



GRESSENHALL COMMUNITY ENTERPRISE BUSINESS PLAN 2020





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Executive Summary

Gressenhall has a thriving community that has a need for, and a capacity to sustain, a well-run community owned pub.

A decade of bearish media statistics and Gressenhall Community Enterprise's (GCE) own report commissioned on The Swan leaves no illusions of the tough market conditions facing small rural pubs such as our own.

However, extensive village consultations since November 2018 indicate there is a significant social unmet need. Due diligence indicates there is a genuine opportunity for a profitable community business which can be run by applying the learnings from the consultation of what our Village wants from a pub.

"Community Business" is a real and rising phenomenon – over 7,000 communities now own their pubs, shops, post offices and other vital local services that were threatened with closure. The model is delivering results – indeed **no community owned pub has closed in the UK since this solution emerged**. A community owned pub can be **more resilient** to wider market conditions, particularly as community shares ensure people have a voice and the **enterprise remains accountable and aligned with its customers**.

This is not a pursuit attempting to recreate our nostalgic memories of what The Swan has represented for us in the past – but an ambitious effort to reimagine itself for the future.

Our vision is for The White Swan to renew its role at the heart of the village.

The aim is to establish a community pub run by a team that listens and improves. Our pub will meet the needs of our village today and will be ready to adapt so that it will continue to serve generations to come.

COVID-19 Update

The pandemic has heavily impacted global economies and the UK pub sector especially. It is likely that the impact will be longlasting and potentially severe, but much is still unknown.

Attitudes to attending pubs and other public venues will take time, but as the understanding of the virus grows – social distancing policies and effective hygiene regimes will allow the trade to gradually resume in a safe manner.

One thing that this crisis has reinforced in Gressenhall is the great sense of community that we all cherish – everybody has pulled together and kept up spirits.

Various scenarios, in particular the end of the More than a Pub grant programme will make buying our local pub after 2021 even more difficult. **Rather than getting a £50k grant and a £50k loan, we would need to crowdfund this extra amount locally, which would be no easy feat – I am sure you will all agree.**

Despite so much uncertainty, having agreed a fair purchase price this represents very likely **the final opportunity to create an incredible shared legacy in the village we love**. Much like the Green, we can have a pub owned and enjoyed by the village and their families forever.

If we acquired the pub in November/December after successfully fundraising in Autumn – we had already expected to spend 9 months renovating, **opening in Summer/Autumn 2021 by which time the social distancing restrictions will have likely relaxed.**



Proactive steps to manage and mitigate the Covid-19 risks and consequences:

1. Fundraising Phase: Increased economic uncertainty and the future impact on household income could result in a reduced willingness or ability to invest

SOLUTION: MARKETING AND ENGAGEMENT

What is most important to us over next 5+ years and beyond, and what would we rather give up: The chance to go on regular sunny holiday abroad; or the chance to enjoy what's on our doorstep? A meal out with friends and family is what many have missed more than anything.

Throughout the COVID-19 crisis, the sense of community spirit and support has been stronger than ever in Gressenhall. With excellent marketing and fundraising planning we can design creative ways to engage with the village and deliver a successful campaign without traditional large gatherings.

2. Refurbishment Phase: Increased hygiene concerns, greater real and perceived risks.

SOLUTION: ADJUST PUB DESIGN ACCORDINGLY:

Given the fundamental refurbishment planned we will have a blank canvas to integrate the right features, this will be easier than for many established businesses that will need to retrofit.

Configure seating arrangements and dividers that maintain the authentic country pub feel; but provide a physical barrier between dining parties which reduce the likelihood of transmission.

Consider and, wherever reasonably practical, implement best practice which emerges from hospitality design recommendations. This will reassure and meet the expectations of our customers that their safety and comfort is at the forefront of GCE's priorities.

3. Operations/opening: changed consumer expectations.

RECOGNISE CUSTOMER EXPECTATIONS AND ADAPT:

Our market positioning as fairly priced, homecooked local food will still be well-placed given the reminders the pandemic has provided on local supply chains and reasonable value in a more cautious consumer mindset.

Enhanced hygiene protocols and training for staff members and volunteers, including hand sanitisers at the bar and at the entrance and recommendation of contactless payment to reduce cash handling. The Swan will adhere to all best practice standards as they emerge.

Greater provision of outside seating. We are already creating extra seating out the front overlooking the Green, where the old car park used to be. We may also trial additional undercover, open-air seating in the disused barn which sits next to Litcham Road looking into the rear garden with some heaters for late Spring and early Autumn evenings. We think this could be done inexpensively using contingency and savings elsewhere.

Takeaway and delivery options. Establish processes / adjust layout for a takeaway hatch, making the business more flexible and accommodating for members of the village not able or willing to come to the pub, but looking to enjoy a local homecooked meal and support the community business.



