



# Countryman's Inn, Hunton

A warm welcome in traditional surroundings

## Countryman's Community Pub Society Ltd

### Business Plan

Document prepared by Countryman's Community Pub Society Limited (CCPS)  
A Community Benefit Society operating for the benefit of the community - society number 8682



November 2021

Plan for a community owned pub in Hunton



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The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice. These standards ensure that:

- The offer document and application form are easy to understand
- You are provided with all the facts you need to make an informed decision
- The facts are supported by the annual accounts and/or business plan for the society
- Nothing in the documents is purposefully incorrect, confusing or misleading

Societies are asked to sign a Code of Practice requiring them, among other things, to give the public a right of complaint to the Community Shares Unit.

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## 1. Executive Summary

We are seeking investors who wish to become members of a community benefit society that plans to buy The Countryman's Inn in Hunton, North Yorkshire. Our village pub (The Countryman's Inn, Hunton) – has been on the market for a number of years and, without community intervention, has an uncertain future. We want to ensure that the pub remains open and thriving in the long-term, but to do so we need support and investment from our fabulous village community.

We plan for The Countryman's Inn to remain as a pub and community hub, run for the benefit of the residents of Hunton and immediate surrounding areas such as Arrathorne, Hornby, Scotton and Hauxwell. As well as other surrounding villages and visitors to the area. We are confident that it will be a profitable business and represents a fair investment opportunity that will offer modest returns to the members of the Society. It will provide a service to the village and to visitors to the area and will support other local businesses and tourism within Richmondshire.

It is our intention that the pub will work closely with and in support of the other community facilities in the area. If you make an investment you will become a member of the Countryman's Community Pub Society Limited (CCPS). We are a Community Benefit Society (CBS), run for the benefit of the local community. You will have a say in how the society is run, and in who runs the society. You will be a co-owner of a traditional North Yorkshire village pub and will always receive a friendly welcome.

We anticipate that to buy and renovate the building will cost around £460,000, including purchase of the land to the rear of the pub which is an important commercial space. Hence, £460,000 is the amount that we need to raise in order to purchase and renovate The Countryman's Inn. We applied for funding of £230,000 from the government's Community Ownership Fund (COF), and although we were considered to be eligible and met the selection criteria, we were not one of the successful 21 bids in the first round, due to over application for the amount of funding available. We have been encouraged by the respective government department to reapply in the second round of COF investment in December and expect to know the outcome of our bid at some point during the first quarter of 2022. Community Ownership Fund grants are offered as 'match funding', meaning we (the CCPS) need to raise the other £230,000 to make up our required £460,000 total.

We believe we can raise £230,000 by selling community shares in the Countryman's Community Pub Society Limited. Everyone who buys shares will become a member of the Society and own part of The Countryman's Inn. We are looking to the people of Hunton and the surrounding areas, the wider community and friends of the pub for support - plus relatives, friends, and others far and wide. We are asking for a minimum investment of £500 (that's 500 shares), with a maximum of 20,000 shares per person (£20,000).

We will initially market the shares locally and there will be a short window of exclusive opportunity to invest (26<sup>th</sup> November to 1<sup>st</sup> December) for those individuals who 'pledged in principle' in response to our community consultation in April-May of 2021. Once this short period has elapsed, the share offer will be opened up to wider interest. The offer is available from 26<sup>th</sup> November to 20<sup>th</sup> December 2021, or when the optimum target of £230,000 is reached, whichever is sooner.

The CCPS management committee reserves the right to extend the offer beyond this initial period if they believe doing so would be of benefit.

Each shareholder and member of the CCPS will have an equal say in the enterprise. The initial management committee that have formed the Society are accountable to the membership and will, in future, be elected by them. Members will receive a regular newsletter and be entitled to attend the Annual Members Meeting and other special members meetings that may be called from time to time. You will be preserving the history and heritage of our village and investing in the future of Hunton.

The Society will agree a lease with a tenant who will run the licensed business selling food, drink, accommodation and providing other yet to be confirmed services to the local community in our premises and pay rent to the cooperative at a level that will reflect the profitability of the business. The rental income will provide for interest on the share capital to be paid to our members/investors. An interest payment up to 3% has been forecast from the third full year of trading, payable at the end of that year. This will ultimately be at the discretion of the management committee, depending on the financial position of the society. This is a great opportunity to invest in a worthwhile community enterprise that will provide a valuable service to its members and users. We firmly believe that the business will be profitable. In the unlikely circumstance that the business is unsuccessful, the CCPS rules mean that the net assets must remain in community ownership, for the benefit of the community.

## 2. Background

The Countryman's Inn was initially named The Oddfellows Arms. Records date back to 1849 where James Walker was listed as the Licensee, at this point the Oddfellows was listed with the Inn, 2 cottages and an acre of land. In 1984 the Oddfellows then changed its name to the Countryman's Inn when the then owner, David Robinson, paired with landowner Richard Dunn from Manor Farm and provided the location for the first Hunton Steam Gathering – a key annual calendar date for the village and pub, when steam engines gather in the village and both locals and travelling enthusiasts can admire these historical pieces of engineering.



Throughout the years, The Countryman's Inn has offered up to eight Bed and Breakfast rooms spread between the pub and neighbouring cottages and was one of the first inns in the area to serve food as well as local ales. The Countryman's Inn was selected by the 'All Creatures Great and Small' cast and crew during production, where actors including Robert Hardy, Christopher Timothy, and Carol Drinkwater stayed and ate in the pub whilst filming was taking place.

The Countryman's Inn is situated centrally within Hunton village in lower Wensleydale, North Yorkshire. Hunton has an active community and houses an approximate 414 residents. Throughout recent years The Countryman's has supported and hosted various traditional pub sports including dominoes, darts, and quoits, with the village's teams successfully competing in various Upper and Lower Dales leagues throughout the years. In recent times, the pub has become a popular location for quiz nights, family days and more.

