



25th April 2022



THE BOUNDARY SHOP AND CAFÉ – BUSINESS PLAN





The St Mary Bourne Village Shop and Post Office prior to the Café extension.



ACKNOWLEDGEMENTS

This business plan is authorised by the The St Mary Bourne Shop and Cafe Ltd Management Committee, which is grateful for the help, advice, as well as ongoing support, it has received from The Plunkett Foundation and the St Mary Bourne Parish Council during its preparation.



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PREFACE

This business plan is about how we expect the Shop and Cafe to operate in 'normal' times, after Covid or once life is normalized with Covid. To reflect this exciting development, the combined Shop and Café will be named “the Boundary”.

Whilst our current shop has served us well over the last 20 years, we find ourselves bursting at the seams and in much need of extending. Our proposal will see our much-loved village shop expand in size and facilities. We will also build a much needed Café, to become the heart of our community where we can meet, share, chat and laugh with delicious food and drink. The enlarged shop will create space for a sustainable eco section for everyday refillable products.

Our aim is to start the build in July 2022 and to complete the build by the end of September 2022 with the new Shop and Café commencing in October 2022.

We will need to raise at least £200,000 in share funding to build the new shop and café. We believe we can raise the funds and hope to raise more than the optimum, reaching potentially £250,000 through the share offer. Many communities about the same size as ours have successfully attracted share investments over double this figure.

Investing in community shares is all about buying into in the long-term social fabric of where we live. Returns come from the satisfaction in seeing your investment helping your local community, and knowing that a piece of the SMB Shop and Café is yours.

When the members of a community come together for a common cause, without purely financial or commercial motives, when they co-operate and collaborate to create something that is important and valuable to their community, they can unlock something very powerful.

The legal entity is "St Mary Bourne Shop & Cafe Limited" which will trade as "The Boundary"

ABBREVIATIONS

<i>AMM</i>	<i>Annual Members Meeting</i>
<i>ATV</i>	<i>Average Transaction Value</i>
<i>CBS</i>	<i>Community Benefit Society</i>
<i>CGT</i>	<i>Capital Gains Tax</i>
<i>FCA</i>	<i>Financial Conduct Authority</i>
<i>FTE</i>	<i>Full Time Equivalents</i>
<i>HMRC</i>	<i>HM Revenue & Customs</i>
<i>SITR</i>	<i>Social Investment Tax Relief</i>
<i>SMB</i>	<i>St Mary Bourne</i>
<i>SMB-S&C</i>	<i>SMB-Shop and Cafe</i>
<i>Society</i>	<i>SMB Shop and Cafe Limited</i>



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<https://stmarybourne.org/village-shop/the-boundary/share-offer/>

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PART 1 - VIABILITY ASSESSMENT

For Community Café and Shop Extension

St Mary Bourne Shop and Café Ltd trading as “The Boundary”



Viability in this context means that the Café has the potential to be successful and sustainable. This assessment strives to assess the viability and sustainability of the Community Café in St Mary Bourne.



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Appendix A – Comparatives of Community Shop Cafes

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Appendix C - Zero waste and refillable products.

Appendix D - Illustrative Menu (Prices and dishes indicative only)

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The Community Café – St Mary Bourne

1 Introduction

- 1.1 **The Idea.** The team behind the successfully run Community Village Shop and Post Office, supported by its members and Village Community, wants to extend its building to include a Community Café within its premises, an enlarged shop to carry an environmentally-friendly line of refillable products and to continue operating the Village Post Office.
- 1.2 **The Cafe** will be run by the community for the village of St Mary Bourne as a Community Café and provide a valued hub where people can meet, chat, and enjoy the best quality coffee and other hot drinks and appetizing snacks and treat. It will consist of 24 seats inside and 18 outside.
- 1.3 **The Shop** will use the enlarged space to carry environmentally-friendly refillable products (dry produce as well as liquids) that can be poured straight into customers' own jars and containers. It will also benefit from the opportunity to prepare product on the premises and to carry more local produce. These additional offerings will increase turnover through the shop.
- 1.4 **The Post Office** will continue to be run as a service for the Community. Much of the cost of the post office is carried by the shop but it is seen as a valuable service for the Community and does bring custom to the shop and will bring footfall to the Café as well.
- 1.5 **Identity.** The Shop, Café and Post Office will operate as one combined entity under the trading name "The Boundary" with the registered name for the Community Benefit Society being "St Mary Bourne Shop and Café Limited". The Management Committee has consulted with its membership who have given their support and approval to a change of legal status at an Extraordinary Members Meeting on 27th October 2021, from a Community Interest Company to a Community Benefit Society to become a community asset at the heart of the village. This structure will also help the financing of the new venture through the raising of funds via a Community Share Offer.
- 1.6 **Consultation with the village.** – With many years of successful trading and annual sales of more than £400,000, the existing shop is clearly strongly supported by the local community. Plans of the new Shop and Café were displayed at an open evening held to celebrate the Shop's 20th birthday and received enthusiastic support from more than 80 residents attending. The village has also been kept informed of developments through the Hill and Valley magazine that everyone in the village receives. The Management Committee has subsequently consulted widely with the Community by asking villagers to answer a questionnaire and to give their thoughts. The results are provided at Appendix F, they show enthusiastic support for the Café and



provide useful market research. At the Extraordinary Members Meeting held on the 27th October 2021 the members unanimously voted in favour of a change of status from a Community Interest Company to a Community Benefit Society and the plans to make a Community Share offer of shares at £25 each.

- 1.7 **Demographics.** St Mary Bourne has a population of approx. 1,500 people (1300 in census of 2011) including the surrounding villages and hamlets of Stoke, Binley, Egbury, Wyke and Wadwick. Of this population, approximately 20% are children up to the age of 17 and 18% are over 65 years old. Further details can be found at Appendix E.
- 1.8 **The synergies** of a Café with the running of the Village shop have been fully considered. Shared premises, shared produce including cakes - and at times staff - although those serving coffees will have to be trained. Both Café and Shop will attract trade to one another.
- 1.9 **Staffing.** St Mary Bourne is fortunate in having an exceptional Shop Manager, Lara Madge, who has run the shop since Feb 2017. Lara will manage the combined Shop, Post Office and Cafe. We also have a strong Management Committee with diversified talents who have total confidence in the shop manager. Lara has successfully grown both turnover and profitability over that time. In addition, she has led some important community initiatives with the shop and its offering supported by four very capable part-time staff Gordon Barton, Nadeen Richards, Julia Peart and Vicky Pettit and a team of wonderful volunteers. The Café also has a strong project team with useful skills to add to the talent mix.
- 1.10 **Purpose of a Viability Assessment.** This report has been written to test the viability and sustainability of opening an enlarged shop and café within the village of St Mary Bourne. Viability in this context means that the Café has the potential to be successful and sustainable, as the case for the shop is already proven.
- 1.11 **Coverage.** This report covers viability and sustainability by looking at the main assumptions and whether Revenues generated will cover costs:
 - The Market and Customer Base.
 - Customer Numbers and Turnover Assumptions.
 - The offering and the spend per visit
 - Gross margin per line.
 - Costs fixed and variable and breakeven.
 - Staffing and ability to deliver the offering.
- 1.12 **In Conclusion.** This report concludes that with the right management and funding the extended Shop, Café and Post office is viable and sustainable. It has the right management and the finance now needs to be put in place. The



assessment carried out supports not only the Viability and Sustainability of the Café but also forms the basis of the Business Plan.

2 The Market and Customer Base

A large focus is on our existing customers to add value to their shopping experience. However, we also plan to encourage new, local customers to the Shop. The population of St Mary Bourne as described in para 1.7 above of 1,500 people includes:

- 2.1 **Cost-conscious consumers** – in the village and surrounding area there is a large group of people who typically shop at local supermarkets or have home deliveries from these stores. They use the Shop mostly for emergency supplies or top-up purchases and for leisurely drinks and snacks, such as family treats at the weekend. These families and groups of friends would be tempted by breakfast/brunch items at the weekend and will respond well to offerings such as meal deals and other promotions in store.
- 2.2 **Affluent local residents and visitors** – seeking locally sourced, good quality and more interesting and expensive food products. This demographic enjoys finding new things in the Shop and the convenience of sourcing what they are looking for locally, and this outweighs the benefits of cheaper supermarket deals. They look for a range of high-quality chilled items and fresh fruit and vegetables, and can be expected to come in for coffee and homemade cake, teas, and freshly prepared lunches, including soup, if the provision is of good quality and in attractive surroundings
- 2.3 **Parents with small children**, particularly those without transport during the day – these frequently make the Shop a destination as part of a visit to the recreation ground in good weather, or to provide an outing when it is colder. These people would be attracted by an extended range of chilled goods suitable for children and café facilities offering children's drinks and quality coffee, with small treats to eat, such as *pain au chocolat* and simple lunches, e.g., salads and sandwiches.
- 2.4 **The elderly** – for many older couples and single people in the villages, who have more leisure time and money to spend on themselves, the Shop is where they do their primary grocery shopping. Many of them value social interaction with old friends and acquaintances, or meeting newcomers to the village. They would welcome the ability to purchase small amounts of an extended range of fruit and vegetables and new chiller items. They are likely to purchase lunchtime snacks, such as soup and rolls, toasted sandwiches and jacket potatoes and could be incentivised by special deals for senior citizens.
- 2.5 **Catchment school parents** – those who currently meet friends on the recreation ground whilst their children are playing or meet to chat before



collecting children may be attracted to an extended range of offerings. The provision of good quality, well-made coffee will be essential.

2.6 **Teenagers and children** use the shop on a regular basis and enjoy meeting their peers. They would welcome a range of drinks and snacks.

2.7 **The smaller basket frequent shopper** has been identified as a growing market; we hope to leverage our improved offering of a wider range of products to encourage local people to come to the shop for more of their shopping, which will save them time and petrol money.

2.8 **Other customers** will include:

- **Passing cyclists, walkers, and the local tourist trade.** These groups of people frequently make a refreshment stop at the Shop. With a range of quick snacks and high-quality coffee, the Boundary would be an even more popular destination and could be advertised as such.
- **Local tradesmen and builders** regularly come into the Shop to buy snacks. An increased range of hot 'food to go' and freshly made sandwiches would make it a destination shop within the area. Early morning breakfast items, such as bacon rolls to take away, or something on toast to eat in, may attract more of this market. Quick and efficient service will be important.
- As more people **work from home** post Covid there will be a greater demand for somewhere to provide a limited space for meetings and chats. Those who work from home often value some social interaction in their working day. These people would appreciate a good offering for lunches. Panini, soup and rolls, ploughman's or fresh sandwiches would appeal. The ability to use WIFI would be a must.

2.9 The Shop is often described as the social hub of the village and in this respect any expansion of the Shop to include a Café will be of enormous benefit. Large groups of walkers, cyclists, charity groups, families, parents, and babies with pushchairs, etc. all find facilities inadequate at present. As the Shop is already catering for people wishing to choose from a limited range of food and drink to take away, we are confident that by offering a wider range of food, better quality drinks and an eat in option, we will be able to increase revenue substantially.



3 Customer Numbers and Turnover Assumptions and Expectations

Comparatives

- 3.1 There are 7,000 independent coffee shops in the UK, according to the industry's Allegra Report, selling 10.8m cups of coffee a week, so around 220 cups a day on average, with an annual sales volume of £2,490m, indicating average annual sales per cafe of around £300,000. Cafes within Village Shops are far lower a small sample would suggest a range from £70k up to £200k. It would be prudent, therefore, as a base case to assume that sales would be towards the lower level of these units, rather than the £300k average of the independents.
- 3.2 Research into Community Shop and Café Turnover figures for Cafes through the Plunkett foundation that have a similar profile shop size and café size by inside and outside seating have been analysed. Please see appendix A to this paper.
- 3.3 The comparative analysis Appendix A suggests that a Turnover of £108,000 for year one is attainable and is a sensible starting point.
- 3.4 The Turnover assumptions are provided below and in Table 1.
- 3.5 Turnover figures for the Cafe have been assumed to grow by 6% year on year, 4% Inflationary and 2% from organic growth with the number of covers growing as the café becomes a destination, through reputation, word of mouth and benefitting from additional customers to the shop drawn to the eco-refillable product line.

