



## Sir Walter Raleigh Business Community Pub

### Business Plan 2022

This plan set out our vision for the future of the Sir Walter Raleigh as a community owned pub. It should be read in conjunction with the share offer documentation. All this information is available on our website [www.sirwalterraleigh.co.uk](http://www.sirwalterraleigh.co.uk)



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- 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

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## 1.0 Executive Summary

The Sir Walter Raleigh (SWR) is a public house that has served the community of East Budleigh and beyond since at least the beginning of the 20<sup>th</sup> century. It is positioned in an enviable location at the heart of the historic core of the picturesque village of East Budleigh and well-placed within an Area of Outstanding Natural Beauty popular with a wide range of visitors. The pub is for sale and the current owner is keen that the community is provided with an opportunity to purchase the pub.

A Steering Group was formed to purchase the SWR and transform the business into a thriving community-owned pub that is a social hub run for the benefit of everyone who lives, works in and visits East Budleigh. We are pleased to have agreed a price for the property and fixtures and fittings with the current owners which is in line with the professional valuation. The plan is to complete the purchase in March 2022.

This document presents the business plan. It is our aim to raise sufficient capital to purchase, refurbish and operate the SWR, as a community-owned pub, staffed by a mixture of employees and volunteers.

The project is being run by a diverse and highly skilled team who bring a wealth of relevant experience. We are launching a community share offer, to give the community the chance to buy shares in SWR Community Pub Ltd. Shareholders will have a stake and a say in the future of the pub. We have carried out extensive community engagement and market research and it's clear that this vision has the whole-hearted support of the village who have enthusiastically committed to investing, volunteering and using the new community pub.

We require £375,000 to purchase, refurbish, reopen and secure the future of the SWR. This will primarily be sourced from the share offer and a commercial loan. Further funds will be required in future years to carry out refurbishment and extend the public area.

Community ownership is an increasing reality for many pubs in the country. We believe it is the best option for the SWR to remain secure in our community now and for the generations of East Budleigh residents to come.



## 2.0 Background

### 2.1 Introduction to East Budleigh and the Sir Walter Raleigh

East Budleigh, the birthplace of Sir Walter Raleigh, is a large compact village of around 900 residents located in East Devon. It is approximately 2 miles north of the coastal town of Budleigh Salterton and 6 miles east from the larger settlement of Exmouth and 5 miles to the West of the coastal resort of Sidmouth. The village has a historic core with a designated conservation area, numerous listed buildings and a range of facilities. More modern housing has been constructed on the edges of the village but is well integrated. The Sir Walter Raleigh pub (SWR) sits at the heart of the historic centre. It is currently the only operational pub in the village.

The local environment is extremely high quality, recognised in the national designation of the whole Parish in the East Devon Area of Outstanding Natural Beauty (AONB). Less than 2 miles to the west of the village lie the internationally important Pebblebed Heaths. To the east of the Parish are the Otter Estuary, the Otter Estuary SSSI and the World Heritage Jurassic coast.

The quality of the natural and built environment make the village an ideal destination for retirees, holiday makers and second homeowners alongside scores of walkers, cyclists and nature enthusiasts. The economically active rate is lower than average due to the high proportion of retired residents (approximately 50 per cent). Of those economically active, there is a higher-than-average proportion of the population who are self-employed or work from home. The population is highly qualified, and a high predominance of people is employed in professional or managerial positions. Within the village there is a high level of community spirit and willingness to engage in civic and social action. This is demonstrated in the highly successful village shop, now in its 14th year of trading.

The Sir Walter Raleigh pub was originally two cottages dating back to the 16<sup>th</sup> century. The building was extensively refurbished in the late 18<sup>th</sup> century and converted to a public house in the early 20<sup>th</sup> century and has served the community ever-since. Originally named the Kings Arms it became the Sir Walter Raleigh in 1967.

The pub is attractive and forms part of a cohesive group of mainly cob and thatch buildings. Although compact inside there is considerable potential to increase the size of the pub to offer additional dining space and improve access. Importantly, the pub has a three-bedroom flat above, ideal for a pub



manager, or potentially, to provide additional income as bed and breakfast accommodation.

Over the years the pub has played a vital role in East Budleigh life as a hub that strengthens community relationships and encourages wider social interaction. It has also made an important contribution to the local economy.

Although trading has suffered as a result of the current pandemic the importance the community places on a thriving and successful pub is demonstrated by the overwhelming support that the community has shown for the proposal to convert the pub into a community owned pub and to support a pub that offered a broader range of services and activities.

### **3.0 Vision and values**

The organisational vision for the SWR sets out what we hope to achieve and will provide a shared purpose and direction to everyone involved in the SWR.

Our vision is to transform the Sir Walter Raleigh (SWR) into a thriving community-owned pub which is a social hub run for the benefit of everyone who lives, works and visits East Budleigh.

Based on this vision we have a set of values that will guide how we operate.

- We will be open, transparent, and accountable in how we lead and manage the SWR.
- We will be inclusive, fair, caring, and supportive of everyone who visits, works, volunteers, or invests.
- We will be proactive and adaptable in how we manage the business to ensure that the SWR has a long-term future.
- And we will do everything we can to make the environment surrounding the SWR enjoyable and enriching for everyone.

### **4.0 Strategic objectives**

The Steering Group has undertaken a SWOT analysis (Appendix 2) to help determine its strategic objectives. The strategic objectives are then set out to maximise the strengths and opportunities and counter the weaknesses and threats. Based on our vision and values and the SWOT analysis we have set ourselves our strategic objectives.



#### **4.1 We will be ‘more than a pub’**

The SWR will be ‘more than a pub’ and will specifically aim to increase the ‘social capital’ in the village. Social capital is the network of relationships among people who live and work in a particular society, enabling that society to function effectively.

In East Budleigh there is a clear need in the village (demonstrated by our community engagement) for a social hub that meets the needs of a broad range of the community. We will offer a café in the mornings and provide an attractive venue for people and groups to meet and hold events such as lunches and coffee mornings. We have a specific role on our committee leading on community outreach who will design services to meet the needs of isolated members of the community. Initial ideas include clubs specifically aimed at carers and dementia sufferers, the those living alone and parents of young children.