Background

Gressenhall

Gressenhall is a medium size village in the heart of Norfolk. It is 2 miles northwest of the Georgian market town of East Dereham and equidistant (40 minute drive) from the cathedral city of Norwich, the renowned North Norfolk coast and the historical town of Kings Lynn. It is home of the popular Norfolk Rural Life Museum.

Originally two villages (Gressenhall and Gressenhall Green), it is now known simply as Gressenhall with a population of 1050, a mean age of 49.5 years and residences of 476 of which 357 are owned by the residents.

At the centre of the village is a large green with a small duck pond around which lies some 20 domestic residences, a shop/post office, a small village hall (the Reading Room), a long standing agricultural equipment manufacturer, a stable yard and Caravan Club site, a residential home for the elderly and the currently closed Swan pub.

The Green is used to stage the annual summer fete and the Christmas lights switch on event and other outdoor ad hoc events such as the upcoming barn dance. These family events are well attended by villagers and visitors alike, some 1500 regularly attend the summer fete, slightly less for the Christmas event.

The village has many active clubs and activities including football teams, bowls club, community choir, 2 art groups, gardening club, bell ringing, an annual tennis tournament and more. There is a very active community spirit within the village, best summed up by the large numbers of volunteers who make these events happen and the very successful community car scheme that ensures that the elderly and infirm can travel safely and cheaply to obtain medical attention.

The Swan

The Swan (originally The White Swan) is the last remaining of the once seven pubs in the village. It is of conventional brick and tile construction with upstairs accommodation, kitchen, single bar with 2-3 separate drinking/eating areas, a mainly grassed garden at the back, and shingle frontage with seating at the front overlooking the Green.

It was first licensed as a pub in 1795 and after multiple owners/licensees it was acquired by Brent Walker in 1988 and successfully operated as a tenancy offering good food, real ale and a friendly atmosphere until 2012. After failing to find another permanent tenant, Brent Walker sold the pub to the present owners who operated it as freehouse from September 2013 until July 2018 when it was closed. The owner was pursuing planning permission to demolish the building and build 4 semi-detached houses on the plot. The initial application was rejected in December 2018. In June 2020 our committee agreed a purchase price in principle of £185,000 subject to survey.



A potential reason for the pub's lack of recent success can be derived from the responses we received from our community questionnaire. The four most popular requirements listed in the survey were – a friendly atmosphere, good food, well-kept ale and dog friendly. It is widely accepted that none of these



four needs were met during the previous five years of trading. More fundamentally though – neither the most recent owner nor Brent Walker undertook the significant investment to do a comprehensive refurbishment to bring it to the standards expected of today's pub customers.

The Pub has been designated as an Asset of Community Value (ACV) This designation is as a result of the local community nominating it as an asset for which it is significantly in the social interests of our village and surrounding area. The designation provides some protection and opportunity for communities to keep such buildings for social benefit.

The Market and Competition

A questionnaire was distributed to all households in the village (476) and to date there have been over 280 completed and returned.

- ⇒ 93% of responders rate the need for a pub as important or very important
- ⇒ 60% of responders said that they would go to the pub at least once a week
- ⇒ 160 offered to help fundraise, volunteer and/or finance a bid for community ownership

The villagers of Gressenhall would therefore be the major market although the proximity to East Dereham provides a good opportunity to compete with other pubs for the town dwellers who prefer the atmosphere of a village pub for evenings out.

The village has 1050 residents with a mean age of 49.5 years and:

- ⇒ 85% are aged 18 and over
- ⇒ over 20.1 % of people live alone
- ⇒ 13.1% of households do not have access to a car
- ⇒ 24% of residents are limited in their activities

All of whom would benefit from access to local meeting, eating and social facilities. In addition, there are a number of village businesses, clubs and groups who have expressed their support and need for local pub (see Appendix).

The village attracts a lot of visitors to the Norfolk Rural Life Museum, the annual fete and other events on the green. The village also has a Caravan Club site and a large capacity holiday let. The high visibility of the pub in the heart of the village facing the Green, will attract these visitors, both during their visit and/or to come back at a later date.

There are no other pubs in Gressenhall, only a social club which opens 3 nights a week and does not offer food other than at organised events. The main competition for food/drink will be from village pubs in the surrounding area of which there are 6 within a radius of 4 miles.

Two of these local village pubs which are of note are The Longham White Horse and The Brisley Bell. Both are popular but target very different audiences. Longham provides good value food and drink (c.£10pp for a 2-course), and Brisley is a celebrated local hostelry that attracts diners from far but would easily exceed £25pp for a 2-course.

Our survey insights indicate that not only does the community want a pub in their own village; but crucially one that is both value-for-money and locally sourced, in a warm and atmospheric setting. Neither of these pubs fulfil these key community requirements and we believe The Swan will position itself and thrive in the mid-point between these well-known existing local establishments.



The Ploughshare has recently re-opened as a community-owned pub in Beeston. Beeston is 5 miles away; and it is believed their wider local presence using a similar model will help us learn and improve. We will possibly be the closest two community-owned pubs in the country creating an exemplar area to pioneer collaboration and develop synergies.

