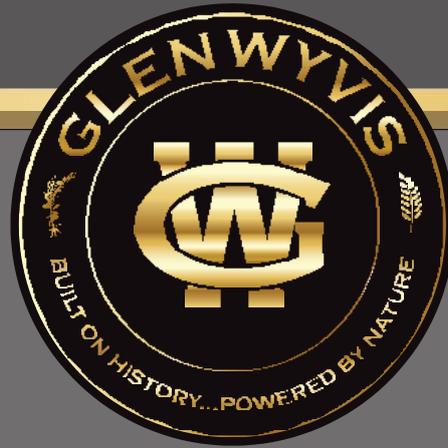


# GlenWyvis Community Benefit Society

## Visitor Centre Business Plan



BY INVESTING IN OUR  
COMMUNITY SHARES YOU WILL  
HELP PUT

### **WHISKY DISTILLING**

BACK AT THE HEART OF THE  
HISTORIC HIGHLAND TOWN

OF DINGWALL.

**GlenWyvis**

Built on history... Powered by nature



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## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

### 1. Outline Case for Support

This Business Plan is for a new Visitor Centre in Dingwall, Ross-shire, strongly linked to the new GlenWyvis Distillery and themed around whisky, related aspects of Scottish History, and the innovative use of renewable energy at the Distillery.

This Visitor Centre and the Distillery are at the core of a wider plan to recreate Dingwall as the Craft Distillery Town of Scotland, and to work in partnership with others to establish Dingwall as a quality tourism destination on the North Coast 500 route and as an attractive day trip from Inverness.

The Mission and Objectives of the Visitor Centre are:

To deliver a high-quality, unique visitor experience, providing social and economic benefits to the Dingwall community by:

- Providing a high-quality visitor attraction to UK and international visitors, and so establishing Dingwall on key tourism routes as the Craft Distillery Town of Scotland;
- Building community links to arts and culture through hosting a Community Cinema and resulting partnership with Dingwall Academy and Inverness College UHI to create artwork;
- Hosting a Social Enterprise Bistro, providing employment and training opportunities to address Dingwall's areas of multiple social and economic deprivation.

The Centre will be part of the GlenWyvis Community Benefit Society, set up to provide benefits to Dingwall and its surrounding areas.

This Centre will reflect USP of GlenWyvis itself, with its historic links to distilling in Dingwall and Ferintosh, to the illicit stills of Strathconon; and with the short-lived distilling industry in Inverness, where the barley will continue to be malted. The exhibitions will provide unique insights into the social, economic and cultural history of the area, with strong links to the Jacobites and to writers including Neill Gunn and Robbie Burns, the role of whisky production and prohibition in these, and the continuation of these cultural identities through to the present day.

The Centre will uniquely focus on the generation and use of renewable energy at Glenwyvis, the first 100% renewable energy whisky distillery; and link this to the history and social impacts of renewables in the Highlands, from the Tunnel Tigers to the present day: wind, hydro, solar and wave power. The market for renewable energy exhibitions is growing, and is very successful in venues further South.

The exhibitions will be designed in partnership with experts in archaeology, history, and energy science, and will be fully interactive to encourage both families and adult visitors.

The Bistro / Bar will be run by a separate social enterprise, providing training and employment opportunities, and using high quality local produce and enabling socialising / gathering in evenings in bistro setting, adding to limited range of restaurants in Dingwall. The Shop will be part of the movement to display the increasing range of Scottish and Highland craft distilled and brewed products, including Glenwyvis Gin and other new craft gins.

The Audio-Visual area for exhibition displays will also be used to host a Community Cinema in Dingwall, bringing back the lost Old Picture House to provide informal evening entertainment, and creating a strong link with local arts education providers.

This Visitor Centre will deliver identified and measurable community benefits. It will help reverse the decades of decline in Dingwall, adding services and facilities that have been lost to the community, with at least 50 community events per year. It will provide at least 7 FTE jobs and create 8 training opportunities for local people, helping address the areas of multiple deprivation in the town. It will form



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

the catalyst for redevelopment of Dingwall as a viable tourist destination and a better place to live, delivering £635,000 of tourist spend to the local economy through 32,000 visitors per year, and generating up to £375,000 of GVA per year. It will work to proactively strengthen the existing community cohesion and spirit, involving Dingwall Academy and local further and higher education providers in design, development and interpretation of audio visual and other displays; work with the North of Scotland Archaeological Society; with Herriot – Watt University; and in partnership with the Dingwall Development Group to strengthen other aspects of Dingwall as a tourism destination.

The Centre will attract up to 32,000 visitors per year; around 22,000 to whisky tourism, and a further 10,000 to the wider exhibit. These numbers calibrate to local existing distilleries and attractions which have a much lower investment base, and are considered conservative. Average spend per visitor of £21.70 is very comparable with available statistics in other visitor attractions.

The development costs of £2,532,000 include a new and architecturally impressive building at a key entrance site to Dingwall, high-quality, interactive exhibitions, and a cinema that meets Independent Film Association standards. The Centre will also require £100k of working capital, to assist in overcoming seasonal cash flows. This will be funded by £1,000,000 from community shares, £500,000 bank loan repayable over 5 years at 6%, and grants of £1,032,000.

The Visitor Centre is forecast to make losses and cash deficits in the first year of trading, before it becomes firmly established in Inverness-based and Highland-based tourism infrastructure. It will generate smaller profits and surpluses in the second year, and reach maturity in the third:

	2019	2020	2021
<b>International visitors</b>	15,000	20,000	22,000
<b>GB visitors</b>	5,000	7,500	10,000
<b>Profit and Loss:</b>			
<b>Turnover</b>	342	527	636
<b>Gross margin</b>	185	285	327
<b>EBITDA</b>	<b>55</b>	<b>146</b>	<b>186</b>
<b>Profit after tax</b>	<b>65</b>	<b>31</b>	<b>57</b>

The Visitor Centre will have a highly seasonal trade, relying on high numbers and activities in the summer season to ensure that remains profitable overall. While the winter season should not cause it to generate significant losses, the centre will remain open largely to continue to deliver its community benefits.



Monthly cash flows and balances will require careful managing and funding, in particular the peak cash required at the end of the winter to re-stock the shop in advance of the main tourist season, as shown the graph

The Directors have identified the key risks of this project and are confident that risk mitigations are in place which will ensure the risks are acceptable. The most significant risk is that the funding is not found and that this visionary project cannot proceed.



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

### 2. Introduction and Background

The Visitor Centre which is the object of this proposal is part of the Glenwyvis Distillery Community Benefit Society (“the Glenwyvis BenCom”), which also owns the Glenwyvis Distillery planned for a site approximately two miles from the centre of the town.

The Board of the Glenwyvis BenCom plan that the Distillery itself will provide community benefits in terms of allocation of financial surpluses to the community; these will grow as the Distillery products mature over time and the Distillery becomes more profitable. In addition, the Board intend that additional profits and benefits will be delivered by a Visitor Centre, which will enable greater community engagement, provide additional direct benefits such as employment, and help generate “spill-over” benefits to other businesses in the town centre.

Distillery Visitor Centres are usually on the same site as the Distillery, allowing for distillery tours as part of the visitor experience. This will not be possible at the Distillery site, due to access restrictions; the Distillery site is up a very steep, single track road which Highland Council Planners have declared as unsuitable for increased traffic flow allied to a Visitor Centre.

There are other models of Visitor Centres which are not sited with their Distilleries, for example the Beefeater Visitor Centre in London and the Scotch Whisky Heritage Centre in Edinburgh. The physical separation of the Distillery and Centre allows the Centre to attract a wider audience than for whisky tourism, while retaining both an attraction to that sector and offering bespoke tours of the Distillery. The unique status of the Glenwyvis Distillery as the only distillery wholly powered by renewable energy provides an additional point of interest for visitors to the Centre and to the Distillery.

The plans for the Centre include interpretation of the social, economic and political history of whisky to be undertaken in partnership with the North of Scotland Archaeological Association; interactive displays of renewable energy, both in its wider context and how it is used in the Distillery, assisted by Inverness College UHI and Lews Castle College UHI’s educational and research expertise in renewables; small working whisky and gin stills displays. There will be a 40 seat cinema which can be used both for audio-visual interpretation and films during the day, and as a community cinema outside the Centre main opening hours. A bistro, “Gardener’s Bistro”, will provide hot meals during the day and in the evening; it will seek not to compete with the various soup and sandwich cafés currently operating on the High Street.

This Plan explains how these activities fill a current market gap, and how each activity contributes to the overall financial viability of the Centre.

The Centre’s site in Dingwall enables it to form part of continuing efforts to revive the town centre.

Dingwall has been in general economic stasis or decline since the creation of Highland Region and the resulting loss of its status as the Ross-shire administrative centre; the building of the new A9 over the Black Isle, bypassing Dingwall; and the gradual decline of agriculture as the major employer in the area. While it has gained from nearby oil and gas employment, this sector is also experiencing a continuing downturn which will only accelerate in the near future. Dingwall, a small town of around 5,000 people, has both areas that are amongst the 15% most deprived in Scotland; and areas that are amongst the 15% least deprived. While a Visitor Centre and Distillery cannot, alone, reverse the process of decline, they can contribute significantly to the redevelopment of Dingwall as a small town and the revitalisation of its historic High Street.

In addition to the business plan, this plan also summarises, and explains in Section 6 below the Social, Economic, and Community Benefits to the community of Dingwall from the activities of the Visitor Centre.



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

Significant economic benefits will be delivered directly to the community of Dingwall through the social enterprise hosted in the Bistro, which will provide training and educational opportunities to address Dingwall's areas of social and economic deprivation.

Direct community benefits will also arise from the planned use of the exhibition audio-visual facilities for a community cinema outside of visitor centre hours, re-instating the lost "Picture House" in Dingwall which closed in the 1980s. This is explained further in Section 5.6 below.

### 3. Mission Statement and Objectives

To deliver a high-quality, unique visitor experience, providing social and economic benefits to the Dingwall community by:

- Providing a high-quality visitor attraction to UK and international visitors, and so establishing Dingwall on key tourism routes as the Craft Distillery Town of Scotland;
  - Providing educational information on Scottish historic events as they relate to Ross-shire and to Inverness-shire;
  - Providing educational information on the social and economic impacts of the historic whisky industry in Ross-shire and Inverness-shire, in partnership with the North of Scotland Archaeological Society;
  - Exploring past and present cultural links between Dingwall and national Scottish culture, particular in the written word, working with the [Clan Gunn Society](#) regarding Neill Gunn, the [Robert Burns Federation](#), and linking with current booksellers and publishers in Dingwall;
  - Providing educational information on the use of renewable energy for the Distillery and more widely, in partnership with Heriot-Watt University and the University of the Highlands and Island.
- Building community links to arts and culture through the Community Cinema and resulting partnership with Dingwall Academy and Inverness College UHI;
- Hosting a Social Enterprise Bistro, providing employment and training opportunities to address Dingwall's areas of multiple social and economic deprivation.



### 4. Legal structure and governance

In keeping with the prime objective of delivering “profits-plus” community benefits, the company owning the Visitor Centre, the Glenwyvis Distillery Community Benefits Society, is set up to deliver both profits and community benefits.

A community benefit society is run primarily for the benefit of the community at large, rather than just for members of the society. This means that it must have an overarching community purpose that reaches beyond its membership. A community benefit society, or “BenCom”, has democratic decision-making built into its structure; the voting powers are for one member, one vote, rather than having voting power determined by the number of shares held. Although a community benefit society has the power to pay reasonable and regulated interest on members’ share capital, it cannot distribute surpluses to members in the form of dividends. A community benefit society can opt to have a statutory asset lock, which has the same strength as the asset lock for a charity and for a community interest company.

The decisions of a BenCom are made day-to-day by a Board elected by the membership at the AGM. As with limited companies, specific decisions are retained to the members.

The founding members of Glenwyvis Distillery Community Benefit Society are as attached at Section 14.1 below, Founding Board of Directors.

The BenCom’s membership is set to be by withdrawable share capital, with an interest rate set annually by the Board and not permitted to exceed around 5% per annum. The share capital in the BenCom will be held by community investors. Investors will be primarily interested in an investment as delivering community benefits, although they will have some financial security in the withdrawable nature of the share capital which can be sold back to the BenCom for its face value, at the discretion of the BenCom, and in the potential interest.

#### Potential charitable registration

Although the BenCom itself cannot be a charity, as it is a trading entity that does not have a charitable purpose in that trading, it is possible that it may be beneficial for some of the activities of the Visitor Centre to be separately constituted as a Charity.

The detailed considerations are attached at Section 16 below: Appendices

Legal Structure: Pros and Cons of Charity.

At the current time, the key considerations on charity status are that:

- There would have to be two legal bodies, the BenCom and a Charity (which could be a member of the BenCom);
- there is a much more regulation; to OSCR and separately to HMRC;
- the profits from charitable trading would be restricted in their application for anything other than the defined charitable purpose
- the organisation might save £6k maximum on the annual rates bill, save Corporation tax on exhibition admission trading.

Given the complexities, at the current time there is no intention to set up a separate charity.



### 5. Vision: the Project in 5 years' time

By 2020, the Glenwyvis Distillery will be selling “new make” spirit – the high-strength, unaged whisky spirit straight from the stills, and continuing sales of its range of gins, generating additional interest in the Distillery, its products, and its uniquely “green” production methods.

The Glenwyvis Visitor Centre will be firmly established in the Highland tourist market as a whisky tourism destination and as a destination for all visitors to Inverness and the Highlands. With an architecturally significant building advertising its position on the “NC500” route, on the main road to the North-West Highlands; within an easy day trip from the visitor and residential centre of Inverness; and being very close to Dingwall station – only 30 mins by train from Inverness - the Centre will regularly attract over 10,000 UK visitors and 20,000 international visitors a year to its permanent and temporary exhibitions. These will explain and educate on the social, economic and cultural impact of whisky history in the region; the links to Culloden and to the Clearances; and cultural links to Neil Gunn and Robert Burns. The renewable energy exhibits will support the developing niche market in renewable energy tourism, linking to the Distillery production and more widely to the Highland’s growing reputation at the forefront of renewable energy generation and use.

The Centre will be a catalyst in establishing Dingwall as “the Craft Distillery Town in Scotland”, with a shop showcasing these products from the Highlands and across Scotland, and a Bistro / Bar offering tasting events to explore and establish products on the market.

The Centre will host a Bistro which showcases local produce, and is managed as a social enterprise to support education and training, addressing Dingwall’s areas of high social and economic deprivation. This will be a welcome addition for locals and visitors alike, providing a lunch and dining experience which adds to the choice in the town and provides an additional outlet for quality local producers.

The Centre will host the Community Cinema, re-establishing the old Picture House in Dingwall, providing entertainment for Dingwall residents throughout the year, and providing strong cultural and educational links to Dingwall Academy and to Inverness College UHI.

The Centre will have firmly established its “green” credentials, being powered by renewable energy in the same way as its sister Distillery. It will offer visitors who walk, cycle, or come by public transport, a reduced entry price or a free drink in the bar.

Visitors will also be persuaded to enjoy other attractions in Dingwall, with a renewed and vibrant Town Hall displaying local historical artefacts, Dingwall walks to the historic Telford canal and Viking meet sites, and a busy High Street with local businesses thriving due to the increased visitor numbers. The Visitor Centre will signpost visitors to the local cultural attractions, including a book festival hosted by its thriving publishing and bookselling industry; local architectural sites supported by the North of Scotland Archaeological Society which in turn will be supported by the Centre; and to other cultural attractions in the Highlands with connections to Inverness, Caithness and Sutherland.



