



SCOTTISH EXECUTIVE

Environment & Rural Affairs Department

FARM BUSINESS DEVELOPMENT SCHEME (FBDS)

BUSINESS PLAN

This form includes Guidance Notes for the completion of a Business Plan, a pro-forma for the Business Plan and a Claim Form for grant. Before completing this form read the Explanatory Booklet (FBDS 1 Revised) which gives details of the Scheme. Copies of the Explanatory Booklet are available from your SEERAD Area Office.

For Official Use

| | |
|----------------------------------|-------|
| Date Received | |
| File Reference Number | |
| Business Reference Number | |
| Main Farm Code Number | |
| Date Claim Processed | |

**Form FBDS 2
April 2005**

FARM BUSINESS DEVELOPMENT SCHEME (FBDS)

GUIDANCE NOTES FOR COMPLETION OF BUSINESS PLAN

1. A comprehensive Business Plan must be prepared as a prerequisite for entry by an agricultural business wishing to apply for funding towards an **Investment in Holdings** application from the FBDS. It is expected that the Business Plan will be of considerable benefit to the future management of the agricultural business. A Business Plan is *not* required for those applying for funding towards the set up or expansion costs of a diversified business.
2. All Business Plans where the overall projected cost of investments in excess of £10,000 (ten thousand pounds) must be prepared by an independent adviser (the Consultant). Self prepared Business Plans below this threshold will be accepted provided that the Business Plan is prepared to a standard acceptable to the Scottish Executive Environment & Rural Affairs Department (SEERAD). **However, it is recommended that all Business Plans be independently completed in order to obtain the most benefit for the agricultural business.**
3. Reports completed under the **FarmBASS** which implements the National Strategy for Farm Business Advice and Skills, can be used to support the information contained in the FBDS business plan, although they are not acceptable as direct substitutes.
4. In all but the very simplest of cases, the plan will be prepared by the Consultant who will examine the agricultural business, identify opportunities which will secure the future success of the business; and, in doing so, will assess the skills of the family and identify any training needs. The Business Plan will establish the future direction of the business. Proposed investments, whether or not eligible for assistance under the FBDS, should be explored and justified (a) to ensure optimum benefit is obtained and (b) to secure overall viability of the business.
5. It is important that the Applicant assumes ownership of the Business Plan and is fully involved in the preparation. This will ensure that all information and findings are individually tailored to the business and will highlight strengths, weaknesses and opportunities unique to each situation.
6. Where the Applicant employs a Consultant to prepare the Business Plan, the Applicant - when content with the Business Plan - should pay the costs of it direct to the Consultant.
7. Business Plans approved by SEERAD will be financially assisted under FBDS. In the case of a Business Plan prepared by a Consultant, assistance of 50% of the cost of the Business Plan, subject to an overall maximum payment of £400 (four hundred pounds) may be claimed. A self-prepared Business Plan which is approved by SEERAD will be entitled to a fixed payment of £100 (one hundred pounds). The Claim Form can be found at page 17 of this document. Where the Business Plan has been prepared by a Consultant, the receipted invoice must be submitted with the Claim Form.
8. **The completed Business Plan together with the Claim Form should be submitted to the SEERAD Area Office.**

9. Where you have any problem in completing a Business Plan contact your SEERAD Office but they will not be able to recommend a Consultant.

A. DETAILS OF APPLICANT AND BUSINESS

A1. Business Reference Number (BRN): _____

A2. Main Farm Code Number: _____

A3. All Associated Code Numbers: _____

A4. Name of Agricultural Business: _____

A5. Trading Status of Agricultural Business:

Sole Trader Partnership Body Corporate

A6. Postal Address of Agricultural Business: _____

_____ Postcode: _____

A7. **Contact:** Name: _____

Status: _____

Telephone Number: _____

Mobile Telephone
Number: _____

Fax Number: _____

E-mail Address: _____

A8. How many years has this Agricultural Business been trading? _____

A9. State if:

Owner-occupier Tenant Other (state) _____

A10. Area Owned in hectare: _____ ha Rented in hectare _____ ha

A11. Tenants: – Type of Lease: _____

A12. Age Group: < 30 30 to 39 40 to 55 > 55

A13. Gender: Male Female

A14. Provision for future succession:

A15. Date of Financial Year End: _____

A16. Is the business VAT Registered: Yes No

B. APPLICANT'S SOLICITOR AND ACCOUNTANT

SOLICITOR

ACCOUNTANT

Contact Name: _____

Contact Name: _____

Name of Firm: _____

Name of Firm: _____

Full Postal Address: _____

Full Postal Address: _____

_____ Postcode:

_____ Postcode:

Telephone: _____

Telephone: _____

C. DETAILS OF AGRICULTURAL UNIT

Details of the overall agricultural unit should be provided. This will include all associated land farmed within a single business.

