

The George

COMMUNITY



Saving **The George Pub**, Bethersden

Help save our wonderful pub that has been the heart of our village for well over three hundred years, and own a piece of it too.



Community
Shares

STANDARD

Share offer to raise between £275,000 and £400,000

A Time Limited Offer:

Opens 20th November 2022 and closes 18th December 2022



Help us save The George

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The George has been a drinking establishment since the 17th century and became a licensed pub in 1841. It is a Grade II listed building for its architectural and historic interest. The Pub shut in October 2020 and is up for sale.

We formed our team early in 2021 to put together a community group to try and save the pub. We are now a formally registered Community Benefit Society, with £250,000 backing from the Community Ownership Fund, and are supported by the Plunkett Foundation, a charity which specialises in helping local communities to own and run their village assets.

We feel that The George is a fundamental part of Bethersden and the heart of our community. Now is your chance to invest and help us to save this wonderful asset for many more years to come.

Our goal is more than just to re-open the pub. It's to create a brilliant community-hub, serving locally sourced home cooked food, beers and wines and bring our community back together again. In the future we want to support the community by modernising the pub, creating space for local clubs and groups as well as running an environmentally friendly business as the heart of our village. Once we have completed this modernisation, it will also enable us to re-invest future profits back into the community.

I am writing to express my strong support for the proposal by The George Community Ltd to purchase, refurbish and upgrade The George pub in Bethersden. The pub will be run for the benefit of the local community. I very much hope this bid for support is successful.

Damian Green - our MP

Why go for a Community Benefit Society?

Why go for a Community Benefit Society?

Our belief is that it is in the best interests of the wider community for the pub to be acquired through a limited liability Community Benefit Society.

This is a specific legal structure ideally suited to a community purchase because it includes;

- Withdrawable shares - meaning you can get your money out after the minimum period of 3 years.
- An Asset Lock to safeguard The George for the future. If the Society is ever dissolved, shareholders would be repaid up to the value of their investment after any debts. Remaining assets would be transferred to a charitable or community body.
- A One Member One Vote approach - to be as democratic as possible.
- Interest payable to members of up to 5% but there is no capital growth or gains, meaning the wider profits once up and running go towards upgrading the pub or helping the community.
- Individual, joint and corporate memberships allowed, to make it as accessible as possible to the whole community.
- Members can attend annual and special meetings, vote for and stand for election to the Management Committee.
- Compatible with HMRC tax relief schemes, which would allow members to receive 30% income tax relief on their investment.

As we are a Community Benefit Society, we can apply for funding support for our project. So far we have been successful in obtaining grants from the Bethersden Charitable Trust and Cooperatives UK to help with our setup costs and launching our share offer. We have also been granted £250,000 share-match funding from the UK Government's Community Ownership Fund and a £25,000 equity investment from Power to Change UK.

The George Community Limited is registered by the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 as a Community Benefit Society. Registration Number 8690.



**The
George**
COMMUNITY



The Community Share Offer

The Community Share Offer

You are being invited to invest in The George Community Limited, a Community Benefit Society, which has been established to purchase, refurbish and reopen The George in Bethersden for the benefit of the community.

■ This share offer will provide funds towards the purchase of The George of £540,000, subject to contractual agreement.

■ **The George Community Limited is seeking to raise a minimum £275,000 and a maximum £400,000 from this share offer.**

■ Shares will have a nominal value of £500 each. The minimum investment is 1 share (£500), and the maximum is 80 shares (£40,000). To make this offer as accessible as possible, we will allow joint memberships or payment by instalments for those investing £1,000 or less.

■ This share offer is time-limited. It will open on 20th November and close on 18th December 2022. This short window is to encourage investment ahead of our planned completion date.

■ The closing date for the share offer may be extended at the discretion of the Management Committee but the extended date will be no later than 8th January 2023.