Turnover Assumptions

- 3.6 We can identify five main customer groups (all excluding Covid restrictions) in the initial phase:
 - a) Residents of the parish, who number around 1,500 in total – assume 7.5% visiting twice a week. This assumption reflects the demographic of the village, with a high proportion of affluent 50+ age group, but also a cohort of young families, many of whom are active in clubs around the recreation ground.
 - b) Passing trade from outside the village drawn to the shop and Post Office. Assuming 2 per day during the week and 2 per day at the weekends.
 - c) Cyclist/Walkers who take refreshment. Assuming 8 per day.
 - d) Visitors to the recreation ground and Village Centre which attracts a number of people to activities during the week. The recreation ground is used actively for Football in the winter and Cricket in the Summer. There is an active playground for small children. - assume 100 per week with 20% attending the Cafe on average during the week, giving rise to an average of 2 per day during the week and five per day during the weekends.

- e) School parents from outside the parish (75 per day at the school, assuming 20% will come to the café once a week giving an average daily footfall of 3 per day)
- f) doctor's surgery visitors from outside (100 per day, assuming 5% take up per week this represents one customer to the café daily)
- g) Tradesmen and others delivering in the village as well as those passing through the village who want to buy takeaway Teas, Coffees and Ice Creams in the Summer– we could assume 15 potentials, 3 times a week giving rise to 7 per day on weekdays and 5 per day at the weekend.

3.7 Table 1 below shows the customers' covers by category.

Table 1.

Customer Analysis	Available	Weekly Take up	Weekly Frequency	Weekly Footfall	Average Week day	Average Weekend Day	Annual Footfall at Weekdays	Annual Footfall at Weekends
Parish	1,500	7.5%	2	225	25	50	6,500	5,200
Outside of Village passing trade to Shop & PO	200	7.5%	1	15	2	2	520	260
Cyclists/Walkers	280	20.0%	1	56	8	8	2,080	832
Rec Ground Visitors	100	20.0%	1	20	2	5	520	520
School	75	20.0%	1	15	3	-	780	-
Surgery	100	5.0%	1	5	1	-	260	-
Trades People & casual visitors	75	20.0%	3	45	7	5	1,820	520
Total				381	48	70	12,480	7,332

3.8 The number of covers has been checked for what is reasonable against other successful shop-café's of a similar size. Our café will have 24 seats inside and 18 outside. The average number of sittings in the winter on weekdays will be 1.7 times (assuming 8 purchases will be takeaways) and 2.5 times at the weekends (assuming 10 takeaways). In summer with the additional outside seating the turnover of sittings will be 0.95 times on weekdays and 1.44 times at the weekends.

3.9 On the basis of the average time a customer sits in an UK café of 90 minutes, we would assume a far shorter time for St Mary Bourne of 60 minutes on this basis the average number of customers sitting in the café at any time is 5 on weekdays and 11 at weekends during the winter. In the summer customers will be sitting outdoors as well as inside.

3.10 Turnover has been based on customer numbers, times the average café spend that we are expecting (a fuller explanation on how this has been calculated is shown in section 4 below and a detailed analysis is provided at appendix B). On weekdays the average café spend per customer (Average Transaction Value or ATV) has been calculated at £5.05 excluding VAT and at weekends £6.15 excluding VAT

3.11 Turnover calculation by customer category is shown below in table 2.

Table 2.

Customer Analysis and Turnover	Annual Covers at Weekdays	Annual Covers at Weekends	Annual Weekday Turnover at ATV £5.05	Annual Weekend Turnover at ATV £6.15	Total Turnover
Parish	6,500	5,200	32,836	31,969	64,805
Outside of Village passing trade to Shop & PO	520	260	2,627	1,598	4,225
Cyclists\Walkers	2,080	832	10,507	5,115	15,622
Rec Ground Visitors	520	520	2,627	3,197	5,824
School	780	-	3,940	-	3,940
Surgery	260	-	1,313	-	1,313
Trades People & Casual Visitors	1,820	520	9,194	3,197	12,391
Total	12,480	7,332	63,044	45,076	108,121

3.12 In 2020 (i.e. pre-Covid) the Average Transaction Value for Cafes excluding VAT was £5.00, so in 2022/23 an average transactional value of £5.05 on weekdays and £6.15 at weekends looks reasonable considering we are going to offer a full range of



Breakfasts, Lunches and Teas as it will be based on more food consumption than the average café.

3.13 Growth over a five-year period has been calculated on expectations that the cafe turnover will grow significantly as word-of-mouth reputation spreads and more people come to visit the shop. Passing trade will increase when the eco refilling service commences attracting more custom to the shop and thereby also potential customers to the café.

4 The offering and spend per visit

- 4.1 There will be a full offering of hot drinks consisting of premium coffees, filter coffees, teas and hot chocolate, ranging in price from £2.00 a cup to £2.75.
- 4.2 Cooked and continental style breakfasts will be provided from 8.30 in the morning. Takeaway bacon and sausage baps will be available for those who do not want to sit in the café. It is expected that the average breakfast consumed will be £10.95 on weekdays and £11.95 at the weekends. Lighter breakfasts and takeaway Bacon/Sausage Baps with tea or coffee are expected to be about £4.95.
- 4.3 Morning pastries and croissants will be offered to café customers as well as for taking away. Pastries and croissants are expected to be sold for £2.50.
- 4.4 Full lunches will be offered, ranging from hot soups, sandwiches, quiches, pies and salads, as well as a number of cold drinks. The average spend for a lunch is expected to be around £9.95 on weekdays and £11.95 at weekends.
- 4.5 Teas will be offered with a full range of locally baked cakes and biscuits. The average spend has been estimated as £4.95 in the week and £5.50 at the weekend.
- 4.6 In the summer ice creams will be on sale at the café, or possibly outside on the terrace. The persuasive nature of children is expected to lead sales at the weekends and after school. It is difficult to predict ice cream sales exactly but a small figure has been factored into the average transaction value particularly at the weekends.
- 4.7 A full analysis is provided at appendix B of prices and the offering.
- 4.8 Table 3 below shows how the Average Transaction Value (ATV) has been calculated.



Table 3

Calculation of Average Transaction Value	Weekly Weekdays							Weekly Weekends								
	Coffees & Teas Only	Coffees & Pastries	Breakfast	Takeaway Breakfast Roll	Takeaway Coffee & Teas & Ice Creams in Summer	Lunch	Tea & Cake	Total	Coffees & Teas Only	Coffees & Pastries	Breakfast	Takeaway Breakfast Roll	Takeaway Coffee & Teas & Ice Creams in Summer	Lunch	Tea & Cake	Total
Parish	12	30	15		12	31	26	126	6	20	18		10	22	24	100
Outside of Village passing trade to Shop & PO	0	4			2	2	2	10					1	2	2	5
Cyclists\Walkers	6	14	4	2	2	2	10	40	2	4	2			4	4	16
Rec Ground Visitors	3	3	1		1		2	10	2	2				2	4	10
School	3	6	1					14								0
Surgery	0	4						6								0
Trades People & Casual Visitors	2		10	15	4		4	35					10			10
Total	26	61	31	17	21	35	50	241	10	26	20	0	21	30	34	141
	£ 2.45	£ 4.95	£ 10.95	£ 5.50	£ 3.45	£ 9.95	£ 4.95		£ 2.45	£ 4.95	£ 11.95	£ 6.50	£ 5.00	£ 11.95	£ 5.50	
	£ 63.70	£ 301.95	£ 339.45	£ 93.50	£ 72.45	£ 348.25	£ 247.50	£ 1,466.80	£ 24.50	£ 128.70	£ 239.00	£ -	£ 105.00	£ 358.50	£ 187.00	£ 1,042.70
Average Purchase Including VAT								£ 6.09								£ 7.40
VAT adjustment% assuming Vatable Sales at 85% and VAT at 20%								0.17								0.17
VAT on cooked foods and drink								£ 1.03								£ 1.26
Average Transaction Value ATV								£ 5.05								£ 6.14

5 Gross Margin per line

Industry averages indicate gross margins of 80% for warm beverages and 50-70% for in-house fresh prepared products. Table 3 shows the mix of margins based on gross margins of 80% for hot drinks and 50% for food.

Table 4.

Sales	Drinks £ 40,393.44	Food £ 67,727.56	Total £ 108,121.00
Food Margin @ 50%		£ 33,863.78	£ 33,863.78
Drinks Margin @ 80%	£ 32,314.76		£ 32,314.76
Total Margin	£ 32,314.76	£ 33,863.78	£ 66,178.53
Margin %	80%	50%	61%



6 Staff and Overhead Costs

Apart from rent and business rates the main overheads will be staff costs. Utilities, insurance, and other items would be relatively modest per month, considering that the existing shop will share these. We assume £5,250 per annum for these items, including utilities.

Staff costs is the largest element of outgoings. We assume two paid Baristas at £10 per hour, always one on (one full time and one part time) based on the opening hours of 65 hours per week. A part time cook for £12 per hour for two hours a day would be needed to produce sandwiches and bake cakes etc. The Café in year one will support paid staff hours based on 80 full-time equivalent (FTE) hours per week rising to 98 hours in year five. Staff costs, including national insurance, will equate to an average of £13.20 per hour. In total, the annual salary cost would be £56k in year one, rising to £70k in year 5, reflecting a rise in FTE hours to 98 at a normal salary ratchet. Staffing requirements at different levels of turnover can be adapted. Flexibility and ability to scale up and down would be challenging but achievable. The importance of making good quality coffees could not be compromised and would be paramount to the success of the café.

This cost basis leaves a cash profit in year 1 of £4,000-5,000, rising to £6,500 in year 5, for the café alone. Adding to this the shop results, of £22k in year 1 rising to £37k in year 5, the capacity for interest payments in year 5 from accumulated cash reserves is solid. Based on £200,000 of equity raised, and applying the 3% target payment, £6,000 per year from cash reserves (excluding nominal depreciation) exceeding £150,000 at end-year 3 would also allow for repurchases at this point for those investors wishing to receive back their original capital.

7 Other success factors

The village shop by turnover puts it in the top 10% category of village shops nationally and there was no shortage of commitment or conviction that the Café would succeed as well. The following factors support this view.

(i) Location, Location, Location

The Café is ideally situated with the Village shop.

- overlooking the recreational ground to take advantage of the wonderful view and passing trade from Cricket, Football, Walking and fete activities.
- Near the playground to take advantage of passing mothers and toddlers
- Near the Church passing trade pre and post Weddings and Funerals.
- Near the Village Hall with its meeting rooms. Pre and Post meeting coffees as well as take away coffees and teas.

(ii) Community gatherings

St Mary Bourne is a busy and thriving village. At its heart lies The George Inn, the Village Hall and the Village Shop and Post Office. While all three of these amenities



provide good services to the village, through surveying local people, it has become apparent that the addition of a Community Café would enhance village life, by offering a space where people could meet, chat, and gather information about events and other organisations in the local area.

(iii) Environmental benefits – ECO Shop lines and local grown and cooked produce

The additional space will enable the shop to satisfy the ever-growing need for environmental sustainability which has created a demand for zero waste shopping whereby customers can use their own containers to fill up on day-to-day products such as dried food goods and household cleaning products. St Mary Bourne Village Shop is ideally placed in the Bourne Valley to fill this gap in the market and make it, along with the new café, a destination business as well as better serving its local community.

The shop already sells locally grown and produced products. The café where appropriate will benefit from this as well.

(iv) The Café as a Community Hub.

