

SAMPLE BUSINESS PLAN

Larkmead Dog Club Ltd

Start-up plan and three-year forecast supporting a £50,000 bank loan and £41,000 of asset finance

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1. Executive summary

Larkmead Dog Club Ltd will open a licensed dog daycare, grooming and puppy training centre in a 3,500 sq ft industrial unit with a fenced outdoor yard on the edge of a Surrey market town. The founder has eight years' experience as a veterinary nurse and holds a Level 3 qualification in canine care; she will run the centre day to day with a team of carers and an employed groomer.

The company is seeking a **£50,000 five-year bank loan** and **£41,000 of asset finance** for the van and grooming equipment, alongside **£50,000 of the founder's own money**, to fit out the unit, obtain the animal activity licence and fund the first months of trading.

£288.8k

Year 1 revenue

£530.2k

Year 3 revenue

£60.7k

Year 2 profit before tax

22 dogs / day

Daycare needed to cover all cash costs

Key figures	Year 1	Year 2	Year 3
Average dogs in daycare per day (year end)	36	42	46
Revenue	£288,795	£478,307	£530,184
EBITDA	£2,074	£81,171	£109,415
Profit / (loss) before tax	(£19,795)	£60,710	£90,495
Cash at year end	£17,681	£76,210	£155,208
Bank loan and asset finance outstanding	£75,893	£59,377	£41,322

WHY IT SHOULD WORK

- Dog ownership is at a record 15.5 million dogs in 41% of UK households (UK Pet Food, 2026), and hybrid working means many owners need care two or three days a week.
- Memberships are paid monthly in advance, so most daycare income is known before the month starts.
- Grooming and training are sold to the same owners, adding about a third to income without more marketing.
- The unit is built to the licensing higher standards from day one, aiming for a 4 or 5-star rating that local home-based carers cannot match.

WHAT THE FORECAST SHOWS

- A loss of £19,795 before tax in year 1 while daycare builds from 9 to 36 dogs a day, then profits of £60,710 and £90,495 in years 2 and 3.
- The bank balance stays positive in the base case, with a low point of £5,108 in month 6. A £20,000 overdraft is requested as a safety net (section 10).
- Combined loan and finance repayments of £1,887 a month are covered from trading income from month 7, and 3.6 times by year-2 EBITDA.

2. Funding request and repayments

Uses of funds	
Unit fit-out: rubber flooring, drainage, partitions, rest areas, ventilation, yard fencing	£48,000
Grooming room: tables, baths, dryers	£9,000
Collection van with fitted dog crates	£32,000
CCTV, IT and booking hardware	£4,000
Rent deposit (3 months)	£9,750
Licence application, website, recruitment and launch	£6,000
Working capital	£32,250
Total	£141,000

Sources of funds	
Bank loan (5 years, 8.5% fixed)	£50,000
Asset finance: van and grooming equipment (5 years, 9.5%)	£41,000
Founder's savings (share capital)	£50,000
Total	£141,000

The founder is investing £50,000 of her own money, 35% of the total, and will draw a salary of £2,000 a month in the first year so that more cash stays in the business. Costs are shown excluding VAT: the company will register for VAT before opening and reclaim the VAT on the fit-out.

REPAYMENT SCHEDULE

	Bank loan repayments	Asset finance repayments	Interest	Capital	Bank loan balance	Asset finance balance
Year 1	£12,310	£10,333	£7,536	£15,107	£41,619	£34,274
Year 2	£12,310	£10,333	£6,127	£16,516	£32,496	£26,881
Year 3	£12,310	£10,333	£4,587	£18,056	£22,568	£18,754
Year 4	£12,310	£10,333	£2,903	£19,740	£11,761	£9,820
Year 5	£12,310	£10,333	£1,061	£21,582	–	–

Monthly repayments: bank loan £1,025.83, asset finance £861.08. Total interest over five years is £22,214.

AFFORDABILITY

- From month 7 trading income covers all costs including both repayments.
- In year 2, EBITDA of £81,171 covers the year's repayments of £22,643 3.6 times; in year 3, 4.8 times.
- The van and grooming equipment secure the asset finance; the bank loan is supported by a personal guarantee and the founder's 35% stake.

DEBT SERVICE COVER

	Year 1	Year 2	Year 3
EBITDA	£2,074	£81,171	£109,415
less corporation tax paid	–	–	(£7,774)
Cash available for debt service	£2,074	£81,171	£101,641
Loan and finance repayments (interest + capital)	£22,643	£22,643	£22,643
Debt service cover (times)	0.09x	3.58x	4.49x
Cash at year end	£17,681	£76,210	£155,208

Year 1 cover is below 1 because the centre is still building up; the opening working capital of £32,250 funds the gap, and the bank balance stays positive throughout (section 8). Lenders typically look for cover of 1.25 times or more once trading is established, which the forecast exceeds from year 2.

