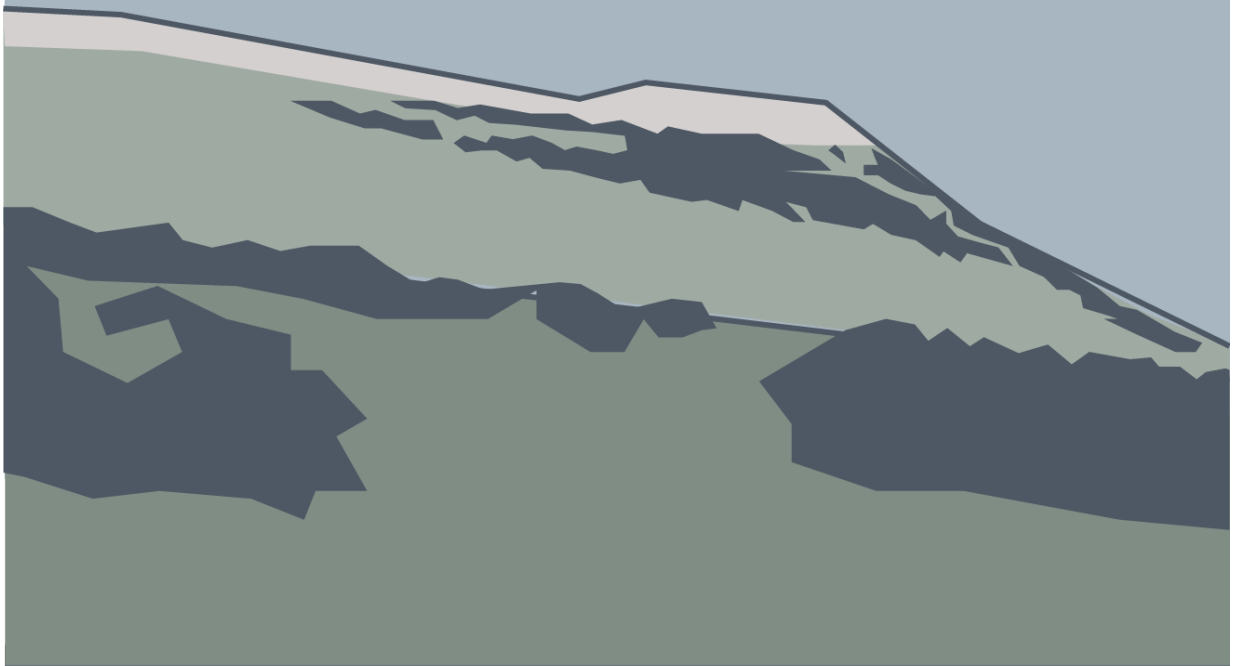


BAMPTON VALLEY COMMUNITY PUB



The Mardale Inn

BUSINESS PLAN

JANUARY 2021

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Introduction

The Mardale Inn, located in Bampton, Cumbria on the north eastern edge of the Lake District, has been a thriving pub in the past. It attracted custom from the Valley's local villages of Bampton Grange, Burnbanks, Butterwick, Knipe and Rosgill, as well as from further afield given the area's stunning landscape, connections with Wainwright's Coast to Coast footpath and being a key filming location of 'Withnail & I'. The Inn enjoyed a deserved reputation for a friendly welcome, well-priced good food and comfortable accommodation.

It has however been closed since August 2018.

Historically the Bampton Valley has supported two pubs, the Crown and Mitre Inn at Bampton Grange as well as The Mardale Inn. The Crown and Mitre changed hands in 2021 to become a holiday let. The new owner has stated it will not reopen as a pub to non-residents.

The race is now on to save and restore The Mardale as a community owned pub at the heart of the Valley's social and economic life. We urgently need to avoid the potential 'change of use' of The Mardale Inn and guarantee for future generations a welcoming community hub for locals and visitors to enjoy together.

The Bampton Valley Community Pub (BVCP) initiative was set up in Summer 2021 with a series of public meetings, community engagement through leafleting and an online survey to explore the possibility of a community purchase. The survey outcome of 186 respondents resoundingly confirmed interest with a 90% in full agreement. BVCP Limited was subsequently incorporated as a Community Benefit Society in October 2021.

We have seen locally the impact on communities that pub closures can have. Pub closure not only threatens the social cohesion of a community, but also increases the impact of rural isolation. This has been exacerbated recently through the effects of Covid-19 and the closure and subsequent sale of the Crown and Mitre.

Pubs are one of Britain's oldest and most popular social institutions and are essential in fostering and developing social relationships among residents, strengthening the level of community cohesion in villages and parishes, and positively contributing to communal well being and provision of social capital. Analysis funded by the British Academy and published in the International Journal of Contemporary Hospitality Management in 2014, highlighted that parishes with a pub had more community events – such as sports matches, charity events, and social clubs – than those without or those with just sports or village halls. Simply speaking, opportunities for communal initiatives would be vastly reduced, if not non-existent, in these parishes without the presence of pubs.

The Mardale Inn itself is not a listed building but is listed in the Lake District National Park Authority's Bampton Conservation Area Appraisal and Management Plan as a 'building of special character'. The Bampton Conservation Area is located within the Lake District National Park

which is designated as a World Heritage Site. A World Heritage Site is an area or structure recognised and listed by the United Nations (UNESCO) as a site, area or structure as being of outstanding international importance and represents unique, or the most significant examples of the World's cultural and or natural heritage therefore deserving special protection.

Rural village life is recognised as being an important part of our heritage and deserving of considerably more care and attention than it has had in recent years. As amenities such as pubs disappear from our communities it becomes harder to retain a local population as people move into areas where amenities are closer to hand.

Vision and Community Benefits

Our Purpose

Our aim is to secure The Mardale Inn for the long term benefit of Bampton Valley and the wider community. By doing so, we can preserve for future generations a key element of the Valley's rural heritage.

We believe the Inn will be at the heart of the Valley as a place for social gathering, cultural activities, somewhere to meet people and exchange information. A good pub is about the diversity of its people, and a place for a cohesive and friendly community to be forged. Partnership and active support of other community facilities and clubs in the area is also high on our list of priorities.

We aspire to be a flourishing, friendly and welcoming village pub with four double letting rooms and tenant's accommodation. The Mardale Inn will operate as a free house that serves local beers and sensibly priced, good food prepared using locally sourced ingredients where possible.

The key factors that will contribute to our success are:

- Establishing a a broad membership of the Community Benefit Society
 - Purchasing the freehold of The Mardale Inn from the current owner
 - Completing a program of refurbishment and extending amenities, eg a car park
 - Setting an affordable rent and operating the pub as a free house
 - Agreeing a lease with a professional and experienced tenant who knows how to run a successful pub business by being customer and community centric, and developing appropriate drink, food and accommodation offerings
-

- Ongoing community involvement in the society to manage, maintain and improve the property, and to ensure community support for, and input into, the future success of the pub
- Investing any surplus profits in improving the pub and additional facilities for the benefit of the community and paying a modest level of interest to all shareholders
- Progressing low carbon building improvements as capital permits to reduce operational costs, eg energy for heating, kitchen and lighting
- Working with tenant to promote a sustainable agenda through local sourcing and good waste management

Community Benefits

Our belief is that the pub is an important amenity for Bampton Valley and that the best interests of the wider community will be served by acquiring the pub through a limited liability Community Benefit Society (CBS). This legal structure is explained in detail later in this document.

A community purchase will enable the Valley to secure and safeguard the pub for future generations. This represents a fantastic opportunity for Bampton Valley villages to strengthen the vibrancy and long term sustainability of our community, which is an important aspect of being a UNESCO World Heritage Site.

Community purchase of the 'bricks and mortar' of The Mardale Inn offers many benefits, including:

- Security of tenure - the pub will no longer be subject to change of ownership unless the CBS membership decide to sell
- Direct control over investment in the fabric and facilities of the building
- Influence over the offerings of the day to day operation through selection of and ongoing partnership with a professional tenant
- Direction of spend into the local economy supporting local employment

While the hired tenants may not necessarily be local, a vibrant and well supported Mardale Inn should again offer employment to local people. Given tourism to the Valley, this will include valuable learning opportunities for young people who can take on short-term employment in school and college holidays.

We expect the number of paid posts and learning opportunities to increase as additional amenities are added and as the new tenant grows the core business.

There should also be scope for volunteer contributions from residents of Bampton Valley in helping to maintain the fabric of the building and its surroundings.

A community purchase will enable The Mardale Inn to be 'More than a Pub' for Bampton Valley.

There has been significant interest from local people in the proposal, which is in line with government and district council policy, to extend the range of amenities offered by the community pub.

By investing in a range of potential developments, services could be provided to the community, which will enable fuller use to be made of the community-owned pub building.

These include:

- Electric charging points for cars and bikes.
- The potential acquisition of additional land close to the pub for a garden and car parking

Buying The Mardale Inn

Business Model

Bampton Valley Community Pub (BVCP) has been established as a Community Benefit Society (CBS) to purchase and refurbish The Mardale through a combination of share offer and grants. BVCP would own and maintain the fabric of the property and will contract with a tenant to run the business day to day.

The rent charged to the tenant by BVCP pays interest to shareholders at 3% per annum after initial 3 years once the business has been established.

Share Offer

Our intention is to fund the above through a community share offer targeted at £360,000 and through grants and crowd funding, and possibly small short term loans (up to £50,000).

A high community share uptake realising our target of £360,000 is fundamental to the success of the project. Our minimum expected level would be £320,000 and our maximum level would be £400,000.

The concept of community shares has been explored in depth and will be promoted through community meetings and regular newsletters (both online and in print). Marketing for the share

offer will exploit all of these methods in addition to posters, local leaflet drops, direct mail and focused communication with local businesses and organisations.

