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PRIVATE & CONFIDENTIAL

HIDDEN PROFIT REVIEW

Where is your profit *hiding*?

Prepared for **Linden Spa & Beauty**

Based on the 12 months to 30 September 2026

ISSUED

14 October 2026

OPPORTUNITIES FOUND

Six

WORTH A YEAR

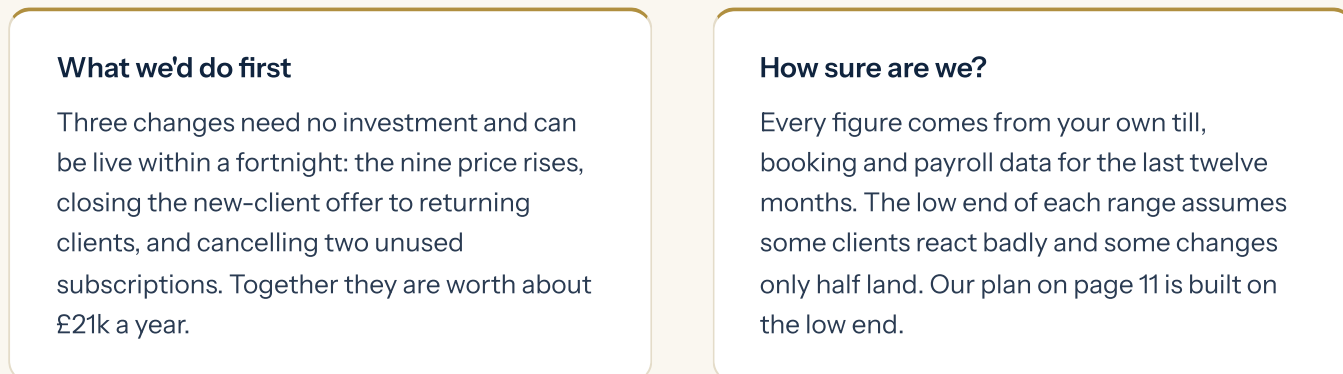
£48k to £73k

NetReport.

netreport.co.uk · Sample report, fictional business

£48k to £73k more profit a year, *without one more client.*

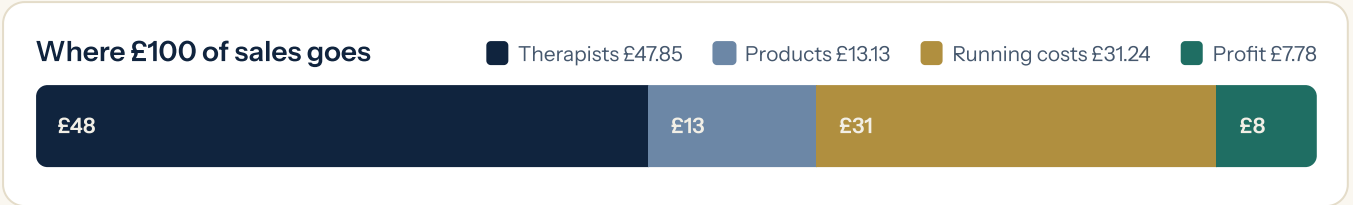
SALES	PROFIT TODAY	HIDDEN PROFIT	PROFIT IF YOU ACT
£598k	£47k	£48k–£73k	£95k–£120k
Year to Sep 2026	7.8% of sales	a year, from six changes	16% to 20% of sales



02 · WHERE THE MONEY GOES TODAY

Of every £100 a client spends, *you keep £7.78.*

Therapist time is your biggest cost by far, so the profit in this business is decided by two things: what each therapist hour earns, and how many paid hours are actually booked. Most of what follows comes back to those two numbers.



PROFIT AND LOSS	£	% OF SALES
Treatment sales, after discounts	572,250	95.6%
Retail sales	26,200	4.4%
Total sales	598,450	100.0%
Therapist pay, incl. NI, pension, holiday	(286,330)	47.8%
Back-bar products	(59,219)	9.9%
Spa day lunches	(5,720)	1.0%
Retail stock	(13,624)	2.3%
Gross profit	233,557	39.0%
Reception & manager	(52,400)	8.8%
Rent & service charge	(48,000)	8.0%
Utilities	(21,800)	3.6%
Laundry & linen	(9,400)	1.6%
Booking software & marketing	(17,600)	2.9%
Card fees	(10,473)	1.8%
Deal-site commission	(7,700)	1.3%
Insurance, repairs & other	(19,600)	3.3%
Profit before tax	46,584	7.8%

