

Quainton George & Dragon Community Benefit Society Limited



Business Plan

08/06/2023

This business plan is authorised by the CBS Management Committee.



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The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national 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

Societies are asked to sign a Code of Practice requiring them, among other things, to give the public a right of complaint to the Community Shares Unit. For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to: communityshares.org.uk



Executive Summary

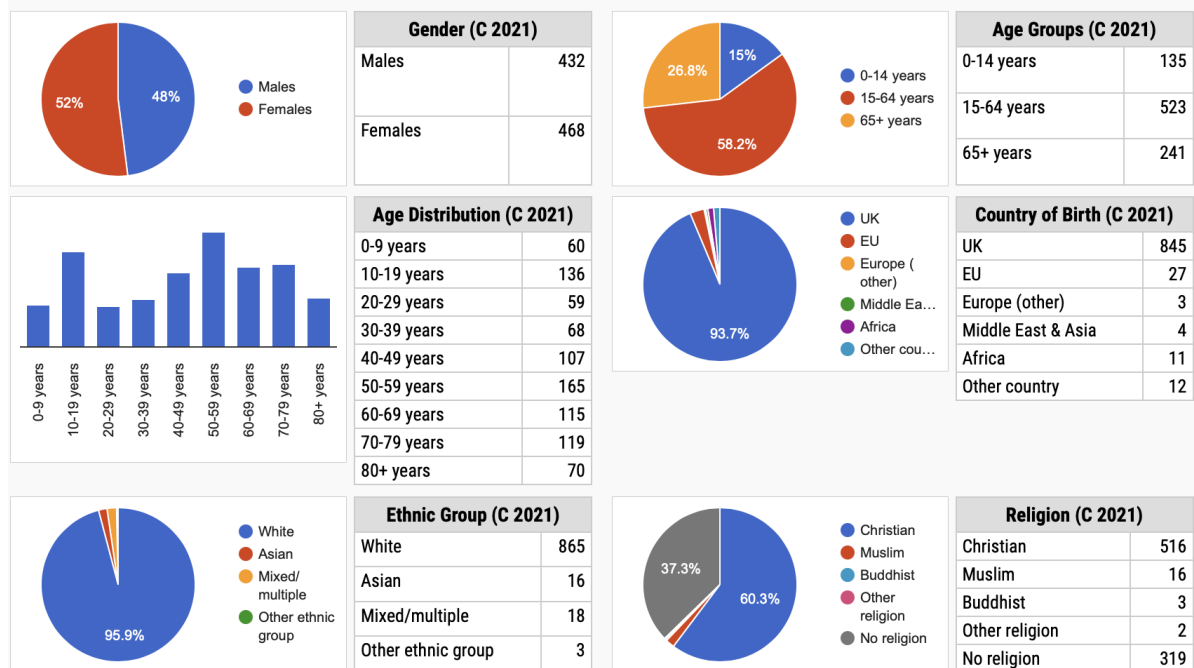
- The George & Dragon Pub and Coffee Shop (G&D) is more than 'just a pub'. It is our most important community hub, supporting a wide range of local social support activities, and serving a diversity of groups throughout the day. Without the G&D the levels of rural isolation and loneliness would increase dramatically.
- However, as with many rural services, it is facing potential closure. It has been on the market for over a year without any interest from a commercial buyer. If it closes our village will not only lose its only pub, coffee shop and bakery, we will lose an employer, and a buyer of local supplies. Our carbon footprint will go up. People will have to travel out of the village (which has limited public transport) for their basic services. Most importantly, we will lose the heart of our social support and community-building activity.
- We have a clear and practical plan, based on community ownership through our Community Benefit Society (CBS). Once purchased, with the help of the community shares and grants, we will carry out some refurbishment and select a suitable tenant to run the business for the community. There is clear evidence this can work, there is also overwhelming emotional and financial support in the community for this approach.
- The CBS will maintain the property and work closely with the tenant to ensure that the G&D is run in a way that allows us to deliver the community engagement goals expressed in our community feedback.
- We will ensure that the G&D, at the heart of the village, continues to operate as the golden thread in our social fabric holding the community together. Moving the G&D into community ownership will massively increase the sense of pride and ownership in the community. The CBS will do all it can to repay that support for the benefit of the whole community for generations to come.

Background

Current Context and Status of the Pub & Coffee Shop

Quanton is a village in Buckinghamshire, 7 miles northwest of Aylesbury. All villagers live within a 10-minute walk from the George and Dragon Pub & Coffee Shop (often referred to as the George and Dragon elsewhere in this document). The data on the demographics of the main village uses the 2021 census figures and had a total of 900 inhabitants. However, this excludes a wide range of community members in the surrounding vicinity which we estimate adds a further 300 inhabitants. With a historic railway centre, a working windmill, and at the centre of a network of popular walking and cycling routes, the village attracts many visitors throughout the year. Quanton is currently being severely impacted by the construction of HS2 which is having a hugely negative effect on the local residents.

Further information about the population structure:



Since 1777 there has been a public house on this site when Richard Daniel was the first licensee of the St. George. The George and Dragon Pub & Coffee Shop is now the only pub in Quanton, which at one time had 14 different pubs.

The George and Dragon Pub & Coffee Shop is a free house, registered as an Asset of Community Value with Buckingham Council. The current owner/tenant has successfully run the business since 2002. First as a tenant for Punch Taverns and then as the owner since 2012. The coffee shop was added in 2014 to increase the range of services and diversify and increase income. As a combined offer it is used by regulars and visitors to the village for drinks, as well as for food and coffee and cakes. It includes 4 bedroom accommodation which could be used for income or offered to a new tenant. It has a recently refurbished kitchen and currently offers 30 covers. Although it has no garden, it uses its partially covered courtyard and benches on the village green to increase seating in warmer weather.

The 18th-century building is structurally sound however, as highlighted in the recently completed village survey, the interior decor and exterior seating would benefit from an upgrade.

The George and Dragon is currently open Wednesday to Sunday in the evening and Saturday and Sunday at lunchtime. The Coffee Shop is open Tuesday - Sunday.

Value to the local economy: The pub and coffee shop is a local employer and there is a long list of village youngsters who, having worked at the George and Dragon, have gone on to build successful careers.

The George and Dragon use local suppliers including Dayla Aylesbury for beer, Parrotts for meat, Booker for wines, spirits, and dry goods, and Holdsworth for frozen foods. It is a tourist attraction, a very popular stop-off for cyclists and walkers en route through the village. As a village attraction, it inevitably increases visitors to the shop, the windmill, and the railway centre. Undoubtedly, these other village attractions and facilities would suffer if the George and Dragon were lost.

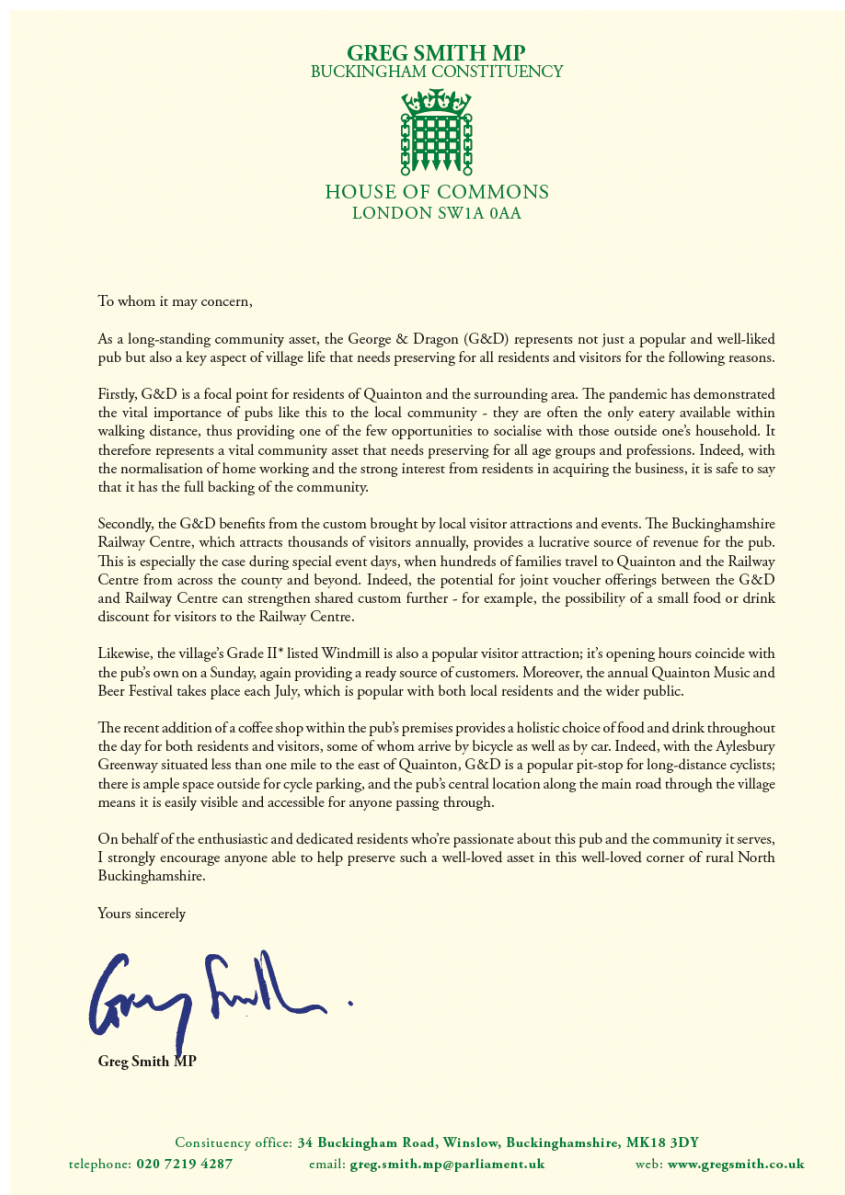
Value to community life: Quainton would lose a central social hub without the George and Dragon Pub & Coffee Shop. There are many village groups that it supports or use it as a meeting place, these include the PTA, Book Club, Badminton Club, Tennis Club, Ukulele Club, Windmill Society, Bonfire Society, Dominoes Club, Mums Club, The Scouts, visiting Cycle Clubs, Quainton Football Club, The Harvest Auction, Royal British Legion, Lunch Club for the elderly and socially isolated. The George and Dragon is also at the heart of the village's annual events, including the Fireworks, Harvest Auction, Quaintfest music & beer festival.

The George and Dragon is a critical hub for these community activities, and they would suffer (some might stop entirely) if it were lost. This would weaken the local economy, make the village less attractive to visitors, affect many people's sense of belonging and make it a less supportive and social place for those that already live here. It would also mean the village is a less desirable place to live for those looking to relocate (impacting negatively on house prices).

Under Community ownership via a Community Benefit Society, it will be possible to expand the current business and expand support for community life.

Support for Community Ownership: There is a high level of support for Community Ownership as demonstrated by the numbers engaging in village meetings, returning various survey questionnaires and pledging to buy shares in the Community Benefit Society.

Local Conservative MP Greg Smith has also offered his support for Community Ownership.



Quainton Parish Council is supportive of Community Ownership. They were instrumental in forming the Community Action Group and have provided financial support for the activities completed to date.

Competition

Despite the impact of the pandemic, significant issues in attracting staff, an economic downturn, and imminent closure, the George and Dragon remains a sound business (see finance section). It has high levels of local and visitor interest in both the pub and the coffee shop.

There are no hospitality venues in Quainton and no other cafe or food service located in the village. The nearest pubs are in other surrounding villages, between 2.3 and 4.3 miles away. It is notable that most of these have moved from wet (drink only) to mixed services (food and drink) over the last few years with a focus on quality food. However, with no reliable public transport, these offer no

alternative to Quainton residents. There is clearly a need and an opportunity to retain and develop the George and Dragon Pub & Coffee Shop service.

As the only pub and coffee shop in the village; with a mixed food and drink service, in a picturesque village which attracts significant visitors, registered as an Asset of Community Value, with no convenient local competition it could face an auspicious future as a business and as a central hub of community support.

The Challenge

The George and Dragon is under threat: The current owner has worked long, hard hours, under enormous pressure as both owner, tenant and even cook and bartender. For understandable, personal reasons the owner has put the business up for sale, and now it faces closure.

There is enormous support in the village for the pub and coffee shop, almost 100% of those who responded to our survey supported the idea of a plan to save them and there were significant pledges of financial investment. This support is not just from regular clientele but comes from across the entire village community, some of whom are keen to invest just to ensure that the village retains this central hub for community activity.

The 'Community' Vision

Based on feedback from the village through a series of surveys, our vision is for the community to buy the George and Dragon, ensure it is a thriving business and continues to play a vital role at the heart of our village. Most importantly, the new business will generate an income for the CBS (Community Benefit Society) which after a period of the establishment will be able to re-distribute funds, effectively acting as a self-sustaining catalyst for community support and well-being.

