

# The Blue Room Community Pub

139 Church Street Community Pub Limited  
Business Plan – March 2017

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**Registered Address: 19, 23 Church Street, Manchester, M4 1PY**

**Registered under the Co-operative and Community Benefit Societies Act 2014 - No. 7466**

**The Blue Room, 139 Church Street, Blackpool, Lancashire, FY1 3NU**

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# 1 Executive Summary

## 1.1 Background

The Blue Room pub is a bay fronted semi-detached 3 storey Victorian building. Built in 1881, the building was originally a hotel and in 1955 became a public house.

The Blue Room closed as a pub in late 2015 after reopening a year earlier. Prior to this the pub closed in June 2013 when the then landlord walked away from the pub due to the increasing burden of the rent and the cost of purchasing stock from the pubco.

The board see the local area becoming a removed part of a once thriving entertainment district. In the last 10 years the surrounding area has seen numerous local businesses close and is far less visited since the closure and subsequent demolition of the Syndicate night-club (The former Empire Theatre / ABC Cinema).

The building is for sale and there is an opportunity to relaunch it as a community enterprise as the first step in a longer-term process of reinvigoration the surrounding area and drawing locals together as a community once again.

The 139 Church Street Community Pub Ltd has been formed to facilitate the purchase of the pub, to preserve its independence and viability, and to influence its development for social benefit and community use. This business plan presents a proposal for the purchase of the pub and its operation as a community-owned asset.

We plan to run a community share offer to provide the opportunity for individuals, businesses and anyone that loves a good pub, to invest in the future of The Blue Room.

£100 shares can be purchased as either a single share, or as multiples up to 200 shares (£20,000). Shares can be withdrawn after three years – with interest paid and tax relief available, subject to approval of the board and by a vote at the AGM

The Plunkett Foundation has supported our initiative and we are applying to them for grant and loan finance to help us make the purchase, install a simple kitchen in the pub, and renovate the two floors above it.

The task of the newly formed Society is improve the buildings fabric and to innovate to increase footfall and community use.

This business plan aims to show that the newly formed society has clear and realistic proposals in place for purchasing the building in order to operate it as a community owned pub and hub. It seeks to detail the way in which the Society intends to preserve the independence and viability of this historic establishment and to influence its development for social benefit and community use.

## 1.2 Our Mission

- To raise sufficient funds to purchase the building and reopen the pub
- To reach out to promote the pub as a community hub that brings benefit to the local area

In the past, The Blue Room philosophy was to run a live music focussed venue with bands performing regularly on a Thursday, Friday and Saturday nights. This appears to have put many potential customers off, and combined with a drinks offer that was very similar to other town centre pubs, meant it struggled in a competitive market.

With its new strategy to include a broader events calendar, a new drinks range, beer festivals and a micro-brewery, it is hoped that the pub can start to attract a more diverse customer base and be a welcoming place for all.

## 1.3 Vision

### *“Putting The Blue Room at the heart of our Community”*

The society will ensure the long-term survival of not only the pub, but the building as a whole.

We believe that the building can offer more than just a pub and by reconnecting with the locals it can become a focal point for the community it serves.

The aim is for the society to raise funds through a community share offer to purchase the building and to run The Blue Room as a community owned pub. In the first year we would aim to re-establish the pub and ensure it could be run in a sustainable and profitable manner.

The trading area on the ground floor is in a reasonable condition and would require minimal refurbishment to allow trade to commence. The toilets were recently upgraded but further cosmetic decoration would also need to be undertaken. A flat roof that covers a small kitchen area next to the bar would require immediate attention in order to stop the ingress of water caused by standing water failing to drain away.

Within the first six months of trading, the society would look to make essential repairs that would enable us to utilise the additional space on the first and second floors. Options are still being considered to make the best use of this space, with members needing to be consulted on this once the share offer has closed and the sale has been completed. Doing so, would generate additional revenue and make space available for the community to use. To make this a reality, significant work needs to be undertaken to stop the ingress of water caused by rotten wooden frames that hold the UPVC windows.

Ultimately, we see the re-opened pub as a place for people to drink, eat, play or simply come for a chat, where everyone of any age is welcome and feels part of what is going on.

## 1.4 Aims and Objectives

The immediate objective is to buy the building. The building needs repair work in order to be able to open, although at this stage we do not believe this to be too extensive.

In total, we envisage £250,000 being required to purchase and reopen the Pub, make renovations, purchase initial stock and hold a small contingency fund. We will look to raise this amount through a share offer where shares in the society can be bought by all, and hope to access grant funding through the governments '[More than a pub](#)' initiative. We are also exploring loan options, but recognise that this is a difficult route in the current climate.

Once the building is purchased, subsequent objectives are:

- To run a thriving pub business with a friendly, welcoming, community focus, encouraging wide involvement through shared ownership. The Pub will need to be profitable enough to service any costs and debts, and also provide interest payments to investors. A refitted pub would be open for a May/June 2017 opening at the latest, although we may be able to have a "soft" opening, with drinks only and with restricted opening hours, earlier than that.
- To make as much of the rest of the building available for community use or for short term lets and non-pub related activities. The timetable for this is less certain, because we will focus on the pub first; but we aim to have a phase one opening of useable space within six months of buying the Pub. Further research into potential uses would be required.

Once financial stability is secure we plan to re-invest excess profits into developing other community-based facilities and to set-up a microbrewery in the cellar / basement area.

## 1.5 Current Position

The 139 Church Street Community Pub Ltd was registered by the Financial Conduct Authority (FCA) on 22nd December 2016 as a Community Benefit Society.

A Community Share Offer Prospectus has been prepared and shares will be issued during the offer period. The Society will apply to HMRC for assurance that investors will be eligible for 30% tax-relief on investments.

## 1.6 Potential Timescale

<b>Complete Purchase</b> April 2017	<b>Essential Repairs</b> April - May 2017	<b>Re-open the pub</b> May - June 2017
<b>Begin Repairs to Upper Floors</b> July 2018	<b>Member Open Day</b> August 2018	<b>Phase 1 Opening of Upper Floors</b> August 2018
<b>Phase 2 Opening of Upper Floors</b> October 2018	<b>6 Month Progress Report</b> November 2017	<b>Year end Results</b> January 2018
<b>First Beer Festival</b> Februaury 2018	<b>First AGM</b> April 2018	

## 1.7 Plan Summary

### COMMUNITY RUN AND OWNED

- Our members own and run the pub
- Membership scheme with rewards
- Democratic process, regular meetings
- Board of directors
- Management group
- Mix of paid staff and volunteers
- Wider skills and knowledge base
- Open source approach to information sharing

### WELCOMING

- Friendly, helpful and trained staff
- New 'subtle' external signage and lighting
- Redecorate ground floor - Modern traditional pub
- Refit upstairs: Alternative community spaces
- New outdoor area

### ENGAGEMENT

- Seeking the views and gaining feedback from members and the community
- Engaging with local businesses and non-profits
- Developing ties with St. John's CE Primary School
- Closer ties to local authority and licensing forum
- Partner up to improve local night-time economy

### DRINKS RANGE

- Craft beers / ale / ciders - Local, UK and world
- Real Ale & Cask Marque Certification
- Quality wines and spirits
- On-site microbrewery
- Tasting session events
- Regular beer festivals

### SUSTAINABILITY

- Fully, pessimistically costed
- Long term financial and operational planning
- Local sourcing policy
- Waste reduction and efficiency

### USE OF THE SPACE

- Offices or co-working space
- Rehearsal rooms for bands
- Interest groups upstairs on weekday evenings
- Remove or reduce the living space
- Performance and arts space
- Function room / Event space hire

### A PUB FOR ALL

- TV Area for live sport
- Pub quiz, pub games, sports teams
- Broader events programme

### FOOD

- Potentially offer simple bar food & snacks

### MARKETING

- New website
- Social media presence
- Events calendar
- Advertising and sponsorship

### LIVE MUSIC

- Regular live music
- DJs and alternative performances
- Weeknight open mic

## 2 The Society

### 2.1 Legal Structure

139 Church Street Community Pub Limited has been registered as a Community Benefit Society under the Co-operative and Community Benefit Societies Act 2104 and is regulated by the Financial Conduct Authority (FCA).

The Society exists in order to carry on business for the benefit of the community.

The Society's rules determine that any surplus made by the Society after it has paid interest to its shareholders must either be reinvested in the business or used for the benefit of the local community or for another charitable or community purpose. Directors and members are forbidden from benefiting in any other way from the activities of the Society. Director positions are voluntary; Members of the Management Committee are not entitled to any remuneration, but they may be reimbursed for reasonable expenses incurred in connection with the Society's business.

