

Health Check



2 figures here do not stand up to a check

- . After paying for everything bought in, 29.0% of sales is left to cover wages and profit in the final year. The sector's typical figure is 63.1%. Either your bought-in costs are heavier than this trade's, or this business resells rather than makes. A reseller adds little to each sale and needs few people for the turnover.
- . Operating margin before depreciation in the final year is 5.2%. The typical figure for this trade is 17.0%. So either your costs are higher than the trade's, or your prices are lower. Both figures leave out depreciation, so they compare like with like.

Loan repayments are tight

5 of 8 ratios within sector band · 3 sit outside it

RATIOS

Each figure is the year-end value for a full year. This business runs 2 trades. Its status is judged against a mix of their ranges, weighted by the sales each one brings in. The sector comparisons below are chosen for the size this business reaches by the plan's final year — 7 staff. Statistics offices group firms by size differently from country to country, so treat it as a close match rather than an exact one.

RATIO	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	SECTOR BAND	
PROFITABILITY							
Left to pay wages and profit ^{1 2}	30.8%	26.7%	29.5%	29.3%	29.0%	Typical: 63.1% 2023 · group-level · from 39 countries · indicative	↓
Operating surplus (before depreciation) ³	11.5%	-1.3%	5.5%	5.4%	5.2%	Typical: 17.0%	↓
Net margin ⁴	7.7%	-4.5%	2.8%	2.8%	2.7%	—	—
Return on capital employed (before depreciation) ¹	16.0%	-4.2%	22.9%	21.9%	20.0%	— ¹⁵	—
LIQUIDITY							
Current ratio ^{5 6}	4.08×	2.97×	4.07×	4.80×	7.26×	Min. 1.00×	✓
Quick ratio ^{7 6}	4.08×	2.97×	4.07×	4.80×	7.26×	Min. 0.70×	✓

RATIO	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	SECTOR BAND	
SOLVENCY							
Debt to equity ⁸	0.35×	0.34×	0.24×	0.18×	0.13×	—	—
Interest coverage ^{9 6}	0.41×	-5.97×	7.26×	29.28×	68.60×	Min. 1.50×	✓
Debt service coverage (DSCR) ^{10 6}	0.85×	-0.35×	1.82×	4.29×	5.13×	Min. 1.10×	✓
EFFICIENCY							
Receivables days ¹¹	0	0	0	0	0	10 days – 35 days	↓
Payables days ¹²	16	10	9	9	9	25 days – 60 days	↓
Inventory days ¹³	—	—	—	—	—	—	—
Cash conversion cycle ¹⁴	—	—	—	—	—	—	—

✓ Within band ↓ Outside — concern ↑ Outside — favourable ↓ Cash runway critical — No benchmark

ABOUT THESE RANGES

- 1. This sector's range is wide because it comes from an early or thin estimate, not a firm number. Treat the midpoint as a rough guide, not a target. An early-stage or exploratory operation can sit well below the range while an established one sits near the top.
- 2. The range shown is the worldwide one for this trade, not the country's own. No published gross margin figure for this country and trade reached this plan. It is still a fair yardstick to read the plan against. But pay, rent and tax differ country to country, so treat a gap as something to look into, not a verdict. That is a limit of our data, never a comment on the plan.

