



Upper Tweed Community Enterprise Limited
Broughton Village Store Extension Business Plan 2.4



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BUSINESS INFORMATION

Organisation Name:	Upper Tweed Community Enterprise Ltd (Trading as Broughton Village Store)
Legal Status:	Community Benefit Society 7979
Scottish Charity Number:	N/A at present
Date of Incorporation:	21 December 2018
Registered Office:	The Old Police House BROUGHTON ML12 6HQ
Banker:	Bank of Scotland
Auditor:	Charles Gray & Co, Peebles
Surveyor:	Whyte and Barrie
Architect:	Euan Millar, ICOSIS
Chartered Surveyor:	Kenneth Ferguson & Partners
Consulting Structural and Civil Engineer:	David Narro Associates
Business Adviser:	Sandra Macaskill, CaskieCo
Administrative Office:	as above M 07879 470920(chair)
Company website	http://broughtonvillagestore.co.uk/
Social media:	https://www.facebook.com/Broughton-Village-Store-2185850588357551/

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1. Introduction

- 1.1. In June 2019 Upper Tweed Community Enterprise Ltd (UTCE Ltd.) successfully reopened the Village Store in Broughton village in the Scottish Borders. The building, which had previously operated as a shop was bought with the assistance of grant from the Scottish Land Fund and a successful community share offer which raised £66,400 from 250 local community investors (members) in early 2019. Once in community ownership, a team of local volunteers got to work making ready to open. Since then, the shop has traded successfully providing the village and its surrounding area with a much-needed local store as well as providing local employment for six people.
- 1.2. The shop proved a mainstay for the people of the village during the pandemic, and the purchase of a van, shortly after the arrival of Covid 19 enabled the provision of a mobile delivery service for those who were not able to come to the shop because they were elderly or self-isolating. A Welfare Fund to support those struggling to pay for groceries was also established using donations from individuals in the community. The Fund has received approximately £6,000 in donations of which £3,000 has already been paid out to those in need. Most recently the Fund is providing ingredients free of charge to the new Breakfast Club at Broughton Primary School.
- 1.3. It was always envisaged that the 100 plus year-old building with its primitive outbuildings, make-shift storage and office areas to the rear would require some improvements to make them safe for staff, increase the quality and quantity of stock storage and have proper staff facilities such as an office and toilet. There is no insulation in the building and there is also a need to address environmental considerations to ensure it is as energy efficient as possible.



Challenging back yard of shop/ dangerous steps / poor buildings

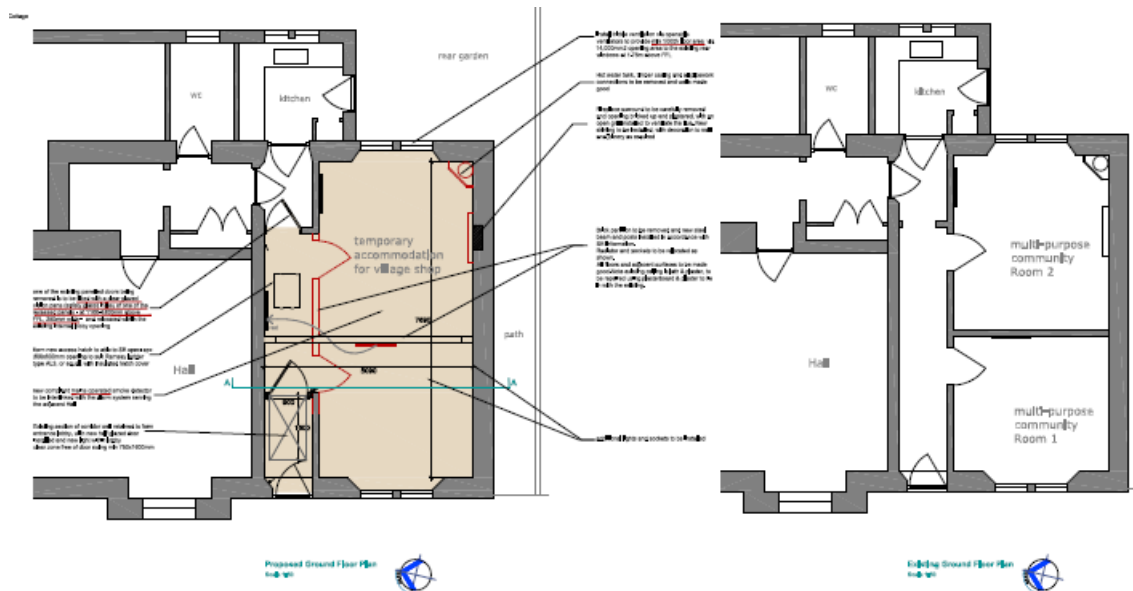
Temporary Relocation of Shop

- 1.4. Plans have been developed over the last two years or so to relocate the shop to a cottage across the road to maintain trade during the redevelopment of the existing shop building which will take some months. Agreement on terms of use have been reached with Village Hall committee and work began early in 2023, with a view to a move in the Autumn of 2023.



Broughton Village Hall Cottage – temporary shop location

1.5. Broughton Village Hall Cottage is configured as a one-bedroom cottage and the works to accommodate the shop will remove a couple of walls to create a larger floor space in line with the plans below on the left. The alterations will enhance the facilities offered by the Village Hall, which lacks a convenient sized meeting room, and thus be of lasting benefit to the wider community.



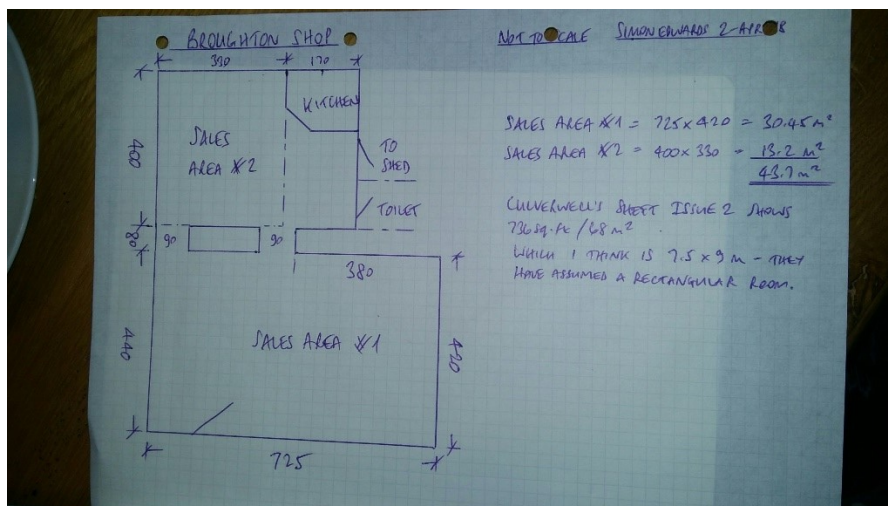
Proposed reconfiguration of layout to accommodate temporary shop

The budget for the planned works was originally costed at £41,136 and a grant has been secured from SSE Clyde Borders Community Fund for this amount. The cost of build works has increased since the work was originally costed as a result of various market forces (post Covid, Brexit, demand for construction work) and a tender to carry out works valued at £34,715.50 has been agreed with professional fees coming in at £16,217. Work is ongoing and at the end of January 2023, the anticipated shortfall on this budget of £9,796.50.

1.6. The initial tender invitation to four local builders received no responses by the tender return date, therefore the tender return date was extended and J&J McCann Ltd was

appointed in November 2022. Asbestos was removed from the building in November/December 2022 and alteration works began on 9 January 2023, estimated to take around 6 - 8 weeks.

Shop Extension Plans



Original shop floor plan

- 1.7. Plans have also been prepared for the renovation of the rear of the shop, which will involve excavation of soil and demolition and removal of the existing buildings on many levels to make room for a single storey extension to house retail and stock storage space, an office and toilet. The current shop layout provides 43.7m² of retail space and the new floorplan will provide 60m² of retail space – a **37% increase**. In addition, an **internal storage room for stock, a new office and modern toilet facility for staff will be provided**.

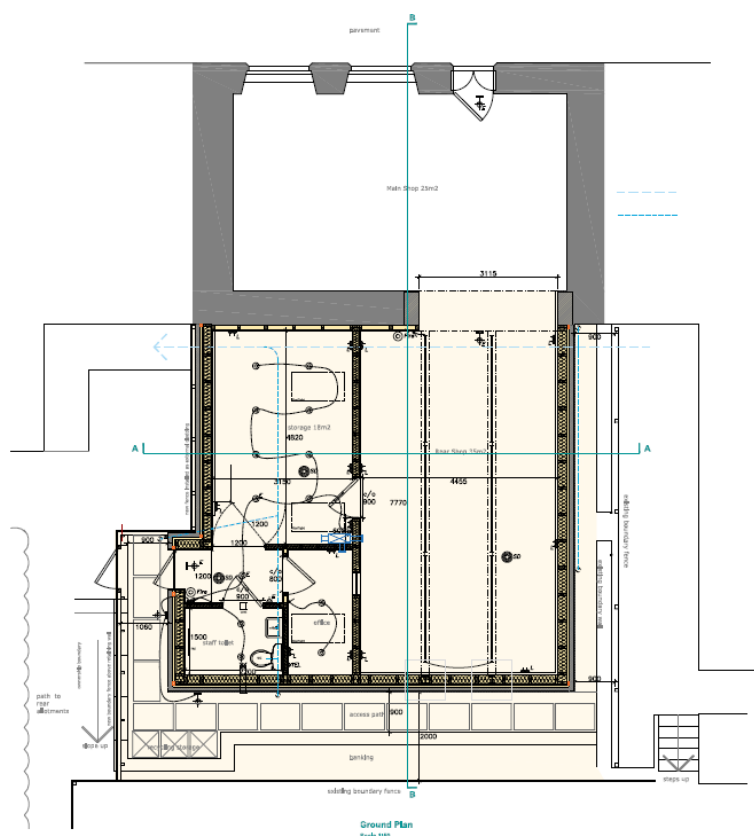


Buildings to be removed and soil to be cleared

- 1.8. Drawings (see below) have been prepared for the works planned to the current shop and planning permission (December 2021) and building warrant (October 2022) have been secured.

