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Setting Up & Running a Cake Shed in Ireland

EVERYTHING YOU NEED TO KNOW
BEFORE YOU OPEN THAT SHED
DOOR.

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Cake Shed

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WELCOME

A cake shed is one of those ideas that sounds wonderfully simple....bake a few batches, pop them in the shed, collect the money. And while it absolutely can work beautifully, the bakers who thrive with it are the ones who go in prepared. This guide walks you through everything: the legal requirements, the food safety realities, the practical day-to-day systems, and the mindset shifts that separate a shed that hums along profitably from one that quietly drains your time and energy.

Treat this as your reference document. Come back to it. Scribble notes in the margins.

And remember, you don't have to get it perfect on day one. You just have to get it right enough to start safely and build from there.

Lisa J

Understanding the Cake Shed Model

Before you stock a single shelf, it helps to understand exactly what kind of business you are running.

A cake shed may appear to be a simple, low-effort extension of a home baking business. In reality, it operates as a hybrid between a home bakery and a self-service retail shop. This distinction matters, because while your baking takes place in your kitchen, the moment you introduce a shed where customers can independently purchase products, you are adding a second layer of responsibility.

That second layer includes retail presentation, food safety at point of sale, stock management, and customer interaction without you being present. These are not enormous burdens — but they are real ones, and they need systems behind them.

A cake shed is not just baking. It is a small retail food business operating from your home.



How it differs from bespoke cake work

In a bespoke cake business, every product is made to order and handed directly to a customer. The transaction is personal, controlled, and traceable. A cake shed inverts all of that. You produce in advance, package speculatively, display without supervision, and trust that products will be purchased appropriately.

This introduces risks that simply do not exist in custom order work:

- Temperature exposure in the shed
- Contamination from the environment or handling
- Underpayment or missed payments
- Waste from unsold stock
- Traceability challenges when something goes wrong

None of these are reasons not to run a cake shed. They are reasons to run one thoughtfully.

The bakers who do this well are not the ones who bake the best cakes. They are the ones who build the best systems around their baking.



Legal Requirements & Food Safety

In Ireland, all food businesses must be registered, regardless of size, location, or whether you operate from home. There are no exceptions.

Food Business Registration

If you are already running a registered home baking business, you still need to ensure your registration reflects the nature of your operation. Adding a shed changes how and where you sell, and your registration should reflect that.

Register or notify your food business:

<https://about.hse.ie/environmental-health/notify-the-hse-about-starting-a-food-business/>

FSAI official guidance: <https://www.fsai.ie>



HACCP: Your Food Safety Plan

Food safety in Ireland is built on the principles of HACCP (Hazard Analysis and Critical Control Points). In plain terms: identify where things could go wrong and put controls in place to prevent it.

For a cake shed, the risk analysis does not stop at your kitchen door. It extends into the shed itself, covering:

- Storage conditions and temperature management
- Exposure to weather, sunlight, and humidity
- Risk of pest contamination
- Product shelf life from production through to point of sale

Food must be safe at every stage: production, storage, display, and sale. You are responsible for all of it.



Traceability

You must be able to trace your ingredients and production batches. In a shed environment, this becomes more complex because customers may be anonymous, products may sit for hours or days before purchase, and you will not be present to intervene if something is flagged.

A simple batch record, noting what you made, when you made it, and what ingredients you used, is enough to satisfy this requirement for most small operations. The important thing is that the record exists and is kept consistently.



Labelling & Prepacked Food Rules

This is where many bakers underestimate the requirements, and where the gap between bespoke work and a cake shed becomes most visible.

Because cake shed products are packaged before the customer selects them, they are classified as prepacked food under EU law. That classification carries specific, non-negotiable labelling obligations.

What must appear on every label

- Full ingredients list, in descending order by weight
- All compound ingredients broken down not just the brand name
- Allergens clearly highlighted (bold, contrasting colour, or underlined)
- Your business name and address
- Storage instructions where relevant
- A best-before date

If you did not make the ingredient yourself, you must declare what is inside it. Using Nutella means listing sugar, palm oil, hazelnuts, cocoa, milk, and more, not simply "Nutella".



This is not optional, and it is one of the biggest practical differences between running a cake shed and taking bespoke orders. Labelling takes time, requires consistent ingredient sourcing, and must be updated if your recipe changes.

