# Care Home Business Plan Sample — Canada

This **sample business plan for a care home** presents **Hearth Willow Residence Inc.**, a fictional company proposed for Kingston, Ontario. This is a **SAMPLE**, not a real client engagement, investment offer or operating result. All businesses, people, qualifications, prices, volumes and financial figures described in the plan are invented and clearly illustrative; none is a market benchmark or a promise of financing, income or outcomes. Return to the sample library to compare operating models.

Use the annotated sections to understand how capacity, pricing, paid staffing and cash connect. Replace every assumption with dated evidence and confirm the actual rules, site, ownership and financing terms before making commitments.

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## 1. Sample executive summary

A leased 20-room private-pay residence offering accommodation, meals and personal support for adults whose assessed needs fit the staffing model. It is distinct from visiting home support and does not assume a public long-term-care contract.

The illustrative opening capitalization is CAD $500,000: $300,000 owner equity and $200,000 requested borrowing. Installed assets use $300,000, opening stock $30,000 and cash $170,000. These balances are measured at financing close, before trading and any further pre-opening operating spending. Year 1 earned revenue is $936,000, growing to $1,305,600 in Year 3. Owner work is paid within payroll; no grant or unpaid labour closes a funding gap.

> *Reviewer note: trace the request to uses of funds, then test the capacity, margin and cash needed to repay it. The scenario is conditional on evidence and permissions.*

## 2. Sample company overview

Hearth Willow Residence Inc. is an invented Ontario company with a proposed leased operating base in Kingston, Ontario. The fictional founder owns all opening shares. The name has not been checked for availability; no lease,

customer contract, licence or supplier commitment is represented.

Before signing, document beneficial ownership, signing authority, equity evidence, banking and the permitted use of the premises. Confirm the actual legal and tax structure with qualified advisers. Keep owner and company funds separate and do not treat the opening cash reserve as distributable income.

## 3. Sample services and revenue model

The revenue driver is **occupied room-months**. Year 1 assumes 156 units at CAD $6,000; Year 2 180 at $6,200; Year 3 204 at $6,400. Multiplication yields $936,000, $1,116,000 and $1,305,600. Volumes represent earned delivery net of refunds or returns; customer deposits are not additional sales.

Non-payroll direct costs are modeled at 18% of sales. Employee labour and paid owner work are recorded separately in payroll. Test the price and contribution with supplier quotes and actual delivery time. Transaction taxes are excluded from sales and expenses here; no exemption is assumed. Any material deposit, tax balance or restricted money needs its own monthly schedule.

## 4. Sample market analysis

Interview families about affordability and support needs; compare private residences, home support and publicly arranged alternatives without assuming unmet demand. Test occupancy by room type and admission suitability rather than using an aging population statistic as a sales forecast.

Maintain an evidence register with input, unit, source, date, uncertainty and review owner. Separate observed facts from estimates. No interviews, survey results, signed orders, market shares or local demand statistics are claimed in this fictional sample. A supplier quote supports cost, while customer evidence must support volume.

## 5. Sample operations plan

Assess each resident before admission, document consent and care boundaries, prepare individual support plans and maintain round-the-clock coverage. Twenty rooms provide 240 room-months annually; modeled occupancy is 65%, 75% and 85%. Never admit beyond safe staffing or the authorized scope.

Confirm whether the actual premises and services require retirement-home licensing or another authorization. Obtain building, fire, food-service and accessibility reviews before an unconditional lease. Medication support, incidents, infection prevention and emergency transfers require competent procedures. Do not describe this scenario as an approved facility.

Sequence launch through conditional premises terms, permissions, confirmed supplier costs, tested systems, trained staff and a funded monthly cash calendar. Appoint a backup decision-maker and document incident escalation. Pause launch when a required condition remains unresolved; opening delays can consume cash even before revenue begins.

## 6. Sample marketing and sales plan

Publish the precise offer and service boundary, then test a small local campaign before committing the full launch budget. Allocate an illustrative CAD $6,000 of Year 1 overhead to marketing; it is included in the operating-expense line, not an extra funding use. Track enquiries, qualified prospects, paid deliveries, repeat purchases and collected cash separately.

