Timber Business Plan

Irwell Timber Supply Manchester

DOCUMENT GUIDE

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Manchester trade timber merchant
Planning basis reviewed 3 October 2026

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Executive summary

Irwell Timber Supply is a proposed Manchester trade merchant serving small builders, joiners and refurbishment contractors. It would stock structural softwood and sheet products already placed on the GB market, then provide scheduled collection, paid cutting and outsourced delivery. The reader is a prospective owner or funding reviewer considering whether to fund validation and a conditional 2027 launch.

Verified model v1.0 forecasts Base year-one net revenue GBP 1,105,060, EBITDA GBP 132,573 and net profit GBP 83,669. Proposed equity GBP 120,000 and debt GBP 100,000 are unsecured assumptions. Base minimum cash including opening is GBP 38,500; additional funding to protect the GBP 25,000 reserve is GBP 0. Downside minimum cash is GBP -231,537 and reserve funding requirement GBP 256,537. No automatic funding plug is included. The Downside cannot operate through this horizon without substantial new secured finance or a redesigned cost and sales plan. Launch remains conditional on buyer, safe-site, supplier and funding validation.

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Business details

Proposed trading name Irwell Timber Supply Ltd; legal incorporation and name clearance are outstanding. The proposed base is a leased Manchester industrial warehouse with safe goods access, serving a roughly 15 km delivery cluster. GBP is the operating currency. This is an ordinary merchant, not a timberland investment or forestry concession.

A single director would own cash approval, sourcing and trade relationships. The company would hold stock and invoice customers. Third-party carriers are paid by the company; their costs and delivery fees belong in its accounts. No estate land, standing trees, carbon credit revenue or speculative terminal land value is included.

03 / PLAN

Business concept and objectives

Offer a small traceable range with clear dimensions, grade and lead time, supported by cutting instructions and collection slots. Start with common softwood sizes and plywood/OSB sheet stock, rather than a broad catalogue that ties up cash. Structural-grade claims require supplier documentation; do not regrade or redesign structural timber.

Before lease signature, interview 25 potential trade buyers and collect written pilot orders with basket details. Before full opening, qualify two suppliers per main line and perform a site safety assessment. Proposed milestones are 125 opening monthly orders, 250 mature Base orders and a 320-order physical planning cap. These are validation targets, not observed demand.

04 / PLAN

Business model canvas

The proposed model depends on reliable UK wholesale partners, a suitable warehouse, trained staff, extraction and stock records. Activities are procurement, grade/document checks, safe storage, order preparation and cash collection. The value is a clear small-trade order process with job-ready cuts, not an unproven lowest-price promise.

Customers pay for timber, an optional cutting service and optional delivery. Relationships use named contacts and credit limits. Costs are stock purchases, staffing, premises, carriers and compliance. Cash is exposed to inventory days and customer credit even when reported profit is positive. The canvas is a proposal; none of its partner agreements are secured.

Partners UK wholesalers and carriers Accountant and safety adviser	**Activities** Buy check store prepare Quote collect and reconcile	**Resources** Owner operator coordinator Warehouse and equipment
Value Clear job specifications Scheduled prepared collection	**Relationships** Named trade contact Explicit credit and service terms	**Channels** Direct trade enquiries Phone email and local website
Customers Small builders and joiners Compact Manchester cluster	**Costs** Material payroll premises Carriers and compliance	**Revenue** Material baskets Optional cutting and delivery

Proposed merchant operating model; partners, buyer conversion and commercial terms require validation.

05 / PLAN

SWOT and longer term goals

Proposed strengths are a deliberately narrow range, explicit traceability and direct owner approval. These capabilities still need demonstration. Weaknesses are small purchasing scale, untested buyer conversion, dependence on three working people including the owner, and significant cash held in stock.

Potential opportunities are refurbishment orders and local building activity, supported only as context by R1. Threats are established merchants, timber price changes, late payments and serious workshop injury. A second warehouse is not in the forecast. Expand only after six months of repeat sales, safe operations and reserve compliance.

Proposed strengths	Weaknesses
Narrow range and direct owner Traceable order process	Scale and founder skills unproven Stock and credit cash exposure
Opportunities to validate	**Threats**
Local refurbishment buyers R1 construction activity	Established cutting offers Price changes injury late pay

Internal capabilities remain unproved; R1 construction context and R11–R12 competing services inform external hypotheses.

06 / PLAN

TOWS strategy matrix

Use the narrow range and documented order process to test repeat orders among small contractors. Pair written cutting tolerances with batch records to reduce disputes. Address weak purchasing power by consolidating scheduled orders and retaining alternative wholesalers.

Counter rivalry with credible collection dates and complete quotes rather than blanket discounts. Limit downside with credit caps, weekly cash review and no direct importing at launch. Reject unsafe cuts and undocumented structural substitutions even if this loses the sale. Each action follows the proposed SWOT rather than a scored competitor survey.

SO Pilot documented small job orders Invite measured repeat purchases	**WO** Validate buyer conversion first Consolidate wholesale purchases
ST Price clear specifications Enforce safe cutting tolerance	**WT** Cap credit and stock exposure No direct imports at launch

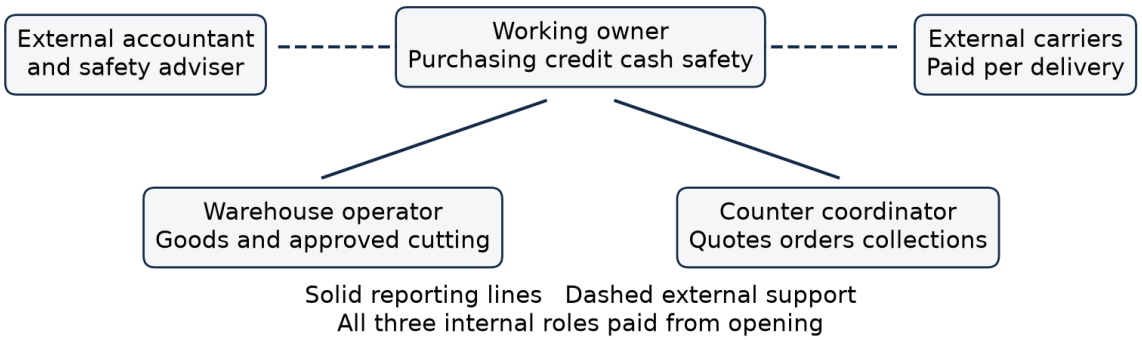
Proposed actions connect the stated strengths, weaknesses, opportunities and threats; pilot results should revise priorities.

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Owner and management

The working owner is proposed at 40 hours weekly and GBP 3,000 monthly gross remuneration. A warehouse operator at GBP 2,800 and a trade counter coordinator at GBP 2,500 monthly gross are employed from opening. Employer NI and pension allowances are additional. Their actual identities and relevant experience are not supplied.

The owner approves supplier onboarding, unusual credit, safety escalation and cash. The operator reports to the owner and handles goods, machine checks and cutting. The counter coordinator also reports to the owner and handles quotes, order files and collections. External accountant, safety adviser and carriers support the business without employee reporting lines.



Internal paid roles from opening; external support shown dashed.

08 / PLAN

Owner and key personnel profiles

No biographies or credentials are asserted. The proposed director must demonstrate timber purchasing, basic cash control and contractor account management or engage experienced support before launch. The warehouse operator must have machine-specific competence and appropriate handling training, documented through assessment.

The coordinator needs accurate unit conversion, order entry and credit follow-up skills. References and practical role tests are required before offers. The model includes the salaries but does not prove recruitment feasibility. An absence plan is required because the operator's authorised cutting role cannot be casually delegated to untrained cover.

09 / PLAN

Target customers

Primary buyers are small Manchester refurbishment builders and joiners ordering mixed, modest job quantities. Secondary buyers are local fit-out contractors and competent self-builders paying before collection. Large framework contractors are excluded initially because their pricing, delivery and long-credit requirements could dominate cash.

Customers are segmented by basket complexity, repeat frequency, payment reliability, distance and need for cutting. A measured willingness to pay for preparation must be established. The Base basket and monthly order count are modelling drivers, not proof of segment size.

10 / PLAN

Segmentation targeting and positioning

Target repeat small-trade buyers in a compact delivery cluster who value order accuracy and predictable collection. Require specification-ready requests and reasonable credit documentation. Take cash/card from new buyers and grant capped accounts only after satisfactory payment history.

