

George and Dragon Community Action Group Update

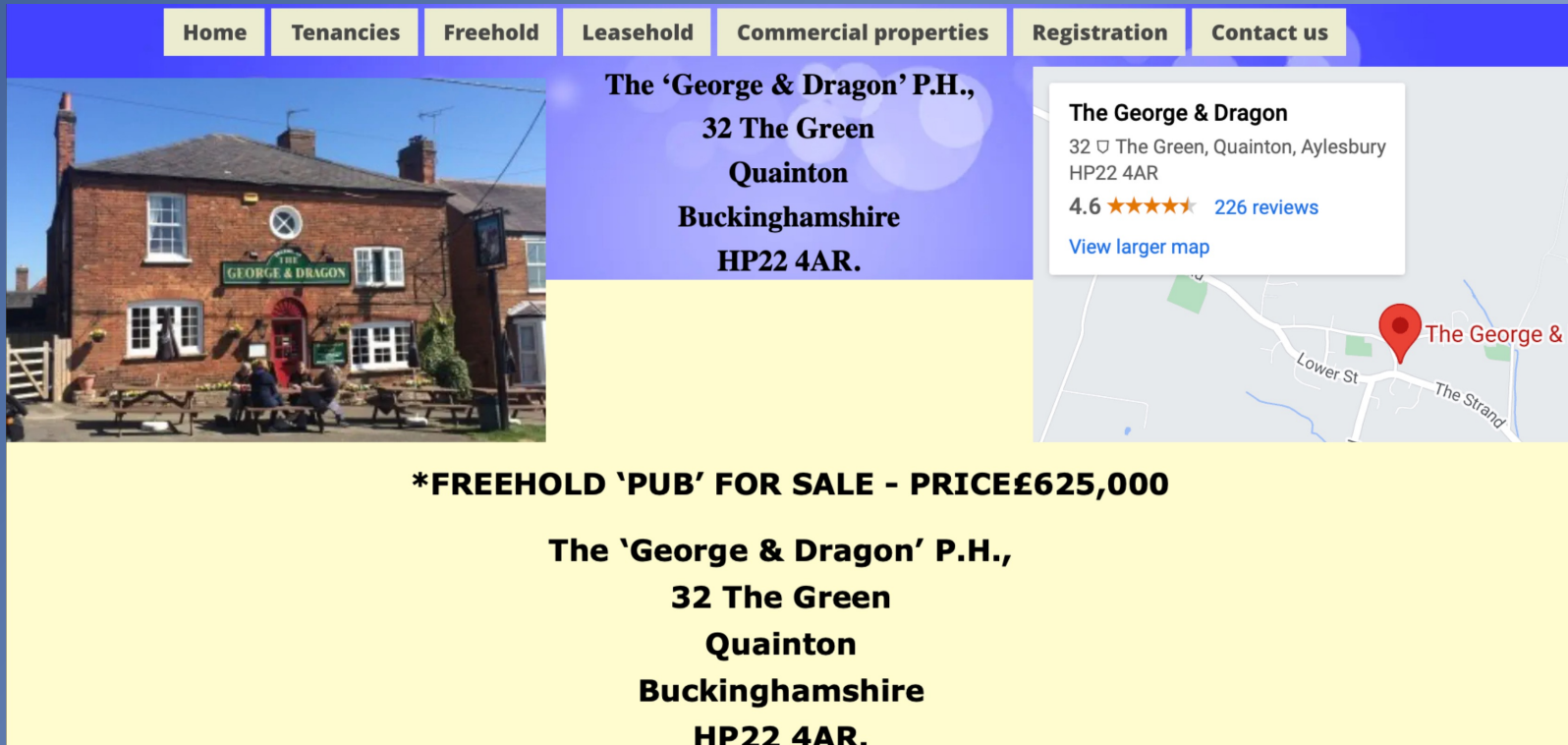
February 2023

Items to be covered

- Recap – how did this all start ?
- Who are the George and Dragon Community Action Group?
- How does a community buy a village pub?
- Who will run the George and Dragon Pub and Coffee Shop?
- Feedback from the recent survey
- Finances – does it all add up?
- What's next?
- Questions

Recap – how did this all start ?

