



Loch Ness Hub

A Community Benefit Society

Providing a Transport Hub and Visitor Information Service

To Glen Urquhart & Strathglass

Business Plan

03/06/2020

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1. Business Overview and Objectives

The Loch Ness Hub – Its Aims & Objectives

The aim is to establish and operate a Community Benefit Society, the Loch Ness Hub, which will provide sustainable services that are valued by both the local community and visitors to the area and that will create jobs and employment for locally based people.

The Loch Ness Hub will incorporate community transport facilities that will provide a number of active travel services for local people and a visitor information service that will support the vibrant tourism sector around Drumnadrochit, Glen Urquhart, Strathglass and the wider Great Glen area running from Fort William to Inverness.

The sustainable provision of these services will be funded by

- The purchase and operation of an existing profitable baggage transfer business for walkers undertaking self-guided and independently organised treks on the Great Glen Way, Affric Kintail Way and East Highland Way
- Revenues generated from the provision and maintenance of existing public conveniences
- Revenues generated from the retail sales of local crafts & gifts and commission on the sale of boat and bus tickets
- Potential future income from some of the services to be provided by the transport hub

The project is supported by both Glen Urquhart Rural Community Association (GURCA) a local development trust and Soirbheas a local development charity.

The Loch Ness Hub will operate from the existing purpose-built Visitor Information Centre located in Drumnadrochit village car park. It provides an ideal central location for the delivery of both transport hub services and visitor information. The building also has the facility to support the back-office operations of the baggage transfer business.

The building itself after a successful asset transfer from the Highland Council under the terms of the Community Empowerment Act 2015, will be owned by GURCA. They will hold a community anchor share in the society and the Loch Ness Hub will lease the building from them.

The core revenue generating activity to be undertaken by the Loch Ness Hub will be the baggage transfer operation. The revenues generated from this will be used to cover the costs of providing the transport hub and visitor information services. Any additional revenues will be re-invested to develop these services or used to support local community groups and projects in line with GURCA's aims and objectives.

The location of the building within a 4,000 sqm (100 space) car park (also owned by The Highland Council) provides scope for future development of the services to be provided, supported by either a future transfer to the community of this asset or through a joint venture with the Highland Council.



Pictures showing the building planned for the location of the Loch Ness Hub in the existing Drumnadrochit village car park.

Objectives

Year 1

- Establishment of the Community Benefit Society, Loch Ness Hub and completion of a community share offer
- Agreement of terms for the purchase and handover of the Loch Ness Travel baggage operation to the Loch Ness Hub
- Initial recruitment and set up of the building for the provision of Visitor Information and the transport hub services

Year 2

- Complete purchase and 1st full years operation of baggage transfer
- Introduction of a Visitor information service and operation of public conveniences toilets
- Introduction of the initial transport hub services and seek funding to develop the services

Year 3 & beyond

- Increase baggage operation turnover as a result of the Loch Ness 360 trail launch
- Develop plans for the future use of the car park area
- Introduction of additional transport hub services

2. Set Up, Governance and Partners

Loch Ness Hub Limited is a registered Community Benefit Society (FCA registration number 8396). It has been set up to operate a baggage handling business, provide visitor and tourist information and administer the various transport initiatives as they gradually come on stream.

The Community Benefit Society model has been chosen because it emphasises the social benefit of the investment we are asking members to make and recognises the community support shown for the project. It also provides both members and the Management Committee appropriate protections in terms of limited liability. The Society's aim is to use profits to deliver community benefit and to encourage greater community involvement.

Those that buy shares in Loch Ness Hub will become a member of the Society, with an equal vote regardless of the size of their shareholding. Member involvement is encouraged and can vary in level of support. All members can vote at Member Meetings and stand for election to the Board and/or can choose to volunteer skills to provide support to the running of the business.

The Society is regulated by the Financial Conduct Authority and the society rules have been developed from standard templates for Community Benefit Societies and guidance and support has been received from Community Shares Scotland in preparing these. The rules are available to all members and the prospectus developed for the share offer also provides information on how the society will operate and the conditions relating to the share offer.

Although a separate entity, The Loch Ness Hub will be closely linked to Glen Urquhart Rural Community Association (GURCA). They, GURCA will hold an anchor share in the society, providing them with rights to have seats on the Management Committee and the ability to block any changes that would fundamentally alter the role and aims of the society. The names of the Loch Ness Hub founding members who will form the first Management Committee of the Society can be found in section 9, along with their brief CV's along with those of the existing GURCA Trustees.

Glen Urquhart Rural Community Association (GURCA) was originally founded in 1949 and amended its constitution in 2017 to become a two-tier Scottish Charitable Incorporated Organisation (SCIO) and Development Trust. The association has a defined geographic area that covers the village of Drumnadrochit and Glen Urquhart, an area of around 230 sq km with a population of about 2,500 people. The association is led by a board of eight elected Trustees and membership is open to those living within the defined area. The membership since becoming a two-tier SCIO has been growing and currently stands at around 250. The aims of the association are to identify, support and deliver relevant developments and community led initiatives, that will sustain or improve the quality of life, work and leisure, for the people of Glen Urquhart.

In developing the plan for the Loch Ness Hub and the services it will deliver, GURCA has worked in partnership with Soirbheas an existing established local community charity. It is expected that other groups will also be involved in the identification and delivery of the services to be provided. These would include those in the adjacent community of Strathglass, The Strathglass Marketing Group and the Strathglass and Affric Community Company. See section 9.10

Community Involvement and Participation

During 2019 the council allowed GURCA use of the visitor information centre on a “try before you buy” basis. This provided an opportunity for a test run of the services being proposed for the Loch Ness Hub and enabled local groups to show support and engage with the project. Volunteers were involved in decorating the building prior to opening for the season and local groups used the venue to showcase information and activities of interest to visitors. The local heritage group providing a display on a local hero, John Cobb. Another group decorating the exterior with eco friendly planters creating a community vegetable garden and local artists and craftspeople using the space to showcase their talents. The Loch Ness Hub will be promoting similar engagement initiatives to tap into the enthusiasm, skills and resources of the local community.



Local Heritage Group provide a display describing the history of John Cobb

Local Group “Grow Urquhart” transform the exterior to promote sustainable living and plans for their own local project



A popular venue for the promotion of local arts and crafts , alongside visitor information & the local displays



A dedicated website www.lochnesshub.com has been established to provide members with information on activities being undertaken by Loch Ness Hub. This is supported by Loch Ness Hub's social media presence, using Facebook and Instagram to enable members to actively engage with the hub, sharing views and ideas with the committee and each other. Moving forward the society will use these platforms to promote member benefits and both community and member only events. Given the Hub's role in the provision of visitor information and promotion of local businesses there is the opportunity to tailor these to different groups within the membership e.g. both individuals and businesses.

3. The Community Benefit Associated with the Loch Ness Hub

3.1 Background

The communities of Glen Urquhart and Strathglass face a number of challenges related to transport.

Drumnadrochit is a growing community with around 80 new homes currently being built in the village and more planned. It is also a significant tourist destination located 16 miles from Inverness and close to Urquhart Castle. It is situated on the busy A82 and has limited public transport services. Nearby are smaller rural communities in Glen Urquhart and Strathglass, these are more remote locations with even fewer transport options available. Although additional bus services are introduced in the summer months these become stretched when visitor numbers increase and reliable timetable information is hard to find both at bus stops and on-line.

Being a popular destination also brings challenges in terms of the economic and environmental demands this places on communities trying to develop and sustain a year-round economy, along with providing support for community activities and services.

3.2 Benefits to the Community

The services that will be provided by the Loch Ness Hub will help to improve transport and travel options around the area for both locals and visitors and create employment opportunities, providing 5 – 6 local jobs. It will enhance the local tourism infrastructure providing benefit to those visiting the area and many of the local businesses that provide services that support the tourism sector.

Importantly the transport hub's services will aim to reduce carbon emissions by providing alternative ways for both locals and visitors to move around the area and relieve some of the pressure on tourism hotspots by encouraging visitors to explore the rest of Glen Urquhart and Strathglass (including Glen Affric, Plodda Falls, Glen Cannich and Glen Strathfarrar).

The community have been consulted on and shown support for the purchase of the former tourist information centre with the aim of continuing to provide visitor information services. This led to GURCA developing the proposal for an asset transfer of the building, recognising that these services could only be delivered if income streams were identified that would allow them to be provided sustainably.

The baggage handling operation will generate sustainable revenues to do this.

The movement of bags between Fort William and Inverness provides a vital service to local accommodation providers that rely on walkers for their business. This activity will employ three people locally and indirectly provide income for up to three subcontractors based in Fort William & Inverness.

