



Working together for our future



## **Business Plan**

# **A Community Owned Bakery for Dunbar**

## **Sustaining Dunbar**

**April 2009**

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# **Executive Summary**

## **Background and Vision**

Sustaining Dunbar's purpose is to

"inspire, nurture and facilitate the town's transition to being a creative, low-carbon, resilient community. Our approach is based on community development principles and practice and the organisation seeks to initiate projects and activities that will generate social, environmental and economic benefits."

Since the announcement of the closure, (due to retirement as a going concern rather than a failed business), of the town's long established, family run, bakery the group has focused on the possibility of acquiring this asset for the community or setting up a similar bakery on a different site.

A supply of good quality, locally baked bread seems essential in any vision of a sustainable, locally resilient Dunbar.

## **Market Research**

The Community Bakery group were aware that re-opening a trading enterprise when customers had found other sources of bakery goods may be potentially risky. As a result, they initiated a feasibility study into the options for setting up a community owned bakery on Dunbar High Street. The group commissioned Community Enterprise Ltd. and Scottish Participatory Initiatives to undertake detailed market research which was founded on a robust community consultation and identification of local and corporate demand.

## **Funding and Finance**

The cash flow shows that investment of up to £70,000 would enable this enterprise to be established and on a sustainable footing into year 2. That investment is envisaged to come from a combination of loan finance, a local share issue and grant subsidy.

## **Impact**

Cash flow projections based on evidence of demand show surpluses being generated to cover costs and to provide local regeneration through the business itself and through distributing profits to local initiatives.

# 1. Introduction

Sustaining Dunbar's purpose is to

"inspire, nurture and facilitate the town's transition to being a creative, low-carbon, resilient community. Our approach is based on community development principles and practice and the organisation seeks to initiate projects and activities that will generate social, environmental and economic benefits."

The organisation has four working sub-groups; food, energy, transport and enterprise.

The Enterprise Group had identified the potential benefits of Social Enterprise. Since the announcement of the closure, (due to retiral as a going concern rather than a failed business), of the town's long established, family run, bakery the group has focused on the possibility of acquiring this asset for the community or setting up a similar bakery on a different site.

A supply of good quality, locally baked bread seems essential in any vision of a sustainable, locally resilient Dunbar. The Smith's family bakery which has been in Dunbar for 150 years has now closed. The Community Bakery group initiated a feasibility study into the options for setting up a community owned bakery on Dunbar High Street. The group commissioned Community Enterprise Ltd. and Scottish Participatory Initiatives to assist with this.

The objective of the feasibility study was to;

- Investigate the demand for a local baker and the anticipated social, health and environmental benefits
- Briefly survey potential premises and quantify estimated works and costs
- Identify appropriate legal structure and potential sources of finance.

The proposal was proven to be viable and this business plan takes the project to the next stage, showing how in detail that vision can be achieved.

This project will contribute to the aims of Sustaining Dunbar and will play an important educational role in broadening and deepening the wider community's understanding of environmental issues while simultaneously delivering practical benefits.

The successful delivery of this enterprise will bring the following range of benefits to the town and community;

**Social & economic** - It will make a significant contribution to addressing the decline of the High Street and the town centre exacerbated by the arrival of a 'Super Store' on the edge of town. The bakery will;

- benefit local traders through maintaining choice and diversity in

- local retailing thus sustaining the 'footfall' on the High Street,
- be run as a social enterprise that would keep money circulating in the community and generate funds to reinvest in community projects,
  - sustain opportunities for local employment,
  - encourage links with other local food producers and offer opportunities for joint promotions/marketing,
  - promote community cohesion

**Health** - Providing a range of healthy, attractive, affordable bakery products will;

- have synergy with other health-related aims of Sustaining Dunbar.
- though marketed as a mainstream bakery, be able to discreetly offer healthier options so as to improve diet, encourage the use of local produce and promote walking & cycling to town centre.

## 2. Methodology

Following initial meetings with the steering group, two methods of data collection took place in tandem. The priority was to initiate the market research element of the process. This was led by Scottish Participatory Initiatives and a resident's survey was put together in collaboration with themselves, the steering group and Community Enterprise. A robust process was undertaken to ensure a close fit with the objectives of the study. SPI undertook that survey using one to one interviews from a trained team to ensure a full qualitative analysis of demand and attitude to the idea.

During this process, discussion took place with other stakeholders and with the steering group which was used as the basis for desktop research to back up the quantitative and qualitative data secured by the local consultation. A series of statistics, reports and policy documents were subsequently analysed. Case studies of similar ventures were investigated, mainly by telephone interview, to identify potential barriers and challenges as well as common elements of success.

Site visits to Smiths and an alternative property was undertaken by the group and a funding search was undertaken by the consultant to establish if there was an appropriate place to establish this concept, and whether there was potential investment to kick start the enterprise.

Finally an analysis of legal structures was undertaken to evaluate the best structure to fulfil the objectives of the bakery and to ensure it is appropriate funded.

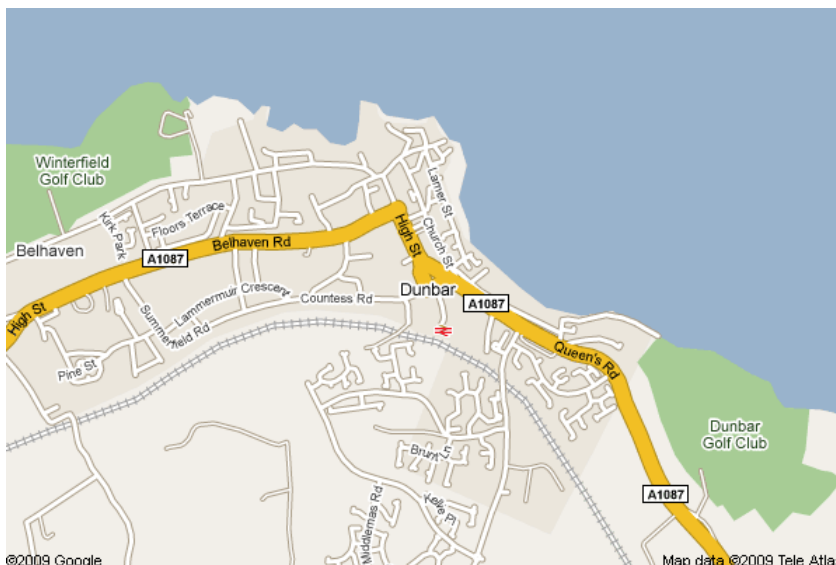
### 3. The Organisation, its Vision and Aspiration

#### Target Area

Dunbar is a small coastal town, 28 miles east of Edinburgh at the eastern extremity of East Lothian. It is 11 miles from each of the neighbouring towns of Haddington and North Berwick. It is bordered by the sea to the north and east, fertile agricultural land to the west and the Lammermuir Hills to the south. The geographical area covered by Sustaining Dunbar is loosely considered to include all villages and outlying areas in the Dunbar 'school cluster' area—including Oldhamstocks, Innerwick, Spott, West Barns, Stenton, Tynninghame and East Linton. The area contains approximately 5000 households with a population of about 12,000.



Wider Context



Town Centre

## **Background and History**

Sustaining Dunbar is a network of local people who are working together to inspire, nurture and facilitate Dunbar's transition to being a creative, low carbon, locally resilient community.

Sustaining Dunbar grew out of a series of conversations and discussions among local residents with a shared concern about the challenges posed by climate change and peak oil. Many of those involved at the start were already active with a range of groups in the community such as Friends of John Muir's Birthplace, Dunbar Community Woodland Group, Eco-Schools (primary and secondary), Countess Youth Group, Belhaven Church Eco-Congregation, Dunbar Community Council and others. Most were already striving to do what they could to reduce their carbon footprints at the individual level and all were agreed about the need for an umbrella initiative which could help people to work together at the community level. All three local authority councillors participated in early discussions and remain involved in various capacities.