### 5.1. Glenwyvis: the Whisky USP

#### Ross-shire Distilling

The Glenwyvis Whisky USP will be its named and historical connection to two previous distilleries: “Ben Wyvis”, the previous distillery on the proposed site of the Visitor Centre; and “Glenskiach” which operated in Evanton, 6 miles to the east.

The first distillery to use the name "Ben Wyvis" operated between 1879 and 1926 in Dingwall. It was founded by D. G. Ross, but was then sold to Scotch Whisky Distillers in 1887. When Scotch Whisky Distillers was liquidated, the Ben Wyvis distillery was sold to the Ferintosh Distillery Co. Ltd., which was owned by Kirker, Greer & Co. in Belfast. The name was then changed to "Ferintosh" which had a long history and was once almost synonymous with whisky.

The Ben Wyvis Still House, Master Distillers House, and Workers House, and the bonded warehouses and remain at the entrance to Dingwall, both converted into residences.



The Still House, Master Distillers, and Workers Houses, 1974, with the ruins of the maltings buildings behind.



The grain store and bonded warehouses, now residential accommodation -2015

#### Scottish National Dictionary (1700–)

[Hide Quotations](#) [Hide Etymology](#) [Cite this entry](#)

**FERINTOSH**, *n.* Also *Ferrintosh*, *Ferintosh*, *Fairintosh*, *Farintosh*, *Ferryntosh*. A kind of whisky formerly distilled in the village of Ferintosh on the Cromarty Firth near Dingwall. The distillery belonged to Forbes of Culloden and the whisky was exempted from duty from 1695–1785 as reparation for damages suffered by the estate at the hands of the Jacobites in 1689. It was characterised by its strong peat-smoke flavour. Often used of whisky generally. *Hist.*

Sc. 1751 in H. TAYLER *Jacobite Epilogue* (1941) 189:  
Your Mama and freinds here . . . when they meet remember you and other freinds there, in a Glass of good Ferryntosh.

Ayr. 1786 [BURNS](#) *Scotch Drink* xix.:  
Thee Ferintosh! O sadly lost! Scotland lament frae coast to coast!

Slk. 1820 [HOGG](#) *Winter Ev. Tales* i. 81:  
I . . . handed him a queich filled with good Ferintosh.

Edb. 1828 [D. M. MOIR](#) *Mansie Wauch* (1839) vi.:  
To say nothing of a bottle, or maybe two, of real peat-reek Farintosh, small-still Hieland whisky.

Arg. 1914 [N. MUNRO](#) *New Road* xvii.:  
As if they were relieved at her departure when the serious ritual of wine and Ferintosh came on.

Sc. 1948 [Scots Mag.](#) (Dec.) 164:  
“Scotch” as a synonym for whisky is a comparative newcomer to the vocabulary of commerce. For many years the drink was “Ferintosh,” after the distillery owned by Duncan Forbes of Culloden.

The Ferintosh whisky distillery, one of the oldest in Scotland, was burnt down during the Jacobite disturbances in 1689. Because of the help provided by the landowner, the Forbes of Culloden, to the Covenanters; and because their property had suffered; Ferintosh became the first legal distillery in Scotland in 1690 and gained an exemption from Excise Duty. Robert Burns himself noted the loss of the exemption in 1784 and the closure of the Distillery in 1785.

The site of the Distillery, at the place now referred to as Mulchaich, has been partially excavated by the [North of Scotland Archaeological Society](#) and can be visited.



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

The Glenskiach distillery operated at Evanton, 6 miles east of Dingwall, as early as the eighteenth century. The Glenskiach distillery opened in 1896 and only ever produced a relatively small amount of whisky. However, the effects of the U.S. Prohibition law, which damaged the income of all Scottish distilleries, proved too much for Glenskiach, and the operation was forced to close in 1926. The building itself was demolished in 1933.

These historical connections to Covenanting, Prohibition, and to Robbie Burns himself all provide a rich seam of history, providing Ben Wyvis with a USP that goes beyond its current location in Dingwall.

### Inverness Distilling

Inverness also has a distilling legacy which now has been sadly lost. There were originally three distilleries in the town of Inverness.

Millburn Distillery was the oldest Inverness distillery, established in 1807, and is the only one whose buildings remain standing. It was founded under the name Inverness Distillery by a Mr. Welsh some 16 years before whisky distillation was legalised. The distillery changed hands several times throughout the nineteenth century until 1904 when its name was officially changed to Millburn. Due to the distillery's location between a stream and the edge of the town, expansion opportunities were limited. The distillery eventually closed in 1985 after the price of whisky crashed in the 1980s and the buildings were redeveloped. Bottles of Millburn can still be found although they come with a premium price tag.

Glen Albyn was the second distillery to be built in the Highland capital. The distillery was founded in 1844 by a Mr Sutherland who was the Provost of Inverness at the time. Production started in 1846 and the new distillery held great promise due to its location on the Caledonian Canal, allowing it good access for shipping in raw materials, especially local barley which was renowned for its quality, and shipping out malt whisky. However, a decade later it ran into financial difficulties and became a flour mill. During the whisky boom of the late nineteenth century the distillery went back to its original purpose of producing whisky. This was interrupted by the First World War when Glen Albyn was used as a U.S navy base and produced anti-submarine netting. After the war Glen Albyn continued whisky production, and was sold together with Glen Mhor to Diageo's predecessor in 1972. The whisky crash of the 1980s resulted in the closure of the distillery in 1983, making Glen Albyn a highly sought after bottle for whisky collectors. The buildings were demolished in 1986.

Glen Mhor was the final distillery in Inverness. It was constructed in 1892 by John Birnie, who was previously the manager at Glen Albyn distillery. Glen Mhor had close ties with Glen Albyn, as it was constructed on the other side of the road, and eventually Glen Mhor bought over Glen Albyn in 1920. It was the first distillery in Scotland to use the "saladin box" malting process in 1954.

Inverness had almost two centuries of distilling history and tradition which was sadly lost over a very short period of time. The GlenWyvis Distillery will reignite traditional local distilling in the area and reclaim what was lost in Dingwall and Inverness.

Glenwyvis will continue to have its high quality local barley malted in Inverness, creating further links between the Distillery and the Highland Capital.



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

### 5.2. Exhibitions

The **exhibitions** will include highly interactive interpretation showing:

#### Whisky and gin making:

- miniature working stills, which will provide both the process, the sounds, and smells associated with a distillery and possibly allow interactives in measuring the quality and content of the distillate;
- explanation of the source of the raw materials:
  - Barley, sourced from local producers and malted in Inverness
  - Water, sourced from springs at the Distillery site;
  - botanicals for the gin, with juniper being sourced locally
- demonstrations of the process including:
  - drying and malting barley, with interactives to allow visitors to attempt sprouting and drying barley
  - interactive exhibitions to allow visitors to see and smell botanicals for gin.

#### Whisky history

- The history of distilling in Dingwall and Inverness as explained in Section 5.1 above, including the sources and transport of barley through the Caledonian Canal and along Loch Ness (possibly disturbing Nessie);
- Links to Scottish history:
  - Jacobite history – the story of how after Culloden, the Government hunted Jacobite supporters in general and Bonnie Prince Charlie in particular. In so doing, Government troops destroyed the Distillery owned by the government-supporting Ferintosh family, resulting in the Ferintosh exemption for excise duty;
  - Tax and politics - the story of Robbie Burns the Excise man, set by the UK Government to stamp out illicit distilling and sale of whisky; and the cultural unpopularity of that role;
  - Illicit stills and the Clearances – the story of Strathconon, where landowners turned a blind eye to 51 illicit stills, as these provided additional income in a time of starvation to the tenants and ensured the tenants could pay higher rents to their landlords.

These will be supported by volunteers from the [North of Scotland Archaeological Society](#), who in turn gain support from the Glenwyvis Distillery Community Benefit Society to carry out further excavations and research into the remains of the Ferintosh Distillery at Mulchaich and the illicit stills of Strathconon.

#### Renewables

- The importance to the Distillery and the Highlands, both now and in the past:
  - Hydro and [the “tunnel tigers”](#), with the creation of the dams not only bringing work to remote Highland Glens, including Strathconon, but also creating the first significant road building programme in the Highlands after the Wade and Caulfield roads of the 18<sup>th</sup> century, and the Parliamentary roads of the 19<sup>th</sup> century, allowing connection of much of the Highlands by road to the Central Belt for the first time;
  - Wind, solar, and new hydro schemes across the Highlands, and in particular community energy schemes such as the Dingwall Wind Cooperative;
- Highly interactive displays of hydro, solar, wind and wave renewables, with technical interpretation supported [UHI](#) and by Heriot-Watt University’s [International Centre for Island Technology](#).



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

### Audio-visual displays

- The exhibitions will include regularly updated audio-visual displays in the 40-seat cinema,
  - Film archives of work at distilleries, of local agricultural in growing and harvesting barley, of transport down Loch Ness and the Caledonian Canal; of the “Hydro days”, and so on;
  - New film produced by a variety of partners for example NOSAS, students at the Dingwall Academy, Inverness College, and the UHI Centre for History, demonstrating the continuing significance of the industry and of renewables to the social, economic, and culture of the Highlands, both to history and the present day.

### 5.3. Shop

The Shop will carry a range of craft distilled and brewed products, focussing on those from the Highlands, along with other related products. The Shop will provide gift products related to the exhibitions on show, including educational toys and games related to renewable energy.

The Shop will hold **tasting events** regularly – up to three times a week in the high tourist season – providing, for a range of prices up to £30 per head, a guided tasting event to the finest distilled craft products.

The Shop will promote:

- Dingwall as “The craft distillery Royal Burgh in the Highlands”
- The [Scotch Whisky Association](#) estimates that more than 40 small new distilleries are setting up across Scotland, in a trend mirroring the rapid rise of craft brewing that has reinvigorated the UK’s beer industry, and in handcrafted, flavoured gins.
- Whisky – established examples include [Kilchoman Distillery](#), [Isle of Arran Distillery](#), [Strathearn Distillery](#) and more recently [Kingsbarns Distillery](#), [Ardnamurchan Distillery](#), [Annandale Distillery](#), [Isle of Harris Distillery](#), [Eden Mills](#), with others planned e.g. [Drimnin Distillery](#).
- Gin – Depending on definition, there are between 150 and 300 craft gins on the market; most are produced in the UK, and the market is increasing very significantly each year. 70% of all gin in the UK is produced in Scotland including three of the bestsellers – Hendrick’s, Tanqueray and Gordon’s London Dry Gin. Highlands & Islands craft gin examples include Glenwyvis, Blackwood (Shetland), Caorann (Balmenach Distillery), Crossbill (Inschriach Distillery), Firkin (Gleann Mor Whisky Company), Gordon Castle (Speyside), The Botanist (Islay Distillery), Rock Rose (Dunnet Bay distillery), Isle of Harris, and Shetland Reel.
- Note: the popularity of gin, with its short production time, has enabled many of the new whisky distilleries to fund themselves through the waiting period as their malts come to production.

### 5.4. Whisky tours and tasting events

The whisky tourism market is increasingly segregated, with many destinations providing a range of tours and offerings for the upper end of the visitor market in addition to the normal guided tour. For example, Benromach, one of the newer distilleries, offers a “welcome” tour at £6; an “essential” tour plus tasting at £15; and a “discovery tour” of 2 hours, at £30. Aberlour offers three levels of tour, at £14; at £50 including a guided tasting event to “unique” malts. Glenlivet goes further, offering a free self-guided tour, with special offerings at £35 and at £60.

The Glenwyvis BenCom will offer a guided tour, in the company’s own vehicle, up to the Distillery and renewable energy site at around £35 per person.



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

There will also be tasting events, not only of the Glenwyvis brand but also of other craft distillery products, on a regular basis at the Visitor Centre, when only the tasting customers will be permitted into the tasting area, at up to £30 per person. These will emphasise the role of the Distillery as part of the revival of craft distilling in Scotland, and help promote Dingwall as the “craft distilling Royal Burgh in the Highlands”.

### 5.5. Bistro - bar and café

The bar and café will be outsourced to a local business, focussing on the provision of hot foods, including lunches, bar snacks, and evening meals, in order not to compete with the many established coffee and sandwich / cake places in Dingwall. The focus will be on using locally sourced produce where possible.

This will fill a gap currently existing within Dingwall for quality and affordable traditional meals, and will be attractive to locals and to visitors alike. The popularity of places such as the [Red Poppy](#) 6 miles west in Strathpeffer and the [Storehouse of Foulis](#) 4 miles east outside Dingwall demonstrates a strong, year-round local market with unmet demand.

The proposal is that the Bar and Bistro will be managed by a Social Enterprise, providing employment and training opportunities to people in the Dingwall area who are referred to as “further from employment”, modelled on existing examples of similar social enterprise cafes. As additional income sources will be required to allow such a café to function, it will be important that the GlenWyvis BenCom directs some of its profits to supporting training and educational opportunities.

The premises will include a small bar for the sales of craft products – gin, whisky, ales & beer, etc. While many licensed premises are suffering from the impact of drink-driving laws, the combination of good food and a bar is still a viable proposition. During the day, the Visitor Centre as a destination has accessible public transport, and in the evening this will provide the only bistro experience in Dingwall, confirming its year-round popularity.

### 5.6. Community Cinema and Film Club / Events Space

The 40-seat cinema that hosts audio-visual exhibitions during the day, will be managed by a [Community Cinema](#) club in the evenings and outside of opening hours at the weekends. Membership clubs are able to have significant discounts on distributor licensing fees, enabling the reinstatement of film houses in small communities. Recent successful examples of this locally include [Cromarty & Resoulis Film Society](#). Community cinemas are being widely supported and promoted by the [British Film Institute](#) who provide much information on costs and licensing.

The Club will have a wide membership in Dingwall and Maryburgh, from families who are looking for entertainment after school or at weekends, to teenagers who can't easily travel to the Vue Cinema in Inverness without a car, to film fans looking for a more art-house experience.

The cinema space will also be used as a hall for events, with the cinema seating stacked back against the wall and the space cleared for any event which might also require catering.



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

### 6. Social, economic, and environmental benefits

In drawing up the Vision for the Centre, the following community benefits have been identified:

#### Reinstating an important rural service and asset

- Helping reverse long term decline in local services and facilities
- Cinema and Bistro as a focal point for community life and thus important for community cohesion

#### Indicators

- Community cinema club established and supported, giving a minimum ; 50 events per year
- Bistro is able to open all year due to local demand.

#### Providing employment opportunities

- Opportunity to grow tourism business and increase employment

#### Indicators

- Number of direct FTE employees created / retained - 3
- Number of indirect FTE employees in contracted-out services (i.e. bistro) - 4
- No of training opportunities created - 8

#### Developing a sustainable local tourist industry

- Working in partnership with other tourism providers in Dingwall for heritage tourism

#### Indicators

- Direct Spend in the local economy – £635,000 after 3 years
- Indirect Spend in the local economy – spillover spend by tourists -
- Number of additional visitors to Dingwall – 30,000 per year
- Number of tourism events using facilities – 75 per year (being 3 tastings per week for 4 peak months, plus off=peak events )
- Gross Value Added to the local economy – in year 3 £347,000<sup>1</sup>

#### Opportunity for community development

- Strengthen existing community cohesion and spirit

#### Indicators

- Involvement of Dingwall Academy in temporary exhibitions, exhibition design, film club;
- Involvement of North of Scotland Archaeological Society in exhibition design and interpretation, providing volunteer guides;
- Involvement of Herriot – Watt University and UHI in exhibition design and interpretation, providing volunteer guides as part of coursework;
- Working with the Dingwall Development Group to strengthen Dingwall as a tourism destination; in particular, the Town Hall and [Museum](#).
- Number of community groups using the facilities, including school groups – 100 visits per year.