The management committee of BVCP Community Benefit Society has been set up to include 10 members of the local community and conforms fully to Plunkett's model rules from a governance perspective. A full description of the governance structure and members rights can be found in the Share Prospectus - Section 7. Our aim is to have the highest possible membership from members of the local community.

There will be one class of share: interest-bearing withdrawable shares. These shares offer shareholders interest on their investment in due course, according to the performance of the business, and to retain the option of withdrawing their investment at some future time.

All shareholders will be members of the Society and entitled to vote on matters affecting the Society. The price for each share will be £100, and the minimum permitted investment will be £100 (i.e. 1 share) although we hope that most investors can invest considerably more than the minimum. The maximum permitted individual investment will be £25,000.

Shares are not transferable or tradable and must be redeemed with the society. If we are unsuccessful in our bid to purchase The Mardale Inn, then all investment monies will be returned.

Individuals who completed a 'pledged in principle' to purchase community shares will be invited to convert their pledges into actual share purchases in a 'priority window'. The share offer will then be opened up to anyone who would like to invest.

It is anticipated that some withdrawal of share capital will be requested from time to time. The withdrawal of share capital will not be allowed for the first three years. The BVCP secretary will maintain a waiting list of parties interested in purchasing shares. Whilst no budget has been set for capital withdrawals in the financial forecast, any buy back can be carried out by reselling the shares to interested parties on the waiting list or using reserves at the discretion of the management committee.

Grants Donations and Loans


Assuming the share offer reaches its optimal target of £360,000, an additional £220,000 will be raised through a combination of grants, donations and loans. There are a number of grant sources we are pursuing including the Government's Community Ownership Fund, National Lottery, Cooperative Share Booster and Eden Council, to name a few.

Once the share offer has concluded, a crowd funding initiative will be used to elicit donations.


In the event sufficient funds cannot be raised through shares, grants and donations, a loan will be initiated. We have modelled a repayment loan of £50,000 over 5 years which can be funded within the plan through a slight reduction in share interest.

Bampton Valley Potential Funding Sources


- Local Residents
- Local HNWs
- Community Ownership Fund
- Coop
- Wainwright Society
- Withnail & I
- And Many others.....




Key Fund
Growing Enterprise in Communities



aws




Cumbria
Rural Development




COMMUNITY FUND

Crowd Funding/Just Giving
Corporate Sponsorship
Bampton Trust
Plunkett
Bampton Parish Council
Eden District Council
Cumbria County Council
Bampton Memorial Hall
Greggs Foundation
National Lottery Community Fund
Big Lottery Fund
Heritage Lottery Fund


Rural Development Programme For England
Prince's Trust
Cumbria Community Foundation
Cumbria Social Enterprise Partnership
Cumbria Chamber of Commerce
Cumbria Tourism
Lake District Communities Fund
Easy Fundraising (Argos/Amazon etc)
Key Fund (Finding Finance)
Fundraising Events
Donation Boxes
Coast to Coast Companies



Cumbria County Council



£150 MILLION
COMMUNITY OWNERSHIP FUND



NATIONAL LOTTERY FUNDED

We have negotiated a price for The Mardale of £350,000 which is supported by a market appraisal valuation from MJD Hughes Limited based on it being an empty property today but noting its trading potential. (MJD Hughes Limited is a RICS accredited Chartered Surveyor recommended to us by the Plunkett Foundation given the firm’s experience in commercial property for the licensed trade).

The MJD Hughes Limited valuation notes that The Mardale building is “in a reasonable state of repair but requiring [of] immediate remedial maintenance to halt deterioration” and “a full refurbishment of the trade areas, ancillary rooms, store-rooms, kitchen and accommodation is required”. Further the surveyor’s report states that, “due to the age and condition of the property it can be reasonably expected that continued maintenance will be required to ensure the property remains at an acceptable level for sustainable commercial use”

The vendor has granted us regular access to the building to enable further assessment work to be undertaken. This has been supported by local builders, an architect, a structural engineer, and a number of specialists in the set up and operation of commercial kitchens. (We are very grateful to all the support extended to us here by the vendor and specialists).

Our investment in the building is planned across three main phases of work as follows:

- Phase 1 addresses the Ground Floor & Tenant Accommodation to permit reopening for food & drink sales
- Phase 2 refurbishes the First Floor (including the roof) to reopen letting rooms and also addresses parking
- Phase 3 is an optional but highly desirable investment to lower the energy consumption of the building (Low Carbon)

In Phase 1, the major investment areas are an updating of the kitchen, and some internal building work to delineate waste from kitchen and food storage (this avoids bins in the street).

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The mechanical and electrical systems also require inspection and maintenance. Additionally a programme of compliance will be undertaken to ensure the building meets current regulatory standards. Finally Ground Floor decoration and soft furnishings will be updated. We are estimating £80,000 for this work.

In Phase 2, we will undertake extensive refurbishment of the roof and insulation. The four letting rooms will be recarpeted, redecorated and generally updated. Additionally to ensure the pub can realise its commercial potential and be a 'good neighbour', we will address the lack of parking. A sum of £85,000 has been allocated for Phase 2.

Finally, we are ambitious to address the carbon footprint of the building to be a positive local example for similar 18th Century buildings. This Phase 3 investment (estimated to be up to £100,000) is not in the scope of today's business plan as the reopening of the pub is not dependent on it. It is however desirable to complete for the long term and we believe that we can source appropriate funding. Investments considered include reglazing, lime rendering, sheeps wool insulation and solar photovoltaics will help reduce future energy costs related to heating, kitchen and lighting.

Running The Mardale Inn

The Tenant Model

We have ruled out operating models such as the community directly running the pub on either a volunteer rota basis or by employing a manager. We believe that these models are impracticable and unlikely to be sustainable in the longer term due to the high level of day-to-day operational involvement they would require from the community. Based on our research, and advice received from other community pubs, we have taken the view that a tenant model is the operating model that is most likely to be successful and which will expose the community to the least risk.

If we are successful in purchasing The Mardale Inn we will appoint a tenant with the necessary experience and business ability to make a success of running it.

As part of the selection process, we will closely examine each prospective tenant's Business Plan, their view of what the pub will offer its customers, and their plans for its marketing. In particular, we will want to ensure for ourselves that their plans take into account and reflect our vision for The Mardale Inn as set out in this plan. Whoever we appoint will need to have the energy and enthusiasm to buy into our vision, and to contribute to its ongoing development.

Selecting the right tenant will be absolutely critical in ensuring the success and long-term future of the pub. We have received a lot of useful advice and offers of assistance with the recruitment process from existing community pubs and other professionals in the area and will use a thorough and objective process to recruit the best tenant we can.

From the positive experience of community pubs teams with whom we have spoken, we strongly believe that we will be able to appoint an experienced tenant who can market and build the business, resulting in a thriving and sustainable community pub.

Affordable Rent

Other than any one-off grants and donations that we may receive, the Society's sole source of income will be the rent paid by the tenant. For the pub to succeed and be sustainable the tenant needs to make a living and have a real incentive to grow the business. To this end, we don't want to impose too high a rent. On the other hand, we have to pay the outgoings explained elsewhere.

We have carefully modelled what we think are reasonable assumptions of the pub's likely turnover based on its likely trading model, and on the expectation that the right tenant will be able to grow the business significantly over time. In doing so, we have consulted with a number of experienced and successful pub operators as well as the report from MJD Hughes Ltd who have confirmed that our turnover forecasts are conservative and with the right tenant should be readily achieved.

For the steady state business from Year 2, our estimates of annual turnover excluding VAT is £267,000 with a sales mix of 34% wet sales, 39% food sales and 27% rental rooms was deemed realistic and aligned with industry benchmarks. Gross margin was confirmed at around 65% in steady state.

The first year turnover is estimated at £195,000 reflecting the operation of only food and drink from the pub opening in July 2022 until January 2023 when rooms will be added.

We will offer a long-term tenancy set at an affordable but realistic rent that gives the tenant the opportunity and incentive to run a profitable pub business. This will be set such that it equates to approximately 10% of turnover which is a level we have seen used successfully by a number of community pubs – and which has been shown to be at the right level to attract serious applications from experienced tenants. This rent will be subject to annual CPI increases and will be reviewed every 3 years.

In the first year the rent will be £14,400 to reflect food and drink only operations, and an initial rent free period of three months included to give the new tenant a level of certainty while they establish and grow the business. This will rise to £26,800 when rooms are added in from January 2023

Community Management

The pub will be owned and let by BVCP Limited. This means that we, the community, will have control over how the property is managed and improved. It will also enable us to have constructive communications with the tenant about the community's wishes. One of the criteria for selection of a tenant will be their willingness to provide for our community needs.

While we will expect the tenant to honour our agreed values and behaviours, we will not micro-manage the tenants day to day. They will be appointed to run the pub, although we will of course provide whatever support and assistance we can. A member of the Management Committee will be assigned to meet with the tenant once a month to review their business progress and mutually address any issues.

We hope that many members of the community will support the pub by offering voluntary help, assisting or being elected to the Management Committee. Most importantly we hope they will come to eat, drink and make friends at The Mardale!

The widest possible community ownership will be encouraged. To that end the minimum investment has been set at a level that our research has shown to be realistic for some local people.

A community approach will make a significant difference to the future potential of The Mardale Inn

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- People care enormously about their local pubs and are willing to invest their money, time, skills and energy to save them.
 - A wide membership provides a large pool of people to draw on for support and custom and generates great commitment to a well-run enterprise.
 - In the Plunkett Foundation's experience, the community model is resilient, as their strong local identity sets them apart from traditional competition.
 - Plunkett membership opens up access and preferential rates for the pub business to a range of benefits including energy supplies, insurance, accountancy, telephony, food, newspaper, fixtures and fittings, and other supplies

The Mardale Inn's business will be built on providing accommodation, food and drink for locals and visitors to the area.