It was decided that the organisation's main focus should be

- to build a positive vision of a low carbon future for our community
- to start implementing practical initiatives to begin creating that future now
- to engage as many local people as possible in this process.

Following on from initial meetings in the Autumn of 2007, an email discussion group was established, a number of working groups focussing on different aspects of the vision such as food, transport, energy and enterprise started to emerge, a decision was taken to affiliate with the Transition Network and a constitution was drafted to give some structure to activities.

A Co-ordination Group was set up and 'Sustaining Dunbar' was formally launched at a well attended public meeting on 30<sup>th</sup> April 2008. This Co-ordination Group is made up of three elected officers plus representatives of each of the working groups. Its function is to support and co-ordinate the activities of the working groups, to raise and administer funds, organise general publicity and to provide a point of contact for the organisation. This group meets monthly.

## **Vision**

As individuals it is easy to feel overwhelmed by the unprecedented challenges facing humanity. With the real and imminent prospect of runaway climate change combined with peak oil, a global food crisis and a global economic system crumbling before our eyes, it is clear that profound changes in the way we live our lives are inevitable in the very near future. We need to realise that this actually gives us a huge opportunity to come together as a community to build a way of life that is not only sustainable but is potentially much more creative and satisfying.

## **Aims**

- To raise public awareness of the challenges posed by Climate Change and resource depletion, particularly Peak oil.
- To encourage activity and contributions from all sectors of the local community in planning a locally resilient and sustainable, zero-carbon, zero-waste future for Dunbar
- To focus on opportunities and solutions and on developing a sense of collective purpose and action
- To support groups and individuals who are especially vulnerable to the threats posed by climate change and resource depletion
- To work with the UK Transition Network and similar organisations to develop strategies which empower individuals, groups and businesses to become sustainable and resilient

## **Current Activities – The Wider Context of the Bakery**

Sustaining Dunbar currently has four active working groups: Food, Transport, Energy and Enterprise.

*The Food Group's* main focus to date has been to seek to expand allotment provision in Dunbar and to obtain land for a community garden, orchard and composting project. It has now reached agreement with East Lothian Council that allotments will be provided on open space at Winterfield in the north of the town. In addition, the Hallhill Community Garden Project aims to develop a fallow site between Hallhill Steading and Moray Avenue, Dunbar, as a community garden, growing fruit, vegetables and flowers for the benefit of the community.

*The Transport Group* organised a 'bikefest' during Dunbar Civic week, is mapping and publicising existing public transport, cycle and walking routes in the area and auditing the barriers to their greater use. It is lobbying for improved train services and is also investigating car share schemes, provision of a car club and how best to implement 'travel planning' with local businesses and individuals.

*The Energy Group* is a lead partner in the 'Dunbar Carbon Neutral' Project. Having secured funding from Community Windpower Ltd. (who are constructing a windfarm at Aikengall, just south of Dunbar). In early 2009 the organisation was awarded £250,000 from the Scottish Government's Climate Challenge Fund to employ 3 full-time members of staff to work out how much energy Dunbar is using and how it can be reduced. Ultimately the aim is to become carbon neutral within 15 years. The staff will be based at the Be Green project and will be working closely with Be Green Dunbar to carry out home energy surveys and give advice to individuals looking to reduce their carbon footprint.

*The Enterprise Group* is currently focussed on establishing a community owned bakery in the town, the subject of this business plan. This arose from concerns about the impact of the forthcoming closure of Dunbar's only existing bakery, due to retirement.

## **Management**

Sustaining Dunbar are a Company Limited by Guarantee with charitable status. A new legal structure will be established for the potential bakery (see section 7) and it will be independent, though there will be clear links with the parent body from which the inspiration and global vision comes.

## **Partnership working**

The organisation plans to work with the Transition Network, the New Economics Foundation and East Lothian Council to arrive at appropriate 'resilience indicators' which can be used to assess the progress which our community makes in cutting carbon emissions and building local resilience and well-being.

## **Future Plans**

The overarching aim for the organisation for the next two years is to produce and to start implementing a Dunbar 2025 Vision and Action Plan. The intention is for this to provide a vision for Dunbar as zero carbon community in 2025 and a plan for the action that needs to be taken now in order to get there.

Each of the four working groups will be responsible for preparing a part of the overall vision and plan and will organise a wide range of events and practical activities to engage as many and as diverse a range of local people as possible in this process.

## 4. Strategy and Policy

The following are identified as being the initiatives and policies that support this proposal and that in turn the proposal will assist in delivering locally in Dunbar.

### *Transition Towns*

A new and rapidly growing grassroots movement of communities seeking to address the two toughest challenges facing humankind at the start of this 21st century; Climate Change and Peak Oil (the end of cheap and plentiful oil). The premise is that individuals can find these challenges too daunting to tackle alone, and their individual contribution can seem too small, while if we wait for governments to act it will be too little too late. However, if we act as communities, it might just be enough, just in time. A Transition Town (or Transition Initiative) is a community working together to take an integrated and inclusive approach to reduce their carbon footprint and increase their ability to withstand the fundamental shift that will accompany Peak Oil. They begin by forming an initiating group and then adopt the Transition Model with the intention of engaging a significant proportion of the people in their community to kick off a Transition Initiative. A creative, community-defined and community-implemented process is put in place that seeks to examine all aspects of life (food, energy, transport, health, heart & soul, economics & livelihoods, etc) in order to build community resilience and reduce carbon. This results in an "Energy Descent Action Plan" which is implemented over a 15 to 20 year timescale. Sustaining Dunbar is one of the first Transition Initiatives in Scotland.

### *Social Enterprise.*

A social enterprise is an organisation which trades to generate income that is invested in social and environment change. The aim of the movement is to promote social enterprise as a means to build up the social and economic well-being of Scotland, work to assist excluded and disadvantaged people, and help tackle poverty and deprivation. It is recognised in documents such as 'A Smart Successful Scotland, 2004' and has culminated in 'Better Business, a strategy for social enterprise in Scotland'. The new Enterprising Third Sector Strategy, with associated action plan and budgets (of over £90 million) is about to be released. The bakery will be a social enterprise as it will enable Sustaining Dunbar to trade in order to generate income that will support the delivery of social and environmental outcomes.

### *Food Research*

The need for good food and specifically the inclusion of certain foods in the daily diet has been promoted, developed and funded in Scotland for some time. Below are some findings from a report entitled "A Review Of Food Consumption And Nutrient Intakes From National Surveys In Scotland: Comparison To The Scottish Dietary Targets, September 2006"

The purpose of this report was to review recent national dietary and health surveys and, with re-analysis where appropriate, compare the results with the Scottish Dietary Targets set in 1996. The report states;

*It is well established that dietary patterns in Scotland contribute to high rates of chronic diseases such as heart disease, obesity, type 2 diabetes, high blood pressure, stroke and certain types of cancer. Food and Nutrient based dietary targets for Scotland were set by the Scottish Office in the 1996 Scottish Diet Action Plan, Eating for Health. These were set for achievement in 2005. However, more recently, the Scottish Executive's public health policy document 'Improving Health in Scotland: The Challenge' (2003) sets out a commitment to further implementation of the Scottish Dietary Targets until at least 2010.*

Another report "Accessing healthy food in Scotland, February 2008" (commissioned by the Food Standards Agency Scotland) was published showing the results of research into the availability of affordable healthy food in Scotland.

A map of food shops and supermarkets in Scotland was constructed and nine sample areas across Scotland were selected on the basis of urban-rural location and affluent-deprived conditions.

A Healthy Eating Indicator Shopping Basket (HEISB) was designed to investigate the availability and cost of healthy foods in these nine areas. The 'basket' was made up of 35 items drawn from the five major food groups and included fresh fruit and vegetables, potatoes, baked beans, porridge oats, wholemeal breads, rice, oven chips, meat and fish and some low fat fresh dairy produce.

