



**Bovey Tracey Paradiso Arts Limited**  
**Business Plan June 2025**

Bovey Tracey Paradiso Arts Ltd. is a charitable Community Benefit Society registered by the Financial Conduct Authority number 7584 and with HMRC Charities reference number EW78433

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# 1. Executive summary

## Overview

This document outlines the business plan for Bovey Tracey Paradiso Arts Limited, a charitable Community Benefit Society focused on establishing a community arts hub in Bovey Tracey. The plan supports our third community share offer, which will enable completion of the remaining construction and fit-out so we can open fully to the public in 2026. The document describes the final stages of build completion and provides financial projections for the first three full years of trading. This plan therefore serves as a blueprint for the operations and management of the organisation as our vision for Bovey Paradiso Arts finally becomes a reality.

## Community

Bovey Tracey, with a population of c 8,000, has shown overwhelming support for this project. We already have over 400 community investors with more than £500k invested. We have been supported by generous grants from a number of funding organisations, many local to the area. We aim to provide an inclusive and accessible arts and entertainment hub, addressing issues including lack of local community facilities, poor access to the arts and rural / social isolation.

## Progress

Our journey began in 2017 with the acquisition of the former pub, The King of Prussia. Significant progress has been made transforming the building with artists' studios, a gallery and a professional kitchen. We have also been busy working on the new 80+ seat auditorium and a revamped café restaurant with glass atrium. Meanwhile we have also been running a varied series of off-site Paradiso events including a popular cinema club.

## Third community share offer

This third offer aims to raise £275k which, combined with successful grant funding applications from our significant pipeline, will enable us to complete the works and open the centre to all.

- 'minimum' share offer target of £175k – completes new entranceway and revamped café restaurant and enables us to reopen for food, drink and larger events on site
- 'optimum' share offer target of a further £100k (£275k total) - enables us to fit out the auditorium to accommodate a programme of film, theatre and events

## Financial projections

- Assume 'optimum' share offer target of £275k achieved, remaining build and fit out completed, and a staged opening approach, with initial reopening in spring 2026
- Income of £659k in year 1, rising to £777k in year 2 and £796k in year 3
- Profit (before interest / depreciation) of £24k in year 1, rising to £50k in years 2 and 3
- Small cash outflow in year 1 (after start up and financing) then cash positive from year 2
- Reflects measured planning assumptions in light of challenging economic environment

## Next steps and further information

The third community share offer will be open from 2<sup>nd</sup> June to 30<sup>th</sup> September 2025. Visit <https://www.paradiso.org.uk/Community-Share-offer/Paradiso-Arts/> for the application form, full details and FAQs.

## 2. Introduction

### Objectives

This Bovey Tracey Paradiso Arts Limited business plan has been prepared in support of our third community share offer, which together with further successful grant applications will mean we can complete the remaining construction and fit out of our community arts hub and enable us to open all our facilities fully to the public. It also provides a detailed blueprint of how we plan to run the organisation and operation as our vision for Bovey Paradiso Arts finally becomes a reality.

### Background and project status

Back in 2017 we came together as a group of local people who shared an ambition to build a community arts centre for the people of Bovey Tracey and surrounding areas. Initially and dynamically led by Tony Pearce, who sadly died in 2018, the project developed from the mounting desire of many people in the town to improve the quality of residents' lives. Our aim was to provide access to the arts for everyone in our local community, and so we formed a charitable Community Benefit Society – Bovey Tracey Paradiso Arts Limited.

With the generous support of over 300 local people we raised enough money to purchase the dilapidated and empty former Tudor pub 'The King of Prussia'. Since then we have worked tirelessly to transform this historic space into an accessible cultural venue for the entire community. We've already made significant strides, including the opening of artists' studios and a gallery showcasing local artists, a modern professional kitchen and our popular cinema club.

Our vision continues to grow, with plans to open a new build 80+ seat auditorium, as well as the reopening of our revamped café restaurant with its stunning glass roof. These additions will create even more opportunities for creativity, connection and culture within the town. The renovation and development of the building is nearing completion, and in 2026 we plan to open all our facilities fully to the public.

The ten Directors on the board of Bovey Tracey Paradiso Arts each bring a variety of skills and experience to the project. Full profiles of our board members are included in **annexe 1**. In addition, the board continues to draw on advice from a network of local people with relevant insights and specialist knowledge.

### Business plan scope

This business plan describes how we will complete the final stages of the build and fit out of our new facility, and also how we intend to manage Bovey Paradiso Arts as it becomes fully operational from the spring of 2026. It describes what we offer and how we support and meet the needs of our local community. It also provides information on our organisation and governance structure.

We have included detailed financial projections which will provide the basis of our annual budget for each of the next three years of trading. In addition, the plan demonstrates to

potential investors, funders and donors how we intend to utilise funds and how we will run the society and its trading activities as we move into this exciting next phase of Bovey Paradiso Arts.

## Third community share offer

Our first share offer back in 2017 was a great success bringing in 322 members and raising £464k, making possible the acquisition of the old King of Prussia pub and kick-starting its refurbishment.

Despite our second share offer falling in the midst of the global pandemic and second UK lockdown, 114 new members joined Bovey Paradiso Arts and, together with 53 existing members who bought more shares, raised enough funds to install our modern professional kitchen and to create our new dining area. We are very grateful for their support as they enabled essential work to continue, as well as allowing income generation from the interim café restaurant. We were also able to begin the next phase of construction - the atrium and shell of the auditorium.

However, as we had to reduce our second share offer target and completion plans due to the pandemic, we are now inviting investors to join our third community share offer as we enter the final stage of the building project.

In addition, four years have now passed since the second share offer and in that time Bovey has seen many new homes, lots of new people and significant new interest in our project, as well as renewed interest from existing members. This too gives us confidence that the time is now right to release more shares and build the community of members yet further. The third share offer will run alongside a number of grant funding applications to enable completion of the build and the full opening of Bovey Paradiso.

Specifically, **we are now seeking a total of £275k of community shareholder investment** through the third share offer which is broken down as follows:

- Our '**minimum**' share offer target of **£175k** - completes **the new entranceway and the revamped café restaurant** and enables us to **reopen for food, drink and larger events on site**
- Our '**optimum**' share offer target of a further **£100k** (£275k total) - enables us to **fit out the auditorium to an extent that will accommodate a programme of film, theatre and events**

Further details on the breakdown of the third share offer are provided in **section 4**.

Of course our third community share offer isn't just about raising funding, but also presenting an opportunity for local people to shape the future of their community. These shares are known as community shares because the primary return for holding shares is a social one and not a financial one. The real (social) payback to becoming a member is to ensure a thriving, sustainable community-owned business is established, benefiting everyone in the local community. By purchasing shares, community investors will be helping create a vibrant, inclusive space that everyone can enjoy. As a result, this third share offer gives local people a further opportunity to be part of something truly transformative for Bovey Tracey and the surrounding area.

## Business plan preparation

This business plan has been prepared by a team of Directors of Paradiso Arts using all their expertise and experience, and has been reviewed and approved by the full Board. The preparation of the business plan was facilitated and supported by Rob Elliott (Hawkerland Consulting Limited), an experienced financial and business planning practitioner and chartered management accountant (ACMA). All advisory fees incurred in the preparation of this plan have been fully covered by REACH funding provided specifically for this purpose.



## 3. The story so far

### Community

Bovey Tracey is a small Devon town of around 8,000 inhabitants known as ‘The Gateway to Dartmoor’. At the start of this project in 2017 we conducted market research reaching over 7% of the local population, who were overwhelmingly positive about the idea of developing a community cinema / theatre and related facilities:

- In response to the question: ‘Do you think the community would benefit from a community cinema / theatre in central Bovey Tracey?’, 98% said ‘yes’
- In response to the question: ‘This cinema / theatre would be community-owned. Would you, in principle, be interested in being a shareholder, founder or otherwise helping to finance its setting up?’, 43% responded positively

Large new housing developments in Bovey Tracey are increasing the population significantly and raising the demand for services and facilities locally. The town is also a popular destination for visitors and tourists, attracted by its beautiful natural environment, recreational opportunities, and arts and cultural events such as the Contemporary Craft Festival, the Nourish Festival, Green Man and others. Around and about Bovey Tracey are a number of villages and small towns, some very isolated, many experiencing new housing developments. We regard these too as part of our ‘catchment’.

Creating a community-driven arts and entertainment hub in the town will give everyone in the community a much-needed informal meeting place, to renew acquaintances and make new ones. Moreover, the project is helping to tackle several problems in and around our town, primarily:

- the lack of community facilities, especially for the young and elderly
- poor access to arts and culture (both for the general public and specific groups)
- social deprivation in the midst of affluence
- the increasing number of vacant town premises
- rural / social isolation

### Organisation

Established in June 2017, Bovey Tracey Paradiso Arts Limited is an incorporated entity that has been set up as a charitable Community Benefit Society (CBS). This means it is a society for the benefit of the community, registered under the Co-operative and Community Benefit Societies Act 2014 and regulated by the Financial Conduct Authority (FCA). It also means that BTPA is owned by its members and that membership is open to all those in the community who support its aims and objectives. We currently have over 400 members and a total of around 600 individual stakeholders, including donors and other supporters, all of whom are playing a key role in making this project a reality.

Bovey Tracey Paradiso Arts is recognised by HMRC as an exempt charity which means that although we are not registered with the Charities Commission, we must abide by Charity Law

and we can benefit from all the tax advantages of being a charity. All of our trading activities are operated directly within Bovey Tracey Paradiso Arts with no need for a separate trading company, and any surplus will fund arts and leisure projects for the benefit of the local community in line with our charitable aims.

## Building and funding

Since the building was acquired in 2018 it has been extensively renovated and sensitively restored, supported by two separate community share offers. Our **first share offer** concluded in November 2017 and raised £464k with 322 initial community investors. This enabled phase 1 of the build which included acquisition and restoration of the original Tudor building and creation of the gallery space and studios. Our **second share offer** concluded in the spring of 2021 and raised over £100k of additional community investment in the project. This supported phase 2 of the build including installation of a modern professional kitchen and accessible toilet facilities for the café restaurant.