■ This share offer is open to individuals or joint members (aged 18 and over) as well as organisations purchasing in at least 1 share and

supporting the Society's purpose and Rules. Joint and corporate members must nominate one individual for voting purposes. The Society's rules are available from www.georgecommunity.com/shareoffer and applications will be accepted at the Management Committee's discretion.

■ Our plan allows for some improvements and upgrades, such as new equipment, repairs and furnishings. In addition it will also provide the working capital required for initial set up costs and a contingency fund.

■ The detailed business plan setting out our proposal in full can be viewed on our website www.georgecommunity.com/shareoffer

■ If the share offer is under-subscribed and the minimum target is not raised by the closing date, the freehold purchase of the premises may be delayed or cancelled. Should the purchase not



The Community Share Offer

The Community Share Offer (cont.)

go ahead, any grant monies awarded would not be issued at this point and the monies received for shareholdings from community will be returned to the investors.

■ Investors can benefit from income tax relief of 30% on their investment and interest payments up to 5% per year, subject to the business being profitable. The exact % is voted on by the members each year.



*Please open The George Pub
before I die. Do it quickly.*

Tim Stubbs

■ Shares can be withdrawn after a minimum period of 3 years, subject to funds being available as part of the annual withdrawal allocation, which is approved each year by the membership. See our society rules section 8 for more information (available on our website).

■ This share offer is not subject to the Financial Services Markets Act 2000 nor covered by the Financial Services Compensation Scheme and investors will have no recourse to the Financial Ombudsman.

■ This should be viewed as an investment in the community. You should be aware that the value of your investment could fall, and the amount returned could be lower than your investment.

■ **We would always recommend seeking independent financial advice before making any investment.**

■ This Share Offer has been awarded the Community Shares Standard Mark. The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice. For more information about Community Shares, the Community Shares Standard Mark and the Community Shares Unit please go to: www.communityshares.org.uk



Benefits to the Community

Benefits to the Community

The aim of The George Community Limited is to appeal to as many people as possible in Bethersden and the surrounding area. In rural communities it is hugely important that people have somewhere to socialise, to meet friends and new people.

A community purchase would have many benefits.

- Providing a place to meet friends and neighbours which will improve the sense of community
- Providing a central point for community events and support local issues
- Improvements to the fabric of the building, preserving it for the future
- Offer a 'meals on wheels' delivery service to the elderly and isolated
- Creating opportunities for local employment
- Injecting money into the local economy
- Providing a hospitality venue for local businesses, groups, tourists, weddings and funerals
- Helping sustain property prices
- In the future, providing funds for other local community initiatives from the profits generated by the pub

We want to increase the usage of the pub during the daytime, as well as the evenings by encouraging more use by local clubs and

community groups, as well as space for a business hub. We also want to explore offering teas, coffee and cakes to make it accessible for friends meeting up in the pub during the day.

How the community can get involved

As a community business it is vital we continue to communicate and listen to everyone involved. The George Community will exist for the benefit of its customers whether they are villagers or from further afield. We will continue to engage with local groups and run regular feedback sessions for guests and members of the community to continuously improve our approach and protect this village asset for the longer term. If you want to get in touch, you can do it directly on our website at www.georgecommunity.com

I worked in The George when I was eighteen and loved it. It would be tragic if this pub didn't survive.

Rebecca King



Our Team

Our Team

We've put together a great team of local and active members of the community, who have a fantastic set of skills to give us the best chance of success. No conflict of interest exist and the committee members derive no financial benefit other than that available to any other shareholder.

Robin Draper - Chairman



Moved to Bethersden 35 years ago with Marian and three teenage children. He served 10 years as Chief Executive of a local farmers Co-operative and in 1996 started his own gardening business. The community has been hugely important to Robin and centre to this has been the friendship he enjoyed with many villagers at The George.

