

RED BRICK BUILDING CENTRE

Revised Business Plan
September 2011

Index

Executive Summary

Description of the Community Enterprise

History of the Building

Development of the Building

The Red Brick Building Centre in action

Delivery

Finance

Valuation

Pre-let Arrangements

Feasibility Study and Community Consultation

Key Personnel – directors, advisers, partners, volunteers, local firms.

Next Steps

Appendix 1 - Site Plans

Appendix 2 - Financial Information

Executive Summary

The Red Brick Building Centre is an exciting industrial building between Glastonbury and Street, Somerset, which was previously a sheepskin tannery and factory that fell into disuse. It was saved from demolition in 2008 by concerned local young people who had a vision for its future. Since then, a group of local people have met regularly to plan the transformation of the building into a dynamic enterprise and community hub that responds to local needs and opportunities. The Centre will integrate three strands of activity that have been identified in community consultation and feasibility studies, which will be complementary and mutually supportive. These three strands are social and micro enterprise support, arts and community activity, and training in and demonstration of sustainable construction and refurbishment. To this end, the Red Brick Building Centre Community Benefit Society was formed in August 2009 to take forward our plans.

In December 2010, after long negotiations, we signed a Development Agreement with the then owners, South West Regional Development Agency (SWRDA) to undertake a first stage programme of work to make the building safe and waterproof. This work was undertaken by Ecos Homes, with help from volunteers. From December to March we worked with the local communities of Glastonbury and Street and surrounding villages to raise finance for the second stage development. This was amazingly successful. We launched a community share offer in December 2010, and attracted 180 local share holders who raised £105,000 by the closing date of February 28th 2011. We created an innovative RBBC Investors Club and five local investors have between them contributed £215,000. We are also receiving a loan of £40,000 from the Co-operative and Community Finance Company and have received local grants.

On March 31st 2011 the freehold of the site was transferred to the Red Brick Building Centre Ltd from SWRDA. We have registered a mortgage on the building to give security to the Investors' Club. The legal structure of the Community Benefit Society means the RBBC has secured the building as an asset for the communities of Glastonbury and Street and surrounding villages forever. No individual can ever make personal money from this project.

The sheer scope and size of the building, 30,000 sq ft, demands a large but realistic solution. We have decided to keep all the interesting architectural features and layout. This layout lends itself to a viable mixture of offices, studios, workshops, meeting rooms, exhibition spaces and a cafe. The building will become an exemplar centre of excellence for sustainable refurbishment and construction. The building work has gone out to tender to local building firms, under the guidance of Orme Architecture in Street, who have been advising the RBBC since April. Orme Architecture have now become our official designers. Volunteers of the Red Brick Building Centre will play an essential role in the building work, particularly the internal fittings and the space outside the building. Volunteers will be managed by professional builders for specific building tasks.

Since the first part of the work was completed in early January 2011, many developments have taken place. The new visitors centre has been built by volunteers out of recycled materials, masterminded by Robin, and we have a wonderful mobile cafe on site. This has become a meeting place for the many visitors, shareholders and volunteers who come on a regular basis. We have shown hundreds of people round the Red Brick Building. We have a growing list of businesses, artists and organisations wanting to rent space. The incredible north light that illuminates the top floor excites admiration from everyone. A new community share offer has been launched in September 2011, enabling more local people and businesses to become direct investors in the Red Brick Building Centre. More information is available on our web site www.redbrickbuilding.org.uk or by calling in at the site office.

Description of the Community Enterprise

The Red Brick Building Centre Limited has acquired the Red Brick Building from SWRDA. This former sheepskin factory is in a prominent position on the Morlands' Enterprise Park on the outskirts of Glastonbury and Street. The building is being renovated and converted into a managed and affordable workspace for micro- and social enterprises, with venues for training, exhibitions and community events for Glastonbury, Street and surrounding villages. There will be a strong emphasis on sustainable reconstruction and the involvement of the local community and young people in all stages of the development and operation of the building.

The transfer of the freehold of the Red Brick Building from SWRDA took place on March 31st this year. Over fifty shareholders and supporters gathered to witness the RBBC chair Alan Gloak MBE hand over £1 to Carl Budden who represented SWRDA.

The role of the local community has been key to developments so far. The directors are drawn from the community, as are the hundred and eighty shareholders, and our investors, the architects and building firms, our prospective tenants, and last but not least the volunteers who have achieved so much already, and still have a vital role to play in the renovation and running of the Red Brick Building Centre.

History of the Building

The Red Brick Building was originally a tannery and sheepskin factory. It formed part of a complex of mills and factories which had first been established in medieval times, when Glastonbury Abbey was a thriving community. It ceased operating as a factory in the 1980's and was earmarked for demolition by SWRDA to make way for modern industrial units. This met with strong local opposition. After a series of public meetings, community consultations, planning meetings and negotiations, SWRDA agreed to transfer the building to The Red Brick Building Centre Limited - subject to the conditions referred to above - so that it could be restored for business and community use.

