
BUSINESS PLAN

1 Introduction

Argoncroft intends to divide Huntley Wood into three zones and to offer these for exclusive hire to groups. Unbooked zones will be available for use by individuals seeking to use Huntley Wood as a base for camping and to enjoy the Staffordshire Moorlands area. By dividing the site into three zones in this way, we intend to keep one zone available at all times for this kind of camping. This flexibility will allow us to take bookings for exclusive access by two groups while still taking camping bookings, and will allow us to take high value bookings from commercial groups a long way in advance without preventing educational groups from doing the same.

We believe that Huntley Wood will be utilised by four main groups of people:

- commercial groups seeking a natural, rural venue at which to hold their countryside events (we have specifically excluded motor sports, sport and target firearms shooting and musical events);
- individuals and small groups of holiday makers (mostly campers, we are not seeking to have touring caravans on site due to the issues and requirements that these bring with them);
- educational groups, mostly schools, seeking a place to bring groups of students for recreation or study purposes; and
- casual local users, (mainly local people who wish to walk on Huntley Wood possibly with dogs).

Our goal of maintaining Huntley Wood in as natural a state as possible through appropriate maintenance of the woodland and a suitable long term ecology plan will, we hope, allow Argoncroft to recover some costs from appropriate grants for forestry and ecology.

Planning applications to build structures in Green Belt areas require specific justification but a business plan requires an assumption regarding these structures. As a result we have addressed the justification of the buildings that we are seeking permission to erect at Huntley Wood in Appendix I of the Planning Statement. The remainder of this part of the document is focused on setting out the Argoncroft business plan and proving its viability.

2 Guests, Customers and Users

In the Introduction we have set out the four groups of guests that we believe will be seeking to use Huntley Wood's facilities. We will now go on to expand upon the detail of these groups and the commercial opportunities that each offers to Argoncroft.

Commercial groups represent Argoncroft's most significant and consistent income source. Despite the fact that we have not yet marketed Huntley Wood to these groups, we have already received letters

from 14¹ commercial organisations seeking to book and use the site for their events. The critical requirements of these groups, based on their letters and our follow up communications with them, are good quality toilet facilities, undisturbed enjoyment of the site, indoor activity space so that inclement weather will not stall the event and a present but un-intrusive site warden or manager to assist as required night and day while the event is operating. The presence of three distinct and separate zones on Huntley Wood will permit us to accept bookings for more than one group at a time.

As commercial groups represent the dominant financial support for Huntley Wood, we have analyzed this in considerable detail below (see page 3 onwards).

Holiday makers coming to Huntley Wood for field or woodland camping to enjoy the site and explore the area represent another source of revenue for Argoncroft. We have liaised with 'Destination Staffordshire' in order to determine the likely interest in Huntley Wood as a camp site for the public. We have been encouraged to discover that, possibly because camping is a low cost, low carbon alternative to overseas travel, it is showing resiliency and even growth in the tourism sector. We do not intend to offer touring caravan pitches but to focus on tent camping. Destination Staffordshire have provided us with details of tent camping sites in Staffordshire Moorlands and pointed out that most of these are concentrated in the Leak area with the others around Ashbourne and Buxton. They have also indicated that Cheadle has a strong program of events planned for 2012 being the 200th anniversary of the birth of Victorian architect AWN Pugin (designer of St Giles church in Cheadle as well as the Houses of Parliament). We therefore believe that there is demand for field camping in the Cheadle area which Huntley Wood will be able to satisfy.

In order to be able to satisfy the requirements of this group we will need to provide high quality toilet facilities and will need the presence of a site manager or warden at all times (24 hours a day) when people are camping on Huntley Wood in order to ensure their safety (including fire and medical safety) and enjoyment (for example dealing with any issues with the water and toilet facilities). While this use does not require exclusive access to the zones, the use of three zones will be very important to our business plan: we will be able to offer camping on un-booked zones so we will be able to take exclusive bookings while still allowing the unused zone or zones to be used by campers. If we did not have multiple zones any form of booking would block the use of the site completely by campers.

We have not sought to reproduce the report of Destination Staffordshire here but a copy of the full report can be obtained from Destination Staffordshire or ourselves on request.

Educational groups will be significant users of Huntley Wood but we do not expect that they will offer a proportion of the revenues directly congruent to the proportion of their use. We believe that much of the revenue generated for Argoncroft will come from the commercial users much of it built around weekend or long weekend occupancy. We will, of course, allow educational groups to book and use the zones at these times in competition with commercial users but we believe that many educational users will wish to use Huntley Wood during the mid week periods both because this matches the school

¹ Since the business plan was prepared we have received a further 12 letters from commercial organisations looking to book Huntley Wood including Orienteering, Mountain Biking, Offroad Wheelchairs and Yoga.

timetable and also because we intend to offer much more attractive pricing options to schools during these mid week periods.

We have already received letters of intent from 7² schools, most from the Staffordshire area, but including one from an inner city Nottingham school and one from a private school in Wiltshire. Both these schools have made it clear that their interest in travelling some distance stems from a lack of suitable facilities that meet their needs. It is clear that educational groups would require exclusive use (for the safety of the students) and indoor activity space at all times of year (due to the risk of inclement weather).

Casual users will not produce any revenue for Argoncroft, however, we feel that it is important to take them into account in the overall use of the site. Local residents have been walking on and enjoying Huntley Wood for some time. They have been used to the fact that areas in use (previously for quarrying operations) were 'off limits' to walkers. We believe that if we indicate the zone or zones with an exclusive booking, walkers will respect this and stay in the non-exclusive areas.

Once again, the division of the site into zones will be critical to permitting this use of Huntley Wood. If the site were a single zone, an exclusive booking would require us to exclude casual users from all areas of the site except for the small part which forms a public footpath on the North East corner of the site.