So, when we successfully raise the purchase and development costs, what will this new community-owned service offer? Following a survey of the current users and the broader village (see Appendix K for details of the village survey, analysis of the results conclusions in terms of what needs to be retained and what needs to be developed with the facilities).

In summary, the plan is to enhance both the scale and profitability of the business (to ensure it attracts a good tenant) while also ensuring that George and Dragon continues to play a strong role in supporting the community.

Enhancing the Business

We will ensure that The George & Dragon Pub and Coffee Shop continues to:

- retain the support of the current clientele (and they are happy with the new arrangements)
- work closely with three groups who support socially isolated and disadvantaged people in our community
- support social engagement and entertainment activities (which will ideally be enhanced)
- provide local jobs and development of employees
- attract visitors and income to the village for both the George and Dragon and the other Quainton attractions
- offer a good quality mix of drink, food, and the coffee shop services

We will also:

- improve the food service (in range and regularity)

- improve and enhance the interior and exterior decor including additional seating for food while preserving the public bar
- return to regular opening hours
- install wifi to allow for remote working in the coffee shop
- make the most of the enviable location on the village green in sight of the restored windmill

The above will increase both turnover and profitability and hence ensure the appeal to a new tenant. Acquisition of a motivated and experienced tenant can then also

- ensure more regular opening hours (a major concern for the village)

Enhancing Community Support

The above business improvements are critical, as without a successful core business it will not be possible to support the ambition for increasing community activities so highly valued by the village. When the future of the pub and coffee shop is ensured, the CBS will, via the tenancy agreement ensure the George and Dragon continues to provide support for significant growth in

- communal entertainment events (e.g., youth leisure and sport and other underserved groups)
- social support activities (e.g., for the isolated, vulnerable, etc)

The primary aim is to support village life, and to focus on services/events which support groups that would not otherwise be served. The village has recently been surveyed regarding improvements/developments it would like to see. These include:

- Improvements to the skatepark and MUGA
- Improved pavilion on the sports & recreation grounds with facilities for changing rooms
- showers, toilets, and outdoor gym equipment
- path around the football field with a hard surface for running
- more public footpaths and cycle paths that connect to each other
- EV charging points
- more community events

The CBS membership will agree each year on which of these activities should be prioritised.

Work Done to Date

In May 2022 the George and Dragon was put up for sale and the village held a meeting to ascertain the level of support for a plan to save it. It was clear at that meeting there was overwhelming support for a plan to save the business if no other buyer could be found. Shortly after the meeting, a 'Community Action Group' (CAG) was formed. The CAG has subsequently undertaken a range of activities including.

- Surveying the whole village for interest and support (99% support)
- Meeting with others who have run community pubs (to gain a better understanding of issues and models)
- Researching sources of income (share issues, grants, loans)
- Researching alternative models for ownership (Community Benefit Society, Community Interest Companies, Limited Company, etc.)
- Gaining financial pledges from the village community (showing significant support)
- Joining the Plunkett Foundation (gaining expert support for the business case and developing the share issue, etc.)

-
- Establishing the Quinton George and Dragon Community Benefit Society Limited Reg - 8999
 - Village survey on the use of the George and Dragon and interest in future services
 - Review of local competition
 - Appointment of consultants to assess the existing business, and review the business case
 - Submission, and subsequent approval, of an Expression of Interest for the Government Community Ownership Fund.

For more details see Appendix I.

Proposed Scheme

The aim is to raise enough money to acquire the freehold of the George and Dragon (the community becomes the owner) and then appoint a professional tenant to run the business. The finance section provides details on how this can be realised, based on a robust analysis of current business and a realistic projection of future income.

There are over 150 community-owned pubs in the UK, 31 of which are within 25 miles of Quinton (8 within 10 miles). According to Plunkett, a remarkable statistic about community-owned pubs is that, to date, they have a 99% success rate¹. A few have been sold on to the private sector once the business was re-established, but all the rest have survived and thrived. People in the community with a direct stake in the business will obviously support it and encourage others to do so. More importantly, the whole community will see George and Dragon as 'theirs', generating levels of loyalty and commitment that other operating models can only dream of. Also, most businesses (as ours will) own the freehold of the business outright so their outgoings during periods of restriction, like the recent global pandemic, are manageable compared with others.

How much money do we need, and for what? The George and Dragon is currently for sale with a guide price of £625,000 for the freehold. This figure will of course be negotiated and will include all fixtures and fittings as well as operating stock in place at the time of purchase. The George and Dragon is currently independently valued at £520k as a business (our models take into consideration the purchase will cost between £625k and £520k - and targets £590k as the likely outcome). The purchase will be completed on a debt-free / cash-free basis. As with any property purchase, the necessary searches and other due diligence will be completed by the solicitors before any transaction is completed.

In order to meet our objectives, the George and Dragon must undergo some refurbishment to make it a more attractive opportunity for a new tenant and clientele. Some short-term refurbishments will be undertaken after purchase, and another potential refurbishment (funds allowing) will take place later after negotiation with the tenant. We aim to raise £700k to relaunch and enhance this already successful business. Once the business is acquired and refurbished and a tenant is appointed, it should cover all its running costs and return a profit (see finance section). So, the main task is to raise funds for the purchase and refurbishment costs (not to support the ongoing running costs).

The funds can come from two main sources:

- Community Shares
- Grants
- Public Works Loan (only if the above are inadequate)

There are various funding options (modelled in more detail in later sections):

¹ Plunkett's "Better Form of Business Community Pubs" report. <https://plunkett.co.uk/reports/>

Model A (raises £700k)

- Community Shares at £300k
- Grants at £400k (including £300k COF bid - £100K from other grantors or high share income)

Depending on the levels of COF funding we have prepared two alternatives but less-than-ideal models:

Model B (raises £625k)

- Community Shares at £275k
- Grants at £200k (including COF bid)
- PWB loan at £150k

Model C (raises £625k)

- Community Shares at £275k
- PWB Loan at £350k

What are ‘Community Shares’? Community shares are a way of raising money. Those buying shares must understand their financial commitment is primarily for the greater good of the community. There is no promise of financial gain. Shares can only be issued by a recognised, registered organisation (e.g., a ‘Community Benefit Society’ or CBS.). A CBS raises money by selling shares to community members. If the business succeeds, members can gain interest from their shares. Shareholders cannot transfer their shares to others, but they can withdraw their shares (sell back to the CBS if approved by the Management Committee) at face value under terms to be defined and shared by the CBS in advance.

Over £200 million² has been raised through community shares by more than 126,000 people since 2012. Community shares have been invested into over 500 cooperative and community businesses including shops, pubs, renewable energy schemes, housing projects, and community hubs. 92% of all businesses (and 99% of pubs) that have used community shares are still successfully trading.

Village members' pledges suggest we are on target to raise at least £280K through a community share issue. More details on Community Shares and Community Benefit Societies are in Appendix D and E.

What grants are available? We potentially need to find an additional £250k-£500k from grant sources. Grants do not need to be repaid (they are not loans). The following organisations have all made grants to a range of community causes, including supporting community-owned pubs: Community Ownership Fund (COF), and The National Lottery (TNL).

Grants from these organisations come with conditions, all of which we meet, including that the community:

- has been consulted, is supportive of, and involved in the project,
- is willing to make a financial contribution (which can then be matched by some grantors)
- has established a Community Benefit Society (or similar)
- has an ‘asset lock’ (meaning the money granted can’t be redistributed to shareholders as profit but must be kept in the CBS for the community’s benefit).

² <https://www.uk.coop/support-your-co-op/community-shares>

With a combination of community shares and grant applications, it should be possible to acquire the freehold of the George and Dragon. If the target is not met there is also the opportunity to apply for a long-term, relatively low-interest Public Works Board loan (PWB) to close any gap (a PWB loan was given for the Quanton Memorial Hall). The Parish Council would undertake accountability to the PWB for the loan. It will then lend the proceeds to the CBS who will be expected to pay back the loan and any agreed interest. This option is also modelled in Appendix B.

Management and Staffing

Once the George and Dragon is community-owned the CBS would appoint a tenant.

The CBS will actively seek the right tenant to assume the running of the business. The tenant will have specific responsibilities outlined within the tenancy agreement including but not limited to the service style of the pub, number of covers, type of menu, opening hours, minimum food hygiene standards and minimum revenue per year.

The CBS will work with the tenant to execute a refit of the George and Dragon that is in keeping with the village whilst ensuring the interior is brought up to the standards a discerning customer in 2023 expects.

Appointing a manager is not desirable due to many regulatory, sector-specific and business responsibilities including but not limited to serious health and safety requirements which would render the project unmanageable with many pitfalls.

Staffing has become a challenge especially recently. Therefore, the CBS will partner with the tenant to ensure they are supported with the recruitment of staff. Support will be in the following forms: inclusion of job adverts in the Quanton News paid support on key recruitment websites, and posts on social media.

Furthermore, the structure of the deal will allow the tenant to pay staff a fair wage, and being a community-owned business, with a strong interest in supporting the community it will make the George and Dragon an attractive place to work. See Appendix E and F for more details on the CBS, the Management Committee and its relationship with the members and the tenant. A draft Tenancy Agreement is included in Appendix N). We expect the tenancy agreement to

- set rent at 8% of turnover for the first five years
- be a rolling, renewable 5-year arrangement
- include basic repairs and maintenance elements (budgeted in P&L)
- include a requirement for a formal review after an initial 6 months and at the end of the first year
- include a break clause should either party fail to adhere to terms (although all efforts would be made to ensure any issues are addressed in a timely manner through regular liaison between the CBS and tenant)
- include a five-yearly review which will include a reassessment of rent level and terms

Business Analysis

The British Beer and Pub Association provides the latest data for tenants and lessees on typical operating costs in the UK pub industry. For a pub like The George & Dragon and Coffee Shop (classified as Community Wet Led - £8k weekly sales, with 90:10 Drink/Food) has (in 2019-20 - the last pre-COVID full trading years) an average gross margin of 57% which is as expected. However, it has a slightly lower-than-expected % profit (12% against 15.8% as expected).

The last pre-COVID complete accounts showed George & Dragon (in 2020-21) included sales of £426k on an ASPH (Average Spend Per Head) of £15.

The key to the future success of the George and Dragon is the introduction of regular and consistent opening hours and classic 'pub grub' locally sourced food. Once this has been implemented the business will see an increase in ASPH and therefore an increase in annual revenue.

Clearly, a key element to the ongoing success of the business is footfall. The CBS will support the new tenant in footfall-generating initiatives by working with key stakeholders from the local community. Growing the business footfall by +10% would see sales grow by £57k.

The forecasts in Appendix B are modelled on a more conservative level of actual growth.

Financial Returns

From the rent that the tenant pays to the CBS, it will be possible to pay a modest interest to members.

In practice, any interest payments will depend on sufficient surplus being generated to sustain and effectively manage the business.

Interest payments will be considered each year as part of the annual review process, but are not likely to be paid before year 6. Any interest payment proposals from the Management Committee will be put to the Annual Members Meeting. Levels of interest payments will be set in accordance with the Society's rules which specify the maximum level of interest payable (no more than Bank of England Base Rate plus 2%, and in any event no more than 5%). Critically, a proportion of the rent will be reserved and directed at community support activities.

Appendix A: Information for Awarding Bodies

• Project costs	£700k
• Max capital costs (including max purchase and max refurb)	£675k
• Revenue costs (legal fees, etc.,)	£ 50k
• Total request for COF funding (capital costs plus revenue costs)	£300k
• Match funding	£400k

We expect to raise the additional capital required ('Match funding') through CBS member shares at between £250k and £350k. The community share issue will take place and be complete by June 2023. We expect it will take 6 months to raise the required funds.

Depending on the outcome of COF bid and share issues uptake, we plan to raise a further £100k-£300k from TNL/HS2 support and/or from a PWL Board Loan

We have modelled three outcomes, the first is our target:

Model A (£700k raised - ideal level of refurbishment)

- Community Shares at £300k
- Grants at £400k (including £300k COF bid - £100K from other grantors or high share income)

Depending on the levels of COF funding we have prepared two alternatives but less-than-ideal models:

Model B (£625k raised - modest refurbishment, less contribution to community)

- Community Shares at £275k
- Grants at £200k (including COF bid)
- PWB loan at £150k

Model C (£625k raised - little refurbishment, zero contribution to the community in first 6 years)

- Community Shares at £275k
- PWB Loan at £350k
- Funding already secured - None (though clear pledges from the community)
- Financial forecasts for the George and Dragon and CBS - See Appendix B
- CBS audited accounts - Not applicable as only established in 2023

Appendix B: Finance Details

The Society will own the George & Dragon which will be let to a tenant who will run the business. The core economics of our business as a property owner, therefore, revolves around the primary source of income (rent payments) vs. outgoings (building maintenance, any loan repayments, shareholder interest, and other overheads). In addition, we need to build a reserve over time in case members need to withdraw their shares and provide for property improvements to support business growth.