Designing the café as a community hub that is attractive to all age groups makes for a cohesive and inclusive community. This could be achieved by offering a safe and quiet environment for children to do their homework after school; concession rates to pensioners; a congenial meeting place for young mothers with toddlers. The café would have the ability to offer different services for different needs depending on the time of day. For example, you would expect that after school drop-off or before school pickup to be a busy time for school parents to meet, but at lunchtimes the Café could offer soup or sandwiches to the older generation at concessional prices. Mid-morning might be a busy time for parents with toddlers to come and meet and there may be an area where a few toys could be set out for the children.

The café would focus on inclusion within the community and would endeavour to set up interactive sessions where generations might overlap. For example, it might trial, encouraging older members of the community to volunteer for a Story Time sessions for young children or by setting up groups where older members of the community could teach younger members skills, such as knitting or card games, or the younger generation could teach the older generation tech skills.

Many social groups meet at the Village Hall on a weekly basis making the café an ideally situated spot to meet before or after sessions at the Village Hall. Also, the location, with its views over the children's playground and the playing fields, makes the shop a perfect site for the addition of a Café with the added benefit of car parking facilities as well as the starting and finishing point for many of the walks in the area. Add to this the idea of creating a great focal point; village jobs and a clean, welcoming, safe environment makes this a venture that benefits all.



(v) Other benefits of the Project

Additional benefits of a café and extending the shop are:

- a. The good quality pastries and cakes that we plan to sell. The cake display, deli counter and kitchen will help provide a wider range of products, as well as the choice of eat-in or take-away food. We will be able to respond to the demand for healthy lunchtime food, both hot and cold. Our aim is to provide simple, wholesome, good quality, and where possible, local food served efficiently and in a friendly manner, allowing customers to relax and enjoy refreshments together – a better social hub for the local and wider community.
- b. The new porch will enable the better display of domestic fuel products such as wood and items such as compost and other gardening materials to be sold.
- c. A new display freezer will enable us to house and better display a wider range of frozen products.
- d. The additional retail space will allow the sale of eco products and to offer products with zero packaging.
- e. The installation of a deli counter will expand our chilled food offering to better display a wider range of products. We will also be able to prepare salads and other fresh and healthier options. The flexibility of this allows single people the ability to buy food in small quantities which is something we find in demand.

8 Competition

The George Inn offers afternoon teas and coffees throughout the day but many people would prefer a café rather than a pub environment to meet. This is especially true of young parents with babies and toddlers as well as many of the older generation who may be on their own and wishing to engage in social activity

There is a café in Hurstbourne Tarrant, The Tea Cosy, and whilst this is a thriving little café, the Village Shop has more of an advantage with its location on the edge of St Mary Bourne Recreation Ground and being in the heart of village. It would be expected that the Café would attract the custom of all those living in St Mary Bourne and the surrounding villages and hamlets as well as those who attend groups and meetings at St Mary Bourne Village Hall. The addition of an Eco Shop on the premises further highlights the advantage of the Boundary by making it a destination business for Whitchurch, Picket Piece, Overton, and beyond. The café would also be located close to the Test Way and the Shop is already a regular stopping place for ramblers and cyclists alike.

The Pick Your Own opened a café this year and seems to have a good uptake. Having had conversations with Dan Culley the owner, we feel that the Boundary would not be in direct competition with his café. Dan feels that our customer base is completely different and that his is more orientated to the Andover market and ours more to the village and surrounding community. We will continue to liaise with Dan over our plans to ensure we do not hamper any ongoing relationships.

The nearest Eco Shop presently is Love and Joy in Weyhill. This shop offers organic, sustainable, and refillable items for the home including store cupboard goods, skincare,

cleaning, and bathroom essentials. The shop has created quite a buzz since it opened with people coming from as far away as Preston Candover just outside of Basingstoke, showing how far customers are prepared to come to be more sustainable and how few of these shops are presently open.

By having a convenience shop, café and eco shop all under one roof increases the likelihood of good footfall amongst all businesses. This tailored with the idyllic location of the premises with good off-street parking makes it an ideal prospect.

9 Conclusion

In conclusion with good management, which St Mary Bourne has, the café will succeed if it serves good quality coffees and food, served in an efficient and friendly way. It is determined to do this, and the financial figures support this outcome.





PART 2 – THE PLAN

For Community Café and Shop Extension



St Mary Bourne Shop and Café Ltd

PART 2 – THE PLAN

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1 OVERVIEW

1.1 Introduction

The team behind the successfully run Community Village Shop and Post Office supported by its members and Village Community wants to extend its building to include a new business of a Community Café within its premises. The café will be run by the Community for the village of St Mary Bourne as a Community Café and provide a valued asset at the center of the village.

In order to create the correct legal identity inclusive for the café, Shop and Post Office the Community has set up a Community Benefit Society (CBS) called St Mary Bourne Shop and Café Limited “The Society”. It will trade under the name “the Boundary”.

1.2 Vision

The vision is to create a café that is a community hub at the center of the village, attractive to all age groups and encouraging of a cohesive and an inclusive community. It will be a place at the center of the village where people can meet and chat as well as providing comfortable seating to drink and eat in a pleasant café atmosphere. The additional space will enable the shop to satisfy the ever-growing need for environmental sustainability which has created a demand for zero waste shopping whereby customers can use their own containers to fill up on day-to-day products such as dry food goods and household cleaning products.

1.3 Investment

The St Mary Bourne Shop and Café Limited has calculated the total investment needed to rebuild and equip the new café and Shop will be £250,000. Funding for this investment will come through a combination of community share funding of £125,000 to £250,000 with the remainder from donations, fundraising, grants and cash reserves.

1.4 Community Ownership

The re-built building freehold that comprises the Shop, Post Office and café will be owned by the Parish Council . The leasehold will be owned by the SMB Shop and Café Ltd, which will pay a small rental to the Parish Council for the exclusive use of the property to cover their related costs of the property. SMB shop and cafe would be solely responsible for the ongoing costs of maintenance and upkeep of the property, as well as the day-to-day operation of the business, while the Parish Council’s only involvement would be as the owner of the property.

1.5 Community Share Offer

A significant proportion of the investment needed is expected to be raised through a community share offer seeking to raise between £125,000 and £250,000. Details on how to invest are available in the Community Share Offer, published separately.

1.6 Branding

The SMB Shop and Café is going to be known as “The Boundary Shop and Café” and will trade under this name. The legal entity and name of the Community Benefit Society will continue as “The St Mary Bourne Shop and Café”.



1.7 The Cafe as a Community Hub

SMB S&C will run the cafe as a community owned cafe. This will improve social cohesion and community development. Financial profits will be re-invested and used for community benefit and the most significant benefit would be the positive social effects on our village community.

As well as being a village cafe, it will provide facilities for local residents, the wider community and visitors of all ages. It will help reduce social isolation, provide employment and create opportunities and benefit the wider local economy. It might also include an ad-hoc meeting venue for local groups. The Café will contribute added value to the outdoor facilities of the recreation ground.

To support the aim of creating a social hub for the community, first and foremost the Cafe must be able to succeed as a business. The financial projections in this plan show that the business would return a profit in the first year of operation, and thereafter expect to return a sustainable profit allowing for reinvestment into the business and the local community. Although owned by the community, the day to day running of the café will be undertaken by an experienced and salaried manager with the relevant skills to make it a success. There will be opportunities for volunteers to assist with the day to day running of the café, but paid staff, just as in any other normal café business, will carry out the majority of the work.

1.8 Management Committee

The direction, shape and over-sight of the community shop and cafe business will be the responsibility of the SMB Shop and Café Management Committee. Their direction will come from the shareholders – the majority of whom are expected to be local community residents. The community will ultimately determine the direction and shape of the community venture.

1.9 The history of the Shop

The village shop in its current location was built in 2001 and opened on 3 September that year, with the help and huge support from the parish and local people. The new shop and Café will build on that heritage and support.

1.10 For the Whole Community

Everyone from the local community and anyone with an interest in the Shop and Cafe will be encouraged to be a part of this venture.

Having a large and engaged membership base provides:

- ◆ A larger number of people with financial interest in the shop and café who are therefore more likely to use it regularly.
- ◆ A greater number of people to get involved with the Management Committee, attend meetings and positively contribute to the business's overall direction.
- ◆ A more accessible pool of people to draw on when committee numbers are falling, or when extra volunteers are needed.



Village Shop members making the shop a success and fun to be a part of.

The lovely Ned: our treasured and senior most shopper





2 INTRODUCTION

- 2.1** St Mary Bourne is a thriving rural village in the heart of Hampshire’s Bourne Valley. The center of the village is home to a newly refurbished pub, The George Inn, a busy Village Hall with events and classes, and the St Mary Bourne Village Shop and Post Office (the Village Shop). Open every day and staffed by a band of friendly volunteers, the Village Shop is a warm and welcoming place for residents providing fresh and local fish and meat, fruit and veg, baked goods and small gifts, newspapers, and other everyday provisions.
- 2.2** While all three of these amenities provide good services to the village, there is a growing need for a new kind of community-run business and social space – a café, somewhere for people to come together for freshly made coffee and a slice of homemade cake, to meet and exchange ideas, chat and gather information about events and other organisations in the local area
- 2.3** As well as a local social need, demand for zero waste shopping is growing, seen through the ever-growing crusade on plastic waste, spearheaded by celebrities such as Hugh Fearnley-Whittingstall and David Attenborough, and a rise in health-conscious consumers looking for ways to cut plastic use
- 2.4** The Village Shop is ideally placed in the Bourne Valley to fill this gap in the market and create St Mary Bourne’s first community owned business – a Community Café and Eco Shop with a refilling station, becoming a destination business with social benefits for all.
- 2.5** Community businesses such as these offer many broader social and economic benefits. According to Power to Change, a leading community charitable trust, there are 11,300 community businesses in England and a growing movement of communities taking back control of their local areas through business, working to improve the places where they live. Recent research from their Community Business Report 2021 , shows a thriving sector and despite the effects of the pandemic, results show a strong community impact on local people, such as 95% improved health and wellbeing, increased community pride, and reduced social isolation.
- 2.6** This document outlines the business case for a proposed extension to the Village Shop to build a Community Café and Eco Shop with new and improved retail and food environment, offering customers a way to reduce waste, purchase a wider range of eco-friendly products, all while enjoying the café amenities and bringing a positive impact to the village.
- 2.7** With a healthy annual profit, the shop is ready for the next phase in its existence to build its capacity to serve the community. This proposed project will help the Village Shop maintain its focus on two key objectives: (i) maintaining and improving its role as a social hub for the community; and (ii) meeting its customers’ needs.
- 2.8** The project will bring a step-change to the Village Shop, enabling it to better meet those objectives, and help secure its business sustainability for the longer term.



3 ST MARY BOURNE SHOP AND CAFÉ LIMITED

3.1 The project will bring a step-change to the Village Shop, enabling it to better meet those objectives, and help secure its business sustainability for the longer term.

3.2 Legal Structure

The Plunkett Foundation recommends that a community project such as this should adopt a legal structure which enables and ensures genuine community ownership with equal democratic control; open and voluntary membership; one member, one vote; business interests to be linked into community control; and no one member has greater control than another.

The shop management committee selected the Community Benefit Society (CBS) model because a CBS is run primarily for the benefit of the community at large, as opposed to a Cooperative Society which is run for the mutual benefit of its members. This means a CBS must have an overall community purpose that reaches beyond its membership.

The CBS rules make clear that it will not directly benefit individual members and is acceptable for most types of grant funding. Another important feature of a CBS is a statutory asset lock written into the rules. This is designed to prevent an enterprise from distributing assets amongst members on solvent dissolution over the value of their share. Instead surplus assets can only be transferred to another organisation that supports the objectives of the CBS.

As a registered CBS with the FCA, SMB Shop and Cafe is an incorporated entity and the liability of its members is limited to the value of their shareholding. The value of a member's community shares will never go up, but the value may go down and there is a risk that members may lose some or all of the money they have invested. On the other hand, investors should approach the project in the main expectation of receiving a social dividend rather than a financial return.

St Mary Bourne Shop and Café Ltd Community Benefit Society rules are available here <https://stmarybourne.org/village-shop/the-boundary> and at Appendix 14.