Position the proposed merchant as a transparent job-order supplier with a limited range and documented cuts. Do not imply the named established merchants lack these services: R11 and R12 specifically show cutting offers. Differentiation must be tested with actual comparable quotes and service trials.

Segment	Target	Position
Frequency job complexity Distance and credit reliability	Repeat small trade buyers 15 km proposed cluster	Clear traceable job orders Limited range with paid services

Proposed buyer segmentation and 15 km target cluster; customer interviews must test the intended position.

11 / PLAN

Value proposition canvas

Customer jobs are obtaining correct dimensions and grade, coordinating material with a job schedule and controlling waste. Proposed pains are rework from incorrect preparation, collection uncertainty and fragmented invoices. These are hypotheses drawn from the operating process, not interview findings.

The offer combines confirmed specifications, batch-linked order records, clear lead times and separately priced cuts and delivery. Proposed gains are less jobsite preparation and clearer purchasing costs. Validate by asking buyers to compare an actual small-job order against existing merchants; track error rates and willingness to reorder.

Customer jobs	Pains to validate	Gains to validate
Correct grade and dimensions Material ready for job schedule	Incorrect cuts or unclear timing Fragmented order information	Less jobsite preparation Transparent total job cost
Products and services	**Pain relievers**	**Gain creators**
Batch linked specifications Quoted cuts and delivery	Confirm dimensions before cutting Agree ready time and one order record	Prepared materials reduce site work Itemised quote exposes total job cost

Six-field value proposition hypothesis: proposed products, pain relievers and gain creators match the customer jobs, pains and gains to validate.

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Market size and trends

TAM is annual 2027 net timber and sheet material spend by trade and project buyers in Greater Manchester. SAM is the portion addressable by this range and a roughly 15 km Manchester service area. Neither defensible spend estimate nor buyer count was obtained. No national figure is arbitrarily allocated to the city.

SOM is the operational forecast of monthly orders capped by handling capacity, not a validated share of TAM. A future bottom-up method is qualified buyer count multiplied by annual relevant baskets, with exclusions for large contracts and products not stocked. Obtain buyer and spend evidence before converting the scope chart into monetary market claims.

TAM scope 2027	SAM scope 2027	SOM operational target
Greater Manchester annual trade timber and sheet spend Monetary size unavailable	Relevant products and buyers in proposed 15 km cluster Buyer count unavailable	Uncapped target: 250/mo Physical: 320/mo Staff: 241.3/mo No measured market share

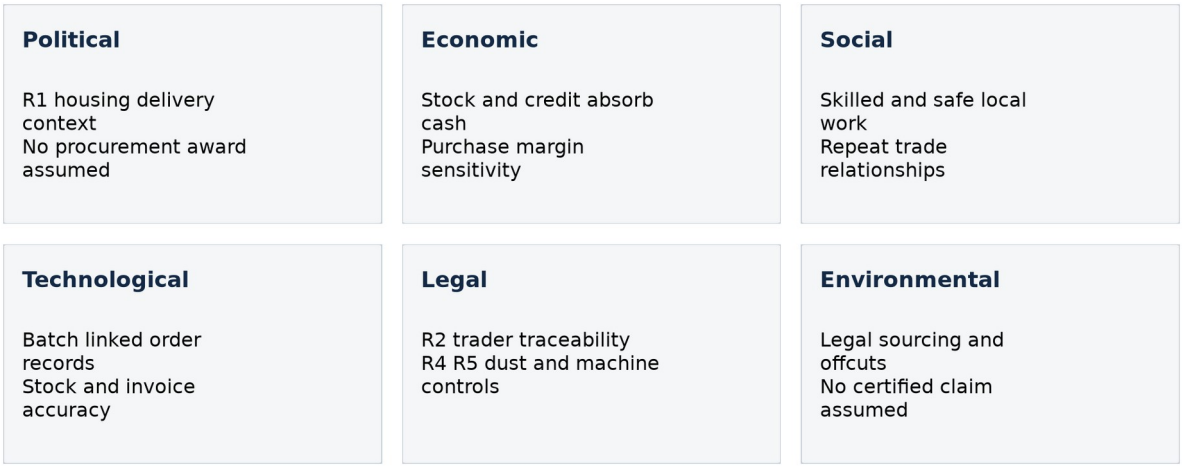
2027 market scopes, with missing monetary TAM/SAM estimates disclosed; fulfilled orders are constrained by staffing as well as physical capacity.

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PESTLE analysis

Political housing programmes provide context but do not award this merchant contracts. Economic exposure is purchase-price inflation and contractor payment delays. Social considerations are local skilled work and reliable trade relationships. Technology centres on specification records, stock visibility and access-controlled accounting.

Legal priorities are UKTR trader traceability, documented structural products, safe machine operation and ordinary company employment duties. Environmental priorities are legal sourcing, offcut separation and avoiding wasted deliveries. R3 signals evolving deforestation policy; obtain updated advice for the 2027 launch and any NI or EU trade.



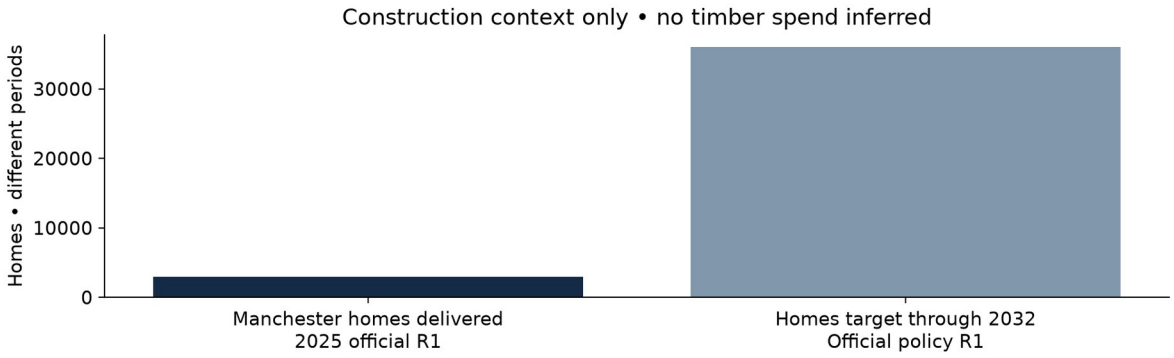
Six external factors combine cited official context with planning inferences; R1, R2 and R4–R5 provide the named evidence.

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Local demand and evidence

R1 records 2,993 new homes delivered in Manchester in 2025, within a 36,000-home strategy through 2032. This is an official construction activity indicator. It does not measure merchant timber purchases, material choice, spending per home or sales that this company can win.

Existing branch offers in R11–R13 show an established supply market and strong alternatives. Missing evidence includes repeat buyer interviews, quote conversion, product-level demand and seasonal order history. The plan uses a modest opening ramp and clearly assumed seasonality. Record results from the proposed pilot before changing those drivers.



Official Manchester housing context R1. Different periods; no customer demand or timber spend inferred.

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Competitors and positioning

Howarth Timber Manchester publishes a Glasshouse Street branch and cutting service. Jewson Manchester Central publishes cutting and milling at Beckford Street. Travis Perkins' own Manchester Central recruitment material describes a local builders' merchant with timber in its product scope. These are real named alternatives evidenced by R11–R13.

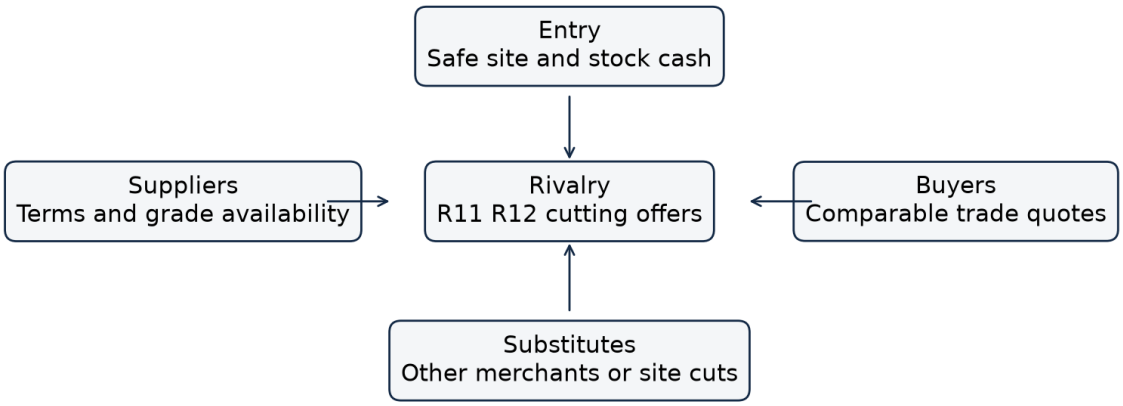
No branch service quality, credit terms, comparable basket prices or customer ratings were measured. Irwell's proposed range and preparation process overlap established offers. Its business case requires actual buyer preference and quote conversion, not invented competitor weaknesses. A small range may lose convenience sales to broad merchants.

