



ADDENDUM TO COMMUNITY SHARE OFFER PROSPECTUS

UPDATE - 8th FEBRUARY 2025



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Community Benefit Society Registration Number: 9270

**THIS UPDATE IS TO BE READ IN CONJUNCTION WITH THE ADDENDUM
PUBLISHED ON 13 JANUARY 2025 AVAILABLE FROM THE WEBSITE**



THE PURPOSE OF THIS UPDATE

On 13th January 2025, anticipating a shortfall in share offer funding, the Nympsfield Community Pub Limited (NCPL) Interim Management Committee (IMC) published an addendum to the share offer prospectus. That addendum outlined a phased reopening plan for the pub, starting with the bar area, then the restaurant, followed by the lettable rooms, and so on.

The addendum also detailed the part-purchase option as one potential solution to the funding gap. This option involved the Society purchasing 50% of the pub for £175,000, with the existing owner retaining the other 50%. Under this arrangement, the Society would pay rent on the owner's 50% share of the property. The agreement would include an option for the Society to purchase the remaining 50% at a future date.

The addendum mentioned two other potential options being explored: co-purchase with a third party and outright purchase financed in part with loans from private individuals. However, despite efforts to identify a suitable partner, the IMC has been unable to find a third party to co-purchase the pub, and this option is no longer being pursued.

This update to the addendum details the outright purchase option, outlining the key terms of the loan and comparing it to the part-purchase option detailed in the original addendum. This document also explains why the IMC has concluded that outright purchase, while requiring a loan, offers significant advantages, including full ownership and control, and a lower overall cost, which will allow the pub to better serve the community in the long term.

There are no changes to the phased renovation and reopening plan presented in the original addendum.

FUNDING POSITION AT 8TH FEBRUARY 2025

- The share offer closed on 31 January 2025 and raised ca. **£265,000**. We received over 450 applications for shares in the Society.
- We were recently informed by Stroud District Council that our application to the Rural England Prosperity Fund (REPF) was successful and they have approved a grant of **£20,000**. The grants panel were very supportive of our project and recognised the value of the Rose & Crown Inn to our local community.
- NCPL has ca. **£300,000** funds available including the REPF grant.



OUTRIGHT PURCHASE OPTION

The IMC believes that membership loans can be used to help fund the outright purchase of the pub. These are unsecured fixed-term loans with rolled-up interest available exclusively to existing investors in the Society. A Membership Loans offer would seek to raise between £100,000 and £200,000 from investors (“members”) and provide the balance of funds required to complete the outright purchase of the pub and begin renovation works.

Membership Loans - Key Terms

- The minimum loan sum will be £5,000 per member. The maximum loan sum will be £50,000 or five times the value of the member’s shareholding in the Society, whichever is the lower.
- Interest (AER) will be 3% above the Bank of England base rate with a minimum of 3% and a maximum of 6% per annum paid annually.
- The first two years’ interest will be “rolled-up” and added to the principal. Interest will accrue from year three and be paid in the first month of the next financial year.
- The loan has a fixed five year term.
- The loan is unsecured, however loan stock has preferential status over share capital but will be behind other creditors.



SWOT Analysis – Outright Purchase

INTERNAL FACTORS

| STRENGTHS + | WEAKNESSES – |
|---|---|
| <ul style="list-style-type: none"> ● NCPL owns the pub outright ● No charge on the property (unlike a commercial loan) ● No impact on cash flow in year 1 and 2 (interest is accrued not paid) ● No additional lease required - lower legal costs ● Lenders are also investors, hence vested in the long-term success of the Society | <ul style="list-style-type: none"> ● Minimum £70,000 loans needed to fund purchase of pub at £350,000 ● Financing cost: 6% AER (but still cheaper than the rent paid to the owner with part-purchase option or a commercial loan) ● Grants cannot be used to pay off loans |

EXTERNAL FACTORS

| OPPORTUNITIES + | THREATS – |
|--|--|
| <ul style="list-style-type: none"> ● More grants are available (because NCPL owns the pub) ● Grants can still be used to renovate the pub ● Lenders may wish to roll-up interest payments for longer to assist with the Society's cash flow | <ul style="list-style-type: none"> ● Loan stock is superior to share capital when getting repaid on a winding-up ● Conflicts of interest will need to be carefully managed, e.g. lenders who are committee members |



FINANCIAL PROJECTIONS - OUTRIGHT PURCHASE

The model used for the financial projections in the addendum has been adapted for the outright purchase option. The model forecasts monthly cash flow over a 10-year period covering the outright purchase, renovation, reopening and long-term operation.

The financial model has been used to analyse different funding scenarios as follows:

- Scenario 1 - funding led by further share offers and backed up with grants and a loan
- Scenario 2 - funding led by grants and backed up with further share offers and a loan
- Scenario 3 - no further funding (worst case scenario)

Cash flow graphs for scenarios 1, 2 and 3 are provided. The monthly cash-flow for the part-purchase option is also shown for comparison.

Statements of Profit & Loss, Balance Sheet and Cash Flow forecasts for Scenarios 1 and 2 are provided in Appendix II.

Key Assumptions

- Initial funds are £300,000

All other assumptions are carry-over from those in the addendum published 13th January 2025.

