Maryport and Solway
Fishing Co-op Limited
West Quay
Fisheries Department

Phase II

Consultancy Report No.84

August 1994

Sea Fish Industry Authority

Seafish Technology

Maryport and Solway Fishing Co-op Limited

West Quay Fisheries Development

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24 August 1994
Author: R J A Nicholson

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Summary

The Maryport & Solway Fishing Co-operative in order to service the fishing fleet at Maryport and remain operational must have a location within the Maryport Harbour complex. Ideally the site to which the Co-operative were re-located as a result of a major re-development on the dock estate, namely the west quay of the Elizabeth Basin would be the most appropriate location.

The Co-operative to develop the site offered would have to conform to existing E.C. and U.K. health and hygiene standards. Consequently this would necessitate the construction of a purpose built building.

The development of an operational centre adjacent to the quay in the Elizabeth Basin is essential not only to service the fleet and provide temperature controlled fish holding facilities but it also would eliminate many of the current inefficiencies due to the existing site environment. The introduction of these cost effective handling systems should in turn lead to an improvement in the Co-operative's finances.

The Co-operative management has now established good agencies in the Dutch Market through the major marketing centre at Urk and the major distribution markets in the U.K. namely Grimsby and Fleetwood. The initial penetration into these markets has at times proved to be expensive and has to some extent contributed to the financial weakness of the Maryport Fish Co-operative.

Providing that distribution costs are recovered and that the efficiencies associated with the proposed development were adopted, the projected annual operating profit is forecast to increase from the current level of £12,100 to an estimated £22,900 per annum.

The level of investment required to develop the operational centre on the site, as recommended, has been costed at £240,000 with an additional investment of £35,000 required for equipment and fittings.

To finance such a development the co-operative is heavily dependent on the project receiving financial assistance. Consequently various scenario's as to the alternative sources of grant have been projected.

The option offering the most viable solution to development of the project and the retention of a viable cash flow position is the putting together of a financial package by Allerdale Borough Council to develop the building and rent the unit to Maryport and Solway Fishing Co-op Ltd.

The proposed financial package would combine various E.C. grant funding sources with a supportive grant from M.A.F.F. and RDC District/County Council or from private sources.

1. Introduction

The Maryport & Solway Fishing Co-operative, formed in accordance with the Industrial and Provident Act 1965 and the Friendly and Industrial and Provident Societies Act 1968, is presently located within the Elizabeth Basin of the Maryport Harbour sited on the Cumbrian coast (*Fig.1*).

The Dock estate, covering an area of 100 acres, is currently being re-developed by Maryport Developments Ltd, a consortium of Allerdale District Council, Cumbria County Council and English Estates.

As a result of the re-development the Co-operative is under notice to quit its present location, a site located on the West quay of the Elizabeth Dock.

In view of the pending E.C. and U.K. Health and Hygiene Regulations related to fish storage and handling the Co-operative are faced with having to construct a purpose built building in order to conform with future health standards and market demands. Consequently, for the Co-operative to develop a site on the west quay, as offered by the developers, requires the Co-operative to make a major financial commitment.

The Maryport & Solway Fishermen's Co-operative requested the assistance of the Sea Fish Industry Authority (Seafish) to develop a business strategy that would address the need for new premises, ice and storage facilities, and cost-effectiveness within its handling, distribution and boat service systems.

