

Thwing & Octon CBS

Business Plan

for

More than a Pub

**We face a once in a lifetime
Opportunity**

**Not only to Save Our Pub, but to make it
into once more the true hub of the
community**

**Our aim is to make the Thwing Pub the
hub of the community providing
facilities and services that bring the
community together.**

**This Society intends to raise funds to
acquire, build and carry out the work
required, and provide the start-up
capital to reopen and run this
community pub as 'more than a pub'**

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***Disclaimer:** This document contains forward looking statements including forecasts relating to the financial position of the society. The management committee believe that the forecasts reflected in these statements are reasonable but involve unknown risks, uncertainties and other factors that may cause the actual results, financial position, performance and of the Society, to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Factors that may cause a difference include, but are not limited to, those discussed in Section 15 Risks set out in this document. Given these uncertainties prospective investors are cautioned not to place any undue reliance on those forward-looking statements. The forward-looking statements are made on the date of this document, and the Society and Management Committee is not under any obligation to update those forward-looking statements in this document to reflect actual future events or developments.*

1. Executive Summary

1.1 Vision

Our aim is to make The Thwing Pub the hub of the community as 'more than a pub'. A pub and community space providing facilities and services that bring the community together. A warm and welcoming venue for Thwing & Octon and its surrounding villages and towns. The Society intends to raise funds to acquire the building, carry out necessary repair work and build a new community hall to the rear. The two buildings will be linked together with shared disabled facilities and entrance, which will incorporate a seating area, cafe, small shop and takeaway facilities. The main pub building will be refurbished and refit along with the managers accommodation. The outside the garden area and adjoining car park will be landscaped.

The Society intends to raise sufficient funds to cover building and refurbishment and provide the start up working capital to run the venture.

1.2 Legal

Thwing & Octon Community Benefit Society has been registered with the Financial Conduct Authority. It was set up with the aim of purchasing The Falling Stone Public House, Main Street, Thwing, and restoring it for the benefit of the community, the people that live and work in the area, and visitors that pass through.

1.3 Property

Purchasing the property and freehold known as The Falling Stone has been identified as the best option to save the pub from those who would seek to change its use, and provides the platform for it to be a successful sustainable business that can serve the needs of the entire community, and those beyond. An independent inspection of the property has highlighted some required remedial works, and this along with the disrepair of the rear buildings, and the removal of all assets, has been taken into account with the negotiations with the vendors.

1.4 Investment

An initial steering group has been formed to develop this proposal and we are now seeking investors who wish to become members of the Society to help us reach our target of raising £650,000 based on an agreed purchase price not exceeding £120,000. The steering group believe that this amount will give us sufficient capital to purchase the pub, carry out repair work, build a new community hall and entrance

hall with shared disabled facilities, restore the car park and garden area, refurbish and refit the pub, kitchens and managers flat, cover all other set up costs and provide sufficient working capital and establish an appropriate contingency to meet unforeseen costs, allowing the pub to reopen.

1.5 Financial

The financial headlines of years 1-3 of the business plan after opening are set out below:

£	Year 1	Year 2	Year 3	
Sales (net of vat)	258750	306137	356425	
Operating Profit	56983	78820	103518	
% of Sales	22%	26%	29%	
Net Assets				

Sales projections are based broadly on the local survey plus approx.

1.6 The Pub as the Social Hub

In addition to its role as a village pub it is proposed that The Thwing “More Than a Pub” would incorporate a café, local shop and takeaway selling basics groceries and limited food from the pub kitchens, as well as providing other facilities to local residents, such as post office, parcel drop off, Wi-Fi access. The community hall will provide indoor sports facilities, as well as a venue for private hire, for parties, wedding receptions, funeral teas etc. alongside venues for local groups for panto, live music, fitness classes, social evenings, and more.

2. Introduction

The Falling Stone at Thwing has been the village pub for over 200 years albeit under the different names of The Rampant Horse and the Raincliffe Arms. It is the only pub in the village with the nearest alternative located in Wold Newton approx. 2.5 miles away. The nearest village store is in Kilham some 4 miles away and the nearest shops are in Driffield and Bridlington some 9-10 miles away.

The pub was purchased by Wold Top Brewery in 2001 and passed to the current owner in 2003. The past 10 years has seen a range of tenants with mixed experience and the last 4 years or so has seen the business fall into decline, possibly through lack of management experience and investment, finally closing its doors in 2015.

Our definition of an English village is a group of houses and facilities, the key ones being the church, the WI and other local associations, possibly a sports club, a village community centre and a village inn. Thwing Parish currently has only the church and the small church rooms situated on Church Lane. Since the closure of the Falling Stone the residents of the parish have no communal hub and the parish is classed as unsustainable and is falling into decline.

The parish have shown their support for reopening the pub as 'more than a pub' with a community hall to the rear, providing services and amenities for sports, recreation, learning, live music and more. The parish have requested a café, shop, parcel drop off and collection service, and other community facilities, such as hairdressing, chiropody and WIFI facilities.

This is a once in a lifetime opportunity to secure this key facility for both the current village residents and future generations to come and if we fail to reopen the pub, not only will there never be another pub in the parish, but the parish will continue to be unsustainable and will gradually die.

3. Objectives and Key Success Factors

3.1 The aim of the project is to re-establish a viable community pub that gains a good reputation for the value and quality of its service, food, drink and other service offerings to support the local community and beyond.

3.2 The primary focus of the Thwing Pub (which will eventually be renamed) will be the creation of an entity that will flourish and invest in the well-being its community, and wider environment. Its success will have its foundations based on the provision of food and drink that is reasonably priced, well presented and supported by friendly environment and welcoming staff. The food will be good quality traditional pub grub in the bar, using locally sourced ingredients to attract both local residents and as a destination from the wider populace. Quality international dishes will be served in the restaurant, alongside specials and promotions, all using locally sourced fresh produce. The drinks will include real ales sourced from local breweries, with the ultimate aim of the pub being listed in both the Good Beer Guide and the Good Pub Guide.

