

**Investor
Pack 2025**



**Varna
House**
Co-operative

Contents

Who are we	4
What is a Housing Co-op?	5
The House.....	5
Our Network.....	6
Financial Planning	7
What is Loan stock	7
Loans and refinancing	7
40 Year Breakdown	8
Year 1 Monthly Breakdown	9
Income and expenditure summary	10
Contact Us.....	11

Hello.

We are Varna House Co-operative. We're a group of Brummies who are creating affordable, secure housing in Birmingham. Our co-operative is built around our principles of mutualism, community, and sustainability. We believe that housing should put people before profit, and we want our homes and our city to be a place for good living.

Varna House was formed by its members. We no longer want to live in substandard, insecure housing. We believe that people deserve a long-term, stable and pleasant place to live, where they have decision-making power over maintenance and repairs, and can be part of their local community.

The group is currently made up of five members, including educators, artists and engineers, who are working towards social change in their communities and beyond. We have a variety of skills to bring to the co-op and to our community, including property maintenance, business accounting, pottery, food growing, bike repair, car and van maintenance, consensus decision-making, cooking, childcare and SEND education. Between us, we want to use these skills to create and run co-operative housing that is joyful, empowering and sustainable for the future.



Who Are We?

Phoebe

I'm a Brummie and I work with young people in education and mental health settings. I studied Philosophy and Literature and have a masters in Educational Leadership. I'm passionate about special educational needs and justice for those in mental health treatment settings. In my spare time I enjoy cooking, and researching special interests. My ultimate dream is to establish an affordable community social club in South Birmingham.



Sam

I'm from Birmingham, I'm a writer and I work in education doing pastoral support. I write fiction in my spare time. I enjoy reading, video games and cooking hearty meals - hit me up if you like mac and cheese. Or even just cheese.

Ethan

I'm from Birmingham and want to strengthen community in the places I grew up. I manage technical elements for theatre in the UK and around the world. I recently studied engineering, and want to work to empower people with eco-technologies. In my spare time I like making and mending.



Anna

I'm from Birmingham, and moved back here in the last few years. I work in theatre, and spend the rest of my time parenting, cooking, growing plants, and going to the library. I want art and beauty to be everywhere for everyone, and I think joy and mischief are good tools for community-building.

Lucy

I moved to Birmingham in 2015 for university to study engineering. It really feels like home now, mainly thanks to all the amazing Brummies I've met. I like cooking, sewing, pottery, foraging, and live music events. I first learned about housing cooperatives because my current house (an HMO) was up for sale and I thought 'if only there was a way for people to get together with a bunch of mates and buy this place and live in it communally without a landlord'. Unfortunately the sale went ahead to another buy-to-let landlord but now we're looking out for other properties.



What is a Housing Co-op?

Housing co-operatives are not-for-profit 'registered societies'. They allow people to control their own housing, without owning it personally. They are governed by their tenants/members. All tenants are members and all members need to be tenants or prospective tenants.

Housing co-ops allow grassroots control over housing, providing rented homes where the tenants are (collectively) their own landlord. The organisation is run according to cooperative principles. This means everyone has an equal say – and an equal responsibility – in the management of the housing.

Self-management gives tenants the autonomy to make improvements not only reactively but pro-actively. We can take a long-term, sustainable approach to maintenance. Finances can be planned with a mind to protecting against excessive rent rises.

Should the co-op cease to exist, its assets have to stay within the co-operative movement. They cannot pass to the members or be invested outside of the movement. By coming together and acting co-operatively, housing remains in mutual ownership.

By setting up a housing co-op, we aim to empower ourselves to take control over one of the most fundamental aspects of our lives. We can secure the future of housing by transferring property from private to mutual ownership. We aim to provide a safe and secure place for people to live in for generations to come.

The House

We all have strong links to South Birmingham, and are looking for a house in the area. We want to stay living there and build on our community links.

Our financial model is based on at least a six bedroom house, though we would be open to a larger home if one came up. We are looking for a large, multi-generational home. Space is important to us for a few reasons: firstly, we have a young family in the co-op, and it's vital that children have their own space to grow and play. We aim to create a home which combines elements of co-living whilst ensuring members also have privacy. This could be a large family home, or a former HMO. We would like to transform insecure, poor quality housing into beautiful housing which provides affordable, long-term homes.