These indicators will be collected and monitored on an on-going basis, to ensure that maximum community benefit is achieved from the Visitor Centre.

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<sup>1</sup> GVA is the total of Employment Costs (£73k), Bistro employment costs (£73k estimate) , Operating Profit before depreciation and tax (189k), and Business Rates (£12k). A fuller investigation would also include local purchases for the shop and bistro .Against this, the VisitScotland report “Tourism in Scotland’s regions 2014”, reported that the GVA in Highland for tourism for 12,900 jobs created GVA of £221.3million or £18,000 per job.



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

### 7. Stakeholder support

#### 7.1. Stakeholder Strategies and Action Plans

VisitScotland, HIE, Highland Council continue to support the development of tourism in the Highlands and Islands, implementing the [Scottish Tourism Strategy 2020](#) through the [Highland Tourism Partnership](#) and the publication of [Highland Tourism Action Plan](#) which states the ambition for growth “from a level of £738m in 2012 to between £900m and £1.07bn by 2020”.

The Scottish Tourism Strategy notes that:

“In many of our rural destinations....., businesses and industry groups are also working together to grow the value of tourism in their areas by making more of assets such as walking and cycling, adventure tourism, **food and drink**, and **local history and culture**.”

The [Tourism Development Framework 2012](#) states that:

“It cannot be overstated how important food and drink is both to the financial health and wellbeing of Scottish tourism as well as to the visitor experience. The Food & Drink sector is fully acknowledged as a key part of the Tourism Scotland 2020 strategy. Its quality and image is inextricably linked with our natural environment and heritage. In Scotland, current visitor spend on food and drink represents about 20% of all tourism expenditure, approximately £850M per annum.

2.83 Scotland’s unique malt whisky heritage is internationally known and many of our distilleries have their own visitor centres, some themed along the established Malt Whisky Trail.

2.86 Our produce has enabled a speciality retail market to be developed across Scotland located in our popular tourist destinations There is scope to continue to further develop speciality retailing as part of the infrastructure of the visitor economy.

2.87 Visitor research by VisitScotland in 2011/12 highlights that, along with accommodation, visitors felt that improvement of the quality of their food experience in Scotland improves their overall visitor experience. The importance of food as part of the visitor experience will continue to grow in significance as visitors are exposed to a greater variety of high quality produce.

2.88 Eating locally distinctive food, experiencing new and exciting flavours and having easy access to a choice of catering – while providing good value for money, are essential components of a memorable tourism experience.

...2.90 Many areas across Scotland will find it difficult to affect a growth step change if they do not develop and support quality catering outlets, at all pricing levels, that provide visitors with the type of product and experience which research shows is so important. “

This Visitor Centre helps deliver the above Framework:

- It will expand and showcases a range of quality craft drink products from across the Highlands and Scotland, in a quality retail outlet;
- It will provide an additional high-quality, affordable, dining outlet in a rural centre which does not have such a facility;



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

The [Tourism Development Framework 2012](#) states that:

“Improving Visitor Attractions and Experience

2.95 Much work has already taken place to develop opportunities. New and continued investment can maintain and increase the momentum and enhance the attractiveness of Scotland’s key market opportunities. This equally applies to the presentation of our cultural heritage in our museums and galleries as well as our public realm across our cities, towns and villages..

2.96 There are opportunities for the heritage tourism sector to increase its value to the visitor economy and seek to increase revenues from their attractions – leading to greater investment in their respective assets. ...

2.97 In addition to investing in the core asset or attraction, it is also important to ensure that supporting aspects which are very important to the customer journey also reflect the overall quality which our visitors experience. This includes catering, retail and hospitality outlets as well as elements such as signage, access and interpretation. Factoring in tourism and visitor facilities where necessary along with supporting infrastructure should be an integral part of proposals for the regeneration and expansion of villages, towns or cities where the visitor experience can be improved.”

This Visitor Centre helps deliver the above Framework:

- It provides private investment in a high-quality visitor attraction that celebrates and informs of Highland and Whisky heritage and culture, linking to existing attractions e.g. Culloden in the area;
- It provides a quality destination in its own right, linking food and drink to the experiences
- The community benefit aspirations are to work in partnership with established development groups to assist in the overall regeneration of Dingwall and its historic High Street.

### 7.2. Destination Tourism: The NorthCoast500

One of the key tourism infrastructure initiatives being promoted by the North Highland Initiative (NHI), established in 2005 to bringing together the farming community, local businesses and the tourism industry to try to address some of the challenges facing rural communities in the far north of Scotland by creating a powerful regional identity for the area through project management and marketing.

This Initiative is promoting the “North Coast 500” loop from Inverness to the West and North and East Coasts of Northern Scotland, before returning to Inverness. According to the NHI’s website:

“The route will link spectacular natural heritage and scenery and will celebrate the local Food and Drink, Accommodation, Retail/Arts/Crafts and Attractions. “



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

**A booming oil industry, a fascinating Pictish past and true community spirit - what will you discover in Easter Ross?**



Easter Ross sits on the east coast of the North Coast 500 and offers unparalleled views across the waters to Aberdeenshire which can be seen from the shores of Portmahomack, Milton and Catboll.

Brimming with interesting towns and villages such as Alness, Invergordon and Tain and all offer a different take on Easter Ross life.

Discover Invergordon, where the booming oil industry and port have brought visitors to this area and there is no shortage of things to experience, like the nearby Dalmore Distillery which sits on the coast.

Venture around Alness, the largest town in the Easter Ross and also the regular winner of the 'Britain in Bloom' award.

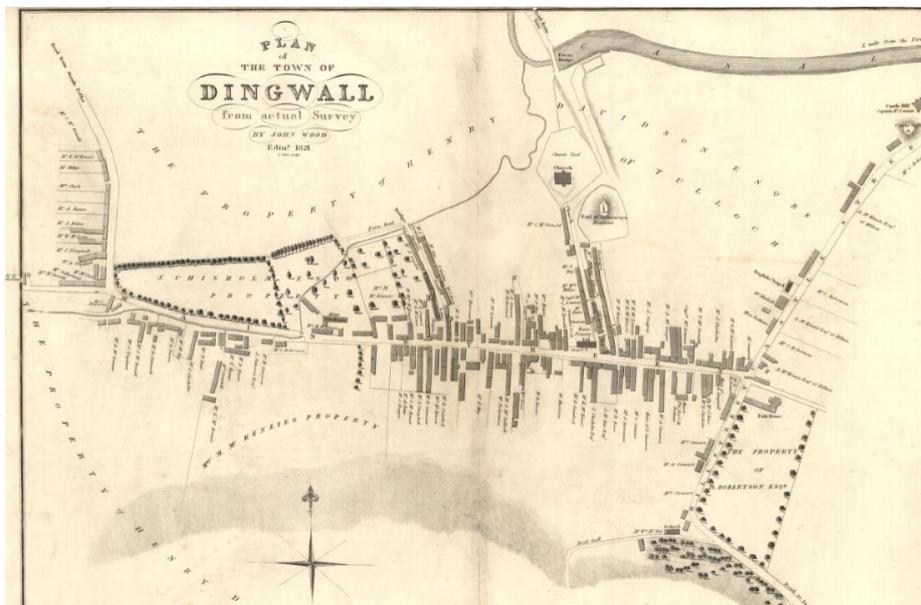
Turn in to Tain to learn about Tain through Time at the local museum or perhaps pop in for a dram at the world-famous Glenmorangie distillery if you are staying the night?

The Fyrish Monument is calling your name! Stretch your legs and talk the scenic walk up to this interesting monument offering you views over Easter Ross.

There are plenty things to do in the Easter Ross area - what will you add to your itinerary?

Currently Dingwall does not even rate a mention on the NC500's official website (see left), alone of all of the major settlements in Mid and Easter Ross. This demonstrates the deficit of the town's visitor infrastructure, and the opportunities for turning this around with a local, high-quality facility providing both a heritage and a food and drink experience.

The creation of a substantial Visitor Centre in Dingwall which attracts international tourism, will act as a catalyst for tourism in the burgh. [Dingwall](#) has many [cultural and heritage attractions](#), from its history as a centre of Ross-shire, its maritime heritage and Telford canal, and its Viking heritage; still visible today in the Norse street-and-[vennel](#) town layout, echoing that of the more famous Viking town of York.



Early discussions with Dingwall Development Group, initiated by one of the Glenwyvis BenCom Directors, have indicated that the Group are very interested in linking with the Visitor Centre as a catalyst for the town's regeneration. The Group have already been successful in securing funding to improve Dingwall's High Street and carry out necessary repairs to its historic Town Hall, and are liaising with a successful local business who aim to provide a high quality food retail experience in the High Street.

A Visitor Centre would assist in attracting footfall to the town and to the improved High Street, providing much – needed passing trade to support these and other established local businesses.



### 8. Markets / demand

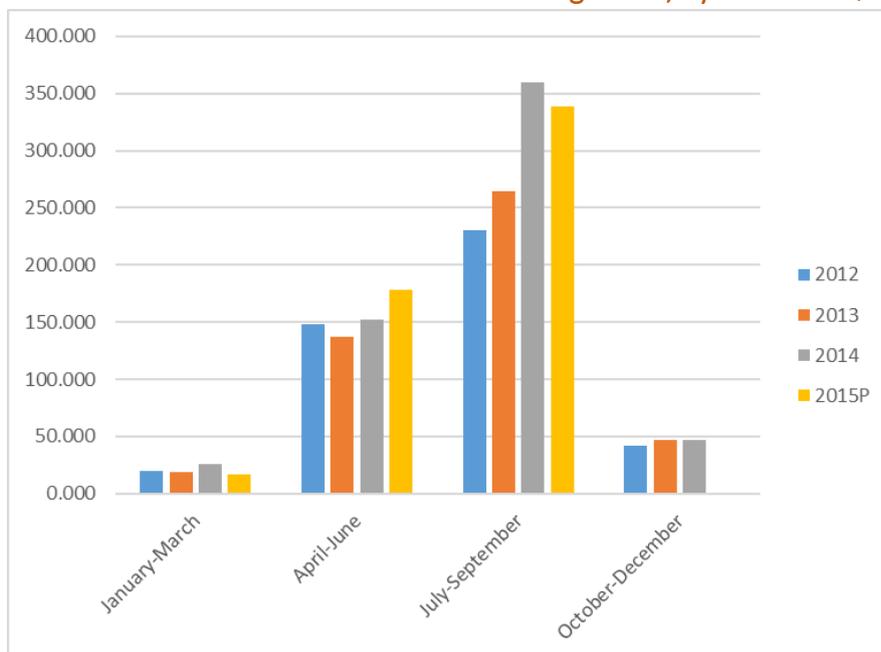
#### 8.1. International Tourism in the Highlands

Information on visits to the Highlands is gathered from two sources: from VisitBritain, for international visitors to the Highlands; and from VisitScotland, for UK visitors.

International visits to the Highlands have increased steadily over the last 4 years; 2014 was particularly successful as the “Year of Homecoming”, with a slight dip in summer 2015 possibly due to the Euro exchange rate falling.

Highland tourism is a successful product, although extremely seasonal. The reputation of Highland weather is sufficient to deter tourists outside of the main summer season, aside from hardy souls who visit during the Christmas period and at Easter.

#### Total International Visitors to the Scottish Highlands, by Year and Quarter



Source: Visitbritain.org, Inbound Tourism Performance: Regional Statistics 2012 2013 2014 2015

Of international visitors, the greatest percentage are from the USA and from Germany:

Germans are the second largest nationality to visit Scotland, with 343,000 out of 2.7million international visitors in 2014; the USA are the largest, with 418,000 visitors.

Visitors from Germany already have a higher propensity to visit a whisky distillery whilst in Scotland, with 43% of German tourists visiting a distillery during their time in Scotland; higher than a visitor survey average of 20%. The USA and other European average is around 33%.



Table: International Visitors to Highlands and its Distilleries, 2015

	2014 Number of visits	% of international visitors	% visiting whisky distilleries	Estimated Total visiting distilleries
USA	109,500	19%	32%	35,040
Germany	99,659	17%	43%	42,850
France	63,152	11%	35%	22,100
Netherlands	46,363	8%	32%	14,840
Australia	36,123	6%	27%	9,750
Canada	34,960	6%	28%	9,790
Other	194,421	33%	29%	56,380
<b>Grand Total</b>	<b>584,178</b>			<b>190,750</b>

Source: VisitBritain.org, Inbound Tourism Performance: Regional Statistics 2012 2013 2014 2015;

Source: VisitScotland, Whisky Tourism – Facts and Insights March 2015

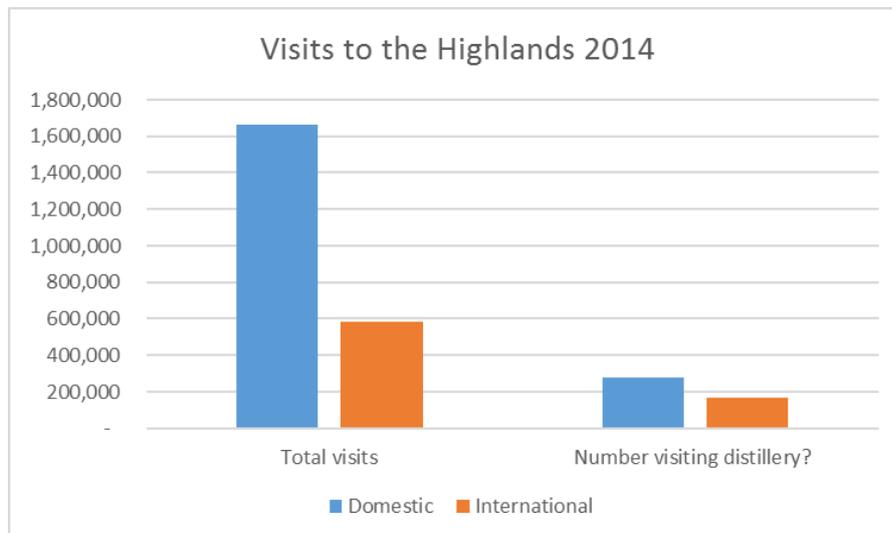
**This gives an overall potential international visitor market in the Highlands for whisky distillery visits at around 191,000 per year – a number that grew over 10% into 2015.**

Please see also Section 8.4 for a breakdown by distillery.

### 8.2. Domestic Tourism

Visitors from the rest of the UK to the Highlands also show a significant seasonal effect, with peaks in the English school holidays (around July / August / September) and a growing peak at Easter.