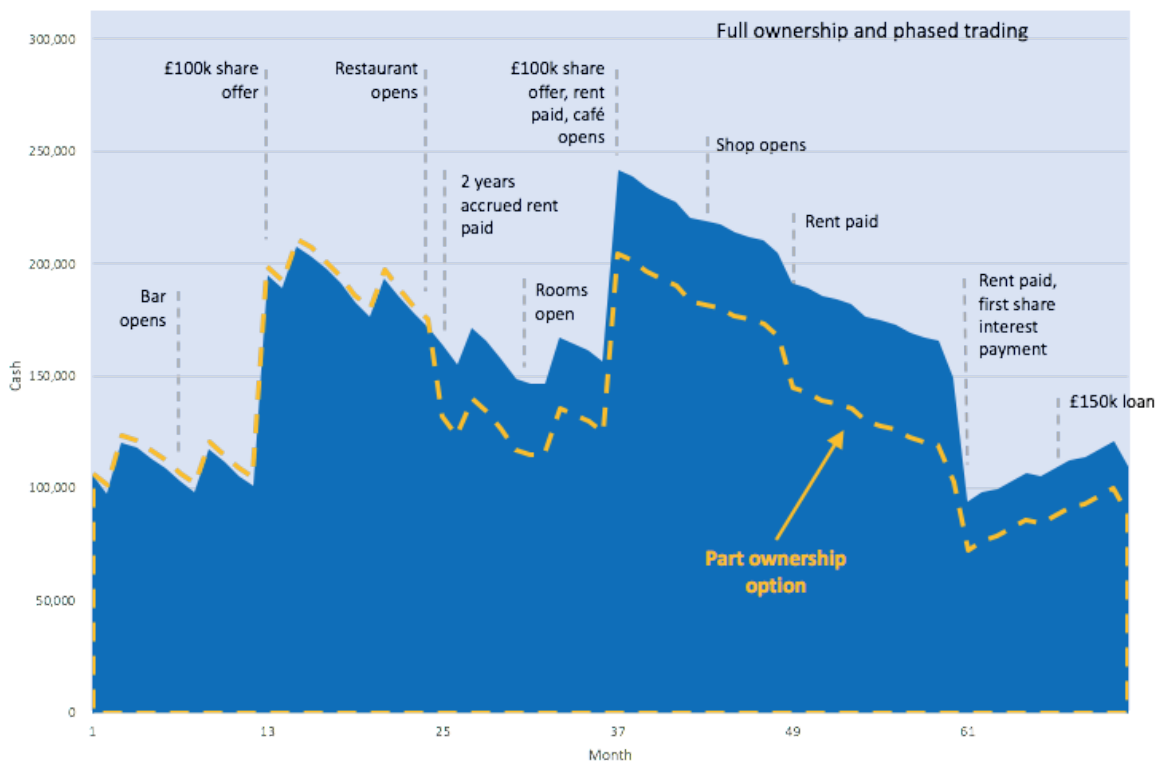


Scenario I

- Purchase price is £350,000.
- £175,000 memberships loan from the start, 5 year term, 6% AER.
- £150,000 commercial loan after year 5 to pay off memberships loan (25-year term, 7.5% interest rate).

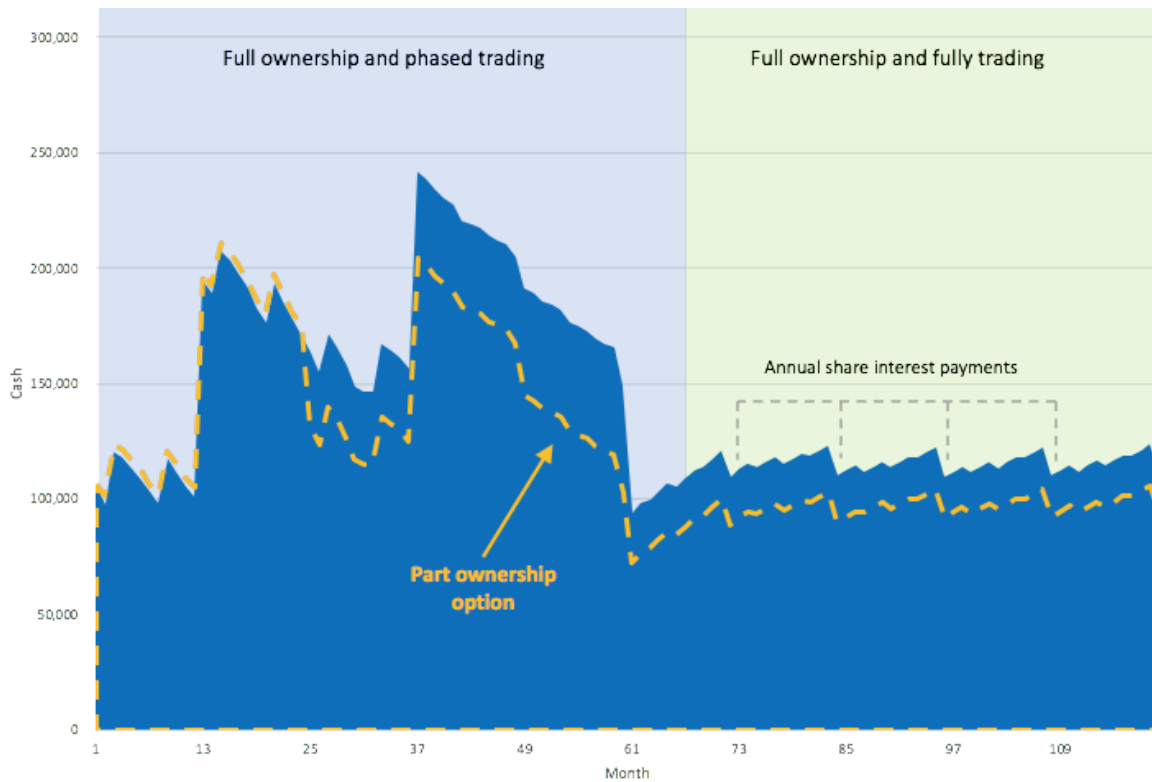
All other scenario parameters are carry-over from those in the addendum published 13th January 2025

Scenario I cash flow forecast (Y1-Y5)





Scenario I cash flow forecast (Y1-Y10)



Commentary on scenario I

- Sustainable - healthy cash position throughout provides resilience to funding delays, funding shortfalls and/or increased costs.
- Fully operational two years prior to taking commercial loan.
- Growing cash position when fully operational notwithstanding ongoing loan payments.

