



Cockfield Village Group Limited
Community Benefit Society
FCA Registration No. 8863

Addendum

Purpose of the addendum

Our Business Plan and Share Offer documentation were approved on 18th December by the assessor for Community Shares Standard Mark. This means that we have now been awarded the Community Shares Standard Mark, which means that it meets best practice.

On the 23rd December, we received news from the Government that our Community Ownership Fund (COF) Application had been unsuccessful. We had two funding models, namely grant application and Hybrid Model. Given the COF outcome, we are now moving forward with the Hybrid Model alone.

Our assessor has advised that we produce this addendum, to identify those key areas in the documentation that are impacted.

We will address each document in turn but for clarity references to the COF are no longer applicable.

Documentation affected

Share Offer Document

- There are no changes to rights or benefits of membership, this includes interest payable, withdrawals and tax benefits
- The dates of the share offer have changed:
 - Opens Monday 6 January 2025
 - Closes Sunday 16th March 2025 *(or such later date as may be advised but which will be no later than 31st March 2025)*
- Although not a change, it is important to note that a lender will have a legal charge over the property and in the event of default the lender's debt will take priority over members in relation to proceeds of sale
- New share issue targets:
 - Minimum: £200,000
 - Optimum: £250,000
 - Maximum: £250,000
- The phasing of developments may change depending on the amount raised through the community share issue and grant availability.

Business Plan

Any reference to the Community Ownership fund and COF, including financial projections based on this funding, are now redundant, following the Government's decision to not award the grant to the CVG.

The relevant financial projections are based on the Hybrid Model.

Frequently asked questions (FAQs)

Any reference to Community Ownership Fund and COF in the FAQs is no longer relevant.

All other aspects remain unchanged. We advise you to look at the Hybrid Financial Model for details relating to projected balance sheet, profit and loss and cash flows.



Community
Shares

STANDARD



COCKFIELD
VILLAGE GROUP

Cockfield Village Group Limited
Community Benefit Society
FCA Registration No. 8863

Community Share Offer
January 2025

Opens Monday 6 January 2025

Closes Sunday 16th February 2025

(or such later date as may be advised but which
will be no later than 28th February 2025)

www.cockfieldvillagehub.co.uk

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1. Share offer summary

You are invited to buy shares in Cockfield Village Group (CVG) Limited, a Community Benefit Society (CBS) registered with the Financial Conduct Authority. The proceeds from the share sale will be used to fund the creation of The Cockfield Village Hub. You will be investing in a community enterprise, which will secure the long-term future of The Plough and Fleece as a pub and coffee shop and, most importantly, as a vital community hub incorporating the village shop and post office.

Share issue

We have been awarded the Community Shares Standard Mark. The Community Shares Standard Mark is awarded by the Community Shares Unit of Co-operatives UK to ensure that our share offer meets the national standards of good practice. For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to: www.communityshares.org.uk.

This share issue is designed to give you the opportunity to contribute financially, on a long-term basis, to the purchase of The Cockfield Village Hub. We expect most shareholders to come from the local communities, but welcome investors from further afield such as friends and family living outside the village. This share issue covers the purchase of the property and start-up costs of The Plough and Fleece, enabling it to operate as a community-owned pub and coffee shop and the development of the site to incorporate the shop and post office.



Investment limits	£25	Minimum 1 share
	£25,000	Maximum 1000 shares *

Total funding targets through share sales		
	£115,000	Minimum required to proceed
	£200,000	Optimum
	£250,000	Maximum

* We have adopted the Community Shares Handbook’s guidance under which the Community Shares Standard Mark has been awarded, which recommends that no individual can own more than 10% of the outstanding capital of the society. As a result, large share purchases will be reduced to meet this requirement.

Shareholder membership rights

- Shareholders: One member, one vote regardless of the amount invested.

Member eligibility

- Individuals aged over 18

Offer dates

- Share offer opens on 6th January 2025
- Share offer closes on 16th February 2025 (or such later date as may be advised but which will be no later than 28th February 2025)

Types of shares

- Shares are interest-bearing and withdrawable Community Shares (Terms and conditions apply)

Interest on Shares

- Interest could be paid from the fourth year subject to profitability and within the rules (no more than 5% or 2% above the Bank of England base rate) and subject to agreement at annual members' meetings.

Tax benefits

- Tax benefits could be available under the Seed Enterprise Investment Scheme and Enterprise Investment Scheme. The scheme, if approved, would allow up to 50% of the investment to be offset against personal tax liabilities. The CVG have obtained Advance Assurance from HMRC to ensure that the share issue meets the conditions of the scheme.

Asset Lock

- If the assets of the CBS were to be sold (e.g. in the event of business failure) any surplus proceeds after debt repayments and following the repayment of shareholding to members would be transferred, where possible, to other community investments which are consistent with the objectives of a Community Benefit Society.
- In the event of a forced sale, lenders and grant providers will have a legal charge over the asset. This means that in the event of the above the lender and grant provider will have priority over members in relation to any proceeds of sale.
- Individuals and Corporate (incorporated and unincorporated) entities may apply for shares. A corporate entity that purchases shares must offer or nominate an individual (aged over 18) as its voting representative.
- All payments must be made through a UK bank authorised and regulated by the Financial Conduct Authority. Share purchase funds will be deposited in our Co-operative bank account that has two unrelated signatories.
- If the minimum target of £115,000 is not reached from shares, all monies received will be returned.