By showcasing the best of local produce Cumbria has to offer, we aim to boost the local economy by building relationships with other cumbrian businesses to provide local beers, local produce and local services to help us maintain and operate the pub.

We will encourage the tenant to hire locally first and foremost.

Tenant Plan

To ensure the feasibility of the business, an example tenants plan has been drawn up. The plan reflects the seasonality of the business supporting locals and visitors and confirms it can return an attractive net profit to the tenant. All figures in the tenants plan are excluding VAT.

The tenant business plan has been calculated from the bottom up week by week through the holiday seasons based on an estimate of room occupancy, prices, meal covers and days open. The tenant will derive revenue from 4 rental rooms, a restaurant with 35 covers per sitting and additional bar serving drinks. The plan has been validated with local hospitality businesses and holiday lets to confirm assumptions for occupancy.

The tenant plan shows turnover of £195,000 in year 1 with food and drink only rising to £265,000 with profit of £26,700 from the second year. Costs are broadly in line with the British Beer and Pub Association 2019 benchmark figures on cost as % of turnover with the exception of Staff costs which are higher than the benchmark to reflect current staffing issues facing hospitality.

A high level feasibility carried out as part of the Valuation Report by MJD Hughes Limited, an experienced RICS surveyor, concluded that the business should be viable. Since then, much more detailed modelling has been undertaken which has been validated by other industry experts. This has included one of our supporters who manages a significant tenant estate on behalf of Greene King.

		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Year 2
Room Price		100	100	90	95	90	85	84	90	80	98	84	90	
Room Occupancy		85%	85%	80%	73%	40%	66%	25%	48%	30%	76%	73%	70%	
Days Open per week		7.0	7.0	5.0	6.0	5.0	5.5	5.4	5.0	5.0	6.5	5.4	5	
Covers/Day		50	40	30	30	10	19	15	15	10	35	30	35	
Room Income	27.3%	9,520	11,900	5,760	6,920	3,600	5,260	3,020	5,080	1,920	8,040	6,860	5,040	72,920
Food	38.8%	14,560	18,200	7,800	9,360	3,250	5,785	5,785	4,940	2,600	11,830	10,530	9,100	103,740
Drink	34.0%	9,800	12,250	7,000	8,400	4,500	6,000	6,050	4,320	7,000	9,100	9,450	7,000	90,870
Total		33,880	42,350	20,560	24,680	11,350	17,045	14,855	14,340	11,520	28,970	26,840	21,140	267,530

Income	£267,500	
Cost of Sales		£93,700
Gross Profit	£173,800	
Rent		£26,700
Other Overheads		£120,300
Net Profit	£26,800	

Tenant Costs

To validate our planning assumptions, the costs were reflected as % of turnover and compared both with the British Beer and Pub Association benchmark, and the benchmark provided by Mike Hughes in the valuation report. Staff costs were deliberately raised slightly given current market conditions in the hospitality sector. Full Cost details can be found in Appendix A

COSTS AS % OF TURNOVER			
	Mike Hughes Valuation	BBPA Benchmark	Mardale
Wages & salaries	25.00%	22.50%	30.55%
Utilities	5.50%	4.80%	4.86%
Repairs & renewals	2.00%	1.90%	1.91%
Insurance	1.00%	0.90%	0.90%
Marketing/Promotion/Telephone/Wifi	1.50%	1.50%	2.32%
Consumables	0.40%	0.40%	0.40%
Waste Disposal/Cleaning/Hygiene	1.00%	1.10%	1.05%
Professional fees	1.50%	1.10%	1.23%
Equipment Hire		0.20%	0.22%
Bank charges	1.00%	0.80%	0.93%
Pay TV Sky BT Sport media		1.10%	0.67%
Entertainment	1.00%	0.00%	0.56%
Other costs	0.60%	0.90%	0.45%
TOTAL COSTS	43.50%	40.30%	46.06%

Feasibility Assessment and Valuation

A Business Buyer and Market Appraisal Valuation was carried out on 13th September 2021 by a RICS surveyor, Mike Hughes. Mike is a Chartered Surveyor specialising in business and commercial property. He has over 30 years’ experience in the licensed trade and with commercial property. His experience ranges from the physical operation of a variety of licensed property outlets to the estate management of property from acquisition, drawing up heads of terms for lease agreements and recruitment of managers, property valuation, and the sale of property.

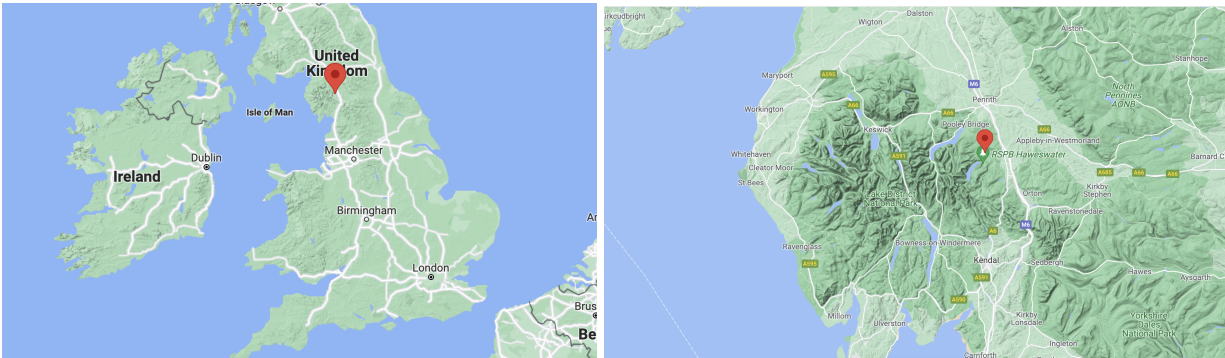
The report concluded that the Mardale can be reinstated as a commercially viable business using a tenant model with close working between BVCP and the tenant to manage costs and drive revenue. The following business valuation was provided.

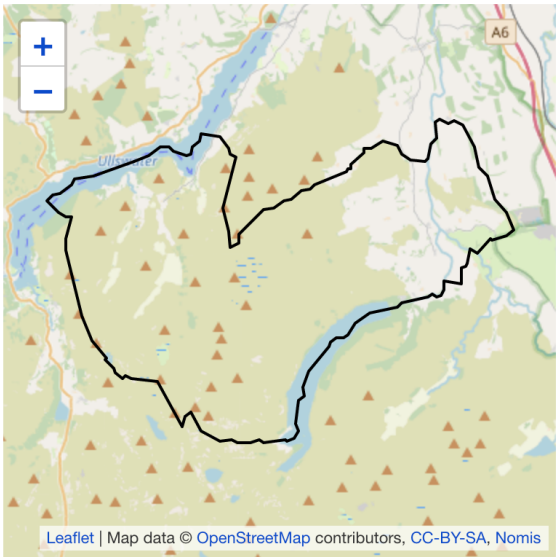
	VALUATION
Market Value as a Fully Equipped Operational Entity having regard to Trading Potential ("Market Value Trading,")	£450,000
Market Value as a Fully Equipped Operational Entity having regard to Trading Potential - but subject to Special Assumptions ("Market Value - Trading - in Default")	£385,000
Market Value of the Empty Property having regard to Trading Potential and subject to Special Assumptions ("Market Value - Closed - in Default")	£325,000
Reinstatement Insurance Value	£500,000

Census and Demographics

Local Community

While being part of the Lake District National Park, the Lowther Valley (covering villages/hamlets of Bampton, Bampton Grange, Burnbanks, Butterwick, Knipe, Rosgill) is not a ‘honeypot’ area and is primarily a rural economy valley linked to Penrith. Per 2011 census, approx 15% of local employment (majority) is agriculture related and 42% of residents are economically inactive.





The following figures are sourced from the 2011 Census key statistics.

There were 373 usual residents as at Census day 2011. Of these, 98.4% lived in households and 1.6% lived in communal establishments. The average (mean) age of residents was 47.4 years.

In total there were 219 household spaces. Of these, 167 (76.3%) had at least one usual resident and 52 (23.7%) had no usual residents.

Many disadvantaged or elderly residents are unable to travel outside the village and are therefore socially isolated especially through the long dark winter months as they have no means to socialise outside the local area.

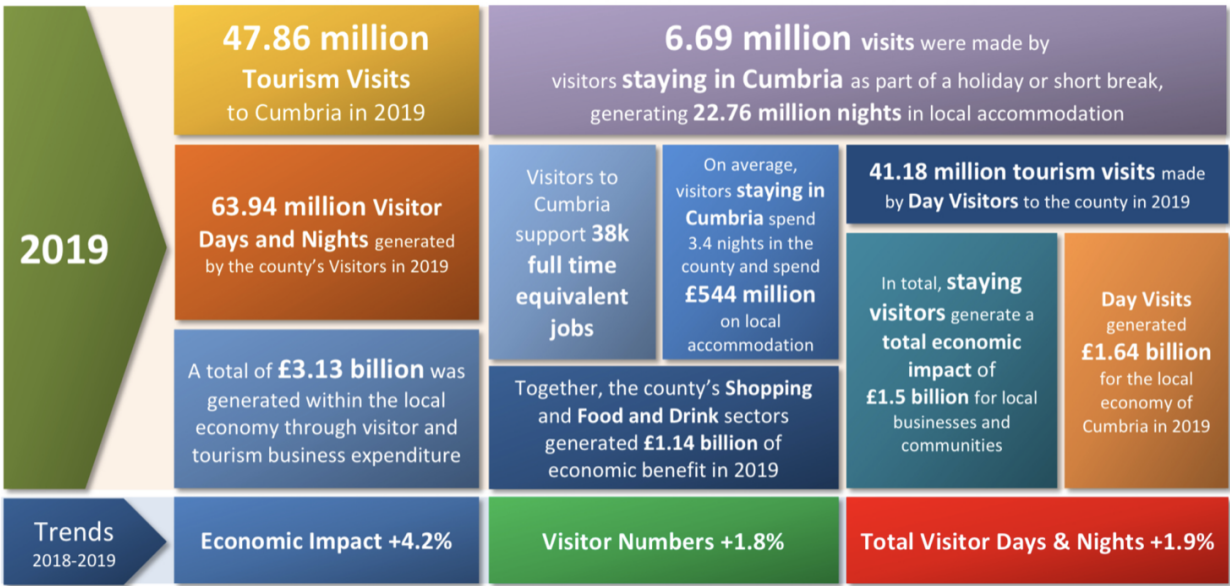
Visitors

Tourism is the main source of income for the Lake District economy. Tourism brings great benefits to the area. Visitors spend money on accommodation, food, drink and leisure activities and indirectly support other businesses such as wholesalers and the building trade.

