

BUSINESS PLAN

Looplet

Prepared for investors

BASED IN

Bristol

October 2026

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01

Executive Summary

Looplet Ltd is a Bristol-based children's clothing rental business serving families across the UK. The company will provide good-quality clothing for children aged 0 to 5 through monthly subscriptions. Customers will receive a bundle of garments and can swap it without charge when their child outgrows the size. Returned clothing will be professionally cleaned, checked and placed back into circulation. Items no longer suitable for rental will be sold through the company's website or recycled.

The service is aimed at parents who want to reduce the cost and waste associated with clothes that are worn for only a short period. Looplet will compete with buying new, second-hand marketplace apps and informal hand-me-downs. Its proposition combines the convenience of a managed subscription with consistent quality checks and access to replacement sizes.

Revenue will come primarily from three monthly subscription tiers. These will provide recurring income while allowing each garment to earn revenue over several rental cycles. Resale of retired stock will provide a secondary revenue stream and recover part of the value of garments leaving the rental inventory.

The company was formed in 2026 and is owned and run by its two founders. It is set up but pre-revenue, so current turnover is £0. The immediate priority is to build the clothing inventory and subscription platform, then launch in spring 2027. The stated goal is to reach 1,500 active subscribers within 12 months of launch.

Looplet is seeking £150,000 from investors. The funding will pay for:

- £60,000 of initial clothing stock;
- £30,000 for the website and subscription platform;
- £40,000 of launch marketing; and
- £20,000 of working capital.

This plan sets out the proposition, target market, commercial model and first-year sales assumptions supporting that investment. The central forecast produces approximately £233,500 of first-year subscription revenue and around 1,160 active subscribers at year end. This is below the stated subscriber goal, making customer acquisition efficiency and stock capacity the main areas to prove during launch.

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Business Overview

Looplet Ltd is a private limited company formed in 2026 and based in Bristol. It is owned by its two founders and operates in children's clothing rental, subscription e-commerce and circular retail.

The company is at the pre-revenue stage. Its initial commercial activity will focus on building a national subscription service for children aged 0 to 5. The operating model will retain ownership of the clothing, issue it to subscribers and recover it when sizes are changed or subscriptions end. Returned garments will be cleaned, inspected and allocated to another customer where they continue to meet the required standard.

Looplet currently has two people working in the business and no employees. Before launch, the founders will oversee stock procurement, platform development, supplier arrangements, marketing and operational testing. The company will add external services and employees only where customer volumes and operational requirements justify the cost.

Management team

Hannah Osei is a co-founder and was previously an operations lead at an online fashion retailer. This experience is relevant to stock control, fulfilment, returns and the consistent handling of clothing across repeated rental cycles.

Tom Lindqvist is a co-founder with responsibility for product and marketing. They have eight years' experience in subscription e-commerce, supporting the design of the customer journey, subscription tiers, acquisition activity and retention processes.

The founders' experience covers the main commercial and operational functions required at launch. The first year will test their ability to manage these functions at the same time as building the customer base. Specialist cleaning, technology and logistics arrangements will form part of the operating infrastructure rather than being built wholly in-house.

Mission and short-term objectives

Looplet's mission is to make children's clothing more affordable and less wasteful by keeping good-quality garments in use for longer.

Over the next 12 months, the company will complete its website and subscription platform, procure and prepare its opening inventory, establish the cleaning and quality-control process, and launch in spring 2027. Its customer objective is to build towards the 1,500-subscriber goal set out in the Executive Summary. The company will also establish evidence on acquisition cost, retention, garment life and the cost of each swap. These measures will determine how quickly it can scale beyond the initial launch period.

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Products and Services

Monthly clothing subscriptions

Looplet will offer monthly rental subscriptions for children aged 0 to 5. Customers will choose from three bundle sizes containing 10, 18 or 25 clothing items. This gives families a choice based on how much of a child's wardrobe they want the service to cover.

The subscription will provide ongoing access rather than ownership. A family will use the garments while they fit and return them when a different size is needed or the subscription ends. Looplet will provide free swaps whenever a child outgrows their current size. This removes the need to buy a replacement wardrobe at each growth stage.

The customer benefit is a predictable monthly clothing cost and less time spent repeatedly finding suitable garments. The model is particularly relevant during the first five years, when children can move through sizes quickly and individual items may receive limited wear.

