



YOUR OPPORTUNITY TO JOIN IN AND HELP US SAVE, RESTORE AND RE-OPEN THE GOLDEN LION – BUSINESS PLAN

We the committee of Ashton Hayes Community Hub Ltd. (AHCHL), a not-for-profit Community Benefit Society (CBS), are delighted to report that, after many years of trying to do so, we have agreed, in principle, to buy The Golden Lion from the current owner.

Helping us to make it possible to buy, restore and re-open The Golden Lion as the Pub and Hub of the local community, which it had been for well over 200 years before closing in early 2013, we are equally delighted to have secured a grant of £360,000 from the Department for Levelling Up, Housing and Communities via the UK Community Ownership Fund (COF).

In order to draw down that grant funding from COF, we have to raise our own financial contribution to the project and we hope that, with your support, we will be able to raise this money by offering shares in AHCHL to members of our community. Please see the accompanying Share Prospectus for the details of our proposal.

The terms of the grant from COF require us to make significant and speedy progress with both our fund raising and the restoration. As we cannot start any work on the property until we sign contracts and complete the purchase, we are launching this Share Offer as soon as possible after coming to agreement with the current owner.

At 7pm on Thursday 2nd May at the Church, Ashton Hayes we will hold a Community Public Meeting to present and answer questions on our Share Offer and the project. We hope you will be able to attend and ultimately support the project so that, together, we can restore and re-open The Golden Lion.

Ashton Hayes Community Hub Ltd.
goldenlionashtonhayes@btinternet.com

The Golden Lion, Ashton Hayes Business Plan

The Golden Lion Pub is intended to be purchased by the Ashton Hayes Community Hub Ltd. (AHCHL) a Community Benefit Society (CBS) registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014, registration number (7662)

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Executive Summary

Background

The Golden Lion, Ashton Hayes has been a long standing and well used village asset, the pub has an outstanding historic track record as a public house and restaurant having formerly won many national awards including Greenhalls National Pub of The Year a number of years running during the 1990's.

The pub closed its doors at New Year 2013 after having been bought and run as a pub for a short period. The Golden Lion was listed by the Parish Council as an Asset of Community Value (ACV) on 26th March 2013 and a further application was successfully approved on 29th April 2021.

A small group of villagers got together in the summer of 2016 and approached the Parish Council for support for acquiring the Golden Lion. This resulted in the establishment of the Golden Lion working group (GLWG) which was a sub group of the Parish Council. The membership is made up by the original group of residents with a clearly defined communication link with the Parish Council. The GLWG sought and received support and advice from The Plunkett Foundation who are an organisation that helps communities in rural areas, to set up and run life-changing community co-operatives; enterprises that are owned and run democratically by large numbers of people in their community.

Ashton Hayes has an excellent history and experience of running successful enterprises such as a Community Shop which has been running for 13 years and continues to expand as a business, a village Energy Company and a very well run and organised asset in the Recreation Field and Pavilion.

A significant project from several years ago which was supported by and continues to benefit our community and which attracted international attention is Ashton Hayes Going Carbon Neutral. This was started in 2005 from a suggestion at the weekly pub quiz in The Golden Lion, with the aim to help local people reduce their carbon footprint, save energy and save money. A DeFRA grant was obtained to disseminate our work to a wider audience. This led to working with over 1000 groups from across the world, including Canada, Australia, Japan and several European countries. We have had visits from MPs and Ministers and advised on Government panels. A documentary was featured in Live Earth in 2007 with an audience of 2 billion. We worked in partnership with University of Chester (using students to carry out community research as part of their courses) and University of East Anglia. One student activity was working with the then landlord of The Golden Lion to identify and reduce energy use, resulting in savings of over £250 per month.

Department of Energy and Climate Change (DECC) funding enabled construction of a sports pavilion, with a solar panel roof, income from which contributes to maintenance of the community-owned recreation field, Ashton Hayes Sports and Recreation Association (AHSRA). The installation of solar panels on the primary school reduces their energy bills and raises pupils' awareness. These panels are now managed by Ashton Hayes Community Energy Company (a CIC). The Energy Company has funded LED lighting in the Parish Rooms and the Community Shop and worked with CWaC to install LED street lighting throughout the village. It also provides a thermal camera for use by residents.

The Energy Company will advise on environmentally friendly refurbishment of The Golden Lion and invest in appropriate energy generation. The project officially ended in 2015 but continues to attract attention. Members of the project still regularly address other communities with similar aims. It will also feature at the Hay Festival in 2024.

Our Vision

The vision is to acquire and restore the Golden Lion pub to be a thriving community owned enterprise serving the community both as a pub and a broader community hub.

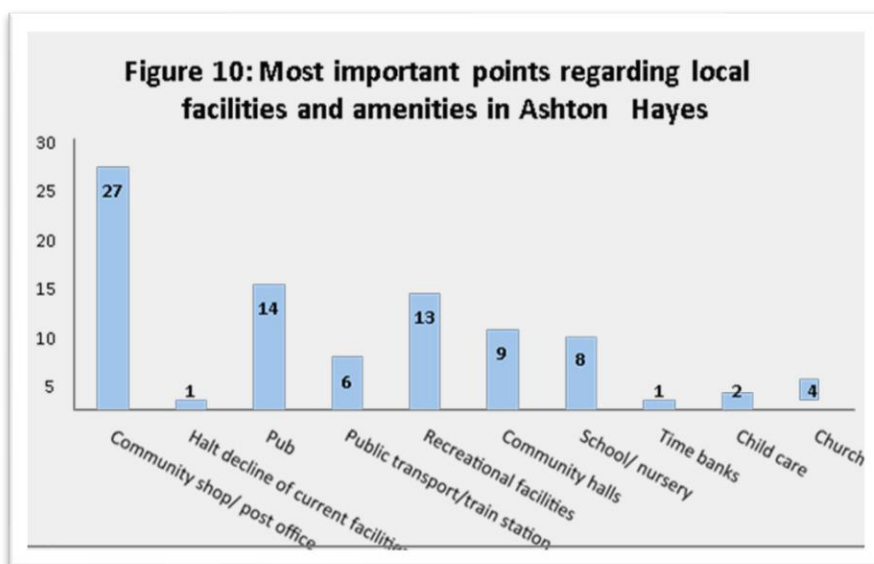
Legal Structure

A Community Benefit Society (CBS) has been created; a CBS exists in order to carry on a defined business for the benefit of a community. Ashton Hayes Community Hub Ltd is the registered name of the CBS and we have also been registered under the same name with the Financial Conduct Authority (FCA).

Market Research

Market research has been undertaken into the Pub as a potential community business. Advice has been sought from similar community pubs, previous landlords and from supporting bodies such as the Plunkett Foundation, who are a well-recognised and a supportive organisation that assists communities to set up and run co-operatives.

Community Engagement



The Golden Lion is situated on a prime site in the heart of the village's centrally placed conservation area, as such it will have an impact on many residents for a wide variety of reasons. We understand that good quality data from a broad section of interested residents is critical to the success of any community project. A number of detailed community consultations have taken place over the last few years, many of which provide valuable and specific data in relation to the Golden Lion. In 2009 and in 2012 consultations were completed as part of the Neighbourhood Planning process. Both these well supported consultation programs demonstrated substantial support for maintaining a village pub. A more detailed consultation was conducted in October 2017 followed up by a detailed questionnaire to all residents. This was designed to seek our resident's views on how the pub should be managed, their levels of expected usage and on any additional services or uses the pub and hub may offer in the future. See Appendices 8 and 9.

Community engagement continues via email updates and the website.

Monetary and Social Returns

The motives for running the Golden Lion as a community owned pub are to improve social cohesion and community development. The parish of Ashton Hayes and Horton cum Peel consists mainly of a rural village with outlying farms. There are about 420 homes in the parish, with a population of about 1300 and it sits within the Sandstone ward of Cheshire West and Chester Borough. Cheshire West Councils Rural Regeneration Strategy identifies many issues affecting rural communities in particular, poor access to services, limited public transport, an ageing population, it goes on to acknowledge that the rural area is an important asset, its attractive natural and built environment, heritage and cultural infrastructure are a key part of the Borough's "value proposition" and significantly improve its quality-of-life offer. Turning to monetary benefits, all profits generated will be re-invested into the business and/or used for community benefit or, within capped limits, be

returned to shareholders in the form of interest on shares. The anticipated returns will be more than financial; the principal benefits will be the positive social effects on the community addressing the many of the challenges referred to above. If the business fails, the net assets e.g., the proceeds of the sale of the premises, after debts and shareholders have been repaid, must be retained for the benefit of the community or transferred to another Asset-Locked body for the long-term benefit of the community.