- If we raise the minimum target and obtain a Community Ownership Fund and/or other grants but for reasons beyond our control the purchase does not complete, a Members' Meeting will be held to discuss the options and decide how to proceed.
- If this happens, modest start-up costs (not exceeding £15,000 in total) may have been incurred. These costs will be deducted from the capital Shares/Donations before the remainder is returned to shareholders and/or capital donors.
- In the event that applications exceed the maximum funding target the management committee will address this by allocating shares on a first come first served basis and close the offer when the maximum amount is reached.

An open share issue will ensure new arrivals in the village can become members of the society, or existing members of the village who cannot participate in the share offer at launch can gain the opportunity to participate later. Additional share issues will enable future capital projects and/or allow existing investors to withdraw their share capital should they desire.

Share offer regulation status

- **Cockfield Village Group Limited is a Community Benefit Society registered with the Financial Conduct Authority (FCA) and will be required to provide an annual return and financial statements to the FCA. However, it is not regulated by the FCA.**
- **Any investor could lose some or all the money they invest. However, the value of shares will not increase. Investments should be primarily viewed as an investment in the community.**
- **No protection is provided under the government's Financial Services Compensation Scheme and no recourse is available to the Financial Ombudsman Service.**
- **The Society is not covered by the Financial Services and Markets Act 2000 and the Financial Promotions Order 2005.**

Share offer promotion

To maximise the engagement with the share offer we will use several channels to promote and operate the offer.

Promotion:

- A village-wide (and surrounding) leaflet drop ensuring all households are aware of the share offer
- Promotion on Facebook pages (both the CVG page and shared with Cockfield Village Facebook Group)
- Village hall meeting
- Promotion in the Green Links newsletter
- Promotion on website
- Display on notice boards in the village

Delivery:

Share offer documents will be available

- In print on request
- Online via download from the website

2. Executive summary

Cockfield is a village in Suffolk under the authority of the Babergh District Council. The Cockfield Village Group Limited (CVG) Community Benefit Society (FCA Registration No. 8863) is governed by its Rules which can be viewed in our Business Plan Appendices.

In January 2024, the group met with the landlord of the pub and enlisted the expertise of a Plunkett UK endorsed surveyor to assess the feasibility of their venture. Based on the results of the valuation and survey, an offer to buy the pub was made in April 2024.

In the summer of 2023, the owners of the local village shop and post office announced their retirement plans. The CVG took ownership of the shop in November 2023. With support from the community and the Parish Council, the CVG transitioned to managing the village store, maintaining access to this service for Cockfield and surrounding villages.

The group aims to acquire the Plough and Fleece pub, employing a financing strategy that includes a combination of grants and community shares. This approach allows residents to invest in and take ownership of their Community Hub. A Business Plan has been prepared to support the funding necessary to purchase the pub and introduce additional services, such as incorporating the village shop and post office, which currently operate under a short lease at their present location. Our Business Plan can be viewed on our website.

All the assumptions in the Business Plan derive from expert input and /or industry-specific data. Prospective investors should read this Business Plan in conjunction with the share prospectus and Society Rules.

3. Background information

3.1 Location and demography

The village is sprawled out across a large area and consists of several Greens, the largest of which is the Great Green. The pub is situated next to this Green, a large open space which hosts village events and is home to Cockfield FC and a children's play area. The pub location has served as an ideal meeting place for people to visit for local football and those travelling from nearby villages and towns.

The two adjacent villages, Thorpe Morieux and Bradfield St George, lost their pubs just over ten years ago and these communities support a population of 700 people. In addition, neither of these has a village shop or post office and residents currently use the facilities in Cockfield. Table 1 shows over 2000 houses within a 10-minute drive of the village and 10% of those are considered to be within walking distance.

Table 1: Postcode analysis and walk/drive for Cockfield and surrounding villages

Village	Postal addresses	Drive Time in minutes	Distance to Pub in miles	Population 2021 census
Cockfield (drive/cycle)	296	3	1.00	939
Cockfield (walk 20 minutes)	273			
Bradfield St Clare	71	3	1.30	166
Felsham	207	4	2.10	472
Thorpe Morieux	129	6	2.90	289
	976			1866
Bradfield Combust	70	6	3.00	585
Gedding	58	6	3.00	129
Little Wheelnetham	109	6	3.30	188
Bradfield St George	208	8	3.60	413
Sicklesmere	59	7	3.90	848
Great Wheelnetham	409	8	4.00	348
Rushbrooke	43	9	4.40	1769
Rattlesden	470	10	4.80	961
	1,426			5241
Total within 5 miles and 10 minute drive	2,402			7,107

However, 273 homes within walking distance

Cockfield is a desirable place to live, with the population percentage change between the 2001-2011 and 2011-2021 doubling (approximately 3.5 % vs 8 %). Significant residential developments, such as Mortimer Way and Jeffries Green since the most recent Census have undoubtedly added to the population of the village.