The continued provision of the Tourist Information service will continue to meet the needs of the many day visitors to the village and will ensure that local tourism businesses located in the village and the more remote rural areas of Glen Urquhart continue to be promoted effectively. This service along with the operation of the existing public conveniences will directly employ another person with another position be created in the second year of the operation.

The creation of these local jobs also provides opportunities for apprenticeships, encouraging employment for younger people and encouraging them to live locally.

3.3. The Community Transport Hub

Over the last year, we have been working in partnership with another local development charity, Soirbheas who took the lead in producing a Local Energy Plan for Drumnadrochit and surrounding area. This in turn led to a Transport Feasibility Study being produced for the area. Through a series of engagement activities including interviews, surveys and a stakeholder workshop, key transport challenges for residents and visitors to the area were identified.

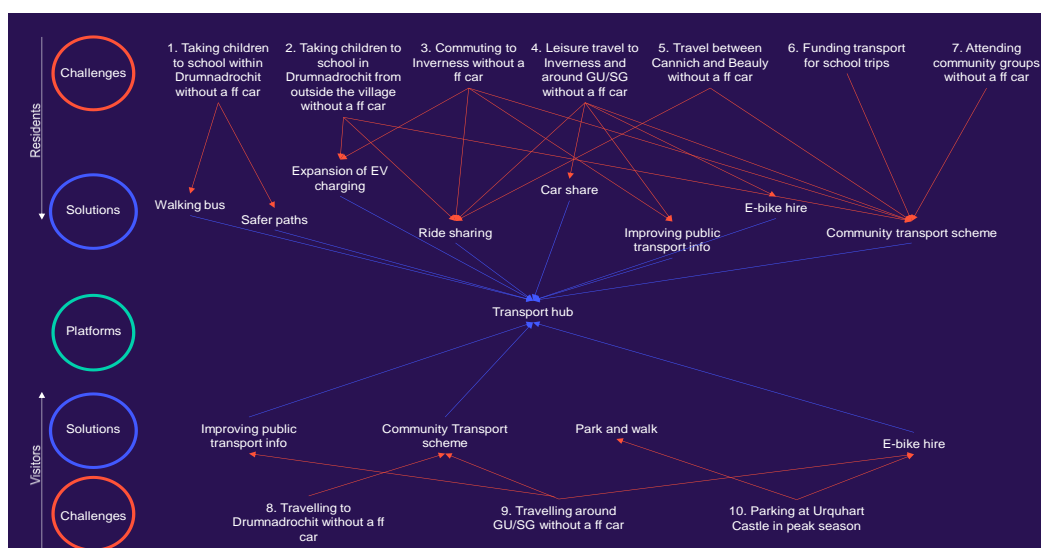
Key challenges were identified as:

1. Taking children to school within Drumnadrochit without a fossil fuelled car
2. Taking children to school in Drumnadrochit from outside the village without a fossil fuelled car
3. Commuting to Inverness without a fossil fuelled car
4. Leisure travel to Inverness and around Glen Urquhart and Strathglass without a fossil fuelled car
5. Travel between Cannich and Beauly without a fossil fuelled car
6. Funding transport for school trips
7. Attending community groups without a fossil fuelled car

The proposed solutions include:

1. **A walking bus** within Drumnadrochit to encourage active travel for the primary school

2. **Developing safer paths** in Drumnadrochit and Balnain to allow for active travel and safer routes to school
3. **Expansion of the EV charging network** in Glen Urquhart and Strathglass
4. **Increased ride Sharing provision** - formalising and expanding existing schemes
5. **Introduction of a car share scheme**
6. **Improving availability of information on public transport options**
7. **Introducing e-bike hire** to Glen Urquhart and Strathglass
8. **Introducing a community transport service**
9. **Establishing a Transport Hub**



Funding will be required to fully implement a number of these solutions.

In the first instance low cost initiatives such as the walking bus, ride sharing and information sharing will be introduced whilst funding is sought to expand the capabilities of the transport hub. Staff at the Loch Ness Hub will co-ordinate the use of vehicles and volunteers to create the potential for the introduction of services that will benefit those within the community unable to readily access the existing limited public and private transport options currently available.

The aim in the future would also be to move the baggage vehicle fleet to low or zero emission alternatives to meet with the objectives identified in the local energy plan for Drumnadrochit, with the potential of utilising these vehicles to provide other community services when not in use and out of season.

3.4. Wider Community Benefit

The Loch Ness Hub is expected to generate profits after costs which will be re-invested into the community through GURCA to deliver projects that have community support and are in line with its defined aims and objectives.

The establishment and operation of the Community Benefit Society is an important step for GURCA as a Development Trust and will support the development of skills and capacity that will result in Glen Urquhart becoming a more robust and sustainable local community.

Covid 19

The introduction in March 2020 of restrictions to travel and the introduction of social distancing measures to control the spread of Covid 19 has had a significant local impact. Many businesses and those in the community that work for them relying on seasonal visitors for their livelihoods.

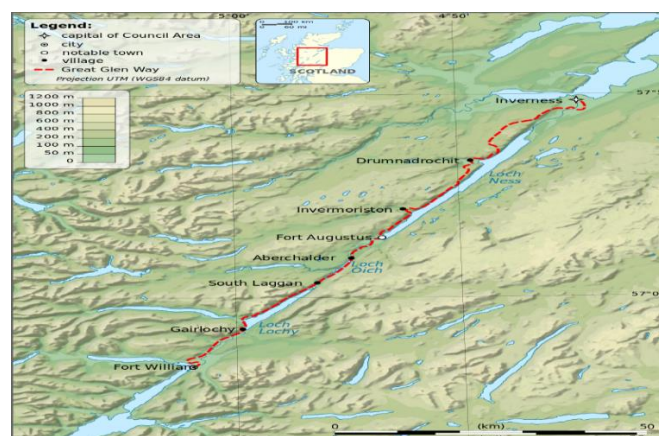
As and when restrictions are lifted and looking forward to 2021 the need for the services to be provided by the Loch Ness Hub are expected to be even greater as the community works to recover from the current crisis.

4. Ensuring the Loch Ness Hub Operates Sustainably

To deliver the Transport Hub and Visitor Information services and to cover their costs the Loch Ness Hub requires a source of income. This will be achieved primarily through the acquisition and operation of a profitable baggage transfer operation.

4.1. The Baggage Transfer Service

Drumnadrochit sits 51 miles from Fort William and 15 miles from Inverness on both the **Great Glen Way** walking route and the recently launched **Loch Ness 360 trail**. The village also intersects with the **Affric Kintail Way** running from Inverness to Kintail in the West and is a stop-over for walkers using all of these routes.



The Great Glen Way Route

The long- distance walking trails in the Highlands are popular with visitors. A Scottish National Heritage Report (Aug-18) records that 30,000 visits to the Great Glen Way were made in 2017, with **4,500** * end to end trail users identified. These “end to end” users typically walk the 125km/78mile trail over 5-6 days and require a baggage handling service to transport the luggage that won't be carried during a day's trekking between their accommodation providers.

* The report numbers tally well with an independent estimate of walker numbers based on the numbers staying with accommodation providers in Drumnadrochit and estimates of Loch Ness Travel client numbers (see supporting evidence section 8)

Loch Ness Travel which was established in 1991 has been providing this service to walkers since the **Great Glen Way** opened in 2002. In 2010 it also started to support the **East Highland Way** and more recently the **Affric Kintail Way**.

The number of walkers and bags collected / delivered are consistent with the findings of the Scottish National Heritage survey and are also supported by estimates based on local providers working with the walking agencies. This predicts a market share of around 70% for Loch Ness Travel Services in the provision of baggage transfer movements on the Great Glen Way.

Estimate of Total Walkers Based on Local Survey per season	4026
Estimate of Total Bags Based on Local Survey per season	3221
Estimate of Loch Ness Travel Services Market Share	69%

4.2. Baggage Transfer Customers

The majority >80% of the baggage business comes from well established agencies providing self-guided walking tours to primarily European, North American and British visitors. The remainder coming from independent travellers booking through the Loch Ness Travel website www.lochnesstravel.com

Orders are placed directly by the walking agencies throughout the year and they are invoiced on a monthly basis through the season.

The agencies arranging self-guided walks include:

Agency	Location
Macs Adventure	Glasgow
Hill Walk Tours	Ireland
Mickledore	Lake District
Contour Walking Holidays	Sheffield
Absolute Escapes	Edinburgh
AMS Outdoors	Glasgow
Gemini Walks	Falkirk

The self-guided packages (which include both accommodation and baggage charges) that are offered by the various agencies vary in terms of duration (days to walk the trail) and in the standard of accommodation being offered.

Prices range from £395 pp for a short trip (4-night, standard accommodation) to £1,195 pp (8-night, premium accommodation). In 2019, a typical 7-night package was priced at **£586 pp** including baggage transfer. This would value the total market for the Great Glen Way at around **£2,3 million**. The baggage transfer revenue represents 8.5% or around **£200,000** of this total (based on the baggage transfer prices shown below).