Many people who use to work at the tannery have become supporters and shareholders of the Red Brick Building Centre. We will have designated space in the renovated building for an historical display.

Development of the Building

The building comprises 30,000 sq ft (2,785 m²) and can be sub-divided into two main sections for development purposes. The work will be undertaken in two phases, the first phase bringing 15,000 sq ft into use. This space is in buildings A and B nearest to the road. This will comprise:-

- Office hub, with easy in/easy out options to support individuals and micro-businesses while they establish themselves;
- Offices and studios ranging in size from 300 sq ft to 1,800 sq ft;
- Cafe with a south facing terrace and garden.
- Meeting rooms and training facilities for hire on hourly rates

The second phase, building C, will be undertaken when the first phase has been well-established, and will bring the remaining space into use. This will provide very exciting workshop space for artists and crafts people, with gallery and exhibition space to be used by resident artists as well as hosting work from external sources. Until this development is undertaken, it will have potential 'meanwhile' use.

Detailed site plans are included in Appendix 1.

The Red Brick Building Centre in action

When fully developed, the Red Brick Building Centre will be a dynamic enterprise and community hub that responds to local needs and opportunities. It will integrate three strands of activity that have been identified in community consultation and feasibility studies, which will be complementary and mutually supportive. These three strands are social and micro enterprise support, arts and community activity, and training in and demonstration of sustainable construction and refurbishment.

The first strand, social and micro enterprise workspace and support, is in recognition of a gap in provision. The mid Somerset economy is characterised by a mix of micro-enterprises (up to 5 employees) and self-employment. Much of this enterprise activity falls beneath the economic radar by being unregistered for VAT. It tends to be disregarded in economic and regeneration strategies, despite the significant contribution it makes to employment, livelihood and community wellbeing. The significant enterprise needs and opportunities of this sector can be met through resources to be offered by the Red Brick Building Centre.

The second strand, arts and community activity, again responds to a gap in provision. Somerset has a large and thriving arts and crafts community and hosts Somerset Arts Week every two years. Local artists and crafts people will be able to rent affordable studios and workshops and share resources that will promote their skills and support their business endeavours. Their work will be made more accessible to the public through exhibition and practice spaces. Offices and shared resources will also be on offer to the diverse and large group of community and social organisations in Glastonbury and Street.

The third strand of the Red Brick Building Centre will be a centre of excellence for sustainable refurbishment and construction. We will have temporary and permanent demonstration spaces on sustainable construction to support a set of courses and events. Individuals and regional businesses will have opportunities to learn about sustainable refurbishment. The age and construction of the Red Brick Building make it a very good test bed and demonstrator of low carbon refurbishment.

Delivery

Key to the success of the project is the partnership between The Red Brick Building Centre Limited, its directors, shareholders, investors and volunteers, together with the advice and support of our designers Orme Architecture in Street, and local building firms undertaking the renovation work.

The Red Brick Building Centre is a Community Benefit Society registered in August 2009 (registered number IP 30755R) and incorporated under the Industrial and Provident Societies Act 1965. This Society was set up specifically to secure and develop the Red Brick Building for the local community. Its legal structure allows members of the community to be involved as shareholders, investors and volunteers, helping to run the organisation. It operates on the principle of 'one member, one vote' and a shareholding can be from a minimum of £100 to a maximum of £20,000. Other Industrial and Provident Societies and Trusts can also become shareholders. The only payments which can be made to members are the interest on their withdrawable share capital or the withdrawable share capital itself. We anticipate being able to pay 2% interest after Year 3 if all goes according to plan.

The Red Brick Building Centre Limited is regulated by the FSA and will be subject to corporation tax. The directors have elected to register for VAT.

Finance

Buildings A and B have already been made safe and watertight at a cost of £100,000. This included building the access road and car park. This work was done by Ecos Homes to meet the requirements laid down by SWRDA for the transfer of the site to the Red Brick Building Centre .

Cost of Renovation work

The cost of completing the renovation of buildings A and B in preparation for lettable space as offices, studios, meeting rooms and a cafe has risen from the initial estimate of £300,000 to £360,000. The Red Brick Building Centre Ltd has already raised £300,000 of this. We are seeking to raise the further £60,000 through a share offer being launched this September. Please see the web site for details or e-mail for a share application to contact@redbrickbuiling.org.uk

Working capital

The working capital required is £40,000 of which we have raised £30,000. We are seeking to raise the remaining £10,000 as part of our September share offer.

Project Management Costs

The appointment of our CEO and financial accountant to assist in the delivery of the project has resulted in project management costs of £35,000 over two years. We are applying to like-minded lenders for low-interest finance to cover these costs and also the cost of underwriting some of the share offer.

Finances achieved so far

We have already raised £100K for first stage renovation and £300K for the completion of this stage. In addition, £30K working capital has been raised. This gives us a total of £430,000, nearly all raised from within the local community. This is a fantastic achievement. This finance was raised as follows:

£105,000 shares from community investment
£215,000 loans from our Investors' Club
£40,000 loan from Co-operative and Community Finance
£70,000 grants from SWRDA and local charitable trusts.