It is our intention that the Society will continue to operate a public house for the benefit of the town of Blackpool. If, however, the membership should choose, in the future, to dispose of the property, any surpluses that may arise after all the shareholders have been paid back the amount they invested must be re-invested in a community enterprise or used for a charitable purpose (known as Asset Lock). Likewise, in the event of the society being wound up, any residual assets will be transferred to another asset-locked body.

As a community benefit society with a statutory Asset Lock, shares cannot increase or decrease in value.

### 2.2 What is a Community Benefit Society (CBS)?

A Community Benefit Society is a membership society run for the benefit of the community as defined below, and it is not run for a single shareholder or an owner. Like a co-op, a CBS is run on a "one member, one vote" basis with each member owning shares which give them the right to vote. A CBS can also raise capital funds by selling "community shares" to its members.

The CBS members elect a Governing Board, which can also have appointees. Every member has the right not only to vote, but to put themselves forward for election to the board.

The main differences between a community pub and a traditionally-owned pub are:

- Increased involvement of members in decision making
- A commitment to engage with local community and address local social needs, especially for the underprivileged
- Attraction of new sponsors and partners as CBS ownership is in line with forward thinking organisations keen to improve their corporate and social responsibility (CSR)
- New types of funding and grants available
- Potentially new and better relationships with strategic partners, both local and nationally
- Increased custom as members and locals feel more involved

Good examples include

[The Fox and Goose](#) (Hebden Bridge), [Anglers Rest](#) (Bamford), [The Star](#) (Salford), [The Bell Inn](#) (Bath) and [The George and Dragon](#), Hudswell ([CAMRA National Pub of the Year 2017](#)).

A community benefit society is run primarily for the benefit of the community at large, rather than just for members of the society. This means that it must have an overarching community purpose that reaches beyond its membership. An applicant enterprise must also have a special reason for being a community benefit society rather than a company, such as wanting to have democratic decision-making built into its structure. Although a community benefit society has the power to pay interest on members' share capital, it cannot distribute surpluses to members in the form of dividends. A community benefit society can opt to have a statutory asset lock, which has the same strength as the asset lock for a charity and for a community interest company. This type of asset lock is not currently available for cooperatives.

Source: [www.communityshares.org.uk](http://www.communityshares.org.uk)

## **2.3 Structure**

The management team will be responsible for day-to-day management issues, and for the performance of staff. They will also order supplies as required, according to agreed guidelines set by the Pub sub-committee.

A Pub sub-committee will liaise closely with the board, sorting out issues as they arise and owning responsibility for wages, NI, etc. as well as paying bills. We expect meetings of the sub-committee (including the manager) to take place on a monthly basis.

The board will work with the sub-committee to make strategic decisions, such as the theme of the Pub.

## **2.4 Key Personnel**

### **Gareth Wright – Chair**

As a membership professional at Co-operatives UK, the national association for Britain's thousands of co-operatives, Gareth works with co-ops and community benefit societies which operate in sectors as broad as community owned football clubs to community energy schemes. Gareth is a member of the Fox and Goose Co-op pub, Hebden Bridge and Boundary Brewing Co-op, Belfast.

With experience of co-operatives and community organisations, Gareth will play a key role in bringing experience of the model and assist with governance.

As a former regular and former DJ at the pub, he is keen to see it reopen and become a true asset for the community working for all.

### **Robert Hill – Secretary / Vice Chair**

With fourteen years' worth of experience in the financial sector across a variety of roles, starting in administration and progressing to the point of running an insurance brokerage, Rob is well placed to act as secretary of this society. Rob has extensive knowledge of business and financial planning, as well as the day to day affairs of running a small business.

As well as being a regular in the Blue Room for the best part of a decade, Rob has worked as a nightclub promoter and events manager for pubs and clubs in the past, as well as a performer in various bands which have played in the Blue Room. Conscious of the Blue Room's past as a meeting place for artists and creatives, as well as a regionally renowned hub of the local music scene, he is keen to play his part in seeing the Blue Room restored to its place at the heart of Blackpool's entertainment offerings, and preserved for future generations.



## **Dave Moore**

A talented chef and catering manager, David has years of experience in the catering industry. He is currently employed as Head Chef at Ryecroft Hall – a distinguished local restaurant serving high quality food made using locally sourced ingredients. David has in-depth knowledge and experience of menu design, supply chain, staffing, restaurant management and leisure retail in general.

David will take a lead role in the development of any food offering at The Blue Room as well as lending his expertise to the day-to-day operation of the pub.

David has been a regular Blue Room customer for many years and has performed there in bands on many occasions. He is passionate about the history of the building and shares the same goals as the other members of the board – to see the pub re-open and play an instrumental role in the rejuvenation of the local music and arts scene as well as helping to regenerate the area of town in which the pub is located.

## **Graham Moore**

Graham has worked extensively in promotions and digital marketing, both as an office manager and more recently in a freelance capacity. He has a comprehensive understanding of web-based marketing – particularly social media management and onsite and offsite SEO.

Graham has also worked in various pubs and bars around Blackpool and was Assistant Manager at Gillespie's – a Blackpool town centre bar, which has traditionally shared clientele with The Blue Room.

As well as patronising the Blue Room for many years, Graham has worked as a DJ, quizmaster, host/compere, relief sound engineer and as a performer in bands. He has also acted as an events promoter, staging several gigs and charity events at the Blue Room and other local venues. Graham was Music & Stage manager for the Tommyfest music festival – a 3-day charity event held just outside Blackpool in aid of a local hospice.

Like the rest of the board, Graham holds a vision for the pub that will see it return to its former glories and play a vital role in the resurrection of the town's music and arts scene.

## **Iain Brownbridge**

Iain, day to day, works as a music lecturer at Blackpool and the Fylde College – a position he obtained in no small part due to his experience at the Blue Room, where he once managed the rehearsal and recording facilities within the building.

A veteran of many bands, and someone who appeared on the stage in the Blue Room regularly, Iain (or 'Spud' to friends) also worked as a sound engineer in the venue for many years, offering his support and expertise to performing acts from within the town and far away, as well as helping to organise open mic and quiz nights in the pub.

Iain misses the Blue Room's creative atmosphere, and wishes to see it re-opened as a community owned pub run for the benefit of all.

## **2.5 Management of the pub**

The board believe that a management option would be better suited than offering a tenancy.

### **Management Option (Recommended)**

The main thing to say about this option is that it will require a management committee to oversee the business. That said, the level of input could be as little as appointing the manager and ensuring regular stock and accounts checks are made. This committee would be made up of elected representatives of the shareholders, although it could also be contracted out to a management company.

The shareholders, through an appointed committee, would have full responsibility for the soundness of the business but would leave the manager to look after the day-to-day running.

Targets for turnover, gross margin, staffing and other variable costs would need to be agreed, possibly with a bonus scheme in place for meeting or exceeding those targets. This option is preferred, because it retains a far greater level of control.

## **2.6 Staffing**

A manager, assistant manager, supervisor and bar staff will be hired for contracted weekly hours plus optional shifts. Members may also volunteer to cover shifts from time to time. All bar staff (including those working on a voluntary basis) will receive training by the manager or another licensee member.

Staff will be recruited by the managers, via advertisement to the members of the society, in the local press and Job Centre. The society will work with local agencies to create training opportunities.

We will employ our own SIA qualified door staff as required by licensing regulations.

## 3 Former and Potential Business

### 3.1 Current status

The Blue Room ceased trading in late 2015. The pub has traditionally been a wet trade led pub, with only minimal food being offered by former tenants. The building is now unoccupied, and the current owners are currently offering the property for sale on a freehold basis.

In March, our bid was accepted, allowing us to launch a share offer in order to raise the funds necessary to purchase the building.

### 3.2 Viability

Although no previous trading data is available to the board, we believe that due to the tie with the pubco, the subsequent lease and charges for stock, the previous tenants have not been able to run the pub to its full potential.

With an estimated 27,387 adults living within a 1 mile radius of the pub and an estimated average of 900,000 visitors to the town centre each month, there is clearly scope to attract customers to the pub. The key to doing so lies in having an attractive offer that is well publicised and is able to attract repeat custom.

By utilising unused and underutilised space on the upper floors and in the basement, there is the potential to open up additional revenue streams that will contribute to the aims of the society in creating a community hub and a sustainable business that is able to consider the long term future of the building and its use.

Research indicates the Business rates payable on the property are £17,772 per year. The March Budget announcement of relief for rates means that we can take advantage of a [£1,000 reduction](#). Further to this, there is potential to reduce this figure by negotiating a discount that Blackpool Council can offer to a not-for-profit organisation. We hope that the council will look favourably on the enterprise in its infancy to allow us the opportunity to establish ourselves.

Publicity around the potential community buy-out has increased the pub's profile and we anticipate this will have an impact on future trade. The potential change of ownership structure means that the financial imperative to pay rental costs to a pubco is eliminated, which reduces financial strain on the enterprise.