The study underlines the importance of finding ways to assist small general food shops to provide affordable, healthy foods and will help inform policy development in Scotland. FSAS is currently working in partnership with the Scottish Government Neighbourhood Shops project to develop strategies to help small food shops to provide a good range of healthy foods.

Overall the total number of foods available (out of 35) per shop was weakly negatively correlated with deprivation; as deprivation increases the number of foods available falls. In terms of the balance of the HEISB the most deprived data zones have greater relative availability of fruit, carbohydrates and dairy products with the most affluent areas better for all other food categories except protein-rich items.

Lastly, 'Local Food Routes : A summary report of Food futures (2007)' summarises three years' work by Food futures partnerships all over the UK which worked together on developing sustainable local food economies. It adds the voices of over 150 organisations and over 1,500 people around the UK to the case for local food.

The report argues for more investment and action at a local, regional and national level to link the local food chain and support our farming communities. It puts forward concrete policy recommendations that, if implemented, will help create sustainable local food economies. The report demonstrates the benefits of more food being processed and

marketed locally. It encourages consumers to make positive and considered choices about what they buy to eat as their spending decisions could have a major positive impact on our local economies.

The Soil Association campaign, 'Eat Organic, Buy Local', assists producers, retailers and consumers to contribute to their local food economy by taking action. It states that the promotion of a sustainable local food economy will require;

- Creating national frameworks.
- Improving the supply chain.
- Educating the public.
- Improving the regulatory context.
- Providing finance for the sector.
- Adapting trade policy.
- Obtain robust information.

## 5. Market Research

### Interview with and Data About the Previous Owner

Meetings and discussions have taken place between the Enterprise Group and Smith's, the previous owners of the High Street Bakery. Their view is that the key market for them was rolls particularly related to wholesale such as to the caravan site. Estimated sales figures can be seen in the table below. They normally had 30- 40 dozen rolls in freezer which had been frozen straight after being made. Their advice therefore was that it was essential to have good size retarder and good sized freezer

The Smith's had 20 staff working in two shops including 7 full time bakers and largely part time shop assistants. They found that staffing was difficult due to finding enough people happy with the very early start. Health and Safety was also a significant drain on staff resources to keep up to compliance standards

<b>Product</b>	<b>Mon – Fri</b>	<b>Sat</b>
White rolls	80 doz	120 - 140 doz
Wheaten rolls	28 doz	Up to 40 doz
Wheaten Vienna finger rolls	8 doz	No information
Brown small loaf	90	108 - 144
White small loaf	12	24
White large (800gm) loaf (pan)	10-24	24

In addition the interviewee noted the following;

- Commercial breadmaking is a 3 hour process.
- Bread is a day sale and is made to sell out
- Baked bread and rolls daily and cakes a minimum of twice per week
- The quality of flour is crucial often costing up to 40% more than average
- Consistency is the key to success – temperatures and timescales are crucial with seasonal variations taken into account.
- Ensuring you have sufficient retarding and freezing capacity is essential
- With regards stock the essentials are bread and savouries
- Very challenging health and safety issues in this environment

A further site visit with Environmental Health and some discussion with the owners has revealed that the current building is suitable for using as a bakery with minimal costs.

The particulars for sale inform potential buyers that retail sales generate the majority of income, supplemented by the café (though no figures are given). There is, however, a strong wholesale element which generates in the region of £7,500 a month. They note that sales for the year ended June 2007 were circa £370,000, net of VAT.

## **Community Survey**

A survey entitled 'Have your say Dunbar!' was carried out by Scottish Participatory Initiatives during March 2009.

### **Objectives**

The objectives of the survey were to:

- gain an understanding of the number of people who do or would shop on the High Street
- investigate why some people do not shop on the High Street
- identify what would attract them to shop on the High Street
- gauge the demand for a bakery on the High Street
- identify which products they would be likely to buy
- estimate which times they were most likely to shop
- gauge potential interest in training and learning about baking and running a bakery
- find out what people feel the local benefits would be if there was a bakery on the high street
- test whether customers support and buying patterns would change depending on whether this is a mainstream bakery or a social enterprise
- identify individuals who would like to be involved in developing this idea

### **Methodology**

The survey was not distributed blind across the community with the expectation of a return. Instead, one to one interviews took place using a team of trained researchers throughout Dunbar. People were approached for example at shops, in local streets, a Day Centre, the swimming Pool, the Grammar School and Hallhill. Surveys were sent out through schools via the Pupil Council. SPI aimed to interview a minimum of 150 people who cover all ages, gender and the parts of Dunbar. The process managed to interview 307 people and the following are the key results (outlined in more detail in the feasibility study document).

87% said they shop on the high Street

Those who did not cite the following main reasons;

- poor range of shops
- poor parking
- unattractive High Street

When asked what would encourage people to shop more on the High Street, the following were the main responses (lower reasons are less than 3%)

- More decent shops 27%
- A Bakery 12%
- Better parking 9%
- More attractive High Street 7%
- Longer opening hours 5%
- Cleaner streets
- Safe and proper crossings
- Friendlier shop keepers

Respondents were asked whether, if there were a bakery on the High Street, they would use it. 95% said yes.

For those who would not, the only significant reason was related to road safety (especially amongst young people).

For those who had a preference, the products with the highest demand were;

- Good quality bread 34%
- Fresh rolls 24%
- Fresh good quality cakes 24%
- Hot savouries e.g. sausage rolls 17%
- Pies 10%
- Unusual Bread 14% (42);
- Filled sandwiches 5%

The findings show that the ages under 25 were most keen on savouries like sausage rolls, pies and doughnuts (i.e. the kinds of things that can be picked up and snacked on for lunch and on the go) and ages 26+ were most interested in Breads, Rolls and cakes.

The main competition for this bakery is the local supermarket which this bakery would struggle to compete with on price, so respondents were asked whether they would pay more than the lowest supermarket prices for good quality local products. 87% said they would.

In terms of spend, the majority of people (37%) would spend between £5 and £10 on bakery produce with a further 30% saying they would pay up to £5.

The majority (46% rather than 44%) said they would use the baker during the week rather than at the weekend, but weekend demand is high enough for this shop to be open on Saturdays. Morning was the time when most people said they would use a bakery (36%), though lunch and afternoons (both around 26%) were also popular. It is thought that there is not enough demand to open at night.

53% were interested in having bread (or other products?) delivered to their homes.

54% were interested in learning how to make bread and other bakery/cookery products, with 23% willing to pay at least £25 per day per person, making classes potentially viable.

People indicated the benefit which this bakery would bring. Reasons cited were;

- It would bring more people to the High Street
- Local employment
- Healthy fresh food
- Local pride, sense of accomplishment, community feeling, better atmosphere, bring the heart back to the High Street
- Better choice of produce
- Better quality

Some direct quotes from interviews:

"What is a High Street with out a bakery?"

"It would help keep shopping local and something that is a bit nicer to offer people than the small selection that ASDA and others can"

"Healthier lunches and less chippies"

Finally, 20 people committed to being involved in developing the bakery on the High Street with a group of other interested people.

### ***Interviews with Local Retailers : Snapshot of the wholesale market***

Five local retailers were approached to test this potential market. The following is a summary of the results;

- 3 out of the 5 had sourced bread and rolls from Smiths
- No other products were purchased, though one respondent used Smiths for catering for functions

- Total orders were consistent, but not huge and amounted to around 7 dozen rolls and 16 loaves of bread per day
- Only one of the 5 had found a good alternative supplier since the closure of Smiths
- All 5 were emphatically supportive of changing supplier back to a community owned bakery
- Quality and supporting local produce as well as consistency of supply were the main reasons why they would change suppliers
- Price therefore was not a key consideration.

### ***Case Studies***

Four case studies were undertaken which showed that the concept of a community bakery was feasible in principle. Brief summaries are outlined before and the full text can be found in the feasibility study.