FSAI labelling guidance:

<https://www.fsai.ie/business-advice/labelling/>

A note on allergens

The 14 major allergens must be declared and clearly distinguishable on your label. These include gluten, milk, eggs, nuts, soya, and others. If there is any risk of cross-contamination in your kitchen, this must also be communicated, either on the label or via clear signage in the shed.

Getting allergen labelling right is not just a legal requirement. It is the thing that protects your customers and your business if something ever goes wrong.



Location, Planning & Setup

Where you place your shed has both practical and legal implications, and it is worth thinking through both before you commit to a location.

Common shed locations

Most cake sheds are placed in front gardens, on driveways, or at the boundary of a property. These locations make sense for visibility and customer access, but they may also attract planning scrutiny. If your shed is customer-facing, generates regular foot traffic, or changes how your property is used, it may fall under planning considerations. This varies by local authority and by the scale of operation.

Planning guidance: <https://www.opr.ie>

Find your local council:

<https://www.localgov.ie/find-my-local-authority>.



How location affects your product

Beyond the legal picture, location has a direct impact on what you can sell and how long it will last.

- Direct sunlight can melt chocolate, soften buttercream, and cause condensation inside packaging
- Sheds near damp areas or vegetation increase the risk of pest activity
- Poor airflow can shorten shelf life for products that need to breathe
- High-visibility spots sell faster, which is actually a food safety advantage, as stock turns over more quickly

The best location for a cake shed is visible enough to sell quickly and sheltered enough to keep your products safe. Prioritise both.



Setting up the interior

Inside the shed, your setup should make it easy for customers to see what is available, understand the price and how to pay, and take their product without disturbing other items. Consider:

- Shelving that elevates products off floor level
- Clear pricing on each product or shelf
- Simple, unambiguous payment instructions
- A clean, uncluttered display that makes the food look appealing

Your shed does not need to be elaborate. It needs to be clean, organised, and easy to navigate for a customer who has never visited before.



Pest Control & Hygiene

Pest control is the section most bakers skip over — and the one that causes the most problems later..

Your kitchen is enclosed, temperature-controlled, and relatively easy to keep clean. Your shed is none of those things. It is exposed to outdoor conditions and vulnerable to ants, flies, rodents, and anything else that lives nearby.

From a food safety perspective, contamination must be prevented — not reacted to after the fact. A reactive approach is not compliant and it is not good enough when food is involved.

Practical prevention measures

- Seal all products in packaging before they enter the shed
- Elevate products off surfaces — never place directly on shelving without a barrier
- Clean the shed daily, removing crumbs, spills, and residue
- Treat the perimeter of the shed for pest control — never use treatments inside the food area itself
- Avoid leaving anything open or unsealed, including packaging materials

Managing specific pests

Ants are one of the most common issues for shed-based food businesses. They are attracted to sugar residue and can move through very small gaps. The most effective approach is prevention: no residue, no open packaging, and a treated perimeter around the outside of the shed structure.

Flies are a concern during warmer months. If your shed has open ventilation, consider a fine mesh covering for any gaps. A fly strip inside the shed is an option, but position it away from the display area.

Rodents are less common but more serious from a food safety perspective. If you have any evidence of rodent activity near your property, address it before opening a cake shed.



Payments & Honesty Systems

The honesty model is one of the most charming things about cake sheds and one of the areas that needs the most practical thought.

Most cake sheds operate using some combination of a cash honesty box, QR code payments, or both. Each has advantages and limitations, and getting the setup right from the start saves a lot of frustration later.

Common payment platforms

- Revolut Business — widely used in Ireland, easy for customers to scan and pay
- PayPal — familiar and trusted, though fees apply
- SumUp — good if you want a card reader option as well
- Stripe — more setup involved, better suited to higher-volume operations

QR code payments give you a paper trail. A cash box does not. If you use an honesty box, reconcile it against your stock count every single day.



Making the payment experience easy

The harder it is to pay, the more often people will not. Keep it simple:

- Display prices clearly on each item or on a price list at eye level
- If using a QR code, make it large, laminated, and positioned where it will be scanned naturally
- If using a cash box, make it obvious what it is and that the money goes directly to you
- Include a brief, friendly note explaining the system for first-time visitors

Revenue and record keeping

Even with an honesty box, you are required to keep accurate records of your income. This is not optional. Revenue Ireland expects all self-employed income to be declared, regardless of how it is collected.

A simple daily log, stock in, stock remaining, cash collected, QR payments received, is enough to stay compliant and gives you useful business data at the same time.