The Pub and Hub Project

The intent is to engage a tenant to run the Pub as a viable and sustainable business and to manage the Hub, serving a full range of beers, wines and spirits and restaurant and bar food. The pub and hub will become the social focal point for the village providing a place to meet, engage, access facilities and available for all.

Our Vision

The vision is to acquire and restore the Golden Lion pub to be a thriving community owned enterprise serving the community both as a pub and a broader community hub. Putting The Golden Lion Pub and Hub at the heart of our community will help ensure the long-term survival of The Golden Lion by making it the central community point for the village and creating a facility where the whole community can come together. A place to meet both informally and formally, a place to drink, eat, play or simply come for a chat, where everyone of any age is welcome and feels part of what is going on.

What is a Co-operative Pub?

A co-operative pub is just that - it's a business owned and controlled by a large number of people from within the community with the primary purpose of stimulating community cohesion. Communities have been running such establishments for decades through working men's clubs, sports and social clubs etc. all having existed as member owned entities. However co-operative pubs are different. They are owned by members (also known as shareholders), where membership is both voluntary and open to all. Co-operative pubs are governed democratically on the basis each member gets one vote, regardless of how much money they invested. This is important in Plunkett's view, as it ensures that everybody has the opportunity to have a say about what's important to them regardless of their ability or wish to invest. Once in Community control they tend to be run by full-time managers or tenants with the support of members of the community who volunteer.

The Hub element is best described as a facility aimed at providing a focal point, along with facilities, to foster greater local community activity and bring the residents, the local business community, and smaller organisations together to improve the overall quality of life in the area.

Legal Structure

Co-operative pubs trade, employ staff, manage volunteers, and enter into contracts and financial agreements. They therefore require a legal entity both to provide good management and to protect the individuals running the business by giving them 'limited liability', and to ensure they are compliant with legal necessities such as tax, insurance, trading standards and employment law. The legal structure proposed is a Community Benefit Society or CBS. The Ashton Hayes Community Hub Ltd. (AHCHL) has been registered with the Financial Conduct Authority (FCA). The Society exists in order to carry on business for the benefit of the community. Assets owned by the Society are locked into the CBS, and will be used solely for the community. This type of legal entity allows and actively encourages greater participation levels. We will encourage Members participation and input through regular meetings, online and website participation in decision making and planning for the society.

The benefits of having a larger and more engaged membership base include:

- 1: Having a larger number of people who have a financial interest in the pub and who are therefore more likely to use it regularly.
- 2: A greater number of people who are likely to get involved with the management committee and meetings and who positively contribute to the overall direction of the business.
- 3: A more accessible pool of people to draw on when committee numbers are falling, or when more volunteers are needed to assist in or with the business.

Financial Background and Proposals

The Golden Lion site was sold on the open market for c£275,000 in April 2012 as a going concern. The pub closed within a few months and the owner ultimately decided to develop the site for residential use as opposed to being a pub management company as was first thought. The building had a resident for some of this period but has now been empty for approaching 11 years and the condition and potentially the value of the buildings will have deteriorated accordingly. A number of planning applications have been submitted applying to convert the site to residential housing, all of which have either been refused or withdrawn. It is understood that the current owner has split the title deed between the buildings and land in to two separate titles, we are currently negotiating to acquire both titles. We envisage the bulk of the purchase and refurbishment monies will be raised from grants and a share issue.

The share prospectus, along with all other relevant information is available on [our website](#).

Modelling of the financial aspects predicts that the business will generate a modest profit from the second year, increasing thereafter as the level of activity increases.

Source of Finance

The immediate objective is to buy the Pub, at an agreed purchase price from the current owner, or via a compulsory purchase order if he is unwilling to sell. The building needs considerable repair work and in total, we need a minimum of circa £625,000 in order to purchase, refurbish and to reopen the Pub, and to enable us to hold a small contingency fund. We will raise the capital initially through a share issue. We are also exploring grant options.

Community Shares

An extremely effective way of raising finance is through selling shares to members via a community share issue. As well as raising money to help with startup costs, in Plunkett's view individuals who hold shares within a business also gain a sense of ownership and involvement in decision-making within the business. This is the key element contributing to the success and resilience of all forms of community co-operatives.

The price of a single share has been decided by the management committee to be £250. A maximum of £25,000 has been set for any one individual and £100,000 for an investing organisation. The critical point is that this balances the need to raise a sufficient level of capital and gain maximum involvement from the local community.

The share issue will be launched once any formal agreement has been made to purchase the pub at an acceptable price, it is designed to give investors the opportunity to contribute financially, on a long-term basis, to the business of AHCPL. We expect most shareholders to come from the local community but welcome contributors from further afield. Applications are to be submitted by individuals (no joint applications) and applicants should be 18 years old or older.

We will hold a share issue launch meeting and invite all villagers to attend. Many people have already indicated that they would be willing to make significant investments via any share issue. We will also deliver the share prospectus to every household in Ashton Hayes and some households in surrounding parishes (which is within the pub catchment area). Information will be made available at other events. Based on our earlier commercial valuation, the minimum amount we wish to raise

from this share issue is £250,000. This is the total amount required, in addition to grants, to bid for the site and reopen the Pub. Our maximum share issue target of £420,000 (based on current valuations and refurbishment costs) would allow us to refurbish, and to have a small contingency fund. Below the minimum amount, we would find it difficult to proceed with our offer for the Pub. Should the purchase fail for any reason then all subscriptions and any loans (not currently envisaged) would be returned, albeit with a potential small loss to cover administrative costs.

Should we raise more than the minimum sum we should be able to make significant improvements to the premises, reduce our additional borrowing costs and potentially speed up the refurbishment and opening. In the event of share subscriptions exceeding the maximum, shares would be allocated on a first-come-first-served basis.

People will be able to apply for shares by the following methods:

- Complete the Application Form provided in the Share Prospectus and send to Ashton Hayes Community Hub Ltd., c/o Ashton Hayes & Mouldsworth Post Office, Kelsall Road, Ashton Hayes, CH3 8BH.
- Download a hard copy of the Application Form from our website, complete the form and send to Ashton Hayes Community Hub Ltd., c/o Ashton Hayes & Mouldsworth Post Office, Kelsall Road, Ashton Hayes, CH3 8BH.
- Complete the Application online via our website and submit.
- If they are on our mailing list, they can click the link provided in our launch email

By completing an Application Form an Applicant offers to subscribe, on the Terms and Conditions contained in the Shares Prospectus, for the number of shares specified, or such lesser number as may be accepted.

- Only one named applicant can be entered on one form. The applicant must be 18 years of age or over.
- An Applicant who receives Shares agrees to be bound by the rules of Ashton Hayes Community Hub Ltd. which can be found on our website.
- Once an application has been submitted and approved it cannot be withdrawn.
- Multiple subscriptions will be allowed providing that they do not result in a member holding more than the maximum number of shares (£25,000).
- Applicants may be requested to provide additional evidence of identity in order to comply with Money Laundering requirements
- Applications may be rejected in whole, or in part, or be scaled down, and monies shall be securely returned to the applicant, not later than two months after monies have been received, without interest.
- Applications on incomplete or inaccurate Application Forms may be accepted as if complete and accurate.
- Results of the Offer will be published on the Golden Lion Ashton Hayes website and all applicants will be informed.
- We will acknowledge receipt of all payments. If the offer is unsuccessful monies will be refunded.
- Payments by bank transfer will be held securely on deposit.
- Cheques will be held in a secure location until banked.
- The offer opens on 2nd May and closes on 2nd August or whenever the maximum amount is subscribed, whichever is soonest. The Management Committee reserves the right to extend this offer.
- Please note as of 5 April 2023, Social Investment Tax Relief (SITR) is no longer available.

Applications will be processed once payment has been received via one of the methods below:

Cheques made payable to: 'Ashton Hayes Community Hub Ltd' in a sealed envelope to: Ashton Hayes Community Hub Ltd., c/o Ashton Hayes & Mouldsworth Post Office, Kelsall Road, Ashton Hayes, CH3 8BH

BACS payment to:

Account name: Ashton Hayes Community Hub Limited

Sort code: 09 - 02 - 22

Account number: 10687589

Community Ownership Fund

The £150 million Community Ownership Fund is for communities across the United Kingdom. It has been set up to help communities take ownership of assets at risk of closure. It will run for 4 years until 2024/25. Voluntary and community organisations can bid for match funding. Funding may support the purchase and/or renovation costs of community assets. We have been awarded £250,000 towards acquisition plus an additional £60,000 for community enhancement projects as well as a £50,000 Revenue Grant.

Additional Grants

Several other specific relatively small grants may also be sought for items such as kitchen equipment.