Name	Status	Population Census 2001-04-29	Population Census 2011-03-27	Population Census 2021-03-21
Cockfield	Parish	839	868	939
Cockfield				
<ul style="list-style-type: none"> ○ 939 Population [2021] – Census ◦ 15.38 km² Area ● 61.06/km² Population Density [2021] 📈 0.79% Annual Population Change [2011 → 2021] 				

The most recent Census data shows an ageing population in the village, with the majority of residents being aged 50 years and upwards. With a significant number of residents at or close to retirement age, it is important to consider the amenities in the village, particularly those available during the day. Retired and older residents are considered more likely to have available time for volunteering in the Community Hub than younger residents in the village.

Although slightly lower than the Babergh average, over a quarter of Cockfield's residents are made up of single occupancy households. Coupled with an ageing demographic, this raises the potential for residents to become isolated from the community. The CVG believe that opening a Community Hub within the village will help to mitigate this risk.

3.2 History of the pub

The fuller timeline can be seen in our Business Plan and also on our website but as an overview:

- The Plough and Fleece has existed since 1869 and shut in December 2019. There have been several owners throughout its history, operating as both a tied pub and free house.
- The current owner applied for a change of use to a residual dwelling but this was rejected in December 2020 (along with an appeal in November 2021) by Babergh District Council.
- The Parish Council successfully applied for the listing of the pub as an Asset of Community Value in October 2021.

3.3 Forming the Cockfield Village Group and subsequent developments

- The CVG was formed in November 2021 with the aim of community purchase of the pub (the sale was marketed in March 2022).
- A survey of the community in 2022 was conducted and over 300 responses were received. It was very clear that reopening the Pub is something that the community supported. We have continued to engage with the community through regular updates and the community remains as keen as they were back in 2022, to have the Plough and Fleece reopened with the addition of a shop, post office and café/meeting place i.e. a Community Hub. Specifically, over 98% of responses supported the vision of a community-owned facility and almost 96% said that they would use it. Full details of the survey can be found in our Business Plan.
- Plunkett UK support (from March 2022), allowed the CVG to register as a Community Benefit Society, adopting standard Plunkett Model Rules.
- Having been previously unsuccessful in securing a dialogue with the owner for an independent valuation, the CVG were allowed access in January 2024. MJD Hughes, a surveyor specialising in hospitality and recommended by Plunkett UK, undertook an independent business viability, survey and valuation. The results of this survey stated that the values ranged from £250,000 in its current state to £350,000 for a fully functioning pub at its full potential. The pub is currently listed for sale at £325,000.
- There are several planning considerations relating to the development of land for sale behind and adjacent to the pub that would need to be resolved. In October 2024 CVG met with Babergh District Council for a pre-planning meeting and a formal response was received in November 2024. The proposal for a community hub incorporating the pub, shop, post office and cafe was positively received. An offer to purchase the facility was made in April 2024 with a retention held in respect of planning obligations of the development land to replace the existing car park. The offer price is within the recommended range suggested by the independent valuer.

- During the Summer of 2023, the CVG was also made aware that the owners of the village store and post office would be retiring in November 2023. The CVG offered to take on the running of the village shop and met with the local community to see whether there would be sufficient volunteers to make this a viable proposition. The village shop was taken on by the CVG in November 2023.
- The village shop was taken on by the CVG in November 2023. Initial funding was raised through GoFundMe (£1,495) and with the support of the Parish Council a £4,800 donation was used to purchase the existing stock. Further grants of £4,650 and £400 were received from the Royal CountrySide fund and Babergh Council respectively, and were used to purchase a new fridge and freezer and a portable air conditioning unit.
- Over the thirteen months since taking on the management of the shop, weekly income has averaged £1,700 and after the deduction of purchases and overheads, weekly profits are approximately £200. The small profits recorded have only been achieved through the use of volunteers, as there are no costs associated.
- With the help of volunteers, the shop continues to run successfully, with the post office operating independently and supported by volunteers. Currently, the Post Mistress for Felsham, Rattlesden and Hitcham manages the Cockfield post office and the space is rented from the owners of the property.
- The past owners have kindly agreed to rent the shop space to the CVG at an affordable amount, but this is not a long-term solution. To ensure that the village shop and Post Office remain open it needs to be relocated.

3.4 The vision

The CVG's vision, driven by the feedback received from surveys/questionnaires, was used to develop the existing pub into a community-owned hub, incorporating the pub, the present shop and the post office, as well as adding a coffee shop by making use of derelict outbuildings.

Cockfield is a desirable village, which is partly evidenced by the number of houses currently under construction. However, there must be adequate services and facilities to sustain the village.

Fortunately, there are numerous success stories of community-owned pubs in Suffolk to model this venture on. There is an opportunity to create a fantastic facility that, once up and running, has endless possibilities for community activities, while also ensuring the long-term future of the existing shop and post office.

The Community Hub will evolve once it is opened, in response to feedback received from the community and also once it becomes more established. Development ideas are considered across three distinct phases and although not all will be necessarily implemented, it is important to consider options, so that the Community Hub remains relevant and a sought-after place to frequent. Some of the developments may be reordered as required.