Founder Shareholders We had an amazing response to our first share offer and £105,000 was raised by 180 shareholders in three months! These shareholders have proved very supportive, coming to meetings, volunteering for building projects and with office support and all are voting members who may attend the AGM.

Red Brick Building Centre Investors' Club A group of local supporters raised £215,000 within two weeks to lend to the Red Brick Building Centre Ltd. The investors have formed a legally recognised Investors' Club. This is an exciting innovation to support the development phase. We extend a very special thank-you to The Glastonbury Trust, Martin Stanley, Tom Clark, Andy Pegg and Caroline Cameron for making this possible.

Co-operative and Community Finance We have secured a loan of £40,000 from this ethical finance company, who lend only to Community Benefit Societies and Co-operatives.

Grants South West Regional Development Agency £60,000. Other Charitable Trusts £10,000

Extra Revenue Grants Received JAC Clark Charitable Trust £10,000 for Social Enterprise Support. Glastonbury Town Council £2,500

Repayment of loans The capital investment will be serviced by the income from rentals. This income will include leases, licenses and daily room booking fees. A summary of the projected income and expenditure for the first three years ended 31 December 2014 is shown below:

REVENUE BUDGET FOR THE FIRST PHASE

	31-Dec-12	31-Dec-13	31-Dec-14
Rental and other income	95,730	107,676	110,567
<u>Expenditure</u>			
Governance costs	(6,200)	(5,000)	(5,000)
Finance costs	(100)	(200)	(200)
Administration costs	(9,800)	(6,700)	(6,700)
Establishment costs	(28,420)	(28,420)	(28,420)
Staff costs	(27,907)	(40,589)	(40,589)
Total Expenditure	(72,427)	(80,909)	(80,909)
Earnings before Interest, tax and capital repayments	£ 23,303	£ 26,768	£ 29,658

Valuation

Based on plans and rental income assumptions previously provided to PJK Chartered Surveyors, a valuation of £840,000 has been provided for the building after the completion of Phase 1. This is based on 90% occupancy. This valuation would decrease if occupancy is less than 90% and would increase to £980,000 in the event of 100% occupancy.

Pre-let Arrangements

We have forty five interested prospective tenants. These are a mixture of local businesses, local organisations and artists and artisans. The Red Brick Building Centre has analysed the prospective market for office and studio/workshop space in the mid Somerset area. As stated, the economy in this area is characterised by a mix of micro-enterprises and self-employment. We have identified a gap in provision for quality spaces to rent where businesses and individuals can work together in a mutually supportive environment. There will be the provision of shared workspace and resources with desk or space rental in open offices or studios (the Hub). Individual enterprises will be able to share suitable meeting spaces for business practice without the cost of each enterprise paying for dedicated space. Exciting and flexible workspace will be available, including easy in/easy out low cost workspaces, which allow for growth and development. Business networking opportunities will be created by being co-located in a hub specialising in social enterprise, creative arts and environmental technologies. There will be opportunities for shared specialist backroom services such as printing, bookkeeping and PAYE.

Our analysis has been borne out by the experience of marketing the Centre in the first part of 2011, when we have been able to show people around the building. Despite the impact of the economic situation, there continues to be a real interest and excitement in being part of the Red Brick Building Centre. The forty five prospective tenants will be interviewed over the next four weeks and we expect to put pre-let agreements in place in October

The rented spaces are competitively priced and we are using the following as guidelines only:-

Rents plus service charge need to be looked at together: £9 per sq ft (£96.88 per m²) for offices; £6 per sq ft (£64.58 per m²) for studios and workshops. There will be a £2 per sq ft (£21.53 per m²) service charge. Details of businesses who have signed up for space will be available when we enter pre-let agreements in October.

Feasibility Study and Community Consultation

In order to identify the potential levels of demand for a range of uses in the Red Brick Building, a feasibility study and community consultation was carried out by Ecos Trust and RBBC, funded by grants from the Somerset Community Foundation (£5,000) and Somerset County Council (£8,000). The Asset Transfer Unit provided 5 funded days of advice from experienced practitioners on the development of the business plan and substantial pro bono work was carried out by Wessex Community Assets (community and social investment packages), Nick Maclean (specialist engineering advice), Clare Chapman FCA, Chartered Accountant (financial planning) and Nicky Saunter (café planning).

As part of the community consultation, the RBBC has also consulted with local businesses and learning providers to assess need in the area for small business units, serviced office space and a sustainable refurbishment learning centre.

In summary, the feasibility study and community consultation identified the possible range of uses for the site and appraised these uses against the physical attributes of the site, the stakeholders' requirements, the contribution each use might make to the objectives of the strategies operating in the area and the level of market demand.