- In May 2022 the George & Dragon was listed for sale



The screenshot shows a real estate listing for 'The George & Dragon' pub. At the top, there is a navigation bar with links for Home, Tenancies, Freehold, Leasehold, Commercial properties, Registration, and Contact us. On the left, there is a photograph of the pub building. To the right of the photo, the listing text reads: 'The 'George & Dragon' P.H., 32 The Green, Quainton, Buckinghamshire, HP22 4AR.' Below this, a yellow banner contains the text: '*FREEHOLD 'PUB' FOR SALE - PRICE£625,000'. At the bottom, the address is repeated: 'The 'George & Dragon' P.H., 32 The Green, Quainton, Buckinghamshire, HP22 4AR.' On the right side of the listing, there is a map showing the location of the pub, with a red pin and a pop-up box containing the name 'The George & Dragon', the address '32 The Green, Quainton, Aylesbury, HP22 4AR', a rating of 4.6 stars from 226 reviews, and a link to 'View larger map'.

Home Tenancies Freehold Leasehold Commercial properties Registration Contact us

The 'George & Dragon' P.H.,
32 The Green
Quainton
Buckinghamshire
HP22 4AR.

***FREEHOLD 'PUB' FOR SALE - PRICE£625,000**

The 'George & Dragon' P.H.,
32 The Green
Quainton
Buckinghamshire
HP22 4AR.

The George & Dragon
32 The Green, Quainton, Aylesbury
HP22 4AR
4.6 ★★★★★ 226 reviews
[View larger map](#)

Recap – how did this all start ?

- The Parish Council had the idea for a Community Action Group
- A kick off meeting showed a high level of interest in the village

BECOME A PART OF THE
**QUINTON COMMUNITY
ACTION GROUP**

**SAVE THE
GEORGE & DRAGON**

**ATTEND THE FIRST
RIGHT TO BID MEETING**

**THURSDAY
23 JUNE
8:00 PM**

**QUINTON
MEMORIAL
HALL**

SAVE OUR PUB
MORE INFO: WWW.QUINTON.ORG.UK

- Nearly 100 people attended and agreed that we should work to save the Pub and Coffee Shop
- The Parish Council listed the George & Dragon as an ACV and applied for a 6th month moratorium
- A group of enthusiastic volunteers got together and formed the Community Action Group

Who are the George and Dragon Community Action Group?

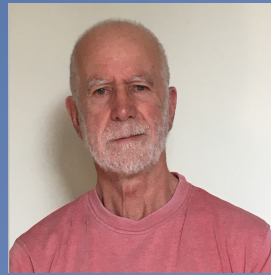
Peter Woodliffe-Thomas



Andrew Law



Simon Millard



Deborah Barker Boyd



Neil Carlisle



Martin Knight



Ed Jacobs



Tristan Augier



Gary Nangle

How does a community buy a village pub?



How does a community buy a village pub ?

1

Form a Company that will buy the pub from the current owner

2

Sell shares in the Company to raise money towards the purchase price

3

Get a grant to top up the money from share sales

4

Get a loan to cover any shortfall if required

5

Buy the Pub !

How does a community buy a village pub ?

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Buy the Pub !



Form a Company to buy the pub

- There are many types of Company structures
- All of which have various pros and cons – which we have reviewed
- To receive a Government grant it needs to be a *Not-For-Profit* Company
- We settled on a *Community Benefit Society*

Community Benefit Society

- On the 24th January 2023 the Financial Conduct Authority approved the registration of :

 **FCA** FINANCIAL CONDUCT AUTHORITY
12 Endeavour Square
London
E20 1JN
Tel: +44 (0)20 7066 1000
Fax: +44 (0)20 7066 1099
www.fca.org.uk

Co-operative and Community Benefit Societies Act 2014
Registration of new society

The following society has today been registered by us under Co-operative and Community Benefit Societies Act 2014 as a Community Benefit Society:

Society: **Quinton George & Dragon Community Benefit Society Limited**
Registration number: **8999**
Registration date: 24 January 2023
Address: The Old Stables, 19 Station Road, Quinton, Bucks, HP22 4BW
Financial year-end date: 31 December

Date: **24 January 2023**



*Quinton George and Dragon
Community Benefit Society Limited*
Registration number 8999



What is a Community Benefit Society ?