### 3.3 Market Analysis, Demographics Community Support

The Blue Room has predominantly attracted fans of live music; we aim to continue to provide a quality live music offering whilst looking to diversify and expand other forms of entertainment depending upon feedback from the community and members.

Aside from the promenade and tourist focused areas, which tend to specialise in discounted drinks/shots offers and catering to stag and hen parties, the pubs in and around the centre are almost exclusively owned by pubcos, and therefore restricted in terms of the choice they offer and the prices they're able to charge. As such, beer offerings are based around major known brands, with little to no availability for smaller or local breweries, especially those producing real ale.

The Blue Room, free of pubco ties, would be able to offer beer from any provider it so chooses, providing opportunity for local brewers to sell their produce through the tap, as well as catering for real ale drinkers and people whose tastes aren't served by "the usual brands". In addition, the introduction of a microbrewery within the building would allow others to hone their skills and learn more about how beer is made, potentially with a view to selling their own one day - as well as allowing the pub itself to brew and serve its own beer.

## Consultation

A public consultation provided the board valuable feedback on how locals view the pub and how they'd like to see it run. Whilst it is clear that live music should continue to be an offering, many suggested that the quality of the beer and the atmosphere would also be integral to the success of the pub.

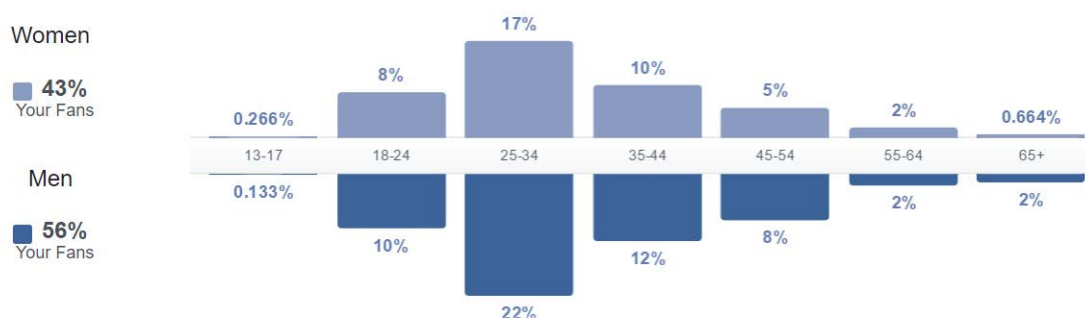
The consultation ran for only a short period to gain some initial feedback. Within 5 days we received 343 responses from individuals living in the Blackpool area, but also from further afield. Some of these individuals are former residents of the town, whilst others had visited the pub as tourists. This shows the potential reach of the share offer could be far greater than just the local area, with co-op pubs reporting that they have investors from overseas.

A snap shot of the responses to the consultation are included as an appendix.

Although there are still live music venues in the area, the lack of performance spaces in the town centre provide the pub with a good opportunity to expand our market share of customers interested in this field of entertainment.

## Social Media

There are almost 4,000 followers of the Blue Room on Facebook, and the below graph illustrates their demographic makeup. The board are aware that the historic patronage of the pub is wider than the figures suggests, as many potential customers do not use social media. We will ensure that the facilities and entertainment on offer within the premises maintain a diverse appeal.



Whilst Blackpool Town Centre has been perceived as being an area in decline for some time, there is cause for optimism. Poulton-le-Fylde, a mere six miles away, enjoys a thriving pub scene, with five pubs within one minute's walk of each other sharing trade and staying open. The Blue Room was once part of a local's entertainment area including the pub itself, Gillespie's, Bootleg Social (Jenx / Liquid Lounge), The Tache, Bar 137 and Scrooges. With the re-opening of Jenx as Bootleg Social, and the recent re-opening of Gillespie's, there is once again reason for locals and visitors to return to this area of town, and for their custom to be shared around these venues as it once was.

## 3.4 Marketing Plan

Initial marketing efforts shall be devoted to raising awareness of the potential for the pub to be purchased by the society through the share offer. To date the board have used social media, the local press, community radio and an interview with a local arts and culture guide.

The board have planned the following activities

- The share offer document – To explain and promote the community share offer in order to encourage people to buy shares.
- Printed materials – Posters will be distributed around the town centre and a specific leaflet will be produced.
- Social Media – Due to its potential global reach, this channel will be utilised to maintain profile and extend awareness of the offer to the immediate followers of The Blue Room page, their friends and families, and all who the information is shared with. Regular updates are to be provided on how much is raised.

- Press Releases – So not to restrict marketing to only digital means, press releases shall be sent to The Blackpool Gazette, The Lancashire Post, The Co-operative News and national newspapers.
- Email campaign – With the collection of email addresses from the consultation and those that have asked to be added to a mailing list, we shall send copies of the business plan and the share offer in order to make it as easy as possible for them to invest.
- Promotion at events or meetings – The board have taken the opportunity to attend a meeting of members of The Blackpool Supporters' Trust, where information was provided on our plans. Wherever there is the opportunity to do so, the team will look to attend meetings of other groups and share details with them.

*The society asks all that are interested in the plans to share information with family members and friends, making them aware that if they do not wish to invest to become a member, they could still contribute by making a donation. Donations can be made for any amount, but if you wish to donate more than £100, please consider becoming a member so that you have the right to vote and have your say.*

### **The future marketing plan for The Blue Room 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 increase the value of each visit made (building customer value)

The target market segments that we hope to attract through the marketing proposals are:

Local people, including families, young and old – both from the local FY1 town centre area and the wider Blackpool / Fylde coast area; tourists, day visitors to the area, particularly those attending The Winter Gardens.

Proposed methods for achieving the marketing objectives in the first 6 months of operation of the business are outlined below. The marketing plan will be updated regularly in conjunction with the management team and the local community as the business grows and develops.

### **Increasing the number of customers**

The first part of the marketing strategy relies on raising awareness of the pub's new focus on a quality drinks offer, its intention to become a community hub and the facilities on offer. This will be done through an extensive outward facing marketing campaign incorporating all forms of media including:

#### **Print media**

Press releases will be used to create awareness and interest in the pub and our plans to repurpose the upper floors, by emphasising the community aspect of the project and our belief that this is the first project of its kind in Blackpool. The ultimate goal of the activities will be to convert readers from a general awareness to active interest in visiting. Other opportunities to be explored will include running articles in special interest publications, such as the local CAMRA publication.

#### **Social media**

Mirroring the print media campaign, the social media campaign will help raise awareness amongst a wider audience to the printed word, generating awareness and interest amongst a younger and more geographically diverse audience. Website articles will be used, along with twitter feed, Facebook group, specific marketing to special interest groups, and marketing emails directly to those who have expressed an interest in being kept informed about the project.

## **TripAdvisor, Google Maps other review sites / forums**

We will get in touch with Trip Advisor to make it clear that the pub is open and trading as a new business venture. Maintaining a watching brief on review websites such as TripAdvisor will enable the management to respond to any negative reviews / comments quickly and directly, showing the wider potential customer base that we are engaged and committed to improving services.

## **Local businesses, community groups and clubs**

We will seek to work with local businesses, community groups and clubs to raise awareness of the project amongst their customers, users and visitors. This will be done through leaflets / posters within local businesses, and through giving talks and presentations to local groups. The local school offers an important marketing channel to engage parents picking up and dropping off children. Local tourism businesses, particularly B&B's and hotels, will also be important in advocating with their own customers to raise awareness of the facilities.

Increasing the frequency of visits creating a welcoming atmosphere, having attracted customers initially through the door, our main marketing tool will be to create a lasting impression and build a positive reputation to encourage repeat visits. To do this we will offer favourable terms and conditions to staff and ongoing training to enable them to provide a great customer experience. We will invest in the fabric of the building on an ongoing basis to provide the kind of environment that our customers will expect. We will serve customers promptly, with a friendly manner and any complaints will be dealt with to reach a satisfactory outcome for the customer.

- The introduction of a simple menu and drinks offer will also help to retain customer interest, attracting repeat visits on an ongoing basis.
- Events & Activities: 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. darts / pool competitions, themed quizzes, music nights, tasting events, talks and lectures) as well as larger one-off events such as beer festivals. The events will complement other local events to benefit from the promotions and marketing carried out for those events, such as The Northern Soul Festival, Rebellion Punk Music Festival, Sand, Sea and Spray etc.
- Promotions / Loyalty Cards / One off promotions will be used to generate interest, especially at off-peak / traditionally quiet times. These will be developed in conjunction with the staff / management to gain their feedback and knowledge on the most appropriate form of promotion.
- Loyalty cards offering discounts or freebies may also be offered to entice users to return on a regular basis.

## **Increasing the value of each visit**

Increasing the services available; by locating a number of services and facilities in the building we aim to attract a wider audience, increasing the value of revenue generated from each visitor. For example, those that may not otherwise visit the pub may be encouraged to do so by first visiting as a customer of the pub, converting into a user of additional services through a better understanding of the facilities on offer.