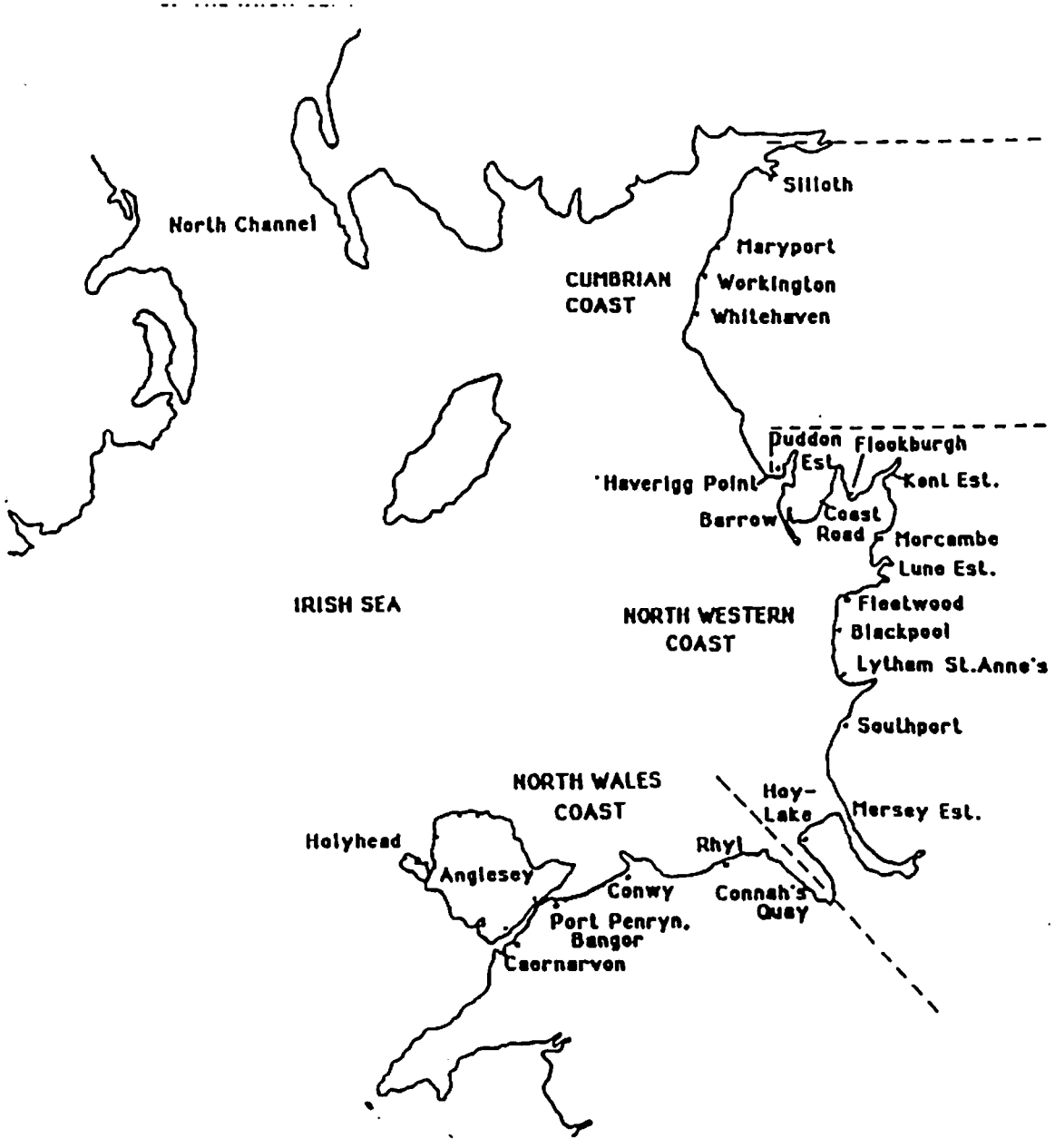

Figure 1 - The Fishing Ports and Sub-Regions on the North Eastern Sector of the Irish Sea

2. Fleet

The fishing fleet operational out of Maryport consists of some 32 fishing vessels of which approximately 12 vessels are considered as being full-time. The balance of the fleet operates on a part-time basis.

The length distribution of the Maryport fleet is as follows:-

Length Group	No. Vessels
30-35 ft	1
36-40 ft	19
41-45 ft	7
56-60 ft	1
66-70 ft	1
Total	**32**

3. Fish Landings

Landing statistics collated over the years 1984 to 1992 include a degree of estimation, due to the difficulties in the administration of collection, nevertheless the following graphs reflect the growth of Maryport as a fishing port.