An FCA published note regarding Registered Societies and the responsibilities of their governing bodies is here <https://www.handbook.fca.org.uk/handbook>

3.3 Role of Members

The CBS membership is open to anyone aged 18 or over who purchases the minimum number of shares, supports the Society's purpose and whose application is accepted by the Management Committee. Shares will be paid for in full on application and are not transferrable except on death or bankruptcy. Shares may be withdrawn by members who have held them for at least three years at the discretion of the Management Committee, subject to available funds and in accordance with the CBS rules.

Each member has one vote to exercise at the Annual Members' Meeting (AMM), or any special meetings, regardless of how many shares they hold. Members own and control the CBS, and at the AMM they exercise their ownership rights by electing members onto the Management Committee. Any member can stand for election onto the Management



Committee.

All members will be provided with an annual report, which will set out details of the operation of the CBS and how it has developed its activities over the previous year. The report will include a record of the accounts and activities during the previous financial year, including the social impact of the CBS.

The rules also provide for other ways in which the membership may hold the Management Committee accountable for the running of the CBS, including calling a special members' meeting if required.

Corporate bodies and associations which support the CBS objectives can also become shareholders and members of the Society, and such bodies and associations must nominate a named individual to represent them at members' meetings (i.e. they will have one vote, the same as a private individual).

3.4 Management Committee

The first members of the CBS were the three people who signed the application for FCA registration and who also became the founding members of the SMB Shop and Cafe Management Committee (listed in the following section). The committee will consist of a minimum of three and a maximum of twelve shareholders, of which up to only a quarter may be co-opted from within the membership – i.e. not voted in by members.

The founding members subsequently appointed the first Management Committee and the present committee will serve until the first full AMM that occurs after the share offer and first year end in Dec 2022, and will be no later than the end of June 2023.

At that meeting, all the existing members of the Management Committee will stand down, although they are eligible to stand for re-election. Any other members of the Society who wish to do so may also stand for election.

The members will then elect a new Management Committee from amongst the candidates standing and the newly elected Management Committee will take office.

The Management Committee is responsible for managing the affairs of the CBS in the same way as a board of directors is responsible for managing the affairs of a limited company. The Management Committee will:

- Organise and supervise refurbishment works and ongoing property maintenance.
- Ensure agreed rental and other payments are paid to the Parish Council.
- Determine the right operational model through business planning and appoint the manager.
- Oversee the manager agreement and manage the relationship between the Society and the manager.
- Be responsible for the marketing strategy for the share offer.
- Monitor and manage the CBS financial affairs on behalf of the community.
- Ensure the CBS complies with all applicable regulations, including the General Data Protection Regulations (GDPR). Privacy Statement is available to read on its website.
- Encourage community activities within the shop and café.



The members of the Management Committee are equally responsible in law for committee actions and decisions. They are collectively responsible and accountable for ensuring the business is performing well, is solvent and complies with all its obligations.

In order to protect the CBS, the Management Committee will take out 'Director and Officer' liability insurance for the Management Committee and secretary (this is also called 'management protection' insurance).

4 THE TEAM TO RUN, MANAGE AND MONITOR THE SHOP AND CAFÉ

4.1 The Shop and Cafe Manager – Lara Madge will manage both the Shop and Cafe. She has run the St. Mary Bourne village shop and post office successfully since February 2017. Her previous experience had been as Co- Manager at Goodworth Clatford when it first became a Community Shop. Lara has been able to grow the Turnover of the shop at St Mary Bourne since 2017 by 65% and profitability from just over a breakeven to £30K. Lara has managed this by understanding what the village wants from its shop and has chosen and sourced product carefully. The Village has benefitted from her energy, attention to detail and cash management of the shop. She has led a number of initiatives, like the introduction of a wider range of fruit and vegetables, sourcing local produce, starting the 100 club, running food fayres at Christmas and responded to the needs of the Village during Covid of organizing a free delivery service to those who were unable to get to the shop. It has been at her inspiration that local product and producers have been introduced into the shop such as: Becky's Beez, Greenfields Pork, Bere Mill Butchery, Austwicks Pies and Quiches, Chalkstream Trout, Catch fishcakes, Southern Wines, local eggs and baked cakes etc.

At the heart of Lara's ethos is Community, Quality food at Affordable prices.

She manages a small group of four part-time employees and a larger group of committed volunteers. Community is very important to Lara and why she is instrumental in leading the extension to the shop and the introduction of a Community Café and is passionate about St Mary Bourne. Lara has made clear her commitment to making the new venture of Shop, Café and Post Office work. The village is very fortunate in having such an enthusiastic, efficient Manager to run The Boundary incorporating the Community Shop, Post Office and Café”

4.2 Part Time Staff – A team of efficient Post Office-trained, part-time staff Gordon Barton, Nadeen Richards, Julia Peart and Vicky Pettit run the shop day to day. Looking after the Post Office, multi-tasking in the shop and explaining to the volunteers what needs to be done. Taking responsibility for the smooth running of the shop during their watch, in a polite and friendly way. Looking after, answering queries, managing demanding customers, not that there are many, but there are always a few! Part-time staff that would like to help in the cafe as Baristas will be trained and will provide much needed help in producing the high-quality coffees.

4.3 Volunteers – The village is lucky to have so many volunteers who give up their time to help out. A rota is managed of those willing to work a shift in the shop, man the shop till and do other tasks. Their continued support will be vital mainly in the shop but may be asked to help in the café.



Some of the team at thank you drinks for the Volunteers

4.4 Management Committee and Sub Committees

The Profile of the Management team and those on Sub Committees given below show what the diversity and talent the shop has been able to draw on to help on The Boundary. We are greatly appreciative of all their support and hard work that they have put in.

The founder committee members who have established the project come from a variety of backgrounds and have a range of relevant experience, skills and reasons for volunteering.

Brief summaries of these are provided below:



The Shop Extension and Café Project Team

These are the members of the preliminary Management Committee top three names and the Café Project Sub Committees :

Brief summaries of these are provided below:

JO BOXER Shop and Café Committee Chairperson

My Day Job: Consultant specialising in organisational culture, leadership development and communications

I have lived in St Mary Bourne for 20 years and been a member of the shop committee for the last 4 years, taking on the role of chair in 2020. I have watched the shop develop into a thriving community asset that not only provides the goods and services we need, but that also brings our community together. I am passionate about continuing to evolve and strengthen our community now and for the future and feel that our plans to build a community cafe is a great way to achieve this.



MIKE CROFTS Vice Chairperson

My Day Job: Retired Business Owner

I am very interested in ensuring not only a sense, but a reality of community within this fabulous village, not forgetting its surrounding hamlets. The Shop and Café seem to me to be an excellent way to help this aim.



PAUL GAFFNEY Treasurer

My Day Job: Chief Executive of the Defence Medical Welfare Service

My reason for getting involved:

I wanted to get involved in this project to have the opportunity to participate in a village wide initiative to further enhance the sense of community within St Mary Bourne.



KAREN CROFTS Secretary

My Day Job: Housewife

I believe that the shop extension and café project is a great opportunity to develop an enviable community asset. Having a café and improved shop right at the heart of the parish can benefit all of us and complement other community asset such as the Village Centre. After a 15-year career as a solicitor, I've been lucky enough to be a stay-at-home mum since moving here in 2000, with time to help with various groups and activities and some tasks needing a legal input. I want to do what I can to help make this project happen.





LARA MADGE

Village Shop Manager

My Day Job: St Mary Bourne Village Shop Manager

I love the idea of a Community Café. A space where we can come together. A space where everyone in the community will be welcome whether they are with friends or on their own. For me, living in a village is all about the people who live around you... we all sleep within 1 square mile of each other and although we might not know everyone, our lives are intrinsically linked. In a world which is ever more inward looking, St Mary Bourne has an opportunity to become an inclusive society where we look after and look out for each other. To have a warm, welcoming place that serves great teas and coffees, light lunches and beautiful cakes, where you can turn up to after a muddy walk with a friend, where you can find solitude from an otherwise hectic world, is too good an opportunity to pass by. We are fortunate enough to live in a beautiful, community minded parish... with that as a foundation to build on is an absolute privilege and one not to be wasted.



JAMES CROSER

Café and Finance Committee

My Day Job: Pension Trustee and former Finance Director

I want to help the realisation of a community café at the centre of St Mary Bourne, to create a place to meet and chat and an enhanced shop that is environmentally friendly.



ROBERTA SARSON

Communication and Marketing

My Day Job: New Product Development Lead

Having grown up in the village I felt it was time to give back to the community and what better way than helping with this exciting project to create a hub with a relaxed atmosphere, where you can work, meet friends or chill with a good book with great coffee and cakes.



LAURA DAVIS

Café Designer/Graphic Designer

My Day Job: Café Design and Operations Consultant

We moved to the village just before lockdown and wanted to get involved in the community. I used to have a coffee shop & roastery business in London where I was responsible for designing the cafes. Rather serendipitously, I discovered that Lara and the team were hoping to add a café to the shop and thought I might be of use.



LESLEY SARSON

Administration and Website Design

My Day Job: Retired Kinesiologist

Having lived in the village for 28 years, and having been involved with SMB playgroup, and Friends of SMB School, when my children were younger, I felt that now was the time to become an active member of the community again. I feel that this project will enhance the village, providing a wonderful meeting space, as well as a much needed revamp of the shop. My previous career was in hospitality and catering, and I feel that I will be able to offer insight and support to this new venture.



ED MAKGILL

Building/Project Management

My Day Job: Property Developer and Investor

I wanted to get involved in this project to help support the Village Shop Team achieve their goal in creating a much-needed asset that will unite the village, and become a valuable asset for the community



OLIVER MADGE

Building/Project Management

My Day Job: Public Health Consultant and due diligence planner

The village shop is a key part of the community and a vital link to many within the village, based on demographics, accessibility or living alone. Through the last 20 months the shop has continued to serve through Covid, especially for those who are vulnerable but has also looked to maintain a consistency for all. The creation of a larger space, with facilities for those within the local and wider community to engage with others, a sense of local destination and the ability to enjoy the surrounds with local produce and community members is something that I want to support and help in anyway possible. As a parish council member, this is a wonderful asset that with investment and collective support will enrich the lives of the local community



KATY MAXWELL Project Manager

My Day Job: Partnership Growth Manager at SimplyHealth

I was really delighted to be asked to be involved in this community project as I think a café would be a great addition to the local facilities – and I think that community funded projects are great ways to bring people together.



