

## 8 THE FINANCIAL PLAN

### 8.1 CAPITAL ACCOUNT

The budgetary estimate for the purchase of the freehold, business acquisition and associated enabling works together with the necessary set up costs and working capital is £550,000. We have also indicated where we would consider there to be a requirement for potential future investment. The budgetary estimate for the leasehold option is £150,000.

	Notes	FREEHOLD		LEASEHOLD
		Phase I	Phase II	
<b>Property &amp; Business Acquisition</b>				
Freehold	1	350,000		-
Stock	2	10,000		10,000
Goodwill	1	-		-
<b>Total</b>		<b>360,000</b>		<b>10,000</b>
Stamp Duty	3	10,500		
<b>TOTAL</b>	<b>4</b>	<b>370,500</b>		<b>10,000</b>
<b>Shop &amp; Ground Floor</b>				
Enabling Works	5	54,500		15,000
Shop Refit, including fridges/freezers	6	20,000		20,000
IT	7	8,500		8,500
PV Heating solution	8		12,500	
Kitchen, additional equipment	9	-	10,000	-
<b>Total</b>		<b>83,000</b>	<b>22,500</b>	<b>43,500</b>
<b>Enterprise Hub</b>				
Enabling Works	5	-	-	-
IT, Office Equipment & Furniture	7	2,300	-	-
<b>Total</b>		<b>2,300</b>	-	-
<b>Apartment</b>				
Enabling Works	5	11,500		
Decoration, Carpet & Soft Furnishings	9	-	3,500	
Furniture, Fixtures & Fittings	9	-	3,575	
Letting Requirements	9	-	375	
<b>Total</b>		<b>11,500</b>	<b>7,450</b>	-
Fees	7	11,000		5,000
Working Capital	10	25,000		30,000
<b>Total</b>		<b>503,300</b>	<b>29,950</b>	<b>88,500</b>
Contingency	11	46,700		61,500
<b>TOTAL</b>		<b>550,000</b>	<b>29,950</b>	<b>150,000</b>

Notes

- 1) The budgetary estimates for the Property & Business Acquisition are based on independent valuation obtained in October 2010. Estimate for goodwill is included in the contingent element to protect our negotiating position
- 2) Estimate based on current stock levels. Will be valued at cost on transfer of the business
- 3) 3 % of Freehold purchase
- 4) Excludes Goodwill
- 5) Initial estimate of enabling works based on architect's preliminary views. Will be subject to formal tender process
- 6) We would hope that volunteer effort will be engaged to undertake shop fit work; materials budget included. Although we have included an estimate of £5,000 for replacement fridges and freezers – it is likely that these will be available from a re-use source at minimal or no cost<sup>73</sup>
- 7) Further breakdown available at Appendix B
- 8) We plan to investigate Photovoltaic (PV) solutions to heating / hot water provision. These costs are likely to offset against the provision made within the building estimates and would be pursued on the basis of the availability of alternative grant funding
- 9) Whilst these items have been costed, they are not included in the capital account. Any investment decision will be based on the availability of funding and cost / benefit downstream
- 10) Breakdown identified in section 8.4 below
- 11) 9.3%, Freehold option, including Goodwill

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Shop fittings, fridge, freezers and chiller cabinets are made available to social enterprises from organisations such as The Co-operative