Short-term

Once the pub has been purchased, the primary aim will be to refurbish and open, relying on volunteers and local trades. The village shop and post office will be relocated once the site has been reconfigured. The current shop and post office location is temporary and so relocation will be required as soon as is practicably possible. The village shop will place an emphasis, where possible, on local fresh suppliers. Our operations manager currently organises about 15 regular volunteers who are actively involved in the daily running of the shop. Financial viability has been maintained since being taken over by the CVG. The shop will continue to run with volunteers and the post office will still be managed by the Post Mistress and the space will be rented from the CVG. The CVG will work closely with the Post Mistress to ensure that all requirements are met to allow the post office to be relocated.

Initially, the pub will be run by volunteers and will operate as a Free House, allowing for a wide choice of beverages, operating predominantly as a wet pub. Given that members of the CVG comprise a retired publican and a current designated premises supervisor (DPS) personal licence holder, the pub will reopen quickly. Marketing and advertising will be key here since regular footfall is vital. Advertising and operating regular opening hours will be key. Consideration will be given to the environment and cycling and walking to the Community Hub will be encouraged. The CVG will connect with mobile food vendors to offer enhanced food options in the evenings and welcome patrons to bring in their food to enjoy alongside a drink.

Medium-term

The Community Hub will expand to accommodate a coffee shop, the next phased opening. During this phase, we plan to appoint a manager to assume the daily running of the pub and coffee shop. The Community Hub will require effective branding and an online presence, therefore a rebranding to complement the developments of the Community Hub will be necessary. Facilities for electric charging points for cars will be incorporated in the future as well as investigating the benefits of solar panels to manage electricity costs. Regular events will be promoted during the day (e.g. establishing meeting groups) and the evening (quiz nights and hosting team events, such as darts nights). The Community Hub will also serve as a place to work during the day, benefiting those who have flexible working arrangements.

Long-term

Once fully established, the Community Hub must remain a desirable place to frequent. If an appointed manager does not utilise the upstairs accommodation, then the upstairs could be reconfigured, providing additional revenue that can be reinvested back into the Community Hub.

3.5 Benefits, impacts and theory of change

The CVG developed a Theory of Change model showing the activities conducted by the proposed Community Hub. This can be found in the Business Plan. From this exercise, numerous potential social and economic benefits are identified.

With regard to local businesses, reduced supplier miles and income from selling their stock will aid their profitability. With more and more banks and post offices closing, this will provide real, tangible support for our community and will, again, reduce travel costs.

Customers of the Community Hub will have increased social contact and a greater village support network, offering a place to meet during the day (coffee shop) and evening (pub). Reduced reliance on cars and public transport to reach alternative facilities will have a positive impact on individual carbon footprint.

The economic benefits will help to make the village more attractive to visitors, for example, a destination for post office and banking services, and food/drink for visitors. Finally, the increased social benefits will enhance opportunities for casual conversation and social interaction in the 'heart of the village', decreasing loneliness and isolation.

This shows how the activities of a Community Hub can feed back into the local community and improve long-term metrics such as the local economy, loneliness scores and environmental targets. The most recent Census showed that 22% of the population was over 70 and the benefits of having a Community Hub to help support this demographic is very important, particularly about creating a place to meet. The village hall serves this purpose but it is only available in the evenings during the school's term time. Volunteering will be a key part of how we plan to operate the shop and it can provide training and skills development, improve self-esteem and wellbeing, and make people feel valued and part of the community.

Having operated the village shop since November 2023, the CVG has witnessed the positive impact that it has on the community. For example, food deliveries are made to older residents of the village, where their mobility may be limited. Regular visitors visit the shop, often at the same time to collect their pre-ordered newspaper and to stay for a chat. The social interaction offered by the shop often leads to general conversation about the village and events coming up.

4. The Cockfield Village Group

4.1 Ethos

The Cockfield Village Group is a small group of individuals who live in the village and wish to bring together the community to purchase and develop the Plough and Fleece for the benefit of the village. The CVG are passionate about preserving amenities for the village that will cater for the current needs and the future. The members of the management committee are all volunteers and will derive only the same benefits from this project as any other member. The management committee has adopted the Co-operatives UK Conflict of Interest Policy and will ensure that it is adhered to. A single share was purchased over time by each sitting member of the management committee to comply with the Model Rules, in total nine shares have been purchased. Full biographies are included in the business plan. We sought expertise from the village in our original community engagement questionnaire and this was the basis to form the committee. Within the small group, roles were assigned by formal vote based on expertise for the respective roles. Once the sale of the pub has completed, we propose to hold a members meeting to elect a new committee and the opportunity for re-election of the current management committee.

4.2 Management Committee Biographies



Peter Finch
Chair

Resident since 2015.

Extensive experience in company and project management



Martin Smith
Vice Chair

Resident since 2021.

Wide knowledge of business structure, process and diligence.
Current DPS licence holder



Vincent Scholier
Secretary

Resident since 2018.

Chemistry teacher with transferable skills, like planning, organisation and communication



David Lewsey
Treasurer

Resident since 2019.

Many years experience as a finance director in healthcare companies



Sarah Fletcher
Operation Manager

Resident for over 15 years.

