

SAMPLE BUSINESS PLAN · ILLUSTRATIVE EXAMPLE — FICTIONAL BUSINESS

Ember & Kiln Coffee Roasters Ltd

Specialty café and micro-roastery: start-up plan and three-year forecast supporting £50,000 of Start Up Loans and a £20,000 bank loan

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1. Executive summary

Ember & Kiln Coffee Roasters Ltd will open a specialty coffee shop with its own small roastery in a high-street unit in Ashcombe, a fictional Surrey market town of about 30,000 people. Coffee is roasted in the shop window on a 5 kg roaster and sold three ways: in the café, as bags of beans in the shop and online, and wholesale to local cafés, delis and offices.

The two founders are a head barista and roaster with eight years' experience, and a hospitality manager who has run a busy restaurant floor for six. They are investing **£30,000 of their own savings** and seeking **£50,000 of Start Up Loans** (£25,000 each) and a **£20,000 five-year bank loan** secured on the roaster.

£291.7k

Year 1 revenue

£478.2k

Year 3 revenue

£36.0k

Year 2 profit before tax

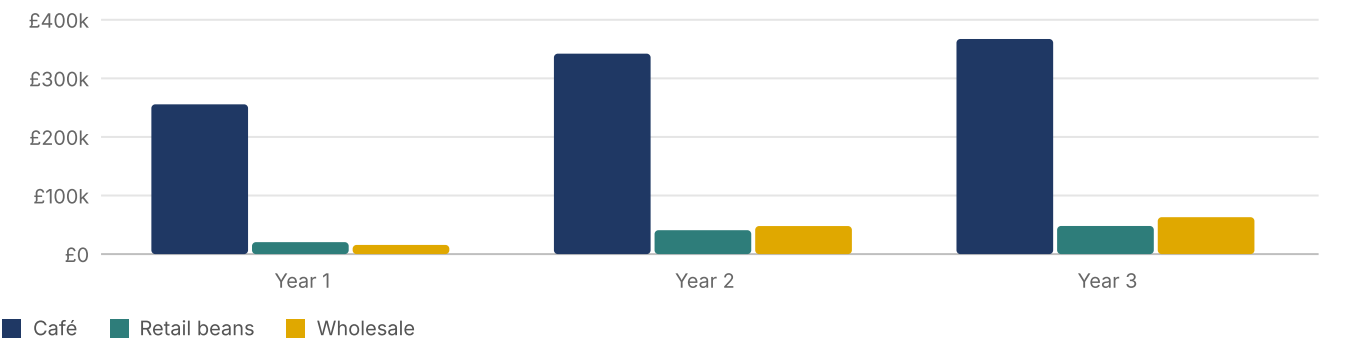
151 / day

Café customers needed to cover all cash costs

WHY IT SHOULD WORK

- Roasting on site gives customers a reason to choose Ember & Kiln over the chains, and the theatre of the roaster in the window brings people in.
- One roaster feeds three income streams. Wholesale and online sales use spare roasting capacity at a 40% gross margin and are not tied to footfall.
- Owning the roast lowers the coffee cost per cup, so the café's gross margin of about 67% is above that of a café buying in beans.
- Green coffee prices have fallen about 27% over the past year after the record high of February 2025, easing the main cost pressure on roasters.

REVENUE BY STREAM



WHAT THE FORECAST SHOWS

- A loss of £13,026 in year 1 while the café builds from 95 to 190 customers a day, then profits before tax of £36,001 in year 2 and £44,687 in year 3.
- In the base case the bank balance stays positive, but only just: it falls to £1,210 in month 7. The plan therefore includes a **£20,000 overdraft** as a safety net (section 10).
- From month 8 trading income covers every cost, including loan repayments of £1,412 a month, and the bank balance rises every month after that.

2. Funding request and loan repayment

Uses of funds	
5 kg coffee roaster with afterburner, installed	£28,000
Espresso machine, grinders, brewers and fridges	£16,000
Shop fit-out: counter, seating, lighting, roaster flue	£22,000
Opening stock (green coffee, food, bags)	£3,000
Rent deposit (three months)	£4,500
Launch marketing and opening event	£3,000
Working capital	£23,500
Total	£100,000

Sources of funds	
Start Up Loans: £25,000 per founder, 5 years at 7.5% fixed, lent on to the company	£50,000
Bank loan secured on the roaster, 5 years at 8.5%	£20,000
Founders' savings (share capital, £15,000 each)	£30,000
Total	£100,000

The founders are putting in £30,000 of their own money, 30% of the total. Start Up Loans are personal loans, so each founder will lend the money on to the company under a written loan agreement on the same terms; the company makes the repayments.

LOAN REPAYMENT SCHEDULE (START UP LOANS AND BANK LOAN TOGETHER)

	Repayments	Interest	Capital	Balance at year end
Year 1	£16,947	£5,031	£11,916	£58,084
Year 2	£16,947	£4,070	£12,877	£45,207
Year 3	£16,947	£3,031	£13,916	£31,292
Year 4	£16,947	£1,908	£15,039	£16,253
Year 5	£16,947	£694	£16,253	–

Monthly repayments: Start Up Loans £1,001.90 and bank loan £410.33, together £1,412.23. Total interest over five years is £14,734.