How Linden compares

Booked time
Share of paid therapist hours with a client in the chair

67%

Average 51%
Top quarter 87%

▲ Watch

Discounts
£61,250 off list price in the year

9.7%

Below 5%

■ Leaking

Back-bar
Products used in treatments, as a share of treatment sales

10.3%

8% or less

■ Leaking

Retail
Retail as a share of all sales. UK salon average is about 4%

4.4%

10-15%

■ Leaking

Retail stock cost
What retail stock costs you, as a share of the retail price

52%

45% or less

▲ Watch

Guides are industry rules of thumb, not targets set in stone.
Sources on page 12.

03 · TREATMENT BY TREATMENT

Your best treatment earns *five times* what your worst one does.

Your till can't show you this. For each treatment we take what clients actually paid, subtract products and therapist time, and divide by the hours it takes. Profit per therapist hour is the fairest way to compare a 40-minute facial with a three-hour spa day.

TREATMENT	LIST PRICE	PAID ON AVERAGE	MINS	PRODUCTS	THERAPIST	PROFIT EACH	PROFIT PER THERAPIST HOUR	PROFIT A YEAR £	SOLD
Advanced facial	£110	£103.00	75	£16.00	£19.50	£67.50	£54.00	28,350	420
Express facial	£45	£41.50	40	£5.20	£10.40	£25.90	£38.85	15,540	600
Waxing (average)	£35	£33.00	35	£2.40	£9.10	£21.50	£36.86	25,800	1,200
Lash lift & tint	£50	£47.00	50	£4.20	£13.00	£29.80	£35.76	22,648	760
Swedish massage, 60m	£70	£64.00	75	£3.50	£19.50	£41.00	£32.80	43,050	1,050
Signature facial	£75	£69.00	75	£9.50	£19.50	£40.00	£32.00	36,000	900
Brow lamination	£45	£42.50	50	£3.80	£13.00	£25.70	£30.84	16,448	640
Hot stones, 75m	£90	£80.00	100	£5.00	£26.00	£49.00	£29.40	18,620	380
Gel manicure	£32	£29.80	45	£2.60	£11.70	£15.50	£20.67	37,200	2,400
BIAB infill	£42	£39.50	60	£4.80	£15.60	£19.10	£19.10	24,830	1,300
Gel pedicure	£40	£37.20	60	£3.90	£15.60	£17.70	£17.70	19,470	1,100
Lash extensions, full	£85	£80.00	135	£9.00	£35.10	£35.90	£15.96	10,770	300
Spa day	£145	£104.00	180	£25.00	£46.80	£32.20	£10.73	16,744	520
All treatments							£25.65 average	315,470	11,570

Above the £25.65 average

Below average

Below £20 an hour

Facials and waxing carry the business

The advanced facial earns £54.00 for every therapist hour, and waxing and the lash lift both clear £35. These are the treatments to push in rebooking, on the website and in the window.

Three treatments barely pay their way

Spa days earn £10.73 an hour once deal-site sales are counted, lash extensions £15.96 and gel pedicures £17.70. Spa days and lash extensions are fixable (page 7). Gel nails are a volume service that brings clients back every three weeks, so the answer there is price, not cutting them (page 5).

04 · OPPORTUNITY ONE · PRICE REALISATION

Your costs went up twice. *Your prices didn't.*

Linden last changed its price list in April 2025. Since then employer National Insurance rose to 15% on a lower threshold, and the National Living Wage went up again in April 2026 to £12.71 an hour. Therapist pay is 48% of your sales, so every rise in it comes straight out of your margin unless prices move too.

WORTH A YEAR

£14k–£18k

Nine prices rise by between £1 and £4. Nothing goes up by more than 6%. Advanced facials, hot stones, lash extensions and spa days are left alone because they are dealt with elsewhere in this review.

