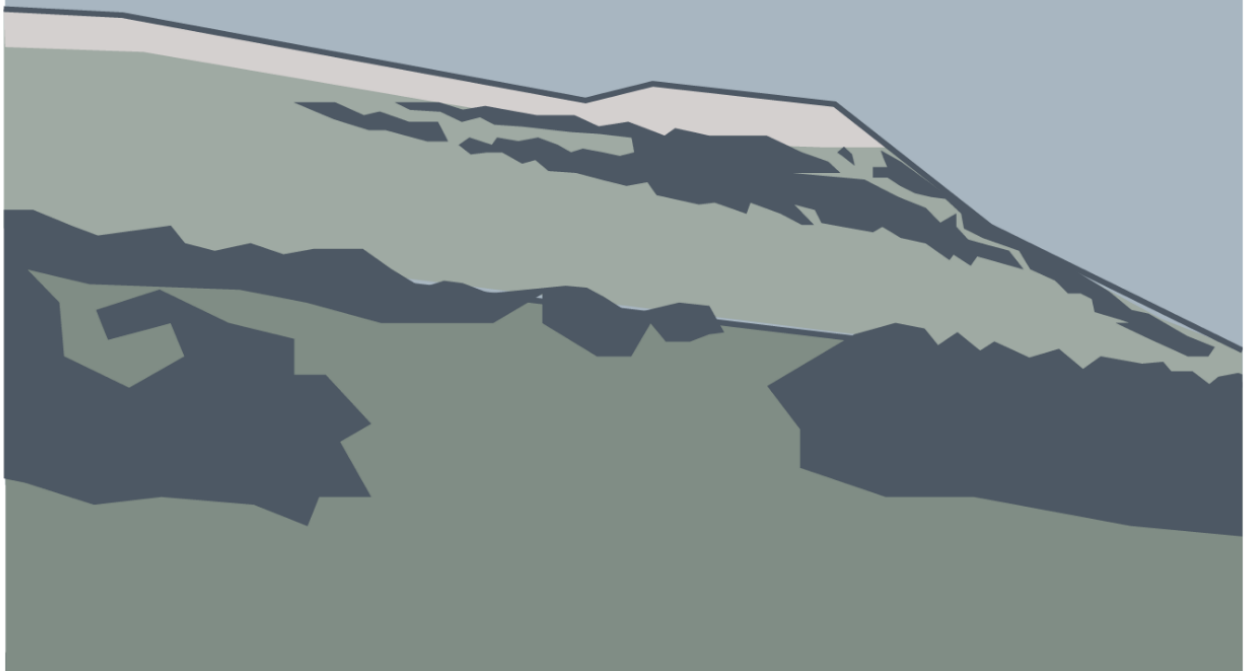


BAMPTON VALLEY COMMUNITY PUB



The Mardale Inn

Share Prospectus

Bampton Valley Community Pub Limited
January 2022

‘Save a Pub for the Valley’



We as a community have the chance to secure The Mardale Inn (St Patrick's Well) for the long term benefit of Bampton Valley residents and our visitors.

By investing now in this share offer we can preserve for future generations, and enjoy together in 2022, a key element of the Valley's rural heritage.

This is a one-off opportunity and we should not let it pass us by



The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice. For more information about Community Shares, the CommunityShares Standard Mark and the Community Shares Unit please go to: www.communityshares.org.uk

Share Offer - At a Glance

Bampton Valley Community Pub Limited



SHARES

Interest bearing, withdrawable (after min. 3 years), asset locked (no gain on dissolution)

Price per Share £100

Minimum Investment £100

Maximum Investment £25,000



MEMBERSHIP

'One Member equals One Vote' (regardless of amount invested). Buying shares makes you a Member of the Society and gives you the right to vote on important decisions regarding the pub



PROJECTED RETURN

Annual interest payments may be payable on shares from Year 3 depending on business performance & agreement of Members at Annual Members Meeting. Our target in business plan is to be able to pay approximately 3% annual interest



SHARE OFFER TARGETS

Minimum £320,000

Optimum £360,000

Maximum £400,000



SHARE OFFER KEY DATES

Opens 3rd February 2022

Closes 3rd March 2022

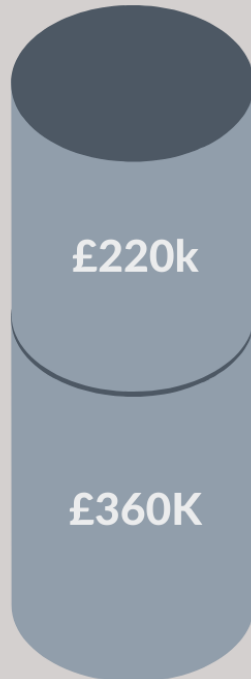
A 'Priority Window' will open for first 6 days for execution of 2021 'Pledges in Principle'

Capital at risk warning: You could lose some, or all, of the money you invest in this share offer, without recourse to the Financial Services Compensation Scheme or the Financial Ombudsman Service

Share Offer - At a Glance

Bampton Valley Community Pub Limited

CAPITAL IN



Crowdfunding
Grants
Donations

Share Offer



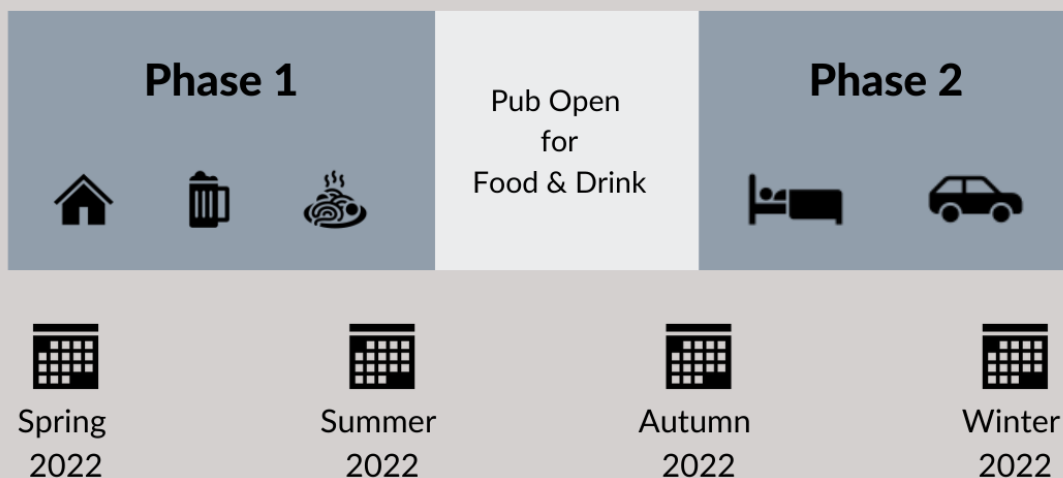
CAPITAL OUT



Phase 2 Refurb:
Rooms & Parking
Phase 1 Refurb:
Ground Floor
Working Capital
Pre Trading Costs

