

The Eagles, Penmachno

***Business Plan: The Eagles, Community Pub &
Bunkhouse***

Supported By



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Revision History

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Executive Summary

The Eagles is the only pub in Penmachno - and for a distance of some 5 miles. Like many village pubs it is a central part of community life in this stronghold of the Welsh language and its loss would be a severe blow to community wellbeing. Unfortunately, the current owner is moving on and the pub is on the market but with little sign of interest from would be purchasers.

To safeguard this vital community asset, local people have come together to purchase The Eagles.

Our aim:

To preserve and revitalise *The Eagles* as a thriving community-owned pub and bunkhouse that is at the heart of the Machno Valley — a welcoming space for locals and visitors alike, providing food, drink, accommodation, and community events.

Our objectives:

- Purchase and refurbish The Eagles through community shares, grants, and ethical loans.
- Operate a welcoming, accessible, and profitable pub and cafe, offering locally sourced food and drinks.
- Maintain and enhance bunkhouse accommodation for walkers, cyclists, and other visitors with a focus on supporting sustainable tourism in the area.
- Provide a venue for community events, workshops, cultural activities and a place for the Welsh language to thrive.
- Achieve financial sustainability and grow the business for the benefit of the wider community, with future profits used to support the provision of affordable homes for local people.

Having examined the market and the existing accounts of the pub, we are confident that The Eagles has a viable and sustainable future under community ownership. We are also confident that there is the passion, willingness and expertise within the community to make the venture a success.

1. Background

The community of Bro Machno covers a rural area within the upper reaches of the Conwy Valley, on the eastern edge of Eryri National Park. At the last census the population of Bro Machno was 629. The area is a stronghold of Welsh language and culture with almost 60% of people in Bro Machno saying that they can speak, read or write in Welsh. There are numerous clubs, societies and groups that operate through the medium of Welsh and reflect Welsh culture.

At the centre of the community is the village of Penmachno which maintains a small Welsh-medium primary school, a pub and a convenience store.

Bro Machno is fortunate to have significant natural assets which make it an important destination for sustainable travel and tourism. The area has large tracts of accessible upland and forestry with well-established walking routes and mountain-bike trails. The rivers of the Upper Conwy also make it a mecca for white-water kayaking.

However, like many other rural areas across Wales, tourism can be a benefit and a threat to community life. 37% of houses are second homes, holiday lets or vacant properties. Residents feel that the foundation of community life and the Welsh language in the area is increasingly unstable and uncertain. Following community development work undertaken by Menter Iaith Conwy and other partners, Cymdeithas Dai Bro Machno Cyfyngedig (trading as Cynnal Bro Machno) was registered in October 2025 as a Community Benefit Society (FCA Number: 9615) with the purpose of securing affordable housing and other community assets to sustain the vibrancy of the area.

2. The Eagles

The Eagles is the only pub in Bro Machno. It offers food and drink as well as bunkhouse accommodation which is very popular with outdoor enthusiasts, families and groups. The pub has been for sale for over two years, but with little sign of interest from would-be purchasers, the current owner is considering moving-on and closing the pub.

With growing concern over losing this vital community asset, a consultation was undertaken in 2025 and with widespread support from residents, Cynnal Bro Machno decided to raise funds to purchase and refurbish the pub.

The Eagles is already much more than a place to socialise and under community ownership we want to increase this scope. We want The Eagles to be an inclusive venue where everyone feels welcome, regardless of age, income, language or background. By creating a space that is owned and run by the community, we will reduce barriers to participation and give local people a voice in shaping the services they need.

Our objectives in taking this forward are:

- **Affordable and Accessible:** We will keep food and drink prices fair and offer free or low-cost activities, ensuring that those on lower incomes can take part. We will undertake renovations and physical improvements to the building to make the pub more accessible to a wider range of users.
- **Employment and Skills:** The pub, cafe and bunkhouse will sustain existing and create new local jobs and volunteering opportunities, helping people gain experience in hospitality, management, and community engagement.
- **Social Connection:** Isolation is a major issue in rural areas. The Eagles will host events for older, and isolated residents in particular, strengthening social ties and improving wellbeing.
- **Support for Local Producers:** We are fortunate to have many excellent local producers of food and drink. By sourcing food and drink locally, we will boost small businesses and keep money circulating within the community.

How Our Community Will Benefit

- **A Safe, Welcoming Space:** A place where everyone can meet, share ideas, and feel part of something bigger.
- **Improved Wellbeing:** Reducing loneliness and promoting mental health through social interaction and community-led activities.
- **Economic Growth:** Jobs, training, and support for local suppliers will help sustain the local economy.
- **Empowerment:** Community ownership means decisions are made locally, giving people a sense of pride and control over their future.
- **Sustainability:** The pub is critical in sustaining the social and cultural life of the Bro Machno and has an important part to play in making the village an attractive place to live and work.

Welsh Language

The Eagles will continue to actively celebrate and promote the Welsh language as a core part of our identity and culture. The Welsh language is central to community life in Bro Machno, and we want to make Welsh visible, accessible, and valued in everything we do.

- **Bilingual Environment:** All signage, menus, and communications will be in both Welsh and English, ensuring the language is present and normalised.
- **Staff Training:** We will encourage and support staff to learn or improve their Welsh, offering training and resources so they can greet and serve customers confidently in Welsh.
- **Welsh Language Classes and Events:** We will continue to support the regular Welsh language classes and Welsh Learner's Drama that already take place and we hope to offer other events such as music nights, poetry readings, and quizzes in Welsh, creating opportunities for people to use and enjoy the language socially.
- **Everyday Use:** We will continue to make Welsh the default for greetings and informal conversation, helping to keep the language alive in daily life.

Supporting Local Culture

The pub is already a cultural hub in the village, with monthly regular ‘Sesiwn Fach’ music nights, an annual Welsh-learner’s drama production and spontaneous choral singing - often led by members of Côr Penmachno. Under community ownership we will increase events with a focus on the unique culture and heritage of Bro Machno.

Sustainability and tackling the climate emergency

Our project aims to embed sustainability and environmental responsibility into its core operations, helping to address the climate and nature crises while inspiring positive change locally.

Energy Efficiency: In our refurbishment of the pub we will use energy-efficient appliances, LED lighting, and in the longer-term, explore renewable energy options such as solar panels to reduce carbon emissions.

Local and Seasonal Produce: By sourcing food and drink from local suppliers, we cut transport emissions and support sustainable farming practices.

