

BUSINESS PLAN

Fernstone Facilities

Prepared for a bank loan or finance application

BASED IN

Leeds

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Executive Summary

Fernstone Facilities Ltd provides contract cleaning to offices, dental and medical practices, and shared workspaces across Leeds and Bradford. Most work is completed during evening or early-morning visits, allowing customers to maintain clean premises without disrupting staff, patients or workspace users.

The company serves office managers and practice managers at organisations with 10 to 150 staff. It also works with three managed workspace operators. Customers buy reliable cleaning, consistent supervision and clear evidence that scheduled visits have been completed. Fernstone Facilities provides the same supervisor at each visit, online reports with photographs and a commitment to correct missed areas within 24 hours.

Revenue comes mainly from rolling monthly cleaning contracts. Contracts average £1,150 per client per month. The company also earns income from one-off deep cleans, starting at £450, and carpet and window cleaning add-ons.

Fernstone Facilities is growing steadily. It has 32 contract clients and generates typical monthly turnover of between £25,000 and £50,000. Delivery is handled by two directors, 14 part-time cleaners and two supervisors. The directors combine cleaning-contract operations experience with sales, account management and facilities-management knowledge.

Over the next 12 months, the company will increase its contract base from 32 to 45 clients and secure its first two multi-site contracts. This growth will be supported by additional transport, specialist equipment and a third supervisor. These resources will allow the company to cover a wider schedule, undertake more floor-care and window work, and maintain supervision as the client base expands.

The company is seeking £40,000 in bank finance. It will use £24,000 for two vans, £9,000 for floor-care and window-cleaning equipment, and £7,000 to recruit and train the third supervisor.

This plan supports the finance application and sets out how the investment will increase operating capacity while protecting service standards. The first-year forecast is based on gradual growth from the current client base rather than immediate use of full capacity.

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Business Overview

Fernstone Facilities Ltd is a privately owned limited company formed in 2021. Its two directors, Priya Natt and Dan Whitcombe, each own 50% of the business. The company operates in the contract-cleaning sector, serving commercial and healthcare premises across Leeds and Bradford.

[Add: exact incorporation date, registered office, Companies House industry classification and summary of the latest filed accounts.]

The company is at the steady-growth stage. It has an established base of recurring contracts and a team able to deliver cleaning outside customers' normal working hours. Rolling monthly agreements provide regular income while allowing the company to develop long-term customer relationships.

Fernstone Facilities employs 18 people in total: the two directors, 14 part-time cleaners and two supervisors. Cleaners carry out scheduled visits, while supervisors provide continuity, check standards and respond to service issues. The proposed third supervisor will add management capacity as the number and geographical spread of contracts increase.

The company's regional focus keeps its operations within practical travelling distance of Leeds and Bradford. Its planned investment in two vans will improve the movement of staff and equipment between sites. Specialist equipment will also allow more floor-care and window work to be delivered alongside routine contracts.

Management Team

Priya Natt leads operations. They have 10 years' experience managing cleaning contracts and are responsible for service delivery, staffing and supervision. This experience is directly relevant to scheduling recurring visits, maintaining standards across multiple premises and dealing with missed work.

Dan Whitcombe leads sales and accounts. They previously worked as a facilities manager, giving them direct knowledge of how customers assess cleaning suppliers and manage outsourced services. Their responsibilities cover new business, customer accounts and commercial administration.

The directors' roles provide a clear division between operational delivery and customer acquisition. The supervisors provide the day-to-day link between management, cleaning staff and customer sites.

Mission and Short-Term Objectives

Fernstone Facilities' mission is to provide dependable, well-supervised contract cleaning with clear evidence of completed work and prompt correction of service issues.

During the next 12 months, the company will expand its recurring client base and secure its first multi-site contracts. It will add supervisory, transport and equipment capacity without weakening the consistency of service provided to existing customers.

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Products and Services

Contract Cleaning

Fernstone Facilities provides recurring cleaning for offices, dental and medical practices, and managed shared workspaces. Each contract is based on an agreed visit schedule and the requirements of the individual premises. Most visits take place during evenings or early mornings, reducing disruption to staff, patients and workspace users.