Domestic visitors are less likely to visit a whisky distillery; overall, 20% of all visitors to Scotland visited a distillery, indicating that around 17% of domestic visitors did so. However, domestic tourism into the Highlands is still far greater than international tourism:



Sources: VisitBritain, VisitScotland, as above



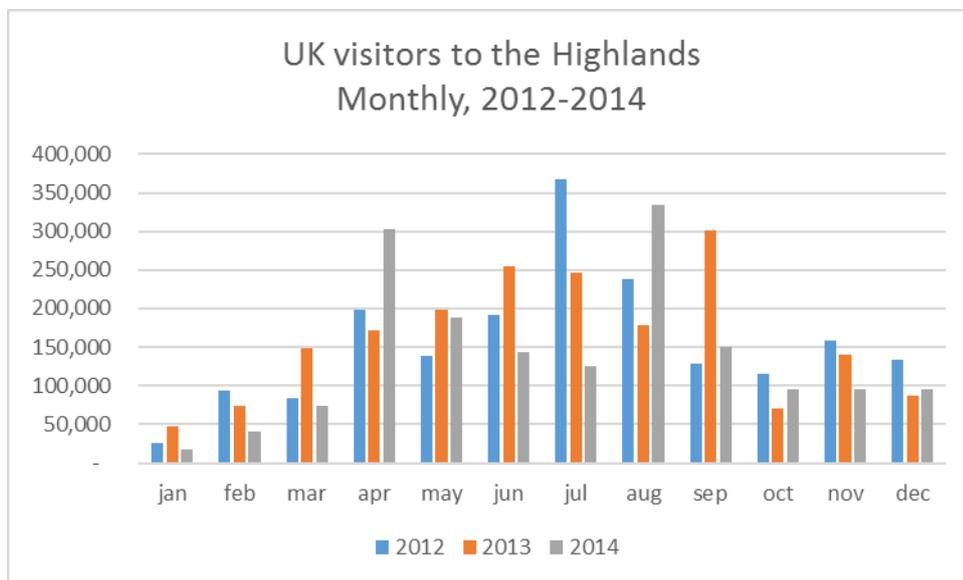
## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

These numbers should be used with caution. There is no breakdown available of Highland visits to distilleries at this level, and this extrapolation has exaggerated potential visitor numbers. A smaller percentage of visitors to the Highlands visit distilleries compared with other regions of Scotland; and this is no surprise given the relative weight of Speyside.

Nevertheless, there is evidence of a strong market in the Highlands for tourism; creating an opportunity to encourage visitors just North of Inverness.

Domestic tourism is equally seasonal, with peaks in the Scottish and English school summer holidays, and at Easter. This has a direct impact on the viability of tourism infrastructure in the “off” season, and the need to attract a local market to be able to keep attractions open at all in winter.

Many visitor facilities in the Highlands shut down completely from November to March, opening briefly perhaps at Christmas, for this reason.



Source: VisitScotland, Tourism in Scotland’s Regions 2012, 2013, 2014

### 8.3. Whisky tourism

VisitScotland’s 2015 Insight Report, “Whisky Tourism – Facts and Insights” found the following key facts:

- 20% of research participants of the Scotland Visitor Survey stated they visited a whisky distillery on their holiday, making one of the top activities for overnight tourist on their trip to Scotland
- Visits to whisky distilleries is most popular with overseas visitors, who are usually first time visitors to Scotland
- 1.1 million visits were recorded to distillery in Scotland during 2013, a 10.5% increase on 2012’s figures, and this increased to 1.5 million by 2015 – an increase of 36% over 2013. :



Infographic from [Scotch Whisky Association 2015](#)



As a local example, and demonstrating the continuing popularity and growing market for this type of tourism, Tomatin Distillery's Visitor Centre was reported in February 2016 as achieving a sharp rise in revenue from its visitor centre after recent investment. The company said visitor numbers had risen by 40%, boosting turnover by 50% to £580,000. Tomatin is located 16 miles south of Inverness; the Glenwyvis Distillery will be located 14 miles north-west of Inverness.

Although whisky tourism is more often associated with Speyside whiskies, there is already substantial whisky tourism in Highland. The table at Section 16 shows visitors for all whisky centres in Scotland; those in the Highlands are shown over:

**Table: Top 6 Whisky Distilleries in Highlands of Scotland by visits (2012-2013)**

	2013	2012	%13/12
Talisker Distillery Visitor Centre, Carbost, Skye	51,967	51,314	1.3
Dalwhinnie Distillery, Dalwhinnie	32,598	22,862	42.6
Legend of the Dew of Ben Nevis, Fort William	23,555	19,430	21.2
Glen Ord Distillery, Muir of Ord	20,340	17,888	13.7
Tomatin Distillery, Tomatin	20,043	21,176	-5.4
Glenmorangie Distillery, Tain	19,495	20,453	-4.7
<b>Total Highlands overall</b>	<b>170,011</b>	<b>153,123</b>	17.6%
<b>Total Scotland</b>	<b>979,494</b>	<b>843,074</b>	16.1

Source VisitScotland's 2015 Insight Report:



### 8.4. Whisky Visitor numbers

It is proposed that whisky tourism numbers depend on:

- The market awareness of the brand;
- The quality of the experience; and
- The distance from major tourism hubs (Inverness, Skye)

Glenwyvis will have to maintain and market its brand as a newcomer to the market, using its USP; and also market the “whisky plus” experience of its Visitor Centre, providing strong links to well-know and figures in Scottish History.

This proposal estimates **total “whisky heritage” visitors at 22,000 per year**, in line with 2013 figures for Glen Ord, for Tomatin (now substantially increased following renewal of the visitor centre), and Glenmorangie. Given that overall whisky tourism numbers have risen by 26% since 2013, this is regarded as a conservative estimate.

The Directors are confident in their predictions, given the extensive whisky heritage of GlenWyvis.

Included in these numbers are people visiting the Centre, and then going to take driven tours of the Distillery. These are estimated at a capacity of 100 per week in peak season: a total of 1,000 or 5% of all visitors.

This represents **around 3.5%** of total international visits to the Highlands.

### 8.5. Renewable Energy

In addition to the whisky heritage and its links to some turbulent periods in Scottish history, the modern GlenWyvis distillery will be powered entirely by renewable energy. This will require innovations and careful balancing of a mix of hydro, wind, and biomass energy to power both peak heat for the distillate and a lower level of energy for the rest of the process.

The question around renewable energy in the Highlands has been its potential [adverse impact](#) on tourism, rather than the benefits of displaying the Highlands as a leading example of renewable energy use.

While renewable energy tourism is not as internationally known as whisky tourism, there are already key sites in Scotland where this has been developed, aimed at both the national and international market.

Germans, as noted above a large group of visitors to Scotland with a high propensity to visit distilleries, have already developed the concept of “[renewable energy tourism](#)”, with a [2014 Baedeker Guide to renewable energy sites in Germany](#), and tying these two themes together will help ensure that this visitor group are attracted to the GlenWyvis Visitor Centre.

Closer to home, national visitors are already attracted to renewable energy visitor centres. The hydro visitor centre site at Benn Cruachan attracts around 50,000 visitors per year; this is a “destination” visitor attraction as it is not close to any other visitor sites, although 18 miles east of Oban.

Scottish Power run [Whitelee Windfarm](#), 15 miles south of Glasgow. Advertised as “the perfect destination for a great family day out”, it has an exhibition with hands-on interactive activities; a “learning hub” space for educational workshops; a café; and [bus tours](#) to the turbines themselves. Although the exhibition is free, the bus tours, as with Ben Cruachan, are at a cost. Scottish Power work in partnership with the Glasgow Science Centre on the management and interpretation of the



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

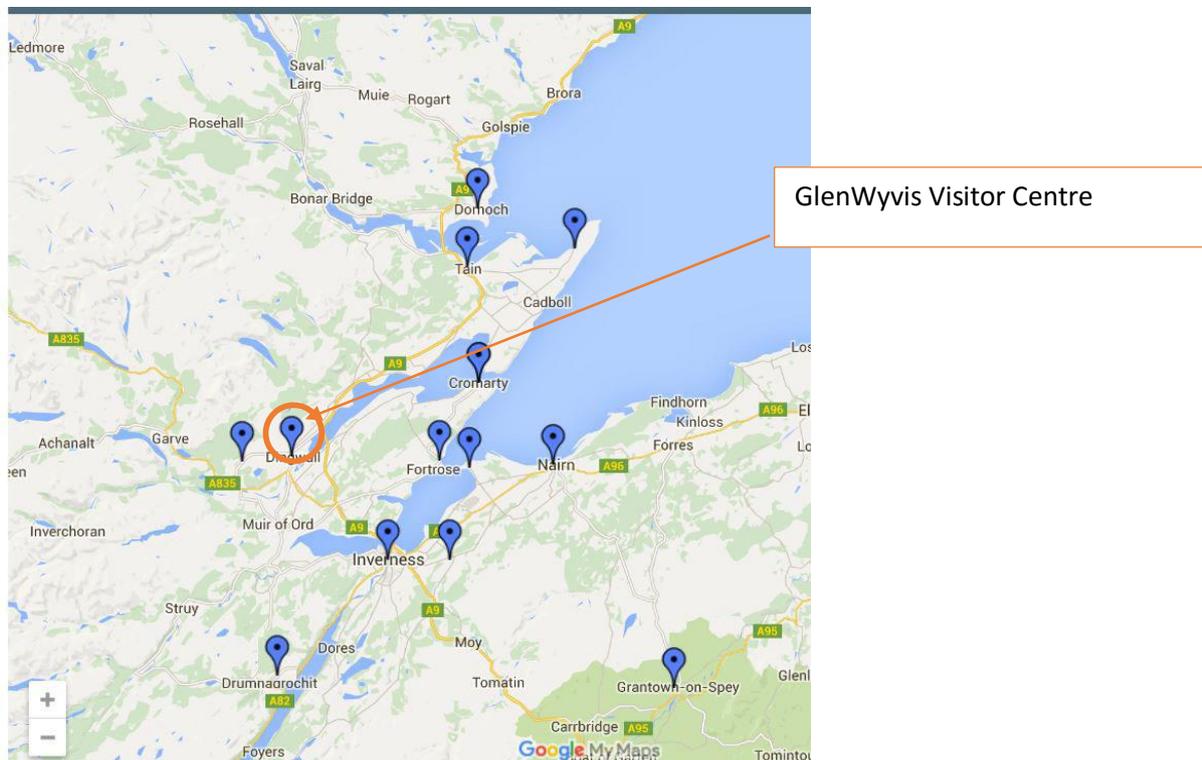
exhibition. Whitelee attracts over 120,000 people per year, including those on the mountain bike trails through the wind turbines.

Scottish Power is now expanding on its visitor centres, with a new [Centre planned for Pitlochry](#), to open at the end of 2016. This is anticipated to double current visitor numbers to the Pitlochry Dam to 100,000 per year.

### 8.6. Renewable Energy visitor numbers

Additional visitor numbers for renewables are less easy to predict than for whisky. With an assumption that this part of the attraction will be marketed as a “family day out”, as with Cruachan and Whitelee, the market is for visitor attractions in the area for families and will therefore be in addition to whisky tourism, although with some overlap.

Attractions which are advertised independently on [www.dayoutwiththekids.co.uk](http://www.dayoutwiththekids.co.uk) are shown on the map below:



Broadly, there are four very large attractions in the Highlands in this part of the region, which are managed by large organisations with paid staff and a very sophisticated package. These are Urquhart Castle, Drumnadrochit; Culloden Battlefield, by Inverness; Highlanders Museum, Fort George, by Inverness; and the Highland Folk Museum, Newtonmore. With the exception of the last, these are all paid admissions.

Other attractions are almost entirely small attractions, run by voluntary trusts, and with a strong reliance on volunteers. Some charge; most ask for donations.

A list of these attractions with details on ownership and admission, is shown below.



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Table: Visitor Numbers to other Inverness-centric Museum Attractions

Attraction	Owner	Admission (adult)	Distance from Inverness (miles)	Visitor numbers	Source
Urquhart Castle, Drumnadrochit	Historic Scotland	£8.00	14	348,691	6
Culloden Battlefield and Visitor Centre	National Trust for Scotland	£11.00	6	97,634	5
Highlanders Museum Fort George	Historic Scotland	£8.50 (entry to Fort)	11	60,000	3
Highland Folk Museum, Newtonmore (not on map)	Highlife Highland	Free	27	50,000	2
Inverness Museum	Highlife Highland	free	1	45,000	1
Tain Through Time	Charitable trust	£3.50	35	8,841	1
Cromarty Courthouse Museum	Charitable trust	Free	20	8,337	1
Groam House Museum	Charitable trust	Free	14	7,071	1
Highland Museum of Childhood, Strathpeffer	Charitable trust	£2.50	14	5,500	4
Tarbat Discovery Centre	Charitable trust	£3.50	30	2,337	1
Highland Aviation Museum	Privately run	Paid	8	N/a	-
Dingwall Museum	Charitable trust	Paid	12	N/a	-
Loch Ness Visitor Centre, Drumnadrochit	Privately run	£7.50	12	N/a	-

Sources:

- 1) *Moffat Centre Visitor Attraction Report 2010*
- 2) *Cairngorms National Park: Benchmark Review of the Cairngorms National Park for the Cairngorms Economic Forum 2013*
- 3) *Historic Scotland*
- 4) *Organization's own publication / annual report from their website*
- 5) *Association of Leading Visitor Attractions 2014 Visitor Figures*
- 6) *Association of Scottish Visitor Attractions Top 20 Visitor Attractions – 2015*

As explained above, visitor numbers vary hugely between small, volunteer-run organisations such as Tarbat Discovery Centre, remote from main tourism centres and focussing on Pictish culture; and large attractions which exploit links to well—advertised highland history, such as Urquhart Castle – the only visitor attraction outside the Central Belt which makes the Scottish Top Twenty.

Prices range from free (with donation) for most small independent attractions, to £11 for the most expensive; Culloden.

Distance from Inverness, the “gateway to the Highlands” is anything from 1 to 30 miles.

The above data demonstrates that there is a significant market for a very high quality visitor attraction with large investment and strong historical links to its place. These are “destination quality” attractions



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

and the distance from Inverness of up to 30 miles is not a key determinant for what is a car-based visitor market.

There is a much smaller market for more niche attractions which might form part of the visit to a place: please see below. Again, distance from Inverness is not the key determinant. Discussions with volunteers and managers highlight the following:

- Link to a piece of well-known Scottish history;
- Being close to another tourist destination (spill-over) or on a key tourist route;
- Relationship with tour bus companies (e.g. Inverewe);
- Cairngorms National Park locations do much better than those outside of the Park (again, spillover for poor weather);
- Making a destination experience (café, shop, walks).

The trends noted above are equally borne out from this review of visitor attractions. Please see Section 16.3 below, North Highland and Skye Visitor Attraction destinations:

This Visitor Centre:

- Will have a link to highland history separate than whisky;
- Will provide an attraction not currently available in this market;
- Will not of itself be within a cultural heritage attraction
- Will have significant investment in interactive exhibits.

The Directors are confident that with the right mix of interactive exhibitions, the destination experience, and Dingwall on the tourist route, they will attract **an additional 10,000 visitors** relating to the family tourism market.

This would be only double the Highland Museum of Childhood, a small volunteer-run museum 6 miles west; fewer than the Timespan Centre at Helmsdale, 60 miles North on the NC500; and on a par with “Tain Through Time” 35 miles east.

This is around 0.5% of total annual domestic visitors to the Highlands; a very conservative estimate for a high-quality, interactive, exhibition in easy reach of Inverness.



### 9. Spend per Visitor

Spend per visitor is a combination of:

- Exhibition ticket price
- Purchases of craft distilled products in the shop
- Purchases of other gifts in the shop
- Spend on tours and events

#### 9.1. Entry Price

It is proposed that there will be one ticket price for the visitor centre, rather than dividing between the renewable energy / history and the making of the whisky.