3.3 The introduction of a café within the premises within the overall site will extend its appeal to a wider group, in particular tourists, cyclists and holidaymakers and also providing further offerings for its resident patrons, as well as giving support to the core business.

3.4 The introduction of a shop selling basic everyday needs, plus a takeaway within the overall site will not only extend its appeal to a wider group, in particular tourists, cyclists and holidaymakers but also be cost effective way of managing resources and reducing waste alongside offering a valuable service to both residents and the wider community.

3.5 Other services and offerings will be provided as driven by the consensus of the local community, and the community hall will be able to offer indoor sports and fitness facilities, as well as providing an extended venue to the pub, for events, live music and private hire for weddings, christenings and funerals. The community hall will give further support to the core business, providing a wider footfall and extended consumer potential.

3.6 Previous experience has shown that to prosper the Pub must get a proportion of its revenue from customers living outside the village and to achieve this it must have a reputation for good quality and value for money food and drinks, delivered with

excellent service in an attractive and welcoming environment. A diverse facility catering for different sections of the community will be our goal.

3.7 The critical roles will be that of the manager and chef, both of which will be salaried roles. In addition to salary we are also investigating the possibility incentivising the key staff by way of a profit share. The bar, waiting and cleaning staff would report to the manager. The community hall would be run by a joint separate committee, but bookings and overall control would be under the management of the pub.

3.8 The final piece to the structure will be the overall management. The steering group that has been formed to move this project forward, have a wealth of knowledge and experience, in accountancy, management, and catering, as well as running community facilities and events management.

4. The Steering Group

The Steering Group members who have established the project come from a variety of backgrounds and have a range of relevant experience, skill and reasons for volunteering. Brief summaries of these are provided below.

Name: Andrew Frost - Chairman

Day Job: Retired Business man

Experience: Trained by Trust House Group for Hotel/Public House management including front of house, dining room, bar. Have owned and run a hotel and two public houses. After leaving the Everley I took a position with a leading insurance company culminating as a senior business development manager covering the N England from Bridlington to the Scottish borders. From there I went into independent financial management and through a total mistake ended up as MD of a successful sign manufacturing unit who developed a unique vandal resistant product. One of our major customer was the RNLI who's 238 UK stations are fully signed by my company. I Reopened the St,Quintin Arms Harpham in 2010, after closure, and developed the Pub trade to be able to sell in late 2011. This continues to be a successful Pub with other amenities. I have been Chairman of the Harpham & Lowthorpe Village Hall Committee since 2014. The hall was virtually closed but is now a working and profitable Hub to the Community. I have been a parish councillor for over 7 years serving on first Harpham and now Thwing councils.

Reason for getting involved: To try and recover a vibrant village to its former glory with the reopening of the Village Hub and develop the facilities to include a busy Community Centre

Name: Sandra Morrison Secretary and Treasurer

Day Job: Semi Retired; Parish Clerk for two parishes; Secretary

Experience: For the past 10 years of my working life I was a self-employed accountant and company secretary. Qualified as a member of the ILM. I worked several years as a senior merchandiser in the clothing industry. Along with Andrew I became involved with Harpham & Lowthorpe Village Hall in 2014. I am secretary for the village hall, and have been directly responsible for funding applications to fully refurbish the building, along with implementing the necessary financial, constitution, and administrative controls that have enabled the hall to be registered as a charity and gain Hallmark recognition.

Reason for getting involved: Living in a village in a rural setting, life is all about the community. For that community to thrive we need a place to meet and services to sustain our needs. I believe I can contribute and help provide these services

Name: Alan Best

Day Job: Management of EntsWeb, an online entertainment and event services directory.

Experience:

A fully professional musician for more than 25 years touring internationally and working in clubs, bars, messes, luxury hotels, onboard ships and on radio and television. 10 years as partner in an entertainment agency and event management company organising themed parties for corporate clients such as Readers Digest, Bank of Ireland, American Express, Pedigree Pet Foods, etc. Also, part of the management team for the annual Saul Canal Festival and Folk on the Water Weekend. Since 1997 I have overseen EntsWeb which is an on-line entertainment directory. Founder of the Folk Roots List and North Wolds Arts & Music. I was a member of the Thwing & Octon Parish Council for 9 years and am currently a member of the Thwing & Octon Amenities Group. I have attended many business workshops on subjects such as writing press releases, using social media, business planning, fund raising, festival organising, etc. This has provided me with business and event management skills.

Reason for getting involved:

Thwing once had a post office, a shop, a fish & chips takeaway and a pub. Now we have nothing. In 1841 the parish population was 452, in 1901 it was down to 326, by 1961 it had dropped to 244 and the last census in 2011 shows it even lower at 203. The area is dying and something needs to be done to halt the decline.

I believe the first step is to save the pub and reinvent it as a viable centre for the community that offers not just a public house but a beating communal heart. A place to meet for social interaction, learning, live entertainment, skills workshops, community activities, voluntary and commercial services, coffee mornings, and many other offerings beneficial to, and supportive of, rural life. I feel confident that proper management, a service correctly tailored to the community and consistency of quality will see the revitalised pub become not only the parish hub but also a gem to be treasured.

Name:- David Brian McDermott

Day Job- Retired Senior Fire Officer

Educational Qualifications - BA (Hons) History with Politics.