The company allocates the same supervisor to each visit. This gives customers a consistent point of contact and helps the supervisor understand the layout, priorities and recurring issues at each site. Customers receive online visit reports with photographs, providing a record of completed attendance and work.

If an area is missed, the company commits to correcting it within 24 hours. This gives office and practice managers a defined response rather than requiring them to wait until the next scheduled visit.

Rolling monthly contracts are the core service. They suit customers that need regular cleaning but want a more flexible arrangement than a long fixed-term commitment. Visit frequency and scope are agreed for each customer.

One-Off Deep Cleans

The company undertakes deep cleans as separate assignments. These are suitable when premises need work beyond their normal cleaning schedule, including before a new routine contract begins or when a customer requires an intensive clean of specified areas.

The work is quoted according to the premises and required scope. It provides an entry service for organisations that are not ready to place a recurring contract and an additional service for existing customers.

Carpet and Window Cleaning

Carpet and window cleaning are offered as add-ons to the main cleaning service. Existing contract customers can arrange this work through the same supplier rather than appointing and coordinating another provider.

The planned investment in floor-care and window-cleaning equipment will increase the company's ability to deliver these services directly. The equipment will support a wider range of work at existing sites and reduce scheduling constraints when customers request specialist tasks.

Service Development

The immediate service priority is to increase capacity within the existing offer rather than launch unrelated services. The company will develop packages for customers operating more than one location, with central account contact, consistent reporting and site-level supervision. The scope of each multi-site contract will be agreed around the customer's premises and visit requirements.

Further services will be added only where they fit the existing workforce, equipment and regional operating area.

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Target Market

Fernstone Facilities operates regionally, concentrating on Leeds and Bradford. Its customers are organisations that need recurring cleaning of occupied commercial or healthcare premises, usually outside their normal operating hours.

Offices

The main office segment consists of businesses with 10 to 150 staff. The buyer is normally an office manager or another employee responsible for premises and suppliers. These customers need reliable scheduled attendance, consistent standards and a quick response when part of the specification is missed.

Buying triggers include moving into new premises, increasing staff numbers, dissatisfaction with an existing cleaner, the end of another supplier's contract and a need for more visible reporting. Evening and early-morning visits are important because cleaning during working hours can disturb employees and meetings.

Dental and Medical Practices

Practice managers form a distinct customer group. Their premises receive regular staff, patient and visitor traffic, making dependable cleaning an operational requirement. These managers need a supplier that can work around appointment times, follow an agreed site specification and respond promptly when standards fall short.

Continuity also matters because a regular supervisor becomes familiar with access arrangements, the premises and the practice's priorities. Online photographic reports give the manager a record of visits without requiring them to be present during out-of-hours work.

Managed Workspaces

The company currently serves three managed workspace operators. Shared workspaces combine common areas with offices used by different occupiers. User numbers and room use can vary, placing pressure on kitchens, washrooms, circulation areas and shared facilities.

Operators buy on behalf of the overall workspace and need cleaning that supports the experience offered to their occupiers. As some operators manage more than one location, this segment also provides a route into multi-site contracts.

Local Market Context

Leeds has a substantial base of offices, professional services, healthcare premises and flexible workspaces. Bradford adds a further concentration of independent businesses and managed commercial sites within the company's regional operating area. The number and variety of these premises create continuing demand for routine outsourced cleaning.

The local market is fragmented. Larger sites may be included within national facilities-management arrangements, while smaller premises often use independent cleaners or owner-operated businesses. Fernstone Facilities is positioned between these options: it has a team and supervisory structure capable of managing multiple contracts, while retaining direct local management.

The most suitable prospects are sites large enough to require organised recurring visits but not so large that cleaning forms part of a complex national facilities-management contract. The company will focus its sales effort on organisations that value supervisor continuity, documented visits and a defined response to missed work, rather than customers selecting solely on the lowest hourly price.

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Market Research

Market size and direction

Contract cleaning is part of a large but fragmented UK cleaning and hygiene industry. British Cleaning Council research based on Office for National Statistics data values the wider industry in the tens of billions of pounds and records more than one million jobs. These figures include activities beyond commercial contract cleaning, so they indicate the scale of the wider sector rather than Fernstone Facilities' addressable market.