2.1 Commercial Groups at Huntley Wood

We have based our estimates on a combination of research that we have conducted into similar sites and information that we have received from various groups seeking to hire Huntley Wood in order to pursue a wide range of activities.

2.1.1 Analysis of Similar Venues

While we do not believe that there are any directly comparable venues we have sought to examine several venues which we believe offer similarities which we can use to gain a reasonable view of the likely use patterns for Huntley Wood.

In the Cheadle area there is a Scout Site, Consall, which is hired out by the owners to many of the same type of groups that we will be seeking to attract. Consall is a much smaller site (26 acres) and its facilities are comparatively old. However, it is equipped with buildings similar to those that we are proposing: toilet blocks, bunk rooms, activity rooms and support buildings. Because of its similarity to the Huntley Wood proposal and because it is in the immediate area, we have produced a detailed comparison as it is a useful planning precedent; this is contained in Appendix C of the Planning Statement. Combined with the difference in size and age of facilities means that we believe that Huntley Wood would obtain similar or greater levels of business both due to its superior suitability and also due to the change in stance of the Scouts who are seeking to use their sites more for their own organisation.

² Since the business plan was prepared, 4 more schools have written to us expressing interest in using Huntley Wood once it is open.

There are numerous scout sites all across the country, some of which are available for hire by the same type of groups that we are seeking to attract. However, we have been informed that the Scouting organisation has been seeking to discourage exclusive booking at many of its sites. Because of the diffuse nature of the Scouts with their sites independently managed and run we have been unable to ascertain any specific policy. Many of the people who have contacted us seeking to book Huntley Wood (see below) have informed us that they have had increasing difficulty booking Scout sites for this reason so we believe that it will have an impact on our bookings.

In addition to Scout Camps there are a few other sites available to hire for those seeking the kind of exclusive access that Huntley Wood is able to offer. Unfortunately we have not found any of these in the Staffordshire area, however, we have examined several in other areas including: Tournament Stud in Northamptonshire and Candleston in South Wales.

Tournament Stud is a 160 acre site in Northamptonshire. Although the site is large its primary use is horse breeding for film and reenactment. As such the useable area is considerably smaller and varies depending upon the time of year and where the owners are currently keeping and training their horses. The site has almost no facilities for the hirer and extremely limited toilet facilities. Never-the-less, it has been used by two companies that we are also in touch with. Significantly, both have indicated that they would prefer to hire Huntley Wood at prices over double those charged by Tournament Stud. We believe that this demonstrates the demand for a suitable facility for this market and that we will be able to bring significant business to the Cheadle area.

Candlestone is a 100 acre site in Glamorgan, South Wales (although a significant part of this area is not accessible due to its use for breeding game birds) which has been in use for over 10 years. It has facilities for 100-300 people camping and 30 people indoors (according to the owners) although their price breaking is at 70 persons which suggests that they more normally see lower numbers of visitors. Despite being located so far from the centre of the country, they inform us that they were booked for over three quarters of the time last summer and their web site indicates that they are already booking well for next year. We believe that with Huntley Wood's superior location in the centre of the country and close proximity to the facilities (shops etc.) of Cheadle we will receive at least as many bookings as Candlestone.

2.1.2 Analysis of Interest Level

We have received many letters of support from the local community as well as from further afield for our proposal but this section concentrates on letters from groups, organisations and companies expressing a desire to actually hire and use Huntley Wood. Many of these groups have not indicated how many occasions per year they would hire Huntley Wood but since we are unable to provide them with any information as to when we would become available, this is not entirely unexpected.

This table below summarises the commercial groups who have already expressed an interest in booking Huntley Wood next year if it were available. It is important to remember that we have received these expressions of intent before engaging in any marketing and before we are able to give details of the facilities that will be available.

Organisation	Bookings	People	Notes
Profound Decisions Ltd	7	700	Week long requires buildings
Curious Passtimes Ltd	6	100	w/e
	4	500	Week long
Outcast LRP	2	200	Week long, requires buildings
Chimera Leisure	6	25	w/e year round, requires buildings
	4	90	w/e or week long
Labyrinthe (UK) Ltd	6	50	w/e and week long
Insurrection	2	70	w/e, cool season, requires buildings
Scavenger LRP		40	w/e in cool season
James Bacon	3	150	Week long
Daisy Abbott	3	70	Week long, requires buildings
Roland Depper	2	120	
James Fishwick	6	40	w/e all year round
	1	70	Requires buildings
Edward Thurlow			
Blue Sun Events			
Firecat Masquerade			

This information allows us to infer that we will be extremely likely to receive the following bookings once Huntley Wood is open for business:

	Bookings	Notes
Zone 1	14	Week long mostly warm season, buildings required
Zone 2	14	Mostly week long, mostly warm season, buildings required
Zone 3	24	Mostly w/e, warm and cool, buildings required in cool

Note: Since these tables were prepared, we have received a further 13 letters expressing interest in utilising Huntley Wood, 7 from commercial enterprises and 6 from educational groups (4 schools and 2 other educational).

We believe that these figures will increase significantly once we are able to market Huntley Wood and show people the facilities that we are able to offer. Some of the businesses who have written to us and listed above have directed us to various internet based resources which they use when seeking venues to use for their events. There are over a hundred other organisations which subscribe to and use these sites and we believe that Huntley Wood's central location, significant size and excellent

facilities (particularly the indoor activity spaces of high quality) will permit us to capture a significant proportion of this business.

Most commercial and leisure bookings are likely to centre on a weekend or at least be structured around a weekend. We have assumed that during the warm season, we will receive bookings for 2/3 of available dates and that during the cooler season this will drop to half. This is based on the availability of indoor activity space which will be vital to operate the business in the cooler season due to fears of inclement weather by guests. This represents approximately 88 bookings each year 60% of which is already covered before any marketing effort on our part. We feel that the remaining 40% is a hugely realistic target.