Experience - 10 years in Royal Navy (Submarine Service) 30 years in Fire Service. (Inc Watch Commander/Instructor at Fire Service College/Station Commander/Staff Officer/Communications Officer/Training Officer.

Reasons for Involvement - Having moved to Thwing 16 years ago, we thought it important to move to a village where there was a place where ALL the people could congregate, in order to get to know people who live in the community.

That place was the village pub! The HEART of ANY remote community. Society is becoming more and more remote (from each other) - without the assistance of removing these vital village communication centres!

As a serving member of the Lions Club of Great Britain AND a Freemason - I am well aware there are people in local communities who would NOT be helped when in need were there NOT a place locally where information can be exchanged between locals informing each other of these needs! As a 'local' in a remote community (non sustainable village) we need a place to congregate! The village Pub was that place and WAS used by locals AND visitors!

If the plan is to move more people into the village (by approving changes of use from pub to house)! they also would need (I hope) somewhere to become involved in their adopted community! The removal of the OBVIOUS solution therefore would seem pointless! To move more people into a village deemed 'None sustainable' would seem to ADD to the problem of allowing more people to access LESS facilities!

Name: Moira Penrose

Day Job: Primary School Teacher; Treasurer for Thwing and Octon Amenity group.

Experience: I have worked in sales, run my own party plan business, candles for 14 years and household cookware for Jamie Oliver for a short time until the company closed

Reason for Getting Involved: I have joined to represent Octon as we have NO village meeting place, our only amenity is a post box. I would be willing to help trading in the pub, behind the bar or wherever needed.

Name: Chris Oxtoby

Day Job: Self employed, and alot of my work is agriculture related

Experience: I feel I have the experience required for this steering group as I have had several years working with a youth organisation, organising various competitions, social activities and fund raising events for the youth movement that I worked for.

I am passionate about the pub project as I have lived in the village for nearly 25 years and understand how vital the village pub is to the community. I have been chairman of the Thwing and Octon Village Amenity Committee for many years organising events for the parish to give the community events to meet other parishioners and give the area a sense of community spirit.

Reason for Getting Involved: The pub has always been a focal point of the community giving people a place to meet and socialise in the time I have been in the village. I feel that if this is lost then this will be the demise of our community, as we have nothing in the way of services to offer any newcomers to the area, if our plans are sucessful then we will hopefully have a building that is capable of providing the needs of our parish.

I feel that if this project is not given to the community then our whole parish will suffer as it will become a non viable community.

5. *The Market for Community Pubs*

In recent years there has been a growth in the numbers of community owned pubs. Therefore, the pub at Thwing will not be the first nor the last. The track record is excellent with over 70 such ventures currently operating in the UK and each one has been set up in a manner that best suits its community and situation.

Well run pubs play a pivotal role in local communities.

Some examples are:

- 15.1 **The Old Crown** which became famous in 2003 when it became Britain's first registered co-operatively owned pub. It is owned by a collective of around 150 local, national and even international customers and supporters. It thrives and today serves the very best of real ales, most brewed by Heskett Newmarket Brewery which stands at the rear of the pub, and a range of appetising and wholesome home-cooked meals and snacks.
- 15.2 **The George & Dragon** at Hudswell in N Yorkshire Open since 2010, this picturesque pub perched high on the Yorkshire Dales is an example of just how successful a community-owned pub can be. Drawing in locals, walkers and tourists alike, the George and Dragon's excellent menu and acre of gardens (incorporating community allotments) with beautiful views over Swaledale mean it's always busy
- 15.3 **The Fox & Goose** in Hebden Bridge Where else would West Yorkshire's first co-operative pub be located but community-spirited Hebden Bridge? There has been an alehouse on the site since the 1300s, and the Fox and Goose is a real old-school local. It welcomes one and all, from hikers to dogs, and serves locally brewed beer and real ales.
- 15.4 **The Rose and Crown** in the village of Slaley, in the Northumberland countryside, has been in business since the 17th century. Villagers were not about to let it close down when the brewery announced its plans to sell. The pub is now once again busy, well- and back at the heart of this close-knit community
- 15.5 **The Butcher's Arms** is Crosby Ravensworth's only pub, and is a comfortable and traditional local. It has been in community ownership since 2011, when the local community – and shareholders from all over the world – got together to save it from closing down

Information from CAMRA and My Community Locality

6. Local Market

6.1 Local Demographics

With the town centres of Bridlington 9.5 miles away and Driffield 10.5 miles away, these two towns provide a healthy tourism industry in the area, along with our surrounding villages, all of which have holiday accommodation in the form of cottages, B & B's and camp sites. The county crematorium is within the parish boundaries. Thwing is well positioned to serve the needs of all these people.

In the Last National Census of 2011, the following Populations were recorded in the local villages and towns

Village/Town	Residents (as per 2011 census)
Bridlington	35,360
Driffield	13,000
Kilham	1,088
Rudston	409
Burton Fleming	430
Wold Newton	327
Thwing & Octon	203