ANDREW SHEGOG Finance Committee

My Day Job: Farmer

I wanted to get involved in this project to support an initiative that will benefit the village in a number of ways: supporting community spirit, enhancing the offer the village shop provides, creating a hub for people to meet and feel part of the life of the village

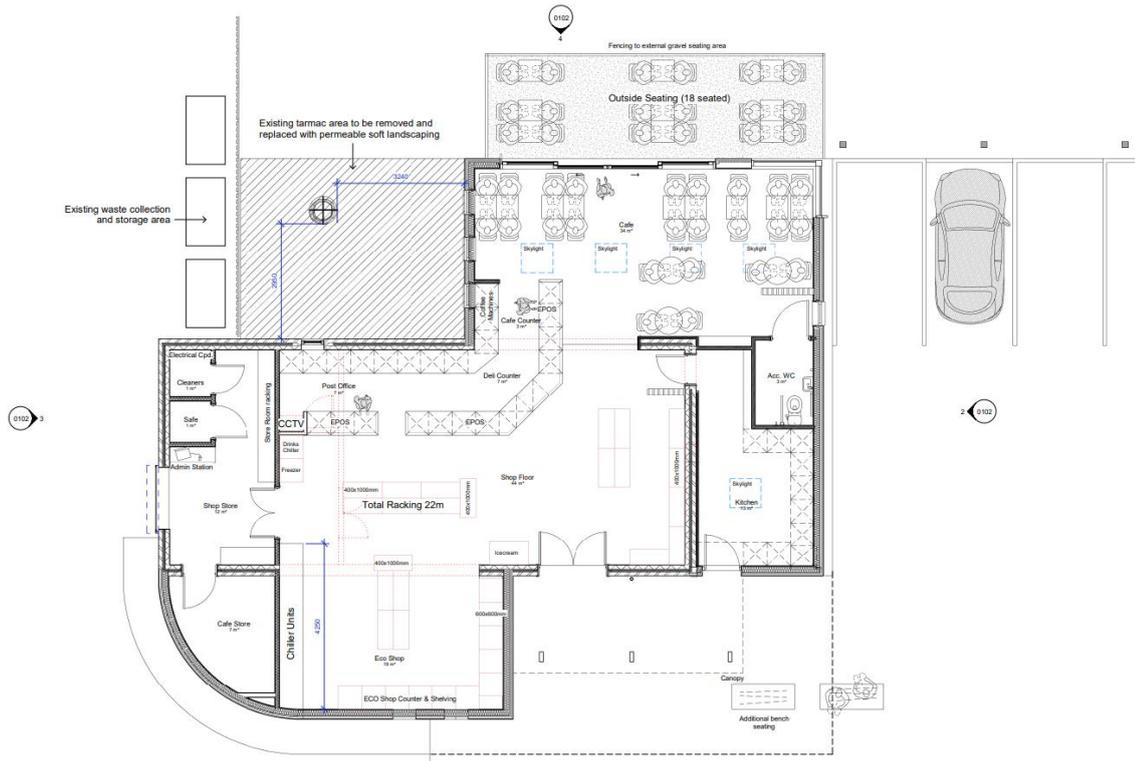


Amongst the team there are no conflicts of interest with the Society.



5 CAFÉ, EXTENDED SHOP AND POST OFFICE

- 5.1** The village shop in its current location was built in 2001 and opened on 3 September that year, with the help and huge support from the parish and local people.
- 5.2** The objective is to extend and rebuild the village shop and post office to accommodate a Community Café and Shop extension and to carry an eco line of refillable products whilst maintaining the shop and post office offering.
- 5.3** The design has been structured around the existing building structure. It will keep the existing building's shop floor area to serve as the shop, with storage and deliveries area remaining the same. The new building will create an additional extension to the deliveries area to provide much needed storage space and dedicated cleaners' store. The proposal will also create an area for a small kitchen, disabled WC, coffee counter and seated cafe space. Within the existing area of the building the shop floor will be reconfigured removing the small, inaccessible WC to the new extension, creating additional space for an enlarged shop counter and deli area. The new proposal will allow the shop to expand racking/ display space by a further 5 metres, expanding the product line.
- 5.4** The front extension will allow the shop to offer a new sustainable business venture. Creating a zero waste - Eco shop. This extension area will marry into the existing shop floor creating an extension to the existing shop space.
- 5.5** A canopy to the front elevation will provide shelter for customers during adverse weather. This space will also be used as a general display area for externally displayed items such as logs and seasonal goods as well as the wet product refillable line.
- 5.6** The new café will seat 24 people inside and 18 outside. The café has been designed to have bi fold glass doors opening out onto the outside terrace where the outside seating will be, providing access to the café. In summer ice creams will be sold to enable customers to eat them outside.
- 5.7** The full design and access statement can be found at Appendix 1. The document shows the design of the new building, how it sits in the surrounding recreation ground and car park. It provides the look and feel of what is to be built. The design incorporates the practicalities of an efficient Shop, Café and Post Office as well as an aesthetically pleasing design: modern but in keeping with the Village.



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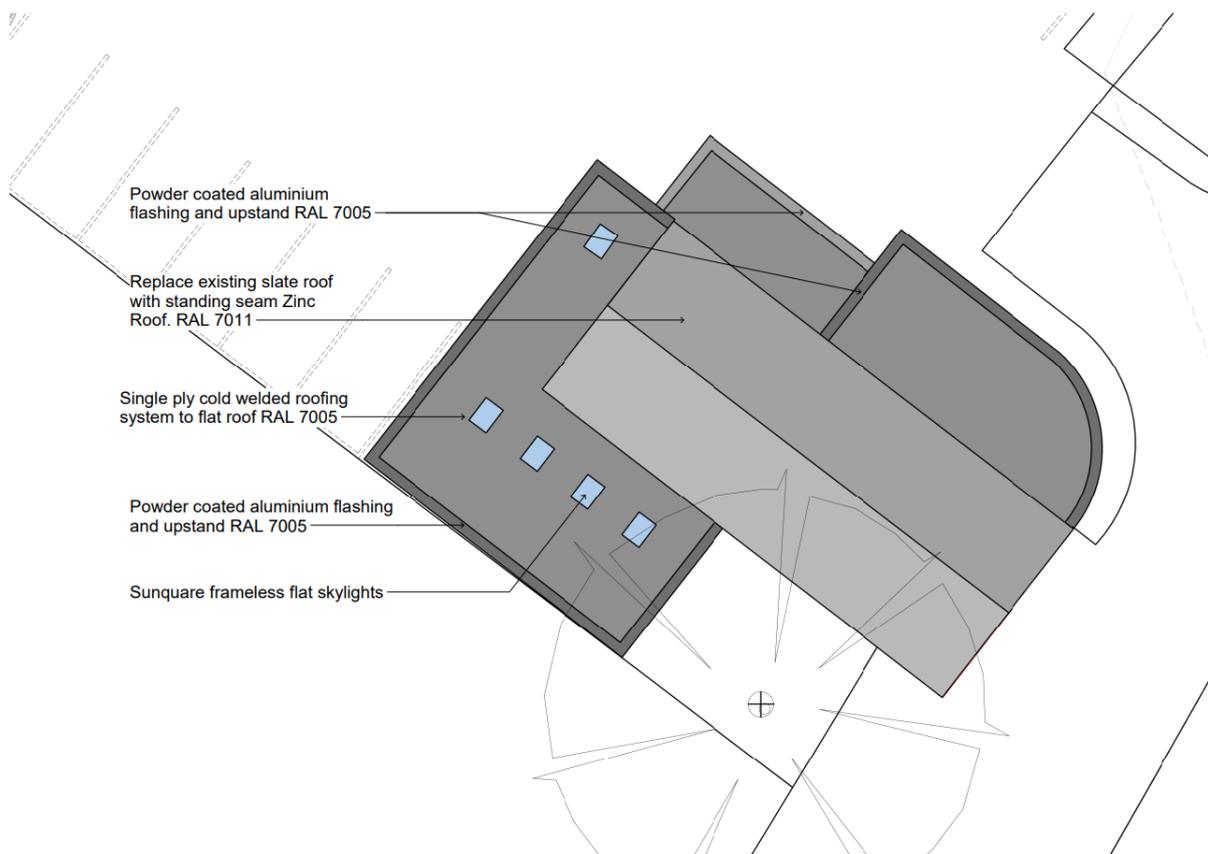
NO.	DESCRIPTION	DATE	BY	CHKD

OXAD

CLIENT: Lara Madge

PROJECT: St May Bourne Village Shop, Bourne Meadow, Andover SP11 6BE

Roof Plan



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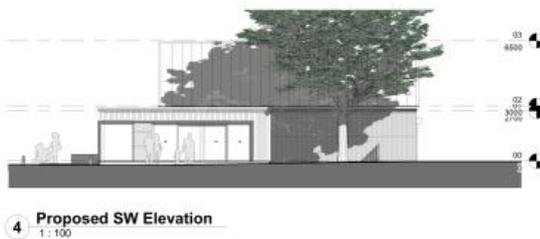
DRAWING NOTES

NO.	DESCRIPTION	DATE	BY	CHKD

OXAD

CLIENT: Lara Madge

PROJECT: St May Bourne Village Shop, Bourne Meadow, Andover SP11 6BE



6 THE CAFÉ AND ITS VIABILITY SUMMARY

- 6.1** St Mary Bourne Shop and Café Management team has undertaken a full viability and sustainability assessment of the new café and shop extension.
- 6.2** Projected turnover figures have been forecast from the likely number of covers that we expect the cafe to achieve, product mix and margins from industry standards.
- 6.3** The costs of running the café have also been taken into account. The largest of these is the staff cost; employing Baristas means an element of fixed cost but by also using volunteers costs can be managed.
- 6.4** The café's success will have its foundations on the provision of coffee and food that is reasonably priced, supported by a friendly environment and welcoming staff. The food will be of a high standard benefiting from deli and good local top-quality produce.
- 6.5** The "Viability Assessment" concludes that the Café is both viable and sustainable and will make a profit.
- 6.6** The Café will complement the Shop and Post Office as a thriving Community Asset, bringing custom to the Shop and Post Office as they will do to it.

7 THE CAFÉ OFFERING

7.1 The café will offer breakfast, lunch and teas, as well as high quality coffees and hot beverages.

7.2 Beverages - The café will be open during the week and weekends to provide a range of quality coffee and tea choices. Coffees will be produced from a professional /commercial coffee machine.




COFFEE		8OZ	12OZ	HOT DRINKS	
Americano	£0.00	£0.00	£0.00	Builders Tea	£0.00
Cappuccino	£0.00	£0.00	£0.00	Earl Grey	£0.00
Espresso	£0.00	£0.00	£0.00	Decaffeinated Tea	£0.00
Filter Coffee	£0.00	£0.00	£0.00	Fresh Mint Tea	£0.00
Flat White	£0.00	£0.00	£0.00	Fresh Lemon & Ginger Tea	£0.00
Latte	£0.00	£0.00	£0.00	Hot Chocolate	£0.00
Extra Shot of Coffee		+£0.00		Cream & Marshmallows	+£0.00
Skimmed milked available			ON USE!		
Oat, Almond or Soya Milk		+£0.00			
SMOOTHIES				MILKSHAKES	
Super Green	£0.00			Strawberry	£0.00
Spinach, fresh lime, banana, frozen berries and almond milk				Banana	£0.00
Mango & Honey	£0.00			Chocolate	£0.00
Mango, banana, frozen berries, almond milk & honey				Vanilla	£0.00
Strawberry & Banana	£0.00			All milkshakes made with Judes ice cream and semi skimmed milk	
Strawberries, banana, almond, milk & rolled oats					

7.3 Light Lunches/Snacks The café would sell snacks such as cakes, scones, sandwiches and soup at times when customers would be attracted to this offering.





8 THE CAFÉ QUESTION AND ANSWERS

What types of coffee will you be serving at the café? - All the usual suspects including Lattes, Cappuccinos, Americanos, Flat Whites. all available with plant, skinny or full-fat milk.

Will this include tea and other hot beverages such as hot chocolate? - Of course. Fresh herbal teas and Earl Grey along with the ever important, Hot Chocolate!

Will the cafe be serving cold drinks and water? - Yes A wide range of soft drinks will be available along with free tap water!

Will you be providing soup at lunchtime? - Among other things, but definitely a staple in the winter.

How many customers will you be able to sit at any one time? - The café will be able to seat 24 people inside and 18 outside

Can you book a table? - With plenty of tables both inside and outside we do not see a need for a booking system.

What sort of food will you be serving at the cafe? - Cakes, snacks, cooked breakfasts and light lunches.

Can I book the whole cafe for a birthday party or celebration? - As we feel this would take away from other businesses and event destinations in the village and make it unavailable for other people to use, we will not be offering the whole café for private parties.

Are you providing a takeaway service? - A takeaway service will be available.

What sort of seating arrangements will there be? - Small tables of 2 or 4 that could be put together to make 6 or 8 if necessary.

Will the cafe be child friendly? - Absolutely. The café welcomes everyone! There will be a small number of toys in a box available in the corner of the café.

Will the cafe be dog friendly? - Absolutely. The café welcomes everyone! Including well behaved dogs.

What will be the opening hours of the cafe?

The café will be open: 8am - 5pm Monday - Friday
 9am - 4pm Saturday
 9am - 3pm Sunday

Can I enjoy a coffee or hot drink outside? - Yes. There will be seating outside for 18 covers.

In the summer can we purchase an ice cream? - Of course!!