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Porter five forces

Rivalry is material because at least two local merchants publicly offer cutting. Buyers can request multiple quotes; actual switching costs are unmeasured. UK wholesale suppliers set grade availability, pricing and terms, while this startup has no agreed buying leverage.

Substitutes include other merchants and contractor cutting at the jobsite. Entry requires working capital and a safe site; machine competence, traceability and credit discipline are practical barriers. The diagram and evidence-response table distinguish published evidence from concept-level inference. Do not read qualitative pressures as quantified market scores.



Five forces with specific evidence and operational responses below; unmeasured bargaining power is an inference.

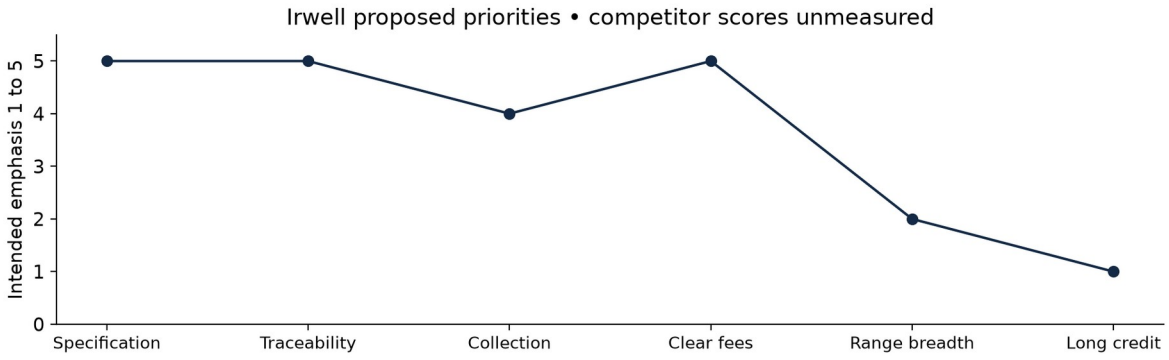
Force	Specific evidence or inference	Response
Rivalry	R11 and R12 publish competing local cutting services.	Test identical quotes and collection trials.
Buyers	Named alternatives exist; switching friction unmeasured.	Clear specifications and credit caps.
Suppliers	No supply contract; grade and terms depend on wholesalers.	Qualify two sources and record batches.
Substitutes	Other merchants and jobsite cutting are concept alternatives.	Sell preparation when value is demonstrated.
Entry	R2 and R4–R5 duties; cash/site barrier is inference.	Complete legality and safe-site gates first.

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Strategy canvas

The proposed priorities are specification accuracy, traceability, scheduled collection, transparent service charges and tight credit control. Product breadth and aggressive credit are intentionally limited. The retained chart shows management's intended emphasis on a one-to-five scale.

It does not compare observed competitor scores. Obtain identical basket quotes, collection lead times and published policies before adding named competitor lines. Price and service commitments should be updated together with the contribution model so an appealing offer does not conceal negative order economics.



Irwell intended emphasis on a 1–5 planning scale; no competitor scores or survey measurements are asserted.

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Location and premises

Assume a roughly 500 m2 warehouse and service yard in Manchester with net rent GBP 4,000 monthly, separate rates GBP 1,000 and a GBP 12,000 refundable deposit. No specific property or landlord quote has been secured. Evaluate vehicle access, dry storage, fire separation, noise, dust extraction discharge and customer separation from lifting operations.

Lease acceptance requires permitted use, planning checks, extraction installation permission, appropriate power and documented fire and workplace controls. The model does not assume rent relief, a free fit-out period or an occupancy VAT charge. Actual lease VAT, rates valuation and deposit terms must replace the assumptions before commitment.

19 / PLAN

Equipment and resource plan

Assumed net opening equipment GBP 65,000 comprises GBP 18,000 racks, GBP 16,000 cutting equipment, GBP 12,000 extraction, GBP 14,000 handling equipment and GBP 5,000 IT and security. These are budget allocations, not supplier quotes. The model uses a pooled 60-month straight-line life and zero residual value.

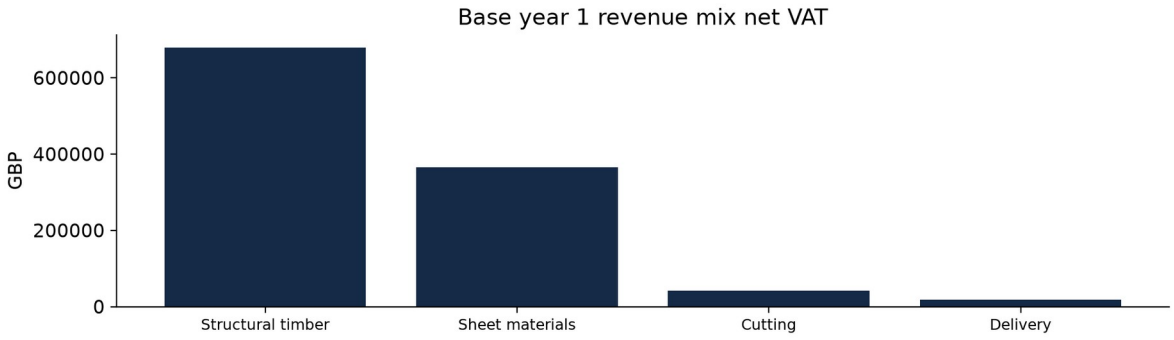
Obtain item-level specification, delivered installation cost, inspection obligations and useful lives. No owned truck is forecast; delivery is outsourced per order. Replacement capex GBP 8,000 net in month 24 is separate from routine maintenance. Commission extraction and guarding before any customer cutting work.

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Product strategy

Assume 65% of material revenue from structural softwood and 35% from plywood/OSB sheet products. The planning basket is an order equivalent, not a cubic metre or a claim that different grades have interchangeable prices. Dimensions, grade, moisture and treatment are explicitly recorded per line at quoting.

Cutting and delivery are optional services. Do not sell offcuts as structural-grade replacements without documentation. No chemical treatment plant, specialist joinery manufacture or direct log processing is included. Range additions require demonstrated turnover and separate cost and storage review.



Base 2027 net revenue mix; structural and sheet shares are assumptions.

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Pricing and order economics

Base material basket GBP 450 net, cutting GBP 30 on 60% of orders and delivery GBP 20 on 40% produce GBP 476 net average revenue per order before annual inflation. Material purchase cost is GBP 315 per order, initially 70% of material sales, cutting consumables GBP 3 on each cut order and carrier cost GBP 25 per delivery.

Base average net basket is GBP 476 including optional service attachment. Month 18 verified contribution is GBP 148.86 per order after material, cutting consumables, carriers and bad debt. Price, volume and mix remain unquoted hypotheses. Year-two purchase cost and selling price escalation differ, so margins are not assumed constant. Actual grade-specific supplier quotes are required.

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Competitor price comparison

The comparison set is Howarth Manchester, Jewson Manchester Central and Travis Perkins Manchester Central. Comparable delivered basket prices are unavailable. Website evidence confirms competing product and service scope but not negotiated trade prices, VAT basis or like-for-like grade.

Before launch, request the same dated bill of quantities from each branch: exact grade, dimensions, quantities, cuts, delivery postcode and account terms. Record net goods, cutting, delivery, VAT and total separately. Retain actual quotes internally and remove expired ones. No synthetic price rankings appear in this plan.

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Brand and customer experience

The proposed Irwell name is subject to company, trademark and domain checks. Branding uses plain specifications and a clear order confirmation. Customers receive quantity, grade, cut tolerance, service charges, collection slot and payment terms in one record before work begins.

Inspect cut pieces before release; record customer acceptance and handle errors with a documented remedy process. No satisfaction rating is asserted. Complaint rate, incorrect picks and repeat order share will be measured after opening. Staff must be free to stop unsafe work rather than preserve a delivery promise.

24 / PLAN

Sales channels and process

Use direct trade outreach, telephone/email quotes and a simple product enquiry website. The owner qualifies accounts; the coordinator creates a written quote, confirms stock, takes payment or checks credit, then releases an approved job to the warehouse. The operating model recognises revenue when the goods and service are delivered.

