

Lyvennet Community Pub

Annual Report

AGM—1st September 2012

Lyvennet Community Pub Ltd.

Industrial + Provident Society

Reg. No. 31175R

VAT Reg. No. 116 6190 27

Directors: David Graham (Chair), Cameron Smith (Treasurer), Christine (Kitty) Smith (Secretary) Douglas Henderson, Steve Holroyd, Joan Raine.

www.lyvennetcommunitypub.com

Chair's foreword

This is the first Annual Report for the LCP Ltd. and I think

you will find the report speaks for itself. From the Prospectus launch on 27th March 2010 we have achieved what is becoming the envy of many. To raise the funds, buy a pub, re-furbish and open within a five month period would have been a challenge for a business, but to do it as a co-operative was from my viewpoint inspirational. I know we are proud of the achievement and quite rightly so.

It is now a year since we celebrated the opening and the work continues. Keith and Bev have done the 'Butchers' proud, establishing a thriving and successful business whilst retaining a warm welcoming atmosphere for both visitors and locals. The events which have been many and varied have catered for all age groups.

The LCP has also won numerous local and national accolades over the last 12 months. The work has not stopped with two of our shareholders taking up the reigns to chase funding for the next project. Subject to final funder approvals they have successfully sourced the £60,000 of income to build, fit out and stock the shop.



Photograph courtesy of Derek Horn Photography, Skelton, Penrith, Cumbria

Butchers Arms



COMMUNITY PUB

Remember

To Book a Table

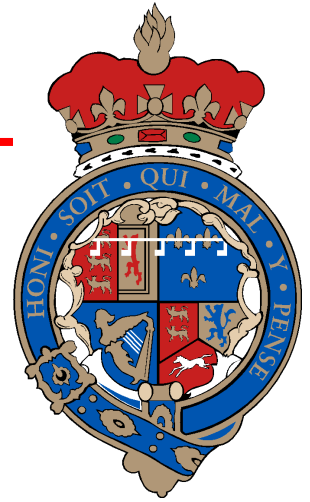
Contact

Keith or Bev

on

01931

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Our Shareholders

"People's Pub" on its way as community co-operative share issue is launched

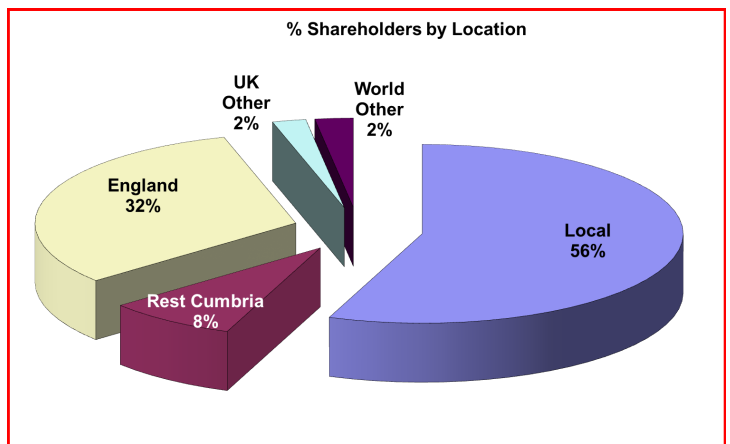
Share Value	No.
£250	98
£300	4
£400	1
£500	63
£600	1
£750	20
£800	1
£900	2
£1,000	42
£1,200	1
£1,250	2
£1,500	35
£2,000	14
£2,500	2
£3,000	3
£4,000	1
£5,000	4
£10,000	4
£20,000	1

The LCP has 297 shareholders who have invested between £250 to £20,000 raising a total of £300,000.

- 232 shareholders have invested £1000 or less.
- 286 shareholders have invested £2500 or less
- 4.3% of shareholders (13No.) have invested 31% of the total
- We have shareholders in the USA (Vermont, California + Alaska), France (St. Pompain), Singapore, Spain (Seville), Austrailia (Melbourne) and from Isle of Harris to Kent and Cornwall.
- 56% of shareholders have a CA10 post-code and have invested 47% of the total funds.

Most importantly irrespective of investment every shareholder is important.

Co-operative pubs are flourishing, ours was not the 1st and certainly will not be the last.



Shareholders	£300k
Grants / Loans	
• Key Fund	£2k Grant £10k Loan £10k Equity
• Cumbria County Council	£15k Grant
• Eden District Council	£6k Grant
• Coops	£2k Grant
TOTAL	£345k

Funding



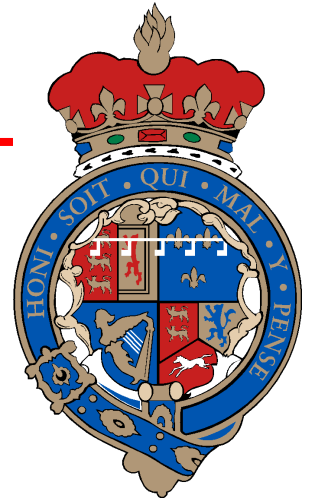
Community Builders provided £22k of initial grant funding to the Lyvennet Community Trust which was used to develop the business plan, prospectus, fund pub valuation and survey along with initial design and planning work.