#### **Case study 1 : The Moody Baker, Alston**

This is an artisan bakery co-operative based in Alston, high in the Pennine Hills. Since 2002 they have created quality, healthy food from the finest ingredients and made by hand. They are also very experienced at catering for those with special dietary requirements.

- They presently have no grant funders or other sponsors. However in the beginning the Bakery received grants for a van, salaries and marketing.
- They use locally sourced, organic or Fairtrade ingredients where possible and cater for functions as well as offering delivery service.
- The Moody Bakers depends significantly on wholesale and attends most of the local Farmers Markets.
- There are 13 staff in total and 4 young people. The staff are all part time and all receive £5.80 per hour except the youngsters (15yrs) who get £4 per hour. There are 3 Directors and 9 members.
- In terms of legal structure, they are a not for profit Co- Operative and a Company Limited by Guarantee.

#### **Case Study 2 : The Bread Maker, Aberdeen**

Based in Aberdeen, the Breadmaker is an artisan bakery and coffee house. Crucially the enterprise, though a mainstream trading entity, is a means to the end of training and employment of people with special support needs. There are 23 apprentices with a learning disability, supported by a staff of 8 people and a group of volunteers.

- The charity is particularly well supported by grant making trusts.
- They view themselves as a 'Social Firm' and are structured as a Company Limited by Guarantee with charitable status.
- Their turnover last year was £400,000 including grants, with £250,000 related directly to sales. Their growth was 49% in year

one, 69% in year two and they are projecting a 35% increase into year three.

### **Case Study 3 : Engine Shed, Edinburgh**

Similarly to the Bread Maker, the Engine Shed in Edinburgh, trains and employs adults with learning disabilities with objectives focussed on employability.

- They also operate a café and bakery that promotes healthy eating and it is well known in Edinburgh for its production and nationwide distribution of tofu, amongst other products.
- Since the end of substantial European funding the business has had to develop while keeping its core values intact. It is able to offer services to those with support needs and focus on healthy quality food while generating working profit.

### **Case study 4 : Amble Development Trust and the Bread Bin, Amble**

The Amble Development Trust re-opened the Bread Bin bakery in 2004. By taking its first step into the high street trading environment, the Trust also showed that it was not averse to risk if it meant lasting benefits for the whole community.

- The original business plan suggested re-establishing local retail trade as a priority then moving to secure wholesale business but very early on, the local retail trade returned.
- Loan funds were taken out
- Staff retention was a key problem

## 6. The Bakery

Various sites were considered for the bakery and a considerable amount of work was done on a smaller outlet, which has been purchased by a private buyer. As a result the group has decided to utilise the existing Smith's bakery which will now require some up-grading.

There are plans to undertake feasibility work along with other partners (such as the John Muir Birthplace Trust) to purchase the whole building, but a lease will be arranged in the short to medium term.

This site is much bigger than required at the moment and the specifications are set out in the table below.

Area - 354 Sq Feet	134 High Street - Front Shop
Area - 275 Sq Feet	134 High Street - Back Shop
Area - 3,981 Sq Feet	130 High Street - Bakery / Coffee Shop
Area - 1,756 Sq Feet	130 High Street - Baker & Chiller (This walk-in freezer will not be used in the short term.)
Area - 6,366 Sq Feet	Total Area

The property is located on the West side of the High Street.

The property currently comprises two shop units with Class 1 and Class 2 usage with three flats above. The three flats comprise a studio flat on the first floor, three bedroom flat at second floor level and a three bedroom flat at third floor level all with associated accommodation/reception rooms.

At ground floor, 134 High Street is a Class 1 retail unit currently operating as a sweet shop. This is occupied on an informal lease arrangement with the Tenant paying £5,000 per annum. Neighbouring this at 130 High Street is a coffee shop with bakery trade counter sales, behind this a seating area and to the rear of this the main bakery.

The bakery is serviced from the lane to the rear and has a mixed Class1/Class2 retail consent. The sales particulars have estimated that the market rent payable would be around £15,000 per annum.

The bakery/coffee shop extends to 3,981 sq.ft. which is made up of the front and back shop areas, coffee shop, various ancillary areas including

offices, stores and preparation areas and the sizes are outlined in the table above. The site to the rear is approximately 0.27 acres.

The bakery is fitted and equipped with an extensive range of equipment/machinery.

## **7. Legal Structure and Management**

### ***Legal Structure***

Sustaining Dunbar will establish an Industrial and Provident Society to run the bakery. It will still sit under the umbrella of Sustaining Dunbar and work to that vision.

The IPS is a specific type of co-operative which is expressly recognised by statute. The law governing Industrial and Provident Societies defines an IPS as a "bona fide co-operative" or a "society for the benefit of the community".

For this IPS the following features will be embedded;

- Membership is open, voluntary and free from discrimination
- It will be democratically controlled by its members with one member one vote
- If local people choose to invest in the bakery, returns on capital (if there are any) will be at a strictly controlled rate of interest

- Economic benefits belong to the members and will be distributed in a fair and equitable manner.

The Industrial and Provident Society represents a halfway house between a registered company and an unincorporated association. It will have rules of association in much the same way as an unincorporated association, yet it is an incorporated body with the benefit of limited liability.

Only an IPS set up for the benefit of the community and not members will be eligible for charitable status, provided it can satisfy the charity test. In this case there is a desire for local people to invest in the Bakery and receive a return, therefore charitable status is not likely. The fundamental consequence of this in the short term is that full rates will have to be paid.

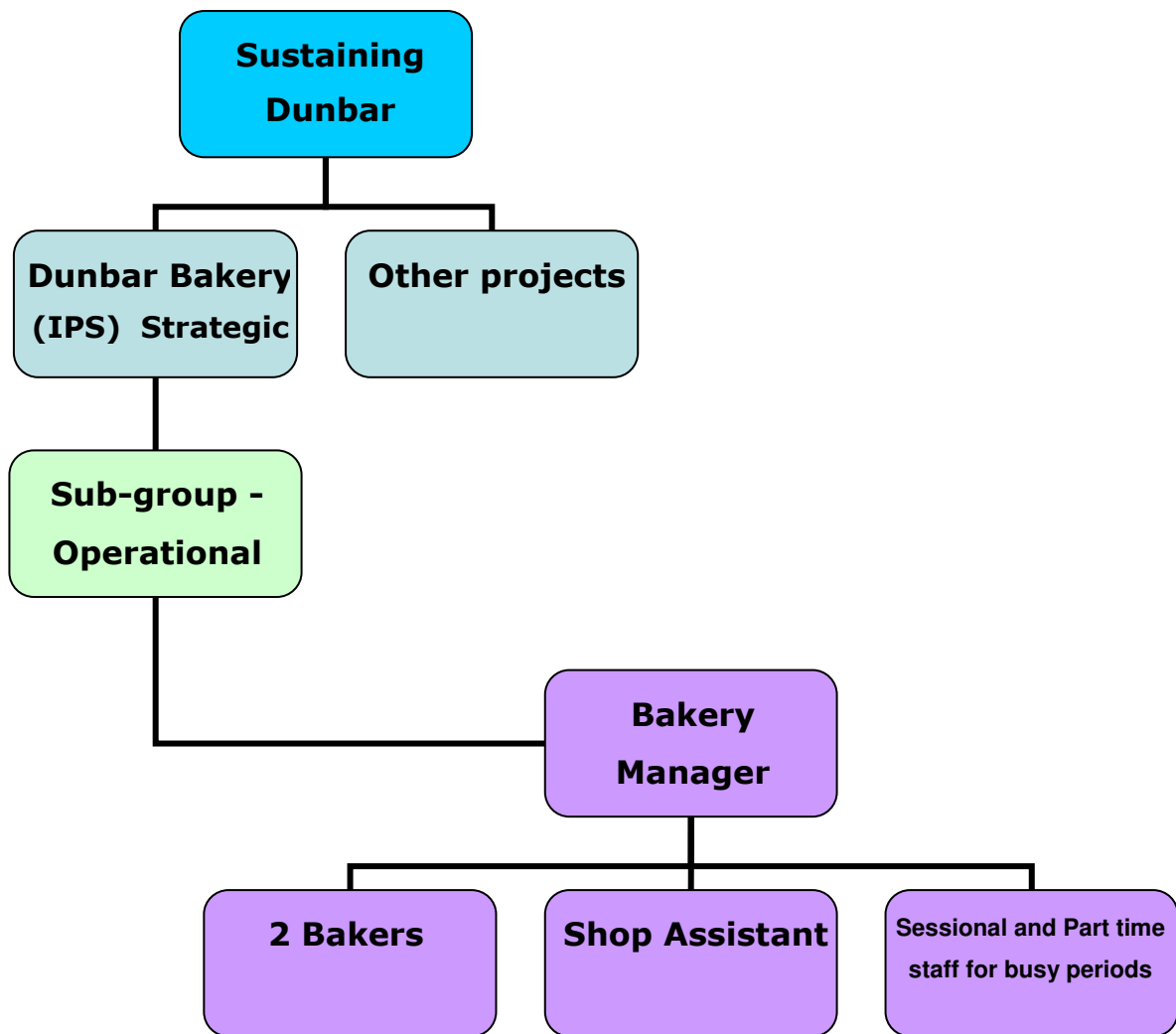
Industrial and Provident Societies are registered with the Financial Services Authority (FSA) and are regulated by the FSA under a regime which is similar to that for registered companies<sup>1</sup>.

