

SIOP HAVARDS



East Street, c. 1906. Havard's Ironmongery Stores was established in 1840 and has been run by a member of the family ever since. The proprietor, John Llewellyn Havard (wearing a boater) poses here with staff and townsfolk while Mrs Havard stands at the entrance to the shop. The smart young lady (centre right) was Miss Mary Ann Howells who later married Captain Thomas Griffiths (see page 50a).

SAVING A TRADITIONAL IRONMONGER FOR THE
COMMUNITY OF NEWPORT, PEMBROKESHIRE

ARBED GWERTHIANT HEARN TRADDODIADOL I
GYMUNED TYDRATH, SIR BENFRO

CYLLUN BUSNES - BUSINESS PLAN

AUTHORED BY: SIOP HAVARDS GYMUNEDOL TYDRATH - APRIL - 2022

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1. EXECUTIVE SUMMARY

This plan is about retaining and improving the fortunes of Siop Havards, Newport/Tydrath as a Community Shop and a destination shop at the heart of the community.

To achieve this objective Siop Havards Gymunedol Tydrath (SHGT) has been formed to establish the facility as a community shop, owned by the community, for the benefit of the community for future generations.

This Business Plan presents a proposal to purchase and run Siop Havards. It covers the detail of:

- a. Newport/Tydrath, its location and people, being a community that has the will, determination and expertise to operate a successful social enterprise.
- b. The historical importance of Havards to the town.
- c. The local competition.
- d. A vision for the future development of the shop, and its relationship with the town and local community.
- e. How the project will be funded and the projections of the P&L for Havards over the forthcoming years taking into account some of the revenue generation ideas.
- f. The share offer details.
- g. How the project will be governed, the management structures and the Risks and Opportunities with a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis.

In summary we aim to:

- a. Purchase the shop, flat and stock as a community asset by issuing shares in a community benefit society and supported by grants from sources such as the Community Ownership Fund, HLF People & Places, The Community Asset Development Fund and Enhancing Pembrokeshire.
- b. Continue to run the 181-year-old shop profitably with targeted marketing plans and close liaison with the local community.
- c. We aim to develop the existing business with revenue and profit enhancement plans.
- d. Attract everyone from local people, to those who have recently moved to the town, to visiting holidaymakers, by making Havards an indispensable, welcoming and enjoyable shopping experience.
- e. Enhance the services provided to the town of Newport/Tydrath with additional revenue generation ideas that do not impact other retail outlets in the town.
- f. Recruit a professional manager and one assistant manager, supported by volunteers who all share the community's vision for a shop that offers excellent service. The manager will report to the board and line manage both assistant manager and the team of volunteers.
- g. Ensure Siop Havards provides every day, essential merchandise for home and outdoors that reflects the needs of the customer, and which avoids competition with other Newport/Tydrath retailers, so that Newport/Tydrath as a whole can service the everyday shopping needs of its residents locally, without their having to rely on the internet or more distant retailers.
- h. Provide a return to shareholders and ideally the local community - profitability allowing.
- i. Deliver a facility that continues to develop the community feel of Newport/Tydrath. Unite all sections of the community around a mutual resource.
- j. Foster the Welsh language in the shop.

2.BACKGROUND

Newport/Tydrath, is a small coastal town on the A487 between Aberteifi/Cardigan 11 miles to the north and the port of Abergwaun/Fishguard 7 miles to the south. It is situated within the Pembrokeshire Coast National Park, an area of outstanding natural beauty.

The Pembrokeshire Coast National Park's Local Development Plan describes Tydrath thus:

“Newport nestles in an outstanding landscape setting on gentle slopes between the foot of Carn Ingli and the quiet Afon Nyfer Estuary, which is itself protected from the open sea by the sand dunes and bars of Newport Sands. The panoramic view of the town and the Parrog (once the busiest harbour in north Pembrokeshire) from Newport Sands illustrates this perfectly as one of the best known and loved in the National Park. Visitors to Newport swell its population during the holidays”

“Newport has a good range of facilities serving the town and the hinterland and is classified as a ‘district shopping centre’ It has a distinctive culture with a significant number of Welsh speakers leading to a strong sense of community. There are two Conservation Areas designated in recognition of Newport’s distinctive character. It has a magical quality and the natural environment and peacefulness of the area are highly valued. “

“Difficulties for Newport include high house prices and a shortage of land for developing affordable housing. A high number of holiday and second homes is of concern, as is an ageing population. The use of the Welsh language is declining. A general upgrading of community facilities is also considered necessary as is the developing of Newport as an attraction for tourism. Additional employment opportunities would be welcomed. “



Tourism is very important for the local economy. Activities such as walking the coast path, birdwatching on the Nyfer estuary, golfing on the links, relaxing on beaches, enjoying all manner of water-sports, and visiting the good local pubs and restaurants keep the many visitors happily occupied. The area is rich in history and natural landscapes. From the Neolithic stones of Pentre Ifan and Carreg Coetan, to the ancient woods of Ty Canol, there is much to see in this area.

VISIT WALES has developed a strategy of developing “Outstanding Visitor Experiences”. Tydrath/Newport and its immediate area fit well with these criteria.



Siop Havards has a very important role in the character of the town. The shop has been trading in this location for 181 years, providing essential hardware supplies to the local community. Here is a picture from the early part of the Twentieth Century.



East Street, c. 1906. Havard's Ironmongery Stores was established in 1840 and has been run by a member of the family ever since. The proprietor, John Llewellyn Havard (wearing a boater), poses here with staff and townsfolk while Mrs Havard stands at the entrance to the shop. The smart young lady (centre right) was Miss Mary Ann Howells who later married Captain Thomas Griffiths (see page 50a).

**Images of Wales - Newport/Tydrath Pem and Fishguard by Martin Lewis 1996*

It is one of the last independent hardware stores in the area, others having fallen prey to competition from big chains and the internet. But Havards has been largely kept afloat by visiting customers, as well as a loyal local population. The jaunty array of goods in the window and outside on the street adds such character to the retail landscape of Newport/Tydrath as you drive in from the North, and this practice is in a long tradition since the founding of the store in 1840.



The shop provides a full range of hardware, garden and kitchen supplies to the town, and also to the neighbouring villages of Nevern, Dinas, Cilgwyn, Molyegrove, Brynberian and Eglywswrw, and the farms and homes around those villages.



You can get a screwdriver, or a bag of logs, or some rubber gloves, or fishing bait, or some bird food, or wellingtons - all without having to drive far (See Appendix 2 for full list of products).

2.1 HAVARDS & HAVARDS USP

Havards aims to stock anything you might need for the home and garden - an Aladdin's cave of the useful. The stockholding is based on the typical just-in-time delivery of the FMCG sector (fast moving consumer goods), keeping typically no more than 1 or 2 of each item in stock at any one time. The stockholding has been honed to ensure that everything sells, and stock will turn on average 12 times a year. Prices are kept as competitive as possible. Havards is a true local shop serving everyone. Local Newport/Tydrath residents like the convenience of being able to find what they need within the town, and shop there often. Tradesmen and women support the shop for last-minute pick-up items. Visitors to Newport/Tydrath are also regular shoppers, using the kitchen section to replace broken glasses for their holiday lets, or buying higher value wet suits and body boards. We're told visitors often save up their hardware shopping needs for the pleasure of browsing the shelves of Havards when they arrive in the town. Summer tourist spend doubles the shop turnover in peak months.

In summary, Havards offers something very unique to the town and the area. Its product ranges do not compete with any other Newport/Tydrath retailer and the nearest competition is in Cardigan or Fishguard (see Appendix 2).

2.2 THE THREAT & THE OPPORTUNITY

The owners of the shop have decided to sell Havards, and in response a committee has been formed (see pp 23) to try to buy Havards and to run it as a community enterprise. The risk is that we lose this important local retail destination. Once gone, we will never get it back.

Here are some comments from local people.

“It would be a terrible loss to the community if it went, because it sells the everyday useful things that local people depend on.”

“As a local tradesman I've used Havards all my life and it's important for the working people of Tydrath to have somewhere they can get supplies to keep the tradition of local supplies for local builders.”

“It's an integral part of the High Street, it brings people into townand that beneficially affects all the businesses in town. It would be devastating to lose it.”

“Havards is an all year-round business.....it would be a great shame without it and see the town/village quietly die.”

“If they haven't got it, they'll get it for you.”

Having this institution as part of the retail landscape means that the town has everything for weekly shopping - from butcher, to fishmonger, to groceries, bookshop, library, clothes shop, post office and pharmacy.....and hardware.

“Handy for my building trade. I can get my materials here...otherwise it’s a forty-mile round trip to Haverfordwest”

But you may ask, why this shop? The answer is the strength of feeling that people have for the institution of Havards and its place in the life of the town. It is vital that this institution is preserved for the community.

“It’s the last of the traditional shops from many locals’ childhoods”

And the real opportunity is that by running this as a Community Shop the institution *can* both be preserved, and at the *same time* funds can be raised to feed back into the community. This will help towards rebalancing the local economy, preserving valuable cultural capital, providing good employment and bringing people together around a worthwhile project.

“If Havards goes the soul will go out of Newport”

2.3 COMMUNITY SUPPORT

Very nearly everyone we speak to seems to support the community purchase of Havards. Here are some highlights from the community engagement process we have undertaken.

- First public meeting attended by over 40 people, over 93% voted in favour of the project
- 2200 leaflets circulated to the wider area - over 140 responses to date, with 96% of respondents support buying Havards for the community
- 10 out of 14 Tydrath traders have signed a letter to support the project and believe Havards brings people to the town. 2/14 traders not allowed to sign the letter by their company but verbally support it.
- Local community groups support the project
- 6 films made which express the passion locals feel for the project
- 44 volunteers have come forward
- Two local firms have given their legal and accountancy services free of charge
- £240k pledged in our first phase from over 100 individuals

2.4 THE COMPETITION

As already mentioned, Havards has an extensive amount of stock, a significant proportion of which is not available anywhere else in the town. It is the only independent hardware store for miles around and carries stock which complements the ranges of other Tydrath retailers.

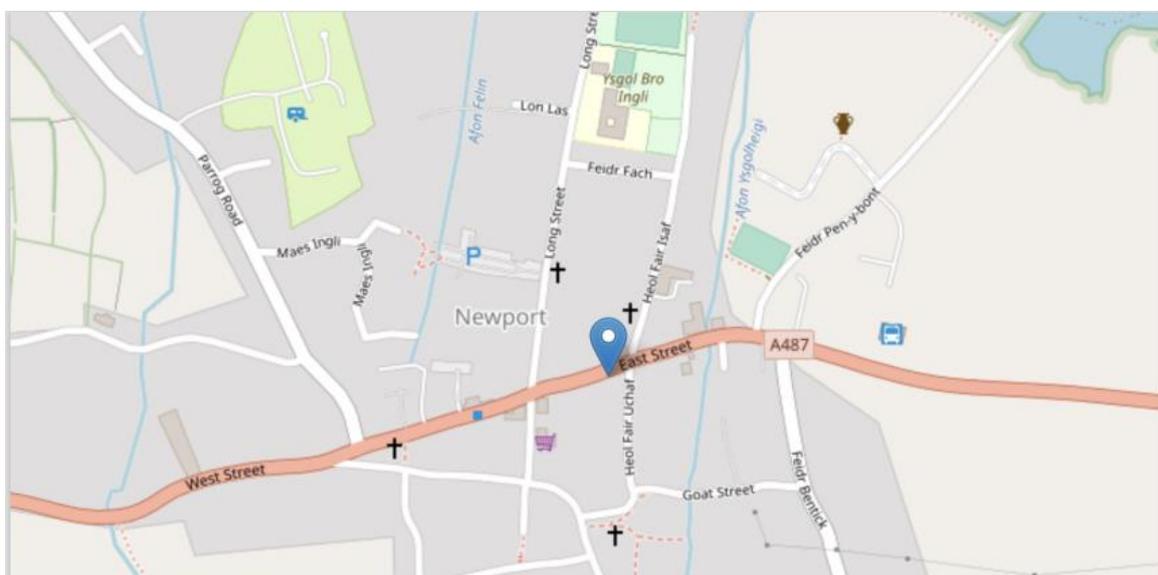
Without Havards you would have to drive to Cardigan (11 miles away) or Haverfordwest (24 miles away) to buy ironmongery or buy off the internet.

In appendix 2 is a spreadsheet detailing by product group where the nearest stockist is for products currently sold in Havards. It is clear that for many of these items, if Havards did not exist, a round trip journey of at *least* 20 (sometimes over 40) miles is required, with all the associated waste of time and energy. Having Havards keeps shopping local and money in the community.