2.1.3 Revenue Generated in Local Businesses

‘The Value of Tourism’ (South West Tourism, 2005) estimates the average daily expenditure by a day visitor as £41 and £42 for staying visitors. The more recent Baker Associates³ of the Glastonbury Festivals sets this somewhat higher. Although it should be noted that we are not pursuing Music Festivals as a possible use of Huntley Wood, we believe that visitors brought to the site by commercial hirings will share many of the characteristics of such activities in terms of their expenditure and demographic split (being extremely wide). We therefore believe that such visitors will produce a very tangible benefit for Cheadle: if the ‘The Value of Tourism’ (South West Tourism, 2005) survey set the value at approximately £40 in 2005 we believe that Huntley Wood visitors in 2011 and onward will produce at least as much.

If we were to receive only the bookings from those who have already registered their interest and sought to book set out above this could represent over £1.2m spent by Huntley Wood visitors in businesses in the Cheadle area.

2.2 Use of Huntley Wood by Schools

We intend that Huntley Wood shall also be used by schools and other educational groups and by community groups locally. We intend to try to encourage this use both through our pricing policy and by offering specific educational facilities to enhance the site for these purposes. To this end the club house and adjacent amphitheatre will be vital as will the bio diversity that we intend to encourage through our Ecology and Forestry management plans.

We believe that most commercial bookings will be weekend based (or at least around the weekend) while most school activity will take place during the week, although there will be some overlap. We hope to be able to offer mid week access to Huntley Wood at prices lower than the weekend prices in order to encourage educational use and to maximise the use of our facilities.

2.2.1 Analysis of Similar Venues

While we do not believe that there are any directly comparable venues the analysis set out above under ‘Commercial’ is valid to some extent for this section.

³ Economic Impact of Glastonbury Festivals 2007

The educators that we have spoken to at length regarding the possible use of Huntley Wood have generally indicated that most historic sites are either unsuitable due to their age and the lack of facilities or are prohibitively expensive. They require modern indoor spaces although only fitted out to a basic level. Most traditional type venues are equipped with older buildings which are unsuitable nowadays. Furthermore, they would ideally prefer sites designed to offer superior teaching facilities such as a large teaching room and outdoor teaching space. Finally they we have received a great deal of interest in our work to generate ecologically interesting and varied areas within the site as this will offer enhanced educational opportunities.

2.2.2 Analysis of Interest Level

As noted above, we have received many letters of support from the local community as well as from further afield for our proposal but this section concentrates on letters from educational groups and organisations expressing a desire to actually hire and use Huntley Wood.

By their nature schools have to be more careful than commercial organisations because of the age of their students and the legislation under which they operate so it has not been possible for these to offer the same level of commitment that some of the commercial enterprises have been able to.

This table summarizes the educational groups who have already expressed an interest in booking Huntley Wood next year if it were available. It is important to remember that we have received these expressions of intent before engaging in any marketing and before we are able to give details of the facilities that will be available.⁴

⁴ Since this business plan was written 6 further expressions of interest have been received.

	Notes
Bernice Astling of Chasetown Specialist Sports College	PE courses, D of E awards, currently takes students to Yorkshire but would welcome a more local venue
Sam Griffin, Guides and Duke of Edinburgh award	Guides and D of E awards
Keith Hollins of Cheadle High School	Would like to use Huntley Wood in their work with vulnerable youngsters, D of E awards and to support the Healthy Schools agenda
Graham Horrobin of St Josephs School	would like to bring groups of 75 students to stay at the site; would require indoor activity and teaching space and bunk accommodation; outdoor teaching areas also desirable
Mrs S O'Farrell, Thomas Alleyne's High School	takes students on bi-annual trips to the Peak District and would use Huntley Wood for D of E awards and World Challenge
Justin Parsier of Brunel University	currently pursuing a doctorate concerning the use of outdoor games activities to develop social skills and in education
Gemma Whiley, primary school teacher	takes the year 5 and 6 children on a week long residential camping trip each year to a rural area; school was unable to take the children on the trips last year as they were unable to find a suitable site and that a close site such as Huntley Wood would allow this to start again

3 Assumptions to Financial Illustration

The following assumptions have been used in order to prepare the financial illustrations that are set out hereafter:

3.1 General Assumptions

- For the purposes of this document the warmer period is deemed to run for 30 weeks during the April to October period and the colder period to be the remaining 22 weeks every year. This is borne out by the booking patterns of existing venues / sites used for similar purposes in this and other parts of the country.
- Potential visitor groups are likely to be more frequent in the warmer months than in the colder months
- For the purposes of this document it is deemed that, during the cooler period the zones will only be booked to the capacity of their indoor accommodation – while this may be over pessimistic it is felt that this would be the most sensible conservative assumption.

- During the warmer period these limits would not apply and instead capacity would be based on the limits of the camping, car parking and toilet facilities.

3.2 Occupancy Rates

As noted above under assumptions, for the purposes of this document it is deemed that, during the cooler period the zones will only be booked to the capacity of their indoor accommodation. This would put the capacity of the Zones as follows: Zone 1 – 74, Zone 2 – 48, Zone 3 – 24.

During the warmer period these limits would not apply and instead capacity would be based on the limits of the camping, car parking and toilet facilities.

	Toilets	Car Parking Capacity	Camping Capacity
Zone 1	16	200 cars	300 tents
Zone 2	6	70 cars	100 tents
Zone 3	6	35 cars	40 tents

This would put the capacities of the Zones as follows: Zone 1 – 540⁵, Zone 2 – 225⁶, Zone 3 – 80⁷.