Pub Purchase

APPROXIMATE TIMELINE



Phase 1 Capital enables a 'working pub' serving food and drink - ideally by Summer 2022

Phase 2 Capital completes pub investment in letting rooms & parking ready for 2023

Earlier receipt of Capital will enable programme to be accelerated, eg parking

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1. Introduction

1.1 Current Situation

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 has 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 90% in full agreement with the idea of community ownership. BVCP Limited was subsequently incorporated as a Community Benefit Society in October 2021.

1.2 Rationale for a Community Purchase

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 the 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 ran 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.

1.3 High Level Plan

Over the last months we have had numerous conversations and approaches from a wide variety of people from both within and beyond Bampton Valley. They have offered both practical assistance and financial commitment proving there is a strong level of support to save The Mardale and protect its future.

Given this fabulous backing, our plan is to buy The Mardale Inn as a community asset and refurbish it with an emphasis on low carbon environmental sustainability. We will also progress ideas to improve its amenities such as improving parking facilities and creating more outdoor space.

Our overall objective is to have a friendly and welcoming village pub that serves local beers, sensibly priced, locally sourced food and can accommodate visitors in 4 double bedrooms.

As support for a community pub has grown, we believe that The Mardale Inn can be 'More Than a Pub'. For instance, we will support a range of community groups in the Valley such as walking groups and book clubs. We will partner with and complement the work of Bampton Trust and Bampton Memorial Hall.

We plan to appoint a professional tenant with the experience and skills to run the inn as a successful business for the benefit of the community and visitors.

A fair rent will be set that gives the tenant the opportunity and incentive to run their own profitable business. The tenant rent provides the income to us to sustainably maintain our investment in the 'bricks and mortar' business. When cash reserves permit, we plan to pay a modest interest to shareholders and enable the withdrawal of shares from time to time.

We are confident that our business will be profitable, but in the unlikely event it is not BVCP Limited will own a valuable asset – The Mardale Inn building. If necessary, this could be sold in order to return funds to investors.

1.4 The Bampton Valley Community Pub (BVCP) Limited - a Community Benefit Society

BVCP Limited is a Community Benefit Society that has been formed to purchase The Mardale Inn and secure its future for the benefit of the community. As of 8th October 2021, it is fully registered with the Financial Conduct Authority with Registration number 8740.

Purchase of the minimum number of shares will confer membership of the Society, giving members control over the business through the annual election of a Management Committee and voting rights on significant issues at regular meetings. Community Benefit Societies are by law intended to be democratic organisations, and all members will have an equal vote, regardless of the size of their shareholding, and will have the protection of limited liability.

The Society's rules contain a statutory asset lock. This is a constitutional device that prevents the distribution of residual assets to members. The purpose of the asset lock is to ensure that the community benefit of any retained surplus or residual value cannot be appropriated for the private benefit of members after all members' share capital has been refunded according to the rules of the Society.

This means that the value of the CBS assets always remains in the CBS for the benefit of the community. In other words, the value of membership shares will not rise or fall with the value of the CBS assets. They will remain fixed in price.

You can find a copy of our CBS rules and other documents on our website at www.bvcp.info or www.bamptonvalleycommunitypub.org

1.5 Financial Outline

The capital cost of our plan is projected to be up to £580,000. We aim to raise approximately £360,000 through this community share offer and also seek £220,000 from other sources such as grants from the Government's Community Ownership Fund, National Lottery, Eden District Council and others. We may also raise money through crowdfunding and take small loans, eg a Public Works Loan.

The incoming capital will be allocated to the following major buckets:

Building Purchase	£350,000
Pre Trading Costs	£15,000
Working Capital	£50,000
Refurbishment	£135,000
Car Park Addition	£30,000
	£580,000

As we anticipate that capital will be available at different times during 2022, we are planning a practical, phased restoration of the pub operations.

Purchase of the pub, pre-trading costs, funding of working capital and Phase 1 refurbishment will require approximately £495,000 to enable The Mardale to reopen in Summer 2022 offering food and drink.

As we acquire additional funds in 2022, we plan to add a local car park facility and complete the Phase 2 refurbishment to enable accommodation to be offered in 2023. We estimate Phase 2 requires up to £85,000.

The above schedule may be accelerated or decelerated depending on capital availability, eg incoming Grants. We have deliberately allocated significant working capital so that our business is not at risk due to any significant delays in acquiring additional funding.

Finally, we will be seeking specific grants to reduce the carbon footprint of the property (Low Carbon) with an anticipated capital cost of between £70,000 and £100,000. This will be a long term initiative (Phase 3) intended to reduce the energy consumption of the building and is in addition to work of Phases 1 and 2. It will not delay us reopening and earning tenant income.

Rent from the tenant will cover property maintenance, sundry administration costs, a building reserve for any future repairs and if necessary, any loan payments. It will rise between Phase 1 and Phase 2 as the availability of letting rooms enables the tenant to increase their income. This is more fully explained in Section 5, 'Financial Details & Assumptions'.



2. Vision and Community Benefits

2.1 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. Information relating to our local demographic can be found on page 14 of the Business Plan.

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 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

2.2 Benefiting the Community

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 successful 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.

2.3 More than a Pub

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 including electric charging points for cars and bikes.