TREATMENT	NOW	PROPOSED	RISE	RISE %	SOLD A YEAR	EXTRA A YEAR £
Gel manicure	£32	£33	+\$1	3.1%	2,400	2,400
Gel pedicure	£40	£41	+\$1	2.5%	1,100	1,100
Waxing (average)	£35	£36	+\$1	2.9%	1,200	1,200
Brow lamination	£45	£46	+\$1	2.2%	640	640
BIAB infill	£42	£44	+\$2	4.8%	1,300	2,600
Lash lift & tint	£50	£52	+\$2	4.0%	760	1,520
Express facial	£45	£47	+\$2	4.4%	600	1,200
Signature facial	£75	£79	+\$4	5.3%	900	3,600
Swedish massage, 60 min	£70	£74	+\$4	5.7%	1,050	4,200
Total					9,950	18,460

Prices exclude VAT. Full value assumes no client books less often. The prudent figure assumes 2% fewer bookings on these nine treatments and takes off the profit those bookings would have made.

Why clients won't notice much

A £1 rise on a gel manicure is about the price of a coffee once every three weeks. The two larger rises are on the signature facial and Swedish massage, where Linden is £5 to £10 below the other day spas within a few miles.

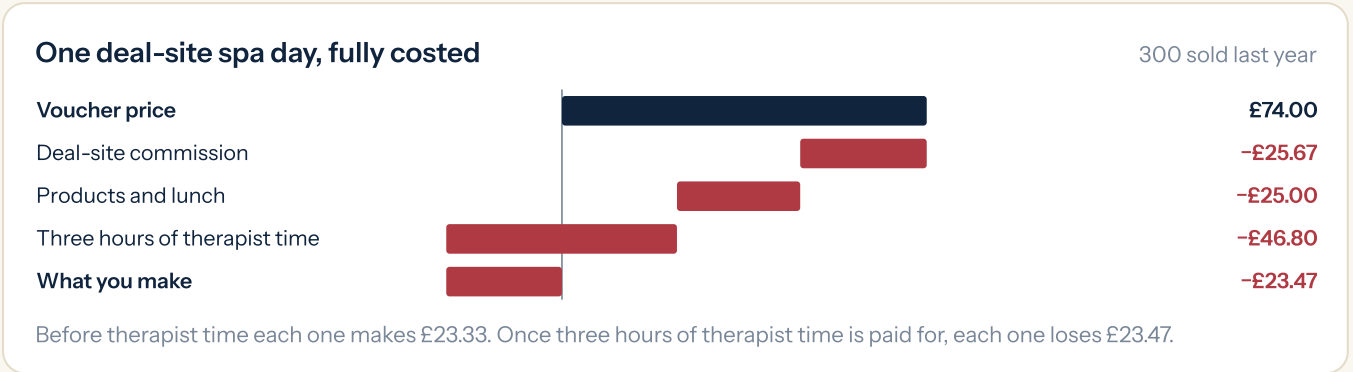
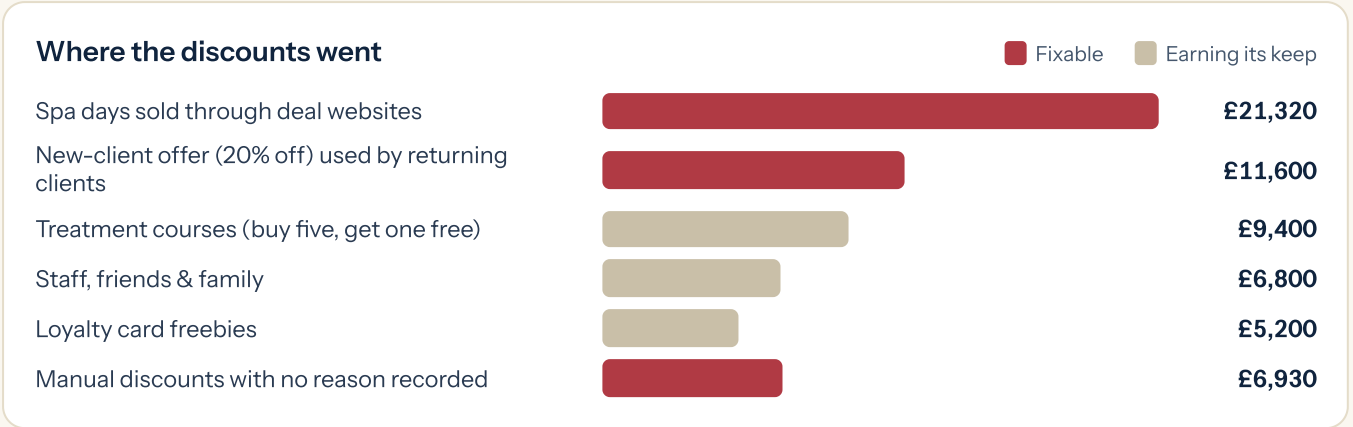
How to do it

Change the price list on the 1st of a month, tell regulars in person or by text a fortnight before, and honour old prices on bookings already made. Brief the front desk so nobody apologises for it. Then review prices every April, when wage rates change.