Maximum Number of Guests per Zone (Exclusive Bookings)

	Warmer Period (30 weeks)	Cooler Period (22 weeks)
Zone 1	540	72
Zone 2	225	48
Zone 3	80	24

These numbers spring from the calculations above.

During the cooler months it is assumed that the average booking will represent a very high proportion of the available space. This is due to the much smaller limits that the available bunk space represents.

Figures for Commercial Exclusive Zone Bookings:

	Warmer Period (30 weeks)	Cooler Period (22 weeks)
Zone 1	525	62
Zone 2	115	42
Zone 3	65	22

We have used weighted averages based on actual enquires received for the assumed figures for the warmer months.

⁵ The limiting factor here is the toilet facilities; in the event that we were lucky enough to achieve an enquiry for a larger booking we could investigate supplementing the facilities with portable units as required.

⁶ The limiting factor here is car parking and would be supplemented if required by parking in the main gate area should be receive a larger booking requirement.

⁷ The limiting factor here is camping space and is based on our assessment of the area in the southern pine plantation that and adjacent birches that we have set aside for this camping.

Figures for Educational Exclusive Zone Bookings:

We have received expressions of interest from a number of schools but they are unable to commit until we are able to show them the facilities that Huntley Wood has to offer. We have assumed that there will be some full week bookings but that most will be during the week. This does have the benefit that it will be less likely to clash with the commercial bookings which are likely to be more based around weekends.

	Warmer Period (30 weeks)	Cooler Period (22 weeks)
Zone 1	120	62
Zone 2	80	42
Zone 3	45	22

Based on the letters received so far from schools, we believe that school groups will insist on exclusive zone access and the use of the buildings (all have indicated that indoor space is a requirement for their use of the site). We believe that this will result in much lower maximum occupancy in the warm months. The only way to increase this would be to increase the square meter floor space of the buildings.

Figures for Tourism / Camping Bookings:

Unlike the commercial and Educational bookings set out above, we do not have letters from campers seeking to book the site so we have had to rely upon the information and advice from 'Destination Staffordshire'. We have attempted to be realistic but accept that this is just our best informed estimate.

We have assumed that we will only have open field camping guests in the warmer period although Huntley Wood will be open for their use all year around. We have made no distinction on zone as these are not exclusive bookings. We have assumed that we will charge per pitch per night and that 3 people is average per pitch (and indeed per vehicle). The limiting factor is likely to be toilet facilities as we are limited to 20:1 for these bookings so we have assumed an upper limit of 100 pitch bookings per month.

3.3 Pricing Policy

We aim to charge a price per guest per night for the use of Huntley Wood. A group requiring exclusive access to a zone must pay a minimum amount for that exclusivity (since they are preventing us from receiving income from others). In addition there is a charge for each building (excluding toilets which are included) heating and power are charged separately at cost plus. The price per night is based upon the camping fees charged at local sites according to Destination Staffordshire (£16 + per night at other sites is normal for a pitch so we are setting our prices at £5 per head per night). Buildings are assumed to be fully occupied during the cooler period since all enquires have specified that they would be required during these times of the year.

Table of Charges (per night)

	Commercial (3 night w/e booking)	Educational (3 night mid-week booking)
Charge per Person	£5.00	£3.50
Standard Cabin (Triple)	£100	£100
Club House (Zone 1 only)	£250	£250

The position regarding VAT is highly complex owing to the nature of the business; some services are zero rated, some are full rate. Commercial bookings are unlikely to be affected by VAT since they will themselves be VAT registered due to their turnover. The above prices are exclusive of VAT. If it is necessary to charge VAT on educational bookings, we will suffer a 25% loss of revenue on the educational bookings if VAT becomes due and if Argoncroft absorbs this cost.

The charge per night for a tourist booking for field camping is set at £16 per pitch per night in line with the prices that 'Destination Staffordshire' advise us are being charged in the area.

Table of Average Charges per Booking

	Commercial Bookings (Weekends)		Educational Bookings (Mid Week)	
	Warmer Period (30 weeks)	Cooler Period (22 Weeks)	Warmer Period (30 weeks)	Cooler Period (22 Weeks)
Zone 1	£3,375	£2,280	£2,910	£2,301
Zone 2	£2,325	£1,230	£1,440	£1,041
Zone 3	£1,275	£630	£773	£531

In practice, we will adjust the charges for peak periods such as bank holiday weekends. Furthermore, some bookings will be for longer than a weekend or mid-week (we have received many enquires for full week bookings).

A tourist booking for field camping has been assumed to be for an average of 3 people for a pitch and for four nights per booking.

3.4 Numbers of Bookings

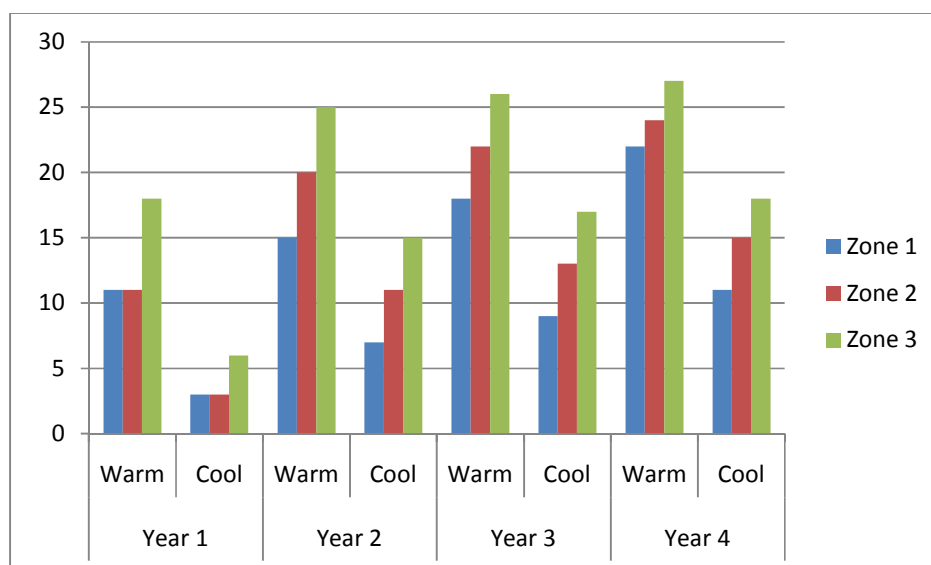
We are unable to predict at what point during the year we will receive planning permission or how long after that it will be possible to have Huntley Wood ready for use. We are also unable to predict how bookings will arise thereafter as some of our guests will plan for a year that runs with their business year while others will plan for the educational year and still others their holiday year. As a result these illustrations are based upon what we believe to be our reasonable and supported view but are not in any way projections.

