

# **THE THREE HORSESHOES PUB**

## **BUSINESS PLAN**



**Prepared by Helions Bumpstead Community Benefit  
Society Limited**  
**MAY 2018**

**Image Courtesy of St Andrew's Church**

# Business Plan for the Community Purchase of the Three Horseshoes Public House in Helions Bumpstead

## Document Structure:

Section Name	Content
1. Introduction	Purpose of the Document
2. Overview	Summary of the Business Plan
3. Local Context and the Campaign to Date	Overview of the history of the pub and the campaign and local competition
4. Communities Buying Their Village Pub	An overview of the Community Pub concept
5. Vision, Aims and Objectives	The vision for the pub and how this will address the needs of the community
6. Business Proposal	The plan for how we intend to purchase and operate the pub
7. The Community Share Offer	How community share offers work
8. Business Development	How we propose to promote the business and encourage new share ownership
9. Social Benefits	The social benefits of the community pub
10. Financials	Summary forecasts of the purchase and operation of the pub for the Community Benefit Society
11. Risk of Failure and Implications of Failure for Members (Shareholders)	Key risks in the project, the avoidance and mitigation strategies to minimise those risks
Annex I	Social Impact Matrix
Annex II	Property Overview (Survey and Land Registry)
Annex III	The Helions Bumpstead Community Benefit Society Limited
Annex IV	Community Shares and Risks
Annex V	Illustrative Community Operating Guidelines for Tenant
Annex VI	Financial Plan: Plan B with share capital of £280,000

<b>Version:</b>	<b>Date of Issue:</b>	<b>Status:</b>
1.1	28 Dec 2017	Draft for initial review
1.2	28 January 2018	Review after MT Meeting
1.3	11 February 2018	Review after MT Meeting
1.4	17 February	Review after MT Meeting
1.5	10 March	Review for MT Meeting 11 March
1.6	16 March	Review after MT Meeting
1.7	21 March	Review after MT Meeting
1.8.	15 April 2018	After review with Plunkett Advisor
Final:	29 April 2018	After review by Proof Reader

# 1. Introduction

This Business Plan concerns the proposed purchase of the Three Horseshoes public house in Helions Bumpstead by the Helions Bumpstead Community Benefit Society Limited, FCA Registration Number 7533, (the Society). The target audience of the Business Plan is threefold:

- Prospective investors in the Helions Bumpstead Community Benefit Society Limited
- Prospective awarders of grant/loan funding
- Prospective tenants of the Three Horseshoes

All the assumptions contained in the Business Plan derive from expert input and/or scrutiny of industry-specific data. Prospective investors should read this Business Plan in conjunction with the associated share prospectus and the Society Rules.

# 2. Overview

- The Three Horseshoes is the last remaining pub in Helions Bumpstead and has been closed since 2014. The pub is listed as an Asset of Community Value by Braintree District Council. A survey of residents of Helions Bumpstead in 2016 confirmed that 89% of respondents regarded having a public house as important to the village. The village has few amenities.
- This Business Plan puts the case for community purchase of the Three Horseshoes as a community owned hub. The Society proposes to raise funds to purchase, refurbish and maintain the Three Horseshoes for the benefit of the community. It will lease the pub to a professional tenant who will be responsible for the operation of the public house and who will work with the Society in the implementation of the Business Plan to include other community activities.
- We are now recruiting investors to realise the community purchase of the Three Horseshoes for the benefit of residents of Helions Bumpstead and surrounding communities, as well as visitors to the area.
- As a community owned pub, the Three Horseshoes will be run for the benefit of the community on a viable and sustainable footing as a hub which will provide a range of social and commercial amenities and function as a fully accessible and welcoming meeting place.
- **Our vision is to buy the Three Horseshoes for the benefit of the community and secure its future as a thriving community pub.** This means an inclusive pub environment, addressing the needs and respecting the wishes of the community in the way the pub is used, prioritising community cohesion and addressing, *inter alia*, the need for a central focal point within the village and the risk of social isolation in a rural community with an ageing population.
- The aims of the business will be to promote social cohesion and community development, rather than pure profit, although the business *per se* must be viable for these aims to be achieved.
- In order to accomplish the initial objective of the purchase and operation of the pub, the Helions Bumpstead Community Benefit Society Limited has been formed. The Society exists to oversee the business for the benefit of the community. Assets owned by the Society are locked and can be used solely for the benefit of the community.
- A freehold purchase price of £310,000 has been agreed with the current owners for the pub buildings and associated land which extends to about one acre. The Society is seeking to raise an additional £125,000 to complete the purchase, cover initial refurbishment and create a contingency reserve.
- The majority of these funds will be raised through a community share offer. A share prospectus will be published. Each shareholder becomes a member of the Society and has voting rights on significant issues raised at members' meetings. Members therefore have their say in how the pub is run and appoint members onto the Management Committee.

- The campaign has been accepted on to the Plunkett Foundation's 'More than a Pub' programme. The Society Rules allow for the offer of withdrawable interest-bearing shares to the public. The Society is also eligible for social grant and loan funding and has applied for up to £100,000 of grant/loan funding from the 'More than a Pub' programme. Our application has been conditionally approved.
- Public meetings, questionnaires and flyers to households within the village and parallel parishes and promotion through social media have confirmed a very high level of initial support. An approach to the residents in December 2017 to confirm the level of support for the venture generated pledges of £289,000.
- Shares will cost £50 each and a minimum subscription would be for two shares (£100). The maximum allowable subscription would be for 2000 shares (£100,000).
- The initial aim is for the Society to buy the pub and undertake essential refurbishment work on the public areas and tenant accommodation. It is hoped that the refurbishment programme will benefit from the skills of members of the community. There has been a welcome indication that volunteers from within the village would come forward to help to get the pub open.
- In parallel the Management Committee of the Society will undertake a process to recruit a tenant who will be selected on the basis of his/her ability to operate the pub successfully in compliance with the agreed Community Operating Guidelines. The Committee will be guided by industry experts in this process.
- The Society's main source of income will be the rent paid by the tenant. Financial analysis and advice from industry experts confirm that, appropriately run, the pub has the potential to generate sustainable profit for a tenant.
- It is anticipated that a modest interest payment may be payable on investors' shares after Year 3, subject to satisfactory levels of trading. This would be voted on and agreed at the Annual Members' Meeting by the Society members. All shareholders will be members of the Society. The Society Rules state the rate of such interest shall not exceed 5%.
- Shares can only be withdrawn after three years have elapsed from the date of the share issue. Such withdrawal would only be permitted by the Management Committee if it does not endanger the Society.

### 3. Local Context and the Campaign to Date

#### The Local Community of Helions Bumpstead

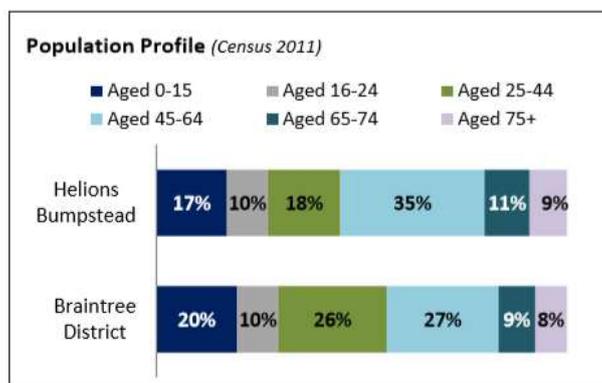
Helions Bumpstead is a rural village in the north west corner of Essex which borders the neighbouring counties of Suffolk and Cambridgeshire. Administrative control is from Essex County Council in Chelmsford and the District Council in Braintree.

The population of Helions Bumpstead was 439 at the time of the most recent census in 2011, with 177 houses spread along four long roads which meet at the central crossroads of the village adjacent to a small village green.

The village has a church, chapel and village hall, but no school or shop. It is surrounded by largely arable farmland in close proximity to the historic wool town of Haverhill, which has seen much expansion in recent years (current population exceeds 27,000).

Despite its proximity to Haverhill, Helions Bumpstead is relatively isolated, with infrequent public transport and a high proportion of social housing. Employment opportunities within the village are limited.

According to the most recent census data (2011), the age profile of the village's population is rising. We have a population much older than the average in England and Wales. The village has a lower number of younger people than the national average (24% lower than the UK average), and a higher proportion of older people, with 35% in the 45–64 age group and 20% aged 65 and above. This demographic has in recent years been reflected in the difficulty of sustaining sports clubs within the village.



#### The Three Horseshoes and Pubs Nearby

The pub is located in the centre of the village. The property is detached, and has been extended providing ample hospitality space, including dining for 40 covers (excluding use of the garden). A number of outbuildings are located to the side and rear of the property and the plot includes extensive gardens which could be used to maximise trade potential. Access is to the front of the property into a large car park suitable for up to 15 vehicles and through the garden at the side.

The ground floor comprises a village and lounge bar, with a further large dining room to the rear of the property. Food can be served across all three rooms. The living accommodation is on the first floor and comprises three bedrooms, one *ensuite*, a sitting room and an additional bathroom.

The closest pub to the Three Horseshoes is the Fox and Hounds in Steeple Bumpstead, approximately 2 miles' drive. This is widely recognised as a benchmark of what residents see as an ideal village pub. That pub is currently for sale and under new management.

Other competitor establishments include the Red Lion in Steeple Bumpstead, the Cock in Castle Camps, the Bluebell in Hempstead and the Plough at Radwinter, but none of these stood comparison with the Fox and Hounds in a Helions Bumpstead community survey conducted in 2016. The Three Hills at Bartlow has recently been refurbished to a very high standard with a high-end food and accommodation offer.

In summary, there is a clear local demand for a traditional country pub.