3. Buying the Mardale

3.1 Market Considerations

Freehold pub values increased ten-fold from 1975 to a peak in 2007 (source: Christie & Co). During much of this period large pub estates were built up by pub owning companies (PubCos) using cheap debt. However, in 2007 the market ground to a halt and in recent years there has been a dramatic reversal with values falling. Much of the fall was due to the impact of the financial crisis on the PubCos who consequently have been selling assets to pay down their debt. The decline has been accentuated by competitive pressures on drink sales and changing patterns of leisure time usage which together have put a significant strain on the traditional tied pub tenancy model. This model has become increasingly uneconomic, particularly in rural locations.

As a result of these pressures the nature of pub ownership is changing. There were 51,000 pubs in the UK (in 2010) but the large estates are now being broken up and numerous properties are either being closed or are passing into the hands of individuals or small groups. It has also become clear that the traditional tied pub owning model has become inflexible and increasingly uncompetitive.

This is confirmed by a Campaign for Real Ale (CAMRA) report (August 2016) that pubs are being forced out of business by cheap supermarket prices, high beer taxes, and the high rents and wholesale beer prices charged by pub owning property companies. Hearteningly, however, the rate of closure had started to come down, in part due to the use of Asset of Community Value listings, and in 2018 stood at an average of 18 pub closures per week compared with 28 per week in 2013. However, in 2020 this increased to 48 largely due to the effects and financial impact of the Covid-19 pandemic.

The traditional model separates the pub owner from the pub operator. The pub owner has charged high rents and generally been slow to invest capital in the property. The pub operator has struggled with weak sales, high tied beer costs, an unaffordable rent and insufficient capital to invest in the asset. This is a vicious circle, which leads to a loss of incentive and subsequent poor management of the pub, resulting in poor performance and declining sales.

Smaller, newer and better-managed independent groups are now emerging to acquire and invest in pubs using a more integrated model. Similarly, communities are increasingly mobilising and buying these underperforming assets, operating them through tenancies for the benefit of the local community.

3.2 Community Pubs

The first co-operative pub opened in 1988 (Tafarn y Fic in Llithfaen, Gwynedd). By 2010 there were still only five community pubs in the UK. Legislation in 2011 (The Localism Act) introduced the designation of an Asset of Community Value (under which community groups have a six-month moratorium period in which to bid), and The Plunkett Foundation, working with others in the industry, developed the co-operative pub model. Since then, the number of community pubs

has grown steadily. By the end of 2014 there were 33 community owned pubs. There are now over 160 up and running, and more in the pipeline across the UK.

Although still a relatively young sector, to date there has been just one co-operative pub closure in the UK and importantly this was not due to business failure but a management failure, this represents over 99% survival rate. This compares extremely positively with estimations for UK businesses which have an estimated 5-year survival rate of 41% (Office for National Statistics) and is one of the best business survival rates anywhere in the world.

In Cumbria there are some highly respected community pub successes which were supported by Plunkett Foundation including:

- The Old Crown, Hesketh Newmarket (2003)
- The Butcher's Arms, Crosby Ravensworth (2011)
- The Lowther Arms, Mawbray (2021)

3.3 Plunkett Foundation

BVCP Limited has been in grateful receipt of help and guidance from the Plunkett Foundation, which helps communities take control of their challenges and overcome them through cooperation. Plunkett supports people, predominantly in rural areas, to set up and run life-changing community co-operatives; enterprises that are owned and run democratically by large numbers of people in their community. They help people to tackle a range of issues such as isolation, loneliness and poverty, and come in many forms including shops, cafés, pubs, environmental and land-based initiatives, and anything in between.

Today, Plunkett actively represents a network of over 700 (March 21) rural community co-operatives that are trading across all parts of the UK. Their mission statement is: "to inspire a movement of people who solve their challenges by running community owned co-operatives in rural communities and beyond".

The organisation has been supporting communities for over 100 years, having been founded in 1919 by the Irish co-operative pioneer, Sir Horace Plunkett. Today their work is primarily concerned with community co-operation in the UK, supporting communities such as BVCP Limited at every stage of setting up and trading.

3.4 Building Costs

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).

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.

Estimated costs by category are provided in Section 5.1, Initial Capital. The sum total we estimate for Phase 1 and Phase 2 is £165,000. Target dates to complete Phase 1 and Phase 2 investments are respectively end June 2022 and December 2022. We are ambitious to improve on these dates but are being deliberately cautious with respect to both funding and contractor and volunteer availability.

The investment required in the building is significant, but we believe it is realistic and will set up the building and BVCP's business for long term success.

3.5 Share Funding

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).

We are setting a minimum target of £320,000 for the share offer, an optimal target of £360,000 and a maximum share offer of £400,000. A high community share uptake realising approximately £360,000 is fundamental to the success of the project.

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.

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.

Further details on the how our community shares will function are provided in Appendix A, 'Frequently Asked Questions'.



4. Operating The Mardale

4.1 The Tenant Model

Based on our research and advice received from other community pubs, we have concluded that a 'tenant model' is the most appropriate operating model for BVCP.

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 higher risk 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.

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 document. Whoever we appoint will need to evidence buy-in to our vision, and to desire 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.

4.2 Affordable Rent

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.

4.3 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; 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. 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.

- 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



5. Financial Details and Assumptions

5.1 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 & Fittings	£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.

As noted in Section 3.4, Building Costs, 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).

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.

5.2 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.

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.

5.3 Outgoings

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 to undertake as much minor maintenance as is practicable.

5.4 Tenant's Plan

To ensure the feasibility of the business, an example Tenant's 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.

The planning assumption is that the Mardale will be open five days a week except for summer and half term holidays in England and Scotland when it will be open seven days a week.

All figures in the tenant's plan are excluding VAT. They reflect a full year trading, i.e. from January 2023, when the tenant will be able to offer food, drink and accommodation.

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

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	-	£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

6. Risk Assessment

Prospective investors should read the whole of this document and 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 advisor.

