



**“THE GREEN PHOENIX”
A COMMUNITY INTEREST COMPANY**



**PUBLIC MEETING
THURSDAY 10TH JANUARY 2019**

Public Meeting

Good evening and welcome,

Many thanks for giving up your evening to join us.

The structure of the meeting will be short presentations on the headline areas in reference to the project, questions will be invited after each topic has been presented.

We are aiming to keep the meeting to an hour and the Chair Person will keep the meeting moving along, if they feel questions can be better answered either at the end in a less formal manner or by email they will action this.

Notes are being taken during the meeting, so we have a record of comments and or questions that we need to come back to people on.

Many thanks for your support and attendance,

The Green Phoenix Team.

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Timetable:

Nov 6 th 2018	Six month Moratorium Period Commences
Dec 8 th 2018	Launch of Green Phoenix @ Winterfest
Dec 19 th 2018	Green Phoenix CIC Incorporated
Jan 2019	Surveys & Shareholder Agreements Drafted
Feb 29 th 2019	Fundraising needs to be completed
March 2019	Completion of Purchase
May 5 th 2019	Six Month Moratorium Period Ends.

Agenda for Meeting

JH: Welcome messages

Introduction to the Green Phoenix CIC model, benefits of a CIC model.

Clarification of the Green Phoenix CIC core business.

PUB PROPOSITION

NL: Research into other comparable pubs & the GP Pub proposition.

*Other Community Pubs we have met - Seven Stars Dinton
The Boot Bledlow Ridge
Russell Arms - Butlers Cross
Abingdon Arms - Beckley*

The aim of the Pub is for it to be a quality food focused pub with a good choice of local beers and quality wines.

Post the public meeting we will conduct a survey as to the pub offering to counsel community opinion.

JH: before. Why we believe this model will succeed when it's failed many times

*No Brewery tie, cheaper, better choice of beer/wine
Much better lease terms
Community invested in success
Remodelling of pub = more covers and more sustainable venture
Local Sourcing
Pub/Restaurant proposition
Pub has been v successful previously*

Who will run the Pub?

*Building will be leased to a tenant/operator
Shareholders will make clear to CIC directors what type of proposition they want
GPCIC runs building not pub, shareholders will have meaningful input into the choice of operator
We have been approached by several prospective exciting operators already*

What about the other pubs in the Village?

*As per opening comments, we are a fast growing population, Village underserved by food focused venture.
We believe a village this size can support four pubs all with different propositions.*

Freehouse or Brewery Tie?

Our Preference is a free house, but we have interest from a local brewery and there could be a financial benefit to the CIC.

Q&A

JH:

FINANCE

We estimate we need to raise £500k for purchasing the building and that we require another £215k for refurbishments & costs of completion.

Asset lock - The Asset Lock is designed to ensure that the assets of the CIC (including any profits or other surpluses generated by its activities) are used for the benefit of the community.

What if business fails, what happens to my investment?

After settling its liabilities and subject to their being sufficient capital in the business the company can return to investors the full value of their shareholding

Share Price:

Shares have been priced at £5000, however this is being re-evaluated post the public meeting.

What return will I get?

We do not expect to deliver a dividend for the first couple of years (as per other CIC's) once dividends are available to distribute we can deliver up to 35% of the CIC's profits, 65% has to either be re-invested in the CIC or distributed to community groups.

Share Value:

Shares do not increase in value, what you put in is what you get out.

Social Investment Tax Relief:

Individuals....can deduct 30% of the cost of their investment from their income tax liability, either for the tax year in which the investment is made or the previous tax year. The investment must be held for a minimum period of 3 years for the relief to be retained. AND.. If individuals have chargeable gains in that tax year, they can also defer their capital gains tax (CGT) liability if they invest their gain in a qualifying

social investment. Tax will instead be payable when the social investment is sold or redeemed”.

Further Financing:

For further refurbishment we have agreed in principal a £250k loan from Tridos Bank.

Can shares be inherited?

Yes they can, or passed on.

Can shares be bought by persons outside village?

Yes.

Can shares be sold?

The company (CIC) can buy-back shares from investors, as long as the following conditions are met - (i) three years have elapsed since investor purchase, (ii) the buy-back does not adversely impact the financial stability of the company. Sale of shares from one investor to another, while OK in principle, must be reviewed and agreed by the CIC company directors / finance committee etc.

Speculative costs for survey, shareholder agreement & conveyancing -

£5000, we need to raise this asap and the sum will be at risk.

Funding: We have 100k committed so far.

Q&A

AW:

PROPERTY PURCHASE

Valuation by agents of Property
Structural Survey
Re-Modelling Costs

Q&A

NL

LEGAL

NL to give detail on legal process and costs

Q&A

JH

Closing comments

Fundraising committee
Timetable for process.
Immediate need for at risk cash.

Appendix 1:

Examples of Investment Fund Raises for local community Pubs.