The final leg of the Great Glen Way walk is from Drumnadrochit to Inverness. This section of the walk is 30km / 20 miles in length. Many of the agencies and walkers prefer to split this leg over two days, walking to/from Abriachan at the half way point after being picked up or dropped off there in a mini bus.

The location of Loch Ness Travel, in Drumnadrochit and the provision of this pick up drop off service for the walkers themselves fits well with the walk itineraries marketed by the agencies and complements the baggage transfer service offered for the whole trail, making Loch Ness Travel the only “one stop shop” for both bags and transfers.

Baggage and people transfers are priced based on a £/bag rate and a £/pp for people transfers.

Transfers are undertaken at comparable rates to local taxis but as the journey starts and ends in Drumnadrochit there is no surcharge for additional mileage to get to the pick-up/drop point off, as would be the case if the service was undertaken from Inverness, Invermoriston or another nearby village or town.

The rate for bags is typically £52/bag (net of VAT) (Fort William to Inverness) and for transfers (Drumnadrochit to Abriachan) typically £60/pp (net of VAT).

The current bag rate compares well to the competition who advertise the same rate on their websites.

4.3. Baggage Operation - Strengths/Weakness's/Opportunities/Threats

<p>Strengths</p> <p>Strong market position Owner able and willing to support handover to community Strong relationship with walking agencies - healthy order book Reliable suppliers for sub-contract bag & people transfers Attention to detail and standard of service Flexibility of service - ability to provide transfers to split last leg of walk Provision of service to Affric Kintail and East Highland Way</p>	<p>Weaknesses</p> <p>Existing operation relies heavily on the individual running the business Limited back up for ill health/sickness Very paper based Manual planning is time consuming</p>
<p>Opportunities</p> <p>Introduction of Loch Ness 360 provides growth prospects Development of IT system for bookings and planning will provide cost/time benefits More robust supply chain for walking agencies Ability to agree contracts with agencies</p>	<p>Threats</p> <p>Easy business to replicate Increased competition Reduction in visitor numbers - Brexit?</p>

4.4. Mitigation of Business Risks

Increased competition and a reduction in visitor numbers

This has been factored into the revenue assumptions with a conservative forecast applied to years 1 and 2 reflecting the current owners reported revenues for FY17/18.

Handover and start-up of the operation

The existing owner of business will provide support for the start-up (bookings and planning process) and provide the sub-contract service in years 1 & 2 for people transfers to/from Drumnadrochit

Consideration of Alternative Options

An income scenario that excludes the operation of the baggage business has been evaluated. With no baggage business revenues and the associated operating costs stripped out the Loch Ness Hub would not be sustainable. Income would be reduced to around £45k p.a. The costs associated with the provision of tourist information and transport hub services along with the operating costs for the building at approximately £70k p.a. are expected to result in an operating loss of £25k p.a.

4.5. Competitive Threats

The two main competitors to Loch Ness Travel are **Great Glen Baggage Transfer** based in Fort Augustus/Invermoriston <http://greatglenbaggage-transfer.co.uk/> and a more recent entrant to the market **Piggyback Baggage Transfers** based in Fort William <https://www.piggybackbaggage-transfers.com/>

Great Glen Baggage Transfer has been active for a number of years and has not developed significantly in terms of market share.

Both competitors are currently owner operated and run on a smaller scale without staff using private estate cars to transport bags. This limits them to approximately 5 or 6 bags at 25kg per trip. Both face challenges to operate at scale for the whole route in the peak summer months when daily bag numbers can reach around 15-20 at each of the 5 or 6 stops on the route.

4.6. Valuation and Acquisition of the Baggage Operation

An independent valuation of the Loch Ness Travel business has been undertaken by Frame Kennedy an established accountancy firm based in Inverness.

The business's assets are limited to the vehicles used to transport bags and its web presence. The business does not have liabilities in the form of loans and has no direct employees, the owner using self-employed contractors on a seasonal basis to operate the vehicles.

As such, the approach by the accountant valuing the business was to consider the goodwill and businesses profitability using a weighted average over a 5-year period, taking account of a salary to cover the owner's administration and management of the operation.

Using this methodology, the accountant valued the business at around **£156,000** (March 2019).

On this basis, a purchase price and terms have been agreed in principal with the current owner of the business.

The Society will set up as a new business buying from the current baggage handling business its order book and one vehicle, with an earn out and handover being undertaken over 18-months with staged payments over that period. Arrangements with existing sub-contractors will be maintained and new staff members will be employed to undertake management activities and driving responsibilities currently undertaken by the owner.

Covid 19

The Covid crisis has had an impact on the planned trading of Loch Ness Travel in 2020 and the hospitality businesses providing services to walkers undertaking the local long distance walking trails. With travel to the Highlands curtailed from March 2020, visitor numbers are negligible and revenues for the season have been significantly reduced.

The impact of the crisis on the business will be assessed in October 2020 when the full extent of the impact on visitor numbers for the season is known and more information on the prospects for 2021 is available.

5. Funding for the Loch Ness Hub

A mixed package of funding is being sought to support the set up the Loch Ness Hub.

The funds required totalling £220,000 are made up of grant funding (£110,000), a community share offer (£80,000) and borrowing (£30,000).

Type of Funding	Funder	Amount	Status
Grant	Scottish and Southern Electricity (SSE)	£ 80,000	Approved April 2020
Grant	Soirbheas	£ 30,000	Approved in principal, final decision Oct 2020
Community Share	Community members	£ 80,000	Planned for Oct 2020
Loan	Social Investment Scotland (SIS)	£ 30,000	Approved in principal Mar 20
Total		£220,000	

These funds will be used to support the initial start-up costs, contribute to the acquisition of the existing Loch Ness Travel baggage business and be used to make improvements to the building to improve its energy efficiency and suitability for year-round opening.

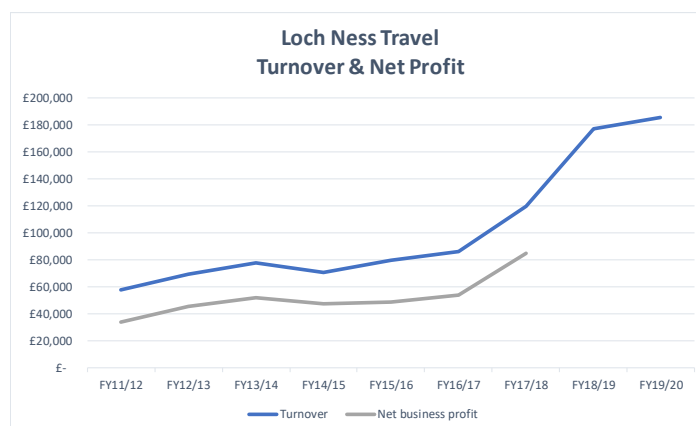
6. Risk Analysis

Risk	Likelihood	Potential Impact	Mitigation
Visitor numbers are slow to recover after Covid-19 crisis	Moderate to high	Moderate to high	Business plan assumptions and the valuation of the baggage business will be re-assessed prior to the share issue launch to take account of firm orders placed for 2021
Loch Ness Hub fails to raise sufficient community share capital	Low to moderate	Moderate	Marketing plan for the share issue will be developed Additional borrowing may be considered to make up any shortfall Additional grant funding may also be sought A review the scope of services to be provided to reduce costs
Other funding fails to come through	Low	High	Grant and loan applications made prior to the preparation of the share prospectus have been approved. Regular updates and dialogue are being maintained with all funders

Loch Ness Hub fails to meet the targets laid out in the business plan	Low to moderate	Moderate	Handover plan established for baggage operation
Inability of Loch Ness hub to operate from the existing TIC premises	Low	High	GURCA have secured funding to purchase the TIC building and will hold an anchor share in the Loch Ness Hub and will provide a long-term lease to support the Loch Ness Hub operation
Fail to secure funds for capital investments to support transport solutions and electric vehicles	Moderate	Moderate	Continue to work with Soirbheas and explore/develop wider partnership with the Highland Council and other agencies

7. Financials

The existing baggage transfer operation has shown positive growth in both turnover and net profit over the last 8 years – more than doubling over that period (see Supporting Information Section 9)



Covid 19

A key factor will be the pace of recovery from the current Covid-19 crisis. It is expected that walkers will return to the local long distance trails – this sector does not represent “mass market” tourism.

The turnover and client number assumptions reflect the level of business undertaken by Loch Ness Travel 3 years ago and are significantly reduced on the most recent figures posted by the business.

A re-assessment will be made in October 2020 when the full extent of the impact on visitor numbers for the season is known and more information on the prospects for 2021 is available.

