

Investment Proposal

Shenfield High School

June 2016

Colin Cane - Operations Manager



James Giles – Operations Director

Executive Summary

We're now coming to the end of our current contract with Shenfield High School and we would like to propose further investment options that represent real value for money to continue our relationship beyond the current contract end date.

Over the past 4 years we have enhanced sales by 29% despite the student population reducing by 25%, for comparison this represents a true growth of 39%.

This has been achieved by increasing student uptake of school compliant healthy and nutritious meals, the current uptake at Shenfield High School is 79%, if you compare this to the national average of 43% this is an excellent achievement (even our uptake average across Essex is only 73%).

The road to this point has been challenging, with a heavy initial investment from Pabulum, a period of staff turbulence and a declining roll, combined these have all made earning our fee difficult. However, we have never stopped facing these challenges and continue to work hard to drive service standards for the students of Shenfield High School.

Our proposition involves Pabulum investing an additional £64.3k in return for an additional 6 years of contract. This will bring the total Pabulum investment in to Shenfield High School up to £151.1k.

Finally, to say our proposition is just that, our suggestion. We believe that any service is only as successful as the partnership behind it and therefore, we're happy to work with you to come up with a solution that best utilises the investment package we're offering.

Investment Proposal

We believe the most effective use of additional investment will be in the current year 7 facility and the sixth form facility.

The Pavilion

We would like to put in a new hard standing covered outdoor seating area to accommodate the additional students coming in to the school this September. We've planned on a 54m² covered area that should accommodate an additional 48 students.