Within East Budleigh we already have great volunteering opportunities in the village shop, and the SWR will help further these opportunities. Volunteering opportunities were set out in our ‘pledge’ document but will include bar work, kitchen assistance, working in the coffee shop, offering lifts, administrative support, cleaning, maintenance and leadership of events and clubs. Our experience in the village shows that volunteering helps individuals gain confidence and can have a real and valuable positive effect on people and the community. It helps break down barriers in society and establish new friendships. Importantly, it can also enable individuals to learn new skills that can lead to qualifications and paid work. Our marketing plan specifically includes reference to encouraging new volunteers potentially looking to meet the needs of the DofE award.

#### **4.2 We will provide benefits to the local economy**

The pub will employ a manager and a chef (recruitment is already underway) and potentially a further member of staff. Although we are seeking knowledgeable and skilled staff, equally important will be ensuring that they share our values and provide a friendly welcome to all. We will support the continued development of staff members and volunteers by providing relevant training opportunities.



Another important contribution we can make to the local economy is through our supply chain. We will develop links with local suppliers and wherever possible source locally produced products. This will strengthen the role the SWR plays in the local economy and help reduce our overall carbon footprint.

Although there are an increasing number of visitors to East Devon and, specifically to East Budleigh, there are relatively few places to stay on a short-term basis (i.e. bed and breakfast accommodation). The pub offers the opportunity to refurbish the flat to meet this need. This will depend on whether the management team requires the flat as residential accommodation.

#### **4.3 We will maintain and improve the historic asset**

The pub is listed as a Grade 2 building and forms an important part of the conservation area. Any changes to the building (inside or outside) will require the relevant approvals from East Devon District Council and, specifically, listed building consent.

We plan a major refurbishment of the pub and to extend the public area by approximately 70 per cent. This refurbishment will need to be sympathetic to the historic character of the building and use appropriate materials. But we are confident that with the right professional advice the plans will significantly enhance this historic asset. Importantly we will ensure that any refurbishment improves the accessibility for disabled people.

#### **4.4 We will offer great value and be affordable**

We aim to give our management team considerable discretion in shaping the offer to ensure that we adapt quickly to customer demand. But our management team will be guided by our values and strategic objectives. We will offer great value and quality and ensure that we remain affordable to all.

We will continue to build on the SWR's reputation for well-kept local beers, lager, and ciders. We aim to improve the food offering by reducing the total number of choices available and focussing on good quality locally sourced pub food with good vegetarian and vegan options. Our pricing policy will be broadly similar to other local pubs, and we have provided an initial indication in our pledge document.

#### **4.5 We will put the environment at the heart of everything we do**



The impacts of climate change are already being experienced in East Devon. We will improve the environmental performance of the business through measures to reduce energy and water use, product sourcing and encouraging where possible the local community to walk to the pub. The pub will provide an excellent opportunity to exchange views and information about environmental issues, including flood risk and community resilience.

#### **4.6 We will look after the health, safety, and wellbeing**

We want everyone who works, volunteers, or visits the Sir Walter Raleigh to get home safely at the end of the day. We will ensure that the SWR offers a safe working environment and that risks are appropriately mitigated. We will treat all staff, volunteers, and customers with dignity, and we will respect and celebrate difference.

### **5.0 Project Progress to February 2022**

#### **5.1 Formation of Founders' Group**

The SWR has been on the market for some time as the current owner wishes to retire. In April 2021 the owner approached the community (via the Parish Council) to establish if there was any appetite in the village for a community-owned pub.

Derek Wensley, Chairman of the Parish Council gathered a small group of residents to form a Founders' Group. Derek and Judith Venning in particular did a great deal of work to get this project moving and we are very grateful to them for their contribution. Others involved with the Founders Group were Mike Walters, Maria Malinowska, Stuart Laws, Dale Hinton, Tony Venning, Jim Bick, John Neligan, Mark Duffelen, Paul Smith and Phil Parrot.

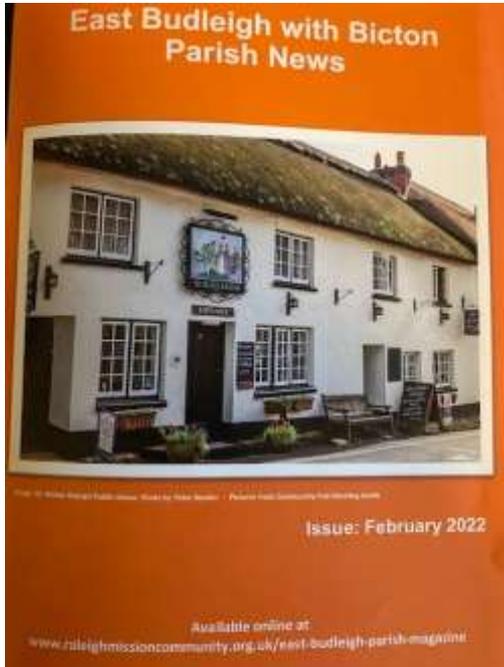
#### **5.2 Market research and community engagement**

During 2021, the Founders' Group undertook research and community engagement. This included seeking advice and guidance from the Plunkett Society ([www.plunkett.co.uk](http://www.plunkett.co.uk)) and visiting other community pubs in Devon.

The Founders' Group sent a survey to every household in the village to understand the level of interest within the community for a community-owned pub. This survey was promoted in the Parish Magazine, and articles outlining the outcomes of the survey and providing updates to the community have



featured monthly throughout 2021-22. A dedicated website was also established to provide the latest news to the community.



The results of the survey provided a clear mandate from the community that a community owned pub had broad support within the village. Of over 200 respondents (with a 43 per cent return rate) there was 100 per cent support for the concept of a community owned pub and 75 per cent said they would either volunteer or be a shareholder or both. Importantly the survey also provided a mailing list on which to base further communications and engagement. As a result of this overwhelming level of support both East Budleigh Parish Council and our district councillors lent their support to the idea.

### 5.3 Formation of Steering Group

The initial offer by the village to buy the SWR was rejected, and the project stalled. It was decided to try a new approach and a new Steering Group was set up in a final attempt to acquire the SWR as a community asset. The members of this group have worked together, with additional support from others, to bring us to the point where we hope to have acquired and re-opened the pub before Easter 2022.