3. The business and its services

THE FOUNDER

The founder spent eight years as a registered veterinary nurse at a busy Surrey practice and holds an Ofqual-regulated Level 3 qualification in canine care. She will be the licence holder, work on the floor every day and run collections and admin.

LEGAL STRUCTURE AND LICENCE

Larkmead Dog Club Ltd, a private limited company owned 100% by the founder. Dog day care in England must be licensed by the local council under the Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018. Running without a licence is an offence: in 2024 a Surrey daycare owner was fined and ordered to pay £3,939.76 in total.

PREMISES

A 3,500 sq ft (325 m²) industrial unit with a 150 m² fenced yard on a 10-year lease at £45,000 a year, with a five-year break. At the statutory 6 m² per dog the space would allow over 75 dogs; the licence application is for **50 dogs**, giving each dog more than 9 m².

OPENING HOURS

Monday to Friday, 7.30am to 6.30pm. Grooming Tuesday to Saturday; puppy classes on two evenings and Saturday mornings.

SERVICES AND PRICES

Service (prices include VAT)	Price	Notes
Full day daycare (7.30am–6.30pm)	£39	£36 a day on a membership of 3+ days a week
Half day daycare (up to 5 hours)	£26	
Collection and drop-off	£6 a day	Fitted van, 5-mile radius
Full groom: small / medium / large dog	£62 / £72 / £90	Includes bath, clip, nails and ears
Bath and tidy	£40	
Puppy foundation course (6 weekly classes, max 8 puppies)	£150	Run by a self-employed accredited trainer
One-to-one training	£60 an hour	
Average used in the forecast (excluding VAT)		£32.50 per dog-day; £60 per groom

LOCAL PRICE SURVEY

Provider (real, prices checked October 2026)	Location	Service	Price
Katie Brill PDT (home-based daycare)	Walton-on-the-Hill	Full day / half day	£28 / £20
Gudog listings (home-based sitters)	Epsom	Doggy day care, average per day	£30 (from £15)
The Doggy Day Care Centre (dedicated centres)	Regional chain	Full day / holiday day / enrolment	£25.50–£27.50 / £35 / £35
Bizhub365 price guide	Epsom	Full groom: small / medium / large	£50–£75 / £65–£95 / £85–£125
Bizhub365 price guide	Epsom	Bath and tidy	£30–£70
Bizhub365 price guide	Epsom	Puppy class (per class) / one-to-one session	£35–£65 / £45–£90

Home-based carers charge £20–£30 a day but are limited in numbers and space. Larkmead Dog Club Ltd prices at the top of the local range, justified by a licensed purpose-built centre, CCTV, a 1 : 8 staff ratio and collection. Section 10 tests a 10% lower price.

4. Market and competition

UK Pet Food's 2026 Pet Population Survey (Kantar, 8,951 interviews, January 2026) puts the UK dog population at **15.5 million**, with **41% of households** owning a dog, up from 33% in 2021. Many of the dogs bought during and after the pandemic are now adults whose owners have returned to the office for part of the week, which is the core market for daycare.

The centre will serve a fictional market town of around 40,000 people and nearby villages within a 5-mile collection radius. Applying the national ownership rate to roughly 30,000 households in that radius suggests about 12,000 dog-owning households; the year-3 forecast of 46 dogs a day (about 130 regular members attending two to three days a week) needs around 1% of them.

REGULATION

The statutory guidance for dog day care sets the standards a licence is judged against:

- **Staffing:** no more than 10 dogs per member of staff; the optional higher standard is one full-time member of staff per 8 dogs, which this plan uses throughout.
- **Space:** each dog must have 6 m² available inside the premises (indoor and outdoor combined), and a rest area at least twice the space the dog needs to lie flat.
- **Training:** staff need an Ofqual Level 2 qualification or equivalent experience; the higher standard needs a full-time member of staff with Level 3.
- **Star rating:** meeting all required and at least half the optional higher standards earns a 4 or 5-star rating and a 2 or 3-year licence instead of one year.