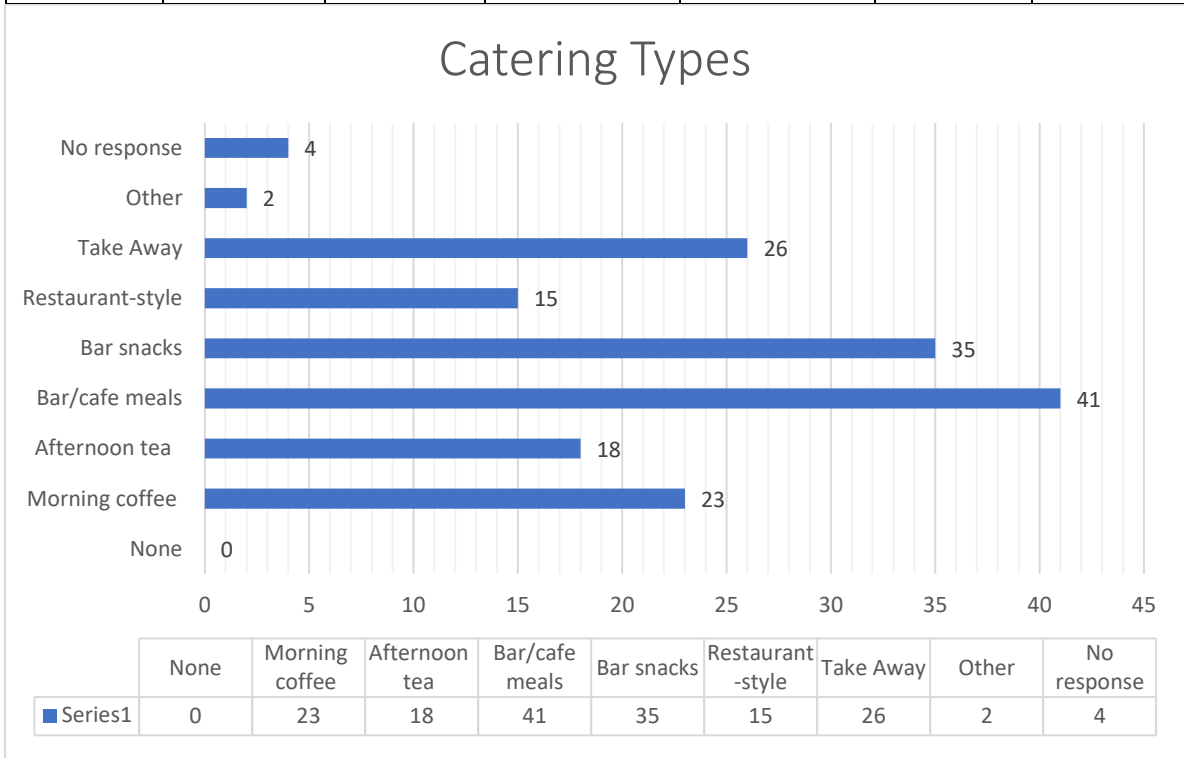
We carried out a community Survey, which gave the following information

Returns by Age Groups In Thwing Parish	% of parish
14-17 years	3 %
18- 30 years	4 %
31-50 years	16 %
51 –70 years	56 %
Over 70	21 %

Community Response to anticipated usage of services within the pub

	Daily	Several times per week	Once a week	Occasionally	Never	Would help run
Pub	6%	19%	19%	63%	1%	
	Regularly		Occasionally			
Cafe	10%		78%		12	19
Shop	40%		60%			20

Post Office services	70%					
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Looking at the breakdown of ages (of households responding to our community surveys) It is clear that we need to cater for all age groups. This means providing a warm welcome to both young families and our more senior residents. The pub needs to be socially inclusive and a great place for everyone to congregate and mix together. This is why we are looking for the pub to offer versatile services, of pub, café, restaurant. The addition of a community space to the rear will provide the much-needed area for both physical recreation and private hire, plus education services, and a place for clubs and societies, plus live music, concerts and social events.

6.2 The local market for the Pub and Restaurant

The towns of Bridlington and Driffield provide a mix of pubs, restaurants and takeaways.

The closest villages to Thwing are Wold Newton and Burton Fleming both villages have pubs. Wold Newton is open for food Fridays, Saturdays and Sunday lunch, plus an early bird Monday. Burton Fleming does not serve food and is open for wet sales only.

The local area suffers from a clear lack of a versatile rural pub with a warm welcome to all ages with not only traditional good quality, fairly priced food, but also a separate restaurant facility with its own menu.

Thwing is half a mile from the B1253 a key main road running from Bridlington to York. There are currently no pubs on the 17 mile stretch of the B1253 between Bridlington and Sledmere.

6.3 The Market for a shop

A mix of supermarkets butchers and grocers are available in Bridlington and Driffield. A village store is also available in Kilham which is 4 miles away. As there is no regular bus service we feel the need to provide essential items such as (milk, bread etc) for when people run out, but also for the growing tourist trade. The shop would also provide a limited selection of frozen ready meals, provided by the pub kitchen, from standard menu items.

40% said they would use the shop daily, and 60% said they would use the shop weekly, highlighting a clear need for this facility. (survey response)

6.4 The Market for a café

The towns of Bridlington and Driffield have coffee shops and cafés often in local bakeries. We are looking to provide a comfortable and relaxed environment for residents, tourists, cyclists and walkers allowing a place to meet in the day time. A place for retired residents to meet with friends without having to get in the car. A place for parents to sit and chat whilst they wait for their children to finish sessions in the community hall. The café will provide a full range of quality teas and barista coffee, plus home baking, with the quality demanded by today's coffee drinkers. Thwing is situated in the beautiful Yorkshire Wolds, which is a big tourist area, and part of The National Cycle Byway. There are no café facilities within the immediate area, we would therefore be meeting a gap in the market.

78% said they would use a café (survey response)

6.5 The Market for Parcel drop off/collection

This facility provides convenience for residents in the village, saving them the need to get in the car, and do a 20-mile round trip to the collection office. This facility also provides a valuable resource for delivery drivers, as the majority of houses in the village are identified by name only.

70% said they would use post office parcel services (survey response)

6.6 The market for a community hall

This is a much-needed facility for residents of all ages, as well as the wider community, to use for recreation, sports, and education. The parish has a thriving amenities committee, and playground committee, that arrange many events throughout the year from live music,

panto, quiz nights, and social events. The need of the community to have a suitable building to host these events has been shown by our surveys. The community hall will also greatly support the main facilities of pub and restaurant, as it will enable the pub to offer facilities for larger groups such as weddings, christenings, funerals, private parties and other social events. The building would be so designed as to offer flexibility and multi-functional use, at any one time, serving both the pub and the needs of the community.