A Community Benefit Society (CBS) is an organization conducting business for the benefit of the community



It's a corporate body registered under the Co-operative and Community Benefit Societies Act 2014 and authorized by the FCA



A CBS provides services for the community. Pre-tax profit can be reinvested, used to pay interest or distributed for social or charitable purposes

What is a Community Benefit Society ?

The rules of a CBS are written according to the core principles of the International Co-operative Alliance in 1995

- Voluntary and open membership
- Democratic member control
- Economic participation of members
- Concern for the community
- Various sets of “Model” rules approved
- We have used the Plunkett Foundation

How does a community buy a village pub ?

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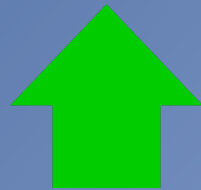
Get a grant to top up the money from share sales

4

Get a loan to cover any shortfall if required

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Buy the Pub !



Sell shares in the Company to raise money

- We will be issuing a Community Share Offer so that you can buy shares in the Company



Community share offer

**Quinton George and Dragon Community Benefit
Society Limited**

Time-bound

COMMUNITY SHARE OFFER

(March 2023)



Quinton George and Dragon Community Benefit Society Limited is a
Community Benefit Society registered with the FCA
([registration number 8999](#))

- Opens: 1st May 2023
- Closes: 1st June 2023
- Minimum investment: £1,000
- Funding Target: £650,000
- Minimum to proceed: £250,000
- *If the minimum is not achieved the offer will be deemed to have failed and all monies will be returned in full*

Community Shares - Summary

- Non-Transferable - you can't sell them
- Withdrawable - you can get your money back subject to certain rules
- Have a fixed value - they don't go up and down in value
- They don't pay dividends - but you may receive interest subject to certain rules
- Each share holder has one vote - regardless of size of investment
- Minimum age is 18 – You can hold shares for children and then transfer
- Have an Asset Lock – individual members cannot benefit financially
- *An investment in Community Shares MUST be seen as an Emotional investment for the greater good of the community*

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Buy the Pub !



Get a grant to top up the money from share sales




The one we are making our primary bid for is the

Community Ownership Fund

**COMMUNITY
OWNERSHIP FUND**

Community Ownership Fund

- In order to apply for funding an approved Expression of Interest is needed
- We submitted an EOI in October 2022 – which was approved 
- The next bidding window opened 15th Feb and closes 14th April
- We will be bidding for the max amount - £250k of matched funding

**COMMUNITY
OWNERSHIP FUND**

Community Ownership Fund

- Fund provides for matched funding of up to £250k
- So if we raise at least £250k the Government will match it if we are successful
- To date we have pledges from the Community to buy shares of **£280k**

**COMMUNITY
OWNERSHIP FUND**

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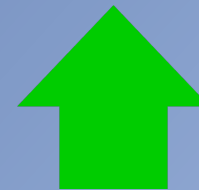


4

Get a loan to cover any shortfall if required

5

Buy the Pub !



Get a loan to cover any shortfall

- If we fail to get sufficient cash from the sale of shares and a grant a loan would be needed

- ***This is a last resort!***

- We really do need to raise enough money from the sale of shares and a grant
- The more money that can be raised from people buying shares the better



How does a community buy a village pub ?

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Form a Company that will buy the pub from the current owner



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Sell shares in the Company to raise money towards the purchase price



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Get a grant to top up the money from share sales



4

Get a loan to cover any shortfall between the money raised and the amount required



5

Buy the Pub !



Buying the Pub will mean it stays under community ownership and most importantly we will be in control of how it is used

Under Community Ownership !



Who will run the Pub and Coffee Shop?