Income

Other than any other one-off grants that we may receive, the Society's sole source of income will be the rent paid by the tenant. For the business to thrive and be sustainable the tenant needs to make a living and have a real incentive to grow the business. To this end, we don't want to impose too high a rent. On the other hand, we must pay the outgoings explained below. A rent of 8% of the predicted turnover has been set. This is set to be attractive to tenants for the first five years.

We have carefully modelled what we think are reasonable assumptions of the likely turnover of the business based on its trading history over the last few years, and on the expectation that the right tenant will be able to grow the business significantly from its current levels of trade.

We will, of course, review our forecasts with prospective tenants as part of the selection process to confirm that our respective business plans are aligned, but based on our detailed research and many discussions with successful operators in the licensed trade we are confident that our assumptions at this stage are realistic.

Annualised forecast turnover and rent

We have assumed the business will achieve a reasonable year-on-year increase in turnover until Year 5 at which point the business will then be at a sustainable 'steady-state' level of trade once the tenant has rebuilt its reputation and developed its customer base. Subsequent increases in turnover have been modelled using the Office of Budget Responsibility's forecast rate of inflation.

Our growth projections are based on knowledge of trading levels previously seen at the George and Dragon under current ownership during pre-and post-COVID/lockdown periods - taken alongside the impact of improvements to internal decor, more regular hours, improved food services and an increase in the number of covers.

We aim to set our rent to promote a sustainable business for the tenant and the community (see below).

For the first five years, we will set a fixed (8%) rate of turnover rent to provide the tenant with a degree of certainty on their outgoings as they establish themselves and develop the business.

Rent will be payable quarterly in advance based on the forecast. There will be an annual review of the forecast against actuals and 'true-up' (adjustment against actuals) payment to or from the tenant to reflect the actual turnover achieved (based on certified accounts).

Outgoings

Property Upkeep

As owners of the George & Dragon, we will need to maintain the assets (land and buildings) to uphold their value and ensure that the business can operate. Although the tenant will have clearly defined obligations for the upkeep of the business (these will be specified in the tenancy agreement) it is reasonable to assume that the Society will incur costs for some level of ongoing structural repairs. We have budgeted insurance for this within the CBS accounts. As a community initiative, we hope and expect that members will want to help minimise maintenance costs by volunteering to undertake as much minor maintenance as is practicable.

Other Overheads

Recurring costs will include professional fees (e.g., accountancy costs, and Plunkett Foundation membership), building insurance, indemnity insurance etc. In addition, there will be several one-off start-up costs including stamp duty, legal fees, surveys, etc. that have been allowed for in the financial plan. To date, we have incurred expenses on a valuation and feasibility survey, Community Benefit Society registration, membership of the Plunkett Foundation, website development and hosting, and other minor items such as printing. These have been kindly funded by the Parish Council.

Share Withdrawals

Subject to surplus funds being available, we have allowed for an element of share withdrawal by members from 2028 onwards (other than in certain exceptional circumstances such as death and bankruptcy). We aim to replace withdrawn share capital with further share offers for the amount withdrawn each year, we also aim to ensure newcomers to the village may purchase shares. If £2000 is withdrawn after year 5 there will be a share offer for £2000.

As set out in the Society's rules, it should be noted that withdrawals will only be permitted if sufficient surplus funds exist, and then only at the Management Committee's discretion. This is consistent with the expectation that investing in the business is a long-term investment in the community rather than for personal gain.

Our financial forecasts for Years 1 to 6 are set out in some detail below in the Profit and Loss, Cash Flow, and Balance Sheet projections for the CBS. We have also prepared a profit and loss for the George and Dragon. As the intention is to have a tenant run the business a balance sheet for the business has not been produced. These have been developed to prove both the CBS and the George and Dragon business are viable and is a conservative views of trading with room for significant growth. These forecasts are our best estimates at the current time based on a set of conservative assumptions.

Key Assumptions (for all models)

- Purchase price of between £520k and £625k, which includes £15,000 of Fixtures and Fittings. Goodwill and Stock are considered to have no value (we have modelled £590k for the purchase price).
- Consideration is currently being made regarding registering the CBS for VAT. Clarification is required regarding the status of the building and whether it has opted for VAT. A short-term loan maybe be required to cover the VAT on the purchase, pending reclaim.
- If necessary, the CBS will be VAT registered and able to reclaim VAT (if the registered tenant should also be registered)
- No Interest will be paid on members' shares in the first 5 years. Nominal interest on shares will be considered after this time (currently estimated at 2%). Interest will only be payable to shareholders if surpluses allow, and membership agrees.

- A rent of 8% of the predicted turnover has been set. This is a level set to be attractive to tenants for the first five years.
- No withdrawal of shares for 5 Years, unless certain criteria are met (moving from the village etc). A Bank and Cash balance will be retained for this purpose, but it is expected to be small.
- Repairs and maintenance will be the responsibility of the tenant. Any structural repairs will be the responsibility of the CBS and will be covered under insurance and freehold improvements
- £6k has been budgeted in tenant costs to allow for a level of minor ongoing repairs and maintenance as expected under a full repair lease (subject to agreement with the tenant)
- The CBS will ensure buildings are insured for major structural repairs
- We hope that in practice members of the community will be willing to undertake on a voluntary basis work such as decorating, and minor works.

George and Dragon Pub & Coffee Shop Profit and Loss ('P&L') Forecast

This P&L forecast for the George and Dragon is common to all CBS Models.

Turnover

This has been calculated using the 2020 accounts as a starting point and then building up by the number of covers expected and average spending, based on an increased food offering and more consistent opening times.

The Coffee Shop turnover is estimated and is consistent with previous years as opening hours and offering has remained steady.

Assumptions: No of Covers (Pub) per week

Average No of Covers (Pub) per week							
Mon (Closed)	Tue	Wed	Thu	Fri	Sat	Sun	Total
0	5	5	10	25	50	50	145

Average spend Pub Drinks	£20
Average spend Pub Food	£15

Opening Hours per week - Pub	
Mon	Closed
Tue	6
Wed	6
Thu	11
Fri	11
Sat	11
Sun	9

Margin

The average margin is estimated at 60%. The margin mix between Wet, Food and Coffee shop has been considered as well as a greater food offering. This is achievable, and we believe it is in line with the broader Market.

Wages

The hourly rate is estimated at £10.40ph and estimated staffing hours are listed below. It has been assumed that employers' NI would be payable but a pension scheme, although offered would be opted out of by any staff. It has been assumed the Tenant would not take a salary but instead take a dividend if a limited company or drawings if a sole trader or partnership.

Staff Cost	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Wkly Cost	Annual
Pub	Closed	Tenant	Tenant	Tenant + Staff x 5	Tenant + Staff x 10	Tenant + Staff x 15	Tenant + Staff x 15	690	35,880
Coffee Shop	Closed	Staff x 8 Hours	Staff x 8 Hours	Staff x 8 Hours	Staff x 8 Hours	Staff x 16 Hours	Staff x 16 Hours	736	38,272
									74,152

Utilities

This has been increased significantly from prior years to reflect current market conditions. The increase remains for all 6 years. Energy prices are expected to decrease during this period. There is limited information regarding the timing and level of the decrease, so we have taken a prudent approach.

All Other Overheads

These have been estimated based on historic information or more accurate information if known.

George and Dragon Pub and Coffee Shop - Profit and Loss

		2023 (from Oct 23)	2024	2025	2026	2027	2028
Turnover							
	Drinks	37,700	150,800	165,880	175,833	186,383	197,566
	Food - Pub	28,275	113,100	124,410	131,875	139,787	148,174
	Coffee Shop	25,000	100,000	100,000	100,000	100,000	100,000
	Other	2,000	8,000	8,800	9,680	10,648	11,713
	Total Turnover	92,975	371,900	399,090	417,387	436,818	457,453
Cost of Sales							
	Drinks	18,096	72,384	79,622	84,400	87,600	92,856
	Food - Pub	9,896	39,585	43,544	46,156	48,925	51,861
	Coffee Shop	8,750	35,000	35,000	35,000	35,000	35,000
	Other	700	2,800	3,080	3,388	3,727	4,099
	Total Cost of Sales	37,442	149,769	161,246	168,944	175,252	183,816
Gross Margin		55,533	222,131	237,844	248,444	261,566	273,636
Gross Margin %		60%	60%	60%	60%	60%	60%
Overheads							
	Wages	11,357	45,427	48,153	51,042	54,105	57,351
	NI	1,567	6,269	6,645	7,044	7,466	7,914
	Pensions						
	Motor Expenses	625	2,500	2,650	2,809	2,978	3,156
	Rent	7,438	29,752	31,927	33,391	34,945	36,596
	Rates	4,000	16,000	16,960	17,978	19,056	20,200
	Utilities	8,810	35,241	37,355	39,597	41,973	44,491
	Insurance	875	3,500	3,710	3,933	4,169	4,419
	Cleaning	650	2,600	2,756	2,921	3,097	3,282
	Repairs and Maintenance	875	3,500	3,710	3,933	4,169	4,419
	Telephone & Internet	300	1,200	1,272	1,348	1,429	1,515
	Printing, Postage & Stationary	250	1,000	1,060	1,124	1,191	1,262
	Computer Costs	188	750	795	843	893	947
	Advertising	1,500	1,500	1,590	1,685	1,787	1,894
	Bank & Credit Card Charges	1,875	7,500	7,950	8,427	8,933	9,469
	Accountancy	1,000	1,500	1,590	1,685	1,787	1,894
	Interest on bank loans						
	Depreciation	-					
	Other Expenses	750	3,000	3,180	3,371	3,573	3,787
	Total Overheads	40,310	161,239	171,304	181,130	191,549	202,596
	Profit before Tax	15,223	60,892	66,541	67,314	70,017	71,041

Model A**£300K shares, £400K grants (no loan)
RAISES £700K**

The maximum initial capital required will be approximately £700k to cover the purchase cost, associated expenses, some significant refurbishment and to provide initial working capital. £40k will be spent immediately on Freehold improvements, this will mainly consist of redecoration. It is anticipated a further £60k would be spent on improvements in 2025. These improvements would need discussion with the tenant.

Ideal grant income of £400k (£300k from COF and £100k from the National Lottery or other/s) though other outcomes are modelled. A substantial amount has been allowed for a longer-term refit/refurbishment subject to negotiation with the tenant for any immediate maintenance.

Overheads: Overheads will be kept to a minimum but will include Insurance for Directors Officers and buildings. The first year, includes stamp duty, legal fees and professional fees relating to the purchase and have been written off in the year they occur rather than capitalised.

Grants Received: Any Capital Grants received will be released to the profit and loss over the same period as the building is depreciated 50 years.

Corporation Tax: A rate of 19% has been assumed.

As Land is not depreciated it has been assumed that there is a 20/80 split land to buildings and the buildings are depreciated over 50 years.

Bank and Cash: This is the estimated bank balance of the CBS.

Community Distribution: Although profitable earlier, it is expected to be possible to make distributions to the community (£10,000) in 2026 and, potentially interest to members in 2028 (subject to profitability and CBS membership support).

Model A: CBS Profit and Loss

	2023 (from Oct 23)	2024	2025	2026	2027	2028
Rental Income	7,438	29,752	31,927	33,391	34,945	36,596
Gross Profit	7,438	29,752	31,927	33,391	34,945	36,596
Overheads						
Insurance	(875)	(3,500)	(3,710)	(3,933)	(4,169)	(4,419)
Admin Costs	(1,500)	(2,575)	(2,730)	(2,893)	(3,067)	(3,251)
Accountancy		(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Professional Fees	(1,500)					
Repairs and Maintenance		(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
EBITDA	3,563	20,177	21,988	23,065	24,210	25,427
less						
Depreciation	(3,383)	(13,393)	(15,530)	(15,530)	(15,530)	(15,530)
Distribution to Community				(10,000)	(10,000)	(10,000)
Share Interest Paid 2%						(6,300)
plus						
Capital Grants Released to P&L		8,000	8,000	8,000	8,000	8,000
Profit before tax	181	14,785	14,458	5,535	6,680	1,597
less						
Corporation Tax	(34)	(2,843)	(2,747)	(1,052)	(1,269)	(303)
Profit/(loss) after tax and Distribution	146	11,941	11,711	4,483	5,411	1,293

Model A: Cash Flow

Opening Balance	0	84,563	67,706	29,850	43,168	59,327
Rental Income	7,438	29,752	31,927	33,391	34,945	36,596
Grants	400,000					
Members Shares	300,000	3,000	3,000	3,000	3,000	3,000
Admin Expenses	(1,500)	(2,575)	(2,730)	(2,893)	(3,067)	(3,251)
Legal Fees	(10,000)					
Professional Fees	(1,500)	0	0	0	0	0
Accountancy	0	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Insurance	(875)	(3,500)	(3,710)	(3,933)	(4,169)	(4,419)
Repairs and Maintenance		(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
Stamp Duty	(19,000)					
Distribution to Community	0		0	(10,000)	(10,000)	(10,000)
Share Interest paid						
Property Purchase	(590,000)					
Freehold Improvements	0	(40,000)	(60,000)			
VAT						
Corporation Tax		(34)	(2,843)	(2,747)	(1,052)	(1,269)
Closing Balance	84,563	67,706	29,850	43,168	59,327	76,484

