



Share Offer

FOR THE COMMUNITY PURCHASE OF THE DROVERS INN

Share Issue One Closed 30th July 2016

Look out for future share issues if you would like to be involved in
this Community project

GUSSAGE COMMUNITY BENEFIT SOCIETY LIMITED Reg. No. 7116

Our aim is to secure the long term future of The Drovers Inn as a flourishing pub for the benefit of the community, by vesting ownership in a society controlled by the community and by running the pub profitably.

The society proposes to raise funds to purchase, re-furbish and maintain The Drovers Inn. It will lease the pub to a professional tenant who will be responsible for the operation of the public house.

“You are invited to invest in a community enterprise set up to secure the future of The Drovers Inn, Gussage All Saints”



The Community Shares Standard Mark is awarded to share offers that meet national standards of good practice, as embodied in the Community Shares Handbook.

Specifically the share offers have been subject to an assessment procedure covering the business model, community engagement, governance and clarity of the offer document itself.

The Community Shares Standard Mark signifies that a share offer meets national standards of good practice. It is the visual expression of: best practice, confidence, assurance/reassurance, quality, protection, transparency of risk and reward and credibility

The Mark is awarded by licensed practitioners, verified by the Community Shares Unit.

For more information, see: www.communityshares.org.uk



Current Scenario

The Drovers Inn is situated within the village of Gussage All Saints which is located 8 miles from the market town of Wimborne, 11 miles from Blandford Forum and 18 miles from the city of Salisbury which has main line London train connections. There are also numerous access roads and walking and cycling routes leading to its location. The entire village of Gussage All Saints is designated as a Conservation Area by the East Dorset District Council, while the village itself nestles well within the broader, nationally recognised, Cranborne Chase Area of Outstanding Natural Beauty. The Drovers Inn actually has a direct pathway to the Cranborne Chase running alongside its boundary.

In 2013 The Drovers Inn, Gussage All Saints was placed on the Market by Marston's Brewery, ostensibly as a going concern. In November 2014 the Pub was closed and boarded up and the community was alerted to the potential loss of the pub. On the 9th December 2014 a Change of Use (COU) application was submitted to East Dorset District Council (EDDC) attempting to change The Drovers Inn from a Public House to a Residential Dwelling. This was made available online on 30th December 2014 and on the same date we were told that Marston's had accepted an unconditional offer to sell the Pub to an undisclosed buyer with a completion date understood to be 19th September 2015.

The EDDC have deferred discussion of the COU application four times to date and the community are advised by EDDC that they 'anticipate' that this will be discussed at the Planning Committee on 23rd June 2015. To date there are 193 objections to the COU. At this meeting we will demonstrate the viability of the pub and the active and real commitment from the community demonstrated in part through the successful launch of our community share offer.

Following a very well attended village meeting the community set up a steering group who have coordinated the work to save the pub, have prepared their own business case and viability documents and engaged a Planning Consultant and expert advisers concerning the future viability of The Drovers Inn. The business case has been prepared with assistance from a number of experienced professionals in the licence trade in order to fight the change of use application by demonstrating the true feasibility and viability of a well run Drovers Inn for the immediate community and also as a "destination" Inn which appeals to and attracts visitors.

The Drovers Inn was successfully listed as an Asset of Community Value (ACV) on 16th February 2015 and this has enabled the business case to be further strengthened as a community enterprise with the significant benefits that this provides for the long term viability of the pub. In line with the governments ACV process the action group have registered their intention to bid for the pub via the EDDC in the name of Gussage Community Company Ltd (now the Gussage Community Benefit Society Ltd).

Strategic Plan and Benefits to the Community

The Society proposes to raise funds in order to purchase, re-furbish and maintain The Drovers Inn Public House, Gussage All Saints for the benefit of the community. It will lease the pub to a professional tenant who will be responsible for the operation of the public house. Other activities may be undertaken at the discretion of The Management Committee and for the benefit of the community.

Our belief is that the Pub and the site it occupies are vital amenities for Gussage All Saints and nearby villages and that the best interest of the community will be served by acquiring the pub through a limited liability Community Benefit Society. This legal structure is explained in detail in this document.

This will enable the village to secure and safe guard the pub for the foreseeable future.