7.1. Profit & Loss Forecast

The profit & loss forecast for the first 3 years of the operation of the Loch Ness Hub is shown below.

Key notes & assumptions

- Revenues are shown for the baggage business in year 1 – reduced on most recent years to reflect uncertainties over the recovery from Covid-19 and the potential impact of Brexit on walker numbers in
- A modest increase reflecting increased walker numbers as a result of the Loch Ness 360 trail and development of the Affric/Kintail Way is included in year 3
- One new lease vehicle in year 1 and a 2nd added in year 3.
- Revenue is based on an agreed rate per bag for transfer between Fort William and Inverness, typically **£52** per bag & **£60** per walker transfer – *(all figures shown are net of VAT)*
- Revenues for retail sales are based on numbers provided by Visit Scotland for the Drumnadrochit TIC (see section 9)
- Revenues from toilet charges based on an average donation of 10p based on footfall numbers provided by Highland Council (see section 9)
- Rent payable to GURCA for use of the building at market rate
- Salary costs reflect four employees in year 1 increasing to six in year 2
- Sub-contracted driver costs reduce in year 3 with people transfers being taken “in-house” as opposed to out-sourced

Profit and Loss Forecast

	Year 1	Year 2	Year 3	
GURCA Social Enterprise Profit & Loss	FY 21/22	FY 22/23	FY 23/24	Notes Year 1 - 15 months Jan-21 to Mar-22
Income				
Baggage transfers	£ 137,690	£ 146,296	£ 154,902	
Retail (gross)	£ 15,250	£ 18,300	£ 21,350	
Ticket sale commission	£ 10,125	£ 12,150	£ 14,175	
Provision of public toilets	£ -	£ 7,824	£ 7,824	Assume average 10p donation per visitor
Other	£ -	£ -	£ -	
Total Income	£ 163,065	£ 184,570	£ 198,251	
Costs				
Salaries & other staff costs	£ 75,717	£ 72,077	£ 87,990	Five employees Yr 1 & 2, increase to six from Yr 3
Sub-contract costs (drivers & transfers)	£ 25,496	£ 25,496	£ 15,948	Transfers from Drumnadrochit brought in-house in Yr 3
Vehicle Leasing	£ 6,082	£ 3,480	£ 10,057	Two vans for baggage (one bought, one leased). Lease of minibus in Yr 3
Vehicle repairs and servicing	£ 2,000	£ 2,000	£ 3,000	
Vehicle Insurance	£ 2,400	£ 2,400	£ 3,600	
Fuel Costs	£ 4,783	£ 4,783	£ 5,877	People transfer mileage in year 3
Cost of goods sold (Stock for retail)	£ 10,980	£ 13,176	£ 15,372	40% margin on sales based on Visit Scotland numbers
Business Insurance	£ 1,600	£ 1,600	£ 1,600	
Building Rent	£ 2,500	£ 5,000	£ 7,500	Rent to GURCA for use of TIC
Business Rates	£ 6,000	£ 6,180	£ 6,365	
Utilities (Water, electricity)	£ 6,234	£ 6,546	£ 6,873	Figures based on FY17/18 costs from Highland Council +5% p.a.
Repairs and renewals of property & equipment	£ 3,613	£ 3,794	£ 3,983	Figures based on FY17/18 costs from Highland Council +5% p.a.
Phone, fax & stationary	£ 2,500	£ 2,625	£ 2,756	
Bank & payroll costs	£ 1,100	£ 1,155	£ 1,213	
Accountancy and professional fees	£ 2,000	£ 2,100	£ 2,205	
Other business expenses	£ 16,500	£ 500	£ 500	Year 1 Project initiation costs Jan-Mar21 (excluding business insurance)
Interest on loan repayments	£ 2,217	£ 1,795	£ 1,338	
Contribution to Transport Hub Services	£ 1,000	£ 1,500	£ 3,000	
Interest payment for community share	£ -	£ -	£ 1,600	2% on £80,000
Total Costs	£ 172,721	£ 156,206	£ 180,777	
Loch Ness Hub profit/(loss)	-£9,656	£28,364	£17,474	

7.2. Cash Flow Forecast

5 year Summary

	2021/22	2022/23	2023/24	2024/25	2025/26
	Yr1	Yr2	Yr 3	Yr 4	Yr5
Income					
Baggage operation	£165,228	£175,555	£185,882	£191,459	£197,202
Retail sales & ticket commissions	£28,425	£34,110	£39,795	£40,989	£42,219
Toilets, car park charges and other income	£0	£7,824	£7,824	£8,059	£8,300
Grants & Loans	£140,000	£0	£0	£0	£0
Community Share Offer	£80,000	£0	£0	£0	£0
Total Income	£413,654	£217,489	£233,501	£240,506	£247,721
Out-goings					
Loch Ness Hub Operating Costs	£227,433	£185,831	£210,090	£216,393	£222,885
Loan Repayments	£7,296	£7,300	£7,300	£7,300	£7,300
Transfer of baggage operation	£80,000	£75,805	£0	£0	£0
Community Share Interest Payments	£0	£0	£1,600	£1,600	£1,600
Community Transport Hub Services	£1,000	£1,500	£3,000	£4,000	£4,000
Additional Community Benefit (GURCA)	£0	£0	£0	£3,500	£4,500
Total Out-goings	£315,729	£270,436	£221,990	£232,793	£240,285
Full year cash flow	£97,924	-£52,947	£11,511	£7,713	£7,437
Closing Bank Balance		£44,977	£56,489	£64,202	£71,639

Notes

1. Business plan shows detailed income and costs for years 1-3
2. Income and costs for years 4 & 5 assume 3% p.a. increase
3. Building rent payable to GURCA in years 1-3 £15,000, years 4-5 £15,000 included in Loch Ness Hub operating costs
4. Assumes £80,000 raised from community share offer

Detailed Cash flow for years 1, 2 & 3 is shown below.

Key Notes & Assumptions

- The grants, loans and community share income that will support the start-up are shown in sheet 1
- The outgoings for the purchase of the business are shown in year 1 and year 2
- The baggage business is seasonal in terms of its operation (April through September) and cash flow reflects the revenue received in this period. This is apportioned by month reflecting the increase in visitor numbers observed as the season progresses through the summer. Payment terms are 14 days from issue of invoice
- Salary and fuel costs reduce between October and March also reflecting this seasonality, with no bag or people transfers being undertaken in this period.
- Back office activity for baggage bookings continues throughout the year enabling a year-round provision of the tourist information service (reduced winter opening hours) and delivery of the transport hub services from the building