Our Objectives

We want to ensure the long-term survival of The Golden Lion Pub by making it the focal point for the village and its community. It will be so much more than a pub, offering various services and facilities to our local population.

Once we own the Pub, subsequent objectives are:

- To refurbish the property up to a standard that will support a successful village pub and hub.
- Further development would subsequently take place in order to create and run a thriving community hub with a friendly, welcoming, community focus, encouraging wide community involvement and ownership.
- The business will need to be profitable enough to service its costs and debts, and also, in due course, provide interest payments to investors.

We intend to reopen the Pub as soon as possible; at present we are considering a phased refurbishment and subsequent opening schedule e.g., possibly with drinks and food only but with restricted opening hours. This phasing will be determined by finance availability. Once financial stability is secure, we plan to re-invest the profits into developing other community-based facilities within the premises as identified from the consultation process.

Our Operating Model

The plan is to buy the freehold of the Golden Lion Public House as a whole and run it as a traditional, tenanted village pub, selling local ales from local brewers, as well as some national brands, together with good quality food (also using local suppliers where possible) and providing a venue for traditional pub sports and pastimes, local events, meetings and celebrations. The Society will own the land and buildings and we will agree a lease with a tenant to run the licensed business. We will set terms for the tenant that make it an attractive proposition, but which will also ensure that the Society receives a benefit through increased rent over time, as the business becomes more profitable.

On taking over the property we expect to undertake essential refurbishment of the property immediately, to make the necessary repairs to the roof, replace windows, and doors, to upgrade the electrical and plumbing installations, to improve the toilets and kitchen facilities and we also need to make the upstairs accommodation attractive to any new tenant. We are also anticipating having to refurbish some equipment in the bar and cellar area as well as obtain some furniture for the bar and restaurant areas and we have budgeted accordingly.

For the day-to-day operation of the pub two options were considered:

Tenancy - sub-let to a professional operator

After acquiring the premises, the site would initially be developed to a standard that would allow the operation of a public house. This would include developing the kitchen area, bar and a providing a separate meeting room that could be used out of pub operational hours. Once developed a tenancy could be offered, with key priorities defined for the incoming tenant. Prospective tenants will be invited to submit their own business plan for the pub, outlining how they intend to deliver the key priorities for the village.

Advantages

- Brings in essential experience and know how
- Initial funds required are limited to the business acquisition and developments costs
- Volunteer workforce may keep these costs to a minimum

Disadvantages

- Maintaining day-to-day control
- Considerable dependency on the ability and nature of the tenant

Management - employees/volunteers

All practical and legal issues in running a pub business would be the responsibility of the society. A manager would be appointed to deliver the day-to-day operation of the business. To keep running costs to a minimum the business may be supported by volunteers.

Advantages

- Potential profits are retained within the society for the benefit of the community

Disadvantages

- The short-term financial and operational risks of running the business are with the society
- There are several other community enterprises within the Village and a further demand for volunteer workforce may be above supply limits

Outcome

Following an assessment of both models we have decided to let the pub to tenants rather than appoint a manager. The appointment of a tenant to run the business is a crucial step. The advantage of this arrangement for the Society is that the tenant will manage the business element entirely; the attraction for the tenant is that we will support them by initially keeping the lease payments as low as possible and they will benefit directly the more profitable the business is. Therefore, they will have every incentive to ensure that the business thrives and grows. We will be inviting tenants who wish to lease the premises from us to submit their business proposals to us and we will select the tenant who best meets the following criteria:

- They must demonstrate that they will provide a suitable venue for village events and support local cultural and sporting activities
- They must demonstrate how they intend to build up a profitable business and in particular how they will provide good quality, competitively priced food that will eventually provide at least 40% of the pub sales income
- They will need to embrace the fact that the Golden Lion will be a Free house and provide good quality, local beers
- They will need to convince us that they that they will provide a warm, welcoming and friendly atmosphere in the pub

- They will need to provide evidence of their marketing plan
- They should preferably have at least five years' experience in the licensed trade, and in particular in a village/rural setting
- They will need to convince us that they will work harmoniously with the Committee and listen to our advice and suggestions

We will agree a three-year rolling lease with our tenant, based on rental levels outlined later in this document. The Society will monitor the tenant's financial performance. We will ensure that there is an "open book" policy in place, run through an accountant that we mutually appoint. This will enable us to have full confidence in the financial reports with which we are provided and the lease agreement will also allow for the level of rent to be increased if the business is more profitable than expected, or reduced if it is less so. The details of this are outlined later in this document. The tenant will be running their own business within our premises and, as such, will carry all the risk of operational business failure and associated debt. The tenancy agreement will have break points built in to offer further controls should they be required. If their business were to fail there would be no legal access to the Society's assets.

Long Term Management of the Project

Society Summary

AHCHL is registered as a Community Benefit Society with the Financial Conduct Authority (Registration N°7662), it is important to note that this completely removes the running, management, risk and resource of the pub from the Parish Council. The Society exists in order to carry on business for the benefit of the community of Ashton Hayes. Assets owned by the Society are locked into the CBS, and will be used solely for community benefit. AHCHL is governed by the AHCHL rules, which are available on [our website](#).

The membership of the Society is made up of its shareholders, with one vote per shareholding, regardless of size.

The present management committee is made up of nine Ashton Hayes residents whose personal profiles are in appendix 6.

The committee will:

- Stand down en bloc at the first AGM, as obliged under the constitution, when individuals may offer themselves for re-election
- Be selected by members' votes at the AGM each year
- Provide an annual report of activities and finances to all members, and an annual return to the FCA
- Provide monitoring information as required by any grant bodies

Plunkett Foundation recommendations

The Plunkett Foundation recommends that co-operative pubs adopt legal structures which enable genuine community ownership with equal and democratic control. In general, we would expect this to include:

1. Open and voluntary membership
2. One member one vote
3. The interests of the pub to be linked into community control, dis-allowing any one member from having greater control than others
4. No profit distribution to members based on investment (other than payment of interest)

The Legal structure which best facilitates this is a Community Benefit Society (CBS) The majority of Community Co-operatives, 61%, are registered as Community Benefit Societies (prior to 2014 known as Industrial and Provident Societies of the Benefit of the Community). This structure exists to benefit the wider and collective interests of a community, rather than solely that of its staff, members or committee. This fits with the aims and objectives of most community groups that are setting up a community pub i.e., they are doing it out of concern for those who will be particularly

disadvantaged without such a service. A Community Benefit Society structure also encourages and promotes the role of active membership.

Work Completed to Date

A small group of villagers got together in the summer of 2016 and approached the Parish Council for support. This resulted in the establishment of the Golden Lion working group (GLWG) a sub group of the Parish Council. Latterly this became an independent Community Benefit Society.

The GLWG started detailed work on the project, electing volunteers to take on specific roles, such as preparation on the share prospectus and this business plan, fund raising and publicity in early 2017. A management committee was drawn together from residents with suitable skills and enthusiasm for the project. The GLWG took advice from the Plunkett Foundation, other community pubs and a number of other bodies and individuals. They reviewed the large amount of community consultation data available as part of the Ashton Hayes Village Plan and Neighbourhood plan processes to identify the level of need and appetite for a community owned pub.

A public consultation meeting was held on the 25th of October 2017 to further build on this data, see appendices 8 and 9. This detailed consultation demonstrated the practical support for and viability of a community purchase of the Pub and the setting up of AHCHL. If no commercial organization came forward to establish and run the pub on a sustainable basis, then it was overwhelmingly accepted that the only way to truly safeguard the long-term future and to ensure retention of the Golden Lion as a community asset, was for it to be purchased by the community.

The GLWG arranged for a commercial valuation of the Pub (by Thelwell Chartered Surveyors, July 2016) and informal discussions were held with the owner of the pub to establish the interest in selling and gauge the likelihood of a reasonable sale price being agreed. It became apparent that the owner was not interested in selling at anything like a reasonable market price based on its original sale price and current condition. However, GLWG believed that it should make a formal offer before proceeding with any Compulsory Purchase Order (CPO). A number of offers were put forward in the intervening years but all were refused. These offers varied in value as the condition of the property deteriorated over the intervening years. AHCHL worked tirelessly with each estate agent that was appointed and engaged at every opportunity in order to progress sale at a fair and reasonable price. We have now, in 2023, received a direct indication that the owner would now agree to sell for £342,000 plus related costs.

Considerable help and support have been received from various other Community Pubs and the forums on the Plunkett Foundation's website, and from the Tendering branch of CAMRA.