What Could Go Wrong		Why It Shouldn't
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	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 could lead to a failure to raise sufficient funds to buy the property	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	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 could lead to fewer volunteers, resulting in higher refurbishment costs. Lack of involvement across the community could alienate some parts of the community	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 may mean we don't deliver sufficient funding in the timeframe needed to deliver the business plan	We have carried out financial modelling of a small loan of £50k to cover any grant funding which results in additional costs of £2,500 per year. These can be supported by taking less funds to reserves. We are happy to share the model on request
6	Electrical installation fails to pass testing when Electrician tests pre or post purchase. Could lead to additional unforeseen costs	An electrician has already visually inspected the site
7	Desire to achieve sustainability is beyond the financial capacity of the project. Could lead to insufficient overall funding to support the financial needs of opening the pub within the project timeline	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 doesn't attract a tenant who is willing to take on The Mardale	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

What Could Go Wrong		Why It Shouldn't
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	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	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	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
12	Lack of car park and beer garden. Without these the pub will be less attractive to visitors resulting in less economic success. Car parking in village road will annoy villagers	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	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	New competition reduces customers and undermines the occupancy rates in the business plan	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 could lead to reduced customer numbers and reduction in income	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

7. The Community Benefit Society

7.1 Introduction

The purpose of the Community Benefit Society (CBS) is to enable the residents of Bampton Valley, and other supporters, to secure and safeguard the future of The Mardale Inn public house, and promote it as an amenity of prime importance to the community.

The Society is a limited liability CBS that is registered with the Financial Conduct Authority (FCA) using a set of pre-approved model rules developed by The Plunkett Foundation (a charity that has been helping communities to set up and run community owned enterprises since 1919).

Our rules include a statutory Asset Lock which ensures that should the Society achieve a surplus beyond that required to meet its liabilities, improve the facilities and ensure the future of the business, this surplus may be made available for distribution to other community or charitable projects. Specifically, any such surplus cannot be used to benefit the members as individuals (other than for modest payments of interest to investors).

A copy of the Rules of the Society are available on our website or can be requested from the CBS's Secretary.

The Society is a democratic organisation that operates on the principle of one member one vote regardless of the amount each member has invested. Every shareholder is a member.

7.2 Limited Liability

The Society is a limited liability entity. This means that the most a member can lose is the amount originally invested (experiences of other CBS' suggests that this is highly unlikely). Investors will not be liable for any activities of the tenant – for example, if they run up huge bills or other losses.

7.3 Management Structure

The first members of the Society are those who signed the application for FCA registration, and these members will appoint the first Management Committee that will then serve until the first Annual Members Meeting (AMM). This AMM will be held as soon as is practicable after the opening of the pub, probably mid-2022. Our start up provisions require that all members of the first Management Committee will retire at the first Annual Members Meeting, although they are eligible to stand for re-election.

The newly elected Management Committee will take office immediately after the conclusion of that meeting, and the following provisions will apply to them:

- One third of those so elected, who obtained the highest number of votes, shall serve until the conclusion of the fourth Annual Members Meeting

- One third who obtained the next highest number of votes shall serve until the conclusion of the third Annual Members Meeting
- The remainder of those elected shall serve until the conclusion of the second Annual Members Meeting

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

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

The Management Committee will:

- Organise and supervise the purchase of the pub and any refurbishment works
- Appoint the tenant
- Monitor and manage the Society's financial affairs for the benefit of the community
- Oversee the lease and manage the relationship between the Society and the tenant
- Appoint new tenants should that be necessary
- Ensure that the Society complies with all applicable regulations
- Recommend the level of any interest payment for members, for agreement at the AMM

We will lease the pub business to a tenant who will run the pub and pay rent to the Society. The Management Committee will set the broad policy direction for the business and agree specific standards with the tenant, including certain aspects which community feedback has shown to be important. These will include, for example, an obligation to provide locally brewed beers, to maintain the character and ambience of The Mardale Inn as a traditional village pub, and to promote additional amenities that are beneficial to the community. Beyond that, the tenant will be left to manage and operate the business as they see fit. The Management Committee will not get involved in or interfere with the day to day running of the business, or attempt to micro-manage the pub.

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

The Management Committee will provide all members with an annual report which will set out the key financial statements together with a report of the society's activities during the previous financial year, and any plans for the following year.

Other than their intention that BVCP Limited purchase The Mardale Inn the members of the Management Committee have no other vested interests. They hold interim roles until the first AMM when the membership will elect the officers.

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 (Vice Chair)

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 - hitch-hiking 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.

7.4 Members

The Community Benefit Society structure means that any person who buys the minimum number of shares becomes a member of the Society. Each member then has one vote to exercise at the Annual Members Meeting regardless of how many shares they hold.

Members can be elected to the Management Committee. All members will be provided with an Annual Report, which will set out details of the operation of the Society and how it has developed its activities over the previous year and which will include a report of the accounts. The Rules also provide for a number of other ways in which the membership may hold the Management Committee accountable for the running of the Society, including calling a special general meeting if required. Corporate bodies can also be members.

7.5 Data Protection Act

The Society adheres to the principles of the Data Protection Act, even though it is exempt from registration with the Information Commissioner as a not-for-profit organisation and will use and process personal data only for the purposes of the Society. We will keep personal information that we hold secure and up to date, and will:

- Only use it for the purposes for which it was gathered
- Not keep it longer than necessary

Personal data will be used solely for the purpose of maintaining a register of members and potential members as required by the rules of the Society, and for communicating with members. We will not share any members' personal information (names, addresses, phone numbers, etc.) with third parties. Members' financial information, such as amounts invested and interest paid, will be treated as strictly confidential, and will not be shared even within the Management Committee except as necessary for managing the Society (e.g. when making decisions about whether withdrawal requests can be funded).

A copy of our privacy policy is available online at: www.bvcp.info/privacy-policy



8. Prospectus Summary

8.1 The Society

BVCP Limited was set up in 2021 as a limited liability Community Benefit Society using model rules developed by The Plunkett Foundation (a charitable trust established in 1919 to help rural communities through co-operatives and community ownership). As of 8th October 2021, BVCP Limited is fully registered with the Financial Conduct Authority with Registration number 8740.

Initial funding for the Society's activities has come from personal loans from some Steering Committee members. This funding has been included in the Business Plan pre-trading costs and Steering Committee members will be reimbursed if the Share Issue is successful. The Society has no other current liabilities.