05 · OPPORTUNITY TWO · DISCOUNT LEAKAGE

£61,250 came off the price list *last year*.

That is 9.7% of everything clients would have paid at list price. Some discounting earns its keep: courses bring clients back and staff treatments are a fair perk. But more than half goes on two things that bring very little back.



New-client offer

£11,600 of the 20% welcome discount went to clients who had been before. A booking-system rule that checks the client record stops it.

£5.8k-£8.1k

Deal sites

About 75 deal spa days were redeemed on Fridays and Saturdays, when you are 86% to 95% booked anyway. Limit vouchers to Monday to Wednesday.

£4.3k-£6.5k

Manual discounts

£6,930 went through the till with no reason recorded. Make a reason code compulsory and review the list monthly.

£1.7k-£2.8k

WORTH A YEAR

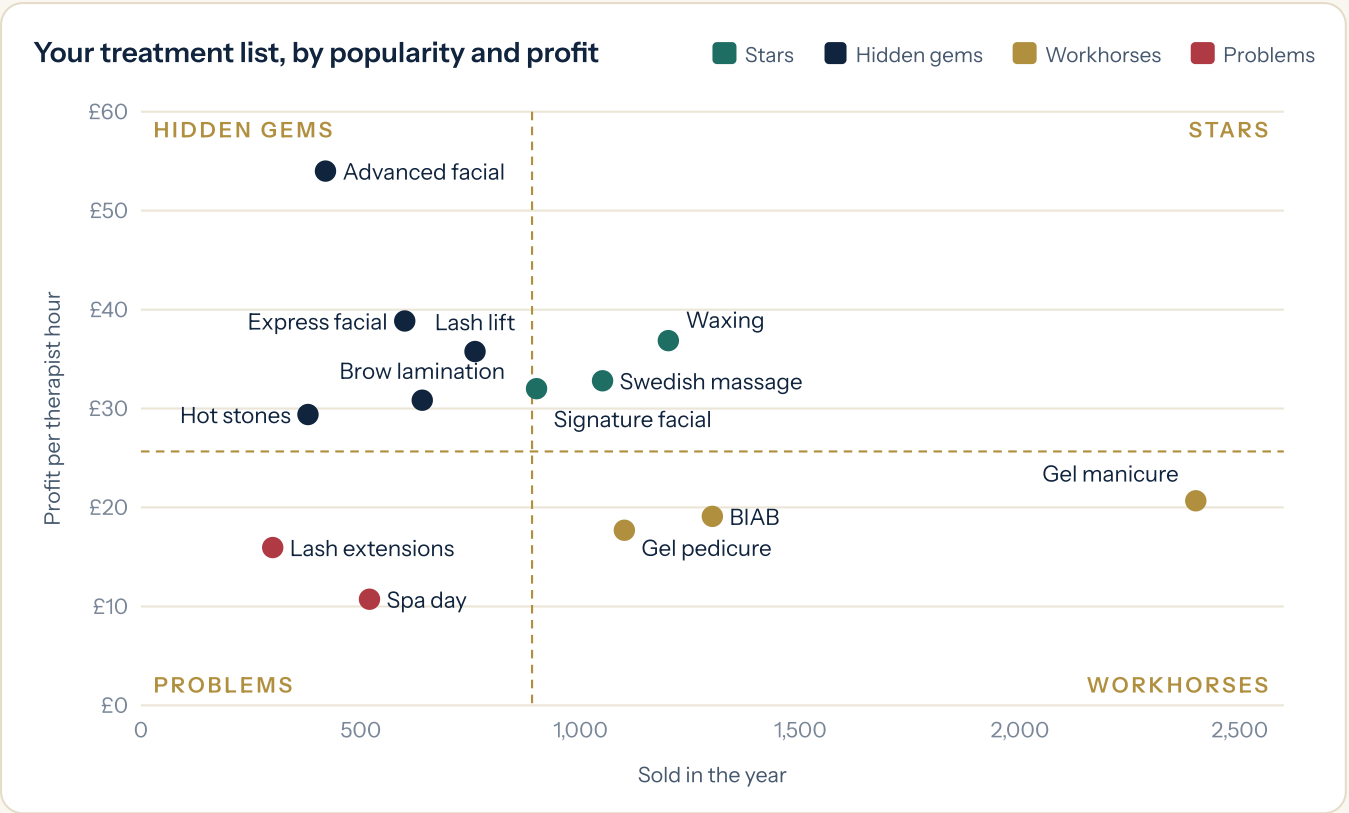
£12k-£18k

Courses, loyalty and staff discounts stay exactly as they are. They bring clients back and keep the team happy.