1.9. Work involves digging out land at the back of the current shop, removing the current shop extension, outbuildings, steps and shed. Once the area had been levelled a single storey extension the width of the existing building will be put in place. This will extend the retail space and make it safer with easier to use storage, a toilet and office.

Broughton Village Store
Proposed Extension - PLANS



1.10. The cost breakdown for the extension works to the shop is shown in the table below which also includes two options for the roof works proposed. The total costs for the build work in June 2021 was estimated at **£204,000 including VAT**.

As the price was estimated in June 2021, it has been necessary to add some further contingency and experience from recent build projects suggests this should be in the order of 30% on June 21 prices. VAT may be recoverable on at least some of the build works.

Value engineering on the works may also be possible to bring costs in to the anticipated £250,000 budget.

Item	Cost
Build cost per B of Q 2021	£ 104,657.00
Preliminaries	£ 21,325.00
Contingencies	£ 19,000.00
Net total 2021	£ 145,000.00
Inflation at 12%	£ 17,400.00
Net total 2022	£ 162,400.00
Inflation at 15%	£ 24,360.00
Net total 2023	£ 186,760.00
Fees at 15%	£ 28,014.00
Total net build cost at 2023	£ 214,774.00
VAT at 20%	£ 42,954.80
GRAND TOTAL	£ 257,728.80

Kenneth Ferguson QS amended 28 Feb2023

Funding the Extension

- 1.11. Initial approaches have been made to funders on the matrix below. Most are open to applications from UTCE Ltd., in particular the two local SSE community benefit wind farm funds which cover the area as they have been instrumental in funding earlier stages of the shop's development. The community share offer is planned as the first source of funding as support from the community is always seen as a positive endorsement of a project by other funders. An active fundraising plan will be executed over the next four months or so to ensure funding is in place to start the build works.

Source of Funds	Amount	Status
Community Share Offer 2	£25 – 45,000	Share offer in planning, spring launch with CSS support. Microgrant to support delivery of share offer (£3,242 has been approved)
SSE Clyde Borders Community Fund	£70,000 - £100,000	Discussions underway with Colin McMillan SSE Clyde and Borders. Panel discussion expected in March 2023
Ventient Energy Glenkerie Wind Farm Community Fund	£50,000	Discussions underway with Chris Dempster Foundation Scotland and application process started with a view to bringing to panel in March 2023
CARES funding	tbc	Eligibility being explored for existing shop building
South of Scotland Enterprise Agency	£50,000	Discussions with Katy Jackson re potential SOSE Grant
Loan/debit funding	tbc	Firstport has been approached
Scottish Borders Council - Community Grant	£7,500	Shop relocation costs to Village Hall

Community Share Offer

1.12. UTCE Ltd. issued 2,656 shares at £25 each (£66,400) during its initial share offer and there has been one withdrawal to date on account of someone leaving the area. A second community share offer is planned to raise some of the funding for the extension works and initial soundings at the recent Annual Members Meeting (15 September 2022) suggest that there is interest in and willingness for further investment with approximately £9,000 in pledges so far. The intention is to launch the share offer in Spring 2023 and run it for six weeks. The minimum target for the offer is £25,000, with the main target £35,000 and the stretch target £45,000. Shares will cost £25 as in the previous offer with options for new investors to join the offer and existing shareholders to top up their holdings. There is no plan to pay interest on current share holdings but this will continue to be reviewed following the shop extension.

1.13. This plan goes on to explain the financial position and the business case for the investment.

2. Financial History

- 2.1. Broughton Village Store began trading as a “new” business in June 2019 after the building was bought by the community and “freshened up” to enable trading to start. The building was bought for £80,000 with grant assistance from Scottish Land Fund (£66,500) and Ventient Energy Glenkerie Community Wind Farm (£10,000) and it is the opinion of the UTCE Ltd. Board that the heritable property owned exceeds £70,000.

Trading History

- 2.2. The trading figures for the last three years show that the shop has traded well although it is worth noting that the end of the financial year was changed to March in year 2 meaning that this year represents 5 quarters of trading so is not directly comparable. Sales increased considerably during the lockdown period (March 20 – March 21) with sales and costs approximately comparable by quarter over the period.

Broughton Village Store				
Trading History 2019 - 2022				
	Year 1		Year 2	
	21 Jun 19- 31 Dec19	1 Jan 20- 31 Mar21	Year 3	
			31 Mar 21 -31 Mar 22	
SALES	£ 108,381.00	£ 453,641.00	£ 380,933.00	
COST OF SALES				
Opening stock	£ -	£ 8,397.00	£ 23,443.00	
Purchases	£ 93,280.00	£ 344,189.00	£ 287,987.00	
Closing stock	£ 8,397.00	£ 23,443.00	£ 27,636.00	
	£ 84,883.00	£ 329,143.00	£ 283,794.00	
GROSS PROFIT	£ 23,497.00	£ 124,498.00	£ 97,139.00	
ADMINISTRATIVE EXPENSES				
All including staff	£ 50,555.00	£ 117,459.00	£ 98,537.00	
NET PROFIT	-£ 27,057.00	£ 7,039.00	-£ 1,398.00	
OTHER OPERATING INCOME				
Revenue grants	£ 10,897.00	£ 22,500.00	£ -	
Welfare Fund donations	£ 20.00	£ 4,925.00	£ 1,910.00	
Bank compensation	£ 280.00	£ -	£ -	
Total	£ 11,197.00	£ 27,425.00	£ 1,910.00	
OPERATING PROFIT/LOSS	-£ 15,860.00	£ 34,464.00	£ 512.00	
Taxation	£ -	£ 2,368.00	£ 90.00	
RETAINED PROFIT FOR PERIOD	-£ 15,860.00	£ 32,096.00	£ 422.00	
Trading began on 22 June 2019				
The Society holds heritable property in excess of £70,000				
UTCE/TradingSum19-22V2.2				

Points of note on the 21- 22 Trading figures include:

- Total sales were £380,000
- Cost of sales were £287,000
- Stock levels have slightly risen from £23,000 to £27,000
- Gross profit was £97,000
- Expenditure (salaries and admin expenses) total £98,000
- Donations of £2,000 have been received
- Net profit after tax is £422

2.3. Balance Sheet

Broughton Village Store			
Balance Sheet 2019 - 2022	Year 1	Year 2	Year 3
	21 Jun19- 31 Dec19	1 Jan 20- 31 Mar21	31 Mar 21 -31 Mar 22
FIXED ASSETS			
Tangible Assets	£ 6,834.00	£ 10,291.00	£ 9,383.00
CURRENT ASSETS			
Stock	£ 8,397.00	£ 23,443.00	£ 27,636.00
Debtors	£ 2,500.00	£ 2,765.00	£ 3,500.00
Cash in hand at bank	£ 39,290.00	£ 101,306.00	£ 85,187.00
CREDITORS: amounts falling after one year	£ 6,481.00	£ 28,169.00	£ 21,039.00
NET CURRENT ASSETS	£ 43,706.00	£ 99,345.00	£ 95,275.00
	£ 50,540.00	£ 109,636.00	£ 104,658.00
CREDITORS: amounts falling after more than one year	£ -	£ 27,000.00	£ 21,600.00
NET ASSETS	£ 50,540.00	£ 82,636.00	£ 83,058.00
Financed by:			
CAPITAL AND RESERVES			
Called up share capital	£ 66,400.00	£ 66,400.00	£ 66,400.00
Profit and Loss	-£ 15,860.00	£ 16,236.00	£ 16,585.00
SHAREHOLDER'S FUNDS	£ 50,540.00	£ 82,636.00	£ 83,058.00
UTCE/BalSheet19-22V2.2			

2.4. Sales gradually increased during the first eight months of trading, but the arrival of Covid changed the profile of the shop dramatically with monthly trading increasing from an average of around £19,000 to £37,000, a virtual doubling of turnover which has largely been sustained and is currently averaging £31k per month. Cost of sales remains an important factor and these have seen an increase over the last 6 months.

2.5. Full Financial Projections going forward can be found in Section 6 of this plan.

3. Community Benefit

3.1. The closure of the store in Broughton meant that there were NO shops left in the village and that people needed to travel to Biggar 5.5 miles away to access a supermarket or a bank. The next closest centre of population and a local supermarket was Peebles 13 miles away or Moffat 23 miles to the south. Anecdotal evidence suggested also that Eildon Housing Association had experienced difficulty in letting houses in the village since the closure of the shop and that the period without a shop may have had a negative effect on house prices due to reduced amenity. Bringing jobs to the area was deemed important to those living there.