Heavily involved in village matters and oversees the day-to-day running of the shop.



Neil Campbell
Architect

Resident for over 5 years.

Practising Architect in commercial, housing and private residence sectors

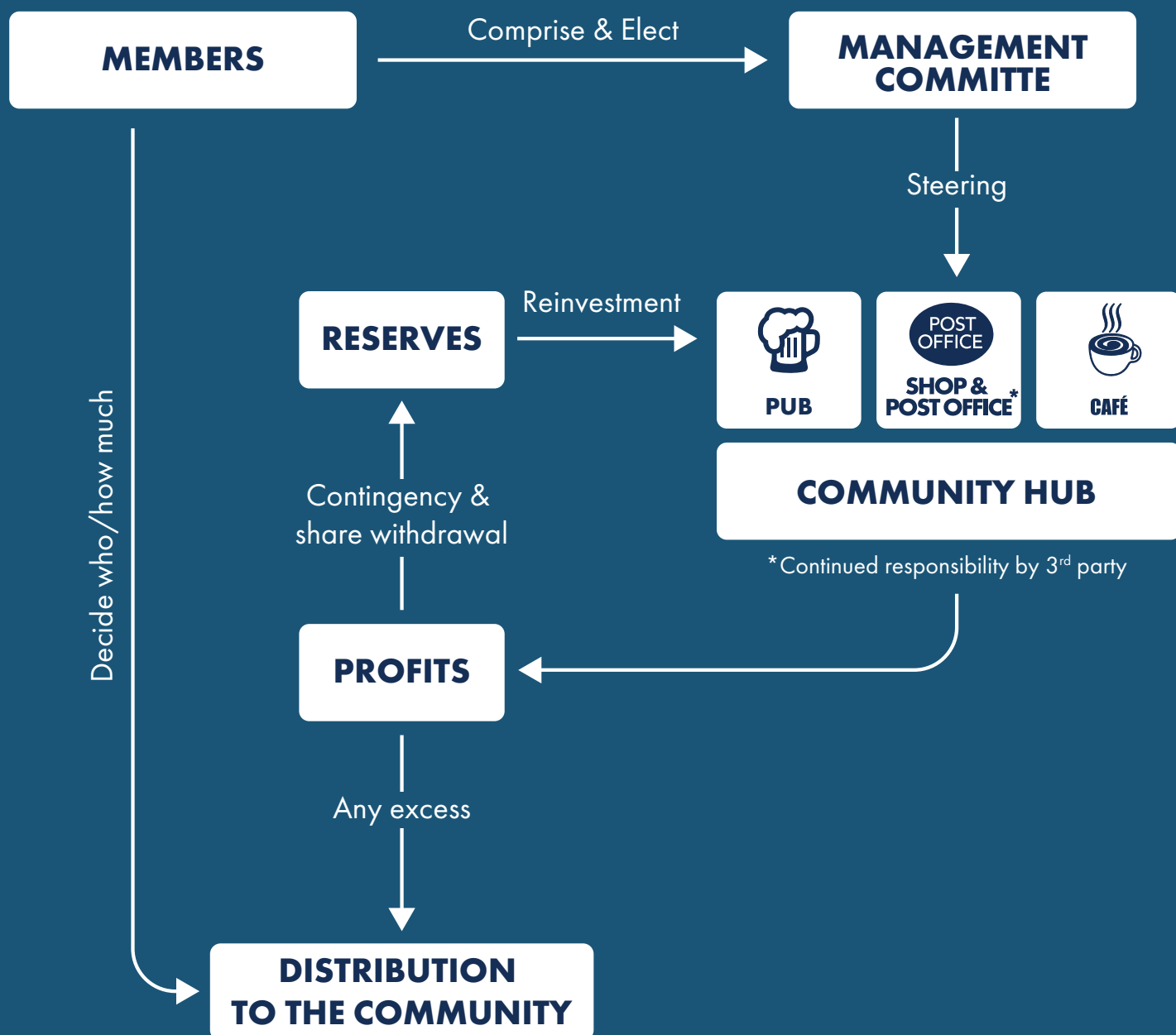


Allan Ramsay
Compliance and H&S

Resident since 2020.

Over 20 years experience of managing pubs and hotels for various breweries.

What is a Community Benefit Society?