2.5 LOCATION

Havards is located in a very prominent position on the A487 just as you enter Newport/Tydrath from the north.

Newport/Tydrath also serves the wider communities of Dinas Cross, Eglywswrw, Nevern and Fishguard and associated villages and rural dwellings.



3. VISION & OBJECTIVES

To run Havards as a profitable, efficient, inclusive and sustainable hardware, home and garden shop, feeding surplus profits back into the community to enhance local prosperity, and cultural and social cohesion.

Values

- a. Inclusivity - Havards will be for everyone, by fostering an atmosphere where no-one is inhibited to enter the shop because they feel it's not for them; where anyone can step forward to help run it; where anyone can participate.
- b. Sustainability - as far as possible Havards will use the principles of sustainability to run the business in order that the shop will live on and prosper in Newport/Tydrath for many years to come.
- c. Local prosperity - to foster opportunities for employment and generate funds for community need.
- d. Cultural and social cohesion - to involve local residents and visitors alike in the project to forge understanding and tolerance; to foster the Welsh language and culture; to support local producers.

Objectives

- a. To manage Siop Havards as a community-run, traditional hardware store with a wide and varied stock to meet the needs of all the people of Newport/Tydrath and the wider community, and to help preserve the nature of Newport/Tydrath as an important and self-sufficient local shopping town.
- b. To generate a broad range of volunteering, employment, work experience and training opportunities, in Welsh and English, accessible to all members of the community.
- c. To become sustainable and then to generate a surplus that will be used to the benefit of the community and community projects.
- d. To work efficiently - in every respect of running the business, winning self-respect, initiative and satisfaction for those involved.

4. THE BUSINESS PROPOSALS

4.1 THE BUILDING - WHAT IS INCLUDED?

The building comprises around 700 square feet of trading area, split into two halves and accessed by a central entrance door up a single step from the street. To the right of the door is a small area of home products and kitchen ware, to the left the main hardware trading area, which also has steps between two sections. Out the back is the garden tool area and a stockroom, as well as a niche which was used for Calor gas storage (discontinued because access and low profits made it unviable). There is a small toilet and washroom which is often used as a changing room for those buying wetsuits as well as being an essential facility for staff and customers.

Between the two sections of the shop is a corridor which gives access up the stairs to the four-bedroom flat which is above the shop. This is currently occupied on an informal rental basis by a single father and his three children.

Leading off the hall to the right and situated behind the homeware section is a two-bay kitchen area complete with a Rayburn cooker. This area is used by the owners as an office and by staff for breaks.

Off the alleyway leading outside to the tenant's garden is a small utility room.

4.2 THE BUILDING - CONDITION & REIMAGINING

Building Condition

The building is sound, but with the usual level of ongoing maintenance to be expected in any similar old building. We have commissioned a buildings condition survey and have developed a repairing plan (see Appendix 11) to cover some of the issues highlighted by that report. There is a budget of just over £10,000 per year provided to cover any essential works needed from the survey.

Initial Works

But the shop also needs a facelift and fresh eyes to reimagine how it works as a trading space.

- a) The shop looks tired and could do with a lick of paint
- b) The stock is quite jumbled, which means it's hard to find what you need without staff help. Rationalising stock placement could reduce staff time, leaving them to concentrate on other important things.
- c) Signage inside the shop is very poor, which results in customers missing some of what the shop offers. Many of us did not know that the shop was a drop off point for dry cleaning, for example. Or that there was an excellent garden section outside. This can be solved by clearer signage inside the store.
- d) The signage outside is also poor. One solution is to place a couple of boards prominently on the shops exterior wall: one would highlight relevant stock on one board - fan heaters in cold snaps, seeds in spring, for example; the other would note 'what's on' - don't forget dry cleaner comes on Thursday, IT clinic next Tuesday 10-11am book your place... and so on.
- e) New branding on the name board and windows for its fresh identity as a community shop.

Siop Gymunedol - HAVARDS - *Community Shop*

Some of the above works will be done before trading recommences, and some (such as stock rationalisation) after we have learnt more about trading patterns. Local craftsmen and volunteer labour will be used to complete these initial works. There is space in the start-up costs budget (just over £20,000) to fund these works.

Further Works

Other works will be required to bring the building to a condition where it can fulfil the business plan.

During January 2024 we plan to undertake four separate works.

1. Consider options to improve access for those not able-bodied, hard of hearing, with poor sight, or with other limitations. The research and planning for this project will be done during 2023 and will bring the shop into line with the Disability Discrimination Act. Responses may require building works, or they may be more about staff training and other facilities, such as ramps.
2. Turning the utility room at the back of the building into a clean, dry and warm shop office for the Store Manager and other staff. The aim is to reduce paper files and become digital only to make sure the space is useable and sufficient to staff needs.
3. Breaking through the wall between the kitchen shop and the office kitchen behind and creating a new 430 sq. ft trading space and fitting it out as a trading area.
4. Painting and shelving out by the ex-Calor gas bay to be a destination for locally grown plants.

A budget of £30,000 is included in the plan to cover all these works.

4.3 CURRENT BUSINESS PERFORMANCE

The Havards business has a history of sustained profitability over the last 5 years. The current year (to March 2022) is projected to be up over 30% on 2018/19, which was a below average year, being much affected by Covid19. An improved performance is expected to continue, as the national trend to take UK rather than overseas holidays - prompted by Covid19, economic and climate change concerns - is maintained. The year April 2021 - March 2022 is taken as a basis for the 5-year business plan projections.

	2019/20	2018/19	2017/18	2016/17	2015/16
Sales	£153,879	£174,375	£182,779	£173,169	£167,408
Cost of sales	£93,506	£104,309	£105,589	£105,080	£111,060
Gross profit	£60,373	£70,066	£77,190	£68,089	£56,348
Expenses	£37,368	£48,585	£54,304	£39,097	£35,427
Profit	£23,005	£21,481	£22,886	£28,992	£20,921

Additional to these figures is annual rental income of **£7500** from the four-bedroom flat above the shop.

4.4 FUTURE BUSINESS PROJECTIONS

4.4.2 TRADING AND STAFFING PLAN - CURRENT

Havards is open for trading 6 days a week - Monday to Saturday, 9.30 to 5.30pm. Sunday trading has been tried at peak season but has marginal benefit. We do not plan to open on Sundays but will keep this under review.

Busy days are Mondays (Newport/Tydrath market day) and Saturday. Trading is seasonal as the population of Tydrath and its surrounding area flexes between over 9000 permanent residents in Newport/Tydrath, Dinas Cross, Fishguard, Nevern & Eglywswrw, and estimates of up to four times as many during the summer months as visitors take their holidays here¹. Wednesday is a good catch up day, allowing the shop to be re-stocked in time for Saturday trading. In high season there can be a queue outside the door, whereas in quiet months the early morning and late afternoon need lower staffing levels.

High Season (% total turnover)		Low Season (% total turnover)	
April	6.76%	October	6.40%
May	6.67%	November	5.90%
June	6.39%	December	7.08%
July	16.51%	January	5.35%
August	18.71%	February	5.26%
September	8.52%	March	6.45%
<u>63.56%</u>		<u>36.44%</u>	

Currently the shop is staffed by the two owners and 2 part time staff each working 3 days a week all year around. They are supported in peak season (school holidays) by young workers who cover 2 - 3 days a week. The owners do all the ordering and product sourcing, as well as giving informed DIY advice and staffing the shop. Part time members of staff stack shelves and look after customers.

The structure of the staffing plan (Appendix 1) is based on one paid member of staff and one volunteer in attendance at all times. On Wednesday both paid members of staff will work, allowing time for ordering, bookkeeping, team communication and staff and volunteer training.

¹ Statistics for visitor numbers to the Pembrokeshire Coast National Park (or Pembrokeshire) are generally unavailable. Statistics for visitor numbers for South West Wales were produced by Welsh Government and Visit Wales for 2011, these indicate that visitor numbers to South West Wales were between 3.4 and 3.8 million in 2011, no reliable trend data is currently available. PCNP – Replacement Local Development Plan 2015-2031

4.4.2 TRADING & STAFFING PLAN - THE FUTURE

The paid members of staff will be - a Store Manager (32 hrs) and an Assistant Manager (24 hrs). These will be supported by a team of 14 volunteers. Working hours for all staff members will be between 9.30 and 6pm - allowing time at the end of the day for cashing up, report running, cleaning and restocking before the next day's trading. Each paid member of staff will cover each other's holidays. Holidays will only be taken during quieter times of the year.

The store manager will report to the board and will manage both the assistant manager and the team of volunteers. One member of the board will be designated as responsible for staff development.

Volunteers will be vital to the store. They will look after general trading, shelf restocking, preparation for trading, cleaning the shop and serving customers. They will be given training in the product lines stocked, in the use of the till and in customer service. Each will become an expert in a chosen product area and actively communicate ideas to the Assistant and Store Managers. They will also have an important role in fostering community benefits. This might include offering lifts to those not able to travel to the shop or delivering orders to the housebound - perhaps fitting a lightbulb or changing a washer on a tap, or simply coming up with ideas for additional community benefits and passing on feedback.

Customers will be encouraged to share thoughts and ideas of their own about how to make the shop better, the volunteers collating and communicating these ideas to the Managers. Volunteers will work a 4- or 5-hour shift one day a week - a manageable level - but providing stimulation, opportunities for sociability and skills training. Cross over of volunteers will cover lunch breaks for full time staff.

Siop Havards will continue to provide opportunities for young people to obtain work experience during the school holidays. The rate of pay will be minimum wage, but the team will, wherever possible, work with schools and colleges to provide opportunities for skills and training to be recognised and count towards both formal qualifications and schemes such as the Duke of Edinburgh Awards.

The Store Manager and Assistant Manager should have retail experience and an interest and knowledge of the hardware sector. We will seek energetic, practical and organised individuals who are good with people and care about the community. They will look after the volunteer team, run the shop and buy for the store, manage stock, as well as bookkeeping and carrying out other required reports. They will have a very important role in fostering community involvement and developing the community benefits provided by the shop. Welsh-speaking candidates would be sought. The rate of pay Store Manager was established by researching with similar roles in small outlets in Cardiff. The Assistant Manager will be paid at c. 10% above the National Living Wage. This is an excellent opportunity for a keen person to gain some advancement and extra skills locally.

The Committee want to encourage training at all levels within the team and have put aside a small budget for the purpose. This can be added to as the business develops.

The staffing budget grows with the turnover of the shop at 2% per year. In year three there is an extra cost of living increase of 3%.

There is an additional budget of £4k per annum to cover peak trading extra staff costs.

4.5 PROFIT & LOSS - 5 YEAR PLAN

To be able to return profits to the community it is important to create them in the first place. Therefore, this five-year plan will demonstrate how performance can be improved - while also paying interest to our shareholders and ensuring healthy reserves in the business - without the need to significantly raise prices within the standard product range.

The five-year plan takes the reported turnover for the trading year end March 2022 as a starting point for the performance of the store (see point 4.3 above).

Growth is predicated on three metrics - an improvement in £ taken per square foot of trading space; by increasing the trading area of the store; and improving the gross margin.

Although inflation is rising the board have decided not to reflect this trend in the financial models, because doing so would complicate the sales figures. To exclude sales inflation keeps any increases resulting from three key metrics mentioned above, clear in the plan. However, a more conservative view has been taken on the cost lines. Costs are taken as an average of the last 5 years trading, with further annual increases of 1.5% pa across the next five years. Salary increases are included at 3% every 2 years. An extra allowance has been included in energy costs to reflect the extra volatility in the energy market.

5 Year Summary - Siop Havards Tydrath

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Income:					
Sales	200,042.00	196,638.48	205,073.77	208,149.88	211,272.13
Extended Space		30,415.58	41,014.75	41,629.98	42,254.43
Flat Rental Income	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00
Total Income:	207,542.00	234,554.05	253,588.52	257,279.86	261,026.56
Less: Cost of Sales	116,024.36 58.00%	130,556.08 57.50%	140,270.46 57.00%	141,125.62 56.50%	141,974.87 56.00%
Gross Profit	91,517.64 42.00%	103,997.97 42.50%	113,318.06 43.00%	116,154.24 43.50%	119,051.69 44.00%
Less: Expenditure					
Total Costs:	74,190.31	104,589.30	75,946.12	78,784.29	80,220.89
Operating Profit: Excluding Interest Payments	17,327.33	(591.33)	37,371.94	37,369.95	38,830.80
Corporation Tax @ 19%		3,680.32	281.60	7,500.53	7,506.15
Net Cashflow	17,327.33	(4,271.65)	37,090.34	29,869.42	31,324.65
Opening Balance	0.00	17,327.33	13,055.68	50,146.02	80,015.44
Closing Balance	17,327.33	13,055.68	50,146.02	80,015.44	111,340.08
Max Shareholder Interest Payments at 4% (£475k share capital)	19,000.00	19,000.00	19,000.00	19,000.00	19,000.00

NOTES:

Yr 1 commences 1st Oct 2022

Cost of sales % expressed as a % of non-rental income

Operating profit and net cashflow does not include any shareholder interest payments

Operating profit and net cashflow does not include any loan interest payments

The plan provides for 1.5% inflation in costs but for clarity has no inflationary sales or cost of sales increases

4.6 TRADING GROWTH

Trading growth will depend on solid retail principles.