The completion of build phases 1 and 2 has been assisted further through generous grant awards and other donations from a range of organisations and sources:

- UK Shared Prosperity Fund (UK Government) £200k
- Greater Dartmoor Local Enterprise Action Fund £159k
- Better Society Capital £100k (crowd match funding)
- Valencia Waste Management £62k
- Bernard Sunley Foundation £55k
- Viridor £50k
- Anonymous donation £50k
- National Lottery Heritage Fund £46k
- The Foyle Foundation £40k
- Coastal Recycling £25k
- Architectural Heritage Fund £18.5k
- Headley Trust £10k
- Elmgrant Trust £2k
- Norman Family Trust £2k
- Veronica Audrey Charitable Trust £2k
- John and Lady Heathcoat Amory Charitable Trust £200

This fantastic support has enabled us to continue our work towards completion of build phase 3 including the construction of the shell of the new auditorium building and refurbishing the exterior of the original Tudor building (in progress). The phase 3 build has been boosted significantly by further generous grant awards as follows:

- Community Ownership Fund (UK Government Department of Levelling Up, Housing and Communities) £200k
- Bovey Tracey Town Council £93k
- Tracey Almshouses Trust £40k

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- Teignbridge Green Business £18k (specifically focused on installing an air source heat pump to replace the gas-fired boiler which previously heated the gallery)
- Teignbridge Arts Programme £14k (which enabled the purchase of equipment to support our events programme)
- Bovey Tracey Town Trust and Samuel Croker Trust £5k (specifically for the creation of the upstairs changing room / bathroom)

## 4. Next steps and third share offer scope

Our aim is that by Spring 2026 we will have a complete and fully fitted out community facility which is ready to be used by both local residents and visitors. As we work towards this goal, we have a number of key tasks:

- Complete the final building work on the entranceway
- Complete the fit out of the café restaurant
- Complete the fit out of the kitchen
- Complete the fit out of the auditorium
- Build stock levels and recruit and train our new team of staff and volunteers

This is where the third share offer comes in, as it will provide the investment required to complete these tasks so that we can open all our facilities fully to the public. Specifically, **we are now seeking a total of £275k of community shareholder investment** for the third share offer.

Our **‘minimum’ share offer target of £175k** – this completes the **revamped café restaurant and enables us to reopen for food, drink and smaller-scale events on site**

- Of this, **£115k will be allocated to capital spend** (completion of the build and fit out of the entranceway and the café restaurant and kitchen)
- A further **£60k will be allocated to operating costs** (including interim working capital to cover operating costs until reopening in Spring 2026)

Our **‘optimum’ share offer target of a further £100k** (£275k total) - this will enable us to **fit out the auditorium for a programme of film, theatre and events**

- All **£100k will be allocated to capital spend** (the fit out of the auditorium, including flooring, wall lining, lighting, seating and audiovisual equipment, to an extent where it can be used)
- This capital spend will also be supported by £20k of funding from Bernard Sunley to deliver an operational auditorium
- We do not anticipate any further allocation to operating costs from the incremental ‘optimum’ target investment

Beyond the ‘optimum’ share offer target of £275k (total), we will continue to seek further grants from funders and donors to make the auditorium even better with options including enhanced projection, improved sound and upgraded fittings. These improvements are all discretionary and will be implemented as and when funding is secured. We already have a very promising pipeline of funding applications which is currently worth £290k, and we have also identified a number of further funding sources worth £600k+ which are being reviewed for suitability. We anticipate needing a total of £225k for all of the potential discretionary improvements to the auditorium.

A detailed breakdown of the **third share offer scope plus discretionary future development** is provided in the table below:

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### Third Share Offer Scope & Discretionary Future Development

Scope & Description >>>		3rd Share Offer: Minimum Target <i>Reopen with revamped café restaurant and ability to hold events</i>		3rd Share Offer: Optimum Target (incremental) <i>Adds functioning auditorium for films and greater volume / range of events</i>		3rd Share Offer Total Target	Discretionary Future Development <i>Delivers enhanced auditorium experience and flexibility</i>		Grand Total
Funding	3rd Share Issue	Community investors	£175k	Community investors	£100k	£275k	N/A	£0k	£275k
	Funding Pipeline	N/A	£0k	Bernard Sunley	£20k	£20k	Other grant funding <sup>(1)</sup>	£225k	£245k
	<b>Total Funding</b>		<b>£175k</b>		<b>£120k</b>	<b>£295k</b>		<b>£225k</b>	<b>£520k</b>
Spend	Building & Facilities	Pub building completion	£115k	Auditorium completion	£120k	£235k	Auditorium enhancement	£225k	£460k
	Operating Costs	Working capital / other	£60k	N/A	£0k	£60k	N/A	£0k	£60k
	<b>Total Spend</b>		<b>£175k</b>		<b>£120k</b>	<b>£295k</b>		<b>£225k</b>	<b>£520k</b>

**Notes:**

(1) **Other grant funding:** current pipeline of applications worth £290k with further opportunities worth £600k+

Further details of our **build completion plan** and **operating plan** are covered fully in **section 6** and **section 7** respectively.

## 5. Paradiso vision, mission and values

### Vision

Our **VISION** is to make the arts accessible to the local community and surrounding towns and villages, providing cultural enrichment and having a positive social impact.

### Mission

Our **MISSION** is to create an Arts Centre, comprising a gallery with studios for local artists and a meeting room, an auditorium for theatre, cinema, talks, comedy, music, workshops and much more, and a café restaurant where people can meet and enjoy healthy, tasty meals and snacks. Our four studios will provide precious space for artists to work, run workshops and base their businesses. Paradiso Arts will be member-owned, extensively volunteer run and accessible to all. Any surplus arising will be applied to support the development of the arts in the community we serve.

The Bovey Tracey Players are our theatre partners and Patrice Naiambana is our theatre patron. Performances will range from pantomime to Shakespeare.

Our cinema will offer the latest releases, arthouse cinema, foreign language films and family classics in a relaxed atmosphere, both at the arts centre and at outreach venues. We will show live streaming of theatre, opera and ballet, thus bringing national performances to our local audiences.

The auditorium will also be available for community programmes, social gatherings and local events.

The art gallery is already open and provides a platform and financial outlet for local and regional artists, displaying art of all genres with exhibitions changing approximately every six weeks. The Bovey Tracey Society of Artists are our art partners.

The café restaurant will be a welcoming venue to meet with others and dine in a relaxed atmosphere and has been enhanced with a new focal point – our glass-roofed atrium.

### Values

- We believe that the arts should be accessible to all, with programming for all interests and with affordable pricing whenever possible
- We believe in inclusivity and will foster a welcoming environment where everyone, regardless of background, age, or ability, can experience the arts either directly or indirectly
- We believe in networking with local schools and colleges by involving young people in our annual programme of activities and encouraging them to showcase their creative work at Bovey Paradiso, thus developing a lifetime love of the arts

- We believe that accessing the arts can have a positive impact on lives and the community, and that our arts centre will provide a space for people to gather, share ideas, and create together
- We believe in cultural enrichment through the arts and will offer diverse and thought-provoking theatre, film and arts programming that broadens horizons, celebrates cultural diversity, and stimulates critical thinking
- We believe in collaboration - supporting partnerships with local artists, performers, filmmakers, businesses and community groups to enhance the cultural offerings and ensure the arts centre remains relevant and responsive to the needs of the community
- We believe in education for all through the arts - providing learning opportunities through workshops, screenings, and talks that inspire creativity, critical thought, and the development of artistic skills
- We believe in sustainable practices and are committed to eco-friendly practices, reducing waste, and promoting sustainability in the building and operation of our arts centre
- We believe the restored Grade II listed Elizabethan building which houses our art gallery is an irreplaceable heritage asset to Bovey Tracey and we will care for it

## What we offer the community

Bovey Paradiso is a community arts and entertainment venue, comprising an 80+ seat auditorium, a café restaurant, art gallery, and studios for practicing artists. It is an accessible and inclusive space, run mainly by volunteers and owned by its members. Any money it generates over and above its running costs are reapplied to support the development of the arts in the community it serves.

The gallery, in our lovely, restored Grade II Elizabethan building, is open now to all and boasts creations from a raft of work by talented local artists. In this relaxing and intimate space, we currently hold exhibitions, events and workshops that are accessible to all. Our gallery is the only listed community-owned building in Bovey Tracey.

We organise and hold community events including our popular regular cinema club films, whilst we complete the construction of our Paradiso Arts auditorium.

The auditorium, which now only requires fitting out and equipping (albeit this is costly!), will host theatre from both visiting and local theatre companies and individuals. It is the new home of the Bovey Tracey Players who lost their previous venue when the Town Hall was sold. Our patron of theatre, actor Patrice Naiambana, is a Bovey resident.

In cinema mode the auditorium will bring you recent and / or the latest releases (the latter subject to our projection equipment being Digital Cinema Initiatives compliant), arthouse cinema, live streaming from national venues, foreign language cinema and family classics straight to the local community, in a relaxed atmosphere.

Following our trial in 2023, our café restaurant will open once again, enhanced with a wonderful new glass-roofed atrium extension. Paradiso Arts is a place to meet friends, watch a film, a play or take part in one of our many events or to enjoy food and drink together.

## 6. Build completion plan

### Current status of build and fit out

The remaining construction work focusses on refurbishing the entranceway, completing and opening up the café restaurant area and fitting out the auditorium (including floor, wall lining and equipment). We are planning to tackle this final phase of the project in two stages to make possible at least a limited usage of the auditorium at the earliest point. The first stage will comprise the completion of the entranceway, the café restaurant area and a basic fit out / equipping of the auditorium; the second stage covers full fit out and equipping of the auditorium.

### Remaining actions and timeline

Stage 1 above, given a successful third share offer at the optimum level, is expected to take about 3 months to complete and therefore could be finished by December 2025 / January 2026. Stage 2 is also expected to take about 3 months to complete. If we are successful with current grant applications, then that could lead to full completion / opening of Paradiso by the end of March 2026.