C1. Total Area of Unit: _____ ha

| | |
|----------------------|----|
| Arable | ha |
| Temp Grass < 5 years | ha |
| Permanent Pasture | ha |
| Rough | ha |
| Heather Hill | ha |

C2. Type of Farm:

| | | | | | |
|------------------|--------------------------|----------------|--------------------------|--------|--------------------------|
| Cereals | <input type="checkbox"/> | Dairy | <input type="checkbox"/> | Cattle | <input type="checkbox"/> |
| General Cropping | <input type="checkbox"/> | Horticulture | <input type="checkbox"/> | Sheep | <input type="checkbox"/> |
| Mixed | <input type="checkbox"/> | Pigs & Poultry | <input type="checkbox"/> | Other | <input type="checkbox"/> |
| Cattle & Sheep | <input type="checkbox"/> | | | | |

C3. Soil Type: (inc. Classification, if known) _____

C4. Elevation _____

C5. Any Limiting Factors: _____

C6. Details of Current Crops:

| Crop | Area (ha) |
|-----------------------|-----------|
| Barley | |
| Oats | |
| Wheat | |
| Potatoes | |
| Turnips | |
| Other crops (specify) | |
| | |
| Temporary Grass | |
| Permanent Pasture | |
| Rough Grazing | |

C7. Details of Stock:

| Type of Animal | Number |
|-----------------|--------|
| Suckler cows | |
| In-calf heifers | |
| Dairy cows | |
| Bulls | |
| Other cattle | |
| Ewes | |
| Gimmers | |
| Other sheep | |
| Pigs | |
| Other (specify) | |
| | |
| | |

C8 State the number of people currently employed in the Agricultural Business (including partners and directors).

| Full Time | Part Time | Casual | Seasonal |
|-----------|-----------|--------|----------|
| | | | |

Definitions:

Full-Time: More than 35 hours/week on a regular basis.

Part-Time: Between 15-35 hours/week on a regular basis.

Casual: Less than 15 hours/week on an irregular basis.

Seasonal: Certain times of the year, regardless of hours.

C9. Provide details of Operations Carried Out by Contractors:

D. ENVIRONMENTAL ISSUES

D1. Are there any environmental designations on the holding? YES NO

If YES, provide details:

D2. Is the business currently participating in any Agri-Environment Scheme?

YES NO

If YES, provide details:

E. ASSURANCE SCHEMES

Are you a member of an Assurance Scheme?

YES NO

If YES, provide details:

E. ASSETS

E1. Farm Buildings

| Description | Size/Capacity | Present Use | Owned/Rented |
|--------------------|----------------------|--------------------|---------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

E2. Domestic Buildings

| Description | Number of Rooms | Present Use | Owned/Rented |
|--------------------|------------------------|--------------------|---------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

F. SUMMARY OF CURRENT FARMING SYSTEM

G. FARM ACCOUNT ANALYSIS *Use the 2 most recent Trading Accounts*

| | Year: | Year: |
|------------------------------------|-------|-------|
| <u>Output</u> | £ | £ |
| Cattle | | |
| Sheep | | |
| Cereals | | |
| Milk | | |
| Potatoes | | |
| Pigs | | |
| Other (specify): | | |
| | | |
| | | |
| <u>Total Output</u> | | |
| <u>Less Variable Costs</u> | £ | £ |
| Feeds (incl Rented Grass) | | |
| Seed | | |
| Fertilisers & Lime | | |
| Contract Work | | |
| Casual Labour | | |
| Other (specify) | | |
| | | |
| | | |
| <u>Total Variable Costs</u> | | |
| <u>Less Fixed Costs</u> | £ | £ |
| Regular Labour | | |
| Fuel & Electricity | | |
| Machinery Repairs | | |
| Machinery Depreciation | | |
| Insurance | | |
| Property Repairs | | |
| Building Depreciation | | |
| Rent & Rates | | |
| Bank/Building Interest | | |
| Other Interest | | |
| Other (specify): | | |
| | | |
| | | |
| <u>Total Fixed Costs</u> | | |
| <u>Net Profit (Loss)</u> | £ | £ |

| | Year: | Year: |
|---------------------------------|--------------|--------------|
| <u>Assets</u> | £ | £ |
| Cash | | |
| Debtors | | |
| Livestock | | |
| Crops | | |
| Machinery | | |
| Buildings | | |
| Land | | |
| <u>Total Assets</u> | | |
| <u>Liabilities</u> | £ | £ |
| Bank/Building Society Overdraft | | |
| Creditors | | |
| Loans | | |
| <u>Net Worth</u> | | |
| <u>Total Liabilities</u> | | |
| <u>Capital Account</u> | £ | £ |
| Net Worth at Start | | |
| Capital Introduced | | |
| Revaluation Adjustments | | |
| Net Profit (Loss) | | |
| <u>Sub-Total</u> | | |
| <i>Less</i> Net Drawings | | |
| Net Worth at Close | | |

Indicators

Percentage Owned:

| | | |
|--|---|---|
| | % | % |
|--|---|---|

Fixed Charges (%):

| | | |
|--|---|---|
| | % | % |
|--|---|---|

Rental Equivalent = $\frac{\text{Rent} + \text{All Interest Charges}}{\text{Farm Area}}$

| | |
|---|---|
| £ | £ |
|---|---|

H. SUMMARY STATEMENT OF FINANCIAL HEALTH OF BUSINESS

Include reference to – Net Worth, rental equivalent per arable acre, fixed charges percentage and comment on profit together with overdraft trend.