No national ecommerce fulfilment or marketplace fee is included. An outsourced carrier receives a confirmed job and delivery proof. Base customer gross receivables use a 35% month-end lag share; this approximates short trade credit rather than an agreed credit policy. Longer credit must be tested against cash before approval.

25 / PLAN

Launch marketing

Assume GBP 15,000 total net expensed setup including legal formation GBP 3,000, training/safety commissioning GBP 5,000, site/launch materials GBP 4,000 and opening administration GBP 3,000. Thereafter Base marketing is GBP 750 monthly. No purchased lead or endorsement is claimed.

Prioritise direct interviews, a trade counter demonstration and a tightly scoped local enquiry page. Track qualified enquiry, actual quote, paid order and repeat order separately. Commit later marketing only if contribution after acquisition cost and cash collection support it. Do not count interview participants as customers.

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Retention and ongoing sales

After each job, confirm preparation accuracy and invite the next order. Keep trade-specific preferences in access-controlled records. Follow-up is attached to actual jobs and consent, not a fabricated mailing list. The owner reviews lapsed repeat accounts and reasons for lost quotes monthly.

Avoid blanket credit extensions as a retention device. Proposed KPIs are repeat share, average basket contribution, on-time collection, overdue balance and stock ageing. Targets require baseline data. The forecast's annual 5% Base order growth is an assumption and is limited to 320 physical orders and 241.3 orders by net paid staff capacity.

27 / PLAN

Daily operations and suppliers

At receipt, verify purchase order, grade documents, damage, batch and quantity. Store stock dry with safe rack loading; rotate by condition and demand. The operator performs pre-use checks and cutting only from an approved ticket. End of day reconciles stock releases, receipts, cash and open orders.

Procure from two qualified UK wholesalers per category, with assumed 7–14 day replenishment and 15-day supplier credit capped at current purchases. No supplier is represented as contracted. Carrier arrangements need safe loading instructions and insured delivery terms. Closing stock cover is 45 days of material COGS; actual SKU stock must be checked weekly. If target cover falls, closing stock cannot fall faster than actual material consumption; no disposal proceeds or unexplained stock write-off are introduced.

Sustainability practices

UKTR legality and traceability are minimum duties, not a certificate. Buy already placed GB stock with evidence; make FSC/PEFC claims only after appropriate chain-of-custody authorisation and invoice evidence. No certification or carbon saving is claimed for the proposed company.

Separate reusable clean offcuts from treated or composite waste, use licensed disposal and record weights after launch. Consolidate delivery routes without promising an unsupported emissions reduction. Stock ageing and accurate cutting reduce waste commercially. Any future direct import requires a new legal and due-diligence process.

29 / PLAN

Staffing and training

Base and all cases retain the same three paid roles from opening: owner, warehouse operator and counter coordinator. There is no unpaid founder labour hidden in costs. The staffing plan assumes 40 weekly hours each and includes NI plus pension allowances. No overtime or weekend opening is forecast.

Train for specification entry, manual handling, safe racking, forklift/handling equipment and machine-specific tasks. Use competency assessment and refresher records. Estimated order preparation is 1.5 hours per order plus 80 monthly receiving/administration hours across the team. This capacity proxy does not replace a safe roster or leave-cover plan. The model reserves 15% Base/Upside and 20% Downside paid hours for absence and training; sales cannot exceed remaining productive hours after fixed work.

30 / PLAN

Staff skills and fair work

The owner must budget for paid leave, sickness, training and safe cover. Gross wages are unquoted role budgets and do not establish minimum-wage compliance for every overtime pattern. Hiring checks must use the actual contract and current law. The model's 3% pension charge on all gross payroll is a conservative simplification.

NI uses 15% above a GBP 5,000 annual threshold per person and holds it constant as a forecast assumption. Employment Allowance relief is omitted. The operator has a clear stop-work authority for dust, guarding or handling hazards. A qualified replacement or rescheduling is required during absence.

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Legal and insurance requirements

Obtain incorporation, employer/PAYE registration, VAT registration, site use checks, written trading terms and competent workplace risk assessment. Timber grade and product documentation must remain linked to invoices. R2–R5 inform traceability and dust control; changing rules must be checked before opening.

Assume GBP 300 monthly insurance for public/product liability, employers liability and stock/property risks, subject to underwriting. Confirm machine operations, lifting, transit, business interruption and any contract warranties are covered. No insurance quote or statutory approval is claimed. Data protection and customer credit checks need lawful processes.

32 / PLAN

Timber traceability and product controls

The launch model is a GB trader purchasing timber already placed on the market. Record supplier identity, batch/species/product descriptions and downstream trade customers, retaining evidence for at least five years where UKTR requires it. R2 and its linked official guidance distinguish trader records from operator due diligence.

The owner approves every new supply chain and blocks goods with missing documentation. R3 states intended regulatory strengthening, so this classification is a launch gate requiring updated advice. No direct imports, NI supply or EU cross-border activity is forecast. New territory or sourcing requires an updated plan and budget.

33 / PLAN

Credit control and stock discipline

New customers pay before collection until credit is approved. Proposed accounts require company checks, an explicit limit, dispute handling and an overdue stop. The Base 35% receivables lag and 15-day supplier credit are economic assumptions, not automatic rights to borrow from suppliers.

A 0.5% revenue bad-debt charge is modelled with an equal monthly cash-collection shortfall; no tax/VAT bad-debt relief is assumed. Inventory cover is 45 days of material COGS. Review stale lines weekly and reduce reordering before treating any stock as cash. No asset-based revolving facility is assumed to fill a shortfall.

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Opening roadmap

Months before opening: obtain buyer interviews, dated quotations, legal classification and candidate property review. Proceed to lease and equipment only after safe-use and funding gates pass. Commission extraction and systems, train staff, receive traceable stock and run paid pilot orders before full launch.

The forecast assumes January 2027 trading, with startup spending immediately before it. No signed launch timetable exists. Delay would require additional preopening wages/rent and a revised cash forecast; the current model does not conceal that exposure. Stop if safe operation, documented stock, funding or repeat-order evidence is missing.

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Risks and management actions

Primary risks are low repeat orders, purchase margin erosion, overdue trade accounts, stock damage and serious injury. Weekly controls are order contribution, aged receivables, inventory cover, bank headroom and machine/LEV checks. The owner is responsible for corrective action, supported by competent external advisers.

Escalation assumptions: stop new credit when any account is overdue beyond its agreed limit; review purchasing if cash approaches GBP 25,000; reduce range before discounting below contribution; stop machinery on a safety defect. These are proposed policies requiring a realistic implementation review. No risk score substitutes for evidence.

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Research and evidence

The sources below were reviewed on 3 October 2026. They establish local construction context, current published duties and named competitor scope. Forward tax rates, costs, site, sales and staff availability remain assumptions. Official policy statements are not treated as already enacted local approvals.

Retained research data records URLs and the specific claim used. No supplier quote, customer interview, observational footfall or competitor quality rating is present. Complete the validation work before committing capital. The demand chart uses official housing deliveries and clearly avoids an inferred timber spend estimate.

R1 Council report dated 14 January 2026: 2,993 homes delivered in 2025 and 36,000 target through 2032. Construction context, not timber purchases or a customer pipeline.
https://www.manchester.gov.uk/news-stories/2026/best-year-yet-delivering-manchesters-housing-strategy

R2 GB traders retain upstream and downstream trader identities. Operators first placing products must perform legality due diligence. The concept buys stock already placed on GB market.
https://www.gov.uk/guidance/regulations-timber-and-flegt-licences

R3 Policy updated 2 September 2026 states intention to strengthen UK timber rules. Monitor implementing law before 2027 launch; NI/EU rules require separate assessment.
https://www.gov.uk/government/publications/the-uks-approach-to-deforestation-regulations/the-uks-approach-to-deforestation-regulations

R4 HSE requires control of wood dust; hardwood and mixed wood dust WEL 3 mg/m3. Assess dust controls and health surveillance with competent adviser.
https://www.hse.gov.uk/coshh/industry/woodworking.htm

R5 HSE WIS23 describes extraction design, maintenance and thorough examination testing, normally annually with legal maximum 14 months.
https://www.hse.gov.uk/pubns/wis23.pdf

R6 Current 2026–27 employer NI standard rate 15% and annual secondary threshold £5,000. Model holds these as future planning assumptions, omits Employment Allowance and adds conservative 3% pension on all gross pay.
https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2026-to-2027