Pub 1

£420,000 raised
64 shareholders
£10,000 per share
Limited company
Tenant run
Approx 40k per year rent plus percentage over turnover figure
Small refurbishment costs
7 years
6-8% dividend since year 3 (40% in dividends so far)
Only pub in village of 600
One tenant whole period

Pub 2

£600,000 raised (£300,000 anonymous person loan)
130 shareholders (600 shares)
£500 per share (average 4 per shareholder - approx. £2,000)
Limited company
Previously managed now tenant run (2nd tenant)
Refurbed and moved bar
Approx 30k per year rent (commercial rent would be 40-45k) no top up
Refurbed and moved bar
8 years
Loan mostly repaid
Only pub in village (7 at one time in the past) of 300 houses
One managed company and now 2nd tenant

Pub 3

£500,000 raised
80 shareholders
£5,000 minimum shareholding (maximum shareholding is £40,000)
Limited company
Tenant run
Approx 30k per year rent / 8% of turnover
Small refurbishment costs
6 years
5-6% dividend per year
35% of investment paid in dividends so far
Only pub in village
3rd tenant

Pub 4

£490,000 raised
250 shareholders
£250 per share (maximum shareholding is £40,000 / average £2,000)
Community Benefit Society / Plunkett Foundation
'A' shares (effectively donations) and 'B' shares (dividends and sellable)
Tenant run
Approx 25k per year rent
Small refurbishment costs
2 years / No dividends yet
Only pub in village of 600

Appendix 2:

Our previous communication with community.

What have we done so far?

We have formed a company called “*The Green Phoenix Public House Community Interest Company*”.

A community interest company is a business whose primary objective is for social purposes and whose financial surpluses are principally reinvested in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.

We have met with the team that saved The Seven Stars in Dinton. We see what they achieved as a great model for what we are trying to do in terms of raising investment, but also what The Seven Stars offers and its success as being part of the community. We have also researched many local community owned pubs such as The Boot in Bledlow Ridge and have engaged with The Pub is the Hub, a charity set up to support communities wishing to buy pubs.

How can you own part of the Green Phoenix & what will the company do?

We intend to offer for sale shares in the Green Phoenix to members of the community (but not limited to members of the community). This will enable the Green Phoenix to buy the freehold and building of The Green Dragon Pub.

The Green Phoenix will not operate the pub. It will own and maintain the building which will then be leased to a tenant which will run it along the lines approved by the shareholders. For example the shareholders could insist that it must sell reasonably priced food, two different beers at a competitive price and take an active part in community organisations.

All major decisions affecting the management of the Green Phoenix will be voted on by the shareholders and will require a majority to approve. These decisions would include the appointment of any tenant. This thereby gives the community a direct connection to ensure that the pub reflects their needs.

How much is it all going to cost?

The Pub and Freehold are on the market for £500,000 and we forecast significant costs in terms of building repairs, re-modelling the interior and refurbishments. We estimate these costs at £200,000 and we anticipate stamp duty costs of £15,000.

The total fund raise is estimated at £715,000.

All group members are volunteering their time for free and furthermore through one of our group we have secured some of the legal services at no cost.

How much will shares cost?

We intend to issue shares in the Green Phoenix at the cost of £5,000 per share. Individuals can buy one, or more, share(s) up to a ceiling of 25% of the total share issue.

We recognise that £5,000 is significant sum and some people may find this unaffordable. Therefore to ensure everyone from the community can engage in this project, people can club together to buy shares between them.

How much can I expect in return from this investment?

As with most start up business models we would not expect to distribute any significant dividend, in the early years of the company. Then if the company does distribute any profits post that period they may not be significant.

We believe this is an opportunity to invest in your community, preserve a much needed and wanted pub by owning part of it as an asset. Hopefully any future dividends and/or capital growth will be enough to deliver a return better than a current bank savings account.

Why will this succeed when it has failed so many times before?

We believe that the commercial terms the brewery put the previous tenants under made it very hard for them to make the pub a success. By releasing the new tenant from these conditions and charging them a competitive market rent we believe this will give them a much greater chance of success.

The fit out of the pub we believe makes it hard to be a success also. We would like to remodel the pub so that it is fitted out more like historic incarnations and with a traditional pub aesthetic. We would also consider reducing the bar in size and re-position it with the aim of creating more space for eating and drinking and to increase the number of food covers, which will in turn help with overall profitability for the tenant.

Finally, the community will be invested in the pub, providing it with a proposition that they want and have bought into. The community will have a direct interest in seeing the pub succeed and will therefore be motivated to use it.

We hope this information has been of interest. If you wish to invest please do email us to confirm with your phone number and one of the team will be in touch, and please do try and come along on **January 10th to the Public Meeting.**

Thanks for all your support.

[Timeline - see over]

Timeline

2018

November

Form Community Interest Company (CIC)

December

Publicise CIC to public - Winterfest

Issue investment particulars

2019

January

10th @ 20:00 - Haddenham Village Hall Public Meeting

Investment raise

February

Continue investment raise

March

First week of month – complete investment raise.

Commence negotiations with agent of sellers

April

Conclude negotiations with seller

May

Exchange contracts on sale of Building and Freehold.