At the company's operating scale, the relevant market is the recurring cleaning of small and medium-sized workplaces and healthcare premises within practical travelling distance of Leeds and Bradford. ONS business-population data shows that both cities contain tens of thousands of registered enterprises. Only a proportion fit the company's site size and purchasing profile, but the underlying prospect base is substantially larger than the number of accounts needed for planned growth.

Demand is generally stable because occupied premises require regular cleaning regardless of wider economic conditions. However, individual contracts are vulnerable to business closures, relocations, reduced office use and competitive tendering. The market remains fragmented, with national contractors, regional businesses, owner-operators and in-house teams serving different site sizes.

Trends and growth areas

Hybrid working has changed office occupancy patterns. Some employers have reduced cleaning frequency, while others need more intensive work on peak attendance days and in shared kitchens, washrooms and meeting spaces. Suppliers therefore need flexible schedules rather than a standard five-day specification.

Flexible workspace remains a relevant growth area in Leeds and Bradford. Operators need common areas maintained across changing occupancy levels and may manage several locations through one procurement contact. This supports the company's planned move into multi-site accounts.

Healthcare cleaning remains comparatively resilient. Dental and medical practices cannot treat cleanliness as discretionary, although contractors must work accurately around clinical operations and site-specific infection-control procedures.

Digital reporting is becoming a stronger buying criterion. Customers increasingly expect electronic attendance records, photographs, issue logs and a clear audit trail. Environmental and social procurement criteria are also becoming more common, particularly among larger organisations. Buyers may ask about chemical use, waste reduction, staff pay, training and employment practices.

Customer behaviour and buying criteria

Office and practice managers commonly seek quotations when an incumbent supplier becomes unreliable, a site opens or moves, service requirements change, or a contract reaches review. The buying process normally includes a site survey, written specification, evidence of insurance and health and safety controls, and checks on staffing and cover arrangements.

Price matters, but the lowest quotation is not always preferred. Buyers assess whether the supplier can attend consistently outside normal hours, provide absence cover, protect keys and access details, respond to complaints and demonstrate completed work. Healthcare customers place additional weight on training, cross-contamination controls and compliance with the practice's own procedures.

Rolling arrangements reduce commitment for customers but also make retention dependent on continuing service quality. Regular reviews and prompt correction of defects are therefore important commercial controls.

Seasonality and barriers to entry

Routine contracts provide relatively even monthly demand. Deep cleans and floor care may increase around office moves, year-end shutdowns and holiday periods. Winter weather increases dirt and moisture brought into entrances, while staff holidays and seasonal illness can make workforce cover more difficult.

Basic cleaning has low equipment barriers, but operating a supervised multi-site service is harder. Entrants need dependable staff, out-of-hours management, vehicles, insurance, training, quality systems and enough cash to pay wages before customer invoices are collected. Healthcare premises and window work create further competence and safety requirements.

Regulation and standards

The company must comply with the Health and Safety at Work etc. Act 1974, COSHH requirements for cleaning chemicals, the Manual Handling Operations Regulations, PPE rules and PUWER requirements for work equipment. Window cleaning must be planned under the Work at Height Regulations, using the safest suitable access method.

Risk assessments, safety data sheets, incident records and RIDDOR reporting procedures must be maintained where applicable. Employment controls include right-to-work checks, working-time requirements and statutory wage rules. Employers' liability and appropriate public liability cover are operational requirements.

Medical and dental customers may impose standards linked to Care Quality Commission expectations, the NHS National Standards of Healthcare Cleanliness and dental decontamination guidance. Fernstone Facilities will follow each customer's site specification and will keep general cleaning clearly separated from clinical procedures that require specialist responsibility.

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Competitive Advantage

Competitive Alternatives

Fernstone Facilities competes with two main types of provider.

National facilities-management firms offer broad outsourced service packages and can cover large or geographically dispersed estates. They are a practical option for larger organisations that want cleaning combined with other property services under one procurement arrangement. Their scale and central systems can be attractive to customers with complex reporting or national coverage requirements.

Local owner-operator cleaners provide direct personal service and may have lower overheads. They can be well suited to small premises with limited hours. Their capacity may be constrained when several staff, supervisors or simultaneous visits are required.