## Development of the Three Horseshoes and the Campaign to Date

**Planning:** As a public house, the Three Horseshoes has its origins in the 19th century. Prior to becoming a pub, the building comprised three labourers' cottages which were inhabited by workers at the adjacent blacksmith's forge. More recently it was a Greene King tied house, which subsequently passed into private ownership. The freehold was acquired by the current owners in April 2012. After two years of unsuccessful trading the pub was closed in May 2014. The Three Horseshoes gained a degree of protection when it was registered as an Asset of Community Value (ACV) by the Helions Bumpstead Parish Council in April 2014.

ACV notwithstanding, the owners applied for a certificate of lawful development to convert the premises into a licensed tea room with tied accommodation in the summer of 2014.

This application for change of use was resisted by village residents and, following the intervention of a planning QC, Gregory Jones, the application was rejected by Braintree District Council in January 2015.

Following an unsuccessful appeal against Braintree's refusal to allow the application for lawful development, an approach to the owners about a possible community purchase was made in the summer of 2016 and dialogue was established through the agency of an informal steering group.

**Survey:** A public survey by way of an electronic and hard copy questionnaire was distributed to each household in Helions Bumpstead in December 2016. The survey had a very high return rate of 51% with 89% of respondents stating that they regarded having a pub in the village at least 'important' and 70% rated it 'very important'. The main conclusion was that the pub was regarded as an important village amenity which should be restored. The provision of reasonably priced food and drink was the top priority but the survey also identified a range of ideas for additional services.

The very high level of interest expressed already demonstrates that the Three Horseshoes has the potential to become a local success story, harnessing goodwill and expertise to provide an amenity which can be enjoyed by all. In the past the pub has been successful in attracting customers from the village and beyond and was a central point for a wide range of social activities and organised events.

**Plunkett Foundation:** A new group of volunteers decided to establish a Community Benefit Society with the aim of putting the necessary arrangements in place to purchase the pub through a community share offer. The Helions Bumpstead Community Benefit Society Limited (the Society) was incorporated in April 2017 and a group of seven volunteers now comprise the Interim Management Committee following the Model Rules of the Plunkett Foundation. The legal structure is explained in **Annex III**. The Plunkett Foundation provided a bursary of £2500 to finance costs associated with establishing the legal entity and preliminary costs to raise funds to purchase the pub, as well as membership of the Plunkett Foundation. The Foundation also provided access to industry advice.

In partnership with the Plunkett Foundation ([www.plunkett.co.uk](http://www.plunkett.co.uk)) and the Pub is the Hub ([www.pubisthehub.org.uk](http://www.pubisthehub.org.uk)), the Interim Management Committee secured a report and independent valuation of the Three Horseshoes. The valuation survey was carried out on the pub by MJD Hughes in August 2017, who valued the pub at between £285,000 and £310,000 based on its trading potential. Substantive negotiations with the owners commenced in September 2017. By November 2017 a final purchase price of £310,000 was agreed.

The commercial valuation concluded that there was potential for a sustainable pub business, provided that the space available was efficiently used. In particular, revisions to the layout of the trade areas and the potential to develop the beer garden and outside areas could contribute to turnover to increase it to a sustainable level. The pub is ideally located to accommodate community groups and visitors to the village such as cyclists, walkers, vintage car and cycle clubs.

A structural survey was undertaken in March 2018. The key findings of the structural survey are provided in **Annex II**. In summary, the survey confirmed that the pub has no serious structural defects.

**Purchase:** The Interim Management Committee of the Society reported on their work to the village on 25 November 2017, recommending the community purchase. Thereafter pledges were sought from residents with a provisional fund raising target at that time set at £400,000 of which a minimum of £280,000 was to be raised from community investors through a share release or donations. It was envisaged at that stage that additional capital would be raised through a blend of social grant/loan funding, enabling potential funds to include the costs associated with the purchase, essential refurbishment and a contingency reserve for unexpected costs.

By late December 2017 it had become clear that the level of interest expressed through pledges from within Helions and surrounding villages was sufficiently high to justify the preparation of this Business Plan and the associated share prospectus. A total of 90 pledges representing 111 residents have been made which indicates a high degree of support for the purchase within the village and its hinterland.

**Overview of Actions Taken since 2016:**

- Four public meetings and quarterly updates via Village Magazine
- Community Survey of the importance of the pub and services required
- Direct engagement with local MP James Cleverly and Braintree District Council
- Establishment of Community Benefit Society
- Opened a community bank account
- Commissioned commercial valuation
- Engagement with Plunkett Foundation
- Ongoing liaison with Pub is the Hub for operational advice and owner liaison
- Three informal site visits
- Media coverage (Haverhill Echo)
- Social Media: Facebook, website
- Appointment of Interim Management Committee
- Survey of available grants and loans
- Application for £100,000 grant/loan funding (conditionally approved February 2018)
- Conducted pledge survey

## 4. Communities Buying Their Village Pub

There are now over 50 examples in England and Wales of successful community owned village pubs which are operated by voluntary or professional management or leasehold tenancy. Each individual project is unique but the consistent principle is that community benefit is of paramount importance. Links to community pubs across England and Wales can be found here: <https://www.plunkett.co.uk/co-operative-pubs>.

The Plunkett Foundation's own research confirms:

*'that whilst most of the time communities buying their pub are doing so initially to save the pub from closure or redevelopment the focus tends to broaden to incorporate a wide range of community activity, drawing in people to volunteer and contribute to committees. Over time, the revitalised pub becomes a highly social place which brings people together and caters for all ages, backgrounds and interests with purposeful social interaction as the core function. This can benefit new residents to the village who want to meet their neighbours, young parents at home, teenagers seeking work and older residents seeking opportunities to remain active as well as those who live alone or who have no other way of meeting people'*

Source: Plunkett Cooperative Pubs – A better form of business 2017

**A community pub approach will make a difference to the potential of the Three Horseshoes for the following reasons:**

- *A wide share membership can be drawn upon for support, commitment and custom*
- *People have demonstrated they care about their local pub and are willing to invest their time, money and skills to save the pub*
- *No community owned pubs have failed: they are distinct from the traditional competition*
- *Community pub membership opens up discounted rates on key costs such as energy, accountancy, insurance and pub supplies and advice*

## 5. Vision, Aims and Objectives

***Our vision is to buy the Three Horseshoes for the benefit of the community and secure its future as a thriving community hub***

This means an inclusive pub environment, addressing the needs and respecting the wishes of the community in the way the pub is used, prioritising community cohesion and addressing, *inter alia*, the need for a central focal point within the village and the risk of social isolation in a rural community with an ageing population.

By re-establishing the Three Horseshoes as a thriving social and cultural hub at the heart of our village we will provide employment and work closely with other institutions of importance within the village, notably the Parish Council and St Andrew's Church.

**The aims of the project are as follows:**

- to achieve community ownership as the means of securing the future of the pub;
- to establish management structures which can adapt to suit changing requirements;
- to respect the wishes of the community in the way the pub is used;
- to develop the premises to provide a wide range of services and additional income;
- to promote and support other local commercial activity;
- to achieve financial viability and the generation of a modest surplus;
- to promote community cohesion and combat social isolation;
- to provide an inclusive community environment for the benefit of all;
- to provide a cultural and intellectual forum for the exchange of ideas;
- to provide a family-friendly pub where all members of the community feel welcome.

**The objectives of the project are:**

- to purchase the freehold of the Three Horseshoes and associated land, thus saving the pub from future uncertainty and bringing it into community control in perpetuity;
- to raise sufficient capital to purchase the freehold and conduct essential refurbishment through donations, share offers, grant applications and loans;
- to set an affordable rent and no beer ties for a tenant;
- to agree a lease with an enthusiastic and experienced tenant who fully supports our vision;
- to provide food at a realistic and affordable price;
- to extend the pub into other community uses;
- to establish working parties to conduct essential and aesthetic external and internal refurbishment to create a welcoming and comfortable social environment;
- to provide reliable opening hours across the day, a friendly welcome and excellent customer service;
- to provide and promote a meeting venue for societies and other groups which are based in the village;
- to provide an opportunity for volunteers to support the community in a tangible way;
- to provide employment and training opportunities for local people, initially in the bar, kitchen and restaurant; and, thereafter, in such other profitable activity as will be associated with the pub.

***The Three Horseshoes has been a successful pub in the past. Bringing it into community ownership will enable the community to develop the facilities to suit evolving needs.***

## 6. Business Proposal

The proposal is for the Helions Bumpstead Community Benefit Society (the Society) to purchase and operate the Three Horseshoes as a community pub. The Community Benefit Society is a form of cooperative registered under the Community Benefit Societies Act 2014 to 'carry on a business, industry or trade conducted for the benefit of the community'.

### The Purchase

The purchase price agreed with the owners of the pub is £310,000. No VAT will apply to the purchase cost. In addition to the purchase price and associated costs, some refurbishment work will be needed to bring the premises to an opening standard and to improve the kitchen facilities. The maximum funds required are £435,000.

This will enable the village to secure and safeguard the pub as a community facility for the foreseeable future. Our intention is to finance the acquisition and subsequent improvement projects, initially, through a community share offer and social grant/loan supplemented, if necessary, by a commercial loan.

### Operating Model

After further discussion with other community pubs and our advisors, it was decided to limit the direct responsibilities and liabilities of the Society by adopting a 'tenanted pub' model of operation.

It was recognised that we should be realistic about the roles, skills and support the Society could reliably provide both now and in the future in order to operate the pub successfully and sustainably. We ruled out other models such as employing a manager or running the pub through a rota of volunteers as this entailed significantly more operational involvement and risk.

