

## SAMPLE THREE YEAR P/L BUDGET FOR A COMMUNITY WOOD RECYCLING ENTERPRISE - January 2011

### BUDGET: YEAR 1

INCOME	month 1	month 2	month 3	month 4	month 5	month 6	month 7	month 8	month 9	month 10	month 11	month 12		%
Collection fees	500	1200	1500	2000	2500	3000	3500	3500	4000	4000	4500	4500	£ 34,700	69%
Pallet sales [1]				20	25	30	35	40	40	45	45	50	£ 330	1%
Retail Income			200	300	500	800	1000	1200	1500	1800	1800	1800	£ 10,900	22%
Products			100	100	200	200	300	300	400	400	450	700	£ 3,150	6%
Firewood	200	250	100	50						50	100	200	£ 950	2%
Training fees [2]													£ -	0%
													£ -	0%
<b>TOTAL</b>	<b>700</b>	<b>1450</b>	<b>1900</b>	<b>2470</b>	<b>3225</b>	<b>4030</b>	<b>4835</b>	<b>5040</b>	<b>5940</b>	<b>6295</b>	<b>6895</b>	<b>7250</b>	<b>£ 50,030</b>	<b>100%</b>
EXPENDITURE														
Truck [3]	6000												£ 6,000	7%
Tools/equip'	2500												£ 2,500	3%
IT/office	500												£ 500	1%
Insurance	1600												£ 1,600	2%
Other	500												£ 500	1%
<b>TOTAL</b>	<b>11100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>£ 11,100</b>	
Rent/rates	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	£ 14,400	18%
Wages [4]	2500	2500	2500	2500	3300	3300	3300	3300	3300	3300	3300	4100	£ 37,200	45%
Motor-fuel [5]	40	96	120	160	200	240	280	280	320	320	360	360	£ 2,776	3%
Motor-maintain	20	20	20	20	50	50	50	50	50	50	50	50	£ 480	1%
Grade 3 [6]	100	240	300	400	500	600	700	700	800	800	900	900	£ 6,940	8%
Marketing [7]	200	200	200	200	100	100	100	100	100	100	100	100	£ 1,600	2%
Office/utilities	150	150	150	150	180	180	200	200	220	220	250	250	£ 2,300	3%
Volunteer expenses[8]	315	315	315	315	315	315	315	315	315	315	315	315	£ 3,780	5%
Other	100	100	100	100	100	100	100	150	150	150	150	150	£ 1,450	2%
Overdraft interest [9]													£ -	0%
<b>TOTAL</b>	<b>15725</b>	<b>4821</b>	<b>4905</b>	<b>5045</b>	<b>5945</b>	<b>6085</b>	<b>6245</b>	<b>6295</b>	<b>6455</b>	<b>6455</b>	<b>6625</b>	<b>7425</b>	<b>£ 82,026</b>	<b>100%</b>
Profit/loss	-15025	-3371	-3005	-2575	-2720	-2055	-1410	-1255	-515	-160	270	-175	-£ 31,996	
Cumulative p/l	-15025	-18396	-21401	-23976	-26696	-28751	-30161	-31416	-31931	-32091	-31821	-31996		