AFFORDABILITY

- In year 2, cash from trading (EBITDA) of £51,071 covers loan repayments of £16,947 3.0 times.
- In year 1 the margin is thin while the café builds. The £20,000 overdraft and the £23,500 of working capital are there to carry the business through the first nine months.
- The roaster is resaleable equipment, which is why the bank can lend against it.

SECURITY AND GUARANTEES

Facility	Amount	Security	Who is liable
Start Up Loans	£50,000	Unsecured	Each founder personally, for their own £25,000
Bank loan	£20,000	Charge over the roaster	The company; founders give limited personal guarantees
Overdraft (requested)	£20,000	Debenture over the company	The company

HOW THE MONEY IS SPENT



3. The business, menu and wholesale

THE FOUNDERS

One founder is a head barista and roaster with eight years at a specialty roastery, where she ran its wholesale training. The other has six years as a restaurant general manager, covering rotas, stock, health and safety and a team of 15. Both will work full time in the business.

LEGAL STRUCTURE

Ember & Kiln Coffee Roasters Ltd, a private limited company owned 50:50 by the founders, with a shareholders' agreement. VAT-registered from the start, as sales will pass £90,000 in the first year.

PREMISES

A 1,400 sq ft corner unit on the high street with seating for 30 and space behind the counter for the roaster. The unit is let on a 10-year lease with a break at year 5, at £25,200 a year. Rateable value £14,000, which qualifies for partial small business rate relief.

OPENING HOURS

7.30am to 4.30pm, Tuesday to Sunday. Roasting is done on Mondays and before opening.

MENU AND PRICES

Item	Price (inc. VAT)	Notes
Espresso / filter (batch brew)	£2.60 / £3.00	Single-origin filter changes weekly
Flat white	£3.70	Our own house espresso
Latte / cappuccino (regular)	£3.80	Oat milk at no extra charge
Pastries and cakes	£3.00–£3.80	From a local bakery, delivered daily
Toasties and lunch plates	£6.50–£8.50	Made to order
Retail bag of beans (250 g)	£9.50	Sold in the shop and online
Coffee subscription (2 × 250 g a month)	£18.00	Posted free
Average spend per café customer used in forecast	£6.40	£5.35 excluding VAT

WHOLESALE

Wholesale	Price (ex VAT)	Basis
House espresso blend, 1 kg	£21.00	Delivered free within 10 miles; 30-day terms
Green coffee landed cost (specialty grade)	£9.00–£10.00 a kg	Importer price lists; about 15% weight lost in roasting
Roasted cost incl. bags, gas and delivery	£12.60 a kg	40% gross margin on wholesale

Wholesale starts in month 3 and reaches 125 kg a month by month 12, roughly six cafés or offices. That is well within the roaster's capacity of about 15 kg an hour.

ROASTING CAPACITY

	Month 12	Year 3
Café (about 18 g of beans a cup, 1.1 coffees per customer)	98 kg	113 kg
Retail bags (250 g at £9.50, roughly £7.90 ex VAT)	89 kg	127 kg
Wholesale	125 kg	250 kg
Roasted coffee needed each month	311 kg	490 kg
Roasting time at 15 kg an hour	21 hours a month	33 hours a month

Even in year 3 the roaster is used for well under two days a month, so wholesale can grow a long way before a bigger roaster is needed.

4. Market and competition

The UK coffee shop market is still growing. Branded chains had 12,313 outlets and £6.8 billion of sales, with outlet numbers up 3.5% in a year. Independents had 13,211 outlets, up 3.3%, and £5.1 billion of sales, up 3.8% (Allegra World Coffee Portal, Project Café UK 2026). Independents face more cost pressure than the chains. That is why this plan controls coffee costs by roasting in house, and keeps the staff rota tight.

Green coffee, the roaster's main raw material, has eased. Arabica futures were 285 US cents a pound on 29 October 2026, 27% lower than a year earlier and about 35% below the all-time high of 441 cents in February 2025 (Trading Economics). The plan does not assume prices keep falling, and section 10 tests a 30% rise.

PRICE BENCHMARKS

Benchmark (real, published prices)	Flat white	Latte	Americano
Costa Coffee, UK high street (October 2026 guide prices)	£3.65–£4.70	£3.00–£4.80	£3.00–£4.20
Starbucks, UK high street, tall / grande (October 2026)	£3.95 / £4.35	£3.95 / £4.35	£3.35 / £3.75
UK average, independent and chain cafés (Matthew Algie survey, 2024)	£3.23	£3.33	£3.00
Ember & Kiln (this plan)	£3.70	£3.80	£3.30

Ember & Kiln prices its flat white at £3.70: above the national average, which dates from 2024 and has risen since, and at or below the chains. Customers pay for quality, but the price stays within the range they already accept on the same street.

