

The Racehorse, Westhall Business Plan



Prepared by
Westhall Community Pub Ltd
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CONTENTS

1. EXECUTIVE SUMMARY
2. BACKGROUND
 - The Race for The Racehorse
 - Timeline
3. THE RACEHORSE
 - The History
 - The Community Pubs
 - The Social Benefits of The Racehorse
4. THE PURCHASE OF THE RACEHORSE PUB
 - Details of the Investment
 - Details of the Share Offer
5. MANAGEMENT AND PUB OPERATION
6. BUSINESS DEVELOPMENT
7. BUILDING AND RENOVATION WORKS
8. S.W.O.T. Analysis
9. THE MANAGEMENT TEAM

Appendix 1 Community Benefit Society Rules

Appendix 2 Financial Forecasts and statements

Appendix 3 Social Impact

1.0 EXECUTIVE SUMMARY

This Business Plan has been produced by the Westhall Community Pub Committee, who wish to see The Racehorse Pub reopened and developing into a strong community asset. This document sets out our vision and plan for purchase and management of the pub. Its purpose is to demonstrate that the pub is a sound and viable business opportunity for potential investors.

We have been successfully running The Racehorse under a rental agreement since December 2019 and are confident that when we purchase the pub we know what we are getting and have first-hand experience of the sales that we can generate and the costs of running the enterprise on a volunteer model.

This has given us an excellent base of knowledge on which to plan and the good relationship that we have with the vendor has encouraged us to establish The Racehorse Pub as a strong community asset.

Our mission is to purchase The Racehorse and facilitate its development into a successful business which will maintain a role as a community facility, welcoming a wide range of customers. We will operate the pub in a way that meets the aspirations of the community and enables us maintain a sustainable business.

The potential exists not only to run a successful village pub but also to run ancillary services that would benefit the local community. The core of the business will, of course be a successful village pub, but other services will be considered on a case-by-case basis. The financial projections and cash flow demonstrate the viability of our proposals based on the assumptions set out in the plan.

2.0 BACKGROUND

The Race for The Racehorse has been a long campaign from the closure of The Racehorse to stirrings within the community fostered by Brenda Smith and Chris Punt to do something about reopening the pub as a community enterprise.

It continued following a public meeting leading to the formation of a committee and the founding of the Westhall Community Pub Limited (WCP) as a Community Benefit Society.

Following the formation of WCP in July 2018 a Share Offer was launched in March 2019, this received a good response from the community and raised over £130,000 in pledges plus offers of additional loans and grants.

A formal offer to buy the pub was made for £200,000 which was subsequently declined.

Following meetings with the vendor's agent it became apparent that WCP would probably have to meet the asking price of £235,000 to secure the pub for the community. The WCP did however appeal to the vendor to give the group a chance to experience running the pub for one year at a rent below market rates, to gain experience and gauge the communities support for the pub ahead of a reinvigorated share offer.

WCP signed an initial one-year lease on the 20th December 2019, which has subsequently been extended for a further year to 31st January 2022.

The rental agreement contains an option to purchase the Freehold of The Racehorse for the sum of £235,000 and contains a clause whereby the WCP can terminate the lease on the purchase of the pub, or upon 2 months' notice.

Once the new offer to purchase shares in buying the pub has closed, with the threshold in shares having been reached, it is the intention of the WCP to raise sufficient finance to trigger this option and to purchase the pub during the summer of 2021.

TIMELINE Campaign to "Save the Racehorse".	
August 2016	Racehorse Inn closes its doors
December 2017	Community Survey about attitudes to pub
January 2018	Public meeting to organise a bid to purchase pub.
July 2018	Westhall Community Pub Limited registered
May 2019	First share offering closes raising pledges of £130,000. £200,000 bid for the Racehorse Inn rejected.
November 2019	Rental in principle agreed.
November 2019	Pioneer share offer £10,000 raised to fund working capital to open pub. 69 people bought into this offer, ranging from 1 to 40 shares.
20 th December 2019	Racehorse opens again for the first time in 40 months!
PLANNED TIMELINE	
1 st May 2021	2nd share campaign launched.
10 th July 2021	2nd share campaign closes.
30 th August 2021	Planned completion date for the purchase of The Racehorse Inn by the Westhall Community Pub Ltd.

3.0 THE RACEHORSE

3.1 The History

Westhall and its neighbouring villages have a population of over 500 people all nestled in the Suffolk countryside between the market town of Halesworth, the Waveney Valley towns of Beccles and Bungay and the popular coastal resort of Southwold. The villages of Redisham, Brampton, Holton, Uggheshall and Stoven all lie within a 3 mile radius.

The village is serviced by the East Suffolk Railway operating from the nearby Brampton station and within the Parish there is a 17 mile network of quiet single-track roads which make for excellent, and safe, cycling and walking.

The precise details of the origin of The Racehorse Inn are not clear. We know it was a thriving pub in the 19th century, probably starting as a room in someone's house and gradually extending over time. At that time it was one of several pubs serving the local farming community. In the 1860's records show a dispute between the owner and tenants about which beer could be served. Then, as now, people had strong views on what constitutes good beer!