Cleaning and quality control

Returned garments will be professionally cleaned and checked against Looplet's quality standard before being issued again. The inspection process will determine whether an item is suitable for another rental cycle, should move to resale, or should be recycled.

This managed process distinguishes the service from direct purchases through marketplace apps, where condition, cleanliness and seller standards can vary. It also supports the commercial model by extending the useful earning life of each item while removing unsuitable clothing from rental circulation.

Online account and size swaps

Customers will subscribe through Looplet's website and subscription platform. The platform will manage bundle selection, recurring payments and the customer's continuing relationship with the service. The swap process will be designed around a clear online request and return journey, allowing Looplet to monitor which garments are in circulation and when replacements are required.

The platform will also provide operational data on bundle demand, popular sizes, customer retention and garment use. This information will guide future stock purchases and reduce the risk of holding too many items in slow-moving sizes.

Resale and later development

Garments that remain wearable but no longer meet the rental standard will be offered for sale through the website. This will give customers access to lower-cost clothing and recover value from retired inventory. Items unsuitable for either rental or resale will be directed to recycling.

The company will concentrate first on proving the service for ages 0 to 5. Any later extension into other age groups or related children's clothing categories will follow evidence of demand and stable performance in the core range.

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Target Market

Looplet will sell directly to parents and carers of children aged 0 to 5 throughout the UK. Bristol will be the company's operating base, but the website and subscription model are designed for national sales rather than a local customer catchment.

Core customer groups

Cost-conscious families want to reduce spending on clothing that may be outgrown before it is worn extensively. Their main buying trigger is the comparison between a fixed subscription and the repeated cost of replacing clothes with new items. They will expect the bundle to contain useful, good-quality garments and will pay close attention to value across the full month.

Waste-conscious parents are concerned about the volume of children's clothing bought, lightly used and discarded. They are attracted by reuse, resale and recycling, but still require a convenient and reliable service. Professional cleaning and quality checks are important because these customers may support second-hand use without wanting to search through individual listings.

Convenience-led households want to avoid repeated shopping as their child changes size. Their buying trigger may be a recent growth spurt, an upcoming seasonal wardrobe change or dissatisfaction with the time involved in buying and reselling individual items. Free size swaps and a managed return process address this need.

Parents already comfortable with subscriptions and online resale are likely early adopters. They understand recurring payments and are accustomed to receiving products by post or using marketplace services. Looplet will offer them a more structured alternative to buying separate second-hand items from multiple sellers.

Market context

The UK children's clothing market is well established, with sales split across high-street chains, supermarkets, online retailers, specialist brands and second-hand channels. Demand is recurring because children continually grow into new sizes. However, individual garments often have a shorter period of use than adult clothing, creating both a cost problem for families and a supply of clothing suitable for reuse.

Second-hand buying has become easier through marketplace apps, while wider interest in clothing waste has made rental and resale more familiar. Children's clothing rental remains less established than either buying new or buying second-hand. Looplet must therefore explain the practical value of renting, not rely on environmental interest alone.

The national model broadens the addressable customer base but introduces delivery, return and cleaning costs that local swap services or hand-me-down networks may avoid. Demand is also likely to vary by age, size and season. Stock availability in the right sizes will affect conversion and customer satisfaction.

The initial target customer is therefore a UK parent who shops online, is comfortable with a recurring payment and sees clear value in avoiding repeated wardrobe replacement. Launch marketing will focus on demonstrating the bundle contents, condition standard, swap process and monthly cost comparison. These are the points most likely to determine whether interest becomes a paid subscription.

Market Research

Market size and direction

Looplet operates within the UK childrenswear market, but its practical addressable market is families with children below school age who shop online and are willing to rent rather than own clothing. UK national statistics agencies recorded approximately 650,000 live births across the UK in 2023. Successive annual birth cohorts indicate a population of more than three million children aged 0 to 4, providing a substantial recurring customer base even though birth rates have declined over the longer term.

Demand for childrenswear is resilient because it is driven by growth and replacement rather than discretionary fashion purchases alone. However, pressure on household budgets favours supermarkets, promotions and second-hand purchases. Looplet's relevant growth opportunity is therefore not growth in overall clothing volumes, but a shift towards lower-cost reuse, online resale and access-based consumption.

Industry reporting from fashion resale platforms and UK retail analysts shows continued consumer adoption of second-hand clothing. Rental is more established in occasionwear and adult fashion than in everyday childrenswear. This leaves room for a specialist service, but it also means Looplet must explain how renting works and why it is preferable to buying inexpensive second-hand bundles.