## **Increasing the duration of each visit**

One way to increase the value of each visit made by customers is to increase the amount of time spent in the building; people popping in for a drink may be persuaded to stay for a snack by prominently displaying a good value menu.

A good Wi-Fi connection could encourage visitors to stay longer, particularly those who do not have access to this elsewhere e.g. tourist visitors. Ultimately, creating a comfortable and pleasant environment, that meets the needs of the customer, will encourage longer, more valuable visits

## 4 The Pub

### 4.1 The Building

The building was surveyed by a professional surveyor in November 2016. The surveyor was familiar with the building and was able to provide an insightful report.

- **Building and grounds**

The ground floor business area has been maintained well, with the exception of the kitchenette ceiling. Upper floors are in need of substantial repairs and redecoration; however this does not affect the initial prospect of utilising the downstairs business area.

- **Trading Area Ground Floor**

Located on the ground floor of the building, the pub consists of a single open plan room with a large bar and seating area. At present a stage is located towards the rear of the trading area. Recently refurbished toilets require only a small amount of work to make functional.

- **Location**

Although the building is located away from the Promenade and the Golden Mile, the pub is still close to the town centre and the Winter Gardens, placing it in reach of anyone entering the centre of Blackpool. The building is located 5 minutes from both the Promenade and the main train station.

- **Competition**

There are a number of licenced premises located in the same area as the building / pub, but few have the same amount of potential space available to offer anything more than accommodation and the pub itself.

- **Unique Selling Points**

Being the birthplace of Blackpool FC, the board understand the significance of what this means to the clubs supporters. We would aim to recognise this more widely. Contact has already been made with supporter groups, and Blackpool Supporters Trust have indicated that they and their membership intend to invest in and become members of the society, thus cementing the link between the pub and the fans. The fact that the society and its members would own the pub collectively would set it apart from almost all of the towns licensed premises. Collective ownership would retain any revenue within the local community and put it to use in the area.

### 4.2 Potential Hours

The pub will be open usual licensing hours. The additional space will not be restricted to these hours and the facilities will be made available as and when the community requires. These opening times apply all year round, and could include Christmas and New Years' Day. In addition, the pub will be open late on bank holidays.

For the purpose of potential staffing costs the following hours have been used.

- 4pm to 11pm from Monday to Thursday, 2pm to 12am on Friday
- 12pm to 12am on Saturday and 12pm to 11pm on Sunday

The Society would take care to appoint a manager who understands why the pub is important to us and who can preserve its identity and introduce new ideas sensitively. We do not envisage staff being accommodated in the building.

New employees will be hired as supporting staff. Where appropriate, opportunities will be created to give work opportunities to people who can appreciate the ethos of the pub.

## 5 Financial

### 5.1 Current Position

The vacant building was listed on the market for £295,000 ex VAT. In discussions with the agent we were informed of other bids that were made prior to the granting of the ACV (Asset of Community Value). These were in the region of £150-160,000. The surveyor believes that by using a comparative system of valuation and based on the necessary works, the value of the property in its current condition and non-trading status is in the region of £210,000.

The society would aim to raise a minimum of £230,000 through the share offer to cover the cost of the building, the implied fees. A further £20-£30,000 would be required by accessing a grant through the 'More than a Pub' initiative or a loan to enable it to open. If the society is able to raise more than the required £250,000, this would reduce the need for the grant or a loan. If funds raised do no more than secure the asset, then there is no working capital, no money to pay for costs associated with the purchase, and no money to embark on Year 1 improvements.

The funding raised above and beyond the purchase price will be needed to complete a refurbishment with stock costs and initial staff wages extra to this. More clarity can be provided on the precise cost of refurbishment and repairs once specialist reports have been obtained. These reports can only be completed after the building is purchased.

A request has been made to The Plunkett Foundation for a grant of up to £50,000 and a loan of up to £50,000 (repayable over 20 years at 5% APR) to secure the asset.

Research has been undertaken into the potential for the society to buy the building using the Community Shares method. With the majority of community pubs choosing community shares, it appears to be the most appropriate choice. Advice has been received from similar community owned pubs and from supporting bodies such as the Plunkett Foundation and Co-operatives UK.

The bulk of this money will be raised from a share issue incentivised by tax relief. The remainder will come from grants and any shortfall made up through a loan. Modelling of the cash flow suggests that the business could break even during year two and generate a modest profit thereafter.

As the pub has been closed since late 2015 and no accounts are available for previous trade at the Blue Room, figures used in the forecast are based upon similar trading entities and research conducted by the board.

### 5.2 Community Share Offer

As a means of raising the required capital, our community share offer provides the opportunity for local people and businesses, and also for people who appreciate our vision and support our intentions, to invest in the future of The Blue Room. For many, the motivation and payback will be more social than financial, but there is little doubt that, in the current financial climate, investing for 'good' is a constructive way of using funds for social benefit.

Buying shares provides membership of 139 Church Street Community Pub Ltd. The society set-up to buy and run the building.

Involvement can be as much or as little as a member chooses. All shareholders can vote at Annual General Meetings, stand for election to the Board of Directors, inspect the share register of the society, volunteer skills for the refurbishment or just give the Blue Room their custom and support. Each member will have one vote no matter how many shares they own.

Shares will be sold at £100 each with a minimum investment of £100 (1 Share), and can be bought in batches of shares up to a maximum of £20,000 (200 Shares). Share certificates will be issued at the end of the offer period.



After a minimum period of three years, investors can withdraw their shares (effectively selling them back to the Society for the price they paid for them). This time period is to ensure the business an initial period of financial stability. Shares cannot be sold or transferred to another person. Where there are extenuating circumstances the Directors have the discretion to release funds earlier, or to delay sale.

It is our intention that all Investments will pay interest at 3%. The Society has the right to amend these rates of interest if trade surpluses fall below projected levels. The Society will apply to HMRC for advance assurance that individual investors will qualify for Tax Relief. Individuals making an eligible investment could deduct 30% of the cost of their investment from their income tax liability, either for the tax year in which the investment is made or the previous tax year (if 2014/15 or later). The investment must be held for a minimum period of 3 years for the relief to be retained.

### **5.3 Principal risks:**

- The owner pulls out of the sale.
- Insufficient funds from the Share Issue. Any shortfall will have to be made up through commercial borrowing but this would reduce the potential profit. There is the potential to seek a grant from the More than a Pub initiative, but the amount awarded would depend on the amount raised by the community through the share offer.
- Pub Management, the individual appointed to manage the business will be crucial. Poor business skills, lack of experience of the pub trade or personal friction with the management board could jeopardise the whole project. This will be addressed through a rigorous selection process with the necessary skills already present on the management board.

### **5.4 Monetary and Social Returns**

One of the core motives for setting up the enterprise is community development. Yes we hope to raise enough money to be able to reopen the pub for trade, but we also see potential in the building offering a place for the whole community to use as their own and to help them facilitate beneficial community initiatives.

In addition we believe that by giving the community a say in the running and a chance to play their part in the governance of the enterprise that we can engage them to have a much closer relationship. Profits generated will be re-invested into the businesses, used for community benefit or may, within capped limits, be returned to shareholders in the form of dividends or interest on shares. The anticipated returns will be more than financial; the principal benefits will be the social effects on the community.

If the businesses fail, the net assets, such as the proceeds of the sale of the premises, must be retained for the benefit of the community or transferred to another asset-locked body for the benefit of the community.

**Please see Appendix 2 for further details.**

## **6 Community / Member Engagement**

### **6.1 Improved Experience**

We recognise that despite the best efforts of former tenants / managers, the customers experience could be improved and awareness of the pub is weak within the town and surrounding areas. In addition, the marketing activity was too focussed on live music.

Pubs compete with multiple forms of leisure and entertainment and have to earn their “share of the wallet.” With the deals and offers available from supermarkets, pubs that fail to deliver a quality offer that is not solely reliant upon discounted drinks are failing to attract customers.

The society aims to improve the experience for all by creating a more enjoyable and welcoming atmosphere that is fun and attracts more “occasionals” as well as traditional customers, both of whom should take away good memories and want to return.

Appealing to a broader customer base is essential, without alienating the traditional customers, and this can be achieved relatively easily with some innovation and creativity. Generating interest and support from locals and visitors to the town.

There will also be on-going improvements for all areas, from the introduction of simple food, specialist events and occasional beer festivals (developing interest via marketing, social media and PR). Marketing activity will, for the first time, be segmented and data driven, combining general marketing together with targeted campaigns aimed at students, families, fans of real ale and craft beer and sports enthusiasts.

