



Penicuik Storehouse

Business Plan

updated April 18th, 2019



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1. Executive Summary

The Vision

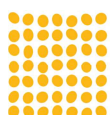
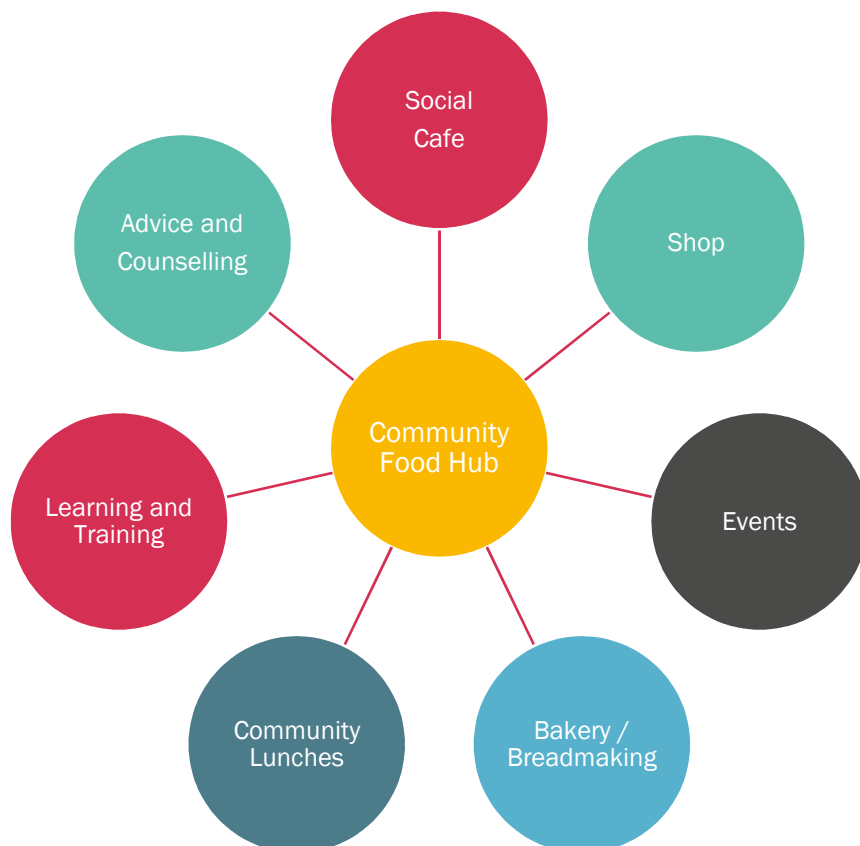
The intention of Penicuik Community Alliance (PCA) is to create a community hub that will bring local people together, foster a resilient and cohesive community and help to regenerate our town centre. These elements will be brought together in a social enterprise, based on ‘social solidarity’ principles, that allows the existing community spirit to reach a larger sector of the community than hitherto. Our Mission Statement declares:

“The objective of our social enterprise, The Storehouse, is to bring fresh life to Penicuik by establishing a thriving, food-centred business through which volunteers can serve the community and support its most vulnerable citizens”

Foundations

PCA successfully bid for Scottish Land Fund (SLF) support, acquired large retail premises for the community and has taken over a small wholefood franchise that uses 25% of serviceable ground floor space. There is now a desire to get the whole ground floor operational and gain early community benefit (Phase 1), prior to full renovation of both floors, which is unlikely to happen before 2020 (Phase 2). A quantity surveyors estimates indicate that, with a budget of circa £60,000 and volunteer effort, the lower floor can be opened up for use by market stalls, one off events and cookery training classes, while providing a home for weekly community lunches. Capital of £30,000 from SLF is being spent on works to make the superstructure waterproof, firesafe and secure. The whole ground floor has been cleared by volunteers and surplus materials, equipment and donated furniture taken upstairs.

Initial Services that will achieve the vision (Phase 1):



Need for additional funding

We are seeking £30,000 for essential infrastructure works from the Community Led Medium strand of the National Lottery Community Fund (CLM) plus £68,000 in revenue funding to expand the shop, employ a Social Manager to coordinate the above array of Ground Floor services and cover overheads. A decision is expected by August, 2019: If affirmative, renovation of the whole ground floor will be completed and The Storehouse community hub opened for 2020.

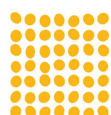
Key operations

The market would operate on a 'pop-up' basis, with PCA selling pitches. Food would be offered as needed, prepared and served by volunteers and trainees, using a kitchen range and bread oven already installed in the middle of the ground floor. We will fit-out an extended food shop, with funds from Seedbed Trust. CLM funds will be used to, provide new floor coverings in social cafe (vinyl) and market (monoblock) areas, fit hygienic wall coverings to create a safe working kitchen, install service counters, clean and decorate. A toilet block on the mezzanine level will be renovated for female use and disabled access facilitated via an adapted rear entrance.

Finance

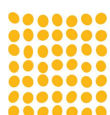
PENICUIK COMMUNITY ALLIANCE													
STOREHOUSE : Year 1, part renovation													
	2019 Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Provisions shop - cost of sales	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%	
CASH FLOW													
Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Sales													
Sales - Provisions shop	14,000	14,140	14,281	14,424	14,568	14,714	14,861	15,010	15,160	15,918	16,714	17,550	181,341
Total Sales (gross)	14,000	14,140	14,281	14,424	14,568	14,714	14,861	15,010	15,160	15,918	16,714	17,550	181,341
Other Income													0
Grants				7,500					7,500				15,000
					2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	22,664
													37,664
TOTAL INCOME	14,000	14,140	14,281	21,924	17,401	17,547	17,694	17,843	25,493	18,751	19,547	20,383	219,005
Cost of sales													
Purchases - Provisions shop and cafe purchases	11,480	11,595	11,711	11,828	11,946	12,066	12,186	12,308	12,431	13,053	13,705	14,391	148,700
Total Direct costs	11,480	11,595	11,711	11,828	11,946	12,066	12,186	12,308	12,431	13,053	13,705	14,391	148,700
Overheads													
Back rent											7,500		7,500
Recruitment		300											300
Staff Costs				1,974	1,974	1,974	1,974	1,974	1,974	4,370	4,917	4,917	26,048
Rates	0	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	0	14,650
Heating and Power	350	350	350	350	350	350	350	350	350	350	350	350	4,200
Insurance	130	130	130	130	130	130	130	130	130	130	130	130	1,560
Printing, Stationery & Office consumables	25	25	25	25	25	25	25	25	25	25	25	25	300
Telephone & internet	50	50	50	50	50	50	50	50	50	50	50	50	600
Advertising & Promotion	25	25	25	25	25	25	25	25	25	25	25	25	300
Building Repairs and Maintenance	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Book-keeping and accountancy		1,500											1,500
Professional Fees				600							600		1,200
Sundry expenses	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Bank charges	50	50	50	50	50	50	50	50	50	50	50	50	600
Loan interest - SIS			660	660	660	660	660	660	660	660	660	660	6,600
Total overheads	1,030	4,295	3,155	5,729	5,129	5,129	5,129	5,129	5,129	7,525	16,172	6,607	70,158
Capital Expenditure													0
VAT on sales	560	566	571	577	583	589	594	600	606	637	669	702	7,254
VAT on purchases and expenses	589	894	598	723	608	613	617	622	627	652	798	706	8,048
VAT payments/(refunds)				-385			-195			-66			-646
													0
TOTAL EXPENDITURE	12,510	15,890	14,866	17,172	17,075	17,195	17,120	17,437	17,560	20,512	29,877	20,998	218,212
Net Cashflow	1,490	-1,750	-584	4,752	326	353	574	406	7,933	-1,761	-10,330	-615	793
Opening Balance	9,000	10,490	8,740	8,156	12,908	13,234	13,587	14,161	14,567	22,500	20,739	10,408	
Closing Balance	10,490	8,740	8,156	12,908	13,234	13,587	14,161	14,567	22,500	20,739	10,408	9,793	

The above cash flow shows the expected financial position in year 1 of the business.

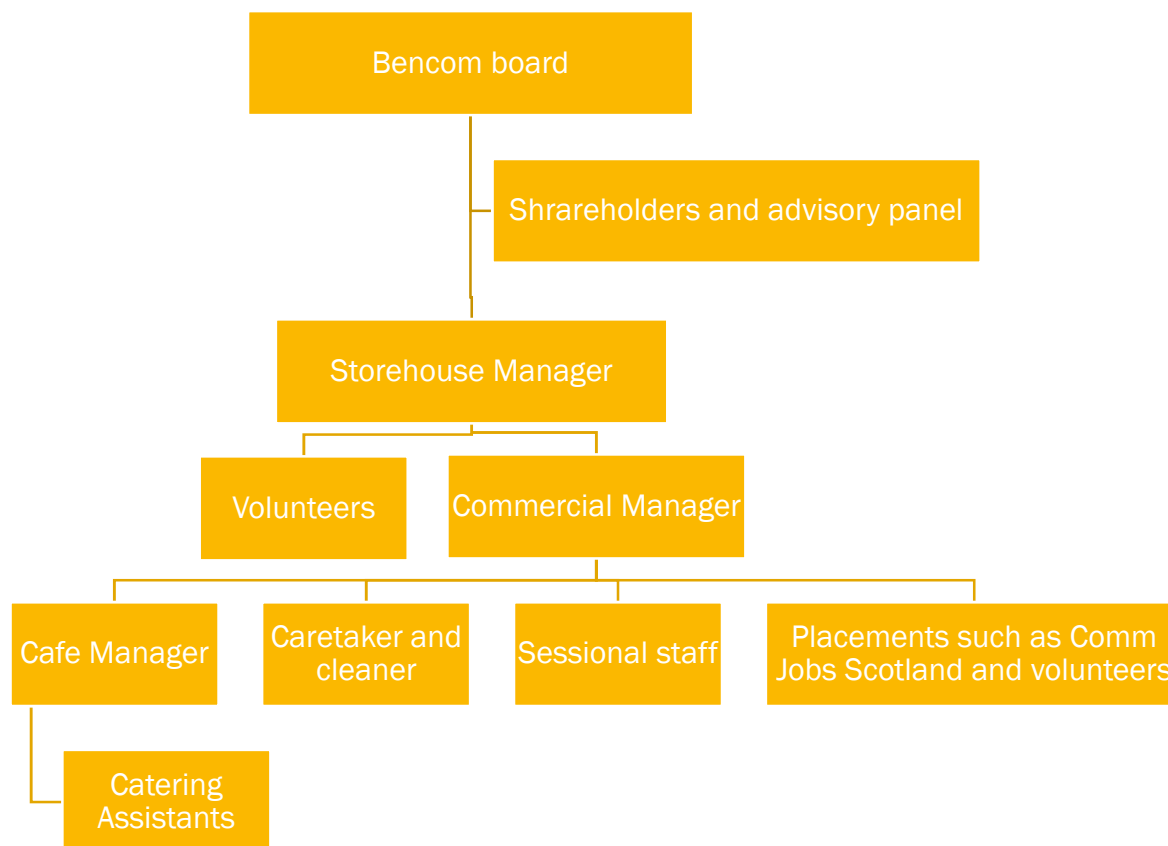


Phase 2 (Upper floor)

The diagram below indicates plans for an operationally self-financing upper floor, which will reap a social dividend from retail success below but require additional capital investment



Management of a Completed Storehouse



Interim management structure

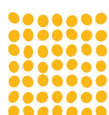
The immediate plan is to employ an SLF-funded Development Officer to introduce professional management systems into the operation of shop and wider project. With the ground floor renovated, a Social manager would be employed with CLM funds to begin implementing our food-centred social support policies in 2020.