With the possible exception of The Brisley Bell as a destination pub, no local comparator in our opinion has the compelling and idyllic position, set on a bustling well-kept green in a small and charming village.

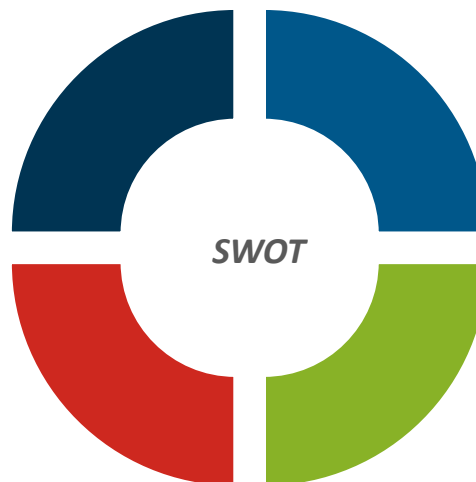
SWOT Analysis

STRENGTHS

- Community support
- Location
- Only Pub in village
- Plethora of village groups
- Long pub history
- Volume of local businesses
- A “residents” village
- Freehouse – not tied
- Registered village asset (“ACV”)
- Good local supplier relationships

OPPORTUNITIES

- Untapped visitor potential
- Café
- Skills of village residents
- Beeston Ploughshare learnings
- Brexit & staycations
- Additional grant availability
- Garden buildings



WEAKNESSES

- Current building condition
- Lack of parking
- Size & layout
- No private tenant garden
- Previous poor reputation
- Tight financial margins
- Flat roof longevity
- Old kitchen equipment
- No disabled toilets

THREATS

- Growing local competition
- Recession and COVID19
- Village politics
- Secure ongoing management committee expertise
- Ability to hire suitable chef/ landlord couple



The Plan

The Pub Proposition

It is proposed to recapture the successful history of the pub, beginning by returning to the original name of The White Swan.

In response to primary market research, the emphasis will be on a warm, friendly environment where locally sourced good value food can be enjoyed alongside well-kept local ales. The plan is to provide a daytime café style environment for villagers and visitors to enjoy an occasional coffee morning, afternoon tea or simply to take their weight off their feet after walking the dog.

The Pub will serve food between 12.00pm and 3.00pm and 5.30pm and 8.30pm Tuesday through Saturday and 12.00pm to 3.00pm on Sundays. The Café/coffee shop within the pub will open between 10.00am and 4.00pm Monday through Saturday.

Ideas which will be considered are weekly Pensioner Lunches (previously very popular in the village) and a Village Night of the week when villagers will be offered a reduced menu for a reduced price. Links will be established with local businesses and organisers of clubs and events (Museum, Residential Home, Caravan Club, Brewer, Bowls, Fete, Shoots, Hunt Meets) to develop joint plans to enhance their activity and increase the pub volumes.

In addition to normal pub activity, it is planned to work with local and national organisations to use the pub to enhance the physical and mental wellbeing of the locals. Organisations contacted to date include 'Walk for Health', The Chatty Café Scheme, Men's Sheds and YANA ("You are not Alone" - addressing the issue of mental health in the agricultural community).

Marketing the Pub launch

The Swan will have been shut for, likely over 3 years, by the time the pub has been acquired and renovated. Long in advance of the launch date the strategy will be expanded taking a coordinated multi-channel approach to build awareness and excitement for the re-launch:

Word of mouth – As a community group, sharing updates in person is most important of all. As a project for Gressenhall we want to ensure every household is aware and can celebrate the opening together. A coordinated approach will ensure that we have virtually complete coverage of our own village. This messaging will be supported by local leafleting and our e-newsletter which at the time of writing has a distribution of over 280 with an opening rate of 70%. In addition, whilst the refurbishment is happening, there are many ways that we can maintain involvement and build excitement by engaging people in the refurbishment. Eg. Clearing out unusable fixtures and fittings, de-weeding the garden, renovating furniture and furnishings.

Print – We will continue to feature prominently in a trio of hyper-local newsletters (Gressenhall News and Views, Link-up, Beetley Buzz). This recognises that social media penetration in the local area is limited compared to national averages and the subscription take up of these publications should not be understated. This will be supplemented with features in local broadsheets (Dereham and Fakenham Times and EDP) and we will seek further coverage in specialist publications (regional CAMRA newsletter), all of which we have an existing relationship.



Social – The White Swan will pre-launch and continue to deliver content, key information and marketing messages via three social media platforms (Facebook, Twitter, Instagram). The committee will support a phased handover of these responsibilities with the manager depending on their proficiency and social media training needs. Partnerships will be key to the Twitter strategy in particular, coordinating with stakeholders (community pub network, Plunkett, local MP) to share important messages at designated times to extend our reach.

Physical – GCE will design and install prominent, branded signage (with necessary permissions) at key locations in the surrounding vicinity of the village. GCE will also leverage existing partnerships with organisations in nearby Dereham (population 30k) and other villages to communicate forthcoming awareness.