As social trends changed in the late twentieth century the pub, like many others, started to decline and it finally closed in August 2016 and had been unoccupied and on the market until revived by the volunteers of WCP in December 2019.

The emergence of community run pubs in the last decade presented an opportunity for a new chapter in the life of The Racehorse.

With a different business model based on a deep Community engagement, Community pubs all over the country are proving successful. In fact, all those that have opened are still operating today. We believe, with your help, the same can be true of The Racehorse. Join us now in this exciting venture. Remember, once it's gone it's gone forever.



3.2 The Community Pub

The Westhall Community Pub Limited (WCP) is a Community Benefit Society registered in July 2018 as a mutual society by the Financial Conduct Authority, registered number 7806.

The principles of a Community Benefit Society can be found in appendix 1 and the rules of our Society in the Rules document available on our website.

The Westhall Community Pub Committee selected the Community Benefit Society model (CBS) as the most appropriate structure for purchasing and running the pub. A CBS is an organisation that is financed by its community members purchasing shares and is run primarily for the benefit of the community at large and must have an overall community purpose that reaches beyond its membership.

The CBS has rules that make clear that it will not directly benefit individual members and is acceptable for most types of grant funding.

The main aim of reviving the Racehorse and launching it as a Community Pub for Westhall and the wider community are the benefits that can be provided in enhancing social cohesion by having a welcoming and friendly meeting place open to everyone in the neighbourhood.

The Committee believes that the re-opening the pub has already made a marked difference to social interaction in the Community, particularly by having a place where villagers can meet old friends and make new ones, or simply to leave the house and enjoy a change of scenery.

Volunteering has also proved popular. We have more than 40 volunteers who have joined in the Community spirit and do everything from serving at the Bar, maintaining the premises and organising the cellar to cooking for events and baking goods for the Café.

3.3 The Social Benefits of The Racehorse

Since opening we have promoted a regular Café during the lunchtime opening, which has encouraged social groups of older Westhall residents, particularly some of those who live alone, to regularly visit and socialise with friends.

We have also encouraged parents and carers to visit with younger children by hosting events such as “Pancake day” and family events such as Halloween craft activities and by hosting the Westhall Pumpkin Festival.

We are aware that young adults in rural villages also face isolation and we are always pleased to welcome young people to the pub and are always looking at ways to attract regular visits.

Since opening the pub we have had a significant number of visitors from the surrounding villages of Redisham, Spexhall, and Brampton as well as the nearby town of Halesworth. During the summer months Westhall, with its enviable position close to the Suffolk Coast (an designated area of outstanding natural beauty) caters for the many holiday visitors staying in various types of accommodation and from groups such as cyclists, ramblers and the U3A.

The Racehorse has been able to work with and support many of the owners of these establishments by welcoming visitors and offering for sale fresh milk, bread and home bakes from our Stable Stores along with lunchtime and evening drinks and meals.

During the first Coronavirus lockdown we set up a bread, meat and vegetable delivery scheme for vulnerable people. This led us to temporary opening of the “Stable Stores” shop which stocked a range of basic items. We also have launched a prescription drop of point.

We are actively promoting the use of the pub for community group activities that seek to enhance social wellbeing. Examples of current clubs include the Racehorse Ukulele Group, an active Book Club and a general craft group.

We help to keep people aware of what is happening at the pub with the use of our Facebook page and a Village Newsletter that we produce. These help to encourage residents to give feedback on existing activities and social ideas for the pub.



3.4 Events

Here are just some of the examples of the events which we have held over recent months, many more are under review and we will publish our timetable for future events in due course.

4.0 THE PURCHASE OF THE RACEHORSE

The Westhall Community Pub Ltd. (WCP) is launching a Share offer “The Race for The Racehorse” to purchase the freehold and fittings of The Racehorse Pub and secure the future of the Pub for the social benefit of current and future generations of the community.

4.1 The Details of the Investment

The Racehorse Inn is situated in the heart of the village of Westhall Suffolk. (TM 40864 81754).

The Building is at the end of a terrace and the original building is probably mid-19th Century in origin. In 2005 a large single-story extension was built containing a large restaurant modern kitchen and toilet facilities.

By the sides of the Restaurant there are two medium sized bars and a two bedroom flat is located on the first floor over the main bar areas. The Racehorse has an open aspect on 3 sides with a large gravel car park and small terrace in the front and a paved terrace at the rear backing onto a community owned meadow.

A car park separates the Racehorse from the neighbouring Village Hall which has been used for overflow parking when this facility is not in use.

The Racehorse comes fully equipped to continue trading with tables and chairs, cellar and bar equipment and a modern professional kitchen. The WCP has replaced and improved the cellar and beer services and some of the kitchen equipment throughout the year to support the busy pub.

The two bedroom flat is not currently used for accommodation and is in need of updating before being occupied. This refurbishment has been included as part of the plans we are seeking to fund.

4.2 Details of Share Offer

Everyone from the local community and anyone with an interest in keeping a village pub for Westhall will be encouraged to be a part of this one-time opportunity and to purchase shares to secure the future of the Racehorse Inn for the community today and for the foreseeable future.