Waste Reduction: We will minimise single-use plastics, implement recycling and composting schemes, and work towards a zero-waste approach.

Promote sustainable tourism: The Eagles is ideally placed to accommodate and serve food and drink to visitors walking and cycling, helping reduce car dependency and carbon footprint. We aim to increase the availability of accommodation and the pub’s opening hours to further meet the needs of these visitors.

3. Community Consultation

The proposed community ownership of the Eagles in Penmachno arose from a direct appeal from a significant number of people from the local community including those involved in organising and operating events (music nights, Welsh classes) and others who feared that more informal social exchange involving both visitors and the local community would be lost forever if the Eagles ceased trading.

Activity to date

An initial questionnaire was circulated amongst residents from which 40 residents responded, all of whom were supportive of a community purchase.

From October 2025 Cynnal Bro Machno has established regular weekly meetings open to the community to develop and inform our planning and put in place structures to take the project forward. To date, 27 community members have been actively involved in taking these plans forward and attend meetings to plan and oversee the project.

A Committee made up of 6 officers has been appointed to coordinate the plans while a number of sub-groups (eg. finance & business planning, events, media, grants) have been established, drawing upon the skills and expertise of community members. In addition, individual community members have taken on specific roles such as managing social media and website design.

The project to purchase the pub was launched by Cynnal Bro Machno on 6th December 2025 with banners placed in the village and leaflets distributed widely. An open consultation event was held with community members where committee members were available to answer questions and gather views and ideas for developing the pub. The event launched the Cynnal Bro Machno website, where pledges to buy shares could be made prior to the formal launch of the share offer. At the end of January 2026, 87 people have made pledges totalling £46,500. A further 10 people have made pledges for as yet unspecified amounts.

17 community volunteers stepped forward to operate the pub while the current owner was away over the Christmas and New Year period 2025, undertaking a wide range of duties that ensured the pub was able to stay open over this important period.

Further community engagement

A significant consultation event showcasing proposed adaptation of the existing facilities to promote access and develop the user experience in line with the aim to appeal to the broadest spectrum of community interests will coincide with the share offer.

Further consultation events are anticipated to invite ideas and opinions that will inform the development of outbuildings and landscape areas to the rear of the main building that houses the pub and bunkhouse.

Consultation events will reflect the development priorities, the first of which is to own the building, the second to undertake essential adaptation focused on inclusivity and then to identify the scope of work that enhances other areas.

An important part of the consultation approach is dialogue with the existing owner / proprietor whose support for the aim of community ownership is proving vital in developing an understanding of the building and its operation that will result in transitional fluency when the aim to transfer ownership to the community benefit society is achieved.

As part of our Business Planning, the Committee will be drawing up a volunteering strategy to ensure that we maintain sufficient volunteers to undertake the ongoing management and further development of the pub once the community takes ownership, alongside day-to-day volunteering in support of paid staff.

4. Our plan

The initial priority is to take ownership of the building and the share offer is focussed on this objective. The aim is to ensure that the existing building remains in operation through this transition to maintain continuity in trading and customer base for current facilities that includes bunkhouse accommodation. The business plan reflects this priority with some allowance for building repairs advised by a building survey. The priority to raise funding to primarily purchase the property and associated business reflects discussion with the existing owner / proprietor on timescale and other aspects of transition that include promotional events.

It is anticipated that the funding for this primary target will be met by a combination of a successful share offer and grant application (Community Facilities Programme) with the option to top this up with access to a loan. A successful share offer is critical to the parallel Community Facilities Programme bid and the success of both underpins any further progress.

In parallel with advancing the share offer and grant application to purchase the property, the Community Benefit Society has appointed architects to prepare proposals to undertake essential modification (meeting requirements for social inclusion and improved accessibility) and desirable improvements that would enhance the potential for broadening community engagement. None of this work can be undertaken until the building is transferred to the Community Benefit Society and some aspects will require planning approval. The proposals will form the basis of continuing consultation with the community and funding sources (further grants / loans) are being identified that can support these developments that can be subject to phasing to reflect the availability of funding.

Beyond the essential and desirable modifications to the main building that contains the bar, dining area / event space and bunkhouse, there are further opportunities to develop and remodel buildings and landscape to the rear that could support activities under cover and in the open air. The potentials include enhancement to the existing beer garden, the provision of pop-up food to reflect seasonal occupation and further accessible space to enhance the accommodation offer. Community consultation will help define this and associated fundraising would support this future development.

Phase 1: Purchase the pub

Through a mix of community share-offer, grants and affordable loans we will purchase the freehold of The Eagles. The property currently includes:

- A traditional pub/bar area with kitchen and additional room as a second bar / dining room or function room.
- A bunkhouse with 25 beds in 8 rooms.
- Shared kitchen, bathrooms, drying room and secure room (for cycles).
- Outdoor seating/garden.
- Owner / manager's live-in bedroom and bathroom.
- 3 out-buildings currently used for storage with potential for conversion to accommodation.

An independent ('Red Book') valuation of the building, dated 28th January 2026, has valued The Eagles freehold and current business at £350,000.

Phase 2: Operate the pub under community ownership

Once we have purchased The Eagles, we aim to take-over the operation of the pub and the bunkhouse seamlessly from the existing owner.

Management & Staffing

Ownership:

The Eagles will be owned by Cymdeithas Dai Bro Machno Cyfyngedig - a community benefit society (CBS) registered (RS009615) with the FCA, ensuring democratic ownership — one member, one vote.

Governance:

- An interim Management Committee made up of 6 local residents was appointed at a public meeting in November 2025.
- Following the Share Offer, the current Committee will resign and a new Management Committee will be elected by shareholders.
- We will hold monthly governance meetings.
- There will be an Annual General Meeting for all members.

Management:

- A Pub Management sub-group of the Committee and co-opted volunteers will be recruited to offer guidance and practical assistance in the fields of bookkeeping, operations, HR, building maintenance, events and marketing.
- The Pub Management sub-group will be chaired by one of the Committee.
- The group will initially meet weekly to oversee the operation of the pub and bunkhouse, and provide support to the employed staff.

Staffing Plan:

- A Full-time manager.
- Part-time bar and kitchen staff.
- Seasonal bar and kitchen staff.
- Contracted cleaning.
- Volunteers for peak demand, community events and maintenance days.

We propose that a manager will be appointed with responsibility for day-to-day oversight of the volunteers, the food and drink operations, and bunkhouse bookings. Consideration will be given to payment of a performance related bonus.