COMPETITION

Competitor (fictional)	Type	Distance	Our edge
Chain café A	Branded chain, high street	200 m	Fresher coffee roasted on site; independent feel
Bakery chain B	Value coffee with food	150 m	Quality, seating and a reason to stay
Café C	Independent, buys in beans from a national roaster	400 m	Roasting on site; we can also supply them
Roaster D	Online-only roaster	15 miles	Local delivery and a shop customers can visit

REGULATION

The café must register as a food business with the council at least 28 days before opening and will aim for a 5-star food hygiene rating. Any food packed on site for sale must carry full ingredient and allergen labels, under Natasha's Law. Roasting produces smoke and smell, so the fit-out includes an afterburner and a flue agreed with Environmental Health. Café use falls within planning Use Class E.

SWOT

Strengths

- Fresh coffee roasted on site: a reason to visit
- Three income streams from one roaster
- Founders cover coffee and hospitality between them

Weaknesses

- New brand, no reviews yet
- Higher rent for a unit large enough to roast
- Small team, so absence hurts

Opportunities

- Local cafés, offices and delis to supply
- Online subscriptions reach beyond the town
- Green coffee prices easing from the 2025 peak

Threats

- Chains competing hard on price
- Commodity and wage inflation
- Lower spending in a downturn

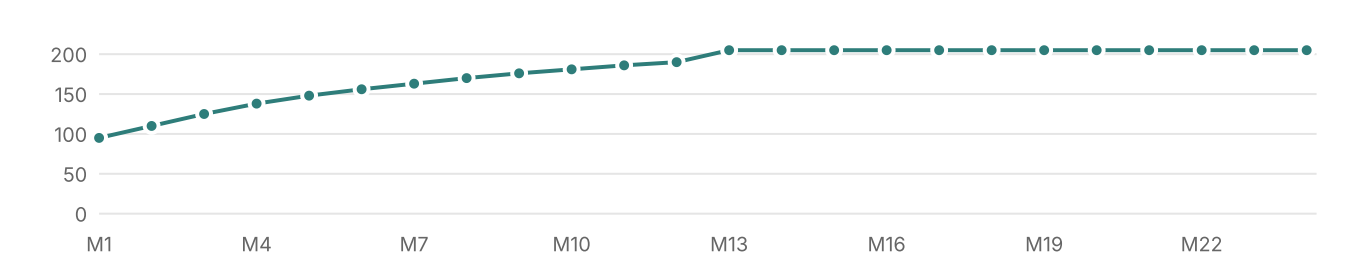
5. Marketing and operations

MARKETING PLAN

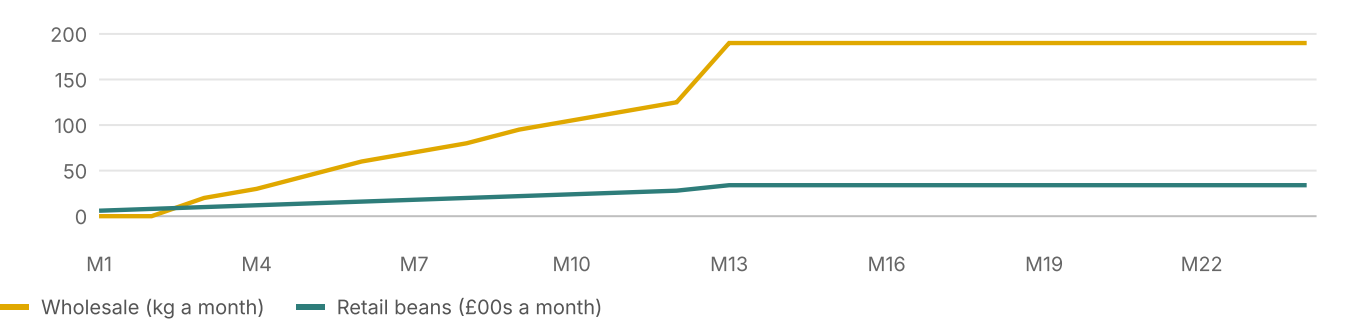
Channel	Monthly budget	Purpose
Instagram and local Facebook groups	£200	Roast-day content; new customers within 3 miles
Google Business Profile and reviews	£0	Local search and trust
Loyalty app (10th drink free)	£60	Repeat visits
Wholesale sampling (free 1 kg trial bags)	£140	Win café and office accounts
Cupping evenings and roastery tours	£100	Community and bean sales
Total	£500	

Launch: a £3,000 opening campaign covering photography, a free-coffee opening weekend, a local press feature and leaflets to offices within a mile.

CAFÉ CUSTOMERS PER DAY, MONTHS 1–24



WHOLESALE KG A MONTH AND RETAIL BEAN SALES, MONTHS 1–24



TEAM AND OPERATIONS

Both founders work full time. They are supported by about five part-time baristas, giving 110 staff hours a week at opening, rising to 135 by month 12 and 150 in year 3. Staff are paid at least the National Living Wage (£12.71 an hour from April 2026). The forecast assumes £13.25 in year 2 and £13.75 in year 3, plus holiday pay.