Model A: CBS Balance Sheet

	2023 (from Oct 23)	2024	2025	2026	2027	2028
Fixed Assets						
Freehold Property - Land	115,000	115,000	115,000	115,000	115,000	115,000
Freehold Property - Buildings	489,000	489,000	489,000	489,000	489,000	489,000
Freehold Property - Buildings Depn	(2,445)	(12,225)	(22,005)	(31,785)	(41,565)	(51,345)
Fixtures and Fittings	15,000	15,000	15,000	15,000	15,000	15,000
Fixtures and Fittings - Depn	(938)	(3,750)	(7,500)	(11,250)	(15,000)	(18,750)
Freehold Improvements		40,000	100,000	100,000	100,000	100,000
Freehold Improvements - Depn		(800)	(2,800)	(4,800)	(6,800)	(8,800)
Total Fixed Assets	615,618	642,225	686,695	671,165	655,635	640,105
Current Assets						
Bank & Cash	84,563	67,706	29,850	43,168	59,327	76,484
Stock						
Total Current Assets	84,563	67,706	29,850	43,168	59,327	76,484
Total Assets	700,181	709,931	716,545	714,333	714,962	716,589
Current Liabilities						
Share Interest payable						(6,300)
VAT						
Corporation Tax	(34)	(2,843)	(2,747)	(1,052)	(1,269)	(303)
Total Current Liabilities	(34)	(2,843)	(2,747)	(1,052)	(1,269)	(6,603)
Total Assets less Current Liabilities	700,146	707,087	713,798	713,282	713,692	709,986
<i>less</i>						
Grants Owed	(400,000)	(392,000)	(384,000)	(376,000)	(368,000)	(360,000)
Net Worth	300,146	315,087	329,798	337,282	345,692	349,986
<i>Made up of</i>						
Members Shares	300,000	303,000	306,000	309,000	312,000	315,000
Retained Profit/(Loss) Reserve	146	12,087	23,798	28,282	33,692	34,986
	300,146	315,087	329,798	337,282	345,692	349,986

Model A: Monthly Cash Flow Year One

	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Opening Balance	0	96,646	84,855	84,563	51,536	51,072	49,607	56,581	56,116	55,652	62,625	62,160	61,661	68,635	68,170
Rental Income	7,438			7,438			7,438			7,438			7,438		
Grants	400,000														
Members Shares	300,000			250	250	250	250	250	250	250	250	250	250	250	250
Admin Expenses	(1,500)	(10,000)		(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)
Legal Fees		(1,500)													
Professional Fees															
Accountancy						(1,000)									
Insurance	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)
Repairs and Maintenance				(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)
Stamp Duty	(19,000)														
Distribution to Community															
Share Interest paid															
Property Purchase															
Freehold Improvements															
VAT				(40,000)											
Corporation Tax													(34)		
Closing Balance	96,646	84,855	84,563	51,536	51,072	49,607	56,581	56,116	55,652	62,625	62,160	61,661	68,635	68,170	67,706

Model B**£275k Shares, £200k grants and £150k PWB loan
RAISES £625k**

The initial capital required will cover the purchase cost, associated expenses, some refurbishment and to provide initial working capital.

£40k will be spent immediately on Freehold improvements, this will mainly consist of redecoration. It is anticipated a further £15k would be spent on improvements in the second year. These improvements would need discussion with the tenant.

This model assumes a lower income from shares and grants. It also assumes a long-term loan (with interest calculated at 3.5%). The impact is that there will be a limit to the opportunity for refurbishment and a change in community distribution.

Community Distribution: It is expected to be possible to make distributions to the community from 2026 (though only £2,500, which is less than in Model A) and potentially, interest to CBS membership in 2028 (subject to profitability and CBS membership support).

Model B: CBS Profit and Loss

	2023 (from Oct 23)	2024	2025	2026	2027	2028
Rental Income	7,438	29,752	31,927	33,391	34,945	36,596
Gross Profit	7,438	29,752	31,927	33,391	34,945	36,596
Overheads						
Insurance	(875)	(3,500)	(3,710)	(3,933)	(4,169)	(4,419)
Admin Costs	(1,500)	(2,575)	(2,730)	(2,893)	(3,067)	(3,251)
Accountancy		(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Professional Fees	(1,500)					
Repairs and Maintenance		(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
EBITDA	3,563	20,177	21,988	23,065	24,210	25,427
less						
Depreciation	(3,383)	(12,993)	(13,930)	(13,930)	(13,930)	(13,930)
Loan Interest	(669)	(2,678)	(2,678)	(2,678)	(2,678)	(2,678)
Loan Fee	(26)	(105)	(105)	(105)	(105)	(105)
Distribution to Community				(2,500)	(2,500)	(2,500)
Share Interest Paid 2%						(5,800)
plus						
Capital Grants Released to P&L		4,000	4,000	4,000	4,000	4,000
Profit before tax	(515)	8,402	9,275	7,853	8,998	4,414
less						
Corporation Tax		(1,499)	(1,762)	(1,492)	(1,710)	(839)
Profit/(loss) after tax and Distribution	(515)	6,903	7,513	6,361	7,288	3,575

Model B: CBS Balance Sheet

	2023 (from Oct 23)	2024	2025	2026	2027	2028
Fixed Assets						
Freehold Property - Land	115,000	115,000	115,000	115,000	115,000	115,000
Freehold Property - Buildings	489,000	489,000	489,000	489,000	489,000	489,000
Freehold Property - Buildings Depn	(2,445)	(12,225)	(22,005)	(31,785)	(41,565)	(51,345)
Fixtures and Fittings	15,000	15,000	15,000	15,000	15,000	15,000
Fixtures and Fittings - Depn	(938)	(3,750)	(7,500)	(11,250)	(15,000)	(18,750)
Freehold Improvements		20,000	20,000	20,000	20,000	20,000
Freehold Improvements - Depn		(400)	(800)	(1,200)	(1,600)	(2,000)
Total Fixed Assets	615,618	622,625	608,695	594,765	580,835	566,905
Current Assets						
Bank & Cash	7,367	1,762	16,469	29,489	43,924	59,359
Stock						
Total Current Assets	7,367	1,762	16,469	29,489	43,924	59,359
Total Assets	622,985	624,387	625,164	624,254	624,759	626,264
Current Liabilities						
Share Interest payable						(5,800)
Loan Payable in Year						
Loan Interest Payable						
VAT						
Corporation Tax		(1,499)	(1,762)	(1,492)	(1,710)	(839)
Total Current Liabilities	0	(1,499)	(1,762)	(1,492)	(1,710)	(6,639)
Total Assets less Current Liabilities	622,985	622,888	623,401	622,762	623,050	619,625
less						
Grants Owed	(200,000)	(196,000)	(192,000)	(188,000)	(184,000)	(180,000)
Loan	(148,500)	(142,500)	(136,500)	(130,500)	(124,500)	(118,500)
Net Worth	274,485	284,388	294,901	304,262	314,550	321,125
Made up of						
Members Shares	275,000	278,000	281,000	284,000	287,000	290,000
Retained Profit/(Loss) Reserve	(515)	6,388	13,901	20,262	27,550	31,125
	274,485	284,388	294,901	304,262	314,550	321,125

Model B: CBS Cash Flow

Opening Balance	0	7,367	1,762	16,469	29,489	43,924
Rental Income	7,438	29,752	31,927	33,391	34,945	36,596
Grants	200,000					
Members Shares	275,000	3,000	3,000	3,000	3,000	3,000
Loan	150,000					
Admin Expenses	(1,500)	(2,575)	(2,730)	(2,893)	(3,067)	(3,251)
Legal Fees	(10,000)					
Professional Fees	(1,500)	0	0	0	0	0
Accountancy	0	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Insurance	(875)	(3,500)	(3,710)	(3,933)	(4,169)	(4,419)
Repairs and Maintenance		(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
Stamp Duty	(19,000)					
Distribution to Community	0		0	(2,500)	(2,500)	(2,500)
Share Interest paid						
Property Purchase	(590,000)					
Freehold Improvements	0	(20,000)	0			
Loan Repayment	(2,196)	(8,783)	(8,783)	(8,783)	(8,783)	(8,783)
VAT						
Corporation Tax			(1,499)	(1,762)	(1,492)	(1,710)
Closing Balance	7,367	1,762	16,469	29,489	43,924	59,359

Model B: Monthly Cash Flow Year One

	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Opening Balance	0	21,646	9,855	7,367	10,341	5,876	412	7,385	6,920	2,065	5,038	573	109	7,082	6,618
Rental Income	7,438			7,438			7,438			7,438			7,438		
Grants	200,000														
Members Shares	275,000			250	250	250	250	250	250	250	250	250	250	250	250
Loan	150,000														
Admin Expenses	(1,500)	(10,000)		(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)
Legal Fees															
Professional Fees		(1,500)													
Accountancy	0					(1,000)									
Insurance	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)
Repairs and Maintenance	0			(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)
Stamp Duty	(19,000)														
Distribution to Community	0														
Share Interest paid	0														
Property Purchase	(590,000)														
Freehold Improvements			0	(4,000)	(4,000)	(4,000)				(4,000)	(4,000)				(4,391)
Loan Repayment			(2,196)						(4,391)						
VAT	0														
Corporation Tax	0														
Closing Balance	21,646	9,855	7,367	10,341	5,876	412	7,385	6,920	2,065	5,038	573	109	7,082	6,618	1,762

Model C**£275k Shares, zero grants and £350k PWB loan
RAISES £625k**

The maximum initial capital required will cover the purchase cost, associated expenses, some very limited initial refurbishment and initial working capital (but no provision for the longer-term, significant refurbishment).

This model assumes zero income from grants. It also assumes a significant long-term loan (with interest calculated at 3.5%). The impact is that there is little refurbishment and no community distribution for the first five years.

Community Distribution: Zero in the first 6 Years. An interest payment of 2% in 2028 would leave the CBS in the red.

Model C: CBS Profit and Loss

	2023 (from Oct 23)	2024	2025	2026	2027	2028
Rental Income	7,438	29,752	31,927	33,391	34,945	36,596
Gross Profit	7,438	29,752	31,927	33,391	34,945	36,596
Overheads						
Insurance	(875)	(3,500)	(3,710)	(3,933)	(4,169)	(4,419)
Admin Costs	(1,500)	(2,575)	(2,730)	(2,893)	(3,067)	(3,251)
Accountancy		(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Professional Fees	(1,500)					
Repairs and Maintenance		(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
EBITDA	3,563	20,177	21,988	23,065	24,210	25,427
less						
Depreciation	(3,383)	(12,593)	(13,530)	(13,530)	(13,530)	(13,530)
Loan Interest	(1,562)	(6,248)	(6,248)	(6,248)	(6,248)	(6,248)
Loan Fee	(61)	(245)	(245)	(245)	(245)	(245)
Distribution to Community						
Share Interest Paid 2%						(5,800)
plus						
Capital Grants Released to P&L		0	0	0	0	0
Profit before tax	(1,443)	1,092	1,965	3,043	4,188	(396)
less						
Corporation Tax			(307)	(578)	(796)	
Profit/(loss) after tax and Distribution	(1,443)	1,092	1,658	2,465	3,392	(396)

Model C: CBS Balance Sheet

	2023 (from Oct 23)	2024	2025	2026	2027	2028
Fixed Assets						
Freehold Property - Land	115,000	115,000	115,000	115,000	115,000	115,000
Freehold Property - Buildings	489,000	489,000	489,000	489,000	489,000	489,000
Freehold Property - Buildings Depn	(2,445)	(12,225)	(22,005)	(31,785)	(41,565)	(51,345)
Fixtures and Fittings	15,000	15,000	15,000	15,000	15,000	15,000
Fixtures and Fittings - Depn	(938)	(3,750)	(7,500)	(11,250)	(15,000)	(18,750)
Freehold Improvements			0	0	0	0
Freehold Improvements - Depn		0	0	0	0	0
Total Fixed Assets	615,618	603,025	589,495	575,965	562,435	548,905
Current Assets						
Bank & Cash	4,440	7,124	11,620	16,885	23,025	30,163
Stock						
Total Current Assets	4,440	7,124	11,620	16,885	23,025	30,163
Total Assets	620,057	610,149	601,115	592,850	585,460	579,068
Current Liabilities						
Share Interest payable						(5,800)
Loan Payable in Year						
Loan Interest Payable						
VAT						
Corporation Tax		0	(307)	(578)	(796)	0
Total Current Liabilities	0	0	(307)	(578)	(796)	(5,800)
Total Assets less Current Liabilities	620,057	610,149	600,808	592,272	584,664	573,268
<i>less</i>						
Grants Owed	0	0	0	0	0	0
Loan	(346,500)	(332,500)	(318,500)	(304,500)	(290,500)	(276,500)
Net Worth	273,557	277,649	282,308	287,772	294,164	296,768
<i>Made up of</i>						
Members Shares	275,000	278,000	281,000	284,000	287,000	290,000
Retained Profit/(Loss) Reserve	(1,443)	(351)	1,308	3,772	7,164	6,768
	273,557	277,649	282,308	287,772	294,164	296,768