- Having good desirable stock at the right price, ready to buy, in a well-managed and appealing space.
- Increasing the product range and adding to existing product ranges.
- Increasing the trading area of the shop.
- Ensuring stock is suitable for the needs of the customer base.
- Having helpful staff with good product knowledge to assist with customers' buying decisions.
- Using marketing to effectively publicise what goods and services are offered by Havards.

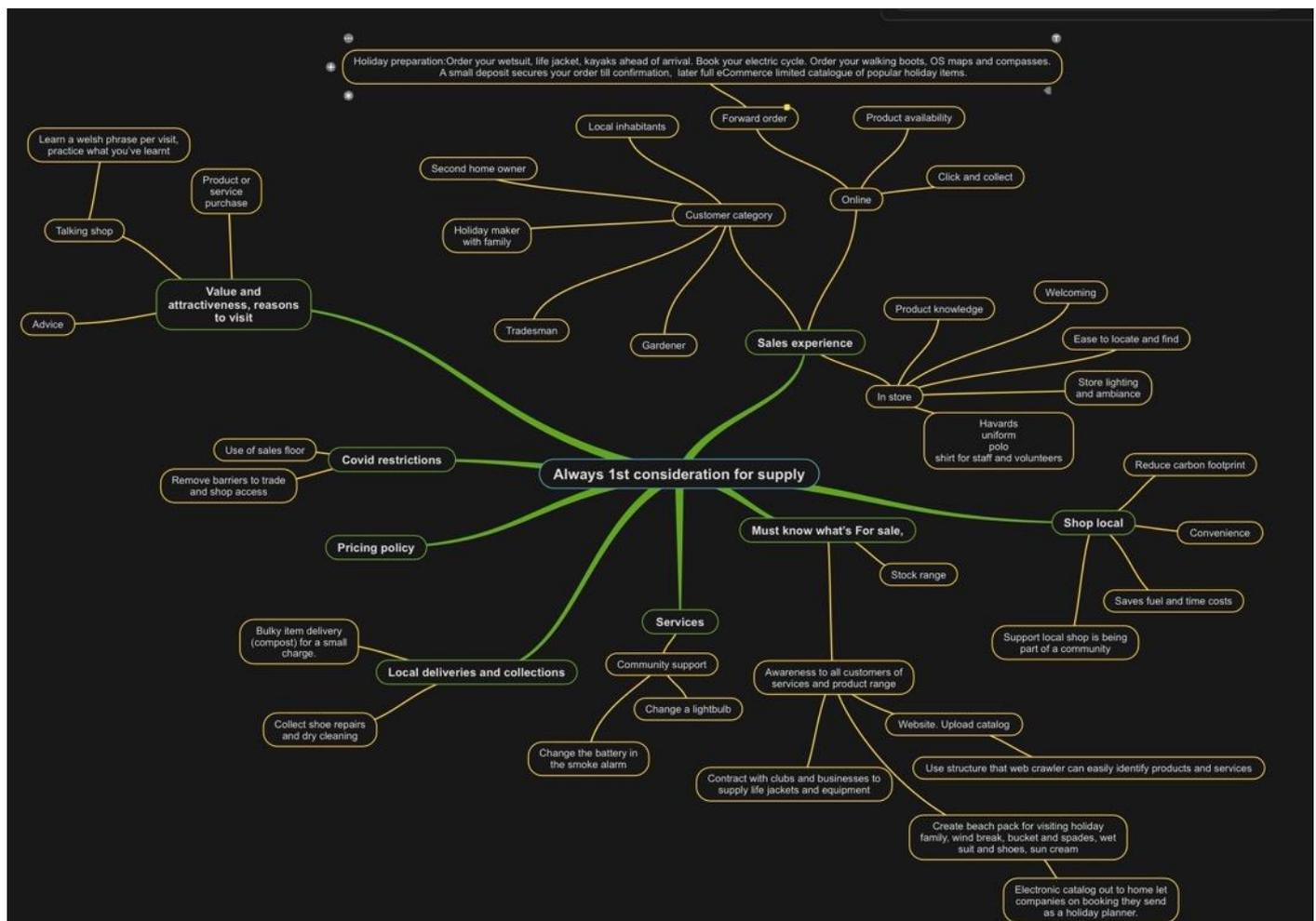
We have built the plan based on

- An increase in the number of transactions
- An increase in the value of each transaction - which in turn is made up of two further variables a) an increase in the average value of items bought and b) an increase in the number of items in each transaction.

We have used the convenient £/sq ft metric to build the plan and to easily evaluate if the plan is achievable. This is an industry standard term that combines these interrelated transactional performance measures into one metric. The current £/sq ft performance was taken as a base, and 1% - 1.5% improvement added over the 5-year plan. This is a very low % improvement and therefore a conservative target. In general retail more typical annual increases would be 2-3%.

Developing the ranges - by both adding to existing ranges, and also by adding new ranges - will be vital to the delivery of the business plan. See 4.6.4 for some possible additions.

Similarly, the importance of a good energetic culture will improve performance. Following is our imaginative vision of how to help the shop deliver for as many people as possible.



4.6.1 INCREASE IN NUMBER OF TRANSACTIONS

Siop Havards has around just over 15,000 transactions in a typical year. Improving this by 3% - just over 400 extra transactions - will deliver an extra £6000 in revenue. The business plan proposes a more modest 1.5% growth year on year overall.

4.6.2 INCREASE IN £ PER TRANSACTION

Currently Siop Havards takes just under £15.50 per transaction. In the example in Appendix 3 we show how adding just 50p to this total will deliver just over £3 per square foot of trading - three times as much as proposed in our business plan and hopefully also a very achievable target.

While the focus of the committee is to keep prices accessible for the local community, the value of each transaction can be increased via a number of means, while still keeping base prices accessible.

- Looking for opportunities to include well-priced and desirable higher priced goods.
- Increasing the number of items bought in each transaction by ensuring everyone knows what's in the shop; by making it easy to choose the shop over the internet; by clear arrangement of the stock; by having more things that people need and want to buy.

For more information- see range extensions 4.6.4.

4.6.3 INCREASING THE TRADING AREA OF THE SHOP

In section 4.2 we have described works to be done to the building to meet the business plan.

The plan shows adding 430 square feet of extra trading space in year 2. This is conservatively planned to trade at only 35% of the existing trading space (normal practice would be 50%- 60% of premium trading space) but will provide valuable extra income and allow space for the range extensions discussed above and listed below.

This is a picture of the space. At the moment it is not making a contribution to the store and this is a real opportunity. Adding this space is the major driver of growth.



Within the garden area there is a small bay which could be used to extend the garden range - perhaps for locally-grown house or garden plants.

The building work required is relatively simple and a budget of £30,000 has been included in the business plan to cover all this work (see section 4.2 on reimagining the shop).

4.6.4 GROSS MARGIN

There will also be a focus on Gross Margin percentage. The current margin achieved (42%) is higher than the average (37.4% - *Small Business Chronicle*). The plan shows this increasing by 1.25% from the current level of 42% to 43.25%. This will be done by increasing the mix of goods with a higher margin of between 46% - 56% - see range extension ideas below.

In line with the vision we aim to keep prices accessible, so excessive margin growth will not be a priority.

4.6.5 STOCKING WHAT THE COMMUNITY WANTS TO BUY

At the start of the project we will actively seek all suggestions from the community to understand their needs and make sure we stock what they want. We will ask everyone who comes in the shop what they would like to see.

4.6.6 RANGE EXTENSIONS & RANGE EFFICIENCY

There are many areas in which the range could be enhanced or extended without compromising the quality of the shop as a quirky, Aladdin's cave of discovery and a place where you can reliably find every-day, pick up hardware needs without recourse to the internet.

- A more comprehensive range of clothing, shoes and accessories for walkers, using locally made products where possible.
- The garden range could be extended - perhaps in partnership with local growers supplying plants and seeds, or locally made bird boxes, or similar.
- Essential chandlery for the boating community.
- A wider range of linens and home textiles for holiday homes.
- Adding a range of hand tools for local craftspeople - scythes, wood working tools, axes etc. - also recycled/restored old tools.
- Focus on Christmas trading adding gift ideas.
- Using feedback and requests to identify where ranges can be added to - do we have enough fishing equipment for example?
- A builder's trade counter for essential items.
- Working with local craftswomen & men & hosting workshops, tool appreciation society.

4.6.7 SERVICES

We plan to increase and improve the services provided by the shop. These services will be provided free, at cost or with a small administrative margin. The intention is to ensure that there is no need to travel far out of the area to serve daily shopping needs. Some services will help support the ageing section of the community, others to educate and inform.

Existing services

- Dry cleaning
- Key cutting
- Wood and kindling - all these services to be better promoted.

New services

- a. Lifts to town for those without transport - provided by volunteers and advertised on a rota and on the website.
- b. Low level maintenance jobs provided by volunteers - changing a light bulb, fixing a washer.
- c. Drop off point for mobile and IT repairs - in partnership with a regional mobile phone and IT repair workshop.
- d. IT helpdesk on pre-advertised days
- e. Drop off for shoe repairs - in partnership with shoe repair workshop.
- f. An expanded board for people to advertise local businesses and services - free to all customers.
- g. Informal use of Welsh for learners while working as volunteers - Welsh crib sheets and bilingual signage for customers.
- h. Link up with repair café.

- i. Tool library - free to use for ticket holders. Borrow a drill or a pickaxe.
- j. Other services as suggested by the community and volunteers, as and when achievable.
- k. Knife sharpening
- l. Working together with other retailers in Newport/Tydrath on shared projects – e.g. marketing, shared resources.

4.6.8 FLAT RENTAL INCOME

The rental income from the 4-bedroom flat above the shop is planned at current levels. The Committee supports the provision of low cost rented properties for local families, so there are no official rent review intervals and no rent increases planned. To mitigate risk, there is one quarter lost rent planned in year three to cover a possible change of tenant. However, because these kinds of affordable rented properties are at a premium in Newport/Tydrath a long period of vacancy is unlikely. Currently the flat is let on an informal verbal tenancy but SHGT will ensure that a legal rental agreement is put in place before purchase that will protect the interests of both SHGT and the tenant.

N.B The flat rental income is well below the 20% threshold over which would trigger ineligibility for SITR

5.FUNDING STRATEGY & SHARE OFFER

Our approach is to raise the majority of the money required from our supporters as share capital, supplemented by grant aid where possible, with loan finance as a last resort.

If there is a shortfall in money raised, either by failing to attract grant funding, or if our supporter fundraising doesn't attract the necessary support, the committee may find other routes to secure the necessary funds. We have developed a decision tree to help us navigate through this complex process -which is shown in Appendix 8.

Please see the Share Offer Document for more details on all possible funding sources

<https://siophavards.cymru/docs/shareoffer.pdf>

5.1 PROJECT COSTS

The shop has been recently re-marketed with a price reduction at £380,000 to include the freehold, fixtures, fittings and equipment. The stock will be valued at the point of sale but is expected to be approximately £38,000 to £42,000.

In addition to this there will be Land Transaction Tax to pay on the sale of £6,750.

There is an additional budget for start-up costs and legal fees (including land registry).

Havards current owners maintain a working capital balance of around £10,000. The committee feels more comfortable having a balance of £20,000 as we go into our first year, with all the unexpected eventualities that we may meet.

The total funding needed is £475,000.

5.2 HOW WILL WE FUND THE PROJECT?

In 2021 SHGT ran a pledge process with supporters. In total over £240,000 was pledged - in share capital and loans - by 101 supporters. In December 2021 committee re-contacted those investors to let them know the project was progressing and giving them a draft business plan based on share capital only. Support was still strong, and some investors increased their pledges.

In addition to raising funds from our known supporters and our local community we will apply for grant funding through a number of sources - The Community Ownership Fund; Heritage Lottery People & Places; and Enhancing Pembrokeshire.

There is also an option to launch the project on a Crowdfunding platform. We have looked at Ethex and Crowdfunder and favour the latter because of its flexibility, low charges and the possibility of match funding.