Customers may also manage cleaning internally. This provides direct control but requires the organisation to recruit, schedule and supervise cleaning staff and arrange cover for absence.

Fernstone Facilities' Advantages

The company provides the same supervisor at each visit. This continuity gives the supervisor detailed knowledge of the premises and gives the customer a consistent contact. It is supported by a structure of employed cleaners and supervisors rather than depending on one individual to deliver and oversee every contract.

The 24-hour fix promise gives customers a clear remedy when an area is missed. This reduces the operational impact of service failures and makes the response measurable.

Online visit reports with photographs provide evidence that out-of-hours visits have taken place. This addresses a common difficulty for office and practice managers who are not present while cleaning is completed.

Cleaning staff are paid the Real Living Wage. This forms part of the company's approach to recruitment and retention in a labour-intensive sector. Combined with regular supervision, it supports consistency across recurring contracts.

These features require trained supervisors, reliable scheduling, reporting processes and enough staff capacity to correct missed work promptly. A competitor can copy an individual promise, but reproducing the full operating model requires sustained management and labour investment.

The company has experience managing individual regional contracts, but its advantage in multi-site delivery still needs to be proven. The first two multi-site accounts will test whether supervisor continuity and reporting can be maintained across several customer locations.

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SWOT Analysis

Strengths

- Recurring contracts provide visibility over monthly workload and income.
- Direct operational and facilities-management experience covers both delivery and procurement.
- Supervisor continuity gives each site a consistent operational contact.
- Photographic visit records provide evidence for customers absent during cleaning.
- A defined remedial response makes service failures measurable.
- The established workforce supports several simultaneous out-of-hours visits.

Weaknesses

- Rolling agreements allow customers to leave without a long contract run-off.
- Current supervisory capacity is tight relative to the planned account increase.
- Revenue is concentrated in one regional service category.
- Delivery depends on recruiting and retaining reliable part-time staff.
- Multi-site account management has not yet been demonstrated at scale.

Opportunities

- Managed workspace relationships provide a route to additional locations.
- Healthcare sites offer comparatively resilient recurring demand.
- Specialist equipment can bring more add-on work under direct control.
- Local businesses increasingly expect digital evidence and issue tracking.
- Regional route density can improve productive time as the client base grows.
- Customers leaving inconsistent owner-operators or impersonal national providers fit the company's position.

Threats

- Labour shortages and wage increases could reduce contract margins.
- National providers may bundle cleaning with wider facilities services.
- Low-priced local quotations may influence cost-led buyers.
- Hybrid working may reduce cleaning frequency at some offices.
- Out-of-hours access failures could prevent scheduled visits.
- A safety or quality incident could affect several customer relationships.

The strategy uses operational experience, local supervision and digital reporting to pursue healthcare, workspace and multi-site opportunities. Investment in capacity will reduce the immediate supervisory constraint, while disciplined site selection, contract reviews and quality monitoring will limit exposure to low-margin work and preventable customer losses.

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Marketing and Sales Strategy

Positioning

Fernstone Facilities will position itself as a supervised regional contractor for organisations that need more structure than an individual cleaner but do not require a national facilities-management package. Sales messages will focus on accountable out-of-hours delivery, consistent site knowledge and documented completion.

The company will target premises where reliability and reporting have operational value. It will not compete primarily on the lowest hourly quotation. Prospects seeking minimal-cost cleaning without structured supervision will be less suitable than managers dealing with repeated missed work, poor communication or inconsistent cover.

Customer acquisition channels

Direct prospecting will be the main channel because the buyer roles and geographical area are clearly defined. Dan Whitcombe will build lists of office, dental, medical and managed workspace prospects in Leeds and Bradford. Initial contact will use email, telephone and LinkedIn, followed by a site survey where there is a qualified requirement.

Local search advertising and search engine optimisation will capture managers already looking for a replacement contractor. Campaigns will use service- and location-specific landing pages rather than broad consumer cleaning terms. Google Business Profile activity will support local visibility and enquiries.

Existing customers will be asked for introductions to other sites, neighbouring organisations and professional contacts. Workspace operators will be approached about locations not currently served. The company will also build referral relationships with commercial property managers, office move firms and independent facilities consultants, without paying for unsuitable volume leads.