The Countryman's Inn provides amenities that are unique to Hunton itself and the immediately surrounding areas of Arrathorne, Hauxwell and Scotton. Similar offerings, differing somewhat from those envisaged for The Countryman's, are available slightly further afield but are not readily accessible on foot or by public transport. None of these amenities are community owned. Under

community ownership, The Countryman's Inn will provide an offering quite unique from anything else within a 13km radius of Hunton (our closest community owned pubs are The Green Dragon in Exelby (13.6km) and The George and Dragon in Hudswell (15.3km)). The community focused offering planned for The Countryman's will provide something totally different, and much needed, to the local community.



The Countryman's Inn has suffered alongside pubs across the country due to the COVID-19 pandemic. It has further suffered due to the current landlord's recent ill health, which has left him unable to continue operating the pub long-term. As such, without community intervention and purchase, there is a significant risk that the pub might cease trading and subsequently close permanently.

However, the pub has been able to remain open in recent months due to the generosity, kindness and indomitable community spirit shown by our locals. Since reopening in April, the pub has not only remained open and trading but has flourished due to the imagination, endeavor and dedication of our volunteers and the support from the wider community. Recent times have demonstrated that, without doubt, there is a strong desire from local residents (and many patrons from further afield) to ensure that the future of The Countryman's Inn is secured. The Countryman's Inn has been nominated as an Asset of Community Value (ACV) and received confirmation of successful listing from Richmondshire District Council in July 2021. An offer of £395,000 has been accepted by the current landlord. The sale will include the area of paddock immediately to the rear of the pub, use of which has been trialed to huge success as an additional trading space - adding a family friendly area to complement the beer garden.



### 3. The Countryman's Community Pub Society Limited

At an initial informal meeting of a few village members (and keen patrons) at the end of March 2021, it was agreed that there was a need to take proactive steps to secure the future of the pub in the village, and the CCPS was formed in its initial capacity (as the Countryman's Community Group).

The CCPS has received support and advice from The Plunkett Foundation, an organisation that helps communities in rural areas, to set up and run life-changing community businesses that are owned and run democratically by large numbers of people in their community.

#### **Mission**

The CCPS mission is to secure The Countryman's Inn as a thriving community owned enterprise serving the community both as a pub and a broader community asset in perpetuity.

#### **Legal Structure**

The CCPS has been incorporated into a Community Benefit Society (FCA registration no. 8682). The purpose of a CBS is to operate a defined business for the benefit of a community. Countryman's Community Pub Society Limited is registered with the Financial Conduct Authority (FCA) using model rules from the Plunkett Foundation as the sponsoring body. The CCPS Rules are available on the web site. Visit [www.countrymanscommunity.org](http://www.countrymanscommunity.org)

#### **Viability**

An experienced licensed premises surveyor, recommended by the Plunkett Foundation, was commissioned to undertake a market appraisal and valuation report in May 2021. This report concluded that, if operated correctly, The Countryman's Inn has the potential to be a successful business.

#### **Our Community**

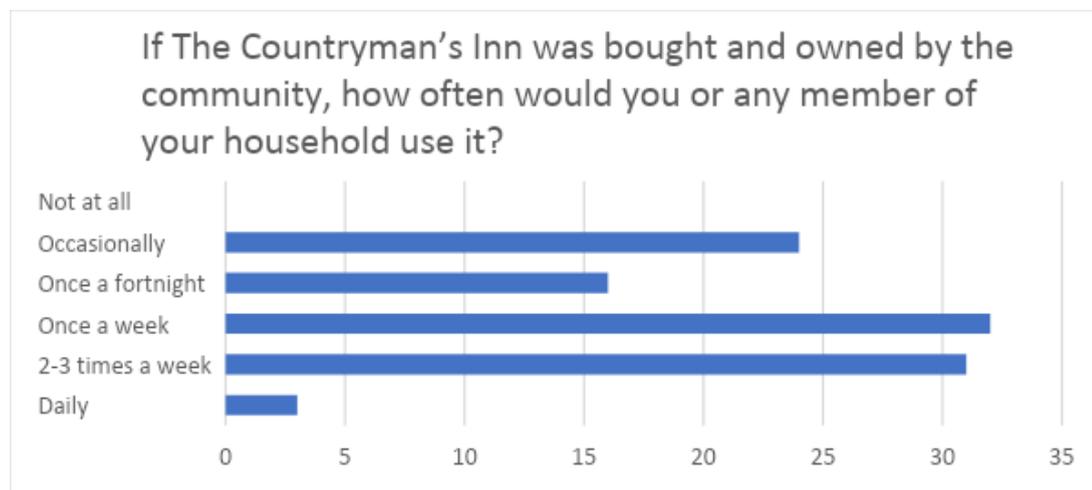
The Countryman's Inn is situated on a prime site within the centre of Hunton. Hunton has in excess of 400 residents (2011 census) and the pub draws trade from the outlying areas, villages and towns. Catterick Garrison, with some 20,000 troops and families is located only 2.5 miles to the north and this is a customer base that we are extremely keen to leverage in the future.