The implementation of a customer relationship management (CRM) system to build data sources will be critical in helping achieve specific, effective marketing campaigns. Face-to-face marketing will also play a key role in the marketing strategy, with pub ambassadors acting as champions for individual interest groups.

### **6.2 Positive Social and Community Impact**

Once the partial refurbishment is complete, the fact that the pub is to be run as a community benefit society will have far-reaching impacts for the society’s engagement with the local community, using engagement as positive force for change, to increase participation, enhance social inclusion and promote public health.

The society will include a member with responsibility for social and community impact.

This individual will lead a community impact working group to:

- Help local charities and community groups to make better use of what the building has to offer, including affordable meeting spaces, food bank collections and activities for all
- Work with organisations such as Blackpool and the Fylde Credit Union to promote local, ethical and not-for-profit financial services
- Deliver local and national health initiatives through communications channels
- Support local and national social inclusion initiatives

## **7 5 Year Plan**

### **7.1 The Pub Project**

The intent is to employ a manager and supporting staff to run the Pub, serving a full range of beers, wines, spirits and once a small kitchen is fitted, simple bar food.

The pub will become a focal point for the area providing a meeting place for all. As in the past, live music shall form a part of the entertainment mix to be provided but not be the sole focus. Reinstating the pub teams such as football, darts and pool will be a priority, but we will look to encourage other activities to bring people together, such as a Park Run and a cycling club. Where teams do not currently have a home we would look to offer them one.

### **7.2 Accommodation, offices, studio and rehearsal spaces**

Phase two of the project is to repurpose as much of the building as possible to generate additional income and to provide the community with space to use for their own needs. The building comprises a detached three storey public house with a single storey side extension and a substantial cellar / basement area. We would look to renovate all of these additional areas over a 3 to 4 year period. Market research shows that there is a demand for performance spaces and co-working facilities. Existing offices or rehearsal rooms could be repurposed to provide such a facility.

### **7.3 Micro Brewery**

Phase three of the project is to open start a microbrewery in the cellar / basement area of the building. With the pub no longer being tied to a brewery, the potential to brew on-site and sell the pubs own beer would engage locals in the process, develop skills and reduce costs. Additional benefits could come from relationships with local breweries, CAMRA and its members. There is a growing trend for locally produced beers and the pub could look to tap into this increasing market ahead of its town centre competition. Research undertaken suggests that a 4 Barrel Brewery producing 650 litres / 140 UK gallons would cost £17,000 and a 2.5 Barrel Brewery producing 400 litres / 90 UK gallons would cost £11,000. A mix of financing options could be considered and the Brewing Committee and members shall oversee planning and implementation.

## SWOT Analysis

### Strengths

- Owned by the members
- Democratic governance
- Support from other local bars and pubs
- Location – Easily accessible
- Freedom to choose own stock without brewery ties – Freehold
- Genuine community engagement
- Profits donated to worthwhile causes in the local area

### Weaknesses

- Access to upper floors
- Poor heating
- Décor
- Perception following successive closures

### Opportunities

- To source locally
- To become a must visit pub
- Option to have beer festivals
- Potential for upstairs spaces
- PR value of being community owned
- Redesign of the bar and the seating area
- Potential for volunteers to get involved
- Renewed interest in real ale and craft beer

### Threats

- Decline in the local area
- Inability to obtain the necessary financing to conclude the purchase or development
- Continued economic instability
- Increases in taxes and duty
- Potential future repair costs
- Failing to raise sufficient funds
- Shareholders withdrawing funds before reserves have been generated

## 8 Contact / Social Media

For all questions or queries, please send us an email rather than a message through social media. This will allow us to respond as quickly as possible.

Email: [theblueroombpl@gmail.com](mailto:theblueroombpl@gmail.com)

Facebook: [www.facebook.com/theblueroombpl](http://www.facebook.com/theblueroombpl)

Twitter: [www.twitter.com/TheBlueRoomBP](http://www.twitter.com/TheBlueRoomBP)



theblueroombpl

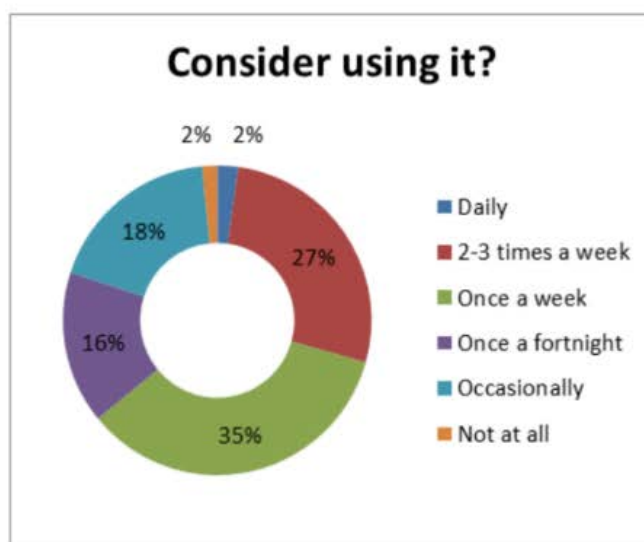
## 9 Appendix 1

Consultation results



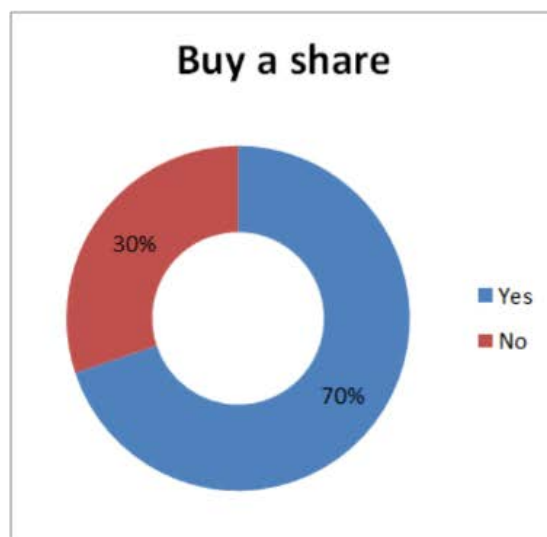
### Community Pub Consultation Snapshot of responses

If the pub was to reopen, would you or a member of your family consider using it?



### Community Pub Consultation Snapshot of responses

Would the idea of owning a share in the pub appeal to you?  
Shares are usually purchased for between £100 - £100,000.

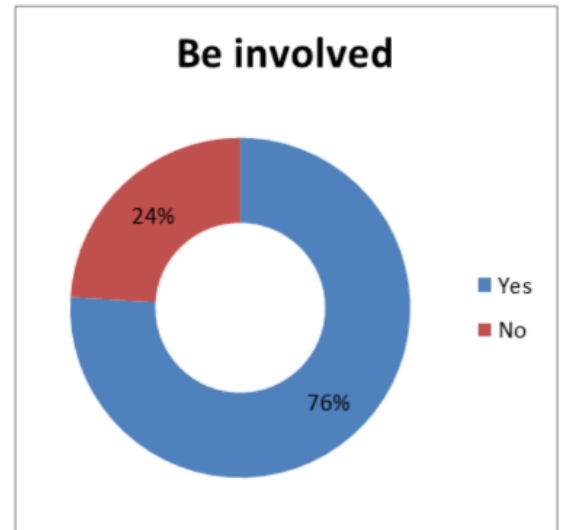




## Community Pub Consultation Snapshot of responses

If you were to purchase a share in the pub, would you like to be involved in its running?

This could be directly or by simply voting on how the pub is run at meetings or the annual general meeting.