Radio/TV – GCE, with the aid of village expertise, will engage with local radio and TV where practically possible to extend our reach.

Our Members and participation

GCE's biggest asset – as identified in our SWOT is our members. Without people buying into the vision, buying shares and getting behind the project – it would never become a reality. But it doesn't stop there.

As a community business GCE aspires to have an engaged and participative body of members. There will be plenty of opportunities in which a member can play a part in the organisation's success:

Attend and vote at AGMs – your opportunity as a shareholder to input on the future direction of GCE

Contribute your time – by being an active member of the **Management Committee**; this is a vital and hands-on way in which you can get involved. Don't be afraid – there is opportunity for training and support; enthusiasm to help is the key ingredient. At the next AGM please any member interested in standing as a member must submit a very short written explanation of how and why they would like to be involved in order to be a nominee

Contribute your time – by being a volunteer, we anticipate particularly in year one to need significant help with helping to run the café, maintaining the garden and helping with odd jobs.

Attend members surgeries – a monthly opportunity for members to meet with members of the Management Committee to raise questions and provide feedback.



Legal, Management and Operational Structure

We have registered with and are receiving advice from the Plunkett Foundation and will continue to use their network to adopt best practice in respect of both governance, management and operations.

A Steering Group was established in December 2018 and a series of decisions made. The current proposal includes:

Legal

Gressenhall Community Enterprises Ltd (GCE Ltd) is registered as a Community Benefit Society (CBS) with the Financial Conduct Authority.

All assets are locked in the CBS and used solely for community benefit with any surplus profits being re-invested in the business or used solely for the benefit of the community as a whole.

The purpose of an asset lock is to ensure that the community benefit of any retained surplus or residual value cannot be appropriated for private benefit of members. Having an asset lock is important as it provides assurance that the surplus ("profit") or residual value (e.g. if the venture was unsuccessful and the assets sold – members would get no more than what they put in and the remaining balance would be invested into a suitable community project) goes to the community and not the members (investors).

Management

The current Steering Group will manage the project up to, and including, the acquisition of the facility, any renovations required, the establishment of the preferred operational structure and any resultant key hiring. At this time the Steering Group will change to a Management Committee which will have the responsibility to oversee the ongoing operation and direction of the business. The Steering Group, management and its committee will be managed in accordance with the Plunkett Foundation model rules and code of conduct.

At each Annual General Meeting, the current management committee will stand down en bloc and individuals may offer themselves for re-election. The new Management Committee will be selected by member's votes (*members being shareholders, each shareholder will have a vote irrespective of amount of shareholding*) on a one member one vote basis.

Management relationship and Governance

Finding the right fit of management team is our number one priority; and failure to identify someone with aligned vision and values is our biggest risk (refer Risks and Mitigation for further info)

Whilst the Management Committee seek to be proactive and involved, it will also seek to empower and trust the decision making of the management team (within the remit of our shared understanding and formalised in a contract of employment).

The contract of employment will be drafted with all key statutory information but will be finalised between members of the committee and the manager, within acceptable parameters, to define the precise set of responsibilities according the areas of support the manager may require.



Within a framework built on trust, there will be a robust governance process which will enable transparency, shared understanding and early diagnosis and action on emerging issues.

In the event that the manager does not meet the values or commercial performance needed to sustain the pub there will be a stepped performance review process.

Operational

The current proposal is for an incentivised manager/chef couple to take over the ongoing running of the pub with oversight and help provided by the Management Committee.

Including the manager/chef couple there will be 3.75 manpower equivalent employees. In addition, it is forecast that initially there will be 30 volunteer hours per week to work in the café and 15 volunteer hours per week for cleaning/minor maintenance/garden work. The volunteer hours required will be determined by demand, but it is anticipated that the number of volunteers will reduce as the pub becomes more established and successful.

The Financials

Investment and Funding

We have an agreement in principle with the owner to purchase the asset for £185,000 subject to survey.

The £140,000 cost for renovation/enhancement has been included at commercial rates although it is hoped that the work will be done at a lower cost through the help of local goodwill and favourable terms.

Breakdown of start-up costs:

Purchase price	£185,000
Renovation	£140,000
Stamp Duty and Solicitor fees	£3,500
Working capital	£21,500
Total	£350,000

Funding is proposed from a number of sources:

Share Offering (See separate Prospectus)	£240,000
Plunkett Foundation Grant	50,000
Plunkett Foundation Matching Loan	50,000
Commercial Loan	10,000
Total	£350,000



The proposed sources of funds are a share offer, Plunkett Foundation Grant (£50,000) and Matching Loan (£50,000) and a Commercial Loan. The target for this share offer is a minimum of £230,000 and a maximum of £260,000. The financials included in the Business Plan assume £240,000 from the share offer and a £10,000 commercial loan which will flex dependent on the actual costs of renovation. The details of the share offer, including the attractive tax advantages, are included in the separate share prospectus which is being targeted for launch in August 2020.