Model C: CBS Cash Flow

Opening Balance	0	4,440	7,124	11,620	16,885	23,025
Rental Income	7,438	29,752	31,927	33,391	34,945	36,596
Grants						
Members Shares	275,000	3,000	3,000	3,000	3,000	3,000
Loan	350,000					
Admin Expenses	(1,500)	(2,575)	(2,730)	(2,893)	(3,067)	(3,251)
Legal Fees	(10,000)					
Professional Fees	(1,500)	0	0	0	0	0
Accountancy	0	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Insurance	(875)	(3,500)	(3,710)	(3,933)	(4,169)	(4,419)
Repairs and Maintenance		(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
Stamp Duty	(19,000)					
Distribution to Community	0		0	0	0	0
Share Interest paid						
Property Purchase	(590,000)					
Freehold Improvements	0	0	0			
Loan Repayment	(5,123)	(20,493)	(20,493)	(20,493)	(20,493)	(20,493)
VAT						
Corporation Tax			0	(307)	(578)	(796)
Closing Balance	4,440	7,124	11,620	16,885	23,025	30,163

Model C: Monthly Cash Flow Year One

	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Opening Balance	0	21,646	9,855	4,440	11,413	10,949	9,484	16,458	15,993	5,282	12,256	11,791	11,326	18,300	17,835
Rental Income	7,438			7,438			7,438			7,438			7,438		
Grants	0														
Members Shares	275,000			250	250	250	250	250	250	250	250	250	250	250	250
Loan	350,000														
Admin Expenses	(1,500)			(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)
Legal Fees		(10,000)													
Professional Fees		(1,500)													
Accountancy	0					(1,000)									
Insurance		(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)	(292)
Repairs and Maintenance	0			(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)
Stamp Duty		(19,000)													
Distribution to Community	0														
Share Interest paid	0														
Property Purchase		(590,000)													
Freehold Improvements															
Loan Repayment									(10,246)						(10,246)
VAT	0		(5,123)												
Corporation Tax	0														
Closing Balance	21,646	9,855	4,440	11,413	10,949	9,484	16,458	15,993	5,282	12,256	11,791	11,326	18,300	17,835	7,124

Appendix C: Social Impact Matrix

The George & Dragon **already delivers unique value to community life**: There are many village groups that it supports or use it as a meeting place, these include the PTA, Book Club, Badminton Club, Tennis Club, Ukulele Club, Windmill Society, Bonfire Society, Dominoes Club, Mums Club, The Scouts, visiting Cycle Clubs, Quainton Football Club, The Harvest Auction, Royal British Legion, Lunch Club for the elderly and socially isolated. The George and Dragon is also at the heart of the village's annual events, including the Fireworks, Harvest Auction, Quaintfest music & beer festival.

We plan to significantly **enhance and broaden** the value of the George and Dragon to the **whole community** by ensuring key issues are considered by the CBS (ensuring representative membership, good communication and accountability), and that they are addressed through the services of the pub (ensured through the Tenancy Agreement), and through the distribution of funds by the CBS (as agreed with the membership). Some of these issues and potential actions are outlined below:

Issue	CAG (How we ensure we are representative)	George and Dragon (How G&D services might be developed to serve community groups)	CBS (How CBS supports related activity)
Ethnicity	<ul style="list-style-type: none"> ● CAG representation - we are actively seeking to broaden and diversify membership ● Ensure named a member of the management committee has accountability for consideration of ethnicity and cultural identity-related issues 	<ul style="list-style-type: none"> ● Consider extended hours for coffee shop some religions do not permit followers inside public houses ● Ensure groups supported within the G&D are representative of the broader community 	<ul style="list-style-type: none"> ● Support of relevant groups through CBS surplus
Gender	<ul style="list-style-type: none"> ● CAG group (13) currently has a 10:3 (male/female) split. ● We must ensure active encouragement of group membership to improve the balance of representation. ● Ensure named a member of the management committee has accountability for consideration of gender-related issues 	<ul style="list-style-type: none"> ● Improve toilets - a frequent request in survey ● Ensure groups supported within the G&D are representative of the broader community 	<ul style="list-style-type: none"> ● Support of relevant groups through CBS surplus (e.g. Young Parents/Mums coffee mornings, potential subsidy support of packages for local child care providers)

Age/youth employment	<ul style="list-style-type: none"> • Ensure the named member of the management committee has accountability for consideration of age-related issues 	<ul style="list-style-type: none"> • Youth employment in pub • Some services for youth around coffee shop • Service for elderly • Allotment idea - teach local youth group how to grow produce and then how to cook the produce (life and employment skills) in the G&D kitchen - use this to produce meals for special inclusion events. 	<ul style="list-style-type: none"> • Support of elderly – especially the support for the local Alms-houses. • Coach day trip out for the elderly etc. • Support of youth interest groups
Environment	<ul style="list-style-type: none"> • Ensure the named member of the management committee has accountability for the consideration of environmental issues • Ensure we have a simple policy/guidelines for pub and CBS-supported activities • Ensure that we have due consideration of environmental issues in the tenancy agreement 	<ul style="list-style-type: none"> • Use of local suppliers • Use of seasonal products and local food • Reduced travel if core coffee and pub service retained in the village • Recycling /waste management • Use of packaging • Use of materials in refurbishment • Aim to introduce any energy-saving measures • Electric charging point? • Use of local allotments - use products in the G&D kitchen - use this to then produce meals for special inclusion events • Electric Bike Scheme (discounts available for charities) run alongside other local businesses as a way of encouraging people to visit multiple sites • Offer a discount if you are in cycling or walking gear • Offer discount for bringing your own takeaway or drinks container • Offer the coffee grounds for free garden compost (less waste as well) 	<ul style="list-style-type: none"> • CBS surplus Support of local interest groups- e.g. The community orchard project
Economic regeneration	<ul style="list-style-type: none"> • Ensure Chair of the Management Committee regularly liaises with SMEs in and around community to ensure all synergies are exploited 	<ul style="list-style-type: none"> • Employment in pub & coffee shop • Support of home workers with Wifi and daytime work space - lunch and refreshment packages (bronze/silver/gold) • Support of local businesses - through use of local suppliers in the supply chain • Tie up with local businesses – deals with railway centre/shop (cyclical economy) 	<ul style="list-style-type: none"> • While not a core focus of the CBS - support if local economic regeneration should be a factor when considering bids from local groups

		<ul style="list-style-type: none"> • Treasure Hunt between local business / tourist attractions encourage repeat visits 	
Culture /Arts	<ul style="list-style-type: none"> • Ensure named member of management committee has accountability for consideration of Arts and Culture activities and liaises with key arts and cultural groups in community 	<ul style="list-style-type: none"> • Widen the significant arts (e.g live music, book club etc) and culture (e.g. Quaintfest) events already supported • Local artists' items for sale in pub • Using local artists' products in the refurbishment, local pottery etc • Ensure space for an 'open library' 	<ul style="list-style-type: none"> • Donating CBS surplus to activities improving support for these groups
Disability	<ul style="list-style-type: none"> • Ensure named member of management committee has accountability for access and inclusivity and liaises with representative individuals and groups in community 	<ul style="list-style-type: none"> • Ensure accessible access to George and Dragon • Ensure we offer a section of the bar which is lowered • Ensure tables are high enough to get a wheelchair underneath • Promote disabled friendly via website and social media to reduce worry about visiting and whether space suitable • Ensure menus available in large print / braille / audio etc. • Trained staff who understand needs and complexities 	<ul style="list-style-type: none"> • Donating CBS surplus to activities improving accessibility to other village services
Social Cohesion/ Belonging	<ul style="list-style-type: none"> • Encourage wide participation in membership (open to all) • Ensure regular communication to the community to encourage participation and volunteer support 	<ul style="list-style-type: none"> • George and Dragon is already supporting a wide range of clubs and other social activities. Ensure this is maintained. • Actively work to expand groups that are supporters on premises including for example Young Parents/Mums, Silver Surfer (Web) group, and University of the 3rd Age coffee mornings. 	<ul style="list-style-type: none"> • Donating CBS surplus to activities improving support for these groups

Appendix D: Community Shares

Our minimum target is to raise £275k (Model C) of the funding requirement from a community share offer (the rest will be raised through grants or possibly a Public Works Board Loan). This figure also allows us to get the maximum in matched funding from the Community Ownership Fund.

Our optimum is £300k (Model A) ensures we can both pay share interest and support community activities).

Our maximum is £700k (compatible with Model A) as the potential interest payments (even if at a low-interest rate) to shareowners may prove prohibitive or undermine our intention to support community activities.

The larger the community take-up of shares the better the grant opportunity (grantors seek to ensure there is community support and some grantors 'match' the community share uptake as described above). So, the more we raise in shares, the greater the likelihood and size and/or grant awards. Current pledges suggest we will meet this target.

To maximise the engagement with the share offer we will use several channels to promote and operate the offer

Promotion:

- All village leaflet drop ensuring all households are aware
- Promotion on the Facebook page (both the CBS page and the general village life page)
- Promotion via existing email links
- Large banner placed on pub
- Advance village hall meetings (2)
- Promotion in the village newsletter
- Promotion on website

Delivery:

Share offer documents will be available

- In print on request
- Online via download from the website

The Community Shares option has been explored in depth through working with professional bodies (such as Plunkett Foundation). We have also undertaken some community research.

Membership of the Community Benefit Society requires the purchase of a minimum of one share. The price for each share will be £250. We hope most potential members would consider purchasing a minimum of 4 shares to help the society buy the pub and coffee shop.

We hope that some investors will invest more than the minimum. However, the maximum permitted individual investment will be £50k. This is set at this level for several reasons:

- to protect the CBS against the possible need to redeem shares early due to the death of a member. the November 2022 survey the maximum indicative pledge was £30k
- while the CBS is a one-member, one-vote system, a single investor with a very large financial contribution may be *perceived* as having undue influence on the business.

Summary of Community Shares features

- Non-Transferable, you can't sell them or transfer them to anyone else
- 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 shareholder has one vote regardless of the size of investment
- Shareholders have limited liability
- Minimum age is 18 years old
- Not protected by the FCA – no recourse to the Ombudsman
- Have an Asset Lock – individual members cannot benefit financially

In our share offer document, we will be clear that an investment in Community Shares must be seen as a long-term investment for the greater good of the community and not an opportunity to realise a financial gain.

If we are unsuccessful in our bid to purchase the business, then all investment monies from shares will be returned at the earliest opportunity (this is likely to be at most two months after the announcement of the last grant/loan application decision).

Contingencies

We have made allowances in our plans for several funding contingencies. If insufficient share capital or grant income capital is generated in the required timescale we will:

- (a) negotiate with the current owner regarding the purchase price
- (b) extend the share offer period
- (c) consider taking a higher proportion of debt financing (e.g., a Public Works Board Loan)
- (d) investigate other funding sources such as Crowd Funding and other donation models

We have modelled various funding scenarios and have established the maximum amount of debt that is commercially viable. Under no circumstances will we take on debt more than this limit, even if that means we cannot proceed with the purchase.

Some share withdrawal by members would be prudent from Year 5 onwards. The Society's Rules permit withdrawals from the third year, but we do not currently anticipate being able to fund withdrawals early in the life of the venture.

The management committee has the right to refuse a request to withdraw funds if it would endanger the business. It is our intention not to deny withdrawals unless necessary, but of course, we need to have sufficient funds.

Potential share interest payments to members have been assumed from Year 6, but in any event, payment will be proposed by the Management Committee, voted upon by the members at the annual members' meeting and will be dependent on the business achieving the requisite levels of profitability. Interest will be paid gross and depending on members' tax rates may be taxable. It will be the member's responsibility to declare any such earnings to HMRC if applicable.

Future Share Offers

New shares could be issued during the first five years. This would help with increasing CBS reserves for further improvement to the business (or support others with share withdrawal). It will also ensure

new arrivals in the village can become members of the society, or existing members of the village who can't participate in the share offer at launch can gain the opportunity to participate later.

Donations

We will of course welcome donations from individuals or organisations. Donations will not form part of our share capital and will not be refundable (although if we are unsuccessful in purchasing the business, we will return any unspent donations received, and clearly account for any money that has been spent).

Appendix E: Community Benefit Society

The Quainton George and Dragon Community Benefit Society Limited is an incorporated enterprise established by the George and Dragon Community Action Group project team who are its founding members. It is registered with the Financial Conduct Authority Registration number 8999.

The purpose of the Society is to enable the community of Quainton and nearby villages, and other supporters, to secure and safeguard the future of the George and Dragon Pub and Coffee Shop and promote it as an amenity of prime importance to the community.

The Society is a limited liability community benefit society registered with the Financial Conduct Authority (FCA) using a set of pre-approved model rules developed by The Plunkett Foundation (a charity that has been helping communities to set up and run community-owned enterprises since 1919).