In 2019 visitors spent £3.13 billion in the Lake District with 47.86 million tourism visits to the Lakes. (STEAM 2019: Cumbria Tourism)

The Visitor Economy of Cumbria

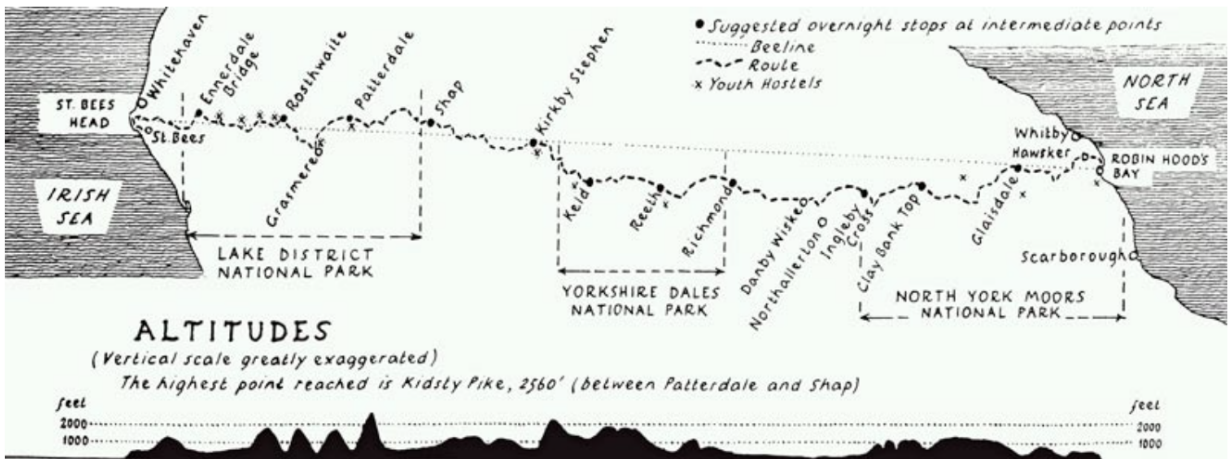
This is a summary of the annual tourism economic impact research undertaken for Cumbria Tourism for the calendar year 2019, with comparisons to 2018 (1 year trend) and 2014 (5 year trend). Outputs in this report have been generated using STEAM, the tourism specific economic impact model, owned and operated by Global Tourism Solutions (UK) Ltd.



From the 2011 census data, 23% of the houses in Bampton Parish are second homes with many being

rented out as holiday lets. Currently those properties have no pub within walking distance of the villages for food and entertainment.

Bampton for many years has been a convenient stopping point for walkers doing Wainwright's Coast to Coast walk and also those who are looking for a convenient base to complete Wainwright's North Eastern Fells.



In addition to the wide range of walks in the local area, visitors can also enjoy the attractions of the RSPB reserve at Naddle Farm and Lowther Castle at Askham.



Bampton has become a must visit destination for the fans of the 1987 cult movie "Withnail and I" which was shot around Bampton and Wet Sleddale.

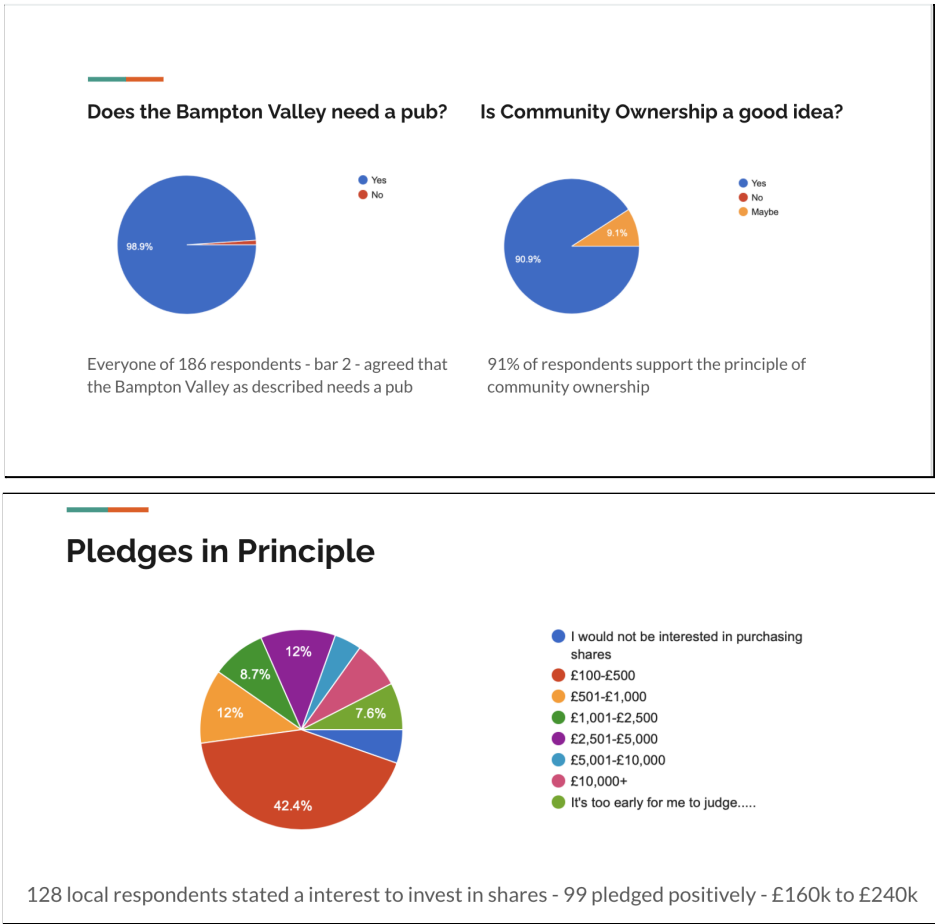
Community Engagement

Public Survey

The project was kicked off with a community meeting in July 2021 which was attended by around 60 people from the local community. This meeting was followed up with a survey to gather local

views about the type of pub they would like to see and a “Pledge in Principle” for a future share offer.

The survey was completed by 186 individuals with an overwhelmingly positive result with between £160 ,000 and £240,000 pledges in principle. Since this survey was completed we have had other second home owners express an interest in investing in the pub.



The feedback from the survey has been used to shape the business plan and purpose for the project to reflect the kind of pub the village wants to develop.

Utilising Local Skills

Through the survey process, we asked people to let us know if they had skills we could use to help our project. Over 30 people came forward from the local community to offer us help with business planning, marketing, accounting, surveying, health and safety to name a few. The management team was extended from 6 to 10 to ensure a wide involvement from all areas of the community.

Ongoing Engagement

Through the course of the project we have continued to hold community meetings to present progress and answer questions. The meetings have been a combination of in person and on line to allow the widest possible participation.

In addition to the meetings, a newsletter is published every few weeks to keep the level of engagement high.

Marketing Plan

Target Market

Given our location in the Lake District and associations with key interests such as Wainwright, Withnail and I, RSPB etc, BVCP engagement will span a diverse set of audiences far and wide including the following:

1. Local Community Residents able to invest
2. Local Community Residents unable to invest
3. Friends & family of Residents – local, UK & international
4. Second Home and Rental Cottage owners
5. Tourists with associations to the area, eg Wainwright Coast to Coast, Withnail & I, RSPB
6. Local Interest Groups, eg Westmorland CAMRA
7. Local Businesses
8. Local Councillors and MPs

Our engagement strategy has been to initially focus on categories 1 to 4 (enabled via Public Meetings, leafleting, notices on boards and email newsletters) and then gradually turn up digital channels to reach further afield, ie website, Facebook, Twitter and Instagram channels.

We have attended local interest group meetings, eg Westmorland CAMRA, and have lobbied local politicians and key organisations such as the Lake District National Park Authority and Friends of the Lake District.

We are also engaging with owners of local Cumbrian businesses to both attract financial support as well as to build an audience amongst employees.

Website and Social Media

Our first website (www.bamptonvalleycommunitypub.org - also available as a redirect via www.bvcp.info for ease of access) went live in late October 2021. Its earliest iteration covered the

story of the campaign, an overview of The Mardale, a summary of what a Community Benefit Society is, and a 'call to action' to subscribe to our newsletters. It has been further enhanced to include a Blog and Gallery pages.

We launched our Facebook and Twitter presence in early November 2021 - with Instagram following early December 2021. They are all accessible via a common handle of 'BVCPInn'.

We are targeting to post something every 2 to 3 days on one or more of our digital channels - and share newsletters which refer back to postings (including new Blog articles) every 3 to 4 weeks. This will become weekly as we move into January 2021 ahead of the February 2021 Share Offer.