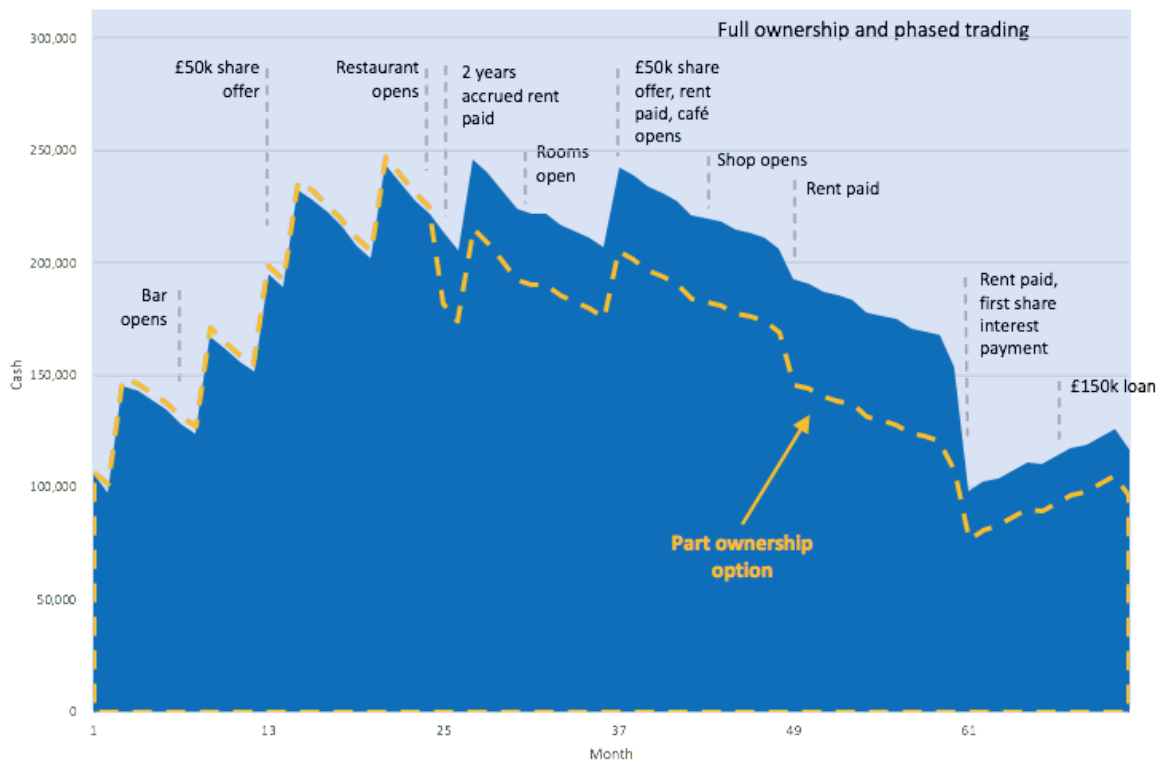


Scenario 2

Same as scenario 1 except:

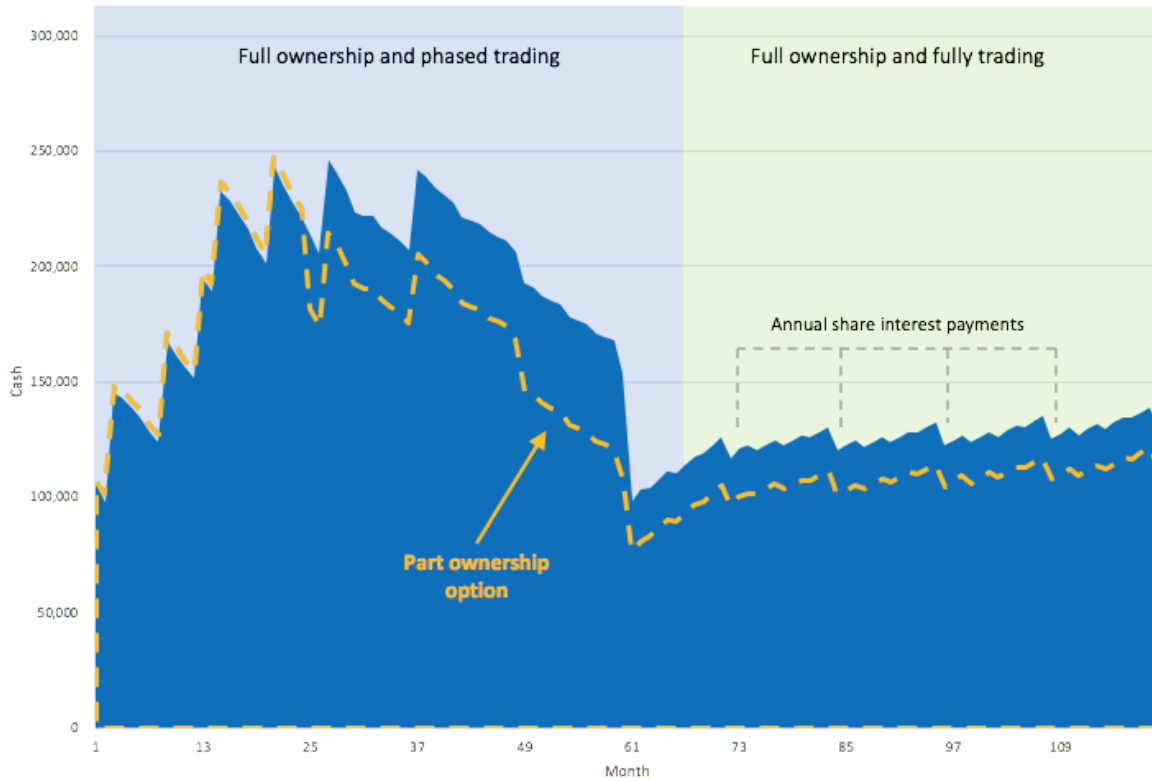
- Two future share offers - second offer of £50,000 after year 1 and a third and final offer of £50,000 after year 3.
- £250,000 of grants over 2.5 years - £50,000 grant award every 6 months.