Detailed Cash Flow Years 1, 2 & 3

Year 1	FY21/22	Project Initiation Period			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Income		Jan	Feb	Mar	6%	17%	16%	22%	22%	16%	0%	0%	0%	0%	0%	
Baggage transfer business	£ 165,228				£ -	£ 10,679	£ 27,588	£ 26,698	£ 36,783	£ 36,783	£ 26,698	£ -	£ -	£ -	£ -	
Retail	£ 18,300				£ 1,183	£ 3,055	£ 2,957	£ 4,074	£ 4,074	£ 2,957	£ -	£ -	£ -	£ -	£ -	
Ticket sale commission	£ 10,125				£ 654	£ 1,691	£ 1,636	£ 2,254	£ 2,254	£ 1,636	£ -	£ -	£ -	£ -	£ -	
Provision of public toilets	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Grant - Soirbheas	£ 30,000	£ 30,000			£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Grant - SSE	£ 80,000	£ 80,000			£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Community Share	£ 80,000	£ 80,000			£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
SIS Loan	£ 30,000			£ 30,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Total Income	£ 413,654	£ 190,000	£ -	£ 30,000	£ 1,837	£ 15,425	£ 32,180	£ 33,026	£ 43,111	£ 41,376	£ 26,698	£ -	£ -	£ -	£ -	
Outgoings																
Project Initiation Costs																
Staff Recruitment	£600	£ 600		£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Staff training	£900	£ -	£ -	£ 900	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Cleaning & Decorating TIC building	£600	£ -	£ 300	£ 300	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Fixtures & fittings, signage	£1,200	£ -	£ 600	£ 600	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
IT (Phone, internet EPOS)	£3,600	£ -	£ 1,800	£ 1,800	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Business Insurance	£1,600	£ -	£ -	£ 1,600	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
HR Advice, Set-up of payroll and pensions	£1,200	£ 600	£ 600	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Legal/accountancy & other professional fees	£7,800	£ 2,500	£ 2,500	£ 2,800	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Other - Stationary & Uniforms	£600	£ -	£ 600	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Salaries & other staff costs	£ 75,717		£ 1,820	£ 1,820	£ 10,193	£ 10,193	£ 10,193	£ 10,193	£ 10,193	£ 10,193	£ 1,820	£ 1,820	£ 1,820	£ 1,820	£ 1,819	
Sub-contract costs (drivers & transfers)	£ 25,496				£ 4,249	£ 4,249	£ 4,249	£ 4,249	£ 4,249	£ 4,249	£ -	£ -	£ -	£ -	£ -	
Vehicle Leasing	£ 6,082				£ 2,892	£ 290	£ 290	£ 290	£ 290	£ 290	£ 290	£ 290	£ 290	£ 290	£ 290	
Vehicle repairs and servicing	£ 2,000				£ -	£ -	£ -	£ -	£ -	£ -	£ 1,000	£ -	£ -	£ -	£ 1,000	
Vehicle Insurance	£ 2,400				£ 200	£ 200	£ 200	£ 200	£ 200	£ 200	£ 200	£ 200	£ 200	£ 200	£ 200	
Fuel Costs	£ 4,783				£ 797	£ 797	£ 797	£ 797	£ 797	£ 797	£ -	£ -	£ -	£ -	£ -	
Cost of Goods Sold (Stock for retail)	£ 13,320				£ 3,600	£ 300	£ 600	£ 1,500	£ 3,720	£ 3,600	£ -	£ -	£ -	£ -	£ -	
Business Insurance	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Rent for building	£ 2,500				£ 208	£ 208	£ 208	£ 208	£ 208	£ 208	£ 208	£ 208	£ 208	£ 208	£ 208	
Business Rates	£ 6,000				£ 500	£ 500	£ 500	£ 500	£ 500	£ 500	£ 500	£ 500	£ 500	£ 500	£ 500	
Utilities (Water, electricity)	£ 6,234				£ 519	£ 519	£ 519	£ 519	£ 519	£ 519	£ 519	£ 519	£ 519	£ 519	£ 519	
TIC - Repairs and renewals of property & equipment	£ 3,613				£ 301	£ 301	£ 301	£ 301	£ 301	£ 301	£ 301	£ 301	£ 301	£ 301	£ 301	
Phone, fax & stationary	£ 2,500				£ 208	£ 208	£ 208	£ 208	£ 208	£ 208	£ 208	£ 208	£ 208	£ 208	£ 208	
Bank & payroll costs	£ 1,100				£ 275	£ -	£ -	£ 275	£ -	£ -	£ 275	£ -	£ -	£ 275	£ -	
Accountancy and professional fees	£ 2,000				£ 500	£ -	£ -	£ 500	£ -	£ -	£ 500	£ -	£ -	£ 500	£ -	
Loan repayments	£ 7,296				£ 150	£ 150	£ 150	£ 150	£ 150	£ 150	£ 1,066	£ 1,066	£ 1,066	£ 1,066	£ 1,066	
Other business expence	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Interest payment for community share	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Purchase of Loch Ness Travel	£ 80,000				£ 80,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Transport Hub Services	£ 1,000				£ 250	£ -	£ -	£ 250	£ -	£ -	£ 250	£ -	£ -	£ 250	£ -	
Transfer to GURCA	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Building Improvements	£ 25,000				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 25,000	
VAT Payments	£ 30,589				£ -	£ -	£ -	£ 7,577	£ -	£ -	£ 18,562	£ -	£ -	£ 4,450	£ -	
Total Outgoings	£ 315,729	£ 3,700	£ 8,220	£ 9,820	£ 104,844	£ 17,917	£ 18,217	£ 27,719	£ 21,337	£ 21,217	£ 25,700	£ 5,113	£ 5,113	£ 10,588	£ 5,113	
Monthly Cash Flow		£186,300	-£8,220	£20,180	-£103,006	-£2,492	£13,964	£5,307	£21,775	£20,160	£997	-£5,113	-£5,113	-£10,588	-£5,113	
Closing Bank Balance		£ 186,300	£178,080	£198,260	£95,254	£92,762	£106,726	£112,032	£133,807	£153,967	£154,964	£149,851	£144,738	£134,150	£129,036	

Year 2	FY 22/23				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Income					6%	17%	16%	22%	22%	16%	0%	0%	0%	0%	0%	0%
Baggage transfer business	£ 175,555				£ -	£ 11,346	£ 29,312	£ 28,366	£ 39,082	£ 39,082	£ 28,366	£ -	£ -	£ -	£ -	£ -
Retail	£ 21,960				£ 1,419	£ 3,667	£ 3,548	£ 4,889	£ 4,889	£ 3,548	£ -	£ -	£ -	£ -	£ -	£ -
Ticket sale commission	£ 12,150				£ 785	£ 2,029	£ 1,963	£ 2,705	£ 2,705	£ 1,963	£ -	£ -	£ -	£ -	£ -	£ -
Provision of public toilets	£ 7,824				£ 300	£ 1,240	£ 1,200	£ 1,860	£ 1,860	£ 600	£ 310	£ 150	£ 62	£ 31	£ 56	£ 155
Grant - Soirbheas	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Grant - Other	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Community Share	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
SIS Loan	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Other	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Total Income	£ 217,489				£ 2,505	£ 18,282	£ 36,023	£ 37,820	£ 48,536	£ 45,194	£ 28,676	£ 150	£ 62	£ 31	£ 56	£ 155
Outgoings																
Salaries & other staff costs	£ 72,077				£ 10,193	£ 10,193	£ 10,193	£ 10,193	£ 10,193	£ 10,193	£ 1,820	£ 1,820	£ 1,820	£ 1,820	£ 1,820	£ 1,819
Sub-contract costs (drivers & transfers)	£ 25,496				£ 4,249	£ 4,249	£ 4,249	£ 4,249	£ 4,249	£ 4,249	£ -	£ -	£ -	£ -	£ -	£ -
Vehicle Leasing	£ 3,480				£ 290	£ 290	£ 290	£ 290	£ 290	£ 290	£ 290	£ 290	£ 290	£ 290	£ 290	£ 290
Vehicle repairs and servicing	£ 2,000				£ -	£ -	£ -	£ -	£ -	£ -	£ 1,000	£ -	£ -	£ -	£ -	£ 1,000
Vehicle Insurance	£ 2,400				£ 200	£ 200	£ 200	£ 200	£ 200	£ 200	£ 200	£ 200	£ 200	£ 200	£ 200	£ 200
Fuel Costs	£ 4,783				£ 797	£ 797	£ 797	£ 797	£ 797	£ 797	£ -	£ -	£ -	£ -	£ -	£ -
Cost of Goods Sold (Stock for retail)	£ 13,176				£ 2,196	£ 2,196	£ 2,196	£ 2,196	£ 2,196	£ 2,196	£ -	£ -	£ -	£ -	£ -	£ -
Business Insurance	£ 1,600				£ 1,600	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Rent for building	£ 5,000				£ 417	£ 417	£ 417	£ 417	£ 417	£ 417	£ 417	£ 417	£ 417	£ 417	£ 417	£ 417
Business Rates	£ 6,180				£ 515	£ 515	£ 515	£ 515	£ 515	£ 515	£ 515	£ 515	£ 515	£ 515	£ 515	£ 515
Utilities (Water, electricity)	£ 6,546				£ 545	£ 545	£ 545	£ 545	£ 545	£ 545	£ 545	£ 545	£ 545	£ 545	£ 545	£ 545
TIC - Repairs and renewals of property & equipment	£ 3,794				£ 316	£ 316	£ 316	£ 316	£ 316	£ 316	£ 316	£ 316	£ 316	£ 316	£ 316	£ 316
Phone, fax & stationary	£ 2,625				£ 219	£ 219	£ 219	£ 219	£ 219	£ 219	£ 219	£ 219	£ 219	£ 219	£ 219	£ 219
Bank & payroll costs	£ 1,155				£ 96	£ 96	£ 96	£ 96	£ 96	£ 96	£ 96	£ 96	£ 96	£ 96	£ 96	£ 96
Accountancy and professional fees	£ 2,100				£ -	£ -	£ -	£ 2,100	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Other business expenses	£ 500				£ 42	£ 42	£ 42	£ 42	£ 42	£ 42	£ 42	£ 42	£ 42	£ 42	£ 42	£ 42
Loan repayments	£ 7,300				£ 608	£ 608	£ 608	£ 608	£ 608	£ 608	£ 608	£ 608	£ 608	£ 608	£ 608	£ 608
Interest payment for community share	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Purchase of LNT	£ 75,805				£ 50,000	£ -	£ -	£ -	£ -	£ -	£ 25,805	£ -	£ -	£ -	£ -	£ -
Transport Hub Services	£ 1,500				£ 375	£ -	£ -	£ 375	£ -	£ -	£ 375	£ -	£ -	£ 375	£ -	£ -
Transfer to GURCA	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Building Improvements	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
VAT Payments	£ 32,920				£ -	£ -	£ -	£ 8,216	£ -	£ -	£ 19,977	£ -	£ -	£ 4,728	£ -	£ -
Total Outgoings	£ 270,436				£ 72,659	£ 20,684	£ 20,684	£ 31,374	£ 20,684	£ 20,684	£ 52,225	£ 5,068	£ 5,068	£ 10,171	£ 5,068	£ 6,067
Monthly Cash Flow					£ -70,154	£ -2,402	£ 15,340	£ 6,446	£ 27,852	£ 24,510	£ -23,549	£ -4,918	£ -5,006	£ -10,140	£ -5,012	£ -5,912
Opening balance				£ 97,924												
Closing Bank Balance					£ 27,770	£ 25,368	£ 40,708	£ 47,153	£ 75,005	£ 99,515	£ 75,967	£ 71,049	£ 66,042	£ 55,902	£ 50,890	£ 44,978