Ticket pricing is proposed as £7 per adult; £3.50 per child; with a family ticket of £20. This will include a free dram; and there will be a discount for all those travelling by public transport. Overall ticket spend per domestic visitor, taking into account the family market, is estimated at £4 (including VAT). Overall ticket spend per international visitor is estimated at £7.

This is comparable with prices for nearby Muir of Ord distillery (£6 per adult); and reflects also the prices of other visitor attractions. It is higher than the smaller attractions such as “Tain through Time but there is a very different value proposition to the Glenwyvis Centre; it is certainly comparable to e.g. the Loch Ness visitor centre.

#### 9.2. Shop spend

Shop spend is a key element of the visitor centre financial viability. The proposal is that the spend will be around £12 per family or £4 average in the Shop; that is, one bottle of distillery product for every other family, or three bottles of craft beer, or various products from local arts and crafts, or games etc for children.

For international visitors, the proposal is the equivalent of one bottle of distilled product per two visitors - £20 per visitor on average.

#### 9.3. Tours and events

Tours and events will be particularly attractive to international visitors, although domestic visitors may equally be attracted to tasting events.

The proposal is that 10-15% of international visitors will take part in a tour or in an event, with pricing at £30 for the tour and £50 for the event; £35 per visitor on average. As noted above, most distilleries now offer a high-value tour for the discerning visitor, and GlenWyvis plans to address this market also with these key offerings. Uniquely, Glenwyvis will offer tastings of many craft products; and offer tours of the whisky distillery and of the renewable sources of power, creating a real USP in this market.



## 9.4. Market comparisons for Spend per Visitor

### Whisky Tourism

The VisitScotland, Whisky Tourism – Facts and Insights Report noted that in total, spend per visitor was £32.50 in total. This included spend on admissions, tours, in cafes and gift shops.

### GB visitors to the Highlands

Scots make up 60% of GB visitors to the Highlands, with English people being 38%, according to VisitScotland’s “Tourism in Scotland’s Regions” Report 2014. This is important, as the English spend more than the Scots per visitor in the Highlands:

Country of origin	No of Visitors (000s)	% of total	Total spend £m	% of total	Spend per Visitor
Scotland	993	60%	202	44%	£203
England	663	40%	249	54%	£276
Wales	6	0%	8	2%	£1,333
<b>Total</b>	<b>1,662</b>		<b>459</b>		<b>£276</b>

The Welsh averages highlight the dangers of sample size and “averaging up”. The total spend per visitor includes all spend – accommodation, travel in the Highlands, etc. for a total trip on average of 3.9 nights - allowing an estimate of £71 per visitor, per bed-night. This is higher than the day trip average of £47 per person per day for Day Visits (see below); the difference will be largely in accommodation costs.

### International Visits to the Highlands

International visitors made a total of 584,000 trips to the Highlands in 2014, spending £236million in total on trips that lasted 3.7 bed-nights on average, giving a total of £109 per person, per bed-night.

### Day Visits by Highland Residents

The Great Britain Day Visits Survey 2014 reported that on average, people in Scotland having a “day out” on all activities spent on average £46 per day visit, with eating and drinking in cafes or restaurants accounting for 51 per cent of total spend; leaving £23 per visitor on average on visitor attractions, activities, etc.

In Highland, for a three-year average from 2012 – 2014, there were 9.23 million day visits for all activities, with £435 million spent – an average of £47 per person per day visit, comparable to the Scottish average.

In Scotland, 7 million people spent £282 million in total visiting visitor attractions - £4 per head on entry fees, on average. The figures do not include eating / drinking at visitor attractions are not available for Highland only.



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

Table: Comparison of Tourism Statistics to This Proposal: Spend per visitor

	GB visitors	International visitors	All visitors
<b>This proposal: spend per visitor (entrance, shop, tours)</b>	£7	£25.00 year 1 £31.50 year 3	£19.00 year 1 £21.70 year 3
<b>Scottish average – whisky tourism: spend per visitor (including food and drink)</b>			£32.50
<b>Highland average –multi-day trips: spend per bed-night</b>	£71.00	£109.00	
<b>Highland average – GB day trips spend per trip (including food and drink):</b>	£47.00		

This Table demonstrates that the average spend per head in this proposal, by year 3, is:

- £10.80 below the Scottish average per visit for whisky tourism, although the whisky tourism figure includes food and drink at cafes and this proposal does not;
- £49.30 below the Highland average per visit for GB visitor multi-day trips; although the Highland average includes accommodation, food and drink, and transport, and this proposal does not;
- £87.30 below the Highland average per visit for International visitor multi-day trips; although the Highland average includes accommodation, food and drink, and transport, and this proposal does not;
- £25.30 below the Highland average per visit for GB visitor day trips; although the Highland average includes food and drink, and transport, and this proposal does not.

**In summary, this spend per visitor for this proposal – for a destination visit to a high quality, whisky-themed visitor centre – is within the range for other whisky visitor centres, and comfortably within the range for per-day spending with a reasonable allowance for other per-day costs.**



## 10. Development costs & funding, including demolition and new build costs

### 10.1. The Site and Building

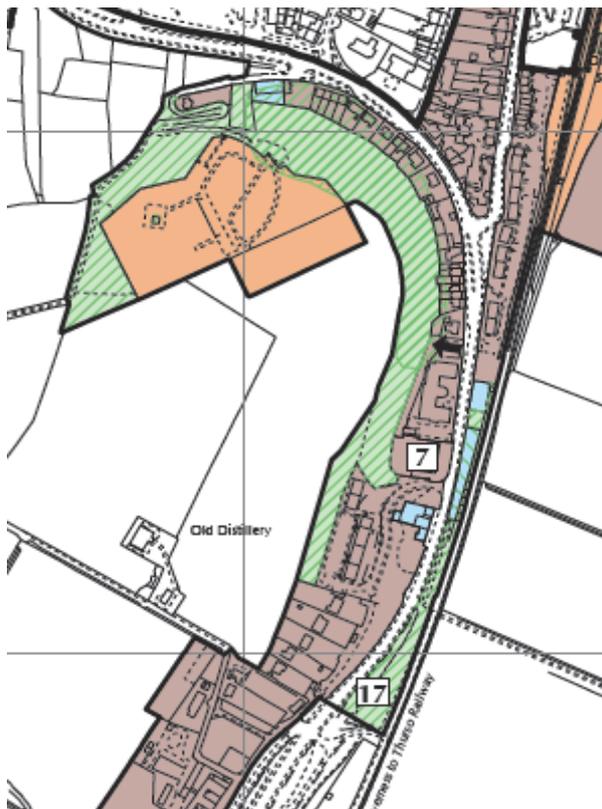
The BenCom is researching potential sites in Dingwall. The Site would require to be a sufficient size for a 250m<sup>2</sup> footprint, plus parking provision.

The BenCom is currently considering a site at the southern entrance to Dingwall, on the same site as the original Ben Wyvis Distillery and next to the re-used Distillery buildings and Bond Warehouses.

This site has the advantage that it would provide a showcase entrance to the town, with appropriate yet modern architecture as befits the quality experience on offer.

The site was previously occupied by an industrial building, which is now empty and up for sale. Although historically an industrial site as the location of the original Distillery, this industrial unit is out of keeping with the neighbouring residential properties on one side and opposite, and the residential care home on the other.

The importance of this site to the residents of Dingwall is demonstrated by their published concerns in the local paper over the neighbouring re-used Distillery building, which is only partly restored and has been left in an “unsightly” state for some time.



Excerpt from the Local Plan for Dingwall, clearly showing the “old distillery” site, with the potential site location marked centrally in pale blue as “business”. The other pale blue sites to the right (south) of the roadway are the old bond Warehouses, now converted to residential accommodation.

The state of the site, pre-closure, is shown below.





## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

The company’s architects have prepared a preliminary design for the building, to visualise the impact of the Visitor Centre and also to allow estimate costings.

### Plan 1: Ground floor and surroundings

The plan is for the whisky history and renewable energy exhibitions to be on the ground floor with the audio – visual / cinema towards the rear, past the site offices. A large glass window will link the whisky history area to the old Distillery buildings and site.



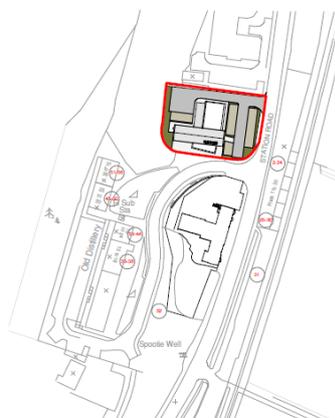
### Plan 2: First Floor

The first floor will contain the Bistro / Bar, with large windows looking across Dingwall and the Cromarty Firth to the historic Ferintosh Distillery, and the whisky exhibition area





# GlenWylis Community Benefit Society – Visitor Centre Business Plan



Site  
1 : 1000



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

### 10.2. Development Costs

Development costs are based on estimates provided from various sources.

Item	Cost basis	Cost driver	Total cost												
Site purchase	Estimate provided by BenCom directors		£300,000												
Building demolition & site clearance	Estimate provided by BenCom directors		£30,000												
New build	£2,285 per m2 Provided by Reynolds Architecture Includes all professional fees	700m2	£1,600,000												
Exhibition costs - renewables	£2,500 per m2 Provided by reference to recent similar facilities in Whitelee	75m2	£187,500												
Exhibition costs – History & Whisky	£1,000 per m2 Provided by reference to recent similar visitor centre facilities	150m2	£150,000												
Cinema costs	£20,000 for equipment – from <a href="http://www.bfi.org.uk/neighbourhoodcinema/">http://www.bfi.org.uk/neighbourhoodcinema/</a> 40 seater cinema, high-spec AV systems £10,000 for retractable seating – from discussions with community hall projects	60m2	£30,000												
Shop fittings	£350 per m2 Estimates from commercial sources	50m2	£17,500												
Kitchen	Full small commercial kitchen with required food preparation and refrigeration Bar and coffee bar fittings	25m2	£40,000												
Café and toilets fit out	Fixtures, fittings furnishings, consumables Estimates from commercial sources	50m2	£25,000												
It systems	£15,000 for electronic tills, POS, stock management systems – based on similar costs in recent projects		£15,000												
Shop stock	Gifts, alcohol : From similar visitor centre trades Estimate approx. anticipated 90 days of sales to ensure good offering and well-stocked appearance – based on similar experience in retail	<table border="1"> <thead> <tr> <th></th> <th>Summer season Year 1</th> <th>Winter season Year 1</th> </tr> </thead> <tbody> <tr> <td>Alcohol</td> <td>40,000</td> <td>20,000</td> </tr> <tr> <td>Gifts</td> <td>25,000</td> <td>12,500</td> </tr> <tr> <td></td> <td>65,000</td> <td>32,500</td> </tr> </tbody> </table>		Summer season Year 1	Winter season Year 1	Alcohol	40,000	20,000	Gifts	25,000	12,500		65,000	32,500	
	Summer season Year 1	Winter season Year 1													
Alcohol	40,000	20,000													
Gifts	25,000	12,500													
	65,000	32,500													
			£2,395,000 plus £37,500 stock												



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

### 10.3. Development funding

Development funding will include the above total costs, at £2,432,500 plus a requirement for £100,000 cash for working capital. This is forecast from 3 sources:

- £1,000,000 from the BenCom funding. Please see the main Business Plan;
- £500,000 social enterprise bank loan, secured against the building. This is forecast for a 5 year loan at 6% interest.
- £1,032,500 grant funding.

At this early stage, and 3 years before opening, no approaches have been made directly to banks and funders, the key points for funding are:

- BenCom status gives banks and other loan funders a preferential return before any interest is declared on membership shares;
- The Bank Loan being sought is 50% of the build cost of the new Centre;
- Grant funding would require to be available essentially for the non-competitive, educational and community aspects of the proposal. State Aids would be a major consideration for grant funding, and might restrict application to the de minimis level of €200,000 for any trading set up costs.
- Potential applications for funding could include:
  - The community cinema ;
  - The café set up costs, if run by a social enterprise
  - The renewable energy educational facility costs
  - The Scottish History education costs
  - The proportion of the new build and a proportion of the site purchase related to these costs.
  - These total eligible costs are around £295,000, plus 260m<sup>2</sup> of the 500m<sup>2</sup> building - £520,000 in build costs; that is, £815,000. The grant funding estimated would be at 53% intervention, falling further to under 50% if a proportion of site purchase costs are included.

Key risk factors are:

- That the BenCom is unable to provide start up funding, in which case the Centre cannot go ahead – rated as High ;
- That the Loan funding is at a higher rate than 6%. The cost of increasing funding rates by 1% is £11,500 in total interest cost over the first three years, so that this impact is considered Low;
- That grant funding is not available, or is restricted to the de minimis funding - which would be around £142,500 depending on the EU exchange rate. This would leave a very significant shortfall of £890,000 in the funding package which would have to be filled by further loans, an additional funding round from the BenCom, or which would result in the project not going ahead. This risk is rated High.



## 11. Summary income and expenditure over the 3 year period

### 11.1. Overall income and expenditure

The summary three-year income and expenditure is as below:

Year Ending December	2019 (F)	2020 (F)	2021 (F)
<b>Annual Income Statement</b>			
Total Revenue	341,666.7	527,083.3	635,833.3
Total Cost of Goods Sold	(156,250.0)	(242,708.3)	(308,523.0)
<b>Gross Margin</b>	<b>185,416.7</b>	<b>284,375.0</b>	<b>327,310.3</b>
Net Operating Expenses	(130,537.6)	(137,881.2)	(142,022.4)
<b>EBITDA</b>	<b>54,879.1</b>	<b>146,493.8</b>	<b>185,287.9</b>
Total Depreciation	(103,083.3)	(103,083.3)	(108,083.3)
<b>EBIT</b>	<b>(48,204.3)</b>	<b>43,410.5</b>	<b>77,204.5</b>
Net Interest Expense	(24,825.1)	(20,742.1)	(15,622.6)
<b>Net Profit Before Tax</b>	<b>(73,029.3)</b>	<b>22,668.3</b>	<b>61,582.0</b>
Tax Expense	-	-	(7,738.8)
<b>Net Profit After Tax</b>	<b>(73,029.3)</b>	<b>22,668.3</b>	<b>53,843.1</b>

Overall, revenue is set to grow as visitor numbers increase from 20,000 in 2019 to 32,000 in 2021, driving the increase in turnover. There is also an increase in spend per visitor from an average of £19.00 per visitor to £21.70 per visitor in the same time frame, as additional products become available and as there is an increase in take up of distillery tours and tasting events.

Cost of goods sold is on shop sales of alcohol and other gifts, and rises with the increase in those sales. Margins remain at an average of 22% on these goods.

Salaries and wages include permanent staff of a visitor centre manager and an assistant. Temporary seasonal staff are recruited for the main April to September season, and the number of these staff increase as visitor numbers increase.

Operating expenditure and other expenses include rates, heat, light, repairs, cleaning, communications, marketing costs, etc. These are not anticipated to increase significantly with activity.

Depreciation relates to the buildings, exhibition costs, fixtures and fittings, etc. It increases in 2021 as there is an assumption of an exhibition refresh in that Spring.

Interest expense is on the forecast loan required, of £500,000 at 6% per annum. Repayments – interest plus capital - on this loan, which is assumed to be a 5 year loan, are £115,800 annually. Co-incidentally, this is close the total of depreciation plus interest in the P&L of £125k per annum , so the net profit before tax shown is close also to the operating cash flows from the Centre.