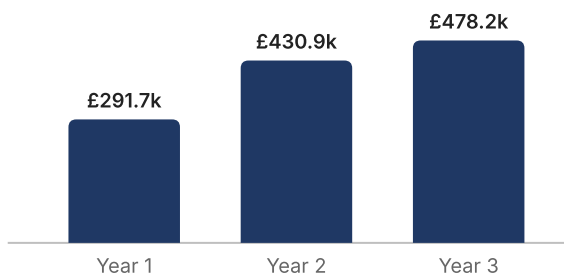
KEY MILESTONES

When	Milestone
Month –3	Lease signed; Start Up Loans and bank loan approved; roaster ordered
Month –2	Fit-out; food business registration with the council; roaster flue signed off
Month –1	Staff trained; soft opening for friends and neighbours
Month 1	Open; target 95 customers a day
Month 3	First wholesale accounts; online shop live
Month 12	190 customers a day; 125 kg a month wholesale
Year 2	Coffee subscriptions and corporate gifting
Year 3	Consider a second café supplied by the same roaster

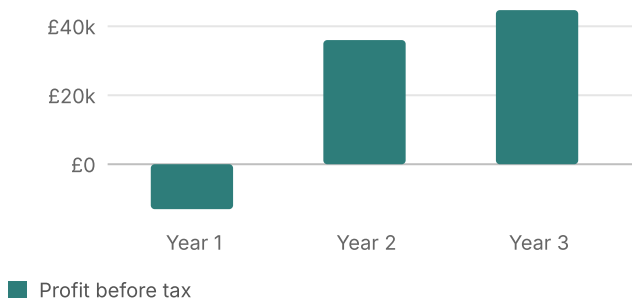
6. Profit and loss forecast

	Year 1	Year 2	Year 3
Café sales (drinks and food)	£255,666	£342,186	£367,224
Retail beans (shop and online)	£20,400	£40,800	£48,000
Wholesale beans to cafés and offices	£15,645	£47,880	£63,000
Revenue	£291,711	£430,866	£478,224
Cost of sales (incl. card fees)	(£96,239)	(£150,843)	(£170,683)
Gross profit	£195,472	£280,023	£307,541
Gross margin	67%	65%	64%
Staff wages (incl. holiday pay)	(£91,476)	(£111,964)	(£120,195)
Founders' salaries (two directors)	(£40,800)	(£52,800)	(£60,000)
Employer's National Insurance (15% above £5,000)	(£14,591)	(£19,465)	(£21,779)
less Employment Allowance	£10,500	£10,500	£10,500
Overheads	(£53,100)	(£55,224)	(£57,348)
Launch marketing and opening event	(£3,000)	–	–
EBITDA	£3,005	£51,071	£58,718
Depreciation	(£11,000)	(£11,000)	(£11,000)
Loan interest	(£5,031)	(£4,070)	(£3,031)
Profit / (loss) before tax	(£13,026)	£36,001	£44,687
Corporation tax (19% small profits rate)	–	(£4,365)	(£8,491)
Profit / (loss) after tax	(£13,026)	£31,636	£36,197

REVENUE BY YEAR



PROFIT BEFORE TAX BY YEAR



READING THE NUMBERS

- Year 1 includes £3,000 of one-off launch costs and the build-up from 95 to 190 customers a day.
- Year 2 is the first full year at about 205 customers a day, with wholesale at 190 kg a month.
- Gross margin falls slightly as wholesale grows, because wholesale earns 40% against about 69% in the café. Wholesale still adds profit, because it uses the same roaster and team.
- Employer's National Insurance is largely offset by the £10,500 Employment Allowance.
- The year 1 tax loss is carried forward against year 2 profits. All figures exclude VAT.

7. Balance sheet and cash flow

FORECAST BALANCE SHEET

At year end	Year 1	Year 2	Year 3
Roaster, equipment and fit-out (net)	£55,000	£44,000	£33,000
Stock (green and roasted coffee, food, packaging)	£3,000	£3,000	£3,000
Rent deposit	£4,500	£4,500	£4,500
Wholesale debtors (30-day terms)	£2,625	£3,990	£5,250
Cash at bank	£9,933	£42,693	£78,839
Total assets	£75,058	£98,183	£124,589
Start Up Loans and bank loan outstanding	(£58,084)	(£45,207)	(£31,292)
Corporation tax due	–	(£4,365)	(£8,491)
Net assets	£16,974	£48,610	£84,807
Share capital	£30,000	£30,000	£30,000
Retained profits / (losses)	(£13,026)	£18,610	£54,807
Shareholders' funds	£16,974	£48,610	£84,807