73% said they would use the community hall (survey results)

All of the children within the parish travel out of the area to attend out of school activities.

87% said they would like more facilities in the parish (survey results)

56% said they would like facilities that could be carried out indoors (survey results)

7. The Property

7.1 Description

Thwing pub is in the very heart of the village. It occupies a prominent position on Main Street. It is a substantial two storey brick building, that over the years has been painted, with a multi pitch roof with pantile covering, and gable windows in the side extension. To the rear are single storey brick buildings with pitch roof with pantile covering, that have been attached to the main pub by means of a series of flat roofs. Externally to the side and rear is an extensive gravelled car park for about 20 vehicles, and grassed beer garden, and patio area.

7.1.2 Ground Floor

The front entrance opens into a snug at one side and a lounge at the other side, from which the trade area is predominantly open plan through to the restaurant area. A pool and function room is to the rear adjacent to a small rear entrance lobby. The commercial kitchen and preparation area is entered from the restaurant. Beer cellars and stores are located in outbuildings to the rear of the property. A brick built dual open fireplace and chimney connecting both the lounge bar and restaurant makes an attractive feature, along with the timber beams to both lounge area and snug.

7.1.3 First Floor Living Accommodation

Stairs adjacent to the rear lobby provide access to the first-floor private accommodation which comprises of a spacious bathroom with w.c, kitchen, lounge, three bedrooms and a large store room, all lying off a connecting corridor.

7.2 General Condition

A full pre-acquisition survey has yet to be done. Internal inspection shows the property to be in poor condition, and all trade areas need totally refurbishment. However, this lends itself to our plans to reconfigure the trade areas improving the layout and adding our new facilities of shop, café and takeaway.

The private accommodation is also in poor order but following redecoration throughout together with a new bathroom and kitchen it will become habitable and provide good size managers living quarters.

7.3 Refurbishment

Internal

The object is to refurbish the upstairs managers accommodation with new bathroom and kitchen, making it an attractive facility and home.

The main restaurant and bar areas need minor interior refurbishment to provide a warm and welcoming environment for drinkers and diners, the bar will be refitted and reduced in size to provide increased room and better serving facilities.

The kitchen, prep and cold store areas need a total refit, and thus we will use the opportunity to remodel to allow a better and much improved flow and working areas.

There will be new access created from the kitchen area to the shop takeaway counter.

The cellar will be moved to one side to facilitate safer and improved delivery access.

The existing pool room is in poor repair due to water ingress and this will be partly demolished to accommodate a new large disable rear entrance with new toilet facilities and space to incorporate a sitting area, cafe shop and takeaway. This area, which will be predominantly glass, providing a crisp, clean, airy and welcoming environment, which will then lead on to a much need community space which will be flexible to provide facilities for sports, events, meetings, private hire, training, group sessions and more. We envisage that the hall will have a pitched roof to give good acoustics, and we aim to have folding internal doors that can be used to divide the hall into individual areas facilitating multi-use. A stage and store area to one end, provide the focus for events. A glass covered walkway to the side of the hall will provide not only emergency access but also additional sitting areas, with an outlook across the car park, which will be landscaped, towards neighbouring fields.

Exterior

The exterior building will be repainted white in keeping with other properties in the village, with new signage.

The car park will be resurfaced to provide ample parking with disabled bays, and will also include a bike rack area, offering facilities for the frequent cyclists that pass through the village.

Development

The Thwing “More than a Pub” offers great potential for the future of the parish. If driven by demand additional facilities could be added to the rear, by means of free standing B & B units, supporting the ever-growing tourist industry, and increasing trade for both the pub, restaurant, cafe, shop and takeaway.

From a review of potential sources, it is probable that grant funding is available from a number of bodies and charitable organisations to support the building of community halls and such development plans.

8. Fundraising

8.1 Share Offer

The initial funding is expected to be generated through the sale of shares in The Community Benefit Society – Thwing & Octon CBS Limited. Individual shares will be £20, with a minimum holding of 5 shares. Each member will have an equal vote in the Society irrespective of their shareholding following the key Society principle of ‘One Member One Vote’. We have established that many villagers have links to family members and friends in other areas. We feel that the opportunity to purchase shares in not only a traditional English Pub with a history stretching as far back as 1708. But also in a brand-new community enterprise serving the growing needs of today, will appeal to many people. **For full details see the share offer.**

8.2 Crowd Funding

To maximise the potential to sell shares we intend to use a crowdfunding website which will enable us to push the offer out to a wider market.

8.3 Other Sources

The minimum share funding level that is sort after from the above sources will be £150,000. Additional funds required will be sort mainly through grants and/or commercial or government backed loans if needed.

8.4 Fighting Fund

A fighting fund was set up at the start of this project and we have had an initial loan from the Parish Council, and have been awarded a bursary of £2500 from the “More than a Pub” programme administered by the Plunkett Foundation.

8.5 Community Grants

We have researched the numerous grants available to community projects, identifying those that can be used for the initial purchase of the property and those that are specifically for building improvements. We will be submitting applications for all those that apply once we have met the qualifying criteria, and a main support would be from our local Authority in listing the building as an Asset of Community Value, which will open up access to various funds as well as enabling us to bid for the property at a realistic valuation price.

9. Financial Summary

9.1 Funding Requirements

For our initial funding requirements, we aim to raise a total of £650,000 from a community share offer together with grants, funding and, only if necessary, commercial or government backed loans.