Alex Withington - Secretary



Alex has lived in the village with his wife since 2014, now with 2 young (and very active) children. Formally Head of Commercial Operations at BT and Commercial Logistics Manager at Brakes Foodservice, Alex is now Head of Sales at Deliveroo. He loves proper beer and used to help out at The George's beer festival.

Michele Sadler - Events



Lived in Bethersden for 32 years with her husband Ray Rank. Runs her own business from home. Michele joined the team in early 2022 to help plan and run our community events and support the wider operation of the society.

Joanne Brannan - Marketing



Moved to Bethersden ten years ago to buy her first home and start a family with her husband and lifelong village resident, Duncan. Jo splits her time between raising two young children and being Commercial

Director for an organic lolly company. She is excited to be part of the team bringing The George back to life as a vibrant community hub

Roger Kelly - Treasurer



Has been an acoustic engineer for 30 years and started his own business twenty years ago. The business has recently been sold and he is looking for a new business challenge.

He has lived in Bethersden for over seven years and is committed to helping The George reopen.

Once shares have been issued the members will vote for the management committee which is allowed to be up to twelve people - even we would need to be elected by you.



Financial Planning Assumptions

Financial Planning Assumptions

We believe that the pub remains a viable business and is well placed to become a thriving community hub, in the heart of our village. Our business plan has been drawn up to support our plans for the years ahead and to provide investor insight in our approach.

The main sources of income to support our acquisition of The George are shown below;

Our Community Share offer (target)	£300,000
Community Ownership Fund (approved)	£250,000
The Booster Programme (approved)	£25,000
Further grants to help with refurbishment costs	£46,000
Short term commercial loan	£26,000
Crowdfunding	£10,000
Total	£657,000

Our community share offer is the main source of funding, with our target being £300,000. **We need to raise a minimum of £275,000 from the share offer in order to proceed with the project.** We have already received pledges totalling well over £200,000 so are confident of raising at least the minimum.

The short term commercial loan is based upon raising our target of £300,000 from the community share offer. If we only raise the minimum, this will need to be increased which will impact profitability. If we can raise more than the target, this loan can be reduced or may not be needed at all.

The share offer will be supported by a small crowdfunding campaign for those outside of the area and we are also working on additional grants to help with the refurbishments required. The Booster Programme is funded by Power to Change and run by the Community Shares Unit. Under this programme £25,000 has been made available to match applications for our community shares from the public. This means that for every £500 invested by individuals in community shares, another £500 will be invested in shares by the Booster Programme up to a maximum of £25,000. This investment is held on the same terms as community investors.



Financial Planning Assumptions

Financial Planning Assumptions (cont.)

The £250,000 grant from the Community Ownership Fund provides a share 'match' for our community share offer, also meaning that for every £500 invested by individuals, we receive another £500, up to a maximum of £250,000.

Running the pub

As with any business plan, we have used as many known financial figures as possible to support the plan. Where these are not available, we have used assumptions supported by The George's previous accounts and industry data available to us, which have been tested with hospitality experts as part of our due diligence.

The full information behind our key financial assumptions and more detailed cashflow analysis is available in our Business Plan, which is now available on our website along with all the other key documents at www.georgecommunity.com/shareoffer

The pub will be run by an employed General Manager and Head Chef, along with a team of staff to support the bar and kitchen operations. We have factored in higher wage costs due to the increases in the National Minimum Wage from 2022, Brexit and post-Pandemic challenges in the industry.

*Part of Bethersden died when
The George shut.
Barbara Latter-Marshall*

Initial costs

As well as the price of the pub, there are a number of additional costs we have built into our plan before we're able to open. The total initial purchase and setup costs are summarised below;

Purchase of The George	£540,000
Stamp duty	£16,500
Conveyancing and surveys	£10,000
Further unexpected purchase costs	£5,000
Basic repairs (wet-side)	£20,000
Other expenses (including license)	£3,756
Working capital (restocking)	£8,500
Total	£603,756

At a total of £603,756 for the initial purchase costs and a target total fund raising of £300,000 from the share offer, this will mean that a further £53,244 is available for improvements and refurbishment as part of our plan on the following page.