The society is operated by a management committee which is elected by, and can be removed by the members. It will be an incorporated organisation with a separate legal identity and as such can own property in its own name, take out leases, employ staff, enter into contracts, and can take or defend legal action. The IPS offers the benefit of limited liability but without all the requirements associated with Companies Act compliance. Committee members are only liable if they are found to have acted fraudulently, in breach of trust or have continued to run the company beyond the point when solvency was inevitable.

### ***Management***

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<sup>1</sup> See this link for further information - [http://www.fsa.gov.uk/Pages/Doing/small\\_firms/MSR/Societies/](http://www.fsa.gov.uk/Pages/Doing/small_firms/MSR/Societies/)



### **Staff**

A job description will have to be drafted for the post of Retail Manager as it will be vital that this post has a developmental remit. The post will have the following attributes and areas of responsibility;

1. To plan, co-ordinate, develop and monitor the activities of the Bakery and to liaise with the management group to ensure the viability of the business.
2. To keep up to date with legal compliance issues including health and safety and environmental health and to ensure measures are put in place to meet all relevant compliance regimes.
3. To plan, monitor, develop and oversee the current and future development of the business in terms of new products and new markets. To liaise with suppliers and customers.
4. To contribute to the over-arching vision of Sustaining Dunbar, through the work of the bakery, to enhance in the regeneration of the High Street and the creating of a sustainable community.
5. To manage designated staff who are employed within the Bakery.

6. To work in the shop front at busy times and to commit to attending bakery training so as to augment bakery staff at busy times.
7. To provide regular written reports on progress and issues relating to both finance and activity.
8. To monitor the income and expenditure of the business in conjunction with the management committee and to produce monthly accounts for the Management Group.

### ***Board Members***

Need CV of all potential board members

### ***Capacity and Knowledge***

As well as carefully recruiting a Bakery Manager to manage the business on our behalf, we intend to further increase our management capacity and systems in the coming months by;

- Commissioning training for Board members in the roles and responsibilities of IPS board members;
- Developing a clear management structure for the company, including sub-committees (e.g. covering policy & communications, finance & resources) with Terms of Reference, delegated levels of authority, regular meetings and reporting to the Board;
- Developing a suite of management policies covering key areas of operation such as: health & safety, equal opportunities, purchasing, volunteering, data protection, accounting and reserves.

## **8. Funding and Finance**

### **Costs**

This business will require some initial investment in terms of working capital to get it off the ground. The original objective to purchase premises and kit them out from scratch would have involved significantly higher sums, the need to service a long term loan and greater risk.

In the long term all expenditure and a surplus will be generated by sales of produce.

### **Cost of Industrial Cleaning etc**

£4320 (incl VAT)

### **Equipment**

Following a visit from Environmental Health, it is likely that all the existing equipment can be used, following a deep clean. **An audit is being undertaken by Bakery and Catering Services on all equipment and this will give a figure for any equipment that needs to be replaced, repaired or up-graded.**

### **Lease**

The schedule for the sale of the current shop notes lease as £15,000. It is clear that this is unusually high and a figure will need to be negotiated with Smiths.

A search of levels of leases for similar operations shows that a shop front and office premises in Haddington of 526 sq ft is on the market for £8,500 pa while an additional First floor office of 516 sq ft would cost £5,500 pa.

Retail space of 372 sq ft in Prestonpans High St is on the market for £3,840 pa.

As a result we have estimated a year one lease at £13,000. When the lease is negotiated.

### **Legal and other Fees**

There is a need to engage a lawyer for two main reasons, assisting with negotiating the lease and drawing up papers to setting up the new legal entity. A figure of £5,000 should be allocated for this.

In addition, the services of an accountant will be required to undertake an audit or independent examination at the year end, and assist with corporation tax and VAT returns. This can be estimated at £2000.

### **Insurance**

A quote was sought from Keegan and Pennykid, specialists in covering charities and social enterprises. They would check further details prior to a full quote, but for estimation purposes were able to suggest a figure of £931 for;

- £5 million of public liability
- Employers liability
- Money cover
- Contents cover of £10,000 for the shop, £2500 for the office and £100,000 for bakery equipment (this could be substantially increased without increasing the premium by much
- Stock of £1000

## **Water Rates<sup>2</sup>**

Various companies were unable to give an estimate of water rates except that a charge would be £135 per year standing charge for water and £123 per year standing charge for waste. The rest would be based on usage per cubic metre.

### **Revenue cost of staff**

The following minimum staffing structure has been recommended for the Bakery once it is up and running. This is the core staff who will be given training, support and personal development opportunities. Part time and sessional staff will be recruited to augment this at busy times.

#### *Retail Manager*

A reasonable salary for this would be circa £23,000 + NI and 5% pension contribution. 3% cost of living rise each year is budgeted in but will depend on the profitability of the business and is not guaranteed.

Salary – £23,000

NI - £2248

Pension – £1150

Total - £26,398

Year 2 - £27,189

Year 3 - £28,005

*Two bakers* will be employed, one at £18,000 + on costs and one senior baker at £19,500.

Salary – £19,500

NI - £1800

Pension – £975

Total - £22,275

Year 2 - £22,943

Year 3 - £23,631

Salary – £18,000

NI - £1608

Pension – £900

Total - £20,508

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<sup>2</sup> see <http://www.scotlandontap.gov.uk/>

Year 2 - £21,123

Year 3 - £21,756

*1 full time Shop Assistant*

Salary - £16,000

NI - £1352

Pension - £800

Total - £18,152

Year 2 - £18,696

Year 3 - £19257

*Sessional Staff*

A team of part time sessional staff will be brought in to help to cover busy times. These will be paid £6 per hour. Estimates for amount of time are as follows;

3 hours per day x 5 days and 6 hours on a Saturday. This equates to 21 hours per week on average plus 12.8% = £7390

Holiday cover will be arranged by drafting in part time staff or agency staff. This has been calculated at one month of core staffing costs = £8000.

Total = £15,390

10% has been added to cover holidays and contingencies = £16,929

We believe that a pool of volunteers and other placement such as students, new deal and Project Scotland would not only help the sustainability of the enterprise, but would create an ethos of community ownership, integration with the wider community and user involvement. This will require some resources to support and will be built into the cash flow and action plan for future years.