Market Summary

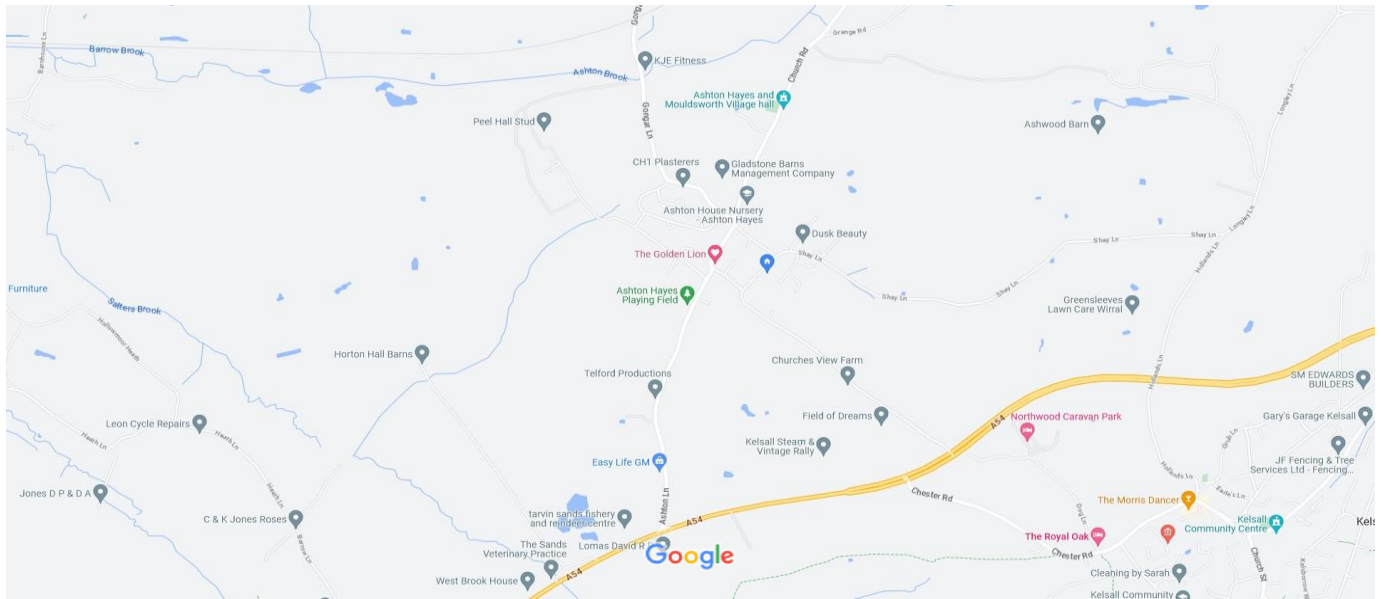
Competitors

Each of the neighbouring local villages has one or more Pubs, which have been benefiting from the closure of The Golden Lion. We plan to entice the local community back to The Golden Lion with a warm, friendly community local with good food - within walking distance; and hope to encourage custom from surrounding villages to give us a try as a "community run local" too. Our primary target market is the local community here in Ashton Hayes. Mouldsworth, Manley and the surrounding villages such as Kelsall and Tarvin are all within a 20–30-minute walk of the Pub or a 10-minute bicycle ride.

The Golden Lion is close to both short and long-distance footpaths, and has a history of being a popular stop for hikers and walking groups. It also has a large car park where hikers could leave their cars when walking. This may well be able to be utilised as a multi-use car park or local park and share car park during the day. It may well be able to provide suitable additional parking for the Community Shop. The Pub's position is also in a good location for cycling clubs and families, being on a popular cycling route.

Historically there has been a strong seasonal trend to trade, with the summer months, Christmas, and Friday and Saturday evenings, being much busier. We believe that we can counter some of this imbalance with community events such as quizzes, music evenings and offering food “specials” on non-event nights. We also envisage that our core customer base - the village community - will continue to support us over the winter.

Google Maps



Map data 20

Related Market Analysis

It is envisaged that there would be significant uplift in the use of other village facilities such as the Community Shop, Recreation Area and Post Office should The Golden Lion be reopened as a Pub and Hub.

Customer Need

The October 2017 consultation, conducted as part of the villages wider consultation programs indicated that, should The Golden Lion reopen under community ownership, a moderate increase in Pub usage could be expected. Reasons cited in the survey for not using the Pub in the past, included “poor service and welcome”, “poor quality food”, “children not well catered for”, “price” and unfriendly staff. The survey identified needs including external seating, general and themed entertainment, events, activities for young people and senior citizen meals and internet access. Conclusions from the survey included:

Community Benefit Society

Very strong support was provided for the establishment of a Community Benefit Society. 85% of surveys returned Strongly Agreed/Agreed with this proposed legal management arrangement. Only 2% Disagreed/Strongly Disagreed.

Tenant to run pub and business

The general view from comments received and debate at the consultation meeting was that the village would prefer the pub to be run as a viable commercial pub rather than community owned. However, if a commercial buyer did not materialise, and the pub had to be community owned, then from the survey, the very strong view was that it should then be run by a Tenant. 82% of surveys returned Strongly Agreed/Agreed that it should be operated by a Tenant rather than by the village directly on a day-to-day basis. Only 5% Strongly Disagreed/Disagreed.

Societies or Club Usage

There was from the survey good support for the community pub to be a base from which to operate local clubs and societies. 48% of surveys returned Agreed/Strongly Agreed that the pub should be a focus for local club and society activity. A further 39% were neutral on this matter and 15% of respondents Disagreed/Strongly Disagreed.

Likely to Buy Shares

There was very strong support from the surveys returned that they would be willing to invest in shares for the funding of a community pub/hub. 84% of surveys returned Agreed/Strongly Agreed with 4% Strongly Disagreed/Disagreed

Likely to Volunteer

Most services volunteered related to decorating, renovating the pub and gardening. There were also offers of assistance with the procurement of the pub. However apart from gardening there was only a couple of volunteers who expressed an interest in volunteering to work in the pub on an ongoing basis. 39% of respondents Agreed/Strongly Agreed, they would volunteer their services. However, 37% of respondents were Neutral and 26% of people Disagreed/Strongly Disagreed. This was consistent with the views expressed at the meeting and the preference for a Tenant.

Usage

In the survey 61% of respondents said they would use the pub weekly with a further 31% indicating that they would visit monthly.

Additional Facilities

As would be expected the very High priority focus was on providing a good pub facility with associated pub food. These were 98% and 84% high priority respectively.

Of lesser but still High priority was the provision of: -

- A venue for Social Events; 71% High Priority
- Parking for the shop; 64% High Priority
- A Society Meeting Place venue; 63% High priority

At a medium level of other listed uses i.e., were: -

- Private hire residents; 43% High Priority
- PC meeting place; 41% High Priority
- Wi-Fi Café; 37% High Priority

At a relatively low level of importance were: -

- CWaC mobile services; 31% High Priority
- Car park for bus; 27% High Priority
- Private hire business; 27% High Priority
- B&B; 10% High Priority

The community freehold nature of The Golden Lion will also benefit the community by way of more competitive product pricing and better product choice.

The Pub may also provide employment for local people and business opportunities for the suppliers of local produce and the village Community Shop. Other local organisations may benefit through joint ventures and links with the Pub and its facilities such as the WI and OPAL.

Post pandemic impact

On the 12th of September 2020 Ashton Hayes Community Hub Committee launched a survey to understand how Covid 19 may have impacted on our supporters and how the community's views on the Golden Lion project may have changed since our last survey in late 2017. The survey was closed

on 26th October with a total of 295 responses, more than twice the number we received to the survey in 2017.

The survey showed that 81% of respondents would be willing to invest in shares for the funding of the project with 48% saying they would volunteer to help with the renovations. Once open 94% of respondents said they would use the pub at least once a month with 55% of them visiting at least weekly. At 92% there was very strong good support for the community pub to be a base from which to operate local clubs and societies.

About half of the respondents had isolated during the Covid 19 lockdown but 69% of those who isolated and those who did not isolate said that they do not go out as much as they did before Covid 19 with 83% of both groups saying they would be more likely to go out to a pub in the village than a pub outside the village.

Marketing Strategy

We have reviewed the detailed data acquired during the previous consultation programs and distributed questionnaires to attendees of the Public Meeting in October 2017 and subsequently to the wider parish. This has further demonstrated the continued strong support for a community pub. We will work with the newly appointed tenant to draw up and agree a suitable medium term marketing strategy for the pub once they are in place.

We already have a loyal Facebook following @TheGoldenLionAshtonHayes page and have set up a website at goldenlionashtonhayes.co.uk and we also have a substantial, securely managed, mailing list. We regularly post updates and publish reports in both the Around Ashton village magazine and various websites. We have been interviewed and featured on Radio and TV and have appeared in numerous local and regional newspaper articles. We will continue to update local press as the project develops and plan to approach newspapers and TV stations with the story as we hit major milestones. CAMRA are supporting us, with frequent mentions in their newsletters, as well as advice.