Sustainability is one of our key values.

In practice this will mean eco-retrofitting, ensuring that we create a home which is a good place to live, while also being efficient, and mindful of the world around us.

Part of sustainability, regeneration and connection to the world around us is the ability to grow food. We are passionate, green fingered people! A garden big enough to do this would be the dream.

We are skilled in various aspects of maintenance and repair, we want to transform our home in sustainable, future-proof ways. Wherever possible we will source, reclaim and mend, rather than buying new things.

Our Network



Radical Routes

We have strong links with several other co-operatives in Birmingham, including Stirchley Co-Operative Development. These networks create mutual support, sharing skills, knowledge and time. We are also a member of Radical Routes.

Radical Routes is a form of structured mutual aid. In other words, it is based on people helping each other in organised ways. Radical Routes is about people taking control of their own housing, work, education and leisure activities. People set up co-ops to manage these activities themselves, removing the need for managers, owners, bosses or landlords.

Being part of Radical Routes means that we as a housing co-operative have access not only to financial services but also to the knowledge

of the network. This knowledge assists VHC in financial, legal and logistical issues, allowing our members to gain understanding and solve problems together. Being part of a growing movement means in the future we will be able to support aspiring co-operatives.

As a member of Radical Routes, Varna House will attend and help run quarterly Radical Routes gatherings. This means we all participate in the management of Radical Routes. These gatherings are an opportunity for co-ops to support each other, share skills, and monitor our successes and weaknesses. Being involved in a larger organisation will help our co-op stay strong and successful, and support and help out other co-ops as they get started.

Financial Planning

Our financial plan is based on a system developed by experts at Radical Routes. It models a 7 bedroom house costing £480k. This will be paid for by attaining a mortgage for £288k over 25 years at 6% interest and a loan from Radical Routes of £30k at 3.5% interest over 25 years. The remaining £162k and additional costs such as stamp duty, surveying and maintenance will be sourced via loan stock from other cooperatives and individual investors.

We have built in safety nets. For maintenance, a yearly cost is built in which increases annually to account for inflation starting at £1.6k in year 1. We have also assumed initial day 1 maintenance costs of £5k and forecast £20k for extraordinary maintenance in year 11. We have allowed for 5% void each year to account for rooms being vacant. Overall we have over-estimated costs and under-estimated income.

What is Loan Stock?

Loan stock is the term we use for money invested in a co-op by external parties. There are other methods for such parties to invest, but one of the advantages of loan stock is that it cuts out intermediary services and their cost, so the full amount goes directly into the co-op. Although the rates of return we are suggesting are low, so are returns from money sitting in high street bank accounts which are investing in less ethical options than co-operative housing!

The system is best described as a type of 'fixed-term investment' - this means people lend money to the co-op for a fixed period of time. The co-op pays interest to the loan stockholder, and Varna House Co-operative (VHC) will issue an extra loan stock certificate to cover this interest each year. At the end of the set period the investor is paid back in full including the interest by VHC.

The co-op does not deduct tax from the interest - it is the investor's responsibility to declare the interest in a tax return. If anyone receives more than £250 interest in a year, the co-op is legally obliged to make a special declaration to the local tax office.

The loan stock is an unsecured investment. Loan stock investors do not own equity in VHC. However, the reassurance that we offer is that in the event of a default or failure, the co-op should be able to sell the house and repay investors in all but the worst case scenario. For more information about how loan stock works and how it will be administered by VHC, have a look at the loan application form on our website.

Loan stock must be issued for a set period of time - once we have heard back from others we can set this date in agreement with you, the investor.

Loans and Refinancing

Our loan stock is unlikely to be exactly what is on the business plan. However this is the maximum interest rate that our business plan can take - should it be higher we would need to either increase the rent or complete more

significant refinancing. We hope to negotiate loan stock at a lower rate of interest than we have budgeted for but will test any loan stock that we get in the business plan to make sure we can afford it.

40 Year Breakdown

The 40 year breakdown on the next few pages is the most important part of the financial plan. It shows that year-on-year the balance will remain positive, even in years where loan stock repayments are due.