Key Personnel

The following are biographies of the key personnel involved with The Red Brick Building Centre:-

Red Brick Building Centre Limited Directors

Alan Gloak MBE

Alan is a retired businessman. He has been the County Councillor for Glastonbury since 2001. Alan is a Director and Chairman of Mendip Community Transport. This is a community based scheme providing transport in the Mendip area of Somerset to any person who is over retirement age or unable to access public transport. He is also Chairman of Mendip in Bloom and Glastonbury in Bloom, founder and Chairman of Team Somerset 500 Club. Alan was awarded the MBE in 2010 in recognition of his services to the county of Somerset. He was awarded the Freedom of Glastonbury in 2011

Sarah Sander-Jackson: Chief Executive Director

Sarah is an experienced community development worker. She has expertise in sustainable project development from inspiration to implementation. Her prime interest is in how people work together to make sustainable projects that meet a community need. She has a practical legacy of establishing successful social enterprises – including a school farm, urban farm, co-operative garden centre and an educational project. Sarah was a founding Director of Somerset Community Food established in 2000. Since 2005, Sarah has been a Director of Learning to Lead CIC. Sarah was a Parish Councillor in Somerset from 2001 to 2004 and on the Glastonbury Single Regeneration Board 1999 to 2001. From March 2009 to March 2011 Sarah was the Secretary to the Red Brick Building Group. In April 2011 she became an executive director and CEO.

Mike Jones

Mike Jones is a trustee of the Glastonbury Trust which initiates and supports local educational community and environmental projects. He has live in Glastonbury for over 20 years, and has been involved in setting up and supporting a wide variety of local not for profit and charitable organisations including Somerset Sustainable development (now Ecos Trust) and the Glastonbury Development Trust.

Gill Booth

Gill has a Masters degree in Social Welfare from State university of New York. She enjoys combining creativity with activism and has held strong beliefs for many years in the necessity for the community to be effective, reflected in sharing work, ideas, and skills. She sees that there is huge potential for the Red Brick Building to serve as an exchange point between artists and creative people of all disciplines who do not wish to work in isolation but at the same time need the space to express themselves without interference.

Paul Sander Jackson

Paul has a long track record in community and local economic development. He was co-founder of St Werburghs City Farm and Riverside Garden Centre in Bristol, both of which are still operating. He has worked in both Devon and the Mendip District of Somerset supporting the development of social and micro-enterprises. From 1999 to 2006, Paul was Director of Somerset Food Links, and was co-founder and first Chair of Food Links UK. From 2006 to 2008 Paul a director of the New Economics Foundation as the Thriving Communities Director, with responsibility for an action research programme of work on local economic development and regeneration. Paul has been executive Director of Wessex Community Assets since 2008. He is currently working with Wessex on a portfolio of projects developing community led assets and enterprises and rural affordable housing projects.

Anna Pegg

Anna is 20 and one of the youngest directors of the Red Brick Building Centre Ltd. She is an art student who also has two part time jobs and works very hard for the things she believes in. And this is one of them. She has been involved with the Red Brick Building since January 2009 and was one of the original occupiers of the building and one of the founding members of Red Brick Building Centre Ltd.

Rory Weightman

Rory is a visual artist who lives in Glastonbury and exhibits locally, as well as a performing arts practitioner involved in several projects. He has had a varied career in education and performing arts, including fifteen years as Director of Studies at The Hub Theatre School, Cornwall College, Visiting Lecturer at Middlesex and Exeter Universities and a member of the Advisory Panel at South West Arts. He was involved in the initial occupation of the Red Brick Building in January 2009.

Michael Waterworth

Mike is starting his work placement in London on web design and web applications development.. He is a director of the Red Brick Building Centre Ltd as well as designer and administrator of the website. "I care about the project as I have lived in Glastonbury my whole life, watching the building going nowhere. I am proud to be part of the solution."

Other personnel involved

Clare Chapman FCA

Clare is a Chartered Accountant. She has been working with us to develop the business plan and our Share offer Document. She has experience of Community Benefit Societies and takes a special interest

in community based projects. She now works for the Red Brick Building Centre as a financial accountant and works one day a week, managing cashflow and setting up the financial systems.

Orme Architecture

Orme Ltd is a specialist 'eco' architecture practice based in Street in Somerset, providing award-winning innovative and sustainable design solutions for a wide range of domestic and commercial clients. They aim to create exceptional bespoke architecture to suit clients' aspirations whatever the concept, location or budget and they also recommend trusted and skilled building contractors.

Orme Architecture has been advising us since May. They have now become our official architects and designers. Tom Gascoigne and Edd Medlicott are preparing the tenders which we are sending out to local specialist builders. They will continue to assist during the renovation work to transform the building.

Wessex Community Assets (WCA)

WCA is a lead organisation promoting community investment. It works with communities to support them in acquiring and developing assets and enterprises which met their special needs – ranging from community owned shops to renewable energy schemes. Their Executive Director, Paul Sander Jackson, is a Board member of the Red Brick Building Centre Ltd and the LLP. www.wessexca.co.uk

Burton Sweet

Chartered Accountants, Cooper House, Lower Charlton Estate, Shepton Mallet, Somerset BA4 5QE
Burton Sweet has been appointed as the reporting accountant for The Red Brick Building Centre Limited. Nigel Harris, a senior partner at Burton Sweet, is providing advice on tax and VAT issues and supporting the directors in achieving the best organisational structure for the Red Brick Building Centre.