COMPETITORS

Competitor (fictional)	Type	Price level	Our edge
Home daycare A	Licensed home-based carer, up to 6 dogs	Low (£28–£30)	Space, CCTV, longer hours, collection
Daycare centre B	Licensed centre, 7 miles away	High (£40)	Closer, grooming and training on site
Mobile groomer C	Van-based grooming	Medium	Groom booked alongside a daycare day

SWOT ANALYSIS

Strengths

- Purpose-built licensed unit with indoor and outdoor space
- Three income streams from the same customers
- Memberships give repeat, prepaid income

Weaknesses

- High fixed costs: rent, rates and staff
- New brand with no reviews yet
- Owner-dependent in year 1

Opportunities

- Dog ownership at a record high
- Hybrid workers need care 2–3 days a week
- Add a second groomer in year 3

Threats

- Cheaper home-based daycares
- Wage rises above inflation
- Disease outbreak forcing a closure

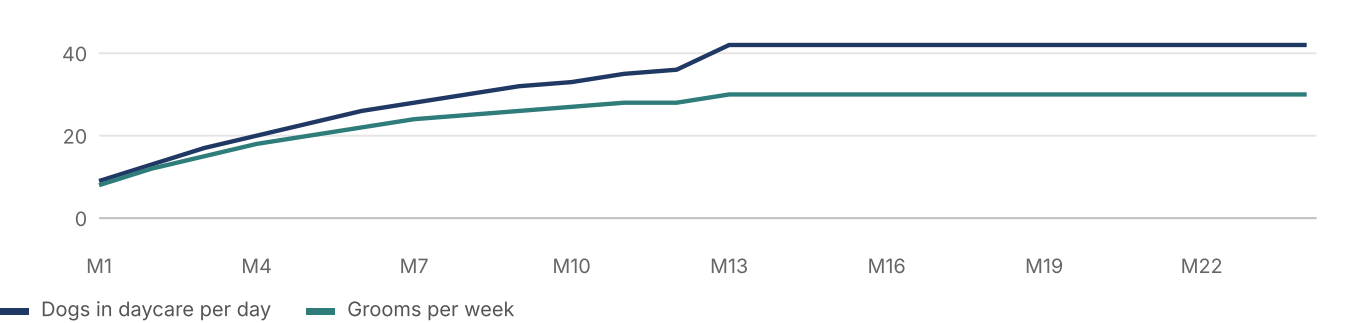
5. Marketing, staffing and operations

MARKETING PLAN

Channel	Monthly budget	Purpose
Google search ads and Business Profile	£400	Owners searching for daycare within 5 miles
Instagram and Facebook	£250	Daily photo updates: owners share them
Vets, pet shops and new-build estates	£100	Leaflets and a free trial day voucher
Referral reward (one free day)	£150	Members recruit members
Total	£900	

Launch: £6,000 before opening covers the licence application and inspection, website and booking system set-up, recruitment and a free assessment day for the first 40 dogs. Every dog must pass an assessment day and be fully vaccinated before joining.

CUSTOMER GROWTH, MONTHS 1–24



STAFFING PLAN

	Year 1 (month 12)	Year 2	Year 3
Average dogs per day	36	42	46
Carers (full-time equivalent)	4.5	5.5	5.5
Groomer	1	1	1
Director (on the floor, transport and admin)	1	1	1
Staff ratio	1 : 8 or better	1 : 8 or better	1 : 8 or better

Carers are paid the National Living Wage of £12.71 an hour (from 1 April 2026) for a 40-hour week, plus 12% for holiday and absence cover. Carer numbers step up by one for every 8 extra dogs; an extra half-time post covers the 11-hour day.

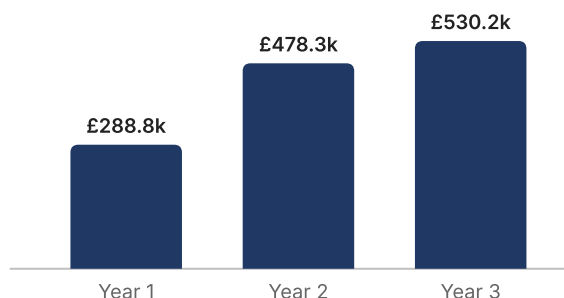
KEY MILESTONES

When	Milestone
Month –3	Lease signed; planning use confirmed; bank loan and asset finance approved
Month –2	Fit-out; staff recruited and trained; licence application and inspection
Month –1	Licence granted; free assessment days for the first 40 dogs; launch campaign
Month 1	Open; about 9 dogs a day and 8 grooms a week
Month 5	Dogs per day pass the 22-dog break-even
Month 6	Lowest cash point (£5,108) while grooming is still building
Month 12	About 36 dogs a day; first licence renewal aiming for 4 or 5 stars
Year 3	46 dogs a day against a licensed capacity of 50; consider a second groomer