3.4.1 Commercial

We have used the expressions of intent in letters already received as the basis for the first year. We have then used figures based upon these to extrapolate an increase over the next three years. We have assumed that Zone 3 will receive the greatest number of bookings followed by Zone 2 and then Zone 1. This is based upon our research into this market, the size of the organisations involved and average booking sizes.

Annual Commercial Zone Bookings:

		Year 1	Year 2	Year 3	Year 4
Zone 1	Warm	11	15	18	22
	Cool	3	7	9	11
Zone 2	Warm	11	20	22	24
	Cool	3	11	13	15
Zone 3	Warm	18	25	26	27
	Cool	6	15	17	18

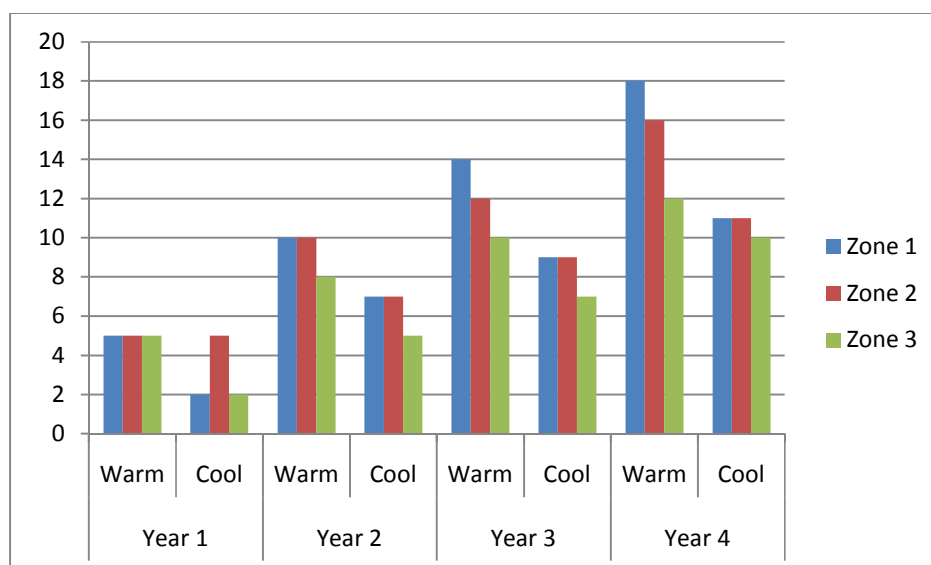


Educational

We have used the expressions of intent in letters already received as the basis for the first year. We have then used figures based upon these to extrapolate an increase over the next three years. Schools have indicated that Zone 1 is the most suitable for teaching due to the presence of the club house and outdoor training area. We have assumed that Zone 1 will receive the greatest number of bookings followed by Zone 2 and then Zone 3 (which receives very few bookings due to its minimal buildings).

Annual Educational Zone Bookings:

		Year 1	Year 2	Year 3	Year 4
Zone 1	Warm	5	10	14	18
	Cool	2	7	9	11
Zone 2	Warm	5	10	12	16
	Cool	5	7	9	11
Zone 3	Warm	5	8	10	12
	Cool	2	5	7	10



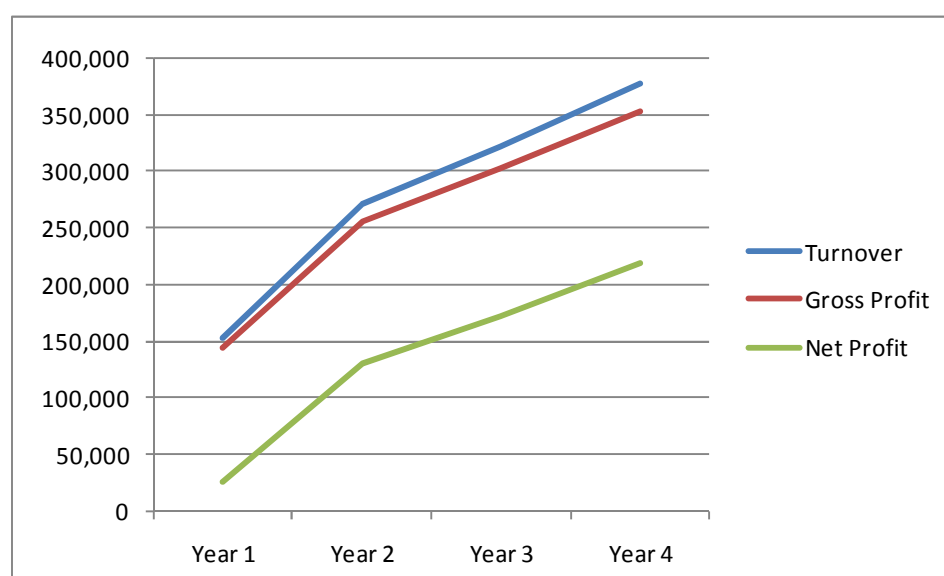
3.4.2 Tourism

Unlike the commercial bookings set out above, we do not have letters from campers seeking to book the site so we have had to rely upon the information and advice from 'Destination Staffordshire'. We have attempted to be realistic but accept that this is just our best informed estimate.