West County Green Energy (WCGE)

WCGE will be installing Photo Voltaic panels on the roof of the RBBC. This will contribute to lower running costs while using renewable sources. WCGE will be launching their own share offer to raise the necessary capital for this work.

Stuart Constable

Stuart is an award winning chef. He has opened an excellent site cafe for volunteers, shareholders and workers. He provides fresh coffee, hot and cold food and caters for vegetarians. His cafe is a welcoming venue for all visitors to the site.

Volunteers

Robin Howell

Robin is an ingenious volunteer who ran our successful scrap metal scheme in the first part of 2011 which brought valuable new people to the site, including new shareholders, and raised funds by recycling scrap metal. Now Robin is masterminding the building of our temporary office and Visitors' Centre made from recycled materials, including guttering off cuts and Argos Catalogues. Snows Timber have generously donated wood and also helped to raise the roof with their crane and expert staff. A new scrap scheme started in July to offer further support to this community project.

Shareholder involvement. We have had some wonderful shareholders who have volunteered practical support. Sue Truman Cox, Clare Hedin and Janet Aram have all helped with administration and the co-ordination of our first share offer. Joe Whitmore, our youngest volunteer has been a great support after school and at weekends and with Jay Williams is clearing the gardens. Martin Silburn, Thomas

Sander-Jackson and Clare Howell have been building on site. Hazel Pegg and Mike Waterworth support us with the web site. Pam Grist has been an invaluable support, including taking on cleaning responsibilities. Mathew West and Sarah Bewley have been volunteering at the cafe while Stuart was away. Barbara Helm has helped on publicity. Margaret Moore has helped set up the new office and now is on the steering group to organise enterprise support for young people. Phillip David is helping with pre-lets and tenancy agreements, and exploring the influence of St Bride on this site. Amanda Stone and Judi Hawkins are co-ordinating involvement of local schools and young people in an exciting arts installation showing the history of the site.

Roger Smith has generously set up our IT systems at the Red brick Building site. He continues to support us with his expertise and commitment to the Red Brick Building Centre and helps in various ways at the site.

Local Firms. We have also received great support from local businesses including Snows Timber, Argos, Sparks Transport, Abbey Scaffolding, Walton Press, Elliot Modular Buildings, Weston, Avalon Plastics and Highbridge Skip Hire and Waste.

Next Steps

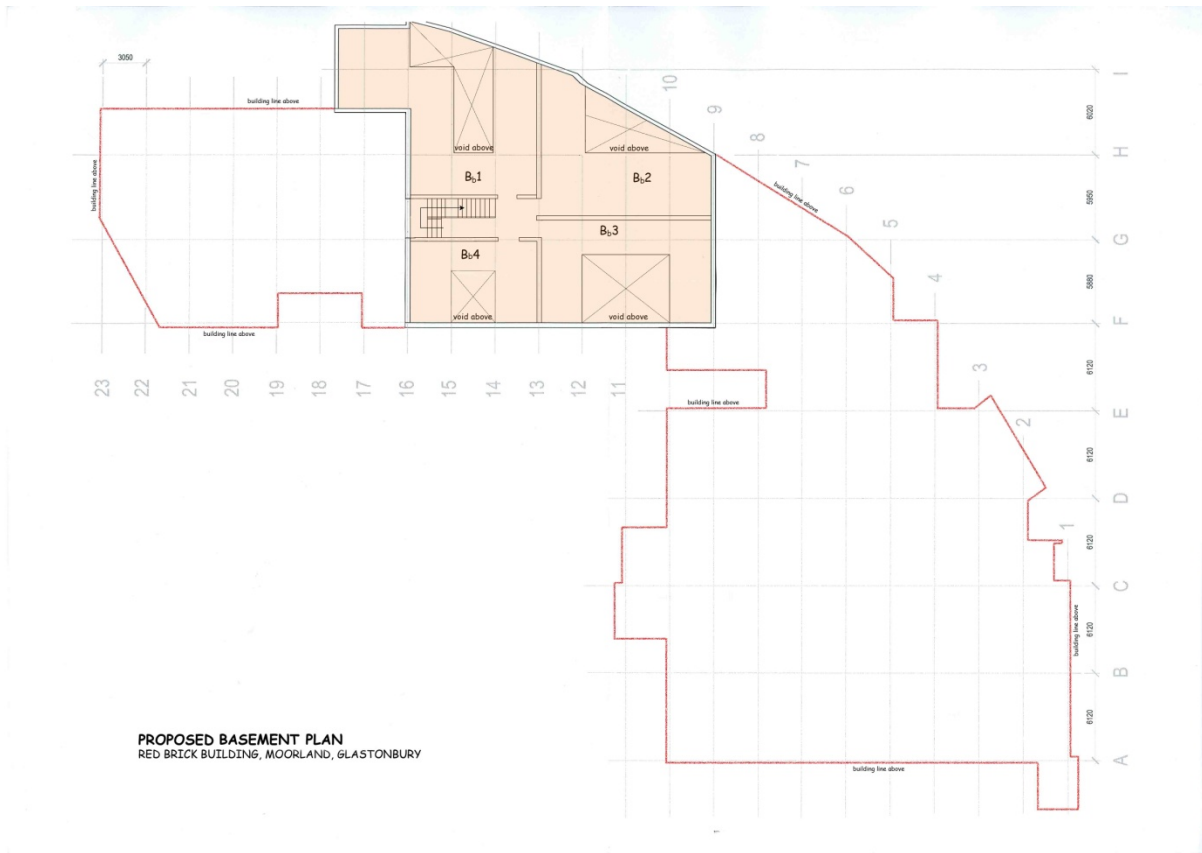
We are continuing to involve new people in the community, and to work with our growing band of supporters. A new share offer has been launched on 5th September.