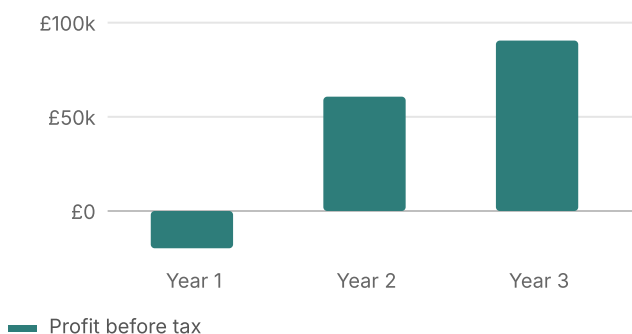
6. Profit and loss forecast

	Year 1	Year 2	Year 3
Daycare	£206,115	£354,299	£399,683
Grooming	£65,780	£96,408	£99,300
Puppy training	£16,900	£27,600	£31,200
Revenue	£288,795	£478,307	£530,184
Carers, groomer and pension (direct staff)	(£124,223)	(£202,794)	(£210,954)
Consumables, trainer's share and card fees	(£29,968)	(£48,304)	(£52,749)
Gross profit	£134,604	£227,209	£266,481
Gross margin	47%	48%	50%
Overheads (premises, van, insurance, marketing)	(£95,100)	(£97,953)	(£100,892)
Director's salary	(£24,000)	(£30,000)	(£36,000)
Employer's National Insurance (after £10,500 Employment Allowance)	(£7,429)	(£18,085)	(£20,174)
Licence application, website and launch	(£6,000)	–	–
EBITDA	£2,074	£81,171	£109,415
Depreciation	(£14,333)	(£14,333)	(£14,333)
Bank loan and asset finance interest	(£7,536)	(£6,127)	(£4,587)
Profit / (loss) before tax	(£19,795)	£60,710	£90,495
Corporation tax	–	(£7,774)	(£20,231)
Profit / (loss) after tax	(£19,795)	£52,936	£70,264

REVENUE BY YEAR



PROFIT BEFORE TAX BY YEAR



READING THE NUMBERS

- Year 1 includes £6,000 of one-off launch costs and the ramp-up from 9 to 36 dogs a day.
- Direct staff are the largest cost. Because carers step up with dog numbers, gross margin stays near 48% as the centre grows; profit grows because rent, rates and the director's salary are spread over more dogs.
- Prices rise 3% a year and wages 4% a year.
- The year-1 loss is carried forward against year-2 profits. Corporation tax is estimated on accounting profit; claiming the Annual Investment Allowance on the fit-out and equipment would defer tax further, so the cash forecast is prudent.
- All figures exclude VAT.

7. Balance sheet and cash flow

FORECAST BALANCE SHEET

At year end	Year 1	Year 2	Year 3
Fit-out, equipment and van (net)	£78,667	£64,333	£50,000
Rent deposit	£9,750	£9,750	£9,750
Cash at bank	£17,681	£76,210	£155,208
Total assets	£106,098	£150,293	£214,958
Bank loan outstanding	(£41,619)	(£32,496)	(£22,568)
Asset finance outstanding	(£34,274)	(£26,881)	(£18,754)
Corporation tax due	–	(£7,774)	(£20,231)
Net assets	£30,205	£83,142	£153,406
Share capital	£50,000	£50,000	£50,000
Retained profits / (losses)	(£19,795)	£33,142	£103,406
Shareholder's funds	£30,205	£83,142	£153,406

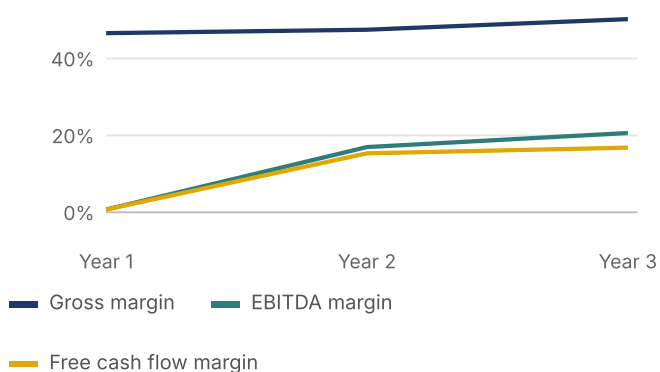
ANNUAL CASH FLOW

Year	Year 1	Year 2	Year 3
Opening cash	£32,250	£17,681	£76,210
Cash from trading (before launch costs, paid pre-opening)	£8,074	£81,171	£109,415
Interest paid	(£7,536)	(£6,127)	(£4,587)
Corporation tax paid	–	–	(£7,774)
Loan and finance capital repaid	(£15,107)	(£16,516)	(£18,056)
Closing cash	£17,681	£76,210	£155,208

Year 1 opening cash of £32,250 is the £141,000 raised less £93,000 of fit-out, equipment and van, the £9,750 rent deposit and £6,000 of launch costs. The fit-out is written off over the 10-year lease, the van and grooming equipment over five years and IT over three. Members pay in advance and suppliers are paid on receipt, so no debtors or creditors are shown.