3.2. The original vision for Broughton Village Store was in five years to be:

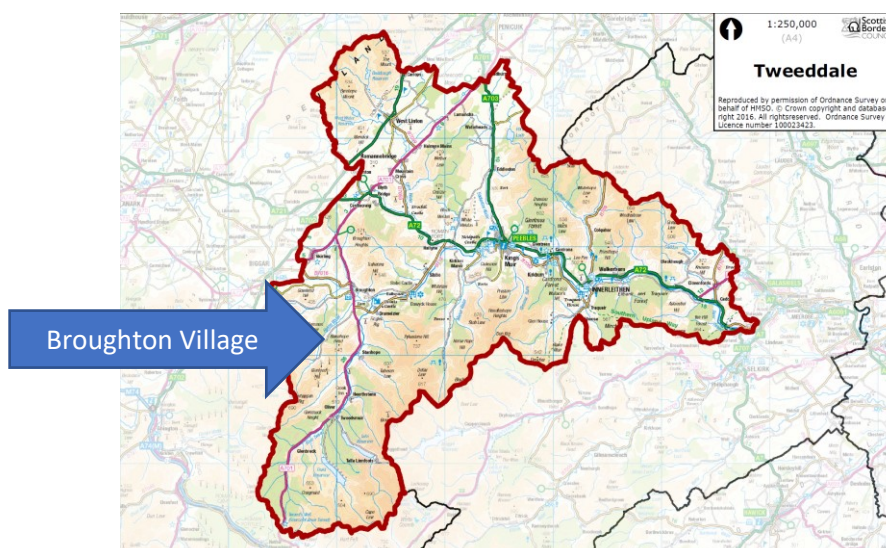
- Anchored in the community, a thriving and sustainable, licensed, retail business providing local services, fresh food and employment
- A social hub, meeting point and focus for community involvement of all residents providing them with the groceries and services they need. A place where children, teenagers, parents, grandparents, visitors and passers-by are all welcomed
- It would be well stocked with local produce (particularly fresh fruit and vegetables) and beer¹, wines and spirits attracting shoppers from further afield to make it a successful and profitable business
- A local employer with a paid manager, staff and a team of well-trained volunteers which also provides work experience, particularly for young people and those returning to the labour market
- It will be open for longer hours in the summer months
- Add to a sense of pride in the village with other communities seeking to create similar ventures!

Much of this vision has been achieved in the first three years of community ownership and the planned extension is intended to build on this and safeguard it for the future.

3.3. The mission was **“to carry on business for the benefit of the Upper Tweed community by providing retail services and any other service that may be of social benefit to that community.”**

3.4. The community is defined as Upper Tweed including the community council areas of Tweedsmuir Community Council, Upper Tweed Community Council, Skirling Community Council and the area around Stobo defined by the postcodes EH45 8NU (Stobo and Easter Dawyck), EH45 8NX Stobo Home Farm and Dawyck Mill), EH45 9JU (Bellspool, Alterstone and Dawyck Botanics).

¹ From the local village brewery <https://broughtonales.co.uk/>



- 3.5. Sales at the shop, particularly during lockdown, suggest that trading is still very steady and that it has been responsive to local needs in terms of what people want to buy. Plans for the future and increased retail space include more dried or refillable goods as people move to more sustainable, plastic free shopping.
- 3.6. UTCE Ltd. bought a vehicle to enable purchase of goods at cash and carry hence larger stock and reduced delivery costs. This has also enabled delivery of shopping to those in remote parts of the community and those who are not able to come to the shop on account of illness or self-isolation.
- 3.7. Feedback from the community ... a survey of shop users is currently underway and initial feedback suggests that 100% of respondents regard the shop as very important in the local community, three quarters of them use it 2 or 3 times a week, finding it convenient and handy. All like shopping local as it save petrol travelling elsewhere. With over 3,000 customers in January 2023 it is regarded as vital to the community.

4. Governance

Community Benefit Society

- 4.1. Upper Tweed Community Enterprise Limited (UTCE Ltd.) was registered as a Community Benefit Society, established under the Co-operative and Community Benefit Societies Act 2014, on 21 December 2018 and has the FCA registration number 7979. One change has been made to the Rules since registration and that is to change to year end date from end December to end March. Further changes have been made to the Rules bringing them up to date with current Plunkett Foundation Rules and these were the subject of an Extraordinary Members Meeting (EMM) in February 2023. NB UTCE Ltd Rules were originally based on Plunkett Rules but these have been updated since registration with the FCA.

The Board

- 4.2. The Community Benefit Society is run by an experienced Board of Directors, many of whom have been volunteers since the original Broughton Shop Development Group was set up to try to save the old shop. This group went on to campaign and buy the shop on behalf of the local community. The Board is made up of:

Christopher Lambton (Chair)
Donald Stewart (Treasurer)
Simon N Edwards (Secretary)
Camilla Younger
Bill Sheridan
Jen McBeth

It is comprised of six active members who are able to meet regularly to monitor and manage the operation of the shop. The board is elected annually at the Annual Members Meeting and everyone has an active role in relation to progressing UTCE Ltd. and its plans. **Biographical details of all board members can be found in appendix 8.3.**

- 4.3. The Board comprises a wide range of skills with key strengths in **customer care** skills and knowledge, **marketing** and **administration** also feature strongly as do **energy** and **enthusiasm**. Several board members have owned and **run local businesses** (Laurel Bank Tea Room) while others have **project management skills** and a recent addition has **building management skills**. At least four board members have been involved in **developing volunteers**, **IT** and **media and PR** including one with significant **journalism** and **broadcasting experience**. **Finance** skills are strong with a former banker as treasurer and several with **fundraising experience**. A number are involved in the Community Council and other grant giving bodies and most Board members are retired and are able to give their time to support the shop and other local ventures.

Members and Member Benefits

- 4.4. UTCE Ltd. has 250 members who live in the local community and many use the shop regularly. Members are kept up to date with UTCE Ltd. developments via a comprehensive [website](#), an active Facebook page – [Broughton Village Shop](#) with 852

followers and regular newsletters. An annual members meeting is held each year in the Broughton Village Hall where updates are shared and the new plans for the temporary relocation of the shop and the build plans were shared (15 September 2022).

4.5. Member benefits are:

- A voice in the society – all members, regardless of shareholding, have one vote in matters pertaining to the future of the society (which manages the shop)
- Access to information about the operation and plans of UTCE Ltd
- The opportunity to be elected to a representative role in its governance
- Facebook page and website to show support and share information on matters pertaining to the village
- A regular newsletter about the shop/society and what's going on
- Invitation to shop "events", tastings, promotions etc
- Special and periodic discounts as available

These benefits are enshrined in our "Rules" which are available on our [website](#).

Initial Share Holding Interest Rates

- 4.6. The share offer raised equity (funds) to help with the initial establishment of the shop and a share offer document outlined the detail of plans and how the money would be spent. Shares priced at £25 each were available with people able to buy between 1 and 120 shares i.e. a maximum share-holding of £3,000. It is possible that interest could be paid on each share-holding (capped at 2% above Bank of England base) but UTCE Ltd. is keen to manage shareholder expectations in this regard in that no interest will be paid in the first five years of operation and after that any decision on interest payment will be at the discretion of future management committees. **Buying of shares in Upper Tweed Community Enterprise Ltd should be seen as a social investment in the future of the community, enabling a much-needed service to be retained for wider community benefit rather than a means of realising financial return.**

Share liquidity

- 4.7. The "Rules" of UTCE Ltd. give full details of the terms and conditions under which shares may be withdrawn from the company, these can be summarised as:
- Shares must have been held for a minimum of 3 years
 - 3 months' notice should be given of intent to withdraw share capital
 - Withdrawal of shares must be funded from trading profits, reserves or new share capital raised from Members

It is unlikely that UTCE Ltd. will be in a position to repay shares (except on death) for the first five years but the society will aim to make between 5 and 10% of share capital available each year after year 5 provided this doesn't compromise the shop operation. *(In the three years since the organisation was established, three shareholders have sadly passed away and one has withdrawn shares as a result of leaving the area.)*

Organisational Structure

- 4.8. The organisational structure for UTCE Ltd. is very simple with the six elected Board members meeting monthly to manage the shop operation and oversee plans for the extension of the premises. Each Board member has a role in the operation with the shop manager looking after volunteers.

Staffing

- 4.9. The shop is managed by a full-time paid shop manager – Jen Mcbeth who has five part time staff working with her together with volunteers in the shop. The shop staff all work part time with hours ranging from 30 per week to 6.5 hrs on a weekend day. Each has a particular role and local volunteers help out occasionally as required. The shop is keen to recruit more regular volunteers.