There is a website www.redbrickbuilding.org.uk where people can find out information on how to become involved as members, shareholders, volunteers or tenants.

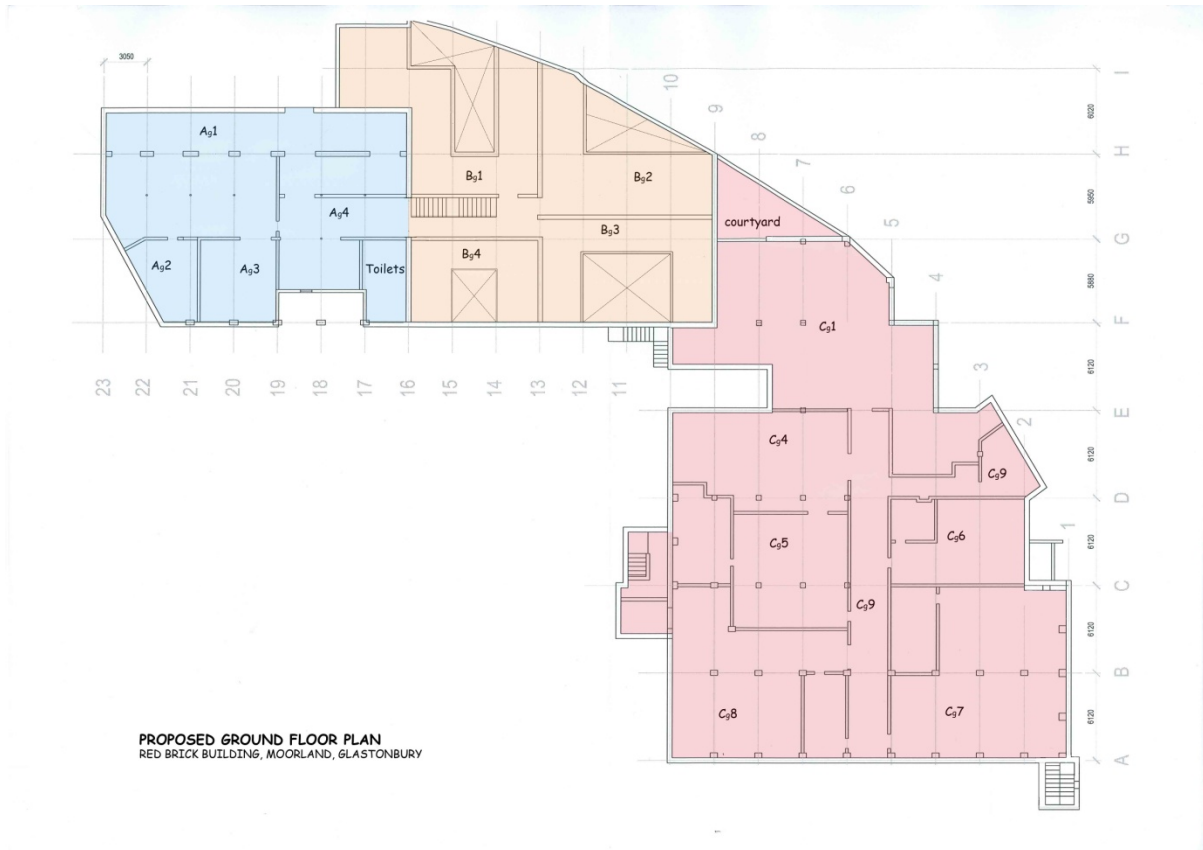
The AGM for shareholders will take place in October, when the shareholders will have an opportunity to vote in two or three new directors.

Local organisations, local businesses and local artists continue to register their interest in renting spaces in the Red Brick Building. There is an office on site, open Mondays to Wednesday, a new Visitors' centre nearing completion, and a mobile cafe with a dry seating area, which has become a real meeting place, where many plans and ideas are hatched. People are welcome to come and see the project during the week. During the last three months many people have come and some sign up as volunteers and/or prospective share holders.