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

The Centre shows a net loss of 373k in 2019, its start-up season, as its reputation with overseas and other visitors will need to become established through social media feedback such as TripAdvisor, and negotiations e.g. with coach tours, cruise ships and other large operators become established.

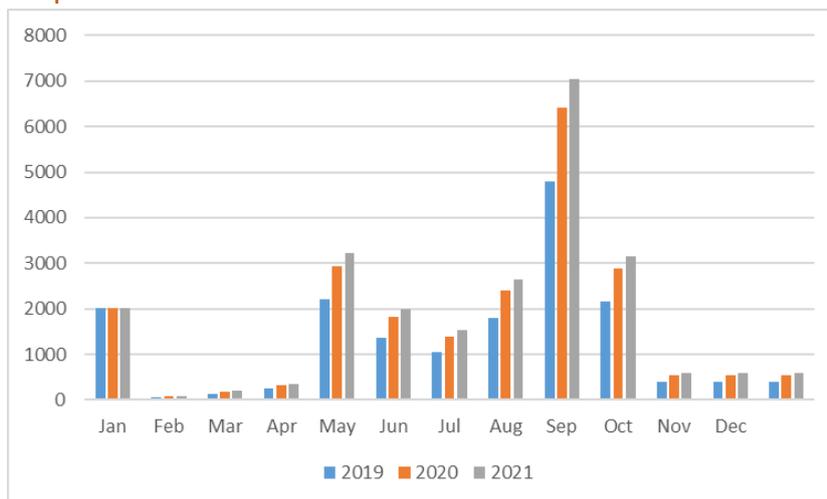
The Centre is, as with all tourist attractions, dependent on achieving volume to break even – around 24,000 visitors per year. In the 2020 year, the Centre is forecast to make a profit of £23k, having achieved 27,500 visitors in that year; and by 2021 it will reach maturity at 32,000 visitors per year with profits of £54k.

### 11.2. Visitor numbers

As noted in Section 8.4 above, Whisky Visitor numbers, the proposal is to reach maturity at 22,000 visitors per year by year 3, projected here as 2021. The forecast is that the 2019 total will be 15,000 visitors (rather less than the Muir of Ord Distillery), growing to 20,000 by 2020 and reaching 22,000 by 2021.

These annual targets are forecast to mirror the very seasonal trends for international visitors to the Highlands.

Graph: forecast international visitor numbers 2019-2020

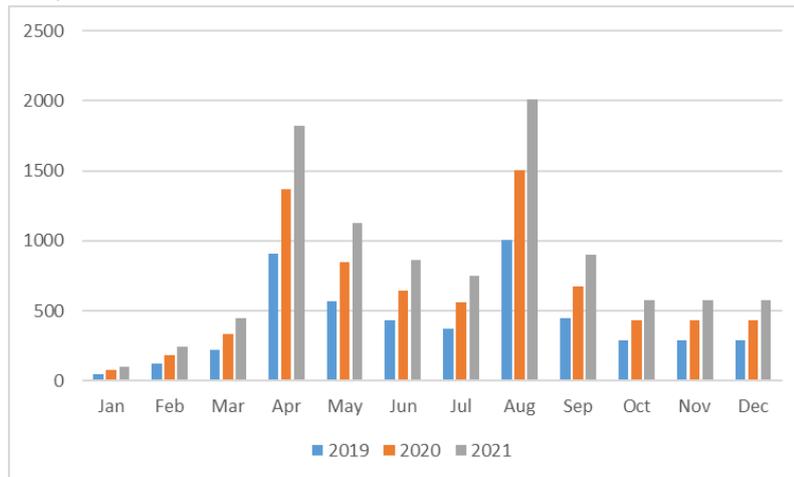


As noted in section 8.2 above, Domestic Tourism, and in section 8.6 above, Renewable Energy visitor numbers, the proposal is to reach maturity at 10,000 visitors per year by year 3, projected here as 2021. The forecast is that the 2019 total will be 5,000 visitors (rather less than the Strathpeffer Museum of Childhood and Groam House Museum), growing to 7,500 by 2020 and reaching 10,000 by 2021.

These annual targets are forecast to mirror the very seasonal trends for GB multi-day visitors to the Highlands, rather than the much steadier trends in day visits by GB visitors to the Highlands.



Graph: forecast GB visitor numbers 2019-2020



Note that these monthly projections are based on 2014 figure variations. As noted in Section 8.2, the monthly seasonal pattern for GB visitors fluctuates slightly depending on what month UK school holidays occur.

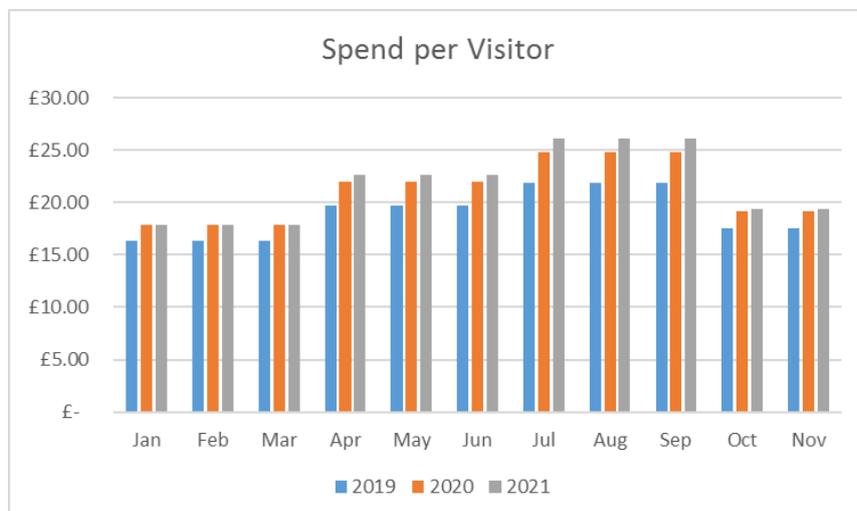
*Key risk factors are:*

- That the visitor centre fails to deliver the forecast numbers. The Directors are of the view that the forecasts are conservative; and certainly they represent visitor numbers that have been achieved by much smaller and less invested attractions. Breakeven for the Centre, with no variation in the level of support staffing, is at a total of 24,000 visitors against the forecast for Year 3 of 32,000 visitors. Risk forecast Medium.

**11.3. Spend per visitor**

As explained in section 9 above, Spend per Visitor, spend per visitor is derived at a mix of £7 per head for family visitors (made equivalent to GB visitors) and £31.50 per head for whisky history visitors (made equivalent to international visitors). Together, this gives an overall assumption of from £16.40 per visitor in the low season, to £26 per visitor in the high season.

Income per visitor therefore also shows a seasonal trend; and, additionally, shows growth as new Distillery products come on-stream for sale in the shop and this in turn attracts more visitors to tastings and tours.





## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

### *Key risk factors are:*

- That the spend per visitor is over-estimated. The Directors are of the view that the forecasts are reasonable, and that they represent historical trends in the industry as demonstrated by VisitScotland reports.
- Cash break-even, assuming visitor numbers are achieved, is at average spend of £16.27 per visitor, compared to the £21.70 forecast. This margin allows the Directors to assess the risk as Medium

### **11.4. Income from cinema and café / bar**

No income has been assumed from the let of the cinema to community groups, nor from the let of the bistro / bar to a social enterprise. Heat and light costs incurred by the bistro / bar will be repaid by the leaseholder. It is possible that the latter in particular may be achieved and this would be an upside to the forecast of around £10,000 per annum.



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

### 11.5. Total Sales

Total sales for the first 3 years are as follows:

	2019	2020	2021
GB visitor entrance fees	16,666	25,000	33,333
Gift shop spend	12,500	18,750	25,000
International Visitor entrance fees	87,500	116,667	128,333
Whisky tourism spend	187,500	291,667	366,667
Whisky tours / tasting events	37,500	75,000	82,500
<b>Total income</b>	<b>341,666</b>	<b>527,083</b>	<b>635,833</b>

In considering total income, it is worth noting that the Tomatin visitor centre, in 2015, generated £580,000 from around 31,000 visitors once its visitor centre was improved.

It is the view of the Board that this visitor centre will provide a wide and varied experience in Scottish History in addition to its USP whisky tourism offering, and in renewable energy; that it will be on a known tourist route and create a tourism destination; and therefore that the visitor number target and the income targets are both reasonable and achievable.

### 11.6. Cost of goods sold

The assumptions in the forecast are that:

- Whisky and spirits sales have a gross profit margin of 20%, based on the Directors' current trading experience;
- Gift shop sales have a gross profit margin of 50%. In practice gift shops often achieve higher margins of up to 70% on some goods, and this again represents a conservative estimate by the Directors and a reflection of the higher quality and educational stock that is sold.

The ratio of gift shop and alcohol sales is forecast to be heavily in favour of alcohol sales, given the promotion of the visitor centre as part of the "Craft Distilling Town of Scotland". Overall, margins are at 22%; demonstrating again a conservative view of the sales to visitors who are not whisky tourism visitors. Sales and related cost of sales are forecast as below:

		2019	2020	2021
<b>Shop Sales</b>	Gifts	12,500	18,750	25,000
	Alcohol	187,500	291,667	366,667
	<b>Total</b>	<b>200,000</b>	<b>310,417</b>	<b>391,667</b>
<b>Cost of Sales</b>	Gifts	6,250	9,375	13,220
	Alcohol	150,000	233,333	295,304
	<b>Total</b>	<b>156,250</b>	<b>242,708</b>	<b>308,523</b>
<b>Total Margin</b>		<b>43,750</b>	<b>67,708</b>	<b>83,144</b>
<b>Total Margin %</b>		22%	22%	21%



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

### Key risks factors are:

- That the levels of alcohol-related sales are not achieved; please see under “visitor numbers” above;
- That the margins are not achieved; please see above for the view that these margins are conservative. A comparable Visitor Centre on Skye, which no longer has a Distillery link, achieves margins of 35% on shop turnover of £230,000.

### 11.7. Salaries and wages costs

As visitor patterns are seasonal, so are requirements for staffing costs.

The assumptions are that:

- From November until March, the Centre will be open 2 days per week
- From April until October, the Centre will be open 6 days per week.

The Centre will have a manager, employed year-round on an average hours’ salary equivalent to 0.75 FTE.

Again year-round, there will be at least one an assistant to ensure that both floors are manned at all times.

Other staff will be seasonal and adjusted to suit demand and capacity as below for 2019:

FTE	Jan – March	April – June	July – Sept	Oct - Dec
Manager	0.5	1.0	1.0	0.6
Tour / exhibition guides	0	2.0	3.0	0.5
Shop staff	0.5	1.5	2.0	0.5
<b>Total FTE</b>	<b>1.0</b>	<b>4.5</b>	<b>6.0</b>	<b>1.6</b>

The Visitor Centre Manager FTE rises from 0.75 FTE to 0.85 FTE in 2020 and 0.9 FTE by 2021.

FTE for tour / exhibition guides increases with the increase in visitors, for 2020 and 2021.

The Manager will be on a starting salary of FTE £30,000 (industry standard), rising at 3% per annum. Costs include employer’s national insurance and a pension of 2%.

The tour guides and shop staff will be on hourly rates of £9.00 per hour, which is the anticipated minimum wage level for 2019, rising per Government policy. Allowance has been made for employers’ NI although with many part-time employees this may not arise; and for pension costs.

Wages and salary costs are as below:

FTE	2019	2020	2021
Manager	25,437	27,819	30,263
Tour / exhibition guides	22,427	25,660	26,588
Shop staff	19,533	21,261	22,030
<b>Total FTE</b>	<b>67,397</b>	<b>74,741</b>	<b>78,882</b>



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

It is hoped that paid employees may be supplemented by volunteers, particularly from NOSAS< to explain some of the interactive historical exhibits; this is not presumed.

### *Key risk factors are:*

- That a visitor centre manager with the appropriate skills, experience, and commitment is not available at this cost; to mitigate this, the assumption here is using Edinburgh advertised positions. This risk is assessed at Low – Medium..
- That there is insufficient staffing for the number of visitors; to mitigate this staffing levels are determined based on other examples including other whisky visitor centres. This risk is assessed at Low – Medium.

### 11.8. Other costs

Other costs and overheads are as below:

- Rates: based on a rateable value of £37,500 and rates poundage of 48p; assumptions based on current information from the Scottish Assessors Association;
- Insurance: based on similar properties, but not including insurance for the bistro business;
- Light and heat; based on Carbon Trust best practice energy use per m2, with compared energy costs at 0.29p for gas and 0.11p for electricity. No assumption is made that surplus energy generated at the distillery site could be made directly available to the Visitor Centre. Although renewables may be able to provide heat and light at the Centre, e.g. in solar or in biomass heating, no assumption is made here that these would significantly reduce standard energy costs; the best way to reduce energy costs is to ensure high quality insulation.
- Cleaning; again, excludes the bistro / bar function. Cleaning costs are seasonally adjusted.
- Repairs and renewals: are minimal given the age of the building. The cash flow forecast assumes a significant re-investment in the exhibitions of £25,000 in 2020.
- Communications: office print, postage, stationery, telephone and broadband.
- Marketing: is a significant cost. This is presumed as additional marketing effort and print matter etc. solely for the Visitor Centre, and assumes that such effort is directed by the marketing personnel at the Distillery. Investment in marketing will be key to ensuring the visitor numbers reach their target.
- Other; an allowance of 10% of costs, for other issues.
- Legal and professional costs are understood to be covered by the Distillery.



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

These overhead costs are shown in the table below:

	2019	2020	2021
Rates	18,000	18,000	18,000
Insurance	7,500	7,500	7,500
Light & Heat	14,400	14,400	14,400
Cleaning	3,200	3,200	3,200
Repairs and renewals	2,400	2,400	2,400
Communications	1,800	1,800	1,800
Marketing (direct costs only)	12,000	12,000	12,000
Other	3,840	3,840	3,840
<b>Total overheads</b>	<b>63,140</b>	<b>63,140</b>	<b>63,140</b>

No allowance for inflation is made in these forecasts, as no such allowance has been made in visitor sales income. A 2% inflation per year would add £1,200 to each of 2020 and 2021.

*Key risk factors are:*

- That the social enterprise tenant for the bistro / bar service provides no contribution to heat and light; this would add potentially up to £7,500 annually to heat and light costs, or 10% of profit after tax at maturity. This risk is assessed t Low – Medium.
- That cleaning, repairs, costs are underestimated; estimates for cleaning are based on actual costs of a similar enterprise. Repair costs are minimal as this is a new building.

### 11.9. Seasonality of Operating Profit (EBITDA)

As noted under section 11.2 Visitor numbers, business will be very seasonal with the peak seasons at Easter and the summer; shoulder months in May / June and October and December; and low season in November and January to March.