Having a large and engaged membership base provides:

- A larger number of people with financial interest in the pub who are therefore more likely to use it regularly.
- A greater number of people to get involved with the Management Committee, attend meetings and positively contribute to the business’ overall direction.
- A more accessible pool of people to draw on when committee numbers are falling, or when extra volunteers are needed.

4.3 Capital requirement

The WCP is planning to raise a total of £265,000.

Consisting of:

Option price of the property	£235,000
Cost of Upgrades	£30,000
Reserves and sales (see summary)	
TOTAL	£265,000

4.4 Time Limited Offer – The Share Issue

The Company is making a time limited offer to the community to participate in the share issue.

The details of the offer are:

Maximum amount to be raised	£265,000
Minimum amount to be raised	£130,000
Offer to open 1 ST May 2021 and the offer to close 10 th July 2021	
Shares are £25 each up to a maximum of 800 units per person	

4.5 Mix of Funding

Although we would be delighted to raise the full amount to purchase the pub outright from the share offer and sales of shares to the community, we will also be seeking other sources of funding including grants and loans.

We are in the process of applying for a mortgage/loan secured on the property, this can be for up to 40% of the total raised up to a maximum of £104,000 to enable WCP to trigger the sales option. Our target is to raise at least £130,000 from share sales.

5.0 MANAGEMENT AND PUB OPERATION

WCP has been very fortunate in being able to trial running the Racehorse for 16 months before launching the “Race for the Racehorse” campaign to secure the future of the pub.

5.1 Pre activities

While the Rental Agreement was being drawn up the WCP was granted access to the pub to prepare for opening. Within 3 weeks a building that had stood unused for 3 ½ years was transformed by a team of eager volunteers.

The grounds were tidied up by 40 volunteers one Sunday morning (see photo) floors were scrubbed, the kitchen deep cleaned, one of the bars was freshly painted, equipment was tested everything cleaned and finally Christmas decorations were put up! The lease was signed on the 20th December and the pub was opened and the first pint pulled for a customer that same evening. A true Community “can do” spirit was shown!



5.2 Food and Drink Offering

The pub has been opening, Lockdown permitting, on Wednesday Lunchtime, Thursday, Friday and Saturday lunch and evenings and Sunday lunchtime and for community use at other prearranged times.

The pub serves Cask ales from local brewers as well as keg lines. This is supported by a range of quality wines, spirits and soft drinks.

Food has been offered at all sessions, initially by a team of volunteer cooks who achieved a 5 Star hygiene rating. Over time we will continue seeking out professional food offers with an aim of developing a consistent, good quality food offer.

5.3 Future Development

The long-term goal of the WCP remains to establish the Racehorse Inn as an established part of the Village Community for this and future generations.

Given the current situation in the hospitality industry and our limited experience, we will continue to run the Racehorse for the remainder of 2021 and the first quarter of 2022 with mainly voluntary staffing. We will then review the trading and public health situation before agreeing the timing of a

change to employing more staff to run the pub. All being well, however, we would plan to have a new structure in place before the busy 2022 Summer Season.

These changes will involve an investment in an individual to develop the Racehorse. The benefits of these plans will be realised over future months and years as we build a Business that is sustainable financially and in its use of human resources. The progress of the Racehorse will be kept under review by the committee to ensure progress towards our targets. These plans have been drawn up and are included within the Financial Section and the implications of these plans are discussed.

5.4 The trading results to date can be found in Appendix 2

The Covid Lockdown periods have not permitted a full year of uninterrupted activity, however the committee has reviewed the trend of sales and costs from when we have been permitted to be open and are confident that The Racehorse can continue to trade profitably.

5.5 Management Model

The management of the pub will be led by an operational team of Committee Members who will be responsible for;

- Recruiting and training both volunteers and paid staff.
- Organising all wet sales including the selection of beverages, cellar maintenance and cleaning.
- Organising food including ensuring the pub meets the statutory regulations on Health & Safety, hygiene and fire regulations.
- Ensuring proper accurate financial records are maintained for the pub's takings, purchases, stocks, VAT returns, wages, PAYE, National Insurance and workplace pension schemes.
- Monitoring the pub's performance and targets and reporting to the Management Committee monthly.
- Identifying areas for development and improvement.

5.6 Marketing

The committee will work with paid staff to develop a marketing plan that is based upon the following principles:

- Playing to our strengths as a community-owned pub working with knowledgeable staff and friendly volunteers.
- Ensuring a significant proportion of regular customers who use the pub are from the village and to encourage a more diverse range of customers; younger people, older people and families.
- Attracting visitors from villages and towns further afield and targeting passing trade, including cyclists, walkers and the holiday trade in the local area.
- Maintaining the high standard and variety of local cask and keg beers, cider and non-alcoholic beverages.
- Increasing the frequency of returning customers by offering a friendly atmosphere with tailored services that fit in with community needs.

- Concentrating on a standard of service that is friendly, accommodating and develops as the needs of the customer base change.
- Providing services that benefit the community, while not necessarily increasing profit.

The marketing plan will be updated regularly as the business grows and develops, and the number of customers increases. The proposed methods for achieving the marketing objectives in the early days of operation of the business are outlined below.

5.7 Raising Awareness

We will run an outward facing marketing campaign incorporating all forms of media, coordinated to provide a consistent message.