Appendix 1b Basement

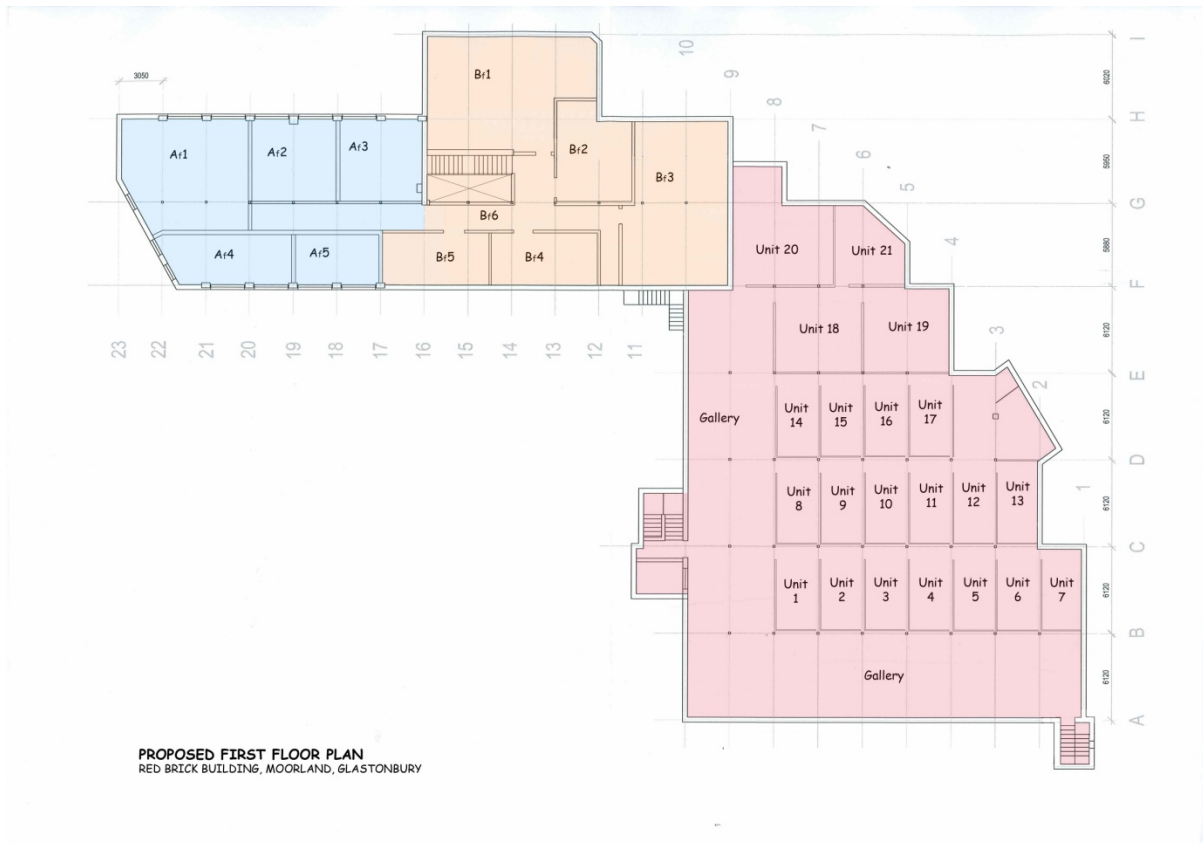


Appendix 1c Ground Floor



Appendix 1d

First Floor



Appendix 2a
Projected Profit & Loss Account

	12 Months 31-Dec-11	12 Months 31-Dec-12	12 Months 31-Dec-13	12 Months 31-Dec-14	12 Months 31-Dec-15
Income from Building	16,709	95,730	107,676	110,567	110,567
Expenditure					
Governance costs	(3,000)	(6,200)	(5,000)	(5,000)	(5,000)
Finance costs	(1,622)	(100)	(200)	(200)	(200)
Administration costs	(9,152)	(9,800)	(6,700)	(6,700)	(6,700)
Establishment costs	(7,435)	(28,420)	(28,420)	(28,420)	(28,420)
Staff costs	(17,580)	(27,907)	(40,589)	(40,589)	(41,933)
Total Expenditure	(38,789)	(72,427)	(80,909)	(80,909)	(82,253)
Earnings before Interest, Tax, Depreciation and Amortisation	(22,080)	23,303	26,768	29,658	28,314
Corporation Tax	0	0	0	0	0
Interest to Shareholders	0	0	0	(2,034)	(3,434)
Interest on Working capital loan	(700)	(1,900)	(1,247)	(534)	(16)
Earnings before Dep'n and Amort'n	(22,780)	21,403	25,520	27,089	24,863
Loan repayments - Working capital loan	0	(7,713)	(9,868)	(10,582)	(1,837)
EBDA and after Working Cap loan rpy'ts	(22,780)	13,690	15,652	16,508	23,027
Cumulative EBDA, after Working Cap loan r	(22,780)	(9,090)	6,562	23,069	46,096

Appendix 2b

Notes on Assumptions in Projected Profit and Loss Accounts

Governance costs

Legal fees include Set-up leases, contingency for debt collection
RBBC Ltd costs include Audit fees and other costs of governance

Finance costs

Share issues costs include legal fees & printing, distribution etc.
The cost of underwriting will depend on amount underwritten, this is the maximum cost

Administration costs

Includes insurance, employers liability insurance, stationery and rent of a temporary office in Glastonbury until June 2011
Costs of maintaining the Website and marketing

Establishment costs

The costs of premises, some of which is charged to the tenants. Rates will be the responsibility of tenants but the rates on voids may need to be covered.

