The Chequer Inn Ash Society Ltd

Business Plan

September 2026

This Business Plan is issued to supplement the original Business Plan produced in 2018 when the Chequer Inn was brought into community ownership. It is used as a guide to our activities and to measure our success.

Executive Summary

This Business Plan is an updated version of our initial Plan which was created in 2017 (updated 2018). It sets out what has been achieved since the acquisition of the Chequer Inn by the Chequer Inn Ash Society, including historic financial information and in broad terms what our current objectives are.

The following highlight our achievements to date:

A Valued Community Asset with a Clear Purpose

The Chequer Inn Ash Society (the Society) was established to protect and sustain the Chequer Inn as a valued village asset. Since acquiring the Grade II listed pub in 2018, the Society has safeguarded it for the benefit of the community of Ash and future generations.

A Proven Model: Community Ownership with Professional Operation

The Society owns the property and leases it to professional tenants, combining democratic community ownership with experienced commercial operation. This proven approach supports a welcoming, financially sustainable pub, while ensuring the asset remains rooted in local need.

Stability Restored and Confidence Rebuilt

The Chequer Inn is operating under a long-term lease with experienced tenants. Rental income is being paid reliably, footfall has increased, and the pub is once again thriving as a social and economic hub at the heart of the village.

Following recent challenges, the Society has strengthened governance, clarified financial policies, and rebuilt resilience. Clear reserves arrangements are now in place, risks are better understood, and the Society is moving steadily towards sustained trading profit.

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Why We Are Raising New Share Capital

The Society is ready to build from a position of renewed stability. This Open Community Share Offer is a proactive step to consolidate recovery and strengthen the Society for the long-term.

What the Share Offer Will Deliver

- Strengthen liquidity and financial resilience, ensuring the Society can manage risk and plan confidently for the long-term.
- Support fair and orderly member withdrawals over time, in line with the Society's Withdrawals Policy.
- Reduce mortgage debt where appropriate, improving the balance sheet and long-term sustainability.
- Protect and maintain the historic building, through essential maintenance and targeted improvements.
- Broaden and renew membership, reducing reliance on a small number of larger shareholders and strengthening democratic governance.

Why This Investment Matters

Independent research[1] indicates that well-run, community-owned pubs support rural communities by strengthening social connection, local employment, and long-term resilience. The Chequer Inn is a vital community hub in Ash, and its continued success contributes directly to village wellbeing and vitality.

Community ownership helps ensure this asset remains protected, inclusive, and secure for the long-term rather than vulnerable to closure or redevelopment.

1 Plunket UK, https://plunkett.co.uk/wp-content/uploads/Better-Form-of-Business-Community-Pubs-Report-2022.pdf

Looking Ahead: Securing the Chequer Inn for the Long-Term

With a stable tenancy, clearer financial controls, improved financial performance and a defined forward plan, the Management Committee believes the Society is in a strong position to move forward with confidence. The share offer is an opportunity to build lasting strength on solid foundations.

By investing, members and supporters can play a direct role in securing the future of the Chequer Inn as a shared community asset at the heart of village life.

Bill Speed, Chair, CIAS

Why Community Ownership Works

Research by Plunkett UK[2], based on more than a decade of evidence from community-owned businesses across the UK, shows that community ownership is a resilient and effective model for sustaining rural assets such as village pubs.

Plunkett's research demonstrates that community-owned pubs achieve significantly higher survival rates than typical small businesses, retain strong local relevance, and deliver measurable social and economic benefits, including local employment, reduced isolation, and stronger community cohesion. By combining community ownership with professional operation, this model protects valued assets from closure or redevelopment while ensuring commercial discipline and long-term sustainability. Community ownership therefore represents not an ideological choice, but a proven, practical approach to safeguarding the Chequer Inn as a shared village asset for the long-term.

01

The asset is protected

Community ownership safeguards the Chequer Inn as a long term village asset, preventing loss to private development and keeping it at the heart of Ash.

02

Commercial expertise is retained

Professional tenants run the pub as a standalone business, ensuring quality, consistency, and commercial discipline.

03

Risk is shared, not concentrated

Broad community ownership spreads financial risk and reduces reliance on a small number of individuals.