Under a tenanted model, after purchase, the Society will become the owner of the freehold of the pub and associated land. The Society will then lease the pub to a professional tenant who will work with the Society. The lease will include core community features required of the tenant which will be referred to as Community Operating Guidelines, the illustrative features of which are set out in **Annex V**. This approach will ensure that the pub operates as intended by the local community.

Such lease agreements have been researched by the Management Committee and the community features will be required by grant/social loan awarding authorities. Within this context it must also be possible for the tenant to make a good living from the business. We will set an affordable rent and let the pub to be run as a free house, thereby ensuring the tenancy should be an attractive prospect for enthusiastic and experienced tenants.

### The responsibilities of each party will be as follows:

<b>(Owner and Landlord) The Helions Bumpstead Community Benefit Society Limited</b>	<b>Appointed Tenant</b>
Purchase and own the building and grounds.	Lease the pub premises from the Society for up to 5 years (including a mutual break clause at 3 years), subject to contract.
Recruit and appoint a tenant.	Own the business operating from the pub.
Determine and monitor core features of the community pub lease.  Lead a sub-group of the Management Committee to oversee community & tenant liaison.	Pay rent to the Society for the pub premises and run the pub in accordance with the 'community lease' set out by the Society.
Complete initial refurbishment work to external and internal area of the pub in preparation for lease. Ongoing maintenance of designated areas and pub fabric specified in the lease as the Landlord's responsibility.	Take responsibility for ongoing maintenance of the pub from the point of lease in accordance with terms of lease. Ensure the food, drink and social features of the pub reflect needs/wishes of community and lease agreement.

Once we have appointed a tenant he/she will be responsible for running their own business within the property. He/she will therefore meet all of the other running costs from the income that they make from sales. As it is a new business, and they are starting from scratch, the Society will assist with marketing and getting the building ready to re-tenant. Following this, the tenant will be responsible for running the business within broad 'More than a Pub' guidelines set by ourselves within the tenancy agreement.

### **Tenant Rent**

The tenant will be required to produce a business plan which demonstrates how they intend to grow the business. However, it is the Management Committee's intention that the rent should be agreed in advance for the first three years so as to give the tenant both security and an opportunity to benefit from increased sales, thereby giving them every incentive to develop the business. After this, an affordable rent will be levied. It is intended to grant a five year lease with the rent review following the end of Year 3. A formula for reviewing the rent will be agreed with the tenant. This formula will ensure that the tenant has sufficient incentive to grow the business. The lease document will be developed with the advice of industry specialists.

It is anticipated that the new tenant will achieve sales in excess of those achieved in recent years. Prior to the Three Horseshoes' closure in 2014, the opening hours and availability of food had been unpredictable, thereby discouraging regular and passing trade. In the past the pub was much busier with regular events. We therefore believe that the sales figures over the last few years are not a true reflection of the income that the Three Horseshoes will generate and that these sales figures can be improved upon for the following reasons:

- the fact that the pub is owned by the local community will be a major incentive for villagers to support its success, as well as to encourage their family and friends to use it;
- the tenant whom we appoint will be expected to drive up the sales of food significantly;
- expansion of the traditional pub business has the potential to develop into other community facilities;
- the pub will be a free house, not be tied to any brewery;
- the potential addition of a microbrewery;
- the pub as the only remaining pub in the village will be exempt from business rates.

### **Funding Sources**

The primary financing of purchase and operations will come from three sources:

- a share offer to generate between £280,000–330,000 of share capital;
- a 'More than a Pub' grant/loan which will provide a £50,000 grant and £50,000 unsecured loan (the unsecured loan carries an 8% interest rate). Conditional approval of the grant/loan funding has already been secured;
- other grants and legacies from private individuals and relevant grant schemes.

Our aim is to raise £435,000 of capital from the above sources. If we fall short of a higher share capital target (£330,000 – Plan A), we will seek a long term commercial loan secured on the property of up to £50,000 to top up the £280,000 share capital (Plan B). This may entail taking out a small long term mortgage or loan on the property, which we would seek to avoid if possible. Financial projections are featured in **Section 10** of this Business Plan.

### **Incoming funds for the Society will be as follows:**

- rent paid by the tenant;
- rent received in respect of any units not covered by the lease, for example the microbrewery;
- fundraising events specifically for the Society;
- capital raised through additional share offers.

**Outgoing funds from the Society would be as follows:**

- interest and capital repayments on loan/mortgage;
  - interest on shares to members;
  - withdrawal of share capital;
  - annual ancillary costs (including corporation tax, annual audit, annual company registration and insurances not covered by the tenancy, indemnity insurance for Management Committee);
  - maintenance costs in respect of land and buildings not covered by tenancy agreement.
- 

**A Note on the Availability of Tax Relief**

As an incentive to encourage people to invest in higher risk businesses which are intended to start and grow, the government offers some attractive tax concessions.

The Interim Management Committee has considered these carefully. We have concluded, however, that none of the various options (SEIS, EIS or SISR tax relief) are consistent with the appointment of a tenant which is our preferred *modus operandi*, as well as that which is recommended by our professional advisors.

***We have therefore decided to promote the investment as a social, rather than financial, investment and not to be unduly swayed by short term financial incentives.***

As set out above, we have chosen to opt for a tenant-led operation because the alternatives would have obliged the village to oversee the operation directly, with the Management Committee acquiring employer and other liabilities which, as volunteers without relevant experience of the hospitality industry, we would not have been able to discharge effectively. We have also concluded that a resident tenant running his/her own business in partnership with the community would be more highly incentivised to make a success of the business.

## 7. The Community Share Offer

The plan is to raise the significant proportion of capital for the purchase and refurbishment of the Three Horseshoes through community shares. The details of the specific share issue will be outlined in a separate share prospectus. Please see an overview of community shares provided in **Annex IV**.

The minimum cost of each share is set at £50 per share. There is a minimum shareholding of two shares (£100) or a maximum of 2000 shares (£100,000). Shareholding confers membership of the Society, and gives each member one vote at the Annual Members' Meeting and other meetings, no matter how many shares he/she may own.

The membership of the Society will elect a Management Committee which will guide the strategy for the pub.

The widest possible community ownership will be encouraged. The minimum investment threshold for share ownership has been set at a low level to ensure the widest possible participation.

### Member Benefits – Interest Payments to Shareholders

The Society intends to pay modest interest to members, and this would be set in accordance with the Society Rules which stipulate that such payments cannot exceed 5%. Interest payments can only be made when there are sufficient surplus funds to maintain the business after payment of capital and interest on borrowings and the accumulation of liquidity in case of share withdrawal. Interest payments will be reviewed each year and a proposal will be put forward at the Annual Members' Meeting.

### Shareholder Risk

Unlike shares on the stock market, shares in the Society cannot increase in value and cannot be traded: shares can only be transferred between the Society and the investor. Shares could decrease in value if the Society were to become insolvent with liabilities which exceeded the value of the assets. We hope very much that this would not happen because, as a community, we would be collectively committed to the success of the revived and revitalised Three Horseshoes.

The legal structure of the Society, which entails limited liability, is such that the individual shareholder's liability does not extend beyond the value of his/her initial investment.

### Asset Lock

If the assets of the Society were to be sold (e.g. in the event of business failure) any surplus proceeds following the repayment of shareholding members may only be transferred to other community investments which are consistent with the objects of a Community Benefit Society.

### Building Purchase and Renovation

A structural survey was undertaken in March 2018 and no significant issues were identified. The age of the building is such that we will inevitably incur renovation costs over time. Although the pub is located within the village conservation area it is not listed. A property and refurbishment schedule is appended as **Annex II**. The cost of essential works is expected to be in the region of £70,000 and these funds are provided for in the financial plan.

## 8. Business Development

Under the tenanted model, the business of the Society will be very simple in that the tenant will run the business and the Society will have regular communication with the tenant on the community's wishes.

The pub can only be viable if it attracts more customers than has been the case in recent decades. The community must therefore support the tenant to increase and maintain footfall well above the historical position. Whilst the villagers will return to the pub quickly once it is re-tenanted, it will take time to build up the business. Reputation will spread most effectively by word of mouth and must be built on good quality service.

Therefore the initial marketing of the business will be a matter for both the Management Committee and the tenant. Whilst the lead responsibility will rest with the tenant, the Management Committee will appoint a tenant who will work in partnership with the village.

### Marketing Strategy

A key aspect of the community approach is to maintain regular communication between the Management Committee, members and the tenant. It is proposed to facilitate this through a single point of contact and a feedback forum at an agreed frequency. Although the day-to-day marketing of the pub is the responsibility of the tenant it is proposed initially to undertake a number of regular community communications jointly with the tenant to ensure the continued engagement and support of the local residents.

Applicants for the tenancy position will be required to provide a business and marketing plan to:

- attract new and old customers to our community pub, encouraging a more diverse range of customers;
- increase the frequency with which customers use the facilities;
- increase the value of each visit made.

The constituencies to which the pub must appeal are as follows:

- local residents from the village and surrounding villages;
- Haverhill and Cambridge visitors on a drive out for a good pub meal in a rural setting;
- tourists exploring the local area at the gateway to East Anglia;
- day visitors including interest groups such as walkers and cyclists.

### Range of Services

The initial priority will be to establish the reputation of the Three Horseshoes for the quality of its food and drink within the context of a warm and welcoming environment. Feedback from the public survey, village meetings and discussion suggest that the pub we want should include/feature the following:

- cosy and inviting ambience, using the open fires;
- clean simplified interior design including traditional or wooden flooring;
- wooden furniture (doesn't have to be new);
- family friendly;
- simple high quality food, locally sourced and reasonably priced;
- choice of beers;
- quality wines;
- non-alcoholic offer and café type facilities throughout the day;
- good value pensioners' lunches.