Campaigns

We believe it is important to leverage digital channels fully but also ensure we cover 'offline' channels given that not all of our target audience wish to use digital. To this end, we include an entry in every Parish Newsletter, post a hardcopy version of our monthly newsletter to those who have shared their addresses, and also update the Noticeboards around the Valley. We will repeatedly ask for names and addresses of people who would like to receive hardcopy material.

We are building a Press campaign covering both local and national titles (particularly those which cover our target markets), eg Cumberland & Westmorland Herald, Cumbria Life, Westmorland Gazette, The Great Outdoors, Lakeland Walker etc. We will also aim to cover as much regional live media as possible and have already appeared on BBC Radio Cumbria.

'Activity to drive engagement' is as noted above a key strategy of our marketing campaign. We increasingly plan to use high profile 'influencers' in social media and other channels, who can help us with reach. In our early stages, we have worked with Terry Abraham (award winning Cumbrian filmmaker) and Chris Butterfield (renowned Wainwright archivist). We are working to associate our campaign with other relevant influencers such as James Rebanks (renowned local farmer & writer), Rory Stewart (for 10 years a respected MP who lived in the Valley) as well as Richard E Grant (Withnail from the film, 'Withnail and I').

Competition

Historically the villages of Bampton and Bampton Grange have supported two pubs - the Mardale and the Crown and Mitre. Whilst there are a number of bed and breakfast establishments in Bampton offering accommodation, the nearest pub or restaurant is Shap or Askham; both of these are over 3.5 miles by road from Bampton, meaning that there is no on-demand access to food or drink for residents or visitors outside the Village Store opening hours

Average overnight room prices in the locale vary significantly across the properties and were taken into account when building our tenants model.

The Kings Arms	7 Rooms, dining, bar, accommodates pets. 3.7 Miles from Bampton	Shap
The Queens Head	6 rooms, fine dining, bar, packages with Askham Hall and the George and Dragon. 3.9 Miles from Bampton	Askham
The Punchbowl	4 rooms dining and bar. 4.0 Miles from Bampton	Askham
The Crown	Mainly provides meals and bar service for coast to coast walkers. Has camping pods in the garden. 3.5 miles from Bampton	Shap
The Butchers	No rooms, dining and bar only. 8.2 miles from Bampton	Crosby Ravensworth
The George and Dragon	Gastro pub with rooms. 6.9 miles from Bampton	Clifton
The Yanwath Gate	Gastropub - reopened recently. No rooms. 6.4 miles from Bampton	Yanwath

Financial Projections

Capital

INITIAL CAPITAL OVERVIEW			
Purchase Price			£350,000
Pre Trading Costs			£15,000
Working Capital			£50,000
Phase 1 & Phase 2			£165,000
	Building	£27,000	
	Roof	£32,000	
	Electrics and Heating	£12,000	
	Kitchen and Bar	£27,500	
	Decoration, Fixtures & Fit, IT	£36,500	
	Parking including Earthworks etc	£30,000	
			£580,000
FINANCED BY			
Share Offer			£360,000
Grants and Donations			£220,000
			£580,000

The total capital targeted is £580,000 to cover the costs of purchase, associated expenses and refurbishment as well as meeting cash flow requirements. This will be financed by the community share offer raising approximately £360,000 with an additional £220,000 from grants, donations, crowdfunding and potentially, small loans.

We have allocated investment of these total monies against Phases 1 and 2. It is anticipated that the spend will occur between April 2022 and December 2022.

We are ambitious to improve on these dates but are being deliberately cautious with respect to both funding and availability (of contractors and volunteers).

Income

The following section shows how we have modelled the income for BVCP Limited. The trading years shown start when BVCP Limited first starts to receive income from the tenant. We anticipate needing 2 to 3 months to execute Phase 1 refurbishment on the building before formal opening and enabling the tenant to start running the pub offering food and drink (target July 2022). We will allow a 3 month rent free period to help the tenant to build the business up. Once Phase 2 investment is complete, the tenant will be able to expand their offer to include the four letting rooms (target January 2023).

The economics of BVCP's business are based on being the property owner in receipt of rental payments from the tenant. Our outgoings will include building maintenance, shareholder interest, and business overheads. We will build a reserve over time to provide for property improvements and in case members need to withdraw their shares.

The rent payments will be linked to the anticipated tenant turnover, so they will increase when Phase 2 completes and letting rooms are offered.

By Year 2, we anticipate our annual costs will be around £14,000 and we will be able to take £9,000 into reserves. In Year 3, we are planning to pay interest at 3% to shareholders which will result in £2,000 to reserves. This grows to £4,000 per annum by Year 5.

Rent will be increased annually aligned to the inflation rate as published by the Office of Budget Responsibility (OBR). Our current 5 year plan uses an inflation rate of 5% to be deliberately worst case.

The tenant business plan has been calculated from the bottom up week by week through the holiday seasons based on an estimate of room occupancy, prices, meal covers and days open. The tenant will derive revenue from 4 rental rooms, a restaurant with 35 covers per sitting and additional bar serving drinks. The plan has been validated with local hospitality businesses and holiday lets to confirm assumptions for occupancy.

Expenditure

Other than interest to members, the society will have a number of recurring costs including professional fees (e.g banking and accountancy costs, FCA fees, Plunkett Foundation membership), building and indemnity insurance etc.

Also, as owners of The Mardale Inn, we will need to maintain the assets (land and buildings) to uphold their value and ensure that the pub can operate. Although the tenant will have clearly defined obligations for the upkeep of the pub (these will be specified in the tenancy agreement) it is reasonable to assume that the Society will incur costs for some level of ongoing maintenance of the refurbished building. We have budgeted £3,000 per annum for this. As a community initiative we hope and expect that members will want to help minimise maintenance costs by volunteering.

Profit and Loss

	Year 1	Year 2	Year 3	Year 4	Year 5
INCOME					
Rent	£14,418	£26,753	£28,091	£29,495	£30,970
EXPENDITURE					
Depreciation	£7,896	£7,896	£7,896	£7,896	£7,896
Loan Interest	-	-	-	-	-
Share Interest	-	-	£10,800	£10,800	£10,800
Building Maintenance inc IT	-	£3,000	£3,150	£3,308	£3,473
Bank Charges	£300	£315	£331	£347	£365
Professional Fees	£1,750	£1,838	£1,929	£2,026	£2,127
Contingency	£655	£655	£655	£655	£655
BVCP Marketing	£200	£210	£221	£232	£243
Plunkett Membership	£250	£263	£276	£289	£304
PROFIT					
Profit	£3,366	£12,577	£2,833	£3,942	£5,107
Corporation Tax	£640	£2,390	£538	£749	£970
NET TAKEN TO RESERVES	£2,727	£10,187	£2,295	£3,193	£4,137

Cash Flow Projections

	Year 1	Year 2	Year 3	Year 4	Year 5
INPUTS					
Shares	£360,000				
Grants and Donations	£220,000				
Rent	£14,418	£26,753	£28,091	£29,495	£30,970
Total	£594,418	£26,753	£28,091	£29,495	£30,970
OUTPUTS					
Property Purchase	£350,000				
Pre Trading Costs	£15,000				
Phase 1 & 2 Refurbishments	£165,000				
Loan Interest	-	-	-	-	-
Share Interest	-	-	£10,800	£10,800	£10,800
Building Maintenance	-	£3,000	£3,150	£3,308	£3,473
Overheads	£3,155	£3,280	£3,411	£3,549	£3,694
Corporation Tax	£640	£2,390	£538	£749	£970
Total	£533,795	£8,760	£17,900	£18,406	£18,937
Net Cashflow	£60,623	£18,083	£10,191	£11,090	£12,033
RESERVES	£60,623	£78,706	£88,898	£99,987	£112,020

The cashflow forecast demonstrates a strong cash position across the five year plan with significant sums being taken to reserves. This will help resolve any unexpected costs which may arise or any gaps in the tenancy.

Balance Sheet

	Year 1	Year 2	Year 3	Year 4	Year 5
ASSETS					
Fixed Assets (NBV)					
Freehold Property (excl Grants)	£231,038	£231,038	£231,038	£231,038	£231,038
Improvements (deprec. over 7yrs)	£71,066	£63,170	£55,274	£47,377	£39,481
Current Assets					
Cash	£60,623	£78,706	£88,898	£99,987	£112,020
Debtors	£0	£0	£0	£0	£0
Total Assets	£362,727	£372,914	£375,209	£378,402	£382,539
LIABILITIES					
Long Term Liabilities incl Loans	£0	£0	£0	£0	£0
Current Liabilities	£0	£0	£0	£0	£0
Total Liabilities	£0	£0	£0	£0	£0
EQUITY					
Share Capital	£360,000	£360,000	£360,000	£360,000	£360,000
Reserves	£2,727	£12,914	£15,209	£18,402	£22,539
	£362,727	£372,914	£375,209	£378,402	£382,539

Risks and Mitigations

A risk assessment has been carried out and mitigation plans have already been established. The full risk and mitigation register can be found in Appendix B