04

Local commitment drives success

Community support builds loyalty, footfall, and long term sustainability that purely commercial models often lack.

05

Governance is transparent and democratic

Members have an equal voice, clear oversight, and confidence that decisions are taken for the benefit of the whole community.

Together, these strengths create a resilient model – combining local stewardship with professional delivery to support a thriving, sustainable pub.

2 Source: Plunkett Foundation, Community Ownership: A Better Form of Business (annual UK wide research series, 2011–2025)

The Importance of The Chequer Inn, Ash

Who We Are and What We Own

The Chequer Inn Ash Society (the Society) owns the Chequer Inn, a historic Grade II listed public house dating back to the 14th century, located at the heart of the village of Ash, near Canterbury, Kent.

Formed to save the pub for community benefit, the Society has owned the property since April 2018. Through community ownership, the Chequer Inn has been secured as a shared local asset – protected for current and future generations.

Our Purpose and Community Benefit

1. **Provide a Sustainable Operating Model**
   Appoint and support professional tenants to operate the pub as a free house under a fair and reasonable lease.
2. **Safeguard Community Ownership**
   Retain ownership of the property for community benefit while enabling the tenants to manage the pub as an independent commercial business.
3. **Maintain an inclusive Community Hub**
   Ensure the Chequer Inn remains safe, welcoming, and accessible to all members of the community.
4. **Protect the Historic Asset**
   Maintain and invest in the fabric of the Grade II listed building so it remains fit for long-term use.
5. **Support Local Economic Benefit**
   Contribute to local employment, skills development, and the use of local suppliers and services.

Success will be a thriving pub at the heart of the community; accessible and utilised by all, regardless of age, social background – the place where we go to celebrate our success and key events in our lives.

(CIAS Model Rules 2015)

How the Chequer Inn Ash Society Operates

The Chequer Inn Ash Society operates as a community-owned enterprise, with members working collectively to protect and sustain the pub as a valued local asset. The Society has ownership of The Chequer Inn, but day-to-day responsibility for the business rests solely with professional tenants, allowing the pub to benefit from experienced commercial management while remaining firmly rooted in community ownership.

Oversight of the property and the Society's affairs is provided by the Committee, drawn from the membership. When necessary, we have co-opted volunteers to advise the Committee. The Committee is responsible for governance, financial stewardship, and maintaining the fabric of the building, while ensuring the pub continues to serve the needs of the whole community. The Committee works in specific workstreams; finance, tenancy liaison, property and maintenance, gardening, volunteers and communications.

Our Operating Principle

Community ownership. Professional delivery. Long-term sustainability.

- The Society **owns and protects** the asset for community benefit.
- **Professional tenants** run the pub as an independent, commercial business.
- A **fair rent and long-term lease** provide stability for both parties.
- The Management Committee provides **oversight, stewardship, and support** – not day-to-day management of the pub business and operations.
- Clear communication and mutual respect underpin a **constructive working relationship.**

This proven approach allows the pub to thrive commercially, while ensuring The Chequer Inn remains a valud, community-owned asset for the long-term.

Strong Governance and Democratic Ownership

The Chequer Inn Ash Society Limited is registered with the Financial Conduct Authority as a Community Benefit Society. The Society submits accounts annually and operates on a democratic basis, with each member holding one vote regardless of the size of their shareholding.

The Society's primary focus in its ownership of the pub is for the benefit of the local community rather than maximising private profit.

We are governed by our Model Rules (2015).

Financial Management and Resilience

Like many community-owned hospitality assets, the Society has experienced periods of financial pressure, particularly during tenant transitions and the wider economic disruption of recent years. These experiences have enabled us to strengthen our financial governance and instil a more disciplined approach to risk management.

Historically, the Society's principal financial exposure has been reliant on rental income from tenants. Periods of rent interruption, particularly following tenant failure during and after the COVID period, reduced reserves and constrained our ability to respond more widely to member withdrawal requests or invest in the property. These risks are now better understood and actively managed.