## **Investment in the Community Benefit Society and Membership Strategy**

The Management Committee will maintain an 'open share offer' to develop future funding sources for the Society, either to fund additional investment, minimise the cost of commercial funding, or to widen and maintain share membership. In addition to the initial share offer new share offers will be issued to maintain liquidity in the Society and raise funds to pay for share withdrawal.

The Society will seek to pay an attractive interest payment on shares invested by members. Despite this, after three years, investors may wish to reclaim their investment funds by applying to withdraw their shares. This can only be permitted subject to the Society having sufficient cash surplus and for that reason will be subject to the approval of the Management Committee. Investors should regard their investment as a long term commitment in the future of the community and appreciate that share withdrawal could endanger the business.

The Management Committee for the Society will ensure that a cash reserve is available to meet the value of shares being redeemed, and to build a waiting list of investors. If a shareholder gives notice that they wish to withdraw shares then shares of the same value will be marketed and can be acquired by new or existing shareholders. The membership strategy will thus seek to ensure that new shareholders will be available to fund share withdrawal.

If shares cannot be replaced then, in exceptional circumstances, the reserve fund can be utilised. Ordinarily, however, it should be assumed that share withdrawal will not be approved unless a buyer for an equivalent number of shares has been identified or there is sufficient cash surplus with the Society. The quantum of share capital will thus increase over time or at least remain constant.

The Society will maintain its own publicity channels for renewing membership to ensure that there is a sufficient number of shareholders to maintain breadth of ownership and sufficient reserves to fund share withdrawal.

## 9. Social Benefits

The main point of the purchase is to create a viable community asset. We all want a place to meet friends, have a drink, take our families and socialise. **This is not an exercise in generating large profits for the members.** It is all about putting the pub on a viable, long term, sustainable footing and developing other services in line with the Business Plan.

The initial return on your investment will therefore be the existence of an open and functioning village pub.

Once the pub is in the ownership of the community, it will be possible to explore a wider range of amenities in order for the pub to be 'More than a Pub' for Helions Bumpstead.

### More than a Pub

By village survey and discussion, a wide range of additional services for the pub have been identified and a Social Impact Matrix submitted to our social funders, the Plunkett Foundation, in support of our grant/loan application (see **Annex I**).

The Management Committee will seek to harness expertise within the village in pursuit of its objectives and respond dynamically to local needs. A single point of contact will be nominated from within the Management Committee to ensure these objectives are developed in cooperation with the tenant.

**In the initial phases, we have streamlined the many potential 'More than a Pub' community features to those we see as immediately viable. These have been put forward to our social funders as initial targets requiring minimal capital expenditure, and focus on addressing the risk of social isolation in a rural community. These include:**

- a basic shop facility and 'virtual shop' ordering/collection point
- access to WiFi – café facilities – community events
- a gardening club for re-establishment of the pub garden
- microbrewery: This was a popular theme in the public survey. The Management Committee would be minded to raise revenue from leasing the unit for this purpose, raising rental income and using the pub as a tap house without exclusive commitment or tie-in. Alternatively, the facility could be operated as a joint venture between the Society and the tenant.

Much will depend on the enthusiasm of individuals and groups of individuals within the community. With the right tenant operating within our community guidelines, broadly speaking, initiatives will be considered on the basis of their commercial viability and/or potential social impact.

***The Three Horseshoes will sit at the centre of the village community, both physically and metaphorically. Its location will enable it to cater for residents across the age range. Above all, the restored facility will act as a bulwark against social isolation within the community, working in harness with the Parish Church of St Andrew and the Parish Council to promote social cohesion. The pub will open for reliable published hours, and serve as a meeting place throughout the day for local residents who may not have anywhere else within easy walking distance to meet.***

## 10. Financials

**The Management Committee has undertaken some detailed analysis and modelling of the range of financial outcomes that the pub can generate under various operating models and scenarios.**

**Summary financial tables are included below and in Annex VI**

The Committee has been supported in this analysis by advice and guidance from experienced publicans and pub owners, the Plunkett Foundation and The Pub is the Hub. The financial projections also reflect benchmark assumptions provided by the British Beer and Pub Association.

The financial and operational plans have been established in tandem with the wider social agenda of the Community Benefit Society, with a view to establishing a thriving community hub which provides a good income for a tenant who will work in harmony with the community. The Financial Model has been founded on the following principles:

- a realistic understanding of the roles, skills and support that the Society can deliver to help the pub operate successfully;
- a conservative view of the trading potential of the pub which derives from industry benchmarks;
- a commitment to ensuring that there is sufficient capital investment behind the business to facilitate an appropriate level of refurbishment to support the tenant and maximise the chances of the success of the venture.

**As a consequence, the Committee has made some key decisions which underpin the financial assumptions:**

- as outlined in the Business Proposal (**Section 6**) we have decided that a tenant model will suit the pub best in aligning with each of the above principles;
- the Financial Model assumes that we will invest £70,000 in refurbishment, including a major improvement of the kitchen facilities, internal refurbishment and some modest external upgrades. Where possible, it envisages this work being supported by local volunteers;
- after two months of refurbishment, the pub will begin trading. We are assuming a phased 'ramp up' to full trading after 18 months;
- we plan to establish an open working arrangement with our tenant as set out in the Business Proposal and to offer a competitive rent of £20,000 per annum initially, rising to £25,000 thereafter with a rent review after three years;
- the financial projections include a £30,000 contingency reserve for unanticipated costs or setbacks;
- a membership strategy (see **Section 8**) will seek to create cash liquidity within the Society through periodic new share offers, for example to enable residents new to the village to invest. A modest outgoing (£5000 annually) for share withdrawal has been included from Year 4 onwards. This should be regarded as net share withdrawal because it is intended that withdrawal should be offset against income from future share offers.

**As the rent paid by the tenant will be the main source of income to the Society, and the financial projections assume that it will be the only source of income, it is important to explain the rationale behind the rent that we propose to charge to the tenant. Our thinking is as follows:**

- the proposed level of rent (£20,000 rising to £25,000) reflects Fair Maintainable Trade (FMT)<sup>1</sup> for a pub of this type, as defined by the British Beer and Pub Association. On this basis, the FMT should be in the region of £250,000 before VAT. 10% of turnover is at the lower end of rent typically payable in the case of a free house (see point 2, below);
- the pub is a free house, not tied into any brewery, which will enable the tenant to procure food and drink at competitive wholesale prices. The rent will include the benefit of accommodation; because the Three Horseshoes is the last remaining pub in Helions Bumpstead the tenant will not have to pay business rates;
- the proposed initial investment of £70,000 in the premises will enable the tenant to provide a level of service to customers which should compare favourably with that of other local establishments; subject to negotiation, use of the restored microbrewery previously sited on the premises may also be at the disposal of the tenant.

---

<sup>1</sup> Fair Maintainable Trade is the level of trade that an average operator can be expected to achieve

## Funding Sources

It is anticipated that the financing of the purchase and work prior to reopening will come from three sources:

- The Community Share Offer to generate between £280,000–£330,000 of share capital;
- The 'More than a Pub' grant/unsecured loan (already conditionally approved) which provides a £50,000 grant and an attached £50,000 five year loan, which will carry an 8% interest rate;
- other grants and donations from a variety of private individuals and relevant grant schemes; Our aim is to raise up to £435,000 of capital from the above sources. If we fall short of the higher share capital target (£330,000 – **Plan A**), we will seek a long term interest-only commercial loan (i.e. a mortgage) of up to £50,000 to top up the £280,000 share capital (**Plan B**).

Capital Costs & Sources of Funds Plan A			
	£		£
<b>Acquisition Costs</b>		<b>Start-Up Capex</b>	
Freehold Purchase (no VAT)	310,000	Kitchen	40,000
Closing Costs (provision)	20,000	Interior	20,000
Valuation & Survey		Exterior	10,000
Legal			
Stamp Duty			
<b>TOTAL</b>	<b>330,000</b>	<b>TOTAL</b>	<b>70,000</b>

The minimum needed to be raised is therefore £400,000. Allowing for a reserve for higher working capital to support refurbishment we are therefore targeting £435,000. Our current projections are that this can be raised by: -

	£
Share Capital	330,000
MTAP Grant	50,000
Other Gifts / Grants	5,000
Long Term Debt	-
MTAP Loan	50,000
<b>TOTAL</b>	<b>435,000</b>

3 Month Rent Deposit	6,250
Tenant Ingoings (excl Rent Deposit )	23,750
<b>Tenant Deposit to CBS</b>	<b>30,000</b>

Capital Costs & Sources of Funds Plan B			
	£		£
<b>Acquisition Costs</b>		<b>Start-Up Capex</b>	
Freehold Purchase (no VAT)	310,000	Kitchen	40,000
Closing Costs (provision)	20,000	Interior	20,000
Valuation & Survey		Exterior	10,000
Legal			
Stamp Duty			
<b>TOTAL</b>	<b>330,000</b>	<b>TOTAL</b>	<b>70,000</b>

The minimum needed to be raised is therefore £400,000. Allowing for a reserve for higher working capital to support refurbishment we are therefore targeting £435,000. Our current projections are that this can be raised by: -

	£
Share Capital	280,000
MTAP Grant	50,000
Other Gifts / Grants	5,000
Long Term Debt	50,000
MTAP Loan	50,000
<b>TOTAL</b>	<b>435,000</b>

3 Month Rent Deposit	6,250
Tenant Ingoings (excl Rent Deposit )	23,750
<b>Tenant Deposit to CBS</b>	<b>30,000</b>

## Member Benefits – Share Interest

It is proposed that share interest will be paid to members of the Society on an annual basis. Current financial projections provide for share interest from the end of Year 3 when we have assumed an interest rate of 2% will be paid, rising to 4% after the fifth year (the maximum permitted under Society Rules is 5% – see **Annex III**). This is indicative only at this point and if we can make earlier payments we will do so.