ID	Risk description	Project Risk
1	Property has been closed for a considerable time and needs refurbishment	Deterioration in the fabric of the building may lead to increased refurbishment costs
2	A lack of interest in the community share offer	Failure to raise sufficient funds to buy the property.
3	A lack of sufficient finance after purchasing the pub to complete the refurbishment and development works	Could lead to delay or change the scope of the plan and the programme
4	Lack of community support, both in general and as volunteers	Lack of community support could lead to fewer volunteers, resulting in higher refurbishment costs. Lack of involvement across the community could alienate some parts of the community
5	Failure to secure sufficient Grant Funding	Grants may not deliver sufficient funding in the timeframe needed to deliver the business plan
6	Electrical installation fails to pass testing	Electrical installation fails to pass testing when Electrician tests pre or post purchase. Could lead to additional unforeseen costs
7	Desire to achieve sustainability level is beyond financial ability or doesn't attract positive support from COF	Could lead to insufficient overall funding to support the financial needs of opening the pub within the project timeline
8	Failure to appoint a suitable tenant to manage the pub.	The business plan and/ or tenant accommodation doesn't attract a tenant who is willing to take on the Mardale
9	Lack of Custom	The Mardale has been closed for a considerable period and to sustain the business plan requires custom beyond the valley residents
10	Covid 19 restrictions continuing or being extended, impacting on our ability to trade as forecast	Could lead to reduced number of customers allowed inside the building, leading to reduced levels of income and some higher cleaning costs
11	Failure to achieve and maintain a correct balance between quality/ value/ profit	Could lead to poor reputation and a reduction in customer base, leading to a reduction in income
12	Lack of Car Park and Beer Garden	Without a car park and beer garden the pub will be less attractive to visitors resulting in less economic success Car parking in village road will annoy villagers
13	Change in Grant Finder Policy	Change to grant finder policy could lead to grants being reduced or becoming unavailable
14	Competition	New competition reduces customer and undermines the occupancy rates in the business plan.
15	Economic Downturn	Economic downturn could lead to reduced customer numbers and reduction in income

Risk	Impact				
Likelihood	Minimal (1)	Minor (2)	Significant (3)	Major (4)	Critical (5)
Almost Certain (5)	5	10	15	20	25
Likely (4)	4	8	12	16	20
Possible (3)	3	6	7 9 3 12 9	12	8 15 5
Unlikely (2)	2	6 4	1 6 11 4 10 13	8 2	10
Remote (1)	14 1	15 2	3	4	5

Management Team

An interim management team has stepped forward to run BVCP CBS until the first AGM when members have joined and a formal election of the positions can take place.

The interim Management Committee comprises the following individuals:

Wendy Frith

Bampton is Wendy's "ancestral home" and she has spent her life working and living in the valley. She worked at the Crown and Mitre pub for 35 years and was the owner and landlady for 15 of those. Wendy's great Auntie Doris and Uncle Bill ran The Mardale when it was the St Patrick's Well and her mam was a barmaid there. She is helping share her vast experience as part of the Management committee.

Sue Goble

Sue was originally born in Blackpool but has lived all over the UK. She has 30 years of business experience working for a range of international software companies. She is shortly retiring from her role as Chief Customer Officer for the Sage Group. She moved to Bampton in 2018.

Ken Jones

Ken was born in Manchester and worked as an Electrical Engineer in the Security Industry for over forty years. He and Rita relocated to Naddle Gate in 2007 and continued to work in Cumbria until his retirement. Ken is a trustee of the Naddle Gate Residents Association. For several years he has been a member of the Bampton Memorial Hall Committee and the Sports Committee, and drives for the voluntary car scheme.

Catherine Lacey

Catherine qualified as a Registered Nurse nearly forty years ago and currently works as a Practice Nurse in a local GP surgery. She also works as a Foot Health Practitioner caring for her patients' feet in the comfort of their own home and is also busy studying for her Podiatry degree at the Queen Margaret University in Edinburgh. Catherine is on Bampton Parish Council.

Patrick Lacey LVO

Patrick was born in Bath and during a Naval Aviation career served and lived across the globe for 32 years. He latterly worked for Her Majesty The Queen and retired to Bampton in 2020. He now works with the NHS and Dry Stone Walling is a passion along with community work as both a First Responder and Memorial Hall Committee Member.

Peter 'Wils' Noble

Wils has lived in the valley all his life and is the 3rd generation to farm at Walmgate. Both sides of his family were from the village of Mardale before its demise. His grandparents ran the St Patrick's Well from 1952-1977 so Wils has grown up with "The Jerry" being part of his life until its closure in the last few years.

Phil Sweetland (Chair)

Phil was born in Nottingham and developed a love of the Lakes - and its awesome pubs - hitchhiking back and forth up the A65 in his late teens. He is an engineer by education who has since focused on software. He has most recently led the development of a number of international businesses as a Company Director in commercial and operational roles.

Rich Shave (Secretary)

Rich is formally an Officer in the Royal Air Force. Having served 28 years in a variety of military intelligence roles around the world he retired in 2018 and moved with Kate to settle in Bampton. Rich is active in the local community being on the Parish Council and a member of the Bampton Memorial Hall Committee.

Kate Shave (Treasurer)

Kate retired from the Royal Air Force in May 2021 after 24 years as an Operations Support (Systems) Officer. Whilst initially employed in Homeland Defence, her most recent assignments were spent developing Space Policy for the future force. Having just retired, Kate is settling into Valley life as a member of the Local History Society committee and as a driver for the voluntary car scheme.

India Tuer

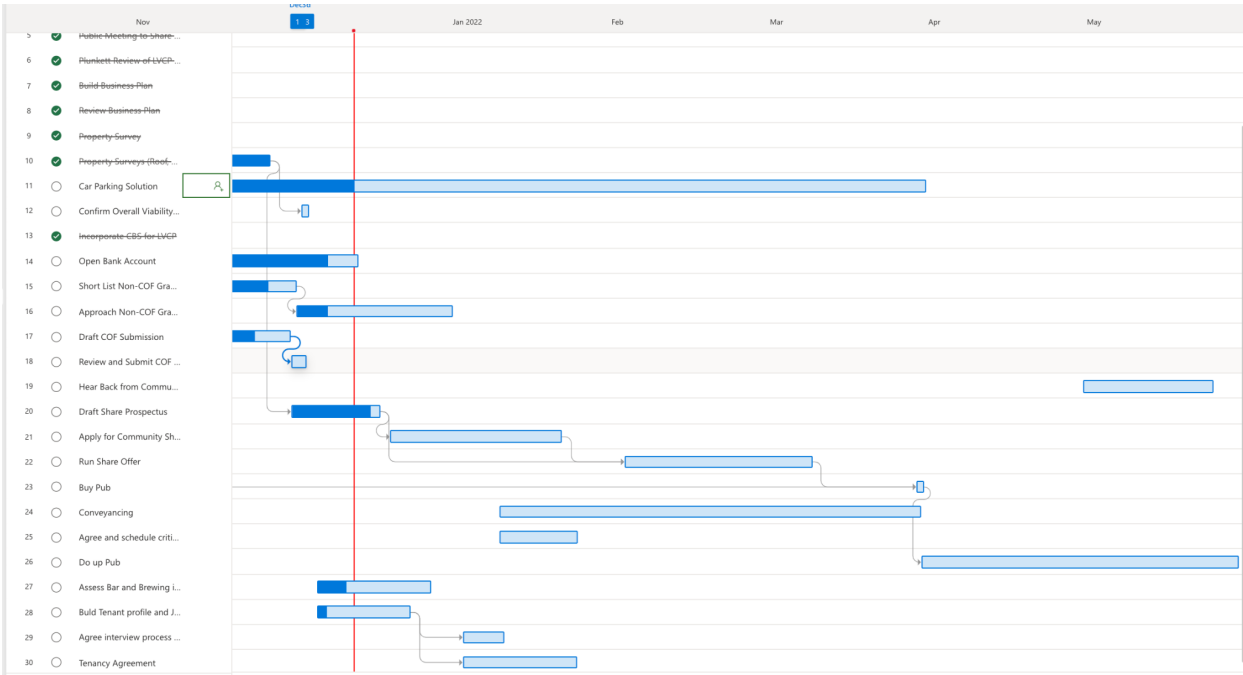
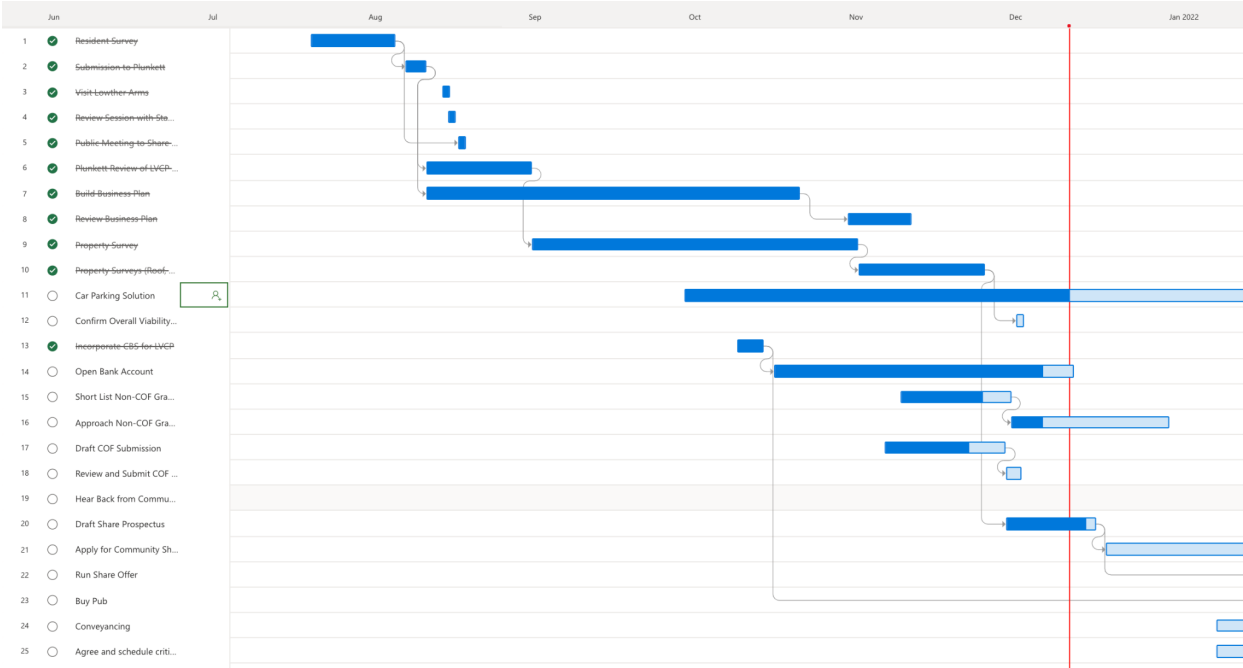
India grew up near Crosby Ravensworth, Cumrbia, and now lives in Bampton. She has done various jobs, including a stint working in The Mardale as a teenager. She has qualified as a Surveyor and currently works for Lewis Surveying Associates. She still helps out at her parent's farm and tourism business at Craketrees, and is also Chair of Bampton Parish Council.