### 5.4 Launch of the community pub and call to action

The most significant community engagement event was on 16 January 2022 when Mark Duffelen (Chair of the Steering Group) outlined the broad concept for a community owned shop. Using contact emails from the initial survey and a leaflet drop to every household the event was effectively promoted and the village hall was packed, with some villagers forced to listen from the outside,

The objective of the public engagement event was a clear 'call to action'. Residents were given until 28 January 2022 to





'pledge' their support in three ways. Firstly, to purchase shares in the Sir Walter Raleigh Community Pub Ltd, secondly to volunteer and finally to commit to using the SWR and to provide the committee with an indication of average monthly spend. Residents were asked to fill out another form and return to the Committee.

The pledges received to date demonstrates clearly that community ownership of the pub, proposed initially in 2021, has great support within the community. As of February 2022, the community has pledged to purchase £300,000 worth of shares, potentially providing the capital needed to purchase the pub. The total number of 'pledged' shareholders is well over 221.

The pledges also demonstrated that a model in which villagers have a stake in the pub will drive increased use of the pub. The community has indicated that they will spend over £17,000 per month excluding VAT which ensures that our business plan assumptions are robust.

## **5.5 Conveyancing**

In December 2021 the Steering Committee commissioned professional support (MJD Hughes) to conduct a business valuation. An offer based on fair market value was made and accepted by the current owners. As part of the due diligence work appropriate surveys have been completed (structural, drainage, asbestos, electrical, gas and fire safety).

The Steering Group is now working with professional partners to complete the conveyancing process and purchase the premises plus fixtures and fittings and stock by the early March 2022.

## **5.6 Promotion of the Share offer**

As outlined previously community ownership of the pub has clear support within the village and a considerable amount of work has been done already to promote the share offer. But it is essential that we turn these pledges into share ownership.

To do this we will direct mail each household (week commencing 14 February 2022) with details of the share offer and a copy of this business plan. To make this process as simple as possible for members of the community, the direct mail will be personalised with a simple way of paying for the pledged shareholding, either by BACS or by cheque for those who prefer.



## 5.7 Legal arrangements

The Steering Group has established the SWR as a Community Benefit Society, registered with the Financial Conduct Authority (SWRCBS). The constitution and governance of the SWRCBS is set out in the Society Rules which are based on the Plunkett Foundation's model rules and available on the website ([www.sirwalterraleigh.co.uk](http://www.sirwalterraleigh.co.uk)). This is important as it will shape the way the SWR operates and is reflected in the vision, values and strategic objectives set out below and in the share offer. The purpose of a community benefit society is to serve the broader interests of the community. In the case of the SWRCBS members of the Society will hold shares and have democratic rights based on the principle of one member one vote regardless of the level of financial investment.

Another advantage of a CBS is that all assets are locked in the CBS and any surplus profits are either reinvested 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 the private benefit of members. Having an asset lock is important as, with the exception of interest, shareholders are unable to take out more than they have put in. In the unlikely event the business had to be wound up or liquidated any surplus would be invested in the local community.

## 5.8 Management and Governance

The Steering Group will form the basis for the first Management Committee of the Community Benefit Society and will be elected by the three founder members. It will be responsible for overseeing the ongoing operation and direction of the business, and the relationship with the employees and volunteers. But day-to-day operational management of the pub will be the responsibility of an employed manager who will manage the staff, both paid and volunteer. The manager will be line managed by the chair of the Management Committee.

The Management Committee will be run in accordance with the SWRCBS rules code of conduct and will manage the project up to, and including, the acquisition of the property, any initial renovations required, the hiring of key staff and oversee the first year of trading. There will be an Annual General Meeting before June 2023, and at this meeting the current Management Committee will stand down *en bloc* and individual members may offer themselves for re-election. Members wishing to join the committee can offer themselves for election at this meeting. The new Management Committee will be elected 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. All members will be provided with the Annual Report (which will include a social impact report) and Accounts outlining the previous year's work. We will also run regular surgeries to meet the members of the Management Committee to talk about the pub and provide feedback on the pub's performance. Members may participate in discussion and decision-making at general meetings and vote at the election of the Management Committee at the Annual General Meeting. The Rules of the Society provide a number of ways in which the membership may hold the Management Committee accountable for running the Society, including the call for a special general meeting. A copy of the Rules of the Society is available on the website [www.sirwalterraleigh.co.uk](http://www.sirwalterraleigh.co.uk). A hard copy can be provided on request for those without internet access

Profiles and responsibilities of the Management Committee are included in Appendix 1.

## **6.0 Financial information**

### **6.1 Initial capital funding requirements**

The purchase of the SWR will be funded from a mixture of share investment and loans. Members of the community have indicated their willingness to provide bridging finance on a short-term basis (on which they will receive a commercial rate of interest) if the finance is not in place when we complete the purchase. We estimate that we require £375,000 to cover the purchase of the property, fixtures and fittings, initial refurbishment, EPOS system and a small amount to cover contingencies. This cost covers all expenditure required to allow full trading including.

### **6.2 Grants and Other Sources of Funding**

We have budgeted income from grants and donations each year. In our second year of operation, we intend to use the funds to extend the public area, turning existing storerooms and toilets into an extended bar/ restaurant area, with the toilets moving to a new extension. To do this we will require planning permission and listed building consent and the cost is estimated over £100,000. We anticipate that additional revenue grants will be made available to support other initiatives like access for people with a disability, and technology that supports environmental initiatives.

We are exploring potential funding sources including the Community Ownership Fund administered by the Department for Levelling Up. Funding might also be available from Devon County Council's Elevation Fund or from



the National Lottery. We also plan to apply for donations via local charitable trusts.

Table 1 below outlines the initial funding requirements

Property purchase and legal fees	310000
Fixtures and fittings	10000
Renovation	45000
Working capital/contingencies	10000
<b>Total</b>	<b>375000</b>

Based on the pledges received we are confident that most of the initial capital expenditure can be covered by the community share investment. New pledges are still coming in and we are now at £300k. It is possible that share purchases may fall short of the pledges but on the other hand we are still receiving new pledges every day. In any event, we have sufficient flexibility in the proposed commercial loan to accommodate any shortfall

Table 2 below outlines the capital funding requirements for the initial capital purchase of the SWR.