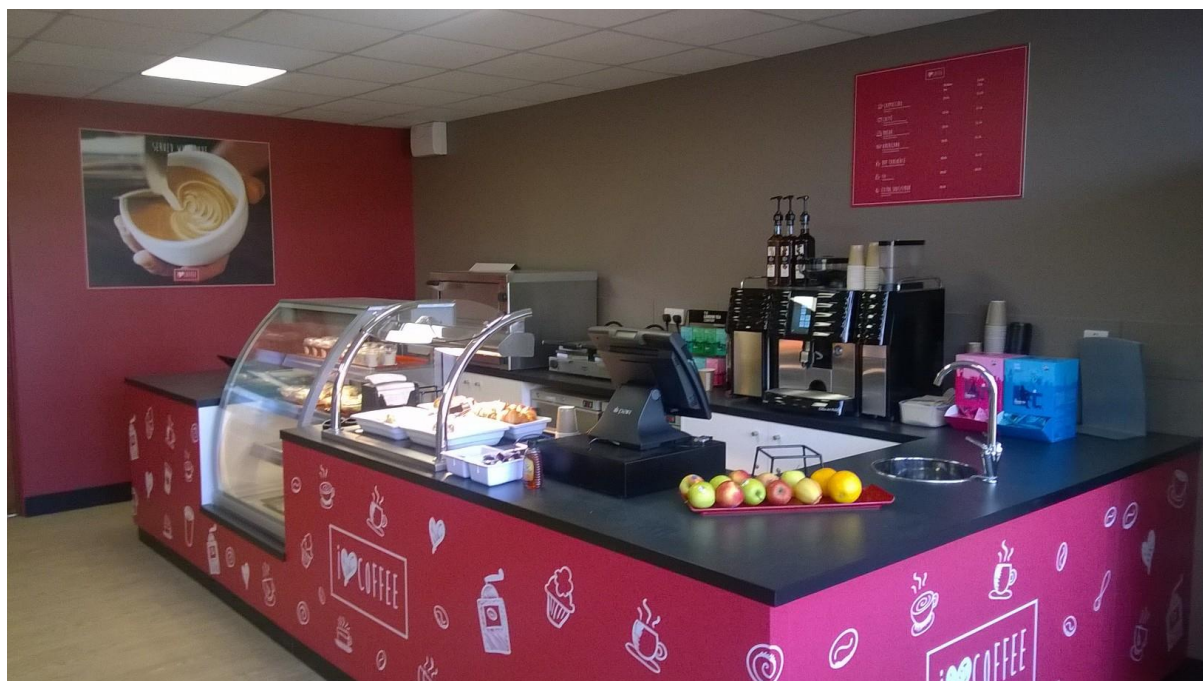
Breakdown of investment costs

- £16k for ground works and awning construction
- £3.6k for furniture

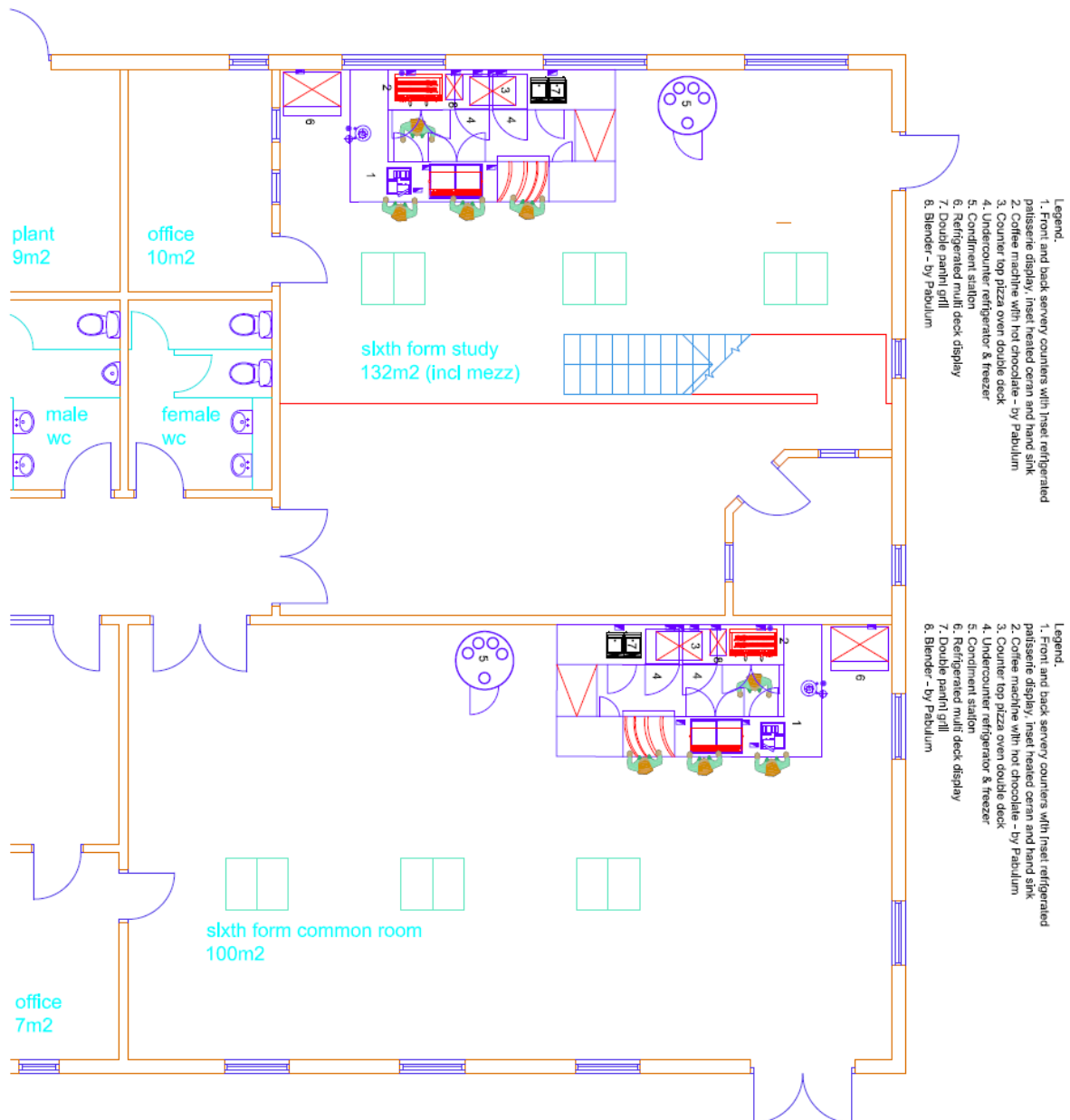
N.B. We're still awaiting additional quotes at this stage.

The Sixth Form

We would like to put a modern coffee shop solution into the sixth form café. A solution that not only meets the needs of sixth form students and staff but actually becomes a feature point encouraging future students to join Shenfield's sixth form over any other in the Brentwood area.



Possible Locations



Breakdown of investment costs

- £27,694 equipment and fixtures
- £11,170 shutters to encapsulate service
- £1,880 installation
- £4,000 for branding and decorating as required.

The numbers

The significant investments offered by Pabulum will take several years to recover, this goes over the current length of the contract and beyond the length of a normal catering contract.

To ensure good governance we have broken the forecasted length of asset depreciation in to three sections (an initial two years followed by two three year sections). This gives the school the opportunity to exit out at any of these break points ensuring that the maximum value in one term is below £1m.

