

Draft Business Plan

Building an exciting and sustainable future for the Molesworth Arms

The Molesworth Arms Community Society Limited (MACS) has a clear objective: to carry on any business for the benefit of the community by working with other public, private and voluntary bodies to conserve, protect and improve the Molesworth Arms in Pyworthy through its ownership and operation by the Society and to develop initiatives aimed at making the Molesworth Arms an accessible, inclusive, sustainable and creative venue for those who live in, work in or visit Pyworthy and the surrounding area.

(Described as the 'objects' in the governing constitution)

This plan outlines four key aspects:

- 1) **Viability and Worthiness:** The plan highlights the potential of The Molesworth Arms to serve as a valuable asset to the community, contributing to its social, cultural, and economic well-being.
- 2) **Fundraising Strategy:** The plan details the ways of raising the necessary funds to purchase the pub on the open market. It includes community shares, grants, and loans, ensuring a diverse and sustainable funding base.
- 3) **Successful Operation as a Community Hub:** The plan outlines how the pub will be operated as a community hub, detailing the range of benefits it will offer to the community. This includes events, activities, and services that cater to diverse interests and needs.
- 4) **Assurances for Potential Partners and Investors:** This section provides the necessary information and assurances for individuals or organisations considering partnering or investing in MACS. It aims to instil confidence in shareholders, grant providers, and lenders by demonstrating a well-thought-out business plan, financial projections, and a clear vision for the future.

By addressing these key points, the document aims to present a compelling case for the viability and potential success of the Molesworth Arms Community Society Limited, encouraging support and collaboration from various stakeholders.

The Molesworth Arms Community Pub

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The Molesworth Arms Community Pub

1. An exciting and viable opportunity

...the background to the pub and the formation of a group to help the community plan to bring the pub under their ownership and then to manage the pub as an exciting and viable proposition.

The Molesworth Arms is recognised as valuable and was registered as an asset of community value during its last sale and the current owners have demonstrated that it can be a commercially successful business.

It is proposed to purchase the pub from the open market, and since it is being sold as a pub there is no need to register it again as an asset of community value. There is, however, a 'once in a lifetime' opportunity to own and operate the pub as a community that will unlock further exciting opportunities and benefits for our community.

Therefore, securing sufficient money to buy and operate the pub is a realistic aim.

1.1 Context

We have an exciting, once in a lifetime opportunity!

The Molesworth Arms is in the picturesque village of Pyworthy, an ancient Devon market town, listed in the Domesday Book, on the Devon, Cornwall border just 7 miles from the Cornish coast. The current owners saved the pub from conversion to housing several years ago and are now selling it as a going concern. Despite the challenges the hospitality sector has faced, MACS believe it is the opportune moment to take on the pub as a community-run venture. By embracing community ownership, they aim to enhance the pub's vitality and embed it as an essential part of village life.

1.2 Our community is behind a community pub...

There is strong support for community ownership of the pub.

Feedback from our community consultation conducted in 2024 returned very strong support of a community pub, with 96% supporting community ownership. The survey had 321 responses representing more than 465 people.

1.3 The Molesworth Arms is well known...

The pub is very well known and a destination of choice.

The Molesworth Arms has won many awards including the LUX life awards - Best Village Pub & Restaurant 2024 - Devon and the Trip Advisor Travellers Choice.

This classic village pub has a rich history dating back to the 17th century, with records suggesting the presence of a public house on the site even in the 16th century. The

building underwent significant modernisation in the late 19th century and was rotated through 90 degrees to its current position.

Situated on the National Cycle Network Route Number 3, and just a mile from the new Tamara Coast to Coast walk the Molesworth Arms could serve as a rest point for cyclists to and from Land's End or walkers from Tamar lakes to Plymouth. It even caters for people enjoying the Devon and Cornish countryside coasts.