Revenue record keeping guidance:

<https://www.revenue.ie/en/starting-a-business/keeping-records.aspx>



Security & Risk Management

Security is not about assuming the worst of your community. It is about protecting your income and your business.

Because cake sheds are unattended for most of the day, they require a different approach to security than a shop with staff. The goal is deterrence and accountability, not surveillance.

Common security measures

- A camera such as Ring Doorbell, positioned to cover the shed entrance
- A visible sign indicating CCTV is in operation, this alone deters most opportunistic behaviour
- Minimal cash storage, use QR payments where possible so there is nothing physical to steal
- A lockable shed that is closed when you are not actively stocking it

If you use a cash box, empty it frequently rather than allowing it to accumulate. This reduces both the temptation and the potential loss if something does happen.

CCTV signage is a legal requirement if cameras are in operation. Customers must know they may be filmed.



Data protection considerations

If you use any form of camera, you need to be aware of your obligations under GDPR. In practice, for most small cake sheds this means: signage indicating cameras are in use, storing footage securely, and not retaining it longer than necessary. You do not need to register with the DPC for personal data used only for this purpose, but you should be familiar with the basic principles.

Data Protection Commission:
<https://www.dataprotection.ie>



Packaging & Product Protection

Packaging in a cake shed must do more than look nice. It is your first line of defence against contamination, temperature change, and damage.

Every product in your shed needs packaging that is appropriate for the product, the environment, and the customer experience. Choosing packaging that looks beautiful but does not protect the product properly is a common and costly mistake.

Matching packaging to product

- Film front bags — good for cookies, brownies, and flapjacks. Not suitable for iced or cream-topped products
- Rigid boxes — excellent for traybakes and bars. Be aware that boxes can trap moisture in warm weather
- Clamshell containers — well suited to cupcakes and anything that needs height clearance
- Cellophane bags — versatile and inexpensive, but offer minimal protection against humidity
- Kraft boxes with a window — strong visual appeal and good structural protection



Packaging and shelf life

The right packaging extends shelf life. The wrong packaging shortens it. Sealed packaging that traps moisture can cause soft products to go soggy within hours. Packaging that is too loose allows products to move, lose shape, or absorb ambient odours.

Test your packaging choices before you sell. Leave a packaged product in the shed conditions for the full expected shelf life and assess it before it would be purchased by a customer.

Packaging as a business cost

Packaging is not a cosmetic expense, it is a production cost that must be built into your pricing. Labels, bags, boxes, tissue, tape, and stickers all add up. Calculate the full cost per unit before setting prices, not afterwards.

Buying in bulk reduces unit cost, but only buy what you will use within a reasonable timeframe. Dead stock is wasted money.

Your packaging is often the first thing a customer photographs. It is also the last thing protecting your product. Invest in it properly.



Stock Management & Rotation

Stock management is the backbone of a profitable cake shed. Without it, you are guessing — and guessing is expensive.

Unlike bespoke baking, where every product has a confirmed buyer before it is made, a cake shed requires you to produce speculatively. That means managing what you make, what you sell, what you waste, and what that tells you about your business.

A simple daily stock system

You do not need sophisticated software. A notebook or a simple spreadsheet works well. The essentials are:

- Record every batch that goes into the shed — product, quantity, date made, best-before date
- Count remaining stock at the end of each day
- Note what was sold, what was removed as past its best, and what cash or digital payments were received
- Compare stock sold against income received — this flags underpayments quickly



Stock rotation

Oldest stock must always be at the front. New stock goes behind it. This is not a preference — it is a food safety requirement. Products must be sold in date order, and anything that has passed its best-before date must be removed from sale immediately.

Using stock data to make better decisions

After a few weeks of consistent records, patterns will emerge. You will see which products sell fastest, which days are quietest, and where your waste is concentrated. This data is genuinely useful:

- Bestsellers should always be in stock — they are your reliable income
- Slow movers should be reduced, repriced, or removed from the range
- High-waste days suggest your production schedule needs adjusting

A cake shed with good stock data is a cake shed that gets more profitable over time. One without it stays flat or slides backwards.



Weather, Shelf Life & Seasonal Adjustments

The Irish climate is your biggest uncontrollable variable. Build your product range around it, not against it.

Even products that seem shelf-stable can be significantly affected by temperature, humidity, and seasonal conditions. A brownie that lasts four days in January may begin to deteriorate in two in a warm July. Shelf life must be realistic, not optimistic.