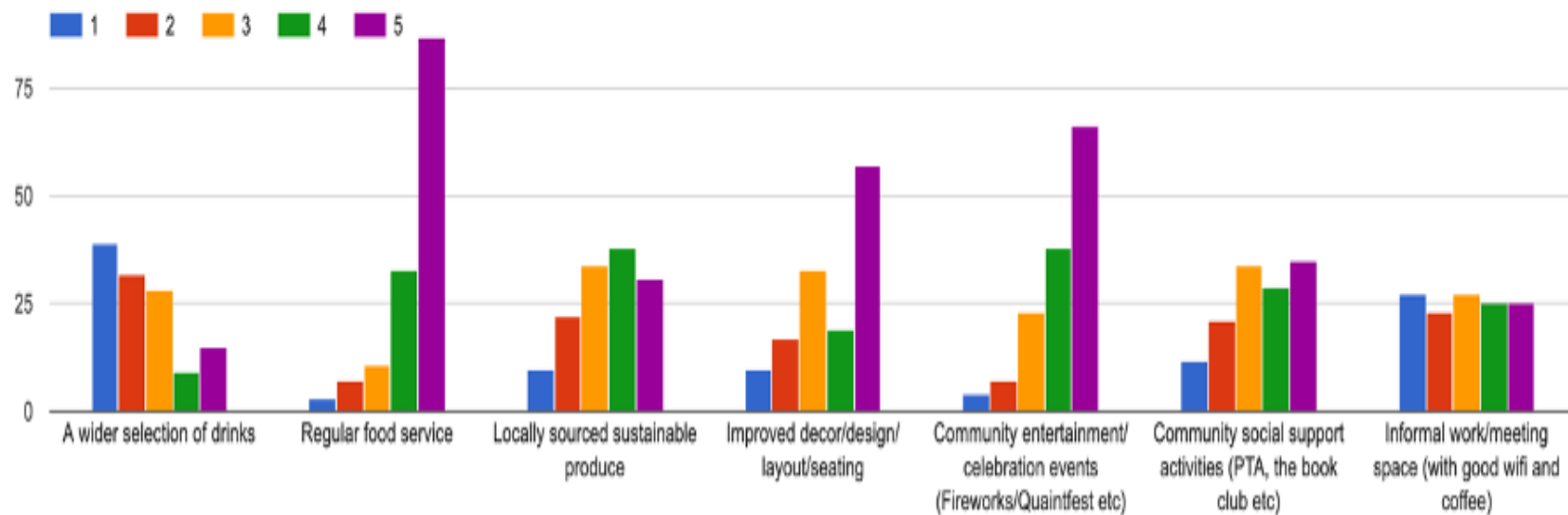
- NOT the Community !
- The main role of the CBS is to own and look after the property
- We will select, and partner with, a suitable tenant to run the pub and coffee shop business
- It will be their business to build and develop and make a living
- The tenant will pay rent to the CBS

Will we have a say in how the Pub is run ?

- Running the Pub and Coffee shop will be the responsibility of the tenant
- We set the framework for the type of pub we want the tenant to run within the tenancy agreement
- We won't be involved with the day to day running
- HOWEVER
- The tenant would be foolish not to listen to customers wishes
- So, we recently issued a survey within the village
- 160 people responded with their views