8.2 Purpose

The purpose of the society is to raise sufficient funds to be able to acquire and refurbish The Mardale Inn in Bampton. We aim to raise a total of £580,000 comprising approximately £360,000 from community shares and the balance from donations and grants. The Mardale will be leased to a tenant who will run the pub business and pay rent to the Society. The Management Committee will set the direction for the business and agree targets with the tenant, including certain aspects which community feedback has shown to be important. Beyond that, the tenant will be left to manage and operate the business as they see fit.

Our vision is that the pub becomes a social hub, providing facilities and services that bring the community together.

8.3 The Share Offer

This share issue has been designed to give local people and organisations the opportunity to contribute financially, on a long-term basis, to the business of the society. Our expectation is that shareholder members will largely come from the local community but we also welcome and encourage contributors from further afield.

Members are entitled to apply for shares at a cost of £100 per share with a minimum investment of £100 and a maximum investment of up to £25,000 per person or organisation (non-UK members may apply for a minimum of £500 in shares given additional costs incurred). Everyone who is a shareholder holds one vote. This means that everyone has an equal voice, regardless of the size of their investment.

These shares are not transferable and cannot be sold. The only way to recover the value of the shares purchased is to give three months' notice of withdrawal to the Management Committee. Shares cannot be withdrawn until at least three years have elapsed from the date that those shares were issued and then only at the discretion of the Management Committee.

- All withdrawals will be paid from trading surpluses or new share capital

- The Management Committee will have absolute authority to refuse a withdrawal request if it would endanger the business

Cash reserves permitting, interest will be paid to shareholders from year 3 onwards. The interest rate for each year will be proposed by the Management Committee and put to a vote at the Annual Members Meeting. The proposal will be based on the performance of the Society and will be set in accordance with the Society's rules which specify the maximum interest we are allowed to pay (i.e. not more than Bank of England base rate plus 2% and in any event not more than 5%).

Interest will be paid gross by the Society to the investor with exception of international investors where the Society will deduct interest. It is each member's responsibility to declare such earnings to HMRC if appropriate. It is important to note that the value of the shares will not increase. The only financial benefit for members is interest, paid annually. It is our intention to maintain a competitive and attractive interest rate and we hope this will increase with the success of the business.

In the event that the building is ever sold, for whatever reason, the shareholders would be repaid their investment from the proceeds of such sale, after repayment of any debts. Any surplus would have to be paid to a charitable or community body in line with the Rules of the Society.

In the event a Shareholder dies, the Shares become part of their estate and can be transferred under the terms of the will, unless the Shareholder has previously nominated a beneficiary.

8.4 Risk

We have documented risks in Section 6 of this document. Investors should be aware that the share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations; this means you have no right of complaint to an ombudsman. A Community Benefit Society is registered with, but not authorized by, the Financial Conduct Authority and therefore the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme. It should however be noted that the society is a limited liability entity. It is considered very unlikely that investors could lose their money as the investment is in the land and buildings which could be used to the advantage of the community or sold if the enterprise failed. Investors will not be liable for the activities of the pub tenants should their business fail.

If this share issue raises less than the sum required to proceed with the project, then all those who have invested will be reimbursed in entirety and the share issue deemed to have failed.

8.5 Community Shares Standard Mark



The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice. For more information about Community Shares, the CommunityShares Standard Mark and the Community Shares Unit please go to: www.communityshares.org.uk

8.5 Share Application

Individuals aged 18 and over and organisations can apply for membership by buying shares using the share application form supplied with this document or obtainable from our website. It is possible to buy shares on behalf of others (including those under 18, although they would not have voting rights until their 18th Birthday). It is also possible to nominate a person to receive your shares upon your death.

In the event that shares are oversubscribed, priority will be given to those who originally pledged support. A waiting list will be held by the Secretary and individuals contacted as shares become available.

Monies will be held on deposit by BVCP Limited until the share offer is fully subscribed, then share certificates will be issued to all members.

Share Application Dates

We need to raise this share offer money in a timely manner to ensure that we can access grant funding available and demonstrate to the vendor that we have the funds to proceed with a purchase.

The share offer will be available from 3rd February 2022 to 3rd March 2022, or when the maximum target is reached, whichever is sooner. The Management Committee reserves the right to extend the offer beyond this initial period if they believe doing so would be of benefit.

All individuals who have supported us since Summer 2021 and who 'pledged in principle' to purchase community shares will be invited to convert their pledges into actual share purchases in a 'priority window'. This exclusive window will run from 3rd February 2021 for 6 days until 23:59 on 8th February 2022.

All applicants may apply for shares from 3rd February 2022 but for those not eligible for the 'priority window', their applications will be handled on a 'first-come, first-serve' basis after the 'priority window' has closed on 8th February 2022.

For regular updates, downloadable forms and more, please visit: www.bvcp.info or www.bamptonvalleycommunitypub.org

The Bampton Valley Community Pub Limited is officially registered with the Financial Conduct Authority as a Community Benefit Society under the Co-operative and Community Benefit Societies Act 2014.

Our FCA register number is 8740.

The Bampton Valley Community Pub Limited is a Member of the Plunkett Foundation via the Plunkett Community Co-operative Network (PCCN): Reference number PCFB 0402

Appendix A - Frequently Asked Questions

Buying Shares	
How much does a share cost?	A single share costs £100, and the minimum investment is £100 (one share). The minimum investment for international investors is £500 (five shares).
Are there limits to how much I can invest?	Yes. The maximum you can invest is £25,000 (250 shares).
Why should I buy community shares?	We need your investment to help purchase The Mardale Inn. Without sufficient investment from the community we will be unable to establish the business and ensure the pub continues as a community asset for the long term.
How do I buy a share?	You can either: <ol style="list-style-type: none"> 1. Go to our website for all the information www.bamptonvalleycommunitypub.org, or 2. Contact a member of the Management Committee (contact details at the end of this form).
Can I have a paper copy of the share prospectus and application form?	Yes. Please get in touch via email: email@bvcp.info or contact one of the committee if you would like a paper copy of the Share Prospectus or additional application forms (contact details below).
Why is the minimum investment £100?	The minimum investment is £100 to enable as many people within the community as possible to buy a share while ensuring that the administration task remains manageable.
Can I buy shares on behalf of my children or grandchildren?	Yes, shares can be held for children. An adult must complete Section B of the Application Form (Buying Shares as a Gift for Someone Else) and will then be contacted for details when the offer closes. The shares and vote will be transferred to the child as soon as they reach 18 years of age. In the meantime, any adult who does not already have a vote may vote on the child's behalf.
Are joint applications allowed?	Yes. However, you should note that only the first named investor on the application form will be a Member of the Society with voting rights. If, for example, a couple would both like to be Members then each person should make a separate application.
Who can buy shares?	Anyone over the age of 18 can buy a share for themselves or as a gift for someone else (e.g. a child or grandchild).
	A group of people (e.g. family, friends). However, only the first-named investor on the application form will be a Member of the Society and have voting rights.
	A business, organisation, or other incorporated or unincorporated body.