Trends and customer behaviour

Parents are increasingly comfortable buying pre-owned children's clothing through digital marketplaces. That behaviour reduces resistance to reused garments, while also setting a strong price benchmark. Customers will compare the total subscription cost with supermarket clothing, marketplace bundles and garments received from friends or relatives.

The main buying criteria will be:

- visible cleanliness and consistent garment condition;
- sufficient stock in the child's current size;
- straightforward returns and replacement bundles;
- useful everyday clothing rather than unwanted filler items;
- transparent subscription and cancellation terms;
- evidence that renting saves time or money; and
- confidence that payments and personal data are secure.

Environmental impact may attract attention, but affordability and convenience are more likely to determine conversion and retention. Reviews, photographs of representative bundles and a clear explanation of the inspection process will reduce the perceived risk of receiving unsuitable items.

Demand will have seasonal peaks around spring and autumn wardrobe changes, the start of nursery terms and periods when children need a different clothing size. Winter garments are bulkier and more expensive to clean and transport. Summer demand may require lighter bundles and faster stock rebalancing. Births occur throughout the year, which gives the underlying subscription market less seasonality than fashion retail generally.

Barriers to entry

A basic clothing resale website is easy to establish, but a reliable national rental operation requires inventory depth, garment tracking, recurring billing, returns handling and cleaning capacity. New entrants must finance stock before recovering its cost over multiple rental cycles. They must also hold enough garments across sizes and seasons without leaving excessive stock unused.

Trust is another barrier. One poor-quality bundle, delayed swap or hygiene complaint can cause cancellation and negative reviews. Looplet's operating data and repeat-rental history will become more valuable as volumes increase, but the business will initially remain open to imitation by established retailers and resale platforms.

Regulation and standards

Products supplied for hire must be safe under the General Product Safety Regulations 2005. Textile fibre labelling requirements apply where fibre composition is stated. Children's garments should be assessed against relevant safety standards, including BS EN 14682 for cords and drawstrings. Children's nightwear must comply with the Nightwear (Safety) Regulations 1985 and applicable flammability labelling rules.

Online subscriptions must comply with the Consumer Rights Act 2015 and Consumer Contracts Regulations 2013, including clear pre-contract information and cancellation terms. Customer data and electronic marketing are governed by UK GDPR, the Data Protection Act 2018 and PECR. Environmental claims must be specific and supportable under the Competition and Markets Authority's Green Claims Code. Clothing sent for recycling must be handled through appropriate waste contractors with records supporting the company's duty of care.

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Competitive Advantage

Competitors and alternatives

Looplet will compete with three main types of alternative rather than a single direct competitor.

High-street and online retailers offer immediate ownership, broad product choice and familiar returns processes. Customers can select individual colours, styles and sizes and retain the garments for younger children or resale. Buying new can, however, become expensive when wardrobes need frequent replacement.

Second-hand marketplace apps allow parents to buy individual garments or mixed bundles, often at low prices. They provide extensive choice but require customers to search listings, assess different sellers and manage variable condition and cleanliness. Parents may also need to resell each item themselves to recover value.

Hand-me-downs are usually the lowest-cost option and keep clothing in use within families and social networks. Availability is inconsistent, however, and depends on receiving suitable garments in the correct size and season.

Looplet's advantages

Looplet's main advantage is the combination of predictable access, free size swaps and managed garment care. The customer does not need to buy a new set of clothes each time their child grows or list unwanted items for resale. This directly addresses the short period for which many children's garments fit.

Professional cleaning and checks against a defined quality standard provide greater consistency than buying from multiple individual sellers. The three bundle sizes also allow families to choose how much clothing they want to rent without sourcing each garment separately.

The circular inventory model can create a cost advantage over buying new because the same garment can earn subscription revenue over several rental cycles. Resale then provides a final commercial route for stock that remains wearable but is no longer suitable for rental.

These advantages are not yet proven in live trading. Looplet must demonstrate that its quality standard is consistent, swaps are straightforward and sufficient stock is available in the sizes customers request. It must also show that cleaning, handling and returns do not remove the saving offered to families.

Over time, garment-level usage data, a balanced inventory and an efficient returns process could become harder for a new entrant to reproduce quickly. At launch, however, the company's defensibility rests mainly on execution by founders with relevant fashion operations and subscription experience. Customer retention and repeat rental cycles will provide the clearest evidence that the proposition is stronger than its alternatives.