	FY 23/24				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
					6%	17%	16%	22%	22%	16%	0%	0%	0%	0%	0%	0%
Income																
Baggage transfer business	£ 185,882				£ -	£ 12,014	£ 31,036	£ 30,035	£ 41,381	£ 41,381	£ 30,035	£ -	£ -	£ -	£ -	£ -
Retail	£ 25,620				£ 1,656	£ 4,278	£ 4,140	£ 5,704	£ 5,704	£ 4,140	£ -	£ -	£ -	£ -	£ -	£ -
Ticket sale commission	£ 14,175				£ 916	£ 2,367	£ 2,290	£ 3,156	£ 3,156	£ 2,290	£ -	£ -	£ -	£ -	£ -	£ -
Provision of public toilets	£ 7,824				£ 300	£ 1,240	£ 1,200	£ 1,860	£ 1,860	£ 600	£ 310	£ 150	£ 62	£ 31	£ 56	£ 155
Grant - Soirbheas	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Grant - Other	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Community Share	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
SIS Loan	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Other	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Total Income	£ 233,501				£ 2,872	£ 19,899	£ 38,666	£ 40,754	£ 52,101	£ 48,412	£ 30,345	£ 150	£ 62	£ 31	£ 56	£ 155
Outgoings																
Salaries & other staff costs	£ 87,990				£ 12,845	£ 12,845	£ 12,845	£ 12,845	£ 12,845	£ 12,845	£ 1,820	£ 1,820	£ 1,820	£ 1,820	£ 1,820	£ 1,820
Sub-contract costs (drivers & transfers)	£ 15,948				£ 2,658	£ 2,658	£ 2,658	£ 2,658	£ 2,658	£ 2,658	£ -	£ -	£ -	£ -	£ -	£ -
Vehicle Leasing	£ 10,057				£ 3,853	£ 564	£ 564	£ 564	£ 564	£ 564	£ 564	£ 564	£ 564	£ 564	£ 564	£ 564
Vehicle repairs and servicing	£ 3,000				£ -	£ -	£ -	£ -	£ -	£ -	£ 1,000	£ -	£ -	£ -	£ -	£ 2,000
Vehicle Insurance	£ 3,600				£ 300	£ 300	£ 300	£ 300	£ 300	£ 300	£ 300	£ 300	£ 300	£ 300	£ 300	£ 300
Fuel Costs	£ 5,877				£ 979	£ 979	£ 979	£ 979	£ 979	£ 979	£ -	£ -	£ -	£ -	£ -	£ -
Cost of Goods Sold (Stock for retail)	£ 15,372				£ 2,562	£ 2,562	£ 2,562	£ 2,562	£ 2,562	£ 2,562	£ -	£ -	£ -	£ -	£ -	£ -
Business Insurance	£ 1,600				£ 1,600	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Rent for building	£ 7,500				£ 625	£ 625	£ 625	£ 625	£ 625	£ 625	£ 625	£ 625	£ 625	£ 625	£ 625	£ 625
Business Rates	£ 6,365				£ 530	£ 530	£ 530	£ 530	£ 530	£ 530	£ 530	£ 530	£ 530	£ 530	£ 530	£ 530
Utilities (Water, electricity)	£ 6,873				£ 573	£ 573	£ 573	£ 573	£ 573	£ 573	£ 573	£ 573	£ 573	£ 573	£ 573	£ 573
TIC - Repairs and renewals of property & equipment	£ 3,983				£ 332	£ 332	£ 332	£ 332	£ 332	£ 332	£ 332	£ 332	£ 332	£ 332	£ 332	£ 332
Phone, fax & stationary	£ 2,756				£ 230	£ 230	£ 230	£ 230	£ 230	£ 230	£ 230	£ 230	£ 230	£ 230	£ 230	£ 230
Bank & payroll costs	£ 1,213				£ 101	£ 101	£ 101	£ 101	£ 101	£ 101	£ 101	£ 101	£ 101	£ 101	£ 101	£ 101
Accountancy and professional fees	£ 2,205				£ -	£ -	£ -	£ 2,205	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Other business expenses	£ 500				£ 42	£ 42	£ 42	£ 42	£ 42	£ 42	£ 42	£ 42	£ 42	£ 42	£ 42	£ 42
Loan repayments	£ 7,300				£ 608	£ 608	£ 608	£ 608	£ 608	£ 608	£ 608	£ 608	£ 608	£ 608	£ 608	£ 608
Interest payment for community share	£ 1,600				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 1,600
Purchase of LNT	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Transport Hub Services	£ 3,000				£ 750	£ -	£ -	£ 750	£ -	£ -	£ 750	£ -	£ -	£ 750	£ -	£ -
Transfer to GURCA	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Building Improvements	£ -				£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
VAT Payments	£ 35,251				£ -	£ -	£ -	£ 8,854	£ -	£ -	£ 21,391	£ -	£ -	£ 5,006	£ -	£ -
Total Outgoings	£ 221,990				£ 28,588	£ 22,949	£ 22,949	£ 34,758	£ 22,949	£ 22,949	£ 28,866	£ 5,725	£ 5,725	£ 11,481	£ 5,725	£ 9,325
Monthly Cash Flow					£ -25,716	£ -3,051	£ 15,717	£ 5,996	£ 29,151	£ 25,462	£ 1,479	£ -5,575	£ -5,663	£ -11,450	£ -5,669	£ -9,170
Opening balance					£ 44,978											
Closing Bank Balance					£ 19,262	£ 16,211	£ 31,928	£ 37,924	£ 67,075	£ 92,538	£ 94,016	£ 88,442	£ 82,779	£ 71,329	£ 65,660	£ 56,490

8. Operating Plan

Loch Ness Hub will operate from a custom built Visitor Information centre located in the village car park. The building will be owned by GURCA and the Loch Ness Hub will be sole tenants, leasing the building from them. The initial lease of the building is expected to run for a minimum of 10 years with rent payable monthly.

The four core services to be provided by Loch Ness Hub are

- Management of the building and the back-office operation of the baggage business (bookings, planning of bags & transfers and invoicing)
- The movement of bags between accommodation providers & transfers for walkers on the Great Glen Way
- The operation of the tourist information services and retail sales
- The cleaning and maintenance of the public toilet facilities
- Development and provision of the community transport services and solutions

8.1. Service Provision

The success of the Loch Ness Hub will be underpinned by top quality customer service across all of the operations and services being delivered.

The baggage operation relies on accuracy of information, attention to detail in planning and organising daily schedules and flexibility – key skills and competencies that will be part of the job specification for the management/supervisory role that will undertake the back-office activities. Reliability and attention to detail will be key attributes for the drivers collecting and delivering bags to the accommodation providers along the Great Glen Way.

Improving travel options for local people will be a key aim of reducing fossil fuel car usage. The first phase of transport initiatives and active travel activities will be to establish a walking bus, co-ordinated public transport information, ride share and better utilisation of existing vehicles will be deliverable within existing resources. It envisaged that the other transport solutions will be developed over time, as funding and permission are secured particular around path development and purchase of EV or low carbon alternatives and park & ride services.

The intention is for tourist information to be provided to the same standards as Visit Scotland – staff will be expected to be friendly, welcoming and knowledgeable enabling them to place emphasis on and promote local heritage sites, attractions and businesses. Scope exists for the inclusion of a small local heritage display within the building.

Retail space is limited but will provide opportunities for the social enterprise to sell appropriate products. It may also be used to enable local manufacturers of arts and crafts to showcase and sell their products on a commission basis.