Costs for Full Ground Floor Renovation

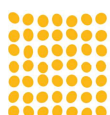
Item	Cost
Phase 1 Construction	£88,780
Contingency (12%)	£10,654
Total	£99,434

Funding Strategy

Capital costs of fit out and start-up by 2020

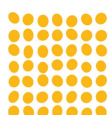


Essential capital works to allow public access to ground floor	£60,000	Scottish Land Fund	£30,000
		Community-Led Medium Grant (CLM)	£30,000
Shop fit out	£5000	Seedbed Trust	£5000
Capital costs to complete Ground Floor renovation in 2020			
Finishing work (inc. commissioning lift, renovating 2 nd rear entrance for receipt of supplies, decoration of rear staircase and landscaping rear forecourt)	£39,434	PCA Awards for All? Charitable trusts? (Garfield Weston, Tesco, Greigs)	£20,434 £5,000 £14,000
Revenue fpr 2019/20			
Human resources (Development Officer and Social Services staff)	£67,000	SLF (for Development Officer until August 2020)	£15,000
		CLM for Social Services Manager Catering Assistant, Cleaner/Caretaker 'til Jan 2021 '	£52,000
Increased running costs	£16,000	CLM	£16,000
Additional funding for Phase 2, 2021			
Website, brand and marketing materials	£5000	Awards for All PCA	£5000
Capital for Fire Escape and Upper Floor infrastructure.	£100,000	PCA Charitable trusts	£50,000 £50,000
Changing Places facility	£18,984	Thistle Foundation	£18,984



Coping Strategy

Should we fail to gain **CLM** support, we will seek funding from other sources (Garfield Weston, Tesco and Gregg's Community Funds), increase reliance on volunteers, cease employment of paid staff and greatly slow down the renovation programme. Income from the current, restricted shop area will be sufficient to cover overheads, now that we have no rent to pay. If prospects of CLM support seem slender, we will consider seeking help from the new **Regeneration Capital Grant Fund from Scottish Government, (deadline in June)**, in collaboration with Midlothian Council



2. Introduction and Background

2.1 Context of 'The Storehouse' Project

Penicuik is the largest town in Midlothian, with a population approaching 17,000, and a strong community spirit, centred on work of Penicuik Community Development Trust (PCDT). Penicuik Storehouse began as the brainchild of three members of PCDT, who wanted to extend the reach of community activities by exploiting the social value of food. Although PCA is entirely separate from PCDT, the range of community initiatives that the Development Trust has been involved in typify the drive seen in the Storehouse project:

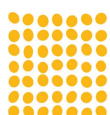
- Weekly cinema in the Town Hall, run on a big screen since 2007
- Weekly Open House in the Town Hall-, featuring exhibitions, café and meeting place, run since the Trust began in 2005
- Pen-Y-Coe Press, a voluntary run stationery & print shop and Penicuik institution.
- Penicuik Paper-Making Heritage Centre, a visitor attraction and resource for local schools, funded by proceeds from Pen-y-Coe Press and opened as the only museum of its kind in the UK in 2017, reflecting Penicuik's past as 'The Papermaking Town'.
- Reclaiming the extensive 'Lost Garden'- on Penicuik Estate, a long-term project that supplied fresh vegetables, fruit, flowers and seed potatoes, daily through Pen-y-Coe Press, weekly at Open House meetings and monthly at the First Friday Street Market

A Saturday foodstore has been run independently of PCDT at Valleyfield House, off Penicuik High Street, every week for 25 years.

The Storehouse was conceived originally on a small shop scale, targeting vacant delicatessen premises. When that option fell through, it was decided to lease much larger premises, a former Scotmid building in at 22, High Street. PCA was registered as a community benefit society in August 2015 to allow funds to be raised by public subscription. In December 2015, The Alliance launched a community share issue to raise a minimum of £82,100 towards refurbishment costs. Share income was to be matched by a £150,000 grant from Scottish Government's Town Centre Communities Capital Fund (TCCCF). The share issue closed in September 2016, having raised £106,000: this was an excellent endorsement but fell short of the £300,000 thought to be needed to fully customise the premises. The need to borrow was recognized in the original business plan and a loan facility of £100,000 was negotiated with Social Investment Scotland. PCA now has around 800 members who have contributed £25 or more to own one or more shares. Each shareholder has one vote, irrespective of the number of shares they hold.

The monies were used to improve infrastructure of the building and purchase capital equipment. Unfortunately, the true costs of refurbishment, the time needed and the volunteer skills required were seriously under-estimated. Resultant delays meant that rent and business rates liabilities eroded working capital and by the summer of 2017 it was recognised that there were insufficient funds remaining to complete work on even the ground floor of the property.

PCA social policy was in tune with that of Scottish Government and attracted support from a Fair Food Transformation Fund (FFTF), intended to transition people from foodbank dependency to more sustainable lifestyles. PCA was also awarded a grant from the Scottish Government's Social Innovation Fund (SIF) towards staffing costs and a research project to be carried out in



conjunction with Heriot-Watt University. The offer was withdrawn because the capital works could not proceed but could be resurrected in the future.

What Has Been Achieved

A new board have taken PCA from the verge of insolvency, with no retail activity and a half renovated building, to a place where debt is well managed, there is a clear plan to complete renovations, a small temporary shop and a viable business plan to move forward with. The shop has transformed an empty building by using serviceable space and spawned a popular business. Operated on an entirely voluntary basis, it now has around 10 volunteers, 6 secure suppliers and has steadily increased weekly turnover to £3500, sufficient to generate a small surplus. Weekly community lunches have been provided for the last 18 months in a church hall on the outskirts of Penicuik, using donated supermarket foods to provide free meals and friendship for the lonely and vulnerable, together with training opportunities in food preparation. Key equipment already installed includes

- Masonry stove and bread oven
- Wood-fuelled boiler system
- Esse oven
- Lift

2.2 The Vision

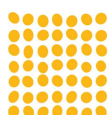
The intentions of PCA are;

- To create a central hub that will bring local people together, promoting resilience and community cohesion
- To change the lives of disadvantaged people for the better
- To improve health and well-being through good food
- To demonstrate the capacity of a social enterprise to regenerate a town centre
- To engage with partners who share our transformative ideals
- To create new jobs and volunteer opportunities in catering, retail, training, social care and social activities
- To be a central point for coordinating community care initiatives.

Application of these 'social solidarity' ideals will allow the acknowledged community spirit to permeate a larger sector of the community than hitherto.

An invigorated board adopted the following Mission Statement in March, 2018

"The objective of our social enterprise, The Storehouse, is to bring fresh life to Penicuik by establishing a thriving, food-centred business on the High St, through which volunteers can serve the community and support its most vulnerable citizens"



The vision remained one of service to the Penicuik community, rooted round good food. The Storehouse will generate income from the social enterprise model and develop a community focus with activities like community lunches and a Community Fridge, while providing jobs, offering work experience and training facilities.

Projected Outputs

- A Food Shop that provides an outlet for inexpensive, local, high quality food, grown and produced in ecologically friendly gardening/farming systems. It is a fundamental tenet that 'good' does not have to mean 'expensive': for far too long, people with less have been expected to subsist on cheaper, poorer quality food.
- A small community bakery that would provide a variety of breads, cakes and pastries. Small scale baking will take place intermittently on site: a local master baker may help to provide breadmaking classes.
- An Indoor Market that provides space for community groups and local businesses, raising income and increasing the range of merchandise without bearing associated risks of building up stocks
- A social café that serves fresh baking and simple meals but also offers free refreshment to the vulnerable, using "Pay forward" methodology. The café will be run as a social firm, with placements for people with special support needs.
- A community lunches, moved from the current inconvenient, peripheral location

Community ownership opens a window of opportunity. The Storehouse is trading and busy, capable of covering overhead costs and offering good volunteering opportunities. PCA is managing its debt well and is on a trajectory to resume loan repayments after a holiday period granted by SIS, who have been hugely supportive. Shareholders at the January, 2018 AGM could have been concerned or angry about lack of progress but, instead, were encouraging. There is a tangible momentum amongst the management team, now 11-strong. A further £27,500 investment by shareholders, new and old, in November, 2018, showed continuing confidence in the project. Trading from the premises has continued successfully for 13 months.

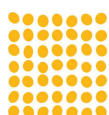
2.3 The Building

The premises are at 22 High Street in the heart of Penicuik Town Centre and were the Nickel & Dime general store and once the Penicuik Co-op food store and Drapery. The ground and first floors cover 5,000 and 4,000 square feet, respectively, and have potential for food preparation, serving, seating and retail areas, with toilet services in three locations. Both floors are accessible from an entrance in Bank Street to the rear, which would allow separate entrance to retail activities below and social support facilities above.

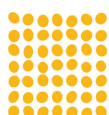
2.4 Methodology

PCA engaged the help of Community Enterprise Ltd (CEL) to determine from the people of Penicuik who might use the facilities, identify needs and indicate how proposed community ownership could impact on those needs. The methodology used by CEL for market research and engagement was as follows:

- **Induction and familiarisation.** An initial meeting took place with the board to discuss expectations from the assignment and to agree an approach to the work.
- **Business Analysis.** The Alliance has undertaken significant work and been trading from the front of the Storehouse, so an analysis of recent activity was undertaken.



- **Desk top Research.** Contextual information was gathered to show the economic and social profile of the area, using the Community Insight tool for data analysis across 20 platforms, learning from case studies of similar projects, analysing current provision by others of retail food services and social events in the area.
- **Consultation Event.** As well as some discussion at a well-attended AGM, a community Burns supper was organised to attract local residents. Over 70 people attended each event, some attending both, and gave thoughts and comments on the project.
- **Stakeholder and Supplier Contact.** Three group meetings were offered to key stakeholders, suppliers, partners and influencers, 1:1 telephone interviews were held and a short supplier's survey distributed to potential suppliers, listed by the client.
- **Community Survey.** A Penicuik wide survey took place, which had 388 single responses. People were asked whether they were answering on behalf of a family or group of friends and, if so, how many were represented and this amounted to a further 386, so the total number of individuals represented in the survey was 770.
- **Re-costing.** A quantity surveyor considered the most recent plans, drawn up in Summer 2017, and updated the cost estimate.
- **Fundability.** Without grant-funding to complete capital works, the Storehouse could not proceed. Therefore, a fundability test was undertaken by phone conversation with a variety of different funders and by visiting Big Lottery headquarters in Glasgow.
- **Financial modelling.** A financial model was produced to ascertain the viability and sustainability the project in the context of servicing a loan and gradually increasing liquidity for community shareholders over time.
- **Feasibility Report.** The research report was presented to the board and key interested parties, including SLF, SIS and Scotmid.
- **Further Research.** Additional research was undertaken following the presentation meeting, particularly to identify potential tenants, stallholders and partners.
- **Business Plan.** A draft business plan was presented with some variables, which were discussed by the committee: the draft was revised for a successful SLF bid.
- **Updated Business Plan –** Funded by SIS, PCA has changed some priorities over recent months, which are reflected in the current business plan of March, 2019, part of a bid for support from the Community Led (medium) fund run by Big Lottery.



3. Summary of Community & Market research

3.1 Social Need

Although there were no Penicuik datazones in the least deprived 15% SIMD health rankings in 2016, only 3 out of 21 datazones were ranked as less deprived than in 2009. Seven datazones are amongst the 50% most deprived in relation to Education Skills and Training in Midlothian, with the most deprived areas concentrated to the north of the town centre. The town is not becoming more prosperous and needs an economic boost.

Analysis of social policy shows a strong strategic fit of Storehouse objectives with national and local strategy objectives, from Community Empowerment to Social Enterprise. FFTF remain keen to support social initiatives in peri-urban communities, including PCA in Penicuik

Midlothian Council opened a hostel, The Lighthouse, for temporarily homeless families in July 2017, with 40 units. This new socially deprived population is not included in the foregoing datazone statistics and are a key target for us.

3.2 Community Need and Support

When asked whether they imagined living in Penicuik in 10 years' time, 28% of survey respondents said they were not sure, and 7.6% stated no. The majority of those who would consider leaving were older respondents, concerned about levels of crime and the fear of becoming isolated. Quote from Survey: "Make it look better, instead of looking drab, like most Scottish towns. Improve visual appeal and functionality of outdoor urban spaces...."

50% of community survey respondents stated they would like to see more employment opportunities and were concerned about a lack of good jobs in the area.

Many felt that the community was becoming isolated. Comments that resonated at the public meeting were: "there is no sense of community"; 'a, dull, boring place'; very little to do" and that "Penicuik needs public space to bring the community together". Stakeholder contact indicated that "there is a need to bring people together. There is a sense of severe isolation amongst some people, who feel a need for a social heart to a community that is open and flexible. The Town Hall, soon to be run by the community, will not be able to fulfil this purpose alone."