The manager will act as line manager for all employees including kitchen staff and will have a supervisory role with respect to volunteers. The manager will provide monthly reports to the business sub-committee and will meet on a weekly basis with a named member of the team, who will act as their point of contact. The business sub-committee will provide reports, summaries, and advice to the Management Committee.

Operations

While our initial approach would be to cautiously operate along similar lines to that of the current owner, we would seek to extend the opening hours; increase the availability of food; and increase the number and scope of community events in the pub.

Initially, therefore, the operations would be:

Pub

- Serving local ales, ciders, and pub food classics with locally sourced produce.
- Open 7 days during summer; 5 days in winter.
- Regular events: Welsh classes, quiz nights, music.

Bunkhouse

- 25 bed capacity, priced affordably initially at £20 per night winter £25 per night summer (plus VAT).
- Facilities: showers, drying room, Wi-Fi, communal kitchen.
- Online booking (currently via booking.com)

Phase 3 Renovations

We have undertaken a building survey of the property and immediate remedial works to the value of approximately £50,000 have been identified and architectural plans have been prepared (see appendix).

The most urgent items include building new accessible toilets, reconfiguring the bar areas to provide more flexible space, decoration of the ground floor and remedial work to the roof. We would seek to secure funds for this phase as part of the initial fundraising.

Phase 4 Improvements

While the current scope of operations is profitable, and in the short-term under our ownership there is room for immediate improvement, in the longer-term there is potential to increase the quality and range of services offered as funds allow. This would potentially include:

- Upgrading some of the bunkhouse accommodation to more profitable ensuite rooms.
- Improving facilities for sustainable tourism including drying rooms, bike storage, e-bike charging
- Converting some of the out-buildings to provide further accessible accommodation.
- Upgrading the kitchen to facilitate a wider menu choice and extended opening.
- Opening a community-run cafe during the daytime.

Plan Timeline

Plan Phase	Detail	Dates
Phase One: Purchase of The Eagles	Through a mix of community share-offer, grants and affordable loans we will purchase the freehold of The Eagles.	May to September 2026
Phase 2: Operate the pub under community ownership	We aim to take-over the operation of the pub and the bunkhouse seamlessly from the existing owner.	September 2026
Phase 3 Renovations	Immediate remedial works to the value of approximately £75,000 have been identified and architectural plans have been prepared.	November 2026 to March 2027
Phase 4 Improvements	In the longer-term there is potential to increase the quality and range of services offered as funds allow.	2027-2029

5. Market Analysis

5.1 Overview

The Eagles operates in a distinctive rural market shaped by three factors:

1. A strong and close-knit Welsh-speaking community with limited local amenities.
2. A growing visitor economy driven by walking, cycling, kayaking and outdoor recreation.
3. Rising demand for sustainable, authentic, locally rooted tourism experiences.

Penmachno's location within Eryri (Snowdonia) National Park provides the village with a steady flow of visitors while maintaining the quieter, more intimate character that many outdoor enthusiasts seek. This gives The Eagles a dual role: a vital community hub for residents and an affordable, welcoming base for visitors exploring the Machno Valley.

Meanwhile, the pub's status as *the only hospitality venue within five miles* places it at the centre of local social life. Safeguarding the pub through community ownership ensures a stable foundation of year-round trade that complements seasonal tourism.

5.2 Unique Selling Points (USPs)

Location & Setting

- Only pub with accommodation within a 5-mile radius
- Situated within Eryri National Park
- Close to popular mountain biking and canoeing locations
- Directly on the Llwybr Llechi Eryri and Traws Eryri trail routes
- Access to National Trust property, Tŷ Mawr Wybrnant

Offer & Experience

- Combined pub and bunkhouse, offering both social space and affordable stay options
- Authentic Welsh-language environment
- Lower prices than neighbouring tourist centres such as Betws-y-Coed

Community Ownership

- Provides a trusted, ethical alternative for socially conscious visitors
- Reinforces loyalty and local pride
- Demonstrates a clear commitment to the local economy, culture, and language

5.3 Target Markets

Residents

Regular customers for drinks, meals, events, Welsh language activities, and private functions. This group forms the foundation of year-round trade.

Walkers, Hikers and Other Tourists

Attracted by affordable bunkhouse accommodation and access to the region's walking routes, landscapes, and national park attractions.

Cyclists, Mountain Bikers and Outdoor Groups

The Machno and Gwydir mountain-bike trails and wider Conwy Valley cycling network attract clubs, groups and individuals requiring group accommodation, drying facilities, and secure bike storage.

The Traws Eryri long-distance bikepacking route passes through Penmachno with many users looking for overnight accommodation. While official total user numbers are not currently published for Traws Eryri - as it is a relatively new - evidence of its popularity and use includes a dedicated official Facebook group, mentions in forums like Singletrack World where the route is described as a "firm favourite" and "well-loved" among bikepackers, as well as a number of MTB guiding companies actively operating on the route.

Event Organisers

Local families, community organisations, Welsh-language groups, and small-scale training, meeting, or cultural event organisers looking for an accessible and affordable venue with accommodation.

5.4 Market Trends

- **Growth in domestic tourism ('staycations')**: Increasing numbers of UK residents choose rural, nature-based holiday destinations.
- **Rise in active travel and adventure holidays**: Mountain biking, bikepacking, hiking, kayaking and similar outdoor pursuits continue to grow in popularity.
- **Expansion of community-owned hospitality**: Over 170 community pubs now operate successfully in the UK, with strong public support for ethical, locally rooted businesses.
- **Demand for authenticity and sustainability**: Travellers, especially younger visitors, value local culture, community engagement, and environmentally responsible enterprises.

These trends align closely with The Eagles' strengths and create long-term opportunities for growth.

5.5 Competition Analysis

Direct Competition

There are no other pubs in Bro Machno or within a 5-mile radius, giving The Eagles a natural local monopoly.

Indirect Competition (Betws-y-Coed)

Includes multiple pubs, cafes, restaurants, hotels, hostels and guesthouses. While these offer higher capacity and a greater range of services, The Eagles maintains a competitive edge through:

- More affordable accommodation and food
- A quieter and more authentic Welsh-speaking setting
- Direct access to trails without the congestion of Betws-y-Coed
- A unique combined pub–bunkhouse model
- Strong community backing and identity

6. Marketing & Promotion

A robust and creative marketing and promotion strategy is essential to ensure the long-term success of The Eagles as a community-owned pub and bunkhouse. With its unique position as the only hospitality venue in Bro Machno and a vital community hub, The Eagles must reach and engage both local residents and the growing number of visitors seeking authentic, sustainable experiences in Eryri National Park. Our approach will blend digital outreach, local engagement, strategic partnerships, and loyalty-building initiatives to maximise awareness, drive bookings, and foster a sense of belonging among all stakeholders.