Products to be cautious with in warmer weather

- Anything with buttercream it is temperature sensitive and can become unsafe quickly (fresh cream is not shelf stable and should not be kept unrefrigerated ...even for short periods)
- Chocolate coated products — bloom and melting are cosmetic, but melted chocolate is also a containment problem
- Anything with fresh fruit inclusions or toppings
- Cream cheese based frostings and fillings (again not suitable to be kept unrefrigerated)



Products that perform well year round

- Dense traybakes — brownies, blondies, flapjacks
- Shortbread and biscuits in sealed packaging
- Spiced loaf cakes — well wrapped, these travel well across seasons
- Meringues — fragile but shelf-stable when properly sealed against humidity

Adjust your shed menu seasonally. This is not a compromise — it is smart product management.

Baking in smaller, more frequent batches.

One of the most effective adjustments you can make is to bake smaller batches more frequently rather than large batches less often. This reduces waste, ensures fresher stock, and means your best-before dates are always honest.

It also makes your shed look more curated and intentional — a shed with six well-presented items looks considered; a shed with twenty items of varying freshness looks chaotic.



Insurance

Your standard home insurance almost certainly does not cover a cake shed. This is one of the most important things to sort before you open.

Running a food business from your home and especially one that involves customers accessing your property changes your risk profile in ways that standard home insurance is not designed to cover. Assuming you are covered without checking is a significant financial risk.

What you need to consider

- Public liability insurance — covers injury or damage to a customer or their property while they are on your premises
- Product liability insurance — covers you if a customer becomes ill or suffers harm from a product you made
- Business equipment cover — covers your commercial kitchen equipment, packaging, and shed infrastructure
- Income protection — less urgent at startup, but worth considering as your shed income grows.



Contact your existing home insurer first and declare your business activity. Some policies can be extended. Others require a separate business policy. Do not assume — ask in writing and get confirmation in writing.

Example insurance guidance:

<https://www.allianz.ie/blog/Your-Home/working-from-home-insurance.html>

A single product liability claim without appropriate insurance could cost you more than your cake shed earns in a year. Get covered before you open.



Pricing & Profitability

Cake sheds work at lower price points than bespoke orders, which means your margins need to be tighter and your systems need to be smarter.

Many bakers price their cake shed products too low. They treat it as a hobby and price it as a hobby, which means they are subsidising their customers treats with their own time and ingredients. That is not sustainable and it is not a business.

Know your full cost per unit

Before setting any price, calculate the true cost of each product. This includes:

- Ingredients — at current purchase prices, not what you paid six months ago
- Packaging — bag, box, label, tape, tissue
- Waste allowance — assume some percentage will not sell and price for it
- Time — your time has value, even at a modest hourly rate
- Overheads — a portion of your energy, insurance, and equipment costs

If you cannot sell a product at a price that covers your costs and leaves you a margin, that product should not be in your shed. Remove it or rethink it.



Pricing for a small Irish market

One of the realities of trading in a small community is that you are likely selling to people who know you. That can feel like pressure to keep prices low. Resist it. Customers who genuinely value your work will pay a fair price. Customers who only want cheap treats are not your ideal customers for a sustainable business.

Charge what your product is worth. Your shed is not a charity shop.

Profitability is a system, not a number

Profitability in a cake shed comes from consistency, consistent product range, consistent pricing, consistent stock management, consistent footfall. It rarely comes from a single brilliant week. Build your systems first. Then let the profits follow.



Final Thoughts: The Reality of Running a Cake Shed

A cake shed is a brilliant opportunity — but only when approached properly.

It combines baking skill with business systems and retail thinking. And like everything in this industry, the craft alone is not enough. You need the knowledge to back it up.

The bakers who succeed are the ones who simplify their product range, create repeatable systems, manage their numbers honestly, and treat their shed as a business from day one — not a side project that might become one.



Your checklist before opening

- Food business registration completed or updated to reflect the shed
- HACCP plan written and covers the shed environment
- Allergen labelling in place on every product
- Best-before dates on all items
- Planning enquiry made with your local authority if needed
- Insurer notified and appropriate cover confirmed in writing
- Pest control plan in place
- Secure payment system set up
- Stock management system ready — even a simple notebook
- Pricing reviewed to ensure every product covers its full cost
- Revenue record keeping system established

You do not need to wait until everything is perfect. You need to wait until everything is safe, legal, and properly planned. That bar is achievable, and this guide has given you everything you need to reach it.

Now go open that shed.

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