The level of interest payment will be determined at the Annual Members' Meeting and will depend on the health of the business after we have met other obligations such as loan payments and other mandatory overheads.

### **Share Withdrawal by Members and Cash Reserve**

The Society Rules provide that members may apply to withdraw their shares from the end of the third year of operation. Members must give three months' notice if they wish to withdraw shares. This withdrawal can only be permitted subject to the Society having sufficient cash surplus and for that reason will be subject to the approval of the Management Committee which will ensure the Society is not endangered and may decline and/or reduce the request for withdrawal. The expectation is that most shareholders will be content to leave their investments in the Society and benefit from interest payments.

The Society asks that every member commits their investment for at least three years. If, however, for an exceptional reason, a member needs to withdraw their shares in advance of these deadlines, then the Management Committee has the power to allow this and will make every effort to facilitate it provided that cash reserves at the time are sufficient to justify such a decision.

All share withdrawals will be paid from trading surpluses or new share capital. We have allowed for a net withdrawal of shares of £5000 annually from Year 4 onwards although we expect that our membership strategy (see **Section 8**) will create sufficient liquidity in the Society through new share offers to increase the number of members and to fund such withdrawal without encroaching on reserves.

### **Additional Sources of Revenue**

It should be noted that the projected figures relate exclusively to income arising under the lease and assume that the tenant is only engaged in selling food and drink. Other sources of income fall outside the Financial Model and could include the rental of the outside units, for example the microbrewery. The residential accommodation can also be let, but the assumption is that it will be used to provide accommodation for those employed by the business.

## Financial Model

The Financial Model for the Society includes the income and expenditure, capital expenditure and cash flow over a 10 year operating period. Plan A is the 'base-case' forecast, and is set out below. We believe that both Plans A or B are conservative and viable.

Profit & Loss Forecasts										
Plan A	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>Trading Income to Tenant (FMT)</i>	<i>147,680</i>	<i>224,640</i>	<i>249,600</i>							
<b>Lease Income</b>	<b>16,667</b>	<b>25,000</b>								
<b>Interest &amp; Fee Payments</b>	<b>5,000</b>	<b>4,633</b>	<b>3,833</b>	<b>3,167</b>	<b>2,233</b>	<b>1,700</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Operating Profit (before Tax)</b>	11,667	20,367	21,167	21,833	22,767	23,300	24,000	24,000	24,000	24,000
<b>Operating Profit (after Tax)</b>	9,830	16,766	17,183	17,723	18,479	18,911	19,446	19,440	19,440	19,440
Cashflow Forecasts										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating Profit (before tax)	11,667	20,367	21,167	21,833	22,767	23,300	24,000	24,000	24,000	24,000
Corporation Tax	0	-1,837	-3,601	-3,984	-4,110	-4,288	-4,389	-4,554	-4,560	-4,560
Capital Funding	435,000									
Tenant Ingoings (excl Rent Deposit)	23,750	0	0	0	0	0	0	0	0	0
Acquisition & Refurbishment	-400,000									
Loan Capital Repayments	0	-10,000	-10,000	-10,000	-10,000	-10,000	0	0	0	0
Share Interest to Members	0	0	-6,600	-6,592	-6,492	-6,392	-12,583	-12,383	-12,183	-11,983
Share Withdrawal				-5,000	-5,000	-5,000	-5,000	-5,000	-5,000	-5,000
Opening Cash	0	70,417	78,947	79,913	76,171	73,336	70,956	72,984	75,047	77,304
Cash in during period	70,417	8,530	966	-3,742	-2,835	-2,379	2,028	2,063	2,257	2,457
<b>Cash at end of period</b>	<b>70,417</b>	<b>78,947</b>	<b>79,913</b>	<b>76,171</b>	<b>73,336</b>	<b>70,956</b>	<b>72,984</b>	<b>75,047</b>	<b>77,304</b>	<b>79,760</b>
Tenant Rent Deposit	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250

## 11. Risk of Failure and Implications of Failure for Members (Shareholders)

The Interim Management Committee believe strongly that the business will be successful, provided that it is supported by village residents and those who live nearby, a high proportion of whom have expressed willingness to invest in the Society. The location of Helions Bumpstead in the Cambridge hinterland will attract custom from further afield, as will our close proximity to the expanding business community of Haverhill. By setting a viable rent, a free-of-tie lease with an option for a joint venture microbrewery in a committed community, then we are confident that the pub will be attractive to an experienced and enthusiastic tenant.

We should acknowledge, however, that the recent trading record of the Three Horseshoes has been poor. It had been clear for some time prior to its closure in 2014 that the business had not been profitable. It is therefore reasonable, on an objective basis, to set out the risk of failure. If the business were to fail, your investment will be in the buildings and the land, and not in the licensed business *per se*. It should be acknowledged, however, that any surplus over the repayment of shareholdings of members would be channelled into alternative community objectives via the 'asset lock' of the Community Benefit Society.

So your investment will not grow in value, but it is unlikely to diminish either. Furthermore it is intended that the Society will pay annual share interest of up to 5%. The current plan is to start paying interest on shares after Year 3 of trading.

<b>Swot Analysis</b>	
An initial analysis of strengths, weaknesses, opportunities and threats has been conducted in relation to the project. Where appropriate, consideration has also been given to potential mitigation.	
<p style="text-align: center;"><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>• Location at heart of village with easy access to a network of public footpaths and bridleways.</li> <li>• Close proximity to the historic wool town and business community of Haverhill. Easy access to and from the city of Cambridge.</li> <li>• Strong support from local residents, evidenced by willingness to invest in the project expressed by more than 25% of households. Volunteers to help with skills and time for refurbishment.</li> <li>• Broadly based ownership. More than 100 potential stakeholders will have a vested interest in making use of the premises and encouraging friends and family to do likewise.</li> <li>• The business will own the freehold and operate as a free house, enabling management to seek out and negotiate the best deals in respect of food and drink</li> <li>• Access to expert consultancy and expertise through engagement with Plunkett and The Pub is the Hub.</li> </ul>	<p style="text-align: center;"><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"> <li>• The trading record of the Three Horseshoes has been poor for more than a decade. Potential customers, including many village residents, have become accustomed to travelling to more highly regarded hostelrys in neighbouring villages.</li> <li>• The Three Horseshoes has been closed since May 2014 and remains so today. Essential and potentially costly refurbishment will be necessary prior to reopening.</li> <li>• The easy availability of discounted alcoholic beverages in local supermarkets, coupled with economic recession, has promoted a culture of social isolation and reduced demand for public houses, many of which have closed in the last decade.</li> </ul>
<p style="text-align: center;"><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>• Starting afresh, the revived Three Horseshoes will be able to build its reputation and unique community features from scratch.</li> <li>• Through judicious marketing, including deployment of social media, the revived Three Horseshoes will develop new customer</li> </ul>	<p style="text-align: center;"><b><u>Threats</u></b></p> <ul style="list-style-type: none"> <li>• The current owners change their minds and decide not to sell.</li> <li>• The current owners decide to sell to an alternative buyer.</li> <li>• Accumulated funds insufficient to cover purchase and renovation costs.</li> <li>• Unanticipated repair/renovation costs.</li> </ul>

<p>bases including walkers, cyclists and those who are in search of locally produced food and drink.</p> <ul style="list-style-type: none"> <li>• The substantial plot of the Three Horseshoes would permit, subject to planning permission, the addition of residential bed and breakfast accommodation.</li> <li>• The main local competition (the Fox and Hounds in Steeple Bumpstead) is now under different management and is for sale</li> <li>• The premises include a separate outbuilding which previously housed a microbrewery and could do so again. This facility has its own metered power and water supply.</li> <li>• The Society's status confers eligibility for grant funding for specific future developments, for example from Essex County Council or the European Leader fund.</li> </ul>	<ul style="list-style-type: none"> <li>• Major shareholders decide to cash in their shares simultaneously.</li> <li>• Increase in interest rates.</li> <li>• Business proves unviable, despite the collective support of the village and the best efforts of the Management Committee.</li> </ul>
--	---

### **Mitigation of Weaknesses and Threats**

#### **Capital not raised:**

The purchase does not go ahead and monies are returned in full to people who have applied for shares.

#### **Restoring trade:**

With potentially more than 100 members of the Society owning the premises and the business, the Three Horseshoes will have a guaranteed support base which it has not enjoyed in recent years. The ethos of the pub will be determined democratically by the village and the management will be appointed by the Society. This has proven to be the case in many instances of community ventures.

The tenant will be highly incentivised to generate income after paying the Society rent. The tenant will have regular supportive dialogue with a representative of the Management Committee to ensure the mutual goals and aims of the business and Society are achieved and to conduct a marketing/PR campaign aimed at residents and nearby towns/villages.

The Society will have access to outstanding consultancy and guidance from Plunkett and The Pub is the Hub.

The free house status of the pub should guarantee consistently excellent, competitively priced and locally produced food and drink and reliable opening hours should be a good basis for establishing a reputation.

Other local hostelries (the Plough at Radwinter and the Three Hills in Bartlow) differ markedly in character from the traditional public house ethos which will characterise the revived Three Horseshoes.

The tenant will be required to support and promote local cultural and artisan activity and foster close links with other key institutions within Helions Bumpstead, including St Andrew's Church and the Parish Council.

#### **Unanticipated repair costs:**

A full structural survey has already been undertaken which was visual and non-intrusive. The Three Horseshoes is a historic (but unlisted) period building and so the threat of unanticipated repair costs cannot be entirely discounted or eliminated. There have been offers of volunteer contributions of skills and labour to minimise the cost of necessary repairs.

