

## **1. HOW DO THE COMMUNITY BENEFIT SOCIETY PROPOSE TO RAISE THE FUNDING TO PURCHASE THE GEORGE?**

The plan is to raise percentages of the total funding required as follows:

- a. We are proposing to sell shares of £50/person to a very large community raising approx 17%
- b. A repayable loan scheme to raise a significant sum from individuals raising nearly 68%
- c. Fundraising events including an online raffle, events and an extensive crowdfunding effort raising 12%
- d. Applying for grants from a variety of sources including both government and private sources raising 3%

## **2. WHY SHOULD I PURCHASE SHARES?**

By becoming one of many shareholders you will be helping to bring The George into community ownership and helping to ensure it is there for this and future generations. This share offer will provide a proof of widespread support and provide a solid base on which to build our other funding efforts.

## **3. HOW LONG WILL IT TAKE TO REPAY INDIVIDUAL LOANS?**

The model the society is proposing is to find a tenant landlord and each year a portion of the rent received will be used towards repayment of the loans. However, this is a long term project and full repayment may take many years.

## **4. WHO WILL BENEFIT FROM THIS PROJECT?**

Both the residents and friends of Alstonefield Parish and the greater community will benefit directly from having a vibrant successful village pub preserved for future generations. The George will play a part in making our community a stronger, more vibrant and cohesive community in which to live. Additionally, the very large community of visitors who frequent this corner of the Peak District will benefit from a thriving pub in this location.

#### **4. HOW WILL I PURCHASE SHARES?**

A share application form is downloadable from our website [thegeorgealstonefield.co.uk](http://thegeorgealstonefield.co.uk) or obtained from the Secretary. We have also be delivered forms to all residents in the parish.

#### **5. WHEN DO I PAY FOR MY SHARES?**

You must enclose a cheque or make a bank transfer, equal to the value of the shares applied for, at the time you submit an application form.

#### **6. WILL MY SHAREHOLDING OR DONATION BE PUBLISHED?**

We are restricting each shareholder to a £50 investment. Therefore everyone will have an equal share holding which will be available on a membership register. Donations and repayable loans however will be confidential.

#### **7. WHAT HAPPENS IF MY SHARE APPLICATION IS ACCEPTED?**

In the case of shares, your share purchase will be entered into the Society's Membership Register and you will be sent a Share Certificate.

#### **8. WHAT HAPPENS IF MY APPLICATION IS REFUSED?**

You will be notified and your cheque returned or your bank transfer refunded.

#### **9. IS THIS A GOOD BUSINESS PROPOSITION?**

We expect and will require the business to be a profitable venture. We have carefully evaluated its strengths and weaknesses and our projections show that we can establish it as a successful community business. There are currently over 150 community-owned pubs. Only one (leased) community pub has ever failed.

#### **10. WILL WE BE PAYING A FAIR PRICE FOR THE GEORGE?**

We have established a value by obtaining a Red Book valuation by a RICS pub specialist (Pinders) with over 30 years' experience. On that basis we will negotiate extensively with Marstons to agree a

price. We are not making this value public knowledge for reasons of business confidentiality.

#### **11. IS THE BUILDING STRUCTURALLY SOUND?**

A local builder with extensive experience in working with properties of this age and construction inspected the George. His assessment is that the building is sound but will need a program of improvements to ensure it's long term future. A full Chartered Surveyors buildings inspection will be commissioned prior to purchase.

#### **12. HOW DEPENDENT IS THE SUCCESS OF THE BUSINESS ON VOLUNTEERS?**

The Business Plan assumes full commercial viability based on engaging an experienced tenant. However, volunteers are needed to help get this project off the ground, for example, distributing marketing leaflets etc. Additionally, savings on the cost of repairs and refurbishments could be made if suitably skilled volunteers are able to help.

#### **13. WHO WILL RUN THE GEORGE AND MAKE DAY TO DAY DECISIONS ABOUT THE BUSINESS ?**

We intend to seek an experienced tenant landlord or manager to run the business. The Community Benefit Society will replace the brewery as the owner of the freehold but it is essential that the business is operated by professional landlords.