The more we raise in our community share offer, the sooner these improvements can be undertaken and the less loan finance that will be required.

Financial Planning Assumptions

Financial Planning Assumptions (cont.)

Refurbishment costs

We have allowed a total cost of £72,220 in our plan for refurbishment, mainly in the first 12 months. These will not necessarily enlarge or enhance the pub but based on a recent survey are required for us to fully operate before considering expansion. The key items we have included in our plan are;

- Replacing the oil heating with air-sourced heat pumps in order to reduce our running costs
- Electrical work inside the building
- Internal upgrades including the cellar, a new floor in the public bar, improving the toilets and dining area
- Improvements to the kitchen and wash-up areas

Longer term upgrades and creating a community hub

To help make The George viable in the long term as well as creating more space for community groups, we believe that we need to increase the overall footprint of the pub which we plan to do in the 3rd year of our plan.

Due to the size of the plot, there is huge potential for the improvements that could be made to increase the profitability of the business. A single storey extension could be built to the back of the building to house a new kitchen, toilets and an additional space that doubles the existing internal covers. An external covered space is also proposed to be added with seating for all weather conditions

to again increase the covers available and also function as a flexible community space.

These proposals would be subject to membership and community involvement as well as consultation with the relevant planning authorities. For more information, please consult our Business Plan available at www.georgecommunity.com/shareoffer





Our 5 Year Financial Plan

Our 5 Year Financial Plan

Key assumptions

Turnover projections have been informed by historical trade from the accounts in addition to an assessment of 'Fair Maintainable Trade' provided as part of our valuation report. For a full detailed breakdown of our financial forecast, please consult our Business Plan available at www.georgecommunity.com/shareoffer

- Year 1 starts as a 'wet-only' pub for the first three months, this reduces turnover and gross margin but allows us to get the pub open quickly to begin to rebuild the trade. It includes the purchase of the pub and likely transaction costs as well as most of the initial refurbishment.
- Year 2 is more of a stable year with the business established, however net cashflow is reduced by completing any refurbishment works and paying off the short term loan taken in the first year.

- In the 3rd year, we have planned to commence the expansion of the pub, hence taking on additional debt which shows in both income and liabilities. Higher turnover and repayments come in from Year 4.
- We have included interest payments to our investors from Year 1 at 2%, rising to 5% in Year 4 upon completion of the expansion and as the profitability of the business improves. We have also factored in for some investors to want to withdraw their equity, particularly in Year 4 as there is then no impact on their tax relief.
- As the business turns to cumulative profit in Year 4, we have also factored in Corporation Tax at the current rate, which is then payable from Year 5 onwards.
- Accounts and stock audits by a professional third party will be performed on a quarterly basis.

*A village without a pub is a
community without a heart*
John Garrod

Our 5 Year Financial Plan

Our 5 Year Financial Plan (cont.)

		Year 1	Year 2	Year 3	Year 4	Year 5
Profit/Loss	Total turnover (ex-VAT)	£254,500	£350,000	£360,500	£540,750	£556,973
	Gross profit:	£162,205	£232,750	£239,733	£362,303	£373,172
	Profit/Loss post-tax	-£26,298	£17,661	£9,803	£53,398	£45,403
	Cumulative P/L post-tax	-£26,298	-£8,637	£1,166	£54,563	£99,966
Cashflow	Total income (inc-VAT)	£962,400	£431,000	£737,600	£650,400	£669,867
	Total outgoing	£955,291	£423,111	£719,290	£633,272	£664,305
	Net cashflow	£7,109	£7,889	£18,310	£17,128	£5,562
	Cumulative cashflow	£7,109	£14,998	£33,308	£50,436	£55,999
Balance Sheet	Fixed Assets	£567,500	£564,300	£861,740	£859,692	£858,054
	Current Assets	£7,109	£14,998	£33,308	£50,436	£55,999
	Current Liabilities	-£25,907	-£10,935	-£311,882	-£302,065	-£286,286
	Total Net Assets	£548,702	£568,363	£583,166	£608,063	£627,766
	Shareholders funds (shares + P/L)	£298,702	£318,363	£333,166	£358,063	£377,766
	Community Ownership Funding	£250,000	£250,000	£250,000	£250,000	£250,000

Answers about share ownership

Answers about share ownership

How much can I invest?