### Other revenue costs (estimates per annum)

Training budget	£2,000 for year one followed by £1000 per year
Volunteer and staff expenses	£1,000
Insurance	£1000
Utilities	Currently £900 per month. We are estimating a much reduced production so have based this on a first year of £600 per month (£7200 per year) rising to £900 in future years as production increases.
Marketing and Advertising	£5,000 in year one to re-launch the company, dropping to £3000 in following years.  With is being a social enterprise it is felt that there may be opportunities for free promotion and there may be savings in this budget.
Rates	£7800 (current rateable value) with small business bonus scheme this reverts to 0.
Water rates, waste water and trade effluent	£1500
Admin and stationary	£2000
Telephone and Internet	£1200
Deep Clean	Yearly Deep clean and clean of extraction systems - £1000
Cleaning	Undertaken by core staff
Trade Waste	£850 based on a twice weekly uplift.
Misc	£1000
Total	£23,750

## Summary of Costs for Year One

Initial deep clean	£4320
Bakery Equipment	£1000
Computerised till	£437
IT system for office <ul style="list-style-type: none"> <li>○ PC</li> <li>○ printer / fax / scanner</li> <li>○ software</li> </ul>	£1500
Start up items	£1225
bin	3      £5.00      £15.00
Uniforms	8      £25.00      £200.00
Aprons	8      £10.00      £80.00
chiller cabinet for cakes	1      £500.00      £500.00
desk	1      £50.00      £50.00
chair	1      £25.00      £25.00
shredder	1      £10.00      £10.00
lights	2      £10.00      £20.00
filing cabinet	1      £100.00      £100.00
Stationary items	£200.00      £200.00
Kettle	1      £25.00      £25.00
	<b>£1,225.00</b>
Lease	£13,000
Legal Fees	£7000
Core Staff (a 3% cost of living rise is given each year)	£87,333
Sessional Staffing Costs (a 3% cost of living rise is given each year)	£16,929
Other revenue costs	£23,750
<b>Total</b>	<b>£156,494</b>

## Tax

It is presumed that all profit from this enterprise will be gift aided to Sustainable Dunbar to reinvest in community benefit. As a result there will be no corporation tax liability.

## **VAT**

The company will be trading over the VAT threshold and will therefore need to be VAT registered. As a result there will 15% VAT on all sales and 15% reclaim on all purchases that have VAT attached. The social enterprise nature of the business has a bearing and the training courses may be exempt from VAT under certain circumstances.

## ***Funding***

The Feasibility Study identified a range of potential grant funders that could be tapped into if the social benefit was strong enough. The pressure of time, and the decision to concentrate on opening a High Street business, means that the organisation has chosen to secure funds from private finance. As a result, funding will be secured by a combination of unsecured loans and a local share issue.

It is clear that a local share issue will take some time to organise and bear fruit. As a result, this current business plan is predicated on the basis of a standard bank loan. A range of suppliers have been contacted and, though this will be based on negotiation and a strong business plan, we have estimated an interest rate of 5% to be paid back over 5 years although it is likely that a loan could be cleared more quickly.

## ***Sales Targets and Sustainability***

The current plan is to concentrate on retail sales initially to re-establish the market locally before attempting to re-gain and then extend wholesale business later in year one.

The context for these projections are based on the findings of the community survey combined with the full year's turnover for Smith's bakery when fully operational of £370,000 where wholesale brought in £90,000 (24%) of that. This cash flow goes from 64% of that in year one to 83% in year three. This forecast has been kept modest due to this being a new venture for the organisation and since they will be creating a different kind of bakery.

<b>Item</b>	<b>Details</b>
<b>Retail</b>	
Loan	The loan has been estimated at £35,000 at 5% over 5 years.  In time it is possible that this loan will be bought out with a local share issue. Further thought will be given in the cash flow as to how this will be projected including levels of dividends. If dividends are less than 5%, this will reduce

	<p>pressure on the cash flow.</p> <p>This will be structured to suit the business in the relationship with the bank and may take the form of loan and overdraft.</p>
<p>Profit from rolls and bread</p>	<p>See appendix one for prices of ingredients and sales price for 2 example breads, one premium and one more ordinary as well as rolls. Clearly a range of products will developed and tested during year one.</p> <p>Bread 1 : cost per portion is 55p, sale price is £1.40. Profit margin is 85p per unit (before salaries and running costs). Target sales circa 50 loaves per day during the week and 60 on a Saturday = 1240 per month. Income - £1736 Cost - £682</p> <p>Bread 2 : cost per portion is 35p, sale price is £1. Profit margin is 65p per unit (before salaries and running costs) Target sales circa 70 loaves per day during the week and 90 on a Saturday = 1760 per month. Income - £1760 Cost - £616</p> <p>Rolls : cost per dozen is 90p, sale price is £2. Profit margin is 110p per unit (before salaries and running costs) Target sales circa 70 doz per day during the week and 90 on a Saturday = 1520 doz per month. Income - £3040 Cost - £1368</p> <p>Target sales in the first 3 months rise by 15% increasing by a further 10% to the end of the first financial year following marketing and promotion. Increased sales of 10%, are</p>

	<p>projected into year 2 and a further 10% into year 3.</p>
<p>Profit from cakes</p>	<p>Estimates from the survey show that 24% of respondents would purchase cakes. We have estimated that in early year one a target of 120 customers per day will spend £1.50</p> <p>Income - £2880</p> <p>Cost - £1944</p> <p>Target sales in the first 3 months rise by 15% increasing by a further 10% to the end of the first financial year following marketing and promotion.</p> <p>Increased sales of 10%, seasonally adjusted for a summer increase are projected into year 2 and a further 10% into year 3.</p>
<p>Profit from pies and savories</p>	<p>More work will need to be done here to cost ingredients and profit margins. We have put in interim figures of sales of 75 pies per day at £1 each and a profit of 55p.</p> <p>Target sales in the first 3 months rise by 15% increasing by a further 10% to the end of the first financial year following marketing and promotion.</p> <p>Increased sales of 10%, are projected into year 2 and a further 10% into year 3.</p>
<p>Profit from training courses</p> <p>Profit from Team building days</p>	<p>This will be established later in year one and extended into years 2 and 3 to a maximum of an average of one course per week with 10 participants each, charging £25 per person. This would earn £250 per session with a cost of £100 for tutor and ingredients. This earns a profit of £150 per session and circa £600 per month.</p> <p>Team building days are another</p>

	<p>product that could be developed to use the bakery as a venue for this product using a cook school style model. Some initial research has shown that the standard price for this is £1000. We view this as potential product development and have currently kept this out of the cash flow.</p>
Profit from non-bakery products	<p>This is sales of ancillary produce such as crisps, juice, sweets, tea and coffee etc at point of sale. These extra items may be necessary to attract customers particularly at lunch time.</p> <p>It may also include sales of fair trade or locally produced food that fits with the ethos of the bakery.</p> <p>Only a small stock of these items will be held and profit is likely to be limited.</p> <p>We have estimated an end of year one target of 50 people spending £1 per day with a profit margin of 30%</p> <p>Income £1200 Cost - £840</p> <p>A 10% increase is projected into years 2 and 3.</p> <p>Market testing should be carried out in year one and this profit could be considerably larger.</p>
New Deal and Project Scotland Fees	<p>This will be factored into year 3 based on two New Deal placements at any one time. This will bring in £1500 per quarter but will require staff resources to support it.</p>
Study Visits	<p>Many social enterprises undertaking relatively innovative like this have established a product whereby groups can visit for information and inspiration. This would be a</p>

	<p>formal product where by a group of up to 10 would pay £300 for a half day and would get presentation, handout packs, tour and lunch. Costs (minus staff time) would be no more than £5 per head making a profit of £250 per visit. Amble Development Trust uses this source of funding.</p> <p>We have estimated 2 per month in the early stages of the project reducing to one a month as standard.</p>
Grants	<p>Potential grants are outlined in the feasibility study.</p> <p>A grant application for £35,000 for the Third Sector Enterprise Fund has been factored in. This amount may be raised with a local share issue.</p> <p>We have estimated only a modest £10,000 in year 2 and pay for bolt on projects (such as the training programme), though if timescales allow, this could be higher.</p>
<b>Wholesale</b>	
Profit from sales of rolls and bread	<p>Sales of wholesale were considered for year two, but demand during the market research indicates that this market can be regained earlier. 24% of total turnover per month was realized by Smiths through wholesale. We have estimated a year one monthly target of 20% as a modest estimate. 20% is projected throughout.</p>
Rates	<p>The ratable value of the building is £7800. From April 1, 2009 the Scottish Government's small business bonus scheme comes into affect. Rates vary but those with a ratable value of less than</p>

	£8000 will get 100% relief. As a result there will be currently no rates liability.
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### **Cash Flow Projections**

See separate excel spreadsheets in Appendix Two

### **Risk Analysis**

No proposal is devoid of risk. Where there is social and health benefit required as well as income generation, these two motivators inevitably increase risk. Whilst any enterprise involves risk, it is the assessment and management of that risk that ensures the delivery of a business plan.