In addition to grant funding we are eligible for a supported loan from the Community Asset Development Fund. Please see the Share Offer Document for more details and an illustrative table of the cost of funding from the CADF in the amount of £50k, £100k and £150k. The board have set a limit of £50 - 100k for this funding to ensure that shareholders return is not compromised by our borrowing.

We are confident that Siop Havards Gymunedol Tydrath as a Community Benefit Society, will be eligible for grant funding. It will help our success if we have already succeeded in raising a good portion of our funding through our local share offer before applying for grants. We have set a minimum target for the share offer at £330,000. Our optimum target for fundraising is £475,000 and we have set a maximum at £510,000. If we achieve our maximum target, we will bring forward the planned property improvements from January 2024 to January 2023. This will have a positive effect on our cashflow and profitability.

Further details on funding options are in the Share Offer Document <https://siophavards.cymru/docs/shareoffer.pdf>

5.3 THE SHARE OFFER

5.3.1 THE TIMETABLE

The formal share offer will open in April and will remain live for around 6 weeks. The board will review progress and may extend the closing date if progress towards our funding total is positive.

If we are successful in raising the entire amount via our share offer, we will negotiate with the owners for a favourable head of terms with the aim of opening the shop by 1st October 2022.

Grant applications will be made during the share offer period or soon after (depending on the parameters of each particular grant).

HMRC Advance Assurance, will follow alongside, prior to adoption of final plans, advertising consents, staff recruitment and a simple tender process for the pre-opening store refresh.

The full business plan should be implemented between October 2022 and March 2023 - depending on the funding sources accessed.

5.3.2 THE SHARE OFFER IN DETAIL

Siop Havards Gymunedol Tydrath - SHGT Community Benefit Society Ltd is offering shares to the community on the following basis.

- One community share will cost £1
- The minimum investment is 200 shares, a value of £200
- One member, one vote - regardless of investment size
- When buying shares, you can opt for three interest levels - 0%, up to 2% and up to 4%. This interest payment is not guaranteed. The level of interest paid, and the amount of profits set aside for community projects will be voted on in the AGM by all members. There will be no interest paid in the first two years. This is to allow the business to get off the ground.
- Interest is paid as a proportion of money invested.
- The maximum that can be invested is £33,000 or 10% of the total money raised by the share offer, whichever is the greater.
- Community Shares are also called Withdrawable Shares. They can only be issued by Co-Operatives and Community Benefit Societies. They cannot be sold, traded or transferred between members. They cannot increase in value but may decrease if the business suffers losses, and you may lose all your money.
- 94% of Community Benefit Societies were still trading after 5 years (compared to only 40% of other businesses). * *Scottish Financial News*
- *Siop Havards Gymunedol Tydrath* also welcomes gifts - small or large. There is no limit to money given as a gift.
- Havards Share Save scheme is available for those who want to save towards becoming a member and shareholder.

What will I get for my investment?

- A beautiful share certificate designed by a local artist.
- Eligibility for interest payments of up to 2% or up to 4% - not guaranteed and dependent on performance.
- The chance to support and participate in a valuable local Community Benefit Society.
- The chance to get involved in the store - volunteer or be elected to a director.
- See your investment preserve a local landmark business and see the profits returned to the community to help address local needs.
- Get to share in the decision-making and see your contribution yielding real results.
- Receive a regular newsletter with news and developments that you will have helped make happen.
- An application will be made for HMRC Advance Assurance of the Share Offer to ensure that investments in the Society's Shares will qualify for Social Investment Tax Relief (SITR). If successful, this will mean as much as 30% tax relief on your investment. Full details are in the Share Offer Document.

In Appendix 9 are some Frequently Asked Questions to explain the share offer in more detail. The full share offer document is available on our website <https://siophavards.cymru/docs/shareoffer.pdf>

6.COMMUNITY INVOLVEMENT, PARTNERSHIP WORKING & THE PROJECT SO FAR

A public meeting was held on 30th July 2021, which was attended by over 40 people. Locals from other community run projects spoke about their experiences. The audience showed great enthusiasm for the project. A vote was held, and a large majority voted in favour of the project.



As a result of this a website was created, good publicity followed in local papers and TV. A committee formed to lead a process to establish appetite for community investment. This was a pledge process which ran over the next few months and resulted in over £240,000 in pledges for share investment and loans.

The project was put on hold temporarily in October 2021 due to concerns about the financial basis of the project and the apparent lack of support from the local populace. How wrong we were, because as soon as the temporary hold was communicated there was a series of objections from the community regretting the committee's decision. The committee then took time to re-evaluate the project and work out the best way forward.

Late in 2021, with new members of the committee in place, a fresh approach was taken which forms the basis of this business plan. A switch was made from loan funding plus share capital, to a mix of predominately share capital. This change makes the financial plan viable and more suited to the nature of a CBS. The financial plan was reviewed in detail, and it was found that a significant increase in turnover could be created through an increase in trading space, focus on key retail metrics and range improvements. This 5-year financial plan forms the basis of this document (see section 4.4 above).

Pledgers have been re-contacted to advise of the change of approach and the results have been positive, with many increasing their pledges.

The committee have been working closely with the Wales Cooperative Centre to ensure that the process is rigorous and well informed. The Community Share Standards Certificate has been awarded, a Community Benefit Society is in the process of being formed and registered with the FCA (due 11th April), and a bank account is in the process of being opened.

As soon as the bank account is ready, the share offer will launch and will run for approximately 6 weeks. We hope it will be during April 2022.

The full share offer marketing plan can be found on page 24.

7. MANAGEMENT, GOVERNANCE, ORGANISATION & LEGAL STRUCTURE

The Community Benefit Society is called *SHGT Community Benefit Society Ltd* and will be registered with the Financial Conduct Authority. The Society will exist in order to carry on business for the benefit of the community and is committed to:

- trading for the benefit of the community, and not for anyone's private benefit
- retaining profits and applying profit to advance the Society's purpose.

SHGT Community Benefit Society Ltd. is subject to the Rules of the organisation and a board of three Directors has been formed to manage the affairs of the Society. The rules are available to view on the website

<https://siophavards.cymru/docs/rules.pdf>

The board is supported by an advisory committee formed following informal discussions between a small group of people who are active within the community and who decided to come together to initiate the project. This group has been very busy supporting the project and will continue to support the board of directors until the first AGM.

At the first AGM the directors will step down and the members (anyone who has invested in the project) will be asked to elect a new board of directors.

The board of directors will resign on a rotational basis, one third resigning at each AGM. They may offer themselves for re-election. Full details relating to governance can be found on our website under the society rules <https://siophavards.cymru/docs/rules.pdf>

7.1 ONGOING COMMUNITY INVOLVEMENT

The Board and the Advisory Committee are keen to maintain the sense of shared ownership and responsibility and as such will continually seek to engage with the membership (and the wider community). This will be done via social media, via the local press, via news items on the website, and also through the publishing of a regular newsletter.

The Board will be supported by sub-committees or officers responsible for different areas of activity and expertise. These groups are a way of sharing workload but also of maintaining engagement and expanding the active core membership such that progression and succession can occur naturally. These are expected to include:

- Retail Ops (including buying)
- Marketing, branding and communications
- Website
- Membership management
- Building redevelopment and maintenance
- Community activity and engagement
- Financial and bookkeeping

The groups will assist the Board in carrying out its functions, ensure effective development and running of Havards and carry out specific tasks on its behalf.

These officers & sub committees will be appointed at the first AGM and will report to the board.

7.1.1 THE BOARD

The Board



Director & Chair – Clive Hooper

25 years of Supply Chain Experience running production, logistics, engineering, R&D, Procurement and planning departments. More recently board member of FTSE250 company leading a £250M transformation program to turn around the performance of the Supply Chain and help lead the business as a top performing FTSE company. Lives in Crosswell.



Director – Chris Morgan

Christopher Morgan, 48 years in industry, predominantly the IT sector. Founder and co-founder of several IT related limited companies and partnerships from recruitment, consulting to desktop repairs, working with Government departments and Blue-Chip companies worldwide. 30 years of successful sales leadership and cybersecurity specialism. Chair of a Scout Group and Beekeeper. Lives in Felindre Farchog.



Director & Treasurer - Jessica Seaton

Co-founder and Managing Director of two clothing companies in Wales - a designer knitwear company selling to international export markets and a womenswear and homeware retail company with 250 employees, an online business and 15 stores. Experience in growing SMEs, with particular expertise in both bricks & mortar and online retail, buying & merchandising, and branding & marketing. Trustee and treasurer of a charity. Lives in Nevern.

7.1.2 THE ADVISORY COMMITTEE



Society Secretary - Bettina Skogland-Kirk Self-employed and runs an FCA authorised independent financial company (FRN 719951) that offers financial help and services to small independent retailers. I also have a portfolio of residential and commercial properties within London and in addition I have 30 years of experience in the online retail market. I have just recently moved from London, and I now live in Dinas Cross



Adrian Varney - Born and lives in Tydrath. Worked in Education for 30 years. Ex-Rugby player. Property developer. Charitable works.



Ros McGarry - Retired Welsh teacher who lives in Tydrath. Chair of Tydrath Library and Tydrath Forum. Vice chair of Tydrath Environment Group. Has run small businesses in tourism, hospitality and catering in Tydrath.



Cris Tomos - has been involved with community social enterprise developments for over 25 years. He is a Board Member of 4CG Cooperative – Community owned Car Parks, Retail units, Offices, Bunkhouse & Craft Centre in Cardigan. He is the Chair of Cwm Arian Renewable Energy cooperative that has put up a 700kw community-owned wind turbine in October 2019 with enough energy produced to power over 500 homes. He spearheaded the Canolfan Hermon project. Cris received the award of Welsh Co-operator of the Year in 2012 and Welsh Social Enterprise Champion of the year in 2013. Currently, he works part-time for PLANED that supported the community purchase of Tafarn Sinc where 380 people raised over £400,000 to buy the iconic pub in North Pembrokeshire. In May 2017, Cris was elected as the county councillor for Crymch ward and is now the Pembrokeshire cabinet member for the Environment, Public Protection, and the Welsh language.



Dr Brendan Blake – Has owned house in Newport/Tydrath for over 25 years and thinks Havards an essential facility. 50 years' experience with IBM and as a University researcher and lecturer. Trustee and director of a charity for almost 10 years.



John Harries - Background in education in the UK and USA. Also works in theatre, TV and film as actor, writer, director, producer. Has a special connection with Havards as his great, great grandfather started the business initially and he would visit his grandmother Rose at Harvard's 70 years ago. Has run a holiday let business in Tydrath for the last twenty-five years. Born and lives in Tydrath.

8. THE MARKETING PLAN

8.1 MARKETING THE SHARE OFFER

The general message of this campaign will use three messages to embed the importance of saving Havards.

1. Let's save Havards as both a historic institution and an important resource for Newport
2. Become a shareholder
3. Volunteer

8.1.2 AHEAD OF THE SHARE OFFER

In advance of the share offer 2500 leaflets were distributed directly into people's homes in the communities of Newport/Tydrath, Cilgwyn, Brynberian, Dinas, Fishguard, Nevern, Moylegrove and Eglwysrwrw. The purpose of the leaflet was to gather support for the project, recruit volunteers and add to the mailing list for the forthcoming Share Offer. At the time of writing over 130 responses had been received with more coming in by the day. 93% of respondents were in favour of the project, 44 offered help, and most signed up to receive an email announcing the share offer.

Leaflets were also distributed digitally to all local community groups, holiday cottage companies and Newport/Tydrath retailers - they were also asked for letters of support, many of which have been received. This process is ongoing.

The website was equipped with a sign-up box to receive a notification of the share offer becoming live.

A number of videos have been created which will include a full version (up to 10 minutes), and a number of shorter versions (up to 30 seconds). These eloquently show the need for Havards to remain in the town. They have been loaded on the website and shared via Facebook and Twitter. We will also share a TV/Heno video describing the shop project.

A banner announcing the forthcoming share offer has been mounted on the front of *Siop Havards* and sign up facilities will exist within the shop.

Volunteers will attend Newport/Tydrath Market in the lead up to the share offer go-live, gathering email addresses from those interested in supporting the project.