4.4 Community Shares

- Community Benefit Society can issue shares.
- Unlike 'normal shares' Community Shares cannot be sold or transferred except in the event of death.
- You can nominate a beneficiary to receive your shares if you die.
- Members can request to withdraw all or some of their shares subject to the approval of the management committee. The Committee may decline the request if the repayment of shares would endanger the viability of the society. Repayment can only be made from reserves or new share capital. **You should note that in any event, no withdrawals will be possible until 4 years after the issuance of shares.**
- Community Shares will not gain in value but may reduce in value
- Because CVG has limited liability, the most you could lose is the amount of your investment
- Community Shares do not pay dividends but may, subject to the approval of the members at the Annual Members Meeting, pay a nominal amount of interest from profits to members in accordance with the Rules of the society.
- CVG, subject to member approval, pay interest at a maximum rate of 5% or 2% above the Bank of England base rate, whichever is the higher. **Please note we do not plan to pay interest until 4 years after the shares have been issued.**
- We have adopted the Community Shares Handbook's guidance under which the Community Shares Standard Mark has been awarded, which recommends that no individual can own more than 10% of the outstanding capital of the society. As a result, large share purchases will be reduced to meet this requirement.
- **Community Shares are an unregulated financial instrument. This means that the issuance of Community Shares is exempt from the Financial Services and Markets Act ('FSMA'), 2000 and that investors have no access to the Financial Ombudsman nor the Financial Services Compensation Scheme. An investment in CVG should primarily be viewed as an investment in your community. It is possible but we believe unlikely that you could lose all of your investment in CVG.**
- Tax benefits could be available under the Seed Enterprise Investment Scheme and Enterprise Investment Scheme. The scheme, if approved, would allow up to 50% of the investment to be offset against personal tax liabilities. The CVG have obtained Advance Assurance from HMRC to ensure that the share issue meets the conditions of the scheme. We are required to submit a compliance certificate once certain criteria have been met, i.e. we have carried out qualifying trade for at least four months and have spent at least 70% of the money raised. If the conditions of the scheme are met, HMRC will send a letter of authorisation, unique reference number and compliance certificate that will be shared with the investors. The investor is required to submit this documentation to HMRC to claim the tax relief. Successful claims will be dependent on personal circumstances and we recommend that you seek tax advice on this matter.
- **If you are unsure whether to invest in this Community Share Issue we recommend that you take suitable professional advice.**

4.5 Membership benefits

- Supporting the community to help keep amenities open in the village
- Becoming a key member on the management committee and sub committees
- Voting in Annual Members' meetings, to steer the vision and direction of the Community Hub

- On-going participation in decision making will be encouraged. Regular updates will be shared with members, such as in a quarterly newsletter.
- Having a say in the election and management of the Committee
- Possible tax benefits

5. Financial Plan & Projections

Sales (turnover) projections have been informed by historical trade in addition to an assessment of 'fair maintainable trade' provided as part of the RICS survey and Red Book valuations. This considers the physical space, current condition, location and future potential.

Sales (pub, café and shop) are assumed to achieve;

- Average sales per week of £2,600 in Year 1 (£137,000 in the first year of trade), rising in Year 2 to £182,000. The CVG have assumed slightly lower takings overall for the first two years as the pub recovers, its reputation is re-established and revenues are rebuilt.
- Sales continue to grow in year 3 (£218,000) and by the fifth year of trade, we're assumed to be operating close to the potential of the pub, which is around £264,000 per annum or takings of £5,100 per week.
- Overall gross margin on sales is 57% with an assumed mix of 60% wet sales and 40% of turnover coming from the sale of food from the pub and café. This gross margin has been aligned with industry expectations for food (60% gm) and drink (55% gm) separately.
- Currently the shop generates sales in the region of £90,000 per annum. With the move to the community hub its income is projected to increase to £109,000 in the first year of trade at the new site. This is consistent with similar village stores locally. For years two and year three the income is projected to be £127,000 and £133,000 respectively.
- It is anticipated that a Pub Manager will be employed in addition to a small team of key part-time workers that will support the bar and kitchen operations. All staff will be paid under local market/industry standards and will be no lower than a real living wage, both for full-time and part-time staff. Management staff will be incentivised to ensure the efficient running of the pub and café.
- It is anticipated that the pub can ultimately be run successfully with the equivalent of 3 full-time staff (FTE) and with a headcount of 4-6 staff members.
- The Pub Manager could have the option to live on-site at The Plough and Fleece, using the upper floor accommodation. This will be a 'live-in manager' model, which the CVG hope makes the opportunity all the more desirable. The right Pub Manager must be found to ensure the successful running and development of the facility. Consideration will also be given to appointing an individual responsible for supporting the café and pub food service.
- All premises-related cost assumptions have been aligned to previous trade experience with an additional cost of building maintenance included from year 3. Initial capital expenditure used to cover the cost of decoration and refurbishment will deal with any immediate issues and the CVG do not expect further significant expense for a few years thereafter.
- Other expenses cover the regular consumable costs such as professional fees, wi-fi, stationery / printing, and technology costs specifically related to the till and point of sales system.

- Legal, professional and consulting costs include a small amount of legal fees in addition to the usual accountancy costs. Included within those expenses is the cost associated with a third-party operational audit which assures that the pub is efficient, and waste/loss is kept to an acceptable level. These operational audits are usually conducted every quarter.
- Interest paid to shareholders is assumed to be no more than 5% or 2% above the Bank of England base rate. This will of course be dependent on the performance of the pub but given the initial outlay and a reasonable period to re-establish trade and get the pub back on track, we anticipate paying interest in the fourth year. The financial projections in our Business Plan assumes the 5% is paid.
- The CVG's plan assumes that stock is kept to a minimum and is managed carefully to avoid shrinkage or loss. We expect a wide range of drinks to be available and will use local suppliers wherever possible. All creditors are assumed to be paid within 14 days on average and the CVG expects debtors to be zero given our plan to make only 'cash' sales (no credit).
- Fixed assets include the premises both in terms of the cost of purchase and the capital investment of refurbishment/redecoration. We anticipate capital costs to be depreciated over ten years for equipment fixtures and fittings and the property and improvements over 50 years.
- The CBS is registered for VAT and where appropriate recover VAT on costs incurred. The asset being acquired, Plough and Fleece is not opted to VAT.
- Over time, the CVG will continue to ask for support by attracting new members with open share offers, to replace those who withdraw their shares and no longer wish to participate in their membership of the CBS. In addition, we will also seek alternative funds through grants and donations.
- Included in the opening balance sheet we have included £7,500 for the stock valuation and the projected bank balance for the shop of £7,500. These estimates are based on current trading levels.