Our intention is to finance the acquisition and subsequent improvement projects, initially, through a community share offer and commercial loans. The intention is to maximise the capital raised through the community share offer. We have set a target of £155,000, however, we need to raise a minimum of

£125,000 to proceed. Importantly any funds we raise over and above this will reduce our dependence on commercial funding and the associated interest costs. If we only achieve the minimum amount of share capital through the initial offer the share offer would be extended. Other sources of funding will be pursued but timescales for grant funding are notoriously uncertain and have been excluded from the business plan for this reason. Any grants awarded would be used to reduce the loan capital required or enhance the facilities of the premises.

This represents a fantastic opportunity for Gussage All Saints and nearby villages to continue to strengthen the vibrancy and sustainability of our community. This purchase would have many benefits, including:

- Maintaining a place to meet friends and neighbours and improving the sense of community;
- Providing a central point for information on community events and local issues;
- Securing the central part of the village by and for the community;
- Improvements to the fabric of the building;
- Creating opportunities for employment;
- Injecting money into the local economy;
- Providing a hospitality venue for local groups, tourists, weddings and funerals;
- Helping to sustain our property prices.

Business Model and Finance

A detailed business plan has been produced for your information and is available for you to view from any of the Management Committee. The business plan will continue to evolve, specifically if we successfully fight the change of use application on 23 June. We will negotiate to purchase the pub and undertake a structural survey at this time. We will also then obtain written estimates for all refurbishment works. It is important that you read the business plan when considering investing in shares. We believe that The Drovers Inn is viable and this was affirmed in the professional valuation by J P Stone FRICS, RICS Registered Valuer Membership number 1122777, on 20 April 2015. Although the property was closed and boarded, electricity was connected and all areas of the property were inspected. The valuation stated "The Market Value of the freehold property in its current condition being closed and boarded is £350,000 net of VAT". The report further stated that based upon historical trading results the pub "could today turnover around £220,000 net of VAT". Well run and with the right tenant and with an excellent food and drink offering significantly more could be achieved.

The key factors contributing to a successfully run Drovers Inn are:

- Having affordable rents and no beer ties by purchasing the freehold of the pub;
- Letting The Drovers Inn to a professional and experienced tenant who will control costs and maximise revenue;
- Acquiring the freehold premises of the pub through the Gussage Community Benefits Society Limited (GCBS), a community owned and run society to ensure community buy in and input to the future success of the pub;
- Refurbishing the pub in stages to provide improved facilities.

We aim to raise a total of £400,000 from a community share offer together with commercial loans. This will be used to purchase the building freehold with associated costs and taxes and get it ready to be re-tenanted. The Society will agree a lease with the tenant who will run the separate licensed business selling food and drink in our premises and pay rent to the Society at a level that will reflect the profitability of the business. The rental income is the sole source of income and will provide the revenue required to cover:

- loan interest, capital repayment (over 20-25 years) and meet any corporation tax liabilities;
- maintain the building and enhance the facilities;
- facilitate the withdrawal of shares from time to time, and may pay interest to the investors;

We firmly believe that the business will be profitable, but if it is not, the Society owns a valuable asset – the building and land associated with it – which can be sold in order to return funds to investors. Your investment is in the building and land – the bricks and mortar, not the licensed business. This is a great opportunity to invest in a worthwhile community enterprise that will provide a valuable service to its members, users and future generations.

The business plan will evolve as we move through the process and negotiate to acquire the pub and recruit the tenant, and as we achieve success with any grant applications. The costs can be broken down into three main categories and these are detailed within the Business Plan available from the Management Committee.

- Acquisition
- Refurbishment and Tenant Recruitment
- Contingency

It is proposed that this is funded as follows:

- £155,000+ from community shares (importantly the larger the community take up of shares the lower the dependence on commercial loan funding and reduced interest payments).
- £245,000 from a commercial loans. Discussions have taken place with two ethical lenders, The Triodos Bank and The Ecology Building Society, both have given strong indications that they would be willing to lend up to 70% and 80% respectively of the value of the premises.
- Grant funding and benefactor loans will be sought, however, the business plan has excluded these sources as the success and timing of such grant funding cannot be guaranteed. Any such funding will lower the overall cost of finance by reducing the dependence on the commercial loans and thereby enhancing the business plan.
- We understand that the Drovers Inn sale will have VAT applied at 20%, we will therefore propose to 'opt to tax' and make taxable supplies (rent) in order that we can reclaim VAT on the purchase and on subsequent refurbishment work. We propose to seek an additional short term loan specifically to cover the impact of the VAT expenditure on cash flow pending reclaim at the end of the first quarter.