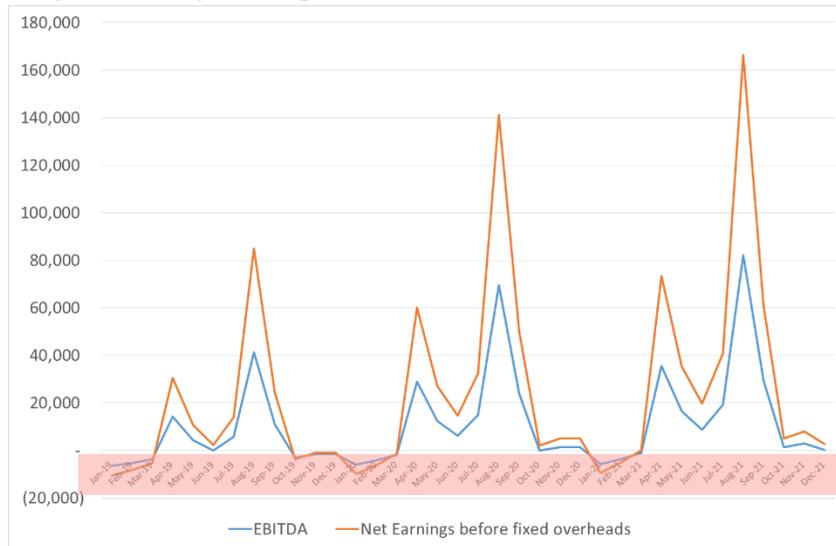
In these low season months, the business should at least cover its direct trading costs: that is, cost of goods sold, wages, and preferably any variable overheads such as heat and light. Any contribution to fixed overheads, such as rates; and cash generated towards loan finance payments and interest, should be regarded as a bonus.

The graph over shows the level of operating profit or EBITDA – that is the earnings after cost of goods sold, wages, and overheads but before depreciation, interest, or any repayment of loans (which is not a P&L item) is negative, that is, it is apparently costing the Centre to stay open, between October and March each year. Once fixed overheads are removed from costs, and only the direct variable overheads are included, then the Centre makes a cash contribution in each month except January and February.

The Board may consider, in future, if it wishes to shut the Centre down for those two months to save cash, or if it should stay open and focus primarily on community activities e.g. school education days, during those months.



Graph: monthly earnings



## 12. Cash flow forecast and working capital requirements

Cash flow for the very seasonal exhibition business is a significant issue that requires careful management.

Cash flow is:

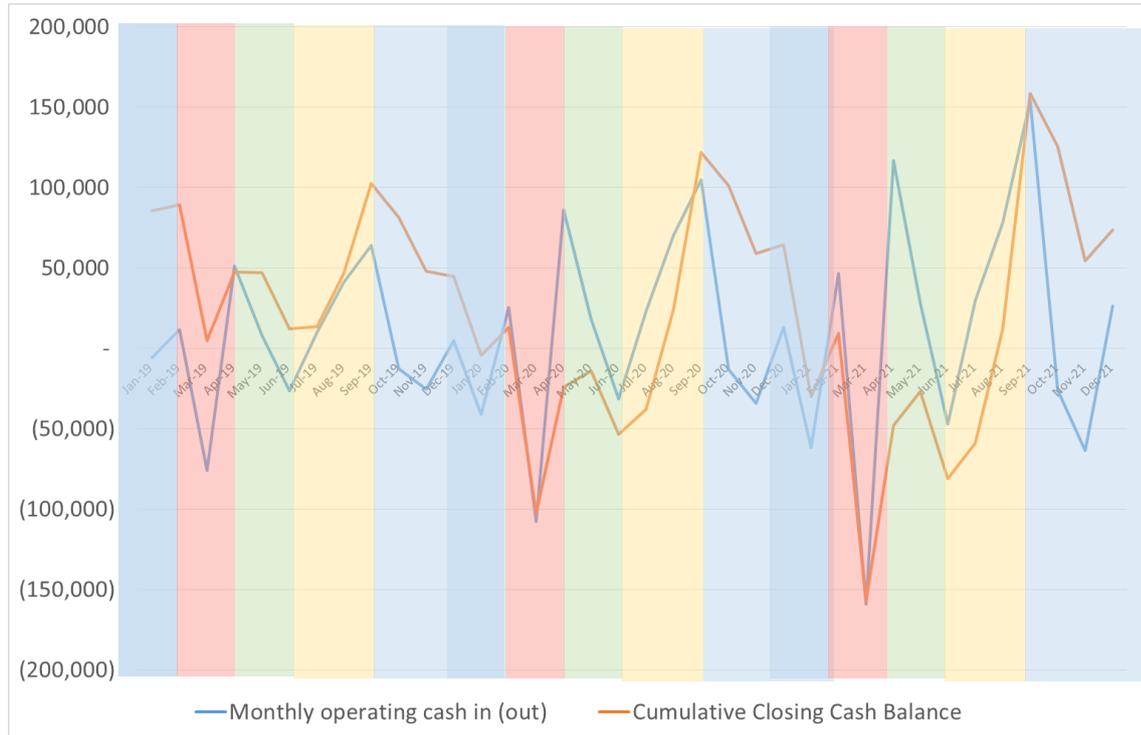
- Adversely affected over the low season – essentially October to March – as seasonal trading losses occur, and bank debts and other fixed cash outflows just continue to be met;
- Suffers a sharp adverse impact in March, as the shop is re-stocked in advance of the Easter season;
- Is positive through the peak season in April and in June to September.

These significant movements are shown in the graph over:



## GlenWyvis Community Benefit Society – Visitor Centre Business Plan

Graph: monthly cash flow after loan repayments and interest, and cumulative cash balances



The assumption is that the business initial funding package includes £100,000 of cash for working capital, provided as part of the £1m investment by the BenCom. Shop re-stock demand causes negative cash balances in future years, and these are more significant as trade grows and early season stocking increases.

These significant cash deficits could be managed by a process of sale or return on shop stock, e.g. on alcohol stocks, although this may also reduce margins as suppliers demand a higher price. They could also be managed through various asset financing methods, including purchase invoice financing.

The cash flow pattern re-emphasises the dependency of the Visitor Centre on peak visitor flows at Easter and over the summer, and is the reason why many visitor facilities in the more sparsely populated areas of the Highlands close down for the winter months.



### 13. Balance Sheets

The balance sheet reflects the following factors:

#### Start-up

- Initial start-up costs of £2,432,500 plus £100,000 required for working capital, funded by £1,000,000 from the BenCom; £500,000 loans; and £1,032,500 in grants.

#### Current assets

- A decline in the year end cash position in 2019, due to the loss on trading in that year, followed by cash growth in 2020 and 2021 as the business makes profits and is cash positive;
- No debtors, as all sales will be close-to-cash;
- Increasing inventory balances. These are calculated by the model based on inventory days; the business may decide to liquidate some of the last season stock, particularly of gifts, or to run down its stock further than this model would suggest, to generate additional cash.

#### Fixed assets

- Fixed asset book value reducing with annual depreciation.

#### Current liabilities

- Accounts payable, VAT payable increasing as trading levels increase.

#### Non-current liabilities

- Debts of £500k decreasing as interest and capital are repaid at £115,000 per year;
- Grants are shown as not decreasing but accounting treatment would reduce in line with net depreciation – this is a limitation of the modelling software but has no impact on profits or the net balance sheet.

#### Net Assets

- Net assets decrease from start-up to 2019 due to trading losses. This position reverses in 2020, as a small profit is made, and then the cumulative loss returns to cumulative profits in 2021 as a larger profit is made in that year .



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Table: Summary Balance Sheet, 2018 to 2021

Year Ending December	*2018 (H)	2019 (F)	2020 (F)	2021 (F)
<b>Current Assets</b>				
Cash	100,000	44,626	64,449	110,617
Trade Debtors	-	0	0	0
Inventory	37,500	37,500	56,250	84,375
<b>Total Current Assets</b>	<b>137,500</b>	<b>82,126</b>	<b>120,699</b>	<b>194,992</b>
<b>Non-Current Assets</b>				
<b>Total Non-Current Assets</b>	<b>2,395,000</b>	<b>2,291,917</b>	<b>2,188,833</b>	<b>2,105,750</b>
<b>Total Assets</b>	<b>2,532,500</b>	<b>2,374,043</b>	<b>2,309,532</b>	<b>2,300,742</b>
<b>Current Liabilities</b>				
Accounts Payable	-	17,091	24,215	32,421
Employment Payables	-	450	457	466
VAT Payable	-	(3,554)	(4,225)	13,126
<b>Total Current Liabilities</b>	<b>-</b>	<b>13,987</b>	<b>20,447</b>	<b>46,013</b>
<b>Non-Current Liabilities</b>				
Debt	500,000	400,585	306,946	218,747
Grants	1,032,500	1,032,500	1,032,500	1,032,500
<b>Total Non-Current Liabilities</b>	<b>1,532,500</b>	<b>1,433,085</b>	<b>1,339,446</b>	<b>1,251,247</b>
<b>Total Liabilities</b>	<b>1,532,500</b>	<b>1,447,072</b>	<b>1,359,893</b>	<b>1,297,260</b>
<b>Net Assets</b>	<b>1,000,000</b>	<b>926,971</b>	<b>949,639</b>	<b>1,003,482</b>
Ordinary Equity	1,000,000	1,000,000	1,000,000	1,000,000
Retained Profits	-	(73,029)	(50,361)	3,482
<b>Total Equity</b>	<b>1,000,000</b>	<b>926,971</b>	<b>949,639</b>	<b>1,003,482</b>



### 14. People

#### 14.1. Founding Board of Directors

(To be completed)

#### 14.2. Operations Management

Operations management will be headed by:

- The Visitor Centre Manager, during daytime opening hours and for any out-of-hours trading events;
- The Bistro Manager, for the Bistro and Bar during the day and during the evenings when the Bistro will be open but the exhibitions and shop closed.

It will be essential for the success of the Centre that the Visitor Centre Manager has the skills, experience, and competencies not only to run, but to develop the Centre. This key position will substantially determine how successful the Centre is, aided by significant up-front investment, good relationship with Centre partners and the wider town, and the focussed deployment of marketing.

The Visitor Centre Manager will be supported by one permanent employee. At present this employee is shown as a minimum wage position, but as this person will effectively be the deputy for when the Manger is on holiday or elsewhere, this position should be considered as a training position with the possibility of promotion and increased wages levels in the second and subsequent years as the post holder's skills, experience, and effectiveness grow.

#### 14.3. People skills and resources

The temporary staff employed over the summer will equally be essential to the Centre's success, as will the involvement of the volunteers from NOSAS and any involvement of renewable energy students and the Centre for History e.g. in providing regular public lectures.

Summer positions are highly sought after by students, providing a better working environment than e.g. bar and restaurant work. Students with linguistic skills are regularly sought by, and attracted to, visitor centre employment; this is particularly important for high-spending overseas visitors to feel positive towards their experience.

Again, these summer positions are calculated as minimum-wage, but it may be that a higher payment is required to ensure that the Centre can attract and retain students and others with strong customer relationship skills.



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### 15. Risk management

Starting up a new, high-investment tourist attraction in a town with no established tourist presence has risks.

The Directors have considered the risks, and have identified the following significant risks and their management.

There is a risk of:	Because	Rating	Risk mitigation	Risk after mitigation	Resources allocated to mitigation in this Plan?
<b>Project failure</b>	Project does not attract enough Community Share funding	H	50% of funding is from larger BenCom Distillery proposition and therefore is dependent on attractiveness of wider BenCom proposition  Commence discussions with likely lenders and funders	M	No: BenCom Distillery plan is separate.  Visitor Centre proposal demonstrates more clearly, community benefit and adds to attraction of BenCom.  Note that BenCom Distillery itself requires on-going cash funding in years 1-10 so Visitor Centre cash generation assists in BenCom Distillery
<b>Project failure</b>	Project does not attract or cannot achieve grant funding levels and / or is restricted by State Aid	H	Re-conceptualise Visitor Centre as community facility / charity; provide additional educational programme e.g. linked to curriculum for excellence with local schools. Manage Bistro / Bar as social enterprise directly as part of Charity.	M-H	Charity status discussed in the Plan. State Aids issue requires to be addressed through funders and may require expert help.
<b>Project failure</b>	Project does not attract or cannot achieve bank loan required	M-H	Early discussions with potential loan funders	M	



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There is a risk of:	Because	Rating	Risk mitigation	Risk after mitigation	Resources allocated to mitigation in this Plan?
<b>Financial failure</b>	Failure to attract visitor number targets / visitor spend	M-H	Investment and professional expertise in Visitor Centre design offering  Planned and delivered marketing strategy, as part of wider BenCom and separately to wider non-whisky visitor market	M	Yes - £12,000 per annum for marketing materials only, plus marketing expertise in wider BenCom plan.  Note: Visitor numbers, although from a standing start, are regarded as conservative – comparable to neighbouring Distilleries and to nearby small, trust-run exhibitions.  Spend per visitor has been matched to just below Highland and Scottish averages.
<b>Financial failure</b>	Failure to manage seasonal cash flow	H	Cash flow will be an issue for the larger BenCom also in the first 10 years. Careful financial funding & planning will be required to ensure access to necessary cash.	M-H	Please see the BenCom overall Plan for funding planning. .
<b>Reputational damage leading to financial failure</b>	Poorly designed exhibitions; poor food experience through Bistro; poor visitor experience due to staff	M	Skilled and motivated Visitor Centre Manager  Customer satisfaction targets written in to Bistro lease agreement  Investment in exhibits and experts design of layout etc.  Partnership with experts – NOSAS, Centre for History, Heriot-Watt	L-M	Yes



### 16. Appendices

#### 16.1. Legal Structure: Pros and Cons of Charity

##### Could the Visitor Centre Exhibitions have charitable status?

The relevant reference regulation for this is the Charity Commission of England and Wales; although there is a Scottish version, the tax law is determined by HMRC based on English law as the latter is much tighter when it comes to the definition of charitable purpose and charitable trading.

For an organization to be a charity it must:

- have as its primary purpose, the provision of public benefit
  - the organisation have to be able to evidence the benefit
  - the benefit must be available to all of the public (even if some of them are unable to pay for that benefit.).

This could be under the “promotion of education” accepted charitable purpose, which specifically includes:

- museums, galleries, libraries, scientific institutes
- organizations that educate the public in a particular subject, for instance in human rights, climate change, physics, personal financial management.
  - The charity will have to prove the quality of the exhibits; links to NOSAS / Herriot Watt would assist in demonstrating both quality and research to continue to improve quality.

Trading in itself is not a problem if it is a) "primary purpose trading" (e.g. a private school charging fees); or b) 'ancillary' to the main purpose (e.g. selling ice-creams in the intervals to a theatre audience).

##### What are the benefits of being a charity?

- a. The profits would achieve Corporation Tax exemption IF
  - i. Trading income is for the “primary purpose” (admission fees would count)
  - ii. Trading profits are applied only for the “primary purpose” i.e. education.
- b. The Centre would achieve Rates exemption of 80% as a charity IF
  - i. The property occupied by the charity for its primary charitable purpose
    - Exhibition halls – not the shop, not the café / bar
    - Probably not the shared areas – entrance hall, stairs, toilets, offices.
  - ii. The Rates assessor agrees that the property could be split – this could be achieved if the charity has a separate rental agreement from the BenCom (which would own the building).
- c. VAT – there is NO VAT exemption for trading, even as a primary purpose.
  - i. The Charity would still have to account for VAT on primary-purpose admissions tickets; however
  - ii. This is beneficial, as it means that the organization can recover any VAT charged to the charity incurred in delivering its primary purpose.
- d. Donations – can recover Gift aid on Donations – but NOT on admissions tickets.



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- e. Grant fundable status; this would be easier if the organization was a charity; currently many funders do not include BenComs as eligible bodies, although this is evolving.
- f. Glenwyvis BenCom can make donations to the Charity pre-tax – just as if it was an expense.

### What are the downsides?

- g. Profits made by the Educational Charity can't be used for any other purpose, however "charitable" – they must be retained in the charity or they will suffer corporation tax;
- h. Separate legal body, separate accounts, separate OSCR requirements, and would need to apply to HMRC to get Corporation Tax exemption.