Buying Shares	
Can I buy shares on behalf of a company I own?	Yes, you can buy shares on behalf of your company and any interest would be paid to the company. The company would have one vote.
	You could also provide a charitable donation. If the bid is unsuccessful, the donation would go to other community projects.
What happens when the share offer target is reached?	If the maximum share offer target of £400,000 is reached, we will close the share offer and not accept any further applications. We will then keep a Waiting List for those people who would still like to buy a share in future if the opportunity arose.
What happens to the money raised by selling shares in BVCP?	All monies received will be deposited in the BVCP Co-op Bank account and will be used solely for the purchase of the freehold of The Mardale Inn and the associated purchase, opening and running costs.
What happens if you do not raise sufficient funds to buy the Pub?	The period marked for the sale of shares may be extended. If we still fail to meet the target, a shareholders meeting will be held within four months of the share offer closing to decide immediate action to be taken.
How do the shares work?	BVCP was established as a Community Benefit Society to allow it to raise money through shares to buy the pub for the benefit of the community. The aim is to save the pub for future generations. The Society operates on the basis of 'One Member, One Vote', and buying shares should be viewed as a long-term investment for community benefit. It is not the same as investments in 'for profit' enterprises where investors hope to share in success through both dividends and capital appreciation. Whilst the shares in the Society seek to pay interest, the underlying value of the shares cannot increase and could be reduced in the unlikely event that liabilities exceed assets.
What happens when I buy a share?	Once your money is received by BVCP it will be deposited in the bank and held on deposit by BVCP Limited until the share offer is fully subscribed. Share certificates will then be issued to all members detailing the number of shares bought and the amount of money you paid. You will also become a Member of the BVCP Community Benefit Society.
When will I receive confirmation of my share purchase?	You will receive a confirmation email when you submit an online application form. In addition, the treasurer will email you directly within 5 working days of your application to let you know that the bank transfer or cheque has been received.
Shareholders and Members	
Why do you need to raise £580,000?	The money will not only buy the pub, but will also fund associated expenses, surveys and fees; working capital; any redecorating and refurbishments; installing of extra facilities and equipment as required.
Is there a difference between being a Member and a shareholder?	No. There is no difference between being a Shareholder and a Member. When you buy a share you automatically become a Member.

Shareholders and Members	
When I buy shares, what do I become a Member of?	When you buy a share, you become a Member of BVCP Limited, a Community Benefit Society, and you then have a say in how the Society is run through your vote (each Member has one vote, regardless of the size of their shareholding).
Why should I become a shareholder?	We believe it's important that as many members of the community as possible are involved in this venture. The shares will provide the money to buy the pub and develop the business. Each person who buys a share (i.e. a Shareholder/Member) will have a say in how the Society is run. Quite simply, the more Members we have, the more of a community pub we become.
Are there restrictions to becoming a Member/ Shareholder?	Members must be aged 18 or above. There is no requirement to be a resident of Bampton Valley and we welcome investors from the wider community and further afield.
Do my shares give me voting rights?	Yes, they do. Everyone has an equal voice, so, regardless of the size of the investment, you will have one vote.
If I have bought multiple shares, why do I only have one vote?	This is to comply with the rules of all Community Benefit Societies.
Will future meetings of the Management Committee be scheduled, open to Members to attend and Minutes published?	Yes, once we have formalised the ownership of The Mardale Inn, committee meetings will be advertised, and Minutes will be made available to the BVCP Members (shareholders). Until then, we will continue to keep the community updated at the regular briefing sessions, through our mailing list and through our website and social media channels.
What guarantees do I have for my investment?	The shares in the Society plan to pay interest in Year 3 once trading is established. The underlying value of the shares cannot increase and could be reduced in the unlikely event that liabilities exceed assets.
My Investment	
Can my investment increase in value?	No. Shares in the Society can never be worth more than their nominal face value. However, the Members may vote to pay interest on the loan represented by their shareholding.
Will I receive interest from my shares and get a return on my investment?	We aim to pay a reasonable interest rate to our Members. For instance, our business plan assumes we will pay 3% interest on shares from Year 3, but this will depend on the success of the business. Interest will not exceed Bank of England base rate +2% and in any case not more than 5%. Interest will be paid gross and it is each Member's responsibility to declare such earnings to HMRC if appropriate. For international investors Income Tax will be deducted by the Society.
Is this a good business proposition?	We expect and will require the business to be a profitable venture. We have carefully evaluated its strengths and weaknesses and our projections show that it can be established as a successful business. It is well proven that communities that work together to set up such an enterprise will support it in the future. Of all the Community owned pubs only one has failed. For more details about our business case please read the full Business Plan (which can be found on our website or requested from the Management Committee – contact details below).