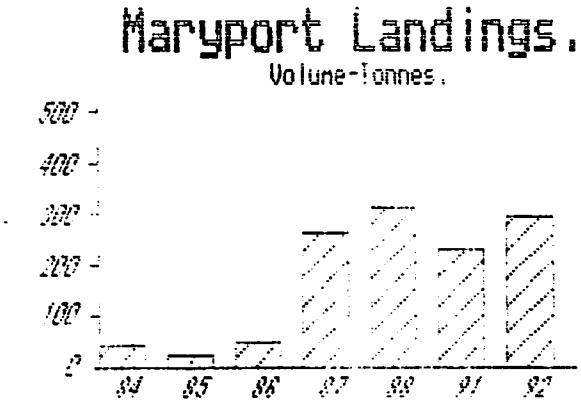

Figure 2 - Maryport Landings

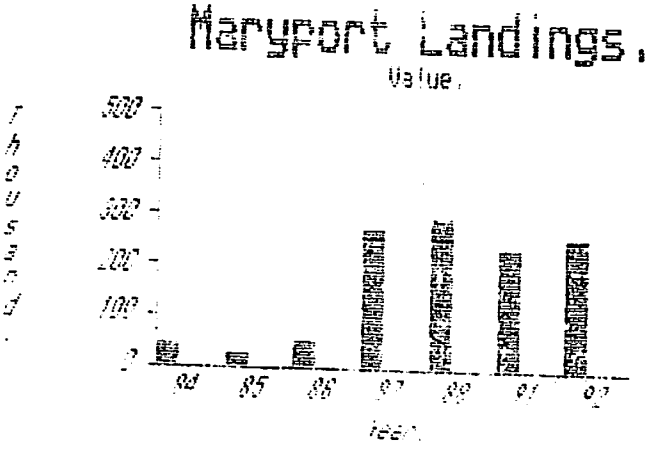

Figure 3 - Maryport Landings

On examination of the species mix of fish landed (*See Table 1- Appendix I*), the value reflects the high valued catches of demersal fish i.e. sole, skate, plaice and cod. Since 1989 there has been an increase in the landings of shellfish, particularly mussels etc.

4. Market Outlets

As the volume and continuity of landings are not constant, due to the inability of the fleet to fish during periods of bad weather, the port does not attract the major fish wholesale buyers. Consequently the Co-operative have had to transport their fish to the major fish distribution centres within Northern England.

The initial penetration into these markets has at times proved to be expensive to the Maryport fishermen. Particularly as it has been necessary for the Co-operative to build up confidence with their market agents in so much as that it was necessary to show that they could supply on a regular basis and also present the fish in a manner acceptable to that particular market.

The current situation is that the Co-operative management have now established good agencies in Holland through the marketing centre at Urk, and in the major U.K. distribution markets of Grimsby and Fleetwood and other minor markets at North Shields etc. Through these distribution links the Co-operative is now establishing those market outlets which have preference for given species or species size range. The consequence of this market development is a more stabilised price structure and financial base for the fishermen and the Co-operative.

The Co-operative could still improve on its price structure by more attention to the temperature control, handling, grading and presentation of the fish throughout it's distribution chain. This, however, can only be achieved if the Co-operative has the use of new premises and equipment designed to do the job.

5. Co-operative Finances

The assets of the Co-operative as at the 31st March 1993 stood at £2,753.00 (Table 3).

The trading position of the Maryport & Solway Fishing Co-operative Ltd., for the year ended 31st March 1993, as shown through the audited accounts as prepared by Gibbons & Partners, Chartered Accountants, was a trading profit of £12,200.00 (Table 3) which after financial and extra-ordinary costs produced an operating profit of £4,100.00 (Table 3a). The net trading profit after depreciation was a deficit of £2,100.00.

The analysis of the trading activities as shown in Table 3, highlighted the following:-

5.1 Fish Trading

The fish buying operation during 1992 contributed a trading profit of £34,500.00 or 11% of its turnover towards the organisations overhead costs and profitability. This declined to 7.9% in 1993 due to the more competitive market price structure.

5.2 Fuel

The fuel agency operated by the Co-operative has now been rationalised to one supplier. The ability to obtain better bulk discounts is something the Co-operative must address.

The fuel sales during the October to December period of 1989 amounted to approximately 150,000 litres, an average of 11,800 litres a week. This level of weekly sales is still being maintained in 1993, however, the Co-operative has reduced its mark-up by 2.5% from that being retained in 1992.

Should Maryport promote itself as a landing port to visiting fleets working the area, this could have a prenounced effect on fuel sales by the Co-operative as sales could be greatly increased through the demand from visiting vessels.

With Maryport strengthening its distribution links into the major markets there is every likelihood that the strength of these distribution links together with improved service facilities could attract more visiting vessels to tranship their catches at Maryport. This development in trade would certainly sustain an increase in fuel sales.

To allow Maryport to develop its fuel sales and profitability it is necessary for the Co-operative to install a fuel tank that would receive economically beneficial deliveries. Judging by current deliveries a fuel tank with a capacity of not less than 12,000 gallons (i.e. 54,500 litres) would seem appropriate.

5.3 Ice

The use of ice by the fleet which showed a marked downturn in 1992 due to the reduced prawn fishing has increased its turnover in 1993 by 12.8% due to the increased emphasis on maintaining the quality of fish landed.

Trading which was struggling to recover its direct costs of production contributed a return of 28% towards the overheads of this section reducing the 1992 loss of £6,000 per annum to an estimated £3,900 in 1993.