These funds will be used for:

- Purchase the freehold of the pub with associated costs and taxes
- Carry out internal refurbishment and fitting
- Carry out rebuilding work including community hall
- Carry out external landscaping
- Provide sufficient working capital to enable early stage cash positive trading
- Manager and staff, recruitment, advertiser and marketing costs and contingency.

The overview of these funds follows:

Share Capital	Local	100,000	
	National	50,000	
Matched Funding		100,000	
Grant/Loan		150,000	
National Funding		250,000	
Total		650,000	

9.1.1 Capital Costs

The initial purchase costs have been estimated at £135,780 And include a contingency should this be required. The costs can be summarised as follows:

	£	
Purchase Price tbc	100,000	
Vat on purchase tbc		20,000
Searches	650	
Vat on above		130
Survey Fees	300	
Planning Fees	700	
Architect Fees	3000	
Legal Fees	1000	
Contingency	10,000	
Totals	115,650	20,130

9.1.2 Start-up Costs

It will take time to get the refurbishment, new build and setting up and recruitment process in place, and in this financial plan it is assumed the “More than a Pub” will be open summer 2019. During this time as well as the refurbishment and building costs there will be some revenue costs relating to rates, insurance heat and light etc, which have been estimated at approx. £6000 Once the pub is open estimated working capital of £25,000

	£	
Pub and Restaurant Refurbishment	50,000	
Community Hall and connecting entrance build	350,000	
Fixtures and Fittings	60,000	
Working Capital	25,000	
Contingency	25,000	
Total	510,000	

9.2 Short Term Funding

Part of the initial funding is required for a relatively short period to cover the VAT payable on the acquisition and on initial refurbishment costs. The business will be registered for VAT and will make taxable supplies thus we can reclaim the VAT on the acquisition and on subsequent refurbishment, improvements, rebuilds and fixtures and fittings. We would propose to substantially repay any loan with the VAT reclaim at the next appropriate quarter end date. The timing of these cash flows is incorporated in our detailed financial model.

9.3 Operating Costs

The operating costs have been estimated using a combination of available information, from British Beer & Pub Association (BBPA), professional pub trade advisors and personal experience within the licensed trade.

Staff Costs	Salary		Rate
Managers	40000	2 people	Fixed
Commi Chef	15000	1 person	Fixed
Kitchen staff	7000	1 part time	£7.50
Bar Staff	15000	2 part time	£8.50
Waiting Staff	20000	3 part time	£8.00
Cleaner	5000	1 part time	£8.00
Total		102000	

Fixed Costs		
Business Rates	300	rural rate relief applied
Water Rates	3000	no sewage charge
Utilities	6000	
Telephone & B'band	600	
Waste	2000	
Insurance	2500	
Accountancy Fee	1000	
License Fees	150	
Bank Charges	500	18 mths free
Cellar Gas	1500	
Admin & General	500	
Maintenance & Repairs	2000	
Promotional	3000	
		23050

Annual Fixed Costs **125050**

Pension contr 3%

NI Contr 13.8% payable above Primary Threshold of £8164

9.3.2 Thwing "more than a pub" Pre- Opening Revenue costs

Property Purchase	100,000	
Community Hall New Build	350,000	
Refurbishment	50,000	
Fixtures & Fittings	60,000	
Equipment	10,000	570,000
Opening Stock	5,000	5,000
Rates	4,500	
Water Rates	2,000	
Utilities	1,000	
Cellar Gas	500	
Telephone & Broadband	500	8,500

9.4.1 Thwing More Than a Pub 12 month forecast

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
25	Costs	Food		35%	3552.5	3727.5	3990	4340	4340	3447.5	3570	3587.5	4287.5	3675	3675	3780	3780	45972.5	0
26		Bar		30%	2595	2490	2490	2595	2490	2685	2670	2865	3270	2310	2565	2520		31545	0
27		Cafe		25%	125	125	187.5	187.5	187.5	187.5	125	125	125	125	125	125		1750	0
28		Takeaway		25%	187.5	187.5	250	250	187.5	187.5	162.5	125	125	125	125	125		2100	0
29		Shop		60%	330	330	360	360	360	330	300	300	300	300	300	300		3870	0
30		Total Cost			6790	6860	7277.5	7732.5	7627.5	6837.5	6827.5	7002.5	8107.5	6535	6790	6850		85237.5	0
31																			
32		GROSS PROFIT			13785	13865	14497.5	15442.5	15147.5	13987.5	13997.5	14522.5	16817.5	13390	13985	14075		173512.5	
33																			
34		Salaries																	
35		Management Couple			3333.33	3333.33	3333.33	3333.33	3333.33	3333.33	3333.33	3333.33	3333.33	3333.33	3333.33	3333.33		39999.96	
36		Commis Chef			1250	1250	1250	1250	1250	1250	1250	1250	1250	1250	1250	1250		15000	
37		Pension contr			137.5	137.5	137.5	137.5	137.5	137.5	137.5	137.5	137.5	137.5	137.5	137.5		1650	
38		NI Contr			502.22	502.22	502.22	502.22	502.22	502.22	502.22	502.22	502.22	502.22	502.22	502.22		6026.64	
39		Kitchen Staff			450	450	450	500	500	550	600	600	600	550	550	550		6350	
40		Casual Labour			1800	1750	1750	1800	1750	1850	1900	2000	2050	2000	2050	2000		22700	
41		Pension contr. On casual labour			67.5	66	66	69	67.5	72	75	78	79.5	76.5	78	7.65		802.65	
42					7540.55	7489.05	7489.05	7592.05	7540.55	7695.05	7798.05	7901.05	7952.55	7849.55	7901.05	7780.7		92529.25	
43																			
44		Operating Costs																	
45		Fixed			2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000		24000	