## 10 Appendix 2

### Profit & Loss Account

	17-May	17-Jun	17-Jul	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec	18-Jan	18-Feb	18-Mar	18-Apr	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
Turnover	17,672	17,672	22,090	17,672	17,672	22,090	17,672	17,672	22,090	17,672	17,672	22,090	229,736
Less cost of sales	-8,366	-8,366	-10,458	-8,366	-8,366	-10,458	-8,366	-8,366	-10,458	-8,366	-8,366	-10,458	-108,758
Gross profit	9,306	9,306	11,633	9,306	9,306	11,633	9,306	9,306	11,633	9,306	9,306	11,633	120,978
Gross margin	52.70%	52.70%	52.70%	52.70%	52.70%	52.70%	52.70%	52.70%	52.70%	52.70%	52.70%	52.70%	52.70%
<b>Less overheads</b>													
Staff costs	-6,277	-6,277	-7,030	-6,277	-6,277	-7,030	-6,277	-6,277	-7,030	-6,277	-6,277	-7,030	-78,337
Property expenses	-2,644	-2,644	-3,305	-2,644	-2,644	-3,305	-2,644	-2,644	-3,305	-2,644	-2,644	-3,305	-34,372
Other expenses	-696	-696	-869	-696	-696	-869	-696	-696	-869	-696	-696	-869	-9,042
Depreciation	-455	-455	-455	-455	-455	-455	-455	-455	-455	-455	-455	-455	-5,464
Other income	250	250	250	250	250	250	250	250	250	250	250	250	3,000
	-9,822	-9,822	-11,410	-9,822	-9,822	-11,410	-9,822	-9,822	-11,410	-9,822	-9,822	-11,410	-124,215
<b>PBIT</b>	<b>-516</b>	<b>-516</b>	<b>223</b>	<b>-516</b>	<b>-516</b>	<b>223</b>	<b>-516</b>	<b>-516</b>	<b>223</b>	<b>-516</b>	<b>-516</b>	<b>223</b>	<b>-3,237</b>
<b>Interest costs</b>													
Bank interest	72	61	69	63	68	70	64	68	70	64	69	71	810
Loan interest	0	0	0	0	0	0	0	0	0	0	0	0	0
	72	61	69	63	68	70	64	68	70	64	69	71	810
<b>PBT</b>	<b>-444</b>	<b>-455</b>	<b>292</b>	<b>-453</b>	<b>-449</b>	<b>293</b>	<b>-452</b>	<b>-448</b>	<b>293</b>	<b>-452</b>	<b>-447</b>	<b>294</b>	<b>-2,428</b>
Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>PAT</b>	<b>-444</b>	<b>-455</b>	<b>292</b>	<b>-453</b>	<b>-449</b>	<b>293</b>	<b>-452</b>	<b>-448</b>	<b>293</b>	<b>-452</b>	<b>-447</b>	<b>294</b>	<b>-2,428</b>
Less dividends	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Retained profit</b>	<b>-444</b>	<b>-455</b>	<b>292</b>	<b>-453</b>	<b>-449</b>	<b>293</b>	<b>-452</b>	<b>-448</b>	<b>293</b>	<b>-452</b>	<b>-447</b>	<b>294</b>	<b>-2,428</b>

### Profit & Loss Account

	18-May	18-Jun	18-Jul	18-Aug	18-Sep	18-Oct	18-Nov	18-Dec	19-Jan	19-Feb	19-Mar	19-Apr	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
Turnover	20,096	20,096	25,120	20,096	20,096	25,120	20,096	20,096	25,120	20,096	20,096	25,120	261,248
Less cost of sales	-9,202	-9,202	-11,503	-9,202	-9,202	-11,503	-9,202	-9,202	-11,503	-9,202	-9,202	-11,503	-119,626
Gross profit	10,894	10,894	13,618	10,894	10,894	13,618	10,894	10,894	13,618	10,894	10,894	13,618	141,622
Gross margin	54.20%	54.20%	54.20%	54.20%	54.20%	54.20%	54.20%	54.20%	54.20%	54.20%	54.20%	54.20%	54.20%
<b>Less overheads</b>													
Staff costs	-6,277	-6,277	-7,030	-6,277	-6,277	-7,030	-6,277	-6,277	-7,030	-6,277	-6,277	-7,030	-78,337
Property expenses	-2,644	-2,644	-3,305	-2,644	-2,644	-3,305	-2,644	-2,644	-3,305	-2,644	-2,644	-3,305	-34,372
Other expenses	-696	-696	-869	-696	-696	-869	-696	-696	-869	-696	-696	-869	-9,042
Depreciation	-455	-455	-455	-455	-455	-455	-455	-455	-455	-455	-455	-455	-5,464
Other income	250	250	250	250	250	250	250	250	250	250	250	250	3,000
	-9,822	-9,822	-11,410	-9,822	-9,822	-11,410	-9,822	-9,822	-11,410	-9,822	-9,822	-11,410	-124,215
<b>PBIT</b>	<b>1,072</b>	<b>1,072</b>	<b>2,208</b>	<b>1,072</b>	<b>1,072</b>	<b>2,208</b>	<b>1,072</b>	<b>1,072</b>	<b>2,208</b>	<b>1,072</b>	<b>1,072</b>	<b>2,208</b>	<b>17,407</b>
<b>Interest costs</b>													
Bank interest	66	72	77	72	80	84	79	87	91	87	94	98	986
Loan interest	0	0	0	0	0	0	0	0	0	0	0	0	0
	66	72	77	72	80	84	79	87	91	87	94	98	986
<b>PBT</b>	<b>1,138</b>	<b>1,144</b>	<b>2,285</b>	<b>1,144</b>	<b>1,151</b>	<b>2,292</b>	<b>1,151</b>	<b>1,159</b>	<b>2,299</b>	<b>1,158</b>	<b>1,166</b>	<b>2,306</b>	<b>18,393</b>
Tax	0	0	0	-217	-219	-435	-219	-220	-437	-220	-221	-438	-2,627
<b>PAT</b>	<b>1,138</b>	<b>1,144</b>	<b>2,285</b>	<b>927</b>	<b>933</b>	<b>1,856</b>	<b>933</b>	<b>938</b>	<b>1,862</b>	<b>938</b>	<b>944</b>	<b>1,868</b>	<b>15,766</b>
Less dividends	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Retained profit</b>	<b>1,138</b>	<b>1,144</b>	<b>2,285</b>	<b>927</b>	<b>933</b>	<b>1,856</b>	<b>933</b>	<b>938</b>	<b>1,862</b>	<b>938</b>	<b>944</b>	<b>1,868</b>	<b>15,766</b>



**Profit & Loss Account**

	19-May	19-Jun	19-Jul	19-Aug	19-Sep	19-Oct	19-Nov	19-Dec	20-Jan	20-Feb	20-Mar	20-Apr	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
Turnover	21,936	21,936	27,420	21,936	21,936	27,420	21,936	21,936	27,420	21,936	21,936	27,420	285,168
Less cost of sales	-11,410	-11,410	-14,263	-11,410	-11,410	-14,263	-11,410	-11,410	-14,263	-11,410	-11,410	-14,263	-148,330
Gross profit	10,526	10,526	13,158	10,526	10,526	13,158	10,526	10,526	13,158	10,526	10,526	13,158	136,838
Gross margin	48.00%	48.00%	48.00%	48.00%	48.00%	48.00%	48.00%	48.00%	48.00%	48.00%	48.00%	48.00%	48.00%
<b>Less overheads</b>													
Staff costs	-6,277	-6,277	-7,030	-6,277	-6,277	-7,030	-6,277	-6,277	-7,030	-6,277	-6,277	-7,030	-78,337
Property expenses	-2,644	-2,644	-3,305	-2,644	-2,644	-3,305	-2,644	-2,644	-3,305	-2,644	-2,644	-3,305	-34,372
Other expenses	-696	-696	-869	-696	-696	-869	-696	-696	-869	-696	-696	-869	-9,042
Depreciation	-455	-455	-455	-455	-455	-455	-455	-455	-455	-455	-455	-455	-5,464
Other income	250	250	250	250	250	250	250	250	250	250	250	250	3,000
	-9,822	-9,822	-11,410	-9,822	-9,822	-11,410	-9,822	-9,822	-11,410	-9,822	-9,822	-11,410	-124,215
<b>PBIT</b>	704	704	1,748	704	704	1,748	704	704	1,748	704	704	1,748	12,623
<b>Interest costs</b>													
Bank interest	94	98	103	96	104	108	102	109	111	104	112	116	1,257
Loan interest	0	0	0	0	0	0	0	0	0	0	0	0	0
	94	98	103	96	104	108	102	109	111	104	112	116	1,257
<b>PBT</b>	798	801	1,851	800	808	1,856	806	813	1,859	808	816	1,864	13,880
Tax	-152	-152	-352	-152	-153	-353	-153	-155	-353	-154	-155	-354	-2,637
<b>PAT</b>	646	649	1,499	648	654	1,504	653	659	1,506	655	661	1,510	11,242
Less dividends	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Retained profit</b>	646	649	1,499	648	654	1,504	653	659	1,506	655	661	1,510	11,242

	2017/18	2018/19	2019/20
	£	£	£

Turnover	229,736	261,248	285,168
Less cost of sales	-108,758	-119,626	-148,330
Gross profit	120,978	141,622	136,838
Gross margin	52.70%	54.20%	48.00%

**Less overheads**

Staff costs	-78,337	-78,337	-78,337
Property expenses	-34,372	-34,372	-34,372
Other expenses	-9,042	-9,042	-9,042
Depreciation	-5,464	-5,464	-5,464
Other income	3,000	3,000	3,000
	-124,215	-124,215	-124,215

<b>PBIT</b>	-3,237	17,407	12,623
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**Interest costs**

Bank interest	810	986	1,257
Loan interest	0	0	0
	810	986	1,257

<b>PBT</b>	-2,428	18,393	13,880
Tax	0	-2,627	-2,637

<b>PAT</b>	-2,428	15,766	11,242
Less dividends	0	0	0

<b>Retained profit</b>	-2,428	15,766	11,242
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## Cash Flow &amp; Funds Flow