1.5. The Molesworth Arms can be successful...

The longer-term outlook is profitable and highly beneficial for the community. According to our financial modelling, the pub has the potential to be profitable, especially with the support of volunteers. We believe that transitioning from private ownership to community ownership can widen its success. We have the imagination, commitment, and support needed to make it thrive. Community ownership brings two significant advantages: the ability to welcome skills and labour of local volunteers, and to raise lower-cost financing from community shares. These advantages set us apart from a purely profit-driven business. Additionally, we aim to partner with others and secure grants to further support our initiatives. Overall, we are confident in our ability to buy and successfully operate the pub, and to make it the heart of our community.

1.6 Securing the funding is possible...

We believe we have a highly attractive proposition for shareholders, grantors and lenders. It's encouraging to see an increasing number of pubs transitioning to community ownership, with over 150 across the country and a significant presence in Devon. These community-owned ventures have demonstrated resilience in navigating the challenges that have faced village pubs in recent years.

We are confident that the community will recognise the value of owning a share in this historic and vibrant enterprise and will show strong support. Additionally, we aim to make the proposition even more appealing to tax-paying community investors by offering tax relief. Given the significance of the Molesworth Arms and its potential for wider community and public benefit, we believe our propositions will be attractive to grantors as well. Now is the time for a bold vision and collective action to make it a reality.

2. Our constitution and purpose

..... how we are constituted, our purpose, guiding principles and management.

Key Points

We have chosen a proven ownership model for community-run pubs – a community benefit society (CBS).

The Pyworthy Benefit Society (PBS), trading as The Molesworth Arms Community Pub (DACP) will be managed by the community, for the community with an operations director and landlord appointed to run the day-to-day business.

A clear statement of purpose and principles will guide the management committee. An experienced team drawn from across our community will endeavour to deliver on this purpose.

2.1 Context

With the support from the Plunkett Foundation, their advisors and some initial financial input from Steering Group members, a formal application was made and accepted by the Financial Conduct Authority (FCA) to establish a Community Benefit Society. More on Plunkett can be found here: <https://plunkett.co.uk/>

A Community Benefit Society (CBS) is an organisation conducting an industry, business or trade for the benefit of the community. It is a corporate body registered under the Co-operative and Community Benefit Societies Act 2014 by the FCA. Annual returns and accounts are filed with the Financial Conduct Authority, and are viewable on the FCA's Mutuals Register.

More on CBS and what that means can be found here: Plunkett guide to legal Structures

2.2 The stated aim of MACS

To carry on any business for the benefit of the community by working with other public, private and voluntary bodies to conserve, protect and improve the Molesworth Arms in Pyworthy through its ownership and operation by the Society and to develop initiatives aimed at making the Molesworth Arms an accessible, inclusive, sustainable and creative venue for those who live in, work in or visit Pyworthy and the surrounding area. (Described as the 'objects' in the governing constitution)

2.3 Our working purpose

The purpose of our venture is to sustainably preserve the pub as an important social hub and successful business in and for our community.

- **Sustainability** is a core element of our project. We will actively seek sustainably sourced products, minimise waste and seek energy efficient technology within the constraints of the building.
- **Preserve** is about securing the pub as a unique and an important part of our village. Preserving means keeping the pub authentic and protecting its originality and atmosphere. To achieve this, we will ensure community ownership for the long term and have a viable operating model for success.
- **Social hub** refers to how the pub can be more than a welcoming place to meet neighbours, friends and visitors whilst enjoying good drink and food. The pub is perfectly situated, and the site has exciting potential to become a vibrant base for much wider community and visitor activity and benefit and will be used in conjunction with the village hall as a joint community asset (as described later).

2.4 Our guiding principles

The guiding principles for the steering group of MACS/MACP prioritise inclusivity, empowerment, connection, value, and sustainability.

2.5 How we will be organised?

MACS, the Molesworth Arms Community Society, is an independent entity with no ownership ties to other companies. MACS will own the freehold of the Molesworth Arms and intends to retain full control of the site.

The current Management Group will resign at the first full shareholders' meeting, but will remain eligible for re-election along with other interested individuals. The current Management Group of MACS has a diverse range of skills and backgrounds, and their biographies can be found in the "Meet the Team" section.