I. CRITICAL STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS ANALYSIS OF BUSINESS AND APPLICANT

Strengths of Business

Weaknesses of Business

Opportunities for Business

Threats to Business

Conclusion and Brief Summary of Strategy for Business

J. RECOMMENDATIONS FOR RESTRUCTURING/REORIENTATION TO CREATE SUSTAINABLE VIABLE BUSINESS FROM FARMING

| |
|--|
| |
|--|

K. IDENTIFICATION AND PRIORITISATION OF INVESTMENTS

Annex 1 provides a list of eligible measures for grant to which you should refer to assist you in completing this section. In the table below, include indicative costs, dimensions or quantity, timing and priority for the business.

Example:

| PRIORITY | ITEM | COST | TIMING | |
|----------|-------------------|---------|------------|-----------------|
| | | | Start Date | Completion Date |
| 1 | GP shed 60m x 30m | £20,000 | April 2001 | December 2001 |

| PRIORITY | ITEM | COST | TIMING | |
|----------|------|------|------------|-----------------|
| | | | Start Date | Completion Date |
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |
| 7. | | | | |
| 8. | | | | |
| 9. | | | | |
| 10. | | | | |
| 11. | | | | |
| 12. | | | | |

L. DETAILS OF HOW INVESTMENTS WILL BE FUNDED

Detail how you intend to finance your proposals.

M. PARTIAL BUDGET TO DEMONSTRATE HOW PROPOSED INVESTMENTS WILL ENHANCE BUSINESS VIABILITY

Provide a cost benefit analysis of the proposed projects.

N. TRAINING NEEDS

Identify the training needs to (a) enhance the existing business and (b) cope with the new projects.

A large, empty rectangular box with a thin black border, intended for the user to write their answers to the training needs question.

DECLARATION

If the Business Plan has been prepared by a Consultant they must also sign this declaration.

I/we have read and understood the contents of the Farm Business Development Scheme Explanatory Booklet (Rev 2005).

The information given in this form is correct and I/we accept full responsibility for it.

| Name | Signature | Date |
|--------------|-----------|------|
| (Applicant) | | |
| (Consultant) | | |

DECLARATION

Any person who knowingly makes a false statement for the purpose of obtaining financial assistance under this Scheme for himself/herself or another is liable to prosecution. In the event of summary conviction you will be liable to a fine not exceeding level 5 on the Standard scale. A false or misleading statement may also mean that any approval may be revoked and any grant already paid in respect of this claim may be recovered.

I declare that I have read and understood the contents of the Scheme's Explanatory Booklet and state that I agree to abide by the conditions of the Farm Business Development Scheme.

Signed: Date:

NAME(Block Capitals):

CLAIM FOR FINANCIAL ASSISTANCE TOWARDS COST OF PREPARING BUSINESS PLAN

The claim will only be processed if the Business Plan is approved by SEERAD. Where the Business Plan has been prepared by a Consultant, a fully receipted invoice must accompany this claim.

Business Plan prepared by:

Applicant

Consultant

If prepared by Consultant
give details:

| |
|-----------------|
| Name: _____ |
| Address: _____ |
| _____ |
| _____ |
| Postcode: _____ |

If the Plan was prepared by a Consultant what fee has been charged:

| |
|---|
| £ |
|---|

Financial assistance claimed:

| |
|---|
| £ |
|---|

Does the Business Plan amend
an earlier approved FBDS Plan?

YES

NO

ANNEX 1

The purpose of this Annex is to assist in the completion of section L “Identification and Prioritisation of Investments”. The lists below provide (in bold capitals) the eligible measures for Investment in Holdings projects. These are sub-categorised in order that more detail can be provided.

INVESTMENTS IN HOLDINGS

1. LIVESTOCK ACCOMMODATION

- Cattle courts
- Other housing for beef cattle
- Housing for dairy cattle
- Housing for pigs
- Housing for poultry
- Housing for other livestock

2. STORAGE SHEDS

- General purpose sheds
- Feed stores
- Fertiliser stores
- Machinery stores
- Other

3. SYSTEMS FOR STORAGE AND DISPOSAL OF AGRICULTURAL WASTE

- Waste storage facilities
- Dungsteads
- Disposal facilities

4. ELECTRICITY SUPPLIES

5. WATER SUPPLIES

6. FANKS AND DIPPERS

- Mobile fanks and dippers
- Fixed fanks and dippers

7. STOCK HANDLING FACILITIES FOR CATTLE

- Mobile facilities
- Fixed facilities

8. HARD STANDINGS FOR LIVESTOCK

- Standings for sheep
- Standings for cattle
- Standings for other livestock

9. INFORMATION TECHNOLOGY TO IMPROVE AGRICULTURAL BUSINESS EFFECTIVENESS