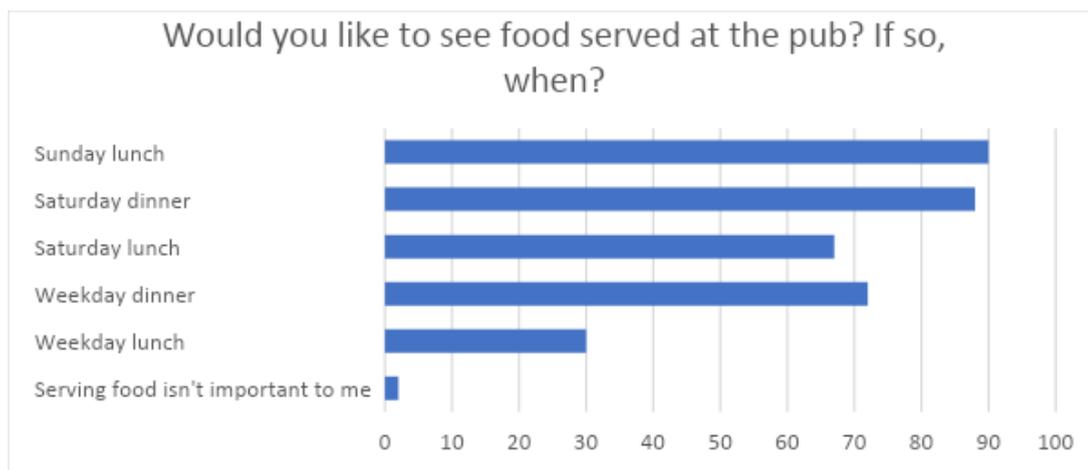
#### **Community and Social Returns**

The intention of the CCPS and indeed the wider community remains to secure the future of the pub for the village and its long-term growth and appeal. To act as a focal point for social activities and to continue the involvement of the village in the local darts, dominos, and quoits leagues. We will look to broaden the appeal of the pub and seek to engage more widely within the community. Coffee mornings, business breakfasts and the sale of newspapers and simple grocery products (following the closure of the village shop and post office in November 2020) are key items on the agenda, but there will be more, as well as continuing popular social events at The Countryman's such as quiz nights and the annual sloe gin competition.

## Community Consultation

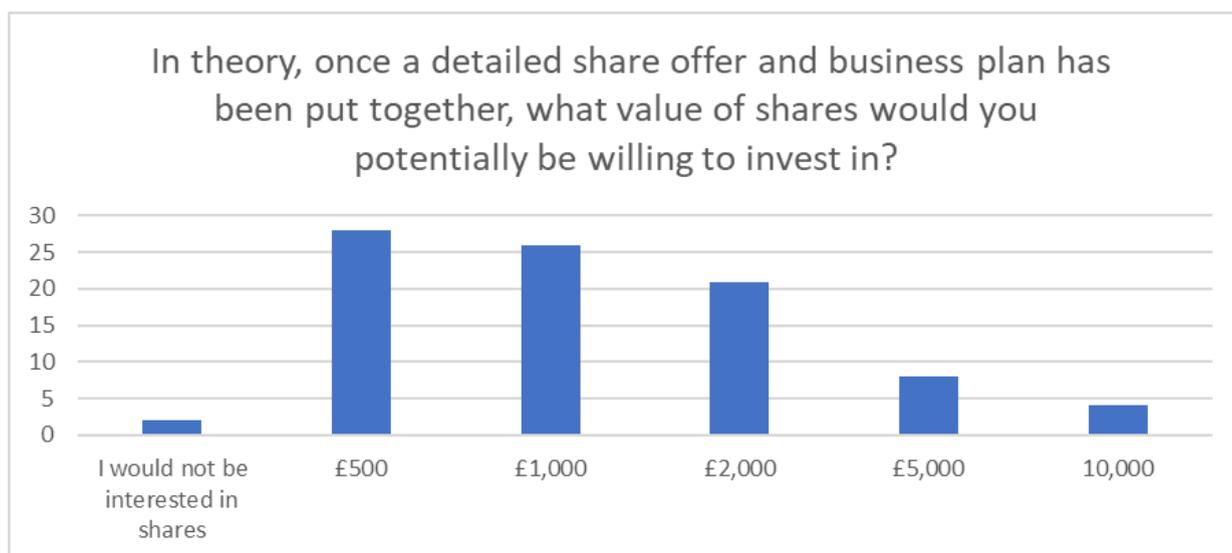
An online open meeting for local residents was held via the meeting platform Zoom on 21<sup>st</sup> April 2021, where the Secretary set out the group's aims and the ultimate goal of securing the future of The Countryman's Inn through community purchase. It was at this meeting that a proposed framework and action plan (including the offering of community shares and bid to the government's Community Ownership Fund) was presented and discussed. This meeting was followed by a two-week initial consultation period, when community members were issued with a consultation questionnaire in order to gauge the community's appetite for community ownership of the pub, including interest in purchasing community shares. Members of the community were asked if (and why) the pub was important to them, their views on community ownership of the pub, and what services they would like to see made available. Some key indicators from the initial community consultation are summarised below. The numbers in the tables below represent total 120 individual responses:





\* the numbers in the charts above represent individual responses to the survey questions

The consultation responses also demonstrated that many households and individuals in the village and surrounding areas are genuinely interested in investing in the pub. The opportunity to 'pledge in principle' for community shares received an extremely positive response and resulted in pledges totaling a value of over £201,000.



#### 4. Operating Model(s)

##### **Current operating model (pre-community purchase)**

Whilst the Pub is currently open and operating, it is on a reduced operating model. It is expected that this model will run from the present until the successful completion of the funding and conveyancing process and a permanent tenant is appointed. As such it is likely the pub will operate on a wet sales and rooms only basis during this time.

##### **Interim operating model (immediately post-community purchase)**

In order to allow sufficient time for the management committee to advertise the tenancy of the pub, interview candidates and make a suitable appointment, the steering committee have begun

planning a smooth interim period between the acquisition of The Countryman's and the arrival of a tenant. We have estimated that there is likely to be up to a 3 month interim period (pre-tenancy), and this is reflected within our planning and costing. It is expected that the pub will continue to run a wet sales and rooms only model until a tenant takes over and reopens the kitchen. Estimated interim operating costs and related revenue funding requirements are outlined within the financials section of this plan later in the document.

### **Tenanted Operating Model (planned long term operating model)**

The pub will be owned by the CCPS membership and will have a management committee elected by the membership. Membership of the CCPS is gained by purchasing community shares. A fully democratic structure will be adhered to and governed by a strict one member one vote policy.

Once acquired by the community, The Countryman's Inn will be run by a tenant who will be accountable to CCPS membership through regular reporting via meetings with the management committee. It is envisaged these would take place every quarter to begin with until the tenant is established then could be reduced to every six months, although a communication channel would be open at all times. The tenant will also attend the CCPS Annual Members Meeting (AMM) each year. The management committee will encourage members to give constructive feedback on the performance of the tenant and to channel any new ideas direct to the team by email or personally. These will be discussed at regular management team meetings and genuine comments and ideas will then be passed on to the tenant, the system will work in reverse should the tenant have ideas to change or modify the way they work. Proactivity and the tabling of ideas and suggestions for growth will be key criteria in terms of the selection of the tenant.