The Management Group of MACS operates on a voluntary basis and will not receive any salary or remuneration. They will oversee the employed management, including the Operations Manager/Landlord, who reports to them. The Management Group's role is to set the strategic direction and an operational plan for the Molesworth Arms Community Pub. The Operations Manager/ Landlord, supported by the Pub Team, is responsible for implementing the plan. The Management Group will hold the Operations Director accountable, requesting progress reports and discussing important matters. The Operations Manager/Landlord will have autonomy in day-to-day decision-making within their delegated authority, including spending commitments. The Management Group of MACS play a crucial role in engaging members effectively by simplifying understanding, encouraging participation, and promoting attendance.

They should provide clear and simplified information about the rules, rights, and member involvement opportunities. By fulfilling these responsibilities, they enhance member engagement and promote a community-driven approach.

3. Meet the team.

The brief biographies of the current Management Group highlight the wide range of skills and experiences they possess. This diversity equips the group with the necessary capabilities to effectively achieve their purpose. With a depth and breadth of expertise, they are well-positioned to navigate the challenges and opportunities that arise in their endeavour. By leveraging their collective skills and experiences, the steering group is confident in their ability to successfully deliver on their goals and bring about the desired outcomes for the community. All are local residents.

Mark Marriott, awaiting role

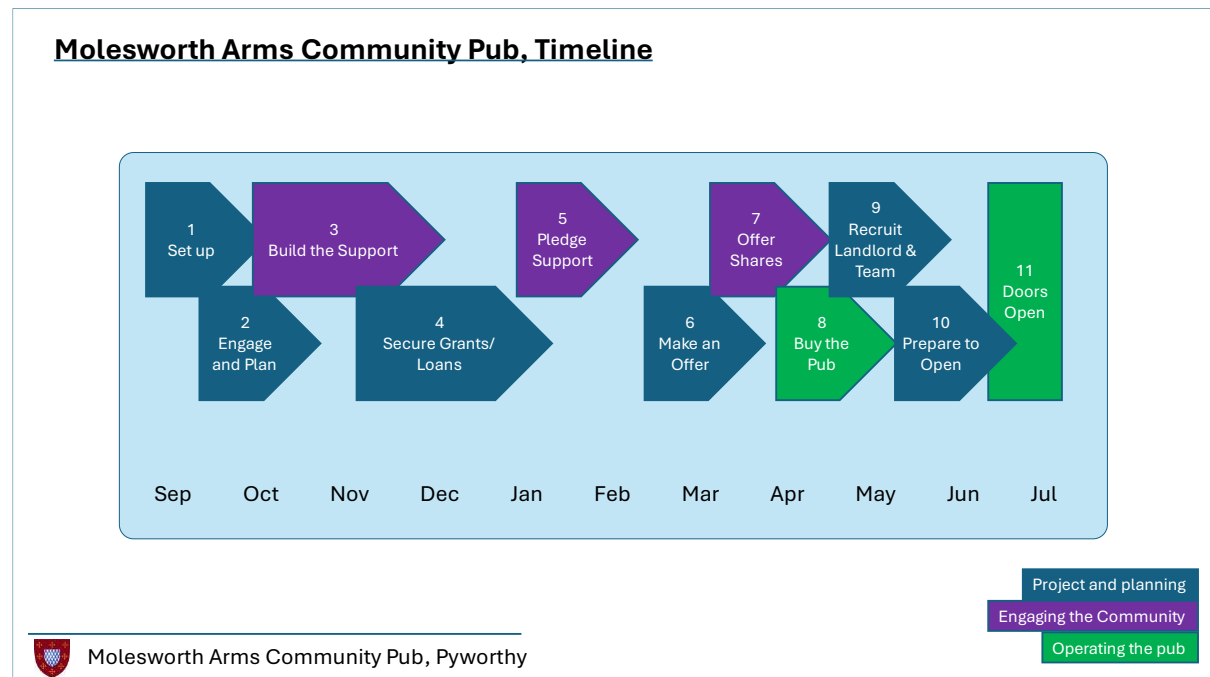
Mark has leadership experience after retiring as a Commander in the Royal Navy followed by 15 years experience in executive positions in the NHS. He is a qualified project manager and has experience of managing international and national projects worth millions of pounds. Mark is now semi-retired and lives just outside Pyworthy and can be found with friends in the pub every Thursday evening

Sue Jarvis, awaiting role

Awaiting bio

4. The Roadmap

.....the main stages, and key activities within them.



