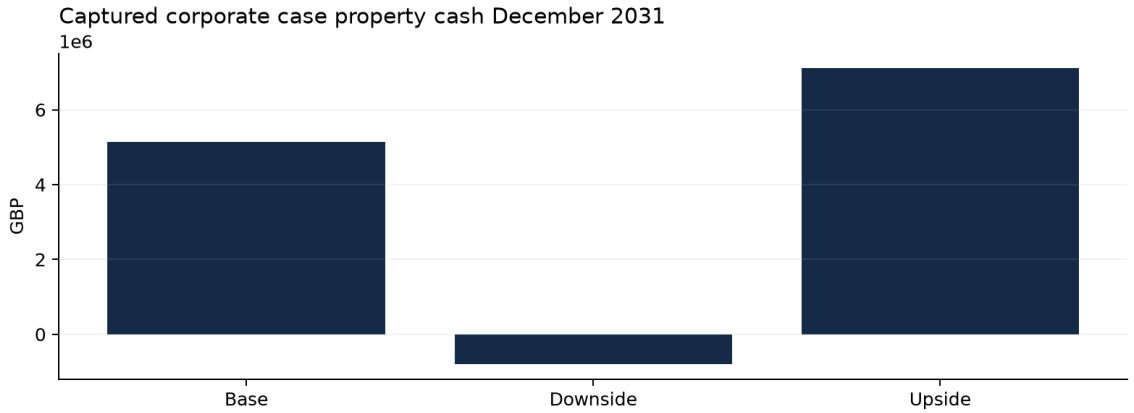


Figure Break even and scenarios. Source ref-v1 GBP January 2027 to December 2031. Corporate Base unless captured case stated.

Captured case	Low cash GBP	Investor proceeds GBP	Net MOIC	Dated XIRR
Base	2,391,500	27,105,741	1.18x	3.2%
Downside	(802,594)	5,536,662	0.24x	-23.7%
Upside	2,391,500	33,041,612	1.44x	7.1%

48 / FINANCE

Model guide and completion

Edit blue Base, Downside and Upside input cells and select case 1, 2 or 3 at Inputs F5. Live outputs and native charts recalculate. Cases are explicitly captured build snapshots with exact per input freshness.

To refresh retained code without losing changes, FIRST copy all desired Excel case values into financial model working input assumptions JSON, or run build_model.mjs --import-inputs with the saved workbook path using the verified import workflow. Rebuilding replaces workbook inputs with retained source values and resets selection to Base. Terminal investor cash includes all equity paid 1 October 2026 and actual month end distributions. Gross sponsor carry is separate from manager operating cash and personal taxes are excluded.

Base terminal liquidation GBP	Value
Gross property sale price	41,400,000
Gross selling costs	828,000
Net property sale proceeds	**40,572,000**
Positive disposal tax reserve	531,238
Closing operating cash	5,130,683
Closing rent receivable collected	34,297
Debt still outstanding after operating balloon	18,000,000
Final wind up provision	100,000
Cash after sale tax debt and wind up	**27,105,741**
Unfinanced liquidation cash deficit	–
Distributable terminal cash	**27,105,741**
Compounded dated hurdle terminal value	34,456,506
Sponsor gross performance allocation	–
Investor terminal net proceeds	**27,105,741**

Investor net MOIC 1.18 times and dated annual XIRR 3.2%. Terminal sale is an unquoted assumption. Simultaneous sale and lender release remain unconfirmed. Earlier maturity cash shortfalls require separately committed finance.