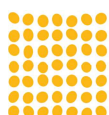
Penicuik has a significantly higher percentage of older people (18.3%) than the rest of Midlothian (16.7%) and the Scottish average (16.8%). Of the working population, 82% travel to work either by car or bus. There is a need to change from a commuter town to one having its own vibrant economy, a view reiterated by stakeholders.

There is substantial community support for the Storehouse project at well-attended AGM and public meetings. Over 90% of survey respondents expected community ownership of the Storehouse to enhance community spirit, provide opportunities for employment and learning, and help overcome disadvantage and inequality.

Approximately 75% of respondents agreed that community ownership of the Storehouse would be challenging to sustain. The community, however, showed its willingness to help, 56 people offering contact details and desire to provide practical support to The Alliance.

The public meeting and survey indicated a wide range of possible community uses, mostly rooted in health and well-being.

PCA has over 800 shareholders and, despite past financial difficulties, continuing high levels of support for the board were evident at AGM in January 2018 and February, 2019. Quote from the



2018 Survey: “Thank you for running and organising the Stonehouse shop. The fruit & veg are great, much better quality and taste than supermarkets. Staff are so friendly and helpful. Brilliant place to get our family shopping. Keep up the great work”. A second community share issue has raised £27,500 as match funding to cover the purchase price, confirming the high level of local confidence and support.

During the open meetings, there was eagerness to help voluntarily to protect the asset by undertaking a range of development tasks at the Storehouse. Many have now come forward and have been involved in liaison with the quantity surveyor, running the shop, working on finances, meeting funders, leading on communications and marketing. A significant momentum has emerged. We will continue to offer extensive volunteering opportunities.

After discussion with referral agencies, we foresee a steady supply of volunteers and placements in the social café for individuals with special support needs. Beeslack Family Disabled Club have 70 members, many of whom were interested and several Lighthouse residents are volunteering.

3.3 Need for Services, Activities and Facilities

The most popular request in the community survey (77.5% of respondents) was for better food and retail outlets, with expressions of discontent with the lack of fresh produce and choice of coffee shops and bakeries.

Approximately 50% of survey respondents indicated they spend between £50 and £100 per week on groceries and supplies. The majority of respondents would shop at the Storehouse weekly (51%), 22.5% indicated they would shop there now and again, 12% monthly, and 6% daily. Only 8% of respondents said they would not shop at the Storehouse. In terms of spending, 29% of respondents indicated they would spend over £20 per week.

The open meetings, interviews and survey showed significant support for retail and café services onsite. One comment that resonated about the café was “Nice to have somewhere you can sit and don’t have to leave as soon as you’ve finished.”

The bakery was a particular source of support, with the majority of people positive and agreeing that local residents were “very excited” about the prospect of a good supply of bread.

Training and learning, in particular a training kitchen, emerged as important activities during conversations.

The PCA weekly community meal is receiving continued support from FFTF, despite early difficulties, and interest from the community and Lighthouse hostel is growing.

Penicuik’s monthly Friday Market is the only such market to have survived in Midlothian

3.4 Partners and Suppliers

The Storehouse Project is at its heart a partnership initiative where PCA and the building are catalysts to revive the fortunes of the Town centre. With strong partners this is a strong proposition.

The research indicated high numbers of potential suppliers and stall holders: 31 were named and constitute a large pool of partners to work with. The community survey indicated a further 30 local community organisations who were keen to establish a partnership with the Storehouse.

Despite consistent contact, only small numbers contributed in detail to what they would want from the partnership: this represents a small risk that can be addressed at business planning stage. Three individuals have expressed strong interest in setting up a micro-brewery.



Indications are that partners will vary in their commitment from full time to only once a month. Stall prices have been set so far at £20 per day, though this may need to be reduced for newcomers and partial usage (1/2 day or stall). Research with individual stallholders indicated that £50 per day would be too high.

3.5 Displacement

The PCAs long-term commitment to and relationship with Penicuik First, the Business Improvement District (BID) is strong and strategic. Board members were involved in the initial set up of the BID and are in regular contact with other businesses. This has stimulated joint work helped to create a platform that avoids undue competition.

A careful competitive analysis showed that there would be limited displacement, with café businesses being most at risk: Storehouse's café enterprise will differ in being a subsidiary, back-of-house activity, providing a sheltered work environment, best described as a 'Social Café'.

Penicuik Town Centre is not currently a good retail environment: one-third of its 60 or so businesses changed hands or purpose between the time that The Alliance was conceived and opened for trade in December, 2017. The presence of a novel community-led business at the heart of the High St will be good for other businesses.

3.6 Fundability

The organisation is unlikely to secure (or be able to service) any further repayable finance and will require grants to completely refurbish the building. Though the range of grant options is small, there is confidence in principle that funding from sources such as the Regeneration Capital Grant Fund, Garfield-Weston, Leader, Awards for All and Scottish Heritage (town centre Heritage) can be secured for the upgrade.

The significant investment already undertaken, using the SIS loan and community shares, though testament to the vision and commitment of the board, has resulted in a position where The Alliance will have debt on the balance sheet for many years: this may be a significant issue for some funders and a very strong business case will have to be made to protect any new investment in the long term.

3.7 Financial Sustainability

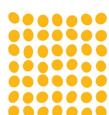
With careful and measured negotiation, PCA has managed to reduce immediate liabilities by creating agreements with creditors to place rent arrears and loan repayments on hold.

At the end of last November, the Alliance opened a pop-up shop and small indoor market, using 1/5th of the ground floor. The shop was run independently by volunteers and secured sales that have risen to £3500 a week, with a number of different stall holders having paid for pitches, three regularly.

A lesson from case studies was that diversity is the key to achieving social aims and financial sustainability. Organisations fulfilling specific remits have secure health and social care contracts and grants. With only room hire and catering for functions as additional revenue streams in Phase 2, sustainability would be challenging.

Continuous marketing and communication with local people and users/customers will be vital to retain support.

A number of operational models were considered and the initial financial outcome of the preferred, 'Transitional' model was given on p.4. Commencing with a restricted shop run by volunteers a Development Officer would be appointed (£25,000 p.a.) at the earliest opportunity



as we prepare the whole ground floor for use. Cashflow in subsequent years is indicated in the spreadsheets below.

Income in early 2020, will be boosted by increased sales from an expanded shop, modest sales from the social café and more rents from added market stalls. Cashflow in Year 2 will also be augmented by income from contract training, organised by the CLM-funded Social Services Manager. The model needs revenue grants in the early years, when rent arrears have to be cleared but shows evidence of sustainability by Year 4, by which time PCA will cover all staff costs, including those of a catering assistant and cleaner.

Interest repayments are included from Year 2 but capital repayments on the SIS loan will depend on renegotiation of loan terms as property owners, future sales growth, how much reliance can be placed on volunteers, whether bakery and café services are sustainable with a mix of paid staff and volunteers and whether additional training contracts can be secured. Otherwise, margins are tenuous and any staffing increases will add to the pressure on income generation.

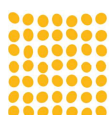
Although financial sustainability of The Storehouse, mapped out for the current trading environment, requires ambitious trading levels and grant funding, the proposed Penicuik Heritage regeneration project will improve the amenity of the High St and stimulate trade.

3.8 Operational Capacity

The board has undergone various iterations over recent years with resignations, some due to operational difficulties and ensuing stress. The new board is passionate and experienced but will need time to bed in.

The skills audit confirmed a group of skilled and experienced individuals but with gaps in some areas that will need to be filled with training, mentoring and experience. However, 50% feel they have a good knowledge of the food industry and 33% had a good knowledge of capital project; further strengthening to gather additional skills would be advisable though not critical.

4. The Storehouse



4.1 Ethos

The Storehouse will have four core values which are to:

1. Be local – by being rooted in the community, run by and for the people of Penicuik, and funded by the people through community shares.
2. Be open to all – be a place where people where people of all ages and abilities feel comfortable and welcome
3. Have strong partnerships – building success beyond the core board and utilising the assets and capacity of partners
4. Focus on commercial reality – being part of the business community in the town as well as having a community focus.

A vibrant and local hub will be created round the concept of local and sustainable food, stimulating community cohesion, providing support for the vulnerable and broader well-being. The Storehouse will grow slowly but will ultimately attract sufficient anchor tenants and local and passing trade to secure financial sustainability.

The Storehouse will improve the local supply of good quality food, harness social capital and build social cohesion. It will target those most vulnerable disengaged and disadvantaged, using hospitality and support to bring equity to the town.

The High Street premises have substantial room for development upstairs and are an ideal heritage town centre location.

4.2 What Will Happen in Phase 1

The project will remain multi-faceted in nature, despite restriction to the Ground Floor in Phase 1.

Social Firm Café

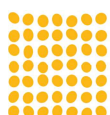
PCA will establish a café on site as a hospitality space that is central to the whole facility. Rather than being a commercial enterprise, which could raise displacement issues, it will be a placement opportunity for people with special support needs. Existing relationships with fee commitments can be seen in the cash flow projections, and will flow from the offering of skills development, confidence building and employability to vulnerable people. The café will be welcome to customers who need support and who will be encouraged to enjoy the welcoming supportive environment, reducing isolation and encouraging community cohesion. Paid staffing needs will be kept under constant review and complemented by appropriate volunteer support.

Community Lunches

We will continue our already successful community lunches that bring local isolated and lonely people together around a healthy meal every week, but out with Storehouse premises. Numbers are growing and bringing the meals to new the premises will increase this further.

Community Baking

Local people have indicated a demand for fresh bakery in Penicuik. There had been no independent bakery in the town since 1985 and the founders' aspiration was for a bakery to be established in a prominent, "front of house" position on the ground floor so that 'live baking' could be seen by passers-by as well as by café customers.





The founders had a long term association with Breadshare CIC, who began near Penicuik and now operate a successful bakery in Portobello as well as other ventures that promote quality bread. They were an established supplier to Penicuik’s Valleyfield House Saturday Market and the First Friday monthly street market and will continue to support bakery at The Storehouse. There is also a local master baker who will provide support. However, original bakery plans have been scaled back. Limited baking will take place on site, using a bread oven, already installed and retailed within the community shop.

Cooking and Learning

Classes and workshops on baking, cooking and food will take place in the facility.

Community Shop

The Community Shop is operating now with sales of over around £3500 per week, offering high quality healthy food to local people and selling Lost Garden produce. Beyond the supermarkets, there is no local deli or independent food shop in the town, which may explain current success.

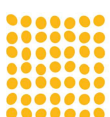
Though more social and community events will take place when Phase 2 (upstairs) is complete, there will be smaller test events and specific initiatives downstairs, largely food-related.

4.3 What will happen in Phase 2: (see diagram on page 5)

Men’s Shed Group

Two newly-formed groups, one from Penicuik, the other from neighbouring Roslin, have expressed interest in using upper floor space as workshops and meeting place. Location in a community hub will attract and retain the interest of vulnerable men who would otherwise remain isolated. The groups may contribute occasional volunteer labour.

Changing Places Facility



Changing Places toilets cater for people with learning disabilities, acquired head injuries, stroke victims and those with dementia (i.e who need assistance to use the toilet or change incontinence pads) and their carers. According to www.changing-places.org, there are an estimated 230,000 people who need such a facility, which will attract families of people with disabilities to visit Penicuik.

The facility will include a height-adjustable changing bench, a transfer hoist on a track around the room from toilet to bench or a mobile hoist, and adequate space for up to two carers. There are very few such specialised facilities in the Lothians (our nearest is in IKEA, four miles away). The Storehouse would be included on the map of such facilities at www.changing-places.org. We would also seek inclusion in accessibility guides such as www.euansguide.com and www.changing-places.org

Social events

Community Foodstore and Support,

We will evaluate the need for a second tier of kitchen training and food support as the project develops

4.4 Delivery of Phase 1

1. *Securing Development Funding (August, 2019)*

To build on funding from the Scottish Land Fund (SLF), the Big Lottery has invited us to submit a bid for Community Led Medium grants (CLM) to expand and centralise services to the community at The Storehouse.