	17-May	17-Jun	17-Jul	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec	18-Jan	18-Feb	18-Mar	18-Apr	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>CASHFLOW</b>													
<b>Receipts</b>													
Customer receipts	21,206	21,206	26,508	21,206	21,206	26,508	21,206	21,206	26,508	21,206	21,206	26,508	275,683
Grants received	15,000	0	0	0	0	0	0	0	0	0	0	0	15,000
Investment received	230,000	0	0	0	0	0	0	0	0	0	0	0	230,000
Interest received	0	72	61	69	63	68	70	64	68	70	64	69	738
	266,206	21,279	26,569	21,276	21,269	26,576	21,276	21,270	26,576	21,277	21,271	26,577	521,422
<b>Payments</b>													
Supplier payments	0	-23,947	-13,908	-19,895	-11,398	-13,908	-19,895	-11,398	-13,908	-19,895	-11,398	-13,908	-173,460
Payroll and payroll costs paid	-5,605	-6,277	-6,949	-6,358	-6,277	-6,949	-6,358	-6,277	-6,949	-6,358	-6,277	-6,949	-77,584
Insurance, rates prepaid	0	0	0	0	0	0	0	0	0	0	0	0	0
Accruals paid	0	0	0	0	0	0	0	0	0	0	0	0	0
Capex gross of VAT	-202,800	0	0	0	0	0	0	0	0	0	0	0	-202,800
VAT paid	0	0	887	0	0	-3,878	0	0	-3,878	0	0	-3,878	-10,748
Corporation tax paid	0	0	0	0	0	0	0	0	0	0	0	0	0
Overdraft interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan repayment	0	0	0	0	0	0	0	0	0	0	0	0	0
	-208,405	-30,225	-19,971	-26,253	-17,676	-24,736	-26,253	-17,676	-24,736	-26,253	-17,676	-24,736	-464,592
<b>Net cash flow</b>	<b>57,802</b>	<b>-8,946</b>	<b>6,598</b>	<b>-4,977</b>	<b>3,594</b>	<b>1,840</b>	<b>-4,977</b>	<b>3,594</b>	<b>1,841</b>	<b>-4,976</b>	<b>3,595</b>	<b>1,841</b>	<b>56,829</b>
Balance b/fwd		57,802	48,856	55,454	50,477	54,071	55,911	50,934	54,529	56,369	51,393	54,988	0
<b>Balance c/fwd</b>	<b>57,802</b>	<b>48,856</b>	<b>55,454</b>	<b>50,477</b>	<b>54,071</b>	<b>55,911</b>	<b>50,934</b>	<b>54,529</b>	<b>56,369</b>	<b>51,393</b>	<b>54,988</b>	<b>56,829</b>	<b>56,829</b>
<b>Minimum balance</b>													
Interest on credit balances	72	61	69	63	68	70	64	68	70	64	69	71	810
Interest on OD balances	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>FUNDS FLOW</b>													
Operating profit before interest	-516	-516	223	-516	-516	223	-516	-516	223	-516	-516	223	-3,237
Add back depreciation	455	455	455	455	455	455	455	455	455	455	455	455	5,464
Less Grant amortisation	-250	-250	-250	-250	-250	-250	-250	-250	-250	-250	-250	-250	-3,000
(Increase)/decrease in stock	-8,366	0	-2,092	2,092	0	-2,092	2,092	0	-2,092	2,092	0	-2,092	-10,458
(Increase)/decrease in prepayments	-72	11	-8	6	-4	-2	6	-4	-2	6	-4	-2	-71
Increase/(decrease) in creditors	22,678	-8,707	8,200	-6,827	3,842	3,436	-6,827	3,842	3,436	-6,827	3,842	3,436	23,522
													0
<b>Operating cash flow</b>	<b>13,929</b>	<b>-9,007</b>	<b>6,529</b>	<b>-5,040</b>	<b>3,526</b>	<b>1,770</b>	<b>-5,040</b>	<b>3,526</b>	<b>1,770</b>	<b>-5,040</b>	<b>3,526</b>	<b>1,770</b>	<b>12,220</b>
Corporation tax paid	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans received	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure	-201,200	0	0	0	0	0	0	0	0	0	0	0	-201,200
Loan repayments	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants	15,000	0	0	0	0	0	0	0	0	0	0	0	15,000
<b>Cash flow for funding</b>	<b>-172,271</b>	<b>-9,007</b>	<b>6,529</b>	<b>-5,040</b>	<b>3,526</b>	<b>1,770</b>	<b>-5,040</b>	<b>3,526</b>	<b>1,770</b>	<b>-5,040</b>	<b>3,526</b>	<b>1,770</b>	<b>-173,980</b>
New equity investment	230,000	0	0	0	0	0	0	0	0	0	0	0	230,000
Dividends paid	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest paid	72	61	69	63	68	70	64	68	70	64	69	71	810
<b>Net cash flow</b>	<b>57,802</b>	<b>-8,946</b>	<b>6,598</b>	<b>-4,977</b>	<b>3,594</b>	<b>1,840</b>	<b>-4,977</b>	<b>3,594</b>	<b>1,841</b>	<b>-4,976</b>	<b>3,595</b>	<b>1,841</b>	<b>56,829</b>
Balance b/fwd	0	57,802	48,856	55,454	50,477	54,071	55,911	50,934	54,529	56,369	51,393	54,988	0
<b>Balance c/fwd</b>	<b>57,802</b>	<b>48,856</b>	<b>55,454</b>	<b>50,477</b>	<b>54,071</b>	<b>55,911</b>	<b>50,934</b>	<b>54,529</b>	<b>56,369</b>	<b>51,393</b>	<b>54,988</b>	<b>56,829</b>	<b>56,829</b>

## Cash Flow &amp; Funds Flow

	18-May	18-Jun	18-Jul	18-Aug	18-Sep	18-Oct	18-Nov	18-Dec	19-Jan	19-Feb	19-Mar	19-Apr	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>CASHFLOW</b>													
<b>Receipts</b>													
Customer receipts	24,115	24,115	30,144	24,115	24,115	30,144	24,115	24,115	30,144	24,115	24,115	30,144	313,498
Grants received	0	0	0	0	0	0	0	0	0	0	0	0	0
Investment received	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest received	71	66	72	77	72	80	84	79	87	91	87	94	959
	24,186	24,181	30,216	24,192	24,188	30,224	24,199	24,195	30,231	24,206	24,202	30,238	314,457
<b>Payments</b>													
Supplier payments	-19,895	-13,405	-14,911	-21,400	-12,151	-14,911	-21,400	-12,151	-14,911	-21,400	-12,151	-14,911	-193,597
Payroll and payroll costs paid	-6,358	-6,277	-6,949	-6,358	-6,277	-6,949	-6,358	-6,277	-6,949	-6,358	-6,277	-6,949	-78,337
Insurance, rates prepaid	0	0	0	0	0	0	0	0	0	0	0	0	0
Accruals paid	-1,800	0	0	0	0	0	0	0	0	0	0	0	-1,800
Capex gross of VAT	0	0	0	0	0	0	0	0	0	0	0	0	0
VAT paid	0	0	-4,346	0	0	-4,910	0	0	-4,910	0	0	-4,910	-19,077
Corporation tax paid	0	0	0	0	0	0	0	0	0	0	0	0	0
Overdraft interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan repayment	0	0	0	0	0	0	0	0	0	0	0	0	0
	-28,053	-19,682	-26,207	-27,758	-18,428	-26,771	-27,758	-18,428	-26,771	-27,758	-18,428	-26,771	-292,812
<b>Net cash flow</b>	<b>-3,867</b>	<b>4,499</b>	<b>4,009</b>	<b>-3,566</b>	<b>5,760</b>	<b>3,453</b>	<b>-3,559</b>	<b>5,767</b>	<b>3,460</b>	<b>-3,552</b>	<b>5,774</b>	<b>3,467</b>	<b>21,645</b>
Balance b/fwd	56,829	52,963	57,462	61,471	57,905	63,665	67,117	63,559	69,326	72,785	69,234	75,007	56,829
<b>Balance c/fwd</b>	<b>52,963</b>	<b>57,462</b>	<b>61,471</b>	<b>57,905</b>	<b>63,665</b>	<b>67,117</b>	<b>63,559</b>	<b>69,326</b>	<b>72,785</b>	<b>69,234</b>	<b>75,007</b>	<b>78,474</b>	<b>78,474</b>
<b>Minimum balance</b>													
Interest on credit balances	66	72	77	72	80	84	79	87	91	87	94	98	
Interest on OD balances	0	0	0	0	0	0	0	0	0	0	0	0	
<b>FUNDS FLOW</b>													
Operating profit before interest	1,072	1,072	2,208	1,072	1,072	2,208	1,072	1,072	2,208	1,072	1,072	2,208	17,407
Add back depreciation	455	455	455	455	455	455	455	455	455	455	455	455	5,464
Less Grant amortisation	-250	-250	-250	-250	-250	-250	-250	-250	-250	-250	-250	-250	-3,000
(Increase)/decrease in stock	1,256	0	-2,301	2,301	0	-2,301	2,301	0	-2,301	2,301	0	-2,301	-1,045
(Increase)/decrease in prepayments	5	-6	-5	4	-7	-4	4	-7	-4	4	-7	-4	-27
Increase/(decrease) in creditors	-6,470	3,156	3,824	-7,220	4,410	3,260	-7,220	4,410	3,260	-7,220	4,410	3,260	1,860
													0
<b>Operating cash flow</b>	<b>-3,933</b>	<b>4,428</b>	<b>3,932</b>	<b>-3,638</b>	<b>5,680</b>	<b>3,369</b>	<b>-3,638</b>	<b>5,680</b>	<b>3,369</b>	<b>-3,638</b>	<b>5,680</b>	<b>3,369</b>	<b>20,659</b>
Corporation tax paid	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans received	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan repayments	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Cash flow for funding</b>	<b>-3,933</b>	<b>4,428</b>	<b>3,932</b>	<b>-3,638</b>	<b>5,680</b>	<b>3,369</b>	<b>-3,638</b>	<b>5,680</b>	<b>3,369</b>	<b>-3,638</b>	<b>5,680</b>	<b>3,369</b>	<b>20,659</b>
New equity investment	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest paid	71	66	72	77	72	80	84	79	87	91	87	94	959
<b>Net cash flow</b>	<b>-3,862</b>	<b>4,494</b>	<b>4,004</b>	<b>-3,561</b>	<b>5,752</b>	<b>3,448</b>	<b>-3,554</b>	<b>5,759</b>	<b>3,455</b>	<b>-3,547</b>	<b>5,767</b>	<b>3,462</b>	<b>21,618</b>
Balance b/fwd	56,829	52,967	57,461	61,465	57,904	63,656	67,105	63,550	69,310	72,765	69,218	74,985	56,829
<b>Balance c/fwd</b>	<b>52,967</b>	<b>57,461</b>	<b>61,465</b>	<b>57,904</b>	<b>63,656</b>	<b>67,105</b>	<b>63,550</b>	<b>69,310</b>	<b>72,765</b>	<b>69,218</b>	<b>74,985</b>	<b>78,447</b>	<b>78,447</b>