MARGINS, FREE CASH FLOW AND RETURN ON CAPITAL

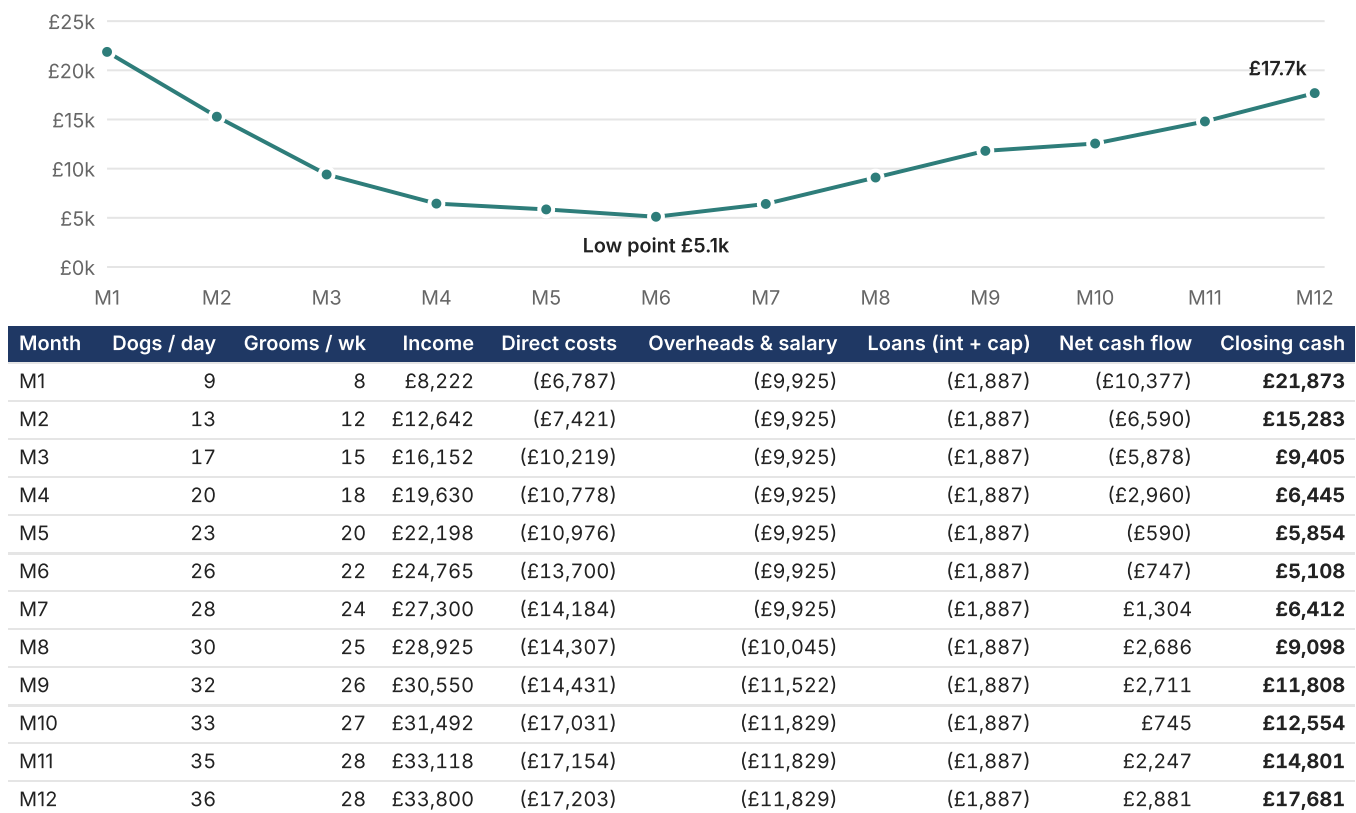
	Year 1	Year 2	Year 3
Gross margin	47%	48%	50%
EBITDA margin	1%	17%	21%
Net profit (after tax) margin	-7%	11%	13%
Free cash flow (EBITDA less the tax charge)	£2,074	£73,397	£89,184
Free cash flow margin	1%	15%	17%
Capital invested at start of year: shareholders' funds	£50,000	£30,205	£83,142
plus bank loan and asset finance	£91,000	£75,893	£59,377
less cash at bank	(£32,250)	(£17,681)	(£76,210)
Total capital invested (equity plus debt less cash)	£108,750	£88,417	£66,309
NOPAT (profit before interest, less tax)	(£12,259)	£59,064	£74,851
Return on invested capital (NOPAT ÷ capital invested)	-11%	67%	113%



Free cash flow is EBITDA less the tax charge for the year; no further capital spending is planned in the first three years. It sits above net profit because depreciation is a non-cash cost. Capital invested is measured on the financing side (equity plus debt less cash) at the start of each year, so the return rises quickly as the loans are repaid and cash builds.