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SWOT Analysis

Strengths

- The founders' skills cover both fashion operations and subscription customer acquisition.
- Recurring billing provides better revenue visibility than one-off clothing sales.
- Repeated rental cycles allow each suitable garment to generate income more than once.
- A managed cleaning process reduces the uncertainty associated with peer-to-peer buying.
- Three bundle sizes address households with different wardrobe requirements.

Weaknesses

- The business has no live evidence of acquisition cost, retention or garment life.
- Opening stock supports fewer simultaneous bundles than the stated subscriber objective.
- Free swaps expose the company to unpredictable cleaning and logistics costs.
- National fulfilment creates cost and service complexity from the first sale.
- Both founders must cover several operational functions before the team expands.

Opportunities

- Wider use of resale platforms is increasing acceptance of pre-owned clothing.
- Household budget pressure strengthens the case for alternatives to repeated new purchases.
- Referral activity can reduce reliance on paid advertising within parent networks.
- Garment data can improve purchasing by size, season and rate of wear.
- Retired-stock sales can recover value and attract non-subscribers.

Threats

- Supermarkets and marketplace bundles may remain cheaper for some families.
- Established retailers could introduce rental or take-back services using larger customer bases.
- Poor early reviews could damage trust in garment hygiene and condition.
- Carrier or cleaning-price increases could weaken contribution per subscriber.
- Losses, damage and unreturned bundles could shorten the earning life of stock.

The company will use the founders' relevant experience and recurring-revenue model to establish disciplined acquisition, stock and quality controls. Referral growth and garment-level data will reduce dependence on paid marketing, while phased hiring and capacity limits will protect service quality as subscriptions increase.

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Marketing and Sales Strategy

Positioning

Looplet will position itself as a practical alternative to repeatedly buying and disposing of children's clothing. Marketing will lead with cost, convenience and garment condition. Waste reduction will support the proposition but will not be presented as the only reason to subscribe.

The company will show representative bundle contents, explain how swaps work and provide clear evidence of its cleaning and inspection process. Messaging will avoid suggesting that every household saves the same amount. Comparisons will use stated assumptions and distinguish renting from ownership.

Customer acquisition channels

Paid social advertising will be the main launch channel because parents of young children can be reached by life stage, interests and relevant content engagement. Campaigns will use short demonstrations of unpacking, quality checks and size swaps rather than general brand advertising. Separate landing pages will test affordability, convenience and waste reduction as purchase motivations.

Paid search will capture higher-intent enquiries from parents already looking for children's clothing subscriptions, rental or bundles. Search spending will remain controlled because broader childrenswear terms are likely to be expensive and dominated by large retailers.

Parent creators and small relevant online communities will be used for product demonstrations. Partnerships will be selected for audience relevance and engagement rather than follower totals. Any paid or gifted promotion will be disclosed clearly.

Email will convert visitors who are not ready to subscribe immediately. Useful content will cover sizing, seasonal wardrobe changes, garment care and the practical differences between rental and resale. Automated messages will support incomplete checkouts, upcoming renewals, swap requests and cancellation recovery.

A member referral offer will be introduced after the fulfilment process has been tested. The incentive will be credited only after the referred customer completes their first paid month, limiting avoidable acquisition cost.

Sales and retention process

Visitors will choose a bundle, provide the child's size and delivery information, and authorise recurring card payments. The platform will confirm availability before completing the order. If a size is constrained, the company will use a waiting list rather than accept orders it cannot fulfil reliably.

After delivery, customers will receive guidance on use, returns and size changes. Service messages will ask whether the bundle is suitable and resolve missing or unsuitable items quickly. Swap requests will trigger a replacement and return workflow recorded against the customer and each garment.

Retention activity will focus on successful first delivery, easy size changes and relevant communication rather than frequent discounting. Cancellation reasons will be recorded by price, quality, fit, stock availability and service issue. Former customers may be invited back when a new size or season becomes relevant.

The established tier structure will remain unchanged during launch so that contribution and retention can be compared reliably. Short-term promotions will use referral credits or limited first-month offers rather than permanent price reductions.

Indicative monthly marketing budget

The table shows the £40,000 annual launch allocation as an average month. Actual spending will be weighted towards the launch period in line with the sales forecast.