5.1 Trading profit and loss with Community Ownership Grant

Cockfield Community Hub					
Trading Profit Loss Account - COF	Year 1	Year 2	Year 3	Year 4	Year 5
Pub Sales					
Wet	81,400	93,600	112,320	123,552	135,907
Dry - pub café	55,600	88,400	106,080	116,688	128,357
	137,000	182,000	218,400	240,240	264,264
Shop Income	108,860	126,750	133,088	139,742	146,729
TOTAL INCOME	245,860	308,750	351,488	379,982	410,993
Cost of Sales					
Wet	36,630	42,120	46,332	50,965	56,062
Dry - pub café	22,240	35,360	38,896	42,786	47,064
	58,870	77,480	85,228	93,751	103,126
Shop Cost of Sales	65,316	76,050	79,853	83,845	88,037
TOTAL COST OF SALES	124,186	153,530	165,081	177,596	191,163
Gross profit	121,674	155,220	186,407	202,386	219,830
Gross profit Margin	49%	50%	53%	53%	53%
Indirect costs					
Administrative costs	15,600	15,600	25,000	25,000	25,000
Manager and staff	65,250	91,000	100,100	110,000	120,000
Premises costs	23,400	23,400	24,570	25,799	27,088
Other costs	2,080	2,080	2,184	2,293	2,408
Legal and Professional fees	3,120	3,120	3,276	3,440	3,612
Credit card fees	1,383	1,737	1,977	2,137	2,312
Total expenditure	110,833	136,937	157,107	168,669	180,420
Profit before tax/deprn and interest	10,841	18,283	29,300	33,717	39,410
Shareholder Interest				(7,500)	(7,500)
Loan Interest					
Depreciation (non cash)	(10,533)	(10,673)	(10,913)	(11,133)	(11,353)
Release of capital grant (non cash)	6,900	6,900	6,900	6,900	6,900
COF Revenue Grant Income	25,000	25,000			
Profit/Loss before tax	32,208	39,510	25,287	21,984	27,456
Corporation Tax	-	-	-	-	-
Profit/Loss after tax	32,208	39,510	25,287	21,984	27,456

The full details of the financials and trading statements can be found in the appendices in our Business Plan, which can be viewed on our website. Consideration has been given to the COF grant application being unsuccessful and in this instance, we have modelled the impact of taking on a commercial loan for £150,000 over twenty five years and also increasing the community share offer to £250,000 with additional grants from the Community support groups e.g. National Lottery. The impact of this Hybrid funding is included in the table below, with full financials included in the appendix of the Business Plan.

5.2 Trading profit and loss with an alternative funding model

Cockfield Community Hub					
Trading Profit Loss Account - Hybrid	Year 1	Year 2	Year 3	Year 4	Year 5
Pub Sales					
Wet	81,400	93,600	112,320	123,552	135,907
Dry - pub café	55,600	88,400	106,080	116,688	128,357
	137,000	182,000	218,400	240,240	264,264
Shop Income	108,860	126,750	133,088	139,742	146,729
TOTAL INCOME	245,860	308,750	351,488	379,982	410,993
Cost of Sales					
Wet	36,630	42,120	46,332	50,965	56,062
Dry - pub café	22,240	35,360	38,896	42,786	47,064
	58,870	77,480	85,228	93,751	103,126
Shop Cost of Sales	65,316	76,050	79,853	83,845	88,037
TOTAL COST OF SALES	124,186	153,530	165,081	177,596	191,163
Gross profit	121,674	155,220	186,407	202,386	219,830
Gross profit Margin	49%	50%	53%	53%	53%
Indirect costs					
Administrative costs	15,600	15,600	25,000	25,000	25,000
Manager and staff	65,250	91,000	100,100	110,000	120,000
Premises costs	23,400	23,400	24,570	25,799	27,088
Other costs	2,080	2,080	2,184	2,293	2,408
Legal and Professional fees	3,120	3,120	3,276	3,440	3,612
Credit card fees	1,383	1,737	1,977	2,137	2,312
Total expenditure	110,833	136,937	157,107	168,669	180,420
Profit before tax/deprn and interest	10,841	18,283	29,300	33,717	39,410
Shareholder Interest			0	(13,250)	(13,250)
Loan Interest	(11,553)	(11,389)	(11,212)	(11,021)	(10,814)
Depreciation (non cash)	(10,533)	(10,673)	(10,913)	(11,133)	(11,353)
Release of capital grant (non cash)	6,600	6,600	6,600	6,600	6,600
Profit/Loss before tax	(4,646)	2,821	13,774	4,913	10,593
Corporation Tax	0	0	0	0	0
Profit/Loss after tax	(4,646)	2,821	13,774	4,913	10,593

6. Funding the Acquisition

The valuation that underpins our negotiation strategy was informed by a Red Book Valuation. This is a formal process undertaken by MJD Hughes, a highly experienced expert who is RICS certified. The committee decided to have this valuation conducted before the start of negotiation with the present owner. The Red Book Valuation provided a range of valuations based on three specific scenarios;

1. Valuation of the property, fixtures and fittings in the current condition with The Plough and Fleece closed / vacant.
2. Same as point 1 but open for business and trading but at low trading performance.
3. Same as point 1 but open for business and trading at an optimum level.