**Shareholder withdrawal:**

In the initial period shares must remain within the Society for at least three years. Thereafter the Rules of the Society require shareholders to give three months' notice of their intention to withdraw their holding and the final decision on withdrawal is at the discretion of the Management Committee. Over time it is anticipated that the Society will build additional cash reserves to enable withdrawal of shares but subject to the requirements of the business. If a shareholder gives notice then shares of the same value will be marketed and can be acquired by new or existing shareholders. Ideally new shareholders will be found to replace those shares, if not reserve funds could be utilised.

Providing that the business is successful it is unlikely that large numbers of shareholders will wish to withdraw their shares at the same time. The Management Committee expects to provide an attractive interest rate payable on the shares. If the business is not successful then it may be that a number of shareholders would seek to withdraw their investment. If this were to happen the business may have to close and the assets would have to be sold in order to return the shareholders' funds. Our Business Plan demonstrates that this eventuality is unlikely, as the business has every chance of success.

**Interest rate increase:**

The very real prospect of an increase in interest rates from a recent historic low point will be mitigated by maximising the funds raised through the share offer and minimising borrowing.

**Non-viability of the business:**

If the business were to fail the pub would be sold and the money from the sale used to refund shareholders as far as possible. We consider this unlikely but if the prevailing market conditions are so unfavourable that, despite a sound Business Plan, vigorous and sustained marketing and the support of local users/owners, the business does not develop in the way anticipated, then the Management Committee would be forced to close the pub, sell the assets and repay the original investors, with any residual assets to be used for the benefit of the community. This is not an outcome that we seek, but this possible course of action should give investors the security they need in the unlikely event of the enterprise being unsuccessful.

**Owners decide not to sell to the Society or sell to a third party:**

This is unlikely because we have agreed to pay a premium above the current market value of the premises as a closed business. The Three Horseshoes retains its status as an Asset of Community Value (ACV) which prevents the owners from selling to a third party without first giving a community interest group (in our case the Society) the opportunity to bid to buy the freehold.

The Society has established a strong relationship with the owners which is based on mutual trust. Contact with them will be maintained throughout the period of the transaction. It is essential, however, that there should be no recurrence of the historic and damaging hostility, conducted through social media, which made the early stages of our negotiation so difficult.

---

**The Community Share Offer will be available alongside this document and circulated to the subscription list established by the pledge survey. It will also be published on the Society's website ([www.helionscommunitypub.co.uk](http://www.helionscommunitypub.co.uk)) and promoted through local publicity, social media and focused communications with local organisations and businesses.**

**CONCLUSION**

**This is a once only opportunity to invest in your local community which is unlikely to be repeated. A thriving Three Horseshoes in the heart of the village will improve everybody's quality of life and bring our community together in a deep and meaningful way.**

## Annex I: Social Impact Matrix

MORE THAN A PUB SOCIAL IMPACT MATRIX			Group Name: <i>Helions Bumpstead Community Benefit Society Ltd</i> PHASE ONE SOCIAL IMPACT MATRIX FOR THE THREE HORSESHOES PUB			
What "More than a Pub" service or activity will you provide?	Which group(s) or types of individual(s) will benefit from this? Please list all that apply.	How many people from each group do you estimate will benefit each year?	When, and how frequently, will these group(s) access the service or activity? E.g. weekly, monthly.	What outcomes or benefits will those group(s) experience as a result of accessing this service or activity? Please describe in your own words.	How will you monitor whether these outcomes are being achieved?	Which Power to Change objective does this align with best? (Please select from the Drop-down list)
1 Buy and refurbish the Three Horseshoes Pub, Helions Bumpstead.	We aim for an inclusive pub community pub, reaching to <u>all</u> sectors of the village community for a traditional pub visit for food and drink, or dropping in for company and low cost beverage or other activities. We aim to reach out to those that are more socially isolated or to ensure that social isolation is not allowed to develop wherever possible.	We are rural village with no permanent retail outlets and a population of 439 of whom 20% are above 65. 15% live in assisted housing. In a recent village survey 87 respondents confirmed they would visit the pub at least once a fortnight for the traditional pub offering. Given that recent pledges exceeded a headcount of 112, then within the village we expect these figures to be far exceeded. These numbers do not include nearby villages.	The pub will be open during the day and in the evenings and (subject to agreement with the final tenant) the aim would be to closed for no more than one half of a day each week and otherwise year round opening	Taking ownership and reopening the Three Horseshoes will bring about a transformation within the community which has supported wholeheartedly the campaign to save the Three Horseshoes and endorsed the vision of a community pub. The impact of a successful outcome will be uplifting and engender a huge sense of pride in and commitment to the community asset which will self-perpetuate into ongoing support through new recruitment to the management committee, volunteer work, or supporting the business as customers.	(i) Volunteers to support restarting the pub (and gardens) (ii) Volunteer hours (iii) Committee membership (iv) Membership turnover	Greater community pride and empowerment
2 Introduce a café facility within the pub	All inclusive but targeted at groups of those retired, non-working, carers & elderly.	Conservative estimate: 35: 20: 20 Monthly coffee mornings held in the village hall are already attended regularly by between 20-35 residents; a daily service would be expected to widen attendance for retired, carers, young families including after school. Other informal groups would once again have a regular local space to meet informally eg. a 20 'natter bag' group of retired female residents.	The café provision will be available daily and underpins that the pub is to be open <u>to all</u> for reliable hours across the day.	The café will extend the service provided by the pub outside of traditional trading hours ( and address the needs of those who abstain from alcoholic drinks), offering a range of low cost drinks and food. More importantly this offers the opportunity for social interaction. This will extend the reach of the current customer base to include parents with babies / small children, parents collecting their children from School and older residents based in the village. In this way business will be enhanced, additional opportunities will be created for employment (also work experience) and volunteering, and community engagement will be extended.	(i) Range of Customers (ii) Number of Customers across the day	Reduced social isolation
3 Introduce an "essentials" shop within the business, with additional 'virtual shop' provision for bespoke orders	Elderly, carers, and those who are not able to travel to local town.	35 - 439: At least 35 within the village would match the criteria of elderly and being without a car. In addition, carers of young and old would benefit from this basic service. The facility would be open though to all residents and would reduced the number of car journeys to local town for basics	Daily	Helions is relatively isolated with a single daily bus to and from the village. This creates problems for older residents who form a greater than average proportion of the parish and are less likely to be mobile. There is a substantial opportunity to improve the life of the village and to reduce the strain on a small group of volunteers by the re-opening of a retail outlet in the village centre - offering a small retail service, either with staple products to buy, or offering a 'virtual shop' to order and collect.	(i) Growth in Turnover (ii) Growth in Product range (iii) Growth in number of hours service accessed.	Better access to services

**MORE THAN A PUB SOCIAL IMPACT MATRIX**

**Group Name:** *Helions Bumpstead Community Benefit Society Ltd*  
**PHASE ONE SOCIAL IMPACT MATRIX FOR THE THREE HORSESHOES PUB**

What 'More than a Pub' service or activity will you provide?	Which group(s) or types of individual(s) will benefit from this? Please list all that apply.	How many people from each group do you estimate will benefit each year?	When, and how frequently, will these group(s) access the service or activity? E.g. weekly, monthly.	What outcomes or benefits will those group(s) experience as a result of accessing this service or activity? Please describe in your own words.	How will you monitor whether these outcomes are being achieved?	Which Power to Change objective does this align with best? (Please select from the Drop-down list)
Make Wi-Fi available for free in the pub, providing occasional training for beginners	Local people without Wi-Fi at home will be able to access the internet when using the pub, café or shop. WIFI will also attract occasional additional trade. More residents will be able to access online services or reach basic technical support in a social setting	For residents without WIFI: estimated 20% of village. No one social group is identified: internet and phone access is notorious within the village. The WIFI facility will support the 'virtual shop' arrangement for villagers.	Daily	In Helions Bumpstead where phone signals are notoriously poor, local customers will be able to access internet and messaging services throughout the day and evening, giving them access to external services which would otherwise may unavailable to them. A volunteer IT buddy will be recruited as a volunteer for basic queries on email use, and adoption social media.	(i) Volumes (ii) Cost	Reduced social isolation
Parcel Collection and Drop Off	Local residents and those with limited mobility and transport, also carers	439: 35: Those who currently have difficulty accessing postal services would be able to access parcel drop off very close to home. Access to all for convenience.	Daily	Those who currently have difficulty accessing postal services would be able to access parcel drop-off & collection very close to home.	Maintain delivery and collection records	Better access to services
Re-establish a Micro-Brewery in the outside unit	Start Up business, Pub users and Interest Groups	2 : 150: 20 ( est)	Daily: Daily: Weekly	The pub buildings already have an existing external unit with electrics and water, used previously as a micro-brewery. It is a popular feature whose reinstatement would be popular with residents. There are no other commercial enterprises in the village. The micro brewery may be let out to an existing named brewery using this unit for development and trials or an independent brewer. Pub users will see interesting beers available and will be able to see craft brewing process. The facility will add profile to 'beer circuit' publicised by CAMRA etc and further support the success of the community venture.	i. Number of Visits to brewery by groups and visitors. ii. Success of outlet from micro-brewery using the pub as a 'tap-house'. iii. Tasting notes feedback on a monthly 'beer council'.	Increased employability

**MORE THAN A PUB SOCIAL IMPACT MATRIX**

**Group Name:** *Helions Bumpstead Community Benefit Society Ltd*  
**PHASE ONE SOCIAL IMPACT MATRIX FOR THE THREE HORSESHOES PUB**