06 · OPPORTUNITY THREE · TREATMENT MIX

Sell more of what pays, *fix what doesn't.*

Restaurants have used this chart for forty years to decide what stays on the menu. It works just as well for a treatment list. Across the bottom is how popular each treatment is; up the side is what it earns per therapist hour. The gold lines are your averages: 890 sold and £25.65 an hour.



- Stars**

Popular and profitable. Protect them: keep the best therapists on them and keep them visible.
- Hidden gems**

Very profitable but under-sold. Facials above all. Offer one at every nail and wax rebooking.
- Workhorses**

Popular but thin. Gel nails and BIAB bring clients back every few weeks, so keep them and let price do the work.
- Problems**

Spa days and lash extensions use long blocks of therapist time for little return. These are the two to fix.

Lash extensions

A full set takes 135 minutes for £80. Move the list price to £97 and sell infills as the main product. On 300 sets a year that adds £3,600.

Spa days

Swap the 75-minute hot stone element for a 45-minute back massage. Clients still get three treatments and lunch, and each day frees half an hour of therapist time, £4,056 a year across 520 days.

Worth £4.5k–£7.5k a year. The prudent figure assumes 60% of the full value lands.

07 · OPPORTUNITY FOUR · THERAPIST UTILISATION

Saturdays are full. *Monday mornings are a third full.*

You paid for 18,354 therapist hours last year and 12,298 of them had a client in the chair: 67%. That is better than the industry average of about 51%. But it isn't spread evenly, and the quiet slots are where the money goes. The rota looks the same every weekday, while the bookings don't.



What we'd change

- 1

Start one therapist at 12 instead of 9 on Monday and Tuesday, and finish one at 6 on Monday and Tuesday evenings. That alone is about 10 paid hours a week.
- 2

Move one Wednesday morning shift to Saturday, when demand is turning away bookings. Fewer hours lost, more full-price treatments sold.
- 3

Steer deal-site vouchers and course redemptions into Monday to Wednesday mornings, so the slots you keep are filled.

WORTH A YEAR

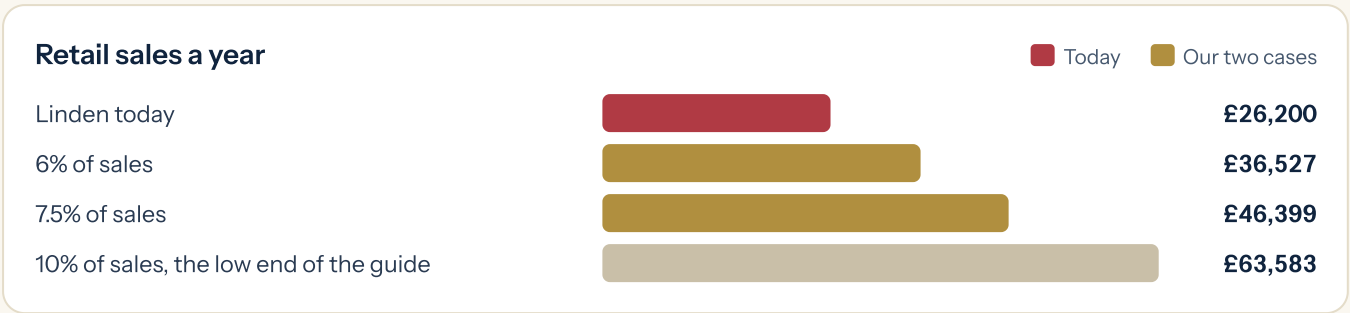
£8k-£12k

10 to 16 fewer paid hours a week at £15.60 an hour including employer costs, over 50 trading weeks. Nobody needs to lose their job: this is shift shape, and fits naturally with the next leaver or a contract review.