Stages 1 to 3: Establishing and Connecting: During this stage, the focus is on creating awareness, building support, and establishing the necessary infrastructure for the organisation. The key activities involve consulting with the community, forming a steering group, and addressing administrative tasks. Success is marked by gaining a supportive following and forming partnerships with organisations aligned with the Society's purpose.

Stages 4,5,7: Fundraising: In this stage, the primary objective is to raise funds for purchasing and preparing the pub for reopening. We will launch a community share offer through Crowdfunder, We will make applications for grants. Success is achieved by reaching the target fundraising goal.

Stage 6: Negotiation: agreeing a price and timescale for purchase of The Molesworth Arms with the owners.

Stages 8 to 11 Purchase and Opening: Once the necessary funds and purchase are secured, the focus shifts to reopening the pub in stages. This involves opening for drinks, launching a food offer, hosting events, introducing a community offer, and implementing a benefit program. Key activities include staff appointments, repairs, and restocking. Success is achieved when the pub reopens, attracting customers and creating a vibrant atmosphere.

The Future - Building Value: The future phase focuses on enhancing the pub's value as a sustainable community establishment. Activities involve potential refurbishments, developing

the food menu, organising events, and continuously reviewing operations based on customer feedback. Success is achieved when the pub becomes profitable, sustainable, an employer of choice, and a valuable asset for the community.

Maintaining Success: This stage focuses on consolidating success and considering reinvestment options. Areas for potential reinvestment include the outside space and improving the garden area and developing day time community spaces such as a parcel drop off point or community fridge. Success means preserving the pub as an asset that benefits the community, and ensuring its long-term viability.

5. The Pub and Community propositions

.....the operating model for how we envisage the pub and community propositions being run.

The brand of The Molesworth is simply being what it is - different and authentic:

- A building that speaks its history and social heritage
- The food & drink people have always wanted: simple, delicious, affordable and sustainable
- A brilliant venue to celebrate and entertain: unique, original, characterful, vibrant
- An amazing team: friendly, helpful, supported and rewarded.

Through these elements it will become a destination of choice. Whilst the pub itself is of course core to the operation, the function room, the restaurant is a great asset and will be used to its full capacity. It is also the heart of what we are calling our Community+ offer.

The garden also has real potential for special events and development into a pleasing yet functional space along with the adjacent garage and outbuildings.

5.1 The various business strands

For the purposes of this business plan, we separate the business into the core pub proposition (our main revenue generating activities) and our Community+ activities that aim to add wider community value.

5.2 The Core pub propositions

The 'core' pub offering will be refined further with our operations manager/landlord, following discussion with interested parties and negotiations with local suppliers. It is important however that these offerings fall in line with our principles particularly our ambition to maintain practical sustainability at the heart of everything we do. Further detail of these plans is within Annex 1 – The 'Core' Pub Proposition. In overview:

The majority of drinks served from the bar will be locally produced and sustainable with opportunities for local guest brewers and distilleries to showcase their products. Sustainable and local products will be highlighted on menus and pricing lists.

Food is a critical part of the plan to put the Molesworth clearly on the map as a destination venue. Having a great kitchen is therefore a priority. And the offer will be to keep it simple, but do it very well, so we would start with a limited menu, with selected items also available to takeaway, supplemented by special nights/ pub offers and a Sunday carvery, starting simple

and building as the pub gets on the map as a destination venue and it finds its own community brand.

Our pub accommodation will be used to attract the very best landlord and staff as part of their employment terms. However, we do see having clean and fresh bed and breakfast accommodation as an important part of the overall proposition, potentially focussed on overnight stays for cyclists with secure cycle storage. Initially, the existing bedrooms and garden apartment will be let through a reputable outlet (booking.com etc) and their contribution to the business plan will be monitored to determine if that is the best use of the space.