8.1.3 DURING THE SHARE OFFER - 1.2.3

1. An email announcing that the share offer is live will be sent to our mailing list with a link to the share offer page on the website and a copy of the Share Offer document.
2. Some printed Share Offer documents will be available within Havards
3. Press releases will be sent to all local news outlets and television
4. We will contact a list of Newport/Tydrath's more famous sons and daughters for their support - asking them to donate, support, buy shares and generally make a fuss on our behalf
5. We will continue our attendance at the local market - gathering support
6. Once our visitors arrive, we will also have a presence on the Parrog promoting the share offer
7. A sales table at the market selling plants to support the project
8. Signs on every notice board, lamppost and prominent business outlet
9. Announcements on Facebook, Twitter, Instagram - spreading the word and sharing widely
10. Signs on the A487 announcing the share offer is live
11. We will use the design of the shareholder certificate by a local artist to further promote the campaign in the press and will find additional news stories to continue the press momentum
12. An ongoing email campaign to announce the number of investments raised and encourage more to join
13. Liaise with the Plunkett Foundation, Wales CoOp and the Community Shops network to spread the message wider.

8.2 MARKETING THE SHOP

Proactive marketing will be essential to the success of the project. As we look to market our product and services, we will be guided by established marketing principles.

We believe that Havards already has a strong character and reputation and that its identity will be easy to understand and recognise in its marketing.

We will initiate web-based advertising to communicate product information about Havards. While we don't plan to sell online, Havards needs a web presence to give online visibility to its products and services. A simple google search for "buy a hammer near me" should drive trade to the store. This can be done quite cheaply using natural search terms within the store website, which will be created after the fundraising process is complete on the URL already bought.

The best advertising Havards has is its store front. Everyone driving through the town on the A478 can't fail to notice the store. The identity can be further strengthened by signage on the shopfront to advertise its status as a community shop, the products sold and its services. This should bring more customers into the store.

An active social media presence through Facebook, Instagram and Twitter will keep followers up to date with news and new product stories and allow us to maintain a dialog with our supporters. This activity will be maintained by the store staff.

Building relationships with local businesses will drive further business. There are opportunities to link with holiday cottage groups and local building firms to stock vital items. Likewise, joining forces with other Tydrath retailers to contribute to combined advertising may be fruitful.

General press releases and interesting stories about the Havards will maintain its profile as we add services to the offer. Articles in the broadcast, printed and online media are a trusted way of communicating with the market. We will build and maintain relationships with various members of the press; this is a basic, but essential way of obtaining coverage. Interesting and entertaining releases will maintain the press interest in the offer available.

News about developments at the store, community projects supported, and trading updates, will be communicated via an e-newsletter, which will be distributed to all members and any subscribers who join via the website.

The people involved in delivering this plan include everyone associated with Havards and the Board and Committee has a strong mix of expertise and experience, all of which is focused on this particular project and on supporting staff and volunteers in delivering a first-class experience to our customers and stakeholders.

Nobody sells a product or service better than someone who has experienced that service, and reviews are something that are increasingly common and powerful within marketing. Our aim would be to utilise these experiences as part of the promotion and to encourage posting of reviews on various social media accounts and TripAdvisor. The store staff will be encouraged to interact with any reviews - positive or negative - to build good relationships.

Periodic celebratory events will be held to thank the community for their support for the store and to maintain involvement.

Our focus will be the customer at every point during the sales process. The website has to be welcoming; the staff need to be welcoming and informed, and our response as an organisation needs to be proactive and supportive.

8.3 DATA PROTECTION

The Society adheres to the principles of the Data Protection Act 2018 and will use and process personal data only for the purposes of *Siop Havards Gymunedol Tydrath*.

We will:

- use it fairly, lawfully and transparently
- keep personal information that we hold securely and up to date
- only use it for the specific purposes for which it was collected
- keep it for no longer than is necessary

Any query on data use should be addressed to info@siophavards.cymru

9. RISK REGISTER & SWOT ANALYSIS

The committee has considered the possible risks which might be associated with this project. This has been compiled into a risk register which can be found in appendix 10.

This register will be kept up to date and reviewed periodically by the committee, to ensure, as far as possible, that your investments in the project are protected from risk.

Following is the Strengths, Weaknesses, Opportunities and Threats to the project.

Siop Havards - S.W.O.T Analysis	
Strengths	Weaknesses
1 Well known landmark store	1 Wider team have limited experience in running a store
2 Existing practice for running store - easier to establish under new ownership	2 Questionable volunteer availability
3 Well trained staff in place	3 Large amount of work to get the project off the ground with an overstretched board & committee
4 Good EPOS system to manage stock	4 Existing investors primarily from visitor group, weaker engagement with indigenous Newport residents
5 Good supplier relationships	5 Share offer minimum hard to reach for lower income groups - will limit wider engagement
6 Community support for the endeavour	6 Fluctuating population results in seasonal variances to turnover
7 Focussed and experienced board & committee	7 Covid has distorted trading figures over past 2 years
8 Support from Planed and Wales CoOp	8
9 Generous commitments made in pledge process	9
10 Purchase backed by tangeable property asset in area of strong property value	10
11 Specialist experience on the committee - legal, retail, setting up community initiatives, local knowledge and connections, business change	11
12 Within an area which attracts higher income tourists	12
13 Genuine emotional attachment to Havards for locals and visitors alike	13
14 Vendors very supportive of this project	14
15 Visible roadside position maximises free marketing	15
Opportunities	Threats
1 Support from experienced advisors: Planed, Wales Co-Op, Plunket Foundation	1 Failure to reach financial target
2 Opportunities for learning, achievement and challenge for all those involved	2 Difficulties with tenant - loss of income or other
3 The project can result in greater understanding between local residents and visitors	3 Unforeseen expenses/difficulties with building
4 To build on the reputation of Siop Havards and make it an even better store to serve the community	4 Further interruptions to retail trading - lockdowns, restrictions etc
5 To make a really successful community run enterprise in Tydrath/Newport	5 Inability to recruit staff of sufficient experience, quality
6 To keep a healthy mix of day to day shopping in the town which retains a local, not only a tourist, feel. Appealing to all.	6 Havards under offer by another prospective buyer
7 Challenges of project will widen board and committee, and bring people together	7 Not being able to agree a suitable purchase price with the vendor which aligns with our fund raised.
8 Improving exposure to Welsh language within the shop	8 Supply issues and inflation
9 Create relationships with local building firms to improve year round income	9 Difficulty in opening bank account (covid restrictions)
10 As a not for profit entity SGHT will be able to access grants and other support	10 Risk of lack of focus on trading - expecting the business to run itself
11 Create a selling platform for local businesses (eg plant growers) - net zero opportunities	11
12 Create business relationships with other local businesses	12
13 Offer training opportunities to local disadvantaged people	13
14 Develop a Repair and Reuse element to the shop for Circular Economy goals	14
15 Time Banking opportunities to have exchange of goods and time.	15
16 Increase in sales through - web advertising, extra space, extra margin etc.	16

APPENDIX 1 - STAFFING PLAN

APPENDIX 2 - COMPETITION ANALYSIS

APPENDIX 3 - £ PER SQUARE FOOT ILLUSTRATIONS

APPENDIX 4 - OPENING BALANCE SHEET

APPENDIX 5 - 5-YEAR PLAN

APPENDIX 6 - CASHFLOWS YEAR 1 TO 5

APPENDIX 7 - LOAN SENSITIVITY TABLE

APPENDIX 8 - FUNDRAISING DECISION TREE

APPENDIX 9 - SHARE OFFER FAQ

APPENDIX 10 - RISK ANALYSIS

APPENDIX 11 - BUILDINGS REPAIR SCHEDULE

3. £ PER FOOT ILLUSTRATIONS

Increase in Average Transaction Value of 50p				3% Increase in Transactions			
Current Trading 28/11/21 to 27/11/22		Uplift Extra Sales		Current Trading 28/11/21 to 27/11/22		Uplift Extra Sales	
Gross revenue	£ 229,000.00		£ 236,645.00	Gross revenue	£ 229,000.00		£ 236,342.46
Refunds	£ 4,000.00		£ 4,500.00	Refunds	£ 4,000.00		£ 4,500.00
Net revenue	£ 225,000.00		£ 232,145.00	Net revenue	£ 225,000.00		£ 231,842.46
Vat	£ 37,500.00		£ 38,690.83	Vat	£ 37,500.00		£ 38,640.41
Net net Sales	£ 187,500.00		£ 193,454.17	Net net Sales	£ 187,500.00		£ 193,202.05
Transactions	15,290		15,290	Transactions	15,290	3%	15,749
£/Transaction	£ 14.98	£0.50	£15.48	£/Transaction	£ 14.98		£15.01
£/sq ft	£ 267.86		£ 276.36	£/sq ft	£ 267.86		£ 276.00
			3.18%				3.04%

4. OPENING BALANCE SHEET

**Siop Havards Trydath
Balance Sheet
As At 1 October 2022**

	£	£
FIXED ASSETS		
Property and Business	377,747	
Land Transaction Tax	6,750	
Plant & Machinery	2,253	
Capitalised Acquisition Costs	8,000	
	<hr/>	<hr/>
		394,750
CURRENT ASSETS		
Stock	40,000	
Working Capital - 2 Months	20,000	
Revenue Start Up Costs	20,250	(1)
Bank	-	
Cash in Hand	-	
	<hr/>	<hr/>
		80,250
NET ASSETS		
		<hr/>
		475,000
FINANCED BY		
Share Capital		475,000
TOTAL EQUITY		
		<hr/>
		475,000

Note

- 1 Start up costs include print, postage and stationery, promotional and other fundraising costs, buildings survey, decoration, signage and some new fixtures and fittings

5. FIVE YEAR PLAN

5 Year Summary - Siop Havards Tydrath

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Totals
Income:						
Sales	200,042.00	196,638.48	205,073.77	208,149.88	211,272.13	1,021,176.26
Extended Space		30,415.58	41,014.75	41,629.98	42,264.43	155,314.74
Flat Rental Income	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	37,500.00
Total Income:	<u>207,542.00</u>	<u>234,554.05</u>	<u>253,588.52</u>	<u>257,279.86</u>	<u>261,026.56</u>	<u>1,213,990.99</u>
Less: Cost of Sales	116,024.36 <i>58.0%</i>	130,556.08 <i>57.5%</i>	140,270.46 <i>57.0%</i>	141,125.62 <i>56.5%</i>	141,974.87 <i>56.0%</i>	669,954.24
Gross Profit	<u>91,517.64</u> <i>42.0%</i>	<u>103,997.97</u> <i>42.5%</i>	<u>113,318.06</u> <i>43.0%</i>	<u>116,154.24</u> <i>43.5%</i>	<u>119,051.69</u> <i>44.0%</i>	<u>544,036.75</u>
Less: Expenditure						
Wages	47,590.91	47,590.91	48,542.73	50,969.87	51,989.26	246,683.68
Staff training and welfare	500.00	507.50	515.11	522.84	530.68	2,576.13
Rates and water charges	750.00	761.25	772.67	784.26	796.02	3,864.20
Light and heat	3,000.00	3,045.00	3,090.68	3,137.04	3,184.09	15,456.81
Repairs and maintenance	10,000.00	40,150.00	10,302.25	10,456.78	10,613.64	81,522.67
Telephone	1,000.00	1,015.00	1,030.23	1,045.68	1,061.36	5,152.27
Office and computer expenses	1,000.00	1,015.00	1,030.23	1,045.68	1,061.36	5,152.27
Insurances and licences	900.00	913.50	927.20	941.11	955.23	4,637.04
Subscriptions	300.00	304.50	309.07	313.70	318.41	1,545.68
Sundry expenses	250.00	253.75	257.56	261.42	265.34	1,288.07
Motor and travelling expenses	500.00	507.50	515.11	522.84	530.68	2,576.13
Marketing	1,400.00	1,421.00	1,442.32	1,463.95	1,485.91	7,213.18
Accountancy fees	1,211.80	1,229.98	1,248.43	1,267.15	1,286.16	6,243.52
Bookkeeping expenses	1,500.00	1,522.50	1,545.34	1,568.52	1,592.05	7,728.41
Professional expenses	200.00	203.00	206.05	209.14	212.27	1,030.46
Bank charges	2,044.80	2,075.47	2,106.60	2,138.20	2,170.28	10,535.35
Depreciation	2,042.80	2,073.44	2,104.54	2,136.11	2,168.15	10,525.04
Total Costs:	<u>74,190.31</u>	<u>104,589.30</u>	<u>75,946.12</u>	<u>78,784.29</u>	<u>80,220.89</u>	<u>413,730.91</u>
Operating Profit: Excluding Interest Payments	<u>17,327.33</u>	<u>(691.33)</u>	<u>37,371.94</u>	<u>37,369.95</u>	<u>38,830.80</u>	<u>130,305.84</u>
Corporation Tax @ 19%		3,680.32	281.60	7,500.53	7,506.15	18,968.61
Net Cashflow	<u>17,327.33</u>	<u>(4,271.65)</u>	<u>37,090.34</u>	<u>29,869.42</u>	<u>31,324.65</u>	<u>111,337.23</u>
Opening Balance	0.00	17,327.33	13,055.68	50,146.02	80,015.44	0.00
Closing Balance	17,327.33	13,055.68	50,146.02	80,015.44	111,340.08	111,340.08
Max Shareholder Interest Payments at 4% (£475k share capital)	19,000.00	19,000.00	19,000.00	19,000.00	19,000.00	95,000.00