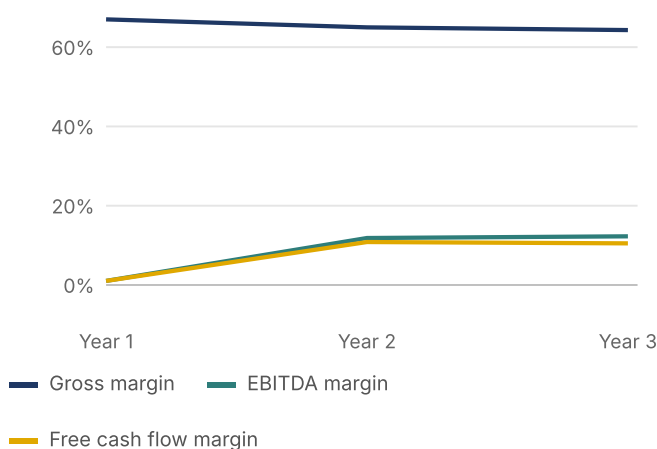
ANNUAL CASH FLOW

Year to	Year 1	Year 2	Year 3
Opening cash	£23,500	£9,933	£42,693
Cash from trading (EBITDA before launch costs)	£6,005	£51,071	£58,718
Increase in wholesale debtors	(£2,625)	(£1,365)	(£1,260)
Loan interest paid	(£5,031)	(£4,070)	(£3,031)
Corporation tax paid	–	–	(£4,365)
Loan capital repaid	(£11,916)	(£12,877)	(£13,916)
Closing cash	£9,933	£42,693	£78,839

Year 1 opening cash of £23,500 is the £100,000 raised less £76,500 spent before opening: the roaster, equipment and fit-out (written off over 5 and 10 years), stock, the rent deposit and launch costs.

MARGINS, FREE CASH FLOW AND RETURN ON CAPITAL

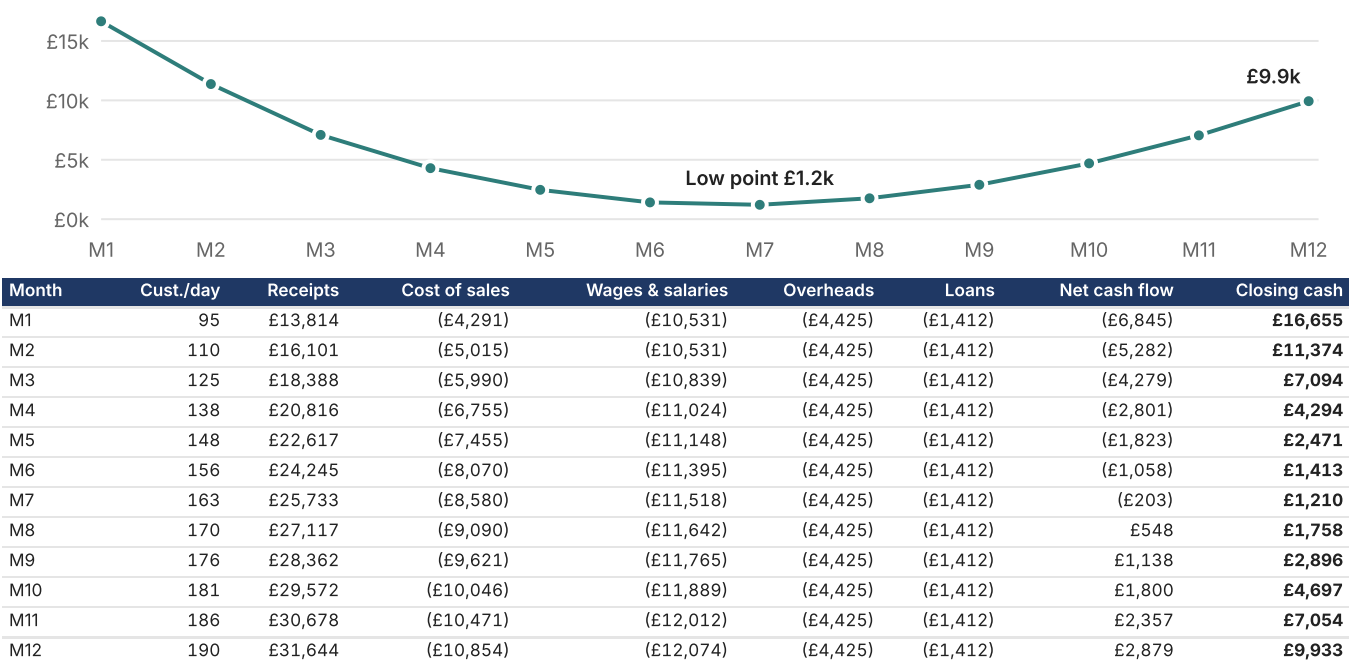
	Year 1	Year 2	Year 3
Gross margin	67%	65%	64%
EBITDA margin	1%	12%	12%
Net profit (after tax) margin	-4%	7%	8%
Free cash flow (EBITDA less tax charge)	£3,005	£46,706	£50,228
Free cash flow margin	1%	11%	11%
Capital invested at start of year: shareholders' funds	£30,000	£16,974	£48,610
plus loans outstanding	£70,000	£58,084	£45,207
less cash at bank	(£26,500)	(£9,933)	(£42,693)
Total capital invested	£73,500	£65,125	£51,125
NOPAT (profit before interest, less tax)	(£7,995)	£35,706	£39,228
Return on invested capital	-11%	55%	77%



Capital invested at the start of year 1 is the £73,500 spent on the roaster, fit-out, stock and deposit. That equals the £100,000 raised less the £26,500 kept as cash before launch costs. Free cash flow is EBITDA less the tax charge. No further capital spending is planned in the first three years. Tax is paid nine months after each year end, so cash at bank lags free cash flow.

