SAMPLE BOARD REPORT · DEMONSTRATION DATA — FICTIONAL COMPANY

Decision Record NSK-2026-005 — Open a Manchester showroom

Northstar Kitchens Ltd, board meeting of 21 July 2026. Prepared from the frozen Decision Record; every figure is a real output of runway@1.0.0 at seed 2202. Northstar Kitchens Ltd does not exist.

BOARD PAPER · FOR DECISION

If Northstar opens a Manchester showroom in September 2026 — £85,000 fit-out and £14,500 a month of additional running cost — will group cash remain above £0 for 12 months?

EXPECTED CASE

45–55% GENUINELY UNCERTAIN

RECOMMENDATION PUT TO THE BOARD

Sign the Deansgate lease and the fixed-price fit-out contract; open September 2026

FINANCIAL EXPOSURE

£259,000 — £85,000 fit-out plus 12 months of additional running cost

OUTCOME MEASURABLE ON

21 July 2027

DECISION OWNER

Priya Nair, Finance Director

INDEPENDENT CHALLENGER

Elena Marsh, Fractional CFO (external)

APPROVER

Tom Whitfield, Managing Director

RECORD STATE

Monitoring · frozen 21 July 2026

1. The decision in one paragraph

Northstar proposes a second showroom on Deansgate, Manchester: an £85,000 fixed-price fit-out in month one and £14,500 a month of additional running cost (rent, service charge, rates and two staff). On the facts in the June management accounts and the 1 July bank balance, with revenue growth and volatility declared as assumptions, the engine puts the probability that group cash stays above £0 for the next twelve months at **45–55%** if the showroom is opened and no sales from it are counted, against **60–70%** if it is not opened. If Manchester ramps as Leeds did in its first year, the band recovers to **55–65%** — but that ramp is an assumption, and the record treats it as one.

2. Evidence: what was known, and what was assumed

Each input is classified as a fact (a document the organisation holds) or an assumption (a belief with an owner and an expiry). The engine prices the difference: 3 of the 5 core evidence inputs are facts (horizon and optional fields not counted); 2 are assumptions.

Item	Source	Kind	Reliability	Applicable period	Verification	Version
E1 Fit-out quotation Fixed price replaced the estimate; the estimate is retained as v1.	Contractor quote (Ridley Interiors), fixed price	Fact	High — fixed price	Valid 90 days	Verified	v2 (supersedes E1 v1 (indicative estimate £70,000–£95,000))
E2 Heads of terms — Deansgate unit Rent, service charge and rates = £9,100/month; two staff = £5,400/month	Landlord's agent	Fact	High	5-year lease, break at 24 months	Verified	v1

E3 Leeds showroom, first-year revenue Basis for the +£22,000/month from month 5 assumption	Management accounts 2023/24	Assumption	Medium — one comparator	Apr 2023–Mar 2024	Verified	v1
E4 June 2026 management accounts	Xero export, reviewed by Hartley & Co	Fact	High	Apr–Jun 2026	Verified	v1
E5 Bank balance, 1 July 2026	Barclays business account statement	Fact	High	Point in time	Verified	v1

Facts entered: `cashToday £310,000` · `monthlyRevenue £210,000` · `monthlyCosts £210,500` (including the £14,500 showroom cost) · `horizon 12 months`

Assumptions entered: revenue growth 0.8% a month · revenue volatility 18% a month · cost growth 0.3% a month · committed: −£85,000 in month 1

3. Scenarios compared

Same model, same seed (2202), so the only differences between rows are the inputs. The expected row is what the board is asked to approve; moving a scenario never changes it.