The appointment of our current tenants in May 2025 marked a turning point. Rent has been paid consistently, operating costs are controlled, and confidence in the sustainability of the income stream has been restored. This stability has enabled the Society to rebuild reserves and plan prudently for the future.

Key financial risk mitigations now in place include:

- **A ring-fenced cash reserve fund of £25,000,** equivalent to approximately twelve months of operating costs.
- **A clear reserves and withdrawals policy,** providing transparency and discipline.
- **A long-term tenancy agreement,** with experienced operators.
- **Ongoing oversight of mortgage commitments,** with a stated aim to reduce and ultimately eliminate debt.
- **A renewed focus on broadening membership and share capital,** to reduce reliance on a small number of larger shareholders.

While the Society is not yet able to pay interest on shares or fully meet withdrawal requests, it is moving steadily toward trading profit, targeted for September 2026. The Open Community Share Offer is a proactive step to strengthen liquidity, spread risk more evenly across a wider membership, and support long-term financial resilience.

The Society is now in a significantly stronger financial position than in previous years, with clearer policies, improved income stability, and a realistic, forward-looking financial strategy.

Historic Financial Performance

The Society's financial statements reflect a **property-backed community business.** The principal asset is the **investment property (the Chequer Inn building)**, supported by cash held for day-to-day working capital and reserves. Liabilities primarily reflect borrowing and other creditors associated with owning and maintaining a Grade II listed asset.

Our primary source of **income** is the rent paid by the tenants. Over the years we have also received a number of grants for specific purposes including the accessible toilets, refurbishment of the Edwardian Tea Rooms, some Covid-related expenses and costs of the Chartered Surveyor inspection for the purchase. We also receive a small monthly income from Dover Lotto.

Our **expenditure**, other than on the major capital projects, relates to ongoing property maintenance and improvements, and the administrative costs of running the Society, for example: loan repayments, local authority licenses, website, accountancy & bookkeeping, Buildings, Public Liability and Directors' and Officers' insurance and legal fees when required. Extra and unexpected costs have been incurred when we have had an enforced change of tenant to cover expenses such as, council tax, utilities and legal fees to chase debts and draft a new Tenancy Agreement.

We pay an annual fee for membership to Plunkett UK (a national charity which supports people in rural areas to set up and run a wide range of businesses in community ownership), as we value their expertise and the resources available to us.

We increased our mortgage on The Chequer Inn to £119,000 in 2024 so that we could repay approx. £90,000 in loans from members during our initial fundraising. The mortgage allowed us to reduce monthly outgoings and spread our repayments over a much longer period, thereby improving our cash flow. We have a small 'Bounce Back Loan' with the Cooperative Bank at 2.5% interest (ends October 2026).

The Society's income and expenditure over the past four financial years reflects a clear transition from instability to recovery and consolidation.

The loss recorded in 2022 arose primarily from tenant failure and the residual impacts of the COVID-19 period, including unpaid rent and unavoidable fixed costs associated with ownership of the building. This period highlighted vulnerabilities in income continuity but also prompted a more disciplined approach to governance, reserves, and tenant selection.

From 2023 onwards, the financial position improved markedly. Rental income increased following the appointment of more stable tenants, while expenditure reduced as emergency costs subsided and financial controls were tightened. The Society returned to operating surplus in 2023 and strengthened this position in 2024, reflecting consistent rental income and effective cost management.

The surplus recorded in 2025 remains positive, although lower than 2024, reflecting a more normalised level of expenditure, including essential maintenance and professional costs. This is consistent with the Society's prudent approach to managing a Grade II listed building and maintaining appropriate standards rather than deferring necessary works. We are confident that this improving trend will continue to be seen in our 2026 and 2027 performance.

Overall, the trend demonstrates improving financial stability. Income is now predictable and largely driven by contracted rental payments, while expenditure is controlled and aligned with long-term stewardship of the asset. The Society is not reliant on volatile trading income and does not carry the operational risks associated with running the pub day-to-day.

This improving income and expenditure profile underpins the Society's confidence in moving towards sustained trading profit. The Open Community Share Offer is intended to strengthen this position further by improving liquidity, rebuilding reserves, and reducing reliance on debt, enabling the Society to plan proactively rather than reactively.