5. Business Growth Plan

Strategy

- 5.1. UTCE Ltd. grew out of a response to the closure of the last village shop in Broughton village, one of the most sparsely populated areas of the Scottish Borders. In 2018, the then shop owner decided to sell the shop and closed it forthwith leaving the people in the village nowhere to buy milk, newspapers and other groceries. Broughton Shop Development Group (BSDG) was set up in response to this and 200 people attended a meeting which agreed to try to do something about this – they decided to try to buy the shop for the community and run it themselves. They learned about community owned shops via the Plunkett Foundation, got advice about how communities could buy buildings and land (from the Scottish Land Fund) and how community share offers worked (Community Shares Scotland) and they set about doing this. BSDG became a ben com or Community Benefit Society – Upper Tweed Community Enterprise Limited– looking to the future but trading as Broughton Village Store.
- 5.2. In early 2019 a successful Scottish Land Fund application and community share offer had raised sufficient cash for the new UTCE Ltd. to buy the shop as it stood. The building is a former cottage on the main street of the village which had been primitively extended over the years to add a back shop area, make shift toilet and various outbuildings on many levels, due to the steeply banked land at the back of the shop. The shop has no insulation and very basic wiring and has yet to address Zero Carbon issues in relation to “greening” the operation. The combination of issues from concern for the welfare and well-being of staff on the steps outside, inadequate toilet facilities, no proper office and poor stock storage facilities, saw UTCE Ltd. Board and Members agree at their Annual Members Meeting on 15 September 2022 that they would progress with plans to upgrade the rear of the shop to make the building fit for purpose and the future as well as looking after staff.
- 5.3. Extending the shop to the rear is a complex matter but there are no other options as it gives straight onto the main street at the front and has cottages on both sides which are occupied. It requires to be cleared from the rear and agreements in principle permissions have been reached with four local land owners and the neighbouring farmer to access their land to enable this. Works are expected to take about six months and it is proposed to relocate the shop to Broughton Village Hall Cottage during the works. The cottage will be adapted for the purpose and funding has been secured from SSE Clyde Borders Community Fund (£41,000) to enable this.
- 5.4. Apart from the commercial imperative to increase retail space it is considered vital to address staff safety issues as soon as possible and whilst the significant cost of approximately £250,000 seems like a large investment it will, by expanding, modernising and upgrading secure the future of the village store going forward together with local jobs and services in a remote and rural part of the Scottish Borders.

Market Analysis

- 5.5. As has been evidenced from the trading history, Broughton Village Store is a viable and well-run village store turning over around £31,000 per month and providing local

employment. According to research by the Plunkett Foundation community shops provide much more than just shopping opportunities²

Plunkett Foundation has been monitoring the success and usage of community shops for many years. Here are just some of the latest statistics (taken from Plunkett's **Better Business 2018** Community Shops report):

With an estimated 300-400 village shops closing every year, community ownership is helping to preserve vital outlets and services for rural communities. **The past five years have seen an average of 13 shops open under community ownership per year.**

Community shops particularly **benefit those who are disadvantaged** by lack of personal transport, limited physical mobility, and those seeking employment or volunteer opportunities.

Community shops **engage large numbers of the community** and stimulate social activity and community cohesion: they typically involve **177 members, 7 directors, 30 volunteers, and 4 staff.**

They have a positive impact on the **local economy**; they have average turnovers of **£162,000**, support local producers and suppliers and create employment.

Community shops become **community hubs** because they are usually the only retail outlet within a 4 mile radius, they have long opening hours, and they host other services: **59% host post offices, 43% have cafés, 48% offer home delivery, and 18% offer a prescription collection service.**

In addition to sourcing **local food with lower food miles**, community shops save rural residents car journeys to alternative food stores, **saving on average an 8 mile round trip.** Community shops collectively are estimated to **save 4 million miles of car journeys** a year.

Community shops are resilient forms of business – the **long-term success rate** of community shops is **94%** (by 2017, only 24 have closed since records began in 1992), and the five-year **survival rate** is **94%** compared to the estimated small business UK rate of 41%.

Community shops are often a **lifeline** to many other nearby settlements, and on average, **provide services** to between **three and four additional villages.** Therefore, an estimated **1,400 rural communities** are benefiting from the **346 community shops** currently trading across the UK.



It is safe to say that Broughton Village store ticks many of the boxes above and provides a local lifeline in a rural community also providing for those unable to leave their homes and those struggling to pay for food during the current cost of living crisis.

Temporary Shop Relocation - Operational Impact

5.6. As indicated above necessary improvements to the shop require it to be vacated during work and plans have been made for temporary relocation to the Village Hall Cottage – which interestingly, was one of the original options considered for a shop when the initial feasibility study was carried out. The Cottage has been empty for a

² [How to set up a Community Shop. The Plunkett Foundation.](#)

number of years and so bringing it back into use – even temporarily as the shop – could bring longer term benefits for its use by the community. The alterations will enhance the facilities offered by the Village Hall, which lacks a convenient sized meeting room, and thus be of lasting benefit to the wider community

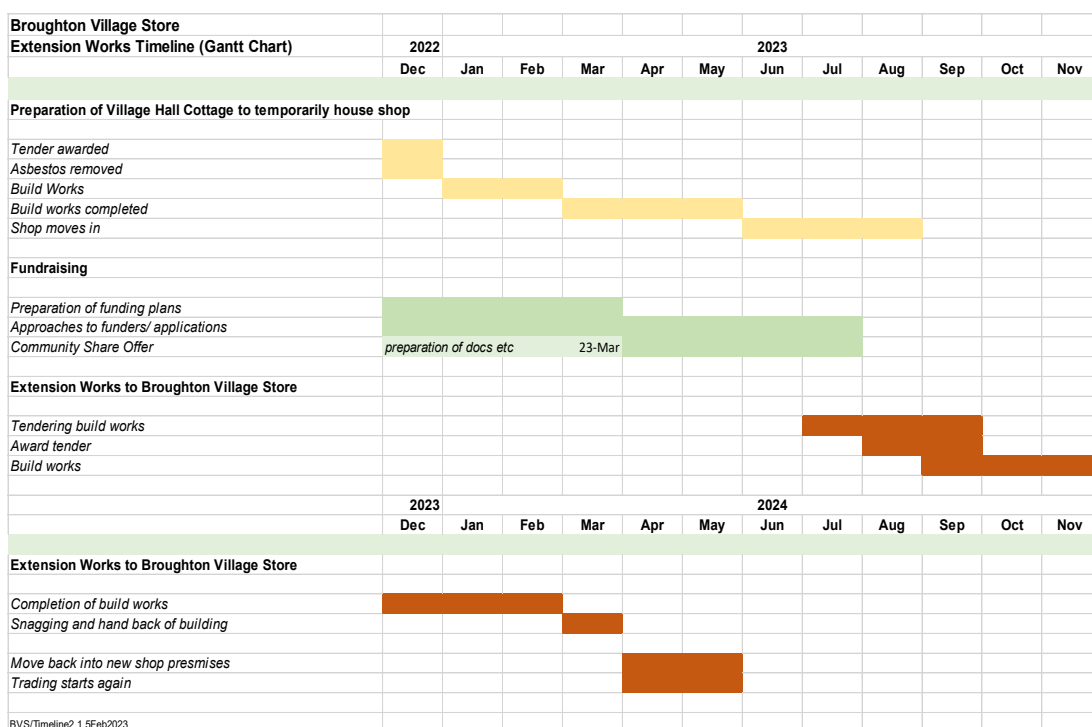
5.7. There will be disruption to trading while stock etc is moved to the new site across the road and an advertising campaign is in planning to make shop users who pass through the village aware of this change. Road side advertising leading into the village from both ends is being supported by local farmers keen to have their land used and advertising boards will be funded as part of the Microgrant available from Community Shares Scotland. The number of trading lines will also be reduced as will the space to hold stock so it is anticipated that turnover will reduce during this period. See financial projections for more on this.

5.8. It is anticipated that once the new shop is completed – February 2024 – it will move back into the shop space and benefit from increased retail space, improved staff safety and conditions (toilet, office and no dangerous steps) and a greener more efficient space to trade from going forward. It is anticipated that trading will be returned to current levels within a year or so of renovation works.

5.9. The UTCE Ltd. Board has a wide range of experience in project and build management which they bring to managing the works and Bill Sheridan, a recent addition to the Board is co-ordinating these works on behalf of the Board, which in turn reports regularly to shop staff and Members. A team including an architect, engineer and a quantity surveyor have been employed to draw up the plans and secure Planning Permission and Building Warrant.

5.10. **Timeline**

The Gantt chart below give an indicative timeline for the works to be delivered.



6. Financial Projections

6.1. This section presents the capital and revenue projections for the planned works to Broughton Village Store, describing the investment to be made and the returns to the business as a result.

6.2. Capital Expenditure Plan –Village Hall Cottage

<u>BUDGET FOR ALTERATIONS TO HALL COTTAGE ONLY</u>	
Building Warrant drawings (Icosis)	£3,000
SBC Warrant fee	£750
Engineering input (David Narro)	£1,850
Certification	£35
Indicative costing (QS: Kenneth Ferguson)	£400
Tender documents (QS)	£1,200
Post contract services (QS)	£1,200
Travel (QS)	£20
Building condition survey (Cademuir)	£600
PPE	£25
Cost of building work (QS est)	£21,000
Professional fees during work 20% of above	£4,200
subtotal	£34,280
contingency 20%	£6,856
GRAND TOTAL	£41,136

Funding of £41,136 has been secured against this from SSE Clyde Borders Community Fund with possibility of a small top up to be advised. Current shortfall anticipated at £9,796.