**BUDGET: YEAR 2**

INCOME	month 13	month 14	month 15	month 16	month 17	month 18	month 19	month 20	month 21	month 22	month 23	month 24		
Collection fees	5000	5000	5500	5500	6000	6000	6500	6500	6500	6500	6500	6500	£ 72,000	56%
Pallet sales	50	50	55	55	60	60	65	65	65	65	65	65	£ 720	1%
Retail Income	2000	2000	2500	3000	3000	3000	3500	3500	4000	4000	4000	4000	£ 38,500	30%
Products	500	500	600	600	600	600	600	600	600	600	600	900	£ 7,300	6%
Firewood	500	600	400	100						100	500	800	£ 3,000	2%
Loan for van			6000										£ 6,000	5%
Training fees													£ -	0%
<b>TOTAL</b>	<b>8050</b>	<b>8150</b>	<b>15055</b>	<b>9255</b>	<b>9660</b>	<b>9660</b>	<b>10665</b>	<b>10665</b>	<b>11165</b>	<b>11265</b>	<b>11665</b>	<b>12265</b>	<b>£ 127,520</b>	<b>100%</b>
<b>EXPENDITURE</b>														
Truck			6000										£ 6,000	5%
Tools/equip'	1000												£ 1,000	1%
IT/office													£ -	0%
Insurance	1700		500										£ 2,200	2%
<b>TOTAL</b>	<b>2700</b>		<b>6500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	£ 9,200	
Rent/rates	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	£ 14,400	12%
Wages	4100	4100	4900	4900	4900	4900	4900	4900	5700	5700	5700	5700	£ 60,400	50%
Motor-fuel	400	400	440	440	480	480	520	520	520	520	520	520	£ 5,760	5%
Motor-maintain.	60	60	60	60	60	100	100	100	100	100	100	100	£ 1,000	1%
Grade 3	1000	1000	1100	1100	1200	1200	1300	1300	1300	1300	1300	1300	£ 14,400	12%
Marketing	200	200	200	200	100	100	100	100	100	100	100	100	£ 1,600	1%
Office/utilities	250	250	280	280	280	280	280	300	300	300	300	300	£ 3,400	3%
Volunteer expenses	315	315	315	315	315	315	315	315	315	315	315	315	£ 3,780	3%
Other [10]	150	150	150	750	750	800	800	800	800	800	850	850	£ 7,650	6%
overdraft interest													£ -	0%
<b>TOTAL</b>	<b>10375</b>	<b>7675</b>	<b>15145</b>	<b>9245</b>	<b>9285</b>	<b>9375</b>	<b>9515</b>	<b>9535</b>	<b>10335</b>	<b>10335</b>	<b>10385</b>	<b>10385</b>	<b>£ 121,590</b>	<b>100%</b>
Profit/loss	-2325	475	-90	10	375	285	1150	1130	830	930	1280	1880	£ 5,930	
Cumulative p/l	-34321	-33846	-33936	-33926	-33551	-33266	-32116	-30986	-30156	-29226	-27946	-26066		

### BUDGET: YEAR 3

INCOME	month 25	month 26	month 27	month 28	month 29	month 30	month 31	month 32	month 33	month 34	month 35	month 36		
Collection fees	6500	6500	7000	7000	7000	7500	7500	7500	8000	8000	8000	8000	£ 88,500	57%
Pallet sales	65	65	70	70	70	70	75	75	75	80	80	80	£ 875	1%
Retail Income	4000	4000	4000	4500	4500	4500	4500	4500	4500	5000	5000	5000	£ 54,000	35%
Products	600	600	600		600	800	800	800	800	800	800	1000	£ 8,200	5%
Firewood	800	900	600	200								900	£ 3,400	2%
Training fees													£ -	0%
<b>TOTAL</b>	<b>11965</b>	<b>12065</b>	<b>12270</b>	<b>11770</b>	<b>12170</b>	<b>12870</b>	<b>12875</b>	<b>12875</b>	<b>13375</b>	<b>13880</b>	<b>13880</b>	<b>14980</b>	<b>£ 154,975</b>	<b>100%</b>
<b>EXPENDITURE</b>														
Truck													£ -	0%
Tools/equip'	1000				2000								£ 3,000	2%
IT/office													£ -	0%
Insurance	2000												£ 2,000	2%
<b>TOTAL</b>	<b>3000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>£ 5,000</b>	
Rent/rates	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	£ 14,400	11%
Wages	5700	5700	5700	5700	5700	5700	5700	5700	5700	6500	6500	6500	£ 70,800	53%
Motor-fuel	520	520	560	560	560	600	600	600	640	640	640	640	£ 7,080	5%
Motor-maintain.	100	100	100	100	100	100	100	120	120	120	120	120	£ 1,300	1%
Grade 3	1300	1300	1400	1400	1400	1500	1500	1500	1600	1600	1600	1600	£ 17,700	13%
Marketing	200	200	200	200	200	200	200	200	200	200	200	200	£ 2,400	2%
Office/utilities	300	300	300	300	300	300	300	300	300	300	300	300	£ 3,600	3%
Volunteer expenses	420	420	420	420	525	525	525	525	525	525	525	525	£ 5,880	4%
Other	850	850	300	300	300	300	300	300	300	350	350	350	£ 4,850	4%
overdraft interest													£ -	0%
<b>TOTAL</b>	<b>13590</b>	<b>10590</b>	<b>10180</b>	<b>10180</b>	<b>12285</b>	<b>10425</b>	<b>10425</b>	<b>10445</b>	<b>10585</b>	<b>11435</b>	<b>11435</b>	<b>11435</b>	<b>£ 133,010</b>	<b>100%</b>
Profit/loss	-1625	1475	2090	1590	-115	2445	2450	2430	2790	2445	2445	3545	<b>£ 21,965</b>	
Cumulative p/l	-27691	-26216	-24126	-22536	-22651	-20206	-17756	-15326	-12536	-10091	-7646	-4101		

#### Notes to budget

[1] Pallet sales estimated at 1% of collection fees.