We are exploring the idea of marketing campaigns for special deals on food for regular groups or village societies, pensioner lunches, theme nights, music nights etc. We will where practical, be sourcing local suppliers and we envisage that the Community Shop will feature heavily as a supplier wherever possible. To raise both funds and public awareness we have held a quiz and pop-up pubs in the village.

Monetary and Social Returns

Financial Benefits

The Society is committed to re-investing profits for the benefit of the community. Shareholders views will be sought to determine what proportion of profits is to be re-invested in the Society, and the level of interest that is to be paid to shareholders. We have assumed that no interest is paid in the first three years, and that no more than 50% of net surplus is paid as interest in any year.

Social Benefits

In 2010 the village shop opened as a community run enterprise. This initiative has a well proven track record of delivering community services and solid financial returns. We envisage learning from and building upon this wealth of experience and understanding of a successful community run enterprise.

The demographics of the local area are clearly identified through the responses to the last census document, with the largest group of people being 46-65, but also with a significant number of younger residents, this has now increased with the new development alongside the former Methodist Chapel. We also have a large number of retired people. The high number of older people in the area, along with the projected increase in life expectancy, and those risks associated with social isolation and loneliness (social, mental, physical) all emphasise the importance of mitigating such risks. Although most villagers own a car, many people rely on the infrequent bus service to Chester or

Northwich, making the simplest trip for some a major challenge. We believe that a vibrant Pub and Hub would go a long way towards reducing social isolation here in Ashton Hayes and the surrounding villages.

When the AHCHL successfully acquires The Golden Lion, the whole community should benefit by genuinely feeling part of the project that saved their "local" and take an active interest in the future prosperity of the Pub and hub, increasing village cohesion.

We anticipate that this community enterprise will:

- Provide a meeting place for the community, both in terms of a traditional Pub but also where new and existing groups can meet both during the day and evenings
- Encourage the creation of new community groups
- Offer an opportunity for people to volunteer and engage, to feel that they are directly helping the community in a very tangible way
- Support the "can-do" attitude along with other social enterprises in the village, providing increasing numbers of people willing to serve on such bodies as, for example, the Parish Council
- Maintain a positive impact on property valuations
- Deliver on clearly identified needs and requirements of the Community

We will measure the social success of our venture in terms of the number of villagers supporting the, either as customers, or as volunteers. Villagers who are shareholders will have a direct say in the future of the society, through Members' meetings and representation on the Committee. We will also actively encourage other communities to follow our example, and will be delighted to offer support to similar groups.

Proposed Scheme - Pub and Hub

The Property

On taking over the property we expect to undertake some refurbishment of the property immediately, as referred to earlier, to improve the building fabric and facilities and to make the first-floor accommodation attractive to a new tenant and to encourage an earlier opening date, subject to funding and refurbishment project phasing.

Opening times

The precise opening times of the pub will be a matter for the tenant who will run the licensed business on behalf of the community, but we will be looking for a tenant licensee who will open the pub as a minimum for six evenings a week and day times over the weekends including Bank Holidays. Consistency and reliability of opening times along with access to facilities being provided as a Hub are key objectives for local residents and we will make it clear to the tenants we appoint that opening times must be well advertised and strictly adhered to.

Provision of food

We also know from the feedback that it is essential that the pub provides good quality food at affordable prices. Food will be available initially depending upon demand - but the aim is to build up food sales by generating a reputation for good quality, simple pub fare, using local produce where practical. It is recognised that moving towards a position where food sales represent at least 40% of the income should be the aim of the tenants and to achieve this they will need to offer food of good quality throughout the week. We want to see classic, simple Pub food, prepared with care, from fresh, local ingredients. It won't be a long menu; quality comes first but it should cater for most tastes. We also want to see this mixed up a bit with theme nights, seasonal specials, and a regular change of menu. We would like to see a children's menu that has real food on it and hopefully a regular Sunday lunch.

Customers

The pub will attract both villagers and visitors to the area. Once purchased as a community enterprise, the pub will quickly attract local users from its former customer base. With local people being members of the Society and shareholders in the business, they will be more committed to using the pub themselves and to bringing their friends and family with them. Building its reputation in the area as an attractive venue for drink, food and entertainment will take longer, there is a real opportunity to market the pub with walkers and cyclist who pass through the area.

We have a clear picture based on the consultation results of both the importance and the kind of Pub and Hub we want: Source; Ashton Hayes Neighbourhood Plan Survey

A cosy, inviting place, with real fires in a prominent position. Traditional style furniture with a variety of seating will complement the classic country colours on the walls. It must be both family and dog friendly. Draught beer - hopefully at least three bitters - and we're talking to a microbrewer about making one of them truly local. On the practical side, we want a comfortable area for eating and modern attractive toilets with less abled access and egress throughout public areas.

We will also provide café facilities; it may be possible we can do this in conjunction with the current café. We want to make this a place for all the village, and are thinking about promotions such, OAP lunches, and meal deals. Hub areas will be made available to local organisations for meetings or social gatherings.

We want the Golden Lion Hub to be at the heart of village events and to support and encourage local good causes and to actively promote social cohesion. It is a key priority for us to work with existing village enterprises and businesses to ensure we mutually benefit all the services currently on offer in the village.

We'd like to liven the place up occasionally, perhaps with varied music events, or by holding quiz nights etc.

Fundamentally we will be driven our customers and Hub user's needs. A lot of them will, after all, be our shareholders.

Management Structure

It is important that the correct management structure and tenant team is in place to deliver against the identified marketing requirements and needs. The tenant will be responsible for day-to-day management issues, and for the employment and management of staff. They will also order supplies as required, according to agreed guidelines set by the Pub Management sub-committee. A Pub sub-committee will liaise closely with the tenant team, a dedicated point of contact with agreed delegated decision-making authority will be put in place for the tenant providing flexibility in decision making and sorting out issues as they arise. The full committee will have responsibility for monitoring performance against the tenancy agreement. We expect meetings of the sub-committee (including the tenant/manager) to take place at least monthly during the first 12 months of operation. The main committee will work with the sub- committee to make strategic decisions, such as the direction and financial performance of the Pub. Members will be invited to comment and offer comment on strategic decisions, on a regular basis. Members will be encouraged to submit suggestions and comments to committee meetings and ask direct questions of the tenant answers to which will be made available to members via a secure 'members only' section of our website.

Volunteers are an essential part of our plan. They not only provide the necessary labour to allow us to refurbish and open the pub at as low a reasonable cost as possible, but provide that crucial link to the community. This reliance will be reflected by one of the committee members appointments as volunteer coordinator. They will have responsibility for recruitment and training and will organise the rota for volunteers. Health and safety during the refurbishment will be managed by the appointed contractor and monitored by the committee. One aim will be to work with local people to enable them to achieve formally recognised qualifications through their volunteering so they can go on and use their experience in other jobs in the future.

The Golden Lion Business Model

We see the previous decline in the pub's fortunes as being caused by a combination of high rent and beer costs and a lack of investment and commitment by the previous owner. It has the potential to operate profitably but ownership by the community gives the opportunity to ensure that it continues to be successful in the long- term. The success of the venture will be largely dependent upon:

- Finding commercially astute, experienced, committee members who have time to devote to the project and are prepared to do so in a voluntary capacity
- Recruitment of an experienced, reliable, commercially astute and socially skilled tenant and members of staff. Specialist external assistance can be sought to support the recruitment of an experienced tenant. The tenant and staff must have high standards in all aspects of the business, and be motivated by the desire to create a really special pub valued by the community and attractive to those from further afield. We will encourage the tenant to employ staff who live locally
- It is intended that a rental figure of 50% of net profit per annum (Based on British Beer and Pub Association Survey) is to be charged by AHCHL to the Tenant for use of the facilities

The pub will be run to make a profit. The tenant will pay a base rent to the community, up to a predetermined level of profitability. Above this level and as the business grows, the tenant will share the additional profit, in line with a predetermined formula, with the community. The intent being that both the community and the tenant share in the success of the venture.

The rental income to the community will be used to service loans (not currently envisaged), invest in the fabric of the business (e.g., refurbishment) and be distributed to the shareholders via interest payments. The society will hold an annual general meeting for all shareholders and may have further meetings to discuss plans and progress.