R7 Finance Act 2026 sets financial year 2027 main corporation tax rate 25% and small profits rate 19%. Model uses conservative 25% positive monthly profit provision without marginal relief or loss benefit.
https://www.legislation.gov.uk/ukpga/2026/11/part/1/crossheading/corporation-tax-charge-and-rates/made?view=plain

R8 VAT standard rate is 20%. The forecast applies 20% to timber, cutting, delivery and eligible costs, with occupancy VAT excluded pending actual lease.
https://www.legislation.gov.uk/ukpga/1994/23/section/2/2026-06-29

R9 Typical small-company corporation tax payment is nine months and one day after accounting period end. Forecast pays each prior year's provision in October.
https://www.gov.uk/pay-corporation-tax

R10 VAT payment and return usually due one month and seven days after period end. Model deliberately uses monthly net settlement with carried credits and no refund; replace with real filing calendar.
https://www.gov.uk/submit-vat-return

R11 Howarth Manchester at 2 Glasshouse Street M4 5HD publishes timber cutting and trade opening hours. Its cutting offer overlaps this concept; no quality or price rating inferred.
https://www.howarth-timber.co.uk/branches/manchester/

R12 Jewson Manchester Central publishes Beckford Street location and on-site cutting and milling facilities. It is an evidenced local alternative; comparable quotes unavailable.
https://www.jewson.co.uk/branch-finder/manchester-central-branch

R13 Travis Perkins own careers page identifies Manchester Central branch and building products including timber. Branch price, service speed and stock availability were not verified.
https://www.tpplccareers.co.uk/job/branch-manager-in-manchester-jid-43274

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Quotes and assumptions

Outstanding quotes are warehouse and rates, installed cutting/extraction/handling equipment, timber baskets by grade, carriers, insurance, software and professional services. Obtain comparable net/VAT/gross terms and dates. Finance requires actual equity evidence and a lender offer before any draw is treated as available.

Model assumptions are not quoted costs. The pooled equipment life, current NI held forward, conservative tax provision, monthly VAT proxy, stock cover, collection share and purchase-credit cap must be replaced with evidence. Each replacement must propagate to Excel, results JSON, Word tables and visuals together.

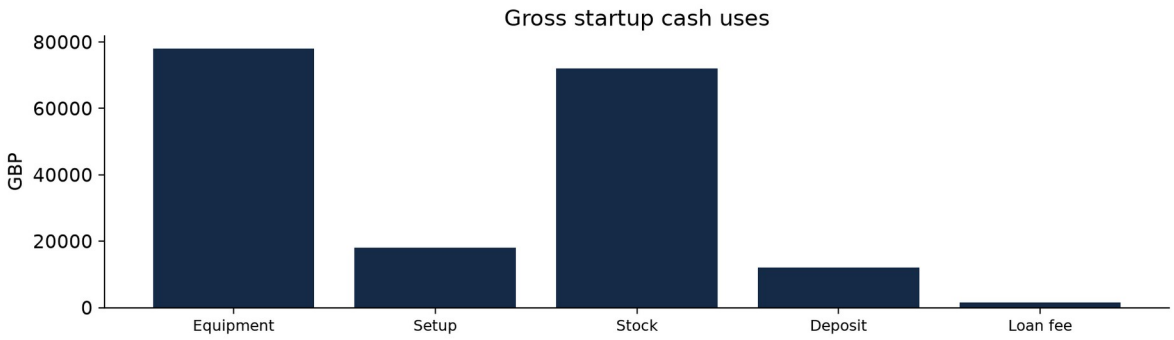
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Startup costs and funding

Assumed equipment GBP 65,000 net, setup expenses GBP 15,000 net, opening inventory GBP 60,000 net and refundable deposit GBP 12,000. VAT on equipment, setup and inventory is paid at startup and carried as a recoverable credit without a refund.

Gross startup uses are GBP 181,500: equipment, expensed setup, stock, refundable deposit, recoverable VAT and the loan fee. Proposed funds GBP 220,000 leave opening cash GBP 38,500. Minimum initial sources to retain GBP 25,000 at opening are GBP 206,500. Across the horizon, Base additional reserve funding is GBP 0; Downside is GBP 256,537. These amounts are requirements, not received funding.

GBP startup cash	Net	VAT	Gross
Equipment net	65,000	13,000	78,000
Setup expense net	15,000	3,000	18,000
Opening inventory net	60,000	12,000	72,000
Refundable deposit	12,000	—	12,000
Loan arrangement fee	1,500	—	1,500
Total gross uses	**—**	**—**	**181,500**
Target reserve	—	—	25,000
Minimum initial sources	**—**	**—**	**206,500**
Proposed sources GBP			**Amount**
Owner equity			120,000
Term debt			100,000
Total proposed funding			**220,000**
Opening operating cash			38,500



Base gross startup cash uses from verified model v1.0.

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Itemized startup costs

Equipment budgets are racks GBP 18,000, cutting GBP 16,000, extraction GBP 12,000, handling GBP 14,000 and IT/security GBP 5,000 net. Setup budgets are legal GBP 3,000, training/safety GBP 5,000, website/launch GBP 4,000 and administration GBP 3,000 net. These are author-selected allocations.

Inventory GBP 60,000 net is a company asset. Refundable deposit GBP 12,000 is a company asset without modelled VAT. Setup is expensed in opening retained earnings. A 1.5% debt arrangement fee is separately expensed and paid. Do not depreciate inventory, add the reserve to expenses or charge asset purchases again in P&L.

Unquoted allocation GBP net	Amount
Racks	18,000
Cutting equipment	16,000
Extraction	12,000
Handling	14,000
IT and security	5,000
Total equipment	**65,000**
Legal formation	3,000
Training and safety	5,000
Website launch	4,000
Administration setup	3,000
Total setup expenses	**15,000**

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Owner personal survival budget

Illustrative monthly household spending is housing GBP 1,000, food GBP 350, transport GBP 250, utilities/health GBP 250 and other GBP 350, total GBP 2,200 net. This is a planning example, not the actual founder's personal budget. No other household income is assumed.

At 75% illustrative net retention, the GBP 3,000 gross monthly owner salary gives GBP 2,250 net and GBP 50 headroom. Personal tax, pension and director status require real payroll calculation. Owner salary is included in operating cost; dividends are zero. The company must not quietly rely on owner pay being waived to meet cash needs.

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Financing terms and security

Assume GBP 100,000 loan at 7% annually, 60-month equal principal repayments after a three-month operating principal grace and 1.5% setup fee. Interest is paid monthly on opening debt. Proposed owner equity is GBP 120,000. No loan offer, security valuation, guarantee or proof of equity is supplied.

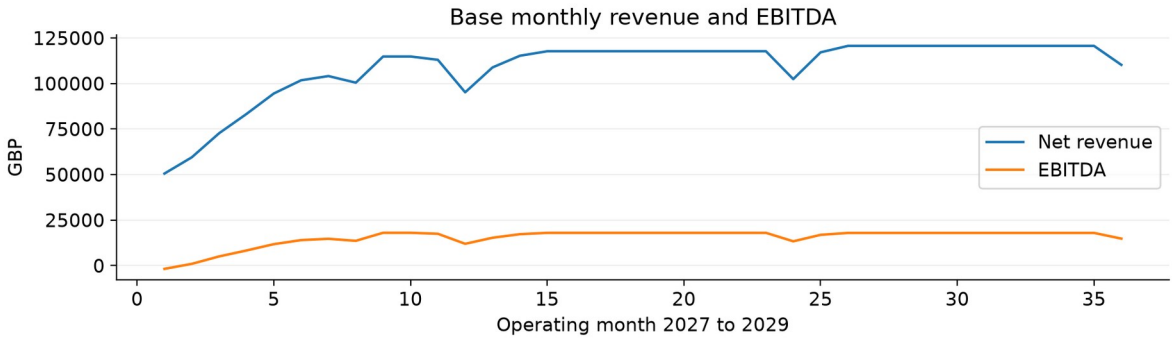
The unapproved GBP 100,000 loan assumes 7% annual interest, 60 equal principal instalments after three operating grace months and GBP 1,500 arrangement fee. Principal remaining at December 2029 is GBP 45,000. No security or guarantee is asserted. Base minimum cash GBP 38,500 and Downside minimum GBP -231,537 must be read alongside the reserve target and unsecured funding status.