#### **14. DO MY SHARES GIVE ME VOTING RIGHTS?**

Yes, they do. By purchasing shares you become a member of the society and each member will have one equal voice and one equal vote. Donations or loans do not confer voting rights.

#### **15. HOW DO 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. The Management Committee may suspend withdrawals depending on the long-term interests of the Society, the need to maintain adequate reserves, and the commitment to the community. Withdrawal of shareholdings can be funded from rental income surpluses and/or further Share Issues to raise funds from new investors to pay for withdrawals by existing investors.

#### **16. WILL I GET MY MONEY BACK IF THE BUSINESS FAILS?**

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. If there was a surplus, owing to the Rules of the Society and the Asset Lock clause, this has to be used for the benefit of the community. In theory you may get back less than you invested.

#### **17. 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.

#### **18. WILL I RECEIVE INTEREST ON MY SHARES?**

No. The relatively small share holding per person would generate a very small level of interest/dividend and the priority from any earnings that the society receives will be to reinvest in the George and repay the loans,

#### **19. I DON'T WANT TO BUY SHARES, CAN I JUST GIVE A DONATION?**

Of course, we welcome donations. If you would prefer to give a donation towards purchasing The George pub, please fill in the donation form, available at Share Issue meetings, or from our website, or one can be requested from the Secretary

(see page 3). Please note, donations do not result in membership of the Society or give voting rights. If the pub should be sold sometime in the future, any donations will not be eligible for reimbursement.

**20. CAN I GIVE A DONATION AS WELL AS PURCHASING SHARES?**

Yes, you can. You can give a donation of any amount by completing the donation form. You can also purchase 50 shares by also completing a share application form. By purchasing shares, you become a member of the Society and have voting rights.

**21. WHO ARE THE PEOPLE BEHIND THIS PROJECT?**

Do they have a personal interest?

The Management Committee consists of a group of villagers who care passionately about the future of The George.

They have worked tirelessly to progress the project whilst liaising with professionals offering advice and financial support. They do not and will not have any financial interest in the project, above and beyond their own investment in community shares.

Their personal profiles are in the Management Committee section. All members of the Management Committee must agree to abide by a Code of Conduct, which also covers potential conflicts of interests.

A copy is on our website

**22. ARE JOINT SHARE APPLICATIONS ALLOWED?**

No, only individuals and corporate entities who have a UK bank account can apply for shares. However, individual household members can each apply for shares in their own names as long as they are over 18 years old. The single £50 share offer applies to each individual.

**23. CAN I PURCHASE SHARES ON BEHALF OF MY CHILDREN?**

No, we will only accept share applications for individuals aged 18 or over.

**24. CAN I TRANSFER OR SELL MY SHARES TO SOMEONE ELSE?**

Shares cannot be transferred, except on death (see Q33), and they cannot be sold to others.

**25. IS THE MONEY SAFE BEFORE THE GEORGE IS PURCHASED?**

All monies will be held in The George at Alstonefield Community Benefit Society Co-Op bank account. Any withdrawals require two individual authorisations from any two of the Society's four principal officers.

**26. 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 and/or including the bequest in your will. The individual/s must be over 18 years of age when they inherit and, if already a member, the additional shares cannot increase the individual's shareholding above the maximum amount set by the Society. You can bequeath some or all of your shares to The George at Alstonefield Community Benefit Society Ltd.

**27. WHAT HAPPENS IF THE PLAN 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. This could include: to return shares/donations raised from this Share Issue (less any costs incurred); or to remain an investor in the Society and reconsider at a future Members' Meeting our options.

**28. WILL MY INVESTMENT GET TAX RELIEF ?**

The proposed operating model is a tenancy agreement. The tenant will have full financial operational responsibility for day-to-day running of The George and its success. Therefore, this share offer will not fall under the HMRC rules for tax relief for investors.