We have assumed that we will only have open field camping guests in the warmer period although Huntley Wood will be open for their use all year around. We have made no distinction on zone as these are not exclusive bookings. We have assumed that we will charge per pitch per night and that 3 people is average per pitch (and indeed per vehicle). The limiting factor is likely to be toilet facilities as we are limited to 20:1 for these bookings so there is an upper limit of 100 per month.

Table of Tourist Short Bookings by Month

	Year 1	Year 2	Year 3	Year 4
April	20	25	35	40
May	60	90	95	100
June	50	80	90	100
July	50	100	100	100
August	50	100	100	100
Sept	15	30	35	40
October	10	10	15	20
April	20	25	35	40



3.4.3 Other Income

Other sources of income comprise bank interest on cash in bank accounts and grants. We are informed by our forestry and ecological advisors that substantial grants are available for the management of the land in accordance with good Forestry Commission and Ecological practice. Many of these grants are European in origin and we do not believe that these will be affected by anticipated government cuts.

Our head of ecology believes that we should aim to achieve total grants for both Forestry and Ecological Management of some £1,000 per ha or a total of approximately £68,000 pa. We believe that this may take some work to achieve and that grants may drop off somewhat during coming years so we have therefore assumed an income of approximately £30,000 pa. It should be emphasised that this income is not required for the profitability of the project.

The money received from any grants would be used directly to pay forestry and ecological management costs which consistently exceed this sum.

3.5 Cost Assumptions

All costs are assumed to increase in line with inflation in accordance with the inflation assumption set out in the Illustration (3.5% per annum for the time being).

3.5.1 Cost of Sales

After each booking, each of the buildings used will require cleaning etc. After each use a Zone will require checking and cleaning, rubbish removal etc.

We have initially assumed that the time cost will be £7.50 per hour. This is believed to be rather higher than will be in fact the case.

	Time (hours)	Cabin Cost	Total Cost
Std Cabin (triple)	2	£15.00	
Std Toilet	2	£15.00	
Club House (Zone 1)	5	£37.50	
Large Toilet (Zone 1)	5	£37.50	
Zone 1 Clean up	9	£135.00	£202.50
Zone 2 Clean up	6	£45.00	£90.00
Zone 3 Clean up	4	£30.00	£60.00

3.5.2 Salaries and Professional Fees

We believe that the business will require two full time employees: a warden / manager on an initial salary of £30,000 pa and a maintenance worker on an initial salary of £21,600 pa. In addition we expect to employ a Forestry consultant at an annual cost of £15,000 (work to occur during the winter months as is standard), an Ecology consultant at an annual cost of £10,800 (working throughout the year but for a small number of days each month) and a maintenance support contract at an annual cost of £12,000. We will require accountancy and book keeping services but do not believe that we will require legal assistance since one of the directors is a barrister and prepared to cover this need.

3.5.3 Building and Equipment Costs

We have assumed that building maintenance will cost 5% of the capital cost which we believe to be excessive given that we have covered the cost of maintenance staff elsewhere and allowed for clean up as part of the cost of sales.

We have allowed £7,500 per annum for non capital equipment maintenance and costs rising with inflation.

Buildings will be assumed to depreciate at 2% pa and equipment at 25% pa which is a common accounting standard.

3.6 Funding

Argoncroft does not intend to seek bank finance for any of the capital costs of restoring and improving Huntley Wood. All of the capital costs will be paid from investments and loans from Argoncroft's parent company, Ellingworth and King Limited, and Argoncroft's directors.

To date, the capital cost to purchase Huntley Wood and ancillary expenses (some £600,000) have been met by Ellingworth and King and the cost of seeking planning permission and the reports etc. associated with this have been met from a £75,000 loan made to the company by the directors.

The cost of the works set out in the planning proposal is around £535,000 in total, the majority of this being the cost of the proposed buildings. Estimates have been sought from various firms and this is the basis for the figure given. Once planning permission is granted, Argoncroft will proceed to budget precisely for all of the works involved but given that this permission has not yet been received and that the works may take place over a period it is not currently possible to go to the various firms involved and seek quotations for the works. Argoncroft will seek to negotiate favourable terms based upon the economic conditions at the time.

If planning permission were granted, Argoncroft would seek further moneys from its parent company and/or directors to finance 100% of this expenditure. The directors do not believe that any external finance will be required.