6. Development Proposals

For Maryport Fishing Co-operative to progress and consolidate its trading base, the acceptance of the longterm lease on the West Quay site within the Elizabeth Basin is recommended.

An outline development of a site to receive 200 boxes of fish from landing vessels into a reception area, to sort/grade the fish, re-pack to a market specification and hold in controlled chilled storage prior to distribution together with the provision of service facilities of fuel, ice, etc., is presented in Figure 2.

Also built into the specification is the provision of a Mussel Purification Plant capable of purifying 4.5 tonnes of mussels per week, a Chandlery/Retail Shop, Office and Mess Room Accommodation.

The capital investment of the development is estimated to be in the region of £240,000 (Table 4).

The estimated cost of equipment in the Mussel Purification Plant is approximately £35,000 for a twin-tank unit. The fitting out of the shop is estimated at £22,000.

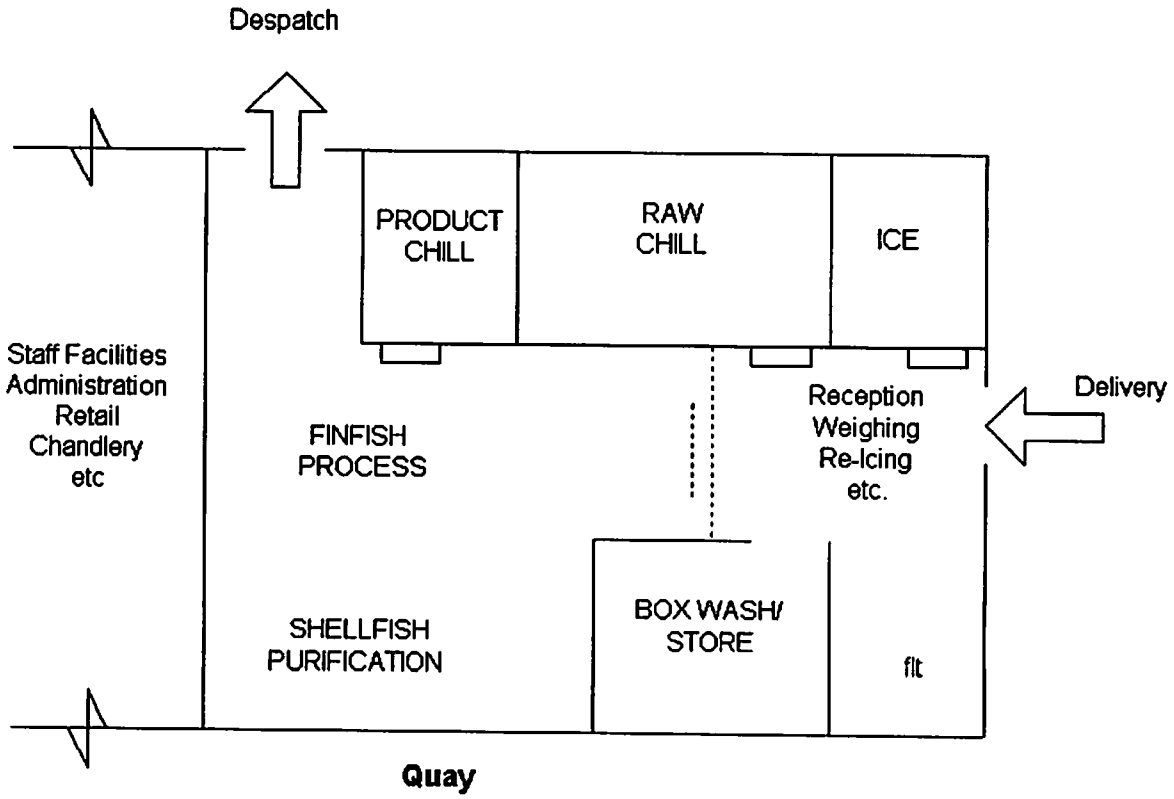

Figure 4 - Revised Layout - Maryport Development for Fishermen's Co-op

7. Grant Assistance

The sources of financial assistance towards the project through grant aid are:-

1) At local level by assistance from the District or County Council.

2) National level, through the Fisheries Act 1955. This assistance is directed towards a harbour, pier, jetty, boatslip or slipway and to any associated building or structures.

   The level of grant, which would be payable on the investment cost less any other grant can range from 20% to 50%. For the purpose of this report a 20% grant has been assumed.