Currently, the losses caused by the Covid-19 pandemic have meant that we have not yet made any interest payments to our Members. We hope to be in a position to do so in the future.

Overleaf are summaries of our Profit & Loss account and Balance Sheet for the period 2021 to 2025. Our financial year end is 30 September and our Accounts for the year ending 30 September 2026 will be available before March 31 2027.

Please note:

- Losses in 2022 were due to the temporary pub closure causing legal costs and debt write-off.
- The figures relate solely to CIAS activities and include NONE of the tenants' trading activity.
- The Balance Sheet shows that the retained earnings deficit has reduced from its high point in 2022 of £24,776 to £2,640 in 2025. We expect this will show a surplus when the accounts for 2026 are released.
- Copies of our Annual Accounts and Reports to the Annual Members' Meeting can be found on our website: chequerinnashsociety.co.uk

Historic Financial Performance 2021-2025

Profit & Loss	2021	2022	2023	2024	2025
Income					
Rent	£13,081	£7,552	£20,834	£24,996	£22,914
Other income	£2,392	£1,454	£1,660	£1,558	£1,856
Total Income	**£15,473**	**£9,006**	**£22,494**	**£26,554**	**£24,770**
Expenditure					
Admin. Expenses	£2,119	£13,166	£7,318	£2,782	£5,384
Loan Interest payable	£6,554	£6,293	£7,980	£9,914	£9,097
Depreciation of assets	£2,116	£2,155	£2,601	£2,315	£1,994
Tax	£0	£0	£0	£0	£1,697
Total expenditure	£10,789	£21,614	£17,899	£15,011	£18,172
Net profit	**£4,684**	**-£12,608**	**£4,595**	**£11,543**	**£6,598**

Balance Sheet	2021	2022	2023	2024	2025
Fixed Assets	£389,304	£389,330	£386,729	£384,413	£382,419
Current Assets	£32,004	£16,792	£25,334	£37,826	£49,628
Total Assets	£421,308	£406,122	£412,063	£422,239	£432,047
Creditors (< 12 months)	-£39,901	-£63,611	-£20,659	-£24,395	-£32,222
Creditors (>12 months)	-£161,175	-£134,887	-£179,785	-£174,682	-£170,065
Total Net Assets	**£220,232**	**£207,624**	**£211,619**	**£223,162**	**£229,760**
Capital & Reserves					
Paid up share capital	£232,400	£232,400	£231,800	£231,800	£231,800
Capital redemption reserve	£0	£0	£600	£600	£600
Retained earnings	-£12,168	-£24,776	-£20,781	-£9,238	-£2,640
Total Shareholders' Funds	**£220,232**	**£207,624**	**£211,619**	**£223,162**	**£229,760**

Losses in Year End 2022 were due to the pub closure in January 2022 causing legal costs and debt write-off.

Projected Financial Performance 2026 - 2027

Profit & Loss	2026	2027
Income		
Rent	£26,250	£30,000
Other income	£2,100	£1,500
Total Income	**£28,350**	**£31,500**
Expenditure		
Admin. Expenses	£3,110	£4,000
Interest payable	£6,520	£6,520
Depreciation	£1,421	£1,500
Tax	£3,287	£3,701
Total expenditure	£14,338	£15,721
Net profit	**£14,012**	**£15,779**

Balance Sheet	2026	2027
Fixed Assets	£380,600	£378,500
Current Assets	£64,252	£71,783
Total Assets	£444,852	£450,283
Creditors (< 12 months)	£31,880	£31,500
Creditors (>12 months)	£165,000	£160,032
Total Net Assets	**£247,972**	**£258,751**
Capital & Reserves		
Paid up share capital	£236,000	£231,000
Capital redemption reserve	£600	£600
Retained earnings	£11,372	£27,151
Total Shareholders' Funds	**£247,972**	**£258,751**

The value of CIAS (shown by the Total Shareholders' Funds) is projected to rise to £258,751 in 2027, an increase of £51,127 (24.6%) over the figure for the 2022 financial year. This means that the net value of CIAS exceeds the value of the members' share capital.

These projections point to the ability of CIAS to begin to pay some interest on shareholdings in the future.