## Cash Flow &amp; Funds Flow

	19-May	19-Jun	19-Jul	19-Aug	19-Sep	19-Oct	19-Nov	19-Dec	20-Jan	20-Feb	20-Mar	20-Apr	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>CASHFLOW</b>													
Receipts													
Customer receipts	26,323	26,323	32,904	26,323	26,323	32,904	26,323	26,323	32,904	26,323	26,323	32,904	342,202
Grants received	0	0	0	0	0	0	0	0	0	0	0	0	0
Investment received	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest received	98	94	98	103	96	104	108	102	109	111	104	112	1,238
	26,421	26,417	33,002	26,426	26,419	33,008	26,432	26,425	33,013	26,434	26,427	33,016	343,440
Payments													
Supplier payments	-21,400	-17,450	-17,561	-25,374	-14,138	-17,561	-25,374	-14,138	-17,561	-25,374	-14,138	-17,561	-227,630
Payroll and payroll costs paid	-6,358	-6,277	-6,949	-6,358	-6,277	-6,949	-6,358	-6,277	-6,949	-6,358	-6,277	-6,949	-78,337
Insurance, rates prepaid	0	0	0	0	0	0	0	0	0	0	0	0	0
Accruals paid	-1,800	0	0	0	0	0	0	0	0	0	0	0	-1,800
Capex gross of VAT	0	0	0	0	0	0	0	0	0	0	0	0	0
VAT paid	0	0	-4,322	0	0	-4,671	0	0	-4,671	0	0	-4,671	-18,335
Corporation tax paid	0	0	0	0	0	0	0	0	-2,627	0	0	0	-2,627
Overdraft interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan repayment	0	0	0	0	0	0	0	0	0	0	0	0	0
	-29,558	-23,727	-28,832	-31,732	-20,415	-29,181	-31,732	-20,415	-31,808	-31,732	-20,415	-29,181	-328,730
Net cash flow	-3,136	2,690	4,170	-5,306	6,004	3,826	-5,300	6,010	1,205	-5,298	6,012	3,834	14,710
Balance b/fwd	78,474	75,338	78,028	82,198	76,891	82,896	86,722	81,421	87,431	88,636	83,338	89,350	78,474
Balance c/fwd	75,338	78,028	82,198	76,891	82,896	86,722	81,421	87,431	88,636	83,338	89,350	93,184	93,184
Minimum balance													
Interest on credit balances	94	98	103	96	104	108	102	109	111	104	112	116	
Interest on OD balances	0	0	0	0	0	0	0	0	0	0	0	0	
<b>FUNDS FLOW</b>													
Operating profit before interest	704	704	1,748	704	704	1,748	704	704	1,748	704	704	1,748	12,623
Add back depreciation	455	455	455	455	455	455	455	455	455	455	455	455	5,464
Less Grant amortisation	-250	-250	-250	-250	-250	-250	-250	-250	-250	-250	-250	-250	-3,000
(Increase)/decrease in stock	93	0	-2,853	2,853	0	-2,853	2,853	0	-2,853	2,853	0	-2,853	-2,760
(Increase)/decrease in prepayments	4	-3	-5	7	-8	-5	7	-8	-2	7	-8	-5	-18
Increase/(decrease) in creditors	-4,236	1,687	4,971	-9,171	4,999	4,622	-9,171	4,999	4,622	-9,171	4,999	4,622	3,772
													0
Operating cash flow	-3,231	2,593	4,067	-5,402	5,900	3,718	-5,402	5,900	3,721	-5,402	5,900	3,718	16,080
Corporation tax paid	0	0	0	0	0	0	0	0	-2,627	0	0	0	-2,627
Loans received	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan repayments	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash flow for funding	-3,231	2,593	4,067	-5,402	5,900	3,718	-5,402	5,900	1,094	-5,402	5,900	3,718	13,453
New equity investment	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest paid	98	94	98	103	96	104	108	102	109	111	104	112	1,238
Net cash flow	-3,132	2,687	4,165	-5,300	5,997	3,821	-5,294	6,002	1,203	-5,291	6,005	3,829	14,692
Balance b/fwd	78,447	75,315	78,001	82,166	76,866	82,863	86,684	81,391	87,393	88,596	83,305	89,309	78,447
Balance c/fwd	75,315	78,001	82,166	76,866	82,863	86,684	81,391	87,393	88,596	83,305	89,309	93,139	93,139

Cash Flow & Funds Flow	2017/18	2018/19	2019/20
	£	£	£
<b>CASHFLOW</b>			
<b>Receipts</b>			
Customer receipts	275,683	313,498	342,202
Grants received	15,000	0	0
Investment received	230,000	0	0
Interest received	738	959	1,238
	521,422	314,457	343,440
<b>Payments</b>			
Supplier payments	-173,460	-193,597	-227,630
Payroll and payroll costs paid	-77,584	-78,337	-78,337
Insurance, rates prepaid	0	0	0
Accruals paid	0	-1,800	-1,800
Capex gross of VAT	-202,800	0	0
VAT paid	-10,748	-19,077	-18,335
Corporation tax paid	0	0	-2,627
Overdraft interest	0	0	0
Loan repayment	0	0	0
	-464,592	-292,812	-328,730
Net cash flow	56,829	21,645	14,710
Balance b/fwd	0	56,829	78,474
Balance c/fwd	56,829	78,474	93,184
Minimum balance			
Interest on credit balances			
Interest on OD balances			
<b>FUNDS FLOW</b>			
Operating profit before interest	-3,237	17,407	12,623
Add back depreciation	5,464	5,464	5,464
Less Grant amortisation	-3,000	-3,000	-3,000
(Increase)/decrease in stock	-10,458	-1,045	-2,760
(Increase)/decrease in prepayments	-71	-27	-18
Increase/(decrease) in creditors	23,522	1,860	3,772
	0	0	0
Operating cash flow	12,220	20,659	16,080
Corporation tax paid	0	0	-2,627
Loans received	0	0	0
Capital expenditure	-201,200	0	0
Loan repayments	0	0	0
Grants	15,000	0	0
Cash flow for funding	-173,980	20,659	13,453
New equity investment	230,000	0	0
Dividends paid	0	0	0
Interest paid	810	959	1,238
Net cash flow	56,829	21,618	14,692
Balance b/fwd	0	56,829	78,447
Balance c/fwd	56,829	78,447	93,139