What 'More than a Pub' service or activity will you provide?	Which group(s) or types of individual(s) will benefit from this? Please list all that apply.	How many people from each group do you estimate will benefit each year?	When, and how frequently, will these group(s) access the service or activity? E.g. weekly, monthly.	What outcomes or benefits will those group(s) experience as a result of accessing this service or activity? Please describe in your own words.	How will you monitor whether these outcomes are being achieved?	Which Power to Change objective does this align with best? (Please select from the Drop-down list)
Community Events	Existing and New Community Groups across a range of demographics within the village will congregate their activity around the newly opened "pub/hub"	Monthly Walking Group: 35 Pensioners Lunches: 20 Bowls/Table Tennis Group: 10 Local Interest Groups: est 37 Quiz Nights: est 39 Shooting Club: 30 Cycling Club: 50 Acoustic Music Talent forum for young and old	Monthly & Weekly Activities	There are pre-existing weekly and monthly groups who have expressed willingness to adjourn to the pub after their village hall groups ( carpet bowls, table tennis ). A newly convened walking group ' common ground ' runs monthly and will finish at the pub once reopened. Monthly pensioners lunches, quiz nights and regular community barbecues have all featured highly in community feedback and surveys as schemes that will be popular social opportunities. The breadth of the clubs would be accessible to all. Regular village events where villagers congregated before the pub declined included: boxing day walk, carol singers, Summer BBQ each Friday, Gents quarterly meal, Chess/Bridge Club, Morris Men	(i) Clubs / societies formed (ii) Events established	Greater community cohesion
A gardening club based in the grounds of the Community Pub with the purpose of re-establishing the overgrown garden, establishing a small allotment-style plot and occasional garden safety courses.	Pub Users, Residents, those interested in allotment provision and promoting safe practices within the village	Widespread appeal across the community and customers: 150 users and 20 volunteers (based on previous Parish Council surveys of the need for allotment provision within the village )	Daily in season and occasional use out of season.	A gardening club: using the oversight of professional gardeners within the village ( and nearby village ) to restore the pub garden to its former glory and create a long term gardening club within the village; enhancing wellbeing, involvement, interaction and understanding by contributing to a beautiful and enjoyable pub garden. Including an add-on initiative to have occasional safety instruction classes	Feedback from customers and volunteers. The pub was once award winning and the added potential of small allotment plot and safety courses ( subject to compliance requirements ) will be an attractive feature not available in nearby communities.	Improved local environment
Periodic Community Reviews	Community Survey	Reviews carried out by questionnaire: Has life in the village changed? If so, how? Met more people? Better feeling, improved moral and wellbeing ?	Frequent opportunities for feedback to guide direction and address shortfalls	Reviews will establish if the village has been affected by the re-opening of the pub and related activities: including meeting more peoples, improved atmosphere, better facilities, access to services. Problems will also be monitored: noise, anti-social behaviours.	Electronic and Paper Survey: the number of returns will give an clear metric; providing guidance on future developments (+ feedback) and where areas need attention (- negative feedback ).	Improved Health and Wellbeing



### **Annex III: The Helions Bumpstead Community Benefit Society Limited**

The Helions Bumpstead Community Benefit Society Limited (the Society) is an incorporated enterprise established through an initial steering group aiming to save the Three Horseshoes pub. The purpose of the group is to acquire and operate the Three Horseshoes pub and associated buildings and to then run the pub as a community owned and run amenity.

The Society is a limited liability, Community Benefit Society (formally known as an Industrial & Provident Society or IPS) using the Model Rules developed by the Plunkett Foundation (a charity that has been helping rural communities through cooperatives and community ownership to take control of the issues affecting them since 1919. Helping predominantly rural communities to set up and run community owned enterprises).

**Membership:** The Society is a democratic organisation that operates on the principle of 'one member, one vote' and is registered with the Financial Conduct Authority (FCA). In its Rules is embedded the principle that should the Society achieve a surplus, beyond that required to meet its liabilities, improve the facilities and ensure the future of the business, this may be made available for distribution to other community or charitable projects.

The Community Benefit structure allows any person who buys the minimum number of shares (two shares) to become a member of the Society. Each member then has one vote to exercise at the Annual Members' Meeting regardless of how many shares they hold. Members can be elected onto the Management Committee.

The Society has members, a Management Committee, and a Company Secretary. The Society Rules are an important document which defines your rights as a member; please read them if you wish to invest. They can be found on our website [www.helionscommunitypub.co.uk](http://www.helionscommunitypub.co.uk) or by writing to [helionspub@hotmail.com](mailto:helionspub@hotmail.com).

**Purpose:** The FCA says that 'the conduct of a community benefit society's business must be entirely for the benefit of the community'. There can be no alternative or secondary purpose, including any that may preferentially benefit the members.

**Limited Liability:** This is a limited liability entity. The most you could lose is your initial investment (though we believe that this is highly unlikely as investments are in the land and buildings). You will not be liable for activities of the tenant – for example, if they run up huge bills and then disappear. The intended community benefit is that the community has a pub which can be developed into a wider community asset, offering a range of additional services.

**Management Structure:** The first members of the Society shall be those who signed the application for registration and the first Members shall appoint the first Management Committee who shall serve until the first Annual Members' Meeting.

Start-up provisions allow that, at the conclusion of the first Annual Members' Meeting, all the members of the first Management Committee shall retire. Those elected to replace them as members of the Management Committee shall take office immediately after the conclusion of the first Annual Members' Meeting, and the following provisions shall apply to them:

- one third of those so elected, who obtained the highest number of votes, shall serve until the conclusion of the fourth Annual Members' Meeting;
- one third who obtained the next highest number of votes shall serve until the conclusion of the third Annual Members' Meeting;
- the remainder of those elected shall serve until the conclusion of the second Annual Members' Meeting.

Thereafter, elected members of the Management Committee hold office for a period of five years commencing immediately after the Members' Meeting at which their election is declared, and ending at the conclusion of the fifth Annual Members' Meeting after that.

The Management Committee is responsible for managing the affairs of the Society in exactly the same way as the board of directors is

responsible for managing the affairs of a limited company. The Management Committee will:

- organise and supervise the purchase and the refurbishment works;
- appoint the tenant;
- monitor and manage the Society's financial affairs for the benefit of the Community;
- oversee the lease and manage the relationship between the Society and the tenant;
- recruit new tenants should that be necessary.

As stated in the main body of the Business Plan, our intention is for the Society to lease the business to a tenant, who will run the pub and pay rent to the Society. The Management Committee will set the broad policy direction for the business and agree key targets with the tenant, including certain aspects which community feedback has shown to be important. Beyond that, however, the tenant will be left to manage and operate the business as they see fit. The Management Committee does not intend to interfere with the day-to-day running of the business or attempt to micromanage the pub.

Once the pub is up and running, debt repayment will be a key priority, beyond this and if there are free surplus funds the Management Committee will decide what other community projects those funds should be spent on.

The Management Committee members are equally responsible in law for committee actions and decisions. They are collectively responsible and accountable for ensuring that the organisation is performing well, is solvent and complies with all its obligations.

The Committee will put in place Officer Liability Insurance for the Management Committee and Secretary.

Annually, the Management Committee will provide all members with an annual report which will set out financial statements and a report of the Society's activities during the previous financial year.

The Society is registered with the Financial Conduct Authority (FCA) and will be required to provide the FCA with an annual return.

**However, as community share investors are deemed to invest for social returns and not for financial gain, the share issue does not fall within the scope of the Financial Services and Markets Act 2000 (FSMA) and the sale of community shares is not regulated by the FCA.** There is no right of complaint to the Financial Ombudsman Service and nor can investors apply to the Financial Services Compensation Scheme.

## Members of the Interim Management Committee (at March 2018)

**Richard Russell (Chair)** is the headmaster of a large independent school and registered charity in south east London as well as governor to four schools in the London Borough of Lewisham. He and his wife Alison lived in Helions Bumpstead for 19 years.

**Alison Meldrum (Company Secretary):** Alison is an energy manager for Tata Steel. Relevant skills include managing and controlling cost and risk, contract development, procurement, lobbying and regulatory affairs. Alison has worked on the preservation of the pub since 2014 and is highly motivated to ensure its transformation to an inclusive community owned pub.

**Neville Nicholson:** scientist, small-holder farmer and Parish Councillor. 30 years' chemistry/biochemistry in the pharmaceutical industry (GSK) after 5 years as a government scientist at Porton Down. Neville has lived for 22 years at Lancelots Farm. He sees a need for a pub in the village to promote social interaction within the village, especially for the elderly who are a large proportion of the villagers and for the lonely.

**Alistair Goddard** is a chartered building surveyor and project manager with over 30 years of experience of investing in and developing commercial and residential property both in the UK and abroad. Alistair purchased a house in Helions Bumpstead 20 years ago with his wife Dory. Their son and daughter grew up in the village, attending local schools. As a former Parish Councillor in Helions, Alistair strongly believes that regeneration of the last remaining public house is crucial to maintaining an inclusive rural community.

**(Graham) Richard Hatch** was brought up at Helions Farm and the Hatch family have been present in the village over at least three generations. Richard has a good broad understanding of property, originally trained as a general practice surveyor but has spent most of his career in Residential Agency and Management. Richard sees great prospects for the future of the Three Horseshoes if managed properly. Judging by the number of pledges, it is clear to him there

are many within the village and surrounding area who will support it going forward and will show a genuine interest in it.

**Jonathan Hale (Treasurer):** Jonathan Hale is a chartered accountant and F Inst D, heading treasury & VAT and sitting on the compliance committee of an investment trust. He chairs the charitable trustees of a choir and is a non-executive director of a property management company. Although resident in the village for 4 years, he and his wife Sara have lived in the area for over 30 years. Jonathan strongly believes that a pub is a key part of a vibrant rural community.