We will encourage the tenant to stock and serve locally produced food wherever possible in order to make use of existing working relationships with local suppliers. The pub will become a social hub for the village providing a meeting place for all. A number of ideas for further offerings were



considered favourably by the community during our initial consultation period, including: morning coffee shop, newspaper collection, parcel drop off point, lunch club for the elderly. We will seek a tenant who is able and willing to develop the community offering of the pub. Greater use of the extended beer garden at the rear of the pub has proved popular in recent months. We have been able to host community events such as the hugely successful May 2021 'Bank Holiday Bonanza' weekend pictured, and intend to host more soon, and in the future in collaboration with the eventual tenant.

We will seek a tenant who intends to run a full operating model, this model is based on the complementary trio of wet sales, letting rooms and food offering.

**Wet sales:** We will encourage the tenant to stock a good selection of lagers and ales. The availability of quality local ales is one of the key tenets for the success of a traditional pub in the

Yorkshire Dales. The current team at The Countryman's have already started to make significant steps forward in this area and the pub's reputation for offering varied, high quality local ales is growing. The wine and spirits selection has also been expanded to the point where we can present choices and variety to customers across the ranges of price and taste.

**Letting rooms:** The pub currently operates four clean and comfortably furnished letting rooms. The Countryman's Inn has an AA rating of 3 Stars with an additional Gold award. With the great fortune of being situated amongst the stunning beauty of Wensleydale, these rooms almost sell themselves. They have been the mainstay of the pub's operation over the last 15 years. It is envisaged that these rooms will be refreshed and improved to ensure they deliver quality to customers, allowing the incoming tenant to capitalise on this income stream to greatest effect.

**Food:** The pub has struggled to provide a sustainable solution for providing food for over 10 years. The current Landlord took on the pub single handed and would freely admit that running all three revenue streams was a struggle. Food however has a symbiotic relationship to the other two revenue streams and is a key tenet to the long term success of the pub. We will look for a tenant who can bring a team to bear. For instance a married couple or existing partnership and to start to deliver simple, traditional pub food to a high standard and competitively priced. The Pub will not seek to challenge the Gastro Pub market, which is catered for extensively in the local area; instead, it will operate a more homely and traditional menu in keeping with the preferences expressed in the community consultation responses.

## 5. Finance and Commercials

CCPS intends to purchase The Countryman's Inn on behalf of the community. The CCPS will be the owner of the asset but will not be involved in the day-to-day running of the pub. We will appoint a tenant and enter into a lease agreement with him/her/them to run the licensed business and to pay an affordable but realistic rent to the CCPS. The rent will be set at a level that gives the tenant the opportunity and incentive to run a thriving pub business. We will use the rental income to maintain the building, service and meet other outgoings, facilitate the withdrawal by members of their shares from time to time, invest in additional social amenities and, if affordable, pay interest to shareholding members after two years of trading.

We firmly believe that the business will be profitable, based on our experience of assisting the running of the pub over recent months. The business plan will evolve as we move through the process and appoint a tenant, and as we receive news regarding grant applications.

Our funding will come from a number of sources, a community share offer will look to raise £230,000 (this is achievable given the experience of other similar size and position community pubs). Additional match funding (£230,000) will be applied for through the Community Ownership Fund (COF). Other grants, donations and fundraising will be sought as noted below. The total amount we believe we require in terms of capital funding is £460,750.

**Table 1 – Asset Acquisition Capital Costs**

Capital Requirements		Remarks
Purchase of Fixed Assets	£395,000.00	
Refurb and Renovation	£37,750.00	
Purchase Costs	£15,000.00	Stamp Duty and Professional Legal fees
Marketing / Publicity / Website	£1,000.00	
Sundry/Contingency	£12,000.00	
<b>Total</b>	£460,750.00	

**Table 2 – Capital Purchase Funding Plan**

Funding Sources		Remarks
Community Share Offer	£230,000.00	
COF Match Funding	£230,000.00	
Events	£5,000.00	
Donations	£2,500.00	
Capital Grants	tbc	Tourism and Countryside Grants
<b>Total</b>	£467,500.00	

It is acknowledged that there are maintenance and repair activities to be completed for the pub to host a tenant and to reach its full operating model and thus full potential.

A breakdown of completed estimates to date is as follows:

**Table 3 - Priority Activities**

Ref:	Task /Location	Cost(£k)	Justification	Priority
1	Overhaul roofs to replace defective mortar to ridges, valleys and verges	0.70	Highlighted by survey	1-2
2	Replace mortar flashings to chimney stacks with lead flashings and re-point eroded joints as necessary	1.20	Highlighted by survey	1
3	Lift, re-bed and re-point water tables	0.60	Highlighted by survey	1-2
4	Repair to soil and vent stack penetration through flat roof	0.15	Highlighted by survey	1
5	Replace felt covering to flat roof	6.00	Highlighted by survey	2-3
6	Re-fit flashing to front single storey roof and provide lead flashings to rear left of two-storey roof	0.80	Highlighted by survey	2
7	Repair/replace front-right rainwater hopper and downpipe	0.25	Highlighted by survey	1
8	Level rainwater gutters to front	0.30	Highlighted by survey	2-3
9	Clean off vegetation and remedial works to flat roof gutter and downpipe to ensure satisfactory discharge to gulley	0.50	Highlighted by survey	1-2
10	Remove render from stonework to left side and re-point masonry	0.45	Highlighted by survey	2-3
11	Re-point eroded joints to brickwork	0.45	Highlighted by survey	2
12	Repair and re-decorate external joinery	3.50	Highlighted by survey	1-2
13	Strip dry lining to rear-right wall of bar area, tank walls and reinstate dry lining	1.50	Highlighted by survey	2
14	Repair/replace ceiling to right-side entrance lobby	0.60	Highlighted by survey	2-3
15	Provide plasterboard and skim to internal face of stud walls in electric cupboard	0.25	Highlighted by survey	2
16	Investigate and undertake remedial works to drainage	0.70	Highlighted by survey	1-2
17	Top floor - private accomodation (room 1)	3.00	Essential work to make space safe/functional/livable	1
18	Top floor - private accomodation (room 2)	2	Essential work to make space safe/functional/livable	1
19	Replace windows (letting accomodation, Restaurant) and cellar door	3.8	Essential work to make space safe/functional/livable	1
20	Laundry room / Kitchenette	2	Work to make functional and livable, cost dependent on fittings and fixtures	1
21	Letting accomodation	1	Renovation to update and encourage more residents	2
22	Bar / Restaurant	1	Renovation to update and repair minor damage	1
23	Beer Cellar	2	Relevel floors and ceilings to improve functional and practicality	2
24	Kitchen fittings and equipment	4	Replace broken kitchen equipment	1
25	Security Systems	1	Install new security alarms	1
<b>Total</b>		<b>37.75</b>		