Our rules include a statutory Asset Lock which ensures that should the Society achieve a surplus beyond that required to meet its liabilities, improve the facilities, and ensure the future of the business, this surplus may be made available for distribution to other communities, or charitable projects. Specifically, any such surplus cannot be used to benefit the members as individuals (other than for modest payments of interest to investors).

A copy of the Rules of the Society can be found in Appendix O and will be posted on our website and can be requested from a member of the Management Committee.

The Society is a democratic organisation that operates on the principle of one member one vote regardless of the amount each member has invested. Everyone who invests and is accepted by the management committee becomes a member of the Society. The Management Committee must have a meeting where we will consider all the members who have applied to invest and approve their membership.

Engagement

We want to maximise opportunities for member engagement and involvement. All members can stand for election to the management committee, and whether members of the committee we will encourage all members to participate (listen, discuss and vote) on issues and decisions facing the CBS. Where appropriate we would also on occasion invite the tenant and suppliers to events or parts of events to gain feedback.

All meetings will be open to members and promoted via

- on the Facebook page (both the CBS page and the general village life page)
- via email to all members
- in the village newsletter
- on the website

Limited Liability

The Society is a limited liability entity. This means that the most a member can lose is the amount originally invested (though we believe that this is highly unlikely). Members will not be liable for any activities of the tenant.

Management Structure

The first members of the Society are those who signed the application for FCA registration, and these members will appoint the first Management Committee that will then serve until the first Annual Members Meeting, which will be held as soon as is practicable after completion of the purchase.

Our start-up provisions require that all members of the first Management Committee will retire at the first Annual Members Meeting, although they are eligible to stand for re-election. The newly elected Management Committee will take office immediately after the conclusion of that meeting, and the following provisions will apply to them:

- One-third of those so elected, who obtained the highest number of votes, shall serve until the conclusion of the fourth Annual Members Meeting.
- One-third who obtained the next highest number of votes shall serve until the conclusion of the third Annual Members Meeting.
- The remainder of those elected shall serve until the conclusion of the second Annual Members Meeting.

Thereafter, elected members of the Management Committee hold office for a period of three years commencing immediately after the Annual Members Meeting at which their election is declared, and ending at the conclusion of the third Annual Members Meeting after that. All CBS members are eligible to stand for election to the Management Committee.

The Management Committee is responsible for managing the affairs of the Society in a similar way as the board of directors is responsible for managing the affairs of a limited company.

The Management Committee will:

- Organise and supervise the purchase of the business and any refurbishment works
- Appoint the tenant
- Monitor and manage the Society's financial affairs for the benefit of the community
- Oversee the lease and manage the relationship between the Society and the tenant
- Appoint new tenants should that be necessary
- Ensure that the Society complies with all applicable regulations

We will lease the business to a tenant who will run it and pay rent to the Society. The Management Committee will set the broad policy direction for the business and agree on specific standards with the tenant, including certain aspects that our community feedback has shown to be important. These could include, for example, an obligation to provide locally brewed beers, to maintain the character and ambience of the pub as a traditional village pub, and to promote additional amenities that are beneficial to the community.

In addition, named members of the Management Committee will be responsible for regular liaison with the members to ensure membership has an opportunity to contribute to the broad direction and development of the pub and coffee shop services. These members will also be responsible for regular liaison with the tenant.

Beyond that, however, the tenant will be left to manage and operate the business as they see fit. The Management Committee will not get involved in or interfere with the day-to-day running of the business or attempt to micro-manage the business.

Named members of the Management Committee will be responsible for liaison with the community regarding ideas for how and where profits could be distributed to the community (subject to the membership agreement).

The members of the Management Committee are equally responsible in law for committee actions and decisions. They are collectively responsible and accountable for ensuring that the organisation is performing well, is solvent and complies with all its obligations. To protect the Society, we will take out 'Director & Officer' liability insurance for the Management Committee and Secretary.

The Management Committee will provide all members with an annual report which will set out the key financial statements together with a report of the society's activities during the previous financial year, and any plans for the following year.

Appendix F: CBS Management Committee and Qualifications

The initial Committee is as follows (see also Appendix J for members of the Community Action Group):

Chair: Peter Woodliffe-Thomas

I've lived in Quainton for the last 5 years along with my wife Louise. I retired from full-time work in May 2021 following 10 years in various Director roles with Kee Safety. Previously with Severn Trent Water and Kidde Fire Protection. Bringing Board level management experience with a strong commercial focus and performance analysis capability. I sit on the Quainton Parish Council.

My key strengths and areas of expertise are:

- Multi-faceted project management and delivery of project goals.
- Communications and project progress updates.
- Managing large and complex budgets and delivery of agreed financial outcomes.

Vice Chair: Andrew Law

I have lived in the village for 7 years. For the last 12 years, I have had Director roles at the large educational charity, The Open University (the latest role is 'Director of Business Innovation'). Previously, I worked for over 20 years at the BBC (the last ten as Executive Producer/Head of Department).

Over the last 10 years, I have been personally accountable for budgets of £5-10m pa. I currently have accountability for a range of publicly and institutionally funded projects totalling over £15m. I bring over 20 years of experience in:

- winning and managing major public sector bids (from £500k-£10m)
- project and team management and leadership (currently accountable for several projects with around 100 team members)
- business analysis (for acquisitions, partnerships and business improvement)
- contract and deal negotiations on partnerships, mergers and acquisitions
- communication and media
- working with and leading teams with mixed skills and varied working cultures (technical, academic, business, legal, financial, and media)

Treasurer: Simon Millard

I am a retired chartered surveyor with experience in rural estate management. My main involvement in the village is as part of the windmill technical team that carried out the recent renovation of the mill. I believe that the pub and coffee shop is a very important community asset and we must not lose it - hence my involvement in this project.

Secretary: Deborah Barker Boyd

I have lived in Quainton for 34 years. I taught Business Studies and Information Technology for 38 years, being responsible for departmental budgeting and curriculum development. As treasurer of Quainton Football Club for 28 years I have been responsible for producing accounts, which are independently audited. I was a founder member of the community speed watch in the village, organising rotas and health and safety requirements. I have been the voluntary booking clerk at Quainton Memorial Hall since 2015. I bring my wide knowledge of Quainton and its residents from involvement in the above community activities.

Finance: Gary Nangle

I have only lived in Quainton for 4 months but when deciding where we would like to settle, the criteria were a village with a strong community feel, a pub and a shop, Quainton ticked all the boxes. I feel the pub and coffee shop is an essential part of the village. A qualified accountant for 30 years I am currently a Group Finance Director within the Healthcare Sector. I have worked in various industries at a senior level including Central Government, Private Equity and Travel and Tourism. I joined the group to bring my experience and assist where I can.

Appendix G: SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ● Ideal location, at the centre of a beautiful, rural village, on the village green, and within 800m of >80% of the village residents ● A large base of regular customers, both from within the village and visitors ● Within an area of outstanding natural beauty and a popular stop off point for cyclists, walkers and tourists ● A desirable village location to attract a tenant (including 4-bedroom accommodation or for rent) ● The only pub and coffee shop in the village ● It has been run as a very successful Pub/Restaurant in the past - through the COVID period and recovering well subsequently. 	<ul style="list-style-type: none"> ● Although the pub is in sound repair it would benefit from being updated and redecorated with a consistent theme throughout ● The size of the restaurant allows for a limited number of covers ● The layout of the restaurant/bar does not make best use of the floor area (also an opportunity) ● Limited car parking outside the pub
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ● The commitment of a wide shareholder base to use the pub ● The CBS will have the secure income of rent from the tenant ● The CBS will have the security of ownership of the property, enabling it to make changes to the building as required to meet the needs of the business now and in the future ● It can re-establish its reputation as an excellent country pub and coffee shop that people are happy to travel to from outside the village ● To develop a larger customer base (including walkers, cyclists, people in search of locally sourced, good quality food and local beer) ● To improve turnover through a better, more regular food offering pitched at the right level ● To change the bar layout to make more efficient use of the available space ● An opportunity to increase opening hours and thus increase availability for use by the local community ● Opportunities for links with other local businesses/attractions (Railway Centre, Hogshaw Farm, Village Shop, Windmill) to promote each other/special deals 	<ul style="list-style-type: none"> ● Decline in pub usage ● Unable to realise sufficient actual financial support from village investors ● Unable to afford the refurbishment works ● The tenant fails ● There may be a necessity for a PWB Loan. Should the business fail it will be necessary to service the loan before servicing CBS members (loan payback is the priority over share buyback) ● Despite all the work the economic downturn leads to insufficient use of the pub and coffee shop and the business does not prove viable ● Short timescale to secure interest in share issue and grant support

Appendix H: Risk Register

Acknowledging critical threats and weaknesses stated above.

Risk & Likelihood	Impact	Risk Level	Mitigation	Residual Risk
<ul style="list-style-type: none"> Unable to raise enough share capital Medium 	Inadequate funds to purchase business	H	<ul style="list-style-type: none"> Engage the village community early in the process. Pledges suggest we could reach our target of £280K in share capital Ensure any shortfall is modelled in acquisition costs and seek alternative funding sources - including other grants and PWBL 	L
<ul style="list-style-type: none"> Unable to raise enough grant income High 	Inadequate funds to purchase business	H	<ul style="list-style-type: none"> Ensure any shortfall is modelled in acquisition costs and seek alternative funding sources - including PWBL 	M
<ul style="list-style-type: none"> Unable to close the gap with PWL or similar Low 	Inadequate funds to purchase business	L	<ul style="list-style-type: none"> Re-examine options to purchase the business and negotiate with the current owner regarding other models not requiring full freehold purchase. 	L
<ul style="list-style-type: none"> Unable to find a suitable tenant/ manager Medium 	Unable to implement operating model	M	<ul style="list-style-type: none"> Ensure new business is more profitable and appealing Thorough selection process. Prospective tenants will be required to demonstrate their experience and plans for the business-backed up with a sound business and marketing plan. External support. We have been offered hands-on support with the selection process from other community businesses and commercial pub operators. 	L
<ul style="list-style-type: none"> Business fails to operate at forecast level of turnover Medium 	The business cannot pay share interest or loan interest or (in the worst case scenario) survive.	H	<ul style="list-style-type: none"> Business case based on realistic assumptions. Appointment of new high-quality tenants. Rent 'collar'. We will set a minimum rent that ensures we can meet our known expenditure. Regular reviews with the tenant. We will work closely with the tenant to anticipate any problems early and identify/ support 	M
<ul style="list-style-type: none"> Higher than anticipated outgoings Low 	Business cannot pay share interest or	L	<ul style="list-style-type: none"> Survey and valuations before purchase. Any purchase offer will be subject to the findings of a structural survey, which will ensure we have visibility of likely 	L

	loan interest or (in worst case scenarios) to survive.		<p>maintenance issues (and maybe a topic for price negotiation).</p> <ul style="list-style-type: none"> • Estimates before purchase. We anticipate that some improvement work will be needed sooner or later (e.g., interior decor, disabled toilet access), so we have had informal discussions with local architects and builders to obtain indicative costings. • Contingency. We have included a significant sum for unexpected expenditures in the first few years. 	
<ul style="list-style-type: none"> • Pub cannot sustainably trade profitably • Low 	Business cannot pay share interest and/or loan interest and will not survive.	L	<ul style="list-style-type: none"> • Our whole business plan has been developed to avoid this occurrence, which we believe to be an improbable scenario. • In the extreme situation that the pub cannot be run successfully and is forced to close then the value of the property for residential use will almost certainly be significantly higher than the purchase price. In this scenario the Society should be able to pay off its debts and refund the members and, under the Asset Lock, should be in a position to make a substantial contribution to other local community enterprises. 	L
<ul style="list-style-type: none"> • There is a PWB Loan and the business fails • Low 	Business must service loan before share buyback	L	<ul style="list-style-type: none"> • Our whole business plan has been developed to avoid this occurrence, which we believe to be an improbable scenario. • In the extreme situation that the pub cannot be run successfully and is forced to close then the value of the property for residential use will almost certainly be significantly higher than the purchase price and should also be higher than the value of any outstanding loan debt. In this scenario the Society should be able to pay off its loan debts and, assuming shares do not exceed (£250k) we will also be able to refund the members and, under the Asset Lock, should be in a position to make a substantial contribution to other local community enterprises. 	L

Appendix I: Details of Work Done to Date

The following outlines the main events that have taken place in the preparation of the plan outlined in this business case.

June 2022

- Village hall meeting outlining the likely sale of the George and Dragon and to assess interest in village support and volunteers to form a Community Action Group (CAG).
- George and Dragon CAG Formed (see membership below) and met weekly.

July 2022

- Initial social media and hard copy survey for the whole village (indicating strong support to save the George and Dragon and initial indications of willingness to contribute financially).
- CAG undertook fact-finding including and discussions with third parties (Plunkett, Moogies, local breweries, other community-owned businesses to explore different models of ownership (indicating a CBS with a tenant or managed service is most viable).
- Applied for eligibility for Community Ownership Fund (which was granted)

August 2022

- Website, Facebook page and email address set up to support planned activities
- Obtained an informal structural survey of the business (ascertained no major structural issues).