Would you be able to offer a sandwich lunch and hot drinks for a meeting taking place in the village hall? - As long as the meeting is within café hours, then yes.

Can I purchase something at the village shop and eat it or drink it in the cafe? - We would prefer you not to... and the café menu is going to be so lovely and fresh, we'll doubt you'll want to either!

Will you have newspapers available to read in the cafe? - Yes, we will.

Will you be serving croissants and patisseries in the cafe? - Yes, we will.

What sort of food will you be serving in the cafe at lunchtime? - Light lunches such as soup, salads and sandwiches.

Will cake served at the café be sourced locally? - Of course! We have a good local baker.

Can I hold a small informal meeting in the cafe? - Yes, as long as drinks or food are purchased.

Will there be Wi-Fi connectivity in the cafe? - Yes.

Can I connect a laptop computer into an electrical supply at the cafe? – Yes, the cafe will be offering breakfast, lunch and teas, as well as high quality coffees and hot beverages.

9 THE ECO SHOP

9.1 Eco Shop and How it Works - There will be a dedicated area in the new shop for all things eco. Some of these will be products that people can buy as normal, i.e. cleaning brushes that are not synthetic or bars of natural soap, etc. Other products will be sold ecologically, which means that they will be normal products like pasta, rice, cereals, oils, vinegars, eco washing detergent, but will be sold with zero packaging.

9.2 For this to happen, the goods will be displayed in large dispensers, as seen below, and the customer will be able to bring their own container to the shop to fill and take away. There will be scales by the dispensers and the customer will have to weigh their container empty first, fill with the goods of their choice and then weigh again. A label will be printed with the product name; price/kg; weight of product and calculated price. This is taken to the till so that the customer can pay for it with any other shopping they have.

9.3 If the customer does not have their own container, they will be able to buy one at the shop to use right then and for future purchases.





10 FINANCIAL SUMMARY

10.1 Financial Summary - The finances of the existing shop and Post Office along with the new cafe and the shop's extension have been fully reviewed under the viability assessment, covered in full under Part 1 of the statement. As can be seen from the financial projections below the new combined entity makes a small profit. As well as hopefully being able to repay members who wish to withdraw their shares after three years have elapsed, it is hoped in time to generate sufficient surpluses to contribute financially to local community and charitable organisations.

10.2 Unaudited Statutory Accounts for the SMB Village Shop

The unaudited statutory accounts have been provided to the SMB village shop association community interest company for the year ending 31st December 2020. These have been provided in the appendix 15 to this business plan. Although they are unaudited accounts they have been prepared by a firm of Chartered Accountants (BRC Accountants) and provide a sound basis for the management accounts for the year 2021 and the forecast for the year ending 2022 which have been provided at appendix 16 and 17. It is to be noted that the year ending 31 December 2020 was a particularly good year with a higher turnover due to Covid 19, with people shopping more locally and using the shop's delivery service.

10.3 Forecasts

Forecasts have been prepared for the first 5 years of trading of the combined SMB Shop, Post Office and Café. These have been provided at Appendix 18 to 20. Full commentary of which is provided under section 12.

10.4 Capital Costs

The initial rebuild costs have been estimated at £170,000 with the refitting costs and equipping costs coming to £80,000. Please see appendix 3 for the full details. The total of the rebuild and refitting comes to a total of £250,000.

10.5 VAT

The shop and café are registered for VAT enabling it to make taxable supplies and therefore will be able to reclaim the VAT on the rebuilding and fitting out.

FUNDS REQUIRED	
Building Cost	£166,000
Fitting out and equipment	£ 84,000
Capital project funding	£250,000

10.6 Funding Requirements

The SMB Shop and Cafe target funding for the share offer is £200K, and hope to raise a further £50K of other funding from Grants, Fundraising, Self finance and Donations.



11 FUNDRAISING

11.1 Grant applications

The cafe committee have looked into a number of grants but have not yet been successful.

11.2 Share Offer

The majority of the funding required is expected to be generated through the sale of shares in the Society. The individual share value will be £25 with a minimum holding of £25. Each member will have an equal vote in the Society irrespective of their shareholding, following the key Society principle of 'one Member, one Vote'. Many local residents have links to family members and friends in other areas who may well wish to participate, as well. The opportunity to purchase shares in a Community Shop and Café is likely to appeal to many people.

An application is going to be submitted to HMRC for advance assurance that SMB Shop and Café Ltd meets the conditions required to be a qualifying company under Social Investment Tax Relief (SITR), the Society believes it fully meets the conditions to be a qualifying company. It will make an application as soon as it has received its unique tax reference as a CBS. Once the Society has received its advance assurance, satisfied the requirements under the SITR of trading for a few months and so long as you are a UK taxpayer, you should be eligible for tax relief on your investment, provided that you leave your shares in the Society for at least three years.

Subject to HMRC rules, individuals making an eligible investment can deduct a percentage of the cost of their investment from their income tax liability, either for the tax year in which the investment is made or for the previous tax year. The investment must be held for a minimum period of three years for the relief to be retained. The relief is currently 30% under the SITR. are received.

If individuals have chargeable gains in that tax year, they may also defer their Capital Gains Tax (CGT) liability if they invest their gain in a qualifying social investment. Tax will instead be payable when the social investment is sold or redeemed. They may also pay no CGT on any gain on the investment itself, but they must pay income tax in the normal way on any dividends or interest on the investment.

For clarification of these issues please take professional advice. The actual amount of tax relief you can claim will depend on your personal tax circumstances.

FOR EXAMPLE: Bob decides to invest £10,000 in the tax year 2019-20 in SITR qualifying shares. The SITR relief available is £3,000 (30% of £10,000). His tax liability for the year before SITR relief is £7,500 which he can reduce to £4,500 (£7,500 less £3,000) as a result of his investment.

Applications for tax relief are made to HMRC by the individual investor, not by SMB Shop and Café. In the event the SMB Shop and Café receive advance assurance from HMRC, SMB Shop and Café cannot guarantee that an investment will qualify. HMRC's web site explains the application procedures but, if you are unsure, please seek professional advice.

The optimum share funding level needed from the community share funding is £200,000. Achieving this level for community funding will demonstrate local commitment to the project required for the allocation of grant and loan funding, which alongside donations and other funding will provide sufficient funding to allow the project to go ahead.

For full details please read the Share Offer Prospectus.

- ◆ For more information on Community Shares see <http://communityshares.org.uk>

11.3 Fundraising

A number of fundraising activities are planned later on in the year and expected to raise around £18,000. Some of these are listed below.

- Rugby Dinner, incorporating Raffle and Auction of promises to be held on Friday 6th May. Over 100 tickets are sold for this event virtually all in the local area.
- Couples Dinner, to be held in the village Hall in September. Raffle and auction to be included.
- Village Big Breakfast, to be held in the Village Hall in April? Regular event this time in aid of the Shop development. Usually attended by over 140, could include a raffle.





12 FINANCIAL PROJECTIONS

12.1 Five year profit and loss projection

The five-year Profit and Loss projection which is set out in appendix 18 shows the profit and loss for the shop and post office as separate from the cafe combining into a total for the combined entity of shop post office and cafe. The tables below show the Profit and Loss for the village shop, Café and combined entity separately.

Village Shop

Village Shop Five Year P&L Projection	Shop P&L				
	YR 1	YR 2	YR 3	YR 4	YR 5
Turnover					
Shop Turnover	391,083	406,726	422,995	439,915	457,512
Shop extension additional revenue	7,500	7,800	8,112	8,436	8,774
Post Office Income	12,029	12,510	13,011	13,531	14,072
TOTAL TURNOVER	410,612	427,036	444,118	461,883	480,358
Cost of Sales	298,104	310,028	322,430	335,327	348,740
GROSS MARGIN	112,508	117,008	121,688	126,556	131,618
Employment Costs	66,177	68,824	71,577	74,440	77,418
Establishment Costs	8,677	9,024	9,385	9,761	10,151
Administrative Costs	15,180	15,787	16,419	17,075	17,758
TOTAL OVERHEADS	90,034	93,636	97,381	101,276	105,327
SURPLUS BEFORE INTEREST, TAX AND DEPRECIATION	22,473	23,372	24,307	25,280	26,291

This shows the turnover of the shop with additional turnover lines for the shop extension and post office. Turnover in year one is expected to be £410K and growing by around 4% per annum reaching £480K in year 5.

The gross margin year on year for the shop averages 27.4% and has been used for these forecasts.

Employment costs cover the Shop Manager and Part time paid staff. This is expected to grow in line with turnover, shop hours and wage inflation. Volunteer staff help out in the shop giving their time without cost. Their hours are recorded to provide a notional cost offset against corporation tax known as the "Peterhead Principle".

Establishment costs including electricity are calculated to rise steeply due to energy price inflation from those recorded in the 2020 accounts.

General Administrative Costs are expected to be in line with previous years except for inflationary increases of around 4% per year.

The profitability of the shop before Interest, Tax and Depreciation is about £25K.



Café

The café's P&L has been built up carefully from the assumptions made in the Viability Assessment as stated in Part 1 of the Business Plan. Turnover is forecast to be £108k in year one, growing on the basis of prudent assumptions to £136K in year 5. Gross margin has been calculated to remain at 61.2%.

Employment costs proportionate to Turnover are higher for the Café than the shop, as we will need at least one trained Barista to be in the café at all times.

Overhead costs are shared with the shop and have been estimated on this basis but are unlikely to be shared out fully. The large costs relate to electricity and bank charges which covers credit card transactional costs. Inevitable but cash is encouraged at the lower end of expenditure.

Profitability for the café is forecast to be around £5k per annum before interest, depreciation and tax.

The Café - Five Year Profit Projection

	Cafe P&L				
	YR 1	YR 2	YR 3	YR 4	YR 5
Café Turnover	108,121	114,608	121,485	128,774	136,500
Cost of Sales	41,942	44,459	47,127	49,954	52,951
GROSS MARGIN	66,179	70,149	74,358	78,820	83,549
<u>Employment Costs</u>					
Wages and Salaries (excluding directors)	55,142	58,450	61,958	65,675	69,615
Staff Pensions (Defined contribution)	1,103	1,147	1,193	1,241	1,290
Employment Costs	56,245	59,597	63,151	66,916	70,906
<u>Establishment & General Administration Costs</u>					
Rent and Water Rates					
Light, Heat and Power	1,400	1,456	1,514	1,575	1,638
Insurance incl Directors and Officers Liability Insurance	461	479	499	519	539
Repairs and Maintenance	200	208	216	225	234
Telephone and Fax	208	216	225	234	243
Computer software & maintenance costs	100	104	108	112	117
Printing, postage and Stationery	185	192	200	208	216
Sundry Expenses	50	52	54	56	58
Staff entertaining	100	104	108	112	117
Bank Charges	2,000	2,080	2,163	2,250	2,340
Accountancy Fees	500	520	541	562	585
Establishment & General Administration Costs	3,343	3,477	3,616	3,760	3,911
TOTAL OVERHEADS	61,449	65,010	68,779	72,769	76,993
SURPLUS BEFORE INTEREST, TAX AND DEPRECIATION	4,730	5,139	5,579	6,051	6,556



Combined entity of Shop, Post Office and Café.

Certain costs are being carried at the combined entity level such as Interest, Tax and Depreciation.

Depreciation falls into two categories (i) leasehold property depreciated over 50 years which will include the build and refitting costs and (ii) Plant and machinery over 15 years.

Corporation Tax – has been forecast after allowing for Capital Allowances and a notional offset of volunteer hours worked at notional rates, known as the Peterhead principle.

Interest paid on community shares “The SMB Shop and Café rules that it may (but is under no obligation to) pay interest to holders of shares, as compensation for the use of such funds if there are sufficient reserves and cash to do so. The rate of interest to be paid in any year is to be approved by the resolution of the members of the annual members meeting and shall not exceed 5% or 2% above the base rate of the Bank of England whichever is the greater.” For the purpose of these projections it has been assumed that 3% will be paid in years four and five.