5.3 Community+

The following sets out how we are proposing to utilise the pub and site to generate wider community value at a discretionary or subsidised price. We have called this our Community+ proposition. It is made up of three main 'themes' that encapsulate the range of ideas gathered from the steering group's initial planning and feedback from the community engagement questionnaire.

In a similar vein to aspects of our core proposition, these are likely to be phased in. We also envisage that they are established and delivered in collaboration with local people in our strong support team. Further detail of these plans is within Annex 2 –

Community+

The Community Kitchen. A great kitchen is not only key to our core pub proposition, but we also see pub kitchen as a valuable 'beating heart' of the wider community; a means to build networks within the community, supporting those in need, and creating a sense of society and belonging. More specifically the ideas here are about community outreach with meal deliveries for vulnerable/elderly members of the community, Monthly 'community lunches', 'key date feasts' such as Burns Night and Harvest Festival and 'loneliness hub' dinners that invite members of our community to events who may otherwise live alone or remotely. In addition, we see exciting opportunities to engage with established and emerging local food/growing enterprises and combine food provision with skills development in its preparation and cooking. Living and working well. Our community ownership of the pub will create exciting opportunities to improve social and wellbeing outcomes, both within the community and further afield. We believe an 'open door' approach to homeworkers or elderly The Molesworth Arms Community Pub and facilitation of wellbeing classes can have a positive impact on physical and mental health, reducing loneliness and social isolation. The pub will act as a warm hub in winter and a loneliness hub throughout the year for people to drop in, warm up and engage.

Joint Hub with the Village Hall . There are a range of social functions where the pub and village hall can act together as a 'hub' for the local community, visitors and partner organisations all with a theme around connection.

As a joint community enterprise we can offer the Molesworth Arms and the village hall as a wonderful location for groups, organisations, and programmes. Places to connect people through anything from games events or quiz nights to more ambitious projects such as large celebrations or village festivals.

There is also potential to provide or access to some Post Office services and a place for parcel drop off / collection, although these will need careful consideration and assurance that the community will make use of the facility.

6. Management

..... how we envisage the pub being run on a day-to-day basis.

6.1 Recruitment and retention

Our intention is to appoint the very best landlord and team. The aim is to attract and retain exceptional staff, including ideally, a management couple or a local manager, by offering the unique opportunity to become landlords of a community pub, complemented by appealing living accommodation.

The goal is to seek individuals who are genuinely passionate about the proposition and foster a sense of teamwork. By sharing profits and providing vibrant incentives, there is a sincere commitment to acknowledge and reward the valuable contributions of the team.

6.2 Management

The Operational Board, consisting of a Chair, Society Secretary, Sustainability, Operations, and Community+, will meet regularly to oversee the pub's operations. These board positions may require remuneration/expenses. The board will delegate operational tasks to two key roles:

1. Operations Director: To ensure the pub team's continuity and performance. Their responsibilities include:

- Advising and supporting the board in the recruitment of staff.
- Being accountable for adherence to the operational plan and achieving all standards.
- Owning and updating the operational plan.
- Conducting weekly meetings with the Landlord to review performance.
- Negotiating with suppliers.

2. Landlord: The landlord/ management couple are the key positions. They are responsible for managing the day-to-day operations including:

- Personally acting as chef/cook.
- Employing the team.
- Personally, being accountable for the smooth running of daily operations.
- Proactively working with the Board to develop the offering of the Molesworth Arms.
- Effectively keeping the Board & Operations Director appraised on the performance of the organisation.

7. Marketing

..... once we have ownership of the pub, we will promote the Molesworth Arms as a vibrant, welcoming destination of choice.