Marketing will use factual material such as sample reporting formats, service checklists and short explanations of mobilisation and issue handling. Healthcare communications will address site-specific procedures without making unsupported clinical claims.

Sales process

Each enquiry will be qualified by location, premises type, current cleaning frequency, access arrangements, decision date and reason for review. Suitable prospects will receive a site survey. The survey will record areas, surfaces, washrooms, access restrictions, storage, waste arrangements and any specialist tasks.

The company will then issue a written scope, visit schedule and quotation. Pricing will be based on the labour time needed, supervision, materials, travel, equipment and service risk. Quotations will distinguish recurring work from separately requested specialist tasks. Price reductions will be linked to genuine efficiencies, such as grouped sites or practical visit schedules, rather than unsupported discounts.

Before commencement, the company will confirm access, reporting contacts, site instructions and the mobilisation date. Early visits will receive additional supervisory checks. Account reviews will identify service issues, upcoming changes and relevant add-on requirements. Satisfied customers will be approached for referrals and, where applicable, discussions about other locations.

Marketing activity and budget

Activity	Indicative monthly budget	Measure of success
Local paid search	£500	Qualified enquiries and survey bookings
LinkedIn, email tools and prospect data	£250	Decision-maker conversations
Local SEO and practical content	£300	Organic enquiries from target areas
Customer referral activity	£200	Introductions and converted referrals
Property and facilities networking	£250	Partner referrals and multi-site leads
Total	£1,500	Cost per signed recurring account

The annual budget will be reviewed monthly against qualified enquiries, surveys completed, quotations issued, conversion rate and acquisition cost. Spend will move towards channels producing recurring accounts rather than one-off low-value enquiries. The sales pipeline will be tracked by sector, expected start date, monthly value and reason won or lost.

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Operations Plan

Premises and equipment

Fernstone Facilities will coordinate work from its existing operating base, with secure storage for chemicals, consumables and specialist equipment. Materials will be segregated, labelled and stored in accordance with supplier instructions and COSHH controls.

[Add: address and tenure of the operating base, available storage and vehicle-parking arrangements.]

The two financed vans will move staff, consumables and equipment between clustered routes. Vehicle checks, servicing, insurance and cleaning will be scheduled and recorded. Floor-care and window-cleaning equipment will be entered on an asset register, inspected before use and

maintained under manufacturer guidance. Only trained staff will operate specialist machinery or undertake window work.

Suppliers and stock

The company will buy commercial cleaning chemicals, paper products, refuse sacks, PPE and replacement equipment from trade suppliers able to provide safety data sheets and consistent stock. A secondary source will be maintained for high-use items so that a single delayed delivery does not interrupt visits.

Supervisors will monitor site stock and replenish against agreed minimum levels. Concentrated chemicals will be controlled to reduce waste and dosing errors. Materials supplied by a customer will be kept separate from company stock and used only in accordance with the site agreement.

Delivery process

New contracts will begin with a documented site survey and mobilisation checklist. The company will confirm the specification, cleaning frequencies, access process, alarm instructions, storage, reporting contact and site risks before the first visit.

Priya Natt will allocate each account to a supervisor and schedule cleaners around location, required hours and competence. Routes will be grouped geographically where possible. Cleaners will complete the site specification and submit the required visit record. Supervisors will review attendance, photographs and reported issues, then arrange corrective work where necessary.

Access details, alarm information and key records will be restricted to staff who need them. Lost keys, failed access and security concerns will be escalated immediately. Customer data and visit photographs will be held in access-controlled systems.

Quality control and systems

Supervisors will carry out scheduled spot checks and additional checks during mobilisation or after a complaint. Results will be compared with the site specification rather than a general visual assessment. Repeated defects will lead to retraining, changes to allocated time or revision of the work method.

The company will use its online reporting system for attendance evidence, photographs and issue records. Separate schedules will cover staff rotas, absence cover, training, equipment maintenance and stock. Sales and account records will show quotation status, start dates, contract values and review dates.

Staffing plan

The directors will retain their existing split between operations and commercial management. The current supervisors will remain responsible for allocated customer groups, while part-time cleaners will deliver scheduled site work.