**29. INTEREST AMOUNTS ARE QUITE SMALL, CAN I JUST LET THE SOCIETY KEEP IT ?**

We understand that you may not be concerned about receiving interest on your share capital, either because the amounts are small or because of any tax implications. There is the opportunity on the application form to indicate if you wish to donate any future interest to the Society. You can write to the Secretary at any time and revise your decision.

**29. OTHER COMMUNITY PUB PROJECTS RAISED MOST OF THE FUNDS VIA SHARE SALES. WHY ARE WE DOING IT DIFFERENTLY?**

Every pub purchase project is different. Due to the location of the George and the amount required, it has been assessed by the business planning team that we have the potential to tap into a very large wider community. Keeping the share purchase at £50 max per person lends to this both administratively and equitably. There are individuals who have indicated they are prepared to lend substantial sums to the Society. Being a repayable loan potentially increases the amount individuals are prepared to lend.

**30. Will WE SEE THE TERMS OF MEMBERS LOANS BEFORE THE INFORMAL PLEDGE REQUEST?**

The loan terms are being prepared but will not be ready for the informal pledges. However, loan terms and conditions must by law be issued before the actual loans are given so that investors are clear what they are signing up to, so members will have an opportunity to see and consider loan terms and conditions before the formal loan is made.

**31. HOW MUCH NOTICE WOULD MEMBERS BE GIVEN TO HANDOVER THE LOAN PLEDGES WHEN THE PURCHASE IS AGREED**

Funds are likely to be required within 30 days from the date of the purchase being agreed.

**32. HOW ARE YOU PLANNING TO PAY BACK THE MEMBERS LOANS, GIVEN THE QUANTUM OF THE LOANS?**

The tenant or manager would be paying a rent to the CBS to operate the pub (and potentially the Coach House). Subject to repayment of any commercial loans, repairs and maintenance to

the buildings, a healthy pot of cash reserves, and an operating profit, members loans would be repaid through the CBS's income over a number of years.

**33. WHAT HAPPENS IF SOMEONE WHO HAS LENT THE CBS MONEY PASSES AWAY?**

This will be outlined in the terms and conditions of the loan, but the initial view is that the debt owed by the CBS would then be transferred to whomever is next of kin/named in the Will. Gifting loans upon death is also an option.

**34. WILL NEWCOMERS TO THE COMMUNITY AT A LATER DATE STILL BE ABLE TO PURCHASE SHARES?**

Yes (subject to management committee approval)

**35. WHY ARE YOU SELLING 50 x £1 SHARES AND NOT A SINGLE £50 SHARE?**

We have used the extensive community purchase experience provided by the Plunkett Foundation when we were building our business plan and they strongly urged us to use this type of share offer model.

**36. CAN I OWN MORE THAN 50 SHARES ?**

No. The maximum share ownership is set at 50 shares per person. However, there are several ways in which you can make further donations or provide shareholder loans. Further information on donations is available on the webpage.

**37. CAN I SELL MY SHARES TO OTHER SHAREHOLDERS OR ON THE OPEN MARKET?**

No. Shares can only be sold back to the Society, subject to affordability which will be determined by the management committee.

**38. WILL MY SHARES INCREASE IN VALUE?**

The share price and share purchase volume is fixed at 50 shares at £1 each. Unlike traditional shares in a private company, the Society shares are for a specific investment for community benefit. Therefore, they will not increase in value.



**39. CAN I BUY SHARES FOR SOMEONE ELSE?**

Yes - so long as the people for whom you are gifting shares to are over 18 and you have their full legal name and address. Shares must be issued in the receiving person's name.

**40. WHAT HAPPENS TO MY SHARES IF WE BUY THE GEORGE AND IT GOES BANKRUPT?**

In the case of insolvency, the George's assets would be sold and members paid back their investments. However, share capital is at risk and repayment comes after repayment of any loans. In this unlikely situation, the Society would use all reasonable endeavours to try and return share capital proportionally, if not in full.