Scenario 2 cash flow forecast (Y1-Y5)





Scenario 2 cash flow forecast (Y1-Y10)



Commentary on scenario 2

- Sustainable - healthy cash position throughout provides resilience to funding delays, funding shortfalls and/or increased costs.
- Fully operational two years prior to taking commercial loan.
- Growing cash position when fully operational notwithstanding ongoing loan payments.

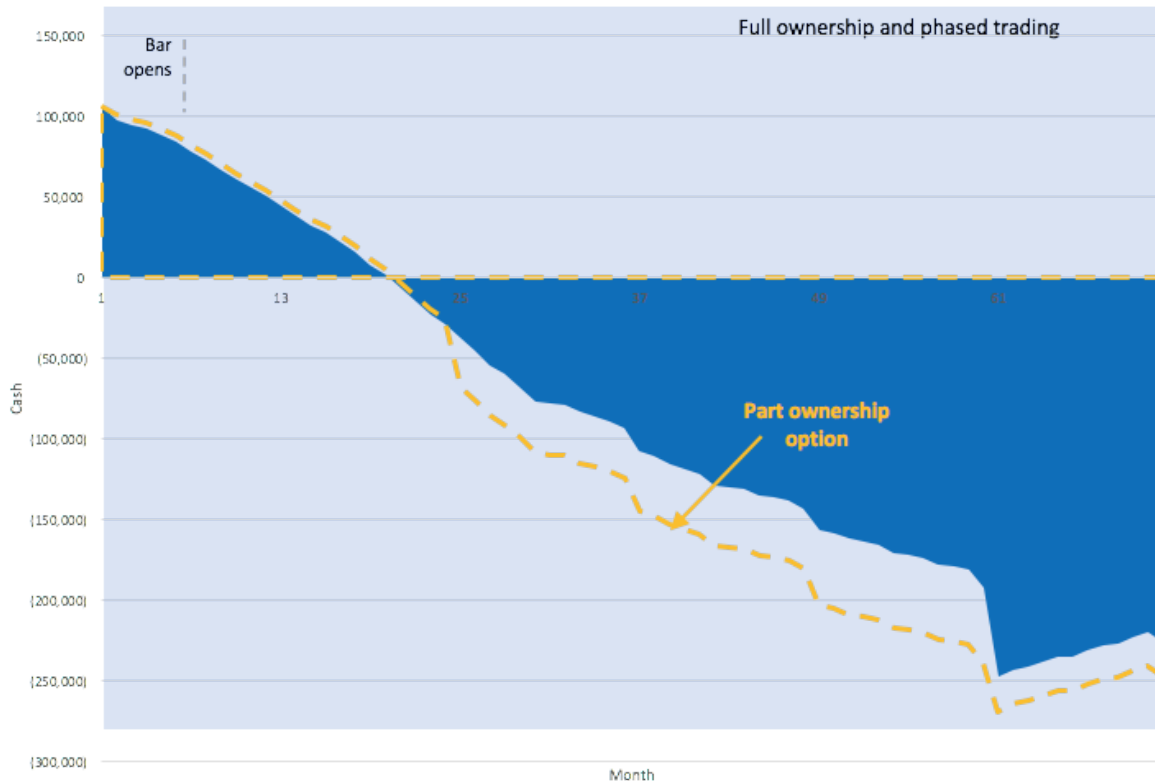


Scenario 3

Same as scenario 1 except:

- No future share offers.
- No further grant funding.

Scenario 3 cash flow forecast (Y1-Y5)



Commentary on scenario 3

- Unsustainable - negative cash position from month 21.

Summary

An outright purchase and phased renovation and reopening plan is financially viable but still requires additional share capital and grant funding during years 1, 2 and 3. After year 5, NCPL can use a commercial loan to pay off the membership loans whilst continuing to grow its cash position and meet its financing obligations.

It is clear from the cash flow graphs that an outright purchase option financed with membership loans (on the terms provided) is better value for money than the part-purchase option.



RECOMMENDATION

The IMC has carefully considered the pros and cons of the part-purchase option and the outright purchase option and firmly believes it is in the Society's best interest to pursue the outright purchase option.

We have discussed membership loans with Plunkett Foundation who informed us that a number of community pubs have taken this approach. We have also benefited from engaging with another community pub - registered as a Community Benefit Society, like ours - who has successfully raised funding with members loans as well as community shares.