- The projections are for the financial years 2026 and 2027.
- The numbers for 2026 are based on our 6 month management accounts for the period ended 31 March 2026 and we have extrapolated those to show full year projections.
- The projections for the financial year ending 30 September 2027 show continuing performance in profitability and the level of retained earnings.
- These projections result from our continuing commitment to cost control and the impact of the improved profitability on the level of retained earnings.

The historic financial performance and the conservative projections support the Society's long-term stewardship model: **protecting the building, maintaining prudent reserves, and reducing liabilities over time.**

Strategic Options Considered

In reviewing the Society's future direction, the Committee undertook a structured evaluation of the strategic options available, informed by recent experience and a clearer understanding of risk.

Option 1: Maintain the current position without further development

While the existing business model is now stable, maintaining the status quo would not address declining membership, limited liquidity, or the concentration of share capital. Over time, this option would restrict flexibility and increase reliance on a small number of members.

Option 2: Sell the property if a suitable tenant could not be sustained

This option was considered during periods of uncertainty, particularly following previous tenant failures. However, the appointment of capable, experienced tenants in 2025 and the subsequent improvement in trading confidence removed the rationale for disposal. Sale would also permanently remove a valued community asset.

Option 3: Strengthen the Society through an open community share offer

Once confidence in the current tenants' business model was established, the Committee identified this option as the most balanced and forward-looking approach. An Open Share Offer allows the Society to consolidate recent recovery, broaden membership, spread financial risk, and improve liquidity while retaining community ownership.

Following detailed consideration, the Management Committee unanimously agreed, with the support of Society members, to pursue **Option 3**. This decision reflects a shift from recovery to consolidation – building on renewed stability to secure the long-term future of the Chequer Inn as a thriving, community-owned pub.

Option 3 – The Case for Change and Investment

Following careful review of the Society's position and the lessons learned from recent years, the Committee concluded that the most sustainable and forward-looking course of action is to proceed with an Open Community Share Offer.

The Society now benefits from a stable, long-term tenancy with experienced operators, consistent rental income, clearer financial controls, and a defined reserves policy. This stability provides the right conditions to strengthen the balance sheet, refresh membership, and plan confidently for the future.

The Open Community Share Offer is designed to achieve four inter related objectives:

This approach reflects a shift from recovery to consolidation. The share offer is not driven by immediate financial pressure, but by the opportunity to build on renewed stability, spread risk, and place the Society on a stronger long-term footing.

The Management Committee unanimously supports this option and believes it represents the most balanced, responsible, and community focused strategy to secure a thriving pub at the heart of Ash.

Anticipated Growth in Membership Through the Open Community Share Offer

The anticipated growth in membership reflects the Society's experience of strong local interest in community ownership, particularly following the stabilisation of the tenancy, improved financial position and increasing local population. The profile is deliberately front-loaded, recognising the immediate opportunity to broaden membership through the open share offer, followed by steady, sustainable growth in subsequent years.

Broadening membership in this way supports the Society's long-term resilience by increasing liquidity, spreading financial risk across a wider base, and reducing reliance on a small number of larger shareholders. This approach also strengthens democratic governance and supports the Society's ability to respond fairly to member withdrawal requests over time, in line with its Withdrawals Policy.

Investment	Period Covered	Target New Members
Year 1	September 2026 - August 2027	100
Year 2	September 2027 - August 2028	50
Year 3	September 2028 - August 2029	50
Year 4	September 2029 - August 2030	50
Year 5	September 2030 - August 2031	50
Year 6	September 2031 - August 2032	25

Why Membership Matters

A broad and active membership base is essential to maintaining financial resilience, effective governance, and the long-term community ownership of the Chequer Inn.

As a Community Benefit Society, the Chequer Inn is owned collectively by its members. A broad and active membership base supports financial stability, effective governance, and the Society's ability to operate in accordance with its Rules and objectives.

Membership growth is also necessary to reflect changes in the local community. Ash has expanded since the pub was purchased by the Society in 2018, and new residents have expressed interest in becoming members. Opening membership to new participants ensures that ownership of the pub remains representative of the community it serves.