6.1 Digital Promotion

We will develop a strong online presence to reach both local and visitor markets:

- **Website & Online Booking:** A user-friendly, bilingual website will showcase the pub, menus, bunkhouse, events, and community activities, with integrated online booking for accommodation and event tickets.
- **Social Media:** Active profiles on Facebook and Instagram will share news, offers, event updates, and stories from the pub and community. Content will be bilingual to engage both Welsh and English speakers.
- **Email Marketing:** Regular newsletters will keep shareholders, locals, and past guests informed about upcoming events, special offers, and community news.
- **Search Engine Optimisation (SEO):** The website will be optimised for relevant keywords (e.g., “Penmachno pub”, “Eryri bunkhouse”, “Welsh language events”) to improve visibility in search results.

- **Online Reviews & Listings:** We will encourage satisfied guests to leave reviews on platforms like Google, TripAdvisor, and Booking.com, and ensure our listings are accurate and appealing.

6.2 Partnerships

Strategic partnerships will amplify our reach and credibility:

- **Tourism Bodies:** Collaborate with local and regional tourism organisations to feature The Eagles in visitor guides, websites, and promotional campaigns.
- **Outdoor & Adventure Groups:** Build relationships with walking, cycling, and kayaking clubs, as well as event organisers, to promote group bookings and special packages.
- **Accommodation Providers:** Partner with local B&Bs, holiday cottages, and adventure providers for joint promotions and referral schemes.
- **National Park & Trail Networks:** Ensure visibility on Eryri National Park visitor networks, trail guides, and relevant online forums.

6.3 Local Engagement

Deepening our roots in the community is central to our ethos:

- **In-Village Promotion:** Use social media spaces, posters, leaflets, and signage in Penmachno and neighbouring villages to advertise events, offers, and community activities.
- **Schools & Clubs:** Work closely with the local school, clubs and groups to co-host events and encourage regular use of the pub and bunkhouse.
- **Community Events:** Host regular events—such as quiz nights, music sessions, and cultural celebrations—to build loyalty and increase midweek usage.
- **Word of Mouth:** Empower shareholders and local champions to spread the word and invite new visitors.

6.4 Loyalty & Incentives

We will foster repeat business and community pride through:

- **Shareholder Involvement:** Offer exclusive benefits to shareholders, such as special events and a regular newsletter
- **Loyalty Schemes:** Introduce a community loyalty card or points system rewarding regular customers with discounts or free items.

- **Themed Nights & Weekly Activities:** Run regular themed evenings (e.g., cultural activities, local produce tastings) and weekly activities to encourage repeat visits and broaden our appeal.

6.5 Monitoring & Evaluation

To ensure our marketing efforts are effective, we will:

- Track website traffic, social media engagement, and online bookings.
- Collect feedback from guests and the community.
- Review the success of events and promotions, adjusting tactics as needed.
- Report regularly to the Board and shareholders on marketing outcomes and opportunities for improvement.

6.6 Market Potential & Opportunities for Growth

As The Eagles becomes established under community ownership, significant opportunities exist to expand services and revenue:

- Upgrading selected bunkhouse rooms to en-suite accommodation.
- Creating a daytime community café.
- Enhancing drying rooms, storage and e-bike facilities.
- Expanding event capacity and hosting more cultural or educational sessions.
- Converting outbuildings into accessible or additional accommodation.
- Further development of the food offer using local products.

These improvements will strengthen resilience, broaden income streams, and enhance the visitor experience.

7. Financial Plan

For the purposes of this business plan, the following funding assumptions have been made to support the financial plan for Phase 1-3. The detailed funding mix is the minimum funding target by which this project will proceed.

7.1 Phase 1-3 Costs

Item	Estimated Cost (£)
Property (freehold) and business purchase	350,000
Legal & professional fees	15,000
Refurbishment & decoration	85,000
Working Capital	50,000
Total Phase 1-3 cost:	£500,000

7.2 Phase 1-3 Funding

The detailed funding mix is the minimum funding target by which this project will proceed with Phase 1 and then through phases 2 and 3. Should the Share Offer exceed the target of £150,000 set out below, the amount sought from the Community Asset Loan Fund (CALF) would be reduced.

For details on the Community Share Offer, see accompanying document "Share Brochure".

Source	Amount (£)	Status
Community share offer	£150,000	Launching 14/02/26
Grants		
Perthyn (Cwmpas)	£5,000	Applied 31/01/26
CommunityFacilities Programme	£300,000	Expression of Interest 31/01/26
Loans		
Community Asset Loan Fund	£45,000	Expression of Interest made
Total Funding	£500,000	

7.3 Three Year Forecast

The business financials have been fully modelled through a review of previous years trading under current owner and on achieving the above, the summarised results for the first three years would be:

Eagles Penmachno			
Business Model			
Summary			
	2026	2027	2028
Bunk Bed Nights	75,250	82,775	91,053
Bar customers	55,800	61,380	67,518
Meals served	60,250	72,300	86,760
Third party hire	7,250	7,975	8,773
Other	-	-	-
Total Revenue	198,550	224,430	254,103
Bed changeover costs (inc temp labour)	16,000	17,600	19,360
Drinks Purchases	25,364	27,900	30,690
Food Purchases	21,518	25,821	30,986
Consumables	3,971	4,368	4,805
Utilities	9,928	10,920	12,012
Total Direct Costs	76,780	86,610	97,853
Gross Profit	121,770	137,820	156,250
<i>Margin</i>	<i>61%</i>	<i>61%</i>	<i>61%</i>
Administrative Costs	124,950	115,050	115,050
EBITDA	- 3,180	22,770	41,200
Interest	2,803	2,835	2,587
Depreciation	413	354	275
Corporation Tax	-	-	-
Profit After Tax	- 6,396	19,581	38,338

Month by month P&L, Cashflow and Balances are set out in the accompanying appendices.