2. *Ground Floor Renovation (completion, December 2019)*

Having used SLF capital funding to make the building watertight, firesafe, secure and provide heat, light, power and water services, we will use CLM funds to coordinate work of tradesmen and volunteers to fit out a community hub occupying the whole ground floor

3. *Liaising with Partners/tenants and piloting work (from January 2020)*

We will run the social café, wholefood shop and small bakery as a social enterprise, providing work experience and training for those with learning difficulties in partnership with Beeslack Disabled Family Group, Midlothian Employability, Job Centre, Social Work and others.

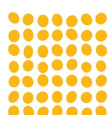
4. *Upper Floor Renovation (Spring 2020)*

Funding bids submitted, principally to the Community Asset Strand of the Big Lottery, to complete the works to a high standard for Phase 1 and proceed with Phase 2. The latter will involve a further round of design to produce an exact specification.

5. *Grand opening (Christmas 2020)*

We will have a fully operational building

4.5 Initial Renovation



There is a desire to get the building operational now that it is purchased to get community benefit quickly, prior to full renovation during 2020. A quantity surveyor was contacted and costed works at current commercial rates. The PCA board is confident that with a budget of circa £60,000 and volunteer effort, the lower floor can be opened up for use by market stalls, one off events and cooking classes.

The ground floor has been largely cleared by volunteers and usable materials, equipment, furniture, etc. taken upstairs. Under the leadership of a new board member with experience of project management, knowledge of the building trade and personal DIY skills, renovation of the superstructure and installation of essential services has begun.

Initial thoughts were that project management should be placed in the hands of a lead contractor but we had no success in finding one. Given the minimal yet diverse trades work to be done and the stepped availability of limited funding, we will coordinate the work of individual tradesmen and hope to complete the work at a fraction of QS estimated costs.

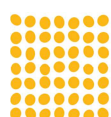
Sinks, fridges, freezers, etc., necessary for food hygiene but already on site, would be installed, drainage connections made and work done to ensure safe disabled access to toilets and a rear fire exit.

The above has been scoped out in detail by the management committee and is ready to be implemented given funding.

4.6 Core shop and market operations

The following table summarises key operations, based on the research undertaken.

Key areas	What We Will Do
Shop unit and location	<p>Develop and extend the retail space.</p> <p>Consult a designer to create a look for the shop fit, perhaps around a vintage feel of a village shop.</p> <p>Arrange joint marketing between market stall tenants and core trading so there is cross-selling and synergy between the businesses.</p>
Trading hours	<p>Open at least eight hours per day (9.00 am till 5 pm), 6 days per week – a PCA staff member will be in the shop half an hour before opening and after closing.</p> <p>Sunday opening is being trialled and there is proof that a 7th day's trading can be profitable with volunteer staffing.</p>
Staffing	<p>A part-time Development Officer, initially funded by SLF, will be appointed to oversee shop management, expand the business and liaison with the site's project leader</p>
Stock - general	<p>Stocking the shop will involve adaptation of the model that is already achieving growing sales – now up to around £3500 - per week at the moment.</p>



	<p>Confirm and extend an ethical supply chain, both local and national.</p> <p>Ensure there is a sufficient range of stock that can attract local people away from discount food stores for a different offering. The attraction will be unique, high quality goods rather than targeting price point.</p> <p>We will offer unique foods and other items not available elsewhere, ensuring minimal impact on other businesses, including:</p> <ul style="list-style-type: none"> • Bread • Fresh fruit and veg • Vacuum-sealed meat • Dry goods and grocery items • Craft items • Environmentally friendly products
Suppliers	A suppliers list will be built up during 2019 that supports local businesses and those the Alliance wants to support for ethical and health reasons, providing best- priced brands that people want.
Market stalls	The market would operate on a ‘pop-up’ basis, with the Alliance selling pitches as required.
Funding	A small range of funders has been identified

4.6 The building and shop interior

The appearance and feeling of the Storehouse is very important. There are currently good drawings, incorporating some of the work already undertaken, but requiring an update for Phase 1. Renovations will be developed in partnership with any core tenants.

- café, shop, market and social space occupy 500m² and will each have a distinctive ambiance to enhance trading and gather the community together.
- the exterior of the Storehouse will be strongly branded to take advantage of a prime location on the High St and to maximise footfall.
- there is external Penicuik Regeneration funding to upgrade the town centre and some will be available to upgrade the shopfront; matched funding (25%) will be sought from charitable sources.
- there is natural daylight and the space, particularly the upper floor, feels light, bright and inviting; the lower floor will be branded with a traditional market town feel that’s welcoming and friendly.
- there is good insulation above the event space but energy efficiency will be improved as part of the refurbishment, working with Changeworks, who currently rent space for their own publicity purposes.
- the heating systems use sustainable energy supplies to fit our ‘eco-friendly’ ethos.

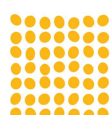


- In addition to the above facilities, there are three unisex toilets and a disabled toilet on the ground floor, nearing completion. We will complete the toilet block and add
 - Storage facilities
 - Toilets on a mezzanine level
 - An Office for management purposes

4.7 Outcomes: The Change We Want to Make

Outcome 1	
Penicuik will achieve more sustainable economic, environmental and social development through the ownership of the Storehouse	
<i>How we will achieve the outcome</i>	<i>By when</i>
Setting up and opening the ground floor of The Storehouse, 7 days a week, serving the whole town of Penicuik and surrounding village communities	December 2019
Opening an enlarged shop, social café and small bakery that will generate wealth, jobs and economic impact	January 2020
Creating a social space that an estimated 2000 people will utilise during the year, generate social cohesion and reduce isolation	From January 2020
Change buying habits in the town to local and organic and educate younger generations in healthy eating	During 2020

Outcome 2	
The People of Penicuik have stronger control over developments in their town	
<i>How we will achieve the outcome</i>	<i>By when</i>
900 shareholders will have a direct stake in the Storehouse	By January 2020
100% of the board that manage the Storehouse will be local (EH26) residents	On-going
50 additional local volunteers, activists and advisors will contribute to the success of the Storehouse as a community-managed facility	By December 2019



Outcome 3
The Storehouse is well managed and sustainable

<i>How we will achieve the outcome</i>	<i>By when</i>
New members with additional skills will be recruited and current members will attend training, following the skills audit	By August 2019
The Development Officer will be coordinating volunteers and have introduced finance and project management systems, including a suite of policies, procedures, processes and working practices,	By August, 2020
The Social Services Manager will have created a safe learning environment, established regular Community Lunches and given food support to the financially excluded	By August, 2020

4.8 Avoiding Displacement

We are a core part of BID (Penicuik First) and work closely with local businesses to develop the town centre. We will continue to use this route to work in partnership, including joint marketing, joint initiatives and mutual funding bids to generate the whole of the town centre.

Bakery and Bread Sales

The main place where local residents can purchase bread is in local supermarkets, attracted by low prices. A nearby newsagent supplies convenience supplies of mass-produced bread. We will not attempt to compete with this. Small scale bakery activity will offer unique, high quality products at prices as low as possible, using locally sourced organic cereals. This will be augmented by bread making classes to get the community interested in good quality bread and promote health and well-being.

Shop

Retail has been poor in Penicuik. 30% of the retail units in the East of the town have changed hands in the last 2-3 years, and is getting poorer with two large stores now standing empty. There are no independent groceries or delis so our only competition will be the supermarkets, whose scale mean they are not threatened by this competition.

Café

There is a theoretical displacement impact on local cafes and we are in regular discussion with them to create an attractive town centre offering that will boost all such enterprises. We believe that creating a very different kind of café, using a social firm model (where there will be support staff and people with support needs as staff and volunteers) will be an additional offering in the town. We will also offer a 'pay-it-forward' facility for customers to subsidise the less wealthy, something other cafes may not want to offer.



5. Governance and Management

5.1 Legal Structure

The Penicuik Community Alliance will continue as a Community Benefit Society with non-transferable shares.

A management committee has been created from the body of shareholders and annual general meetings are held to present progress and to vote in new management committee members. There is an overt asset lock written into the legal documents.

The society is regulated by the Financial Conduct Authority

5.2 Project Management

The current steering group is very capable and highly active. The BenCom will maintain a strategic overview of the Storehouse Project, including relationships with tenants, as well as running its own, day-to-day business. The committee will set up a decision making structure that means daily operational decisions will be taken by the staff manager, after discussions with staff, within policy limits set by PCA.

The management committee will have on-going support as needed from BID, the Social Enterprise Network and Midlothian Voluntary Action.

5.3 Financial Management

An annual budget will be set by the management committee and will be overseen by an SLF-funded Storehouse Development Officer in 2019/20. The Storehouse Manager, will provide a bi-monthly report on actuals versus forecasts setting out reasons for any variances. A suitable accounting system is being investigated that will compliment the computerised till and assess different areas of trade. This system will enable the team to assess the sustainability of the Business Plan and make changes where necessary.

The objective is to secure grant funding so that there is no additional debt servicing. Even in this scenario, trading profitably will be challenging with the accrued debt. Opportunities to negotiate new, less costly secured loan repayment terms may be sought, now that PCA holds significant assets (the premises)

5.4 Staffing Structure

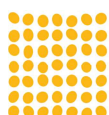
Interim Staffing

A Storehouse Development Officer will be appointed to steer the project forward, engage with the community and encourage new activities, kick-started by SLF funding. Social activities in the community hub will be initiated by a Social services Manager, Catering Assistant and caretaker/Cleaner, funded by a Big Lottery (Community-led, medium or CLM) grant.

Longer Term Staffing

The following staffing complement will eventually be established

- Storehouse Manager
- A Retail (Shop) manager for the shop and bread store

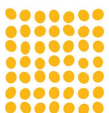


- A Social Café manager and trainer
- Additional Catering assistants, as needed
- Part-time caretaker and cleaner
- A volunteer 'bank' which will have delegated tasks supporting both Managers including:
 - Working in the shop
 - Helping in the café, mentoring placements
 - Admin support
 - Stock management
 - Events
 - Publicity
 - Holiday and illness cover and Sunday opening
- Services of a sessional clearer and caretaker

Storehouse Manager (from 2021)

This post provides a Chief Officer and Operations Manager, responsible for

1. Servicing the Management Board and working alongside that body. This is a high level role, working closely with a strategic committee and responsible for implementing the strategic direction of the organisation
2. Overseeing day to day activity, liaising with the bakery and café and ensuring the shop is running smoothly
3. New service development in response to changing need over time. This includes developing, launching, consolidating and supporting new services such as training and events but also investigating and converting contract opportunities including in relation to the café and bakery
4. Financial stability. The Manager will be responsible for income generation and financial sustainability
5. The recruitment and induction of any new staff and the on-going line management of the shop manager and the whole team
6. Strategic links – representation on local strategic groups such as SEAM and liaison with sector partners, Penicuik First, Midlothian Council etc. Lead on the negotiation and management of new and existing partnership agreements, (both formal and informal) including the Bread store / Bakery and Cafe and managing these relationships appropriately
7. Working with the Board, staff team and shareholders, to promote the vision and mission of the organisation. Overseeing and managing the communication strategy to



promote the organisation and sell services. Representing the organisation and being the first point of contact for the press and media, local authority and other key stakeholders

8. Marketing. Working with the team to help with implementation, this person will ensure there is a clear, strategic and achievable marketing plan to promote the Storehouse to the people of Penicuik
9. Monitoring and evaluating impact. Liaising with funders and completing monitoring reports
10. Formalising volunteering opportunities in the project with clear job descriptions based on the needs of the organisation. Interviewing and selecting volunteers and ensuring they are appropriately matched and trained for each role. Recruiting new volunteers and running publicity strategies and campaigns

Retail (Shop) manager (4 days per week)

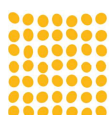
Occupants of the post will take an overview of the shop set up (currently operating on a voluntary basis), recruit, train, support and supervise volunteers. He/she will liaison with the management committee to advise funders on the progress made, including evidence on the social impact of the shop. *In particular, the Shop manager will be responsible for:*

1. Running the shop on a day to day basis. This includes managing supplies, pricing, stock taking, cashing up and serving on the counter. This is a practical post not a strategic one.
2. Partnership and supplier development – this business plan shows that deep and genuine partnership is important particularly in developing the right suppliers, stock flow and other innovative products and services to bring in store.
3. Financial stability – with support they have ultimate responsibility for the shops cash flow and trading. Other volunteer ‘staff’ will support day-to-day record keeping of the shops trade and accounts and recording keeping / reporting.
4. The recruitment and induction of future staff and volunteers
5. Marketing - With the support of the management committee the Shop Manager will help with the implementation of the committee’s strategic plan to the local community and partners.
6. Fundraising initiatives will remain the responsibility of the Storehouse Manager but the shop manager may support this.