6.3. Capital expenditure Plan – Shop Extension Works

Item	Cost
Build cost per B of Q 2021	£ 104,657.00
Preliminaries	£ 21,325.00
Contingencies	£ 19,000.00
Net total 2021	£ 145,000.00
Inflation at 12%	£ 17,400.00
Net total 2022	£ 162,400.00
Inflation at 15%	£ 24,360.00
Net total 2023	£ 186,760.00
Fees at 15%	£ 28,014.00
Total net build cost at 2023	£ 214,774.00
VAT at 20%	£ 42,954.80
GRAND TOTAL	£ 257,728.80

Kenneth Ferguson QS amended 28 Feb2023

6.4. **Relocation of shop to Village Hall** – The Board expects considerable volunteer support during the relocation and no significant expenditure, on the understanding that the hall cottage has been decorated and floored and equipped with shelves. A Scottish Borders Council Community Grant is being considered to help with this.

6.5. **Funding mix** –Approximately £215,000 of funding to support the works has been identified so far and work is underway making funding applications and negotiating these funds. No funding is fully confirmed but it is anticipated that by spring 2023 the first pots of Capital for the extension works will be secured and the community share offer will be launched on 23 March 2023 running for 8 weeks with minimum share sales target of £25,000.

6.6. Cashflow and Profit and Loss Forecast

Cashflow and Profit and Loss projections have been prepared for the next two years of operation over the transition arrangements and into the next phase of operation.

Cashflow April 2022 – March 2023

Broughton Shop													
Cash Flow - 1 April 2022 to 31 March 2023													
	April to October 2022 are accurate Mgt Accounts						Projections from Jan 23 onwards						
CASH FLOW	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£
INCOME													
Sales (Net of vat)	30,633	33,454	33,344	36,171	39,167	33,153	34,232	32,456	37,401	30,000	30,000	31,000	401,011
Shareholder funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-	-	-
Welfare Fund donations	-	-	-	-	-	-	-	-	-	100	100	150	350
Misc	-	-	1,305	34	709	32	146	137	-	175	175	200	2,913
TOTAL INCOME	30,633	33,454	34,649	36,205	39,876	33,185	34,378	32,593	37,401	30,275	30,275	31,350	404,274
Cost of Sales													
Booker	-	235	-	727	573	1,567	1,046	-	614	500	100	150	5,156
Costco	251	166	-	-	166	-	149	465	-	-	100	100	1,306
Clarks	427	94	122	-	439	30	875	846	414	-	250	250	3,497
James Chapman	622	815	590	1,324	899	1,083	1,295	596	950	1,200	800	900	10,356
Batleys	7,600	11,178	8,570	10,467	9,152	5,638	7,426	7,044	9,111	7,500	6,500	7,000	90,903
Menzies	1,803	1,507	984	1,667	1,420	1,567	1,440	1,906	1,516	1,150	1,250	1,200	16,282
Camelot	394	915	327	1,125	656	703	423	928	575	500	600	550	7,198
Grahams Milk	1,373	1,080	1,325	1,326	1,392	1,846	1,463	1,553	2,034	1,300	1,200	1,200	15,981
Marchbanks	-	1,833	772	878	823	1,108	797	618	913	500	1,000	1,050	9,629
Makro	-	253	929	-	1,042	507	-	-	-	-	500	750	3,730
Broughton Ales	437	188	202	231	476	86	404	-	-	350	250	300	2,737
Tweed Valley Venison	523	369	386	572	402	566	417	-	1,295	400	350	350	5,264
Villeneuve Wines	200	647	727	564	1,060	861	590	628	1,619	500	600	650	8,082
Walkers Shortbread	124	-	-	-	-	204	-	298	-	-	-	-	585
Taylor's Biggar	347	-	-	591	340	-	130	191	-	-	-	-	1,496
Anderson Wholesale	-	-	149	-	-	-	-	-	-	-	-	-	139
Greencity	549	-	829	275	613	443	492	381	253	-	200	350	4,102
The Flower Bank	120	-	-	-	112	-	-	-	-	-	-	-	218
Harrisons	242	-	-	-	-	-	-	-	-	-	-	-	227
Suppliers paid in cash	7,837	7,966	8,303	9,631	9,621	9,422	7,957	7,494	8,471	6,500	7,000	7,500	91,577
Small/Misc Suppliers	210	1,190	-	-	177	1,224	522	952	1,243	-	150	100	5,393
Total Cost of Sales (less percentage vat on sales for the month)	21,675	26,730	22,641	27,488	27,730	25,244	23,646	22,227	26,977	19,074	19,391	21,056	283,860
	8,958	6,724	12,008	8,737	12,146	7,941	10,732	10,366	10,424	11,201	10,885	10,294	120,414
VAT estimate	0.940	0.940	0.935	0.935	0.938	0.940	0.930	0.930	0.930	0.935	0.930	0.940	
EXPENDITURE													
Cap-ex	-	-	-	-	-	-	-	-	-	-	-	-	-
Wages	5,530	6,017	7,140	5,776	6,508	7,192	5,566	5,714	6,691	6,250	6,350	7,180	75,914
Tax	716	1,539	-	604	599	309	573	442	834	560	580	765	7,521
Pensions	161	173	233	317	213	256	298	229	249	180	190	245	2,764
Insurance	109	109	109	109	109	132	154	156	156	215	215	215	1,788
Property maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Heat & light	481	148	669	587	638	684	639	569	613	850	850	825	7,553
Telephone	73	73	73	73	73	73	73	73	73	73	73	73	876
Marketing Branding	-	-	-	-	-	-	-	-	-	-	-	-	-
Audit & accountancy	-	-	-	-	-	-	-	-	-	-	-	-	-
Business Stream/Water	38	38	41	41	41	41	284	41	41	41	41	41	729
FDMS Service Chg	270	241	333	274	301	352	270	291	270	280	285	290	3,457
Paymentsense	66	67	67	67	67	67	67	67	67	67	67	67	803
Refuse Collection	-	-	32	-	32	-	32	-	-	32	32	32	192
Van expenses	361	53	75	-	-	860	-	-	-	90	90	250	1,779
Misc	250	1	390	870	1,090	88	23	3	3	280	295	250	3,543
BBL Repayments	502	508	505	499	507	501	502	501	497	503	505	499	6,029
Shire Leasing - Coffee Machine	-	301	127	151	151	151	151	127	127	151	151	151	1,739
VAT Paid out	642	-	-	-	-	-	9	-	-	800	-	-	1,451
IAT - Grant Monies / BBL to Treasurers acco	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE	9,219	9,268	9,794	9,366	10,329	10,706	8,641	8,213	9,621	10,372	9,724	10,883	116,138
Gross Income less Expenditure	-261	-2,544	2,214	-631	1,817	-2,765	2,091	2,153	803	829	1,161	-589	4,276

Profit and Loss to March 2022

Broughton Shop							
Actual & Projected Year End to 31 March 2023 - P&L							
		£	£				
INCOME							
Sales/Work done			401,011				
Shareholder Funds			0				
Grants - income related			0				
Donations			350				
Misc			2,913				
Total Income			404,274				
COST OF SALES							
Opening stock		27,636					
Purchases for resale/stock		283,860					
Closing stock		29,000					
GROSS PROFIT			121,778				
EXPENSES							
			116,138				
			0				
NET PROFIT/LOSS			5,640				
(Net Profit of £5,640 is £1,364 more than the gross income less expenditure total which is due to stock levels increasing by £1,364)							

Balance Sheet to March 2022

Broughton Shop							
Projected Balance Sheet End 31 March 2023							
							£
FIXED ASSETS							
Property							3,500
Motor Vehicle - van							1,723
Fittings and Equipment							2,682
							7,905
CURRENT ASSETS							
Debtors							0
Stock							29,000
Bank and cash							60,000
							89,000
(Estimated - shop trading account £10K; Treasurers account £13K (net balance after circa £35K paid for hall cottage refurbishment costs; Shareholders account - £37K - assumes no funds yet from 2nd shareholder application - expected to be offered to new shareholders end Mar 23)							
CURRENT LIABILITIES - Amounts falling due within one year							
Trade Creditors							3,000
Corporation Tax							1,367
Bank Loan (12mths BBL Payments)							5,400
VAT, PAYE & NI							1,500
Sundry Creditors and Accruals							13,000
							24,267
NET CURRENT ASSETS							64,733
LONG TERM LIABILITIES - Amounts falling due after more than one year							
Bounce Back Loan							16,200
							16,200
NET ASSETS							48,533