Administrative Costs

Figures within the 3 year forecast model are based on previous years accounts (2023/2024) which are comprised of; Employment Costs (payroll), Fees and insurance, Utilities and Rates, Maintenance, Advertising, Office Costs.

Corporation Tax

No corporation tax has been modelled as Community Benefit Societies are required to pay tax only on profits exceeding £50,000.

VAT

Purchase/sale of a public house is exempt from VAT. All figures in the finance model are assumed Net.

Revenue Assumptions

For a breakdown on how the revenue projections have been calculated, refer to Operational Targets outlined in [9.1 Objectives and Key Performance Indicators \(KPIs\)](#).

See appendices for complete financial projections

8. Risk Management

Effective risk management is essential to the long-term sustainability and resilience of The Eagles as a community-owned pub and bunkhouse. Our approach is proactive and systematic, aiming to identify, assess, and mitigate risks across all areas of operation. We recognise that, as a rural hospitality and community enterprise, we face a unique set of challenges, but also benefit from strong local support and a flexible, community-driven governance structure.

8.1 Risk Identification and Assessment

We have identified the following key risk categories:

- **Financial Risks:** Insufficient funding, cash flow shortfalls, or unexpected costs.
- **Operational Risks:** Seasonal fluctuations in trade, staffing shortages, supply chain disruptions, and building maintenance issues.
- **Market Risks:** Changes in visitor numbers, increased competition, or shifts in consumer preferences.
- **Compliance and Legal Risks:** Health and safety, food hygiene, licensing, and employment law compliance.
- **Reputational Risks:** Negative publicity, poor customer experience, or failure to deliver on community expectations.
- **External Risks:** Economic downturns, changes in government policy, or unforeseen events such as pandemics or extreme weather.

Each risk is assessed for its likelihood and potential impact, and prioritised accordingly.

8.2 Mitigation Strategies

For each risk category, we have developed targeted mitigation measures:

Financial Risks

- **Robust Financial Planning:** Maintain detailed cash flow forecasts and regularly review financial performance against targets.
- **Diverse Funding Sources:** Secure a mix of community shares, grants, and ethical loans to reduce reliance on any single funding stream.
- **Contingency Reserves:** Allocate a portion of working capital as a reserve for unexpected costs.
- **Regular Financial Reporting:** Provide transparent updates to the Board and shareholders, enabling early identification of issues.

Operational Risks

- **Seasonal Trade Management:** Diversify income through year-round events, winter promotions, and local venue hire to smooth out seasonal dips.
- **Staffing Flexibility:** Build a pool of trained volunteers and offer flexible contracts to adapt to changing demand.

- **Supplier Partnerships:** Develop strong relationships with multiple local suppliers to ensure continuity and negotiate favourable terms.
- **Planned Maintenance:** Implement a rolling maintenance schedule and address surveyor-identified issues promptly, leveraging local trades where possible.

Market Risks

1. **Active Marketing:** Continuously promote The Eagles to both local and visitor markets, adapting tactics to changing trends.
2. **Customer Feedback:** Regularly collect and act on feedback to improve the offer and respond to evolving needs.
3. **Community Engagement:** Maintain strong links with local groups and stakeholders to reinforce loyalty and relevance.

Compliance and Legal Risks

- **Training and Policies:** Ensure all staff and volunteers receive appropriate training in health and safety, food hygiene, and licensing requirements.
- **Regular Audits:** Conduct periodic compliance checks and maintain up-to-date records.
- **Professional Advice:** Seek guidance from relevant bodies and professionals as needed.

Reputational Risks

- **Quality Standards:** Consistently deliver high standards of service, cleanliness, and hospitality.
- **Transparent Communication:** Engage openly with the community, shareholders, and customers, especially when challenges arise.
- **Crisis Response Plan:** Prepare a communications plan for managing negative incidents or publicity.

External Risks

- **Scenario Planning:** Monitor external developments (e.g., economic, political, environmental) and update plans accordingly.
- **Insurance:** Maintain comprehensive insurance cover for property, liability, business interruption, and key personnel.
- **Business Continuity:** Develop contingency plans for major disruptions, including alternative operating models if required.

8.3 Monitoring and Review

Risk management is an ongoing process. The Board will:

- Review the risk register at least quarterly, updating risks and mitigation actions as needed.
- Encourage staff, volunteers, and community members to report emerging risks or concerns.
- Learn from incidents and near-misses, adapting procedures to prevent recurrence.
- Report on risk management activities and outcomes at the Annual General Meeting.

8.4 Contingency Planning

Should a significant risk materialise, the following steps will be taken:

- Convene an emergency meeting of the Board and relevant stakeholders.
- Implement the relevant contingency plan (e.g., cost controls, alternative staffing, emergency repairs).
- Communicate promptly and transparently with staff, volunteers, shareholders, and the wider community.
- Review and update risk management procedures in light of the experience.

By embedding risk management into our governance and daily operations, The Eagles will be well-placed to anticipate challenges, respond effectively, and continue delivering value to the community for years to come.

9. Performance Management

Effective performance management is vital to ensuring The Eagles achieves its objectives as a thriving community-owned pub and bunkhouse. Our approach is designed to monitor progress, drive continuous improvement, and maintain accountability to shareholders, staff, volunteers, and the wider community.

9.1 Objectives and Key Performance Indicators (KPIs)

We will set clear, measurable objectives across all areas of the business, including:

- **Financial Sustainability:** Achieving profitability from year two onwards, maintaining positive cash flow, and meeting annual growth targets (see below).
- **Customer Satisfaction:** Maintaining high ratings on review platforms, positive feedback from guests, and repeat business.
- **Community Engagement:** Hosting regular events, supporting local groups, and ensuring strong participation in community activities.
- **Operational Efficiency:** Meeting occupancy targets for the bunkhouse, optimising staffing levels, and managing costs effectively.
- **Welsh Language and Culture:** Delivering bilingual services, supporting Welsh language events, and promoting local heritage.

KPIs will be reviewed and updated annually to reflect changing priorities and opportunities.

Operational Targets

The inability of the current owner to secure a buyer over the last three years is due to the poor state of the fabric and infrastructure of the building as a consequence of long-term underinvestment, combined with underperformance in sales and services. This Plan will seek to address those issues and we see considerable opportunities for growth (as set out in previous sections). We are therefore setting ourselves a target to grow the business in trade of 10% (restaurant 20%) annually for five years.