We have set the value of each share at £500, to try to make the share offer as accessible as possible. You can choose how many shares you wish to buy and to succeed we need most people to put in more than the minimum amount. Please note that there is a maximum individual investment of 10% of the total raised from the community, so if the amount you wish to invest is more than this, we will let you know and adjust your investment in line with the final maximum investment cap.

What tax relief will I get on my investment?

The George Community Ltd is currently applying for HMRC approval under the SISR scheme which would entitle you to 30% relief on any amount that you invest, to be taken off income tax liability. So if you buy 20 shares = £10,000, then you are allowed to claim back £3,000 from your tax return. We recommend you seek independent financial advice regarding this. SISR stands for Social Investment Tax Relief and is designed specifically for community interest companies like a Community Benefit Society.

What if I can't pay all of the money needed upfront?

We want to make our share offer as accessible as possible to everyone. If you are investing £1,000 or less you can pay by instalments - just let us know when completing your share application and we'll agree a payment schedule with you.

What return on my money will I get?

Our rules allow us to pay up to 5% per annum or 2% above base rate, whichever is higher. Any additional profit will be reinvested into the business or given to local charities and organisations, voted for by the Membership. Our business plan aims to pay an average of 3% interest in the first five years - that means if you invest £10,000 you would get £1,500 interest in those five years, subject to the business being profitable. The interest can be taken as credit to be spent in the pub, as an annual cash payment to your bank account, or foregone by the member and donated to the Society, it's up to you.

What say do I have in the running of the pub?

Just like any company we will have a management committee and secretary elected by its members. Each member will have an equal vote regardless of shareholding. The management of The George will be answerable to, and appointed by, the management committee.



Answers about share ownership

Answers about share ownership (cont.)

So how safe is my money really?

Since community owned pubs began there has only been one closure. Our pub has a long track record of making a small profit year on year and we aim to significantly improve the facilities to enable us to make even more profit. However no business is a certainty and in the event of The George failing economically your share value can fall and will be dictated by the value of remaining assets.

What happens if we do not manage to buy The George for the community?

All of your money will be returned to you. However you may like to consider a voluntary contribution to help us cover the professional fees, such as design and accountancy incurred so far. The details of these will be posted on www.georgecommunity.com/shareoffer

What happens if I want to withdraw my shares?

We hope that you will want to retain your shares for many years to come. Withdrawal requests may be made to the Management Committee in writing after an initial period of 3 years, who will at its discretion will repay the nominal amount of the shares to be withdrawn subject to the conditions specified in the Society rules section

8. The Management Committee will have the authority to refuse a withdrawal request if it would endanger the viability of the Society, and the total reserve available for share withdrawals in the following year will be published in the Society's accounts. The minimum investment period we've chosen of 3 years also aligns to HMRC's rules to qualify for income tax relief on your investment.

Why do we need to do this quickly?

There are other potential buyers who could come in to buy the pub (potentially for residential development) and we need to be decisive to save The George for the community. If you are interested, please complete the share application form and send your payment through promptly.

Where can I find all the supporting information?

You can find all information relating to the share offer on our website www.georgecommunity.com/shareoffer. This includes our detailed business plan and financial forecast, the share application form, our society rules, more information about tax relief and how to contact us if you have any further questions.



Saving The George Pub, Bethersden
www.georgecommunity.com