I have put together a full financial breakdown for the years to demonstrate how this will be recovered, this also demonstrates the effect of living wage over the next 5 years and subsequent sales increases to recover these costs.

Please note if the contract was to terminate prior to full term we would look to recover unamortised depreciation.

pabulummm HONESTLY GOOD FOOD
Number of Weeks in Period
Days School / Unit is Open in Period
Pupils on Roll
Pupils Free Meal Price
Pupils Free Meals Daily
Pupils Paid Daily Average Spend
Pupil Paid Penetration Rate-on Free Meal Price
Total Ave Daily Sales-Excluding Hosp

SALES
Food - Non Vatable Sales
Non-Vatable cash sales 2
Increased Sixth Form Sales
Pupil Free Meals (Non-Vatable)
Adult Free Meals (Non-Vatable)
Internal Hospitality
TOTAL SALES

COST OF SALES
Food Purchases
TOTAL COST OF SALES

GROSS PROFIT

LABOUR
Wages
Ers NI
Ers Pension
Agency Staff / Dev Chefs
TOTAL LABOUR

OVERHEADS

Materials cost
Purchases of consumables
Purchases of cleaning materials
Total cost of materials

Other Overheads
Equipment purchase
Investment & opening costs
Publicity & Marketing
Cash collections
Uniforms
Health & Safety incl DBS
Sundry contract costs / cashless chgs
Management fees-fixed
Management fees-variable
TOTAL OVERHEADS (inc Materials)

OPERATING PROFIT / (LOSS)

CUMULATIVE PROFIT/ (LOSS)

Profit Share
Fixed Price Result
Management fees-fixed
Management fees-variable
Pabulum profit

2016	2017	2 Year
Total	Total	Break Point

52	52	52
190	190	190
1,015	1,015	1,015
£2.15	£2.15	£2.15
89	91	91
£1,363.77	£1,449.11	£1,449.11
71.0%	72.9%	72.9%
£1,613.62	£1,705.21	

Total	Total	Total
5,715	5,858	11,573
253,401	259,736	513,137
9,500	9,738	19,238
36,287	37,194	73,481
11,185	11,465	22,650
6,840	7,011	13,851
322,928	331,001	653,929

Total	Total	Total
145,641	149,282	294,922
145,641	149,282	294,922

177,287	181,720	359,007
---------	---------	---------

Total	Total	Total
111,648	113,105	224,753
6,387	6,717	13,104
3,694	3,775	7,469
2,919	2,977	5,897
124,648	126,574	251,223

Total	Total	Total
-------	-------	-------

Total	Total	Total
		0
14,913	15,286	30,198
1,662	1,704	3,366
16,575	16,989	33,564

Total	Total	Total
1,000	1,020	2,020
11,537	11,537	23,074
2,090	2,132	4,222
1,200	1,224	2,424
300	306	606
220	224	444
3,781	3,857	7,638
10,000	10,000	20,000
6,269	6,620	12,889
52,971	53,909	106,881

(332)	1,236	904
-------	-------	-----

(6,055)	1,236	2,140
---------	-------	-------

Total	Total	Total
0	(618)	(618)
(332)	1,236	904
10,000	10,000	20,000
6,269	6,620	12,889
15,936	17,238	33,174

2018	2019	2020	5 Year
Total	Total	Total	Break Point

52	52	52	52
190	190	190	190
1,015	1,015	1,015	1,015
£2.15	£2.15	£2.15	£2.15
93	96	98	467
£1,485.34	£1,522.47	£1,560.54	£1,486.25
75.0%	77.0%	79.2%	
£1,747.84	£1,791.54	£1,836.33	

Total	Total	Total	Sub Total
6,004	6,154	6,308	30,040
266,229	272,885	279,707	1,331,959
9,981	10,230	10,486	49,935
38,124	39,077	40,054	190,736
11,751	12,045	12,346	58,792
7,186	7,366	7,550	35,953
339,276	347,758	356,452	1,697,416

Total	Total	Total	Sub Total
153,014	156,839	160,760	765,534
153,014	156,839	160,760	765,534

186,263	190,919	195,692	931,881
---------	---------	---------	---------

Total	Total	Total	Sub Total
116,193	118,305	121,263	580,514
7,047	7,247	7,428	34,826
3,856	3,928	4,026	19,279
3,037	3,098	3,175	15,206
130,133	132,578	135,892	649,825