Recruitment for the third supervisor will begin when finance is confirmed, with appointment and training planned during Q2. They will first shadow existing routes and then take responsibility for new accounts and multi-site mobilisation. Cleaner recruitment will follow signed contract hours rather than precede confirmed demand. Additional part-time cleaners will complete site induction, chemical handling, manual handling and equipment training before working without direct support.

Key dependencies are timely vehicle availability, successful supervisor recruitment, reliable out-of-hours access and sufficient cleaner cover. The company will not start a new contract until staffing, transport and supervision are confirmed.

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Revenue Model

Fernstone Facilities earns most of its revenue from recurring monthly cleaning contracts. Contracts are priced according to the number and frequency of visits and average £1,150 per client per month. Rolling monthly arrangements produce regular income while allowing pricing and service scope to reflect each site.

One-off deep cleans form a second revenue stream. Prices start at £450 and vary with the size of the premises and the work specified. These assignments generate standalone revenue and can introduce prospective customers to the company before they commit to recurring cleaning.

Carpet and window cleaning are sold as add-ons. No standard price has been set because requirements vary between sites. These services increase the value of existing accounts and allow customers to buy more of their cleaning requirements from one provider.

The largest cost driver is labour, including cleaners, supervisors, recruitment and training. Other operating costs include travel, vehicle running costs, cleaning materials, equipment purchase and maintenance, insurance and administration. The additional vans will add fuel, maintenance and insurance costs, while the finance will create repayment and interest commitments.

The route to profitability is based on recurring contract income, efficient scheduling and controlled supervision. Grouping visits within Leeds and Bradford will reduce unproductive travel time. A larger client base will spread management and administrative costs across more monthly revenue.

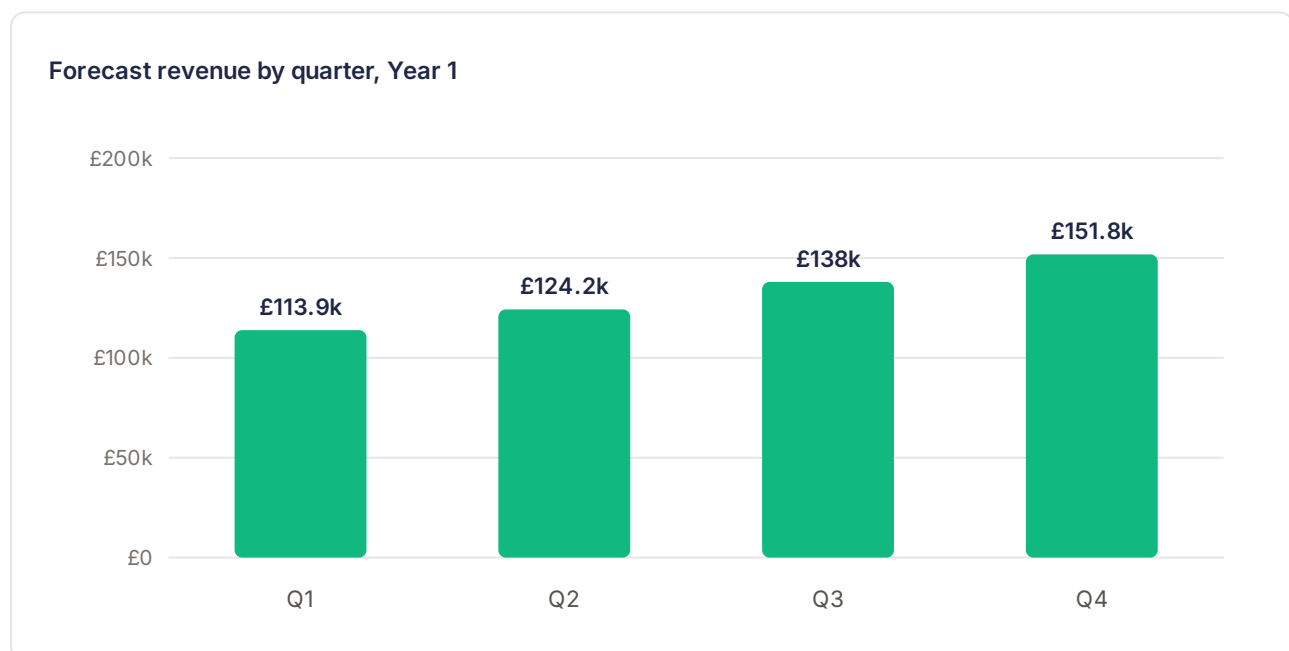
The third supervisor will increase costs before the full benefit of the additional contracts is achieved. The company will manage this by recruiting alongside the planned client ramp rather than treating the new role as immediate spare capacity. The vans will allow staff and equipment to move between more

sites, while specialist equipment will support add-on sales without changing the company's core market.