## Revenue funding requirements

**Table 4 - Revenue Funding required (pre-tenant)**

Description	Cost (annual)	Cost (monthly)	Cost (weekly)	Cost (3 months)	Revenue funding required
Staff - housekeeping	£10,800.00	£900.00 (100 hours)	£207.70	£2,700 (basic)	£11,445 (basic pay)  £237.87 (3-month est. NI contribution)  £252.66 (3-month est. EP contribution)  <b>= £11,935 (total 3-month est. staff costs)</b>
Staff - cellar management	£3,120.00	£260.00 (20 hours)	£60.00	£780 (basic)	
Staff - bar	£16,740.00	£1,395.00 (150 hours)	£321.90	£4,185 (basic)	
Staff - manager	£15,120.00	£1,260.00 (120 hours)	£290.80	£3,780 (basic)	
Utilities - LPG	£3,000.00	£250.00	£57.70	£750.00	<b>£750.00</b>
Utilities - Electricity	£5,000.00	£416.66	£96.15	£1,249.98	<b>£1,249.98</b>
Utilities - Water	£1,200.00	£100.00	£23.08	£300.00	<b>£300.00</b>
Utilities - Phone & Broadband	£700.00	£58.33	£13.46	£174.99	<b>£174.99</b>
Licensing	£600.00	£50.00	£11.54	£150.00	<b>£150.00</b>
HR – PAYE	£540.00 + £120.00 initial set up	£45.00 (5 staff members)	£10.38	£255.00 (3 months + set up)	<b>£255.00</b>
Card payment processing	£500.00	£41.66	£9.62	£124.98	<b>£124.98</b>
TV license	£159.00	£13.25	£3.06	£39.75	<b>£39.75</b>
Fire reg services (sensor & alarm checks, extinguisher servicing)	£120.00	£10.00	£2.31	£30.00	<b>£30.00</b>
Hygiene (sanitary services, hand driers, urinal servicing, water management)	£735.00	£61.25	£14.13	£183.75	<b>£183.75</b>
Logs (winter)	£600.00 (6 months)	£100.00	£23.08	£300.00	<b>£300.00</b>

Coal (winter)	£900.00 (6 months)	£150.00	£34.62	£450.00	<b>£450.00</b>
Cleaning supplies	£240.00	£20.00	£4.62	£60.00	<b>£60.00</b>
Miscellaneous – includes chimney sweep, minor maintenance, bar accessories	£1,200.00	£100.00	£23.08	£300.00	<b>£300.00</b>
Stock – beer (also includes some cellar services from one current supplier)	£45,760.00	£3,813.00	£880.00	£11,439.00	<b>£11,439.00</b>
Stock - wine	£3,120.00	£260.00	£60.00	£780.00	<b>£780.00</b>
Stock – soft drinks, bar snacks & letting room supplies	£4,160.00	£346.66	£80.00	£1,040.00	<b>£1,040.00</b>
Stock - cellar gas	£360.00	£30.00	£6.92	£90.00	<b>£90.00</b>
Kitchen full deep clean ( <b>one-off, needs doing upon acquisition</b> )					<b>£1,000 .00</b>
<b>TOTAL COSTS AND REVENUE FUNDING REQUIRED FOR 3-MONTH INTERIM OPERATING PERIOD (PRE- TENANT)</b>					<b>£30,652.45</b>

**Table 5 - CCPS FIRST-YEAR COSTS: REVENUE FUNDING REQUIRED**

Description	Estimated Annual Cost (inc. VAT)	Comments	Revenue funding required
Insurance (Business, building, directors')	£2,000.00	Estimate provided by insurance broker – likely to reduce once tenant instated and responsible for some areas of cover	<b>£2,000.00</b>
Accountancy services and software	£1,230.00 (professional services) + £360.00 (software)	Accountancy quote provided by Plunkett recommended firm	<b>£1,590.00</b>
Plunkett Foundation membership	£240.00	Enables CCPS to avail of discounts on other fixed costs	<b>£240.00</b>
Website hosting and maintenance	£324.00	WordPress Premium	<b>£324.00</b>
<b>TOTAL COSTS AND REVENUE FUNDING REQUIRED FOR CCPS FIRST-YEAR COSTS</b>			<b>£4,154.00</b>

**Short term financial projections: profit and loss under the interim operating model****Table 6 - 3-month interim operating period – income & expenditure**

Estimated 3-month NET SALES	Wet sales £28,500	£37,500.00
	Letting rooms £9,000	
Estimated set-up and 3-month interim model COSTS (Table 4)		£30,652.45
CCPS annual upfront set up costs (Table 5)		£4,154.00
Net profit after full year society costs		<b>£2,693.45</b>

### Longer term financial projections: profit and loss under the tenanted model

Once the pub has been acquired and a tenant selected, the income for the CCPS will principally generate from rental income from the tenant. The key expenditure for the CCPS will be buildings insurance and ongoing costs such as Website hosting and Maintenance. Remaining profit would be used to pay shareholder interest and build up a contingency fund to be used for property improvements and share withdrawals.