Our Plan for Long-Term Security and Growth

The Society's forward plan focuses on **consolidation, resilience,** and long-term **sustainability,** ensuring the Chequer Inn remains financially stable and community-owned.

- **Financial resilience**

  Maintain a ring-fenced reserve equivalent to ~12 months of operating costs, alongside disciplined cost control and prudent financial oversight.

- **Open Community Share Offer**

  Broaden membership, increase liquidity, and spread financial risk more evenly across a wider shareholder base.

- **Member support**

  Enable fair and orderly share withdrawals over time, in line with the Society's Withdrawals Policy, as liquidity improves.

- **Debt reduction**

  Use surplus funds, where appropriate, to reduce mortgage debt and strengthen the balance sheet.

- **Asset protection**

  Invest in essential maintenance and targeted improvements to protect the long-term value of the Grade II listed building.

- **Strong tenancy**

  Sustain a constructive, professional relationship with experienced tenants to secure reliable rental income and a thriving pub.

Together, these actions position the Chequer Inn Ash Society with a strong foundation for the future, protecting a valued community asset while welcoming new members to help shape its next chapter.

Appendix 1

Key Risks

The Society has identified a small number of key risks that are typical for a property-owning organisation operating in the hospitality sector. These risks are well understood and actively managed through clear policies, prudent financial planning, and strong governance.

The most significant risk for the Society is **tenant sustainability**, as rental income is the Society's primary source of income. This risk is mitigated through careful tenant selection, long-term lease arrangements, fair rent setting, regular communication, and the maintenance of ring-fenced reserves designed to cover periods of disruption.

A related risk is the potential for **short gaps between tenancies**, which could temporarily affect cashflow. The Society addresses this through conservative reserves equivalent to approximately twelve months of operating costs, ensuring that essential expenses can be met while replacement tenants are secured.

As owner of a **Grade II listed building**, the Society also faces ongoing responsibilities for maintenance and repair. This risk is managed through planned maintenance, appropriate insurance, specialist advice where required, and reserves held specifically to protect the fabric of the building.

Governance and membership renewal are also recognised risks. The Society depends on volunteer involvement and effective succession planning. The Open Community Share Offer directly addresses this by broadening membership, reducing reliance on a small number of individuals, and bringing new skills and capacity into governance.

The table on p14 summarises these key risks and the practical steps taken to manage and reduce them. It should be read alongside the Society's reserves, withdrawals, and financial management policies.

Risk Area	What This Means	How the Risk Is Managed
Tenant sustainability	Rental income is the Society's primary source of income. Loss of tenants could temporarily affect cash flow.	Long-term lease with experienced operators; fair and realistic rent setting; regular communication; ring-fenced reserves to manage disruption.
Continuity between tenancies	A short gap between tenants could result in temporary loss of income and increased owner costs.	Reserves equivalent to ~12 months of operating costs; good property condition to support quick re-letting; planned succession and marketing approach.
Affordability of running costs	Rising costs or unexpected repairs could place pressure on cash flow.	Prudent budgeting; planned maintenance; appropriate insurance; phased works; active review of mortgage and other commitments.
Care of an historic building	As owner of a Grade II listed property, the Society has ongoing maintenance responsibilities.	Regular inspections; preventative maintenance planning; specialist advice where required; reserves held specifically to protect the fabric of the building.
Membership renewal and governance capacity	Declining or ageing membership could reduce governance capacity and succession.	Open Community Share Offer to broaden membership; active encouragement of participation; defined Committee roles and succession planning.
Concentration of share capital	Reliance on a small number of larger investors can increase liquidity pressure.	Broader membership through the share offer; maximum investment limits; fair, phased withdrawals aligned to policy.
Community engagement and relevance	Reduced local engagement could weaken the pub's role as a community hub over time.	Community ownership model; regular communication; support for tenant-led and community activity; Committee oversight to ensure inclusivity and relevance.

Chequer Inn Ash Society Limited

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chequerinnashsociety.co.uk

Registration Number 7406

The Management Committee of the Chequer Inn Ash Society have produced this document, our Business Plan, and agreed to its contents on 04/08/2026.