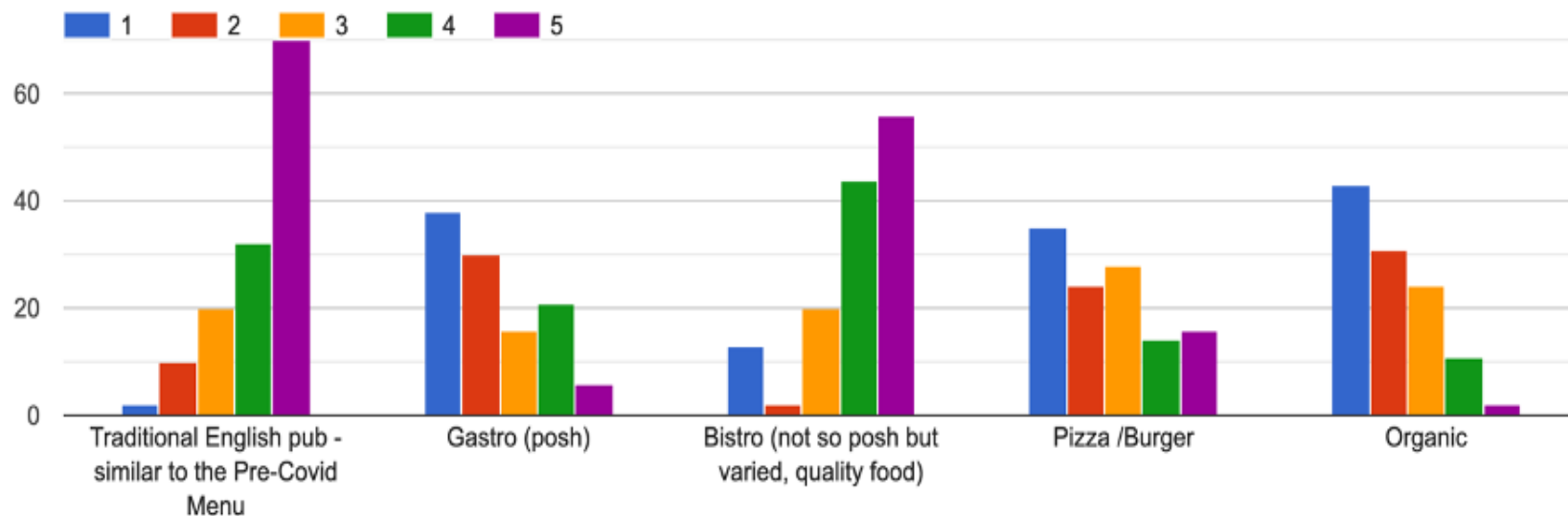
Feedback from the recent survey

What things are important to you, or would encourage you into the pub or coffee shop more often? (please circle, 1 = less important, 5 = more important)?



Feedback from the recent survey

Which of the following foods would be of interest? (please circle, 1 = less important, 5 = more important)?



Finances – Does it all add up?

Financial Projection		Year 1	Year 2	Year 3	Year 4	Year 5
Sales						
	Total Sales	461,700	495,370	517,592	541,149	566,119
Cost of Sales						
	Total Cost of Sales	161,595	173,380	181,157	189,402	198,142
Gross Margin		300,105	321,991	336,435	351,747	367,977
Gross Margin %		65%	65%	65%	65%	65%
Overheads	General Overheads	226,487	240,076	254,480	269,749	285,934
	Rent (Paid to CBS)	33,000	33,000	33,000	33,000	33,000
	Total Overheads	259,487	273,076	287,480	302,749	318,934
	Tenant Profit	40,618	48,915	48,955	48,998	49,043

What happens to the rent that goes to the CBS?

- Some money will be saved to pay for repairs and improvements
- Additional money will be saved to pay for:
 - professional fees eg accountancy, Plunkett Foundation membership etc.
 - share withdrawals
 - interest to investors
- As a CBS money will also be given to community activities

Business Plan – all the details

George and Dragon Community Benefit Society **Limited**



Business Plan

Issue date: March 2023

This business plan was authorised by the management team of the CBS at the meeting held on *TBC*

This business plan is awarded/endorsed as XXX by YYY

Date: dd/mm/yy

George and Dragon

Business Plan

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MJD Hughes - Chartered Surveyor Report

Business Buyer & Market Appraisal Valuation Report

George & Dragon
32 The Green
Quainton
Buckinghamshire
HP22 4AR

Date of Instruction: 6th January 2023
Report prepared for Quainton Parish Council
Reference: 220080
Prepared by Michael Hughes MRICS FAVLP FNAEAcOm FBII DipCPA

**MJD
HUGHES**

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**MJD
HUGHES**

What do we have to do now?



Next steps

- **Complete and submit our bid for the Community Ownership Fund**
 - Must be completed by 14th April
- **Issue the Community Share Offer**
 - Allows everybody to invest in the future of the George and Dragon – issue 1st May
- **Understand if we need a loan to top up**
 - We will know after the share offer and grant bid is complete – 1st June
- **Start the selection process for a tenant**
 - Is anyone interested?
 - Do you know anyone who would be a good fit?