Use appropriate local search, direct outreach and informational partnerships, subject to the business's actual advertising and professional rules. No referral agreement, review or endorsement is invented. Review acquisition cost against contribution after delivery, and stop campaigns that attract work beyond capacity. Measure cancellations, refunds and reasons for lost sales rather than assuming every enquiry converts.

## 7. Sample management and staffing

The invented founder Mira Ellis manages hospitality and administration; a qualified care manager controls assessments, staff competence and escalation. Year 1 payroll includes a $65,000 owner envelope. Build a paid shift roster covering nights, relief and supervision before relying on the payroll total.

A monthly management review compares units, realized price, direct cost, paid hours, overdue accounts and the lowest cash balance. Document a responsible owner and corrective action for each variance. Build payroll into positions, hours, wages, employer costs and absence cover before using the envelope as a real hiring budget. Contractors require assessment of the actual working relationship.

## 8. Illustrative financial projections

All figures below are illustrative CAD annual totals, rounded to dollars. Opening capitalization is injected once, before Year 1. Receivables are 6% of earned sales; supplier payables are 5% of non-payroll direct costs. Stock remains at its opening level in Year 1 and rises 15% and 30% above opening stock in Years 2 and 3. These timing conventions must be replaced with actual collection and purchasing schedules.

Depreciation is $30,000 per year, a teaching charge of 10% of original installed assets rather than a statutory allowance. Replacements are zero in Year 1 and 3% of original assets in each later year. Interest is 7% of opening annual debt; principal is $20,000 annually. Tax is a hypothetical 20% of positive pretax income with no loss carryforward, not a statutory rate. Taxes and interest are paid in the year charged. There are no dividends, further loans or grants.

| Line | Year 1 | Year 2 | Year 3 |
|---|---|---|---|
| **Revenue** | $936,000 | $1,116,000 | $1,305,600 |
| **Non-payroll direct costs** | $168,480 | $200,880 | $235,008 |
| **Payroll including owner work** | $560,000 | $630,000 | $700,000 |
| **Other operating overhead** | $112,320 | $121,680 | $131,040 |
| **EBITDA** | $95,200 | $163,440 | $239,552 |
| **Depreciation** | $30,000 | $30,000 | $30,000 |
| **Interest** | $14,000 | $12,600 | $11,200 |
| **Profit / (loss) before tax** | $51,200 | $120,840 | $198,352 |

| Line | Year 1 | Year 2 | Year 3 |
|---|---|---|---|
| **Hypothetical tax provision** | $10,240 | $24,168 | $39,670 |
| **Net income / (loss)** | $40,960 | $96,672 | $158,682 |

Illustrative income statement, CAD

| Line | Year 1 | Year 2 | Year 3 |
|---|---|---|---|
| **Opening cash** | $170,000 | $173,224 | $257,216 |
| **Net income / (loss)** | $40,960 | $96,672 | $158,682 |
| **Add depreciation** | $30,000 | $30,000 | $30,000 |
| **Working-capital cash movement** | ($47,736) | ($13,680) | ($14,170) |
| **Operating cash flow** | $23,224 | $112,992 | $174,512 |
| **Capital replacements paid** | $0 | $9,000 | $9,000 |
| **Loan principal paid** | $20,000 | $20,000 | $20,000 |
| **Closing operating cash** | $173,224 | $257,216 | $402,728 |