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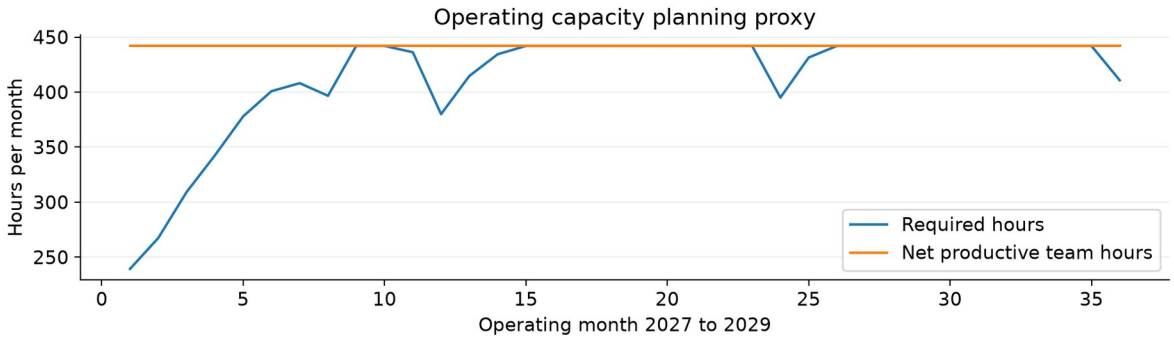
Revenue forecast and capacity

The same 36-month model uses order count, ramp, inflation, optional service attachment and a physical cap. Base demand starts at 50% of 250 mature monthly orders and ramps linearly to full volume by month 10. Calendar seasonal indices are assumptions rather than historical observations.

Base year-one net revenue is GBP 1,105,060, rising to GBP 1,434,337 in 2029. The month 18 forecast is 241.3 orders against net productive team capacity 442 hours and required proxy hours 442. Fulfilled orders are capped by both the 320-order physical limit and net staff capacity after 15% paid relief and 80 fixed monthly work hours. Neither is demonstrated safe throughput. Paid leave and daily peaks require a roster.



Base model v1.0 monthly GBP net revenue and EBITDA.



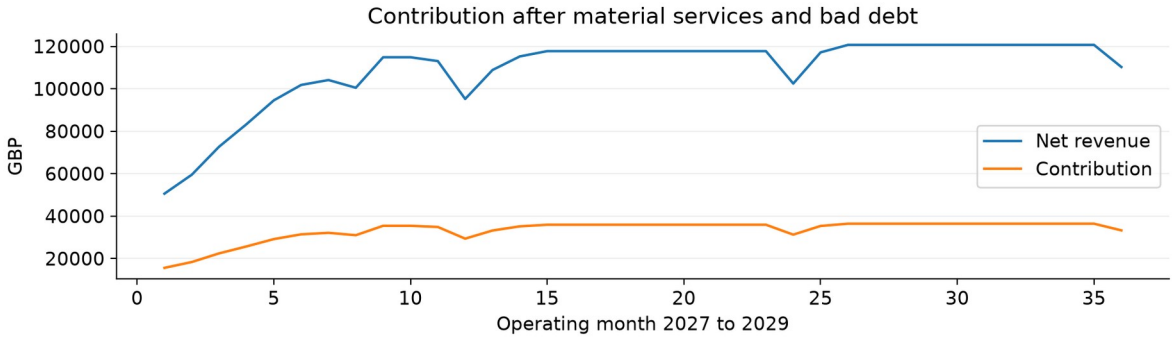
Required workload and net productive paid staff hours after 15% relief; does not replace a safe roster.

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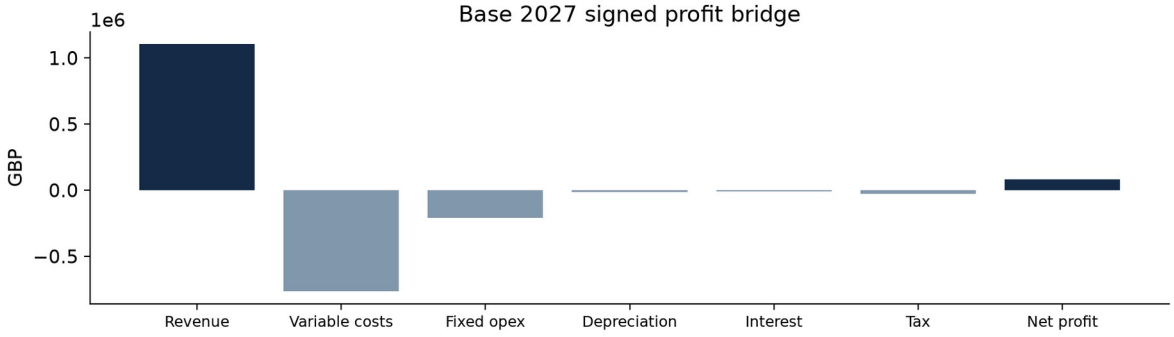
Costs and projected profit

Material COGS begins at GBP 315 per Base order, initially 70% of the GBP 450 goods basket. Cost inflates independently from price. Cutting consumables and carriers are attachment-driven; a 0.5% revenue bad-debt charge is separate. Owner and staff gross payroll GBP 8,300 monthly is supplemented by NI and pension. Fixed costs also include rent, rates, utilities, insurance, marketing, administration and maintenance.

Base year-one contribution is GBP 340,851, payroll including employer costs GBP 115,278, fixed operating expenses GBP 208,278, EBITDA GBP 132,573 and net profit GBP 83,669. Owner remuneration remains included throughout. All costs are assumptions; no unpaid labour, principal or capex is double-counted in profit.



Base contribution from the same verified results.



Signed components explaining 2027 profit. Not a cumulative waterfall.

Profit and loss forecast

The P&L below shows the full 2027–2029 horizon in GBP net of VAT. Material, service costs, bad debt, all payroll components and each fixed overhead are separate. Setup expenses and arrangement fee are opening losses rather than repeated operating expense.

Tax uses 25% of positive monthly PBT, no relief for startup or later monthly losses and no deferred tax asset. This conservative provision is not statutory liability calculation. Small profits relief, annual offsets and capital allowances require accountant review. All sums and margins come from the validated active Base model.

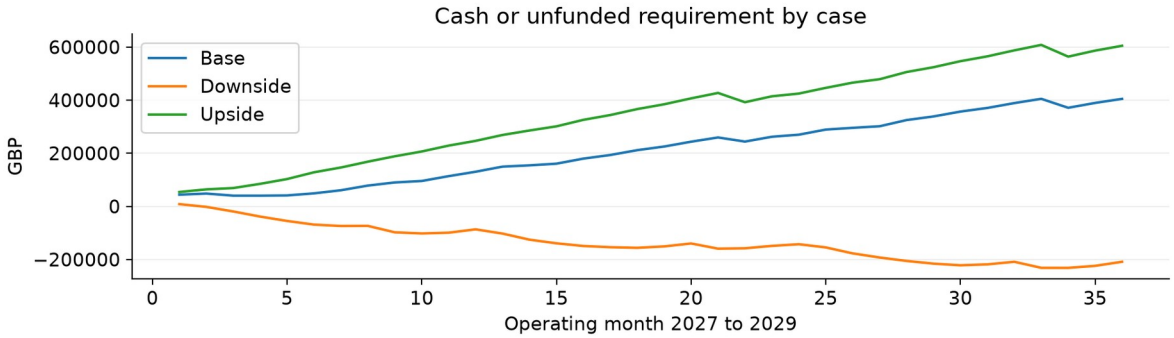
GBP net	2027	2028	2029
Net revenue	1,105,060	1,386,307	1,434,337
Material COGS	731,290	921,884	958,477
Cut consumables	4,179	5,268	5,477
Carrier expense	23,216	29,266	30,428
Bad debt expense	5,525	6,932	7,172
Total variable costs	**764,210**	**963,350**	**1,001,553**
Contribution	**340,851**	**422,957**	**432,784**
Owner gross pay	36,000	37,080	38,192
Warehouse gross pay	33,600	34,608	35,646
Counter gross pay	30,000	30,900	31,827
Employer NI	12,690	13,138	13,600
Pension allowance	2,988	3,078	3,170
Total payroll	**115,278**	**118,804**	**122,435**
Rent	48,000	49,440	50,923
Business rates	12,000	12,360	12,731
Utilities	8,400	8,652	8,912
Insurance	3,600	3,708	3,819
Marketing	9,000	9,270	9,548
Administration	7,200	7,416	7,638
Maintenance	4,800	4,944	5,092
Total fixed operating expenses	**208,278**	**214,594**	**221,099**
EBITDA	**132,573**	**208,363**	**211,685**
Depreciation	13,000	13,133	14,600
Operating profit	**119,573**	**195,230**	**197,085**
Interest	6,650	5,308	3,908
Profit before tax	**112,923**	**189,922**	**193,176**
Income tax provision	29,254	47,480	48,294
Net profit	**83,669**	**142,441**	**144,882**
Margins	**2027**	**2028**	**2029**
Contribution margin	**30.8%**	**30.5%**	**30.2%**
Net profit margin	**7.6%**	**10.3%**	**10.1%**

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Cash flow and financial position

Company receipts are gross invoices adjusted for receivable changes and bad-debt cash shortfalls. Stock purchases follow material COGS plus closing-minus-opening inventory; gross purchase payments reflect trade payables. Capex and overhead VAT credits offset output VAT, with no refund forecast.