8. Monthly cash-flow forecast

BANK BALANCE AT EACH MONTH END, YEAR 1



Receipts are café and bean sales taken on the day, plus wholesale invoices paid 30 days after the month of sale. Wages and salaries include employer's National Insurance after the Employment Allowance. Loans are interest plus capital on both loans.

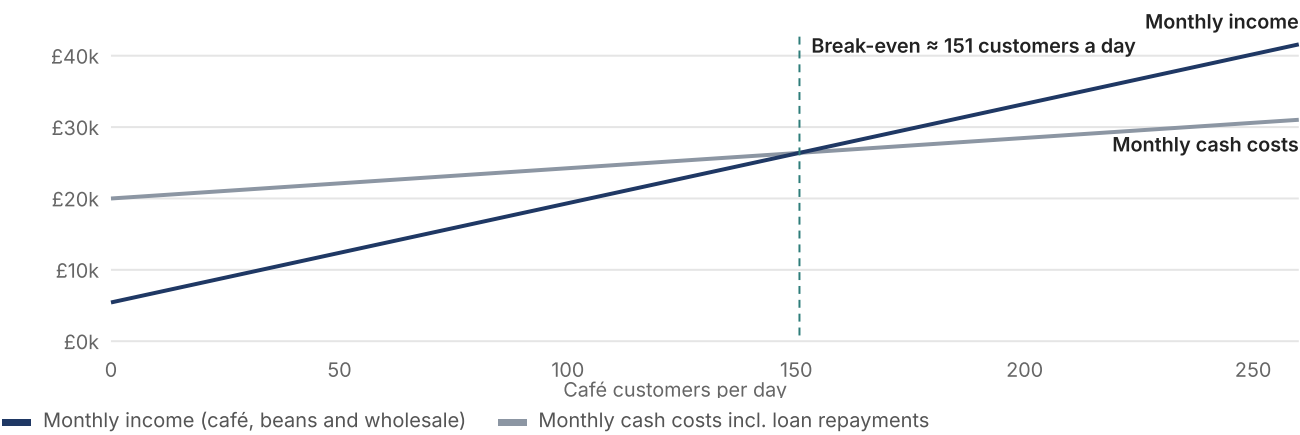
YEARS 2 AND 3 BY QUARTER

Quarter	Receipts	Costs & loans	Net cash flow*	Closing cash
Y2 Q1	£106,352	(£99,185)	£7,166	£17,099
Y2 Q2	£107,716	(£99,185)	£8,531	£25,630
Y2 Q3	£107,716	(£99,185)	£8,531	£34,161
Y2 Q4	£107,716	(£99,185)	£8,531	£42,693
Y3 Q1	£118,296	(£109,113)	£9,183	£51,875
Y3 Q2	£119,556	(£109,113)	£10,443	£62,318
Y3 Q3	£119,556	(£109,113)	£6,078	£68,396
Y3 Q4	£119,556	(£109,113)	£10,443	£78,839

*Net cash flow includes corporation tax paid in the third quarter of each year.

9. Break-even

BREAK-EVEN POINT



Taking bean and wholesale sales at their month-12 level, Ember & Kiln covers all its cash costs at about **151 café customers a day**. This includes both loan repayments and the year-1 wage bill. It covers its accounting costs, including depreciation and interest, at about 150 customers a day.

WHAT THE BREAK-EVEN MEANS IN PRACTICE

- The chart uses bean and wholesale sales at their month-12 level. Earlier in the year those sales are still building, so the bank balance only starts rising in month 8, at 170 customers a day. The low point in month 7 is the month before that.
- Each extra customer a day adds about £97 a month in cash, so 20 more customers a day are worth about £1,933 a month.
- Every 10 kg a month of extra wholesale adds about £84 a month, roughly the same as 9 café customers a day. That is why wholesale is pursued from month 3.
- The largest fixed commitments are rent (£2,100 a month) and the loan repayments. Wages can be flexed by changing the rota.