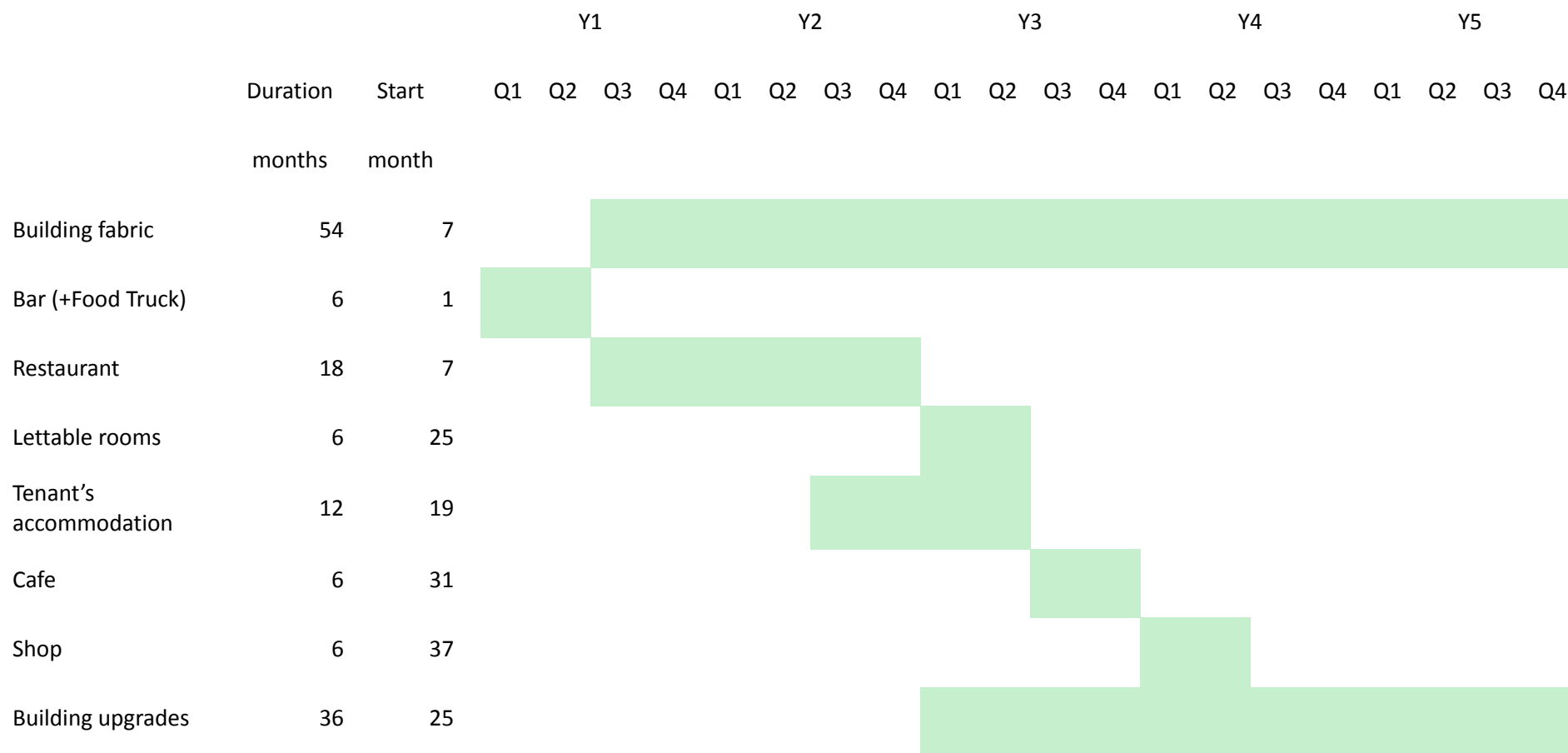
WHAT HAPPENS NEXT?

The IMC has prepared a Membership Loans offer document which will shortly be sent to all existing investors in the Society. The offer document provides a comprehensive description of the terms of the offer, eligibility, risks, FAQs and the application form. The Membership Loans offer will be open following publication and we are requesting applicants to provide their loans to the Society by mid-March 2025 at the latest.

If you have any questions please contact the IMC at info@nympsfieldcommunitypub.co.uk



Appendix I: Renovation Works Schedule (used in financial model)





Appendix II: Financial Forecast

N.B. All figures exclude VAT, with the exception of the cash flow forecast which is VAT inclusive.

Profit & Loss Forecast - Scenario I

| | Y1 | Y2 | Y3 | Y4 | Y5 | Y6 | Y7 | Y8 | Y9 | Y10 |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Operating income | | | | | | | | | | |
| Rental income | 2,500 | 5,100 | 32,513 | 42,448 | 43,297 | 46,923 | 47,862 | 48,819 | 49,796 | 50,791 |
| Fundraising events income | 6,000 | 6,000 | 6,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total operating income | 8,500 | 11,100 | 38,513 | 42,448 | 43,297 | 46,923 | 47,862 | 48,819 | 49,796 | 50,791 |
| Operating costs | | | | | | | | | | |
| Building maintenance | 0 | 0 | 1,806 | 4,422 | 4,510 | 4,600 | 4,692 | 4,786 | 4,882 | 4,980 |
| Business rates | 2,919 | 5,955 | 3,037 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Utilities | 2,250 | 2,550 | 3,641 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Legal and professional fees | 2,500 | 2,550 | 2,601 | 2,653 | 2,706 | 2,760 | 2,815 | 2,872 | 2,929 | 2,988 |
| Accountancy fees | 1,389 | 1,417 | 1,445 | 1,474 | 1,503 | 1,533 | 1,564 | 1,595 | 1,627 | 1,660 |
| Plunkett subscription | 200 | 204 | 208 | 212 | 216 | 221 | 225 | 230 | 234 | 239 |
| Insurance | 5,000 | 5,100 | 3,902 | 2,653 | 2,706 | 2,760 | 2,815 | 2,872 | 2,929 | 2,988 |
| Other admin expenses | 2,083 | 2,125 | 2,168 | 2,211 | 2,255 | 2,300 | 2,346 | 2,393 | 2,441 | 2,490 |
| Rent payable to RCPL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total operating costs | 16,341 | 19,901 | 18,808 | 13,625 | 13,897 | 14,175 | 14,459 | 14,748 | 15,043 | 15,344 |