The Share Offer and Tax Relief

In this share offer, individuals (over 16 years of age) and organisations can apply for membership by buying shares at a cost of £10 per share, with a minimum investment of five shares (£50) and a maximum investment of 2500 shares (£25,000) per person or organisation. ***Under Social Investment Tax Relief (SITR), 30% of tax relief will be available for qualifying members on their value of their shares. Our application for this has been successful and GCE were granted Advanced Assurance in December 2020.***

Share issue timetable as follows:

- We have already achieved the Community Shares Standards Mark accreditation and SITR relief.
- We have verbally confirmed a purchase price with the owner.
- June-July – pledging and community engagement and awareness raising work
- Share launch: 20th August 2020
- Share closing date: 20th September 2020 (+ 2weeks extension as required)

Given the effect of COVID-19 the fundraising team will combine **safe face-to-face engagement** (adhering to social distancing), alongside an **enhanced digital presence** across multiple social-media platforms to market the share issue within and beyond the village. Our existing Facebook and soon to be launched Twitter page will be programmed in advance with team support on hand to handle queries from interested parties. The fundraising platform, Crowdfunder, will also be used to provide support throughout September based on their significant experience advising similar pub groups. This will enable us to harness the reach and support of various partners including – ‘More than a pub’ partners, local businesses, our local MP and other community pubs.

Renovation Works Plan and Costings

The purchase price (£185k) in its current state reflects the very limited investment the property has received in the past 25 years. If it was in better condition; the purchase price would be higher, and the anticipated refurbishment would be lower.

It is vital that our community makes the necessary upfront investment to make it fit for the future.

Apart from the fundamental repair and refurbishment required, the planned works would give the pub a fresh new look-and-feel, making it more spacious and reimagining people's impression of the Swan which has for some years been tired and pokey.



The important aesthetic changes we anticipate making are as follows:

- ⇒ Reposition main entrance to centre of the property, walking in directly in front of the bar
- ⇒ Add a gabled porch onto the repositioned front entrance with DDA access
- ⇒ Replace flat roof above WC's with gabled roof to create enhanced feeling of space for diners and drinkers - with open beams and high arched ceiling down the left-hand side of the pub
- ⇒ Reopen closed fireplace to North side
- ⇒ Demolition of Southern fireplace and chimney stack
- ⇒ Removal of non-supporting walls between previous bar and restaurant areas to create increased feeling of space
- ⇒ Refurbishment of WC's including DDA compliance

A market rate costing of each component of the works schedule is contained below as follows:

<u>Works schedule</u>	<u>EX VAT (£k)</u>	<u>INC VAT (£k)</u>	<u>Clarification / scope</u>
Roof	£ 25.2	£ 30.2	Strip, re-felt & baton existing roof and re-tile. To include flashings and gutters. New pitched roof above WC's below existing roofline. New gable to rear exit, exposed ceiling height to new roof.
Electrics	£ 16.7	£ 20	Re-wire + new fittings + consumer unit etc
Plumbing & heating	£ 15.8	£ 19.0	Strip out 70% existing and reconfigure. New boiler etc but re-use existing pipework, cylinders and tanks where possible. New sanitaryware.
Builders works	£ 25.0	£ 30	Demolition of one chimney stack and fireplace, remove wall from WC corridor, move door, expose fireplace, new gabled porch + other general works
Windows & Doors	£ 12.5	£ 15	Replacement of all external windows & doors. UPVC windows to RAL + softwood doors (or reclaimed where possible)
Commercial kitchen	£ 12.5	£ 15	Based on 2nd hand equipment
Specialist Joinery	£ 6.3	£ 8	Bar etc
Interior decors	£ 4.2	£ 5	Furniture inc salvaged and 2nd hand, new carpets, fittings
Groundworks & Landscaping	£ 3.8	£ 4.5	Drains, garden, fencing, picnic tables etc
Decorating inside & out	£ 3.3	£ 4	
Misc	£ 2.1	£ 2.5	Planning application, building reg fees etc
Contingency @ 10%	£ 13.3	£ 16	
Total:	£ 140	£ 168	



Key points of note regarding the table above:

1. These are an indicative set of costings which have been reviewed by experienced design consultant and property development professionals.
2. Costs are based on external and ground floor assessment only and are subject to a further survey.
3. All costs are indicative to the extent any offer made to the owner would be conditional on a structural survey

As part of our **environmental commitment** the refurbishment work will be delivered as **carbon net zero** using a recognised international reporting methodology. Reclaimed and upcycled materials will be prioritised to fulfil this aim, and the surplus carbon will be offset by a local tree planting agreement.

Financial Forecasts (post-purchase)

Profit and Loss

Initial predictions show a first full year pre-tax profits (before share interest) of £3,642. The key assumptions have been derived from a combination of sources, most notably the last two years actual results from the Kings Arms, Shouldham which became a Community Pub in 2014 and the last three years of actual results from the Swan when it was last highly successful before the financial crash.