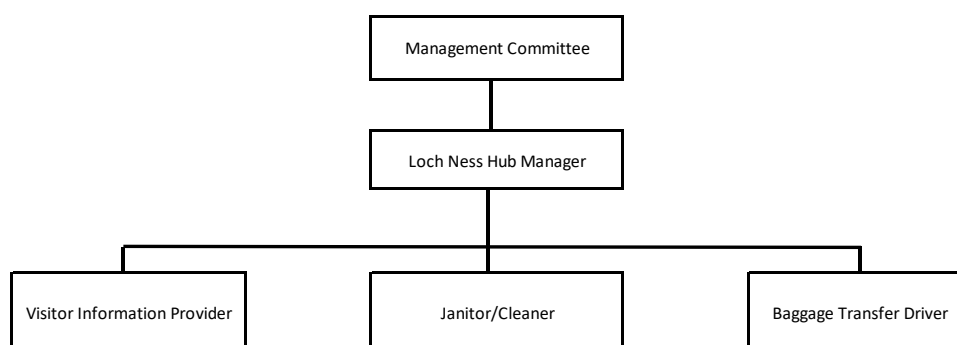
Toilets will be maintained to high standards of cleanliness.

Additional revenue generating services could be provided from the building and added to the operation in future years, e-bike hire, installation of ATM. The merits of these will be considered on a case by case basis.

8.2. Staffing Allocation Summary

The manager of the Loch Ness Hub will take responsibility for the day to day running of the operation and management of the staff providing visitor information, toilets and baggage transfer. They will report to a nominated member of the management committee and there will be a process of monthly review and reporting undertaken with the involvement of the management committee.

Loch Ness Hub Organisational Structure



Role	Employee Numbers			Notes
	Year 1	Year 2	Year 3	
TIC & back office operation for baggage & transfers	1	1	1	Full time management position (52 weeks), part-time work in winter (10hrs/wk)
Provision of tourist information & retail sales	1	1	2	Full time position (seasonal), some part-time hours in winter. Additional staff added member in year 3
Cleaning & Maintenance of toilets	1	1	1	Part time (52 weeks)
Movement of bags & transfers	2	2	2	Two full time positions (seasonal, 31 wks)
Total	5	5	6	

Key Notes & Assumptions

- Two staff based in the Hub through the summer season in year 1 increasing to three in the 3rd year of operation to increase capacity for the provision of tourist information and travel and transport information and promotion and co-ordinating of the related services.
- Back office activity for baggage operation (bookings) takes place and co-ordinating any potential community vehicle usage

throughout the year allowing for the provision of tourist information in winter months (part time basis/4hrs per day)

- Toilet cleaning and maintenance (including cash collection) undertaken at least twice per day on a part time basis throughout the year
- Sub-contractor used for baggage transfers between Fort William & Spean Bridge
- A sub-contractor used for walker transfers in years 1 & 2 before bringing this in-house in year 3 after a handover from the current owner and the completion of relevant training/licensing for employee to undertake walker transfers (taxi service)

See section 9.5 for more detailed breakdown

8.3. Opening Hours for Loch Ness Hub

Manning plan (including rest days/holidays) will support the opening hours for the facility as shown below. This represents 2,032 hours of operation for the tourist information office over the year.

	Days	Hours
October to March (Inc)	5 days (Wed - Sun)	10am - 2pm
April to Sept (Inc)	7 days	10am - 6pm

The toilets at the rear of the building can be opened /closed independently of the tourist information office and will be available to the public 24/7

9. Supporting Information

Income

9.1. Loch Ness Travel – Historical Turnover and Net Profit

Historical Business Performance										
Loch Ness Travel - Historical Turnover and Net Profit from Tax Returns										
	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	Notes/Questions
Turnover	£ 57,762	£ 69,422	£ 77,956	£ 70,780	£ 80,031	£ 86,548	£ 120,073	£ 176,960	£ 185,257	
Total expenses	£ 23,491	£ 23,840	£ 26,037	£ 23,358	£ 30,884	£ 32,776	£ 34,852	£ 38,337	£ 42,171	Estimated costs FY18/19 & FY19/20
Net business profit	£ 34,271	£ 45,582	£ 51,919	£ 47,422	£ 49,147	£ 53,772	£ 85,221	£ 138,623	£ 143,086	
Net Profit as % sales	59%	66%	67%	67%	61%	62%	71%	78%	77%	

9.2. Assessment of market for baggage operation

Report from Scottish National Heritage – page 6

“Great Glen Way: 30,000 visits, including 4,500 end to end users”

Estimated Revenue from Toilets

Cost/visit (£)	Total Visitors	Total (£)
0.1	80,320	£ 8,032

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Per Day	50	50	50	100	400	400	600	600	200	100	50	20	
Days	31	28	31	30	31	30	31	31	30	31	30	31	
Visitors	1550	1400	1550	3000	12400	12000	18600	18600	6000	3100	1500	620	80,320
	£ 155	£ 140	£ 155	£ 300	£ 1,240	£ 1,200	£ 1,860	£ 1,860	£ 600	£ 310	£ 150	£ 62	£ 8,032

Footfall estimates for public conveniences provided by Highland Council based on 2018 survey. Revenues adjusted to take account of actual operating experience during summer 2019 and donations rather than charges from year 2.

Revised based on Meeting with Visit Scotland 13/02/19													
Retail FY17/18 £25-30k @ 40-45% margin													
Commission on ticket £25-£40k (15% on sales)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Days	31	28	31	30	31	30	31	31	30	31	30	31	365
Daily Sales	£ -	£ -	£ -	£ 200	£ 200	£ 200	£ 200	£ 200	£ 200	£ -	£ -	£ -	
Retail (Turnover)	£ -	£ -	£ -	£ 6,000	£ 6,200	£ 6,000	£ 6,200	£ 6,200	£ 6,000	£ -	£ -	£ -	£ 36,600
Margin (%)	40%	£ -	£ -	£ 2,400	£ 2,480	£ 2,400	£ 2,480	£ 2,480	£ 2,400	£ -	£ -	£ -	£ 14,640
Daily Sales	£ -	£ -	£ -	£ 667	£ 806	£ 833	£ 806	£ 645	£ 667	£ -	£ -	£ -	
Ticket Sales	£ -	£ -	£ -	£ 20,000	£ 25,000	£ 25,000	£ 25,000	£ 20,000	£ 20,000	£ -	£ -	£ -	£ 135,000
Commission (%)	15%	£ -	£ -	£ 3,000	£ 3,750	£ 3,750	£ 3,750	£ 3,000	£ 3,000	£ -	£ -	£ -	£ 20,250
	£ -	£ -	£ -	£ 5,400	£ 6,230	£ 6,150	£ 6,230	£ 5,480	£ 5,400	£ -	£ -	£ -	£ 34,890

9.7. Building utilities and repairs

Data for FY15/16 – FY17/18 reflect actuals provided by Highland Council

	Historic			Forecast		
	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21
Water	£1,419	£2,111	£2,282	£2,396	£2,516	£2,642
Electricity	£2,802	£3,236	£3,103	£3,258	£3,421	£3,592
Total	£4,221	£5,347	£5,385	£5,654	£5,937	£6,234
Maintenance	£664	£2,488	£3,121	£3,277	£3,441	£3,613
Total	£4,885	£7,835	£8,506	£8,931	£9,378	£9,847

9.8. Loch Ness Hub Board Member CV's

Gordon Findlay – Trustee of GURCA

I was employed for over 20 years in a number of operational roles with companies involved in leading edge chemical manufacturing and processing, most recently with FTSE 100 company Johnson Matthey. I joined as part of the team tasked with the design and built a new £25m greenfield manufacturing facility in Swindon to produce Fuel Cell components for this developing technology, before taking on the role of Operations Director leading a team of 120 people with responsibility for manufacturing, supply chain and quality.

I retired from Johnson Matthey in 2016 and am now self-employed running a Bed and Breakfast business with my wife in the popular village of Drumnadrochit in the Highlands of Scotland. I became a GURCA member in 2017 and trustee in 2018.

Between 2008 and 2010 during a planned career break I undertook a 2-year voluntary placement with Voluntary Services Overseas living and working in Kathmandu, Nepal. The placement was with the Government of Nepal in the Ministry of Women Children and Social Welfare and involved working with colleagues in the Ministry on strategy and policy development, policy implementation, capacity building and awareness raising for the disability sector.

Neil Barron – Trustee of GURCA

1974 - Aged 18, completed full time education with A Levels.

1974-76 - 2 years as a Management Trainee with Marks & Spencer.

1976-2006 Joined Lloyds Bank on their Management Development Programme within the Retail Banking (High Street) Sector. Worked in 10 different branches and an Area Directors Office developing finance related skills in the Personal and Business Sectors whilst gaining related passes in the Chartered Institute of Bankers exams. Having run branches, new customer service and marketing initiatives and developed and taken related training courses, I began a specialisation in Business Banking in the up to £2M turnover range which continued until I left the Bank.

2007-13 Run small 'Bed and Breakfast' with my wife, Carol.

2007-12 Part-time Lifeguard at Inverness Leisure.