8. Monthly cash-flow forecast

BANK BALANCE AT EACH MONTH END, YEAR 1



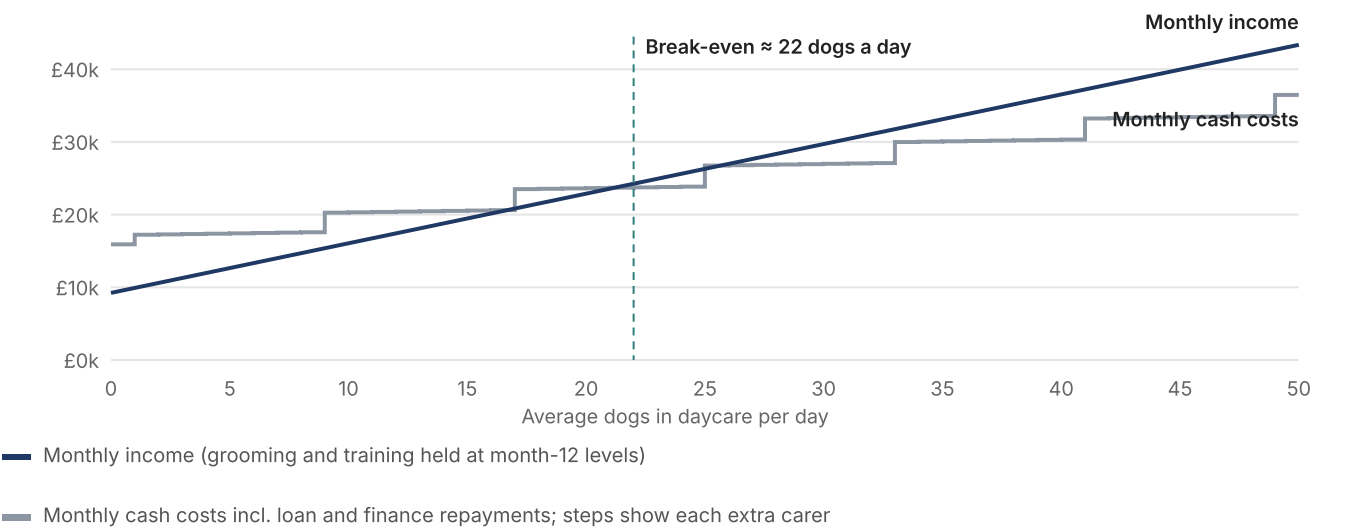
YEARS 2 AND 3 BY QUARTER

Quarter	Income	Costs, loans and tax	Net cash flow*	Closing cash
Y2 Q1	£119,577	(£100,423)	£19,153	£36,835
Y2 Q2	£119,577	(£104,216)	£15,361	£52,196
Y2 Q3	£119,577	(£107,570)	£12,007	£64,203
Y2 Q4	£119,577	(£107,570)	£12,007	£76,210
Y3 Q1	£132,546	(£105,809)	£26,737	£102,946
Y3 Q2	£132,546	(£110,646)	£21,900	£124,846
Y3 Q3	£132,546	(£121,252)	£11,294	£136,140
Y3 Q4	£132,546	(£113,478)	£19,068	£155,208

*Net cash flow includes corporation tax paid nine months after each year end (third quarter of years 2 and 3).

9. Break-even

BREAK-EVEN POINT



Holding grooming and training at their month-12 levels, the centre covers all its cash costs, including both loan repayments, at about **22 dogs a day** in daycare. The forecast passes that level in month 5.

WHAT THE BREAK-EVEN MEANS IN PRACTICE

- 22 dogs a day is 44% of the licensed capacity of 50, so the business breaks even well before it is full.
- Each extra dog a day adds about £682 a month of income for around £38 of consumables, until a new carer is needed every 8 dogs; this is why the cost line rises in steps.
- The largest fixed commitments are the lease (£3,750 a month, 5-year break) and the loan repayments (£1,887 a month); everything else can be flexed.
- The forecast passes 22 dogs a day in month 5, but the bank balance keeps falling until month 6: grooming and training are still below their month-12 levels, and the £10,500 Employment Allowance only delays employer's NI to later in the year.