The key assumptions and comparisons are shown below:

- ⇒ Wet/dry ratio* of 60/40, compares to KA of 47/53 and previous Swan of 68/32. It is anticipated that the projected ratio will move closer to 50/50 when the food capacity restrictions are addressed and the previous reputation for good food is reinstated, attracting visitors from outside the village. (*“Wet” = drinks, “Dry” = food)
- ⇒ Revenue (exc Café) of £161k, compares to KA of £499k (third year) and previous Swan of £183k after adjusting for inflation
- ⇒ Overall margin of 60%, compares to 60% for KA and 56% for the previous Swan
- ⇒ Wages (exc managing couple) at 19.9% of turnover compares to 15.6% at the previous Swan. KA not available at this level of detail

Staffing levels – have been set at a level to provide a high standard of service, deliver sustainable revenue that will grow over time but balanced to also manage the cost base and providing suitable staff welfare.

The staffing costs in this business case allow for:

1. One person covering the bar at all times the bar is open
2. One chef covering all times that food is served plus 2 hours a day (six days a week) preparation
3. One person helping (covering bar and serving) during evenings and Sunday lunchtime when food is served.
4. Holiday cover for above

This aligns closely with the structure adopted by tenants managing The Swan during periods when it has traded profitably.

Other overheads (exc fin, dep) at 17.0% of turnover, compared to KA 12.0% (much higher turnover) and 14.6% for the previous Swan



THE SWAN – First Full year P + L

TURNOVER			£s	GP %	
DRINK			97380		
FOOD			64920		
CAFÉ			6500		
TOTAL			168800		
<u>COSTS OF SALES</u>					
DRINK			38952		
FOOD			25968		
CAFÉ			1495		
TOTAL			66415		
<u>MARGIN</u>					
DRINK			58428	60	
FOOD			38952	60	
CAFÉ			5005	77	
TOTAL			102385	61	
<u>EXPENSES</u>					
SALARIES AND WAGES			62014		
UTILITIES(a)			9988		
INSURANCE(a)			1572		
STATIONERY			1000		
TELEPHONE AND COMPUTER CHARGES			1318		
FEEs inc ACCOUNTANCY©			2500		
STOCK TAKE COSTS			1000		
EQUIPMENT HIRE			500		
DEPRECIATION			2083		
MAINTENANCE AND RENEWALS©			4000		
CLEANING AND WASTE DISPOSAL			1200		
PROTECTIVE CLOTHING/UNIFORMS			100		
LICENCES			900		
SUNDRY			1000		
ADVERTISING/SALES PROMOTION			1500		
CREDIT CARD CHARGES(b)			1006		
BANK CHARGES			300		
MGT PROFIT SHARE			3642		
FINANCING COSTS			3120		
TOTAL EXPENSES			98743		
<u>PROFIT PRE TAX</u>			<u>£3642</u>		



Success hinges heavily around customer numbers and ultimately revenue. The expressed goodwill of the village should give an immediate boost which will be maintained if their experiences match or exceed their expectations. In this respect, the extent and quality of the renovation work and appointments of chef/front of house are crucial to the creation of customer critical mass and the atmosphere necessary for sustainability and growth.

It is forecast that years 2 and 3 will benefit from an increasing number of customers from outside the village as word of mouth spreads and the marketing plan targets specific areas. We have included a modest revenue growth which improves pre-tax profits to £13,000 and £24,400 respectively. This does not include either any impact of inflation or any interest payments to Society members.

Cash Flows

Early years cash flows will be heavily influenced by the amount of loan repayments. Our initial projection assumes £75,600 of loan repayments (plus interest) over the first 5 years.

The monthly cash flow forecast shows positive cash throughout the initial purchase and renovation stages and ends the first full year of trading at a positive level of £3,992. Projected years 2 and 3 indicate that sufficient cash will have been generated to allow the start of interest payments to shareholders at the end of this period.

It is not until the long term loans are paid off (during year 5) that the Society will be in a financial position to permit the maximum allowed shareholder withdrawal level of 10% per annum unless replacement capital is acquired.

Key assumptions made are:

- ⇒ The property is purchased at £185,000 plus VAT
- ⇒ The share issue raises £240,000
- ⇒ The £50,000 grant and £50,000 loan from the Plunkett Foundation is available 4 months after the property acquisition
- ⇒ It takes no longer than 12 months from property acquisition to complete renovation and start trading