| | | | | | | | | | | |
|---------------------------------------|-----------------|-----------------|----------------|---------------|----------------|----------------|----------------|----------------|---------------|---------------|
| Operating profit/loss (EBITDA) | (7,841) | (8,801) | 19,705 | 28,824 | 29,400 | 32,748 | 33,403 | 34,071 | 34,753 | 35,448 |
| Other income | | | | | | | | | | |
| Capital grant | 0 | 1,000 | 2,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Total other income | 0 | 1,000 | 2,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Other costs | | | | | | | | | | |
| Depreciation | 0 | 9,604 | 11,006 | 12,671 | 13,967 | 15,124 | 15,124 | 15,124 | 15,124 | 15,124 |
| Loan | 10,500 | 11,130 | 11,798 | 11,798 | 11,798 | 11,813 | 11,831 | 11,401 | 10,897 | 10,393 |
| Interest on shares | 0 | 0 | 0 | 0 | 9,125 | 9,034 | 8,944 | 8,855 | 8,767 | 8,679 |
| Charitable contributions | 0 | 0 | 0 | 0 | 1,163 | 1,160 | 1,157 | 1,154 | 1,151 | 1,148 |
| Total other costs | 10,500 | 20,734 | 22,804 | 24,469 | 36,052 | 37,130 | 37,055 | 36,533 | 35,938 | 35,344 |
| Profit before tax | (18,341) | (28,535) | (1,099) | 7,355 | (3,652) | (1,382) | (652) | 538 | 1,815 | 3,104 |
| Corporation tax | 0 | 0 | 0 | 0 | 0 | 896 | 2,180 | 2,406 | 2,648 | 2,893 |
| Profit after tax | (18,341) | (28,535) | (1,099) | 7,355 | (3,652) | (2,278) | (2,832) | (1,868) | (834) | 211 |



Balance Sheet Forecast - Scenario I

| | Y1 | Y2 | Y3 | Y4 | Y5 | Y6 | Y7 | Y8 | Y9 | Y10 |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Fixed Assets | | | | | | | | | | |
| Land and buildings | 396,861 | 459,021 | 532,933 | 586,734 | 632,272 | 618,815 | 605,358 | 591,901 | 578,444 | 564,987 |
| Fixtures and fittings | 16,667 | 15,000 | 13,333 | 11,667 | 10,000 | 8,333 | 6,667 | 5,000 | 3,333 | 1,667 |
| Current assets | | | | | | | | | | |
| Cash | 101,407 | 171,758 | 156,773 | 204,725 | 149,563 | 109,582 | 110,445 | 109,762 | 110,173 | 111,675 |
| VAT debtor | 2,224 | 2,975 | 2,588 | 2,238 | 2,301 | 380 | 388 | 396 | 404 | 412 |
| Total current assets | 103,631 | 174,733 | 159,361 | 206,962 | 151,864 | 109,962 | 110,833 | 110,158 | 110,577 | 112,087 |
| Deferred income (grant) | 50,000 | 99,000 | 147,000 | 144,000 | 141,000 | 138,000 | 135,000 | 132,000 | 129,000 | 126,000 |
| Current liabilities | | | | | | | | | | |
| Corporation tax | 0 | 0 | 0 | 0 | 0 | 896 | 2,180 | 2,406 | 2,648 | 2,893 |
| Shareholder interest liability | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total current liabilities | 0 | 0 | 0 | 0 | 0 | 896 | 2,180 | 2,406 | 2,648 | 2,893 |
| Non-current liabilities | | | | | | | | | | |
| Loan | 185,500 | 196,630 | 208,428 | 208,428 | 208,428 | 160,313 | 155,091 | 148,372 | 141,654 | 134,935 |
| Rent payable to RCPL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total non-current liabilities | 185,500 | 196,630 | 208,428 | 208,428 | 208,428 | 160,313 | 155,091 | 148,372 | 141,654 | 134,935 |



| | | | | | | | | | | |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Net current assets/liabilities | 103,631 | 174,733 | 159,361 | 206,962 | 151,864 | 109,066 | 108,653 | 107,752 | 107,929 | 109,194 |
| Net assets | 281,659 | 353,124 | 350,200 | 452,935 | 444,708 | 437,902 | 430,587 | 424,280 | 419,052 | 414,913 |
| Share capital | 265,000 | 365,000 | 365,000 | 465,000 | 465,000 | 465,000 | 465,000 | 465,000 | 465,000 | 465,000 |
| Initial capital | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 |
| Reserves | (18,341) | (46,876) | (47,975) | (40,620) | (44,272) | (46,550) | (49,382) | (51,250) | (52,084) | (51,873) |
| Capital redemption reserve | 0 | 0 | (1,825) | (6,445) | (11,019) | (15,548) | (20,031) | (24,470) | (28,864) | (33,214) |
| Shareholders funds | 281,659 | 353,124 | 350,200 | 452,935 | 444,708 | 437,902 | 430,587 | 424,280 | 419,052 | 414,913 |



Cash Flow Forecast - Scenario I

| | Y1 | Y2 | Y3 | Y4 | Y5 | Y6 | Y7 | Y8 | Y9 | Y10 |
|-------------------------------|----------------|----------------|----------------|----------------|---------------|----------------|---------------|---------------|---------------|---------------|
| Opening balance | 35,000 | 106,407 | 181,858 | 170,774 | 221,379 | 168,924 | 131,703 | 135,381 | 137,570 | 140,910 |
| Inflows | | | | | | | | | | |
| Shares issued | 265,000 | 100,000 | 0 | 100,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grants | 50,000 | 50,000 | 50,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fundraising | 6,000 | 6,000 | 6,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loan | 175,000 | 0 | 0 | 0 | 0 | 150,000 | 0 | 0 | 0 | 0 |
| Rent (incl. VAT) | 3,000 | 6,120 | 39,015 | 50,938 | 51,957 | 56,308 | 57,434 | 58,583 | 59,755 | 60,950 |
| VAT reclaimed | 10,766 | 15,038 | 19,410 | 15,506 | 13,742 | 4,203 | 2,321 | 2,367 | 2,415 | 2,463 |
| Total inflows | 509,766 | 177,158 | 114,425 | 166,444 | 65,699 | 210,512 | 59,755 | 60,950 | 62,169 | 63,413 |
| Outflows | | | | | | | | | | |
| Property purchase (incl. tax) | 357,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Legal fees on purchase | 10,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Refurbishment costs | 57,833 | 84,117 | 99,901 | 77,766 | 69,406 | 0 | 0 | 0 | 0 | 0 |
| Building maintenance | 0 | 0 | 2,168 | 5,306 | 5,412 | 5,520 | 5,631 | 5,743 | 5,858 | 5,975 |
| Overheads | 10,107 | 10,615 | 12,076 | 7,860 | 8,017 | 8,178 | 8,341 | 8,508 | 8,678 | 8,852 |
| Business rates | 2,919 | 5,955 | 3,037 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rent paid to RCPL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VAT paid | 500 | 1,020 | 6,503 | 8,490 | 8,659 | 9,385 | 9,572 | 9,764 | 9,959 | 10,158 |