Illustrative cash flow, CAD; principal and capital rows are outflows

| Line | Year 1 | Year 2 | Year 3 |
|---|---|---|---|
| **Cash** | $173,224 | $257,216 | $402,728 |
| **Receivables** | $56,160 | $66,960 | $78,336 |
| **Inventory at cost** | $30,000 | $34,500 | $39,000 |
| **Installed assets, net** | $270,000 | $249,000 | $228,000 |
| **Total assets** | $529,384 | $607,676 | $748,064 |
| **Supplier payables** | $8,424 | $10,044 | $11,750 |
| **Loan outstanding, total** | $180,000 | $160,000 | $140,000 |

| Line | Year 1 | Year 2 | Year 3 |
|---|---|---|---|
| **Contributed equity** | $300,000 | $300,000 | $300,000 |
| **Cumulative retained earnings** | $40,960 | $137,632 | $296,314 |
| **Total liabilities and equity** | $529,384 | $607,676 | $748,064 |

Illustrative year-end balance sheets, CAD

Year 2 EBITDA break-even is about CAD $916,683: fixed payroll plus overhead divided by the 82% contribution fraction before payroll. This excludes tax, interest, principal, capital replacement and working-capital changes. A combined 10% sales shortfall and 10% payroll overrun reduces Year 2 EBITDA to $8,928, assuming direct costs vary with sales while overhead stays fixed. Rebuild monthly cash under this downside and a delayed opening before deciding how much reserve is sufficient.

Cash rolls from the cash-flow statement to each balance sheet; retained earnings accumulate net income without distributions. Debt includes both current and longer-term portions for compact presentation. Annual closing cash does not prove that every payroll date is funded. Prepare a monthly ramp, collection and payment schedule, reconcile taxes and deposits, and test the lowest cash week as well as year-end totals.

> *Adaptation note: higher sales require deliverable capacity and cash. Check all three statements together whenever a volume, wage, payment term or financing assumption changes.*

## 9. Sample funding request

The fictional request is CAD $200,000 borrowing alongside $300,000 owner equity. Sources total $500,000, matching installed assets of $300,000, stock of $30,000 and opening cash of $170,000. The installed-asset envelope must be split into dated equipment, fit-out and installation quotations before application; the stock and reserve require their own purchase and timing schedules.

Repayment comes from collected operating receipts after delivery costs, payroll, tax and essential reinvestment. The seven per cent interest convention is not an approved offer. Submit ownership and equity evidence, founder resumes, conditional lease terms, permissions, supplier quotes, customer research and monthly downside cash schedules. A plan does not guarantee financing or establish eligibility for a program.

For help connecting verified evidence to a real financing case, explore our business plan writing services. Organize your own initial draft with the business plan generator, then replace all illustrative inputs and reconcile the results.

## 10. Sample appendix and source register

Attach an assumptions index, ownership documents, premises review, supplier quotations, insurance proposals, staffing roster, operating procedures, customer terms and the linked monthly forecast. Label evidence as verified, provisional or management estimate, recording dates and review triggers. Do not publish sensitive customer, patient or staff records with a public plan.

Retirement Homes Regulatory Authority is an official research starting point for the activity, not evidence that this fictional business is authorized or that all current rules have been verified. Also check applicable municipal, employment, privacy, tax and financing requirements for the actual location and scope with qualified advisers. No fee, approval timeline or automatic entitlement is claimed.

Compare the related business planning example or guide for a different operating model. Final checklist: validate demand, test capacity, price paid work, confirm premises and permissions, reconcile sources and uses, link all three statements and stress monthly cash. The PDF reproduces this sample; a real submission requires the actual business's evidence.

## Frequently asked questions

### What does this care home sample include?

Ten annotated sections, a fictional company, operating assumptions, three-year CAD income statements, cash flows, balance sheets, a funding request and an appendix checklist.

### Are the company and people real?

No. All sample businesses, people, experience, prices and financial figures are invented teaching assumptions. They are not client results, market data or promised outcomes.

### Can I adapt the PDF?

Yes. Use its structure, replace every fictional detail and figure, confirm current requirements and support the real plan with dated evidence.

### Do the projections guarantee approval or profit?

No. Annual teaching figures do not establish demand or sufficient monthly cash. The lender assesses the actual borrower, evidence and terms.

### What should I verify before launch?

Verify the actual scope, ownership, premises, permissions, staff competence, paid roster, supplier terms and lowest monthly cash balance before unconditional commitments.