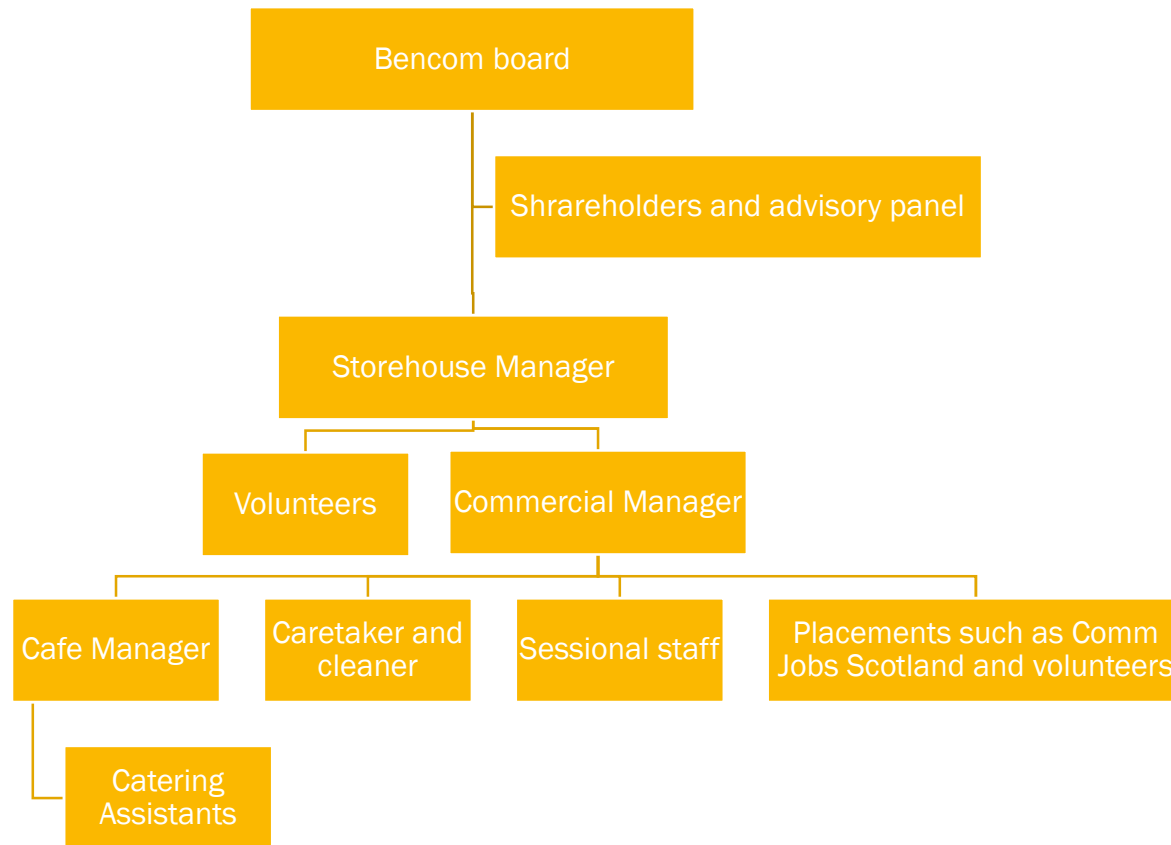
Social Café manager (4 days per week)

The post will involve operating the social firm element of the café and include

- 1 Liaison with referrers to secure a secure supply of appropriate placements to the café
- 2 Support and manage those individuals in direct relationship with their key workers and support workers.
- 3 Provide one to one support to individuals
- 4 Work with the team to create menus and manage the café offering.
- 5 Manage any sessional catering assistants and volunteers.



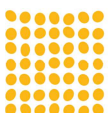
Organisational Structure



5.5 Policies and Procedures

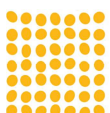
A full set of basic organisational policies and procedures are in place, but these will be developed as the shop is set up to make sure everything required is in place. Policies will include (but not be restricted to);

- Cash handling and financial systems
- Remuneration and Benefits
- Absence Management
- Maternity, Adoption, Paternity and Parental Rights
- Volunteer policy
- Recruitment Policy
- Time off in Lieu Policy (TOIL)
- Training & Development and Performance Appraisal
- Health & Safety
- Lone Working
- Data Protection
- IT Policy



- Information Security
- Confidentiality
- Whistleblowing
- Equal Opportunities
- Expenses, Travel and Subsistence
- Disciplinary and Grievance Procedure
- Capability process
- Redundancy
- Environmental Policy

Area of compliance	Considerations and follow up
Health & Safety & Food Hygiene	<p>Midlothian Council will attend a site visit to discuss health and safety requirements and training courses with the group.</p> <p>Health & Safety (including fire safety) and risk assessment will be required. http://www.hse.gov.uk/simple-health-safety/</p> <p>The site must comply with food safety laws and gain approval from the council through a food hygiene certificate</p> <p>CookSafe is a widely recognised manual for catering if cooking classes are undertaken http://www.foodstandards.gov.scot/publications-and-research/cooksafe-manual</p>
Insurance	Public liability, contents, buildings and employers insurance. Need quote from a quality supplier
Premises Licences - required for: <ul style="list-style-type: none"> • Selling Alcohol • Serving alcohol (even if it's free) • Providing entertainment (theatre, film, indoor or outdoor sporting, live music, dance performance, nightclub) 	<p>For more info on premises licences please see https://www.gov.uk/premises-licence-scotland</p> <p>Most premises licences have an unlimited duration.</p> <p>There may be a reduced cost or even no cost for charitable activities.</p> <p>To apply for a premises license, contact Midlothian Council</p> <p>Your application must include:</p>
Music The Music Licence is required for playing music in a Community venue	<p>A Performing Rights Society (PRS) for music licence will be required if you wish to play music in the café/multi use space, for more info please see: https://www.gov.uk/licences-to-play-background-music https://www.prsformusic.com/ https://pplprs.co.uk</p>



	<p>This licence applies to both pre-recorded music played via the radio, CD, streaming apps such as Spotify, and also any live music that may be performed at the venue. The licence fee for Community Buildings is £49 per year if your annual income is less than £10,000 or 1% of your income is over £10,000 (but less than £75,000).</p> <p>https://pplprs.co.uk/wp-content/uploads/2018/02/Tariff-community-buildings-PPL.pdf</p>
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5.6 Monitoring and Evaluation

The aim of this business plan is to ensure that the Storehouse becomes a well-run, sustainable social enterprise with popular products and services (run in partnership) that achieve or exceed the social outcomes set out.

Funding and investment will enable us to create a small but sustainable town centre business that creates social and financial wealth in the area. We will have outcomes to achieve as a consequence of securing grant funding (including but not restricted to the Scottish Land Fund) and we will establish a monitoring and evaluation system which sets out to achieve or exceed these targets.

The management committee and staff will be committed to monitoring the progress of the Storehouse and to promoting both success and learning, not just to keep funders content, but because the success of the facility relies on good impact and open feedback. We are aware that there will also be unintended impacts and different impact to that which we are setting out here because of changing external circumstances and opportunities that will arise. However, we will work to achieve positive impact under the broad outcomes set out in this document and agreed in the stage two Scottish Land Fund form.

The key audiences will be funders, local Storehouse customers in Penicuik and passing trade, all of whom may wish the same information communicated differently.

Baseline

The baseline for reporting will be the outcomes and targets set out in this business plan and in the assumptions that back up the cash flow projections.

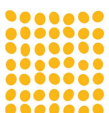
Baselines will also be included in the outcomes and milestones set out clearly in the various funding applications. The Scottish Land Fund required outcomes that related to the period of the grant requested.

Process

A monitoring report will be structured that the Storehouse Manager will present to each Management Committee meeting outlining progress towards each outcome and whether targets have been achieved, with clear plans to address issues if the reality is off track. Actions will be agreed by the Management committee and implemented by the staff team.

Evidence will be sought from the following:

- Recording numbers of people attending the Storehouse (using technology at the door) and for potentially for what purpose.



- The nature of those people, whether local or visitors.
- Numbers and nature of volunteers.
- Customer surveys will investigate outcomes and views in more detail. User and customer surveys which will be kept simple and used on a regular basis. These will be compared with the baseline information. These surveys will be on-line and will give the opportunity to make changes so they, as users, can see the immediate benefit of giving comment.
- Comments box in the Storehouse.
- The number of shareholders as well as interest in joining the management committee will be monitored.
- Numbers of social media followers and the quality of online conversation where immediate feedback can be tracked quickly. Our marketing plan will agree targets for numbers of followers and numbers of likes etc.
- The finances will be monitored and reported to the Management Committee. The social impact and financial imperatives will impact on each other and this will be carefully monitored and balanced.

The success of activity in the Storehouse will be dependent upon the efforts and motivation of existing and new staff and volunteers. The Storehouse Manager and volunteers will be given the opportunity to report on their perspective of how things are progressing.

How We Will Use This Information

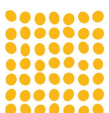
The information gathered through our monitoring and evaluation systems will be used for four distinct purposes:

1. To help us improve our service and ensure we are on track with our SLF and other funders outcomes, keeping an eye on the social impact of what we are trying to achieve.
2. To communicate what we are doing to shareholders, customers, villagers and the general public who have supported the community shop.
3. To communicate what we are doing to the community to push new business based on quality and good feedback.
4. To ensure trading continues to grow as grants taper off, so that the asset is protected and financial viability is reached in a reasonable time.

Improving and Developing What We Do

In terms of improving the service our monitoring and evaluation will have a direct input into the core work we do, planning both for the social outcomes and the enterprise activity that will be delivered.

Sharing Learning with others:

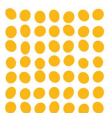


As an organisation we are very conscious that we are really a partnership of local people and suppliers as set out in the research document. Sharing learning with these core partners will cascade positive change to everyone.

Celebration is a key aspect of this, to get the community to see and join us in celebrating success while dealing with challenges.

Financial viability

We understand that financial sustainability through trading is challenging in a retail environment especially when we are starting with debt on our balance sheet. We therefore need to be very cognisant of our finances. We will use the results of our monitoring and evaluation processes to plan ahead for sustainability.



6. Finance: Costs, Funding and Sustainability

6.1 Introduction

The sustainability plan in this document assumes that the Storehouse is upgraded as per the design specification. The upper floor and the ability to offer events is left for a future phase when funding is available.

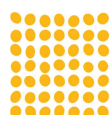
6.2 Cost Estimate

Costs were estimated by a Quantity Surveyor in May 2018 for complete restoration and equipping the entire ground floor. These estimates have been reduced in the light of trades estimates received and simpler planned operations. There is likely to be some small adjustments in internal design and a need for further architect work and QS costings but we are confident that these are internal changes of spaces not additional items and that the budget will remain in this ball park.