Key

- 1 Our business plan has the main loan rate rising to 9% by year 10. This is to account for the potential of a steep rise in interest rates.
- 2 We have accounted for £20 k of extraordinary maintenance in year 11.
- 3 Year end bank balance remains in surplus every year.
- 4 The estimated amount of rooms that will be empty each year. This is a generous estimate, it is typically easy to recruit members for co-ops in cities.
- 5 The amount we would have to set aside to pay back loanstock in each year.
- 6 This doesn't take account of voids, as it takes account of room rentals month by month.
- 7 The key point here is that the balance is never negative, in fact every month it increases.

[illegible]

Housing

Void changes																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
Void this year	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Money In	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40						
Cash in bank	3,500																																													
Mortgage type loans	418,000	0	0	0	0	0	0	0	0	250,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loanstock in	143,000	0	0	0	0	0	5,000	0	0	25,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rental income	43,848	45,383	46,971	48,615	50,317	52,078	53,900	55,787	57,739	59,760	61,852	64,017	66,257	68,576	70,977	73,461	76,032	78,693	81,447	84,298	87,248	90,302	93,463	96,734	100,119	103,624	107,250	111,004	114,889	118,910	123,072	127,380	131,838	136,452	141,228	146,171	151,287	156,582	162,063	167,735	173605.620	179681.817	185970.681	192479.654	199216.442	
Bank interest	197	186	185	128	79	61	64	84	115	80	24	108	201	214	94	218	353	501	587	661	895	1,267	1,655	2,060	2,482	2,922	3,385	3,865	4,365	4,885	5,274	5,834	6,416	7,021	7,649	8,301	8,979	9,682	10,412	10973.634	11760.044	12576.454	13423.943	14303.624		
Total In	608,348	45,580	47,157	48,800	50,444	52,157	58,962	55,851	57,823	334,875	61,932	64,041	66,365	68,777	71,190	73,555	76,250	79,046	81,948	84,885	87,909	91,196	94,730	98,389	102,179	106,105	110,172	114,389	118,755	123,276	127,957	132,654	137,673	142,869	148,249	153,820	159,588	165,561	171,745	178,147	184579.254	191441.860	198547.135	205903.597	213520.066	

[illegible]

Irregular expenses

[illegible]

Ongoing expenses

House insurance (inflation @ 3%)	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	1,384	1,426	1,469	1,513	1,558	1,605	1,653	1,702	1,754	1,806	1,860	1,916	1,974	2,033	2,094	2,157	2,221	2,288	2,357	2,427	2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3262.038	3359.899	3460.696	3564.517	3671.452
Maintenance (inflation @ 3%)	1,600	1,648	1,697	1,748	1,801	1,855	1,910	1,968	2,027	2,088	2,150	2,215	2,281	2,350	2,420	2,493	2,568	2,645	2,724	2,806	2,890	2,976	3,066	3,158	3,252	3,350	3,451	3,554	3,661	3,771	3,884	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,920	5,067	5219.260	5375.838	5537.113	5703.227	5874.324
Council Tax (inflation @ 3%)	1,988	2,048	2,110	2,173	2,238	2,305	2,374	2,446	2,519	2,594	2,672	2,752	2,835	2,920	3,008	3,098	3,191	3,287	3,385	3,487	3,591	3,699	3,810	3,924	4,042	4,163	4,288	4,417	4,549	4,686	4,826	4,971	5,120	5,274	5,432	5,595	5,763	5,936	6,114	6,297	6486.366	6680.957	6881.386	7087.828	7300.463
Bank charges	60	62	64	66	68	70	72	74	76	78	81	83	86	88	91	93	96	99	102	105	108	112	115	118	122	126	129	133	137	141	146	150	155	159	164	169	174	179	184	190	195.722	201.594	207.642	213.871	220.287
RR member payments	859	885	911	938	967	996	1,025	1,056	1,088	1,120	1,154	1,189	1,224	1,261	1,299	1,338	1,378	1,419	1,462	1,506	1,551	1,598	1,645	1,695	1,746	1,798	1,852	1,908	1,965	2,024	2,084	2,147	2,211	2,278	2,346	2,416	2,489	2,564	2,641	2,720	2801.308	2885.347	2971.907	3061.064	3152.896
Accountant	200	206	212	219	225	232	239	246	253	261	269	277	285	294	303	312	321	331	340	351	361	372	383	395	407	419	431	444	458	471	485	500	515	530	546	563	580	597	615	633	652.408	671.980	692.139	712.903	734.290