| | | | | | | | | | | |
|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Corporation tax | 0 | 0 | 0 | 0 | 0 | 0 | 896 | 2,180 | 2,406 | 2,648 |
| Loan repayments | 0 | 0 | 0 | 11,798 | 11,798 | 209,928 | 17,052 | 18,120 | 17,616 | 17,112 |
| Interest paid on shares | 0 | 0 | 0 | 0 | 9,125 | 9,034 | 8,944 | 8,855 | 8,767 | 8,679 |
| Share withdrawals paid | 0 | 0 | 1,825 | 4,620 | 4,574 | 4,528 | 4,483 | 4,439 | 4,394 | 4,350 |
| Charitable contributions | 0 | 0 | 0 | 0 | 1,163 | 1,160 | 1,157 | 1,154 | 1,151 | 1,148 |
| Total outflows | 438,359 | 101,707 | 125,509 | 115,839 | 118,155 | 247,733 | 56,077 | 58,762 | 58,829 | 58,923 |
| | | | | | | | | | | |
| Closing balance | 106,407 | 181,858 | 170,774 | 221,379 | 168,924 | 131,703 | 135,381 | 137,570 | 140,910 | 145,400 |



Profit & Loss Forecast - Scenario 2

| | Y1 | Y2 | Y3 | Y4 | Y5 | Y6 | Y7 | Y8 | Y9 | Y10 |
|---------------------------------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Operating income | | | | | | | | | | |
| Rental income | 2,500 | 5,100 | 32,513 | 42,448 | 43,297 | 46,923 | 47,862 | 48,819 | 49,796 | 50,791 |
| Fundraising events income | 6,000 | 6,000 | 6,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total operating income | 8,500 | 11,100 | 38,513 | 42,448 | 43,297 | 46,923 | 47,862 | 48,819 | 49,796 | 50,791 |
| Operating costs | | | | | | | | | | |
| Building maintenance | 0 | 0 | 1,806 | 4,422 | 4,510 | 4,600 | 4,692 | 4,786 | 4,882 | 4,980 |
| Business rates | 2,919 | 5,955 | 3,037 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Utilities | 2,250 | 2,550 | 3,641 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Legal and professional fees | 2,500 | 2,550 | 2,601 | 2,653 | 2,706 | 2,760 | 2,815 | 2,872 | 2,929 | 2,988 |
| Accountancy fees | 1,389 | 1,417 | 1,445 | 1,474 | 1,503 | 1,533 | 1,564 | 1,595 | 1,627 | 1,660 |
| Plunkett subscription | 200 | 204 | 208 | 212 | 216 | 221 | 225 | 230 | 234 | 239 |
| Insurance | 5,000 | 5,100 | 3,902 | 2,653 | 2,706 | 2,760 | 2,815 | 2,872 | 2,929 | 2,988 |
| Other admin expenses | 2,083 | 2,125 | 2,168 | 2,211 | 2,255 | 2,300 | 2,346 | 2,393 | 2,441 | 2,490 |
| Rent payable to RCPL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total operating costs | 16,341 | 19,901 | 18,808 | 13,625 | 13,897 | 14,175 | 14,459 | 14,748 | 15,043 | 15,344 |
| Operating profit/loss (EBITDA) | (7,841) | (8,801) | 19,705 | 28,824 | 29,400 | 32,748 | 33,403 | 34,071 | 34,753 | 35,448 |
| Other income | | | | | | | | | | |



| | | | | | | | | | | |
|---------------------------|-----------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Capital grant | 0 | 2,000 | 4,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Total other income | 0 | 2,000 | 4,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Other costs | | | | | | | | | | |
| Depreciation | 0 | 9,604 | 11,006 | 12,671 | 13,967 | 15,124 | 15,124 | 15,124 | 15,124 | 15,124 |
| Loan | 10,500 | 11,130 | 11,798 | 11,798 | 11,798 | 11,813 | 11,831 | 11,401 | 10,897 | 10,393 |
| Interest on shares | 0 | 0 | 0 | 0 | 7,160 | 7,089 | 7,018 | 6,948 | 6,879 | 6,810 |
| Charitable contributions | 0 | 0 | 0 | 0 | 913 | 910 | 908 | 906 | 903 | 901 |
| Total other costs | 10,500 | 20,734 | 22,804 | 24,469 | 33,837 | 34,935 | 34,881 | 34,378 | 33,803 | 33,228 |
| Profit before tax | (18,341) | (27,535) | 901 | 9,355 | 563 | 2,813 | 3,523 | 4,693 | 5,950 | 7,220 |
| Corporation tax | 0 | 0 | 0 | 0 | 0 | 1,734 | 2,593 | 2,815 | 3,054 | 3,295 |
| Profit after tax | (18,341) | (27,535) | 901 | 9,355 | 563 | 1,079 | 930 | 1,878 | 2,896 | 3,925 |