2009-16 Part-time Steward at Urquhart Castle, including guided tours.

Voluntary activities

Chairman, Secretary, Teacher, Coach, Competition Official for Wootton Bassett Swimming Club 1992-2002

Leonard Cheshire Volunteer Kington Langley 2004-6

Glen Urquhart Greenspace Community Company, Director Secretary 2009- 2013

Craigmonie Woodland Association Volunteer 2018 onwards

Patricia Fearn

After A levels and passing my English Oxbridge entry exam, I took the decision not to pursue a degree course and entered the Civil Service in the Legal Aid department.

Studied Contract Law for 2 years whilst here I organised and ran exhibitions for a Bristol Design company.

A career jump to the building firm Laings saw me training as a Quantity Surveyor, before a break to have children.

A lifelong passion and concern for animal welfare saw me working alongside RSPCA, Trading and Standards and Police, whilst bringing up my children. This led to the formation of my charity, National Equine Defence Society, where we rescued, rehabilitated and rehomed over 300 equines.

Whilst running this and due to chronic tendonitis, I invented a tool to let me continue my work. Lite-Lift Uk Ltd was formed after winning various awards for the shaft I invented. As Managing Director of Lite-Lift and having successfully supplied these tools to our main customer the MOD, I took the decision to suspend production when the recession saw our main customers having to reduce orders.

I hold the patent for my tools and may sell rather than pick up production as I have now retired.

The awards I picked up were,

Business Smart Micro Project Award 2001

West Yorkshire Big Fish Award 2002

Female Inventor of the Year 2003

Institute of Directors Award 2003

During this time, I sat as a non-executive director on the board of Business Link Yorkshire.

2018 saw my husband and I decide to fulfil an ambition to retire to the Highlands and enjoy this wonderful area.

Carolyn Wilson – Trustee of GURCA

After graduating in 1979 I joined the British Railways graduate management programme, and worked in the industry for over 20 years. I held a number of senior management positions, and spent several years involved with the negotiation and management of high value contracts. When I left the industry to pursue life in the highlands, I was the Commercial Director for the London and North Eastern zone of Railtrack.

Since leaving work, I have been involved in a range of community groups as a volunteer. Currently, I am the coordinator of the Drumnadrochit Community First Responders, a director of the Glen Urquhart Care Project and its subsidiary, Glen Urquhart Care (Developments) and a Trustee of the Glen Urquhart Rural Community Association.

GURCA TRUSTEES Brief CV's

Susan Clark - Chair

Susan has lived in Drumnadrochit since 2012 and has been fully engaged in the community since then as Secretary of the Glenurquhart Highland Gathering and Trustee of the local Chamber of Commerce.

Susan owns and is a Director of Great Glen Consulting which offers project management and business consultancy services for a range of clients, including community, charity and private sector, in the renewable, social care and transport industries.

Since 2012, Susan has also been a trustee of the Port of Inverness and also co-owns a holiday rental cottage in Drumnadrochit.

Susan has a BSC in Chemical Sciences and an MBA

Carolyn Wilson - Secretary

After graduating in 1979 I joined the British Railways graduate management programme, and worked in the industry for over 20 years. I held a number of senior management positions, and spent several years involved with the negotiation and management of high value contracts. When I left the industry to pursue life in the highlands, I was the Commercial Director for the London and North Eastern zone of Railtrack.

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Neil Barron - Treasurer

1974 - Aged 18, completed full time education with A Levels.

1974-76 - 2 years as a Management Trainee with Marks & Spencer.

1976-2006 Joined Lloyds Bank on their Management Development Programme within the Retail Banking (High Street) Sector. Worked in 10 different branches and an Area Directors Office developing finance related skills in the Personal and Business Sectors whilst gaining related passes in the Chartered Institute of Bankers exams. Having run branches, new customer service and marketing initiatives and developed and taken related training courses, I began a specialisation in Business Banking in the up to £2M turnover range which continued until I left the Bank.

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Voluntary activities

Chairman, Secretary, Teacher, Coach, Competition Official for Wootton Bassett Swimming Club 1992-2002

Leonard Cheshire Volunteer Kington Langley 2004-6

Glen Urquhart Greenspace Community Company, Director Secretary 2009- 2013

Craigmonie Woodland Association Volunteer 2018 onwards

Anne MacDonald - Trustee

I graduated with a business degree in 1999, and also have a post graduate certificate in social enterprise and an ILM qualification in leadership. I have been employed by Highlands & Islands Enterprise for the 20 years in a number of roles, currently as Head of Social Enterprise Development. Previous to working with HIE I ran my own small business for 7 years.

I am a trustee of Glen Urquhart Rural Community Association, and was formerly the chair for a number of years.

I was one of the founding Directors of Soirbheas, a charity invested in a small-scale wind farm and now distributes the income.

Fraser Mackenzie –Trustee

Graduated M.A. (Hons) in English Language & Literature from Aberdeen University 1974
 Graduated M.Ed.- Aberdeen University in 1976.
 Secondary School Teacher (English & Principal Teacher of Guidance) –Inverness High School 1975-2011
 ATQ (Gaelic) 1996 -Aberdeen University
 Player Glen Urquhart Shinty Club 1975-1999
 Treasurer Glen Urquhart Shinty Club 1976-Present
 Editor Glen Urquhart Bulletin 2000-Present
 Glen Urquhart Highland Games Committee 1986-1992. Vice Chair from 1992-Present
 Director Soirbheas 2015-Present
 Trustee of GURCA

Freelance writer/sports journalist- Sunday Herald/The National & various publications 1999-Present.

BBC Radio Scotland Shinty Reporter 2007-2012

Gordon Watson - Trustee

I graduated with a law degree from Glasgow University in 1988 and have worked as a contracts manager for architects ever since. For the last 25 years I have worked for Keppie Design, one of Scotland's largest architectural practices. In 2016 I was made an honorary Fellow of the Royal Incorporation of Architects in Scotland.

Outwith my professional life I am a trustee of the Glen Urquhart Rural Community Association, current chairman of the Hall Committee, and a local volunteer warden for the Woodland Trust. I also volunteer regularly with the Craigmorie Woodland Association, and provide badminton coaching to primary school children via the Highlife Highland Active Schools programme.

Gordon Findlay – Trustee

Employed for over 25 years in a number of operational roles with companies involved in leading edge chemical manufacturing and processing, most recently with FTSE 100 company Johnson Matthey. Joined as part of the team tasked with the design and build of a new £25m greenfield manufacturing facility in Swindon to produce Fuel Cell components for this developing technology, before taking on the role of Operations Director leading a team of 120 people with responsibility for manufacturing, supply chain and quality.

Retired from Johnson Matthey in 2016 and now self-employed running a Bed and Breakfast business in the popular village of Drumnadrochit in the Highlands of Scotland.

Became a GURCA member in 2017 and trustee in 2018.

Between 2008 and 2010 during a planned career break undertook a 2-year voluntary placement with Voluntary Services Overseas living and working in Kathmandu, Nepal. The placement was with the Government of Nepal in their Ministry of Women Children and Social Welfare and involved working with colleagues in the Ministry on strategy and policy development, policy implementation, capacity building and awareness raising for the disability sector.

Fiona Urquhart - Trustee

9.9. Transport Hub & Social Enterprise Partners

Support and Funding - Soirbheas is a registered charity, whose objectives are to strengthen and support the communities of Glen Urquhart and Strathglass, through revenues from local renewable energy schemes. This money generated by these schemes is reinvested in the community via the [charity's grant programmes](#), and key [projects](#) delivered with partners organisations and local community groups. The funds are used to support local initiatives that help protect our environment, provide training and employment opportunities and projects that create more resilient communities.

<https://www.soirbheas.org/>

Carol Masheter - the Soirbheas Community Development Manager is working closely with GURCA and the Loch Ness Hub management team to support the development of the hub and is experienced in project management and community engagement.

Delivery Partner - Strathglass Marketing Group (leading on Affric Kintail Way developments)

Strathglass Marketing Group was founded in 2001 to promote the local area and associated tourism businesses. This is achieved initially through our website and our links with bodies such as Destination Loch Ness where we have a presence on the Board of Directors. SMG also has a vital role in lobbying organisations such as Visit Scotland, Forestry Commission Scotland and The Highland Council. The group is also active in promoting/supporting events open to both visitors to the area and local residents. <http://www.glenaffric.info/about-strathglass-marketing.html>

Delivery Partner - Strathglass & Affric Community Company (EV charge points in Cannich)

Strathglass & Affric Community Company (SACC) is Community Development Trust, Strathglass and Affric Community Company (SACC) will help ensure that long-term, sustainable benefits are achieved throughout the Strathglass area by initiating and implementing a range of projects focussed on strengthening and uniting the local community. <http://www.strathglass-community.org.uk/index.html>