Loan repayments

[illegible]

Cash Surplus	39,389	-2,228	-211	-11,373	-9,743	-3,553	538	3,908	6,299	-7,025	-11,161	16,699	18,682	2,493	-23,945	24,787	27,100	29,505	17,204	14,875	46,668	74,537	77,654	80,914	84,350	88,058	92,502	96,161	99,953	103,881	77,950	112,017	116,384	120,909	125,596	130,452	135,483	140,694	146,093	112,232	157,281.871	163,282.154	169,497.717	175,936.204	182,605.532
--------------	--------	--------	------	---------	--------	--------	-----	-------	-------	--------	---------	--------	--------	-------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	-------------	-------------	-------------	-------------	-------------

Bank Balance (Year End)	39,389	37,161	36,950	25,577	15,834	12,281	12,819	16,727	23,026	16,001	4,839	21,539	40,220	42,713	18,768	43,554	70,654	100,160	117,364	132,239	178,907	253,444	331,099	412,012	496,362	584,420	676,922	773,083	873,035	976,916	1,054,866	1,166,883	1,283,267	1,404,176	1,529,772	1,660,225	1,795,708	1,936,402	2,082,495	2,194,727	2,352,008.705	2,515,290.860	2,684,788.577	2,860,724.781	3,043,330.313
-------------------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	---------------	---------------	---------------	---------------	---------------

Year 1 Monthly Breakdown

Amounts in £

Money In	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
Day 1 Income													
New Mortgage Type Loans	418,000												397,600
New Loan Stock	143,000												143,000
Cash In The Bank	3,500												0
6 Rental Income	3,654	3,654	3,654	3,654	3,654	3,654	3,654	3,654	3,654	3,654	3,654	3,654	
Total In	544,254	3,654	3,654	3,654	3,654	3,654	3,654	3,654	3,654	3,654	3,654	3,654	584,448
Money In	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
Day 1 Cost	531,400												531,400
Property Purchase	518,000												518,000
Start-Up Cost	13,400												13,400
Other Purchase	0												0
Re-Mortgage Existing Loan	0												
House Expenses	1,299	299	299	299	299	299	299	299	299	299	299	299	4,588
House Insurance	1,000												1,000
Maintenance	133	133	133	133	133	133	133	133	133	133	133	133	1,600
Council Tax	166	166	166	166	166	166	166	166	166	166	166	166	1,988
Admin Expenses	0	0	215	0	0	215	0	0	215	60	0	415	1,119
Bank Charges										60			60
Rr Member Payments			215			215			215			215	859
Accountant												200	200
Loan Repayments	2,448	2,448	2,448	2,448	2,448	2,448	2,448	2,448	2,448	2,448	2,448	4,928	31,852
Mortgage Repayments	2,448	2,448	2,448	2,448	2,448	2,448	2,448	2,448	2,448	2,448	2,448	2,448	29,372
Loanstock Repayments												2,480	2,480
Total Out	535,147	2,747	2,961	2,747	2,747	2,961	2,747	2,747	2,961	2,807	2,747	5,641	568,959
Surplus	33,007	907	693	907	907	693	907	907	693	847	907	-1,987	39,389
Balance	33,007	33,915	34,607	35,515	36,422	37,115	38,022	38,929	39,622	40,469	41,377	39,389	