To create a vibrant and enticing atmosphere that matches the pub's unique appearance, the following ideas and initiatives have been proposed for both the pub and the village hall:

- Loneliness hub for the local community
- Beer and Cider Festivals: Host regular festivals showcasing a diverse selection of local beers and ciders, attracting enthusiasts and creating a lively atmosphere.
- Annual Charity Auction: Organise a yearly auction to support local charities, engaging the community and promoting a sense of giving.
- Local Involvement: Collaborate with local people and businesses to offer services and events at the pub, such as a weekly gentlemen's haircutting event, fostering community engagement.
- 'Molesworth Members Club': Create an exclusive club open only to residents of Pyworthy and voting shareholder society members. Membership benefits may include priority event booking, discounts on drinks, special dining offers, and exclusive events.
- Volunteer-led Community Events: Encourage volunteers from the community to organise and run events, further reinforcing the pub's community-centric approach.
- Active Social Media Presence: Maintain an updated and engaging profile on Facebook and other social media, showcasing upcoming events, promotions, and capturing the pub's vibrant atmosphere.
- Attention to Appearance: Pay careful attention to the front of the pub, ensuring it is visually captivating and serves as an attractive backdrop for visitors' photos. Extend this focus on appearance to the back garden when time and resources allow.

Implementing these ideas and initiatives will help generate buzz, attract visitors, and establish The Molesworth Arms as a go-to destination in the area.

8. Financial Projections

8.1 Methodology

To develop a financial plan for an organisation that will operate significantly differently from the current business needed input from other sources. We have reviewed the business plans of several other community pubs, analysed profit and loss results from a community pub, and consulted an experienced landlord. By drawing on this collective knowledge and experience, we aimed to leverage proven success while incorporating our own vision for the Molesworth Arms as a future community hub. This comprehensive approach ensures that the financial plan is well-informed and aligned with both existing expertise and our aspirations for the pub's future.

8.2 Sales

Projections have been made for each of the business areas over a five-year period.

Bar (drinks): A gradual increase in drink sales as the community pub becomes a key destination.

Kitchen (food): Year 1 of food sales will be restricted as we set up the kitchen and further develop the menu. Food sales are initially based on 40% occupancy 4 nights a week and a single sitting Sunday carvery at 40% occupancy. Thereafter good growth will be enjoyed once the pub is established

Accommodation: This is expected to be a steady source of income and the projections are based on typical occupancy levels for similar accommodation in the local area across the year and seasons.

Year 1 will start slowly but Year 2 will see the benefit of promotions and

improvements in the menu and refining the offer based on feedback and members requests.

Community+ programme: No additional income is expected from the community+ programme as this is seen as the vehicle to pay something back for members' investment and aims to run as a not for profit venture in the first instance.

8.3 Gross Margin

Realistic but stretching gross margins have been projected. These are conservative and based on a slow start with gradual increases in sales, margin on food and a reduction in waste. We have separately accounted for the staff and are asking for community volunteers to support shifts in the early years to enable the pub to become profitable more quickly

Bar (drinks) 50% gross margin rising to 70% achieved through arrangements direct with local Brewers and improving waste management.

Kitchen (food) 60% gross margin rising to 75%- strict stock management, menu design and waste management should enable this.

Accommodation 80% gross margin. There are few additional costs - mainly food/ linen/ consumables, cleaning staff costs are accounted separately.

Note: Core Pub direct staff costs are separately accounted for and not included within the gross margin calculation.

Community+ is not intended to make a profit, however, will be an essential part of our community offering. We have assumed this area will be cost neutral and does not feature in or financial planning.

8.4 Overhead Costs

Overhead Costs are known actuals from the pub currently or realistic standards from similar sized community pubs.

Some notable overhead lines are:

- Business Rates: currently the pub does not pay rates due to its rateable value.
- The transactional card fees are estimated to be 1.1% on 85% of sales.
- Repairs and maintenance: a nominal value of £2000 pa has been included but this is subject to change depending on future decisions on the use of the building and gardens

8.5 Capital Costs

A five-year capital plan has been created totalling £645k including the cost of purchasing the pub and associated VAT. This business plan does not include future grant funding or the related expenditure for additional community projects at the pub. The first 5 year's capital expenditure only includes the relevant fees, surveys, legal fees and cost of the premises. The costs of a share offer video have also been included.

8.6 Funding

By the very nature of projects such as this, it is difficult to quantify the extent of investor confidence. Our informal soundings indicate that there is tremendous support for the reopening of the Molesworth as a community pub and hub. The pledge campaign provided further confirmation of the community's appetite to invest with pledges exceeding £340k. This campaign took place before the SEIS/EIS tax relief was agreed and prior to securing an agreement with the current owners for the purchase of the pub. Both these factors will generate additional interest and investment.