The venture must maintain a positive cash position and in line with this, be profitable from year 2 onwards. Key financial targets will be as follows:

	Winter	Summer
Bunkhouse	20% occupancy @ £20 plus VAT.	50% occupancy @ £25 plus VAT.
Pub	Open 5 nights averaging 15 customers spending £8.00 plus VAT. Mark-up of x2.2.	Open 7 nights averaging 23 customers spending £10.00 plus VAT. Mark-up of x2.2.
Restaurant	Serving 3 weekly sessions averaging 15 customers spending £15.00 plus VAT. Mark-up of x2.8.	Serving 4 weekly sessions averaging 22 customers spending £20.00 plus VAT. Mark-up of x2.8.
Events	1 a month with £250 income each.	1 a week with £250 income each.

9.2 Monitoring and Reporting

Performance will be monitored through:

- **Regular Data Collection:** Tracking financial results, occupancy rates, event attendance, customer feedback, and other relevant metrics.
- **Monthly Management Meetings:** The management sub-group will review performance data, identify areas for improvement, and agree on action plans.
- **Board Oversight:** The Management Committee will receive quarterly performance reports and provide strategic guidance.
- **Annual General Meeting (AGM):** Shareholders will be presented with a comprehensive performance review, including achievements, challenges, and future plans.

9.3 Staff and Volunteer Development

We recognise that our people are central to our success. Performance management will include:

- **Clear Roles and Expectations:** Staff and volunteers will have defined roles, responsibilities, and objectives.
- **Regular Appraisals:** Managers will conduct periodic reviews to provide feedback, recognise achievements, and identify development needs.
- **Training and Support:** Ongoing training will be provided in hospitality, customer service, Welsh language skills, and compliance areas.
- **Recognition and Reward:** Outstanding contributions will be acknowledged through formal and informal recognition schemes.

9.4 Continuous Improvement

We are committed to learning and adapting:

- **Customer and Community Feedback:** Regular surveys and open channels for suggestions will inform improvements.
- **Benchmarking:** Performance will be compared with similar community enterprises and hospitality businesses to identify best practices.
- **Responsive Action:** Action plans will be developed and implemented to address underperformance or emerging opportunities.

9.5 Accountability and Transparency

Transparency is key to building trust and maintaining community support:

1. **Open Communication:** Performance results and improvement plans will be shared with shareholders, staff, volunteers, and the wider community.
2. **Accessible Reporting:** Key performance information will be published on our website and in newsletters.
3. **Responsive Governance:** The Board will ensure that performance management processes are robust, fair, and aligned with our values.

By embedding performance management into our operations, The Eagles will ensure it remains accountable, resilient, and responsive to the needs of the community and visitors alike. This approach will support our long-term vision and help us deliver lasting benefits for Bro Machno.

Appendices

Appendix: 3 Year Finance Model

Model Summary

Eagles	Penmachno			
Business Model				
Summary				
		2026	2027	2028
Bunk Bed Nights		75,250	82,775	91,053
Bar customers		55,800	61,380	67,518
Meals served		60,250	72,300	86,760
Third party room hire		7,250	7,975	8,773
Other		-	-	-
Total Revenue		198,550	224,430	254,103
Bed changeover costs (inc temp labour)		16,000	17,600	19,360
Drinks Purchases		25,364	27,900	30,690
Food Purchases		21,518	25,821	30,986
Consumables		3,971	4,368	4,805
Utilities		9,928	10,920	12,012
Total Direct Costs		76,780	86,610	97,853
Gross Profit		121,770	137,820	156,250
<i>Margin</i>		<i>61%</i>	<i>61%</i>	<i>61%</i>
Administrative Costs		124,950	115,050	115,050
EBITDA		- 3,180	22,770	41,200
Interest		2,803	2,835	2,587
Depreciation		413	354	275
Corporation Tax		-	-	-
Profit After Tax		- 6,396	19,581	38,338

Fees and insurance	10,250	350	350	350	350	350	350	350	350	350	350	350	350	14,100		350	350	350	350	350	350	350	350	350	350	350	4,200	
Utilities and Rates	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	13,200		1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	13,200	
Maintenance	500	500	500	500	500	500	500	500	500	500	500	500	500	6,000		500	500	500	500	500	500	500	500	500	500	500	6,000	
Advertising	250	250	250	250	250	250	250	250	250	250	250	250	250	3,000		250	250	250	250	250	250	250	250	250	250	250	3,000	
Office Costs	750	750	750	750	750	750	750	750	750	750	750	750	750	9,000		750	750	750	750	750	750	750	750	750	750	750	9,000	
Total	18,238	8,338	8,338	10,838	10,838	10,838	10,838	10,838	8,338	8,338	8,338	10,838	124,950		9,588	9,588	9,588	9,588	9,588	9,588	9,588	9,588	9,588	9,588	9,588	115,050		
EBITDA	-	15,110	- 4,530	- 3,469	- 201	1,857	5,779	7,264	7,264	5,582	- 1,416	- 4,420	- 1,781	- 3,180		- 6,026	- 5,278	- 4,112	2,370	4,763	9,205	10,903	10,903	6,174	- 1,732	- 5,158	760	22,770
Interest and Depreciation																												
Interest	-	263	261	259	258	256	255	253	252	250	249	247	2,803		245	244	242	240	239	237	235	234	232	230	229	227	2,835	
Depreciation	-	42	41	40	39	38	38	37	36	35	34	34	413		33	32	32	31	30	30	29	29	28	27	27	26	354	
Corporation Tax	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	
Profit	-	15,110	- 4,834	- 3,771	- 500	1,560	5,484	6,972	6,974	5,295	- 1,701	- 4,703	- 2,062	- 6,396		- 6,305	- 5,555	- 4,386	2,098	4,493	8,938	10,638	10,641	5,914	- 1,990	- 5,414	507	19,581



Existing Elevation



Responsibility is assumed by the architect for the accuracy of the information provided in this drawing. The architect is not responsible for the accuracy of the information provided by the client or other sources.