08 · OPPORTUNITY FIVE · RETAIL

Clients ask what you used. *Then buy it online.*

Retail was £26,200 last year, 4.4% of sales. That is in line with the UK salon average of about 4%, but well short of the 10% to 15% that good spas reach. Across 11,570 treatments it works out at £2.26 a visit. Your clients already trust your therapists' skin advice; at the moment they are taking it elsewhere to buy.



What it takes

Reaching 7.5% means about £1.75 more a visit. In practice that is one product sold after roughly one in six facials (about £35 a sale) and one in ten nail services (about £20). The 1,920 facials a year are the natural place to start.

How to get there

Three steps: a written homecare recommendation on the treatment card after every facial, 10% commission to the therapist on what they sell, and one retail range instead of three, so the team knows it well and stock turns faster.

Stock cost

You pay 52% of the shelf price for retail stock. A common guide is 45% or less. Moving to one brand gives you the volume to ask for better terms. We haven't counted that saving in the figures here, so treat it as extra.

WORTH A YEAR

£4k–£7.5k

Retail rising to 6% of sales in the prudent case and 7.5% in the full case. Profit counted after stock at 52% and 10% commission to therapists, so 38% of each extra £1 sold.

09 · OPPORTUNITY SIX · COST CREEP

Small costs that grew *while nobody was looking.*

None of these is big on its own, and that is why they last. Together they cost you more than a month's rent.

BACK-BAR PRODUCTS

10.3%

of treatment sales · guide 8% or less

You spent £59,219 on products used in treatments. At 8% it would be £45,780, a gap of £13,439. The usual causes are over-dispensing, opened stock going out of date and no fixed amount per treatment. Weigh a typical treatment's products once, set a standard dose, and check the order against bookings each month.

Saving £2.7k–£4.7k

CARD FEES

1.75%

of card takings · £10,473 a year

Your card terminal is on the rate it was signed up at. A business taking about £600k a year on cards can usually get between 1.25% and 1.40% by asking for a quote from two other providers and taking it to the current one.

Saving £2.1k–£3k

UNUSED SUBSCRIPTIONS

£1,608

a year · two services

A second marketing app at £89 a month, duplicating what your booking system already does, and a music licence at £45 a month for a speaker system replaced last year with one that is already covered. Cancel both.

Saving £1.6k

WORTH A YEAR

£6.5k–£9.5k

The prudent case assumes back-bar closes 20% of the gap to 8% and card fees fall to 1.40%. The full case assumes 35% of the gap and 1.25%.