Scenario	Inputs changed	Probability band	End cash p10 / p50 / p90	Breakpoint	Most sensitive	Receipt
Do nothing	No showroom; costs unchanged	**60–70%** PROBABLY SAFE, WATCH IT · +13 pts vs expected	−£60,925 / £371,650 / £1,982,582	-1.4%/mo	Monthly costs	`rw_a0fb0410_89a`

Expected (open, no uplift)	Fit-out – £85,000 in month 1; costs + £14,500 a month	**45–55%** GENUINELY UNCERTAIN	−£69,361 / £58,803 / £1,649,198	0.7%/mo	Monthly costs	`rw_28504f0f_89a`
Expected with showroom sales assumption-backed	As expected, plus + £22,000 a month from month 5 modelled as committed inflows	**55–65%** GENUINELY UNCERTAIN · +7 pts vs expected	−£58,598 / £248,722 / £1,811,640	-0.7%/mo	Monthly costs	`rw_b4cc868a_89a`
Downside	Revenue −10%, growth −1pt	**30–40%** AT RISK · -18 pts vs expected	−£80,901 / −£16,735 / £1,029,981	2.4%/mo	Monthly costs	`rw_f43d866f_89a`
Severe downside	Revenue −25%, growth −2pt, volatility +5pt	**10–20%** AT RISK · -36 pts vs expected	−£100,044 / −£34,756 / £427,760	7.9%/mo	Monthly costs	`rw_e858c6f0_89a`
Upside	Revenue +10%, growth +1pt	**65–75%** PROBABLY SAFE, WATCH IT · +16 pts vs expected	−£54,548 / £532,909 / £2,366,743	-0.7%/mo	Monthly costs	`rw_5d1b3800_89a`
Delay to January 2027	Three months of net burn before the horizon starts	**45–55%** GENUINELY UNCERTAIN · +0 pts vs expected	−£69,471 / £57,303 / £1,635,497	0.7%/mo	Monthly costs	`rw_181ff7c3_89a`

4. What moves the answer

Sensitivity (one input at a time, same seed)

Input	Swing in survival probability
Monthly costs	±46 pts
Monthly revenue	±42 pts
Revenue growth	±22 pts
Revenue volatility	±13 pts
Cash today	±7 pts

Breakpoint and margin

The expected case is a 50/50 proposition at **0.7% monthly revenue growth**; the stated assumption is 0.8%. Your result moves most with: monthly costs.
Cost of a three-month delay: negligible in cash terms, because the business is cash-generative; the real cost of delay is the landlord's offer, which lapses in October, and the lost autumn season.
The single most valuable evidence to add: 3 months of actual bank-statement revenue and cost figures (turns assumptions into facts and tightens the band).

5. The independent challenge

Challenger: Elena Marsh, Fractional CFO (external), 10 July 2026. **Conclusion:** Proceed only if the lease break at 24 months is retained and the fit-out is fixed price

Strongest case against	A second showroom doubles fixed cost in a business whose revenue volatility is 18% a month. The expected case without uplift keeps positive cash, but the end-cash median falls sharply, which removes the buffer that absorbs a bad quarter. If Manchester ramps like Leeds did the decision is comfortable; if it ramps at half the rate the business is running near its floor by spring.
Missing evidence	No Manchester-specific demand evidence; the Leeds comparator is one showroom in one year.
Optimistic assumptions	Ramp to £22,000 a month by month 5; No cannibalisation of Leeds enquiries

Downside	Severe downside scenario materially reduces the survival probability — see Scenario Lab.
Model disagreement	Heuristic cross-check 3 points below the Monte Carlo — not material.
Reversibility	Low for 24 months (lease); fit-out is sunk.
Cost of delay	Moderate — the landlord's offer lapses in October; a January opening loses the autumn season.
Early warning signals	Manchester enquiries below 40 a month by month 3; Group cash below £220,000 at any month end
Conditions that should stop the decision	Fit-out quote not fixed; Lease break removed

6. Review and approval record

Reviewer	Date	Outcome	Comment	Conflict of interest
Daniel Okafor, Operations Director	15 July 2026	Reviewed — no objection	Two installation teams can cover Greater Manchester from Leeds until month 6.	None declared
Sarah Quinn, Adviser, Hartley & Co Accountants (external)	16 July 2026	Reviewed with a note	Rates relief assumption should be confirmed with the council.	Adviser to the company; declared

Approval	**Approved** by Tom Whitfield, Managing Director on 21 July 2026
Conditions	Lease break at 24 months retained; Fit-out contract fixed price, signed before works
Sequence	Sequential — reviews before approval
Conflict of interest	None declared

The approval records the organisation’s decision about the evidence available on 21 July 2026. It does not alter the forecast: the band approved is the band above.