Activity	Monthly budget	Measure of success
Paid social campaigns	£2,300	Paid acquisition cost and completed subscriptions
Paid search	£400	Conversion rate from high-intent searches
Creator partnerships	£300	Tracked subscriptions and cost per acquisition
Member referrals	£200	Activated referrals and referred-customer retention
Email and content	£83	Checkout recovery and email-assisted conversions
Creative testing	£50	Improvement in advert click-through and conversion
Total	£3,333	Blended acquisition cost and subscriber growth

Marketing will be reviewed weekly during launch and monthly thereafter. Spending will move towards channels producing retained customers, not simply low-cost leads or website traffic.

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Operations Plan

Premises and equipment

Looplet will operate from a Bristol storage and fulfilment unit suitable for receiving, sorting, shelving and dispatching clothing. The layout will separate returned, awaiting-cleaning, inspected, ready-to-rent, resale and recycling stock. This separation will prevent returned garments from being issued before cleaning and approval.

The main equipment will include garment rails or shelving, packing benches, storage containers, label printers, barcode scanners, weighing scales and computers. The company will not establish an in-house commercial laundry during the first year. Professional cleaning will be outsourced, avoiding the capital cost and compliance requirements of laundry equipment.

Procurement and suppliers

Opening purchases will prioritise durable everyday garments that can withstand repeated wear and cleaning. Buying decisions will consider unit cost, fibre composition, fastenings, care requirements and suitability for mixed bundles. Fashion-led items with a short selling season will receive lower priority.

The company will avoid reliance on one stock source where suitable alternatives are available. Orders after launch will be based on demand by age, size, season and garment category. Cleaning and parcel services will be contracted externally, with service levels and pricing reviewed against actual volumes.

[Add: selected clothing suppliers, cleaning provider and parcel carrier before investment completion.]

Delivery and returns

New stock will be counted, labelled and entered into the inventory system before becoming available. Each garment will have a unique record linking its purchase cost, size, category, condition and rental history. Staff will pick bundles against the customer order, complete a final check and record dispatch.

Returned bundles will be reconciled against the customer account. Garments will then move to cleaning and inspection. Approved items will return to available stock; lower-grade wearable garments will move to resale; unsafe or unusable items will be isolated for recycling.

The system will prevent the same item being allocated twice and will report low stock by size. A reserve will be maintained so that normal swaps do not depend on the immediate return of another customer's bundle.

Quality control and systems

Inspection will cover cleanliness, staining, odour, fabric wear, seams, fastenings, labels and child-safety concerns such as loose components or unsuitable cords. Nightwear will be checked for required safety labelling. Failed items will not return to rental inventory.

The subscription platform will manage recurring payments, customer status and swap requests. Inventory software will record garment movements, while accounting software will record sales and supplier costs. Access controls, backups and documented data-handling procedures will protect customer and payment information. Card details will be handled through an appropriate payment provider rather than stored directly by Looplet.

Staffing and dependencies

The founders will manage procurement, platform delivery, marketing, supplier relationships and launch operations. An operations and fulfilment assistant will join in Q3 of the first year, once volumes require daily picking, returns and stock administration. Flexible part-time support will be added in Q4 for customer enquiries and peak fulfilment. Year 2 hiring will add operations and customer-service capacity before stock expands beyond the opening limit.

The key dependencies are timely investment, completion of the platform, availability of opening stock, reliable cleaning turnaround and national parcel collection. Backup carrier and cleaning arrangements will be identified before launch. Subscription intake will be paused by size if inventory or processing capacity risks delaying swaps.

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Revenue Model

Looplet will earn most of its revenue from recurring monthly subscriptions. Customers will select one of three tiers:

- £19 per month for 10 items;
- £29 per month for 18 items; or
- £39 per month for 25 items.

Size swaps will be included without an additional charge. Subscription revenue will therefore depend on the number of active customers, the mix between tiers and the length of time each customer remains subscribed. A higher proportion of larger bundles will increase revenue but will also require more garments to be held in circulation.

The secondary revenue stream will be the sale of retired rental garments through the website. The selling price will vary by garment type and condition and will be set before resale begins. This income will recover part of the cost of stock that can no longer meet the rental standard. It is not treated as a material first-year revenue source because the timing and quantity of retired items have not yet been established.

The main direct costs will be clothing purchases, professional cleaning, outward and return logistics, packaging, payment processing, losses and garments damaged beyond further use. The main operating costs will include the subscription platform, website support, customer service, storage, marketing and stock handling.