3) E.E.C. - Financial assistance could be available through a F.I.F.G. grant under the revised Structural Fund. This is operational from 1st January 1994.

   This regulation is applicable for facilities relating to the storage, handling and marketing of fish landed from fishing vessels through to delivery to retail outlet.

The level of grant assistance is at this point of time not confirmed, but assuming that grant remains at the level of previous FEOGA grants it could be possible for the Maryport project to receive a grant in the region of 30% of investment costs.

A further source of EEC funding, which is likely to be available to the Co-operative as from the 1st January 1994, is through the European Regional Development Fund.

The proposed development by the Maryport Fishermen's Co-operative, a non-profit making organisation, could have a marked effect not only on the local employment situation but also on the local economy.

Should this source of grant funding be made available it is possible for a grant in the region of 40% to be made received.

Unfortuantely the Co-operative cannot obtain grant from both the two EC grant funding sources, so in view of the higher grant the recommended funding source to be targeted should be the ERDF grant.

8. Financial Projections

The trading and cash flow projections in Table 5 are based on the following assumptions:-

1. The trade mark-up on buying and selling fish remains at the 1993 level of operation.
2. Fuel income remains at the 1993 level of sales.
3. Ice sales continue at £27.50 per tonne. Throughput is increased in year 1 by 15% and by a factor of 5% per annum in years 2 to 4. Sales after which remain constant.
4. Chandlery sales remain at 1992 level of trading.
5. Loan borrowing is based on a 5 year re-payment period at an interest rate of 10% per annum.
6. Rents payable, at £30M^2 (Table 6) after an initial 4 year moretorium. Rents revised in a 3 year cyclical basis.
7. The projections do not include any cost factor for inflation.
8. No allowance has been built into the cash flow forecasts for Corporation Tax payable on profits.
9. Retail unit markets 24% of fish landed from resident fleet - Table 7.
10. Mussel Purification Plant processes 270 tonnes per annum - Table 8.

8.1 Profit Forecast

Assuming that the above assumptions were adopted the projected operating profit is forecast to increase from the current level of £12,100 (Table 3a) to an estimated £22,900 (Table 9). After allowing for increased depreciation, and before any taxation the Co-op would be in a position to finance a £35,000 loan funding requirement should this be required.

8.2 Cash Flow Projections

The cash flow as projected, assuming all grant funding is obtained produces a positive cash flow over a 20 year projection.

Appendix I

Table 1
Maryport Landings - Analysis of Species Landed 1992

	Tonnes	Value £
Demersal Fish		
Cod	25	30,590
Dogfish	5	2,987
Plaice	108	57,186
Skate	28	26,353
Soles	13	45,477
Whiting	29	9,465
Other	10	35,165
Total Demersal	**218**	**£207,223**
Shellfish		
Queens	59	22,537
Scallops	4	5,843
Squid	2	2,190
Other	11	16,153
Total Shellfish	**76**	**46,723**
Total	**294**	**253,946**

Source (MAFF)

Table 2
Maryport & Solway Co-op Limited
Balance Sheet as at 31st March

	Note	1992 £		1993 £	
Fixed Assets	11		23,952.00		15697
Tangible Assets					
Current Assets					
Stock and Work in Progress	12	6,814.00		3,000.00	
Debtors	13	16,778.00		18,860.00	
Cash at Bank and in hand		200.00		2,188.00	
		23,792.00		24,048.00	
Creditors					
Amounts due within one year	15	36,777.00		35,341.00	
Net Current Liabilities			(12,985)		(11,293.00)
Total Assets Less Current Liabilities			10,967.00		4,404.00
Creditors					
Amounts due in more than one year		4,060.00		1,651.00	
			4,060.00		1,651.00
			6,907.00		2,753.00
Capital and Reserves					
Share Capital	16		1,540.00		1,540.00
Reserves	17		5,367.00		1,213.00
			6,907.00		2,753.00