A number of the management team have taken on additional roles to manage various aspects of the business.

Management Roles

Commercial Sue Goble <ul style="list-style-type: none"> • Business Planning • Tenant Mgmt • Contract Neg 	Company Secretarial Rich Shave <ul style="list-style-type: none"> • Company Setup • Share Registration • Statutory Reporting 	Marketing Phil Sweetland <ul style="list-style-type: none"> • Marketing Strategy • Brand / Design • PR • Digital including Web • Social
Finance Kate Shave <ul style="list-style-type: none"> • Budgeting & Planning • Compliance (VAT/Tax) • Accounting • Cash Management 	Fundraising Phil / Rich <ul style="list-style-type: none"> • Share Prospectus • Grant Submissions • Partner Management 	Infrastructure Patrick Lacey <ul style="list-style-type: none"> • Kitchen / Hygiene • Architecture • Structural • Roofing, Decorating • Landscaping, Plumbing

Timeline



Appendix A - Annual Tenant Plan and Business Model.

The following assumptions have been used to drive the business model . All numbers in the model are excluding VAT.

Tenant Income and Gross Profit

Assumptions	
Rooms	4
Avg Cover Price Dinner	£13
Drink/Day - High Season	£350
Drink/Day - Low Season	£180
Laundry per bed	£10
Toiletries/Room sundries	£2
Breakfast Cost for B&B	£3
Chef Cost/hr	£13
Kitchen Porter/hr	£10
Front of House Cost/hr	£10
Cleaning cost /hr	£10
Hours cleaning/room/day	0.50
Hours Cleaning General/day	2.00
Hours/day Kitchen	8.00
Hours/Day FoH	8.00
Rent as % of Turnover	10%

The business plan has been built from a capacity based model to reflect the week by week variations during the year. Holiday weeks have higher occupancy rates, prices. Whilst the data is shown monthly - all revenue and costs have been calculated for each week to build the monthly numbers.

Year 1 includes a ramp up period and lower covers to allow the business to gain traction as a new business.

			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Year 1
Income															
	Room Price		0	0	0	0	0	0	80	80	80	98	92	90	
	Room Occupancy		0%	0%	0%	0%	0%	0%	10%	10%	30%	76%	73%	70%	
	Days Open per week		7.0	7.0	5.0	6.0	5.0	5.5	5.4	5.0	5.0	6.5	5.4	5	
	Covers/Day		20	20	20	20	10	18	14	15	10	35	31	30	
	Room Income	27.3%	0	0	0	0	0	0	864	768	1,920	8,040	7,420	5,040	24,052
	Food	38.8%	7,280	9,100	5,200	6,240	3,250	5,330	5,330	4,940	2,600	11,830	10,985	7,800	79,885
	Drink	34.0%	9,800	12,250	7,000	8,400	4,500	6,000	6,050	4,320	7,000	9,100	9,450	7,000	90,870
	Total		17,080	21,350	12,200	14,640	7,750	11,330	12,244	10,028	11,520	28,970	27,855	19,840	194,807
Cost of Sales															
	Cost of Rooms	16%	0	0	0	0	0	0	162	144	360	1,221	1,197	840	3,924
	Cost of Food	38%	2,766	3,458	1,976	2,371	1,235	2,025	2,025	1,877	988	4,495	4,174	2,964	30,356
	Cost of Drink	47%	4,606	5,758	3,290	3,948	2,115	2,820	2,844	2,030	3,290	4,277	4,442	3,290	42,709
	Total	40%	7,372	9,216	5,266	6,319	3,350	4,845	5,031	4,052	4,638	9,993	9,813	7,094	76,989
Gross Profit															
	Rooms Margin	84%	0	0	0	0	0	0	702	624	1,560	6,819	6,223	4,200	20,128
	Food Margin	62%	4,514	5,642	3,224	3,869	2,015	3,305	3,305	3,063	1,612	7,335	6,811	4,836	49,529
	Drink Margin	53%	5,194	6,493	3,710	4,452	2,385	3,180	3,207	2,290	3,710	4,823	5,009	3,710	48,161
	Total	60%	9,708	12,135	6,934	8,321	4,400	6,485	7,213	5,976	6,882	18,977	18,042	12,746	117,818

Year 2 onwards includes room accommodation, higher levels of occupancy and covers.

			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Year 2
Income															
	Room Price		100	100	90	95	90	85	84	90	80	98	84	90	
	Room Occupancy		85%	85%	80%	73%	40%	66%	25%	48%	30%	76%	73%	70%	
	Days Open per week		7.0	7.0	5.0	6.0	5.0	5.5	5.4	5.0	5.0	6.5	5.4	5	
	Covers/Day		50	40	30	30	10	19	15	15	10	35	30	35	
	Room Income	27.3%	9,520	11,900	5,760	6,920	3,600	5,260	3,020	5,080	1,920	8,040	6,860	5,040	72,920
	Food	38.8%	14,560	18,200	7,800	9,360	3,250	5,785	5,785	4,940	2,600	11,830	10,530	9,100	103,740
	Drink	34.0%	9,800	12,250	7,000	8,400	4,500	6,000	6,050	4,320	7,000	9,100	9,450	7,000	90,870
	Total		33,880	42,350	20,560	24,680	11,350	17,045	14,855	14,340	11,520	28,970	26,840	21,140	267,530
Cost of Sales															
	Cost of Rooms	16%	1,428	1,785	960	1,074	600	897	477	774	360	1,221	1,197	840	11,613
	Cost of Food	38%	5,533	6,916	2,964	3,557	1,235	2,198	2,198	1,877	988	4,495	4,001	3,458	39,421
	Cost of Drink	47%	4,606	5,758	3,290	3,948	2,115	2,820	2,844	2,030	3,290	4,277	4,442	3,290	42,709
	Total	40%	11,567	14,459	7,214	8,579	3,950	5,915	5,519	4,682	4,638	9,993	9,640	7,588	93,743
Gross Profit															
	Rooms Margin	84%	8,092	10,115	4,800	5,846	3,000	4,363	2,543	4,306	1,560	6,819	5,663	4,200	61,307
	Food Margin	62%	9,027	11,284	4,836	5,803	2,015	3,587	3,587	3,063	1,612	7,335	6,529	5,642	64,319
	Drink Margin	53%	5,194	6,493	3,710	4,452	2,385	3,180	3,207	2,290	3,710	4,823	5,009	3,710	48,161
	Total	60%	22,313	27,892	13,346	16,101	7,400	11,130	9,336	9,658	6,882	18,977	17,200	13,552	173,787

Tenant Costs and Net Profit

Year 1 Costs

Cost of Labour																
Total	31%	5,572	6,965	3,980	4,776	4,975	4,378	5,424	4,822	4,094	5,561	5,752	4,246	60,545		
Overheads																
Fixed	Annual	1,283	1,283	1,283	2,747	2,058	2,416	2,508	2,286	2,435	4,180	4,069	3,267	29,818		
Rent		0	0	0	1464	775	1133	1224	1003	1152	2897	2786	1984	14,418		
Business Rates	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Insurance	2,400	200	200	200	200	200	200	200	200	200	200	200	200	2,400		
Utilities	13,000	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	13,000		
Variable		1,836	2,111	1,521	2,028	1,584	1,815	1,874	1,731	1,827	2,703	2,631	2,114	23,775		
Live Entertainment					250	250	250	250	250	250				1,500		
Pay TV, Sky, BT Sport		150	150	150	150	150	150	150	150	150	150	150	150	1,800		
Licences		25	25	25	25	25	25	25	25	25	25	25	25	300		
Repairs and Maintenance		0	0	0	100	100	100	100	100	100	100	100	100	900		
Equipment Hire and IT		50	50	50	50	50	50	50	50	50	50	50	50	600		
Stationery Postage printing		33	33	33	33	33	33	33	33	33	33	33	33	400		
Travel		100	100	100	100	100	100	100	100	100	100	100	100	1,200		
Professional Fees		275	275	275	275	275	275	275	275	275	275	275	275	3,300		
Telephony		100	100	100	100	100	100	100	100	100	100	100	100	1,200		
Consumables	1,075	94	118	67	81	43	63	68	55	64	160	154	109	1,075		
Waste Disposal	2,800	245	307	175	210	111	163	176	144	166	416	400	285	2,800		
Marketing and Booking agency fees	5,000	438	548	313	376	199	291	314	257	296	744	715	509	5,000		
Bank and Credit Card Charges	2,500	219	274	157	188	99	145	157	129	148	372	357	255	2,500		
Other Costs	1,200	105	132	75	90	48	70	75	62	71	178	172	122	1,200		
Total		3,119	3,395	2,804	4,776	3,642	4,231	4,381	4,017	4,262	6,884	6,700	5,381	53,593		
Tenant Net Profit		1,016	1,775	150	-1,231	-4,217	-2,124	-2,593	-2,862	-1,474	6,532	5,590	3,119	3,680		