Staff costs

Includes a Project Manager for the first 6 months to provide marketing and community engagement; Centre Mgr from July 2011+, assistant from mid 2013+
Other staff costs will increase as more of the building is completed.

Appendix 2c
Projected Balance Sheets

	31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15
<u>Fixed Assets</u>					
Buildings	451,715	460,004	460,004	460,004	460,004
Cumulative Project costs, Interest on Less Capital Grants Received	21,771 (70,000)	52,494 (70,000)	63,721 (70,000)	74,366 (70,000)	84,477 (70,000)
	403,487	442,498	453,725	464,370	474,481
Adjustment for Capital costs w/off Buildings at Cost or Revaluation	(21,771) 381,715	(52,494) 390,004	(63,721) 390,004	(74,366) 390,004	(84,477) 390,004
Furnishings and fittings	5,000	5,000	5,000	5,000	5,000
<u>Current Assets</u>					
Bank	25,979	19,987	9,396	(8,673)	(17,134)
VAT reclaimable	22,619	0	0	0	0
<u>Liabilities</u>					
Investors' Club	(215,000)	0	0	0	0
ICOF short-term loan	(40,000)	(29,715)	(16,558)	(2,449)	0
Bank loan	0	(219,281)	(212,555)	(205,485)	(198,052)
SCC Loan	(50,000)	(45,000)	(40,000)	(26,667)	(13,333)
Corporation Tax	0	0	0	0	0
Net Assets	130,313	120,994	135,287	151,731	166,484
<u>Financed by:</u>					
Share Capital	176,710	176,710	176,710	176,710	176,710
Profit & Loss Account - current yr	(22,780)	21,403	25,520	27,089	24,863
Adjustment for Capital costs w/off	(21,771)	(52,494)	(63,721)	(74,366)	(84,477)
Profit & Loss Account - Carried forward	(1,845)	(24,625)	(3,222)	22,298	49,388
	130,313	120,994	135,288	151,732	166,484

Appendix 2d

Projected 5 Year Cashflow

	2011	2012	2013	2014	2015
Capital Income					
Share Capital	165,000	0	0	0	0
Investors' Club	215,000	(215,000)	0	0	0
Capital Grants	70,000	0	0	0	0
ICOF short-term loan - capex portion	10,000	(2,571)	(3,289)	(3,527)	(612)
Interest-free loan from SCC	50,000	(5,000)	(5,000)	(13,333)	(13,333)
Mortgage	0	219,281	(6,726)	(7,070)	(7,432)
Sub-total	510,000	(3,290)	(15,016)	(23,931)	(21,378)
Capital Expenditure					
Building work excl VAT - Phase 1	(100,004)	0	0	0	0
Building work excl VAT - Phase 2	(351,711)	(8,289)	0	0	0
VAT on Building work and Additional VAT reclaimed - Capex	(70,706)	(1,658)	0	0	0
Legal and professional fees	48,088	24,276	0	0	0
Project management costs	(6,158)	0	0	0	0
Hub furniture and fittings	(13,980)	(16,640)	0	0	0
Sub-total	(5,000)	0	0	0	0
Sub-total	(499,472)	(2,310)	0	0	0
Capital financing costs					
Bank arrangement fees	(400)	(3,322)	0	0	0
Underwriting fees	(1,000)	0	0	0	0
Interest to Investors Club	0	(6,450)	0	0	0
ICOF loan repayments CAPEX (int)	(233)	(633)	(416)	(178)	(5)
Mortgage repayments (int)	0	(3,677)	(10,811)	(10,467)	(10,105)
Sub-total	(1,633)	(14,082)	(11,227)	(10,645)	(10,111)
NET CAPITAL INFLOW/(OUTFLOW)	8,895	(19,682)	(26,243)	(34,576)	(31,489)
Operations Cashflow					
Working Capital - net flow	41,710	(7,713)	(9,868)	(10,582)	(1,837)
Cashflow from Operations	(22,081)	23,303	26,768	29,658	28,314
Working Capital financing costs					
Interest to Shareholders	0	0	0	(2,034)	(3,434)
ICOF loan interest on WORK CAP	(700)	(1,900)	(1,247)	(534)	(16)
Sub-total	(700)	(1,900)	(1,247)	(2,568)	(3,450)
Net Cashflow Movement	27,824	(5,992)	(10,591)	(18,068)	(8,462)
Cumulative Cashflow movement		21,832	11,241	(6,828)	(15,289)

Continuous Working Capital will be required during the early years and a roll-over facility may be arranged to cover this.

Grants are being applied for to cover specialist renovation costs.