Our bid for The Drovers Inn cannot proceed if the East Dorset District Council grant the change of use planning application on 23 June 2015, this would prevent us from completing the bid process to acquire the pub. Subject to this and raising sufficient funds, exchange of contracts to purchase would be anticipated to happen in July with completion targeted for September 2015.

If the minimum target for the share offer is not met by the initial closing date then it will be extended. If the share offer exceeds the target and reaches £400,000 before the deadline it will close early.

The Share Issue

This share issue has been designed to give you an opportunity to contribute financially, on a long-term basis, to the Gussage Community Benefit Society Limited (Reg. No. 7116). Please see the Society's rules of incorporation at www.droversinngussage.com. The rules follow the Model Rules recommended by The Plunkett Foundation and are approved by the Financial Conduct Authority.

Individuals (aged 18 years and over) and organisations can apply for membership by buying shares at a cost of £1.00 per share, with the minimum investment £300.00 and the maximum investment £45,000 per person or organisation. You can apply for and pay for shares via Paper application form and cheque made payable to Gussage Community Benefit Society Limited

Funds will only be drawn down (or cheques banked) if the acquisition proceeds and at this time share certificates will be produced. It is important that funds are not drawn down or banked in advance as the rules of the society prevent share withdrawal for the first 3 years.

Interest may be payable on shareholdings at an interest rate proposed by the Management Committee, based on the performance of the society, and put to a vote at the Annual General Meeting. In the first year the business needs to become established and it is likely that no interest will be paid for that period. This will be reviewed annually. Once sufficiently profitable, the society aims to pay an annual interest not exceeding 2% + Bank of England base rate.

It is important to note that the value of shares will not increase. The benefits for members are the social benefit of retaining this important community facility and any interest paid annually.

Shares are not transferable (except on death or bankruptcy) and cannot be sold. The only way to recover the value of the shares purchased is to give three months' notice of withdrawal to the Management Committee and the shareholder will then receive the amount they paid for the shares. Shares cannot be withdrawn until at least three years have elapsed from the date of the share issue and then only at the discretion of the Management Committee, who must at all times prioritise the ongoing sustainability of the enterprise.

The amount available to be withdrawn by shareholders in any one financial year will be set by the Management Committee and limited to a maximum of 10% of the total shares outstanding, with withdrawals funded from trading surplus or new share capital. The Management Committee will have the authority to refuse a withdrawal request if it would endanger the business. The full details of share ownership and the terms of withdrawal can be found in our Gussage Community Benefit Society Limited Rules which are located on our website www.droversinnngussage.com.

If you have already made a pledge to the society we will contact you in writing with the application form and request payment. Once payment is drawn down your investment will be converted into shares in Gussage Community Benefit Society Ltd under the terms of this share offer.

In the event The Drovers Inn is sold, the shareholders would be repaid their investment after repayment of any outstanding debts. Any surplus will be paid to a charitable or community body.

As The Gussage Community Benefit Society confers limited liability, the most you could lose due to business failure would be the price you have paid for your share(s).

The Legal Model

The model we have chosen for our society is a Community Benefit Society registered under The Plunkett Foundation's Model Rules. The model gives its members and directors the protection of limited liability. The model provides a guarantee that the assets of the society will be used for the benefit of the community and cannot be disposed of for private profit.

The initial Management Committee comprises of nine local founder members none of whom will ever have a personal financial interest in the project above and beyond their own personal investment in community shares, declared loans which will be provided on no less favourable terms than any other private lender or charges made by their businesses which will have to be approved by the committee and the committee member will have to declare their interest in the business concerned prior to any approval. The committee is accountable to the membership and will be elected by members' votes at the AGM which will occur within six months of the end of the financial year. The committee will keep members updated via newsletters, Facebook, the website and at AGMs at which members will be provided with an annual report as well as a report on accounts.

The Management Committee

Here is some information about the current Management Committee of Gussage Community Benefit Society Limited.