3. This country's published statistics cover part of this operating margin range and not all of it. The rest comes from the worldwide figure for the trade. So the two ends are not measured across quite the same businesses. Read the range as roughly where the trade sits, not as an exact local spread. That is a limit of our data, never a comment on the plan.
4. Not compared to a range — no published net-margin figure for this trade in this country has been found. Read it against the operating margin above rather than against other businesses. The gap between the two is depreciation, interest and tax combined. All three depend on how this business is financed and taxed, not on how it trades.
5. This is the level a lender in this country typically asks a business in this trade to clear. Clearing it does not guarantee a loan, and sitting under it does not rule one out. It is a year-end snapshot, and a high reading often reflects idle cash rather than strength, so read it alongside cash runway.
6. It is a level to clear, not where similar businesses sit.
7. This is the same kind of lender level as the current ratio, but measured without stock. It is the test a lender applies when it will not count stock as something you could turn into cash quickly. With no inventory it is identical to the current ratio by construction, not by coincidence.
8. Not compared to a ceiling. This figure counts everything the business owes, including supplier invoices and tax not yet paid. A lender's gearing limit covers borrowings only, so the two are not the same measure. Levels also differ enormously by trade: a business financing vehicles or plant carries gearing a service business never would. The lender question this report can answer is whether trading covers the loan payments — see debt service cover in this same table.
9. This is the operating-profit headroom over the interest bill that a lender in this country typically wants from this trade. A business in its first full year can fall under it while everything is going to plan. So read the trend as much as the level.
10. This is the cover between trading profit and loan payments that a lender in this trade typically asks for. Clearing it does not guarantee a loan, and it is measured before tax and before anything the owner takes out.
11. This is how long businesses in this trade typically wait to be paid in this country. Treat it as a check on the credit terms in this plan rather than a target. How you sell moves this as much as what you sell. Selling over the counter and selling on 60-day terms sit at opposite ends of the same trade's range.
12. This is how long businesses in this trade typically take to pay suppliers in this country. Supplier terms are earned as a trading history builds. So a figure early in the plan sitting at the generous end is a timing assumption to check, not an achieved position.
13. Not compared to a range. The only stock figure published for this trade is a single typical number, and one number is not a range. Comparing against it would mark every business not sitting exactly on it as off. That says more about the missing range than about the stock. What the figure does tell you is how

- long stock sits before it sells. Rising means cash tied up on shelves. Falling means either faster selling or a risk of running out.
14. Not compared to a ceiling. No figure for how long this trade normally waits between paying out and being paid is available for this country yet. Read it on its own terms. The number is days of the business's own money tied up in the gap, so falling means money coming back sooner. A negative figure means you are paid before you pay, which is a genuinely strong position.
15. not published — this build carries no return-on-capital band, so nothing was derived. The operating-margin band and the asset-turnover ratio beside it are what a reader has · indicative
16. This country's published statistics cover part of this staff costs as a share of sales range and not all of it. The rest comes from the worldwide figure for the trade. So the two ends are not measured across quite the same businesses. Read the range as roughly where the trade sits, not as an exact local spread. That is a limit of our data, never a comment on the plan.
17. AI-researched rent band for this trade — no figure priced from premises was available (we hold no floor area for this trade, no local rent per m², or neither) · indicative

SUPPORTING STATS

Cost and capacity figures the standard ratios above don't capture.

METRIC	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	SECTOR BAND	
Payroll % of revenue ¹⁶	19.3%	28.1%	24.0%	23.9%	23.8%	Typical: 45.4%	✓
Rent % of revenue ¹	9.7%	8.2%	6.7%	6.4%	6.1%	No published typical figure ¹⁷	—
Revenue per person	€79k	€67k	€82k	€86k	€90k	Typical: €65k 2022 · OECD/Eurostat SDBS · from 1 country	✓
Working capital	€77k	€56k	€77k	€101k	€129k	—	—

METRIC	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	SECTOR BAND	
Cash tied up in stock and unpaid invoices	-€5k	-€6k	-€6k	-€7k	-€7k	—	—
Cash runway	Lasts the plan	Lasts the plan	Lasts the plan	Lasts the plan	—	Min. 3.0 mo	—

BY ACTIVITY

How each part of the business does on its own. Each activity keeps its own sales and its own direct costs. Shared costs — staff, rent, overheads — are split by each activity's share of sales. So treat the margins as a good guide, not exact figures.

Bakery & Artisan Food Production82% of revenue

REVENUE	LEFT AFTER THE COST OF SALES	LEFT BEFORE THE OWNER IS PAID
€2.2M	48.2% ✓	2.7% ↓

What's left before the owner is paid is thinner than usual for this kind of business. Worth a closer look.