Architect/Designer

Drafted/Drawn

Revised/Revised

0m 2m 4m
Scale: 1:100

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Project/Client
**The Eagles,
Penmachno,
LL24 0UG.**

Project/Year
2025

Task/Drawing
**Drychiadau Presennol /
Existing Elevations**

Project/Client/Drawing Number
25.09-A-21-01

Client/Title # A1

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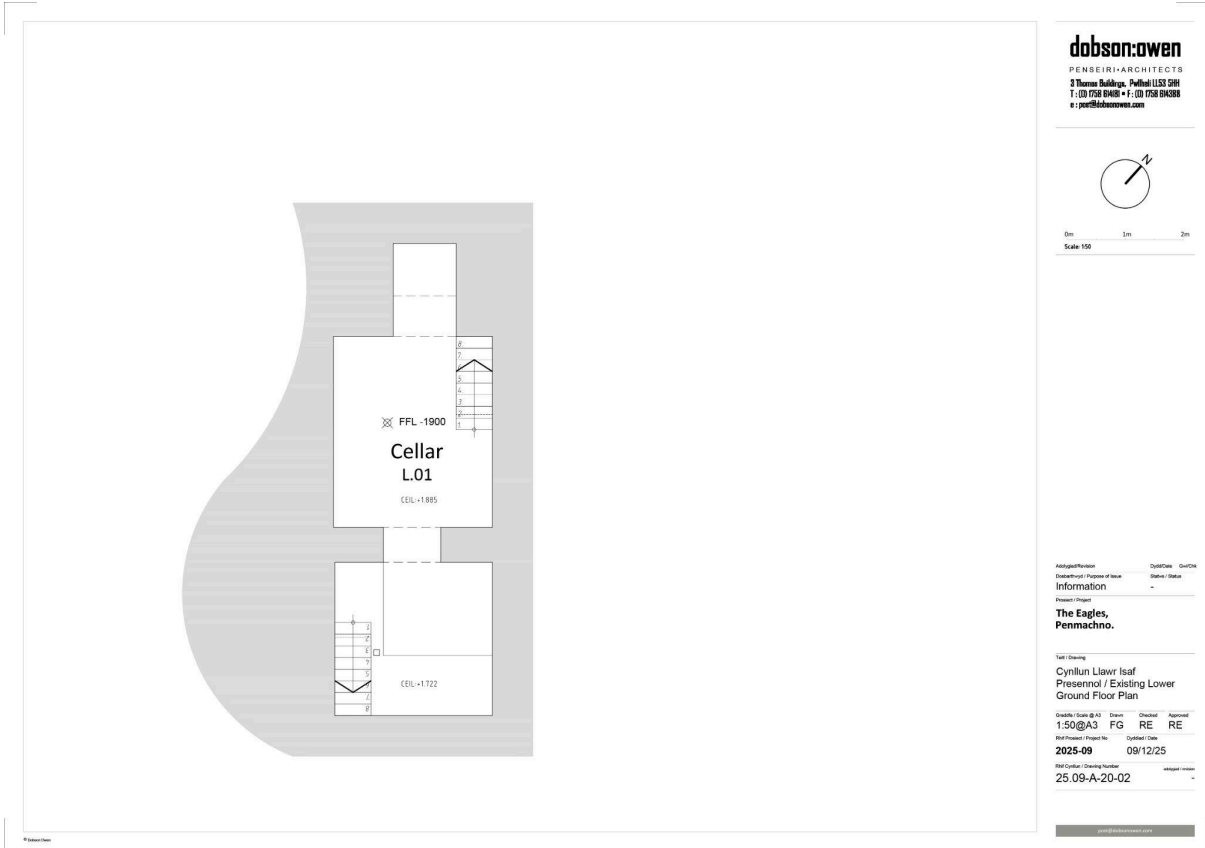
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04/01/26