Table 3
Maryport & Solway Fish Co-op Ltd

Projected Trading Profit Analysis (£'000)
Year ended 31st March 1992

	Fish	Agency	Fuel Chandlery	Ice	Total
Sales	312.0	0.0	81.7	4.7	398.4
Commission	0.3	0.0			0.3
Carriage Charged		0.0			0.0
Total Income	312.3	0.0	81.7	4.7	398.7
Direct Costs:					
Cost of Sales	254.6		73.1	0.0	327.7
Selling Expenses	14.4				14.4
Transport Costs	6.5	0.0			6.5
Boxes	0.4				0.4
Power	1.0			5.5	6.5
Repairs	0.9				0.9
Total Direct Costs	277.8	0.0	73.1	5.5	356.4
Trading Contribution	34.5	0.0	8.6	-0.8	42.3
Contribution %	11.0	0.0	10.5	-17.0	10.6
Fixed Costs					
Wages	12.9	0	3.7	1.3	17.9
Salaries					
Insurance	0.6	0	0.0	0.0	0.6
Accountancy	1.0	0	0.0	0.0	1.0
Administration	1.3	0	0.3	0.1	1.7
Rates	1.2				1.2
Finance Costs	2.3	0	0.0	2.1	4.4
Bad Debts	2.2				2.2
Extraordinary Expenses	1				1.0
Total Fixed Costs	22.5	0.0	4.0	3.5	30.0
Operating Profit (before depreciation)	12.0	0.0	4.6	-4.3	12.3
Depreciation					
Vehicles	2.5	0.0			2.5
Plant	1.4	0	0.9	2.0	4.3
Premises	0.6	0			0.6
Total Depreciation	4.5	0.0	0.9	2.0	7.4
Net Profit	7.5	0.0	3.7	-6.3	4.9

Table 3a
Maryport & Solway Fish Co-op Ltd

Projected Trading Profit Analysis (£'000)
Year ended 31st March 1993

	Fish	Agency	Fuel Chandlery	Ice	Total
SALES	342.10	0.0	83.7	5.3	431.1
Commission	1.80	0.0			1.8
Carriage Charged		0.0			0.0
Total Income	343.90	0.0	83.7	5.3	432.9
Direct Costs:					
Cost of sales	287.3		77.1	0.0	364.4
Selling expenses	18.8				18.8
Transport Costs	4.2	0.0			4.2
Boxes	0.8				0.8
Power	1.0				4.8
Repairs	4.6				4.6
Total Direct Costs	316.70	0.0	77.1	3.8	397.6
Trading Contributions	27.20	0.0	6.6	1.5	35.3
Contribution %	7.90	0.0	7	28.3	8.2
Fixed Costs	12.40	0.	3.5	1.3	17.2
Wages					
Sales	12.4		3.5	1.3	17.2
Insurance	0.4	0	0.0	0.0	0.4
Accountancy	1.0	0	0.0	0.0	1.0
Administration	2.2	0	0.3	0.1	2.6
Rates	1.6				1.6
Finance Costs	1.7	0	0.0	2.4	4.1
Bad Debts	1.8				1.8
Extra-ord. Expenses	2.2				2.2
Rent	23.6	0.0	3.8	3.8	0.3
Total Fixed Costs	23.60	0.0	3.8	3.8	21.2
Operating Profit (Before Depn)	3.60	0.0	2.8	-2.3	4.1
Depreciation:					
Vehicles	2.2	0.0			2.2
Plant	1.1	0	0.7	1.6	3.4
Premise	0.6	0			0.6
Total Depn	3.90	0.0	0.7	1.6	6.2
Net Profit	(0.30)	0.0	2.1	-3.9	-2.1

Table 4
Development for Maryport Fishermen's Co-op

1. Process

Reception, weighing, recording, grading, icing and packing.
To receive 200 x 6 stone boxes (stack-nest plastic)
Weigh on platform scale
Grade by hand on tables
Ice off
Re-pack for consignment.

Box dimensions approx 0.80 x 0.45 x 0.m
say 6 boxes high

$\therefore {}^{200}/_{6} = 34$ box floor space

Floor space required = 34 x 0.1 x 0.45 x handling factor = 34 x 0.8 x 0.45 x 3 = m^2
Requirement for weigh scales, ice tubs, clean boxes etc = $25m^2$
Requirement for hand-wash basins, sinks, etc. = $5m^2$
Total of above = $66m^2$
Access factor + 25%

2. Chiller

To hold 400 boxes x 6 st (bulk stowed)
Say to height 8 boxes
Hand pallet/manual operation
400/8 = 50 boxes floor space
50 x 0.80 x 0.45 - $18m^2$
$18m^2$ x 2 (access factor) = $36m^2$

3. Ice Store

To bulk store 20 tonnes
20 tonnes at 2m3/tonne - $40m^3$

Say 67% internal utilisation because of no distribution system

Requirement = 40/.67 = $60m^3$
say 3m high
∴ floor area = $20m^2$

4. Box Wash

To receive and hold dirty boxes from process area, pressure wash by handsay $20m^2$