David Crossley (Chairman)

David moved to the village in 2014. He led three very different schools and was subsequently a Director of a large not for profit where he led a team responsible for major national school improvement programmes. He is now an Education Consultant and published author who supports schools and organisations nationally and internationally. His expertise includes leading and managing change, strategic financial management and staff development. He has a particular interest in sustainable quality. He believes the pub is a key asset that makes an important contribution to the community, making the village more than just a place where people live

Marilyn Madell (Treasurer)

Mal, with husband Les, has lived in the village for 30 years and remembers how easy it was to settle and feel at home here in Gussage All Saints thanks to the warmth and friendship found in The Drovers Inn, meeting neighbours from a variety of age groups and backgrounds. Mal's main career was in Banking and Finance, with experience of domestic, commercial and international fields, covering administration, finance & budget control, personal & business lending, managing data operations & reconciliation, project management and marketing. She later ran a Recruitment Business sourcing both temporary and permanent staff from a multi-disciplined agency, a large sector being the Catering & Hospitality Industry. As an active member of the community, she is involved with the Annual Fete organisation, the PCC and is currently a Church Warden.

Sally Marlow (Secretary)

I have lived in Gussage All Saints since 1990 when my husband and I moved into the village and married in the Village Church. Throughout the years we have been regular users of The Drovers Inn even when standards of food and service were at their lowest ebb. It is the place where we caught up with friends and neighbours and made new friends. As a formally trained Marketing Professional (MCIM, FIDM) my career spanned a range of Marketing Management roles for a number of blue chip organisations. My last eight years prior to retirement were spent as a Principle Business Consultant and Resource Manager for a large American Software Company.

Danny Wale (Member)

I moved to Gussage St Michael about ten years ago and subsequently moved to Gussage All Saints in 2012, during that time period I have always been a big fan of the Drovers. Seeing the negative effect the drovers closure had on my father (who is unable to drive for medical reasons) prompted me to join the steering committee - the pub really is a social lifeline for some. I have a business management degree from Cardiff university and now spend my time working in business development for start ups and small businesses, the majority of my experience is in the insurance and hospitality sectors.

Bonny Humphris (Member)

I was born in Holland and came to live in England in 1978. The first country pub I visited was the Drovers and to me it was everything quintessentially English. I have been going there ever since, until it sadly closed last November. As I lived on a farm, I know the importance to a rural community of being able to meet up in a lovely local pub which is the hub of village life. Indeed, since its closure, our village seems to have lost its soul. Hopefully we will be successful in restoring this so much loved village facility in which so many of our children had their first summer jobs.

Les Madell (Member)

Les moved into Gussage All Saints with Mal in 1985 after falling in love with the village and pub on sight, having sat with a pint in the Drover's front garden, listening to the birds and enjoying the view. He recalls

many great evenings in The Drovers, particularly after long days of pressure at the office, unwinding with friends and neighbours and enjoying a meal. His early career was in domestic branch banking, in the days when technical and legal skills were as important as customer service as all duties were undertaken at branch level. He then transferred to their International Head Office working in Systems Analysis, IT and Project Management in both National and International Systems Development.

Justin Ward (Member)

After 42 years in the music profession Justin and his wife chose to move to Dorset, as his first job was in the Bournemouth Symphony Orchestra. He has lived in the village since 2012 having chosen Gussage All Saints because there was a lovely pub situated right in the middle-a social hub for all. It has been very telling that almost everyone you meet, on hearing where you live, mentions "The Drovers" with great affection, testament to the fact that in the right hands, the pub could thrive once again as a real community asset.

Jill Allen (Member)

I have lived in the village since 1962 and worked at The Drovers from 1980-1992 for various landlords. I am now a retired but busy grandmother.

As a long term resident I can clearly see the detrimental effect closure of The Drovers would have on the village. Being a steering committee member offers me the chance to fight this possible closure on behalf of all the community in Gussage and the surrounding villages.

Chris Payne (Member)

Chris was Born in Dorset and has lived in and around the area of Gussage All Saints most of his life. A keen equestrian who is employed by a local veterinary charity he travels extensively around the globe.

Chris has been quoted as saying that one of the things he most enjoys is being able to relax at home in Gussage All Saints and enjoying a pint at the Drovers Inn especially after returning from a gruelling Business Trip.

