

Save the Seven Stars FAQ

Is the pub really viable?

- We have created various trading scenarios and run these through professional On-Trade operators. All the indications are that the pub can be viable if run professionally, even more so if additional dining space is available through an extension
- We will ensure that the tenant appointed has a demonstrable record of successfully running this kind of business
- There are many other community pubs trading successfully
- David Harding has kindly agreed that there will be no capital repayments in the first two years

When will interest be paid on our investment?

- 2% interest will be paid on all investments from Year 1
- This is a positive change from previously and is caused by 2 things:
 - The reduced purchase price that David Harding has agreed
 - A professional view of the commercial profit that the pub is capable of making

I have heard that EIS tax relief may be available on our investment

- The committee is still thinking about this. You should proceed for the time being on the basis that it will not be available. If it is then we will inform everyone.

What price are we buying the pub for?

- £275,000
 - David Harding and the Management Committee jointly appointed a valuer to get a professional valuation completed
 - This valuation came in at £275k....some way below what DH paid for the premises only 2 years ago
 - DH has agreed to sell at this new valuation

Why is it lower than you originally thought?

- The initial valuation was £400,000, but a more detailed valuation on a going concern basis valued it at £275,000.

How much are you trying to raise and how much have you raised so far?

- We are trying to raise £150,000-£175,000. This is lower than our original estimate because the price of the pub has dropped.
- We currently have pledges of £102,000.

How much have people pledged?

- 2 households have pledged £10,000 each.
- 5 households have pledged £5,000 each
- 11 households have pledged between £2000 and £3,000 each
- 20 households have pledged £1,000 to £1,500 each
- 23 households have pledged £300-£750 each.
- In all there are currently 76 people who will become members (some households have split their pledges between the members of the family) with ages ranging from 19 to at least 87.

Can we build the extension?

- This depends on how much we raise
- We have had a professional architect from the village take a look at the present planning permission
- If we raise £150,000 we expect to be able to convert the barn to provide a light, bright dining space with south facing views within the year
- Clearly, detailed costings and a schedule of works are still to be completed
- We want to convert the barn as soon as possible because we think it is key to providing all the things the village wants

How much do we need to buy the pub?

- We have currently raised enough to buy the pub with the help of a loan from DH
- If we raise enough we can do the dining area as well

When will BNCS need the money to complete the purchase of the pub?

- We are likely to need you to send money to the BNCS bank account in mid February. A final document setting out the final arrangements will be sent before contributions are due.

What steps will there be to ensure that money is secure?

- Bank accounts will require 3 signatories required to sign any cheques or make any withdrawals

- Full accounts will be kept and available to members at any time
- Annual accounts will be published on the website
- Insurance protecting against default by the management committee or any employees, including fidelity insurance, will be taken out

When is the pub likely to open?

- This is still to be determined, mainly because we want to plan the extension works with the Tenant's input
- Hopefully we will be open by the end of February but there are no guarantees

What are the risks in investing in the pub?

- The committee believes that risks in investing are relatively minor for the reasons outlined below (and between them the committee have pledged £27,100)
- We have satisfied ourselves that the pub can be viable given professional management, as set out above
- If the pub fails again then it could be sold for development at a higher price in which case everyone would get their monies returned

Will the new Tenant make an excessive profit?

- BNCS would want any Tenant to make a reasonable profit as this would be an indication that the pub is being successfully run and is delivering against the needs of the Village Community
- The rent will be set and rent reviews incorporated so that the division of profit between the tenant and BNCS is fair

Who is on the Management Committee?

- We have tried to represent all constituencies within the Village Community. The current members are:
 - Liz Jones - Chair
 - John Simpson - Treasurer
 - Laurence Attewill
 - Phil Collins
 - Philip Gardener
 - Dave Greenaway
 - Jacquie Lake
 - Tom Saw
 - Sonja Van Dijk

I'd like to have more of a say – how can I do that?

- There will be regular meetings of members and of the village generally
- If you want to be involved with the committee, have questions or have skills to offer, please contact a member of the committee

What are the next steps in getting the pub open

- Raise further monies
 - We still need another £50k-£75k to make the dining area viable
- Appoint a Tenant
 - Currently going through the selection process
- Buy the pub
 - Price agreed
 - Now need to complete detailed legal process
- Detailed work assessment
 - Obtain formal planning permission to carry out works
 - Complete design phase
 - Tender work to local builders