### Planned capital spend to complete build

The key elements of capital spend that we will deliver with the support of the third share offer investment are summarised and quantified below, split out by ‘minimum’ target versus ‘optimum’ target.

#### **Part 1 - ‘minimum’ target (£175k community investment, of which £115k allocated to capital expenditure):**

Building completion (entrance & passageway)	£25,000
Kitchen fit out	£10,000
Café restaurant fit out	£60,000
Other / contingency	£20,000
<b>Part 1 sub-total</b>	<b>£115,000</b>

#### **Part 2 - ‘optimum’ target (further £100k community investment plus £20k grant funding):**

Auditorium mechanical & electrical	£27,000
Auditorium flooring & wall lining	£60,000
Auditorium basic lighting	£6,000



Auditorium basic seating	£6,000
Auditorium electrical equipment	£12,000
Other / contingency	£9,000
<b>Part 2 sub-total</b>	<b>£120,000</b>

Should we only reach the ‘minimum’ target for the share offer, but not the ‘optimum’ target, the shell of the auditorium building would still be complete and the new main entranceway would be opened up. Furthermore we would continue to seek further grant funding to complete the auditorium fit out and we would still be able to reopen the café restaurant and also host events in the existing pub building.

## Discretionary capital spend to enhance auditorium

The following expenditure is not necessary for full opening but would deliver an enhanced auditorium experience and would fulfil our ambition for the Bovey Paradiso Arts facility. **NB** these improvements are all discretionary and will be implemented as and when grants are secured from our actively managed funding pipeline. The capital spend outlined below for part 3 is therefore outside the scope of the third share offer and is not required to deliver this business plan.

### **Part 3 - additional discretionary spend (£225k from grant funding / donors):**

Auditorium enhanced acoustics	£40,000
Auditorium enhanced (raked) seating	£30,000
Auditorium enhanced audiovisual equipment	£130,000
Other / contingency	£25,000
<b>Part 3 sub-total</b>	<b>£225,000</b>

## 7. Operating plan

### Operational model

As a community-driven arts and entertainment hub, Bovey Paradiso Arts will offer a wide range of entertainment which will be accessible to all. Our offer will encompass film, theatre, music, comedy, events, art, workshops, food and drink. The key elements on offer are summarised below:

- An accessible cinema, bringing recent releases, arthouse cinema, foreign language cinema and family classics straight to the local community in a relaxed atmosphere
- A café restaurant, to provide a warm community environment and meeting space. Somewhere to meet with others and eat in a relaxed atmosphere before or after a film, event or show
- An event space, bringing theatre, drama, comedy, music and events to the heart of the community. A space to hold community events and workshops, for community outreach programmes and support for social impact initiatives
- A gallery and shop, to provide a platform for local artists and makers, delivering community access and involvements in the arts to the heart of Bovey Tracey

Ultimately, we plan to open the centre 6 days per week (Tuesday to Sunday) both daytime and evenings. Apart from Mondays, we envisage closing only for selected public holidays (Christmas Day, Boxing Day, New Year's Day and Easter Sunday).

While our renovated building in the centre of Bovey Tracey will act as the hub, we also plan to continue with our programme of off-site events at other venues, as well as support outreach programmes and partnerships that have a positive social impact across the local community.

### Auditorium

Our newly constructed auditorium will have a regular configuration of 88 seats and will be available for film and live performances, both through Paradiso's own programme, but also available to other community users. We have designed the space to be flexible in terms of both seating and lighting options and with good sound insulation, so it will be just as suitable for live theatre and music as it will be for film. For example, we have an agreement with the Bovey Players for them to have exclusive use of the auditorium for at least two weeks of the year to put on their own productions. In the future we anticipate other special events and programmes such as film festivals or collaborations with other local community groups.

### Café restaurant

Our café restaurant is reopening with a stunning new atrium extension and bar, featuring a glass roof and alfresco dining area. We will open throughout the day and into the evening so that people attending our other events and activities can enjoy something to eat and drink at any time. We will be offering breakfast, lunch and dinner as well as snacks, teas and coffees. We

will also offer a fully licensed bar. We believe our café will be the perfect place to enjoy delicious food and drinks with friends while soaking in the vibrant atmosphere of Bovey Paradiso. In the future we also anticipate other special food and drink events e.g. premium dining / themed events or collaborations with other local community groups.

## Gallery, studios and room hire

We will continue to offer 4 individual studios which are rented by local artists and creative businesses. In addition, we will continue to operate our existing gallery space, which will also be available for artists to use exclusively for their own exhibitions, and for other events and workshops too. The community can also use a separate meeting room that can seat up to 11 people.

## Staffing and volunteers

In order to operate a multi-arts venue such as this, we will be using a flexible resource model where many of the staff work across the different parts of the operation. Once we are fully open, we will employ an equivalent of 9.5 full-time paid staff. In practice these will be a mix of 4 full-time roles (Manager, Front of House Supervisor, Chef and Cook), with the remainder being made up of part time roles focusing on service, programming, marketing and finance.

In addition to the paid staff, we will continue to develop and grow our network of outstanding volunteers, who will also play a vital role in running the operation and making our hub a treasured community resource. We know from talking to other local arts centres that fostering a thriving volunteer base will be absolutely crucial to our plans.

## Staged opening

As noted earlier in **section 6**, a successful share offer at the 'optimum' target level would mean a target date for full completion of Bovey Paradiso by the end of March 2026. For the purposes of our operating plan (and associated financial projections) we have assumed the centre will reopen in April 2026.

We acknowledge that we won't be able to grow immediately from a standing start to full operating capacity. Therefore we will adopt a staged approach to opening, with full details and indicative timelines in the table below:

## Bovey Paradiso Arts Business Plan

### Staged Opening

Stage & Description >>>	Stage One Opening	Stage Two Opening	Stage Three Opening (full opening)
	<i>Revamped café / restaurant and new auditorium</i>	<i>Adds weekend evening food service</i>	<i>Adds Tuesday opening and weekday evening food service</i>
<b>Operation</b>	5 days opening with daytime food, all-day bar and auditorium	5 days opening with daytime food, evening food at weekends, all-day bar and auditorium	6 days opening with all day food and bar, and auditorium
<b>Opening Days</b>	Wednesday to Sunday	Wednesday to Sunday	Tuesday to Sunday
<b>Opening Hours</b>	10:00 - 22:00 (23:00 Fri / Sat)	10:00 - 22:00 (23:00 Fri / Sat)	10:00 - 22:00 (23:00 Fri / Sat)
<b>Art Gallery</b>	Open	Open	Open
<b>Studios</b>	24/7 access	24/7 access	24/7 access
<b>Meeting Room</b>	As required	As required	As required
<b>Catering - food</b>	10:00 - 16:00	10:00 - 16:00 (21:00 Fri / Sat)	10:00 - 21:00
<b>Catering - bar</b>	10:00 - 22:00 (23:00 Fri / Sat)	10:00 - 22:00 (23:00 Fri / Sat)	10:00 - 22:00 (23:00 Fri / Sat)
<b>Auditorium</b>	Wednesday to Sunday	Wednesday to Sunday	Tuesday to Sunday
<b>Indicative Timescale</b>	April - June 2026	July - Sept 2026	Oct 2026 onwards

## 8. Financial projections

### Historic Financial Summary

<b>Historic Profit and Loss Summary</b>			
<b>£ (exc VAT)</b>	<b>2023/24</b>	<b>2022/23</b>	<b>2021/22</b>
<b>Operational income</b>	<b>24,186</b>	<b>13,978</b>	<b>11,319</b>
<b>Administrative expenses</b>	<b>(64,764)</b>	<b>(57,142)</b>	<b>(38,362)</b>
<b>Other income (grants &amp; donations)</b>	<b>310,695</b>	<b>81,418</b>	<b>113,647</b>
<b>Profit</b>	<b>270,117</b>	<b>38,254</b>	<b>86,604</b>
<b>Historic Balance Sheet</b>			
<b>Fixed Assets</b>	<b>938,313</b>	<b>806,157</b>	<b>656,254</b>
<b>Net current assets/(liabilities)</b>	<b>123,620</b>	<b>(14,339)</b>	<b>97,310</b>
<b>Net assets</b>	<b>1,061,933</b>	<b>791,818</b>	<b>753,564</b>
<b>Capital &amp; Reserves</b>			
<b>Called up share capital</b>	<b>571,850</b>	<b>571,850</b>	<b>571,850</b>
<b>Retained profits</b>	<b>490,083</b>	<b>219,968</b>	<b>181,714</b>
<b>Total equity</b>	<b>1,061,933</b>	<b>791,818</b>	<b>753,564</b>

The figures above show our financial history for the last three years. Operational income consists of rental income from the studios, commissions from gallery sales and income from events. This has increased year on year, and this is mainly as a result of the launch and growth in the events that we run at various venues in Bovey Tracey throughout the year. Other income consists of donations and grants that have been used to develop the building. This can be seen in the increase in fixed assets year on year – the total value of the buildings, plant & equipment at the end of June 2024 was just under £1m.

Share capital has remained constant for the past three years as we have not been in a position to allow investors to withdraw their capital.

### Trading environment

We recognise that today's trading environment in the arts, entertainment and hospitality sectors is a challenging one, and it presents many new difficulties when compared to the circumstances surrounding our previous two community share offers. Since the pandemic we have seen the effects of persistent inflation, higher pay costs and increased rates of employer National Insurance, all of which push our costs significantly upwards. In addition, the general economic outlook remains extremely uncertain and household finances are under increasing

pressure, which compounds the risks further. We have therefore adopted a fairly measured approach to our planning assumptions so that we take these new realities into account.

## Overall approach

The Directors have prepared a financial model and projections for the first three full years of trading (P&L and cash flow). The focus is very much on operational detail, so that these projections become the basis for the organisational budget once Bovey Paradiso Arts is fully opened. The final phase of the capital project (i.e. build completion) and associated capital budget has been planned separately, with details provided earlier in **section 6**.

Planning assumptions for the financial projections have been confirmed by relevant operational leads among the Directors and informed by historic data where known (e.g. overheads) and previous operating experience where relevant (e.g. temporary opening of the café restaurant in 2023 plus ongoing gallery trading).