PLEASE READ THESE KEY POINTS BEFORE DECIDING WHETHER TO INVEST IN THIS OFFER AND TAKE INDEPENDENT TAX/FINANCIAL/LEGAL ADVICE

1. This is a social investment not an investment designed to generate large profits and should be regarded as a long-term social investment in your community.
2. The return on your investment will be through a 'social dividend' i.e. the preservation of a local asset servicing the community and through modest interest on your shareholding, at the discretion of the Management Committee and voted on at AGMs.
3. All shareholdings of £300 or more will be eligible to receive interest although it is likely that no interest will be paid during the first year of trading.
4. The Management Committee can suspend interest payments if the business performance does not justify paying interest. Therefore, you should not invest in the expectation of direct financial return, as this is not a conventional investment.
5. The minimum investment is £300 (300 shares). The maximum investment is £45,000 per person or organisation.
6. You must be aged 18 or over to become a member.
7. You cannot sell your shares, except back to the Society itself.
8. The value of shares cannot increase and their value may be reduced if the business fails and its liabilities exceed its assets.
9. The only way to recover the sum you initially invested (or any reduced value) is to give notice of your investment withdrawal to the Management Committee. You cannot do so for the first three years after the date of this share issue.
10. Subject to point (7), you will be required to give three months' notice of your intention to withdraw your shares to the Management Committee. All withdrawals will be at the discretion of the Management Committee and must be funded out of either trading surpluses or new share capital.
11. Total withdrawals in any year will be limited to a maximum of 10% of the current value of this share issue.
12. All funds invested in this Community Share Offer will be restricted funds held in a separate account until the purchase is completed and thereafter will be used only for the purpose of acquiring and refurbishing and owning The Drivers Inn. In the event that the purchase does not proceed, all contributions will be repaid less any expenses that may have been incurred.
13. Any trading surplus, after payment of interest to shareholders and repayment of share capital, must be reinvested in the business or used for community purposes. The Society is registered with but not regulated by the Financial Conduct Authority (FCA, previously the Financial Services Authority), so members cannot apply to the Financial Services Compensation Scheme (FSCS) and have no right of complaint to the Financial Ombudsman. Before deciding to invest, you may want to seek independent advice.

QUESTIONS YOU MAY HAVE REGARDING BUYING SHARES IN THE GUSSAGE COMMUNITY BENEFIT SOCIETY LIMITED.

How can I find out more about the project?

You can find our Rules for our Society at www.droversinngussage.com . You can email us at sally.marlow@btconnect.com or lesandmalmadell@btinternet.com or telephone Sally on 01258 840531 or Mal on 01258 840058 to receive a copy of the full business plan. We will be happy to answer any questions you may have.

Why should I buy community shares?

Your investment is vital in helping us purchase The Drovers Inn, Gussage All Saints. Without sufficient investment from the community we will be unable to establish the business and the more money we can raise from the community the less reliant we are on commercial funding.

Who will benefit from this project?

The residents of Gussage All Saints and surrounding community will benefit directly by preserving this vital village hub. By investing you will be ensuring The Drovers Inn re-establishes itself as a central landmark and facility helping to build a more vibrant village and area which can be enjoyed by future generations.

Is this a good business proposition?

We expect and will require the business to be a profitable venture. We have carefully evaluated its strengths and weaknesses and our projections show we can establish it as a successful business. It is well proven that communities that work together to set up such an enterprise will support it in the future. For the supporting business plan [please](#) ask any member of the Management Committee for a copy.

Will you be paying a fair price for The Drovers Inn?

We have had a valuation of the building but have, as yet, not secured a purchase price with the vendors. You can be assured that we will attempt to achieve the lowest possible price and one that meets the aspirations of our business plan. If the total value of the funds required increases the business plan will be revised.

Who are the people behind this project? Do they have a personal interest?

The Management Committee consists of a group of local residents who care passionately about The Drovers Inn and its position in the future heritage of Gussage All Saints and surrounding area. They will have no personal financial interest in the project, above and beyond their own investment in community shares and charges their business might make but they will be approved by the committee and the members will have to declare their interest before the approval. Their personal profiles have been outlined in this document.

They have voluntarily contributed a large amount of time in the project and this has been supplemented with advice and considerable support from many different people and organisations.