Income and expenditure summary

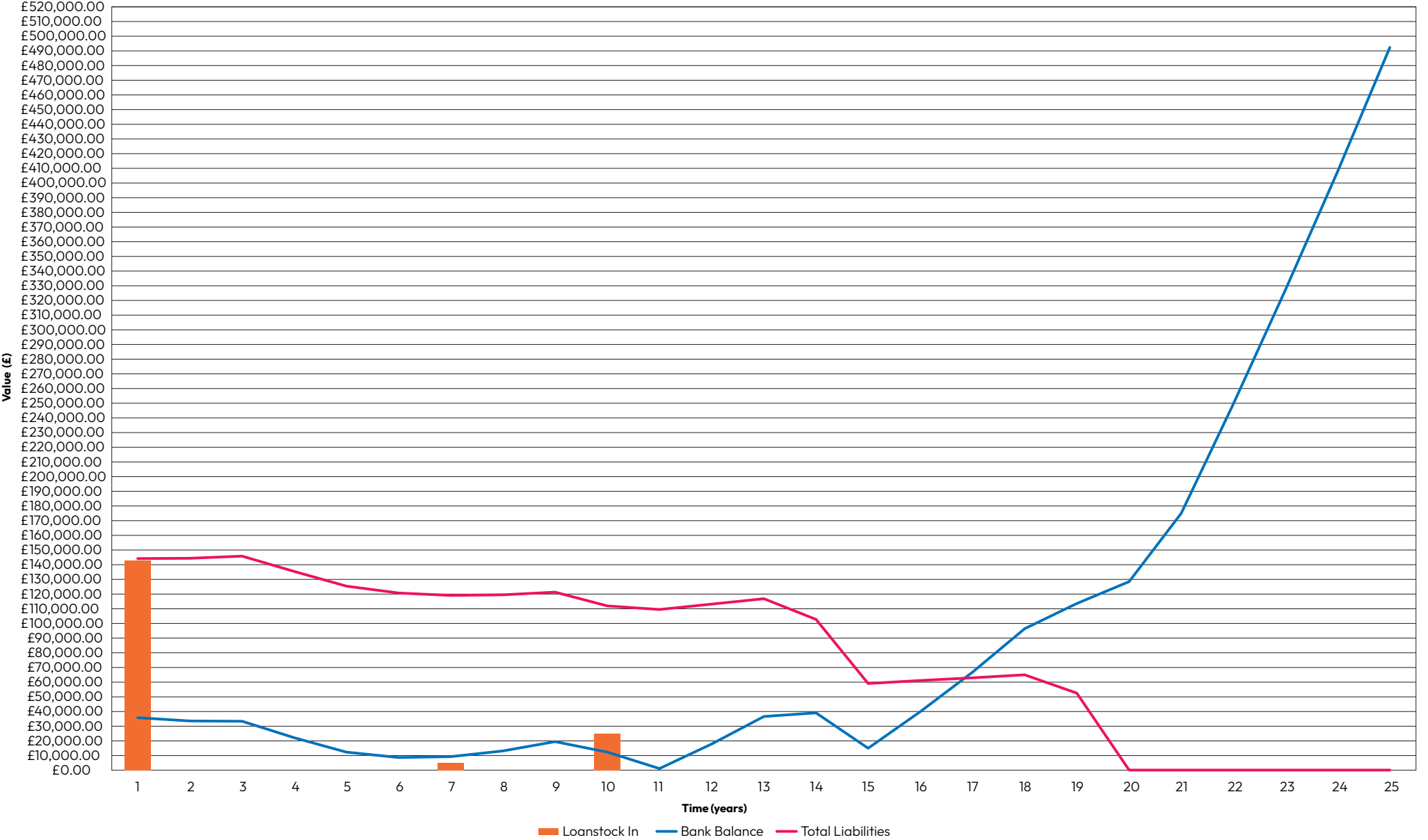
Day 1 Income	Amount (£)
New Mortgage Type Loans	418,000.00
New Loan Stock	143,000.00
Cash In The Bank	3,500.00
Total Day 1 Income	564,500.00