September 2022

- Contacted The National Lottery to ensure eligibility to apply (which was confirmed)
- Sought and obtained financial records of the business (informal assessment of business state).

October 2022

- Research into a legal vehicle for the business, discussions with pro bono financial advisers on the most appropriate legal vehicle.

November 2022

- Hard copy flyers (and email and social media contact) to Quinton to ascertain the level of pledge likely for the Community Share option (at £5000 minimum share price) and established positive support.
- Reaction to concerns about the initial minimum share price (£5000) lowered to £1000.
- Hard copy flyers (and email and social media contact) to Quinton to ascertain the level of pledge likely for the Community Share option (at the new £1000 minimum share price) - ascertained further positive support.

December 2022

- Joined Plunkett Foundation (to gain support for the development of the business plan and assurance of approach taken.
- Drafted Business Plan (first review by Plunkett)

January 2023

- Completed the registration of the Quinton George and Dragon Community Benefit Society with the Financial Conduct Authority
- Second review of Business Plan by Plunkett
- Contracted independent consult to review existing business

March

- Final review of Business Plan
- Complete and approve Business Plan

April

- Completed COF bid/Submitted first stage National Lottery Bid

May

- Wrote first draft share offer

June

- Gained quality share mark

Appendix J: The Community Action Group



Peter Woodliffe-Thomas

I've lived in Quinton for the last 5 years along with my wife Louise. I retired from full-time work in May 2021 following 10 years in various Director roles with Kee Safety. Previously with Seven Trent Water and Kidde Fire Protection. Bringing Board level management experience with a strong commercial focus and performance analysis capability. My key strengths and areas of expertise are: Multi-faceted project management and delivery of project goals. Communications and project progress updates. Managing large and complex budgets and delivery of agreed financial outcomes. I sit on the Quinton Parish Council.



Deborah Barker Boyd

I have lived in Quinton for 34 years. I taught Business Studies and Information Technology for 38 years, being responsible for departmental budgeting and curriculum development. As treasurer of Quinton Football Club for 28 years I have been responsible for producing accounts, which are independently audited. I was a founder member of the community speed watch in the village, organising rotas and health and safety requirements. I have been the voluntary booking clerk at Quinton Memorial Hall since 2015. I bring my wide knowledge of Quinton and its residents from involvement in the above community activities.



Martin Knight

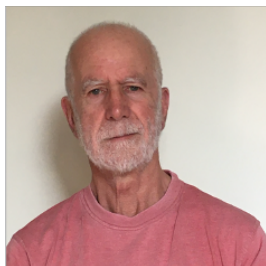
I moved to the village in October 2019 to a rented house with my partner. One of the key attractions was the village had a friendly pub, shop and Post Office. We really liked the feel of the village and have now bought a house in the same close. I have worked in telecoms for over 40 years in various roles including managing teams and creating project plans.



Andrew Law

I have lived in the village for 7 years. For the last 12 years, I have had Director roles at the Open University (the latest of which is 'Business Innovation'). Previously I worked for over 20 years at the BBC (Executive Producer). I hope to bring experience in business analysis, management, communication and media.

<div data-bbox="411 241 632 459" data-label="Image"> </div> <div data-bbox="437 481 601 515" data-label="Caption"> <p>Neil Carlisle</p> </div> <div data-bbox="201 544 804 790" data-label="Text"> <p>I have lived in Quinton for 7 years with my family and ginger Spaniel Odie. After buying a project house on Church Street and spending the first 4 years renovating we are now fully settled and love the village life, including the pub. I have over 30 years experience in design and project management within motorsport and bring some of that experience to help where I can.</p> </div>	<div data-bbox="995 241 1241 465" data-label="Image"> </div> <div data-bbox="1018 488 1217 521" data-label="Caption"> <p>Tristan Augier</p> </div> <div data-bbox="818 548 1390 916" data-label="Text"> <p>I have lived in Quinton for 6 months and part of the village charm was the pub and local shop. I have worked within Food & Beverage (F&B) for over 12 years and now hold the position of Head of F&B for Value Retail. I am responsible for the curation of the F&B experience, operations, leasing and revenue at Bicester Village and have recently been working on the F&B strategy for Ingolstadt Village in Germany. My knowledge within the industry meant I would not sit idle so had to get involved.</p> </div>
<div data-bbox="330 978 676 1209" data-label="Image"> </div> <div data-bbox="406 1234 596 1265" data-label="Caption"> <p>Greta Nicholls</p> </div> <div data-bbox="201 1294 804 1603" data-label="Text"> <p>I moved to the village with my family nearly 19 years ago, and was attracted by the strong community spirit and facilities, particularly the shop, pub and primary school. I have previously been involved with Quinton's Pre-School Committee, as well as a former Chair of the PTA. I bring to the committee my enthusiasm for project management, from my wide experience of organising many multi-million pound worldwide pharmaceutical meetings and congresses.</p> </div>	<div data-bbox="1032 978 1203 1207" data-label="Image"> </div> <div data-bbox="1003 1229 1233 1261" data-label="Caption"> <p>John McDermott</p> </div> <div data-bbox="818 1292 1390 1417" data-label="Text"> <p>John has 16 years senior marketing experience with Bass plc, the pub and brewery company, including Bass Wales & the West, and Toby Restaurants with 250 steak bars and carveries.</p> </div> <div data-bbox="818 1444 1390 1603" data-label="Text"> <p>He has 20 years senior management experience with national charities including National Lottery bids, trust fundraising, corporate fundraising and development of major donor giving.</p> </div> <div data-bbox="818 1630 1390 1756" data-label="Text"> <p>John is a volunteer at the 191-year-old Quinton Windmill and also a volunteer with HCPT, supporting people with disabilities, on pilgrimages.</p> </div>



Simon Millard

I have lived in the village for 22 years. I am a retired chartered surveyor with experience in rural estate management. My main involvement in the village is as part of the windmill technical team that carried out the recent renovation of the mill. I believe that the pub and coffee shop is a very important community asset and we must not lose it - hence my involvement in this project.



Ed Jacobs

My family and I moved to the village 5 years ago and we have enjoyed visiting the pub and coffee shop from our early days here. I have over 20 years of working in the IT industry performing a number of roles. Both the pub and coffee shop are essential resources in our village which is why I joined the action group.



Sarah Smith

I moved to the village in July 2022 and was keen to start enjoying village life and all that this entails including the ability to be able to frequent the coffee shop and pub whilst leaving the car at home and have visited numerous times since I started living here and have witnessed how important the George & Dragon is to the community.

When I discovered the for-sale status of the G&D I was concerned we'd lose this vital asset for good and was happy to offer my extensive admin and document management skills to the CAG as well as share my knowledge of working for a Housing Association that operates as a Community Benefit Society in the role of Personal Assistant (PA) to the Assistant Director of Property



Richard Vining

We moved to the village over 10 years ago. Our children, now adults, have both worked at the George and Dragon. This, being one of their first-ever jobs, was very important in building confidence, team working and responsibility, like for many other young people growing up in this village. This and many other reasons are why I joined the action group. The pub and coffee shop are a vital part of Quanton's DNA. I have 20+ years in various senior roles in e-commerce.



Gary Nangle

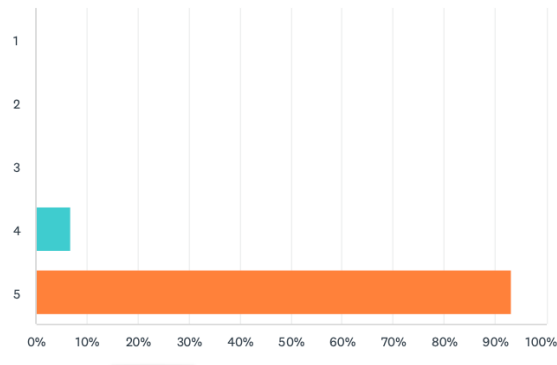
I have only lived in Quainton for 4 months but when deciding where we would like to settle, the criteria were a village with a strong community feel, a pub and a shop, Quainton ticked all the boxes. I feel the pub and coffee shop is an essential part of the village. A qualified accountant for 30 years I am currently a Group Finance Director within the Healthcare Sector. I have worked in various industries at a senior level including Central Government, Private Equity and Travel and Tourism. I joined the group to bring my experience and assist where I can.

Appendix K: Survey Results

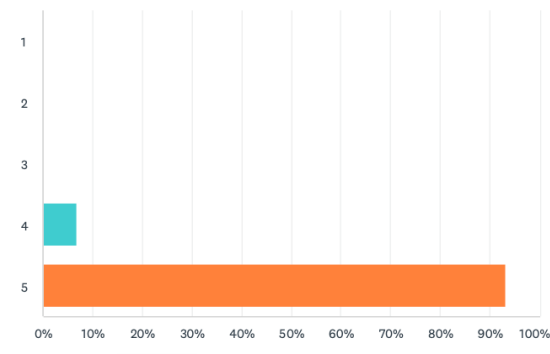
July 2022 Survey Results (village interest in the pub)

In July 2022 we surveyed the entire village (using a hard copy mail drop and an online SurveyMonkey poll). We had a total of 143 respondents from a village of ~1200 households. The results were as follows:

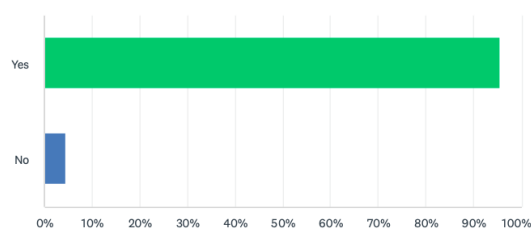
On a scale of 1-5 (where 1 is not important and 5 is very important), how important do you think it is to have a local pub in Quinton?



In the event of no commercial buyer, do you support the idea of community ownership?



1) Do you want to remain informed about progress?



When asked whether they would consider supporting the activity financially of those that might pledge the average pledge was £5.8K.

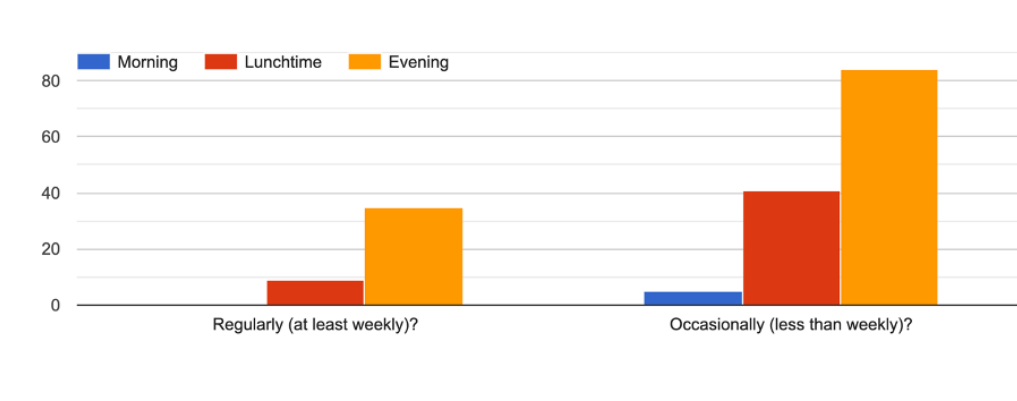
November 2022 Survey Results (financial pledges)

In November 2022 we asked the village to indicate its willingness to pledge for share investment. The minimum price for a share was initially set at £5k (based on the previous survey). However, following feedback, we re-issued the invitation with a lowered price of £1k. We had 74 responses with a total of £280k pledged. The maximum individual amount pledged was £30k. The mean (average) was £3,784, the median (the value in the middle) was £2,000 and the mode (most common) was £1,000.