The financial plan is based on the following funding:

- Community Shares £545k Mar 2025
- Grant funding On a project by project basis
- Interest paid to shareholders not receiving SEIS of 2% in year 3 and 3% thereafter subject to positive trading conditions including achieving £545k community share purchases to cover purchase.

Further information on grant funding is in section 9 and on the community share offer is in Annex 3 - The Community Share Prospectus.

If we raise more than £450K but less than £645K in share capital, then the shortfall to the £645K will be met by grants or loans. If we fail to raise £450K the society will be dissolved and all shareholding funds returned.

8.7 Profit & Loss Projections

Turnover					
Item	Year 1	Year 2	Year 3	Year 4	Year 5
alcohol sales	£53,362	£53,362	£60,278	£64,428	£68,578
non-alcohol sales	£7,629	£7,629	£7,841	£8,054	£8,693
food sales	£130,823	£130,823	£151,265	£163,529	£175,794
B&B	£30,022	£30,022	£30,022	£30,022	£30,022
Total Turnover	£221,837	£221,837	£249,407	£266,034	£283,086

Cost of Sales					
item	Year 1	Year 2	Year 3	Year 4	Year 5
Alcohol Purchase	-£10,883	-£10,883	-£12,236	-£13,047	-£13,859
non-alcohol purchase	-£1,842	-£1,842	-£1,868	-£1,895	-£1,975
food purchase	-£65,412	-£39,247	-£37,816	-£40,882	-£43,948
waste	-£7,881	-£6,245	-£6,584	-£7,099	-£7,952
B&B direct cost	-£11,827	-£11,827	-£11,827	-£11,827	-£11,827
total cost of sales	-£97,844	-£70,044	-£70,331	-£74,751	-£79,561

Gross Profit	£123,993	£151,793	£179,076	£191,283	£203,525
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Administrative costs					
item	Year 1	Year 2	Year 3	Year 4	Year 5
Total Administrative Cost	-£61,851	-£61,851	-£61,851	-£61,851	-£61,851

Operating Profit	£62,142	£89,941	£117,225	£129,432	£141,674
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Improve waste Improve margin increase carvery increase carvery
 Improve margin increase carvery increase drinkers

Potential Staff Costs

item	Year 1	Year 2	Year 3	Year 4	Year 5
pub cleaning	-£7,500	-£7,500	-£7,500	-£7,500	-£7,500
kitchen cleaning	-£7,500	-£7,500	-£7,500	-£7,500	-£7,500
bar staff costs	-£30,000	-£30,000	-£30,000	-£30,000	-£30,000
waiting staff costs	-£22,500	-£22,500	-£22,500	-£22,500	-£22,500
total potential staff cost	-£67,500	-£67,500	-£67,500	-£67,500	-£67,500

volunteer hours required/week					
item	target	target	target	target	target
pub cleaning	10	10	10	10	10
kitchen cleaning	10	10	10	10	10
bar staff costs	42	42	42	42	42
waiting staff costs	31	31	31	31	31
total required hours	94	94	94	94	94

9. Fundraising

A carefully orchestrated fundraising campaign will be made up of:

- A pledge campaign to ascertain the appetite for community investment
- A community share offer

- Community share public meeting
- Targeting 'significant shareholders' directly
- Crowdfunder campaign
- Grant applications
- Commercial loans (only if needed)

9.1 The community share offer

The reader is encouraged to look at the share prospectus for further information on the community share campaign. This is available as Annex 3.

9.2 Grants

Available grants will be researched, and we will select those whose core aims best coincide with our own. Except for some seed funding, grant receipts have not been included in our financial model. They will be accounted for on a project-by-project basis.

The Plunkett Foundation offers consultant's time to assist with development of our project.

9.3 Loans

Our thinking embraces community lenders & commercial lenders as a way of meeting our cash flow commitments should we not reach our target share funding. We intend to make arrangements that allow access to loans and their repayment to reflect the cash requirement in particular to undertake the improvements needed to the pub as we preserve the wonderful historic building and develop our Community+ offerings.