Cashflow April 2023 – March 2024

Broughton Shop														
Cash Flow - 1 April 2023 to 31 March 2024														
CASH FLOW	Apr	May	Jun	Jul	Aug	Build on shop starts			Nov	Dec	Jan	Move back to new/enlarged shop		TOTAL
	£	£	£	£	£	Sep	Oct	£	£	£	£	£	£	£
INCOME														
Sales (Net of vat)	33,000	33,500	34,000	35,000	36,000	35,000	33,000	34,000	35,000	29,000	32,000	37,000	406,500	
Shareholder funds	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	
Donation	-	-	-	-	-	-	-	-	-	-	-	-	-	
Welfare Fund donations	150	150	150	160	-	150	-	200	250	150	-	-	1,360	
Misc	200	200	200	225	230	200	205	210	215	220	175	200	2,480	
TOTAL INCOME	33,350	33,850	34,350	35,385	36,230	35,350	33,205	34,410	35,465	29,370	32,175	37,200	410,340	
Cost of Sales														
Booker	200	225	-	-	500	200	-	100	300	-	-	150	1,570	
Costco	150	155	-	150	160	100	150	100	200	150	100	100	1,417	
Clarks	250	100	100	150	250	150	-	700	300	-	200	250	2,289	
James Chapman	700	800	810	810	900	950	900	1,000	1,200	900	900	1,000	10,163	
Batleys	7,000	7,500	8,500	9,000	9,100	9,500	9,800	10,300	8,900	7,000	8,000	8,500	96,403	
Menzies	1,200	1,300	100	1,500	1,300	1,300	1,400	1,450	1,200	1,250	1,300	1,400	13,748	
Camelot	550	600	680	1,200	700	650	800	780	1,000	600	650	680	8,311	
Grahams Milk	1,400	1,100	1,350	1,400	1,500	1,600	1,650	1,600	1,800	1,400	1,500	1,500	16,643	
Marchbanks	1,100	1,150	1,000	1,050	1,100	1,150	1,180	1,180	1,350	750	1,200	1,350	12,653	
Makro	800	-	900	-	1,100	650	650	600	500	-	650	800	6,220	
Broughton Ales	450	425	450	450	500	600	550	600	650	500	500	500	5,774	
Tweed Valley Venison	450	500	500	550	500	525	575	600	750	400	450	400	5,796	
Villneuve Wines	450	460	460	470	500	600	610	850	1,000	500	800	700	6,915	
Walkers Shortbread	150	-	-	-	-	-	-	600	-	-	-	-	699	
Taylor's of Biggar	375	-	350	300	400	-	-	-	200	-	-	-	1,521	
Anderson Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	
Greencity	600	-	700	-	550	300	-	650	200	-	150	350	3,275	
The Flower Bank	150	-	-	-	100	-	-	-	250	-	-	-	467	
Harrisons	-	-	-	-	-	-	-	-	-	-	-	-	-	
Suppliers paid in cash	6,500	7,000	7,200	8,000	8,500	8,500	8,600	8,000	7,500	5,500	7,000	7,500	83,981	
Small/Misc Suppliers	150	200	250	150	175	250	200	250	200	200	150	200	2,221	
Total Cost of Sales (less percentage vat on sales for the month)	21,268	20,224	21,832	23,543	26,109	25,404	25,143	27,305	25,575	17,905	21,902	23,857	280,066	
VAT estimate	12,083	13,626	12,518	11,842	10,121	9,947	8,062	7,105	9,890	11,465	10,274	13,343	130,274	
EXPENDITURE	0.940	0.940	0.935	0.935	0.938	0.940	0.930	0.930	0.930	0.935	0.930	0.940		
Cap-ex	-	-	-	-	-	-	-	-	-	-	-	-	-	
Wages	6,200	6,300	7,100	6,300	7,500	7,750	7,150	6,500	7,100	6,500	8,000	7,500	83,900	
Tax	570	580	750	580	590	750	585	590	760	600	610	650	7,615	
Pensions	250	200	225	265	240	250	200	195	250	210	215	260	2,760	
Insurance	109	109	109	109	109	109	210	210	210	215	215	215	1,929	
Property maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	
Heat & light	825	800	790	750	760	780	700	700	800	850	400	400	8,555	
Telephone	73	73	73	73	73	73	350	73	73	73	73	73	1,153	
Marketing Branding	-	-	-	-	-	-	-	-	-	-	-	-	-	
Audit & accountancy	-	-	-	-	-	2,500	-	-	-	-	-	-	2,500	
Business Stream/Water	41	41	45	45	45	45	45	45	45	45	45	45	532	
FDMS Service Chg	285	290	295	300	305	280	600	280	290	330	280	310	3,845	
Paymentsense	67	67	67	75	75	75	75	75	75	75	75	75	876	
Refuse Collection	32	32	32	35	35	35	35	38	38	38	38	38	426	
Van expenses	300	75	80	80	80	85	250	80	90	90	95	90	1,395	
Misc	200	250	180	190	200	210	150	180	200	250	300	250	2,560	
BBL Repayments	503	507	506	501	506	500	500	505	503	504	504	501	6,040	
Shire Leasing - Coffee Machine	151	153	151	151	151	151	151	151	151	151	151	151	1,814	
VAT Paid out	650	-	-	-	-	-	500	-	-	700	-	-	1,850	
IAT - Grant Monies / BBL to Treasurers acco	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURE	10,256	9,477	10,403	9,454	10,669	13,593	11,501	9,622	10,585	10,631	11,001	10,558	127,750	
Gross Income less Expenditure	1,827	4,149	2,115	2,388	-548	-3,647	-3,439	-2,517	-695	834	-728	2,785	2,524	

Profit and Loss to March 2023

Broughton Shop			
Actual & Projected Year End to 31 March 2024 - P&L			
		£	£
INCOME			
Sales/Work done			406,500
Shareholder Funds			0
Grants - income related			0
Donations			1,360
Misc			2,480
Total Income			410,340
COST OF SALES			
Opening stock		29,000	
Purchases for resale/stock		280,066	
Closing stock		40,000	
<i>(Expect to be back in extended shop hence more stock / stock levels increasing throughout next 12mths)</i>			
GROSS PROFIT			141,274
EXPENSES			
			127750
			0
NET PROFIT/LOSS			13,524
<i>(Net Profit of £13,524 which is £11,000 more than the gross income less expenditure total which is due to stock levels increasing by £11,000)</i>			

Balance Sheet to March 2023

Broughton Shop	
Projected Balance Sheet End 31 March 2024	
	£
FIXED ASSETS	
Property	3,500
Motor Vehicle - van	287
Fittings and Equipment	1,682
	5,469
<i>Will look to revalue shop once redevelopment completed in financial year 2024-2025</i>	
CURRENT ASSETS	
Debtors	0
Stock	40,000
Bank and cash	75,000
	115,000
<i>(Estimated - shop trading account £15K; Treasurers account £10K; Shareholders account - £50K)</i>	
CURRENT LIABILITIES - Amounts falling due within one year	
Trade Creditors	4,000
Corporation Tax	2,436
Bank Loan (12mths BBL Payments)	5,400
VAT, PAYE & NI	2,000
Sundry Creditors and Accruals	15,000
	28,836
NET CURRENT ASSETS	86,164
LONG TERM LIABILITIES - Amounts falling due after more than one year	
Bounce Back Loan	10,800
	10,800
NET ASSETS	75,364

Cashflow April 2024 – March 2025

Broughton Shop													
Cash Flow - 1 April 2024 to 31 March 2025													
CASH FLOW	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£
INCOME													
Sales (Net of vat)	37,000	38,000	38,000	39,000	38,000	40,000	42,000	40,000	43,000	35,000	39,500	40,000	469,500
Shareholder funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-	-	-
Welfare Fund donations	100	-	150	100	-	120	-	-	300	150	-	100	1,020
Misc	220	220	180	150	200	150	160	180	220	225	300	150	2,355
TOTAL INCOME	37,320	38,220	38,330	39,250	38,200	40,270	42,160	40,180	43,520	35,375	39,800	40,250	472,875
Cost of Sales													
Booker	250	230	100	-	400	500	-	300	500	-	-	300	2,416
Costco	200	275	200	200	250	200	200	300	200	200	150	200	2,409
Clarks	300	250	200	200	300	150	100	900	600	-	300	250	3,315
James Chapman	1,000	1,100	1,200	1,200	1,250	1,300	1,300	1,350	1,450	1,100	1,150	1,200	13,652
Batleys	8,000	8,200	8,400	9,000	9,500	10,000	9,000	8,500	10,500	8,500	9,500	10,500	102,501
Menzies	1,400	1,450	1,500	1,500	1,600	1,650	1,650	1,500	1,700	1,300	1,300	1,400	16,787
Camelot	680	650	660	800	800	810	850	650	1,200	700	650	850	8,696
Grahams Milk	1,550	1,500	1,600	1,800	1,900	1,800	1,800	1,900	2,000	1,400	1,500	1,700	19,123
Marchbanks	1,350	1,300	1,400	1,450	1,475	1,500	1,550	1,400	1,600	1,200	1,300	1,350	15,781
Makro	900	-	1,000	500	800	-	1,200	1,000	1,500	-	900	950	8,170
Broughton Ales	600	650	600	675	700	700	750	500	800	400	600	650	7,131
Tweed Valley Venison	500	550	500	600	650	675	700	650	800	500	550	600	6,802
Villeneuve Wines	750	600	550	580	600	650	600	750	850	600	800	850	7,649
Walkers Shortbread	300	-	-	-	-	-	-	800	-	-	-	-	1,026
Taylor's Biggar	425	-	500	400	450	-	-	300	250	-	-	-	2,175
Anderson Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-
Greency	800	-	900	-	750	-	500	700	800	-	300	400	4,812
The Flower Bank	-	300	100	200	100	-	200	-	350	-	250	-	1,400
Harrisons	-	-	-	-	-	-	-	-	-	-	-	-	-
Suppliers paid in cash	8,000	9,000	9,500	10,000	10,500	10,000	9,500	10,300	10,500	7,000	9,000	10,500	106,426
Small/Misc Suppliers	250	250	300	250	275	350	300	300	400	300	300	300	3,343
Total Cost of Sales (less percentage vat on sales for the month)	25,620	24,727	27,311	27,447	30,297	28,468	28,086	29,853	33,480	21,692	26,552	30,080	333,612
	11,700	13,493	11,019	11,803	7,903	11,802	14,074	10,327	10,040	13,683	13,249	10,170	139,263
VAT estimate	0.940	0.940	0.935	0.935	0.938	0.940	0.930	0.930	0.930	0.935	0.930	0.940	
EXPENDITURE													
Cap-ex	-	-	-	-	-	-	-	-	-	-	-	-	-
Wages	7,000	7,200	7,500	6,800	6,800	7,200	7,500	7,100	7,500	6,800	7,100	7,500	86,000
Tax	650	660	680	650	660	720	630	650	760	660	720	755	8,195
Pensions	265	220	240	280	245	260	220	205	270	230	245	290	2,970
Insurance	215	215	215	215	215	215	215	235	235	235	235	235	2,680
Property maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Heat & light	425	450	450	450	460	460	460	475	500	500	500	550	5,680
Telephone	73	73	73	73	73	73	73	73	73	73	73	73	876
Marketing Branding	-	-	-	-	-	-	-	-	-	-	-	-	-
Audit & accountancy	-	-	-	-	-	2,500	-	-	-	-	-	-	2,500
Business Stream/Water	45	45	45	45	45	48	48	48	48	48	48	48	561
FDMS Service Chg	310	315	320	335	345	370	390	390	385	390	400	400	4,350
Paymentsense	75	75	75	88	88	88	88	88	88	88	88	88	1,017
Refuse Collection	38	38	38	38	38	38	38	44	44	44	44	44	486
Van expenses	380	90	100	95	100	85	300	100	110	110	105	105	1,680
Misc	300	250	200	220	250	210	200	230	240	260	300	280	2,940
BBL Repayments	503	507	506	501	506	500	500	505	503	504	504	501	6,040
Shire Leasing - Coffee Machine	151	153	151	151	151	151	151	151	151	151	151	151	1,814
VAT Paid out	900	-	-	-	-	-	800	-	-	1,100	-	-	2,800
IAT - Grant Monies / BBL to Treasurers acco	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE	11,330	10,291	10,593	9,941	9,976	12,918	11,613	10,294	10,907	11,193	10,513	11,020	130,589