Although the viability study showed a rent of £18,000 per annum would be possible, it is likely a reduced rent of around £16,000 would be charged for the first year to assist the establishment of the new tenant, rising to £18,000 in year 3. After that, the rent would be reviewed by the management each year, an “open books” policy with the tenant will exist in order to ensure transparency, ensure a fair rental return to the community but allowing the tenant to grow a sound business. We will look to structure a model to enable the tenant to benefit from hard work and success and equally to inject some additional revenue into longer term improvement works and to generate a healthy contingency fund to deal with unexpected cost.

**Table 7 Profit and Loss**

<b>Projected Income and Expenditure</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Rental Income	£16,000.00	£17,000.00	£18,000.00	£18,000.00	£18,000.00
Expenses (Insurance, Website, etc.)	-£4,154.00	-£4,154.00	-£4,154.00	-£4,154.00	-£4,154.00
Legal Expenses (Tenancy Agreement)	-£2,000.00				
<b>Profit</b>	<b>£9,846.00</b>	<b>£12,846.00</b>	<b>£13,846.00</b>	<b>£13,846.00</b>	<b>£13,846.00</b>
Interest paid to Shareholders	£0.00	£0.00	£6,900.00	£6,900.00	£6,900.00
Repairs and Improvement Projects		£7,000.00	£5,000.00	£5,000.00	£5,000.00
Shareholder Reserve	£9,846.00	£5,846.00	£1,946.00	£1,946.00	£1,946.00
Reserve Carried forward		£15,692.00	£17,638.00	£19,584.00	£21,530.00

Notes:

1. Rental income for Year 1 reduced to allow the new tenant to settle in and provide a transition period.
2. No interest paid in first TWO years, interest payments will be at the discretion of the management committee, having regard to the long-term interests of the society, the need to maintain prudent reserves, and the society’s commitment to community benefit.

3. Although withdrawals may be considered after two years of trading, we have not specifically forecast any withdrawals in the first five years of trading. Any capital withdrawals approved by the management committee could be funded from reserves or by raising new capital via a subsequent share offer.

4. Profit will be subject to Corporation Tax

Our independent market appraisal valuation report compiled by MJD Hughes Ltd included feasibility studies and provides an indication of profit and costs for a potential tenant, outlined in the table below. These figures are based on the assumption that a tenant would work in the business full time and operate a fair maintainable trade. The CCPS will work closely with the tenant to ensure that total costs of operation are tightly controlled and to develop a sustainable business.

**Table 8 - Indicative profit and loss figures for tenant year 1**

<b>Estimated Maintainable Net Sales</b>	<b>£180,000.00</b>
Gross profit percentage	65%
Estimated Achievable Gross Profit	£117,000.00
<b>Ongoing Costs</b>	
Tenant's rent (inc. accommodation)	£16,000.00
Additional staff wages & National Insurance	£45,000.00
Business Rates & Insurance	£1,800.00
Services	£14,700.00
Allowance for Sundry Costs	£10,200.00
<b>POTENTIAL OPERATING PROFIT</b>	<b>£29,300.00</b>

As stated in the independent market appraisal valuation report received by the CCPS; the figures in the table above are *'intended as a broad indication of achievable returns. These could vary considerably dependent upon the economic climate, the input by the tenant and other factors beyond the direct control of the community... A tenant model would provide the property owner (community group) with an income at a guaranteed level. The greater risk being retained by the tenant. The tenant's rent would be the income for the Community Benefit Society'* (CCPS).

Table 9 – Cashflow forecast

	Initial 90 day trading period	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Opening Cash Balance</b>	<b>10,000.00</b>	<b>12,181.78</b>	<b>20,157.04</b>	<b>24,892.30</b>	<b>27,903.76</b>	<b>30,915.22</b>
<b>Income</b>						
Pub Sales	37,500.00					
Rental Income		16,000.00	17,000.00	18,000.00	18,000.00	18,000.00
<b>Total Income</b>	<b>37,500.00</b>	<b>16,000.00</b>	<b>17,000.00</b>	<b>18,000.00</b>	<b>18,000.00</b>	<b>18,000.00</b>
<b>Costs</b>						
Trading expenses - <i>see table 4</i>	30,652.45					
Society Expenses (Insurance, Website, etc.) <i>See table 5</i>	4,154.00	4,154.00	4,154.00	4,154.00	4,154.00	4,154.00
Repairs and improvement projects			7,000.00	5,000.00	5,000.00	5,000.00
Legal Expenses (Tenancy Agreement)		2,000.00				
<b>Total Costs</b>	<b>34,806.45</b>	<b>6,154.00</b>	<b>11,154.00</b>	<b>9,154.00</b>	<b>9,154.00</b>	<b>9,154.00</b>
<b>Operating Profit</b>						
<b>Operating Profit</b>	<b>2,693.55</b>	<b>9,846.00</b>	<b>5,846.00</b>	<b>8,846.00</b>	<b>8,846.00</b>	<b>8,846.00</b>
Corporation Tax	511.77	1,870.74	1,110.74	1,680.74	1,680.74	1,680.74
Interest paid to shareholders				6900.00	6900.00	6900.00
Capital withdrawals				0.00	0.00	0.00
<b>Net Profit</b>	<b>2,181.78</b>	<b>7,975.26</b>	<b>4,735.26</b>	<b>265.26</b>	<b>265.26</b>	<b>265.26</b>
<b>Trading Cash Balance / Shareholder Reserves carried forward</b>						
<b>Trading Cash Balance / Shareholder Reserves carried forward</b>	<b>12,181.78</b>	<b>20,157.04</b>	<b>24,892.30</b>	<b>25,157.56</b>	<b>25,422.82</b>	<b>25,688.08</b>

## 6. Marketing and Communications Plan

We will initially market the community share offer locally and there will be a short window of exclusive opportunity to invest (26<sup>th</sup> November to 30<sup>th</sup> November) for those individuals who 'pledged in principle' in response to our community consultation in April-May of 2021. This will be publicised locally by mail drops, posters and email to the households who expressed an interest. Once this short period has elapsed, the share offer will be opened up to wider interest. The offer is available from 26<sup>th</sup> November to 20<sup>th</sup> December 2021, or when the optimum target of £230,000 is reached, whichever is sooner. This will be advertised on social media, the local news media as well as further mail drops in the village and surrounding areas.