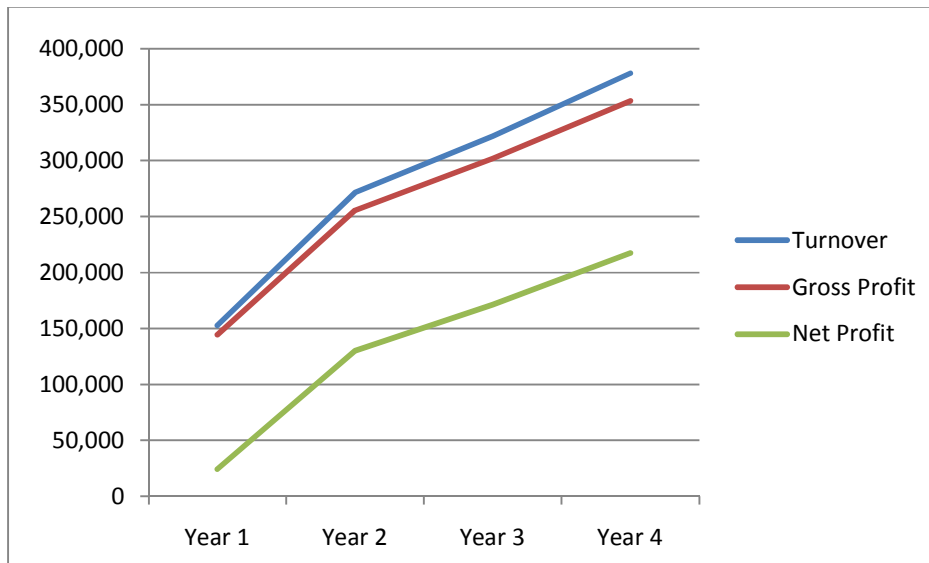
4 FINANCIAL ILLUSTRATION

Argoncroft Limited

		Year 1	Year 2	Year 3	Year 4
INCOME					
Commercial Bookings	Note 1	99,960	167,940	192,270	219,345
Camping		16,320	27,840	30,080	32,000
Educational Bookings	Note 1	36,482	75,729	99,540	126,762
Total Income		152,762	271,509	321,890	378,107
Cost of Sales					
Commercial Bookings		5,535	9,983	11,995	14,294
Educational Bookings		2,738	5,954	8,106	10,669
Camping	Note 2	0	0	0	0
		8,273	15,936	20,102	24,963
GROSS PROFIT		144,489	255,573	301,788	353,144
Administration Costs					
Salaries and Contracts		94,760	98,077	101,509	105,062
Professional Fees	Note 3	5,000	5,175	5,356	5,544
Insurance		4,600	4,761	4,928	5,100
Vehicles		3,000	3,105	3,214	3,326
Plant and Equipment		4,500	4,658	4,821	4,989
Stationary		250	259	268	277
Building Maintenance	Note 4	25,000	25,875	26,781	27,718
Bank Charges		250	259	311	373
Rates and Utilities		12,000	12,420	12,420	12,420
(TOTAL)		149,360	154,588	159,606	164,809
Other Income		30,000	30,000	30,000	30,000
NET PROFIT	Note 5	25,129	130,985	172,182	218,335

Notes

- 1 Commercial include all w/e bookings while Education includes non-school educational use mid week
- 2 Cost of sales is impossible to calculate per booking as it is time variable, it is inc in maintenance
- 3 Accounts and book keeping only forestry and ecology is inc in salaries and contracts
- 4 Assumed to be 5% of capital cost
- 5 This is before any payments to shareholders or tax etc.



Schedule 1

Details of Expressions of Intent

The following section sets out the details of the expressions of intent referred to above which we have received in letters and e-mails from these organisations. It does not include the 13 further letters and e-mails received since the business plan was prepared.

1 Commercial Groups

1.1 Profound Decisions Ltd

PD is one of the larger and better organized event companies of its type in the UK. Its owner has been running his events for over fifteen years. PD has indicated that they will run 7 events next year for around 700 attendees who spend £250,000 on tickets and who he expects to spend approximately £750,000 in the local area. PD would like to book all of their events with Huntley Wood once we are able to accept bookings. Last year they used one of the comparable sites mentioned above (Tournament Stud) but have informed us that Huntley Wood offers a superior location and improved quality of site so they would prefer to use Huntley Wood even though our prices would be significantly higher.

1.2 Curious Passtimes Ltd

CP have been running events for their customers for 14 years. They run a variable number of events each year but with four large core events (500 person) and the rest (12 or more) being for smaller numbers (50-150). CP's business model is very similar to that of Profound Decisions Ltd but have not given us their turn over figures. We believe they would offer very similar benefits to the Cheadle area. Last year they used one of the comparable sites mentioned above (Tournament Stud) but have informed us that Huntley Wood offers a superior location and improved quality of site so they would prefer to use Huntley Wood even though our prices would be significantly higher.

1.3 Chimera Leisure (Partnership)

This business, which has been operating for over ten years, operates throughout the year and so would require indoor activity space for use in inclement weather; they also operate week long events and so could use Huntley Wood during the week as well as at weekends. They run around twenty events a year (varies slightly year on year) for approximately 20 or 80 attendees (they run two types of events). Chimera have not offered a firm commitment on bookings but would like to examine the site once work is complete. Chimera have historically been frequent users of one of the comparable sites mentioned above (Candlestone) but have informed us that Huntley Wood offers a significantly superior location and improved quality of site so they would prefer to use Huntley Wood.

1.4 Outcast LRP

Outcast is a group of school teachers and friends who run family orientated events several times a year for 200+ participants who include children as young as 8 years old. Because of the family nature of their events it is particularly important to them that the facilities offered by a site are of a high standard and the site itself is secure and safe. They would like to commence using Huntley Wood from July 2011 if we are able to do so.

1.5 Labyrinthe (UK) Ltd

Labyrinthe events have been running for over twenty years and the current company runs events every week. They have indicated that they would like to hire Huntley Wood for at least 6 events next year. Some events are only a weekend long while others last for a week. Each event would have approximately 30 participants and a staff of 20 or so (50 people in total).

1.6 Insurrection

This smaller organization has only been running for two years and would like to use Huntley Wood for two events a year for 70 participants each time. Because they run their events in the colder months it is particularly important to them that we are able to offer indoor facilities.

1.7 Scavenger LRP

Scavenger has been running events for ten years. They run events for around 30 people at a time and a small staff of 10 or so. They operate all year around so would require access to indoor space for periods of inclement weather. They have not indicated how many occasions per year they would hire Huntley Wood. However, their letter is extremely helpful as it supports a great deal of our own experience regarding the needs and behaviour of these kind of users.