<b>Funding Source</b>	<b>(£)</b>
Expected Community Share investment	300,000
Loans	75,000
<b>Total</b>	<b>375,000</b>

### 6.3 Financial Projections

Detailed financial projections are included in Appendices 3-5. These tables are detailed but importantly indicate that we expect to make a net profit after tax from year one.

At the current time it is difficult to make confident financial projections. Even when not subject to lockdowns many customers have stayed away whilst the threat of catching Covid persisted. In more normal times current and historic trading figures would be a sensible basis for predicting future sales.

The amount people have pledged to spend following the public meeting has been used as a basis for our sales forecasts. The figures indicate that the 200+ who have responded intend to spend £17,000 per month excluding VAT.

Based on past business performance (information provided from the current owners) we know that that the pub will benefit from one-off events and that



sales increase substantially during the summer months when there is an influx of visitors (including tourists and second-home owners). This has been reflected in the seasonally adjusted projected sales.

Our predicted sales are conservative estimates. We have not included any allowance for additional sales from special events such as themed evenings, weddings, funerals, club dinners or potential rental income. We would also hope to attract local trade from neighbouring communities which has not been captured in our survey. A note of caution is important, if actual sales were to be 10 per cent lower we would no longer be cash positive.

In summary we believe that the projected sales are realistic and achievable. The key will be to create a thriving social hub so that people keep returning.

#### **6.4 Gross Profit**

We have estimated the gross profit by benchmarking similar pubs and consulting people with extensive experience in the licensed trade. A gross profit of 60 per cent has been used which we are advised is a conservative estimate for a free house and considerably lower than that achieved by the current owners. We would still be cash positive if we only achieve 55 per cent.

#### **6.5 Overheads**

Overheads have been calculated by extrapolation from historic data. Most of the overhead costs don't directly depend on the level of business and are therefore fixed costs so this estimate should be reasonably accurate.

Included in the financial projections are the budget for the cost of a chef and manager at the higher end of the remuneration packages for this type of position. Getting the right team is a very important factor in making the pub a success so that may cost above average.

#### **6.6 Cash flow**

Having secured pledges of £300,000 from prospective shareholders we intend to take a commercial loan of £75,000 to cover our day 1 costs (see Appendix 3) and give a cushion against any contingencies. Cash at bank at the end of year 1 is £89,995, reducing to £48,153 in year 2. At the end of year 5 we expect a cash position of £27,630 after payment of interest and funding of withdrawals. The cash balance is after providing for repayment of 10% of the share capital in years 4 and 5.

The financial forecasts show that we will be able to meet our commitments and stay cash positive for the next five years.



## 6.7 The future

If we can meet our anticipated levels of profitability, we will be able to pay interest to shareholders from year 4 onwards. Our rules permit us to pay up to 2 per cent over the Bank of England base rate capped at a maximum of 5 per cent. We also expect to generate sufficient cash to begin to redeem up to 10% of the share capital at the same time. This is not guaranteed, and the Management Committee will decide each year if it is affordable.

We hope to extend the pub after 12 months and significantly increase the capacity for both drinkers and diners. We have made some provision for the cost of this in the cash flow. However, until we apply for listed building consent for any proposed alterations to the property, we are uncertain as to what we may be allowed to do and any conditions that might be attached to the building work. Whether or not it goes ahead will depend in part on the level of sales we achieve in the first 12 months which will enable us to judge the extent to which we need to expand capacity.

We hope that the business will grow each year as its reputation develops and that the extension to the pub will bring significant additional business. However, we have not included any growth in the levels of profits as we intend that any additional margin would enable us to employ more staff and become less dependent on volunteers. But again, caution is advised as the cost-of-living increases expected in the future may reduce people's discretionary spend and stifle any growth.

Please note that the five-year figures are not inflation adjusted. We have assumed that any increased costs will be passed on in the form of higher prices for our food and drinks. As a not-for-profit organisation we may be able to absorb some of these increases if sales are above forecast.

## 7.0 Competition, market demand and marketing approach

### 7.1 Background

The SWR is the last remaining open public house in the village and as such there is no direct competition in the immediate location. But like many pubs in East Devon the SWR has been struggling in recent years and COVID-19 has hit the business hard. Competition locally includes pubs in Colaton Raleigh, Otterton and Budleigh Salterton.



Our overall marketing approach will be to position the SWR as a quintessentially Devonian thatched pub offering good quality pub food, sourced from local suppliers, good quality beers, again brewed locally and quality wines and spirits; a hub for the community with a warm welcome to all those who visit.

We have an identified marketing team who have already been successful in getting our story out through the local media and to the local community via our website, village WhatsApp groups, articles in the Parish News, a town-hall style face-to-face event (16 January 2022) and direct marketing to every household. This has developed palpable buzz around the village in relation to the community pub. A marketing plan is being developed alongside this business plan.

## **7.2 Encourage back locals**

We have conducted two surveys of the 600 residents of the village (outlined earlier) that indicate there is significant unmet demand within the village for a pub that better meets the aspirations of residents and that there will be a significant return to the pub once it is re-opened as a community venture. So we need to market the pub at the substantial local customer base who will provide enough custom to ensure the pub is viable.

Our primary objective is to focus on local demand and encourage local residents to return to the pub.

## **7.3 Destination pub**

There is potential to grow the business with new customers who are not residents, particularly those in neighbouring communities who are dissatisfied with their local facilities. East Budleigh is a significant centre for walking and cycling. Bickton Arena is a world-class equestrian location and the Lower Otter Restoration, and the proximity of the world heritage Jurassic coast offer the opportunity for an increase in nature-based tourism. Bickton College is another potential source of customers.

Our secondary objective is to broaden the appeal of the SWR to residents outside the village and make it a 'destination' pub.

## **7.4 More than a pub**

Earlier in the plan we set out a clear objective for the SWR to be 'more than a pub' and to increase the social capital within the village. There are already numerous clubs and societies within the village and beyond (both formal and



informal) who we can target to broaden the customer base. In addition, there are opportunities to create new networks.

Our third objective is to market the pub as a hub for local groups and societies and to specifically target hard-to-reach groups such as the elderly, isolated or those with disabilities.

## **7.5 Owned by the community**

As outlined earlier it is vital that we effectively promote share ownership to ensure that we have the capital required to purchase and refurbish the pub but also because a large share ownership ensures that the local community is fully engaged.