Restaurants and mobile food service18% of revenue

REVENUE	LEFT AFTER THE COST OF SALES	LEFT BEFORE THE OWNER IS PAID
€476k	54.6% ✓	9.2% ✓

What's left before the owner is paid sits in the researched range for this kind of business.

RISK REGISTER

Risks this plan carries, each marked by how serious it is. Refreshed every time the figures change.

■ Debt service cover thinner than lenders look for in Year 1

The operating surplus in Year 1 covers the loan interest and repayments due that year 0.85 times over, against the 1.10× cover lenders to this sector look for (a level estimated for this sector, not taken from a published source). A lender would typically want a larger operating surplus, a smaller loan, or a longer repayment term.

■ Not compared against your trade

This plan carries no market-size figure, so the checks that compare it against sector benchmarks were not run. This is not a clean bill of health.

■ Some benchmark figures aren't available yet

We could not establish what a typical business of this kind turns over in this country, and we will not guess it. We therefore cannot work out this country's own gross-margin benchmark, and the gross-margin comparison falls back to the worldwide figure for this sector. The country's operating-margin, payroll and revenue-per-person benchmarks are unaffected — those come from published statistics rather than this build-up.

■ Food contamination and spoilage

Food contamination and spoilage is one of the leading causes of failure for businesses in this sector. Strict adherence to HACCP, regular staff training, temperature-controlled storage and transport, robust cleaning protocols.

■ Allergen cross-contamination

Allergen cross-contamination is one of the leading causes of failure for businesses in this sector. Clear labelling, dedicated preparation areas, staff training on allergen management, strict ingredient sourcing and handling procedures.

ANALYTICAL COMMENTARY

A short written read of the figures above, refreshed each time the plan changes. It sits alongside the ratios.

The business plan for Flour & Bloom shows significant concerns regarding its core financial projections. Two figures have been flagged as implausible: the final year's 'Left to pay wages and profit' at 29.0% compared to a sector typical of 63.1%, and the operating margin before depreciation at 5.2% against a sector typical of 17.0%. These figures suggest that either the cost of goods sold is disproportionately high, or pricing is too low for an artisan food producer. The plan's profitability trajectory is therefore not credible as presented, indicating modelling errors that must be corrected before a reliable assessment can be made.

Liquidity and solvency appear strong on the surface, with current and quick ratios well above minimum requirements throughout the projection. However, the debt-to-equity ratio is not provided with a sector band, and while it decreases over time, its initial level and overall trend warrant attention. The plan shows a cash runway lasting the projection period, which is positive. Yet, the initial years' interest coverage and debt service coverage ratios (DSCR) are below typical lender expectations, falling to -5.97x and -0.35x respectively in Year 2. This indicates a significant risk of failing to meet debt obligations early on.

Efficiency metrics present a mixed picture, with notable concerns. Receivables days are reported as 0 days, which is below the sector band of 10-35 days. This suggests an unrealistic assumption about immediate customer payments, potentially masking cash flow issues. Payables days are also below the typical sector range of 25-60 days, indicating the business is not leveraging supplier credit effectively. While the cash runway is projected to last, the combination of zero receivables and low payables days, alongside an implausibly low operating margin, points to fundamental issues in how cash is managed and projected.

The overall financial picture for Flour & Bloom is undermined by implausible figures in key profitability metrics. The low operating margin and 'left to pay wages and profit' percentages suggest a fundamental flaw in the cost structure or pricing strategy, rendering the projections unreliable. While liquidity ratios appear healthy, the initial debt service cover is a significant concern, exacerbated by unrealistic assumptions on receivables and payables days. The main strength is the projected cash runway, but this rests on questionable inputs. A bank or investor would require a thorough revision of the cost and revenue assumptions before considering this plan.

Based on the figures as they stood on 25 September 2026.



The figures are worked out · Written by AI · Projections, not audited accounts · Have an accountant check them.

The ratios above are the record.