MONTHLY SURPLUS AT DIFFERENT LEVELS OF DAYCARE

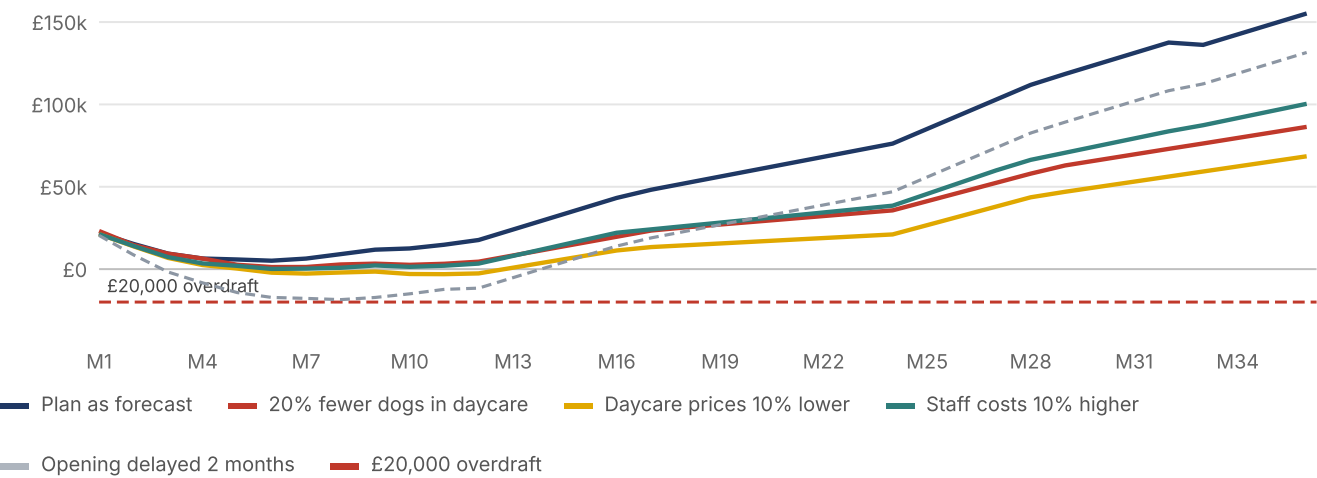
Dogs a day	Carers (FTE)	Monthly income	Monthly cash costs	Surplus / (shortfall)
10	1.5	£16,055	(£20,316)	(£4,261)
16	1.5	£20,150	(£20,608)	(£458)
20	2.5	£22,880	(£23,652)	(£772)
22	2.5	£24,245	(£23,750)	£495
30	3.5	£29,705	(£26,989)	£2,716
40	4.5	£36,530	(£30,325)	£6,205
50	6.5	£43,355	(£36,510)	£6,845

Grooming at 28 a week and training at £1,950 a month; year-1 prices and wages; costs include both loan repayments and employer's NI net of the Employment Allowance spread evenly.

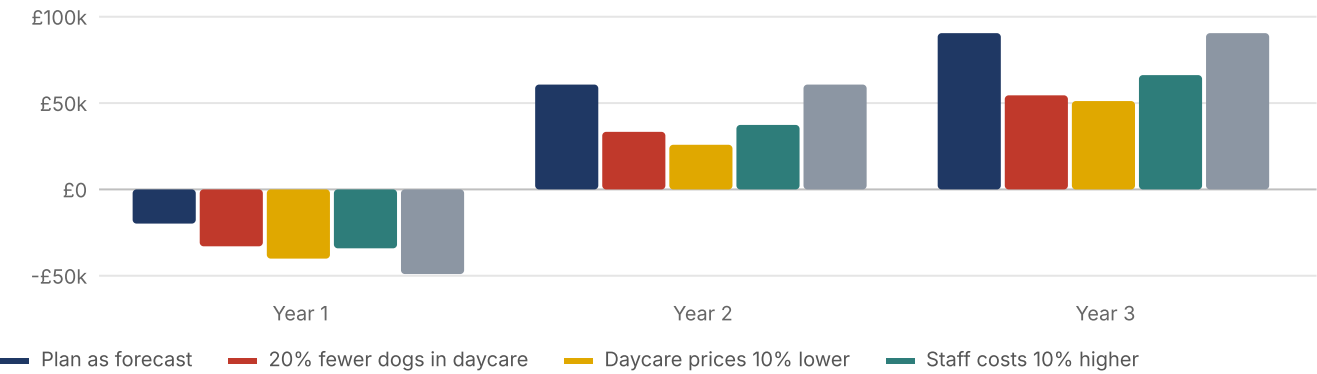
10. What if things go differently?

Each scenario changes one assumption and leaves everything else the same. The charts show the bank balance month by month over three years and profit before tax in each year.

BANK BALANCE AT EACH MONTH END, BY SCENARIO



PROFIT BEFORE TAX BY YEAR



Scenario	Lowest cash (3 yrs)	Profit yr 1	Profit yr 2	Cash end yr 3
Plan as forecast	£5,108	(£19,795)	£60,710	£155,208
20% fewer dogs in daycare	£1,268	(£32,954)	£33,333	£86,361
Daycare prices 10% lower	(£3,063)	(£40,076)	£25,847	£68,509
Staff costs 10% higher	£128	(£34,115)	£37,338	£100,370
Opening delayed 2 months	(£18,516)	(£49,021)	£60,710	£131,535

Recommendation from the forecast: in the base case the bank balance never goes below £5,108, but lower prices or a two-month delay in getting the licence would take it overdrawn, by up to £18,516. Arranging a £20,000 overdraft before opening covers every scenario tested, and the centre is profitable again by year 2 in all of them.