9.4 Solar funding

Pyworthy has a significant amount of solar parks surrounding it, the community receives funding for capital grants from the owners of the solar parks and we will be investigating how the community pub can benefit from these funds.

10. Sensitivity Analysis

What could possibly go wrong?

Well, nothing we hope, however all good organisations plan for the eventuality that things don't turn out the way that was expected either to the good, or the bad. This annex summarises the organisations contingency planning in the eventuality that things don't go quite according to plan. Sensitivity plans demonstrate the effect these matters may have on profitability and perhaps more importantly, cash requirements.

Share Funding

The community share funding campaign will start as soon as possible

Grants or Loans not achieved

Our funding models assume a mix of share funding, commercial loans, and grants. Clearly if we reach our target we will be less reliant on loans. The steering group have been in discussion with a small selection of loan providers who specialise social/community loans. Discussions indicate that a loan secured against the property will be available albeit current interest rates are high which will be reflected in the profitability of the Community Pub. Our ambition is not to have a commercial loan at all.

Our acquisition plan is based on the pub being purchased through community share funding alone with a commercial loan, if necessary, paying for start-up costs and VAT. Grant funding is being sought to further improve the community offer and community projects and capital expenditure will be placed on hold until grant funding is received. Our plan therefore allows the pub to be acquired and then stocked and opened without the need for grant funding.

Staff recruitment issues

In today's environment a significant risk for the business is managing to attract staff of sufficient calibre who will help provide the outstanding experience we expect for the community at large and for our customers of our various menu offerings. As our plans have developed, we have significantly enhanced the remuneration and other benefits available to our landlord/chef team. We are advised that the overall package and environment we will provide will attract significant interest.

These risks will be mitigated to a great extent through the use of community volunteers to cover a number of shifts. There has been a great deal of interest and commitment from the village to support the pub in this way

Failure to achieve target sales

The enthusiasm shown for the pledge campaign combined with the results of the community survey indicate significant appetite for the community pub. There are several separate income streams which allows flexibility and some diversity of risk. Whilst challenging, the income targets have been realistic with opportunity to improve. It's envisaged that a reduction in one stream will be compensated for by the over performance of others.

Unexpected Issues

Owner withdrawing – with a property purchase nothing is secure until contracts are exchanged. The owners are aware of the plan and will be negotiated with in good faith and management are confident that they will honour a sale, provided a better offer doesn't get received. The Molesworth Arms has been on the market for many months with little interest and so it is unlikely that the owners will not recognise that the community purchasing the property and converting it to a community pub is the very best option.

Loss of key members of the management team or staff – the management team and steering group are highly experienced and have invested considerable time into the project. The loss of a key member would be disappointing and inevitably would have a marginal effect on the success of the organisation. Pyworthy and surrounding area, however, is blessed with a diverse, talented, and supportive population. Furthermore, we have a database of skilled individuals

locally who have expressed a desire to be supportive. Whilst not ideal, in the event of the loss of a key member, it is believed others would step in and fill any skill gaps that were evident. Similarly, we are aware of individuals who would assist in the event we lost key members of staff.

Change to the consumption tax regime – all the evidence points to the government being supportive of rural enterprises in general and public houses, in the heart of the community, in particular. A dramatic increase in the tax regime on beers' wines and spirits is regarded unlikely. In the unlikely even this did occur, all establishments would be equally affected and there would be the need for a common solution to the issues created.

'Acts of God' – inevitably fire, flood or serious theft could inflict harm on the business. Careful risk assessment will identify and promote management action for avoidable risks. The organisation will insure for the usual losses albeit that doesn't fully compensate for the loss of our community facilities for however short a time.

Return to pandemic type conditions – whilst thought to be unlikely, every organisation should plan for special measures in the event of another pandemic. As an aside, the pub will always endeavour to ensure the absolute tightest of food hygiene is maintained. As we move towards opening and thereafter, management will complete a thorough risk assessment and decide how best to mitigate against the effects of a future pandemic.

11. ANNEXES