Risks

Risk	Mitigation
Insufficient capital raised	If the shortfall was caused by a lower than anticipated take up of the share issue then we would extend the time for take up, increase the scope of marketing the share issue and, if necessary, look to other sources for financial assistance. eg other grants.
Unable to recruit a suitable managing couple	Rigorous recruitment and interview process. <ol style="list-style-type: none">1. Awareness - Ensure wide awareness by advertising the vacancy through supported campaign working with partners, investing in targeted Facebook advertising and multiple job search engines (e.g. Jobsite).2. Appeal - GCE will utilise executive PR expertise provided by a local resident to help communicate a compelling opportunity to be the heartbeat of an exciting community project, with competitive pay and on-site accommodation package in a vibrant, supportive and friendly village.3. Candidate suitability - GCE's Management Committee will use a considered interview process to identify people who have the skills and values to succeed in this crucial role.
The manager/chef becomes seriously ill or departs at short notice	Use trained volunteers to maintain a reduced service and opening hours whilst contacting the Community Pub Network for a short-term secondment opportunity for an Assistant Manager. Initiate a full recruitment process
Sales incomes fall below projections	Compare actual product delivery to that specified in the Village questionnaire results and improve/adjust where appropriate. Review the marketing plan to ensure that all potential target areas have been covered. If sales do not improve, review the cost base, including opening hours and staffing levels.
That the Society goes into liquidation	Attempt to dispose of the property as a Pub or for some other use if not. Secured and unsecured creditors would be paid off first and shareholders last. It is hoped that the sale proceeds would be sufficient to fully pay back shareholders but there is no guarantee of this.



Appendices

Appendix item: Local clubs, groups and businesses who support us:

Local Community Group Leaders who support *Save our Swan*

"We believe it is important to our local community group that Gressenhall keeps key local assets such as The Swan open. We are fully supportive of the initiative from the village to ensure it survives and believe it could indeed thrive under a community ownership model. We would foresee scope for partnerships between us and a community-owned pub, that would further strengthen the community spirit in Gressenhall."



Jenny Blog, Gressenhall Pop Up Cafe



Gressenhall Art Club & Gressenhall Art Group



Jane Roberson, The Gressenhall Singers



Barbara Sanderson, Beetley Friends and Neighbours



Douglas Curd, Neighbourhood Watch



Ann Haverson, Gressenhall Community Car Scheme



Danny Utting, Fete Committee



Sarah Darnell, Gressenhall Wildlife and Photography Group



The Gressenhall Bell Ringers



Gressenhall Gardening Club



Reverend Julia Hemp, Vicar of St Mary's Church



Gressenhall Bowls Club

Local Businesses who support *Save our Swan*

"We believe it is in the interests of both local businesses and the community that Gressenhall keeps key local assets such as The Swan functioning. We are fully supportive of the work being done by the steering group to try and ensure it survives. It could indeed thrive under a community-ownership model."

NORFOLK WOODS AND HEDGES LTD



GORGATE LTD



R W Duffield Builders Ltd

Gressenhall Post Office & Village Store





Appendix item: Our commitment to social impact

We know from both local conversations and widely published research that there are significant social, mental and physical health benefits associated with having a local village pub. We are working with a number of partners to ensure these are well delivered for the needs of our village.

Innovating on Impact			
	Issue area	Partner	Why innovative
	Healthy bodies, healthy minds, new friendships	Walk for Health – a national walking network run by Ramblers	Serve as an inclusive and new means of getting Gressenhall active together, whilst enjoying our beautiful countryside. To be based out of our hub with a Lead identified.
	Loneliness	The Chatty Café Scheme – a national network of venues providing a table for customers Who would like to talk to others	Become the first UK pub to join the scheme, allocating a 'chatter and natter' table for people to talk.
	Mental Health	YANA 'You are not Alone' – an East Anglian founded project to provide support to the agricultural community about depression and mental health issues	Become the first UK pub to partner with YANA to raise awareness and promote conversation, well-placed to pioneer in a community steeped in farming tradition.
	Social cohesion	Woodstock Care Home – a Gressenhall residential home	Co-deliver events for both residents and the wider village. Their coordinator recognises the appetite to have entertainment locally outside of the home, with some scope to engage with village residents - there is limited scope to do this currently.

Support & engagement from social issue specialists & thought leaders

"I first visited the Gressenhall Swan 40 years ago, so am especially pleased to see moves to save it from closure through community ownership. Norfolk has a growing cohort of community businesses, all successful, all part of a growing national movement. I'm going to watch this one with real interest."

Robert Ashton, social entrepreneur and member of the Power to Change Community Business Panel



"We wish Gressenhall Community Enterprises the best in their endeavours;

we have been very impressed with their exceptional standards in the work done to date"

Jeff Hoyle, CAMRA West Norfolk



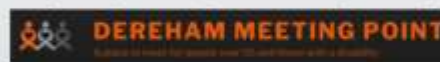
"We know from previous and current research that loneliness and social isolation can become a problem for adults of all ages, including older people. Community pubs such as The Swan, could potentially play a significant role in alleviating loneliness for pub-goers and helping people to build social connections with others."

Dr Paul Willis, Senior Lecturer - University of Bristol, undertaking ongoing research into older men's experiences of loneliness and social isolation



"Meeting Point consider this establishment to be an essential hub for meeting needs of socialising and maintaining well being for the older members of the community."