HOW THE BREAK-EVEN MOVES

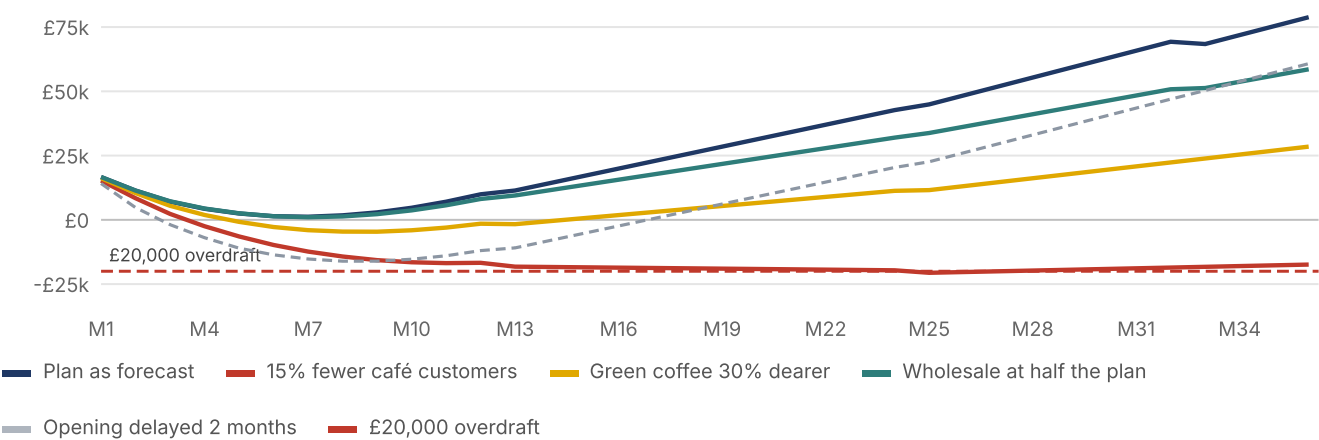
Average spend (inc. VAT)	£6.00	£6.40 (plan)	£6.80	£7.20
Café customers a day to cover all cash costs	161	151	142	134

Average spend matters as much as footfall. Adding a pastry to one order in five raises the average by about 70p, which lowers the break-even by about 15 customers a day.

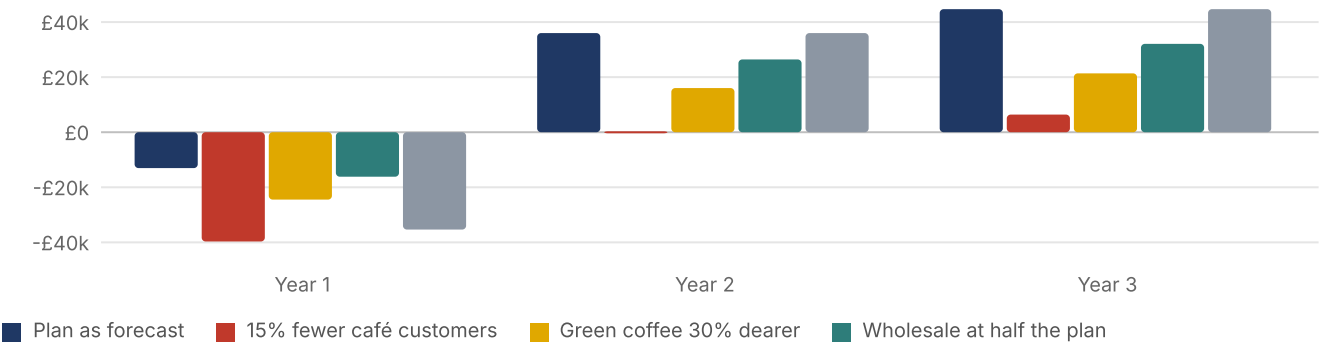
10. What if things go differently?

Each scenario changes one assumption and leaves everything else as forecast. The charts show the bank balance at each month end over three years and the profit before tax for each year.

BANK BALANCE AT EACH MONTH END, BY SCENARIO



PROFIT BEFORE TAX BY YEAR



Scenario	Lowest cash (month)	Profit yr 1	Profit yr 2	Profit yr 3	Cash end yr 3
Plan as forecast	£1,210 (M7)	(£13,026)	£36,001	£44,687	£78,839
15% fewer café customers	(£20,603) (M25)	(£39,679)	£328	£6,404	(£17,405)
Green coffee 30% dearer	(£4,616) (M9)	(£24,466)	£16,033	£21,372	£28,481
Wholesale at half the plan	£1,000 (M7)	(£16,155)	£26,425	£32,087	£58,573
Opening delayed 2 months	(£16,083) (M8)	(£35,348)	£36,001	£44,687	£60,758

Recommendation from the forecast: arrange a **£20,000 overdraft** before opening. It covers a two-month delay to opening and a 30% rise in green coffee prices. If café customers came in 15% below plan, the overdraft would only be enough if staff hours were also cut by about 10% from month 6. The founders would take that step before using the full facility. In every scenario the business makes a profit in years 2 and 3.