Balance Sheet Forecast - Scenario 2

| | Y1 | Y2 | Y3 | Y4 | Y5 | Y6 | Y7 | Y8 | Y9 | Y10 |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Fixed Assets | | | | | | | | | | |
| Land and buildings | 396,861 | 459,021 | 532,933 | 586,734 | 632,272 | 618,815 | 605,358 | 591,901 | 578,444 | 564,987 |
| Fixtures and fittings | 16,667 | 15,000 | 13,333 | 11,667 | 10,000 | 8,333 | 6,667 | 5,000 | 3,333 | 1,667 |
| Current assets | | | | | | | | | | |
| Cash | 151,407 | 221,758 | 207,023 | 205,970 | 154,008 | 117,197 | 120,363 | 122,378 | 125,462 | 129,611 |
| VAT debtor | 2,224 | 2,975 | 2,588 | 2,238 | 2,301 | 380 | 388 | 396 | 404 | 412 |
| Total current assets | 153,631 | 224,733 | 209,611 | 208,207 | 156,309 | 117,578 | 120,751 | 122,774 | 125,865 | 130,023 |
| Deferred income (grant) | 100,000 | 198,000 | 244,000 | 239,000 | 234,000 | 229,000 | 224,000 | 219,000 | 214,000 | 209,000 |
| Current liabilities | | | | | | | | | | |
| Corporation tax | 0 | 0 | 0 | 0 | 0 | 1,734 | 2,593 | 2,815 | 3,054 | 3,295 |
| Shareholder interest liability | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total current liabilities | 0 | 0 | 0 | 0 | 0 | 1,734 | 2,593 | 2,815 | 3,054 | 3,295 |
| Non-current liabilities | | | | | | | | | | |
| Loan | 185,500 | 196,630 | 208,428 | 208,428 | 208,428 | 160,313 | 155,091 | 148,372 | 141,654 | 134,935 |
| Rent payable to RCPL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total non-current liabilities | 185,500 | 196,630 | 208,428 | 208,428 | 208,428 | 160,313 | 155,091 | 148,372 | 141,654 | 134,935 |



| | | | | | | | | | | |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Net current assets/liabilities | 153,631 | 224,733 | 209,611 | 208,207 | 156,309 | 115,844 | 118,158 | 119,958 | 122,811 | 126,727 |
| Net assets | 281,659 | 304,124 | 303,450 | 359,180 | 356,154 | 353,679 | 351,092 | 349,487 | 348,935 | 349,446 |
| Share capital | 265,000 | 315,000 | 315,000 | 365,000 | 365,000 | 365,000 | 365,000 | 365,000 | 365,000 | 365,000 |
| Initial capital | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 |
| Reserves | (18,341) | (45,876) | (44,975) | (35,620) | (35,057) | (33,978) | (33,048) | (31,170) | (28,274) | (24,350) |
| Capital redemption reserve | 0 | 0 | (1,575) | (5,200) | (8,789) | (12,342) | (15,860) | (19,343) | (22,791) | (26,204) |
| Shareholders funds | 281,659 | 304,124 | 303,450 | 359,180 | 356,154 | 353,679 | 351,092 | 349,487 | 348,935 | 349,446 |



Cash Flow Forecast - Scenario 2

| | Y1 | Y2 | Y3 | Y4 | Y5 | Y6 | Y7 | Y8 | Y9 | Y10 |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Opening balance | 35,000 | 156,407 | 231,858 | 221,024 | 222,624 | 173,369 | 139,318 | 145,299 | 150,186 | 156,199 |
| Inflows | | | | | | | | | | |
| Shares issued | 265,000 | 50,000 | 0 | 50,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grants | 100,000 | 100,000 | 50,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fundraising | 6,000 | 6,000 | 6,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loan | 175,000 | 0 | 0 | 0 | 0 | 150,000 | 0 | 0 | 0 | 0 |
| Rent (incl. VAT) | 3,000 | 6,120 | 39,015 | 50,938 | 51,957 | 56,308 | 57,434 | 58,583 | 59,755 | 60,950 |
| VAT reclaimed | 10,766 | 15,038 | 19,410 | 15,506 | 13,742 | 4,203 | 2,321 | 2,367 | 2,415 | 2,463 |
| Total inflows | 559,766 | 177,158 | 114,425 | 116,444 | 65,699 | 210,512 | 59,755 | 60,950 | 62,169 | 63,413 |
| Outflows | | | | | | | | | | |
| Property purchase (incl. tax) | 357,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Legal fees on purchase | 10,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Refurbishment costs | 57,833 | 84,117 | 99,901 | 77,766 | 69,406 | 0 | 0 | 0 | 0 | 0 |
| Building maintenance | 0 | 0 | 2,168 | 5,306 | 5,412 | 5,520 | 5,631 | 5,743 | 5,858 | 5,975 |
| Overheads | 10,107 | 10,615 | 12,076 | 7,860 | 8,017 | 8,178 | 8,341 | 8,508 | 8,678 | 8,852 |
| Business rates | 2,919 | 5,955 | 3,037 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rent paid to RCPL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |



| | | | | | | | | | | |
|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| VAT paid | 500 | 1,020 | 6,503 | 8,490 | 8,659 | 9,385 | 9,572 | 9,764 | 9,959 | 10,158 |
| Corporation tax | 0 | 0 | 0 | 0 | 0 | 0 | 1,734 | 2,593 | 2,815 | 3,054 |
| Loan repayments | 0 | 0 | 0 | 11,798 | 11,798 | 209,928 | 17,052 | 18,120 | 17,616 | 17,112 |
| Interest paid on shares | 0 | 0 | 0 | 0 | 7,160 | 7,089 | 7,018 | 6,948 | 6,879 | 6,810 |
| Share withdrawals paid | 0 | 0 | 1,575 | 3,625 | 3,589 | 3,553 | 3,518 | 3,483 | 3,448 | 3,414 |
| Charitable contributions | 0 | 0 | 0 | 0 | 913 | 910 | 908 | 906 | 903 | 901 |
| Total outflows | 438,359 | 101,707 | 125,259 | 114,844 | 114,955 | 244,562 | 53,774 | 56,064 | 56,156 | 56,276 |
| Closing balance | 156,407 | 231,858 | 221,024 | 222,624 | 173,369 | 139,318 | 145,299 | 150,186 | 156,199 | 163,336 |