The marketing plan for The Countryman's Inn post-community purchase is based on three fundamental aims:

- To increase the number of customers using the facilities - building the customer base.
- To increase the frequency with which customers use the facilities - building customer loyalty
- To move the business forward with feedback from our customer base.

The target market segments that The CCPS hopes to attract through the marketing proposals are:

- Local people, including families, young people, and older people from Hunton, the surrounding villages and the wider Lower Wensleydale area.
- Day visitors to the Wensleydale and Swaledale area, particularly holidaymakers, walkers, bikers and cyclists.
- Visitors to Catterick Garrison, in particular the Infantry Training Centre which hosts numerous family's days visits and of course, pass out parades which occur a number of times each month, throughout the year.

Proposed methods for achieving the marketing objectives in the early days of operation of the business are outlined below. The marketing plan will be updated regularly in conjunction with the management committee as the business grows and develops. Print media, updates and information will continue to be placed in the village newsletter and other local newsletters. The communications plan will outline any important updates, key points from the meetings and highlight main events.

Our social media campaign has also already begun. The Facebook group is very popular and has been used to great success to distribute the community consultation documents and market fundraising events and will be leveraged again across a number of further events planned throughout the year.

A series of activities and events aimed at engaging all sections of the local community, as well as visitors will be developed, including regular day and evening events (e.g., book clubs, darts

competitions, quizzes, music nights) and larger one-off events such as seasonal markets, important sporting events, and special food evenings, Wine or Gin tasting and beer festivals.

Occasional events such as wine and cheese tasting, world foods nights and gin tasting evenings will be used to generate interest, especially on weeknights and traditionally quieter times of year. These will be developed in conjunction with the tenant to gain their feedback and knowledge on the most appropriate forms of promotion. Maintaining a watching brief on review websites such as TripAdvisor will enable the Management Committee to respond to any improvement suggestions or comments quickly and directly, showing the wider potential customer base that The Society are engaged and committed to improving its services.

## 7. CCPS Management Committee

The current members of the CCPS management committee all live or have lived and retain close ties with the village for many years, have used the pub extensively under the current ownership so have experience of its management style, offerings and potential. The members include experienced businesspeople and others who work in community services. The management committee is as follows:

### **Matty Cockburn (Interim Chair)**

John Matthew Cockburn (Matty) was born in North Yorkshire and lived in Thornton Steward approximately four miles from the village of Hunton. Matthew is married to Claire, with whom he has two children – both of whom attend the village primary school. The family live in Hunton after buying their house nearly five years ago. Matthew joined the Military aged 16 and served 23 years, retiring last year as the Regimental Sergeant Major of the Yorkshire Regiment, where he was responsible for commanding, mentoring and leading up to 700 soldiers on operations and regimental duty. Matthew received the Military Cross for Gallantry in 2008, and 2 Star Commendations for Leadership in 2016. After retiring from the military, Matthew set up his own business as a chimney sweep and solid fuel stove maintainer at Clean Sweeps. He has an Honours degree in Leadership & Management as well as qualifications in Strategic Management and Coaching and Mentoring from the Chartered Management Institute.

### **Chris Heap (Interim Vice Chair)**

Chris has lived in Hunton for over 26 years with his wife Sarah and their two children. Sarah recently retired from her role at the village primary school as a teaching assistant and the couple's grown-up children attended the school in their younger years. Chris has been actively involved in many areas of the community, including the village's quoits and darts teams as well as the amateur dramatic society, annual Christmas carol singing organising, and annual sloe-gin competition. During his working career Chris managed and delivered multi million pound, international high-profile and complex projects within the retail sector for the Arcadia Group Ltd. Chris recently retired and enjoys golfing regularly with friends from the village. His family have been ardent supporters of the Guide Dogs for the Blind Association for many years, fostering several puppies with guide dog potential in their early years.

**Esme Terry (Interim Secretary)**

Esme was raised in Hunton, attending the village primary school and a local secondary school. Her first part-time job was pot-washing, waiting on and eventually bar keeping at The Countryman's Inn, where she worked during her school and sixth-form years, before working at another local pub and restaurant through university holidays. Esme moved to Edinburgh aged 18 to attend Heriot-Watt University, where she gained a First-Class Honours degree in Business Management with Marketing in 2016. She is currently in her final year of study for a PhD in Management. Esme works full time for the University of Leeds as a Research Fellow in the Work and Employment Relations Division at Leeds University Business School, specialising in the sociology of work, diversity and (in)equality, and digital futures in work and employment.

**Katie O'Connell (Interim Treasurer)**

Katie is originally from Bradford and grew up in Hull before attending Leeds Metropolitan University to complete an undergraduate degree. Katie recently moved to Hunton with her partner Tom. She is an Analyst Team Leader for the Care Quality Commission and has experience in business banking and graphic design as well as data analytics. Katie is leading our digital team, co-ordinating web design and content development, as well as acting as our Treasurer. She has an exceptional eye for detail and is our go-to when navigating complex documents, procedures, and spreadsheets.

**Cathy Guy**

Before moving to Madrid in August 2016 Cathy had lived in Hunton for 17 years with her husband Barry and her three children, and they continue to own a house there. During that time she worked as a teacher of Business Studies and Head of Department at Ashville College in Harrogate. Cathy was involved in the community as a member of the village Ladies Choir and she has served as both clerk to the Parish Council and as Parish Councillor. Cathy intends on retiring back to the village once her time in Madrid as a University and Careers Counsellor at a leading international school comes to an end.

**Jonathan Heap**

Jonathan is a regular in the Countryman's Inn, participating in the majority of its weekly and occasional events, recently organising our hugely successful fundraising raffle – liaising with local businesses and garnering support and prizes. Jonathan knows the pub and its locals well. He has worked in multiple pubs in North Yorkshire and the Lake District, juggling various roles, gaining hands on practical skills that are hugely valuable to the CCPS along with his extensive local knowledge and contacts. Jonathan was born and bred in Hunton and has lived in the village nearly all his life, attending the local primary school as a child and becoming a key figure in the local amateur dramatics group, Steam Gathering committee and quoits team. He currently works as a Tree Surgeon and Countryside Management Contractor across the Yorkshire Dales.