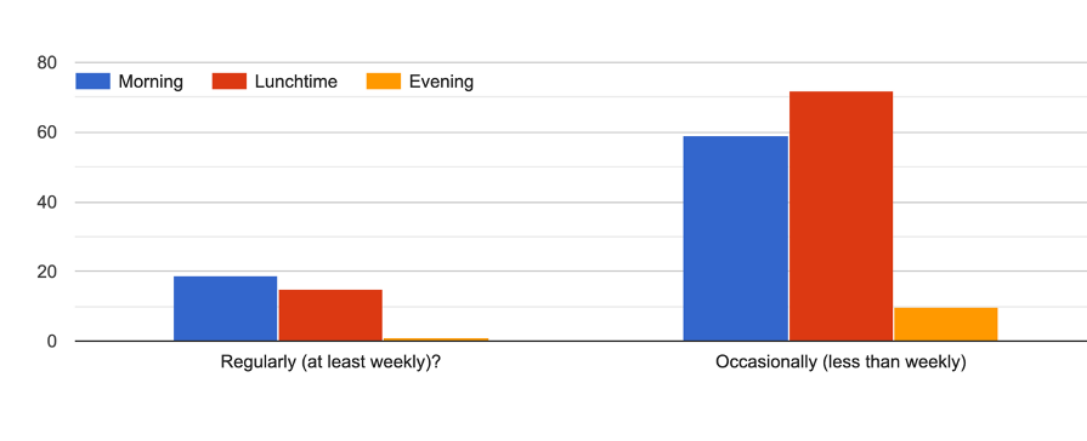
January 2023 Survey Results (village interest in pub services)

- Online and hard copy surveys made available to the village
- 145 respondents (110 online and 35 hard copy)
- ~30% were regular users and ~70% occasional users

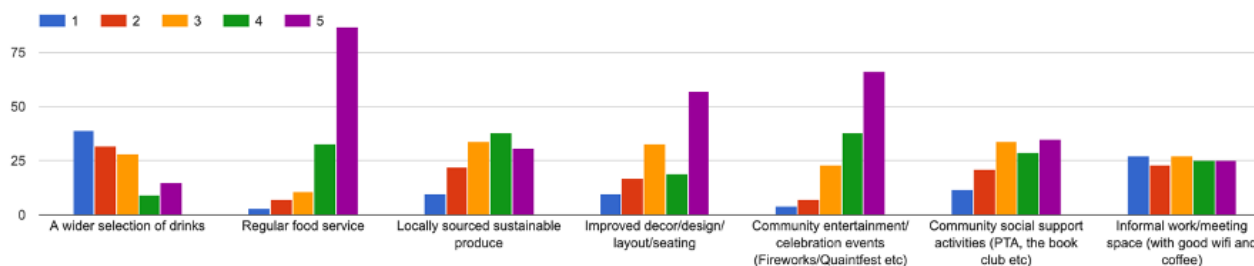
Do you use the pub ...



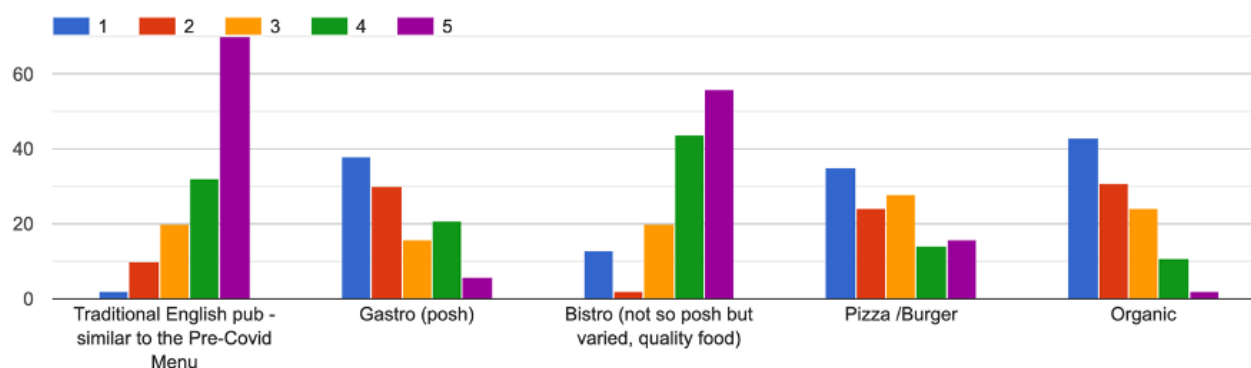
Do you use the coffee shop ...



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



Which of the following food would be of interest? (1= less important, 5 = more important).



These quantitative results suggest that there is support for

- a more regular food service
- an improved food service (including traditional pub and bistro offerings)
- the role of the pub in community support and entertainment

An analysis of the open text provided by over 100 contributors suggesting improvements and changes they would like to see. The main themes that emerge are

General

- More support for community life, such as open daytime to clubs, social support for the socially isolated, and local at-home workers.
- More activities, such as quiz nights and darts nights, to give people a reason to go.
- More entertainment, music, comedy, and quizzes.
- A community feel with good positive vibes.

Décor

- Redecoration, including new decor and furniture, and improved environment, especially the gloomy coffee shop area.
- Better decor, layout and seating, and a more modern layout with
- A nod to some of the great features.
- Improved ladies' toilets and access for the disabled.

Services

- Food options, such as vegan options, regular food service, decent and reasonably priced wine selection,
- Local promotions and discounts, and food delivery service to the Quanton area.

- More gluten-free options, better opening times and more use of outside space.
- Wider variety of foods.
- Better quality drinks at more competitive prices in the pub,
- More variety in the coffee shop, and better wines, cakes, and coffee.
- Seasonal free-range menu, more regular evening food,

Opening Hours

- More regular and publicised opening times in the pub for drinks and meals.
- Sensible opening hours, 'not just closed whenever',
- Evening hours longer, regular food

Appendix L: Timeline

Action	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec
Complete Share Offer												
Get Share approval stamp												
Issue and Register Shares												
Develop tenant requirements/seek												
Apply COF						RESULT?	RESULT?	RESULT?				
Apply (first stage) TNL						RESULT?	RESULT?	RESULT?				
Assess any shortfall												
Apply PWL or similar												
Make and agree offer/withdraw and return shares*											*	*
Appoint tenant												
Refurbish												
Re-open												
AGM												
New Directors												

Appendix M: Other Options Considered

The preferred plan is to establish a CBS, then raise share capital through a community share offer and seek further support from public grants. However, there were other options considered.

- 1) **Do Nothing:** After successfully running the pub for over 10 years, the current owner has made clear his personal desire to exit the business. To this end, the pub has been for sale since May 2022 but no offers have been received. In the absence of a buyer, and with the current owner not committed to continuing the business, it now faces closure. An alternative use for the property may be sought and the social and economic value of the pub would be lost.

- 2) **For-Profit Company:** It is clear there is wide community support for the preservation of the pub. It would have been possible to establish a for-profit company to purchase the freehold. However, it is unclear whether there is enough share potential within the village (and it would not be possible to apply for public grants). Therefore gap in funding would have to have been closed through a loan the interest on which would undermine the long-term sustainability of the business,

The current approach (CBS) allows a highly democratic means of community involvement, ensures the best chance of a sustainable business and ensures the interests of the community are maintained as the priority.

If the share offer and grant application/s do not generate enough capital to secure the purchase the CAG will consider the option of seeking a Public Works Board Loan (or similar) to close the gap in funding. This option is modelled in this business plan.

Appendix N: Draft Heads of Terms for Tenancy Agreement

DATED _____ 2023

Landlord

- to -

Tenant's name/Company name

HEADS OF TERMS for the L E A S E

relating to

Name of property

Full Address

Town/City

Postcode

TERM COMMENCES : on or before (Date to be confirmed) 20XX
LENGTH OF TERM : XX years
TERM EXPIRES : on or before (Date to be confirmed) 20XX
RENT : £XX,000 per annum

Prepared by:

Name and address of company

HEADS OF TERMS

1. **Property Address:** THE PREMISES at NAME and ADDRESS OF PROPERTY, POSTCODE

1.1 **Landlord** Name and address plus postcode

Registered no.
Registered office:
Correspondence address:
Contact name:
E-mail:
Telephone:
Mobile:.....

1.2.1 **Tenant** NAME IN FULL

Registered no.
Registered office:
Correspondence address:.....
Contact name:
E-mail:
Telephone:
Mobile:

1.2.2 **Guarantor** NAME IN FULL

National Insurance number.....
Address.....
Email.....
Telephone
Mobile.....

1.3 **Rent** £XX,000 (IN WORDS THOUSAND POUNDS) per annum exclusive of VAT.

Payment dates are monthly by direct debit
VAT will be payable if the property is elected for VAT

1.4 **Landlord's initial works:**

The landlord will complete the following works prior to/ in the first three months etc etc of the lease:

- List of works etc

The landlord will provide a red line drawing as to the boundary of the commercial let.

1.5 **Tenant's initial works:**

Tenant to provide full fit out plan for Landlord approval. Consent will not be unreasonably withheld

The tenant must apply and ensure permission is granted for all statutory approvals relating to the works receiving consent. These approvals include, but are not restricted to, planning permission and building regulations

2 **Deposit:** Deposit amount equal to one quarter the annual rent of £XX,000 = £X,000

3 **Lease length, protection & rights:**

3.1 **Lease length and start date** : XX years with a start date TBC

3.3 **Landlord & Tenants Act 1954** : The lease will be opted in/out of the 1954 Act

3.4 **Rights:** Rights of access will be contained within the full lease

4 **Rent reviews:**

4.1 **Frequency:** The rent will be reviewed on the third, sixth and ninth (subject to lease length) anniversary of the lease commencement date.

4.2 **Methodology:** Reviewed to reflect full market rent no lower than the starting rent at the time of the review.

4.3 **Alternative dispute resolution:** If the rent cannot be agreed between the Landlord and the Tenant at review, the rent will be decided by an arbitrator appointed by the President of the RICS

5 **Assignment and subletting:** Assignment of whole allowed with Landlord consent. Subletting not allowed.

6 **Services and service charge:** None, but the landlord has the right to pass on any charges relating to the property that become payable in the future. (If a fee is to be charged it should be entered here together with the reasons for the charge).

7 **Repairing obligations**

7.1 **Schedule of condition** will be provided prior to the start of the lease and attached to the lease. The tenant will have a limited repair obligation to maintain the property as to the schedule of condition or the tenant shall be responsible for the full repair of the lease

8 **Alterations and use**

8.1 **Alterations:** No alterations without consent at Landlord's discretion. Tenant may attach internal fittings but must remove at the Lease end and make good any damage caused by such removal.

8.2 **Permitted use:** The premises can be used as a *use agreed between tenant and landlord* and other associated use.

9 Insurance:

9.1 **Building insurance:** Landlord insures and re-charge the tenant for the use

9.2 **Fixtures, fittings and other insurance:** Tenant responsible for their own insurance

10 Lease management

10.1 **Dilapidations:** See repair. Schedule of Condition to be agreed and attached to

Lease and/or A schedule of dilapidations will be undertaken as part of the lease agreement

10.2 **Annual Property Inspection:** An inspection of the whole property (internal, external, and any grounds or outbuildings associated with the lease) can be undertaken by the landlord every 12 months

11 Other conditions:

11.1 **Rates and utilities:** Tenant is responsible. Tenant must check actual amount with Local Authority and utility provider, and location of meters.

11.2 **Legal costs:** Each party to pay own including costs of approval for tenant's fit out.

11.3 Outstanding conditions:

11.3.1. Planning required before lease commences

11.3.2. Local authority consents including building regulations to be correctly applied for and received before lease commences.

11.3.3. Survey/Schedule of Condition to be completed and attached to the lease prior to signing

11.4 Statutory requirements:

11.4.1 The tenant will fulfil all statutory requirements, including the need for electric, gas, and other reports needed for the safe and lawful continuation of trade during the whole term of the lease.

11.4.2. The lease will be subject to any restrictions on Landlord's title.

11.5 Landlord's solicitors

Company address:

Contact name:

E-mail:

Telephone:

Fax.....

DX:

11.6 Tenant's solicitors

Company address:

Contact name:

E-mail:

Telephone:

Mobile:

11.7 Timing: Lease completion is to be executed as soon as possible and to a date mutually agreed between landlord and tenant

11.8 Contract: These Heads of Terms are subject to contract.

11.9 Landlord's agent

Correspondence address:.....

Contact name:

E-mail:.....

Telephone:

Mobile:.....

11.10 Tenant's agent

Correspondence address:

Contact name:

E-mail:

Telephone:

Mobile.....

Appendix O: CBS Articles, Consultant Advice/Report

The CAG commissioned an independent consultant to Undertake a 'Business Buyer and Market Appraisal Report'.

The consultant engaged was Michael Hughes (MRICS FAVLP FNAEcom FBII DipCPA) Micheal Hughes has worked with groups looking to buy their local pub for many years and has undertaken over 250 reports on public houses for community groups in the last 5 years. The report reviews the condition of the property, the market value, the potential of the pub and what level of trade it will be able to generate.

This is a standard Royal Institution of Chartered Surveyors (RICS) based valuation which looks at the property as it is. Overall the key findings are:

- the business valuation is £520k (significantly lower than the guide price)
- confirmation that the *'best commercial use of this property is as a public house'*
- support for the prospects of the business *'from information available in the public domain, my investigations and meeting with the community group and current owner, and my experience of over 35 years in the license trade it is possible to see there is a sustainable business in the pub'*
- the business will need to achieve minimum net sales of £7,500 a week (in 2019-20 averaged £8000 a week)
- a new valuation of the property (confidential)
- an indication that a 65% profit on net sales is important to target to aim for (in 2019-20 56% a move to increased food service should support this aim). We are currently targeting 60%.
- Confirm that any decor or structural improvements must be aimed to increase turnover (e.g. extra seating and support for improved food service should increase turnover and margin)
- Confirm that if properly managed the pub and coffee shop should be profitable

The full report is available on request and our CBS articles on our website

<https://quainton.org.uk/action-group-george-and-dragon>