- Our website will be used to provide open communications, including updates, a Q+A section with the opportunity to ask questions and provide comments.
- We will use Facebook to provide regular updates, creating a Blog platform for a younger, diverse audience.
- We will look to use other outlets to communicate our message; local businesses, sports clubs, groups using the village hall, leaflet drops in the local town. To extend our reach, we will target local holiday businesses on a regular basis.

5.8 Creating a welcoming and attractive atmosphere

The Committee will work to ensure that a friendly atmosphere is created within the pub. If needed, we will provide training for volunteer staff and regularly communicate with them and paid staff will help us deal with any issues that may arise.

The pub needs to look the part. We will refurbish the facility to provide a warm atmosphere, using volunteers where possible.

5.9 Events and Activities

The management committee will work to ensure that we have an on-going programme of events and activities to engage all sections of the community and visitors to the area.

Our principle will be to stay close to what all sides of the community want. This may mean that with some events it will not be necessary for us to make a profit particularly if we are providing a needed service.

5.10 Ongoing Marketing

The principles we have established above will continue once the pub is up and running.

We recognise it is important to keep in touch with both the community of Westhall and those of the surrounding areas, and we see the importance of adapting to changing needs.

6.0 BUSINESS DEVELOPMENT

Details of our financial forecasts and balance sheets can be found in appendix 2.

7.0 BUILDING AND RENOVATION WORKS

7.1 Analysis of the condition of the building

The building fabric, layout and facilities has been adequate for the successful operation of a village pub but going forward it is envisaged some alterations will be necessary to ensure the health, safety and comfort for customers and occupants of the associated living accommodation.

In order to avoid “surprises” a full building survey including electricity and gas fittings will be commissioned and the results shared with the current owners as this may be a factor in any agreed purchase price of the property.

Outline Plans have also been prepared to identify potential improvements to the property including the incorporation of a separate staircase to the first floor living accommodation, a suggested cafe area, cellar facilities and food preparation.

These would be the subject to all statutory approvals and the necessary finance being available but the change to the first floor access would allow the current bar layout to be improved and give the benefit of self-contained first floor accommodation.

7.2 What are the longer-term improvement plans?

In the long term the proposed alterations for self-contained first floor living accommodation will become a priority together with any improvements that are recommended for a successful food and beverage operation.

Externally the fabric of the building will be the subject of a phased maintenance programme to limit any further long-term degradation of the building fabric and ensure any rain water drainage, flashings, chimneys and penetrations are operating effectively.

It may also be prudent to consider improvements to the external boundaries of the pub, the introduction of limited but timeless hedge and tree planting and/or landscaped gardens. The appearance of the current car park leaves much to be desired and the management team will work with the community to ensure there is agreement to any planned improvements and planting initiatives.

Ongoing maintenance and management of the external landscaping is an ideal community project and volunteers will be the key to minimising ongoing running costs and therefore the success of these arrangements.

8.0 SWOT REVIEW

A current analysis of our strengths, weaknesses, opportunities and threats has highlighted several factors for consideration in the opening, management and operation of the pub which will be kept under regular review.

SWOT	THE RACEHORSE	VOLUNTEER SUPPORT	APPOINTING A MANAGER
Strengths	<p>Support from the community No other pub in the village Within walking distance of most housing in the village Poor public transport No pubs in the surrounding villages. Popular area for walkers and cyclists Growing number of holiday let's Incentive for shareholders to use the pub The public areas of the building have good access for the disabled and good toilet facilities. The Racehorse has been an important part of the social history of the area.</p>	<p>No salaries to pay. The use of volunteers would help to support a growing business and help to enhance community involvement Using volunteers to refurbish the building will save on costs.</p>	<p>A Manager would have experience and the skills required to run the business They would also have a vested interest in making a success of the pub</p>
Weaknesses	<p>Poor support during the past 5 years Failed businesses Small population Limited passing trade Ageing population Inexperience of the committee</p>	<p>Volunteers may have low skill levels. Poor cohesion between volunteers and paid staff Volunteers may not be able to work regular hours</p>	<p>Pub income will limit the amount of paid employment that can be offered</p>
Opportunities	<p>Improve the layout and decoration of the building. Attract people from beyond the village and tourists Develop a food offer to suit the wider community. Training and work experience or interns Turn it into 'more than a pub' for the benefit of the community Develop social events and sports teams Grants available for community projects Develop as a destination pub for walkers and cyclists Links with Anglia Railways and bus services</p>	<p>Volunteers will encourage others to use the pub. Funding is available for the support of voluntary work.</p>	<p>Paid staff would be the source of new and different ideas and they would provide continuity of service</p>
Threats	<p>Lack of support from customers. Failure to get finance. Continued issues with the Pandemic. Unforeseen repairs and improvements.</p>	<p>Volunteers may not be suitable for some tasks. There may be a shortage of volunteers. Volunteers may lose interest.</p>	<p>Paid staff may not agree with the ideas of the Management Committee or the needs of the Community. Income from the Pub may be too low to build reserves. Paid staff may leave.</p>

In particular some weaknesses and threats can be addressed as follows;

- The Management Committee must continue to develop marketing strategies which will increase the footfall at the pub.
- Training will develop with the assistance of The Plunkett Foundation and The British Institute of Innkeepers.
- Volunteers may be asked to help with contacts that can assist with repairs and maintenance tasks.
- If the effects of the Pandemic continue to effect pubs, the committee can demonstrate its resilience by continuing to find ways to help the community.
- Care must be taken to choose staff that agree with the aims of a community pub.
- The Management Committee must find ways to thank volunteers and help them enjoy their contribution to the Pub.

