

Community Share Offer

To support the purchase of

The Black Bull Hotel

For the benefit of Gartmore and the surrounding area



Minimum Level: £55,000 (now achieved)
Share Offer Target: £100,000

Share Offer Remains Open

Prepared by:
Black Bull Gartmore Hub & Pub Ltd

September 2019

Share Offer Overview

You are invited to buy shares and become a Member of Black Bull Gartmore Hub & Pub Ltd. You will be investing in a community enterprise which aims to ensure the survival and revival of the Black Bull Hotel as a Hub and pub.

Price per share	£1
Investment limits	Minimum - £25 Maximum - £15,000
Share offer target (maximum)	£100,000
Minimum level of shares required	£55,000
Membership rights	One member, one vote; irrespective of amount invested
Membership eligibility	Individuals (over 16) and incorporated organisations
Share offer dates	Offer opened 18 th July 2019 Minimum level achieved 15 th August 2019 Share offer remains open

Achieving the minimum shareholding of £55,000 has covered the balance required to purchase the property and cover start-up costs. A higher target has been set of £100,000 as any funds received over and above the £55,000 minimum can go towards property improvement costs and working capital.

If you are considering buying shares, it is important that you read this Share Offer Document along with the related Business Plan and Society Rules. Please complete the Application Form to apply. These documents are available at www.blackbullgartmore.com

Safeguarding our Community Assets

The Black Bull Hotel has been serving the interests of Gartmore and the surrounding community for 250 years and is in real danger of being lost due to the current trend of similar facilities in nearby villages being sold, closed and redeveloped as residential accommodation.

The current owners have offered the community the opportunity to purchase the property for £237,500, which shows a 5% discount on the valuation of £250,000 confirmed by Colliers as a fair market value.

Black Bull Gartmore Hub & Pub Limited has been set up as a Community Benefit Society to support this initiative, and there has been overwhelming support from within the community.

The aims and objectives of the Society are aligned to those identified within the 2018-2023 Gartmore Community Action Plan and moving this important community asset from private to community ownership would allow these to be satisfied.

The creation of the Hub will add significant value to the Gartmore community and help us address some of the challenges that we face within our isolated rural village, including:

- An aging population, social isolation & loneliness
- Lack of local activities and facilities for young people
- Limited local employment opportunities and business facilities
- Inadequate public transport
- Lack of public services and facilities to promote visitors to the area

The intention is that the Black Bull Hub and Pub will generate the necessary revenue to pay staff, maintain/improve facilities and provide services that will empower our community to make Gartmore a better place to live, work and visit, as well as helping to protect the services and sustainability of the Hall and the Shop which are also owned and run by the community.

Satisfying our Community Needs

The objectives of the Hub are social in nature and an approach and measurable deliverables have been defined against each of our three primary objectives:

1. Run the social enterprise in an efficient and sustainable manner to ensure that the Hub, café, pub, restaurant and accommodation facilities remain open for current and future generations
2. Make effective use of the Hub facilities, resources and income to provide additional services that benefit the local community
3. Operate in a manner that supports the activities, services, aims and sustainability of other community facilities and organisations.

In addition to safeguarding the many great services that the Black Bull already offers, once we achieve community ownership then we have committed to also provide the following:

- Community space, accessible by members of the community at times when the Shop and Hall are closed or booked
- Create a much-needed dedicated area for our teenagers and young people
- Provide a community garden that is family friendly and a great space to meet up
- Fund and run a community minibus that can be available for all community organisations and provide a means for more regular visits to the village by those in outlying properties
- Create a business centre with hot desks, printing/scanning, broadband and refreshments for those working from home or setting up their own business.

The intention is to align the Hub opening hours and services with the Shop and Hall to ensure that there is always a welcoming place to go for villagers, quality of life is enhanced and people are able to remain living within our community for longer than they would otherwise.

Business Plan

Based on information from the current owners, we have produced financial projections and determined to our satisfaction that this can be a viable business, with the ability to generate a small surplus while providing significant community benefit.