The planning assumptions have also been tested against other local arts centres with similar operations. To support this we conducted a series of Director visits to other local centres in order to gain insights and gather key metrics on their operations. Examples include The Watermark in Ivybridge, The Beehive in Honiton and The Plough in Great Torrington, as well as others across the county. We also gathered and applied benchmarks from the wider hospitality, cinema and theatre sectors.

In preparing the following projections we have assumed the following:

- we reach the 'optimum' share offer target of £275k
- we achieve part 1 and part 2 build completion by March 2026
- we reopen and commence trading in April 2026

The projections for year 1 (April 2026 to March 2027) also reflect the staged approach to opening as outlined earlier in our operating plan (**section 7**). The key planning assumptions used in building the financial projections are listed in more detail in **annexe 2**.

## Start-up costs and financing

In preparing these financial projections we have assumed that we will incur £90k of start-up costs prior to reopening. This will enable us to recruit and train our new team, build up inventory, drive initial marketing investment and cover any further working capital requirements ahead of reopening. In order to finance this, and also cover the inevitable month-to-month fluctuations in cash flow, we have assumed we take out a business loan of £120k at 7% interest and repayable over 5 years starting from April 2026 (NB this is a prudent assumption as initial discussions suggest we could expect a significant payment holiday before repayments begin). This business loan would complement both the community investment from the third share offer and also the grant awards we are seeking from our funding pipeline. Should we exceed our fundraising expectations then we would expect to reduce our need for additional loan finance.

### 3-Year Profit & Loss summary

Once we are fully open we foresee a fairly consistent pattern to our trading and profitability. The plan is a little more challenging in year 1 as we relaunch and then grow our operation from a standing start through the three phases of our staged opening approach. The key financial metrics for our first full year of trading are summarised below:

- Revenue: £659k
- Direct Costs (inc operational staff): £518k
- Overheads (inc central staff): £117k
- Profit before interest / depreciation: £24k
- Interest and depreciation charge: £26k
- Deficit after interest / depreciation: £2k
- Total staff costs included in above: £291k (increasing up to 9.5 FTE October 2026)

While we expect to generate a profit before interest / depreciation of £24k in year 1, after we account for interest / depreciation we will actually see a small deficit of £2k. This is largely driven by the effects of the staged opening and early growth phase, and once fully open (including Tuesday opening and weekday evening food) our profitability will improve. In year 2 we anticipate a profit of £25k *after* accounting for interest / depreciation, increasing to £27k in year 3.

A summary of the 3-year Profit & Loss forecast is provided in the table below:

<b>Profit &amp; Loss Summary</b>	<b>Yr 1 forecast</b>	<b>Yr 2 forecast</b>	<b>Yr 3 forecast</b>
£ (exc VAT)	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
<b>Operational Income</b>			
Gallery, Studios & Room Hire	27,360	28,044	28,745
Café Paradiso	452,427	558,429	572,390
Auditorium	168,867	180,007	184,507
<b>Other Income</b>			
Grants, Donations, Membership	10,200	10,200	10,200
<b>Total Income</b>	<b>658,854</b>	<b>776,680</b>	<b>795,843</b>
<b>Direct Costs</b>			
Gallery, Studios & Room Hire	10,770	11,039	11,315
Café Paradiso	146,029	181,285	185,818
Auditorium	103,155	110,945	113,718
Staff Costs (Operations)	257,900	296,004	303,405
<b>Total Direct Costs</b>	<b>517,854</b>	<b>599,274</b>	<b>614,256</b>
<b>Operating Profit</b>	<b>141,000</b>	<b>177,407</b>	<b>181,587</b>
<b>Overheads &amp; Central Staff Costs</b>			
Overheads	84,345	87,645	89,836
Staff Costs (Central)	32,686	39,793	40,787
<b>Total Central Costs and Overheads</b>	<b>117,031</b>	<b>127,437</b>	<b>130,623</b>
<b>Profit before Interest / Depreciation</b>	<b>23,968</b>	<b>49,969</b>	<b>50,963</b>
Loan Interest	7,742	6,240	4,630
Depreciation	18,522	18,985	19,459
<b>Profit after Interest / Depreciation</b>	<b>(2,295)</b>	<b>24,744</b>	<b>26,874</b>

A more detailed view of the Profit & Loss forecast for year 1 is included in **annexe 3**, along with the detailed year 1 budgets for the key operational areas (Gallery, Café and Auditorium) in **annexes 4, 5 and 6**.

### 3-Year Cash Flow summary

Once fully open, we aim to generate a small cash surplus each year in order to mitigate against seasonal fluctuations in trading, and also to provide adequate cover for principal and interest repayments on any business loan.

Given the challenging trading environment noted earlier in this section, our financial projections assume zero interest payments to community shareholders and zero withdrawals of community shares for the duration of the forecast period. This reflects our primary focus which is to launch and then establish Bovey Paradiso Arts as a sustainable community-owned business.

A summary of the 3-year Cash Flow forecast is provided in the table below:

<b>Cash Flow Summary</b> £ (exc VAT)	<b>Pre opening forecast</b> <b>2025/26</b>	<b>Yr 1 forecast</b> <b>2026/27</b>	<b>Yr 2 forecast</b> <b>2027/28</b>	<b>Yr 3 forecast</b> <b>2028/29</b>
<b>Opening Cash Balance</b>	<b>1,771</b>	<b>30,000</b>	<b>18,788</b>	<b>33,577</b>
Operational Income	22,695	648,654	766,480	785,643
Other Income	23,000	10,200	10,200	10,200
Share capital community investment	275,000	0	0	0
Financing (loan)	120,000	0	0	0
<b>Total Income</b>	<b>440,695</b>	<b>658,854</b>	<b>776,680</b>	<b>795,843</b>
Direct Costs	8,466	517,854	599,274	614,256
Overheads & Central Costs	19,000	117,031	127,437	130,623
Capital Development	235,000	0	0	0
Operating costs / working capital	150,000	0	0	0
Financing (interest)	0	7,742	6,240	4,630
Financing (repayment)	0	20,772	22,273	23,883
Other cash outflows	0	6,667	6,667	6,667
<b>Total Expenditure</b>	<b>412,466</b>	<b>670,066</b>	<b>761,892</b>	<b>780,059</b>
<b>Closing Cash Balance</b>	<b>30,000</b>	<b>18,788</b>	<b>33,577</b>	<b>49,360</b>
<b>Change in Cash Balance</b>	<b>28,229</b>	<b>(11,212)</b>	<b>14,789</b>	<b>15,783</b>

The opening cash balance in year 1 of £30k represents the remainder of the £120k business loan after £90k start-up costs have been incurred. After a year 1 cash outflow of £11k, we see positive cash inflows of £15k in year 2 and £16k in year 3.

As our cash balance builds slowly over time, we hope to be in a position to reinvest funds in local community projects and to potentially consider requests for withdrawals of community shares and / or evaluate scope for interest payments on community shares. However given expected trading conditions we have assumed zero withdrawals and zero interest payments on community shares within our projections. NB requests for community share withdrawals will always be subject to review by the Directors who reserve the right to refuse the request where this would undermine the ongoing financial viability of Bovey Paradiso Arts. Similarly, we would only consider interest payments on community shares in the future if we determined that it was affordable.



## Balance Sheet Projections

<b>Balance Sheet Projections</b>					
	<b>Forecast Financial Position on</b>				
	<b>30.06.25</b>	<b>30.06.26</b>	<b>30.06.27</b>	<b>30.06.28</b>	<b>30.06.29</b>
Fixed assets	1,133,844	1,368,844	1,368,844	1,368,844	1,368,844
Net current assets/(liabilities)	39,170	158,944	135,512	137,591	140,161
Long term liabilities (debt)	(40,792)	(114,942)	(93,805)	(71,140)	(46,836)
<b>Total Assets</b>	<b>1,132,222</b>	<b>1,412,846</b>	<b>1,410,551</b>	<b>1,435,295</b>	<b>1,462,169</b>
Share capital	571,850	846,850	846,850	846,850	846,850
Retained profits	560,372	565,996	563,701	588,445	615,319
<b>Capital &amp; Reserves</b>	<b>1,132,222</b>	<b>1,412,846</b>	<b>1,410,551</b>	<b>1,435,295</b>	<b>1,462,169</b>

The balance sheet shows that the fixed assets increase as a result of the improvements made in the year, partly funded by loan and share capital. The loan will be repaid with no change in share capital as described above.

## Opportunities and risks

As noted earlier, today's commercial environment in the arts, entertainment and hospitality sectors is a challenging one, and presents many new difficulties when compared to the circumstances surrounding our previous two share offers. These challenges have been reflected in the experiences of other local arts centres, some of which have confirmed to us that they would struggle to generate a surplus without ongoing funding. Therefore, we do recognise that there is a significant amount of uncertainty in the plan, and we have identified a number of associated risks listed below.

At the same time there are also some significant opportunities that are still at an early stage of exploration, particularly relating to events, festivals and cross-community partnerships. As these have not yet been defined fully, we have adopted the prudent approach of excluding these opportunities from our financial projections.

### Opportunities

- Higher proportion of auditorium customers also visiting café restaurant
- Higher spend per head in the café restaurant
- Improved margin on food and alcohol
- Greater focus on artist-led gallery exhibitions to improve revenue and drive footfall
- Greater support from / collaboration with other local bodies / businesses once open for business
- Continuing / extended "outreach" programme into the community, utilising venues beyond Paradiso e.g. films at the Heathfield Community Hall, music nights at the Dartmoor Distillery
- Specialist / premium events to include food and beverage offer e.g. Eurovision / rugby afternoons / murder mystery events

### Risks

- Other local arts centres have struggled to make a profit therefore Bovey Paradiso Arts will need to out-perform the benchmark for the sector
- Lower customer volumes could have a significant adverse impact on profitability and could hamper ability to stay cash positive / service any debt
- Additional marketing investment may be required to drive audience and visitor numbers particularly at target ticket prices (required to cover direct costs)
- Challenge of developing full programme of compelling and attractive events
- Difficulty recruiting high quality staff at target salary levels
- Challenge of developing and maintaining an extensive and committed network of active volunteers to complement the paid staff

In order to quantify the impact of the most significant risks and opportunities we have completed a sensitivity analysis on key assumptions within our financial projections, which is included in **annexe 7**.