Jan Phillips Vice-Chair of Dereham Meeting Point



"LOVE IT! Ambitious, visionary, inspired, inclusive and professional from the GCE group."

Claire Kennedy, TEDxExeter Licensee and Organiser





Appendix item: Committee profiles

Alexander Begg – Chair

Alex is a chartered management accountant (ACMA) with experience across the private, public and charity sectors in finance, investment and project management capacities. His recent professional experience includes working for a social investment institution that helps to grow and support the community business sector. Alex is passionate advocate of pubs and community owned business in Gressenhall and beyond

Mary Turner-Jeong - Secretary

Mary has wide ranging experience in social justice, advocacy & mental health. With a Masters Degree in Social Work she has worked with children in care, the criminal justice system, asylum seekers and in a Palestinian Refugee Camp. In addition, she spent 25 years in the USA where she home educated her daughter and ran the family real estate business. As secretary of Gressenhall Community Enterprise, Mary brings a wealth of experience, commitment and energy to the campaign and has led our social-impact sub-committee.

Maggie Willmore – Minutes Secretary

Maggie is a relative newcomer to Gressenhall, having moved to the village with her husband in 2011. She held various PA roles in London and South Africa before returning to Norfolk and working at Bernard Matthews. While bringing up her family she had a number of posts in primary schools in Norwich which eventually led to 11 years as a School Secretary at a large infant school until 2016. She is currently Membership Secretary/Treasurer of the Friends of Gressenhall Museum. In her view the presence of a village pub provides a vital social support for people at all levels as the heartbeat of the community.

Joan Armstrong and John Booker - Industry Experts

Joan and John are Gressenhall residents of over 25 years with combined pub management experience of over 35years; including successfully running The Swan in 2001-2004. Many residents recollect the fond memories and great service during Joan and John's tenure before they retired from the trade. We are privileged to have them on call with unrivalled knowledge of how to manage a pub business in Gressenhall successfully. As much as we would love to we have assured Joan we won't be begging her back into the kitchen!

Pamela Neile – Treasurer

Pamela moved to Gressenhall twenty-two years ago with her husband, daughter and elderly mother and quickly became an active member of the community. She retired in 2007 from her role of twenty years plus as Personal Assistant to the head of BUPA Hospital Norwich. Pamela brings strong administrative and organisational skills to the group and alongside this has for over ten years has been producing the Gressenhall News and Views monthly magazine. She is passionately committed to the re-opening of the The Swan public house, recognising the positive impact on the community it will have and the wide range of services and activities it can offer all inhabitants of the village, young and old.



Rosie Begg – Marketing

Rosie's family have lived in Gressenhall her whole life. Rosie has a degree in Business Management and after working in London for six years gaining experience in Finance, Restaurant PR and Marketing she decided to return to run her family's Gressenhall farm in 2018 as Head of Farm Strategy. Rosie is Trustee of The Brian Cross Memorial Trust and has helped the charity raise £900,000 for research into brain tumours. She considers herself lucky to live in such a picturesque village with such a breadth of activities and deep sense of community

Ryan & Hannah Seymour – Website and Social media

Ryan has over 10 years of experience in designing and building software and websites. He studied Computer Science at Anglia Ruskin University, and since then has set up a business in web design. With clients ranging from hotel chains to local pubs, he shares his knowledge and experience with the committee.

Hannah's background is in marketing where she briefly worked as a freelance copywriter. She is now pursuing her dream by training to be a Speech and Language Therapist.

Both Ryan and Hannah love helping and attending the fundraising events and are really passionate about seeing the pub in its full potential.

Anton Crisp - Events & Parish Council liaison

Anton has lived in the village all his life. Anton owns and runs a local family farming business and has served on the parish council for the last 15 years. He brings a wealth of local knowledge from his local networks.

Nick Saunders - Events & Parish Council liaison

Nick has lived in the village all his life. Nick owns and runs a local forestry business and has served on the parish council for the last 3 years. He brings a wealth of local knowledge from his local networks.

Seconded for Business Plan and Prospectus development:

Nick Hird is a retired management accountant who has lived in the village with his wife for 17 years. He started his career and studying with Ford Motor Company (Tractor Division) and progressed during his 19 years to hold a number of senior finance roles including Financial Analysis Manager and European Pricing Manager. He subsequently moved to other companies, JI Case and British Airways, where he continued to hold senior management positions, primarily financial, until retiring at the age of 51.



About the Standards Mark

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

These standards ensure that:



- The offer document and application form are easy to understand
- You are provided with all the facts you need to make an informed decision
- The facts are supported by the annual accounts and/or business plan for the society
- Nothing in the documents is purposefully incorrect, confusing or misleading Societies are asked to sign a Code of Practice requiring them, among other things, to give the public a right of complaint to the Community Shares Unit.

For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to: communityshares.org.uk

Further information

Additional documents available on request via email communitypubgressenhall@gmail.com:

- 3 year P&L, cash flow projection and balance sheet



Visualisation of our future community pub, The White Swan post-refurbishment.