Minimum Base cash including opening is GBP 38,500; December 2029 cash is GBP 404,892. Gross customer receipts reflect invoices, receivable changes and bad-debt losses. Stock cash follows purchases and gross payables. VAT credits carry without refund; monthly net settlement is a proxy. Income-tax provision is paid for the prior calendar year each October. The full 36-month cash horizon appears below.



36-month case cash or unfunded requirement, no extra financing.

GBP cash summary	2027	2028	2029
Opening cash	38,500	130,509	270,079
Collections net bad debt	1,280,563	1,653,588	1,710,751
Stock payments gross	890,768	1,110,934	1,153,986
Service cash costs gross	32,873	41,441	43,086
Payroll cash	115,278	118,804	122,435
Overhead cash gross	98,880	101,846	104,902
VAT paid monthly proxy	29,105	76,831	80,141
Income tax paid	0	29,254	47,480
Capex cash gross	0	9,600	0
Interest cash	6,650	5,308	3,908
Principal cash	15,000	20,000	20,000
Net cash change	**92,009**	**139,570**	**134,813**
Closing cash or unfunded deficit	**130,509**	**270,079**	**404,892**

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Cash flow forecast months one to six

The table below reports opening cash, collections, stock payments, payroll, fixed/variable cash costs, VAT, income tax, capex, interest, principal, net cash change and closing cash for January–June 2027.

No equity draw after opening or client-fund receipt is assumed. The startup inventory VAT is initially a carried credit. Purchase terms and customer collection assumptions are major cash drivers. Actual tax deadlines and supplier due dates must replace the proxy before treasury use.

GBP	2027-01	2027-02	2027-03	2027-04	2027-05	2027-06
Opening cash	38,500	44,103	48,326	40,442	40,433	41,232
Collections net bad debt	39,196	67,354	81,350	95,101	108,254	118,610
Stock payments gross	13,658	42,931	68,641	72,535	84,555	87,619
Service cash costs gross	1,504	1,770	2,163	2,478	2,812	3,029
Payroll cash	9,606	9,606	9,606	9,606	9,606	9,606
Overhead cash gross	8,240	8,240	8,240	8,240	8,240	8,240
VAT paid monthly proxy	0	0	0	0	0	0
Income tax paid	0	0	0	0	0	0
Capex cash gross	0	0	0	0	0	0
Interest cash	583	583	583	583	574	564
Principal cash	0	0	0	1,667	1,667	1,667
Net cash change	**5,603**	**4,223**	**-7,885**	**-9**	**799**	**7,885**
Closing cash or unfunded deficit	**44,103**	**48,326**	**40,442**	**40,433**	**41,232**	**49,117**

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Cash flow forecast months seven to twelve

The same linked schedule continues July–December 2027, retaining debt repayments and all fixed payroll. Later financial continuation pages cover January 2028–December 2029, so the Word cash section represents the full model horizon.

Closing cash is a period-end balance and is not summed in annual reporting. Stock, receivables, payables, tax accruals and depreciation explain differences between profit and cash. No unexplained financing is added to make a closing balance look viable.

GBP	2027-07	2027-08	2027-09	2027-10	2027-11	2027-12
Opening cash	49,117	60,802	78,344	90,205	95,662	113,896
Collections net bad debt	123,458	121,611	131,233	137,275	135,861	121,261
Stock payments gross	88,608	78,432	92,695	100,916	88,013	72,165
Service cash costs gross	3,098	2,989	3,417	3,417	3,363	2,832
Payroll cash	9,606	9,606	9,606	9,606	9,606	9,606
Overhead cash gross	8,240	8,240	8,240	8,240	8,240	8,240
VAT paid monthly proxy	0	2,591	3,212	7,447	6,224	9,631
Income tax paid	0	0	0	0	0	0
Capex cash gross	0	0	0	0	0	0
Interest cash	554	544	535	525	515	506
Principal cash	1,667	1,667	1,667	1,667	1,667	1,667
Net cash change	**11,685**	**17,542**	**11,861**	**5,457**	**18,234**	**16,614**
Closing cash or unfunded deficit	**60,802**	**78,344**	**90,205**	**95,662**	**113,896**	**130,509**

Cash flow forecast months 13 to 18

These monthly GBP cash receipts and payments continue the same Base model, with no extra financing draws. Prior-year income tax is paid in October; replacement equipment is purchased in December 2028.

Payment timing, VAT registration and credit terms remain planning assumptions. Opening cash links to the previous month. Negative cash represents an unfunded requirement.

GBP	2028-01	2028-02	2028-03	2028-04	2028-05	2028-06
Opening cash	130,509	149,734	154,546	160,905	179,878	193,596
Collections net bad debt	124,353	135,054	139,665	140,707	140,707	140,707
Stock payments gross	77,804	102,383	101,402	91,653	95,403	92,519
Service cash costs gross	3,254	3,446	3,520	3,520	3,520	3,520
Payroll cash	9,900	9,900	9,900	9,900	9,900	9,900
Overhead cash gross	8,487	8,487	8,487	8,487	8,487	8,487
VAT paid monthly proxy	3,520	3,873	7,854	6,040	7,556	6,040
Income tax paid	0	0	0	0	0	0
Capex cash gross	0	0	0	0	0	0
Interest cash	496	486	476	467	457	447
Principal cash	1,667	1,667	1,667	1,667	1,667	1,667
Net cash change	**19,224**	**4,812**	**6,359**	**18,973**	**13,718**	**18,127**
Closing cash or unfunded deficit	**149,734**	**154,546**	**160,905**	**179,878**	**193,596**	**211,723**

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Cash flow forecast months 19 to 24

These monthly GBP cash receipts and payments continue the same Base model, with no extra financing draws. Prior-year income tax is paid in October; replacement equipment is purchased in December 2028.

Payment timing, VAT registration and credit terms remain planning assumptions. Opening cash links to the previous month. Negative cash represents an unfunded requirement.

GBP	2028-07	2028-08	2028-09	2028-10	2028-11	2028-12
Opening cash	211,723	225,460	243,607	259,563	244,075	262,251
Collections net bad debt	140,707	140,707	140,707	140,707	140,707	128,859
Stock payments gross	95,403	91,761	94,718	95,403	92,519	79,966
Service cash costs gross	3,520	3,520	3,520	3,520	3,520	3,063
Payroll cash	9,900	9,900	9,900	9,900	9,900	9,900
Overhead cash gross	8,487	8,487	8,487	8,487	8,487	8,487
VAT paid monthly proxy	7,556	6,798	6,040	7,556	6,040	7,959
Income tax paid	0	0	0	29,254	0	0
Capex cash gross	0	0	0	0	0	9,600
Interest cash	437	428	418	408	399	389
Principal cash	1,667	1,667	1,667	1,667	1,667	1,667
Net cash change	**13,737**	**18,147**	**15,956**	**-15,488**	**18,176**	**7,828**
Closing cash or unfunded deficit	**225,460**	**243,607**	**259,563**	**244,075**	**262,251**	**270,079**

Cash flow forecast months 25 to 30

These monthly GBP cash receipts and payments continue the same Base model, with no extra financing draws. Prior-year income tax is paid in October; replacement equipment is purchased in December 2028.

Payment timing, VAT registration and credit terms remain planning assumptions. Opening cash links to the previous month. Negative cash represents an unfunded requirement.