Year 2 Onwards Costs

Cost of Labour																
Total	31%	10,280	12,850	4,284	6,180	5,165	5,194	6,056	5,021	4,094	7,157	6,284	4,246	81,740		
Overheads																
Fixed	Annual	4,671	5,518	3,339	3,751	2,418	2,988	2,769	2,717	2,435	4,180	3,967	3,397	42,153		
Rent		3388	4235	2056	2468	1135	1705	1486	1434	1152	2897	2684	2114	26,753		
Business Rates	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Insurance	2,400	200	200	200	200	200	200	200	200	200	200	200	200	2,400		
Utilities	13,000	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	13,000		
Variable		2,526	3,024	2,300	2,743	2,117	2,585	2,282	2,257	1,725	2,295	2,195	1,927	27,975		
Live Entertainment					250	250	250	250	250	250				1,500		
Pay TV, Sky, BT Sport		150	150	150	150	150	150	150	150	150	150	150	150	1,800		
Licences		25	25	25	25	25	25	25	25	25	25	25	25	300		
Repairs and Maintenance		200	300	600	600	600	800	600	600	200	200	200	200	5,100		
Equipment Hire and IT		50	50	50	50	50	50	50	50	50	50	50	50	600		
Stationery Postage printing		33	33	33	33	33	33	33	33	33	33	33	33	400		
Travel		100	100	100	100	100	100	100	100	100	100	100	100	1,200		
Professional Fees		275	275	275	275	275	275	275	275	275	275	275	275	3,300		
Telephony		100	100	100	100	100	100	100	100	100	100	100	100	1,200		
Consumables	1,075	136	170	83	99	46	68	60	58	46	116	108	85	1,075		
Waste Disposal	2,800	355	443	215	258	119	178	155	150	121	303	281	221	2,800		
Marketing and Booking agency fees	5,000	633	792	384	461	212	319	278	268	215	541	502	395	5,000		
Bank and Credit Card Charges	2,500	317	396	192	231	106	159	139	134	108	271	251	198	2,500		
Other Costs	1,200	152	190	92	111	51	76	67	64	52	130	120	95	1,200		
Total		7,197	8,542	5,639	6,495	4,535	5,572	5,050	4,975	4,160	6,475	6,162	5,324	70,128		
														125,115		
Tenant Net Profit		4,836	6,499	3,423	3,426	-2,300	363	-1,770	-337	-1,372	5,345	4,754	3,982	21,919		

Appendix B - Risk Register and Mitigation Plan

ID	Risk description	Project Risk	Risk Category	Likelihood of the risk occurring	Impact to the project if the risk occurs	Risk Score Rating based on impact & likelihood.	Mitigating action Actions to mitigate the risk e.g. reduce the likelihood.
1	Property has been closed for a considerable time and needs refurbishment	Deterioration in the fabric of the building may lead to increased refurbishment costs	Financial	Unlikely (2)	Significant (3)	6	We have carried out surveys of roof, kitchen and electrics with quotes for repairs to fix where necessary.
2	A lack of interest in the community share offer	Failure to raise sufficient funds to buy the property.	Financial	Unlikely (2)	Major (4)	8	A marketing plan and public awareness campaign has been developed both locally and nationally using press connections and through affiliations with organisations representing interest in Wainwright and Withnail and I.
3	A lack of sufficient finance after purchasing the pub to complete the refurbishment and development works	Could lead to delay or change the scope of the plan and the programme	Financial	Possible (3)	Significant (3)	9	We have built a phased business plan for BVCP which allows pub purchase followed by spend as funds are raised. We are realistic about the potential for delays due to both funding and availability of contractors and volunteers.
4	Lack of community support, both in general and as volunteers	Lack of community support could lead to fewer volunteers, resulting in higher refurbishment costs. Lack of involvement across the community could alienate some parts of the community	Operational	Unlikely (2)	Significant (3)	6	We have extended the Steering Committee to include more villagers from Burnbanks, Bampton Grange and the wider Valley. We are running a digital communications campaign (and leafleting for those who do not have email) to keep engagement high.
5	Failure to secure sufficient Grant Funding	Grants may not deliver sufficient funding in the timeframe needed to deliver the business plan	Financial	Possible (3)	Critical (5)	15	We have created a back-up business plan and options around alternate funding sources over a longer period of time, including small (max £50k) loans as a last resort

ID	Risk description	Project Risk	Risk Category	Likelihood of the risk occurring	Impact to the project if the risk occurs	Risk Score Rating based on impact & likelihood.	Mitigating action Actions to mitigate the risk e.g. reduce the likelihood.
6	Electrical installation fails to pass testing	Electrical installation fails to pass testing when Electrician tests pre or post purchase. Could lead to additional unforeseen costs	Financial	Unlikely (2)	Minor (2)	4	Electrician has already visually inspected site.
7	Desire to achieve sustainability level is beyond financial ability or doesn't attract positive support from COF	Could lead to insufficient overall funding to support the financial needs of opening the pub within the project timeline	Financial	Possible (3)	Significant (3)	9	Improving the carbon footprint of the building is an important goal for the project and will deliver lower energy costs. We have deliberately separated the scope of activity such that Phase 3 investment focused on sustainability will not lead to delays in opening the pub and earning tenant rent.
8	Failure to appoint a suitable tenant to manage the pub.	The business plan and/ or tenant accommodation does not attract a tenant who is willing to take on the Mardale	Operational	Possible (3)	Critical (5)	15	Overall tenant appeal has been high on the priority list during assessment and planning. We have built a business plan which allows the tenant to make an attractive profit whilst delivering the vision and operating approach. Furthermore we are planning improvements to the tenant flat.

ID	Risk description	Project Risk	Risk Category	Likelihood of the risk occurring	Impact to the project if the risk occurs	Risk Score Rating based on impact & likelihood.	Mitigating action Actions to mitigate the risk e.g. reduce the likelihood.
9	Lack of Custom	The Mardale has been closed for a considerable period and to sustain the business plan requires custom beyond the valley residents	Financial	Possible (3)	Significant (3)	9	Through marketing of the community share offer and our public awareness campaign, we have been reawakening interest in The Mardale. We believe a broad membership base in the Valley is particularly important to establish a set of customers emotionally engaged with the pub. In assessing future tenants, their capabilities and interest in (digital) marketing will be a key criteria. In any event, we anticipate the Management Committee actively supporting the tenant in transitioning from our focus of 'marketing the pub building' to a tenant's interest of 'marketing the pub offer'.
10	Covid 19 restrictions continuing or being extended, impacting on our ability to trade as forecast	Could lead to reduced number of customers allowed inside the building, leading to reduced levels of income and some higher cleaning costs	Operational	Unlikely (2)	Significant (3)	6	Through the Covid 19 pandemic, we have observed many pubs (community ones especially) developing different capabilities to support active restrictions while still functioning in some form. These include ideas like takeaway service as well as creating more outside space. Establishing a sizable amount of Working Capital at the outset will permit us to support rent flexibility to the tenant if necessary.
11	Failure to achieve and maintain a correct balance between quality/ value/ profit	Could lead to poor reputation and a reduction in customer base, leading to a reduction in income	Reputational	Unlikely (2)	Significant (3)	6	We will build a clear brief for the tenant around the operating model and values and behaviours to be observed. We will establish clear communication paths with the tenant including Monthly and Annual Business Reviews. Our plan at the outset is to find sufficient funds to make the pub appealing as a destination as well as for food and drink.

ID	Risk description	Project Risk	Risk Category	Likelihood of the risk occurring	Impact to the project if the risk occurs	Risk Score Rating based on impact & likelihood.	Mitigating action Actions to mitigate the risk e.g. reduce the likelihood.
12	Lack of Car Park and Beer Garden	Without a car park and beer garden the pub will be less attractive to visitors resulting in less economic success Car parking in village road will annoy villagers	Reputational and Financial	Possible (3)	Significant (3)	9	Implementing amenity additions such as a car park and a beer garden are high on our priority list, particularly as we aim to be a 'good neighbour'. To this end, we have already approached local landowners to consider some options and spoken with Lake District National Park with regard to planning.
13	Change in Grant Finder Policy	Change to grant finder policy could lead to grants being reduced or becoming unavailable	Financial	Possible (3)	Significant (3)	9	There are many grant options available so we are diligently working through what is available to confirm suitability and also staying alert to new sources.
14	Competition	New competition reduces customers and undermines the occupancy rates in the business plan.	Operational	Remote (1)	Minimal (1)	1	Although The Mardale is over 3 miles away from any other pub today, we maintain a high level of awareness of local competition. Reputation management will be a key element of the tenant agreement to ensure that Tripadvisor and other review sites rate The Mardale highly and mitigate any risks of new competition taking away our custom..
15	Economic Downturn	Economic downturn could lead to reduced customer numbers and reduction in income	Operational	Remote (1)	Minor (2)	2	Similarly to the challenge of the Covid 19 pandemic, we will encourage and support creativity in the offer, eg range of food options for different budgets, with consideration of flexibility in the rent if appropriate.

Impact Definition					
Minimal - effect on Finance <£10k or on Programme < month					
Minor - effect on Finance >£10k <£30k or Programme >1m <3m					
Significant - effect on Finance >£30k <£50k or Programme >3m <6m					
Major - effect on Finance >£50k <£100k or Programme >6m <12m					
Critical- effect on Finance >£100k or Programme >12m					
Risk	Impact				
Likelihood	Minimal (1)	Minor (2)	Significant (3)	Major (4)	Critical (5)
Almost Certain (5)	5	10	15	20	25
Likely (4)	4	8	12	16	20
Possible (3)	3	6	7 9 3 12 9	12	8 15 5
Unlikely (2)	2	6 4	1 6 11 4 10 13	8 2	10
Remote (1)	14 1	15 2	3	4	5