11. Risks and mitigations

Risk	Impact	How the plan handles it
Footfall builds more slowly	Cash falls below zero by month 4 if customers are 15% below plan	£20,000 overdraft arranged before opening; staff rota flexed to trade
Green coffee prices rise again	Lower margin on every cup and bag	Forward-buying 3 months of green coffee; prices reviewed every six months
Wholesale accounts slow to win	Less use of the roaster	Plan does not rely on wholesale; shop and online sales use the same roasts
Roaster breakdown	No fresh beans for shop or wholesale	Service contract; one week of roasted stock held; toll-roasting fallback agreed
Founder illness or fall-out	Disruption to trading	Shareholders' agreement; both founders trained to roast and run the bar
Staff costs rise with the National Living Wage	Higher wage bill each April	Forecast already assumes £13.25 in year 2 and £13.75 in year 3

12. Key assumptions

Assumption	Value	Basis
Café customers per day	95 rising to 190 in year 1; 205 in year 2; 220 in year 3	Footfall count at the unit and the founders' experience
Average spend	£6.40 inc. VAT (£5.35 ex VAT)	Menu in section 3; about 1.4 items per customer
Café cost of sales	29% of café sales	Own-roasted coffee, milk, food from the bakery, takeaway cups
Retail beans	£600 rising to £2,800 a month in year 1; £3,400 and £4,000 a month after	Shop shelf plus online subscriptions; 42% cost of sales including postage
Wholesale	0 rising to 125 kg a month; 190 kg and 250 kg later; £21 a kg; 30-day terms	Six to ten local accounts; roasted cost £12.60 a kg
Card fees	1.5% of café and retail sales	Card provider's quoted rate
Staff	110–135 hours a week in year 1; 145 and 150 after	NLW £12.71 (April 2026); £13.25 and £13.75 assumed; holiday pay 12.07%
Founders' salaries	£1,700 / £2,200 / £2,500 a month each	Kept low in year 1 to protect cash
Employer's NI	15% above £5,000 a year per person; Employment Allowance £10,500	HMRC rates 2026/27
Overheads	£4,425 a month, rising 4% a year	Rent £2,100; rates after relief £300; energy £700; other quotes
Business rates	RV £14,000; small business multiplier 38.2p (retail, hospitality and leisure)	Small business rate relief tapers from 100% at £12,000 to nil at £15,000
Loans	Start Up Loans £50,000 at 7.5%; bank loan £20,000 at 8.5%; both over 5 years	Start Up Loans terms from 6 April 2026; bank indicative terms
Depreciation	Roaster and equipment 5 years; fit-out 10 years	Straight line
Corporation tax	19% small profits rate, paid nine months after year end	HMRC 2026/27

How this plan was prepared

This sample shows the structure and depth of a Gregory Analytics business plan. A real plan is built from the client's own information, completed brief and supporting documents, and every assumption is agreed with the client before the final version.

WHAT EVERY PLAN INCLUDES

- A written plan covering the business, market, competition, marketing and operations
- A three-year profit and loss forecast, balance sheet and cash-flow statement
- A twelve-month cash-flow forecast, plus quarterly forecasts for years 2 and 3
- Funding table and loan repayment schedule
- Break-even analysis and downside scenarios
- Risks, mitigations and a full list of assumptions
- The underlying Excel forecast, so figures can be updated
- For a Start Up Loan application, the lender's own cash-flow template and personal survival budget, completed from the same figures

SOURCES

Allegra World Coffee Portal: £6.8bn UK branded coffee shop market achieves 3.5% outlet growth (3 February 2026), and 3 key findings on the UK independent coffee shop market (18 February 2026): 13,211 outlets, £5.1bn sales. · Trading Economics, Coffee (arabica futures): 285.45 US cents/lb on 29 October 2026, down 27% year on year; all-time high 440.85 (February 2025). · Costa Coffee and Starbucks UK menu guide prices, October 2026 (fastfoodsmenu.com; prices vary by store). · Matthew Algie, Stir It Up pricing survey insights: UK average flat white £3.23, latte or cappuccino £3.33, americano £3.00 (2024). · Bishop Fleming, What is the National Living Wage from April 2026: £12.71 for 21 and over; Employment Allowance up to £10,500. · Spelthorne Borough Council, Business rates multipliers 2026/2027: small business retail, hospitality and leisure multiplier 38.2p. · Start Up Loans (British Business Bank): £500–£25,000 per person, 7.5% fixed from 6 April 2026, 1–5 years. · HMRC: VAT registration threshold £90,000; Corporation Tax rates 2026/27; employer National Insurance 15% above £5,000. · Food Standards Agency: registering a food business; Natasha's Law (prepacked for direct sale labelling).

ABOUT GREGORY ANALYTICS

Gregory Analytics is run by Simon Gregory, a chartered accountant (ACA) with an ICAEW practising certificate and professional indemnity insurance. After six years in practice and audit, he spent six years as a senior equity analyst and co-fund manager, assessing business plans from the investor's side.

Ember & Kiln Coffee Roasters Ltd and Ashcombe are fictional. All names, figures and competitors in this sample are made up for illustration. Market data and benchmarks are real and listed above.