Profitability will depend on earning revenue from each garment over several rental cycles. The company will monitor the original cost of each item, the number of months it is rented, cleaning and handling expenditure, and any resale proceeds. It will also track contribution by bundle size so that a tier is not retained solely because it attracts customers.

The funded launch will provide the initial stock, technology and marketing needed to begin trading. After launch, the route to profitability will be to increase active subscriptions while keeping acquisition cost, churn and swap costs within sustainable levels. Stock purchases will be guided by live demand by size rather than broad range expansion. Working capital will support the delay between buying and preparing garments and recovering their cost through monthly subscriptions.

The key commercial measures will be active subscribers, monthly recurring revenue, customer acquisition cost, retention, stock utilisation, cost per swap and revenue earned over each garment's usable life.

Year 1 Sales Forecast



- The forecast covers the first 12 months from the spring 2027 launch.
- The assumed tier mix is 40% at £19, 40% at £29 and 20% at £39, producing a blended monthly subscription price of £27.
- The £40,000 launch marketing budget is assumed to generate paid subscribers at an average acquisition cost of £35. Organic and referral acquisition adds 30% to paid acquisitions.
- Marketing is assumed to be weighted towards launch: 35% in Q1, 25% in Q2 and 20% in each of Q3 and Q4.
- Monthly subscriber churn is assumed at 4%. Customer figures in the table are average active subscribers during each quarter.
- The £60,000 opening stock budget is assumed to buy approximately 24,000 garments at an average of £2.50 each. With the forecast tier mix and a 15% stock reserve, this supports approximately 1,250 simultaneous bundles.
- Resale income is excluded because no reliable volume or selling-price history is available.

Quarter	Customers or units	Average price	Revenue
Q1	255 subscribers	£27/month	£20,655
Q2	652 subscribers	£27/month	£52,812
Q3	897 subscribers	£27/month	£72,657
Q4	1,079 subscribers	£27/month	£87,399
Year 1 total			£233,523

The assumptions produce approximately 1,160 active subscribers at year end, around 340 below the stated 1,500-subscriber objective. The result would be higher if acquisition cost is below £35, referrals exceed the assumed level or monthly churn is lower. Reaching 1,500 active subscribers would also require additional stock, a lower average garment purchase cost or a smaller reserve; weaker acquisition or retention would reduce both subscriber numbers and revenue.

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 follows the subscriber volumes, tier mix and quarterly sales forecast set out above.
- Subscription payments are collected by card at the start of each monthly billing period, so Year 1 cash receipts are assumed to fall in the same quarter as revenue.
- Direct costs include garment consumption, cleaning, packaging, payment processing, delivery, returns and expected stock losses.
- Year 1 cost of sales is assumed at 38% of revenue. Scale efficiencies reduce this to 36% in Year 2 and 35% in Year 3.
- Year 2 assumes 1,500 average active subscribers, supported by capacity for approximately 1,850 bundles and an average monthly receipt of £28.
- Year 3 assumes 2,100 average active subscribers, capacity for approximately 2,400 bundles and an average monthly receipt of £29.

- Year 2 marketing is assumed to acquire customers at £45 each through paid channels, with organic and referral acquisition adding 30%. Year 3 paid acquisition cost rises to £50 as the audience broadens.
- Monthly churn remains at 4%. The resulting gross additions support approximately 1,800 active subscribers at the end of Year 2 and 2,300 at the end of Year 3.
- Staff costs rise as fulfilment, customer service and inventory responsibilities move from the founders to employees.
- Premises costs increase when additional storage and processing capacity is required.
- Resale revenue remains excluded until the company has reliable evidence of retirement volumes and selling prices.
- The platform build is treated as a capital investment and amortised over three years within other overheads.

Line	Year 1	Year 2	Year 3
Revenue	£233,523	£504,000	£730,800
Cost of sales	£88,739	£181,440	£255,780
Gross profit	£144,784	£322,560	£475,020
Gross margin (%)	62.0%	64.0%	65.0%
Staff costs	£42,000	£115,000	£180,000
Premises	£18,000	£30,000	£42,000
Marketing	£40,000	£48,000	£60,000
Other overheads	£36,000	£55,000	£78,000
Total overheads	£136,000	£248,000	£360,000
Operating profit	£8,784	£74,560	£115,020

Year 1 cash flow

Funding is assumed to be received in Q1 before stock and platform payments fall due. The opening clothing purchase and platform build are paid in Q1. Card receipts are assumed to settle promptly, with no material quarter-end customer receivable. Supplier, payroll, marketing and operating costs are assumed to be paid in the quarter incurred.