[2] No training/referral fees have been included as they are not always available

[3] To date, most enterprises have spent less on a vehicle.

[4] Wages figures based on one full-time worker at set-up on c.£26,000 p.a., and part-timers taken on intermittently at £800 pm (inclusive of n/i costs).

[5] Fuel consumption estimated at 8% of collection fees

[6] Cost of disposal of Grade 3 will depend on what local arrangements can be negotiated but have been budgetted at 20% of the total collection fee.

[7] Marketing consists of 300 mailings per month in first four months and 100 mailings and 'small ad' in subsequent months

[8] Based on 3 volunteers per day @ £5 each for travel/lunch expenses

[9] No interest is included because it is assumed that a grant will be obtained to cover working capital required.

[10] Includes repayment of loan for second truck

Working capital required is £34,321 (by year 2)

## COLECTION BUDGET RATIONALE - Jan 2011

(to keep number of collections to whole numbers collection fees are slightly differant to those in the Sample 3yr Budget)

### YEAR 1

Month	1	2	3	4	5	6	7	8	9	10	11	12	Totals
<b>Colls' per month</b>	<b>4</b>	<b>9</b>	<b>12</b>	<b>16</b>	<b>20</b>	<b>23</b>	<b>26</b>	<b>26</b>	<b>31</b>	<b>31</b>	<b>34</b>	<b>34</b>	<b>266</b>
Collection fees (£13 pyd3 x 10yds3) £	520	1170	1560	2080	2600	2990	3380	3380	4030	4030	4420	4420	<b>34580</b>
Colls' per week	1	2.25	3	4	5	5.75	6.5	6.5	7.75	7.75	8.5	8.5	
Colls' per day	0.2	0.45	0.6	0.8	1	1.15	1.3	1.3	1.55	1.55	1.7	1.7	
Yards	40	90	120	160	200	230	260	260	310	310	340	340	<b>2660</b>
Tonnes (1 tonne = 10 yds3)	4	9	12	16	20	23	26	26	31	31	34	34	<b>266</b>
Tonnes grade 3 (x50% of total coll')	2	4.5	6	8	10	11.5	13	13	15.5	15.5	17	17	<b>133</b>
Cost of grade 3 disposal £	100	225	300	400	500	575	650	650	775	775	850	850	<b>6650</b>
Vehicles needed (1 per 40 colls' pm)	1	1	1	1	1	1	1	1	1	1	1	1	
Driver days pw (1 day for 2 colls')	2	4.5	6	8	10	11.5	13	13	15.5	15.5	17	17	<b>133</b>
Worker days pw (2 days for 2 colls')	4	9	12	16	20	23	26	26	31	31	34	34	<b>266</b>
Fuel cost (x8% of collection fee) £	41.6	93.6	124.8	166.4	208	239.2	270.4	270.4	322.4	322.4	353.6	353.6	<b>2766.4</b>



Collection budget rationale - Jan 11

YEAR 3

Month	25	26	27	28	29	30	31	32	33	34	35	36	Totals
<b>Colls' per month</b>	<b>50</b>	<b>50</b>	<b>54</b>	<b>54</b>	<b>54</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>684</b>
Collection fees (£13 per yd3 x 10yds3)£	6500	6500	7020	7020	7020	7540	7540	7540	8060	8060	8060	8060	<b>88920</b>
Colls' per week	12.5	12.5	13.5	13.5	13.5	14.5	14.5	14.5	15.5	15.5	15.5	15.5	
Colls' per day	2.5	2.5	2.7	2.7	2.7	2.9	2.9	2.9	3.1	3.1	3.1	3.1	
Yards	500	500	540	540	540	580	580	580	620	620	620	620	<b>6840</b>
Tonnes (1 tonne = 10 yds3)	50	50	54	54	54	58	58	58	62	62	62	62	<b>684</b>
Tonnes grade 3 (x50% of total coll')	25	25	27	27	27	29	29	29	31	31	31	31	<b>342</b>
Cost of grade 3 disposal	1250	1250	1350	1350	1350	1450	1450	1450	1550	1550	1550	1550	<b>17100</b>
Vehicles needed (1 per 40 colls' pm)	1	1	2	2	2	2	2	2	2	2	2	2	
Driver days pw (1 day for 2 colls')	25	25	27	27	27	29	29	29	31	31	31	31	<b>342</b>
Worker days pw (2 days for 2 colls')	50	50	54	54	54	58	58	58	62	62	62	62	<b>684</b>
Fuel cost (x8% of collection fee) £	520	520	561.6	561.6	561.6	603.2	603.2	603.2	644.8	644.8	644.8	644.8	<b>7114</b>