11. Risks and mitigations

Risk	Impact	How the plan handles it
Dogs join more slowly	Year 1 loss is larger	£20,000 overdraft agreed before opening; trial days and referral offer
Disease outbreak (e.g. kennel cough)	Temporary closure and refunds	Vaccination rule for every dog; isolation area; business interruption cover
Dog injured or lost	Claim and damage to reputation	Care, custody and control insurance; CCTV; double-gated entrances
Key staff leave	Fewer dogs can be taken	Pay above the National Living Wage; Level 2 training; relief carers
Licence lower star rating	Annual licence, harder marketing	Built to the higher standards from day one; 1 : 8 ratio
Landlord or planning problem	Must move premises	10-year lease with 5-year break; planning use confirmed before signing

12. Key assumptions

Assumption	Value	Basis
Average daycare income per dog-day	£32.50 excluding VAT (£39 including VAT); +3% a year	Price list in section 3 and local price survey
Dogs in daycare per day	9 rising to 36 in year 1; 42 in year 2; 46 in year 3	1% of dog-owning households within 5 miles; capacity 50
Trading days	21 a month (Monday to Friday)	Calendar
Grooms per week	8 rising to 28 in year 1; 30 in years 2 and 3	One groomer, about 6 dogs a day
Average groom	£60 excluding VAT	Price list; Epsom price guide
Puppy training	£1,950 a month by month 7; trainer takes 50%	Two to three 6-week courses running
Consumables	£1.80 per dog-day; £5 per groom	Supplier price lists
Card and booking fees	1.6% of income	Payment provider's published rate
Carers	1 per 8 dogs, plus 0.5 FTE cover; £12.71 an hour, 40 hours, +12% cover; +4% a year	Statutory guidance higher standard; National Living Wage 2026
Groomer	£2,300 a month; +4% a year	Local job adverts
Director's salary	£2,000 / £2,500 / £3,000 a month	Kept low in year 1 to protect cash
Employer's NI and pension	15% above £5,000 a year per employee, less £10,500 Employment Allowance; 3% pension	HMRC rates 2026/27; auto-enrolment minimum
Overheads	£7,925 a month, +3% a year	Lease terms, rates estimate and quotes
Bank loan / asset finance	£50,000 at 8.5% / £41,000 at 9.5%, both over 5 years	Lender term sheets
Depreciation	Fit-out 10 years, van and grooming 5 years, IT 3 years	Lease term and expected lives
Corporation tax	19% to 25% with marginal relief, on accounting profit, paid 9 months after year end	HMRC rates 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, staffing and operations
- A three-year profit and loss forecast, balance sheet and cash-flow statement that tie together
- A twelve-month cash-flow forecast, plus quarterly forecasts for years 2 and 3
- Funding table and repayment schedules for every loan
- Break-even analysis and downside scenarios
- Risks, mitigations and a full list of assumptions
- The underlying Excel forecast, so figures can be updated

SOURCES

UK Pet Food, "Britain's dog ownership boom as 15.5 million dogs now live in UK homes", 31 March 2026 (Pet Population Survey 2026, Kantar, 8,951 interviews, January 2026). · Defra, Dog day care licensing: statutory guidance for local authorities (gov.uk): staff ratio, 6 m² per dog, qualifications, higher standards and star ratings. · Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018. · Guildford Borough Council, "Unlicensed dog day care business owner prosecuted", November 2024 (£1,000 fine, £400 surcharge, £3,939.76 in total). · GOV.UK, "National Living Wage increases to £12.71 per hour", 1 April 2026. · HMRC, Rates and thresholds for employers 2026 to 2027 (employer NI 15% above £5,000; Employment Allowance £10,500); Corporation Tax rates; VAT registration threshold £90,000. · Cliverton, dog day care insurance (from £175.85 a year; public liability, care custody and control). · Local price survey, October 2026: Katie Brill PDT (katiebrillpdt.co.uk), Gudog Epsom (gudog.co.uk), The Doggy Day Care Centre (thedoggydaycarecentre.com), Bizhub365 Epsom dog groomer and dog trainer cost guides (bizhub365.com).

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 fund manager, assessing business plans from the investor's side.

Larkmead Dog Club Ltd is a fictional business. All names, figures and competitors in this sample are made up for illustration; the market data, regulations and local prices quoted are real and sourced above.