1.8 James Bacon

This gentleman has been organising conventions for 18 years and is currently working on three major projects: he is the Curator of the Wexford Arts Centre in Ireland organising a literature and art exhibition called 'Wexworlds'; he is also the chairman of the UK bid to bring the World Science Fiction Convention to London (an event which receives world wide publicity and over 5000 participants) as well as the British Fantasy Convention in Brighton. These events attract attention from international publishing houses and are supported by famous international authors for example JK Rowling, Neil Gaiman and Eoin Colfer. He also runs many smaller events and would like to book Huntley Wood in the future especially for younger people (he has specialised in this area being invited to do this in many places including Los Angeles and Melbourne, Australia). He has indicated that he would be interested in using the site several times a year for a week at a time for 100-200 people but would need indoor activity space.

1.9 Daisy Abbott

This lady runs events of three times: Educational events for young people, Management Training events

for business and Re-enactment events. She has indicated that she would like to hire Huntley Wood for a minimum of 3 events next year for approximately 50 people (plus her staff). She has indicated that indoor activity space would be an absolute requirement for her business.

1.10 James Fishwick

This gentleman runs two organisations interested in hiring Huntley Wood: the Dark Ages Society and Masquerades and Massacres. The first of these runs 6-12 events each year for some 30+ participants on each occasion. These events occur all year around and so would require the use of indoor space when the weather is inclement. Some events are public displays (tournaments and historical displays) while others are closed to the public. Masquerades and Massacres takes place twice a year for up to 50 participants. As the costumes are more elaborate, indoor activity space is required at all times of the year.

1.11 Roland Depper

This gentlemen, who has been operating for 20 years, has not indicated the operating vehicle he would use in the future to book Huntley Wood but he has informed us that he would like to book us for two events next year for around 100 people plus his support staff, although he would like to view our facilities before confirming.

1.12 Edward Thurlow

Mr Thurlow runs a number of different types of events including Emergency Services Training and Murder Mystery weekends. His events have featured on the BBC and Channel 4 as well as numerous print publications. He has written in general support of our proposal and is particularly keen that Huntley Wood become available as he currently does not feel that there is a similar high quality site available in the Midlands.

1.13 Firecat Masquerade

This group is a network of event organisers. They have expressed their support and a desire to use Huntley Wood for their events but have not been able to tell us about their intentions because they represent a range of organisers and would like to have dates and a chance to inspect the site before they offer any form of commitment. They have also indicated that the presence of a site warden or manager during the hire would be an important consideration for them.

1.14 Blue Sun Events

Blue Sun is an organisation promoting amateur dramatic events. They are based in Derby but inform us that they currently have to travel considerable distances to find suitable sites. Currently they run a number of events each year but would like to increase this if they could find a local venue. For this reason they are very keen to begin using Huntley Wood but would like to see the finished site before committing to bookings.

2 Educational Groups

2.1 Bernice Astling of Chasetown Specialist Sports College

This head teacher has indicated that her school would be very interested to use Huntley Wood for their Physical Education courses as well as Duke of Edinburgh award schemes. She currently takes students to Yorkshire for outdoor activities and would welcome a more local venue.

2.2 Sam Griffin

Ms Griffin has been involved in bringing groups of young people into the countryside for many years with many different outdoor activities including Girl Guides, Duke of Edinburgh Awards, Education and other events. She was born and raised in Staffordshire and is keen to support and use Huntley Wood for this type of activity.

2.3 Keith Hollins of Cheadle High School

This head teacher has indicated that he is happy to give unequivocal support to our proposal on behalf of Cheadle High School. He would like to use Huntley Wood in their work with vulnerable youngsters, within the curriculum to build team work skills and to enhance motivation and self esteem as well as with all their students to promote Duke of Edinburgh award schemes and to support the Healthy Schools agenda.

2.4 Graham Horrobin of St Josephs School

This gentleman is a school Head of Science and has written to us on behalf of the school with interest from both sciences and geography. They would be interested in visiting and using Huntley Wood for educational purposes and would like to bring groups of 75 students to stay at the site. This would require indoor activity and teaching space and bunk accommodation. Outdoor teaching areas would also be desirable.

2.5 Mrs S O'Farrell, Thomas Alleyne's High School

This head teacher has indicated that her school takes students on bi-annual trips to the Peak District and would be keen to use Huntley Wood for the purposes of the Duke of Edinburgh award scheme and World Challenge and for the general education of students in the countryside.

2.6 Justin Parsier

This gentleman is a university lecturer at Brunel University and is currently pursuing a doctorate concerning the use of outdoor games activities to develop social skills and in education. He is currently seeking funding from the Arts and Humanities Research Council. Interestingly his research confirms our view that the Scouts are currently reducing access to their sites and he is very keen to use Huntley Wood as it is both extremely suitable for his requirements and also centrally located and close to his own base at Brunel University.

2.7 *Gemma Whiley*

Mrs Whiley is a primary school teacher in a Nottingham City school who takes the year 5 and 6 children on a week long residential camping trip each year to a rural area. She explains the importance of taking the children out of the city and the benefits that this offers. She also outlines the difficulties that they are having finding suitable sites with the right facilities specifically including indoor spaces and teaching areas as well as a wild but safe location. Finally she explains that the school was unable to take the children on the trips last year as they were unable to find a suitable site and that a close site such as Huntley Wood would allow this to start again. Emma and I were particularly taken with this story; we have contacted Mrs Whiley and have discovered the problems that she faces trying to do her best for some extremely disadvantaged children. We are particularly determined that Huntley Wood will be able to offer something to children such as these and are highly motivated to work with SMDC so that this can happen. We feel that this is a non-political issue that all right minded members of our community will support.