6.1 Book Valuation

The valuation range was between £250,000 and £350,000. The valuations in each scenario should be seen as a guide only for negotiation. An offer to purchase the facility within this range has been made.

In addition to the purchase price, there are also additional initial start-up costs that include professional fees, stamp duty and initial stocking. We have estimated this, together with the purchase price, to be within the region of £325,000. We have planned an additional amount to cover refurbishment costs/kitchen (£44,000), the creation of space for the shop and post office (£35,000), meeting place incorporating a cafe (£40,000) and outdoor space/garden (£16,000).

The total initial funding required is estimated to be £460,000.

6.2 Sources and application of funds

Cockfield Community Hub Sources and Application of Funds - COF Funding		Year 0	Year 1	Combined
Sources of Funds				
Community Share Sales		115,000	-	115,000
Community Ownership Fund - capital		345,000	-	345,000
		460,000	0	460,000
Application of Funds				
<i>Capital Expenditure</i>				
Plough and Fleece purchase, associated professional fees and start up costs		325,000	-	325,000
Outdoor space and gardens		16,000	-	16,000
Refurbishment pub kitchen and kit out for commercial purposes		20,000	24,000	44,000
Community space and café		0	40,000	40,000
Shop and Post Office		0	35,000	35,000
VAT recovery		(6,000)	(16,500)	(22,500)
		355,000	82,500	437,500
Surplus supports trading cashflow and future capex				22,500

Cockfield Community Hub Sources and Applications of Funds - Hybrid Funding		Year 0	Year 1	Combined
Sources of Funds				
Community Share Sales		250,000	-	250,000
Other Grants - capital		60,000	50,000	110,000
Loans /mortgage - funding shortfall		152,000	-	152,000
		462,000	50,000	512,000
Application of Funds				
<i>Capital Expenditure</i>				
Plough and Fleece purchase, associated professional fees and start up costs		325,000	-	325,000
Outdoor space and gardens		16,000	-	16,000
Refurbishment pub kitchen and kit out for commercial purposes		20,000	24,000	44,000
Community space and café		-	40,000	40,000
Shop and Post Office		-	35,000	35,000
VAT recovery		(6,000)	(16,500)	(22,500)
		355,000	82,500	437,500
Surplus supports trading cashflow and future capex				74,500

**Application to buy shares in Cockfield Village Group Limited
(the "Society"), a Community Benefit Society registered under
the Co-operative and Community Benefit Societies Act 2014
with registered number 8863**

Shareholder details: (Please note: Joint ownership is not permitted)

Forenames: _____ Surname: _____

or

Company or Organisation Name: _____ Name of Representative: _____

Contact Details:

Address: _____

Phone: _____ Email: _____

Shares:

Number of shares: _____ Total value : £ _____

Min 1, max 1,000

(Number x £25)

Will you want to apply for UK tax relief on your investment, if application is successful? Yes / No

Bank account to receive any interest on shares:

Account Name: _____

Sort Code: _____ Account Number: _____

Expression of wishes: (Nomination of a person, in the event of death)

Forenames: _____ Surname: _____

Contact Details:

Address: _____

Phone: _____ Email: _____

Please tick the appropriate payment box:

☐ I have enclosed a cheque with this form, made payable to Cockfield Village Group Limited, for the total value of the shares applied for

☐ I have transferred the sum of money equal to the total value of the shares applied for to:

Account name:	Cockfield Village Group Limited
Account number:	67305683
Sort code:	08-92-99
Reference:	Purchaser's surname and initials (or company name and postcode)

Please post or deliver this form to The Secretary, Cockfield Village Group Limited, Finch House, Great Green, Cockfield, Suffolk IP30 0HN

By buying these shares, I **agree** to all the information being disclosed here to be held on a database in compliance with the General Data Protection Regulations (GDPR). I understand that this information will be used by the Society only and will not be passed to third parties (except as required by law).

I confirm that:

- I have read and understood the Rules of the Society and agree to the terms on which shares may be held by a member
- I understand that this application, when accepted, forms a contract subject to English law
- I am over 18
- I am not making an application that would create an aggregate application of more than 1,000 shares
- I will give proof of my identity and address, if necessary, for anti-money laundering purposes.
- I understand that in the event of death, nominations only apply for the first £5000 of share capital. Any excess must be handled by your executors.
- The management committee reserves the right to refuse an application without giving a reason and return the funds to the applicant.

Signed: _____ Date: _____

(Purchaser or authorised signatory)