9.4.2

Three Year Forecast - Profit & Loss Statement

			Yr 1	Yr 2	Yr 3
Income					
Rent	Managers Flat	Inclusive	6000	6000	6000
Community Hall	Hire Fees		2800	3500	4000
	Monthly events	Bar takings	2400	2400	2400
	Events nights	Bar takings	1750	1750	1750
	Fete	Bar takings	700	800	900
	Shoots	Bar takings	2400	3000	3600
		Food	1600	2000	2400
	Funeral Teas	Bar takings	9900	12375	14850
		Food	14850	18562	22275
Cafe		Cafe	7000	8000	8500
Takeaway		Food	8400	8500	8500
Shop			6450	6450	6450
Pub		Food	106500	127800	153360
		Bar takings	88000	105600	121440
Total Gross			258750	306737	356425
Costs					
	Food	35%	45973	48405	57491
	Bar	30%	31545	37778	43482
	Cafe	25%	1750	2000	2125
	Takeaway	25%	2100	2125	2125
	Shop	60%	3870	3870	3870
Total Cost			85238	94178	109093
GROSS PROFIT			173513	212560	247332
Salaries					
	Management Couple		40000	40000	40000
	Commis Chef		15000	15000	15000
	Pension contr		1650	1650	1650
	NI Contr		6027	6027	6027
	Kitchen Staff		6350	7937	9525
	Casual Labour		22700	28375	34050
	Pension contr		803	851	1022
			92529	99840	107274
Operating Costs					
	Fixed		24000	26400	29040
Profit Before Tax & Interest			56983	86320	111018
	Interest			7500	7500
Profit Before Tax			56983	78820	103518

9.5 General Financial Assumptions

The general assumptions underpinning the plan are set out below:

1. The results of the local surveys have been incorporated into the base business plan
2. Sales and costs in the profit statement are shown as excluding VAT
3. Interest on shares assumed at 5% commencing in second trade year
4. A period of 12 months will be required to carry out necessary repairs and construction, together with refurbishment and fitting.
5. Growth of 25% on Community Hall usage in second year and 20% in third year
6. Growth of 25% on shoots and funeral bookings in second year and 20% in third year.
7. Typical pub sales are not flat, and with tourist accommodation in the village and also in neighbouring villages increase trade is expected during the summer months.
8. Inflation on fixed costs has been factored in at 10% allowing for any contingencies.
9. No corporation tax payments have been assumed in the period of the plan.

10. Operating Thwing “More than a Pub”

10.1 Recruitment of Key Staff

The appointment of the right individuals to manage the pub is a critical element of the business. With members of the steering group having personal experiences in running a pub, restaurant and community hall, we have the knowledge to aid our selection, and the recruitment process will start as soon as we have a firm opening date. We would require all staff to be in situ the month before the ‘grand opening’ to enable staff training to be carried out and menus to be trialled and approved. Where possible staff will be recruited locally and we have already had support and enquiries from residents eager to embrace this new venture and support the regeneration of this community enterprise.

The two local catering colleges in Bridlington and Scarborough will be invited to send students to gain work experience with a view to starting their career at the Thwing “more than a pub”

10.2 Getting Ready to operate

Once building and refurbishment is completed, a level of initial work is needed before the “more than a pub” is ready to operate eg: licensing, insurances, wi-fi installation, fire and food hygiene certificates, hire agreements.

10.3 Creating the Right Reputation

As a new community enterprise, the pub and community hall will quickly attract local users from its former customer base, together with share-holders and the wider community. Building the reputation of this East Riding Wolds enterprise will be paramount. Promotion and advertising will be key, as well as strengthening our links with the crematorium and other local businesses.

10.4 Creating a Wider Appeal

The pub will be a welcoming venue for friends, families and visitors and will appeal to villagers and a wide range of people from surrounding areas. We will seek to attract, tourists, walkers, and cyclists, and would seek to provide the necessary facilities to do so eg: cycle racks, pack lunches

The community hall will provide a much-needed venue for local sport, learning and leisure. The adjoining cafe facilities, incorporating a shop and takeaway area, will encourage parents as well as hall users to sit and use the additional facilities being offered.

78% of residents stated they would use a cafe (survey results)

10.5 Events

Both the pub and the community hall will provide a venue for birthday, anniversary, celebrations for local groups such as The Thwing and Octon Amenities Committee, and will support them in their activities.

73% of residents stated they would use a community hall (survey results)

11.Pub & Restaurant

11.1 Type of Pub

It is proposed that the Thwing “more than a pub” will be a real ale pub offering a varied and changing range of ales with a strong local element. The pub will offer well cooked and well-presented locally sourced (where possible) restaurant and bar food, and we aim to regain the reputation that we had not too many years ago of being the best place to eat in the area. It is also proposed that we would offer a Sunday roast carvery.

11.2 Licensing Hours

It is proposed that the initial licensing hours would be late morning to late evening 7 days per week. Food would be served on a Monday when it is traditional for eating places to be closed, thus serving not only the local community but the many tourists staying in the area.

11.3 Menu

It is proposed that there would be a separate bar menu and restaurant menu, with a roast carvery on Sundays. The takeaway menu would be limited to daily specials as appropriate, and basic meals such as fish and chips, pizza etc. Any surplus from the pub kitchens, will be prepared where appropriate as single or double frozen meals for sale in the shop or takeaway.

12. Cafe

12.1 Beverages

It is proposed that the cafe will be open Monday to Saturday providing a range of quality coffee and tea choices, along with cakes. A small selection of newspapers will be available for browsing and for parents waiting for children who have been using the community hall.