Who will run The Drovers Inn and make the day-to-day decisions about the business?

The Management Committee will oversee the freehold business and ensure it meets the targets set down in the business plan. We intend to let the premises to a professional tenant to run the separate operational business.

Only Members may be elected to serve on the Management Committee. Members of the Management Committee elected by the Members shall hold office (unless vacated beforehand) until the conclusion of the first Annual Members' Meeting after their appointment. The Management Committee is elected each year by and from the Members at the Annual Members' Meeting. The Board may co-opt other Members onto the Management Committee but these appointments are only valid until the next Annual Members' Meeting.

Further information regarding the Management Committee (its composition, the appointment of its members and the regulation of its meetings etc) is set out in the Rules which can be found on our website www.droversinnassage.com

Do my shares give me voting rights?

Yes, this is a democratic structure based on one member one vote, regardless of the size of your investment.

How do I get my money back?

You will not be able to withdraw your money during the first three years. After that, you will need to give at least three months' notice. You cannot sell or transfer your shares, and withdrawals must be funded from surpluses or new capital raised from members. The Committee may suspend withdrawals depending on the long-term interests of the Society, the need to maintain adequate reserves, and the commitment to the community.

Can I transfer my shares to someone else?

No, unless you die or become bankrupt.

Will I get my investment back if The Drovers Inn fails?

All the business' assets, including the freehold of the building, would be sold and the proceeds of the sale (after paying any loans) divided between the shareholders up to the value of their shares. You might receive the full value of your share back or you might receive less than this.

What is my liability should I invest?

Your liability does not exceed the price of your shares.

What redress do I have if the business fails and I lose the value of my shares?

The share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations, which means there is no right of complaint to the Financial Ombudsman, nor can you apply to the FSCS.

Will I receive interest from my shares?

We aim to maintain an interest rate and this will be subject to the provisions and limits specified within the society's rules and will reflect the performance of the business, but we believe it is not wise to commit to interest payments during the first year of community ownership. Interest will be paid gross and it is each member's responsibility to declare such earnings to HMRC if appropriate.

How do I buy shares?

You can apply for and pay for shares via paper application form and cheque made payable to Gussage Community Benefit Society Limited.

What happens if I have already made a pledge to the project?

If you have already made a pledge to The Gussage Community Benefit Society Limited we will need to convert your pledge into community shares under the terms of this share offer. The Society will contact you explaining what action you need to take and provide you with a community share application. The application form can also be found within this offer. If after reading this document and the supporting business plan you wish to purchase shares to a value higher than your original pledge this can be indicated on the form.

**IMPORTANT PLEASE CONSIDER CAREFULLY THE TERMS ABOVE AND TAKE INDEPENDENT
ADVICE**

Application to Join the Gussage Community Benefit Society Limited

To become a member of Gussage Community Benefit Society Limited and invest in our venture, you need to complete this application form and send it, with a cheque made payable to Gussage Community Benefit Society Limited to the address below.

Paper applications

Please complete this form (NB you must be 18 years of age or over to be eligible to become a member). Each individual must complete a separate form.

Shares are available at £1 each minimum 300 shares. Above this you may buy as many as you like to a maximum of £4,000.

I have already made a pledge (if appropriate) and I am over 18 years of age.
I wish to purchase shares (minimum 300 (maximum 4,000) and a total value of £.....

Name:

Address:

Postcode:

Tel No:

Email:

I confirm that I have read the Community Share Offer document, including the summary points on page 6.

Signature.....

Date:

Please complete and return with your cheque made payable Gussage Community Benefit Society Limited

To: Mrs Mal Madell (The Treasurer), Teachers, Gussage, All Saints, Wimborne Dorset BH21 5ET

Mal on 01258 30005 or Sally on 01258 30531 email jeandmalmadel@barnet.com or sally.marlow@barnet.com

Please note by queuing to become a member of Gussage Community Benefit Society Limited, I agree to my name, address, phone numbers, email address and the number of shares I wish to purchase being held on a computer database. This information will only be used for the purpose of maintaining a register of members and for posting notices regarding the activities of Gussage Community Benefit Society Limited. This information will not be passed to third parties.

If you would like any interest on your shares paid direct to your bank account please enter your bank details below: please consider doing this as it will make administration considerably easier.

Sort Code	Account Number