9.0 THE MANAGEMENT COMMITTEE

The Racehorse is run by a committee of volunteers. The Committee is elected at the AGM and currently consists of;

Brenda Smith - Chair and co-founder of the WCP.

Brenda was born and brought up locally. She worked as a Science Co-ordinator and teacher in schools locally and overseas. Her experience of different cultures and communities has helped Brenda appreciate the need to maintain a cohesive social environment here in Westhall and believes that The Racehorse will be a major influence on this.

Stuart Read - Vice Chairman.

Stu previously worked as IT Executive in a financial institution with a history of senior management, business strategy, mergers and acquisitions. Stu has lived in Westhall for 3 years, following retirement, and has been an important part of the team seeking to establish The Racehorse as a viable long-term community pub for the benefit of the local community.

Andrew Clarke - Treasurer.

Andrew is a Professional Accountant (ACMA) with a background in senior executive roles predominantly in Cambridge based technology companies. He has lived in Westhall for 5 years, just long enough to have visited the old Racehorse, and is determined to revive and reclaim the Pub for the benefit of the Community.

Nick Hoare

Nick had a background in running bars in Germany, before returning to the UK in the 1990s where he worked for Mind, the mental health charity. He has lived in Westhall for 10 years where he runs a successful Yurt holiday campsite business with his wife.

Nick is a former chairman of the WCP and looks after Community engagement.

George Harvey

George has lived in Westhall for over 30 years and been involved with many aspects of community life including the pantomime, and as a previous editor of the Village Newsletter. He is currently a trustee and treasurer for the Village Hall and would like to see the adjacent Racehorse remain open for the benefit of the community.

George looks after the website and communication for the Racehorse.

Steve Gray

Steve previously worked the Metropolitan Police in IT Support roles before working in Beer/Wine retail with Majestic and now Adnams since moving to Suffolk. Steve's volunteering at Beer festivals has given him a unique insight into our local breweries and the brewers who he often knows personally.

Steve manages the cellar and the choice of beers from Green Jack and many other local breweries.

Chris Punt

Chris co-founded the WCP with Brenda and was previously a Management Accountant and Cost Engineer, working in the Oil and Gas and Nuclear industries. Chris was also a District and County Councillor and has lived in North Suffolk all his life.

Chris is helping with business planning and supporting the Share issue.

Simon Finch

A Chartered Nuclear Engineer who has worked his whole career in the nuclear industry finishing at Sizewell B power station where he was a Shift Manager who with a team of 15 engineers was responsible for the operation of the nuclear power station.

Simon looks after the building maintenance, utility supply and plant and equipment maintenance for the Racehorse.

Marion Clarke

Marion is a nurse by training and following 3 years working in ITU moved into Community nursing and then management, becoming the head of primary care services in South Cambridgeshire. Marion is a keen amateur cook and represents the catering element of the business.

Colin Knight

Colin is a local Paramedic and has lived in the village for 11 years and he strongly believes in the value of a community pub. Between shifts he helps with the maintenance of the pub and grounds including erecting fences and screens, storage and general housekeeping.

Organisation

The committee is chaired by Brenda Smith, with support from Stu Read.

The different aspects of the business are delegated to individuals and teams to resolve issues and progress the business. Meetings are held monthly where the reports from different groups are discussed and the agenda set for the following month.

The subgroups that sit under the committee include teams for Operations, Marketing, Maintenance, Technology and the purchase of the Pub.

Appendix 1

What is a Community Benefit Society?

A Community Benefit Society (CBS) is an organisation conducting a business or trade for the benefit of the community. It is a corporate body registered under the Co-operative and Community Benefit Societies Act 2014 and authorised by the FCA. It is registered as a Limited Company and although it will appear on the register at Companies House, the FCA manages annual returns and accounts.

The rules of a CBS are written to operate according to the seven core principles and values which were adopted by the International Co-operative Alliance in 1995.

- Voluntary and open membership
- Democratic member control
- Economic participation of members
- Autonomy and independence
- Education and training
- Working with other co-operatives
- Concern for the community

A community benefit society provides services for the wider community as well as its members and pre-tax trading profit can be reinvested in the enterprise, used to pay interest to shareholders or distributed for social or charitable purposes in accordance with the rules.

It is a democratic structure that encourages a large membership and empowers communities by giving members a direct say in the management of the enterprise through the elected committee.

Membership of a CBS is established by the purchase of at least one share and the price of a single share is formalised at registration of the enterprise. An important feature is that there is one vote for each member, irrespective of how much they invest in the enterprise.

The rules of a CBS make it clear that the enterprise will not directly benefit individual members and is acceptable for most types of grant funding.