Cash out includes £60,000 for opening stock and £30,000 for the platform. The cost-of-sales charge also includes non-cash use of clothing inventory, so it does not equal direct-cost cash payments during the year.

Quarter	Opening cash	Cash in	Cash out	Funding received	Closing cash
Q1	£0	£20,655	£125,700	£150,000	£44,955
Q2	£44,955	£52,812	£41,800	£0	£55,967
Q3	£55,967	£72,657	£50,800	£0	£77,824
Q4	£77,824	£87,399	£56,500	£0	£108,723

The forecast is most sensitive to acquisition cost, churn and the cost of cleaning and transporting swaps. Subscriber growth above the opening stock limit would require earlier inventory purchases, while slower acquisition would leave more cash available but reduce revenue and stock utilisation.

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Funding and Use of Funds

Looplet is seeking £150,000 of investment to complete the pre-launch work and provide sufficient stock, customer acquisition and liquidity for its first trading period.

Item	Cost
Initial clothing stock	£60,000
Website and subscription platform	£30,000
Launch marketing	£40,000
Working capital	£20,000
Total	£150,000

The stock allocation provides the garments required to fulfil the first subscriptions and maintain a reserve for size changes, cleaning turnaround and uneven demand. Stock will remain an asset of the company and will be tracked through rental, resale and recycling.

The platform allocation will fund the website, recurring billing, customer accounts, bundle management and the operational connection between subscriptions and inventory. The system is necessary before national orders can be accepted and will provide the data used to manage retention, stock availability and garment performance.

Launch marketing will finance the acquisition activity used in the Year 1 sales forecast. Spending will be phased rather than committed in full at launch. The company will move funds between channels according to completed subscriptions, acquisition cost and early retention.

Working capital will cover the gap between pre-launch expenditure and the growth of monthly receipts. It will also provide protection against higher initial cleaning, fulfilment or support costs. The cash-flow forecast retains a positive balance throughout the year and does not assume a further funding round during that period.

The projections assume the funding is equity investment and therefore include no scheduled capital repayments or interest payments. Investor return will depend on growth in the value of the company and any future distribution or exit agreed with shareholders. [Add: proposed valuation, equity offered and investor rights.]

Growth after the opening year will be financed partly from operating cash generation. Further equity could accelerate stock purchases, technology development and recruitment once retention, garment life and contribution per bundle have been demonstrated. The company will not expand subscriber capacity ahead of evidence that the existing operation can maintain service standards and acceptable unit economics.

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Risk Analysis

Risk	Likelihood	Impact	Mitigation
Paid acquisition costs exceed the forecast	Medium	High	Test small campaigns, track completed subscriptions and reallocate spending to referrals and retained-customer channels.
Subscriber churn remains above 4% per month	Medium	High	Monitor cancellation reasons, improve first-bundle quality and resolve fit or swap issues promptly.
Stock is unavailable in high-demand sizes	Medium	High	Track demand by size, hold a reserve and pause new orders where fulfilment cannot be guaranteed.
Cleaning, postage and return costs weaken bundle contribution	High	High	Measure cost per cycle and swap, negotiate volume rates and review tier economics before scaling.
Garments are lost, damaged or returned incomplete	Medium	Medium	Maintain garment-level records, issue clear return instructions and monitor loss rates by bundle.
A hygiene or product-safety failure harms customers or reputation	Low	High	Use professional cleaning, documented inspections, quarantined returns and immediate withdrawal procedures.
Platform failure interrupts billing or customer accounts	Medium	High	Use tested providers, controlled releases, backups and documented manual fulfilment procedures.
Founder workload delays service or decision-making	Medium	Medium	Introduce operational support in line with volume and document core fulfilment and customer-service processes.
Consumer, data or environmental-claims requirements are breached	Low	High	Maintain clear terms, privacy controls, marketing consent records and evidence for environmental statements.

The most important early risks are acquisition cost, churn and direct service cost because small adverse movements can remove the forecast operating profit. Warning signs will include rising cost per completed subscription, first- or second-month

cancellations, delayed swaps, frequent stock shortages and cleaning or delivery expenditure increasing faster than recurring revenue.

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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