Financial Analysis

The financial performance of the Golden Lion can be divided in to two distinct elements. The first for Ashton Hayes Community Hub Ltd (AHCHL) and the second for the Tenant business. AHCHL will buy the property, refurbish it and get it ready for business and then appoint a tenant on, say, a 3-year contract, to whom a rent for use of the facilities will be charged by AHCHL. The profit earned by the tenant will be used to fund the rent to AHCHL and the remainder will be for the benefit of the tenant.

Detailed forecasts, capital requirements, profit and loss and balance sheet can be found in appendices 1, 2, 3, 4 and 5 and are based on the following assumptions

- 1 The model uses £342,000 as the purchase price for the Golden Lion, the price the vendor has indicated that he would accept.
- 2 We have used 3 local builders to price the cost of refurbishment and these are included in the capital requirements schedule together with a contingency (in total £267,000).
- 3 Assume we will attain a Community Ownership Fund capital grant of £250,000 together with a revenue grant of £50,000
- 4 Any further development costs must be justified by self-financing plans
- 5 Turnover used (£250,000) is based on figures quoted for a rural pub published British Beer and Pub Association
- 6 Assumed gross profit on wet sales at 45%, food at 65%
- 7 Sales will change +5% each year after year 1
- 8 Expenses will change +5% each year after year 1
- 9 Assumed all money raised is spent prior to handing building to tenant to manage
- 10 Assume hub registers for VAT and is able to recover VAT on purchase
- 11 Any sum greater than £250,000 raised from share sale will result in reduced loan requirement (not currently envisaged)

- 12 Any sum less than £250,000 raised will be referred back to the management committee
- 13 Loans (not currently envisaged) and grants are susceptible to time pressures and assumptions made are that no others currently are available but we will apply for those that are open to us in the future
- 14 Assume we pay interest/dividends as shown: Shares 3% from year 3
- 15 After initial refurbishment no further capital expenditure is included in plan
- 16 Assumed hub pays corporation tax 20% on rent in year of receipt
- 17 Assume we repay any loans as cash becomes available (not currently envisaged)
- 18 Only the minimum £250,000 is raised from the share issue
- 19 VAT will be incurred with the purchase of the Golden Lion and this is provisioned for in the funding required. However, it is expected that this VAT will be able to be reclaimed late in Year 1
- 20 A rental figure of 50% of net tenant operating profit per annum is assumed (Based on British Beer and Pub Association Survey), to be charged by AHCHL to the Tenant for use of the facilities
- 21 The sales and associated sales related costs in year 1 are reduced by 50% to reflect the time needed to refurbish the pub and recruit a tenant before trading. This has consequently reduced the Tenant rent in Year 1
- 22 Forecasts for the sales performance have been based on the experience of the projected trading position provided by an independent consultant, who has examined the premises and the local market
- 23 For the tenant year 1 will be a full year as they will essentially start after the refurbishment and thus the income, net operating profit and rent will be proportionally higher in line with the total costs and overheads
- 24 Full year cost overheads have been included for Year 1 at this time, until detailed start up plans are prepared with the tenant. Consequently, some cost savings are likely and potentially a higher net operating profit
- 25 Assume a more detailed timescale of the project will be triggered by the acquisition of the Golden Lion and the timing of raising of additional funds to support the refurbishment
- 26 Assume that from the commercial builders that have been contacted one will be nominated to project manage the refurbishment

Risks Analysis

The principal risks are:

A shortfall in funds from the grants, asset sales and Share Offer, and its potential effect on our financial planning.

We have gone to considerable lengths to assure ourselves (and our investors) that the venture is viable, and we have deliberately chosen a reasonable lower investment limit, to encourage prospective investors.

The cost involved in a Compulsory Purchase Order (CPO) if this proves necessary.

These CPO costs are not readily quantifiable as there are few precedents available in this area from other communities who have attempted to use the CPO process. Professional guidance has been sought on the possible upper and lower projected costs for a CPO, and initial estimates vary considerably. Cheshire West & Chester Council who are supportive of a CPO have raised concerns over the unpredictability of associated costs of a CPO. They have also indicated that they would wish to seek an indemnity provided by the Community Group for their costs in a CPO process.

Inability to recruit the right tenant to run the Pub.

We will advertise and begin the process of identifying a suitable tenant as soon as the purchase has been completed. External support will be sought for the selection and interviewing process should any skill gaps be identified in the committee. It is advantageous to get the input and engagement from the tenant as we go through the refurbishment process.

Inability to manage the tenant to run the Pub as the community and committee would like to see it run .

It is recognized that the ability to let people go if they turn out to be a less than an optimal choice for the Pub is more difficult to manage through a tenancy agreement than a managed pub model. For this reason, we envisage having suitable break clauses in the tenancy agreement to facilitate this if required.

Failure to generate sufficient sales and profit to cover expenditure is a clear risk.

Forecasts used have been based on the broad experience of the consultant working with many similar ventures. Sales forecasts reflect a suitable period to develop the potential of the business. Levels of profitability on food and drinks sales has been scaled back to reflect a more attractive price offering to the community. A reward scheme for the tenant is envisaged (subject to detailed negotiation), to encourage developing the business to deliver greater reward for both the tenant and the community. This business plan is designed to reduce that risk as far as is reasonably possible.

The current detailed condition of the buildings is at present unknown and clearly a risk.

This risk is to be mitigated through completion of a detailed structural survey before any purchase takes place.

It should be noted that the value of the community shares will never increase, though they can earn interest at the discretion of the Management Committee.

To mitigate this, AHCHL will own the property and land, it is currently difficult to see how this will ever become worthless.

Should the Society fail then the following distribution of funds would take place in priority sequence.

After paying off its loans (not currently envisaged) and creditors, repaying all share capital, any remaining assets must be transferred to community enterprises that satisfy the same community benefit criteria as the rules governing AHCHL.

Running costs are not adequately controlled.

The experience of managing costs is a key experience criterion when selecting a tenant. All expenditure on the building and business will have to be carefully scrutinized to ensure it makes sense at that time, particularly in the first year or two whilst establishing a sustainable business.

NOTE: It is interesting to note that according to Plunkett Foundation research, there is no evidence we are aware of showing a community share model of pub ownership that has failed to date. We are very grateful for the on-going support and advice from the Plunkett Foundation itself, and from the many other community pubs that have freely shared their expertise.

Appendix 1 – Tenant Forecast

	Year 1	Year 2	Year 3	Year 4	Year 5
Sales					
Wet sales	125,000	131,250	137,813	144,704	151,939
Food sales	125,000	131,250	137,813	144,704	151,939
Other sales (room hire)	500	525	551	579	608
50% reduction sales year 1	(125,000)				
Total sales	125,500	263,025	276,177	289,987	304,486
Gross Profit					
Wet sales	56,250	59,063	62,016	65,117	68,373
Food sales	81,250	85,313	89,578	94,058	98,760
Other sales (room hire)	500	525	551	579	608
50% reduction sales year 1	(62,500)				
Total gross profit	75,500	144,901	152,145	159,754	167,741
Expenses (see Greene King model for breakdown)					
Total	83,900	88,095	92,500	97,125	101,981
	(8,400)	56,806	59,645	62,629	65,760
Rent based on 50% operating profit	0	28,403	29,823	31,315	32,880
	(8,400)	28,403	29,822	31,314	32,880

Appendix 2 – Hub Forecast

	Year 0 £	Year 1 £	Year 2 £	Year 3 £	Year 4 £	Year 5 £
Share offer	250,000					
Funders loans (not currently envisaged)	0					
Energy Company Grant	15,000					
Community Ownership Fund Grant	310,000					
CoF Revenue grant	0	50,000				
	<u>575,000</u>					
Purchase of Golden Lion	(342,000)					
VAT on purchase	(43,400)					
Refurbishment		(180,000)	(18,000)			
- additional expense - access/IT facility/solar panels		(75,000)				
Legal fees	(10,000)					
Recruitment						
Contingency	(179,600)					
	<u>(575,000)</u>					
Recovery VAT on purchase		43,400				
Tenant - basic rent		0	28,403	29,823	31,315	32,880
Corporation tax thereon @ 20%		0	(5,681)	(5,965)	(6,263)	(6,576)
Insurances, auditor costs, bank charges etc.		(4,000)	(4,200)	(4,410)	(4,631)	(4,862)
Repayment Funders Loan				0	0	0
Repayment Booster Fund				0	0	0
Repayment of CoF revenue grant					0	0
Major capital investment						
Interest and dividends						
Dividends						
Shares at 3%				(7,500)	(7,500)	(7,500)
Annual cash available for refurbishments / distribution before tax	(165,600)	522	11,948	12,922	13,942	
Interest		0	0	0	0	
Net Cashflow						
Opening with contingency	179,600	14,000	14,522	26,470	39,392	53,333