Another important feature of a CBS is a statutory Asset Lock. This is written into the rules and is designed to prevent an enterprise from distributing assets amongst members on solvent dissolution over the value of their share. Instead, surplus assets may only be transferred to another organisation that supports the objects of the society.

Appendix 2 Financial Forecasts

Please find below the Profit and Loss, Balance Sheet and projected Cashflow Statement for the Westhall Community Pub Company Limited. These statements are based upon calendar years. The tables show actual results for 2020 and 4 years forecast from 2nd Quarter 2021 to 2024. Calendar years have been chosen for ease of exposition; the company's year-end is up to the 31st July of the respective year.

Profit and Loss.

Since commencing trading in December 2019, the business of the pub has inevitably been disrupted by the ongoing pandemic restrictions and lockdowns, which while compensated by Government Covid Relief grants, has made it more complicated than usual to compile forward forecast of activity. However using what data we have from trading and comparing to seasonal trends we believe we have a reasonably accurate forecast of trading given unrestricted times.

Trend forecast revenue is estimated to be in the range of £80,000-£85,000 as against actual revenue for 2020 Calendar year (with missed periods of enforced closure) of £67,800. We have used this Trend revenue as the base for planning for the forecast period and projected forward based upon assumptions which are discussed below.

One implication of resuming normal trading is that the Company will be obliged to register for VAT, which will reduce the amount of Revenue available to the Pub as prices will have to include an element of VAT. Although there is the benefit of offsetting VAT on purchases and supplies, there will be an overall reduction of the amount of Revenue. Whilst we aim to remain price competitive, we see the need for above inflation price increases to safeguard the profitability of the pub, particularly when planning for an implementation of VAT. By increasing prices, whilst remaining competitive, the Pub company will be in a good position to adapt to these conditions and remain profitable. The forecasts have assumed a 5% price increases and 5% growth in volumes. The impact of VAT registration is reflected in the forecast from 2023 onwards Revenues for 2022 are assumed to be £99,000, 2023 £91,000 after the imposition of VAT before recovering through growth and price increases to £100,000 in 2024.

The other major change affecting profitability is that while the pub is at present almost wholly volunteer run and led, the Committee has decided that some paid support including a part time manager maybe required to ensure the organisational sustainability of the Company. This has been forecast to commence in the 2nd Quarter of 2022 with a cost rising to £20,800 for the 12 months of 2024.

As a result of purchasing the pub we are also forecasting securing a mortgage for £80,000 the cost of servicing this mortgage and the payment of interest on other loans we secure is expected to be £6,200 per year. We have also planned the optional payment of interest on the share capital we have raised amounting to £3,900.

Despite the changes we will have to make as a result of owning and running an expanding business we are forecasting to be able to run profitably into the future with profits (net of tax and interest) of over 7%.

Balance Sheet and Cashflow Statement.

This schedule demonstrates the changes to the Company's Balance Sheet following a successful share offer and purchase of the Freehold of the pub. Share Capital is projected to increase by £150,000 with £80,000 being raised through a long-term mortgage loan and the balance of £20,000 being funded by Grants and through the reserves that have been earned through trading.

The acquisition of the Freehold of The Racehorse Inn and funding for internal improvements to the flat become assets of the Company on the Balance Sheet.

The Cashflow statement reflects the transactions above. It also has modelled the other changes to the business from the collection and payment of VAT and the Employment under PAYE regulations of some professional staff. These changes have been modelled through a quarterly forecast on the basis of the trading assumptions discussed. Cashflow remains strong over the period of these schedules.

Full Quarterly statements can be found under documents on our website: www.westhallpub.com

Profit and Loss account

	Actual Year 2020	Forecast Year 2021	Forecast Year 2022	Forecast Year 2023	Forecast Year 2024
Sales-					
Wet Sales	37,101	45,502	64,547	59,184	65,103
Food Sales	30,693	27,868	34,829	31,868	35,055
Sales	67,794	73,369	99,376	91,053	100,158
Cost of Sales -					
Wet Sales	16,988	20,604	29,046	23,674	26,041
Food Sales	17,206	16,867	20,897	20,714	22,786
Cost of Sales -	34,194	37,471	49,943	44,388	48,827
Gross Margin -					
Wet Sales	20,113	24,897	35,501	35,510	39,062
Food Sales	13,487	11,001	13,931	11,154	12,269
Gross Margin	33,600	35,898	49,432	46,665	51,331
Overhead costs -					
Staff costs	757	4,900	15,752	17,378	20,798
Consumables	1,075	2,280	3,360	3,440	3,440
Utilities	6,416	4,924	5,196	5,196	5,333
Repairs and equipment	1,853	3,388	4,300	4,300	4,300
Premises Costs	8,655	6,473	1,593	1,057	1,057
Promotional and other costs	2,021	6,177	2,211	1,787	1,787
Total Overhead costs	20,777	28,142	32,412	33,158	36,715
Other Income	(13,563)	(24,684)	(4,800)	(4,800)	(4,800)
Net Overhead costs	7,214	3,458	27,612	28,358	31,915
Net Profit / (Loss)	26,386	32,441	21,821	18,307	19,416
Interest cost					
Mortgage Repayments	-	2,040	6,120	6,248	6,120
Loan Interest & Share Dividend	-	-	3,930	3,910	3,910
Total Interest cost	-	2,040	10,050	10,158	10,030
Corporation Tax	5,014	7,894	1,946	1,234	1,783
Net Profit / (Loss) after tax	21,372	22,507	9,825	6,915	7,603