Item	Cost
Phase 1 Construction	£88,780
Contingency (12%)	£10,654
Non-recoverable VAT	0
Total	£99,434

6.3 Funding Strategy

Capital costs of fit out and start-up funding			
Estimated Capital upgrade to get basic activity happening	£60,000	Scottish Land Fund	£30,000
		Community-Led Medium Grant (CLM)	£30,000
Shop fit out	£5000	Seedbed Trust	£5000
Capital to complete Ground Floor Renovation			
Office fit out, staff lockers etc	£39,434	PCA	£20,434
		Charitable Trusts	£19,000
Shop front upgrade	£50,000	HLF Regeneration fund	£33,000
		Charitable Trusts	£17,000



Revenue			
Salaries & Running costs	£67,000		
1. Development Officer	£25,000	SLF (spend before August 2020)	£15,000
2. Social Manager, Café Ass't, Cleaner/caretaker	£52,000	PCA	£10,000
Extra Running Costs	£16,000	CLM	£52,000
		CLM	£16,000
Additional funding for Phase 2, 2021			
Website, brand and marketing materials	£5000	Awards for All	£5000
Capital for Phase 2 (Fire Escape, toilets)	£100,000	Charitable Trusts: Garfield Weston, Greggs Foundation Edinburgh Airport Community Fund	£50,000
Changing Places facility	£18,984	PCA Thistle Foundation	£50,000 £18,984

6.4 Preparatory Phase

SLF and a Big Lottery grant (CLM) would fund;

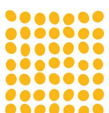
1. Preparatory and development costs, principally the salary of a Development Manager, a Social Services Manager and associated capital costs.
2. Early pilot programmes around community food.

Additional funding would be sought for

3. Some marketing and branding to encourage wider engagement (Awards for All).
4. A small capital injection to upgrade the shop (Seedbed trust) and possibly a larger one to upgrade the frontage.

6.5 VAT and Corporation Tax

A VAT assessment is being made. Sales, including food, can be either liable or non-liable and about 20% of current sales carries VAT. PCA is VAT registered and the majority of VAT on construction material costs is reclaimed legitimately. A VAT specialist will be commissioned during Phase 2.



In normal social enterprise trading, a commercial trading subsidiary will not pay any corporation tax as it will gift aid all surpluses to a parent charity, thus leaving the corporation tax liability at zero (i.e. 20% of no profit is zero). For community benefit companies, corporation tax liability is the same as a private company¹. In this case losses to date plus ongoing depreciation on fixed assets mean CT is unlikely to be an issue for many years.

6.6 Income Generation and financial viability

Staffing is the key to ensuring a sustainable social enterprise. We have structured our business model to ensure a light touch staffing complement, with use of volunteers and placements to help deliver services on top of a secure core staff team. Though this is primarily to enhance the community led nature of the project, it will also keep costs down. Projections are based on absorbing bakery activity into the shop and operating the café as a social firm (therapeutic) project.

Currently £15,000 back rent is owed to Scotmid from 2018 and this has been restructured over two years. The £100,000 loan to SIS has been restricted over 10 years with a capital payment holiday in years one and two.

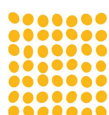
Relatively small grant support of £113,000 tapers off over two years. As trading increases, sustainability is reached by the end of Year 3, without grant funding.

To secure sustainability and a profit, there is a need for relatively strong sales. Additional income streams from such things as Community Jobs Scotland and training have been factored in but may not be forthcoming. However, renovation of the upper floor in Phase 2 may generate income from events and other activities that exceed costs.

The financial summary can be seen below and full cash flow projections are given in Appendix 1. The Storehouse shows slow growth of income and expenditure, with only modest incremental increases in sales, reaching a turn-over of £420k in Year 5. Reserves are tight until rent arrears are cleared in February, 2021 but consolidated thereafter and by the end of Year 3, the accumulated reserve is predicted to be around £59k. This means the organisation could hold around 25% of total annual costs but may have to use its own resources to complete upper floor refurbishment. The small losses predicted for Years 4 and 5 are < 2% of turnover and within margins of error in predictions but would merit close scrutiny at the time.

It should be noted that further income generation will be required to build shares liquidity.

¹<http://communityshares.org.uk/resources/handbook/introduction-5>



Penicuik Storehouse Financial Summary					
	Yr1	Yr2	Yr3	Yr4	Yr5
Income					
Trading	£181,341	£323,128	£403,787	£416,773	£419,955
Grants	£37,664	£33,996	£0	£0	£0
Total	£219,005	£357,124	£403,787	£416,773	£419,955
Trading proportion	82.80%	90.48%	100.00%	100.00%	100.00%
Expenditure					
Expenditure	£218,212	£323,473	£363,391	£423,395	£428,642
Surplus	£793	£33,651	£40,395	-£6,622	-£8,687
Reserves built up					£59,530

The plan for the first two years is to fund superstructure and infrastructure construction, respectively and consecutively, with Scottish Land Fund and Big Lottery Community Led Medium Grants (CLM)

The plan is to complete upper floor refurbishment in Year 3 so that from year three there will be additional income from events and hire charges but this is speculative and has not been added to the cash flow at this stage, since running costs will increase.

6.7 Communications and Marketing Strategy

Introduction

Margins are tight in food and this is a small town where there is high local buy-in to the idea but stiff competition from cheap supermarkets. As a result, marketing is vital to attract and secure local customers from the town and surrounding villages. Much will rely on quality of product and customer service. Marketing, branding and communication is therefore highly important.

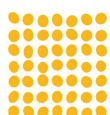
This project does not depend on tourists or visitors but there will be some passing trade so High Street visibility will be important. We will tap into Penicuik Regeneration funding to upgrade the external fabric of the premises with high quality signage and vintage (traditional) materials to create a brand image. Commercial opportunities may arise from prospective pedestrian-favoured upgrade of the Town centre.

Our market extends beyond Penicuik. The fresh, organic, local nature of the food offering will attract particular demographics from around Edinburgh and Midlothian, only 30 minutes travel time away, there being no similar, community-based competition.

Brand

A brand will be developed that reflects the marketing strategy. The brand will be used to build awareness of The Storehouse. The call to support will be 'buy local, fresh and ethical' a lifestyle that will have its converts. The key features of the Storehouse brand will be;

- Eat local,



- Shop local
- Cook local
- Meet Local

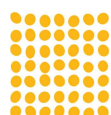
Market Objectives

Year 1	Year 2	Year 3
Launch Year	Growth	Consolidation
<p>Secure a branding and design agency and web developer</p> <p>Develop Brand and launch website</p> <p>Launch The Storehouse at a high profile event, involving Penicuik First (the BID), Midlothian Council, MVA (the Third Sector Interface) and other key local partners</p> <p>Build and Improve customer database to create a network of people (starting with community share owners)</p> <p>High profile stories in local press, including Midlothian advertiser & Penicuik Cuckoo (http://www.penicuikcuckoo.co.uk/)</p>	<p>Good search engine Optimisation of website</p> <p>Build brand awareness</p> <p>Establish early demand</p> <p>Launch new services</p> <p>Extend number and range of customers and build database</p> <p>Embed stories in local press, Penicuik Cuckoo, church newsletters, Town Crier PCA Bulletins</p> <p>Targeted advertising</p> <p>Google adwords</p>	<p>Extend brand awareness across Midlothian</p> <p>Consolidate and retain customers, using deals and loyalty cards</p> <p>Extend stories using quotes and impact from years one and two</p>

Budgets

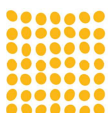
Year 1	Year 2	Year 3
Launch Year	Growth	Consolidation
£5000 investment in brand, website and materials £3200 for launch and year one marketing	£1600	£1600

Marketing Methodologies

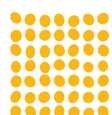


Target Market Local residents	Nature of Market The make-up of the town population is diverse; residents range from busy professionals to isolated older people.
Market Strategy: <ul style="list-style-type: none"> To attract customers to The Storehouse 	Competitors: <ul style="list-style-type: none"> Other local shops and cafes Supermarkets Supermarket on-line delivery
Competitive advantage: <ul style="list-style-type: none"> Local –financial ownership by local people motivates them to make it work commercially Quality – renowned for high quality of stock, some products unique to the area Branded and homemade breads renowned for quality All profits re-invested will attract the ethical pound Perception of a “good cause”. Social firm model of the café is a USP Community events will raise footfall 	Communication Methods <ul style="list-style-type: none"> Strong branded materials Continuation events with guest exhibitors Build social media presence Monthly E-newsletter augmenting a sense of community – rooted initially in community share holders Use of promotions and loyalty cards Bulletins for the wider public. Use of flyers and postcards, beer mats and other quirky materials Supply local media with steady stream of good news stories

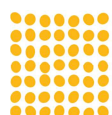
6.8 Risk Mitigation



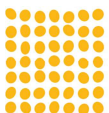
Risk	Impact	Probability	Existing Controls	Action Required	Lead Responsibility
SIS not restructuring loan	High	Low	Liaison with SIS, who have already indicated a desire to support and take a long term approach	Meetings with SIS, formal request to restructure loan; consider mortgage alternative	Management Committee
Failure to secure capital grants	High	Medium to High	Fundraising Strategy Widen search for funders	Alternative methods, like crowdfunding Additional share issue	Management Committee and Storehouse Manager
Drop off in number and quality of volunteers running the shop and social cafe	High	Medium	Build on existing track record Recruit in schools	Recruit a shop manager and re-structure the display and range of goods Employ staff	Storehouse Manager
Inability to create enough liquidity in cash flow to cover theoretical shares withdrawal	High	Low	Option to offer dividend	Liaison with shareholders and restructure investments	Management committee
Failure to secure revenue grant funding	Medium	Medium	Strong relationship with range of funders Focus on enterprise and income generation	Consider back up funders Increase trading Increase training income Second share issue	Management Committee , Shop Manager



Risk	Impact	Probability	Existing Controls	Action Required	Lead Responsibility
Lower than anticipated growth in number of market stall holders willing to rent	Medium	Medium	Current strong relationships via core board member	Expressions of interest sought regionally Event organised with Penicuik First High level of promotion	Storehouse Manager
Customer numbers lower than expected at the shop	High	Low	Marketing and Communication strategy in place. Use community shares to push loyalty- "it is our shop" will drive demand	Enhanced promotion and specific marketing materials. Joint initiatives with other local retailers Seek grant or contract funded programmes	Storehouse Manager
Loss of key staff, Volunteers and Management Committee members	Medium	Low	Good terms and conditions for volunteers and clear CPD for staff?	Write an accession plan for key staff Improve terms and conditions for all staff Volunteer expenses On-going board recruitment	Storehouse Manager and Management Committee

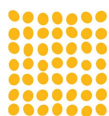


Risk	Impact	Probability	Existing Controls	Action Required	Lead Responsibility
Supplier costs higher than expected	Medium	Medium	Cash flow projection and business plan	Compare & switch suppliers Savings Increase pricing Increase volume of sales Strong negotiation	Storehouse Manager

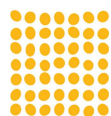


Appendix 1: Cash Flow Projections (from opening)

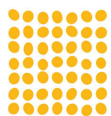
Notes	Details
1	The Vat position is complex. The organisation is VAT registered and will therefore add VAT where applicable but will also reclaim input tax at different levels in relation to food, training, second hand items etc. On balance it is likely that there will be a small net income rather than an expenditure so this is not a risk to the cash flow.
2	Cost of sales are likely to be lower, with a higher profit margin but this has been retained to ensure contingency
3	Current levels are usually over £3500 per week with 1% month on month increase in sales due to attracting new customers to the shop rising to 5% after the ground floor is opened then dropping off back to 1%.
4	Changeworks have recently requested a stall for £200 per month so there is a relatively guaranteed baseline
5	Nominal income based on recent experience
6	SLF Revenue Grant already in place
7	Post funded directly from SLF grant then matched with CLM funding.
8	Nominal costs as most building work will be done from SLF capital grant money.
9	Capital Payment holiday in year 0 and year 1 - future years calculated based on £100,000 at 8% over 10 years with capital from years 0 and 1 rolled into years 2-10
10	Phase one, lower floor only. £30,000 in place from SLF. £30,000 match estimated to be in place from CLM (Lottery) in June. Works estimated to take 6 months plus snagging and volunteer cleaning so estimated start date Dec 2019.
11	Projection based on renting out Market stalls but continuing to operate the shop and running the café (as a therapeutic social firm).
12	Shop in newly renovated space should attract loyal customers and new customers so there is early relatively high growth of 5% (current income is around £3500 per week) which then slows down and levels out at 1%
13	£12 per hour for this service. 7 hours x £12 x 4 days = £336 per week (£1344 per month per person). Target to grow to have 4 people at any one time.
14	Low level of sales to reflect the kind of space it is. No higher than 24 people per day x 6 days a week.
15	
16	£25 per stall rental (inc VAT). Assumed 5 regular stalls, renting on average 2 days/week = £250/week, building up to 8 regular stalls 2-3 days/week