Summer

Refurbishment

Autumn

Pub re-opens to general public.



Quote for Survey:

Andrews Eades Chartered Surveyors

Building Surveying • Quantity Surveying
Architecture and Planning • Party Wall • Building Pathology

20 Cornmarket,
Thame,
Oxon.
OX9 2BL
Telephone: 01844 261222
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surveying@andrews-eades.co.uk
www.andrews-eades.co.uk

Mr N Leale
27 Churchway
Haddenham
Aylesbury
HP17 8AB

ASG 2019/Quotes
04 January 2019

Dear Mr Leale

Re: Green Dragon Pub, 8 Churchway, Haddenham, Aylesbury, HP17 8AA

Further to our recent telephone conversation. We would be pleased to assist you with a survey and discuss any concerns or plans you may have for the property either pre or post survey.

Our fee to carry out a full Building Survey on the above property, to include all outbuildings will be **£1,500.00 + VAT**.

The survey will include all items as listed on the following pages along with further inspection on the flooding cellar and the poor state of the roof. We can also include budget costs for the works required for these items. Additionally, it will include all the interior i.e. comments on the kitchens, bathroom, bar area, staircases and tenant's accommodation.

Regarding alterations to the bar area. We have a separate Architectural Design team here, who would be more than happy to discuss the alterations you have in mind and provide drawings, organise the building control and planning etc. There is an additional fee for this work.

Should you have any questions, or if we can be of further assistance, please do not hesitate to contact us.

Yours sincerely



Andrea Gosling
Andrews Eades
Chartered Surveyors



Also at Oxford Tel 01865 557462 and Aylesbury 01296 632671
Director: Philip Eades MRICS
Director: Andrew Petrons MRICS





Andrews Eades

STANDARD CONDITIONS OF ENGAGEMENT FOR BUILDING SURVEYS

The scope and extent of the structural survey offered by ourselves is detailed in the following Conditions of Engagement for Building Surveys.

1. Extent of Survey - The survey and report will cover the following items:-

- General matters
- Site/Location
- Foundations
- Basements/cellars
- Ground floors
- Perimeter ground levels
- Sub floor ventilation
- Damp proof courses
- Dampness/condensation
- External walls
- Internal walls
- Roofs
- Rain water goods
- Chimneys
- Insulation
- Timber generally
- Suspended floors
- Staircases
- Doors and windows
- Finishes, decorations and fittings
- Outbuildings

The specialist inspection, testing and reporting of service installations (plumbing, central heating, electrics, drainage, etc) is excluded from our service. Should you require one or more of these installations to be tested then arrangements can be made on your behalf with specialist engineers who will normally invoice you direct for the work. Whilst carrying out the survey we will endeavour to make some basic checks on the services such as inspecting manholes, checking that taps work, looking for broken electrical and sanitary fittings and the like. This may help you in deciding whether or not you wish to employ the services of a specialist engineer.

In addition the following items are excluded from the survey and report unless you have given us additional instructions to the contrary:-

- Valuations
- Rebuilding costs for fire insurance purposes
- Room sizes, boundaries and areas of land
- Rights of way, easements, tenancies, covenants and the like. (Where we consider checks may need to be made by your legal advisors, we will advise you accordingly)
- Minor points - that are patently obvious or have no structural significance.
- Planning proposals.
- Testing for levels of radon gas.
- Identifying asbestos in the building, some of which may be concealed within the building fabric.

STANDARD CONDITIONS OF ENGAGEMENT FOR BUILDING SURVEYS (continued)

Whilst we will check the site for 'invasive weeds' it should be noted these species die back during winter and can also be removed prior to the survey. (You should therefore ask the vendor if there has been any record of such species within the boundaries or close proximity of the property in the past).

2. Alterations and Special Matters

Should you require advice upon any matter, other than the Building Survey, we would be pleased to receive your further instructions.

Where re-building costs are given for insurance valuation purposes these figures should not be confused with any other values relating to the property (e.g. market value).

Where repairs are advised the report should not be used as a specification for the purposes of obtaining builder's prices. The detailed specifying of works for these purposes is outside the scope of the survey but can be undertaken upon receiving separate instructions.

3. Disturbance

The finishes, fittings and structure of the building will not be disturbed during the survey. Heavy furniture will not be moved but where practical, lightweight furniture and floor coverings will be moved (unless there is a risk of causing damage thereto) for the purpose of examination. No responsibility can be accepted for defects which are concealed. Obviously if we consider that certain parts require opening up to facilitate a detailed inspection to be made, we will advise accordingly and the vendor's permission will have to be sought to enable this to be undertaken.

4. Limitation of Liability

- a) Liability for opinions expressed in the report is limited to the instructing client (yourself) and thus our responsibility would not extend to third parties.
- b) Copyright in whole or part remains vested in the Surveyor.

5. Cancellation

Should you wish to cancel the survey we would request a minimum of 2 working days' notice, which we will confirm with you and the selling agent through which our appointment was made.