The profitability of the combined shop post office and cafe after interest, depreciation and tax will rise from year one of around £16,000 rising to £18,000 in Year 5. This will help to build reserves to enable share withdrawals and hopefully in time charitable giving to community and charitable organisations locally.

Combined Shop and Café - Five Year P&L Projection

	Combined Shop & Cafe P&L				
	YR 1	YR 2	YR 3	YR 4	YR 5
Turnover					
Shop Turnover	391,083	406,726	422,995	439,915	457,512
Shop extension additional revenue	7,500	7,800	8,112	8,436	8,774
Café Turnover	108,121	114,608	121,485	128,774	136,500
Post Office Income	12,029	12,510	13,011	13,531	14,072
Turnover	518,733	541,644	565,603	590,657	616,858
Cost of Sales	340,046	354,487	369,557	385,281	401,691
GROSS MARGIN	178,687	187,157	196,046	205,376	215,167
Employment Costs	122,422	128,421	134,728	141,356	148,323
Establishment and Administrative Costs	10,538	10,960	11,398	11,854	12,328
General Administrative expenses	29,061	30,224	31,433	32,690	33,997
TOTAL OVERHEADS	151,483	158,645	166,160	174,046	182,321
SURPLUS BEFORE INTEREST, TAX AND DEPRECIATION	27,204	28,512	29,886	31,330	32,846
Finance Costs, Depreciation and Taxation Costs					
Interest paid on Community shares after 3 years - Discretionary @3%				7,500	4,500
Depreciation of short leasehold property	4,570	4,570	4,570	4,570	4,570
Depreciation of plant and machinery	7,081	4,002	3,750	3,750	3,750
Corporation tax charge (19% small company rate) Capital Allowances and tax concessions eliminate most of the tax liability		1,025	1,617	1,729	1,848
FINANCE CHARGES AND TAX	11,651	9,597	9,937	17,549	14,668
SURPLUS FOR THE YEAR	15,553	18,915	19,949	13,781	18,178



12.2 Balance Sheet

The five-year Balance Sheet projection which is set out in appendix 19 shows the combined balance sheet for the shop, post office and café.

Balance Sheet Five Year Projection

	Combined Shop, Post Office & Café				
	Forecast				
	YR 1	YR 2	YR 3	YR 4	YR 5
Fixed Assets					
Leasehold Land and Building	223,912	219,343	214,773	210,203	205,634
Plant and Equipment	21,502	17,500	13,750	10,000	6,250
	245,414	236,843	228,523	220,203	211,884
Current Assets					
Stocks	21,726	22,595	23,499	24,439	25,417
Debtors	3,350	3,665	3,991	4,332	4,686
Cash at bank and in hand	109,408	137,920	166,782	88,993	90,610
	134,484	164,180	194,272	117,764	120,713
Creditors: Amounts falling due within one year	(25,057)	(26,058)	(27,102)	(28,186)	(29,312)
Net current assets	109,427	138,122	167,171	89,578	91,401
Total assets less current liabilities	354,841	374,964	395,694	309,782	303,284
Provision for liabilities	(2,562)	(3,770)	(4,551)	(4,858)	(5,182)
Net Assets	352,279	371,194	391,143	304,924	298,102
Capital and Reserves					
Share Capital (Less Share Withdrawal at the discretion of the Management Committee if funds available)	250,000	250,000	250,000	150,000	125,000
Profit and Loss Current Year	15,553	18,915	19,949	13,781	18,178
Profit and Loss Brought Forward	86,726	102,279	121,194	141,143	154,924
Shareholders Funds	352,279	371,194	391,143	304,924	298,102

Fixed Assets

The fixed Assets consist of the leasehold land and building, reflecting the costs brought forward since it was built in 2001 and which will increase following the rebuild and refitting costs. The asset value will be depreciated over 50 years. Under the Community Benefit Society the assets are held under an Asset Lock for the benefit of the Community which means that they are held on the books of the SMB Shop and Café but cannot be disposed of sold. (In the case of insolvency they need to be passed to another organisation with similar objectives at no cost). Plant and Machinery represents the equipment, furniture and fittings in the shop and Café.

Net Assets

Is made up of the fixed and current assets consisting of stocks, debtors and cash less its liabilities. This substantially increases due to the investment in the rebuilding and is represented by the shareholders funds of capital and reserves.



12.3 Cash flow Projections

The five year cashflow projection which is set out in appendix 20 shows the cashflows for the shop and post office as separate from the cafe combining into a total for the combined entity of shop, post office and cafe. This figure is important for the ability of the Boundary to make interest repayments and repurchase shares.

The table below shows the Cashflow for the Combined Shop, Post Office and Café over the first 5 years

Cashflow	SHOP, PO and CAFÉ				
	YR1	YR2	YR3	YR4	YR5
Bank Balance B/fwd	84,180	109,408	137,921	166,782	88,995
Cash Inflow					
Shop Takings	398,583	414,526	431,107	448,352	466,286
Café Takings	130,388	138,210	146,504	155,294	164,611
Post Office Sales	12,029	12,510	13,011	13,531	14,072
Total Inflow	541,000	565,247	590,622	617,176	644,969
Cash Outflow					
Purchases	(348,684)	(363,643)	(379,262)	(395,568)	(412,596)
Salary/Wages/Pensions	(111,463)	(116,925)	(122,667)	(128,702)	(135,045)
Overheads Costs	(29,321)	(30,493)	(31,714)	(32,983)	(34,302)
Interest	0	0	0	(7,500)	(4,500)
Corporation Tax	(1,976)	0	(1,025)	(1,617)	(1,729)
VAT	(13,369)	(14,176)	(15,032)	(15,940)	(16,902)
PAYE	(10,959)	(11,496)	(12,061)	(12,654)	(13,278)
Total Outflow	(515,772)	(536,734)	(561,760)	(594,963)	(618,352)
Share withdrawal				(100,000)	(25,000)
Cash in/(Out)	25,228	28,513	28,861	(77,787)	1,617
Bank Balance c/fwd	109,408	137,921	166,782	88,995	90,612

It should be noted that year 1 starts when the new Shop, Post Office and Shop opens and is therefore after the rebuild. The P&L Trading forecast for the year ending December 2022 can be seen at Appendix 17 for a three months period from July to September when the new extension will be built the shop will be run out of the Village Club Room, this has been fully costed in the Trading performance and in the opening balance for cash. The rebuild costs are fully covered by the finance raised from the Share Issue and will be paid for out of a separate fund. Both cash and trading profit have been allowed for in the calculations.



Cashflow for the first year of trading

Cashflow Month by Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Shop Cashflow												
Shop Takings	29,894	33,215	29,894	29,894	33,215	33,215	33,215	29,894	33,215	36,537	36,537	39,858
Post Office Sales	902	1,002	902	902	1,002	1,002	1,002	902	1,002	1,103	1,103	1,203
Purchases	(22,358)	(24,842)	(22,358)	(22,358)	(24,842)	(24,842)	(24,842)	(22,358)	(24,842)	(27,326)	(27,326)	(29,810)
Salary/Wages/Pensions	(5,021)	(5,021)	(5,021)	(5,021)	(5,021)	(5,021)	(5,021)	(5,021)	(5,021)	(5,021)	(5,021)	(5,021)
Overheads Costs	(1,988)	(1,988)	(1,988)	(1,988)	(1,988)	(1,988)	(1,988)	(1,988)	(1,988)	(1,988)	(1,988)	(1,988)
Shop Cash from Day to Day Operations	1,429	2,366	1,429	1,429	2,366	2,366	2,366	1,429	2,366	3,304	3,304	4,242
Café Cashflow												
Cafe Takings	8,693	8,693	10,866	13,039	11,952	11,952	11,952	11,952	10,866	10,866	10,866	8,693
Purchases	(3,372)	(3,372)	(4,215)	(5,058)	(4,637)	(4,637)	(4,637)	(4,637)	(4,215)	(4,215)	(4,215)	(3,372)
Salary/Wages/Pensions	(4,268)	(4,268)	(4,268)	(4,268)	(4,268)	(4,268)	(4,268)	(4,268)	(4,268)	(4,268)	(4,268)	(4,268)
Overheads Costs	(455)	(455)	(455)	(455)	(455)	(455)	(455)	(455)	(455)	(455)	(455)	(455)
Cafe Cash from Day to Day Operations	598	598	1,928	3,258	2,593	2,593	2,593	2,593	1,928	1,928	1,928	598
Combined Shop, Post Office and Cafe												
Shop	1,429	2,366	1,429	1,429	2,366	2,366	2,366	1,429	2,366	3,304	3,304	4,242
Café	598	598	1,928	3,258	2,593	2,593	2,593	2,593	1,928	1,928	1,928	598
Total Cash from Day to Day Operations	2,027	2,964	3,357	4,687	4,959	4,959	4,959	4,022	4,294	5,232	5,232	4,839
Corporation Tax									(1,976)			
VAT	(3,119)			(2,897)			(3,788)			(3,565)		
PAYE	(913)	(913)	(913)	(913)	(913)	(913)	(913)	(913)	(913)	(913)	(913)	(913)
Total Cash Inflow/(Outflow)	(2,006)	2,051	2,444	877	4,046	4,046	258	3,109	1,405	754	4,319	3,926
Bank Balance B/fwd	84,180	82,174	84,225	86,668	87,545	91,592	95,638	95,896	99,005	100,410	101,163	105,482
Total Cash Inflow/(Outflow)	(2,006)	2,051	2,444	877	4,046	4,046	258	3,109	1,405	754	4,319	3,926
Bank Balance C/fwd	82,174	84,225	86,668	87,545	91,592	95,638	95,896	99,005	100,410	101,163	105,482	109,408

The cashflow is fairly even over the months of the year, gradually building up the cash balance each year. Most cash payments are regular monthly payments with small seasonal fluctuations such as at Christmas for the shop and Easter for the Cafe. VAT is paid quarterly in January, April, July and October. Annual payments are a few but immaterial in value with the exception of Corporation tax due by the 1st of October.

The cashflow shows cash balances rising slowly but sufficient to enable some share withdrawals in years 4 and 5. The cash balance at year 5 depends a lot on these withdrawals. Under the Society rules and the SMB policy share withdrawals can only be made if the Society has sufficient reserves and cash balance to make these payments.

Working Capital – The cashflow shows that there is sufficient Working Capital to run the business. The Cash balance at the start of year is forecasted as £84,000 and at the end of year 5 is £90,000.

12.4 Shop, Post Office and Café

It has been shown that there are significant financial benefits of combining community cafés with shops. The combined entity is greater than the addition of the parts. Some costs can be shared. The combined entity provides a better offer for potential customers and becomes more of a destination.

12.5 SWOT Chart

A SWOT chart providing details of Strength, Weaknesses, Opportunities and Threats is provided at Appendix 9. It is also set out in a smaller table below.



Strengths

- Piggybacking on a well-established village shop providing multi purpose visits
- Excellent location in the Test Valley central to the village.
- The village is on a main cycling route through the Test Way.
- A specifically designed building for a café with ample parking
- The only location in the village that will provide breakfasts
- Historical goodwill; a wide base of regular local customers who we anticipate will quickly return to a well -run café
- The commitment of the wide membership base to use the business and encourage friends and family to do so too.
- Proven financial model based on shop performance financial
- The Society has an experienced and proven manager to run the business.

Weaknesses

- Possibly some variation in seasonal trade
- Dependency for capital funding from a share scheme in the short term
- Some dependency on continued volunteers to help run the shop and café economically

Opportunities

- Increasing population in the village and surrounding areas
- New playground and parking facilities planned in the same time frame as this development
- Build on enhancement to the shop (eco goods) for increased footfall
- Strengthen community ties and commitment to support the facilities within the village
- provide additional community amenities and make full use of the café space and grounds to support community groups and other initiatives

Threats

- Replication of our model
- Impact of COVID-19
- Inability to raise the minimum share funding and or secure enough other finance required to proceed with purchase.
- Inability to find or retain good managers.
- Unexpected repair costs.
- Loss of key staff
- Poor service impacting reputation

12.6 Risk Analysis

This is the full Risk Register which is also provided at Appendix 10.