## Critical success factors

Overall we believe we have created a fantastic facility for the people of Bovey Tracey and the surrounding area, and that we can now use that facility to run a viable and profitable operation for the benefit of that community. To do so, however, we also recognise a number of critical success factors that we must continue to address as we move into the operational phase of Bovey Paradiso Arts:

- Attracting skilled and experienced staff will be essential, along with maintaining a Board of Directors with the right mix of skills to have oversight of the operation
- Building on our committed group of fantastic volunteers by fostering a more extensive and diverse volunteer network to support 6 days per week opening
- Developing effective marketing to quickly build and then sustain significant customer numbers from a very low starting base (currently limited ad-hoc off-site events only)
- Adopting robust financial reporting and management controls to keep the operation on track versus budget, and to address any issues / exploit any opportunities as soon as they arise
- Establishing productive relationships and partnerships with other local organisations that will enable us to collaborate on joint projects for greater reach

Furthermore, given the challenges faced by some other local arts centres, we plan to stand out from the rest and succeed in a number of ways:

- Our lovely Grade 2 listed buildings
- The look and feel of the place (light, warm and inviting)
- The friendly / welcoming team of staff and volunteers
- The distinctive quality of the food and drink offer
- The strong community 'contract' / relationship (everyone's happy place!)
- The exciting 'mix' of programming reflecting community demand
- Continuing to offer events at other locations in the community
- Having a facility with a capacity that is right for our local marketplace (80+ seats)
- Daily social media updates

## Bovey Paradiso Arts Business Plan

- Being a central part of a bigger picture for Bovey Tracey encompassing creativity, arts and crafts, and ultimately helping to build a UK-wide reputation for the town

## 9. Community engagement and marketing plan

### Marketing objectives

1. Drive awareness and uptake of the 3<sup>rd</sup> share offer, aiming to achieve £275k in shares to support funding toward the completion and opening of Bovey Paradiso Arts, to the community - through a compelling marketing and PR campaign that will reach, engage and encourage the core audience to purchase shares
2. Add clarity to the proposition (including the social impact) and enhance brand messaging and appeal, through developing a new brand identity and brand consistency that will extend beyond the share offer eventually to support the full opening of Paradiso.

### Community profile

To strengthen our presence and deepen our connection with the community, Bovey Paradiso Arts will implement a focused strategy to enhance visibility, accessibility, and resonance with local audiences. Our key initiatives include:

- **Developing a refreshed and relevant brand identity** that reflects our creative mission and community-focused values
- **Clarifying our proposition** to ensure the purpose, impact, and scope of our work are easily understood and relatable across diverse audiences
- **Documenting and promoting our core values, vision, and mission**, reinforcing our commitment to inclusivity, creativity, and cultural enrichment
- **Implementing a comprehensive advertising and communications plan** to effectively share news, events, and opportunities with a broader audience, amplifying our social impact and community reach
- **Continuously improving our website**, enhancing usability, accessibility, and engagement, ensuring it serves as a welcoming and informative digital gateway for all

These efforts are designed to position Bovey Paradiso Arts as a vibrant, inclusive cultural hub that reflects and serves the needs and aspirations of making the arts more accessible to our local community.

### Community engagement and support

Bovey Paradiso Arts actively fosters strong connections within the local community through a range of inclusive and accessible marketing initiatives. These efforts focus on promoting arts participation, supporting local talent, and creating opportunities for cultural engagement. Activities include hosting community events, exhibitions, and workshops that invite participation from all age groups, abilities, cultures and backgrounds. Targeted outreach through local schools, community groups, and social media platforms helps to broaden the centre's reach and ensure diverse involvement. Collaborations with local businesses, events (such as the Bovey Tracey Craft Festival) and artists (such as tenant artist Sarah McIntyre)

further reinforce Bovey Paradiso's role as a cultural hub, while volunteer and supporter programmes encourage ongoing local investment and pride in the arts centre's success.

## Plans for promoting the third share offer

We have a very limited budget and so to gain greatest effectiveness we need to:

1. SHARE THE STORY SO FAR, through video, photo and written format, to current shareholders and the wider community and interest groups

As this is a project that has spanned a number of years, it is important that once we have clarified the proposition, values, vision and mission of Bovey Paradiso Arts and grounded this in a new, strong identity, we then share the story to date.

Telling and sharing the story so far of this iconic restoration project will re-energise the support and involvement of current shareholders and drive awareness in the wider community, bring everyone on the same journey with us, setting the stage for the third share offer.

2. NEW AUDIENCE – Through a full 360° online & offline, PR, advertising and communications campaign we aim to reach and drive awareness amongst a new swathe of the local and surrounding communities. We will also promote the share offer and the social impact proposition of Bovey Paradiso Arts during events such as Topping out ceremony, open doors on Green Man Day, special invite events to tour and share a video of the story of Bovey Paradiso Arts and community events
3. PARTNERSHIPS & SPONSORS – we have a number of ambassadors, partners, local influential figures and businesses who we will partner with in order to optimise our reach within their audience.
4. MAKE PURCHASING SHARES SIMPLE - We will ensure that the opportunity to purchase shares are plentiful and the process is simple and clear, through online or offline methods

## Marketing plan development

The construction of this marketing plan received contributions from our Directors using their expertise and experience. The development of the plan was also supported by Jo Wood (Fruit Marketing Limited), an experienced marketing professional. All advisory fees incurred in the preparation of this plan have been fully covered by REACH funding provided specifically for this purpose.

## 10. Governance structure

### Bovey Tracey Paradiso Arts Limited

Bovey Tracey Paradiso Arts Limited (BTPA) is an incorporated entity that has been set up as a charitable Community Benefit Society (CBS). This means it is a society for the benefit of the community, registered under the Co-operative and Community Benefit Societies Act 2014 and regulated by the Financial Conduct Authority (FCA). It also means that BTPA is owned by its members and that membership is open to the members of the community who support its aims and objectives.

BTPA is recognised by HMRC as an exempt charity which means that although we are not registered with the Charities Commission, we must abide by Charity Law and we can benefit from all the tax advantages of being a charity. These tax advantages include exemption from Corporation Tax, Mandatory Business Rates Relief and claiming Gift Aid on donations. It is registered for VAT, which means that we will charge VAT on sales and can recover the VAT paid on the purchase and set up costs.

All of our trading activities are operated directly within BTPA with no need for a separate trading company. The FCA states that ‘the conduct of a community benefit society’s business must be entirely for the benefit of the community’. Any profit made in the future will fund arts and leisure projects for the benefit of the community in line with our charitable aims.

### Rules of the Society

Bovey Tracey Paradiso Arts Limited (BTPA) has adopted a set of Rules consistent with model Rules developed by Co-operatives UK, the umbrella body for co-operatives and community benefit societies in the UK.

Our Rules include a provision to issue a form of shares to members known as withdrawable share capital, which is unique to society law. Withdrawable share capital, also known as Community Shares, can be withdrawn from the Society by the member, subject to terms and conditions. The liability of its members is limited to the value of their shareholding, and the value of members’ community shares will never go up but may go down.

As an exempt charity, the rules include a Charities Asset Lock which restricts the ability of the Society to use or deal with its assets in line with Charity Law. In particular:

- The only payments that can be made to members are to the value of their withdrawable share capital or interest on that withdrawable share capital
- The residual assets of the Society on winding up cannot be transferred except to another organisation whose assets are similarly protected

The Society is a community-led, democratic organisation that operates on the principle of one-member-one-vote regardless of their shareholding. Membership is open to anyone over the age of 16. The Directors, at their discretion, approve applications for membership from anyone who also applies for the required minimum number of shares. Each member then has one vote to exercise at General Meetings, including the Annual General Meeting. Members own and control

the Society, exercising their ownership rights by electing members onto the Board. Members can stand for election onto the Board. The Rules also provide for several other ways in which the membership may hold the Board accountable for the running of the Society, including calling a General Meeting if required. Corporate bodies and associations who support our objectives can also become members, and such entities and associations must nominate a named individual to represent them at General Meetings.

A copy of the Rules of the Society can be downloaded from our website at <https://www.paradiso.org.uk/Rules-and-Registrations/Paradiso-Arts/>.

## Governance

Effective governance is critical to the success of any enterprise and is particularly crucial in a community benefit society which is owned by a large number of people (members). It is vital to balance the needs and aspirations of all members and to remain legally compliant and financially sound.

The critical distinction to be made is between the governance of an organisation and the day-to-day running of it. For example, management is not about paying bills, but rather ensuring that there are effective systems in place to ensure that invoices are paid on time.

The BTPA Board is responsible for managing the affairs of the Society on behalf of the membership and to report back to the membership at General Meetings in the same way as the Board of Directors is responsible for managing the affairs of a limited company. Our Board is elected by and from the membership on a three-year retirement cycle, additionally the Board may co-opt up to two external independent Directors, who need not be members, for specific skills and experience. These co-opted places are appointed and removed by the Board and are for a fixed time period which should be reviewed regularly. As we move into a full operational model, we will employ staff who will lead the day-to-day operations and report back to the Management Committee, who will be responsible for:

- Raising any further capital, and organising / supervising any final elements of the build
- Recruiting employees
- Monitoring and managing the Society's financial affairs for the benefit of the community
- Overseeing the day-to-day operations and manage the relationship between the Society, its members and the community
- Ensuring that the Society complies with all applicable regulations
- Encouraging further community activities, as appropriate

Members of the Society will be invited to Annual General Meetings and additionally Extraordinary General Meetings as required. Our Rules and Annual Accounts will be available to all members and on the Society's website.

None of the Directors have any conflicts of interest concerning this project and do not receive any fees or salary as per our Rules.

## Membership strategy

We currently have over 400 members of the Society who directly contributed to previous share offers. We communicate regularly with these members through updates and newsletters as well as at the Annual General Meeting.