The business plan can be downloaded from our website, www.blackbullgartmore.com. These are the key figures:

<u>Summary financials</u>	Year to Aug-20 £	Year to Aug-21 £	Year to Aug-22 £
Profitability:			
Revenue:	195,999	224,470	252,182
Gross profit:	131,523	151,061	170,302
Overheads:	129,437	136,238	153,812
Net profit:	<u>2,086</u>	<u>14,823</u>	<u>16,490</u>

Cash:

Max cash facility required
[i.e. funding gap]
Timing

(4,337) n/a n/a
Mar-20 n/a n/a

Cash position at year
end

22,924 48,302 75,129

Key assumptions:

Occupancy	20% increase year on year
Room rate	5% increase year on year
Food revenue	10% increase year on year
Drink	7% increase year on year
Wages	Café/Hub/pub - 12hrs per day Chef 4hrs per day Breakfast/rooms - 2hrs per day Increase rate p/hr 10% year on year; additional staff as required
Overheads	Varying increases from current Based on known/expected factors Suppliers paid immediately
Capital expenditure	Not included as timing undecided (e.g. property, kitchen, bedroom upgrades)

Projections are based on the share offer raising the minimum £55,000. It would be great if the actual amount raised is nearer the £100,000 target figure as this will provide funds to support property improvement costs at an early stage.

What we need from you

We have been fortunate to receive a grant of £217,500 from the Scottish Land Fund towards the purchase of the property and associated costs. This leaves us needing to find the balance of the purchase price of £237,500 as well as making provision for start-up and initial operating costs. We have through the generosity of many people so far, achieved the minimum total requirement to raise £55,000 from the initial share issue.

We have set a higher target share offer figure of £100,000 as we would like to receive more funds to cover property improvement costs and working capital.

The initial share offer ended on 15th August 2019, as this is our deadline to have the necessary funds in place to prove to the Scottish Land Fund grant providers and solicitors that we can complete the transaction by the deadline purchase date of 2nd September 2019.

This offer document outlines how you can help us by investing as little as £25. We hope that many will contribute more than this amount (up to a maximum of £15,000 to avoid over-dependence on any one investor).

The offer remains open to new and existing members to help achieve the £100,000 target level.

With thanks to:



Scottish Land Fund
Ionmhas Fearainn Na H-Alba

Delivered by



Funded by



Legal Structure and Governance

Black Bull Gartmore Pub & Hub Limited is registered with the Financial Conduct Authority as a community benefit society under the Co-operative and Community Benefit Societies Act 2014, registration number 7821.

Its objects are *"to carry on any business for the benefit of the community of Gartmore and the surrounding area by acquiring and operating the Black Bull Hotel, Gartmore and engaging in any other ancillary activities that may further benefit that community"*.

The community of Gartmore and the surrounding area is defined as those residents within a 3-mile radius of the Black Bull, comprising the following postcodes: **FK8**: 3RE, 3RF, 3RH, 3RJ, 3RL, 3RN, 3RP, 3RQ, 3RR, 3RS, 3RT, 3RU, 3RW, 3RX, 3RY, 3RZ, 3SA, 3SB, 3SD, 3SE, 3SF, 3SG, 3SJ, 3SL, 3SP, 3SR, 3ST, 3SU, 3SW, 3SX, 3SZ, 3TA, 3TD, 3TE, 3TF, 3TG, 3UE, 3UF, 3UG, 3UH, 3UJ, 3UL, 3UN, 3UP, 3UQ, 3UR, 3UT, 3UU, 3UW, 3UX, 3UY, 3UZ, 3XA, 3XB, 3XD, 3XF, 3XG, 3QH, 3XQ, 3PB. **G63**: 0QY, 0QZ.

The rules specify that residents in this community shall always form the majority of members and shall make up most of the Board. However, those outside the area of direct benefit are also very welcome to become members and play their part in supporting this vital facility.

Every shareholder has one vote as a member of the Society whatever the size of their investment. The Society's rules (available on its website, www.blackbullgartmore.com) incorporate a statutory asset lock, ensuring that its resources can never be diverted for private benefit.