Total	Total	Total	Sub Total
-------	-------	-------	-----------

Total	Total	Total	Sub Total
15,286	15,286	16,461	77,231
1,704	1,704	1,835	8,608
16,989	16,989	18,296	85,838

Total	Total	Total	Sub Total
1,040	1,061	1,082	5,204
11,537	11,537	11,537	57,685
2,174	2,218	2,262	10,876
1,248	1,273	1,299	6,245
312	318	325	1,561
229	233	238	1,145
3,934	4,012	4,093	19,676
10,000	10,000	10,000	50,000
6,786	6,955	7,129	33,758
54,250	54,598	56,261	271,990

1,880	3,743	3,539	10,066
-------	-------	-------	--------

3,116	6,859	10,399	22,514
-------	-------	--------	--------

Total	Total	Total	Total
(940)	(1,872)	(1,770)	(5,199)
1,880	3,743	3,539	10,066
10,000	10,000	10,000	50,000
6,786	6,955	7,129	33,758
17,725	18,827	18,899	88,625

pabulummm HONESTLY GOOD FOOD
Number of Weeks in Period
Days School / Unit is Open in Period
Pupils on Roll
Pupils Free Meal Price
Pupils Free Meals Daily
Pupils Paid Daily Average Spend
Pupil Paid Penetration Rate-on Free Meal Price
Total Ave Daily Sales-Excluding Hosp

SALES
Food - Non Vatable Sales
Non-Vatable cash sales 2
Increased Sixth Form Sales
Pupil Free Meals (Non-Vatable)
Adult Free Meals (Non-Vatable)
Internal Hospitality
TOTAL SALES

COST OF SALES
Food Purchases
TOTAL COST OF SALES

GROSS PROFIT

LABOUR
Wages
Ers NI
Ers Pension
Agency Staff / Dev Chefs
TOTAL LABOUR

OVERHEADS

Materials cost
Purchases of consumables
Purchases of cleaning materials
Total cost of materials

Other Overheads
Equipment purchase
Investment & opening costs
Publicity & Marketing
Cash collections
Uniforms
Health & Safety incl DBS
Sundry contract costs / cashless chgs
Management fees-fixed
Management fees-variable
TOTAL OVERHEADS (inc Materials)

OPERATING PROFIT / (LOSS)

CUMULATIVE PROFIT/ (LOSS)

Profit Share
Fixed Price Result
Management fees-fixed
Management fees-variable
Pabulum profit

2021	2022	2023
Total	Total	Total

52	52	52
190	190	190
1,015	1,015	1,015
£2.15	£2.15	£2.15
98	103	106
£1,599.55	£1,639.54	£1,680.53
81.1%	83.6%	86.0%
£1,882.23	£1,929.29	£1,977.52

Total	Total	Total
6,466	6,628	6,793
286,700	293,867	301,214
10,748	11,017	11,293
41,055	42,082	43,134
12,655	12,971	13,295
7,739	7,932	8,131
365,363	374,497	383,860

Total	Total	Total
164,779	168,898	173,121
164,779	168,898	173,121

200,585	205,599	210,739
---------	---------	---------

Total	Total	Total
124,294	127,402	130,587
7,614	7,804	7,999
4,127	4,230	4,336
3,254	3,336	3,419
139,289	142,772	146,341

Total	Total	Total
-------	-------	-------

Total	Total	Total
16,872	16,872	17,727
1,881	1,881	1,976
18,753	18,753	19,702

Total	Total	Total
1,104	1,126	1,149
11,537	11,537	11,537
2,308	2,354	2,401
1,325	1,351	1,378
331	338	345
243	248	253
4,175	4,258	4,343
10,000	10,000	10,000
7,307	7,490	7,677
57,082	57,455	58,785

4,213	5,373	5,613
-------	-------	-------

4,213	9,585	15,199
-------	-------	--------

Total	Total	Total
(2,106)	(2,686)	(2,807)
4,213	5,373	5,613
10,000	10,000	10,000
7,307	7,490	7,677
19,414	20,176	20,484

8 Year
Total

52
190
1,015
£2.15
956
£1,901.72

Total
61,500
2,726,878
102,231
390,489
120,363
73,606
3,475,066

Total
1,567,255
1,567,255

1,907,811

Total
1,187,549
71,347
39,441
31,113
1,329,450

Total

Total
0
158,901
17,710
176,611

Total
10,603
115,370
22,160
12,724
3,181
2,333
40,090
100,000
69,121
552,192

26,169

53,651

Total
(13,417)
26,169
100,000
69,121
181,874