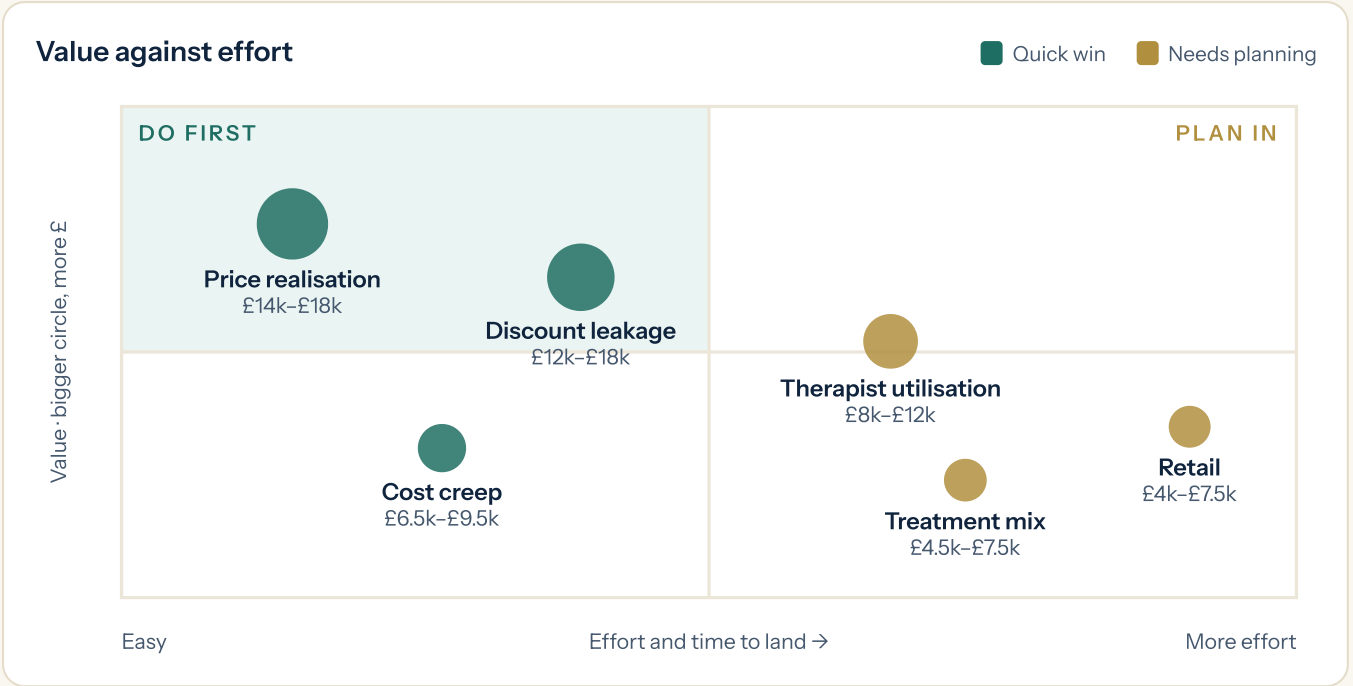
What else we checked

COST	£ A YEAR	% OF SALES	FINDING
Laundry & linen	9,400	1.6%	● In line Contract re-tendered in 2025
Utilities	21,800	3.6%	● In line Fixed until March 2027; review three months before
Booking software & marketing	17,600	2.9%	▲ Watch Includes the two subscriptions above
Insurance, repairs & other	19,600	3.3%	● In line Insurance renewed at market rate in May
Rent & service charge	48,000	8.0%	● In line Rent review due 2028

10 · THE PLAN

Ninety days, *in the right order.*

Start with the changes that are easy and certain, so the first gains pay for the effort of the rest. The three easy opportunities on the left of the chart are worth £32k–£46k on their own.



DAYS 1 TO 30

Quick wins

- New price list live from 1 November, regulars told by text
- Booking rule on the new-client offer
- Reason codes on manual discounts
- Cancel two subscriptions; get two card quotes

DAYS 31 TO 60

Rota and deals

- New rota shape for Monday to Wednesday
- Deal-site vouchers limited to Mon–Wed
- Standard product doses for top six treatments
- New spa day format tested for two weeks

DAYS 61 TO 90

Grow what pays

- Lash price and infill model live
- Retail range chosen; therapist commission starts
- Homecare cards after every facial
- First monthly check of each change

Owners: we suggest the salon manager leads days 1 to 60 and the senior therapist leads retail. We can track progress against these figures every month (see page 12).

11 · HOW WE DID THIS, AND WHAT COMES NEXT

Built from your numbers, *not a template.*

What we used

Twelve months of till data by treatment, the booking diary with therapist hours, payroll records, supplier invoices for products, and your bank and card statements. Each treatment's time includes set-up and turnaround. Therapist cost is £15.60 an hour, the average loaded rate across the team including employer NI, pension and holiday pay.

All figures exclude VAT. Profit is before tax and before any drawings by the owners. Opportunity values are for a full year, once a change is in place.

What the ranges mean

The prudent figure in each range assumes clients react to change, and that not every change lands fully. The full figure assumes the change works as designed. We would plan on the prudent figures. Ranges are independent of one another; where two changes touch the same cost we have counted it once.

This review is management information to support decisions. It is not an audit, tax advice or regulated financial advice.

Finding the profit is half the job. *Keeping it is the other half.*

Our Monthly Management Accounts track every change in this plan against what you were told it would be worth, alongside your monthly profit, cash forecast and NetReport Health Score. You get a short report in the first week of each month and a call to talk it through. One price, based on the size of your business, with no minimum term.

Sources for the guides used

Booked time	Average about 51%, top quarter about 87% of available therapist time. Zenoti spa and salon benchmark data.
Retail share	10% to 15% of sales for strong retailers against a UK salon average of about 4%. SalonIQ.
Back-bar and retail cost	Back-bar 8% or less of treatment sales; retail stock 45% or less of retail price. Skin Inc spa industry guidance.
Wage rates	National Living Wage £12.71 an hour from 1 April 2026; employer NI 15% from April 2025. GOV.UK.
Treatment mix chart	Adapted from menu engineering, Kasavana and Smith (1982), widely used in hospitality.