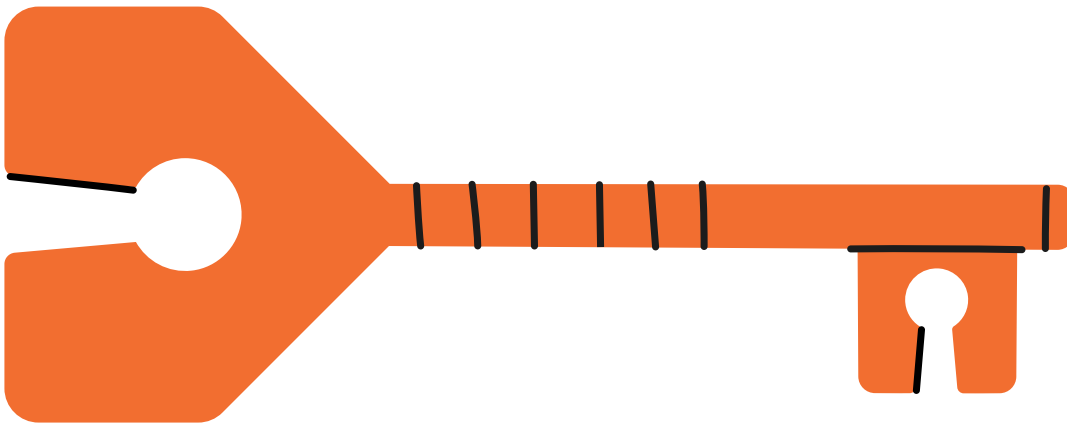
Day 1 Expenditure	Amount (£)
Property Purchase Costs	
Purchase Price Of New Property	480,000.00
Land Tax	38,000.00
Total Day 1 Costs For Property Purchase	518,000.00
Start-Up Costs	
Legal Fees (Including Legal Charge)	4,000.00
Survey	1,250.00
Mortgage Fees	1,800.00
Rr Loan Fees	350.00
Other Loan Fees	0.00
Day 1 Work	5,000.00
Initial Purchases	1,000.00
Moving Costs	0.00
Total Day 1 Start-Up Costs	13,400.00
Total Day 1 Costs	531,400.00

Ongoing Income					
	Rent Per Week (£)	# Of Rooms	Yearly	Monthly	Weekly
Rent Level 1	120.00	7	43,848.00	3,654.00	840.00
Rent Level 2			0.00	0.00	0.00
Rent Level 3			0.00	0.00	0.00
Total Rental Income Per Period			43,848.00	3,654.00	840.00

Ongoing Expenditure					
Household Expenses			Yearly	Monthly	Weekly
Void	5%		2,192.40	182.70	42.00
House Insurance	Estimated		1,000.00	83.33	19.16
Maintenance	Estimated		1,600.00	133.33	30.65
Council Tax	Estimated		1,988.44	165.70	38.09
House Expenses Per Period			6,780.84	565.07	129.90
Admin Expenses			Yearly	Monthly	Weekly
Bank Charges	Estimated		60.00	5.00	1.15
Rr Member Payments	Basic		858.76	71.56	16.45
Accountant	Estimated		200.00	16.67	3.83
Admin Expenses Per Period			1,118.76	93.23	21.43
Loan Repayments			Yearly	Monthly	Weekly
Mortgage			22,267.06	1,855.59	426.57
Rr Loan			1,802.24	150.19	34.53
Internal Loanstock			11,041.61	920.13	211.53
Loan Repayments Per Period			35,110.92	2,925.91	672.62
Total Out Per Period			43,010.52	3,584.21	823.96
7 Ongoing Surplus			Yearly	Monthly	Weekly
			837.48	69.79	16.04
Money To Be Set Aside For Loan Stock			23,642.90	1,970.24	452.93
Ongoing Surplus Including Loan Stock Repayments			-22,805.41	-1,900.45	-436.89

Cash Flow Sumary Chart





Contact us

Thank you for your interest in Varna House Co-op. Hopefully this booklet has answered any questions you might have about investing in us, but if it doesn't, please get in touch by any of the means below, and we'll be happy to answer your questions.

We hope that once you have read this pack you will be as excited about this project as we are, and want to join us in starting a new radical housing co-op in Brum.

Write to:

Varna House Co-operative Limited,
5 Livingstone Road
Kings Heath
Birmingham
B14 6DJ
Email Us: hello@varnahouse.org

Useful Websites:

www.varnahouse.org
www.radicalroutes.org.uk
www.uk.coop

Financial Conduct Authority (FCA)
Housing co-ops (a type of 'co-operative society'), and other mutual organisations, are regulated by the Financial Conduct Authority (FCA).

Varna House Co-operative Limited is society number 5114.

Tel (switchboard) +44 (0)20 7066 1000

Website : www.fca.org.uk/firms/mutual-societies

Address : Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London, E14 5