Table 4
Maryport & Solway Fishing Co-op Ltd

Capital Investment Schedule

				Area M2	£
1.	Building:			360	205,000
	Mussel Purification Extension			70	35,000
				430	240,000
2.	Equipment:				
	Mussel Purification				13,000
	Retail Units				
	Display Cabinets			16,000	
	Till & Cabinets			2,500	
	Misc. Equipment			3,500	22,000
					35,000
3.	Total				275,000
	Funded By:				
			%		£
	Grants -	ERDF	40		96,000
		MAFF	20	*	30,360
		RDC	20	*	30,360
		Allendale			30,000
		M.D.L.			12,500
					199,220
	Loan Funding:				
	Maryport Fishermen's Co-op Loan				35,000
					234,220
	Balance				40,780
		Total			275,000

5. Clean Box Storage

To store 400 clean boxes for supply to boats or to process area.
Say 12 high (nested)

Height = 0.27 + 11 x 0.077 = 1.117m
400 = 33 boxes floor space
12

= 33 x 0.8 x 0.45 x 1.5 (factor) = $20m^2$

6. Shop

Retail Area = $25m^2$
Preparation and Storage etc = $15m^2$ = $40m^2$

7. Chandlery

Assume as previous 6m x 8m approx = $48m^2$

8. Service

Area for storage of fork lift truck, battery charger, storage of pallets etc.say $20m^2$

9. Mussel Purification

Twin Tank System = $70m^2$

Summary of Floor Area Requirements

	m^2
"Process"	80
FLT charger, pallets, etc	20
Chill	36
Ice	20
Box Wash	20
Box Store	20
Shop	40
Chandlery	48
Managers Office	12
General Office 18	
Washrooms, gents, l adies/disabled etc	20
Mess	60
Total	$450m^2$

Table 5
Maryport Fish Co-operative
Cash Flow Projection. August 3rd 1994

Maryport Fish Co-operative

Cash Flow Projection.	Aug 3rd. 1994										
Year	1	2	3	4	5	6	7	8	9	10	11
INFLOW:											
Income - Fish	114.9	262.1	262.1	262.1	262.1	262.1	262.1	262.1	262.1	262.1	262.1
- Fish/Chandlery	83.7	83.7	83.7	83.7	83.7	83.7	83.7	83.7	83.7	83.7	83.7
- Ice	5.5	5.4	5.7	6.0	6.3	6.3	6.3	6.3	6.3	6.3	6.3
- Fish Shop		150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0
- Market/ Fortification		4.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1
Total Income	432.9	505.3	509.6	509.9	510.2	510.2	510.2	510.2	510.2	510.2	510.2
Grants Vote A.	35.0										
Grant - EEC Vote B.	0	0									
- MAFF		0									
Total Inflow.	467.9	505.3	509.6	509.9	510.2	510.2	510.2	510.2	510.2	510.2	510.2
OUTFLOW:											
Direct Costs:-											
Fish	316.7	241.2	241.2	241.2	241.2	241.2	241.2	241.2	241.2	241.2	241.2
Fuel/Chandlery	77.1	73.1	73.1	73.1	73.1	73.1	73.1	73.1	73.1	73.1	73.1
Ice	3.8	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Fish Shop		130.5	130.5	130.5	130.5	130.5	130.5	130.5	130.5	130.5	130.5
Total Direct Costs	397.6	450.3	450.3	450.3	450.3	450.3	450.3	450.3	450.3	450.3	450.3
Overhead Expenditure	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Finance Costs	4.1	1.6	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Loan - Repayment		3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
- Interest		1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Rental		0.0	0.0	0.0	12.9	12.9	12.9	12.9	14.2	14.2	14.2
Investment Cost	35.0										
Total Outflow	459.1	479.6	479.1	479.1	492	492	492	492	493.29	493.3	493.3
Cash balance	8.8	34.5	65.0	95.7	113.9	142.1	150.3	168.5	185.4	202.3	219.2

Notes:-
A) Loan - Repay over 10 years @ 8.75 %

B) Grant - EEC assumed at 40%
- MAFF at 20% on balance outstanding
- after obtaining E.C.grants.

Table 5 continued

Maryport Fish Co-Operative

Cash Flow Projection.