The first priority is to retain existing monthly contracts. New accounts then add recurring contribution once direct labour, travel and materials have been covered. Deep cleans and specialist add-ons provide further revenue but are not relied on in the first-year forecast because volumes have not yet been established.

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Year 1 Sales Forecast



- The forecast starts with 32 contract clients and assumes a gradual increase to 45 by the end of the 12-month period.
- Average contract revenue remains at £1,150 per client per month, equivalent to £3,450 per average quarterly client.
- Average active clients rise to 33 in Q1, 36 in Q2, 40 in Q3 and 44 in Q4. The vans, equipment and third supervisor support the faster growth after Q1.
- The two planned multi-site wins are included within the client count at the existing average price until their site numbers and service scopes are agreed.
- No revenue is included for deep cleans, carpet cleaning or window cleaning, making these services potential upside rather than required forecast income.

Quarter	Customers or units	Average price	Revenue
Q1	33 clients	£3,450	£113,850
Q2	36 clients	£3,450	£124,200
Q3	40 clients	£3,450	£138,000
Q4	44 clients	£3,450	£151,800
Year 1 total			£527,850

Revenue would be higher if multi-site contracts contain several separately charged locations or if demand for deep cleans and specialist add-ons is strong. It would be lower if recruitment, vehicle availability or new contract wins are delayed, or if existing customers cancel during the year.

These figures are illustrative estimates based on the information provided. They are not a guarantee of future performance and are not financial advice.

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Three-Year Financial Projections

Key assumptions

- Year 1 revenue follows the quarterly sales forecast above and excludes specialist and one-off income.
- Year 2 starts with 45 accounts and averages 49 active accounts as eight net accounts are added during the year.
- Year 3 averages 57.5 active accounts and ends at an assumed capacity of 62 under the expanded supervisory structure.
- Contract prices increase by an assumed 3% at the start of both Year 2 and Year 3.
- Cost of sales covers direct cleaning labour, site consumables and variable site travel. It falls from 65% of revenue to 63.5% and then 63% as route density and equipment utilisation improve.
- Staff costs cover directors, supervisory and administrative payroll. Year 1 includes the third supervisor from Q2 and the allocated recruitment and training expenditure. Year 2 includes a full year of that role and added scheduling support.
- Premises costs are assumptions pending confirmation of the operating-base arrangements.

- Other overheads include insurance, vehicles, software, professional costs, maintenance and annual depreciation of £6,600 on the financed vehicles and equipment.
- The finance model assumes receipt of the bank facility in Q1 and repayments of £800 a month from Q2. Final payments will depend on lender terms.

Line	Year 1	Year 2	Year 3
Revenue	£527,850	£696,486	£841,828
Cost of sales	£343,103	£442,269	£530,352
Gross profit	£184,747	£254,217	£311,476
Gross margin (%)	35.0%	36.5%	37.0%
Staff costs	£95,000	£126,000	£145,000
Premises	£12,000	£13,000	£14,000
Marketing	£18,000	£21,000	£24,000
Other overheads	£36,000	£44,000	£53,000
Total overheads	£161,000	£204,000	£236,000
Operating profit	£23,747	£50,217	£75,476

Year 1 cash flow

Contract customers are assumed to be invoiced monthly in arrears on 30-day terms. Opening trade receivables of £36,800 are assumed, based on one month of the opening contract base. The final month of each quarter is therefore collected in the following quarter. Supplier and payroll costs are assumed to be paid in the quarter incurred.

Cash out excludes non-cash depreciation but includes the vehicle and equipment purchases, operating expenditure and assumed loan payments. Opening cash of £10,000 is an assumption and will be replaced by the actual bank balance before submission to the lender.