### **Vicky Jobling**

Vicky has lived in Arrathorne for over 4 years with her husband Tom and their son Arthur and daughter Maisie. Vicky was raised in Thirsk, moving to Lancaster aged 18 to attend University of Cumbria, where she gained a BA Honours in Primary Education specialising in Special Educational Needs. During school and university, Vicky worked on a special needs play scheme which provided respite for parents and day care for children and organised charity fundraisers to raise money for new equipment and toys for the children. After university, Vicky has taught different year groups- over 8 years- in two different schools and is now a HLTA at a local primary school after starting a family. In the last 8 years, Vicky has also helped assist a local Scout Explorer unit which involved organising activities, camps and meetings for teenagers. Vicky is actively involved in many areas of the community, including Hunton Steam Gathering, Darts and Doms team, Village Hall committee and the Scout event support team.

### **Peter Latham**

Pete has lived in Hunton for over 40 years and is a dedicated (and top!) player in the village quoits team. Pete has been heavily involved in multiple community projects over the years and is an active supporter of Hunton Methodist Chapel with his partner Helen.

Pete has been in business 35 years as a freelance Electrical/Electronic Engineer within Industrial Process Control and Automation, Marine and Power Quality sectors within the UK, EU and Internationally. A long-time passion for photography, recording many village activities throughout. A founder member of the village amateur dramatic society. Also, a keen golfer enjoys nothing better than time on the course with other village friends. A staunch patron of the Countryman's Inn and always kind enough to lend a hand whether serving pints and tending the garden.

### **Al Lowry**

Al is originally from Northern Ireland. He has always felt a close affinity to the Yorkshire Dales and fell in love with Hunton and The Countryman's Inn while visiting in around 2004. Al has lived in Hunton for over four years. Al is married to Lisa and has four children, the youngest of whom attends the village primary school. He spent 14 years in the British Army as an Infantry Officer. Currently a Service Director within a global services and solutions provider, he is accountable for a portfolio of enterprise level accounts within the technology, media, telecoms and retail sector. He delivers to a contract base of circa. 150 million pounds value.

*The CCPS fully intends to elect a full management committee at the first Annual Members Meeting. Details about the democratic procedures and processes this will involve can be found in the CCPS model rules – available at [www.countrymanscommunity.org](http://www.countrymanscommunity.org)*

## 8. Risk Analysis

Risk	Impact	Mitigation
Insufficient money raised to finance the proposal	If the required funds cannot be raised, then we would be forced to abandon the project. The owner would sell the property to whoever they wished, including property developers	If that were to happen all monies subscribed to community shares, loaned or donated will be promptly reimbursed
We are unable to appoint and keep good tenants	Appointing the right tenant is absolutely critical to the success of this venture. The tenant needs to be experienced, motivated to develop the business, capable of marketing the pub effectively, able to create a welcoming atmosphere, and crucially in sympathy with the community and our aims. If we cannot appoint such a tenant the venture will struggle	<b>Thorough selection process.</b> Prospective tenants will be required to demonstrate their experience and plans for the Countryman's Inn backed up with a sound business and marketing plan . They will also benefit from a reduced level of rent in the first 12 months.
Void periods between tenants	Any closure of the pub between tenants will mean we are not receiving rental payments, which will have a negative impact on our cash flow	<ol style="list-style-type: none"> <li>1. <b>Ensure tenant is incentivised and motivated to stay.</b> In part addressed through fair rent and free house status that improve profitability</li> <li>2. <b>Support tenant.</b> We will assist the tenant where possible with marketing, other voluntary help where appropriate</li> <li>3. <b>Business Case.</b> We have allowed for an initial period of three months without tenant or rent</li> </ol>

Risk	Impact	Mitigation
Higher than anticipated outgoings.	The main outgoing over which we will have limited control is costs of unexpected property maintenance and improvement	<p><b>1. Survey and valuations prior to purchase.</b> A structural survey and business valuation of the Countryman's Inn have been completed. We have good visibility of the property condition, required remedial works, and desirable improvements</p> <p><b>2. Remedial and maintenance works.</b> Following indicative costings a sum of £37,750 is allowed for in the plan for remedial works and a minimal level of refurbishment to put the pub in a condition to start trading. On an ongoing basis a sum of £5,000 per year is budgeted for a maintenance and improvement fund</p> <p><b>3. Improvement works</b> Any further improvement works will need to be very carefully considered in terms of cost and returns to the business</p> <p><b>3. Contingency.</b> An adequate level of reserves is planned to meet unexpected expenditure in the first few years</p>
The pub cannot sustainably trade profitably	The pub may be forced to close	<p>Our whole business plan has been developed to avoid this occurrence, which we believe to be a highly unlikely scenario.</p> <p>In the extreme situation that the pub cannot be run successfully (or sold) as a going concern and is forced to close then the value of the property will almost certainly be significantly higher than the purchase price. In this scenario the CCPS would be able to pay off its debts and refund the members and, by virtue of the Asset Lock, should be in a position to make a substantial contribution to other local community enterprises.</p>

## 9. Timeline

A simple high-level plan of key activities and milestones is below:

Month	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
Initial Mobilisation	■											
Community Consultation	■	■										
Planning / Viability	■	■										
Business Planning		■	■	■	■							
COF Initial Application		■	■	■	■							
ACV application			■									
Incorporation				■								
Standard Mark Process						■	■	■				
COF Re-application									■	■	■	■
Share Offer Opens								■				
Share Offer Closes								■	■			
Purchase Completion												■
Tenant Selection												■
Launch												■
Community Updates	■	■	■	■	■	■	■	■	■	■	■	■

Additional information about The Countryman's Inn, the CCPS and upcoming events can be found on the CCPS website: [www.countrymanscommunity.org](http://www.countrymanscommunity.org) where you will also find our contact details, data privacy notice and Society rules.

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