Help Needed

- A huge amount of work has been completed so far
- There is a great deal still to do and we need help to do this
- Can you help ?
- Management accountancy
- Bid writing
- Proof Reading
- General administration



Questions



Frequently asked questions

- ***Why should I buy community shares?***
 - To invest in the purchase of our local pub and ensure it is there for this and future generations. This share offer will thrive with the participation of as many as possible
- ***Will my shareholding or donation be published?***
 - The number and total value of shares held, by any individual will not be published
- ***Is this a good business proposition?***
 - We expect, and will require the community business to be a profitable venture however you should not invest with the expectation of making a personal profit
- ***Will we be paying a fair price for George and Dragon premises***
 - The property has been viewed by MJD Hughes – chartered surveyor and we have his valuation

Frequently asked questions

- ***Do my shares give me voting rights?***
 - Yes, they do. Every member has an equal voice and equal vote, regardless of the size of their investment
- ***Can I get my money back?***
 - After purchasing the pub, you will be unable to withdraw your shares in the first 3 years of trading. After that, you can apply to withdraw shares giving at least three months' notice
- ***Will I get my money back if the business fails?***
 - If the tenant leaves, we will look for another experienced tenant. In the unlikely event that the pub could no longer trade, it could be sold and the proceeds of the sale (after settling any debts) used to pay the shareholders up to the value of their shares
- ***What is my liability if I invest?***
 - Your liability does not exceed the value of your shares. That is, at the very worst you could lose all your investment

Frequently asked questions

- ***Will I receive interest on my shares?***
 - Yes, when profitability allows. The Rules of the Society allow for interest “which shall not exceed 5% or 2% above the base rate of the Bank of England, whichever is the greater”
- ***Can I buy shares on behalf of my young children or grandchildren?***
 - Yes but they will be held in the name of an adult until they reach 18 years of age
- ***Can I transfer or sell my shares to someone else?***
 - Shares cannot be transferred, except on death and they cannot be sold to others
- ***Can I leave my shares to someone when I die?***
 - Yes, you can nominate individual/s to inherit your shares when you die by completing a nomination form

Frequently asked questions

- ***If I apply for shares, is the money safe before the pub is purchased?***
 - All monies will be held in CBS Co Op bank account. Any withdrawals require two individual authorisations from any two of the Society's four principal officers
- ***What happens if this offer to purchase does not succeed?***
 - If the minimum target is not achieved, all monies will be returned. If targets are achieved but the purchase does not complete Members will be asked at a Members' Meeting how they wish to proceed
- ***How do I buy shares?***
 - When the Share issue is launched there will be an application form

Questions



What is a Community Benefit Society



Plunkett Foundation

**Model Rules for
Community Ownership**

Version 6
December 2021

Rules sponsored by the Plunkett Foundation

*Quinton George and Dragon
Community Benefit Society Limited*
Registration number 8999

Who are the Plunkett Foundation ?

- Plunkett Foundation - national charity supporting rural communities in the UK to tackle issues through community business
- Plunkett Foundation has supported over 600 community businesses to start trading. In addition to developing and safeguarding valuable assets, these community businesses address a range of issues including isolation, loneliness, wellbeing, work and training



- Plunkett Foundation also offer support and consultancy services.
- We applied for this support and were approved
- We are getting 14 Hours of expert support from Hannah Nadim

**Plunkett
Foundation**

Community Shares



Community
Shares

STANDARD

- The Community Shares Standard

- The Community Shares Standard Mark is awarded to share offers that meet voluntary standards of good practice. These standards ensure that:
 - The offer document and application form are easy to understand
 - You are provided with all the facts you need to make an informed decision
 - The facts are supported by the annual accounts and/or business plan for the society
 - Nothing in the documents is purposefully incorrect, confusing or misleading
- The Standard Mark is a voluntary scheme developed by the Community Shares Unit, with the support of the Financial Conduct Authority (FCA).

Community Ownership Fund

- Government operated scheme that is part of the Levelling Up initiative
- £150m fund so local people can support and continue benefiting from treasured local institutions whose future is in doubt
- £10 million announced for 38 projects so far
- It will run for 4 years until 2024/25