NOTES:

Y1 commences 1st Oct 2022
 Cost of sales % expressed as a % of non-rental income
 Operating profit and net cashflow does not include any shareholder interest payments
 Operating profit and net cashflow does not include any loan interest payments
 The plan provides for 1.5% inflation in costs but for clarity has no inflationary sales or cost of sales increases

6. CASHFLOWS YEAR ONE TO YEAR FIVE

Cashflow Forecast 2022/23

	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	September 2023	Totals
Income:	6.40%	5.90%	7.06%	5.35%	5.26%	6.45%	6.76%	6.67%	6.39%	16.51%	18.71%	8.52%	
Sales	12,802.69	11,802.48	14,162.97	10,702.25	10,522.21	12,902.71	13,522.84	13,342.80	12,782.68	33,026.93	37,427.86	17,043.58	200,042.00
Flat Rental Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	7,500.00
Total Income:	13,427.69	12,427.48	14,787.97	11,327.25	11,147.21	13,527.71	14,147.84	13,967.80	13,407.68	33,651.93	38,052.86	17,668.58	207,542.00
Less: Cost of Sales	7,425.56	6,845.44	8,214.52	6,207.30	6,102.88	7,483.57	7,843.25	7,738.82	7,413.96	19,155.62	21,708.16	9,885.28	116,024.36
Gross Profit:	6,002.13	5,582.04	6,573.45	5,119.94	5,044.33	6,044.14	6,304.59	6,228.98	5,993.73	14,496.31	16,344.70	7,783.30	91,517.64
Less: Expenditure													
Wages	3,965.91	3,965.91	3,965.91	3,965.91	3,965.91	3,965.91	3,965.91	3,965.91	3,965.91	3,965.91	3,965.91	3,965.91	47,590.91
Staff training and welfare	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	500.00
Rates and water charges	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	750.00
Light and heat	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
Repairs and maintenance	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33	10,000.00
Telephone	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	1,000.00
Office and computer expenses	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	1,000.00
Insurances and licences	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
Subscriptions	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	300.00
Sundry expenses	20.83	20.83	20.83	20.83	20.83	20.83	20.83	20.83	20.83	20.83	20.83	20.83	250.00
Motor and travelling expenses	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	500.00
Marketing	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.67	1,400.00
Accountancy fees	100.98	100.98	100.98	100.98	100.98	100.98	100.98	100.98	100.98	100.98	100.98	100.98	1,211.80
Book keeping expenses	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
Professional expenses	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	200.00
Bank charges	170.40	170.40	170.40	170.40	170.40	170.40	170.40	170.40	170.40	170.40	170.40	170.40	2,044.80
Depreciation	170.23	170.23	170.23	170.23	170.23	170.23	170.23	170.23	170.23	170.23	170.23	170.23	2,042.80
Total Costs:	6,182.53	6,182.53	6,182.53	6,182.53	6,182.53	6,182.53	6,182.53	6,182.53	6,182.53	6,182.53	6,182.53	6,182.53	74,190.31
Operating Profit:	(180.40)	(600.49)	390.92	(1,062.58)	(1,138.20)	(138.39)	122.07	46.45	(188.80)	8,313.79	10,162.17	1,600.78	17,327.33
Corporation Tax @ 19%													0.00
Opening Balance	0.00	(180.40)	(780.88)	(389.96)	(1,452.54)	(2,590.74)	(2,729.13)	(2,607.06)	(2,560.61)	(2,749.41)	5,564.38	15,726.55	0.00
Closing Balance	(180.40)	(780.88)	(389.96)	(1,452.54)	(2,590.74)	(2,729.13)	(2,607.06)	(2,560.61)	(2,749.41)	5,564.38	15,726.55	17,327.33	15,726.55

Cashflow Forecast 2023/24

	October 2023	November 2023	December 2023	January 2024	February 2024	March 2024	April 2024	May 2024	June 2024	July 2024	August 2024	September 2024	Totals	Calc column
Income:	6.40%	5.90%	7.08%	5.35%	5.26%	6.45%	6.78%	6.67%	6.39%	16.51%	18.71%	8.52%		
Sales	12,930.76	11,920.54	14,304.65	5,404.85	10,627.47	13,031.78	13,658.12	13,476.28	12,910.56	33,357.32	37,802.27	17,214.07	196,638.48	202,043.13
Extended Space					2,125.49	2,606.36	2,731.62	2,695.26	2,582.11	6,671.46	7,560.45	3,442.82	30,415.58	40,408.63
Flat Rental Income	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	7,500.00	
Total Income:	13,555.76	12,545.54	14,929.65	6,029.65	13,377.96	16,263.14	17,014.74	16,796.53	16,117.67	40,653.79	45,987.72	21,281.89	234,554.05	
Less: Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	130,556.08	
Gross Profit:	13,555.76	12,545.54	14,929.65	6,029.65	13,377.96	16,263.14	17,014.74	16,796.53	16,117.67	40,653.79	45,987.72	21,281.89	234,554.05	
Less: Expenditure														
Wages	3,632.58	3,632.58	3,632.58	3,632.58	3,632.58	3,632.58	3,632.58	3,632.58	4,632.58	4,632.58	4,632.58	4,632.58	47,590.91	
Staff training and welfare	42.29	42.29	42.29	42.29	42.29	42.29	42.29	42.29	42.29	42.29	42.29	42.29	507.50	
Rates and water charges	63.44	63.44	63.44	63.44	63.44	63.44	63.44	63.44	63.44	63.44	63.44	63.44	761.25	
Light and heat	253.75	253.75	253.75	253.75	253.75	253.75	253.75	253.75	253.75	253.75	253.75	253.75	3,045.00	
Repairs and maintenance	845.83	845.83	845.83	845.83	845.83	845.83	845.83	845.83	845.83	845.83	845.83	845.83	10,150.00	
Telephone	84.58	84.58	84.58	84.58	84.58	84.58	84.58	84.58	84.58	84.58	84.58	84.58	1,015.00	
Office and computer expenses	84.58	84.58	84.58	84.58	84.58	84.58	84.58	84.58	84.58	84.58	84.58	84.58	1,015.00	
Insurances and licences	76.13	76.13	76.13	76.13	76.13	76.13	76.13	76.13	76.13	76.13	76.13	76.13	913.50	
Subscriptions	25.38	25.38	25.38	25.38	25.38	25.38	25.38	25.38	25.38	25.38	25.38	25.38	304.50	
Sundry expenses	21.15	21.15	21.15	21.15	21.15	21.15	21.15	21.15	21.15	21.15	21.15	21.15	253.75	
Motor and travelling expenses	42.29	42.29	42.29	42.29	42.29	42.29	42.29	42.29	42.29	42.29	42.29	42.29	507.50	
Marketing	118.42	118.42	118.42	118.42	118.42	118.42	118.42	118.42	118.42	118.42	118.42	118.42	1,421.00	
Accountancy fees	102.50	102.50	102.50	102.50	102.50	102.50	102.50	102.50	102.50	102.50	102.50	102.50	1,229.98	
Book keeping expenses	126.88	126.88	126.88	126.88	126.88	126.88	126.88	126.88	126.88	126.88	126.88	126.88	1,522.50	
Professional expenses	16.92	16.92	16.92	16.92	16.92	16.92	16.92	16.92	16.92	16.92	16.92	16.92	203.00	
Bank charges	172.96	172.96	172.96	172.96	172.96	172.96	172.96	172.96	172.96	172.96	172.96	172.96	2,075.47	
Depreciation	172.79	172.79	172.79	172.79	172.79	172.79	172.79	172.79	172.79	172.79	172.79	172.79	2,073.44	
Refurbishment					30,000.00								30,000.00	
Total Costs:	5,882.44	5,882.44	5,882.44	5,882.44	35,882.44	5,882.44	5,882.44	5,882.44	6,882.44	6,882.44	6,882.44	6,882.44	104,589.30	
Operating Profit:	7,673.32	6,663.10	9,047.21	147.21	(22,504.48)	10,380.70	11,132.30	10,914.09	9,235.23	33,771.34	39,105.28	14,399.45	129,964.75	
Corporation Tax 2022/23 @ 19%									3,680.32				3,680.32	
Opening Balance	15,726.55	23,399.87	30,062.97	39,110.18	39,257.40	16,752.92	27,133.61	38,265.91	49,180.00	54,734.90	88,506.25	127,611.53	15,726.55	
Closing Balance	23,399.87	30,062.97	39,110.18	39,257.40	16,752.92	27,133.61	38,265.91	49,180.00	54,734.90	88,506.25	127,611.53	142,010.98	142,010.98	

Cashflow Forecast 2024/25

	October 2024	November 2024	December 2024	January 2025	February 2025	March 2025	April 2025	May 2025	June 2025	July 2025	August 2025	September 2025	Totals
Income:	6.40%	5.90%	7.08%	5.35%	5.26%	6.45%	6.76%	6.67%	6.39%	16.51%	18.71%	8.52%	
Sales	13,124.72	12,089.35	14,519.22	10,971.45	10,786.88	13,227.26	13,862.99	13,678.42	13,104.21	33,857.68	38,369.30	17,472.29	205,073.77
Extended Space	2,624.94	2,419.87	2,903.84	2,194.29	2,157.38	2,645.45	2,772.60	2,735.68	2,620.84	6,771.54	7,673.86	3,494.46	41,014.75
Flat Rental Income	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	7,500.00
Total Income:	16,374.67	15,144.22	18,048.07	13,790.74	13,569.26	16,497.71	17,260.58	17,039.10	16,350.06	41,254.21	46,668.16	21,591.74	253,588.52
Less: Cost of Sales	8,977.31	8,275.96	9,931.15	7,504.47	7,378.23	9,047.44	9,482.28	9,356.04	8,963.28	23,158.65	26,244.60	11,951.04	140,270.46
Gross Profit:	7,397.36	6,868.27	8,116.92	6,286.27	6,191.03	7,450.27	7,778.30	7,683.06	7,386.77	18,095.56	20,423.56	9,640.70	113,318.06
Less: Expenditure													
Wages	3,711.89	3,711.89	3,711.89	3,711.89	3,711.89	3,711.89	3,711.89	3,711.89	4,711.89	4,711.89	4,711.89	4,711.89	48,542.73
Staff training and welfare	42.93	42.93	42.93	42.93	42.93	42.93	42.93	42.93	42.93	42.93	42.93	42.93	515.11
Rates and water charges	64.39	64.39	64.39	64.39	64.39	64.39	64.39	64.39	64.39	64.39	64.39	64.39	772.67
Light and heat	257.56	257.56	257.56	257.56	257.56	257.56	257.56	257.56	257.56	257.56	257.56	257.56	3,090.68
Repairs and maintenance	858.52	858.52	858.52	858.52	858.52	858.52	858.52	858.52	858.52	858.52	858.52	858.52	10,302.25
Telephone	85.85	85.85	85.85	85.85	85.85	85.85	85.85	85.85	85.85	85.85	85.85	85.85	1,030.23
Office and computer expenses	85.85	85.85	85.85	85.85	85.85	85.85	85.85	85.85	85.85	85.85	85.85	85.85	1,030.23
Insurances and licences	77.27	77.27	77.27	77.27	77.27	77.27	77.27	77.27	77.27	77.27	77.27	77.27	927.20
Subscriptions	25.76	25.76	25.76	25.76	25.76	25.76	25.76	25.76	25.76	25.76	25.76	25.76	309.07
Sundry expenses	21.46	21.46	21.46	21.46	21.46	21.46	21.46	21.46	21.46	21.46	21.46	21.46	257.56
Motor and travelling expenses	42.93	42.93	42.93	42.93	42.93	42.93	42.93	42.93	42.93	42.93	42.93	42.93	515.11
Marketing	120.19	120.19	120.19	120.19	120.19	120.19	120.19	120.19	120.19	120.19	120.19	120.19	1,442.32
Accountancy fees	104.04	104.04	104.04	104.04	104.04	104.04	104.04	104.04	104.04	104.04	104.04	104.04	1,248.43
Book keeping expenses	128.78	128.78	128.78	128.78	128.78	128.78	128.78	128.78	128.78	128.78	128.78	128.78	1,545.34
Professional expenses	17.17	17.17	17.17	17.17	17.17	17.17	17.17	17.17	17.17	17.17	17.17	17.17	206.05
Bank charges	175.55	175.55	175.55	175.55	175.55	175.55	175.55	175.55	175.55	175.55	175.55	175.55	2,106.60
Depreciation	175.38	175.38	175.38	175.38	175.38	175.38	175.38	175.38	175.38	175.38	175.38	175.38	2,104.54
Total Costs:	5,995.51	5,995.51	5,995.51	5,995.51	5,995.51	5,995.51	5,995.51	5,995.51	6,995.51	6,995.51	6,995.51	6,995.51	75,946.12
Operating Profit:	1,401.85	872.76	2,121.41	290.76	195.52	1,454.76	1,782.79	1,687.55	391.26	11,100.05	13,428.05	2,645.19	37,371.94
Corporation Tax 2023/24 @ 19%									30,787.26				30,787.26
Opening Balance	142,010.98	143,412.82	144,285.58	146,406.99	146,697.75	146,893.27	148,348.02	150,130.81	151,818.37	121,422.37	132,522.43	145,950.48	142,010.98
Closing Balance	143,412.82	144,285.58	146,406.99	146,697.75	146,893.27	148,348.02	150,130.81	151,818.37	121,422.37	132,522.43	145,950.48	148,595.67	148,595.67