12.2 Food

Whilst the cafe area would normally serve only cakes and scones, sandwiches and bar food could also be served providing extended facilities for walkers and families. Bar and cafe food would also be served in the community hall to cover events and hall hire.

12.3 Internet Sessions

To help older residents, and those less tech-savvy, we would seek to run computer/internet sessions, possible in collaboration with third parties, such as Age UK Learn My Way.

12.4 Location

The cafe will be located inside the main entrance hall which connects both the community hall and the pub and restaurant. All customers will pass through this central area to access other facilities within the building. It will be a place to meet and wait as well as chat to friends both old and new. A place to relax. An opportunity to browse the restaurant menu, the pub menu, what is on in the community hall, today's special takeaway option, or just chill and unwind with an excellent coffee or tea.

12.5 Recruitment of Staff

The cafe would come under the management of the pub, and as such would be covered by the pub staff. However, in busy periods additional part time labour would be sort. 19 people said, in our village survey, that they would be interested in helping to run such a cafe.

13. Shop and Takeaway

13.1 Shop

It is envisaged that the shop will be a simple affair offering a small range of essential supplies, that are mainly stocked by the pub and restaurant kitchens. There will be a freezer offering ad hoc frozen meals, supplied from the pub kitchens, as well as other basic supplies. The shop will not only support the local community but also serve visitors staying in the area at local B&B and camping establishments.

40% of residents said that they would use the shop on a weekly basis (survey)

57% of residents said that they would use the shop occasionally (survey)

13.2 Takeaway

Thwing is some 9-10 miles away from town eateries offering takeaway services, so we are off the service level for home deliveries. None of the local villages supply this service. We envisage offering a basic range of takeaway food that can readily be supplied from the pub kitchen, and will include basic fish, chicken, pies and pizza and chips. As the takeaway will be adjacent to the cafe area in the main rear entrance, it will be easily accessible to community hall users as well as pub users, and the general public.

13.3A parcel drop of and collection service is also proposed.

This service will support residents that work as well as those that are retired. It will also support delivery drivers who have to search for house names along narrow unfamiliar roads.

13.3 Recruitment

Both the shop and the takeaway would come under the management of the pub, and as such would be covered by the pub staff. However, in busy periods additional part time labour would be sort. 20 people said, in our village survey, that they would be interested in helping to run such a venture.

14. Marketing

- 14.1 Publicity prior to buying the pub will focus on the campaign to raise funds to acquire the pub, and reopen it as “more than a pub”. This will draw attention to the village plan to have a community hub of a pub, cafe, shop, takeaway service and community hall.
- 14.2 We expect to have a full page spread in the local press, as well as ongoing inserts on progress, as our project moves forward.
- 14.3 We expect to have wider coverage from papers such as The Yorkshire Post, which would be supported by our suppliers, advertising and wishing the venture well at its opening.
- 14.4 We expect to have the support of our local authority in promoting rural business ventures.
- 14.5 The plan is to market the pub as a traditional village pub, which fully meets the locals and visitors ideal of a country pub. This requires good quality real ales (where possible brewed locally), guest beers, good quality pub food, an exceptional restaurant menu, a friendly and welcoming atmosphere supported by attentive and professional staff.
- 14.6 The combination of a shop, cafe and takeaway and adjoining community hall is seen as a way of increasing footfall in the pub as well as a means of advertising events and other facilities, and services.
- 14.7 Once the pub has reopened, marketing to the village and beyond will be crucial. Regular emails and leaflets will advertise the pub and its programme of activities, in addition to the use of social media routes and a web page.
- 14.8 An active web site would assist in promoting the “more than a pub” as well as providing a channel for keeping stakeholders up to date with progress and to inform patrons about planned events and activities. Of course, as ever, recommendation by word of mouth will be key.
- 14.9 Promotions will also be sort in appropriate guides such as CAMRA’s regional publications, its Wat Pub website and App, and its Good Beer Guide.

15. Risks

Prospective investors should read the whole text of this document and should be aware that an investment in the Society involves a degree of risk and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial and/or tax advisor.

15.1 Property

Professional surveys covering the building structure and ancillary services will be carried out as part of due diligence for the property. Any issues highlighted will be dealt with prior to re-opening. However, to be prudent we have included a level of contingency within the plan to allow for matters that may arise.

15.2 Revenue Stream

Whilst the steering group believes the basis for the financial projections contained in this document to be reasonable there is a risk that the actual revenue stream will be materially different to that projected. However, as part of building up a business plan advice has been sought, and consideration has been given from previous successful landlords and professional trade advisors. The base business case which sees the operation making a profit is based upon revenue streams from all areas of the venture, each supporting each other. Being a free house, gives the business access to costs savings not available in a tied house.

15.3 Insufficient monies are raised to finance the proposal

In the event that the required funds cannot be raised then we would be forced to abandon the process, meaning that the building would either fall into complete dereliction or be turned into residential property. The damage this would do to the community would be irreparable. The support of the local authority and the listing of the property as an 'Asset of Community Value' is vital, in moving the project forward.

Some Final Thoughts to leave you with:

When the members of a community come together for a common cause, without purely financial or commercial motives, when they co-operate and collaborate to save or preserve something that is important and valuable to their community, they can unlock something very powerful.

A Community Benefit Society pub is owned by the community, for the community. It isn't something that is imposed from outside. It has roots within the community, and it binds people together in a way that few other things are able to do. It is a way of securing and preserving something precious; a place where people can share their joys and sorrows, celebrate and commiserate, or just pass the time of day in what is truly their own pub.

In order to survive, any business, any pub, has to be commercially viable. Assessing that viability is a vital part of the process and community ownership can contribute to that viability. There are currently more than 70 community owned pubs in the UK still trading today. This is despite operating in areas where private owners have failed, a powerful statistic.