Profit and Loss to March 2024

Broughton Shop			
Actual & Projected Year End to 31 March 2025 - P&L			
		£	£
INCOME			
Sales/Work done			469,500
Shareholder Funds			0
Grants - income related			0
Donations			1,020
Misc			2,355
Total Income			<u>472,875</u>
COST OF SALES			
Opening stock		40,000	
Purchases for resale/stock		333,612	
Closing stock		48,000	
GROSS PROFIT			<u>147,263</u>
EXPENSES			130589
			0
NET PROFIT/LOSS			16,674
<i>(Net Profit of £16,674 which is £9,000 more than the gross income less expenditure (cashflows) total which is due to stock levels increasing by £8,000)</i>			

Balance Sheet to March 2024

Broughton Shop	
Projected Balance Sheet End 31 March 2025	
	£
FIXED ASSETS	
Property	300,000
Motor Vehicle - van	0
Fittings and Equipment <i>(added in £15K given extended shop premises)</i>	16,682
	316,682
<i>Conservative estimate after revalued given purchase price and development works. To date (Jan 23, accountant advised and as per year-end accounts that we cannot value property at 'market value' as grant funded. However, once extended shop is completed we would loo to value to ensure accounts reflect a more accurate value.</i>	
CURRENT ASSETS	
Debtors	0
Stock	48,000
Bank and cash	75,000
	123,000
<i>(Estimated - shop trading account £15K; Treasurers account £30K; Shareholders account - £40K)</i>	
CURRENT LIABILITIES - Amounts falling due within one year	
Trade Creditors	7,000
Corporation Tax	1,905
Bank Loan (12mths BBL Payments)	5,400
VAT, PAYE & NI	3,000
Sundry Creditors and Accruals	18000
	35,305
NET CURRENT ASSETS	87,695
LONG TERM LIABILITIES - Amounts falling due aftermore than one year	
Bounce Back Loan	5,400
	5,400
NET ASSETS	398,977

6.7. Business Growth – Community Benefits

The planned works to upgrade Broughton Village Store will help protect and ensure the viability of the business from the perspective of enhanced trading space and improved health and safety for staff and customers and it will ensure a move towards Zero Carbon for the business too- so a greening of its credentials. As we have seen earlier Broughton and community of Upper Tweeddale benefit from an excellent local resource providing not only the convenience of local shopping, local employment and a focal point for the village but also an inclusive service which looks out for those in need of a little extra support in terms of finance for food or delivery to their home. This is invaluable in the times in which we live – a caring community caring for its own in a remote and rural setting. Safeguarding this for the future is vital.

- 6.8. UTCE Ltd. has worked closely with the community over the last three years to facilitate the development to date and they have secured specialist professional inputs to advise and inform plans going forward.

7. Risk Analysis

7.1. As with any business there are risks going forward, even without making any changes to the current business format. The uncertain times we live in post-pandemic make planning for any business challenging. The cost-of-living crisis sees the price of goods supplied to the shop increased on a daily basis, the disposable income available to buy food and luxury items will be reduced, further compounded by rising energy costs affecting shoppers spend and the cost of running fridges and freezers in the shop. The risk analysis below endeavours to identify, assess risks and how they may be mitigated.

A scoring system of 1 to 5 has been used to assess the chance and impact of each risk. These are multiplied to give a combined score which then falls into one of three categories – Green 1-10, Amber 11-15 and Red 16-25.

Category	Risk Description	Chance	Impact	Score	Response/Actions
Shop operation/trading	Drop off in trading as a result of cost-of-living crisis and increased energy costs.	2	4	8	Continue to ensure value lines are included in offer to cater for all levels of expenditure. Continue to solicit donations to the welfare fund to support those on limited means.
	Retention of staff due to reduced turnover/income or poor working conditions	2	4	8	Involve staff and volunteers in consultations and development of plans and ensure as much certainty as possible in challenging times.
Transition to temporary shop	Unforeseen build problems once renovation work starts	2	4	8	Sound planning and secure a competent build team. Buy materials ahead, if possible, on cost and

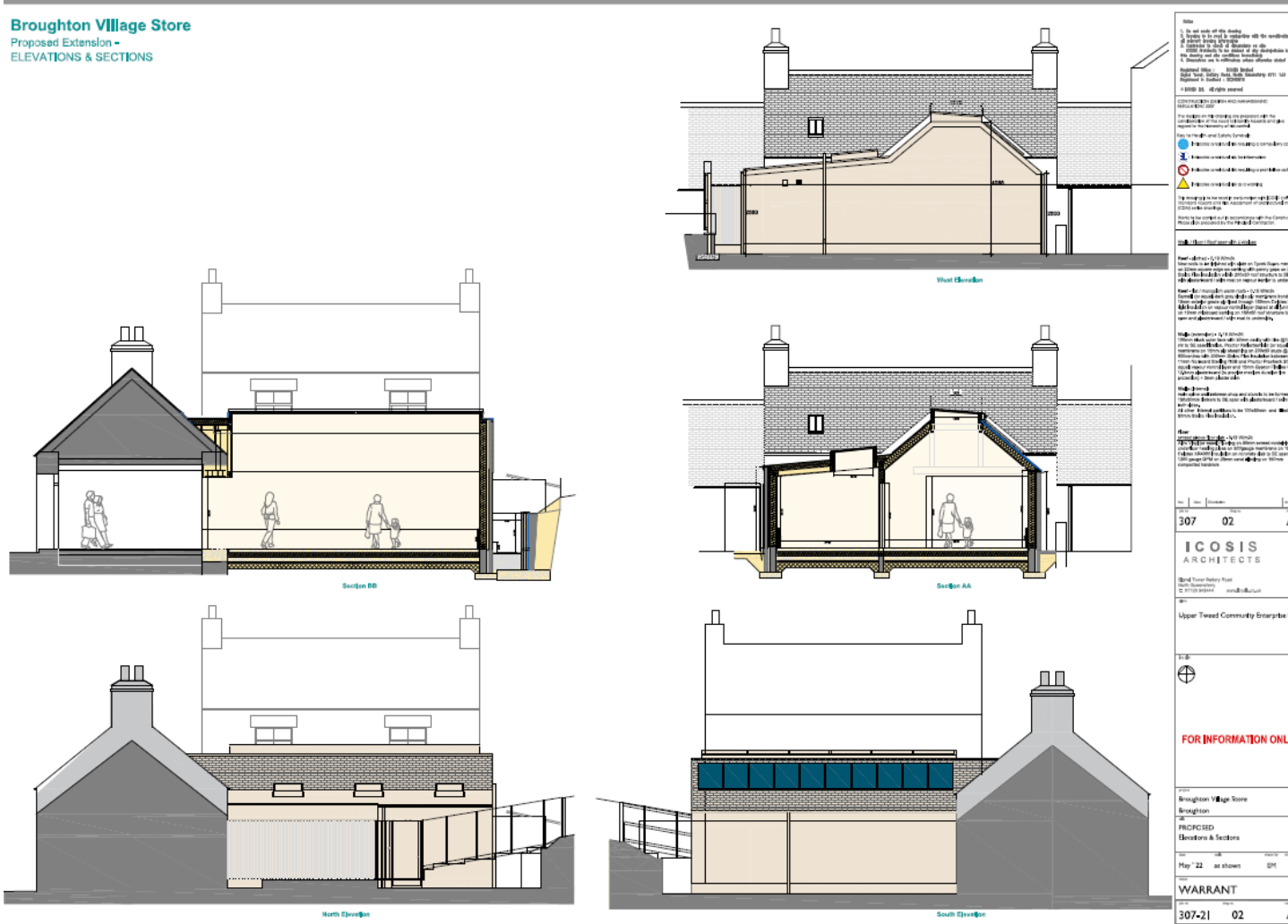
	Costs increase above budget available	2	4	8	availability grounds. Close management of build contract to ensure on budget.
	Reduced trading on account of smaller space	2	4	8	Trading projections based on various scenarios and regular review of performance in relation to projections.
Shop extension works	Unexpected challenges once work on a very old building starts	3	4	12	Input of structural and building engineers to ensure integrity of the building and the complex excavation and demolition works to be carried out.
Planning and building works	Fall foul of planning and building regs or necessary warrants	2	3	6	Seek prof advice, work with SBC Planning officers to deliver plans, use professional trades to carry out works
Funding	Securing the significant funds to deliver the shop extension	3	4	12	A sound diverse plan to raise money from a range of sources so all eggs not in one basket. A sound business case for investment and timely funding applications.
Build works management x 2 Cottage renovation -	Poor management of build contractors can delay works and increase costs.	2	3	6	Ensure Board have shared and agreed vision, bond well as a team, have relevant training