<b>Main Risk Element</b>	<b>Size of risk</b>	<b>Impact of Risk</b>	<b>Risk Minimisation Factors</b>
Loan investment not forthcoming.	Low – medium	High	Qualified and experienced board members Strong business plan
Sales lower than expected	Low - medium	Medium to High	Good publicity and marketing. This is vital to ensure that usage is maximised. It includes strong branding, good partnership and a robust marketing plan.  Link with other initiatives. This partnership working will ensure joint working to mutual benefit.  The bakery offers a mix of products, so no single one is totally critical to its survival.  Pricing may need to be looked at to increase demand. This should be monitored to ensure that the price reduction still leaves a profit margin and that the increased demand matches the loss.
Loss of key personnel	Low to Medium	High	Increase skills of board and staff. It is clear from work with the organisation during this

			<p>process that there are significant skills and experience on the core management group. Efforts will be made to retain this core group and build on it. Those skills that are indispensable to the successful development of this idea will be identified and a succession plan drafted to ameliorate the impact of losses of key committee members.</p> <p>Bring in external support</p>
Economic Downturn	High	Low due to projections being made in a time of poor economic conditions	<p>External support will be secured from a range of appropriate agencies. Skills and support from outwith the Bakery brings perspective as well as hands on support.</p> <p>Pricing may need to be considered.</p> <p>Marketing may need to be increased promoting the good value of these products.</p>
High turn over of staff	Medium	High	<p>This is an ongoing management issue in any business, though particularly common in bakeries due to unsocial hours.</p> <p>Try to keep wages higher than the industry norm.</p> <p>Invest in staff development</p> <p>Create a culture of working towards the same bigger vision rather than just working in a shop.</p>
Problems with suppliers of raw materials	Low	Medium	<p>Bakeries operate across the country and there is not currently a supply problem. Dunbar Bakery aims to source quality local flour. If this niche market experiences problems, the bakery will have the mainstream flour suppliers to</p>

			fall back on.
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# Appendices





## ***Appendix 2 : Cash Flow Projections***

<b>CASH FLOW PROJECTION</b>				<b>CLIENT NAME: Dunbar Bakery</b>										<b>year 1</b>	
	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Total		
<b>INCOME</b>															
<b>Loan</b>	35000												35000		
<b>Retail</b>															
Income from rolls and bread		7936	9126	9126	9126	10038	10038	10038	11043	11043	11043	11043	109600		
Income from cakes		4320	4968	4968	4968	5465	5465	5465	6011	6011	6011	6011	59663		
Income from pies and savouries		1800	2070	2070	2070	2277	2277	2277	2505	2505	2505	2505	24861		
Income from training courses								250	250	250	500	500	1750		
Income from non-bakery products		1200	1380	1380	1380	1518	1518	1518	1670	1670	1670	1670	16574		
New Deal and Project Scotland Fees													0		
Study Visits									500	500	250	250	1500		
<b>Wholesale</b>													0		
Income from sales of rolls and bread						1984	1984	1984	2182	2182	2182	2182	14680		
													0		
<b>Grants and fundraising</b>													0		
<b>TOTAL</b>	<b>0</b>	<b>15256</b>	<b>17544</b>	<b>17544</b>	<b>17544</b>	<b>21282</b>	<b>21282</b>	<b>21532</b>	<b>24161</b>	<b>24161</b>	<b>24161</b>	<b>24161</b>	<b>263628</b>		
<b>EXPENDITURE</b>															
<b>Start Up</b>															
Initial Deep Clean	4320												4320		
Bakery Equipment	1000												1000		
Computerised till & IT system	2000												2000		
Start Up Items	1225												1225		
<b>Cost of Ingredients</b>															
Cost of rolls and bread		2666	3066	3066	3066	3373	3373	3373	3710	3710	3710	3710	36823		
Cost of cakes		1944	2235	2235	2235	2458	2458	2458	2704	2704	2704	2704	26839		
Cost of pies and savouries		810	931	931	931	1041	1041	1041	1145	1145	1145	1145	11306		
Cost of training courses								100	100	100	200	200	700		
Cost of non-bakery products		840	966	966	966	1062	1062	1062	1168	1168	1168	1168	11596		
Cost of Whoesale						843	843	843	927	927	927	927	6237		
<b>Recurring</b>													0		
Recruitment costs	1000												1000		
Core Staff Salaries	7277	7277	7277	7277	7277	7277	7277	7277	7277	7277	7277	7277	87324		
Sessional Staff Salaries	1411	1411	1411	1411	1411	1411	1411	1411	1411	1411	1411	1411	16929		
Staff and Volunteer Expenses	50	50	50	50	100	100	100	100	100	100	100	100	1000		
Training	500	500	500	500	250	250	250	250	600	600	600	600	2000		
Utilities	600	600	600	600	600	600	600	600	600	600	600	600	7200		
Insurance	1000												1000		
Lease	3250			3250			3250			3250			13000		
Rates													0		
Water Charges	125	125	125	125	125	125	125	125	125	125	125	125	1500		
Stationary and Admin	405	145	145	145	145	145	145	145	145	145	145	145	2000		
Advertising and Publicity	3000			1000				1000					5000		
Telephone and internet	100	100	100	100	100	100	100	100	100	100	100	100	1200		
Deep Clean													1000		
Trade Waste	71	71	71	71	71	71	71	71	71	71	71	71	850		
Professional Fees	5000											2000	7000		
ICT support	250				100			100			100		550		
Misc	84	84	84	84	83	83	83	83	83	83	83	83	1000		
Loan Repayments	660	660	660	660	660	660	660	660 #	660	660	660	660	8580		
<b>TOTAL</b>	<b>33328</b>	<b>17283</b>	<b>18221</b>	<b>21971</b>	<b>17870</b>	<b>19599</b>	<b>22599</b>	<b>20799</b>	<b>20326</b>	<b>23576</b>	<b>20526</b>	<b>23426</b>	<b>259519</b>		
<b>Surplus/Defecit</b>	<b>-33328</b>	<b>-2027</b>	<b>-677</b>	<b>-4427</b>	<b>-326</b>	<b>1683</b>	<b>-1317</b>	<b>733</b>	<b>3835</b>	<b>585</b>	<b>3635</b>	<b>735</b>	<b>4109</b>		