Our fourth objective is to encourage as many local residents as possible to become share owners, however large or small their stake.

## **7.6 Product and Pricing**

Details of our broad approach to product and pricing were set out earlier under our strategic objective to offer great value and high-quality food and drink. However, our research indicates there are considerable opportunities to develop services beyond those currently offered. A morning café service will substantially broaden the appeal of the pub beyond the traditional pub-goer. Events targeted at specific groups will be another key part of our offer.

## **7.7 Segmentation**

Our detailed marketing plan sets out our target groups or market segments. These segments break our markets into groups based on shared characteristics.

For example, there are numerous local clubs and networks based on shared interests that we can market our service to at relatively low cost. These include East Budleigh Football Club, and the Sir Walt Community Cricket team, horse riders including those at Budleigh Riding School and Bicton Arena, walkers including the Otter Valley Association. Within the village our market segments will include young people, elderly people, those who might be isolated, people with disabilities, working parents etc. Visitors to the village will include those in weekly holiday lets, second-home owners and short-term visitors potentially in bed and breakfast accommodation.

By considering our markets in more detail we can specifically develop our offering to specifically target these markets segments and subsegments. For



example: the installation of bike racks for cyclists; scrabble mornings for the elderly; and events targeted at the local community to retain a high level of engagement e.g. curry nights, music events and beer tasting.

## **7.8 Promotion**

Effective promotion on the pub is essential if we are to meet our business and social objectives. We have made a great start and we're already using a variety of channels to promote the pub and these will be further developed. Although developing a presence on social media will be important including active curation of Facebook, Instagram and Twitter accounts, more traditional channels will remain important in a village like East Budleigh. The website will carry up-to-date information on events and special offers. But promotion through the Parish News, posters, leaflets and word of mouth will be equally important.

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## 8.0 Appendix 1 Management Committee roles

### **Mark Duffelen, Chair and Pub Management**

Mark has lived in East Budleigh with his wife Penelope for nearly 14 years and been a keen supporter of the Sir Walter Raleigh since arriving. He started his career as a Maths and PE teacher, before moving into corporate life and then owning, developing, and selling businesses before returning to work in an international role at a US corporate. Mark is now semi-retired, and part owns a company based in Brighton named Adetiq Ltd that specialises in document and data processing. He does his best to play cricket for our pub team and believes we can make a huge success of the Sir Walter Raleigh. *I'm positive that community ownership will enhance our brilliant village even more.*

### **Paul Smith, Vice Chair, and business planning**

Paul has lived in East Budleigh for 15 years and been closely involved in village life since arriving. He was part of the team that set up the Community Shop and has served on the committee since it started. After many years as Treasurer, he is now Chair. Paul is a qualified accountant and has run a number of diverse businesses before retiring to Devon. *I am excited to see the pub in community ownership and emulate the success of the shop.*

### **James Bick FCA, Treasurer**

Jim is a practising Chartered Accountant, director and co-business owner of an accounting, bookkeeping and audit practice in Exmouth and Exeter. He sings with the Budleigh Male Voice choir (often in the pub) and acts as their Treasurer. Since moving to East Budleigh in 1998 Jim has always been a regular user of the pub.

### **Judith Venning, Communications**

Judith and Tony have lived in East Budleigh for nine years. She has a background as an Administrator of a charity and later gained a BSc in IT and retrained as an IT teacher and consultant, specialising in web design, online marketing & publicity. Judith was Chair of the Community Shop for four years and is currently the Parish Council Clerk. *I am very keen to encourage activities that will enhance our thriving community.*

### **Clare James, Property and refurbishment**

Clare has lived in East Budleigh for 10 years with her husband and two children. She is Estate Surveyor for Clinton Devon Estates and brings experience in property management to the management committee. Volunteering at the East Budleigh Community Shop has shown Clare the value of community assets. *I look forward to seeing the Sir Walter Raleigh pub develop as another valuable hub for the community.*



### **Mike Pulley, Community engagement**

Mike has lived with his wife and 2 children in East Budleigh for 6 years. He is the South West operations manager for a Nationwide electrical compliance company and a trustee of East Budleigh Village Hall. Mike was instrumental in the transformation of the Village Hall and Green into the facility that we now enjoy.

### **Maria Malinowska, Community outreach, including SWR café**

Maria grew up locally and has lived at Temple Hill House in the village for 22 years, retiring here in 2016. Her career was in international trade finance with leading banks including Barclays. She is on the board of the Institute of Export and has a Master's Degree in Operations and Supply Chain Management. She is the Treasurer of All Saints Church, a member of the Friends Committee and has served as a Governor at St Peter's School, Budleigh Salterton. She has also organised other events in the village including the Sir Walter Raleigh 400 Festival, Wine-tastings and the Village Café. She plays trumpet in the Orchestra and the Concert Band for local charities.

### **Mark Rice, Grants and fund raising**

Mark has lived in East Budleigh with his wife Elizabeth for the past for eighteen years and his three children have grown-up in the village. He studied politics to a post-graduate level, has an MBA and started his career in political consultancy and public affairs. Mark currently leads the Environment Agency's local operations in Devon and Cornwall. He is a keen supporter of East Budleigh FC and regularly watches his sons at the Rec. Like Mark Duffelen he also plays for the pub cricket team but with notably less ability! Most importantly he loves the Sir Walter Raleigh and is delighted to be part of this exciting project. *I will work with the rest of the team and use my experience of partnership projects and external funding to support our aspirations for the pub.*



## 9.0 SWOT Analysis

### Strengths

- Excellent location in the centre of a beautiful and historic village
- Attractive exterior
- Strong brand identity
- Close to beautiful environment (Pebblebed Heaths, Lower Otter, Jurassic coast)
- Proximity to Exeter, Exmouth and Budleigh Salterton
- Popular location for walkers and cyclists
- Freehold with residential accommodation
- Thriving community with good range of existing clubs and societies

### Weaknesses

- Pub needs refurbishment to meet the needs of the community
- Ageing population, less likely to use traditional pub
- Currently small and dated interior
- No dedicated parking
- Current business unused by majority of residents

### Opportunities

- The commitment of the wide membership base to use what will be their business and who will encourage their friends and family to use the pub
- Potential to Broaden appeal by opening café and events targeted at specific community groups and increasing social capital in the village
- Considerable potential to refurbish the pub and increase internal space to drive increase revenue

### Threats

- Impacts of Covid and rising household costs may lead to insufficient use of the pub and the business is not to be viable.
- Unable to generate sufficient interest from potential investors and grant organisations.
- Continued impact of Covid-19 pandemic make trading conditions difficult
- Current shortages in hospitality sector means that we're unable to attract manager and chef.