Quarter	Opening cash	Cash in	Cash out	Funding received	Closing cash
Q1	£10,000	£112,700	£140,353	£40,000	£22,347
Q2	£22,347	£120,750	£121,480	£0	£21,617
Q3	£21,617	£133,400	£132,450	£0	£22,567
Q4	£22,567	£147,200	£143,420	£0	£26,347

The main sensitivity is the speed at which new recurring accounts are won relative to recruitment and supervisory costs. A one-month delay in customer payments would also reduce working cash, particularly during the equipment purchase and mobilisation period. Margin improvement depends on route density, wage control and avoiding low-priced contracts that require disproportionate travel or supervision.

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Funding and Use of Funds

Fernstone Facilities is seeking a £40,000 bank facility to increase delivery capacity. The funding will be used for identifiable operational assets and the recruitment required to supervise the larger client base.

Item	Cost
Two vans	£24,000
Floor-care and window-cleaning equipment	£9,000
Recruitment and training of third supervisor	£7,000
Total	£40,000

The vans will allow staff, stock and equipment to move between a larger number of sites without relying on limited existing transport. They will also support route grouping across Leeds and Bradford and provide cover if one vehicle is unavailable.

The specialist equipment will allow the company to undertake more floor-care and window work directly. No income from these services is required in the core forecast, so any profitable add-on work will provide additional cash generation. The equipment also removes a capacity constraint when specialist tasks form part of a wider customer requirement.

The recruitment allocation will cover the search, onboarding, training and initial development of the third supervisor. The appointment is planned for Q2, before the fastest period of account growth and the mobilisation of the first multi-site work. This timing protects supervision standards while avoiding a full year of additional cost before the capacity is needed.

The cash-flow forecast assumes that the facility is received in Q1 and that repayments begin in Q2 at £800 per month. On that provisional basis, repayments are met from operating cash while maintaining a positive quarterly balance. The final repayment period, interest rate, security requirements and

monthly amount will be those agreed with the lender.

The company will monitor debtor days, account contribution and cash headroom each month. New commitments will be phased if customer starts or collections are delayed. The facility is intended to finance productive capacity rather than cover continuing trading losses.

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Risk Analysis

Risk	Likelihood	Impact	Mitigation
New contract wins are slower than forecast	Medium	High	Phase cleaner recruitment, track the pipeline weekly and delay discretionary spending where capacity is unused.
Existing customers cancel rolling agreements	Medium	High	Hold structured account reviews, monitor complaints and correct recurring defects before renewal decisions arise.
Wage inflation reduces contract contribution	High	High	Cost each site by required hours, review prices and decline work that cannot support compliant pay and supervision.
Suitable cleaners or the third supervisor cannot be recruited	Medium	High	Recruit before confirmed capacity becomes critical, maintain absence cover and use structured induction and training.
Customers pay later than the assumed terms	Medium	High	Invoice promptly, review aged debt weekly and escalate overdue balances through a consistent credit-control process.
Vehicle or equipment failure interrupts visits	Medium	Medium	Maintain service schedules, complete daily checks and retain contingency arrangements for urgent transport or replacement equipment.
A COSHH, manual-handling or work-at-height incident occurs	Low	High	Maintain risk assessments, safety data sheets, training records, equipment checks and task-specific supervision.
Service quality falls during rapid growth	Medium	High	Limit mobilisation to available capacity, increase early site checks and review reporting exceptions by supervisor.
Loss of keys, access information or visit photographs damages trust	Low	High	Restrict system access, maintain key-control records and escalate any security or data incident immediately.

The most important risks are labour cost pressure, slower customer acquisition and a decline in service quality during expansion. Early warning signs include falling quotation conversion, increasing staff absence, repeated reporting exceptions, more corrective

visits, overdue invoices and account managers requesting unscheduled service reviews.

Important information

This plan sets out the business, its market and its plans as understood at the date shown on the cover. Forecasts, market descriptions and other forward-looking statements are estimates based on the information available and on stated assumptions. Actual results may differ.

This document is not financial, legal or tax advice. Anyone relying on it for a lending, investment or other decision should make their own enquiries and take independent professional advice where appropriate.

Company details are taken from the public register at Companies House where available.

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