My Investment	
Can I sell my shares?	No. Shares in the society cannot be sold. They are a special sort of share known as 'Community Shares' and the only way you can recover their value is to apply to the Society to withdraw any shares you own.
How can I get my money back?	You must invest your shares for a minimum of 3 years after which time you can apply to withdraw your shares to get your money back. The Management Committee will determine, based on the liquidity of the Society at the time, the extent to which shares can be withdrawn.
When will my money be refunded if the purchase of The Mardale Inn does not proceed?	Once the Management Committee in consultation with the community determines that the purchase is not viable you will be contacted within 2 weeks of the decision date to establish how you would like your investment to be returned and all monies will be returned as soon as possible after that.
Will I get my investment back if the pub fails?	<p>In the unlikely event that the Society fails, all the business assets including the freehold of the building and land, would be sold and the proceeds of the sale (after paying any creditors) divided between the shareholders up to the value of their shares. Your liability as a Member is limited to the value of your shares. You cannot lose any more than the value of your shares.</p> <p>You might receive the full value of your shares back or you might lose part or all of your investment. Any remaining money (after paying any debts) must be transferred to another community organisation having similar community benefit aims. This is known as an asset lock which prevents any private gain if the Society dissolves.</p>
What happens to my shares if I die?	Your shares will form part of your inheritance and can be transferred under the terms of your Will, or alternatively you can nominate a beneficiary (to the Company Secretary) at any time. The Share Application process also offers you the option to nominate a future beneficiary at purchase in Section C (online and on the form at the back of this document).
The Pub and BVCP	
What is a community pub?	A community pub is just as it sounds – a pub business owned and run by the community for the benefit of the community. Since the first community pub opened in the UK in 1982 there are now around 160 community pubs open and trading. To date, only 1 pub that has transitioned to community ownership has closed.
Why form a community pub, why not allow it to be privately owned and run?	Apart from the obvious benefits of the community being able to own and run the pub, there is a risk that private investment may not be forthcoming. Over the last two decades more than 13,000 pubs have closed in the UK, with the land typically being sold for Change of Use, often ending up as housing. Once local pubs close, they are normally lost for good.
How are community pubs funded?	Community pubs are typically funded through a public share offering allowing members of the community and other 3 rd parties the opportunity to invest, and through other investment opportunities such as the Government's Community Ownership Fund, National Lottery and Council grants. There are usually minimum and maximum investment thresholds. All shareholders (or Members) have a say in the running of the business on the basis of one-Member-one-vote.

The Pub and BVCP	
What are the benefits of community ownership?	In many cases, community pubs have been established as a means to save pubs otherwise destined for permanent closure. Frequently, these are the last surviving pubs in the towns and villages they serve. As well as safeguarding a key service, the additional benefit of community ownership is that Members may then have influence over the types of service provided by their pub (the manner of the running it or extra services like a community meeting place etc).
What is BVCP?	BVCP stands for the Bampton Valley Community Pub Limited. It is recognised in law as a Community Benefit Society (or 'Society' for short) and was registered with the Financial Conduct Authority (FCA) in October 2021. Registration Number 8740.
What is the difference between BVCP and the pub?	BVCP is a Community Benefit Society, which was formed to sell shares to raise money to buy the pub property. BVCP will own the property and pay for buildings insurance and appoint Tenants to run the day-to-day pub business. BVCP is a bit like a Trustee in that it aims to safeguard the pub for the future.
Who will benefit from this venture?	The community of Bampton Valley will benefit as well as all the visitors and tourists who come to the area! It is our aim to make the pub the focal point of our community.
Will you be paying a fair price for the pub?	Yes. We commissioned an 'Independent 'Business Buyer and Market Valuation Appraisal' and offered the full market valuation price for the pub.
Will the pub be viable?	Based on our assessment, coupled with that of professional advisers, we believe the income from the sale of beer, food and accommodation will be sufficient to support the business model we propose and provide a surplus for contingencies.
Who is organizing this? Do they have a personal interest in the pub?	The BVCP Management Committee, which currently comprises the following volunteers: Wendy Frith, Sue Goble, Ken Jones, Catherine Lacey, Patrick Lacey, Peter Noble, Rich Shave, Kate Shave, Phil Sweetland and India Tuer. They have the same financial interest in the Society as all other investors.
Who will run the pub and make the day-to-day decisions about the business?	The Management Committee will appoint Tenants to manage the day-to-day running of the business (e.g. a Bar Manager and a Chef). We will work closely with the Tenants and community to ensure our vision for the pub is delivered, however we will not micro-manage the Tenants and ultimately all decisions regarding the daily management of the pub and therefore all associated business risks will be the Tenants'.
I think the pub closed because people did not support it enough, what makes you think it will be different this time?	<p>Pubs close for various reasons and the closure of The Mardale Inn was the choice of the current vendor because they felt it ceased to be sustainable. We believe this will not happen if we buy and run The Mardale Inn because it will be a community pub. We have taken expert advice and looked at different financial scenarios and the pub will be sustainable if:</p> <ul style="list-style-type: none"> ● Experienced and skilled Tenants are appointed who share our vision ● We charge the Tenants a fair rent ● Costs are strictly controlled ● Our community pub will have additional facilities and income streams – so will be a mix of traditional pub, restaurant, accommodation and social centre, and thus appeal to a much wider clientele

The Pub and BVCP	
I am not keen to get involved with saving the Pub because I don't think a pub can be successful if a committee and volunteers are involved	<p>The business plan makes clear the preferred model for running the day-to-day business of the pub is to appoint experienced Tenants. The Management Committee will not run the pub but support the Tenants and be responsible for the pub building itself.</p> <p>As a shareholder, you will have a voice and a part to play in the Management Committee which will be responsible for the building and liaising with the Tenants. There may well be opportunities to volunteer in the pub, but this is not a requirement of Membership.</p> <p>The Tenants will be responsible for running the pub side of the business and the new Management Committee will make plans as to what skills and talents are required to develop the building and grounds, and volunteers will be required.</p>
Does the vendor have to sell the pub to us if we raise enough money?	No, they are under no obligation to sell the pub to us and they do not have to accept an offer from us. Our best chance of success is to raise the required amount as quickly as possible to demonstrate we have proof of funds and therefore have a credible offer.
What redress do I have if the business fails and I lose the value of my shares?	This share offer is unregulated, as it is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations, which means there is no right of complaint to the Financial Ombudsman, nor can you apply to the Financial Services Compensation Scheme.
How can I find out more about the project?	You can find our Business Plan, the Rules for our Society and further contact details at www.bamptonvalleycommunitypub.org , or use contact details below
Who should I speak to if I have any further questions?	Contact a member of the Management Committee (contact details at the end of this form).