Cashflow Forecast 2025/26

	October 2025	November 2025	December 2025	January 2026	February 2026	March 2026	April 2026	May 2026	June 2026	July 2026	August 2026	September 2025	Totals
Income:	6.40%	5.90%	7.08%	5.35%	5.26%	6.45%	6.76%	6.67%	6.39%	16.51%	18.71%	8.52%	
Sales	13,321.59	12,280.84	14,737.01	11,136.02	10,948.68	13,425.67	14,070.93	13,883.60	13,300.78	34,365.55	38,944.84	17,734.37	208,149.88
Extended Space	2,664.32	2,456.17	2,947.40	2,227.20	2,188.74	2,685.13	2,814.19	2,776.72	2,660.16	6,873.11	7,788.97	3,546.87	41,629.98
Flat Rental Income	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	7,500.00
Total Income:	16,610.91	15,362.01	18,309.41	13,988.22	13,763.42	16,735.80	17,510.12	17,265.32	16,585.93	41,863.65	47,358.61	21,906.24	257,279.86
Less: Cost of Sales	9,032.04	8,326.41	9,991.69	7,550.22	7,423.21	9,102.60	9,540.09	9,413.08	9,017.93	23,299.84	26,404.60	12,023.90	141,125.62
Gross Profit:	7,578.87	7,035.60	8,317.72	6,438.00	6,340.21	7,633.20	7,970.03	7,872.24	7,568.01	18,563.81	20,954.21	9,882.34	116,154.24
Less: Expenditure													
Wages	3,914.16	3,914.16	3,914.16	3,914.16	3,914.16	3,914.16	3,914.16	3,914.16	4,914.16	4,914.16	4,914.16	4,914.16	50,969.87
Staff training and welfare	43.57	43.57	43.57	43.57	43.57	43.57	43.57	43.57	43.57	43.57	43.57	43.57	522.84
Rates and water charges	65.36	65.36	65.36	65.36	65.36	65.36	65.36	65.36	65.36	65.36	65.36	65.36	784.26
Light and heat	261.42	261.42	261.42	261.42	261.42	261.42	261.42	261.42	261.42	261.42	261.42	261.42	3,137.04
Repairs and maintenance	871.40	871.40	871.40	871.40	871.40	871.40	871.40	871.40	871.40	871.40	871.40	871.40	10,456.78
Telephone	87.14	87.14	87.14	87.14	87.14	87.14	87.14	87.14	87.14	87.14	87.14	87.14	1,045.68
Office and computer expenses	87.14	87.14	87.14	87.14	87.14	87.14	87.14	87.14	87.14	87.14	87.14	87.14	1,045.68
Insurances and licences	78.43	78.43	78.43	78.43	78.43	78.43	78.43	78.43	78.43	78.43	78.43	78.43	941.11
Subscriptions	26.14	26.14	26.14	26.14	26.14	26.14	26.14	26.14	26.14	26.14	26.14	26.14	313.70
Sundry expenses	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	21.79	261.42
Motor and travelling expenses	43.57	43.57	43.57	43.57	43.57	43.57	43.57	43.57	43.57	43.57	43.57	43.57	522.84
Marketing	122.00	122.00	122.00	122.00	122.00	122.00	122.00	122.00	122.00	122.00	122.00	122.00	1,463.95
Accountancy fees	105.60	105.60	105.60	105.60	105.60	105.60	105.60	105.60	105.60	105.60	105.60	105.60	1,267.15
Book keeping expenses	130.71	130.71	130.71	130.71	130.71	130.71	130.71	130.71	130.71	130.71	130.71	130.71	1,568.52
Professional expenses	17.43	17.43	17.43	17.43	17.43	17.43	17.43	17.43	17.43	17.43	17.43	17.43	209.14
Bank charges	178.18	178.18	178.18	178.18	178.18	178.18	178.18	178.18	178.18	178.18	178.18	178.18	2,138.20
Depreciation	178.01	178.01	178.01	178.01	178.01	178.01	178.01	178.01	178.01	178.01	178.01	178.01	2,136.11
Total Costs:	6,232.02	6,232.02	6,232.02	6,232.02	6,232.02	6,232.02	6,232.02	6,232.02	7,232.02	7,232.02	7,232.02	7,232.02	76,784.29
Operating Profit:	1,346.85	803.58	2,085.70	205.98	108.19	1,401.17	1,738.00	1,640.21	335.98	11,331.79	13,722.18	2,650.32	37,369.95
Corporation Tax @ 19%									7,500.53				7,500.53
Opening Balance	148,595.67	149,942.51	150,746.09	152,831.78	153,037.76	153,145.95	154,547.13	156,285.13	157,925.34	150,760.79	162,092.58	175,814.77	148,595.67
Closing Balance	149,942.51	150,746.09	152,831.78	153,037.76	153,145.95	154,547.13	156,285.13	157,925.34	150,760.79	162,092.58	175,814.77	178,465.08	178,465.08

Cashflow Forecast 2026/27

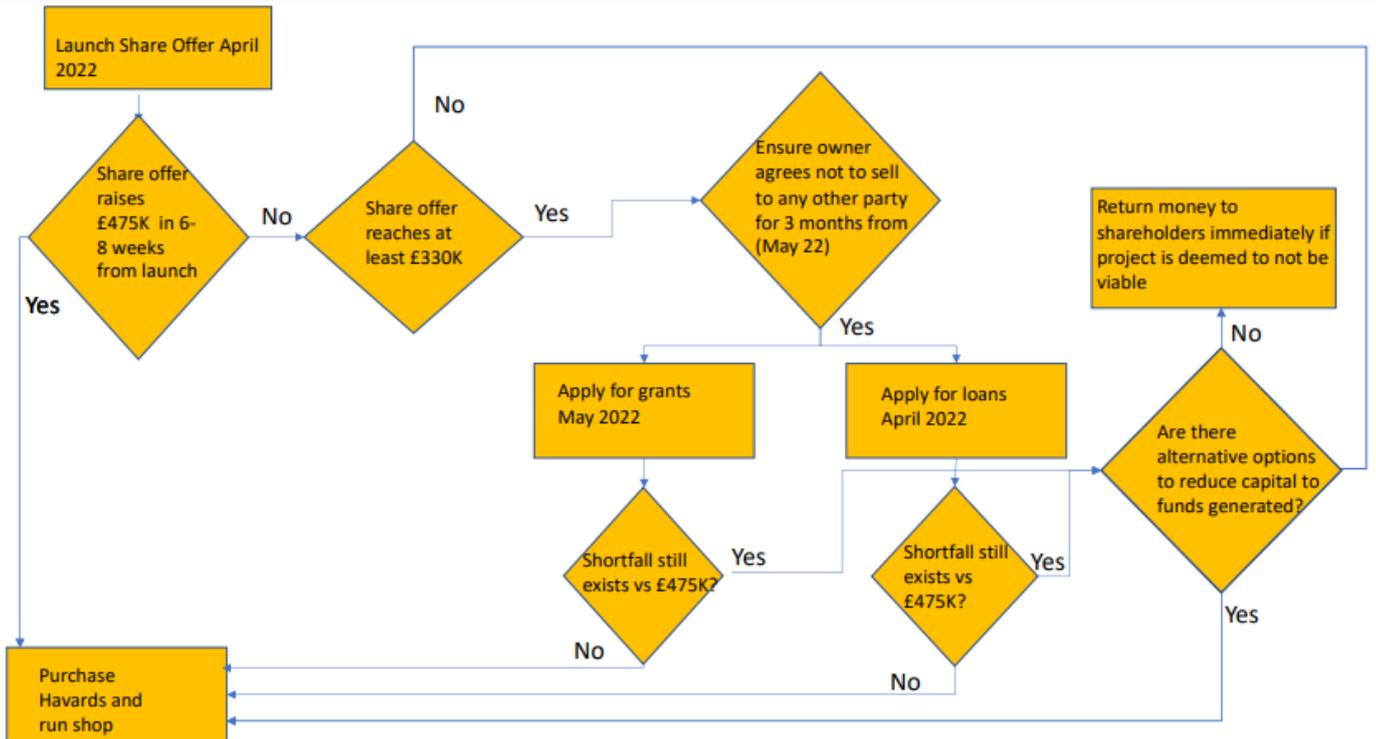
	October 2026	November 2026	December 2026	January 2027	February 2027	March 2027	April 2027	May 2027	June 2027	July 2027	August 2027	September 2026	Totals
Income:	6.40%	5.90%	7.08%	5.35%	5.26%	6.45%	6.76%	6.67%	6.39%	16.51%	18.71%	8.52%	
Sales	13,521.42	12,465.06	14,958.07	11,303.06	11,112.91	13,627.05	14,282.00	14,091.65	13,500.29	34,881.03	39,529.02	18,000.39	211,272.13
Extended Space	2,704.28	2,493.01	2,991.61	2,260.61	2,222.58	2,725.41	2,856.40	2,818.37	2,700.06	6,976.21	7,905.80	3,600.08	42,254.43
Flat Rental Income	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	7,500.00
Total Income:	16,850.70	15,583.07	18,574.68	14,188.67	13,960.50	16,977.46	17,763.40	17,535.22	16,825.35	42,482.24	48,059.82	22,225.46	261,026.56
Less: Cost of Sales	9,086.39	8,376.52	10,051.82	7,595.66	7,467.88	9,157.38	9,597.50	9,469.72	9,072.19	23,440.05	26,563.50	12,096.26	141,974.87
Gross Profit:	7,764.31	7,206.55	8,522.86	6,593.02	6,492.62	7,820.08	8,165.89	8,065.50	7,753.15	19,042.18	21,496.32	10,129.20	119,051.69
Less: Expenditure													
Wages	3,999.11	3,999.11	3,999.11	3,999.11	3,999.11	3,999.11	3,999.11	3,999.11	4,999.11	4,999.11	4,999.11	4,999.11	51,989.26
Staff training and welfare	44.22	44.22	44.22	44.22	44.22	44.22	44.22	44.22	44.22	44.22	44.22	44.22	530.68
Rates and water charges	66.34	66.34	66.34	66.34	66.34	66.34	66.34	66.34	66.34	66.34	66.34	66.34	796.02
Light and heat	265.34	265.34	265.34	265.34	265.34	265.34	265.34	265.34	265.34	265.34	265.34	265.34	3,184.09
Repairs and maintenance	884.47	884.47	884.47	884.47	884.47	884.47	884.47	884.47	884.47	884.47	884.47	884.47	10,613.64
Telephone	88.45	88.45	88.45	88.45	88.45	88.45	88.45	88.45	88.45	88.45	88.45	88.45	1,061.36
Office and computer expenses	88.45	88.45	88.45	88.45	88.45	88.45	88.45	88.45	88.45	88.45	88.45	88.45	1,061.36
Insurances and licences	79.60	79.60	79.60	79.60	79.60	79.60	79.60	79.60	79.60	79.60	79.60	79.60	955.23
Subscriptions	26.53	26.53	26.53	26.53	26.53	26.53	26.53	26.53	26.53	26.53	26.53	26.53	318.41
Sundry expenses	22.11	22.11	22.11	22.11	22.11	22.11	22.11	22.11	22.11	22.11	22.11	22.11	265.34
Motor and travelling expenses	44.22	44.22	44.22	44.22	44.22	44.22	44.22	44.22	44.22	44.22	44.22	44.22	530.68
Marketing	123.83	123.83	123.83	123.83	123.83	123.83	123.83	123.83	123.83	123.83	123.83	123.83	1,485.91
Accountancy fees	107.18	107.18	107.18	107.18	107.18	107.18	107.18	107.18	107.18	107.18	107.18	107.18	1,286.16
Book keeping expenses	132.67	132.67	132.67	132.67	132.67	132.67	132.67	132.67	132.67	132.67	132.67	132.67	1,592.05
Professional expenses	17.69	17.69	17.69	17.69	17.69	17.69	17.69	17.69	17.69	17.69	17.69	17.69	212.27
Bank charges	180.86	180.86	180.86	180.86	180.86	180.86	180.86	180.86	180.86	180.86	180.86	180.86	2,170.28
Depreciation	180.68	180.68	180.68	180.68	180.68	180.68	180.68	180.68	180.68	180.68	180.68	180.68	2,168.15
Total Costs:	6,351.74	6,351.74	6,351.74	6,351.74	6,351.74	6,351.74	6,351.74	6,351.74	7,351.74	7,351.74	7,351.74	7,351.74	80,220.89
Operating Profit:	1,412.57	854.81	2,171.12	241.27	140.88	1,468.34	1,814.15	1,713.76	401.41	11,690.44	14,144.58	2,777.46	38,830.80
Corporation Tax @ 19%									7,506.15				7,506.15
Opening Balance	178,465.08	179,877.65	180,732.46	182,903.58	183,144.85	183,285.73	184,754.07	186,568.23	188,281.98	181,177.24	192,867.69	207,012.27	178,465.08
Closing Balance	179,877.65	180,732.46	182,903.58	183,144.85	183,285.73	184,754.07	186,568.23	188,281.98	181,177.24	192,867.69	207,012.27	209,789.73	209,789.73