Risk Register

Risk Area	Specific Risk	Mitigation Actions
Project Financing and Build	Failure to secure initial funding	<ul style="list-style-type: none"> Mirror share scheme successful in similar project in nearby village Tax benefit will help attract investors Multiple funding sources being sought in parallel Strong community messaging to mobilise local participation Careful costing to limit funding requirement Historic positive performance of the current shop a proof point for potential investors
	Overrun on build Cost	<ul style="list-style-type: none"> Multiple quotes solicited Fixed price contract agreed with builder Clear plans and scope for the build On-going tracking of build costs
	Overrun on fitting costs	<ul style="list-style-type: none"> Multiple quotes solicited for equipment Overall costs established and reviewed Affordability incorporated into overall business plan
	Unforeseen legal/statutory requirements	<ul style="list-style-type: none"> Taken advice from multiple sources Reviewed requirements for similar project in nearby village Included legal expertise within the management team
Financial Status	Drop in Revenues	<ul style="list-style-type: none"> Careful analysis of likely café usage and average spend undertaken Village expanding rather than diminishing Should have a positive impact on adjoining shop incomes, which will act as a financial buffer
	Increase in Costs	<ul style="list-style-type: none"> Pricing will reflect changes to maintain margins Cost control by looking for alternate suppliers will be on going
	Increased Capital Expenditure	<ul style="list-style-type: none"> No expenditure planned Reserves will be put in place to provide for unforeseen events Management committee will consider future expenditure on a regular basis
Loss of Key Staff	Loss of Manager	<ul style="list-style-type: none"> Maintain a close working relationship with both the manager and the team Capture knowledge of operations for hand overs as required Employ multiple staff to retain institutional knowledge Ensure pay and conditions remain competitive and aligned to work undertaken
	Insufficient Volunteers	<ul style="list-style-type: none"> Build reputation of the shop/café entity as a place to work in Maintain a robust volunteer support program to make the role as rewarding as possible Market the benefits of giving back to the community
	Covid-19	<ul style="list-style-type: none"> Key safety measure in place and operational Follow government guidelines as they change
Business Continuity	Act of God	<ul style="list-style-type: none"> Ensure relevant Insurance is in place Ensure compliance with Health and Safety and Safeguarding regulations
	IT system Failure	<ul style="list-style-type: none"> Plan for system resilience Reviewed cyber security status Maintain currency of systems to latest levels

13 LIAISON AND WORKING WITH THE PARISH COUNCIL

13.1 Liaison with the Parish Council - Since inception, communication with the Parish Council has been a very necessary part of the project, as land owners. The Parish Council has been very supportive and has kindly allowed us to build on their land. A new 50 year lease has been drawn up to include the extension on the enlarged footprint and will continue to be provided at peppercorn rent. The lease has been agreed in principle and is due for signature at the Parish Council meeting on 12th April 2022.

13.2 A presentation was made to the Parish Council in September 2020 showing detailed plans of the project and a proposal to change the access to the recreation ground by moving the gate to the lake back to allow maintenance vehicles access from the lake side of the shop. This was met with complete approval from the Parish Council.

Extract of Presentation made to Parish Council in September 2020

Challenges



- In order to build the café to the size we need we would need to extend into the hardstanding area to include the Keep Clear space next to the shop.
- To compensate for the space taken, we propose that the Keep Clear access be moved to the other side of the shop, by moving the gate to the lake down to the end of the gardens of the bungalows

At the same time, a separate group of Parishioners have come together to change the site of the existing playground to ensure better safety for the children against the car parking area. We have been very conscientious to incorporate, wherever possible, the two projects to avoid overlapping or interference.

13.3 Planning Narrative - In 2018, after meeting and receiving quotes from several architects, we engaged the services of OXAD and Andrew Smith. Andrew came up with a number of plans which were centered around creating an open and welcoming community space within the shop where a café could be housed, along with a separate kitchen facility and increasing the retail footprint of the shop with an enlarged storage space to support both sides of the business.

13.4 Planning Permission - After conducting arboricultural and bat reports and applying for pre-



planning, we submitted detailed plans to Basingstoke and Deane Borough Council and achieved full planning permission in January 2020. Full details can be seen in Appendix 2.

14 PLANS DURING THE REBUILD

- 14.1** During some of the build process it may be necessary for the shop to relocate to a different premises to allow the builders total freedom of movement and to avoid any Health and Safety issues regarding members of the public entering a building site.
- 14.2** To this end, the shop has investigated a move to The Club Room for a period of three months. For this to be practical there will be a need to hire a chiller, as the shops existing chillers are too big and are externally vented. The cost of this would be £90/week with an additional delivery and collection cost of £780.
- 14.3** The logistic of the move will be cumbersome as all stock and shelving from the shop will have to be carried across to the Club Room. This will take a minimum of a week but preferably two will be needed. Staff costs will remain the same with existing staff sticking to their usual hours. Volunteers will be asked to help move stock.
- 14.4** The Post Office has agreed to lend us a mobile unit that can be housed in the Club Room so that we are still able to offer PO services. There will be a substantial charge to relocate the PO counter in the shop from where it is at present to its new position in the new build, but this as yet is undetermined.
- 14.5** It is difficult to estimate the amount of reduced turnover that will occur during the build of the shop but an assumption of a reduction of 25% has been made across the board. With this being the case and using 2021's figures as a baseline it can be calculated that the shop can estimate a profit of approximately £1000 per month as opposed to £4000 per month seen in 2021. This is mainly due to the added costs of hire of the Club Room and chillers as well as still having electricity, staff and banking costs to maintain.

In order to protect the CBS, will take out 'Director and Officer' liability insurance for the Management Committee and secretary (this is also called 'management protection' insurance).
- 14.6** The costs incurred of progressing the Cafe Project to this stage are fairly small, on Architects designs and professional advice which the shop has absorbed out of Shop profits on the basis of exploring benefits to the Community.

15 COMMUNITY AND SOCIAL IMPACT

- 15.1** *Community buy in and support:* Community buy in is essential, as the success of this business



plan will be dependent on the assumption that local people will make use of “The Boundary” and contribute to its income. To encourage the widest possible membership from the local community, the minimum investment required to take part in community share offer has been set at £25.

15.2 The community purposes and aims are:

- a) Create and maintain a thriving, profitable and sustainable community business.
- b) Provide products and services to suit the breadth of requirements across the community balancing choice, convenience, quality and value.
- c) Provide both employment and volunteer opportunities within the community.
- d) Use our profits to further support the community.
- e) Create an environment beyond the bands of a community shop that incorporates looking out for those in need and vulnerable.
- f) Create community space where people can come together.

15.3 Employment

In addition to the community benefits of social interaction and offering a hub which provides different members of the community with a facility to meet, work and feel part of the whole, the extended Boundary Community Shop and Cafe will create employment, mainly part-time, which would suit parents who have to tailor their work time around school, retired people who would enjoy retraining and young people who could work flexibly and not have the costs of travel to another workplace.



16 MARKETING AND COMMUNICATIONS

16.1 Branding

The name for the shop and cafe is going to be rebranded as the "The Boundary Community Shop and Café". This will be incorporated on all signage once the rebuild has taken place.



16.2 Website.

The Boundary shop and cafe will be promoted on the St Mary Bourne & Surrounding Villages website the URL - <http://stmarybourne.org/village-shop/the-boundary/>. On the website you will be able to access all our information where you can see how you can get involved and support the project, check out all the fundraising events, look through the FAQs & meet the team behind the scenes & even sign up for a monthly newsletter. The business plan and share offer documentation will also be carried on pages within this website so people can purchase shares or simply donate through our Go Exchange page.

16.3 Social media

We have created social media pages on Facebook & Instagram for The Boundary and will regularly post about the project to promote The Boundary itself & the share offer scheme

16.4 The Hill and Valley

Monthly written articles will feature in the Hill & Valley to update on the project, promote the share offer scheme & The Boundary moving forward.

16.5 Events

Events will be held to promote the shop and cafe. Such as a share offer launch party on the 6th of April. Fundraising events will also promote the shop and cafe such as the rugby dinner to be held on the 6th of May.

16.6 Local Radio and Andover Advertiser

Consideration will be given to promoting the shop and cafe through the local radio station and the Andover advertiser. This will be through a feature and not by paid advertising.



16.7 Communications

Communications will be made through all different types of media such as newsletters, word of mouth and in the shop with all staff briefed on the project themselves to inform and promote.

The image displays a comprehensive communication strategy for 'The Boundary' community shop and cafe. It features a website layout with sections for 'ABOUT', 'GET INVOLVED', 'SHARE OFFER OPENS APRIL 2022', 'FREQUENTLY ASKED QUESTIONS', 'JOIN THE PARTY!', 'MEET THE TEAM', and 'CONTACT US'. It also includes a Facebook page screenshot showing a post about freshly baked bread, a video titled 'Is there a better way to start your daily C...', and an upcoming event 'The Boundary Open Evening'. At the bottom, there is an Instagram profile for 'theboundarismsb' with 141 followers and 8 posts, showing a grid of images related to the shop and cafe.



17 THE PROPERTY

17.1 Description – The Property provides an extension to the existing village shop

and post office creating an ECO shop and cafe with outside seating. The main aim of the property is to provide larger, updated facilities for the local community and visitors. This will consist of (i) a single Storey extension to the front of the building to create an eco-shop and additional stop storage and (ii) to erect a single Storey extension to the rear and side Gable of the building to create a cafe space with updated WC facilities, kitchen, and external seating area.

17.2 Appendices 1-8 describe the Property - Appendix 3 Shows the detailed costings of the rebuild, fitting out and equipping. Although we have not secured a builder's cost cap we have secured cost assurances from the builder and dates for commencing the build. We are aware of inflationary pressures on the cost of building materials. In the unlikely event of an overrun we would mitigate as much as possible and pay out of the Boundary Community Shop and Cafe profit reserves.

17.3 Planning Permission Full planning permission has been granted by Basingstoke and Dean and can be viewed at appendix 2.

18 SOME FINAL THOUGHTS

When the members of a community come together for a common cause, without purely financial or commercial motives, when they co-operate and collaborate to create something that is important and valuable to their community, they can unlock something very powerful.

A Community Benefit Society owned shop and café is owned by the community, for the community. It is not something that is imposed from outside. It has its roots within the community, and binds people together in a way that few other things are able to do. It is a way of securing and preserving something precious; a place where people can share their joys and sorrows, celebrate and commiserate, or just simply pass the time of day in what is truly their own café.

In order to survive, any business, shop and café included, has to be commercially viable. Assessing that viability is a vital part of the process and community ownership can contribute significantly to that viability.



PART 3 – THE APPENDICES

PART 3 – APPENDICES AND ADDITIONAL INFORMATION

These should be read in conjunction with the business plan and can be found on the following <http://stmarybourne.org/village-shop/the-boundary/>.

Appendix

The Building

1. Design and access statement.
2. Planning permission.
3. Costings of the Rebuild, Fitting Out and Equipping.
4. Site location.
5. Building elevation.
6. Floor plan.
7. Roof plan.
8. Site plan and car parking.

SWOT, Risk Analysis and Letter of Support

9. SWOT analysis.
10. Risk analysis.
11. Letter of support from Plunkett Foundation.
12. Letter of support from the Parish Council.

Documentation relating to the community benefit society.

13. FCA Registration.
14. Model rules for the St. Mary Bourne shop and cafe Ltd.
- 14(b) Policy on Share withdrawals

Financials

15. (a) Accounts 2018 (b) Accounts 2019 (c) Balance sheet and P&L shop accounts as at 31Dec 20.
16. The shop forecasted P&L for 2021.
17. The shop forecasted P&L for 2022.
18. Five Year Financial Projection
19. Five year balance sheet projection.
20. (a) Cafe Cashflow first year (b) Five year cash flow projection.