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### 16.2. Whisky Tourism: visitors by visitor centre

Source: VisitScotland, Insight Department, Whisky Tourism – facts and Insights, March 2015

Top 20 Distilleries in Scotland by visits (2012-2013)	2013	2012	%13/12	Region
The Scotch Whisky Heritage Centre, Edinburgh	301,782	270,572	11.5	Edinburgh & Lothians
The Famous Grouse Experience, Crieff	85,304	89,236	-4.4	Perthshire
Glenfiddich Distillery, Dufftown	81,316	74,502	9.1	Aberdeen & Grampian
Glenogyne Distillery, nr Killearn	59,275	53,239	11.3	Argyll, Loch Lomond & The Forth Valley
Edradour Distillery, by Pitlochry	54,463	N/A	N/A	Perthshire
Blair Athol Distillery, Pitlochry	53,637	47,000	14.1	Perthshire
Talisker Distillery Visitor Centre, Glenelg	51,967	51,314	1.3	Highlands of Scotland
Oban Distillery Visitor Centre, Oban	42,466	34,696	22.4	Argyll, Loch Lomond & The Forth Valley
Dalwhinnie Distillery, Dalwhinnie	32,598	22,862	42.6	Highlands of Scotland
Glenkinchie Distillery, Tranent	32,192	27,695	16.2	Edinburgh & Lothians
Dewar's World of Whisky, Aberfeldy	31,120	29,568	5.2	Perthshire
Legend of the Dew of Ben Nevis, Fort William	23,555	19,430	21.2	Highlands of Scotland
Glen Ord Distillery, Muir of Ord	20,340	17,888	13.7	Highlands of Scotland
Tomatin Distillery, Tomatin	20,043	21,176	-5.4	Highlands of Scotland
Glenmorangie Distillery, Tain	19,495	20,453	-4.7	Highlands of Scotland
Highland Park Distillery, Kirkwall	18,090	15,459	17	Orkney
Macallan Distillery, Craigellachie	15,297	11,949	28	Aberdeen & Grampian
Strathisla Distillery, Keith	14,254	14,545	-2	Aberdeen & Grampian
Royal Lochnagar Distillery Visitor Centre, nr Ballater	11,800	12,871	-8.3	Aberdeen & Grampian
Ardbeg Distillery, Port Ellen	10,500	8,619	21.8	Argyll, Loch Lomond & The Forth Valley
<b>Total</b>	<b>979,494</b>	<b>843,074</b>	<b>16.1</b>	



**16.3. North Highland and Skye Visitor Attraction destinations:**

(All figures from the Moffat Centre Visitor Attraction Report 2010)

<b>Attraction</b>	<b>Settlement</b>	<b>2009</b>	<b>2008</b>
Caithness Horizons	Thurso	76,931	Not Open
NTS Inverewe Garden	Poolewe	76,322	73,307
Dunrobin Castle	Golspie	62,689	58,105
Glenfinnan Station Museum	Glenfinnan	40,350	36,900
Armadale Castle Gardens & Museum	Sleat	36,254	36,075
Caledonian Canal Visitor Centre	Fort Augustus	29,043	31,504
The Castle & Gardens of Mey	Thurso	28,598	27,654
Durness Visitor Centre	Durness	23,182	n/a
Aroma Sciences Aultbea	Achnasheen	19,000	15,000
Skye Museum of Island Life	Kilmuir	16,800	n/a
Ardnamurchan Lighthouse Visitor Centre	Acharacle	16,500	15,000
Assynt Visitor Centre	Lochinver	13,881	12,000
Timespan Heritage Centre	Helmsdale	12,617	11,637
West Highland Museum	Fort William	9,179	9,841
Tain Through Time	Tain	8,841	8,841
Cromarty Courthouse Museum	Cromarty	8,337	3,499
Groam House Museum	Rosemarkie	7,078	6,000
Mallaig Heritage Centre	Mallaig	6,852	6,016
Bright Water Visitor Centre	Kyleakin	5,047	n/a
Gairloch Heritage Museum	Gairloch	4,596	4,510
Clan Cameron Museum	Spean Bridge	4,000	3,217
Strathnaver Museum	Thurso	3,618	3,199
Hugh Miller's Cottage	Cromarty	3,376	4,948
Clynelish Visitor Centre	Brora	3,182	2,909



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### 17. Detailed financial information

#### 17.1. Quarterly Income Forecasts 2019 - 2021

Quarter Ending Quarter	Dec-18 *Q4 (H)	Mar-19 Q1 (F)	Jun-19 Q2 (F)	Sep-19 Q3 (F)	Dec-19 Q4 (F)	Mar-20 Q1 (F)	Jun-20 Q2 (F)	Sep-20 Q3 (F)	Dec-20 Q4 (F)	Mar-21 Q1 (F)	Jun-21 Q2 (F)	Sep-21 Q3 (F)	Dec-21 Q4 (F)
<b>Quarterly Income Statement</b>													
Total Revenue	-	11,339.7	107,029.1	193,074.1	30,223.8	17,430.7	165,019.2	298,122.5	46,511.0	21,307.9	199,481.0	358,425.3	56,619.1
Total Cost of Goods Sold	-	(4,827.5)	(48,417.6)	(89,835.7)	(13,169.1)	(7,481.9)	(75,183.8)	(139,617.3)	(20,425.3)	(9,462.6)	(94,789.3)	(175,780.6)	(28,490.6)
<b>Gross Margin</b>	-	<b>6,512.2</b>	<b>58,611.5</b>	<b>103,238.3</b>	<b>17,054.6</b>	<b>9,948.7</b>	<b>89,835.4</b>	<b>158,505.2</b>	<b>26,085.7</b>	<b>11,845.3</b>	<b>104,691.7</b>	<b>182,644.8</b>	<b>28,128.5</b>
<b>Net Operating Expenses</b>													
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Visitor Centre Manager	-	(4,125.0)	(8,250.0)	(8,250.0)	(4,812.5)	(4,193.8)	(8,667.1)	(10,065.0)	(4,892.7)	(4,546.7)	(9,661.7)	(11,082.5)	(4,972.9)
Tour guides	-	-	(9,404.9)	(12,298.7)	(723.5)	-	(10,997.5)	(13,930.2)	(733.2)	-	(11,395.0)	(14,433.7)	(759.7)
Shop Staff	-	(2,170.4)	(6,511.1)	(8,681.4)	(2,170.4)	(2,199.5)	(6,598.5)	(10,264.3)	(2,199.5)	(2,279.0)	(6,837.0)	(10,635.3)	(2,279.0)
Total Salaries & Wages	-	(6,295.4)	(24,165.9)	(29,230.1)	(7,706.3)	(6,393.3)	(26,263.1)	(34,259.5)	(7,825.4)	(6,825.7)	(27,893.7)	(36,151.5)	(8,011.6)
Movement in Annual Leave Provision	-	-	-	-	-	-	-	-	-	-	-	-	-
Movement in Long Service Leave Provision	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Rates	-	(4,500.0)	(4,500.0)	(4,500.0)	(4,500.0)	(4,500.0)	(4,500.0)	(4,500.0)	(4,500.0)	(4,500.0)	(4,500.0)	(4,500.0)	(4,500.0)
Insurance	-	(1,875.0)	(1,875.0)	(1,875.0)	(1,875.0)	(1,875.0)	(1,875.0)	(1,875.0)	(1,875.0)	(1,875.0)	(1,875.0)	(1,875.0)	(1,875.0)
Light & Heat	-	(3,600.0)	(3,600.0)	(3,600.0)	(3,600.0)	(3,600.0)	(3,600.0)	(3,600.0)	(3,600.0)	(3,600.0)	(3,600.0)	(3,600.0)	(3,600.0)
Cleaning	-	(700.0)	(1,000.0)	(900.0)	(600.0)	(700.0)	(1,000.0)	(900.0)	(600.0)	(700.0)	(1,000.0)	(900.0)	(600.0)
Repairs and renewals	-	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)
Total Operating Expenditure	-	(11,275.0)	(11,575.0)	(11,475.0)	(11,175.0)	(11,275.0)	(11,575.0)	(11,475.0)	(11,175.0)	(11,275.0)	(11,575.0)	(11,475.0)	(11,175.0)
Communications	-	(450.0)	(450.0)	(450.0)	(450.0)	(450.0)	(450.0)	(450.0)	(450.0)	(450.0)	(450.0)	(450.0)	(450.0)
Marketing (direct costs only)	-	(3,000.0)	(3,000.0)	(3,000.0)	(3,000.0)	(3,000.0)	(3,000.0)	(3,000.0)	(3,000.0)	(3,000.0)	(3,000.0)	(3,000.0)	(3,000.0)
Other	-	(960.0)	(960.0)	(960.0)	(960.0)	(960.0)	(960.0)	(960.0)	(960.0)	(960.0)	(960.0)	(960.0)	(960.0)
Total Other Expenses	-	(4,410.0)	(4,410.0)	(4,410.0)	(4,410.0)	(4,410.0)	(4,410.0)	(4,410.0)	(4,410.0)	(4,410.0)	(4,410.0)	(4,410.0)	(4,410.0)
Net Operating Expenses	-	(21,980.4)	(40,150.9)	(45,115.1)	(23,291.3)	(22,078.3)	(42,248.1)	(50,144.5)	(23,410.4)	(22,510.7)	(43,878.7)	(52,036.5)	(23,596.6)
<b>EBITDA</b>	-	<b>(15,468.2)</b>	<b>18,460.6</b>	<b>58,123.3</b>	<b>(6,236.7)</b>	<b>(12,129.5)</b>	<b>47,587.3</b>	<b>108,360.7</b>	<b>2,675.3</b>	<b>(10,665.4)</b>	<b>60,813.1</b>	<b>130,608.3</b>	<b>4,531.9</b>
Total Depreciation & Amortisation	-	(25,770.8)	(25,770.8)	(25,770.8)	(25,770.8)	(25,770.8)	(25,770.8)	(25,770.8)	(25,770.8)	(27,020.8)	(27,020.8)	(27,020.8)	(27,020.8)
<b>EBIT</b>	-	<b>(41,239.0)</b>	<b>(7,310.2)</b>	<b>32,352.4</b>	<b>(32,007.5)</b>	<b>(37,900.4)</b>	<b>21,816.4</b>	<b>82,589.9</b>	<b>(23,095.5)</b>	<b>(37,686.2)</b>	<b>33,792.2</b>	<b>103,587.4</b>	<b>(22,489.0)</b>
Net Interest Expense	-	(6,552.9)	(6,588.7)	(6,167.5)	(5,516.0)	(5,897.0)	(5,858.4)	(5,053.3)	(3,933.4)	(4,657.6)	(4,744.7)	(3,801.4)	(2,418.9)
<b>Net Profit Before Tax</b>	-	<b>(47,791.9)</b>	<b>(13,898.9)</b>	<b>26,184.9</b>	<b>(37,523.5)</b>	<b>(43,797.4)</b>	<b>15,958.1</b>	<b>77,536.5</b>	<b>(27,028.9)</b>	<b>(42,343.8)</b>	<b>29,047.6</b>	<b>99,786.0</b>	<b>(24,907.8)</b>
Tax Expense	-	-	-	-	-	-	-	-	-	-	-	(7,738.8)	-
<b>Net Profit After Tax</b>	-	<b>(47,791.9)</b>	<b>(13,898.9)</b>	<b>26,184.9</b>	<b>(37,523.5)</b>	<b>(43,797.4)</b>	<b>15,958.1</b>	<b>77,536.5</b>	<b>(27,028.9)</b>	<b>(42,343.8)</b>	<b>29,047.6</b>	<b>92,047.2</b>	<b>(24,907.8)</b>



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### 17.2. Quarterly Cash Forecast 2019 - 2021

Quarter Ending	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21
Quarter	Q1 (F)	Q2 (F)	Q3 (F)	Q4 (F)	Q1 (F)	Q2 (F)	Q3 (F)	Q4 (F)	Q1 (F)	Q2 (F)	Q3 (F)	Q4 (F)
<b>Cash Flow from Operating Activities</b>												
Cash Receipts	11,340	107,029	193,074	30,224	17,431	165,019	298,122	46,511	21,308	199,481	358,425	56,619
Cash Payments	(65,748)	(70,918)	(89,467)	(29,314)	(127,689)	(92,908)	(122,949)	(34,862)	(181,367)	(105,336)	(131,147)	(71,226)
Interest on Cash	756	342	390	675	(68)	(386)	68	842	(223)	(646)	(33)	1,024
Increase in VAT Payable	(5,463)	6,445	20,830	(25,366)	(3,560)	9,857	31,604	(38,571)	(5,934)	12,203	41,765	(30,682)
Interest Paid	(7,309)	(6,931)	(6,558)	(6,191)	(5,829)	(5,472)	(5,121)	(4,775)	(4,435)	(4,099)	(3,768)	(3,443)
Corporate Tax Paid	-	-	-	-	-	-	-	-	-	-	-	(7,739)
Other Operating Cash Flows	(3,450)	(3,450)	(3,450)	(3,450)	(3,450)	(3,450)	(3,450)	(3,450)	(3,450)	(3,450)	(3,450)	(3,450)
<b>Net Cash Flow from Operating Activities</b>	<b>(69,874)</b>	<b>32,518</b>	<b>114,819</b>	<b>(33,422)</b>	<b>(123,166)</b>	<b>72,660</b>	<b>198,274</b>	<b>(34,306)</b>	<b>(174,101)</b>	<b>98,153</b>	<b>261,791</b>	<b>(58,896)</b>
<b>Cash Flow from Investing Activities</b>												
Fixed Assets Capital Expenditure	-	-	-	-	-	-	-	-	(25,000)	-	-	-
<b>Net Cash Flow from Investing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Flow from Financing Activities</b>												
Debt Repayments	(25,414)	(25,037)	(24,665)	(24,299)	(23,938)	(23,582)	(23,232)	(22,887)	(22,547)	(22,212)	(21,882)	(21,557)
<b>Net Cash Flow from Financing Activities</b>	<b>(25,414)</b>	<b>(25,037)</b>	<b>(24,665)</b>	<b>(24,299)</b>	<b>(23,938)</b>	<b>(23,582)</b>	<b>(23,232)</b>	<b>(22,887)</b>	<b>(22,547)</b>	<b>(22,212)</b>	<b>(21,882)</b>	<b>(21,557)</b>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>(95,288)</b>	<b>7,481</b>	<b>90,154</b>	<b>(57,721)</b>	<b>(147,103)</b>	<b>49,077</b>	<b>175,042</b>	<b>(57,193)</b>	<b>(221,648)</b>	<b>75,940</b>	<b>239,909</b>	<b>(80,454)</b>
<b>Opening Cash Balance</b>	<b>100,000</b>	<b>4,712</b>	<b>12,193</b>	<b>102,347</b>	<b>44,626</b>	<b>(102,477)</b>	<b>(53,400)</b>	<b>121,642</b>	<b>64,449</b>	<b>(157,199)</b>	<b>(81,259)</b>	<b>158,650</b>
<b>Closing Cash Balance</b>	<b>4,712</b>	<b>12,193</b>	<b>102,347</b>	<b>44,626</b>	<b>(102,477)</b>	<b>(53,400)</b>	<b>121,642</b>	<b>64,449</b>	<b>(157,199)</b>	<b>(81,259)</b>	<b>158,650</b>	<b>78,196</b>