The current Board have approved this offer document and further directors will be appointed to help manage the necessary start up and operational activities upon successful purchase of the Black Bull. A new Board will then be elected at the first AGM. Any shareholder over the age of 18 may be nominated for election to the Board, and every shareholder is entitled to cast a vote in that election.

About the Share Issue

- The minimum individual share investment is £25
- The maximum individual share investment is £15,000
- Each member will have one vote irrespective of the number of shares held
- No interest or dividend will be paid on shares
- There is no set closing date at the present time
 - If the maximum/target level of £100,000 is reached, a closing date may be set at the discretion of the Board
 - The share issue may be extended, at the discretion of the Board
- In the event of the share issue being over-subscribed, the Board reserves the right to reduce the allotment of shares from those applied for under some equitable formula which prioritises applications from within the community
- The value of shares of a deceased shareholder may be transferred to another person in accordance with his/her wishes (alternatively returned to the estate or donated to the Society)
- This is a long-term investment. Shares cannot be sold and can only be withdrawn after a minimum period of three years with three months' notice. This is at the discretion of the Board, having regard to the long-term interest of the Society and the need to maintain prudent reserves
- The value of shares cannot increase beyond their nominal value.

The Security of Your Shares

A Community Benefit Society is registered with, but not authorised by, the Financial Conduct Authority. Therefore, the money you pay for your shares is not safeguarded by any depositor protection or dispute resolution scheme.

The share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations, which means you have no right of complaint to the Financial Ombudsman.

While the Board will do everything possible to safeguard the value of your investment while pursuing the Society's objectives, and believes that ownership of the property will provide added security, any investment in shares carries risks and you should be prepared to lose part or the whole value of your investment.

Members have no liability beyond their level of shareholding as the Community Benefit Society has limited liability status.

Data Protection

The Society adheres to the principles of the Data Protection Act 2018 and acknowledges the new obligations and liabilities for organisations in the handling and protection of personal data under the General Data Protection Regulation (GDPR).

We will use and process personal data only for the legal requirements of the Society. We will keep your personal information secure and up to date and will only use it for the purposes for which it was gathered and not keep it longer than necessary.

Members' data will be used solely for the purpose of maintaining a register of members and potential members as required by the Rules of the Society, and for communication with members. We will not share any member's personal information (names, address, phone numbers, email addresses) with third parties unless required by law. We are required through the GDPR to obtain an affirmative confirmation from members and potential members for the use of their personal data for the purposes stated. For convenience your permission is sought through the application form although this forms no part of the agreement to purchase shares.

Members' financial information, such as amounts invested and interest paid, will be treated as strictly confidential, and will not be shared even with the Board except as necessary for managing the Society (e.g. when making decisions about whether withdrawal requests can be funded).

What Now?

We hope that you choose to support this exciting opportunity to allow the survival and revival of the Black Bull and create a new community Hub for Gartmore. Please apply for shares using the paper form attached or by downloading and completing the online form at www.blackbullgartmore.com.

Board Information

This offer document has been prepared by the Board members of Black Bull Gartmore Pub & Hub Limited listed below, supported by Community Shares Scotland. To the best of their knowledge all information it contains is correct.

Peter Sunderland

As well as running Gartmore House, Peter dedicates much of his free time to supporting community organisations. For example, Peter has been Chair of Gartmore Community Shop for 20 years and is a Plunkett Foundation advisor, supporting Scottish communities that are considering setting up and running social enterprises. Peter is a chartered surveyor, has an MBA and previously enjoyed a successful career in banking before “retiring” to the Trossachs.

Colin Garvie

Colin is a chartered accountant and Assistant Professor of Accounting and Finance at Edinburgh Business School. Colin has served on the management committees of many Gartmore community organisations during the past 25 years, as well as providing management consultancy, non-executive director services and general business advice to small and medium sized businesses.

Black Bull Gartmore Hub & Pub Limited
Registered office: Gartmore House, Gartmore, Stirling FK8 3RS
Website: www.blackbullgartmore.com
Email: info@blackbullgartmore.com