<b>CASH FLOW PROJECTION</b>				<b>CLIENT NAME: Dunbar Bakery</b>							<b>year 2</b>				
	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Total		
<b>INCOME</b>															
Balance Carried forward	4109												4109		
Loan													0		
<b>Retail</b>															
Income from rolls and bread	11043	11043	11043	11043	11043	11043	11043	11043	11147	11147	11147	11147	132932		
Income from cakes	6011	6011	6011	6011	6011	6011	6011	6011	6612	6612	6612	6612	74536		
Income from pies and savouries	2505	2505	2505	2505	2505	2505	2505	2505	2755	2755	2755	2755	31060		
Income from training courses	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	12000		
Income from non-bakery products	1670	1670	1670	1670	1670	1670	1670	1670	1837	1837	1837	1837	20708		
New Deal and Project Scotland Fees							250	250	500	500	500	500	2750		
Study visits	250	250	250	250	250	250	250	250	250	250	250	250	3000		
<b>Wholesale</b>															
Income from sales of rolls and bread	2182	2182	2182	2182	2182	2182	2182	2182	2400	2400	2400	2400	27056		
													0		
<b>Grants and fundraising</b>	10000												10000		
<b>TOTAL</b>	<b>38770</b>	<b>24661</b>	<b>24661</b>	<b>24661</b>	<b>24661</b>	<b>24911</b>	<b>24911</b>	<b>24911</b>	<b>26501</b>	<b>26501</b>	<b>26501</b>	<b>26501</b>	<b>318151</b>		
<b>EXPENDITURE</b>															
<b>Cost of Ingredients</b>															
Cost of rolls and bread	3710	3710	3710	3710	3710	3710	3710	3710	4081	4081	4081	4081	46004		
Cost of cakes	2704	2704	2704	2704	2704	2704	2704	2704	2974	2974	2974	2974	33528		
Cost of pies and savouries	1145	1145	1145	1145	1145	1145	1145	1145	1259	1259	1259	1259	14196		
Cost of training courses	400	400	400	400	400	400	400	400	400	400	400	400	4800		
Cost of non-bakery products	1168	1168	1168	1168	1168	1168	1168	1168	1248	1248	1248	1248	14336		
Cost of Wholesale	927	927	927	927	927	927	927	927	1020	1020	1020	1020	11496		
Core Staff Salaries	7496	7496	7496	7496	7496	7496	7496	7496	7496	7496	7496	7496	89952		
Sessional Staff Salaries	1453	1453	1453	1453	1453	1453	1453	1453	1453	1453	1453	1453	17436		
Staff and Volunteer Expenses	50	50	50	50	100	100	100	100	100	100	100	100	1000		
Training	100		100		100	250		250		100		100	1000		
Utilities	600	600	600	600	600	600	600	600	600	600	600	600	7200		
Insurance	1000												1000		
Lease	3250			3250			3250			3250			13000		
Rates													0		
Water Charges	125	125	125	125	125	125	125	125	125	125	125	125	1500		
Stationary and Admin	405	145	145	145	145	145	145	145	145	145	145	145	2000		
Advertising and Publicity	1000			1000				1000					3000		
Telephone and internet	100	100	100	100	100	100	100	100	100	100	100	100	1200		
Deep Clean												1000	1000		
Trade Waste	71	71	71	71	71	71	71	71	71	71	71	71	850		
Professional Fees												2000	2000		
ICT support	100			100				100		100			400		
Misc	84	84	84	84	83	83	83	83	83	83	83	83	1000		
Loan Repayments	660	660	660	660	660	660	660	660	660	660	660	660	8580		
<b>TOTAL</b>	<b>26548</b>	<b>20838</b>	<b>20938</b>	<b>25188</b>	<b>20987</b>	<b>21137</b>	<b>24237</b>	<b>22137</b>	<b>21815</b>	<b>25265</b>	<b>21815</b>	<b>24915</b>	<b>275818</b>		
<b>Surplus/Defecit</b>	<b>12222</b>	<b>3823</b>	<b>3723</b>	<b>-527</b>	<b>3674</b>	<b>3774</b>	<b>674</b>	<b>2774</b>	<b>4686</b>	<b>1236</b>	<b>4686</b>	<b>1586</b>	<b>42333</b>		

<b>CASH FLOW PROJECTION</b>				<b>CLIENT NAME: Dunbar Bakery</b>										<b>year 3</b>	
	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Total		
<b>INCOME</b>															
Balance Carried forward	42333													42333	
<b>Loan</b>														0	
<b>Retail</b>															
Income from rolls and bread	11147	11147	11147	11147	11147	11147	11147	11147	11147	11147	11147	11147	11147	133764	
Income from cakes	6612	6612	6612	6612	6612	6612	6612	6612	6612	6612	6612	6612	6612	79344	
Income from pies and savouries	2755	2755	2755	2755	2755	2755	2755	2755	2755	2755	2755	2755	2755	33060	
Income from training courses	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	12000	
Income from non-bakery products	1837	1837	1837	1837	1837	1837	1837	1837	1837	1837	1837	1837	1837	22044	
New Deal and Project Scotland Fees	500	500	500	500	500	500	500	500	500	500	500	500	500	6000	
Study visits	250	250	250	250	250	250	250	250	250	250	250	250	250	3000	
<b>Wholesale</b>														0	
Income from sales of rolls and bread	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400	28800	
														0	
<b>Grants and fundraising</b>														0	
<b>TOTAL</b>	<b>68834</b>	<b>26501</b>	<b>26501</b>	<b>26501</b>	<b>26501</b>	<b>26501</b>	<b>26501</b>	<b>26501</b>	<b>26501</b>	<b>26501</b>	<b>26501</b>	<b>26501</b>	<b>26501</b>	<b>360345</b>	
<b>EXPENDITURE</b>															
<b>Cost of Ingredients</b>															
Cost of rolls and bread	4081	4081	4081	4081	4081	4081	4081	4081	4081	4081	4081	4081	4081	48972	
Cost of cakes	2974	2974	2974	2974	2974	2974	2974	2974	2974	2974	2974	2974	2974	35688	
Cost of pies and savouries	1259	1259	1259	1259	1259	1259	1259	1259	1259	1259	1259	1259	1259	15108	
Cost of training courses	400	400	400	400	400	400	400	400	400	400	400	400	400	4800	
Cost of non-bakery products	1248	1248	1248	1248	1248	1248	1248	1248	1248	1248	1248	1248	1248	14976	
Cost of wholesale	1020	1020	1020	1020	1020	1020	1020	1020	1020	1020	1020	1020	1020	12240	
Core Staff Salaries	7721	7721	7721	7721	7721	7721	7721	7721	7721	7721	7721	7721	7721	92652	
Sessional Staff Salaries	1497	1497	1497	1497	1497	1497	1497	1497	1497	1497	1497	1497	1497	17964	
Staff and Volunteer Expenses	50	50	50	50	100	100	100	100	100	100	100	100	100	1000	
Training	100		100		100	250		250		100		100		1000	
Utilities	600	600	600	600	600	600	600	600	600	600	600	600	600	7200	
Insurance	1000													1000	
Lease	3250			3250			3250			3250				13000	
Rates														0	
Water Charges	125	125	125	125	125	125	125	125	125	125	125	125	125	1500	
Stationary and Admin	405	145	145	145	145	145	145	145	145	145	145	145	145	2000	
Advertising and Publicity	1000			1000				1000						3000	
Telephone and internet	100	100	100	100	100	100	100	100	100	100	100	100	100	1200	
Deep Clean													1000	1000	
Trade Waste	71	71	71	71	71	71	71	71	71	71	71	71	71	850	
Professional Fees													2000	2000	
ICT support and renewal	100		100			100			1500					1800	
Misc	84	84	84	84	83	83	83	83	83	83	83	83	83	1000	
Loan Repayments	660	660	660	660	660	660	660	660	660	660	660	660	660	8580	
<b>TOTAL</b>	<b>27745</b>	<b>22035</b>	<b>22235</b>	<b>26285</b>	<b>22184</b>	<b>22434</b>	<b>25334</b>	<b>23334</b>	<b>23584</b>	<b>25434</b>	<b>22084</b>	<b>25184</b>	<b>25184</b>	<b>287870</b>	
<b>Surplus/Defecit</b>	<b>41089</b>	<b>4466</b>	<b>4266</b>	<b>216</b>	<b>4317</b>	<b>4067</b>	<b>1167</b>	<b>3167</b>	<b>2917</b>	<b>1067</b>	<b>4417</b>	<b>1317</b>	<b>1317</b>	<b>72475</b>	