Sir Walter Raleigh Business Plan (Version 7)

## Appendix 3 Monthly Profit & Loss, Balance Sheet and Cash flow for Year 1

Sir Walter Raleigh																	
Income and expenditure	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Total				
Sales	£20,000	£17,000	£20,000	£25,000	£27,000	£22,000	£20,000	£17,000	£25,000	£15,000	£17,000	£17,000	£242,000				
Direct Costs	£8,000	£6,800	£8,000	£10,000	£10,800	£8,800	£8,000	£6,800	£10,000	£6,000	£6,800	£6,800	£96,800				
<b>GROSS PROFIT</b>	<b>£12,000</b>	<b>£10,200</b>	<b>£12,000</b>	<b>£15,000</b>	<b>£16,200</b>	<b>£13,200</b>	<b>£12,000</b>	<b>£10,200</b>	<b>£15,000</b>	<b>£9,000</b>	<b>£10,200</b>	<b>£10,200</b>	<b>£145,200</b>				
<b>Staff Costs</b>																	
Management	£2,500	£2,500	£2,500	£2,500	£2,500	£2,500	£2,500	£2,500	£2,500	£2,500	£2,500	£2,500	£30,000				
Kitchen	£2,083	£2,083	£2,083	£2,083	£2,083	£2,083	£2,083	£2,083	£2,083	£2,083	£2,083	£2,083	£25,000				
Other staff	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£12,000				
Cleaning	£625	£625	£625	£625	£625	£625	£625	£625	£625	£625	£625	£625	£7,500				
Employer's NI	£857	£857	£857	£857	£857	£857	£857	£857	£857	£857	£857	£857	£10,281				
<b>Staff Costs</b>	<b>£7,065</b>	<b>£84,781</b>															
<b>Establishment costs</b>																	
Business Rates	£310	£310	£310	£310	£310	£310	£310	£310	£310	£310	£310	£310	£3,717				
Water	£125	£125	£125	£125	£125	£125	£125	£125	£125	£125	£125	£125	£1,500				
Gas	£300	£300	£300	£300	£300	£300	£300	£300	£300	£300	£300	£300	£3,600				
Electricity	£833	£833	£833	£833	£833	£833	£833	£833	£833	£833	£833	£833	£10,000				
Telephone / broadband	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£600				
Insurance	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£6,000				
Repairs	£417	£417	£417	£417	£417	£417	£417	£417	£417	£417	£417	£417	£5,000				
Other costs	£208	£208	£208	£208	£208	£208	£208	£208	£208	£208	£208	£208	£2,500				
Waste Management	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£600				
<b>Establishment costs</b>	<b>£2,793</b>	<b>£33,517</b>															
<b>Administration</b>																	
Marketing/Advertising	£250			£250			£250			£250							
Consumables	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£1,200				
Licences etc	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£1,000				
Audit and accountancy	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£1,000				
<b>Administration Costs</b>	<b>£517</b>	<b>£267</b>	<b>£267</b>	<b>£4,200</b>													
<b>Finance Costs</b>																	
Bank Charges	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£42	£500				
Card Charges	£250	£213	£250	£313	£338	£275	£250	£213	£313	£188	£213	£213	£3,025				
Loan Interest	£313	£313	£313	£313	£313	£313	£313	£313	£313	£313	£313	£313	£3,756				
<b>Finance Costs</b>	<b>£605</b>	<b>£567</b>	<b>£605</b>	<b>£667</b>	<b>£692</b>	<b>£630</b>	<b>£605</b>	<b>£567</b>	<b>£667</b>	<b>£542</b>	<b>£567</b>	<b>£567</b>	<b>£7,281</b>				
Depreciation	£579	£574	£570	£565	£560	£555	£551	£546	£542	£537	£533	£528	£6,640				
<b>Net Profit</b>	<b>£441</b>	<b>(£1,066)</b>	<b>£701</b>	<b>£3,393</b>	<b>£4,823</b>	<b>£1,890</b>	<b>£470</b>	<b>(£1,038)</b>	<b>£3,666</b>	<b>(£2,454)</b>	<b>(£1,025)</b>	<b>(£1,020)</b>	<b>£8,781</b>				
Corporation Tax at 19%	£84	(£203)	£133	£645	£916	£359	£89	(£197)	£697	(£466)	(£195)	(£194)	£1,668				
<b>Profit after tax</b>	<b>£357</b>	<b>(£864)</b>	<b>£568</b>	<b>£2,748</b>	<b>£3,907</b>	<b>£1,531</b>	<b>£380</b>	<b>(£841)</b>	<b>£2,970</b>	<b>(£1,988)</b>	<b>(£830)</b>	<b>(£826)</b>	<b>£7,112</b>				
<b>Balance sheet</b>																	
<b>Fixed assets</b>	<b>£358,921</b>	<b>£358,346</b>	<b>£357,777</b>	<b>£357,212</b>	<b>£356,652</b>	<b>£356,097</b>	<b>£355,546</b>	<b>£355,000</b>	<b>£354,458</b>	<b>£353,921</b>	<b>£353,388</b>	<b>£352,860</b>					
Inventory	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000					
<b>Cash</b>	<b>£15,332</b>	<b>£25,251</b>	<b>£30,292</b>	<b>£38,831</b>	<b>£47,580</b>	<b>£69,161</b>	<b>£62,638</b>	<b>£62,468</b>	<b>£73,525</b>	<b>£85,655</b>	<b>£88,440</b>	<b>£88,995</b>					