Appendix 3 – Profit and Loss

	Year 0 £	Year 1 £	Year 2 £	Year 3 £	Year 4 £	Year 5 £
Income						
Rental from tenancy			28,403	29,823	31,315	32,880
Other Income		50,000	18,000			
Total Income		50,000	46,403	29,823	31,315	32,880
Operating Expenses						
Start-up costs		-50,000	-18,000			
Repairs and maintenance						
Legal and professional fees		-2,000	-2,100	-2,205	-2,315	-2,431
Insurances		-1,500	-1,575	-1,654	-1,737	-1,824
Other expenses		-500	-525	-551	-579	-607
Total operating expenditure		-54,000	-22,200	-4,410	-4,631	-4,862
EBITDA		(4,000)	24,203	25,413	26,685	28,018
Non-Operating Costs						
Community activities						
Interest Due to Shareholders				(7,500)	(7,500)	(7,500)
Interest Due on Loan						
Taxable profit		(4,000)	24,203	17,913	19,185	20,518
Corporation Tax		0	(5,681)	(5,965)	(6,263)	(6,576)
Tax Adjustments						
Net Profit / (Loss)		(4,000)	18,522	11,948	12,922	13,942

Appendix 4 – Balance Sheet

	Year 0 £	Year 1 £	Year 2 £	Year 3 £	Year 4 £	Year 5 £
Assets						
Current Assets						
Cash	179,600	14,000	14,522	26,470	39,392	53,333
VAT Debtor	43,400					
Total Current Assets	223,000	14,000	14,522	26,470	39,392	53,333
Fixed Assets						
Golden Lion at cost	342,000	342,000	342,000	342,000	342,000	342,000
Major capital investment			0	0	0	0
Refurbishment		255,000	273,000	273,000	273,000	273,000
	342,000	597,000	615,000	615,000	615,000	615,000
Total Assets	565,000	611,000	629,522	641,470	654,392	668,333
Liabilities						
Long-term Liabilities						
CoF revenue grant repayable			0	0	0	0
Funders loan (not currently envisaged)			0	0	0	0
	0	0	0	0	0	0
Total Liabilities	0	0	0	0	0	0
Equity						
Community Shares	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Grants and retained losses / earnings	(315,000)	(361,000)	(379,522)	(391,470)	(404,392)	(418,333)
Total Shareholder Equity	(565,000)	(611,000)	(629,522)	(641,470)	(654,392)	(668,333)
Total Liabilities	(565,000)	(611,000)	(629,522)	(641,470)	(654,392)	(668,333)

The Ashton Hayes Community Hub Ltd (AHCHL) was registered by the Financial Conduct Authority (FCA) on 10th November 2017. It has not traded and currently has reserves of £1,492.56. Historical Accounts can be found at <https://mutuals.fca.org.uk/Search/Society/11397>.

Appendix 5 - Capital Requirements and Funding

Pub Purchase	342,000
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Total Purchase Cost	342,000
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Admin and Refurbishment Costs

Legal, searches, solicitors, fees	10,000
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Design, engineering and planning costs	4,000
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Replacing single glazed windows with double glazing	16,000
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Kitchen repairs	6,000
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Beer cellar repairs	3,000
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Roof repairs	14,000
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Staff / committee member training	2,000
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New heating system	30,000
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Total rewire both floors	25,000
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Refurbish toilets as necessary	15,000
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New beer pumping system	5,000
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Parking facility, IT hub and PV / Energy grid	75,000
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Other items and contingency	78,000
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Total Purchase Costs	283,000
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Overall cost of Purchase	625,000
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Funded by

COF Capital Grant	250,000
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COF Capital Grant Projects	60,000
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COF Revenue Grant	50,000
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Share Capital	250,000
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Energy Company Grant	15,000
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Other Funding	0
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Total Funding	625,000
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Appendix 6 - Interim Management Committee

An interim Management Committee has been appointed to serve until the first Annual General Meeting. At this meeting all nine members of the current committee will stand down and elections will be held for the new Management Committee.

The initial Management Committee comprises the below local founder members:

Hugo Deynem (Chair) - has lived in the village for over 40 years. He is a local Borough Councillor on Cheshire West & Chester Council. He previously held a role on Ashton Hayes Parish Council and has a track record of involvement in community projects and support roles. Hugo ran his own local business for many years and now works for RWE Renewables a renewable energy generation business, managing contractor's Health & Safety.

Trevor Scadeng (Vice Chair) - has lived in the village for over 20 years and over this period has been involved in the Parish Council, Scouts, Gardening Club and the Community Shop. He has spent 20 years overseas managing insurance companies and returned to the UK in a similar capacity. He is now retired.

Lisa Allman (Secretary) - has lived in Ashton Hayes with her family for twenty years. Lisa is a pharmacist employed in a GP Practice. Lisa has previous experience of establishing a community enterprise as she has been Chair of Ashton Hayes Community shop management committee since it was first established in 2008. Lisa has recently retired from the parish council after seven years of service.

David Wilson (Treasurer) - has lived in Ashton Hayes for over 30 years. He is a qualified accountant, an Associate of the Chartered Institute of Management Accountants. He retired 13 years ago from his position as a Financial Manager in the Automotive Industry. David is a keen golfer.

Ken Hartley - has lived in Ashton Hayes for 25 years and has played an active role in the development of the Pavilion and Play area and is currently a Trustee of AHSRA. He was the Chief Executive at Merseyside Society for Deaf people. He is a specialist member of the Mental Health Review Tribunal and is currently a NHS Hospital Manager. He also has been a Magistrate for 20 years.

Linda Peppin - has lived in Ashton Hayes for eight years. Now retired she worked for many years in the Marketing / IT departments of a large retailer. She is the chair of the village Gardening Club and volunteers at the Community Shop, in her spare time she builds and maintains several websites.

Kate Harrison - has lived in Ashton Hayes for 36 years. She worked as a Professional Centre Manager for Cheshire County Council and CWAC and as a Policy Officer for Cheshire East. Kate was part of the steering committee for the Community Shop, and has been a director since then. She is an Adviser to other community shops, pubs and community enterprises through the Plunkett Foundation. Kate is also a director of the Community Energy Company.

John Hirst - For 24 years John was a Company and Commercial law solicitor and a partner in a South Manchester law firm advising small and medium sized businesses and their owners. He then moved into the business and commercial world for almost 20 years, variously as an adviser, executive director and also owning and building his own businesses. John is now retired: he cycles, runs and walks; he has a large garden and an allotment and he support his children and grandchildren.

Appendix 7 - Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis

Strengths

- The whole community is involved (evidence: attending meetings and socials and helping with leaflet drops). The committee is a part of the community - everyone knows everyone else. Many committee members and local community organisations have previous experience of community run ventures.
- The range and depth of skills and enthusiasm on the committee and helpers. An ex-landlord of the Golden Lion is supporting and advising our committee.
- Profits (apart from a small interest payment, if feasible) are invested back into the business or the community. We can continue to build on success.
- We do not intend to fail. But if the Pub proved to be unviable, we will own the freehold which is likely to appreciate in the long term. This makes the proposition more attractive to investors with no stake in the community, as although profits will be fed back into community projects, their capital investment will be safe.
- The AHCHL business model requires that all interest payments are voted on by all members - at one vote per share holding, of whatever size - so it's a fair way of working.
- Several local traders have offered their services.
- We have had tremendous support from other communities who have done similar things, and from the Plunkett Foundation.

Weaknesses

- The Committee has experience in community enterprises and businesses though other members may not have such levels of experience. Mitigation: the team will fill the gaps in their experience by learning from others e.g., Plunkett mentoring scheme. Do plenty of research. Find other experienced managers who will work with us.
- The committee are almost all working people doing this in their spare time. Illness or job needs might take people away for some time. Mitigation: We have set up the main and sub committees so that critical posts can be covered.
- At this point in time, we don't know how much we will raise in shares - and so considering for a potential loan is necessary but not currently envisaged. Mitigation: Financial plan to cover all potential options until we can eliminate them.
- There is a reliance on volunteers. Mitigation: do as much talking to people and village groups as we can; make people feel that it really is their resource, which relies on them. Volunteers are already running events in the village as part of the Save The Golden Lion campaign.

Opportunities

- The only Pub easily accessible without a car for majority of local residents. Walking and cycling clubs pass The Golden Lion regularly.
- We hear from other villages that have done this successfully that it gives a great boost to the community, in terms of "can-do" spirit.
- Owning the freehold will mean that we control the community asset. We aren't going to be a tied house. We have local breweries and direct links to the Community Shop - we can act very locally.
- We can be very responsive to community needs, both in terms of what we sell, and in terms of how we want the Pub and Hub to feel.
- We understand our demographics very well.
- We have extensive local consultation results supporting the project.