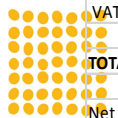
	by end of year 2 = £500/week. There is not this volume in the research so this could be a risk
17	SLF matched with CLM
18	Assumption: two thirds of full staffing complement plus 2% cost of living
19	Based on current rateable value with no discount. This may be negotiated down later.
20	Estimate
21	Estimate
22	£120/month. Assumed phone line and broadband throughout building but those renting space responsible for own phones. Mobile for Manager as emergency.
23	Assumed minimal use of paid advertising. Use of social media with some budget for printing and local advertising. Early high figure for launch.
24	Book-keeper £200/month + VAT + annual accounts £1,750 + VAT
25	Misc, legal etc.
26	1% month on month increases in sales in year two reducing to zero
27	Improving efficiency, better deals with suppliers etc. improves profit margin
28	Increases to a ceiling of 30 customers per day x 6 days a week
29	Levels at four placements
30	Increase to 7 stalls
31	Grant tapers off
32	Growth tapers off
33	Levels off
34	Slight per head spend increase
35	No grant subsidy
36	Trading levels out



					3%		
Posts	Salary	fte	Gross salary	E-ers NI	E-ers pension	employee cost	monthly cost
Storehouse Manager	£23,000.00	1.00	£23,000.00	Paid	£690.00	£23,690.00	£1,974.17
Retail Manager	£22,000.00	0.80	£17,600.00	£1,302.17	£528.00	£19,430.17	£1,619.18
Café Manager	£24,000.00	1.00	£24,000.00	£2,185.37	£720.00	£26,905.37	£2,242.11
Catering assistants	£20,000.00	1.00	£20,000.00	£1,633.37	£600.00	£22,233.37	£1,852.78
Cleaner / Caretaker budget	£18,000.00	0.50	£9,000.00	£115.37	£0.00	£9,115.37	£239.88
Total per month							£7,928.12
Note: £3000 claimed against NI each tax year							



PENICUIK COMMUNITY ALLIANCE														Notes		
STOREHOUSE : Year 1, part renovation																
	2019 Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar				
Provisions shop - cost of sales	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%				
CASH FLOW																
Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total			
Sales																
Sales - Provisions shop	14,000	14,140	14,281	14,424	14,568	14,714	14,861	15,010	15,160	15,918	16,714	17,550	181,341	3	1% per month increase in sales rises to 5% after opening of gnd floor ir	
Total Sales (gross)	14,000	14,140	14,281	14,424	14,568	14,714	14,861	15,010	15,160	15,918	16,714	17,550	181,341			
Other Income													0			
Grants				7,500					7,500				15,000	1	£15k SLF Revenue Grant already in place CLM Grant £68k running over 24 months	
					2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	22,664			
													37,664			
TOTAL INCOME	14,000	14,140	14,281	21,924	17,401	17,547	17,694	17,843	25,493	18,751	19,547	20,383	219,005			
Cost of sales																
Purchases - Provisions shop and cafe purchases	11,480	11,595	11,711	11,828	11,946	12,066	12,186	12,308	12,431	13,053	13,705	14,391	148,700			
Total Direct costs	11,480	11,595	11,711	11,828	11,946	12,066	12,186	12,308	12,431	13,053	13,705	14,391	148,700	148,700		
Overheads																
Back rent											7,500		7,500		deferred until Feb 2020	
Recruitment		300											300			
Staff Costs				1,974	1,974	1,974	1,974	1,974	1,974	4,370	4,917	4,917	26,048		Storehouse Development manager (23k) starts July, Catering assistant	
Rates	0	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	0	14,650			
Heating and Power	350	350	350	350	350	350	350	350	350	350	350	350	4,200	c	Whole building	
Insurance	130	130	130	130	130	130	130	130	130	130	130	130	1,560		Currently £75/month expect a large increase	
Printing, Stationery & Office consumables	25	25	25	25	25	25	25	25	25	25	25	25	300			
Telephone & internet	50	50	50	50	50	50	50	50	50	50	50	50	600			
Advertising & Promotion	25	25	25	25	25	25	25	25	25	25	25	25	300			
Building Repairs and Maintenance	200	200	200	200	200	200	200	200	200	200	200	200	2,400	d	Nominal costs as most building work will be done from SLF capital gran	
Book-keeping and accountancy		1,500											1,500			
Professional Fees				600								600	1,200			
Sundry expenses	200	200	200	200	200	200	200	200	200	200	200	200	2,400			
Bank charges	50	50	50	50	50	50	50	50	50	50	50	50	600			
Loan interest - SIS			660	660	660	660	660	660	660	660	660	660	6,600	e	Payment holiday but may insist on interest payments starting June	
Total overheads	1,030	4,295	3,155	5,729	5,129	5,129	5,129	5,129	5,129	7,525	16,172	6,607	70,158	62,658		
Capital Expenditure													0			
													0			
VAT on sales	560	566	571	577	583	589	594	600	606	637	669	702	7,254		Assumes 20% of food sales Vatable; 80% zero-rated	
VAT on purchases and expenses	589	894	598	723	608	613	617	622	627	652	798	706	8,048		Assumes 20% of food purchases Vatable; 80% zero-rated	
VAT payments/(refunds)				-385						-66			-646			
													0			
TOTAL EXPENDITURE	12,510	15,890	14,866	17,172	17,075	17,195	17,120	17,437	17,560	20,512	29,877	20,998	218,212			
Net Cashflow	1,490	-1,750	-584	4,752	326	353	574	406	7,933	-1,761	-10,330	-615	793			
Opening Balance	9,000	10,490	8,740	8,156	12,908	13,234	13,587	14,161	14,567	22,500	20,739	10,408				
Closing Balance	10,490	8,740	8,156	12,908	13,234	13,587	14,161	14,567	22,500	20,739	10,408	9,793				



Penicuik Storehouse Business Plan February 2019

PENICUIK COMMUNITY ALLIANCE STOREHOUSE													Notes	
	2020 Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
Provisions shop - growth in sales	5%	5%	5%	3%	3%	3%	3%	1%	1%	1%	1%	1%		3 New shop should attract loyal customers and new customers so there is early rel
Provisions shop - cost of sales	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%		
Café - cost of sales	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%		
Café Customers per month (levels at 24 per day)	100	125	156	195	244	305	381	477	525	551	578	593		
Average per head spend in the café	£4	£4	£4	£4	£4	£4	£4	£4	£4	£4	£4	£4		
CASH FLOW														
Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total	
Sales														
Placement fees to café	1,344	2,688	2,688	2,688	2,688	4,032	4,032	4,032	4,032	5,376	5,376	5,376	44,352	4 £12 per hour for this service. 7 hours x £12 x 4 days = £336 per week (£1344 per m
Income from café	400	500	625	781	977	1,221	1,526	1,907	2,098	2,203	2,313	2,371	16,922	5 Low level of sales to reflect the kind of space it is. No higher than 24 people per
Sales - Provisions shop	17,550	18,428	19,349	19,929	20,428	20,938	21,462	21,676	21,893	22,112	22,333	22,556	248,654	6 Starts from sales of £4,350/week, increasing by an initial 5% per month with hig
Rent - Indoor Market Food stalls	1,000	1,000	1,000	1,400	800	1,000	1,000	1,200	1,200	1,200	1,200	1,200	13,200	7 £25 per stall rental (incl VAT). Assumed 5 regular stalls, renting on average 2 days
Total Sales (gross)	20,294	22,616	23,662	24,799	24,892	27,191	28,020	28,816	29,223	30,891	31,222	31,503	323,128	
Other Income														
Grants													0	
	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	33,996	8 Assumed £100,000 revenue grant from Community Assets Fund over 2 years CLM Revenue Grant £68k running to Aug 2021
													33,996	
TOTAL INCOME	23,127	25,449	26,495	27,632	27,725	30,024	30,853	31,649	32,056	33,724	34,055	34,336	357,124	
Cost of sales														
Purchases - Provisions shop and bread sales	14,391	15,111	15,866	16,342	16,751	17,169	17,599	17,775	17,952	18,132	18,313	18,496	203,897	9 Purchases assumed at 82% of sales i.e. only 18% gross profit to contribute to ove
Purchase - café	160	200	250	313	391	488	610	763	839	881	925	948	6,769	10 60% profit before staffing
Total Direct costs	14,551	15,311	16,116	16,655	17,141	17,658	18,209	18,538	18,792	19,013	19,238	19,445	210,665	210,665
Overheads														
Back Rent											7,500		7,500	11 Back rent
Core staff	4,370	4,370	4,370	4,370	4,370	4,370	4,370	4,370	4,370	4,370	4,370	4,370	52,440	11b Assumption: Storehouse manager (£30k pa), Catering assistant (20k) and pt Clea
Rates	0	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	0	14,650	12 Business Rates stay as is
Heat, light, water	500	500	500	500	500	500	500	500	500	500	500	500	6,000	13 per current costs
Insurance	130	130	130	130	130	130	130	130	130	130	130	130	1,560	14 as per year 0
Printing, Stationery & Office consumables	50	50	50	50	50	50	50	50	50	50	50	50	600	15 per 2015 BP
Equipment maintenance & servicing	150	150	150	150	150	150	150	150	150	150	150	150	1,800	16 Added - equipment routine servicing & maint. £300/month for routine servicing
Telephone & internet	50	50	50	50	50	50	50	50	50	50	50	50	600	17 £120/month. Assumed phone line and broadband throughout building but those i
Advertising & Promotion	400			400		400		400					1,600	18 Assumed minimal use of paid advertising. Use of socia media with some budget
Building Repairs and Maintenance	300	300	300	300	300	300	300	300	300	300	300	300	3,600	19 Alarms and mainenance, etc.
Book-keeping and accountancy	200	2,100	200	200	200	200	200	200	200	200	200	200	4,300	20 Book-keeper £200/month + VAT + annual accounts £1,750 + VAT
Professional Fees				600								600	1,200	21 Misc, legal etc
Sundry expenses	100	100	100	100	100	100	100	100	100	100	100	100	1,200	
Bank charges	50	50	50	50	50	50	50	50	50	50	50	50	600	22 £50/month to cover debit/credit card sales charges and monthly bank service cha
Loan interest - SIS	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000	23 £100,000 at 8% over 10 years with capital repayment
Total overheads	7,550	10,515	8,615	9,615	8,615	9,015	8,615	8,615	9,015	8,615	16,715	7,150	112,650	112,650
Capital Expenditure													0	24 Assumed covered by capital grants including costs of things like loose furniture,
													0	
VAT on sales	902	937	974	1,077	977	1,038	1,058	1,107	1,116	1,124	1,133	1,142	12,586	25 Assumes 20% of food sales Vatable; 80% zero-rated
VAT on purchases and expenses	906	1,234	885	1,104	920	1,017	954	961	1,048	975	1,103	990	12,096	
VAT payments/(refunds)				-212			51			318			158	
													0	
TOTAL EXPENDITURE	22,101	25,826	24,731	26,058	25,756	26,673	26,875	27,153	27,807	27,946	35,953	26,595	323,473	
Net Cashflow	1,026	-377	1,764	1,574	1,969	3,351	3,977	4,496	4,250	5,778	-1,898	7,742	33,651	
Opening Balance (including balance from prev year)	9,793	10,819	10,442	12,206	13,779	15,748	19,100	23,077	27,573	31,823	37,600	35,702		
Closing Balance	10,819	10,442	12,206	13,779	15,748	19,100	23,077	27,573	31,823	37,600	35,702	43,444		