**Colin Tyler:** Colin is a partner in a global strategy consultancy; he, his wife and two sons have lived in the village since 2010. For the last decade Colin has been an advisor to the Impetus Trust, which supports a wide array of social charities across the UK.

## **Annex IV: Community Shares and Risks**

### **Community Shares**

There is no legal definition of community shares. The term is used here to refer to a unique form of share capital which can only be issued by cooperative societies or community benefit societies registered with the Financial Conduct Authority (FCA). Cooperative societies are for the mutual benefit of their members, whereas community benefit societies such as ours are for the broader benefit of the whole community. Both types of society can issue withdrawable shares, and they work to similar principles. A withdrawable share can be withdrawn from investment, subject to the terms and conditions of the society concerned.

**A Community Benefit Society** is run primarily for the benefit of the community at large, rather than just for members of the society. This means that it must have an overarching community purpose that reaches beyond its membership. An applicant enterprise must also have a special reason for being a Community Benefit Society rather than a company, such as wanting to have democratic decision-making built into its structure. Although a Community Benefit Society has the power to pay interest on members' share capital, it cannot allow the capital value of the shares to increase. A Community Benefit Society can opt to have a statutory asset lock, which has the same strength as the asset lock for a charity and for a community interest company.

### **What Is the Difference between an Ordinary or Transferable Share and a Community Share?**

#### **Transferable shares**

Most companies use a form of share capital known as transferable or ordinary shares, which can be transferred or sold by shareholders to a third party at a mutually agreed price based on their personal valuations. Investors buy shares in the expectation of two types of financial return: regular interest on shares, and the possibility of capital appreciation, in which case they would expect to sell the shares at a higher price than they paid for them.

If these shareholders want to cash in their shares, they will usually find a buyer who will purchase all the shares in the company. Larger companies that decide to go public will normally be listed on a stock market, which provides a mechanism for buying and

selling shares. Market forces and speculation on the future value of those shares determine share prices.

#### **Withdrawable shares**

Withdrawable share capital is completely different. This type of share capital cannot be transferred between people. Instead, the Society allows shareholders to withdraw their share capital, subject to terms and conditions that protect the Society's financial security. This means that a shareholder can cash in their shares. Shareholders have a share account, and can increase or decrease their shareholding, or close the account altogether by withdrawing all their share capital. The value of shares is fixed and not subject to speculation, although some societies have the power to reduce share values if the society is experiencing financial difficulties.

### **What You Won't Get with a Community Share**

#### **Windfall redevelopment returns**

In the event that the pub, or other community asset, ceases trading and is, say, redeveloped for residential use, any surplus (after paying creditors and repaying share capital) must be used for the benefit of the community. Any investment should therefore be considered an opportunity for individuals to contribute financially to the community, with the specific goal of helping to keep the pub open, rather than receiving a substantial financial reward.

#### **Increase in the value of shares**

The value of the shares stays constant. They cannot be sold but can only be withdrawn. This will not be an investment which will increase in value.

#### **Investment guarantees**

As set out above, our share offer is exempt from the Financial Services and Markets Act 2000 and subsidiary regulations. This means that there is no right of complaint to an ombudsman. A Community Benefit Society is registered with, but not authorised by, the Financial Conduct Authority and therefore the money paid for shares is not safeguarded by any depositor protection scheme or

dispute resolution scheme. As the whole of your investment could carry a risk, please consider it carefully and, if necessary, seek independent financial advice.

## **Risks**

### **Potential investment risks**

Although it is not possible to foresee all possible adverse outcomes there are a number which it is reasonable for the Management Committee to guard against.

#### **A risk that you could lose all or part of your investment**

This will only happen if the Society's liabilities exceed its assets, for example, if the pub closes, we have no rental income, yet we still have loan payments to make. It might be that if the Society eventually sells the pub there is no surplus after repaying creditors. The Society could not in those circumstances repay your share capital. Your liability, however, is limited to the value of your shares. We think this extreme situation is very unlikely because:

- The Management Committee has obtained a valuation and a building survey and is engaging experienced solicitors to satisfy ourselves that we are paying an appropriate price and will have good title to the pub.
- Our projections all tell us that the pub can be profitable.
- The Society will not be operating the pub directly so that there will not be trading losses from the pub business.
- The Society will own the property.

#### **A risk that you may not be able to withdraw your shares**

The Rules permit withdrawals only in certain circumstances, and only after 3 years. Thereafter, if many people want to withdraw their money in a particular year, then not everyone will be able to withdraw their money in that year. In those circumstances, the repayments will be made in the order in which notice to withdraw was received. In addition, shares cannot be withdrawn at any time during which there is a default on the repayments to the loan provider under the mortgage.

#### **A risk of financial fraud**

The risks here are very low. The Management Committee does not intend the Society to trade as a pub; it will be a property business run for the benefit of the community. Two signatories are required for all written transactions and the Society will take out appropriate insurance against inappropriate actions by any member of the Management Committee.

#### **A risk that you see no returns**

Another possible, albeit unlikely, outcome is that there is no scope to pay interest on the investment for several years. The best way to avoid this is to raise sufficient capital in the first instance and to make frequent use of the facility.

Source: [www.communityshares.org.uk/find-out-more](http://www.communityshares.org.uk/find-out-more)

## **Annex V: Illustrative Community Operating Guidelines for Tenant**

### **Operating Guidelines**

The purpose of this schedule is to provide an understanding of the sort of pub that the community would like to see. It is not intended to be a prescriptive set of requirements that will inhibit the tenant's freedom to run their business.

#### **1. Style of pub**

- A warm and welcoming pub where members of the local community and others feel welcome.
- A tenant who is a known and welcoming host, with friendly and knowledgeable front of house staff, who will greet customers as they arrive.
- Good and varied food made with fresh locally sourced ingredients as far as practicable.
- Holding a balance between being a pub where people can come for drinks (alcoholic and non-alcoholic) and to socialise, and being a restaurant.
- Family and dog friendly.
- A warm and comfortable interior – wood-burning fire/stoves to be lit when necessary to avoid pub feeling chilly.

#### **2. Activities**

- A welcoming atmosphere with no slot machines or loud pre-recorded music, and minimal TV. Special TV events are acceptable in moderation and if other customers can also be accommodated.
- A reasonable number of outdoor events such as a beer festival and music are welcome, but the tenant is asked to liaise with neighbours and take reasonable account of their wishes. In early days to liaise in advance with the Management Committee.
- Typical pub activities such as live bands from time to time, pub quizzes and community interest groups.

#### **3. Housekeeping**

- Keep pub clean and tidy, inside and out.
- Keep car park clean and free of rubbish.

- Keep garden and patios neat and tidy, grass mowed regularly as necessary, and liaise with the volunteer garden group to the extent that the tenant would like to involve them in garden maintenance.

#### **4. Community aspects**

- Liaise with Village Hall Management Committee, avoid competing with village hall activities, and where possible support village hall events, e.g. by offering catering or bar facilities etc.
- Supporting 'More than a Pub' initiatives (e.g. café, shop facilities, use of pub by interest groups, themed evenings, collection and delivery depot) as agreed between the Society and the tenant.
- The tenant will be responsible for day-to-day operational matters but the Society will actively manage communications for members and other community groups to direct suggestions and feedback in a structured way.
- Liaison meetings with the Society.

## Annex VI: Financial Plan: Plan B with share capital of £280,000

Profit & Loss Forecasts										
Plan B	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>Trading Income to Tenant (FMT)</i>	<i>147,680</i>	<i>224,640</i>	<i>249,600</i>							
<b>Lease Income</b>	<b>16,667</b>	<b>25,000</b>								
<b>Interest &amp; Fee Payments</b>	<b>8,000</b>	<b>7,633</b>	<b>6,833</b>	<b>6,167</b>	<b>5,233</b>	<b>4,700</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>
<b>Operating Profit (before Tax)</b>	8,667	17,367	18,167	18,833	19,767	20,300	21,000	21,000	21,000	21,000
<b>Operating Profit (after Tax)</b>	7,258	14,336	14,753	15,293	16,049	16,481	17,016	17,010	17,010	17,010
Cashflow Forecasts										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating Profit (before tax)	8,667	17,367	18,167	18,833	19,767	20,300	21,000	21,000	21,000	21,000
Corporation Tax	0	-1,409	-3,031	-3,414	-3,540	-3,718	-3,819	-3,984	-3,990	-3,990
Capital Funding	435,000									
Tenant Ingoings (excl Rent Deposit)	23,750	0	0	0	0	0	0	0	0	0
Acquisition & Refurbishment	-400,000									
Loan Capital Repayments	0	-10,000	-10,000	-10,000	-10,000	-10,000	0	0	0	0
Share Interest to Members	0	0	-5,600	-5,592	-5,492	-5,392	-10,583	-10,383	-10,183	-9,983
Share Withdrawal				-5,000	-5,000	-5,000	-5,000	-5,000	-5,000	-5,000
Opening Cash	0	67,417	73,374	72,910	67,738	63,473	59,664	61,261	62,894	64,721
Cash in during period	67,417	5,958	-464	-5,172	-4,265	-3,809	1,598	1,633	1,827	2,027
<b>Cash at end of period</b>	<b>67,417</b>	<b>73,374</b>	<b>72,910</b>	<b>67,738</b>	<b>63,473</b>	<b>59,664</b>	<b>61,261</b>	<b>62,894</b>	<b>64,721</b>	<b>66,748</b>
Tenant Rent Deposit	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250





[www.helionscommunitypub.co.uk](http://www.helionscommunitypub.co.uk)

Helions Bumpstead Community Benefit Society Limited

Registration Number: 7533

Registered Office: Sages End Cottage, Sages End Road, Helions Bumpstead, CB9 7AW

Registered in England and Wales