Threats

- The committee is a part of the community - everyone knows everyone; risk of treading on well-stubbed toes. Mitigation: Tread as carefully as possible.
- We do not know the full structural condition of the building and probably will not until we take possession but we have a building surveyor who has completed a survey. Mitigation: A Schedule of Wants and Repairs will be commissioned.
- We must have the right people to run the Pub, who can work with the committee and share our vision. Getting the right people remains the biggest risk to the successful and profitable operation of the Pub. However, this risk would exist under any business model. Mitigation: The tenancy agreement model at least allows us to let go any manager who turns out not to be right for us, and try again.

- Insufficient volunteers. Mitigation: If there are insufficient volunteers, then more funding will be required for repairs, decorating, landscaping and future maintenance. This may impact the viability of the business which is discussed below.
- The business is not viable for example due to a lack of custom. Mitigation: the business will not be allowed to trade at a loss. In the worst-case scenario, the business will own a pub and land, and will have to dispose of these assets for the benefit of the local community. Once any potential loans (not currently envisaged) have been repaid and shares redeemed, the AHCHL model guarantees that any residue will be retained by the local community.

**Appendix 8 - Ashton Hayes Pub is the Hub Proposals Survey
October 2017**

Number of Surveys		
Returned	105	
Residents	97	92%
Non-Residents	8	
Adults in Households	186	
Email Address Given	93	89%

Community Benefit Society (CBS)	Strongly Disagree	1	1%
	Disagree	1	1%
	Neutral	13	12%
	Agree	34	32%
	Strongly Agree	56	53%

Tenant to Run Pub and Premises	Strongly Disagree	3	3%
	Disagree	2	2%
	Neutral	14	13%
	Agree	35	33%
	Strongly Agree	51	49%

Societies or Clubs Usage	Strongly Disagree	4	4%
	Disagree	12	11%
	Neutral	41	39%
	Agree	29	28%
	Strongly Agree	19	18%

Likely to Buy Shares	Strongly Disagree	3	3%
	Disagree	1	1%
	Neutral	17	16%
	Agree	44	42%
	Strongly Agree	40	38%

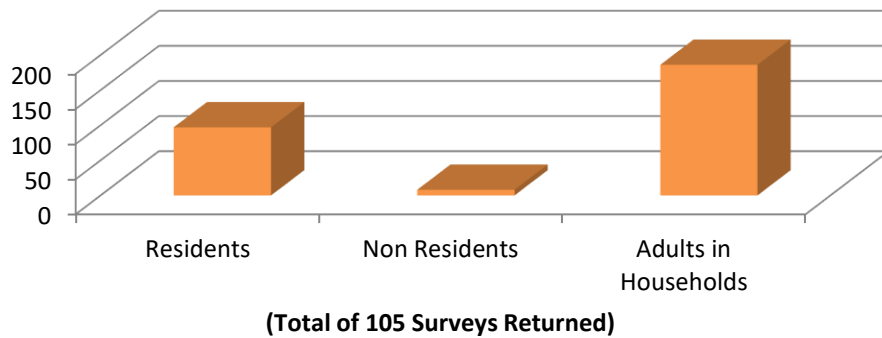
Likely to Volunteer	Strongly Disagree	6	6%
	Disagree	20	19%
	Neutral	37	35%
	Agree	28	27%
	Strongly Agree	13	12%

Usage	Not At All	1	1%
	Every 3 Months	3	3%
	Monthly	31	30%
	Weekly	64	61%
	Daily	6	6%

Appendix 9 - Consultation Survey Analysis October 2017

From the public meeting held at Ashton Hayes School on the 25th October 2017 and the subsequent whole village survey, 105 completed surveys were returned by 31st December 2017. This representing approximately 25% of the households in the Parish of Ashton Hayes and Horton-cum-Peel. 8 of the surveys returned were from outside of the parish. The surveys were completed on behalf of the 186 adults in the households. The key survey questions are as below where the percentages represent the response in terms of the proportion of the adults represented in the surveys

Breakdown of Surveys Returned



Appendix 10 – Project Key Risk Assessment

RISK	CONSEQUENCE	LIKELIHOOD	TIMING	MITIGATION	RESIDUAL RISK
Financial Risk 1. Inability to secure the CoF grant	The project would face unpredictable costs in relation to the CPO	Possible	Within 3 months	A well-prepared Business Plan and comprehensive review of the application criterion and supporting advice and guidance from professional and charitable organisations	Possible but Unlikely
Financial Risk 2. Inability to raise target amount of investment through Shares	The project would face the potential of not being able to complete on the current funding model	Possible but Unlikely	Within 3 months	A detailed share prospectus has been designed with external support from the likes of Plunkett Foundation. Consistent communication and pledges of support along with a number of resident surveys demonstrate sufficient and growing support from community investors. A previous share launch saw pledges of c£200k made for the project.	Unlikely
Financial Risk 3. The business fails to trade at the forecasted levels	The operational element of the project could fail to cover overheads	Possible but Unlikely	Within 12 months of opening	A fully costed business plan, external support and commercial advice, a clear proposal and operating model for the tenant have all been assessed and put in place. Understanding and predicting any impact of changes to customers purchasing patterns post pandemic are continually and regularly monitored. Being a community owned pub and hub provides the flexibility to change and flex services and commercial offer to address future changes in customer need and purchasing behaviours	Unlikely
Financial Risk 4. Fraud or money laundering	Loss of capital or legal and financial penalties	Possible	For Share Offer within 12 months. For fraud risk Ongoing	Having a well-prepared share offer prospectus, separate bank account for the same, we have sought and will continue to seek external professional support and guidance for the share offer. Assuring all required information from investors i.e. name, address, bank details etc. are checked and recorded appropriately. Having a well written, regularly reviewed Fraud Prevention & Security Policy for the project and the subsequent operational phase as part of the Management System for the Pub and Hub	Unlikely
Financial Risk 5. The owner fails or refuses to complete the sale	The project would be forced to continue down the CPO route. This would expose the project to unforecastable costs as the Local Authority would seek indemnity for their costs in the process	Possible but Unlikely	Within 3 months	A clear acquisition and negotiation approach. Trusted and experienced commercial property solicitors have been instructed. Regular reviews, meetings and updates with our solicitors and early identification of negotiation risks in place. The project committee has both commercial legal and property transactional experience as internal competencies	Unlikely

RISK	CONSEQUENCE	LIKELIHOOD	TIMING	MITIGATION	RESIDUAL RISK
Financial Risk 6. Lack of volunteer support during refurbishment and operation	The project could face increased refurbishment/contractor costs. There may be increased staffing costs if numbers of volunteers are not achieved for the operational stage of the project	Possible but Unlikely	Within 12 months	A number of estimates for the costs of the refurbishment works have been received. Any additional volunteer support for the refurbishment phase will release additional funding for the operational phase and the business plan has not placed a reliance on volunteer support for the completion of the refurbishment. A well-structured, tried and tested approach to volunteer recruitment and the sharing of the volunteers as a resource across projects has been in existence for many years in the community	Unlikely
Financial Risk 7. Risk of not obtaining planning or consent permits for refurbishment works or additional community benefits	The fenestration plans for double glazed units in a conservation area may increase heating and running costs. Failure to obtain planning consent for the installation of solar PV panels may impact predicted cost reductions and income	Possible	Within 12 months	A number of properties in the same conservation area have recently been successful in changing windows to multi glazed types, initial indications from planning guidance is that with carefully selected materials the fenestration changes should be acceptable. The village already has an array of solar pv panels installed on a community building close to the heart of the village, demonstrating previous successful experience of working with planning teams on the aesthetics of such planning applications and approvals	Possible but Unlikely
Financial Risk 8. The risk of not being able to source refurbishment materials due to supply issues	This may slow the project delivery/opening schedule down	Possible but Unlikely	Within 12 months	The majority of the refurbishment works will be internal, limiting building materials required to plaster board, sand, aggregate and cement, plaster and decoration materials, non of which are in short supply nor predicted to be. The external works such as the roof repairs may require limited amounts of wood for replacement where required and the slates and ridge tiles will be reused	Unlikely
Financial Risk 9. Not being able to source or maintain an effective Steering Committee for the operational phase of the project	New skills will be required for the running of the Pub and Hub over and above those currently in place on the committee. Without such skills the project may develop less quickly or less effectively once the operational point is reached	Possible but Unlikely	Within 12 months	Recruiting and raising awareness of upcoming committee places is already underway. Should the correct members of the Steering/Management Committee not be found immediately a phased hand over for the existing committee is planned to bridge the transition. External support and experience from the local business community and from management teams of local pub co's has been identified as a backup if required	Unlikely