7. The frozen record

Sealed	21 July 2026 by Priya Nair, Finance Director · version 1

Record hash (SHA-256)	`774dd1311369e2a2fe8abe8206328e7fa05aab1cd5d7aef8318a00e08cb2a038`
Engine receipt	`rw_28504f0f_89a` — runway@1.0.0 on core 1.1.0, seed 2202, 5,000 paths, input hash `28504f0f`
Data version	Management accounts Jun-2026; bank 2026-07-01; quote Ridley v2
Action selected	Sign the Deansgate lease and the fixed-price fit-out contract; open September 2026
Success criterion	Group cash balance above £0 at every month end to 21 July 2027, with no emergency funding
Named resolution source	Northstar bank statements and management accounts, reviewed by Hartley & Co
Resolution date	21 July 2027

Sealed fields: id, question, inputs, classifications, evidence, model, dataVersion, seed, probability, band, confidence, scenarioSelected, challenge, reviews, approval, action, successCriterion, resolutionSource, resolutionDate, engineReceipt. A correction creates version 2 naming version 1 as superseded; nothing in a frozen record is edited in place. Anyone holding the inputs and the seed can reproduce the engine receipt at lexun.co.uk/verify.

8. Monitoring plan

Assumption	Expected range	Current	Warning / critical	Owner	Frequency	Valid until	Status
Manchester ramp	£22,000/mo by month 5	Opened 12 Sep — no data yet	below £14,000/mo at month 5 / below £8,000/mo at month 5	Daniel Okafor	Monthly	12 February 2027	Not yet due
Additional running cost	£13,800 to £15,200/mo	£14,500/mo	above £15,200 / above £16,500	Priya Nair	Monthly	21 July 2027	Within range
Leeds enquiries (cannibalisation)	90 to 120/mo	96/mo	below 85/mo / below 70/mo	Daniel Okafor	Monthly	31 March 2027	Within range

Checkpoints: 21 October 2026 (first), then quarterly to the resolution date. At 21 July 2027 the owner is asked for the bank statements and management accounts named above; reality is compared with the frozen criterion; the outcome is recorded write-once; the forecast is Brier-scored against a naive baseline; and why reality differed is written in words — including which assumption mattered.

9. Decision timeline

Date	State	Who	Note
20 June 2026	Draft	Priya Nair	Framed after the board asked for a second showroom option
20 June 2026	Evidence required	Priya Nair	Needs landlord heads of terms, fit-out quote, Leeds showroom revenue history
2 July 2026	Ready for analysis	Priya Nair	Fit-out quote and heads of terms received; facts verified
3 July 2026	Analysed	Priya Nair	Expected case, uplift case and five scenarios at seed 2202
10 July 2026	Challenged	Elena Marsh	Challenge filed — ramp assumption and lease break flagged
15 July 2026	In review	Daniel Okafor	Installations capacity for a second region reviewed
21 July 2026	Approved	Tom Whitfield	Approved with two conditions
21 July 2026	Frozen	Priya Nair	Record sealed; outcome due 21 July 2027
21 July 2026	Monitoring	system	Assumption monitor armed; first checkpoint 21 October 2026

10. Boundaries

This paper is decision intelligence, not financial, legal, tax or investment advice. The probability band is a statement about a released model on stated inputs; its known weaknesses are published: revenue follows multiplicative growth with normal shocks, costs grow at a fixed rate, committed amounts are exact, there is no seasonality and no correlation between revenue and cost shocks, and a sales ramp is modelled as fixed committed inflows. No accuracy percentage is claimed for the model until ten outcomes have resolved in its domain. Northstar Kitchens Ltd is a fictional company created to demonstrate the record; no real customer, person or forecast appears in this paper.

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