<b>Creditors</b>	<b>£4,084</b>	<b>£4,481</b>	<b>£8,573</b>	<b>£13,987</b>	<b>£18,458</b>	<b>£18,141</b>	<b>£10,875</b>	<b>£11,189</b>	<b>£18,923</b>	<b>£7,692</b>	<b>£10,963</b>	<b>£13,004</b>					
Loans	£78,812	£74,623	£74,435	£74,246	£74,058	£73,869	£73,681	£73,492	£73,304	£73,115	£72,927	£72,738					
	£300,357	£309,494	£310,061	£312,810	£316,716	£338,247	£338,628	£337,787	£340,757	£363,769	£362,939	£362,112					
<b>Share Capital</b>	<b>£300,000</b>																
Retained profits	£357	(£506)	£62	£2,810	£6,717	£8,247	£8,628	£7,787	£10,757	£8,769	£7,939	£7,112					
Grants		£10,000	£10,000	£10,000	£10,000	£30,000	£30,000	£30,000	£30,000	£55,000	£55,000	£55,000					
	£300,357	£309,494	£310,062	£312,810	£316,717	£338,247	£338,628	£337,787	£340,757	£363,769	£362,939	£362,112					
	(£0)	(£0)	(£0)	(£0)	(£0)	(£0)	(£0)	(£0)	(£0)	(£0)	(£0)	(£0)					
<b>Fixed assets</b>	<b>£358,921</b>	<b>£358,346</b>	<b>£357,777</b>	<b>£357,212</b>	<b>£356,652</b>	<b>£356,097</b>	<b>£355,546</b>	<b>£355,000</b>	<b>£354,458</b>	<b>£353,921</b>	<b>£353,388</b>	<b>£352,860</b>					
<b>Opening Balance</b>	<b>£359,500</b>	<b>£358,921</b>	<b>£358,346</b>	<b>£357,777</b>	<b>£357,212</b>	<b>£356,652</b>	<b>£356,097</b>	<b>£355,546</b>	<b>£355,000</b>	<b>£354,458</b>	<b>£353,921</b>	<b>£353,388</b>					
<b>Additions</b>	<b>£359,500</b>	<b>£358,921</b>	<b>£358,346</b>	<b>£357,777</b>	<b>£357,212</b>	<b>£356,652</b>	<b>£356,097</b>	<b>£355,546</b>	<b>£355,000</b>	<b>£354,458</b>	<b>£353,921</b>	<b>£353,388</b>					
Depreciation - Building	£167	£167	£167	£167	£167	£167	£167	£167	£167	£167	£167	£167					
Depreciation - Fixtures	£413	£408	£403	£398	£393	£389	£384	£380	£375	£370	£366	£362					
<b>Closing balance</b>	<b>£358,921</b>	<b>£358,346</b>	<b>£357,777</b>	<b>£357,212</b>	<b>£356,652</b>	<b>£356,097</b>	<b>£355,546</b>	<b>£355,000</b>	<b>£354,458</b>	<b>£353,921</b>	<b>£353,388</b>	<b>£352,860</b>					
<b>Creditors</b>		<b>£9,684</b>	<b>£8,041</b>	<b>£9,733</b>	<b>£12,645</b>	<b>£13,876</b>	<b>£10,919</b>	<b>£9,689</b>	<b>£7,963</b>	<b>£12,697</b>	<b>£6,734</b>	<b>£7,965</b>					
<b>Opening Balance</b>		<b>£8,000</b>	<b>£6,800</b>	<b>£8,000</b>	<b>£10,000</b>	<b>£8,800</b>	<b>£8,000</b>	<b>£6,800</b>	<b>£10,000</b>	<b>£6,000</b>	<b>£6,800</b>	<b>£6,800</b>					
Purchases		£84	(£203)	£133	£645	£916	£359	£89	(£197)	£697	(£466)	(£195)	(£194)				
Corporation Tax																	
VAT		£1,600	£1,360	£1,600	£2,000	£2,160	£1,760	£1,600	£1,360	£2,000	£1,200	£1,360	£1,360				
		£9,684	£17,641	£17,774	£22,378	£26,521	£24,795	£20,608	£17,652	£20,659	£19,430	£14,699	£15,931				
<b>Less Payments</b>		<b>£9,600</b>	<b>£8,041</b>	<b>£9,733</b>	<b>£12,645</b>	<b>£13,876</b>	<b>£10,919</b>	<b>£9,689</b>	<b>£7,963</b>	<b>£12,697</b>	<b>£6,734</b>	<b>£7,965</b>					
<b>Closing balance</b>		<b>£9,684</b>	<b>£8,041</b>	<b>£9,733</b>	<b>£12,645</b>	<b>£13,876</b>	<b>£10,919</b>	<b>£9,689</b>	<b>£7,963</b>	<b>£12,697</b>	<b>£6,734</b>	<b>£7,965</b>					
<b>VAT account</b>																	
<b>Opening balance</b>	<b>(£8,000)</b>	<b>(£5,600)</b>	<b>(£3,560)</b>	<b>(£1,160)</b>	<b>£1,342</b>	<b>£4,582</b>	<b>£7,222</b>	<b>£1,186</b>	<b>£3,226</b>	<b>£6,226</b>	<b>£958</b>	<b>£2,998</b>					
VAT on Sales	£4,000	£3,400	£4,000	£5,000	£5,400	£4,400	£4,000	£3,400	£5,000	£3,000	£3,400	£3,400					
Vat on purchases	£1,600	£1,360	£1,600	£2,000	£2,160	£1,760	£1,600	£1,360	£2,000	£1,200	£1,360	£1,360					
Payments				£498			£8,436			£7,068							
<b>Closing balance</b>	<b>(£5,600)</b>	<b>(£3,560)</b>	<b>(£1,160)</b>	<b>£1,342</b>	<b>£4,582</b>	<b>£7,222</b>	<b>£1,186</b>	<b>£3,226</b>	<b>£6,226</b>	<b>£958</b>	<b>£2,998</b>	<b>£5,038</b>					
<b>Cash</b>																	
<b>Opening Balance</b>	<b>£2,500</b>	<b>£15,332</b>	<b>£25,251</b>	<b>£30,292</b>	<b>£38,831</b>	<b>£47,580</b>	<b>£69,161</b>	<b>£62,638</b>	<b>£62,468</b>	<b>£73,525</b>	<b>£85,655</b>	<b>£88,440</b>					
Sales Inc VAT	£24,000	£20,400	£24,000	£30,000	£32,400	£26,400	£24,000	£20,400	£30,000	£18,000	£20,400	£20,400					
Overheads No VAT	£10,667	£10,379	£10,417	£10,729	£10												