7. LOAN SENSITIVITY TABLE

Funding from Community Asset Development Fund - at total value £50k, £100k and £150k

Loan	Grant	Total Repayment								Profit							
		yr 1	yr 2	yr 3	yr 4	yr 5	yr 6	yr 7	yr 8	yr 1	yr 2	yr 3	yr 4	yr 5	yr 6	yr 7	yr 8
£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 17,328	-£591	£29,872	£29,870	£31,331	£31,801	£32,278	£32,762
£ 30,000	£ 20,000	£ -	£ -	£14,073	£14,765	£1,161	£ -	£ -	£ -	£17,328	-£591	£15,799	£15,105	£30,169	£31,801	£32,278	£32,762
£ 60,000	£ 40,000	£ -	£ -	£14,073	£14,765	£14,987	£15,212	£963	£ -	£17,328	-£591	£15,799	£15,105	£16,344	£16,589	£31,315	£32,762
£ 90,000	£ 60,000	£ -	£ -	£14,073	£14,765	£14,987	£15,212	£15,440	£15,523	£17,328	-£591	£15,799	£15,105	£16,344	£16,589	£16,838	£17,239

8. FUNDRAISING DECISION TREE



9. SHARE OFFER FAQ

When can I invest?

Once the share offer is officially launched in April 2022 you will be able to invest directly on the website.

Once you have completed the online investment form you will receive an email giving you a unique reference number and instructions of how to transfer funds directly to our bank account. All persons who have made a pledge, together all those who have asked to be informed about the share offer, will be advised once the share offer is open. You can also pay by cheque made out to *SHGT Community Benefit Society Ltd*. Cheques will not be banked until the share offer has been successful and has closed. Payments made by bank transfer will be held in untouched in a secure bank account.

Who can invest?

Anyone over the age of 16 can invest (but only people aged 18 or above can serve as directors). If you would like to purchase shares for children under the age of 16, then they need to be held on an adult's behalf until they reach 16, at which point the share will become theirs in their own right.

Can organisations and businesses subscribe for Community Shares?

Yes. A representative of that organisation will need to become a nominee member of the society on behalf of their organisation/ business. If the organisation or business is legally incorporated, the shareholding remains the property of the organisation/ business and any withdrawal would be paid to the organisation or business.

If the organisation of business is not legally incorporated (e.g. a small sports club or a sole trader business) then the shares are the legal property of the named individual who completes the form and any withdrawal would go to the named individual, and it would be a matter for the organisation and the named individual to resolve how this was handled by them.

Can people club together to buy shares?

Yes, but as with organisations, you'll have to nominate a member of your group to be the named shareholder in our share register. Use the group application form [online here](#).

I heard the committee had put a stop to the project because it was unviable, what is different now?

It is true that there was a temporary halt put on the project. The project was restarted because of urging from the community. New members of the team came on board and put together this proposal, which is significantly different from the first in a number of ways which make it more viable. Firstly, it has much less reliance on loan funding from individuals (which are difficult to manage from both a legal and a financial point of view). Secondly, the team have taken a close look at the retail proposition and have put together a plan which is able to deliver more profit. Third, we have a strong team who are working together well and with enthusiasm and commitment. Lastly, there is a groundswell of support from the community which is carrying us through.

How can I ask questions about the share offer?

We will be organising a webinar which you can join. There will be a Q&A with the board and some the committee to explain our thinking and answer any questions. We are also conducting a Public Meeting to introduce the project in and allow questions to be asked.

Sign up to our mailing list on the www.siophavards.cymru to be informed about the dates of the webinars.

Is my money at risk?

Although *SHGT Community Benefit Society Ltd* is registered as a society with The Financial Conduct Authority (FCA), the sale of community shares is not regulated by the FCA. Like many investments, community shares are at risk and you could lose some or all of the money you invest. Unlike deposits with high street banks, community shares are not covered by the Financial Services Compensation Scheme, nor is there any right of complaint to the Financial Ombudsman Service. If you are considering investing a significant amount, then you may wish to seek independent financial advice before doing so.

As the Society confers limited liability, the most you could lose due to business failure would be your original investment. As this offer is unregulated, you have no right to complain to the Financial Ombudsman or to compensation.

What if *SHGT Community Benefit Society Ltd* fails?

If the Society ever runs into financial difficulty, it is possible that not all of the original investment could be repaid to shareholders. We believe there no serious prospect of insolvency. *Siop Havards* already has a robust business model and has been trading successfully for many years and this track record is being built on through the proposed business plan. In the unlikely event of insolvency, the ability of investors to recoup the funds they have invested would depend on firstly the value we could realise for the assets of the Society, and secondly the value of our debts at that point. Any surplus after paying any debt owed by the Society would be used to enable shareholders to have their capital returned, and any surplus left after that would have to be spent on charitable activity in the community. However, the majority of the funds raised through shares is being used to buy a piece of prime Tydrath property, which will still have a value should the business go into administration. To some degree this a protection against losing all your money. But nothing is guaranteed.

Can my investment be gift aided?

No. *SHGT Community Benefit Society Ltd* is not a charity so is not eligible for gift aid.

A minimum investment of £200 is a large amount for some people

Keeping shopping local is a way to save money. £200 is only just over 10 trips to Haverfordwest in an average car.

I want to help but would prefer to put in smaller amounts than £200

We have designed **Havards Share Save** for this need. Put in as much or as little as you like, as often as you like, on our special investment form. Once your total investment reaches £200 you will become a full voting member and will receive a share certificate.

Can I sell my shares?

No. This investment is in withdrawable share capital which cannot be transferred, sold or given to anyone else, except on your death to someone you have nominated and told us about.

Can I withdraw my share capital?

In accordance with Rule 26, share withdrawals may be authorised at discretion of the Board, subject to three months' notice and the financial performance and available funds. However, unless withdrawals are significant in amount, we aim to repay shares within two months.

What will you do with my personal details and data?

Your personal details as submitted on the application form will be held by the society and used in accordance with the provisions of the rules and of the 2014 Co-operative and Community Benefit Societies Act. The society will not

share, sell or provide my details to any other individual or organisation and will ensure compliance with the European GDPR regulation in accordance with its responsibility as a data controller.

Do my shares give me voting rights?

Yes, they do. One member one vote. Everyone has an equal voice, regardless of the size of their investment.

Will I receive interest from my shares?

Yes. Up to a maximum of 4%, although you may choose to receive a lower interest rate leaving increased surpluses to go towards the aims of the Society. Interest is not guaranteed and are at the discretion of the Directors upon reviewing the yearly financial performance.

Am I entitled to any discounts or financial rewards?

No. We are not allowed to offer Members special discounts that are not available to the whole community.

How does SITR work?

The Society will seek Advance Assurance from HMRC that investments made through this Share Offer will qualify for SITR (Social Investment Tax Relief).

If this assurance is received, then those investors who are taxpayers will in due course receive a credit from HMRC of up to 30% of their investment, dependent on the rate at which they pay income tax, through their annual Tax Assessment. This means that an investment of £1,000 will, in effect, only cost the investor £700.

Four months after starting to trade the Society will enter a claim providing HMRC with details of investments made by individuals. HMRC will (assuming they are happy with the form submitted) issue the Society with a letter confirming that SITR will be available, together with a compliance certificate for each investor. The society will send this certificate to each investor who must then claim their tax relief either through their annual self-assessment tax return or by requesting a new PAYE code from HMRC.

To qualify, the shares must be held by an investor for a minimum of 3 years. Investors thinking of investing jointly should consider whether there would be tax advantages in allocating the greater part of the investment to the person most able to take advantage of the tax relief available.

Your investment may also qualify for business relief under inheritance tax rules.

10. RISK REGISTER

Siop Havards - Risk Register December 2021			
Risk	Level	Mitigation	
1	Gross Margin percentage performance doesn't agree between merchandise reports and accounts. Risk to P&L projection.	High	Plan at lower %. Check gross margin on items and investigate discrepancy.
2	Stock value - how much of stock is saleable, how much dead stock? Risk to funding levels required.	Low	Investigate stock thoroughly. Require stock take as condition of sale. Understand basis for movement in stock in annual accounts if no stock take done - system movement only?
3	Failure to achieve growth in £/sq ft and GM % result in failure to meet business plan objectives.	High	Training for staff in buying disciplines. Develop understanding of what drives existing business and opportunities for growth. Consult with local community to engage support and develop products lines which are wanted. Recruit store manager with buying skills and understanding of metrics of retail performance. Support with training.
4	Failure to recruit sufficient volunteers	Medium	Community engagement plan, explaining the vision for Havards and providing opportunities for inclusion and participation. Possible shares for volunteers. Extra paid staff will limit revenue.
5	Unforeseen expenses in building costs	High	Good buildings survey with programme of restoration, ensure sufficient funds to complete within timeline.
6	Lack of customers	Low	Co-ordinated low cost marketing plan.
7	Operational difficulties inhibit performance	Medium	Support from vendor to instill good practice. Streamline processes. Train, train, train. Secure grant funding to support training.
8	Lack of product knowledge	Medium	Recruit staff/volunteers with an interest in the sector. Support from vendor to understand product lines. Structured training plans. Grant funding.
9	Loss of rental income	Low	Rental accommodation in demand. Ensure planning allows for a period of vacancy.
10	Loss of Revenue because of Covid restrictions	Low	Good Covid practice to keep customers safe. Sufficient reserves kept to cushion periods of low trading.
11	Failure to raise sufficient funds	High	Keep pledgers money in Escrow account to ensure safe return in the event of the project failing.
12	Staff sickness leading to closure of shop	Medium	Agreement for sickness cover with paid staff/volunteers. In worst case close shop.
13	Loss of sales while store closed for renovations	Medium	Plan for closure at time of low trading. Sufficient reserves to cover lost revenue. Plan work efficiently - out of hours and with efficient completion.
14	Sale process reveals unsustainable costs or risks which may make project unsustainable.	High	Proper due diligence in the purchase process. Protect supporters money as in point 11 above.

11. BUILDING REPAIR SCHEDULE

A survey was carried out by G C Rainsbury (Chartered Surveyor) on Havards in December 2021. In it a number of items were identified as needing repairing over the forthcoming years and we will factor the costs of these into the negotiations as well as putting £10K a year into the P&L to cover ongoing upgrades/repairs. Havards is an old building and is fundamentally sound however the list below gives an indication of where particular maintenance is required:

1. Pitched roof over retail area- leak by old stack to be remedied.
2. Bay window- make good fracture to lead
3. Polycarbonate roofing at rear - slipped panels and missing trim with poor quality water proofing.
4. Right hand lower roof void - moisture penetration likely to have caused timber decay to rear right corner. Needs making good.
5. Main walls- some damp present and needs further investigation.
6. Investigate and budget for works where there is evidence of movement/ cracking to rear right of right-hand retail area.
7. Damp to chimney stacks.
8. Windows. Extensive decay to timber windows particularly rear and left-hand side. No compliant means of escape from upper storey. Condensation to some windows. Casements/ sashes stiff and not able to be readily opened