We have ensured that existing members are aware and supportive of the third share offer. We envisage that some may wish to increase their current shareholding, however we are hoping to also attract new members into BTPA with this third share offer.

As a community-led organisation, members are encouraged to participate in the society in many ways including being customers, champions for the organisation, active members at General Meetings and also standing for the Board.



## 11. Third community share offer process

### Timetable and targets

- 2<sup>nd</sup> June 2025 - Share offer opens
- 30<sup>th</sup> September 2025 - Share offer deadline
- October 2025 - Investors' share purchases entered into the Society's Membership Register. Share Certificates issued.
  
- 'Minimum' target: £175K
- 'Optimum' target: further £100K
- Total 'maximum' target: £275K

### Key principles

Applications are open to individuals over 16 years old. An association, corporate body or firm may apply but must authorise a named representative.

The value of each share issued is £1. The shares are not transferable, except in case of death or bankruptcy.

The minimum investment is £100 and the maximum is £85,000 for individual and corporate Members as long as your total shareholding in the organisation does not exceed 10% of BTPA's total share capital or the maximum permissible.

New shares allocated could qualify for tax relief from HMRC. We are in the process of applying for approval for this share offer from HMRC under the Enterprise Investment Scheme (EIS), which is currently set at 30%. You will be notified at the end of this share offer if you are able to claim any tax relief. It is then your responsibility to claim any relief due to you from HMRC.

The primary return for holding shares is a social one. The Board of Directors may decide that interest can be paid on shares if it is financially sustainable and in the interests of the venture. We do not anticipate paying interest in the foreseeable future but will review this policy each year and share our thinking with you at the AGM.

Community shares can be withdrawn but you will be unable to withdraw your shares in the first 3 years following the end of this share offer. After that, you can apply to withdraw some, or all, of your capital when you need it, subject to consent and the Board's financial ability to pay you out.

All investment funds will remain untouched until the community share offer closing date.

If we don't reach our minimum share target of £175k by the closing date we may extend the share offer period until we reach the target. If we don't reach the target within a year we will close the offer and repay investors. If we exceed our optimum/maximum share target of £275k, we will scale applications back / close the offer to new investment.

## How to apply

Investment can be made directly on the website or in person.

An application form to buy shares will be available on our website at <https://www.paradiso.org.uk/shares.php>. Paper forms will also be available at Bovey Tracey Paradiso Arts Limited, 83 Fore Street, Bovey Tracey, Devon, TQ13 9AB. Please see our website for opening times.

Payment is to be arranged at the time of application, either by debit or credit card on our website, or in person or post via cheque or bank transfer.

## Further details and communication

Visit <https://www.paradiso.org.uk/Community-Share-offer/Paradiso-Arts/> for our share offer application form, full details and FAQs.

For further enquiries, please use the contact form on our website or email us at [admin@paradiso.org.uk](mailto:admin@paradiso.org.uk).

## Annexe 1 – Board member profiles

### **David McGahey - Chair**

David was Director of Education for Buckinghamshire until 2000, having previously worked for five other local authorities. From 2001 he was Managing Director of a number of education businesses: Amey Education, VT Education and Skills, HBS Education and Eteach. He retired in 2014 as Director and Chief Executive of AMC Ltd, a market leading executive recruitment consultancy working with independent and maintained schools in the UK and with international schools world-wide. David has an MA(Hons), an MA and a PGCE. David is a Governor of the St John's Hospital Education Foundation, a Governor of his old school, Exeter School, and nearer to home he is Chairman of the Lustleigh Society and a keen member of the Lustleigh Players. Until he moved back to Devon in 2015 to live in Lustleigh, he was for many years a Director/Chairman of the charity which runs The Film Place in Buckingham, an independent, community cinema.

### **Ian Alexander**

Brought up in and educated by the military, after medical school I spent 10 years in the army before joining the NHS. I had posts on Bristol, Tayside and finished my medical career as a physician at Derriford Hospital. I have lived in Bovey Tracey for 29 years. Since retirement I have been actively involved with Teign U3A on the committee and running a special interest group; been an outreach volunteer for benefits with the elderly for Assist Teignbridge and Kingscare. I am also currently Treasurer for the Bovey Tracey Society of Artists.

### **Richard Bull**

Richards's entire career has been spent working within the hospitality industry. For the last 20 years specifically within Information Technology and large scale IT projects. From 2001 to 2018 Richard was the IT Director for a large group of companies operating within the hospitality sector. His team supported over 2,000 catering outlets based in the UK and Europe. Prior to retiring in 2020, Richard led and implemented a number of large scale group wide projects. Richard, his wife Debbie, daughter and their two grandchildren all live in Bovey Tracey. Richard volunteers at the Bovey Tracey information centre and is also a Director of a not for profit company which manages the estate of properties where he lives. Outside of work Richard enjoys spending time with his grandchildren, riding his motorbike and flying radio controlled models. Richard is keen to lend his skills to this exciting new community project.

### **Jen Carr**

Jen holds a degree in surface pattern design and specialises in printmaking. Since 2007, she has been an art teacher. In addition to her classroom experience, Jen has served as both Head of Art and Assistant Headteacher. Currently, she teaches art and graphic design locally, sharing her love of creativity with students. Jen is committed to making art accessible to everyone. She believes that everyone has the potential to express themselves creatively, regardless of their background or experience. She is passionate about providing opportunities for the community to engage with the arts and explore their own artistic potential.

### **Marion Edwards**

Marion moved to Bovey Tracey in 2003, after spending more than 20 years living in Hong Kong where she was Professor of Optometry and Director of the Centre for Myopia Research at the Hong Kong Polytechnic University. She obtained her PhD as a mature student having investigated factors influencing myopia development in Chinese children. Marion lived in Kenya prior to Hong Kong, where she worked in private practice and obtained a private pilot's license. She now chairs the grant-writing sub-group having joined it as a member in June 2021 after spending over four years as a community member on the Steering Group for the Bovey Parish Neighbourhood Plan.

### **Graham Fice**

Graham was born in Bovey. Although moving around the south of England for work he helped establish the Bovey Heritage Centre and obtained the formal grant of the town's coat of arms to mark the Millennium. The Latin words below the coat of arms may be appropriate for Paradiso: Respect the past, look forward with confidence. Graham's career was spent in university management from Plymouth in the west to Chichester in the east, via Southampton and Surrey. An interest in art coincided with work at Exeter University when Graham was secretary to the University's Fine Art Committee. Exhibitions by Henry Moore and Eric Ravilious were amongst a number of shows he helped arrange, as well as shows by local artists. After a few years as a consultant in higher education Graham finished his career as Clerk to the Board of Governors and Company Secretary at St Mary's University in Twickenham, London. He has always been involved with the work of charities and is a Trustee of an east Devon charity which supports young people's mental health. He also enjoys weekly volunteering with a local branch of Riding for the Disabled.

### **Andrew Huckerby**

Andrew Huckerby is a hospitality entrepreneur with a career of over 40 years that spans the industry in both the UK and UAE. Based in Devon for the last 30 years he has also been involved, and often led, projects in both the charity and tourism community sectors in the county throughout this period. He is currently working with two higher education institutions, a dementia hub and as a programme director for a cooperative business supporting councils in the UK.

### **Janine McDowell**

Janine McDowell moved to the Bovey parish in 2015 and joined the board in February 2023. Janine recently retired from a 32 year career in the criminal justice system spanning both the public and private sectors. She joined the Prison Service in England and Wales in 1989 as a Prison Officer at HMP Holloway and during her career worked at a number of establishments including as Director of HMP &YOI Bronzefield where she was responsible for the start up and operation of this brand new prison for women in west London. Janine was appointed as CEO Sodexo Justice UK & Ireland in 2015 with responsibility for all of Sodexo's prison and probation services. In addition she was the chair of the Sodexo UK & Ireland Diversity Council and a trustee of the Employers Network for Equality and Inclusion. Janine is currently the chair of trustees for saferlondon, a charity that works with young Londoners and their families and peers to create a safer environment for everyone. She now enjoys life in Devon as the owner of a holiday cottage business and small holding on the outskirts of Bovey and is passionate about the power of the arts to bring communities together, including prison communities.

### **Ben Rodrick**

Although very familiar with 'Bovey life' through his in-laws who live locally, Ben and his young family recently decided to relocate from London to be closer to the grandparents and begin a new chapter closer to the sea. Both Ben and his wife Rosie are volunteers at the Bovey Community Fridge and are keen to establish long-term community engagement while maintaining a healthy work-life balance. Bovey Paradiso is a perfect opportunity to share his expertise and contribute to the local community. Ben's current career as Design Director for London-based specialist focusing on high-fidelity and luxury automation technologies in both residential and hospitality sectors. Predominantly working on projects in London and the Home Counties, he sees a broad spectrum of technology applications in all manner of project contexts; ranging from scene-set lighting controls through to high-performance audio-visual systems. He has extensive experience designing and installing turn-key cinema systems for private and commercial clients. Such projects are unique and highly bespoke, and span a broad spectrum of construction challenges and budgetary constraints. He brings expertise and enthusiasm invaluable to realising the Paradiso Cinema/Theatre Project.

### **Victoria Yates**

Victoria is a Chartered Management Accountant with a background in the charity and not for profit sector. She moved to Bovey Tracey in 2023 and currently works as the Head of Finance for Landmark Theatres and Finance Manager for Villages in Action. Victoria was previously Head of Finance at Contact Theatre in Manchester where she was part of the project team managing a £7m rebuild of the theatre. Other roles include Head of Finance & Resources at Farms for City Children, Director of Finance & Support Services at St Ann's Hospice and Finance Director at Circus Starr as well as posts with the Scottish Chamber Orchestra and the Hallé Orchestra.

## Annexe 2 – Key planning assumptions for financial projections

These planning assumptions underpin the financial projections for the Bovey Paradiso Arts operation, which are described in **section 8** and also covered in more detail in **annexes 3-6**.