Balance Sheet

	Actual Year 2020	Forecast Year 2021	Forecast Year 2022	Forecast Year 2023	Forecast Year 2024
Investment	100	100	100	100	100
Fixed assets					
Land and Buildings	-	250,000	250,000	250,000	250,000
Plant and Equipment	-	5,000	5,000	5,000	5,000
Total Fixed Assets	-	255,000	255,000	255,000	255,000
Total Long Term Assets		255,100	255,100	255,100	255,100
Current Debtors					
Cash	37,400	39,888	47,552	53,746	62,199
Stock	1,290	2,067	2,274	1,906	2,096
Sundry Debtors	768	1,051	515	515	515
	39,458	43,006	50,341	56,167	64,810
Current Creditors					
Creditors	(2,420)	(3,649)	(3,755)	(3,939)	(4,238)
Sundry Creditors	(4,441)	(9,128)	(6,532)	(5,260)	(6,002)
	(6,861)	(12,777)	(10,287)	(9,199)	(10,240)
Net current Assets	32,597	30,229	40,054	46,968	54,570
Long term loan	-	(80,000)	(80,000)	(80,000)	(80,000)
Net Assets	32,597	205,329	215,154	222,068	229,670
Capital and Reserves					
Share Capital	(10,550)	(160,775)	(160,775)	(160,775)	(160,775)
Reserves B/fwd	(675)	(22,047)	(44,554)	(54,379)	(61,293)
(Profit) / loss YTD	(21,372)	(22,507)	(9,825)	(6,914)	(7,603)
Net Capital Reserves	(32,597)	(205,329)	(215,154)	(222,068)	(229,670)

Cashflow Statement

	Actual Year 2020	Forecast Year 2021	Forecast Year 2022	Forecast Year 2023	Forecast Year 2024
Cash received					
Reciepts	67,794	73,369	99,376	109,262	120,189
Other Income	13,563	24,684	4,800	4,800	4,800
Share sales	-	150,000	-	-	-
Long term loans	-	80,000	-	-	-
Other					-
Total cash received	81,357	328,053	104,176	114,062	124,989
Cash paid					
Capital expenditure	-	(255,000)	-	-	-
Purchases	(56,903)	(61,575)	(66,168)	(70,796)	(76,820)
Payroll	(757)	(4,900)	(15,752)	(17,378)	(20,798)
Loan Interest		(2,040)	(6,120)	(6,248)	(6,120)
VAT paid		-	-	(5,020)	(7,579)
Corporation Tax		(2,050)	(4,542)	(4,516)	(1,308)
Interest paid on shares		-	(3,930)	(3,910)	(3,910)
Share withdrawals		-	-	-	-
Total cash paid	(57,660)	(325,565)	(96,512)	(107,868)	(116,535)
Net Cash Received/ Paid	23,697	2,488	7,663	6,194	8,454
Balance b/fwd	13,703	37,400	39,888	47,552	53,746
Balance c/fwd	37,400	39,888	47,552	53,746	62,199

Appendix 3 Social Impact Statement

Services and Activities	People and Groups who will Benefit	Number of People that will Benefit	How often will this activity Impact	Potential Benefit	Monitoring
Buy and Refurbish the Racehorse	Residents of Westhall and the surrounding villages Holiday makers Workers, Walkers Cyclists	Population of Westhall and the surrounding villages	Continuously	Since the pub closed the only public meeting spaces remaining in the village are the church and the village hall. Whilst events are reasonable well attended at the hall, they tend to attract a limited cross section of the community and there is no space for the locals to meet on a spontaneous or ad hoc basis. The villages of Brampton, Uggershall, Redisham and Stoven which surround Westhall no longer have pubs and an informal meeting place would provide enhanced cohesion to the community.	Yes Weekly Football
<p>We have had a significant number of visitors from Redisham, Brampton, Spexhall and Halesworth. Also bookings for lunch from Rambler groups and U3A. During the summer months Westhall had several holiday visitors from the Yurts at Ivy Grange, from Belle Grove, Caravaners from Rookery Farm, Campers from Sunnyside and Barn Owl Glade as well as the Caravan club who had hired the village playing field. The Racehorse was able to work with the owners of these holiday venues to welcome people by offering milk, bread and home bakes from our Stable Stores along with lunchtime and evening drinks and meals.</p>					
Introduce a Cafe	extend the reach of the current customer base to include parents with babies / small children, business people, delivery drivers, holiday makers, people that live alone and older residents based in the village.	200	Each day, cafe to open from 10.30 - 5.00 Monday - Friday Option Wed – Sunday	The café will extend the service provided by the pub outside of traditional trading hours, offering a wider range of drinks, food, and opportunity for social interaction. In this way business will be enhanced, additional opportunities will be created for employment, work experience and volunteering, and community engagement will be extended.	Football counts and a record of the range in customers would be recorded.
<p>During the initial opening weeks, we promoted tea and coffee during our lunchtime opening times, this helped to promote a different atmosphere and encouraged different people to come into the pub. Groups of older Westhall residents came along weekly (an average of 12 per week) We also contacted the “meet up Mondays” group with the plan to set up our own group. During February half term we encouraged careers to bring in young children by promoting a “Pancake” day, this attracted 4 families and 2 teenagers to help make and serve pancakes. During the October half term week we also attracted family groups by organising Halloween craft activities.</p>					
Free WIFI available	Residents of Westhall and the surrounding villages Holiday makers Workers Walkers Cyclists	200	Continuously	Phone signals are notoriously poor, local customers will be able to access internet and messaging services throughout the day and evening, giving them access to external services which would otherwise be unavailable to them	Internet usage
<p>The good WIFI in the Racehorse has been helpful. Ramblers, Cyclists and Campers have often requested details for access. We have also considered promoting a ‘work from the pub’ offer.</p>					