GBP	2029-01	2029-02	2029-03	2029-04	2029-05	2029-06
Opening cash	270,079	289,268	295,863	301,808	325,065	338,784
Collections net bad debt	133,834	142,744	144,225	144,225	144,225	144,225
Stock payments gross	86,418	107,850	104,291	90,277	98,265	95,294
Service cash costs gross	3,519	3,625	3,625	3,625	3,625	3,625
Payroll cash	10,203	10,203	10,203	10,203	10,203	10,203
Overhead cash gross	8,742	8,742	8,742	8,742	8,742	8,742
VAT paid monthly proxy	3,718	3,691	9,393	6,104	7,665	6,104
Income tax paid	0	0	0	0	0	0
Capex cash gross	0	0	0	0	0	0
Interest cash	379	369	360	350	340	331
Principal cash	1,667	1,667	1,667	1,667	1,667	1,667
Net cash change	**19,188**	**6,596**	**5,945**	**23,258**	**13,718**	**18,260**
Closing cash or unfunded deficit	**289,268**	**295,863**	**301,808**	**325,065**	**338,784**	**357,043**

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Cash flow forecast months 31 to 36

These monthly GBP cash receipts and payments continue the same Base model, with no extra financing draws. Prior-year income tax is paid in October; replacement equipment is purchased in December 2028.

Payment timing, VAT registration and credit terms remain planning assumptions. Opening cash links to the previous month. Negative cash represents an unfunded requirement.

GBP	2029-07	2029-08	2029-09	2029-10	2029-11	2029-12
Opening cash	357,043	370,781	389,060	405,083	371,370	389,678
Collections net bad debt	144,225	144,225	144,225	144,225	144,225	136,150
Stock payments gross	98,265	94,514	97,560	98,265	95,294	87,694
Service cash costs gross	3,625	3,625	3,625	3,625	3,625	3,312
Payroll cash	10,203	10,203	10,203	10,203	10,203	10,203
Overhead cash gross	8,742	8,742	8,742	8,742	8,742	8,742
VAT paid monthly proxy	7,665	6,884	6,104	7,665	6,104	9,047
Income tax paid	0	0	0	47,480	0	0
Capex cash gross	0	0	0	0	0	0
Interest cash	321	311	301	292	282	272
Principal cash	1,667	1,667	1,667	1,667	1,667	1,667
Net cash change	**13,738**	**18,279**	**16,023**	**-33,714**	**18,308**	**15,214**
Closing cash or unfunded deficit	**370,781**	**389,060**	**405,083**	**371,370**	**389,678**	**404,892**

Financial position summary

Assets are cash, gross receivables, inventory, carried VAT credits, refundable deposit and depreciated equipment. Liabilities are supplier payables, tax accruals and loan balance. Equity is proposed contributed capital plus accumulated retained profit/loss beginning with setup and arrangement fee losses.

December 2029 Base total assets are GBP 602,438, liabilities GBP 127,946 and equity GBP 474,492. Monthly cash and all balance sheets reconcile without a plug. Assets include inventory, receivables, refundable deposit, VAT credits and depreciated equipment. Liabilities include gross stock payables, accrued income tax and current/long-term term debt. Negative cash in any case is explicitly an unfunded requirement, not a valid settled bank balance.

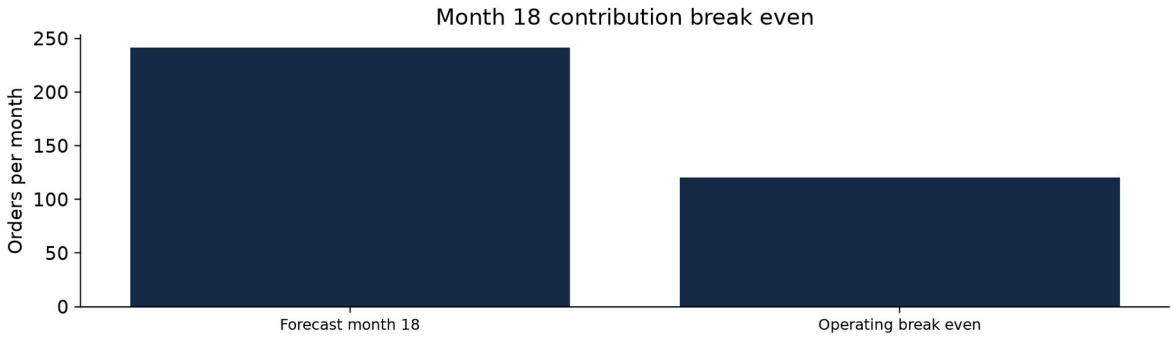
GBP year end	2027	2028	2029
Cash or unfunded deficit	130,509	270,079	404,892
Receivables gross	39,984	43,033	46,314
Inventory net	91,452	98,905	106,966
VAT credit	0	0	0
Refundable deposit	12,000	12,000	12,000
Gross equipment	65,000	73,000	73,000
Less accumulated depreciation	(13,000)	(26,133)	(40,733)
Net equipment	**52,000**	**46,867**	**32,267**
Total assets	**325,945**	**470,884**	**602,438**
Supplier payables	24,522	28,793	34,652
Income tax liability	29,254	47,480	48,294
Current debt	20,000	20,000	20,000
Long term debt	65,000	45,000	25,000
Total liabilities	**138,777**	**141,274**	**127,946**
Contributed equity	120,000	120,000	120,000
Closing retained earnings	67,169	209,610	354,492
Total equity	**187,169**	**329,610**	**474,492**
Liabilities plus equity	**325,945**	**470,884**	**602,438**
Balance sheet difference	0.00	0.00	0.00

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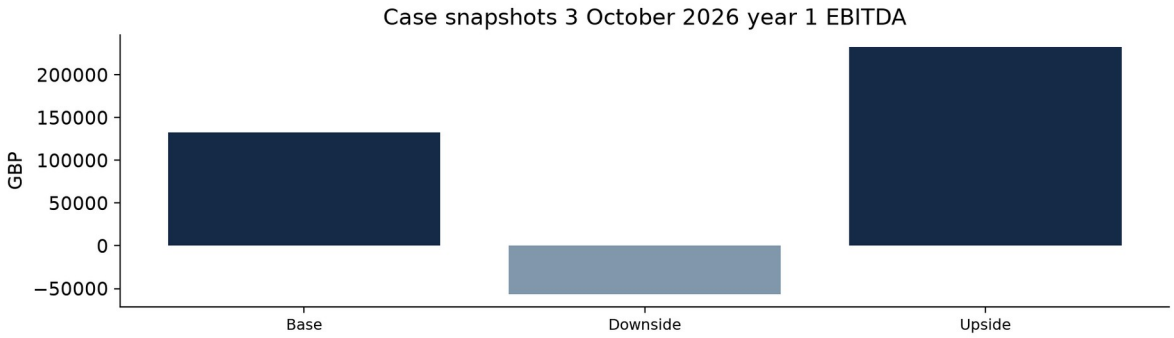
Break even and scenarios

Base, Downside and Upside use the same live input-driven model. Operating break-even orders equal fixed cash operating cost divided by per-order contribution after material, services and bad-debt allowance. The diagnostic excludes interest, tax, capex and working-capital cash changes.

At month 18 Base operating break even is 120.1 orders monthly against forecast 241.3. It excludes interest, tax, capex and working-capital needs. Downside minimum cash is GBP -231,537; an unfunded requirement of GBP 231,537 is not cash available to spend. Captured case tables and charts are snapshots from 3 October 2026, model v1.0. Every financial input is fingerprinted in Excel; edits require transfer to retained source and rebuilding.



Operating contribution break even; excludes financing tax capex and collection changes.



Captured scenario values; refresh all outputs after inputs change.

Captured case GBP	Year 1 revenue	Year 1 EBITDA	Minimum cash
Base	1,105,060	132,573	38,500
Downside	609,108	-56,672	-231,537
Upside	1,326,908	232,492	38,500

Model guide and completion

Use Assumptions F5 as the single case selector, with Base 1, Downside 2 and Upside 3. Blue cells contain editable planning values. Sales and capital schedules calculate operating drivers; Statements and Annual link P&L, cash and balance sheet. Dashboard draws from these completed results; Checks contains terminal diagnostics.

The delivered workbook contains ten native range-backed charts, automatic calculation and reconciliation checks. Saved-file QA covers all three cases and meaningful driver edits; deliberate missing active inputs produce a visible error rather than a fabricated value. Captured case comparisons, Word tables, JSON and all financial chart snapshots become stale after any input edit. Transfer every changed financial value and case assumption into financial-model/build_model.mjs before rebuilding; unchanged source overwrites workbook edits. Rebuild the workbook and model-results.json, repeat saved-file QA, then run document/build_document.py to refresh Word and its contents. Launch remains conditional on quoted costs, safe-site checks and secured funding.