PENICUIK COMMUNITY ALLIANCE STOREHOUSE													Notes		
2021	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			
Provisions shop - growth in sales		1%	1%	1%	1%	1%	1%	0%	0%	0%	0%	0%		26	1% month on month
Provisions shop - cost of sales		80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%		27	Improving efficiency
Café - cost of sales		40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%			
Café - cost of sales		40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%			
Café Customers per month (levels at 24 per day)		593	593	593	593	593	593	593	593	593	593	593			
Average per head spend in the café		£4	£4	£4	£4	£4	£4	£4	£4	£4	£4	£4			
CASH FLOW															
2020															
Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total		
Sales															
Placement fees to café		5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	64,512	28	Levels at four places
Income from café		2,372	2,372	2,372	2,372	2,372	2,372	2,372	2,372	2,372	2,372	2,372	28,464		
Sales - Provisions shop and bread sales		23,600	23,836	24,074	24,315	24,558	24,804	24,804	24,804	24,804	24,804	24,804	294,011		
Rent - Indoor Market Food stalls		1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	16,800	29	Increase to 7 stalls
Total Sales (gross)		32,748	32,984	33,222	33,463	33,706	33,952	33,952	33,952	33,952	33,952	33,952	403,787		403,787
Other Income													0		
Grants													0		Community Assets Fund CLM grant tapers off
		2,833	2,833	2,833	2,833	2,833							14,165		
TOTAL INCOME		35,581	35,817	36,055	36,296	36,539	33,952	33,952	33,952	33,952	33,952	33,952	417,952		417,952
Cost of sales															
Purchases - Provisions shop and bread		18,880	19,069	19,259	19,452	19,647	19,843	19,843	19,843	19,843	19,843	19,843	235,208		
Purchase - café		949	949	949	949	949	949	949	949	949	949	949	11,386		
Total Direct costs		19,829	20,018	20,208	20,401	20,595	20,792	20,792	20,792	20,792	20,792	20,792	246,594		246,594
Overheads															
Back rent			7,500												
Core staff		4,501	4,501	4,501	4,501	4,501	4,501	4,501	4,501	4,501	4,501	4,501	54,012		plus 3% increase on prev year
Rates		0	1,611	1,611	1,611	1,611	1,611	1,611	1,611	1,611	1,611	0	16,110		
Heating and Power		650	650	650	650	650	650	650	650	650	650	650	7,800		
Insurance		150	150	150	150	150	150	150	150	150	150	150	1,800		
Printing, Stationery & Office consumables		50	50	50	50	50	50	50	50	50	50	50	600		
Equipment maintenance & servicing		300	300	300	300	300	300	300	300	300	300	300	3,600		
Telephone & internet		120	120	120	120	120	120	120	120	120	120	120	1,440		
Advertising & Promotion		400			400		400		400				1,600		
Building Repairs and Maintenance		300	300	300	300	300	300	300	300	300	300	300	3,600		
Book-keeping and accountancy		240	2,340	240	240	240	240	240	240	240	240	240	4,980		
Professional Fees					600							600	1,200		
Sundry expenses		200	200	200	200	200	200	200	200	200	200	200	2,400		
Bank charges		50	50	50	50	50	50	50	50	50	50	50	600		
Loan interest - SIS		1,414	1,414	1,414	1,414	1,414	1,414	1,414	1,414	1,414	1,414	1,414	16,968		Increase of capital repayment
Total overheads		8,375	11,686	9,586	10,586	9,586	9,986	9,586	9,586	9,986	9,586	10,186	7,975	116,710	62,698
Capital Expenditure													0		
													0		
VAT on sales		1,224	1,233	1,243	1,253	1,262	1,272	1,272	1,272	1,272	1,272	1,272	15,120		
VAT on purchases and expenses		1,205	1,553	1,140	1,348	1,156	1,244	1,164	1,164	1,244	1,164	1,284	14,828		
VAT payments/(refunds)					-198			40				245	87		
													0		
TOTAL EXPENDITURE		28,204	31,704	29,794	30,789	30,181	30,778	30,417	30,378	30,778	30,623	30,978	28,767	363,391	
Net Cashflow		7,377	4,113	6,261	5,507	6,358	3,174	3,534	3,574	3,174	3,329	2,974	5,185	54,560	
Opening Balance		43,444	50,821	54,935	61,196	66,703	73,061	76,235	79,769	83,343	86,517	89,845	92,819		
Closing Balance		50,821	54,935	61,196	66,703	73,061	76,235	79,769	83,343	86,517	89,845	92,819	98,004		



PENICUIK COMMUNITY ALLIANCE																Notes
STOREHOUSE																
	2022	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			
Provisions shop - growth in sales		0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0%	0%	0%	0%	0%			31 Growth tapers off
Provisions shop - cost of sales		80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%			
Café - cost of sales		40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%			
Café - cost of sales		40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%			
Café Customers per month (levels at 24 per day)		593	593	593	593	593	593	593	593	593	593	593	593			
Average per head spend in the café		£4.25	£4.25	£4.25	£4.25	£4.25	£4.25	£4.25	£4.25	£4.25	£4.25	£4.25	£4.25			
CASH FLOW																
		2020														
Month		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total		
Sales																
Placement fees to café		5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	64,512		
Income from café		2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	30,243		
Sales - Provisions shop		24,900	25,025	25,150	25,275	25,402	25,529	25,656	25,656	25,656	25,656	25,656	25,656	305,218		
Rent - Indoor Market Food stalls		1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	16,800		
Total Sales (gross)		34,196	34,321	34,446	34,572	34,698	34,825	34,953	34,953	34,953	34,953	34,953	34,953	416,773	416,773	
Other Income														0		
Grants								0	0	0	0	0	0	0		32 Community Assets F
														0		
TOTAL INCOME		34,196	34,321	34,446	34,572	34,698	34,825	34,953	34,953	34,953	34,953	34,953	34,953	416,773	416,773	
Cost of sales																
Purchases - Provisions shop and bread		19,920	20,020	20,120	20,220	20,321	20,423	20,525	20,525	20,525	20,525	20,525	20,525	244,175		
Purchase - café		1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	12,097		
Total Direct costs		20,928	21,028	21,128	21,228	21,329	21,431	21,533	21,533	21,533	21,533	21,533	21,533	256,272	256,272	
Overheads																
Core staff		7,928	7,928	7,928	7,928	7,928	7,928	7,928	7,928	7,928	7,928	7,928	7,928	95,136		See staffing costs
Rates		0	1,611	1,611	1,611	1,611	1,611	1,611	1,611	1,611	1,611	1,611	0	16,110		
Heating and Power		650	650	650	650	650	650	650	650	650	650	650	650	7,800		
Insurance		150	150	150	150	150	150	150	150	150	150	150	150	1,800		
Printing, Stationery & Office consumables		50	50	50	50	50	50	50	50	50	50	50	50	600		
Equipment maintenance & servicing		300	300	300	300	300	300	300	300	300	300	300	300	3,600		
Telephone & internet		120	120	120	120	120	120	120	120	120	120	120	120	1,440		
Advertising & Promotion		400			400		400		400		400		400	1,600		
Building Repairs and Maintenance		300	300	300	300	300	300	300	300	300	300	300	300	3,600		
Book-keeping and accountancy		240	2,340	240	240	240	240	240	240	240	240	240	240	4,980		
Professional Fees					600							600		1,200		
Sundry expenses		200	200	200	200	200	200	200	200	200	200	200	200	2,400		
Bank charges		50	50	50	50	50	50	50	50	50	50	50	50	600		
Loan interest - SIS		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000		Increase of capital repayment
Inflationary increase 3%		74	125	62	92	62	74	62	62	74	62	80	62	889		
Total overheads		12,462	15,824	13,661	14,691	13,661	14,073	13,661	13,661	14,073	13,661	14,279	12,050	165,755	69,730	
Capital Expenditure														0		
														0		
VAT on sales		2,379	2,384	2,388	2,392	2,396	2,400	2,405	2,405	2,405	2,405	2,405	2,405	28,766		
VAT on purchases and expenses		2,198	2,378	2,178	2,288	2,198	2,248	2,219	2,219	2,259	2,219	2,279	2,219	26,899		
VAT payments/(refunds)					397			454			518			1,369		
														0		
TOTAL EXPENDITURE		33,390	36,852	34,789	36,316	34,990	35,504	35,648	35,194	35,606	35,712	35,812	33,583	423,395		
Net Cashflow		806	-2,531	-343	-1,744	-292	-679	-695	-241	-653	-760	-859	1,370	-6,622		
Opening Balance		98,004	98,811	96,280	95,937	94,193	93,901	93,222	92,527	92,285	91,632	90,872	90,013			
Closing Balance		98,811	96,280	95,937	94,193	93,901	93,222	92,527	92,285	91,632	90,872	90,013	91,382			



PENICUIK COMMUNITY ALLIANCE STOREHOUSE													Notes			
	2023 Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar				
Provisions shop - growth in sales	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			33	Trading levels out
Provisions shop - cost of sales	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%				
Café - cost of sales	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%				
Café - cost of sales	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%				
Café Customers per month (levels at 24 per day)	593	593	593	593	593	593	593	593	593	593	593	593				
Average per head spend in the café	£4.25	£4.25	£4.25	£4.25	£4.25	£4.25	£4.25	£4.25	£4.25	£4.25	£4.25	£4.25				
CASH FLOW																
	2020															
Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total			
Sales																
Placement fees to café	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	64,512			
Income from café	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	30,243			
Sales - Provisions shop	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700	308,400			
Rent - Indoor Market Food stalls	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	16,800			
Total Sales (gross)	34,996	34,996	34,996	34,996	34,996	34,996	34,996	34,996	34,996	34,996	34,996	34,996	419,955	419,955		
Other Income																
Grants	0	0	0	0	0	0	0	0	0	0	0	0	0		34	No grant aid
TOTAL INCOME	34,996	34,996	34,996	34,996	34,996	34,996	34,996	34,996	34,996	34,996	34,996	34,996	419,955	419,955		
Cost of sales																
Purchases - Provisions shop and b read	20,560	20,560	20,560	20,560	20,560	20,560	20,560	20,560	20,560	20,560	20,560	20,560	246,720			
Purchase - café	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	12,097			
Total Direct costs	21,568	21,568	21,568	21,568	21,568	21,568	21,568	21,568	21,568	21,568	21,568	21,568	258,817	258,817		
Overheads																
Core Staff	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	97,980			staffing costs plus 3%
Rates	0	1,611	1,611	1,611	1,611	1,611	1,611	1,611	1,611	1,611	1,611	1,611	0	16,110		
Heating and Power	650	650	650	650	650	650	650	650	650	650	650	650	7,800			
Insurance	150	150	150	150	150	150	150	150	150	150	150	150	1,800			
Printing, Stationery & Office consumables	50	50	50	50	50	50	50	50	50	50	50	50	600			
Equipment maintenance & servicing	300	300	300	300	300	300	300	300	300	300	300	300	3,600			
Telephone & internet	120	120	120	120	120	120	120	120	120	120	120	120	1,440			
Advertising & Promotion	400			400			400			400			1,600			
Building Repairs and Maintenance	300	300	300	300	300	300	300	300	300	300	300	300	3,600			
Book-keeping and accountancy	240	2,340	240	240	240	240	240	240	240	240	240	240	4,980			
Professional Fees				600								600	1,200			
Sundry expenses	200	200	200	200	200	200	200	200	200	200	200	200	2,400			
Bank charges	50	50	50	50	50	50	50	50	50	50	50	50	600			
Loan interest - SIS	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000			
Inflationary increase 2%	74	125	62	92	62	74	62	62	74	62	80	62	889			
Total overheads	12,699	16,061	13,898	14,928	13,898	14,310	13,898	13,898	14,310	13,898	14,516	12,287	168,599	69,730		
Capital Expenditure													0			
													0			
VAT on sales	2,406	2,406	2,406	2,406	2,406	2,406	2,406	2,406	2,406	2,406	2,406	2,406	28,873			
VAT on purchases and expenses	2,262	2,432	2,222	2,322	2,222	2,262	2,222	2,222	2,262	2,222	2,282	2,222	27,154			
VAT payments/(refunds)				302			412			512			1,226			
													0			
TOTAL EXPENDITURE	34,267	37,629	35,466	36,798	35,466	35,878	35,878	35,466	35,878	35,978	36,084	33,855	428,642			
Net Cashflow	729	-2,633	-470	-1,802	-470	-882	-882	-470	-882	-982	-1,088	1,141	-8,687			
Opening Balance	91,382	92,112	89,479	89,010	87,208	86,738	85,856	84,975	84,505	83,623	82,642	81,554				
Closing Balance	92,112	89,479	89,010	87,208	86,738	85,856	84,975	84,505	83,623	82,642	81,554	82,695				