Planning assumptions for the financial projections have been confirmed by relevant operational leads among the Directors and informed by historic data where known (e.g. overheads) and previous operating experience where relevant (e.g. temporary opening of café restaurant in 2023, ongoing gallery trading).

### Third share offer and build completion

**NB** the financial projections assume the ‘optimum’ share offer target of £275k is achieved and build completion is delivered by the end of March 2026.

We have assumed that Bovey Paradiso Arts will then reopen its doors to the public in April 2026.

### Staged opening

We will be operating at a slightly reduced level for the first 6 months as we build and establish the new organisation:

- Stage one opening (April – June 2026)
- Stage two opening (July – September 2026)
- Full / stage three opening (October 2026 onwards)

Overall the financial projections look out over the first three years of trading from reopening i.e. from April 2026 out to March 2029.

### Start-up costs, financing and investment

- Available cash balance prior to financing: £0k (prudent assumption)
- Final set-up costs prior to reopening: £90k
- Business loan: £120k at 7% interest and repayable over 5 years commencing upon reopening i.e. April 2026 (NB this is a prudent assumption as initial discussions suggest we could expect a significant payment holiday)
- zero interest payments to community shareholders for the duration of the projections
- zero withdrawals of community shares for the duration of the projections

### Operational assumptions (stage three opening i.e. fully open)

The following planning assumptions reflect a fully open and operational Bovey Paradiso Arts at year 1 unit costs / prices (i.e. ignores impact of stage one and stage two opening, and assumes

fully open per stage three). In summary this means the centre will be open for 6 days per week with all day food and bar, and fully available auditorium.

### **Auditorium assumptions**

- Regular seating capacity of 88 seats
- 12 ticketed events per week:
  - 6 daytime films
  - 4 evening films
  - 2 live events
- 1 evening live stream per month (e.g. RSC, National etc) in place of an evening film
- 2 Bovey Players productions per annum, with 4 performances of each production
- Average attendances at ticketed sessions:
  - Film: 20 (23% seat utilisation)
  - Live event / stream: 70 (80% seat utilisation)
  - Players: 79 (90% seat utilisation)
- Total annual attendances at ticketed sessions:
  - Film: 9,918
  - Live event / stream: 7,700
  - Players: 632
- Average admission prices (total inc VAT and booking fees):
  - Film (general cinema): £9
  - Film (kids cinema): £7
  - Live event: £15
  - Live stream: £18
  - Players: £10
- Film rental costs are assumed to be 35% of revenue or a minimum of £85 on a per screening basis (based on current distributor quote)

### **Café restaurant assumptions**

- Customer volumes and spend per head estimated across five different sessions: morning, lunch, afternoon, dinner, late
- Average daily primary customers (i.e. visiting specifically to use the café restaurant) across all five sessions is 103 (54% of maximum covers)
- Average daily secondary customers (i.e. visiting primarily to attend an event or film) is based on an average of 50% of the audience / attendees
- Average spend per head (inc VAT) on food, beverage and alcohol across all five sessions:
  - Primary customers: £17 (NB varies significantly by session)
  - Secondary customers: £12 (NB varies significantly by session)
- Margin on food and alcohol of 65%; margin on beverages of 80%

### **Gallery assumptions**

- Annual art and merchandise sales of £15k (exc VAT, increasing with inflation), at an average margin of 36%

### Staff assumptions

- Pay costs reflect the latest minimum wage, employer's NI and employer's pension contribution requirements (plus annual inflation at 2.5%)
- Overall plan assumes 9.5 FTE staff on the payroll
- This includes 4 full-time roles (Operations Manager, Front of House Supervisor, Chef, Cook), with the balance made up of part time roles (5 to 30 hours per week depending on role)
- Bovey Paradiso will still depend on an established and committed network of volunteers e.g. ushering, checking tickets, staffing gallery, keeping the centre tidy etc

### Other assumptions

- Annual donations and memberships of £10k
- Annual studio rental starting at £9k (exc VAT, increasing with inflation)
- Annual income from room hire, workshops, gallery hire of £3k (exc VAT, increasing with inflation)
- Highest overheads (excluding depreciation) are:
  - marketing campaigns (c £12k pa)
  - utilities (c 10k pa)
  - bank charges (c 8k pa)
  - finance and accounting fees (c 8k pa)
  - cleaning (c £8k pa)
  - insurance (c £8k pa)
- Year-on-year inflation of 2.5% assumed in years 2 and 3 (slightly above Bank of England target of 2%)
- Donor benefits of £20k have been reflected within the plan as a cash outflow, spread evenly over years 1 to 3 (NB the exact details of how any distribution of donor benefits might be managed have not yet been defined by the Directors)

### Operational assumptions (stage one and stage two opening)

Assumptions for stage one opening (April – June 2026) and stage two opening (July – September 2026) are as per stage three opening, but adjusted for:

- 5 day opening (closed Tuesdays)
- No / reduced evening food service (bar still available)
- Reduced operational staffing (front of house / catering)
- Reduced central staffing (finance / marketing)

Also, we anticipate no material operational impact from moving from stage one to stage two opening, and also from stage two to stage three opening. In the worst case a short closure might be required for minor works but this has not been modelled as it is not expected to be significant to the operational plan.



## Annexe 3 – Yr 1 Paradiso overall P&amp;L detail

Income & Expenditure £ (exc VAT)	Yr1 Apr-26	Yr1 May-26	Yr1 Jun-26	Yr1 Jul-26	Yr1 Aug-26	Yr1 Sep-26	Yr1 Oct-26	Yr1 Nov-26	Yr1 Dec-26	Yr1 Jan-27	Yr1 Feb-27	Yr1 Mar-27	Yr1 Total
<b>Operational Income</b>													
Gallery, Studios & Room Hire	2,230	2,230	2,230	2,530	2,230	2,230	2,230	2,230	2,230	2,230	2,530	2,230	27,360
Café Paradiso	23,408	27,050	24,840	40,535	41,112	38,177	45,917	39,706	47,428	41,546	38,523	44,185	452,427
Auditorium	11,860	14,363	11,830	15,566	16,923	12,840	15,443	13,210	14,095	14,463	13,795	14,481	168,867
<b>Other Income</b>													
Grants (non-capital)	-	-	-	-	-	-	-	-	-	-	-	-	-
Donations	750	750	750	750	750	750	750	750	750	750	750	750	9,000
Membership	100	100	100	100	100	100	100	100	100	100	100	100	1,200
<b>Total Income</b>	<b>38,348</b>	<b>44,493</b>	<b>39,750</b>	<b>59,481</b>	<b>61,115</b>	<b>54,097</b>	<b>64,439</b>	<b>55,996</b>	<b>64,603</b>	<b>59,088</b>	<b>55,698</b>	<b>61,746</b>	<b>658,854</b>
<b>Direct Costs</b>													
Gallery, Studios & Room Hire	898	898	898	898	898	898	898	898	898	898	898	898	10,770
Café Paradiso	7,316	8,434	7,758	13,176	13,363	12,415	14,904	12,903	15,391	13,496	12,524	14,349	146,029
Auditorium	7,020	8,593	7,020	9,848	10,436	7,578	9,406	8,037	8,637	8,848	8,434	9,299	103,155
Staff Costs (Operations)	16,585	16,585	16,585	21,251	21,251	21,251	24,065	24,065	24,065	24,065	24,065	24,065	257,900
<b>Total Direct Costs</b>	<b>31,818</b>	<b>34,509</b>	<b>32,260</b>	<b>45,173</b>	<b>45,948</b>	<b>42,142</b>	<b>49,273</b>	<b>45,903</b>	<b>48,991</b>	<b>47,307</b>	<b>45,920</b>	<b>48,610</b>	<b>517,854</b>
<b>Operating Profit</b>	<b>6,530</b>	<b>9,984</b>	<b>7,490</b>	<b>14,309</b>	<b>15,167</b>	<b>11,956</b>	<b>15,166</b>	<b>10,093</b>	<b>15,612</b>	<b>11,781</b>	<b>9,778</b>	<b>13,135</b>	<b>141,000</b>
<b>Overheads &amp; Central Staff Costs</b>													
Administration	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	30,420
Business Rates & Utilities	886	886	886	886	886	886	886	886	886	886	886	886	10,636
Finance	514	514	514	615	615	615	758	758	758	758	758	758	7,934
Maintenance	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	21,855
Sales & Marketing	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	12,500
Staff Overheads	83	83	83	83	83	83	83	83	83	83	83	83	1,000
Staff Costs (Central)	2,213	2,213	2,213	2,213	2,213	2,213	3,235	3,235	3,235	3,235	3,235	3,235	32,686
<b>Total Central Costs and Overheads</b>	<b>9,094</b>	<b>9,094</b>	<b>9,094</b>	<b>9,195</b>	<b>9,195</b>	<b>9,195</b>	<b>10,361</b>	<b>10,361</b>	<b>10,361</b>	<b>10,361</b>	<b>10,361</b>	<b>10,361</b>	<b>117,031</b>
<b>Profit before Interest / Depreciation</b>	<b>(2,564)</b>	<b>890</b>	<b>(1,604)</b>	<b>5,113</b>	<b>5,972</b>	<b>2,760</b>	<b>4,805</b>	<b>(267)</b>	<b>5,251</b>	<b>1,421</b>	<b>(583)</b>	<b>2,775</b>	<b>23,968</b>
Loan Interest	700	690	680	670	661	651	640	630	620	610	600	589	7,742
Depreciation	1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543	18,522
<b>Profit after Interest / Depreciation</b>	<b>(2,638)</b>	<b>3,369</b>	<b>(2,095)</b>	<b>97</b>	<b>(4,584)</b>	<b>(347)</b>	<b>2,621</b>	<b>(2,441)</b>	<b>3,088</b>	<b>(733)</b>	<b>(2,726)</b>	<b>642</b>	<b>(2,295)</b>

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## Annexe 6 – Yr 1 Auditorium budget detail