The LCP then sourced £345k of funding with the majority coming from shareholders for the purchase and refurbishment. A further £15k Co-ops short-term loan was initially taken out for cash-flow purposes to cover costs until recovery of VAT. This loan is now fully repaid.

The £10k Key Fund loan is being repaid over 2 years and is on target for repayment.

Although not directly financial the LCP received significant support from a range of suppliers.





The Transformation

There were dark days after buying the pub on 8th June 2011, with the darkest the discovery that every pipe joint, tap, boiler and radiator had blown during the 2010/11 winter. The electrics were equally interesting as we quickly uncovered some unusual features; the Jacuzzi bath that was not earthed being one and live cables simply buried in the plaster..

The enthusiasm and efforts of the many volunteers who worked tirelessly through the 2011 summer; 4000 hours over 9 weeks, to



transform the building quickly overshadowed the negatives. The result, albeit costing more than budgeted, was a fully transformed community hub, completely re-plumbed, re-wired, re-furnished with new fully equipped bar and catering kitchen. It may have cost more than expected but the extra investment should reduce future maintenance liabilities and have increased the value of the asset.



Expenditure (round figures)

Pub Purchase (incl legals + stamp duty)	£259,000
Electrical	£17,500
Fire (extinguishers + alarm system)	£3,500
Engineering works	£8,000
Building Materials	£8,150
Plastering + Ceilings	£2,750
Plumbing + heating	£4,500
Bar	£7,500
Catering Kitchen	£22,250
Floor + Wall coverings	£12,750
Furniture + Fittings	£2,750

There have been minimal maintenance costs over the first year; loan repayment and interest along with insurance.

The television was funded entirely from events, raffles, picture commission and sale of donated cds/dvds and books.

Awards



House of Lords 2012

The LCP and the Butchers have won various awards including;

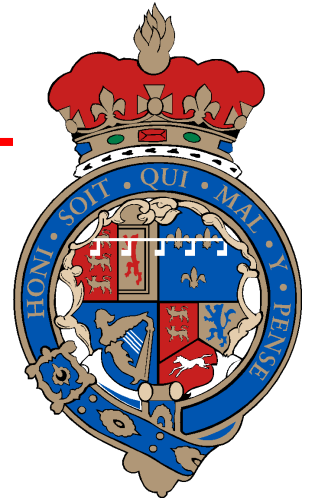
2011 Crosby Ravensworth Show— Environmental Award

2012 Countryside Alliance Enterprise Award—North West Regional winner

2012 Cumbria Social Enterprise Partnership Award— Joint winner Co-operative of the Year.

2012 Eden District Council—Local Heroes—Business Award

Our 1st Year



The roller coaster summer of 2011 continued towards the grand opening with a visit by our Prime Minister, David Cameron who opened the bar. John Stubbs, our Australian investor, formally opened the Pub on 27th August 2011. John was brought up in the pub as his mother Olive, had run the business between 1968 and 1978 and this was his first return to the area in over 40 years.

Keith and Bev have managed to create a balance between an exceptionally busy restaurant, a social venue, community hub and a pub. The pub now employs 13 full and part-time local staff .

Events have included wine, gin and port tastings, quizzes, dominoes, pool and darts, lunch club. Some of the funding raised has been used to acquire a television for the community room—used mainly for sports events.

Our tenants have drawn in visitors from far and wide with their growing reputation for good food, wines and beers. At this stage we anticipate the original budgeted turnover will be exceeded by nearly 50% in the first year. Shareholders may wish to congratulate them on their achievements at the AGM or more appropriately in the Pub afterwards



The Butchers travels well—this is the Co-operatives 2012 travelling exhibition. Captured in Brighton in July this year.

The Future

The shop—Two shareholders, Judy and Iain Fraser, have been working on this project. They have secured two grants albeit still subject to final ratification; £35k from the Big Lottery, Village SOS programme and £25k from Eden District Council Community Partnership Fund. They are working towards having the shop open by Christmas.

The Garage— The intention is to dry line half the garage to create a food storage area incorporating a walk in fridge.

The Upstairs—We are still working on funding for the fire escape to allow utilisation of the upstairs space. Keith and Bev would prefer this space to be converted for additional meeting / dining provision.

Rory Stewart MP said: “It was an enormous honour to welcome the Prime Minister to Crosby Ravensworth and to introduce him to some of the key local community members, who have made such incredible progress in the Big Society vanguard right here in the Eden Valley. The Prime Minister was obviously impressed by what he saw and heard. It’s wonderful to have had the opportunity to show him the tangible results of strong community action, and what it can achieve. He has seen how Cumbria and its rural communities are the true model of volunteerism, and how community aspirations can succeed against the odds. I hope this will be the beginning of a close relationship between the Prime Minister and Cumbria.”

Aug 18, 2011