Shop extension					and experience, experienced advisors and proper processes for informing and making decisions. Suitable contingency for delay and cost increases also requires to be in place.
Move back into extended shop	Loss of business momentum	2	3	6	Ensure good communication with staff and customers so everyone knows what is happening. Consultation re new lines and offers in extended space. Staff/volunteer training re any new equipment/operational matters.

7.2. There are a number of risks to be considered as part of this process – risks to the existing business which is operating well; risks of beginning work on old buildings which can sometimes throw up curved balls and uncover unknown challenges and costs; the current build sector is very busy and faces challenges with costs and availability of materials as a result of Covid and Brexit. This is not to say that work should not be undertaken, merely that it has to be very well planned with all possibilities taken into account from the outset. UTCE Ltd. has a competent and very experienced Board which has taken many of these matters into consideration and will continue to monitor them as the project is rolled out, reporting to the Board in risks and progress on a regular basis.

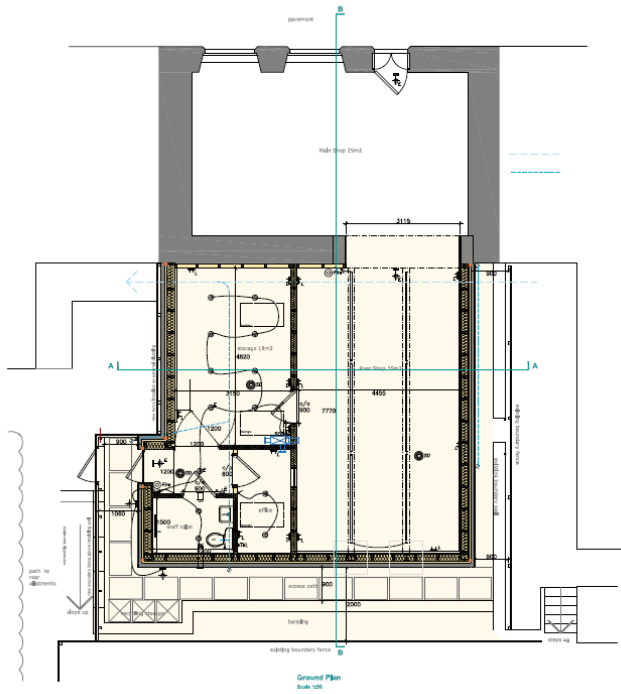
8. Appendix
8.1. Shop Extension Plans – Elevations

Broughton Village Store
Proposed Extension -
ELEVATIONS & SECTIONS



8.2. Shop Extension Plans- Floor and roof layout

Broughton Village Store Proposed Extension - PLANS



Notes

1. To suit scale of the drawing.
2. All dimensions are in millimetres unless otherwise stated.
3. All dimensions are to the centre of the member unless otherwise stated.
4. All dimensions are to the face of the member unless otherwise stated.
5. All dimensions are to the centre of the member unless otherwise stated.
6. All dimensions are to the face of the member unless otherwise stated.
7. All dimensions are to the centre of the member unless otherwise stated.
8. All dimensions are to the face of the member unless otherwise stated.
9. All dimensions are to the centre of the member unless otherwise stated.
10. All dimensions are to the face of the member unless otherwise stated.

CONSTRUCTION (GENERAL AND MANAGEMENT)

GENERAL DESCRIPTION OF WORKS

- The extension to the Broughton Village Store will be constructed in accordance with the specifications and standards set out in the Business Plan 2.4.
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Scale: 1:100

307 01 A

ICOSIS ARCHITECTS

Upper Tweed Community Enterprise Ltd

FOR INFORMATION ONLY

WARRANT

307-21 01 A

8.3. Board Members – a brief biographical details

Christopher Lambton (Chair)

Christopher has a background in broadcasting and journalism but since moving to Broughton in 1998 has increasingly been involved in local ventures. He owns and manages some 160 acres of woodland around Broughton as a community amenity, and in 2004 bought the Laurel Bank Tea Room, expanding it into a pub/bistro which has since been sold and is now trading again as a tea room. He was instrumental in setting up the Broughton Shop Development Group in March 2018 when the original shop closed, which led to the community purchase of the shop and the establishment of UTCE Ltd.

Donald Stewart (Treasurer)

Donald has over 20 years of financial services and banking experience, and is now working on a self-employed basis as an asset finance broker. He moved to Broughton in 2005 with his wife, and they have a son who attends Biggar High School. Donald has been keen to be involved in the local community and has sat on the SSE Community Fund Board for the last 9 years considering applications for grant assistance for non-profit making entities. More recently he has helped with an annual welcome meeting for newcomers to Upper Tweeddale. When the shop closed he was asked to take on the treasurer role for the Broughton Shop Development Group.

Simon Edwards (Secretary)

Simon has been self-employed since 2001 working in the cellular and television and radio broadcast industries. Latterly he was Project Director for three multi-million-pound telecoms and broadcast projects which included the Digital Switch Over for both television and radio. Now semi-retired, he is able to devote some time to the community. He is a keen team player and is eager to see the re-development of Broughton Village Store

Camilla Younger

Camilla has a background of working in the private rented sector of 20 years across Edinburgh, the Lothians and the Scottish Borders. She has also worked in the commercial sector in London. She was brought up in the village of Broughton and has recently returned to her roots. She currently works part time in Broughton Brewery which was founded by her father in 1979. She joined the Board of Upper Tweed Community Enterprise Ltd in 2022.

Bill Sheridan

Bill has lived in the village since 1986 and has previously been active as a committee member of Upper Tweed Community Council and of the local tennis club. In addition, Bill was the principal organiser for 17 years of the Two

Breweries Hill Race between Traquair and Broughton. Prior to retiring, Bill worked in environmental consultancy with responsibility for managing and directing multi-disciplinary teams on studies in support of large development projects being taken forward through the planning process. Bill's principal role on the Board is to facilitate and co-ordinate the works required for both the upgrade to the village hall cottage and the extension to the village shop.

Jen McBeth

Jen grew up in a retail environment, with her parents running a post office/shop in Dumfries for over 30 years and when she left school, she went into the family business. Jen eventually went on to work in various other Post Offices until 25 years ago when she moved into management in retail and hospitality. In 2012, Jen moved to Biggar and then to Broughton in 2019 and on returning to her roots she is delighted to be able to manage the local shop and loves her role in the village.

8.4. Asset Lock

All Management Committee members are volunteers and receive no benefit from UTCE Ltd. apart for the indirect benefits available to all Members of the Society. UTCE Ltd. has an Asset Lock in its Rules which specifies that in the event of the Society ceasing to operate, its assets must be transferred to one or more community organisations that support the objects of the Society chosen by Members at a member's meeting which may include any society established for the purpose of creation, promotion and development of community-owned enterprises.

8.5. Glossary of terms

UTCE – Upper Tweed Community Enterprise Ltd, the Community Benefit Society undertaking the project outlined in this offer document – sometimes called “the Society”

Community Benefit Society – A Society owned by its Members. It is able to trade but must apply all its profits to the benefit of the community.

Shareholder - a person who has bought a share or shares in the Society. All Shareholders are Members of the Society

Member's Meetings – The Annual General Meeting (AGM) and any Special General Meetings which may be called

Board – Elected by the Members at the AGM. It is responsible for running the Society

Limited Liability – means that a Member/Shareholder cannot lose more than the amount they invested if the Society is unable to meet its debits and obligations

The Rules – are the constitution of UTCE Ltd. [UTCE/BusPlan2.4/SM/3Mar23](#)