<b>Auditorium Budget</b> All £ values exc VAT													
	Yr1 Apr-26	Yr1 May-26	Yr1 Jun-26	Yr1 Jul-26	Yr1 Aug-26	Yr1 Sep-26	Yr1 Oct-26	Yr1 Nov-26	Yr1 Dec-26	Yr1 Jan-27	Yr1 Feb-27	Yr1 Mar-27	Yr1 Total
<b>Volumes</b>													
Film & event sessions (day)	20	23	20	18	22	21	27	25	25	26	24	20	271
Film & event sessions (eve)	20	23	20	18	22	21	27	25	25	26	24	20	271
Players performances (aft)	-	-	-	1	-	-	-	-	-	-	-	1	2
Players performances (eve)	-	-	-	3	-	-	-	-	-	-	-	3	6
<b>Total sessions &amp; performances</b>	<b>40</b>	<b>46</b>	<b>40</b>	<b>40</b>	<b>44</b>	<b>42</b>	<b>54</b>	<b>50</b>	<b>50</b>	<b>52</b>	<b>48</b>	<b>44</b>	<b>550</b>
Film & event tickets (day)	360	414	360	324	396	378	486	450	450	468	432	360	4,878
Film & event tickets (eve)	860	1,031	860	903	1,153	930	1,119	970	1,018	1,049	996	851	11,740
Players tickets (aft)	-	-	-	-	-	-	-	-	-	-	-	79	158
Players tickets (eve)	-	-	-	237	-	-	-	-	-	-	-	237	474
<b>Total Tickets</b>	<b>1,220</b>	<b>1,445</b>	<b>1,220</b>	<b>1,543</b>	<b>1,549</b>	<b>1,308</b>	<b>1,605</b>	<b>1,420</b>	<b>1,468</b>	<b>1,517</b>	<b>1,428</b>	<b>1,527</b>	<b>17,250</b>
<b>Income</b>													
Film & event income inc booking fee (day)	£2,610	£2,955	£2,580	£2,310	£2,850	£2,715	£3,375	£3,135	£3,135	£3,270	£3,000	£2,490	£34,425
Film & event income inc booking fee (eve)	£9,250	£11,408	£9,250	£10,623	£14,073	£10,125	£12,068	£10,075	£10,960	£11,193	£10,795	£9,358	£129,175
Players income inc booking fee (aft)	£0	£0	£0	£658	£0	£0	£0	£0	£0	£0	£0	£66	£1,317
Players income inc booking fee (eve)	£0	£0	£0	£1,975	£0	£0	£0	£0	£0	£0	£0	£1,975	£3,950
<b>Total Income</b>	<b>£11,860</b>	<b>£14,363</b>	<b>£11,830</b>	<b>£15,566</b>	<b>£16,923</b>	<b>£12,840</b>	<b>£15,443</b>	<b>£13,210</b>	<b>£14,095</b>	<b>£14,463</b>	<b>£13,795</b>	<b>£14,481</b>	<b>£168,867</b>
<b>Direct Costs</b>													
Film & event booking fee (day)	£300	£345	£300	£270	£330	£315	£405	£375	£375	£390	£360	£300	£4,065
Film & event booking fee (eve)	£717	£859	£717	£753	£961	£775	£933	£808	£848	£874	£830	£709	£9,783
Players booking fee (aft)	£0	£0	£0	£66	£0	£0	£0	£0	£0	£0	£0	£66	£132
Players booking fee (eve)	£0	£0	£0	£198	£0	£0	£0	£0	£0	£0	£0	£198	£395
Film & event rental costs (day)	£1,700	£1,955	£1,700	£1,530	£1,870	£1,785	£2,295	£2,125	£2,125	£2,210	£2,040	£1,700	£23,035
Film & event rental costs (eve)	£1,020	£1,650	£1,020	£1,771	£3,492	£1,020	£1,990	£1,445	£1,905	£1,990	£1,820	£1,565	£20,690
Players revenue share (aft)	£0	£0	£0	£444	£0	£0	£0	£0	£0	£0	£0	£444	£889
Players revenue share (eve)	£0	£0	£0	£1,333	£0	£0	£0	£0	£0	£0	£0	£1,333	£2,666
Film & event other direct costs (day)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Film & event other direct costs (eve)	£3,200	£3,700	£3,200	£3,400	£3,700	£3,600	£3,700	£3,200	£3,300	£3,300	£3,300	£2,900	£40,500
Players other direct costs (aft)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Players other direct costs (eve)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Film purchase costs (all)	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£1,000
<b>Total Direct Costs</b>	<b>£7,020</b>	<b>£8,593</b>	<b>£7,020</b>	<b>£9,848</b>	<b>£10,436</b>	<b>£7,578</b>	<b>£9,406</b>	<b>£8,037</b>	<b>£8,637</b>	<b>£8,848</b>	<b>£8,434</b>	<b>£9,299</b>	<b>£103,155</b>
<b>Total Contribution</b>	<b>£4,840</b>	<b>£5,770</b>	<b>£4,810</b>	<b>£5,718</b>	<b>£6,486</b>	<b>£5,262</b>	<b>£6,036</b>	<b>£5,173</b>	<b>£5,458</b>	<b>£5,615</b>	<b>£5,361</b>	<b>£5,182</b>	<b>£65,711</b>

## Annexe 7 – Sensitivity analysis for financial projections

**NB** the following sensitivity calculations reflect a fully open and operational Bovey Paradiso Arts at year 1 unit costs / prices (i.e. ignore impact of stage one and stage two opening, and assume fully open per stage three).

Café Volume, Margin and Spend Impact	Worse	<<<<<<	Base Case assumed in Projections	>>>>>>	Better
<b>Food margin %</b>	55%	60%	65%	70%	75%
Impact on Yr 1 Profit vs Base Case £	<b>-30,236</b>	<b>-15,118</b>	<b>0</b>	<b>+15,118</b>	<b>+30,236</b>
Resulting Yr 1 Profit (Loss) after Interest / Depreciation £	(9,284)	5,834	20,953	36,071	51,189
<b>Alcohol margin %</b>	55%	60%	65%	70%	75%
Impact on Yr 1 Profit vs Base Case £	<b>-14,068</b>	<b>-7,034</b>	<b>0</b>	<b>+7,034</b>	<b>+14,068</b>
Resulting Yr 1 Profit (Loss) after Interest / Depreciation £	6,885	13,919	20,953	27,986	35,020
<b>Beverage margin %</b>	70%	75%	80%	85%	85% = max
Impact on Yr 1 Profit vs Base Case £	<b>-10,222</b>	<b>-5,111</b>	<b>0</b>	<b>+5,111</b>	<b>N/A</b>
Resulting Yr 1 Profit (Loss) after Interest / Depreciation £	10,730	15,841	20,953	26,064	N/A
<b>Primary customers daily average covers</b>	83	93	103	114	124
Impact on Yr 1 Profit vs Base Case £	<b>-59,701</b>	<b>-29,713</b>	<b>0</b>	<b>+29,588</b>	<b>+60,058</b>
Resulting Yr 1 Profit (Loss) after Interest / Depreciation £	(38,749)	(8,760)	20,953	50,541	81,010
<b>Primary customer food spend per head £ (blended average inc VAT) - 10% increments</b>	£7.70	£8.66	£9.62	£10.58	£11.55
Impact on Yr 1 Profit vs Base Case £	<b>-32,621</b>	<b>-16,310</b>	<b>0</b>	<b>+16,310</b>	<b>+32,621</b>
Resulting Yr 1 Profit (Loss) after Interest / Depreciation £	(11,668)	4,642	20,953	37,263	53,574
<b>Primary customer alcohol spend per head £ (blended average inc VAT) - 10% increments</b>	£3.26	£3.67	£4.08	£4.49	£4.89
Impact on Yr 1 Profit vs Base Case £	<b>-13,830</b>	<b>-6,915</b>	<b>0</b>	<b>+6,915</b>	<b>+13,830</b>
Resulting Yr 1 Profit (Loss) after Interest / Depreciation £	7,123	14,038	20,953	27,868	34,783
<b>Primary customer beverage spend per head £ (blended average inc VAT) - 10% increments</b>	£2.51	£2.82	£3.13	£3.44	£3.76
Impact on Yr 1 Profit vs Base Case £	<b>-13,114</b>	<b>-6,557</b>	<b>0</b>	<b>+6,557</b>	<b>+13,114</b>
Resulting Yr 1 Profit (Loss) after Interest / Depreciation £	7,838	14,395	20,953	27,510	34,067
<b>Secondary customers proportion of Auditorium audience also visiting Café %</b>	30%	40%	50%	60%	70%
Impact on Yr 1 Profit vs Base Case £	<b>-26,154</b>	<b>-13,077</b>	<b>0</b>	<b>+13,077</b>	<b>+26,154</b>
Resulting Yr 1 Profit (Loss) after Interest / Depreciation £	(5,202)	7,875	20,953	34,030	47,107
<b>Secondary customer food spend per head £ (blended average inc VAT) - 10% increments</b>	£4.20	£4.73	£5.25	£5.78	£6.30
Impact on Yr 1 Profit vs Base Case £	<b>-5,961</b>	<b>-2,980</b>	<b>0</b>	<b>+2,980</b>	<b>+5,961</b>
Resulting Yr 1 Profit (Loss) after Interest / Depreciation £	14,992	17,972	20,953	23,933	26,913
<b>Secondary customer alcohol spend per head £ (blended average inc VAT) - 10% increments</b>	£3.00	£3.38	£3.75	£4.13	£4.50
Impact on Yr 1 Profit vs Base Case £	<b>-4,120</b>	<b>-2,060</b>	<b>0</b>	<b>+2,060</b>	<b>+4,120</b>
Resulting Yr 1 Profit (Loss) after Interest / Depreciation £	16,832	18,893	20,953	23,013	25,073
<b>Secondary customer beverage spend per head £ (blended average inc VAT) - 10% increments</b>	£2.00	£2.25	£2.50	£2.75	£3.00
Impact on Yr 1 Profit vs Base Case £	<b>-2,996</b>	<b>-1,498</b>	<b>0</b>	<b>+1,498</b>	<b>+2,996</b>
Resulting Yr 1 Profit (Loss) after Interest / Depreciation £	17,956	19,454	20,953	22,451	23,949

# Bovey Paradiso Arts Business Plan

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