Information

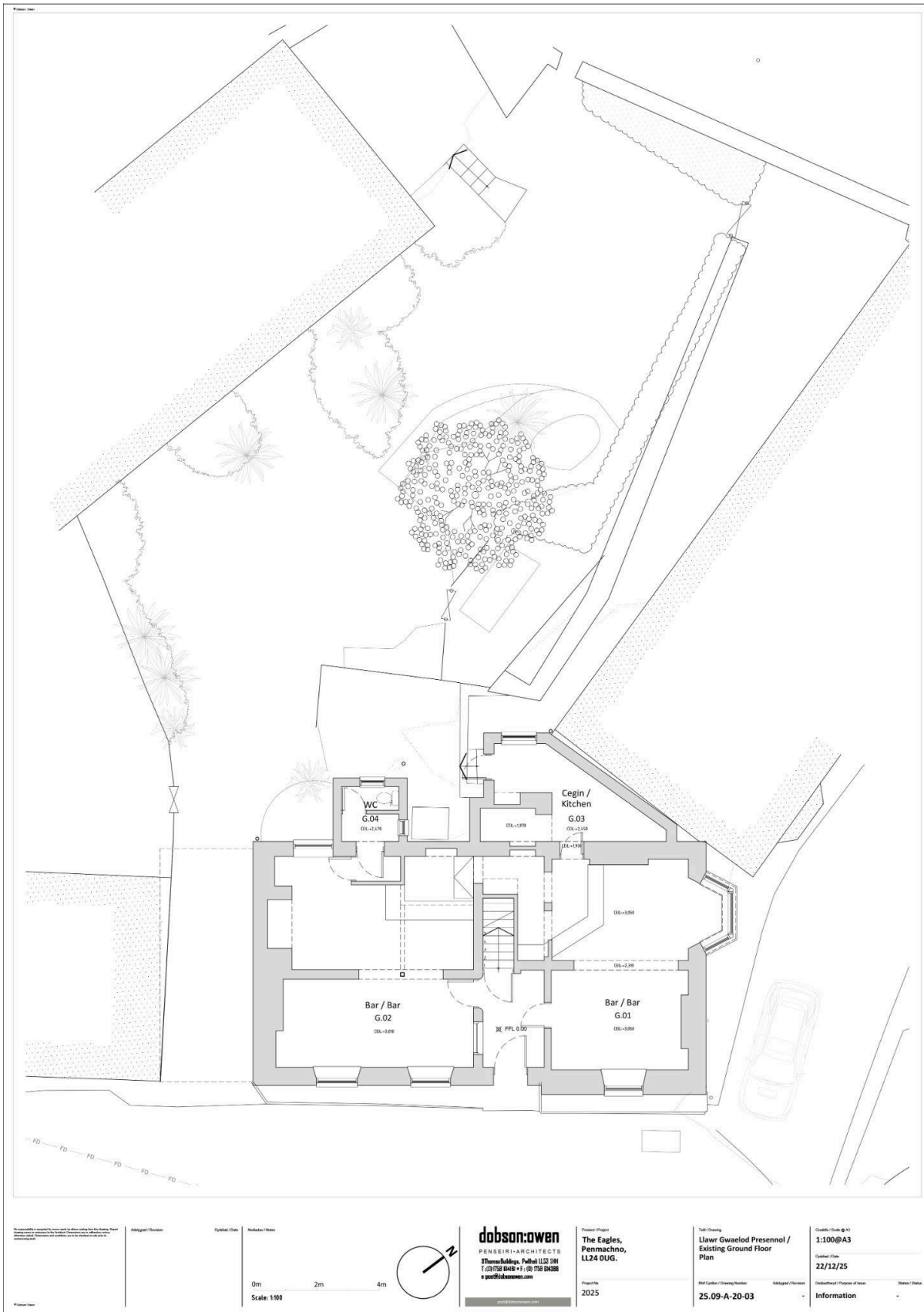


Existing Lower Ground Floor Plan





Existing Ground Floor Plan



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Author/Designer

Detailed Date
 Revision Number
 Scale 1:100



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Client/Owner
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Task/Drawing
**Llawr Gwaelod Presenol /
 Existing Ground Floor
 Plan**

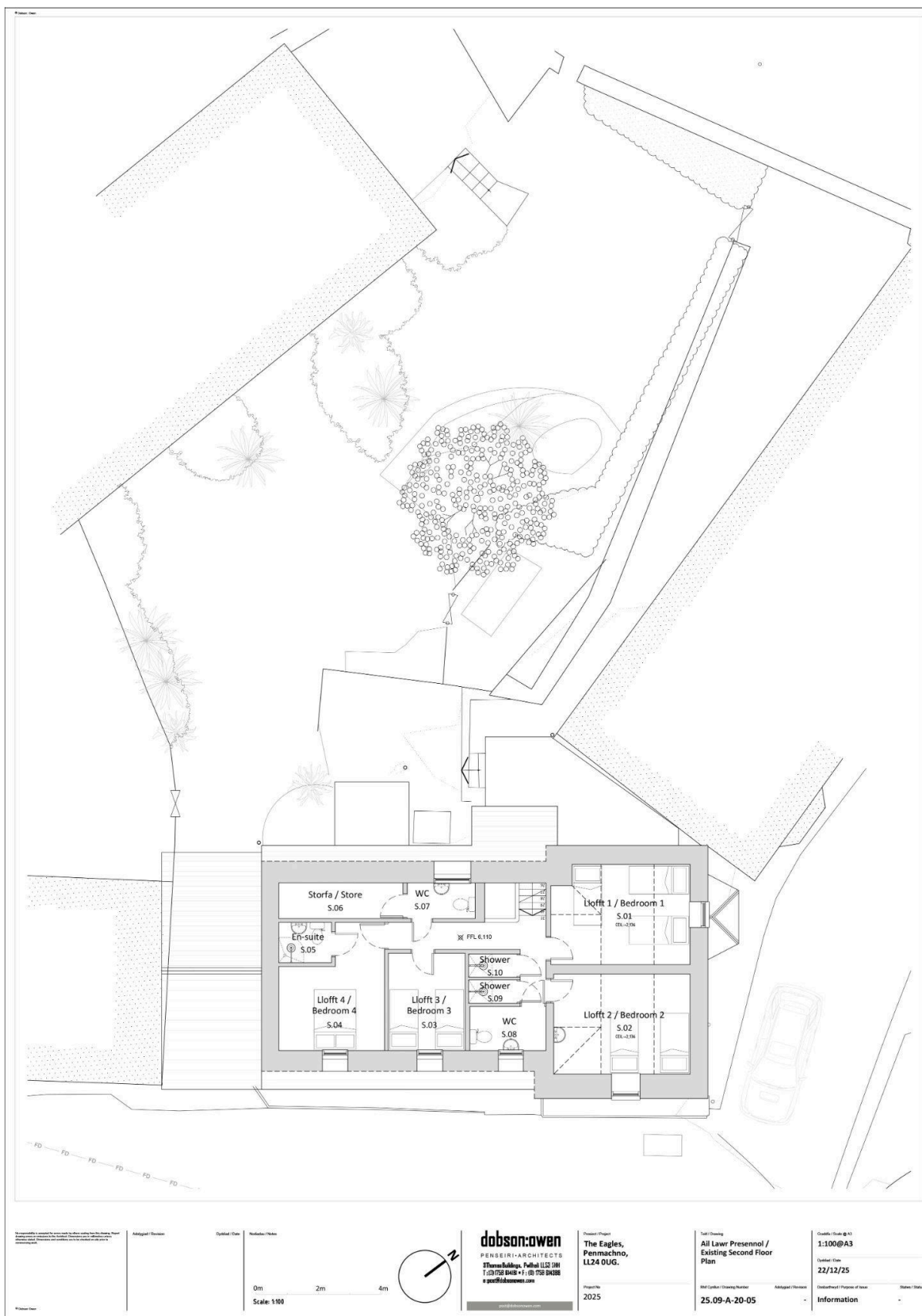
Client/Title #A1
1:100@A3
 Detail Date
22/12/25
 Client/Project/Phase of Work
Information

Existing First Floor Plan





Existing Second Floor Plan



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Author/Designer

Detailed Date
Revised Date

0m 2m 4m
Scale 1:100



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Task/Working
**All Lawr Presenrol /
Existing Second Floor
Plan**

Quality/Scale @ A1
1:100@A3
Detail Date
22/12/25
Client/Owner/Project Name
Information

Appendix: Architect Plans - Proposed Phase 3

Proposed Phase 3 Exterior





Phase 3 Organisational Diagrams

EAGLES, PENMACHNO - syniadau ail-ddatblygu / redevelopment study
 DIAGRAM GOFODAU LLAWR GWAELOD NEWYDD / NEW GROUND FLOOR SPATIAL DIAGRAM

dobson:owen
 PENSEIRI - ARCHITECTS

- A** FEL UN ARDAL BAR ESTYNIEDIG / AS A SINGLE ENLARGED BAR AREA
- B** FEL YSTAFELL AML-DDEFNYDD (caffi, bwyta, cyfarfod) / AS A SEPARATE MULTI-USE SPACE (cafe, dining, meeting)
- BAR NEWYDD FEL CANOLBWYNT / NEW BAR AS CENTRAL FOCAL POINT
- CEGIN WEDI AIL-WAMPIO / REFURBISHED KITCHEN LINKED TO BAR
- TOILEDAU NEWYDD A LOBI I'R CEFN / NEW TOILETS AND LOBBY TO THE REAR