Sir Walter Raleigh Business Plan (Version 7)

## Appendix 4 Quarterly Profit & Loss, Balance Sheet and Cash flow for Year 2

<b>Sir Walter Raleigh</b>						
<b>Income and expenditure</b>						
	2023 Q1	2023 Q2	2023 Q3	2024 Q4		Total
Sales	£ 57,000	£ 74,000	£ 62,000	£ 49,000		£ 242,000
Direct Costs	£ 22,800	£ 29,600	£ 24,800	£ 19,600		£ 96,800
<b>GROSS PROFIT</b>	<b>£ 34,200</b>	<b>£ 44,400</b>	<b>£ 37,200</b>	<b>£ 29,400</b>		<b>£ 145,200</b>
<i>Staff Costs</i>						
Manager	£ 7,500	£ 7,500	£ 7,500	£ 7,500		£ 30,000
Kitchen	£ 6,250	£ 6,250	£ 6,250	£ 6,250		£ 25,000
Other staff	£ 3,000	£ 3,000	£ 3,000	£ 3,000		£ 12,000
Cleaning	£ 1,875	£ 1,875	£ 1,875	£ 1,875		£ 7,500
Employer's NI	£ 2,570	£ 2,570	£ 2,570	£ 2,570		£ 10,281
<b>Staff Costs</b>	<b>£ 21,195</b>	<b>£ 21,195</b>	<b>£ 21,195</b>	<b>£ 21,195</b>		<b>£ 84,781</b>
<i>Establishment costs</i>						
Business Rates	£ 929	£ 929	£ 929	£ 929		£ 3,717
Water	£ 375	£ 375	£ 375	£ 375		£ 1,500
Gas	£ 900	£ 900	£ 900	£ 900		£ 3,600
Electricity	£ 2,500	£ 2,500	£ 2,500	£ 2,500		£ 10,000
Telephone / broadband	£ 150	£ 150	£ 150	£ 150		£ 600
Insurance	£ 1,500	£ 1,500	£ 1,500	£ 1,500		£ 6,000
Repairs	£ 1,250	£ 1,250	£ 1,250	£ 1,250		£ 5,000
Other costs	£ 625	£ 625	£ 625	£ 625		£ 2,500
Waste Management	£ 150	£ 150	£ 150	£ 150		£ 600
<b>Establishment costs</b>	<b>£ 8,379</b>	<b>£ 8,379</b>	<b>£ 8,379</b>	<b>£ 8,379</b>		<b>£ 33,517</b>
<i>Administration</i>						
Marketing/Advertising	£ 250	£ 250	£ 250	£ 250		£ 1,000
Consumables	£ 300	£ 300	£ 300	£ 300		£ 1,200
Licences etc	£ 250	£ 250	£ 250	£ 250		£ 1,000
Audit and accountancy	£ 250	£ 250	£ 250	£ 250		£ 1,000
<b>Administration Costs</b>	<b>£ 1,050</b>	<b>£ 1,050</b>	<b>£ 1,050</b>	<b>£ 1,050</b>		<b>£ 4,200</b>
<i>Finance Costs</i>						
Bank Charges	£ 125	£ 125	£ 125	£ 125		£ 500
Card Charges	£ 713	£ 925	£ 775	£ 613		£ 3,025
Loan Interest	£ 909	£ 909	£ 909	£ 909		£ 3,637
<b>Finance Costs</b>	<b>£ 1,747</b>	<b>£ 1,959</b>	<b>£ 1,809</b>	<b>£ 1,647</b>		<b>£ 7,162</b>
Depreciation	£ 2,910	£ 2,910	£ 2,910	£ 2,910		£ 11,640
<b>Net Profit</b>	<b>-£ 1,081</b>	<b>£ 8,906</b>	<b>£ 1,856</b>	<b>-£ 5,781</b>		<b>£ 3,900</b>
Corporation Tax at 19%	-£ 205	£ 1,692	£ 353	-£ 1,098		£ 741
<b>Profit after tax</b>	<b>£ 62</b>	<b>£ 8,186</b>	<b>£ 2,509</b>	<b>-£ 3,644</b>		<b>£ 3,159</b>

**Appendix 5 Annual Profit & Loss, Balance Sheet Year 1-5**

	2022-23	2023-24	2024-25	2025-26	2026-27
Sales	£220,000	£240,000	£240,000	£240,000	£240,000
Cost of Sales	£88,000	£96,000	£96,000	£96,000	£96,000
Gross profit	£132,000	£144,000	£144,000	£144,000	£144,000
Overheads	£136,138	£156,275	£171,156	£171,031	£170,899
Net profit	-£4,138	-£12,275	-£27,156	-£27,031	-£26,899
Tax	-£786	-£2,332	-£5,160	-£5,136	-£5,111
Profit after Tax	-£3,352	-£9,943	-£21,996	-£21,895	-£21,788

	2022-23	2023-24	2024-25	2025-26	2026-27
Fixed Assets	£352,860	£441,220	£429,580	£417,939	£406,299
Stock	£5,000	£5,000	£5,000	£5,000	£5,000
Cash	£89,995	£48,153	£61,312	£44,471	£27,630
Current liabilities	-£13,004	-£13,004	-£13,004	-£13,004	-£13,004
Long term loans	-£72,738	-£70,356	-£67,856	-£65,230	-£62,473
Total Assets	£362,112	£411,013	£415,032	£389,176	£363,452

Share Capital	£300,000	£300,000	£300,000	£270,000	£240,000
Retained profits	£7,112	£11,013	£15,032	£19,176	£23,452
Grants and funding	£55,000	£100,000	£100,000	£100,000	£100,000
	£362,112	£411,013	£415,032	£389,176	£363,452

Significant cash movements outside normal trading

Grants and funding Year 1 £55,000 Year 2 £45,000

Additions to fixed assets Year 2 £100,000

Repayment share capital Year 4 £30,000 Year 5 £30,000

Note to financials. If we appoint a manager who doesn't require accommodation, we could rent out the flat. We are advised that an annual rent of around £10,000 would be appropriate. This would be within allowable limits for rental income under the SITR tax relief requirements.