The Bampton Valley Community Pub Limited (BVCP)
 Howes Beck Barn, Bampton, Cumbria, CA10 2RQ.
 Tel (01931) 338754.
<http://www.bvcp.info> or <http://www.bamptonvalleycommunitypub.org>
 email email@bvcp.info

The Bampton Valley Community Pub Limited is a Community Benefit Society registered with the FCA under the Co-operative and Community Benefit Societies Act 2014, Registration No 8740. A member of the Plunkett Foundation.
www.bamptonvalleycommunitypub.org Registered Office: Howes Beck Barn, Bampton, Cumbria, CA10 2RQ Tel 01931 338754

Appendix B - Share Application Forms

To buy shares and become a member of Bampton Valley Community Pub Limited Community Benefit Society, please either apply online at www.bvcp.info/invest or print and complete this form.

It can be scanned and returned by email to treasurer@bvcp.info. Alternatively, it can be sent by post to: The Treasurer, Bampton Valley Community Pub, Howes Beck Barn, Bampton, Cumbria, CA10 2RQ

Each individual, family member or organisation must complete a separate form. Additional forms can be picked up at Bampton Village Store and can be downloaded at www.bvcp.info/invest. You must be 18 years of age or over to apply for shares.

SECTION A

This form permits you to apply for shares as an individual, on behalf of a company, or to gift to another named person or child, ie a Giftee, whose details you can input on Section B.

I wish to apply for shares in Bampton Valley Community Pub Limited (as the 'Applicant', I am over 18 years of age).

Full Name	
Company /Organisation Name (if applicable)	
Address including Postcode	
Email	
Phone	

SECTION B

This section should be completed if you would like to purchase shares for somebody as a gift.

I wish to apply for shares in Bampton Valley Community Pub Limited as a gift for the following person (Giftee).

- I confirm that the giftee acknowledges the shares bought on their behalf and will accept the terms of membership of the Society. (Giftees under 18 years of age will be contacted by the Secretary when they become 18 to confirm that they accept the terms of membership of the Society.)

Name of Person being Gifted Shares	
Age and Date of Birth (if under 18)	
Address including Postcode	
Email	
Phone	

SECTION C

This section should be completed if you would like to nominate a person to receive your shares on your death.

You can nominate a person to whom you wish your shares to be transferred on your death. Your wishes will be respected as far as the law and our Rules permit. Alternatively, you can nominate Bampton Valley Community Pub Limited as the recipient on your death. If left blank the shares will be treated as part of your estate.

If you have purchased shares on behalf of a Giftee, you cannot make a nomination (the Giftee will be able to do this at a later date directly with the Society).

Please tick appropriate Option you wish below:

Option 1:

- The shares will be treated as part of my estate.

Option 2:

Person ('Nominee') you wish your shares to be transferred to:

Nominee's Full Name	
Nominee's Address including Postcode	
Nominee's Postcode	
Email	
Phone	

Option 3:

- I wish to nominate Bampton Valley Community Pub Limited as recipient of my shares on my death.

If you have used either Options 1, 2 or 3 in this section, please complete the following:

- I understand that these instructions can only be revoked or amended if instruction is made in writing to the Secretary at the Registered Office.

SECTION D

In this section, you can confirm the total value of shares (based on £100 per share) you wish to apply for, and also confirm payment details (please note payment can only be accepted in GBP). For traceability, we prefer online payment via BACS but cheques are also accepted.

Once your money is received it will be acknowledged and held on deposit by BVCP Limited. If the purchase on the Inn does not proceed, it will be returned in full.

Bampton Valley Community Pub Limited BACS Details

Account name: Bampton Valley Pub
 Bank: Cooperative Bank
 Sort Code: 08-92-99
 Account number: 67237379

(For GBP international payments, IBAN code is: GB77CPBK08929967237379, BIC/Swift code is CPBKGB22)

Please tick as appropriate total investment, or enter a custom amount based on shares at £100 each:

<input type="checkbox"/> £100	<input type="checkbox"/> £300	<input type="checkbox"/> £500	<input type="checkbox"/> £1,000	<input type="checkbox"/> £2,500
<input type="checkbox"/> £5,000	<input type="checkbox"/> £10,000	<input type="checkbox"/> £25,000	Other Amount: £.....	

Form of Payment (tick as appropriate)

- Cheque payable to Bampton Valley Community Pub Limited (Post to BVCP Treasurer, Howes Beck Barn, Bampton, Penrith, CA10 2RQ).
- Online bank transfer (Preferred)

If online, please complete the following:

Name of person making payment	
Name of bank	

For online bank transfers use a reference generated as follows. This will help us to identify your payment:

- First character of first name (eg M for Mary)
- First 3 characters of surname (eg SMI for Smith)
- Last 4 numbers of your phone number (eg 1234)
- This example would generate the reference: MSMI1234

Therefore, my payment reference is:

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SECTION E

Confirmations

All of the following must be ticked to allow us to process and manage your investment

- I have read and understood the share offer document.
- I understand that purchasing shares makes me a member of Bampton Valley Community Pub Limited.
- I understand that this is a long-term investment and that I could lose part or the whole value of my investment if the business does not succeed. Shares are only withdrawable at the discretion of the Board if the business can afford it.
- I agree that Bampton Valley Community Pub Limited may hold the personal data submitted in this application and understand that this information will be used for maintaining a register of members and shares as required by the rules of the Society and for communicating the activities of Bampton Valley Community Pub Limited. The sum invested will be confidential and all information will be treated in accordance with General Data Protection Regulations (GDPR).
- I hereby confirm that all details on this form are correct to the best of my knowledge.

Signature of Applicant

Name (please print)

Date

Please now scan all four pages of this form and return by email to treasurer@bvcp.info.

Alternatively, it can be sent by post to: The Treasurer, Bampton Valley Community Pub, Howes Beck Barn, Bampton, Cumbria, CA10 2RQ

Confirmation of receipt of the Application and Payment will be provided via email and Share Certificates will be forwarded by post in due course.

Data Protection Policy: The data provided by you on this form will be stored on a computerised database. Your data will only ever be used for Bampton Valley Community Pub Limited purposes and will never be shared with a third party.



**Thank you for applying for shares
to ‘Save a Pub for the Valley’**

**You are securing the Valley’s rural
heritage for today -
and for future generations**