Year	12	13	14	15	16	17	18	19	20
INFLOW:									
Income - Fish	262.1	262.1	262.1	262.1	262.1	262.1	262.1	262.1	262.1
- Fuel/Chandlery	83.7	83.7	83.7	83.7	83.7	83.7	83.7	83.7	83.7
- Ice	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3
- Fish Shop	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0
- Mussel/ Purification	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1
Total Income	510.2	510.2	510.2	510.2	510.2	510.2	510.2	510.2	510.2
Loans Note A.									
Grant- ERDF Note B.									
- MAFF									
Total Inflow.	510.2	510.2	510.2	510.2	510.2	510.2	510.2	510.2	510.2
OUTFLOW:									
Direct Costs:-									
Fish	241.2	241.2	241.2	241.2	241.2	241.2	241.2	241.2	241.2
Fuel/Chandlery	73.1	73.1	73.1	73.1	73.1	73.1	73.1	73.1	73.1
Ice	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Fish Shop	130.5	130.5	130.5	130.5	130.5	130.5	130.5	130.5	130.5
Total Direct Costs	450.3	450.3	450.3	450.3	450.3	450.3	450.3	450.3	450.3
Overhead Expenditure	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4
Finance Costs	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Loan - repayment									
- Interest									
Rental	14.2	15.6	15.6	15.6	15.6	17.2	17.2	17.2	17.2
Investment Cost									
Total Outflow	488	489.42	489.4	489.4	489.4	490.96	491	491	491
Cash Balance	241.4	262.2	283.0	303.8	324.6	343.8	363.0	382.2	401.4

Table 6
Maryport Fish Co-operative
Rental Projection

		M2
1. Area of Proposed New Building	360	
add Purification Plant Extension	70	
Total Area Required		430

2. Rental Cost

	(A)	(B)	(C)	(D)
£/sqm	£20	£25	£30	£35
Proposed Rental/Cost	8600	10750	12900	15050

Table 7 Maryport
2. Retail Sales

	Vessel	Tonnes W/F Delivered	Total
Cod	15	10	25
Dogfish	2		2
Plaice	25		25
Skate	10		10
Soles	5		5
Whiting	10		10
Other	35	5	8
Vessel Catch - Retail	70	15	85
Vessel Loading	213		
Demersal Wholesale	148		
Shellfish Wholesale	76		
	224		

1. Summary - Distribution of Vessels Catch:-

	Tonnes	%
Demersal - Wholesale	148	
Shellfish - Wholesale	76	
Total Marketed - Wholesale	224	76.2
Supply to Retail Unit	70	23.8
Total Landings - Estimate	294	100.0

Maryport
3. Retail Unit - Operating Profit Projection

		£	W/E Tonnes	%
	Sales	150.00	85	
Less : Cost of Raw Material:				
	Vessel	80300	70	
	Bought-in	17200	15	
		97500	85	
Gross Profit		52500		35
Less - Expenses:				
	Staff	8000		
	or Costs + Overheads	25000		
		33000		
Operating Profit (Before Dep'n & Tax)		19500		13

Table 8
Maryport
Mussel Purification

1.	Production Capacity	-	No Cycles/Week/Tank	=	3
		-	No Tanks	=	2
		-	Tonnes/Week	=	2 x 4.5 tonnes
		-	Tonnes/Week	=	0.9 tonnes/Week
2.	Annual Production	-	say		30 weeks p.a.
	Number of Tonnes Processed per annum			=	270 tonnes
3.	Production Cost per Tonne/Tank				£
			Labour	=	150
			Power	=	13
			Water	=	6
			Consumables	=	11
			Packaging	=	45
					225
			Production/Tank	=	4.5 tonnes
			Cost of Production/Tonne	=	£50.00 / tonne
			+ Mark-up @ 20%		£10.00
			Service Cost Charged/Tonne		£60.00
4.	a)	Est. Profit per Annum - Purification Service			
		No of tonnes p.a.		=	270
		Income - Service @ £60/tonne		=	16,200
		Cost of Purification @ £50/tonne		=	13,500
		Operating Profit - Purification Service			2,700
	b)	Co-op to Purchase Market - Mark up		=	£20 tonne
			Trading Profit - Mussels	=	20 x 270
				=	£5,400 per annum

Table 9
Maryport & Solway Fishing Co-op Ltd
Analysis of Operating Profit Forecast

	Estimated Profit Contribution	Overhead Costs £'000	Operating Profit Before Dep'n and Taxation £'000
1. Wholesale/Agency	20.9		
Fuel	10.6		
Ice	.2		
	31.7	23.7	8.0
2. Shop	19.5	7.1	12.4
3. Mussel	8.1	5.6	2.5
	59.3	36.4	22.9