Services and Activities	People and Groups who will Benefit	Number of People that will Benefit	How often will this activity Impact	Potential Benefit	Monitoring
Provide internet training	Residents of Westhall and the surrounding villages	50	Once a week on a personal and group basis	More villagers, mainly the elderly, will be able to order shopping online and to contact organisations or tradespeople if things go wrong in the home - or just to contact neighbours if necessary.	Group attendance
Not done yet but a possibility					
Host a good Neighbourhood scheme	Residents of Westhall and the surrounding villages	100	The group could have weekly meetings and the pub could act as a hub to pass on requests for help and support	This is a voluntary initiative run by a group of local residents who want to help their people in their locality to enjoy a better quality of life by offering them support with everyday tasks. This helps to build a stronger and more resilient community where people know each other and help out where needed.	Record of help provided
<p>When we first opened the Racehorse we set up a prescription drop offpoint from The Cutlers Hill Surgery in Halesworth and a member of our committee has organised prescription deliveries when the Pub is closed.</p> <p>During lockdown we set up a bread, meat and vegetable delivery scheme for vulnerable people, this led us to opening the Stable Stores which stocked basic items.</p> <p>The Racehorse also acted as a meeting point for a group of people who wanted to help a local family that needed help to visit their daughter in hospital. As a social venue, the Pub was the perfect place for volunteers to be found.</p> <p>During the current lockdown we have begun talking with the Halesworth Volunteer Group to help organise more neighbourhood help. We also fund a Village Newsletter which helps keep people aware of what is happening.</p>					
Clubs	Residents of westhall and the surrounding areas visitors	200	Each group could meet once a week	The establishment of a number of clubs/societies/events will bring more people of like mind together outside the home. A mixture of pub-centric clubs (e.g.darts, quiz teams), groups less traditionally associated with pubs(e.g. poetry and Ukelele) and events such as BBQ evenings and theatre performances will ensure a broad appeal.	Attendance levels regularity at meetings
<p>During the first weeks of opening a book club and a gardening club were started. Both groups experienced a good take up with more than 10 people signed up to each group.</p> <p>Plans for holding special "spoken word" evenings have also been made.</p> <p>A felting group was also set up by a local resident and the idea of a general craft group has been raised.</p> <p>Quiz nights have been very popular with 50 participants when regulations allowed.</p> <p>A regular Ukulele lesson happens in the pub on Friday mornings.</p>					
Health and Fitness activities Designed to support various groups.	Cycling groups, walking groups, walking football, a rural workers club	100	Each group could meet once a week	Reduction in mental health issues caused by rural isolation affecting many in the agricultural sector, particularly the younger cohort. Improved physical fitness	Attendance levels regularity of meetings.
Time has not allowed much development in this area. But there certainly are plans to organise special walking and cycling events.					

Feedback from Facebook

- I don't live in the village, but my parents do and I'd like to express how much we have valued the help, and support during lockdown from Brenda at the pub. Deliveries from the 'stable stores' and checking in to see how they're both doing. Without the reopening, this wouldn't have happened, especially as there is no longer a village shop. So I thank you for that.
- We really enjoy coming to the pub, always made to feel very welcome, a real family feel to it, lovely food especially bbqs in the summer and a great selection to drink. Such a great asset to the village. Thank you to everyone who has made it happen
- We came house hunting in the area last year and popped into the pub whilst waiting for our viewing appointment. We were given such a lovely and friendly welcome from the bar staff to the locals drinking there at the time, that it cemented our desire to move to this area. A pub like this is a huge asset to the community, not only as a local pub but as a community hub and a real lifeline for all, especially in recent times. We are happy to say that we have finally managed to move locally and will be visiting the pub just as soon as we can.
- The live music, having a place to gather and drink within walking distance of home, lunchtime meet ups, love seeing the lights on and the place busy. Warm welcomes, seasonal bakes, brilliant volunteers (and I think the tents look great too!
- We've only been in the village for two years and the pub has been a great place to meet people - very welcoming. Thanks for all the hard work that keeps it going.
- The Racehorse? No ordinary pub. It's a friendly community hub-pub which has already achieved a reputation for its great selection of local brews, tasty home cooked food, popular theme nights & quizzes. Above all it offers a warm welcome to all. Shareholders & volunteers are, in essence, the hosts and therefore want everyone to feel happy whether from the village or away!