

The Gun Inn, Ridsdale, Northumberland

**A rare opportunity to become an owner of an English country pub
and save a vital community asset**

**Share Offer Prospectus and Application Form
14th November 2019 - 1 March 2020**

Prepared by the

The Ridsdale Community Group Limited

A community benefit society to be registered under the Co-operative and Community Benefit Societies Act 2014.

Due care has been taken in preparing this document, overseen by the Management Committee, who can vouch that the information it contains is in accordance with the facts to the best of our knowledge.

The Management Committee currently comprises:-

John Bassett, Chairman (Director and co-owner of Three Engineering Test Companies)
Graham Green, (Director, Co-owner of an International E-Commerce Company
Mark Stanton, Secretary
(Director of the North Literary Agency and co-owner of Forum Books, Corbridge)
Hazel Goodall, Treasurer (Retd. Accountant, Post Office Counter Clerk)
Dr. Kate Green (Director, Co-owner of an International E-Commerce Company
Jill Fenwick (Director Charitable Culture Business)
Stephen Scott (Director, Co-owner of Engineering Test Company & Senior Test Engineer)
Jason Short (Agri Product Business Development Manager)
Kerry Scott (Senior Finance & Administration Officer)
Sarah Short (Part Time Administration Officer and Housewife)
Janice Smith (Director, Co-owner of Timber Logistics Company and Housewife)
Alison Thomson (Teacher – Curriculum Leader, Secondary Education)

Share Offer Target

Our target, through the share issue, is to raise between £150,000 and £250,000.

Welcome to Ridsdale

Our village sits in the heart of Northumberland, on the most scenic route to Scotland. And at the centre of the village stands The Gun Inn, with its panoramic views to the border and the peaks of the Cheviot hills. When night falls, sitting as we do under the darkest skies in England, the views are just as stunning.

Over the last three decades we have lost our Post Office, our shop and our village hall. So The Gun - which is housed in a 19th century building that has served as a staging post and public house since it was built - is not just the geographical centre of our village, but the communal heart of it too. It is our meeting place, the venue for *all* our community events and celebrations. But we may lose this too.

The Current Situation

The present owners of The Gun are retiring and no one has come forward to buy the pub. Though it's registered as an Asset of Community Value, it's in danger of being turned into houses.

Having held a public meeting and conducted a survey of over 50 households, it has become apparent that villagers want to see The Gun retained - to serve both residents and visitors. We've been encouraged by this support and are confident that - under community ownership - we can make The Gun both a successful business and a hub for the community long into the future.

Ridsdale Community Group Limited has been set up to achieve this. And first up we need to raise the necessary funds. The price, purchasing costs and immediate essential repairs will require a sum of £250,000.

Our target, through the share issue, is to raise between £150,000 and £250,000. If we bring in less than £250,000 then any shortfall will be bridged with the Plunkett Foundation's More Than A Pub grant and loan package; in addition, discussions are on-going to secure grants from the Ray Wind Farm Fund.

We will invest our own money in the pub and make it a truly community venture; there are pledges of support from many villagers with valuable skills such as joinery and plumbing, accountancy and catering - everyone is keen to 'muck in'. But we are a tiny village and there simply aren't enough of us to raise the money required.

So, we're looking beyond our small community too. Anyone, for as little as £500, can become an owner of this English country Pub

What's the plan?

We'll transform The Gun into a vibrant pub, restaurant and community hub; one which, once visited, brings customers back time and time again. It will be owned by - and run for the benefit of - the community, but will also be keenly outward looking.

We feel the potential benefits to the community are numerous, including, but not restricted to:-

- Promoting social inclusion by providing a venue and services for all age groups
- Offering a venue for local clubs and societies, as well as a central point for community events
- Providing an outlet for local food producers and brewers
- Providing a warm and friendly place to meet friends and neighbours and improve the sense of belonging and community
- Providing computer facilities and internet access
- Providing a much-needed safe play area for young children in the village
- Encouraging local employment

To thrive as a community hub it will help if the pub is a successful business; and it is the committee's present intention during the initial years to employ a manager, we intend to interview for an experienced manager who will take over the day-to-day running of the pub, under the control of a board of directors elected by the shareholders. The potential of The Gun - in the right managerial hands and guided by the community - is enormous ...

Is The Gun Inn a good investment?

There are now more than 80 community-owned pubs in the UK and none have failed. Our survey shows that the local community will come out in good numbers to support the pub, and given its location - on a major route from Scotland to England, near Hadrian's Wall, in reach of the city of Newcastle and sitting on the edge of the Kielder Forest and Dark Sky region - there is so much we can do to capitalise on this. The panoramic views from the pub's beer garden and dining room, should be enough on their own to make this a destination pub, and The Gun sits on a road used by major coach companies, with ample off-road parking for them.

The Gun Inn is a free house, so not tied to any breweries, giving us great flexibility in the stock we can hold. We are keen to follow other such Northumbrian village pubs - like The Feathers at Hedley on the Hill, The Rat at Anick and The Bird in the Hand at Elsdon - in attracting customers from far and wide, by providing locally brewed beers and spirits, as well as locally sourced food, simply, but beautifully, prepared.

The Gun also boasts four bedrooms, in a region short of B&B options, but with multiple tourist attractions. it will be a priority to make sure these rooms are let on a more regular basis.

The main building is in good condition for its age and a successful share issue will provide the funds to complete necessary - and key cosmetic - renovations. In addition, as a community enterprise, we have access to funding not available to other enterprises, which will help pay for on-going improvements.

We have forecast that. The Gun will be financially profitable; though it should be stressed that this is more about being part of a community venture, rather than making a profit. For a detailed financial breakdown and our business plan, please visit the website:- www.ridsdalecommunitygroup.co.uk

Shares / FAQ

Why buy shares?

Buying shares in The Gun Inn means investing in a rural community under threat; by saving the last public amenity in Ridsdale and bringing it under our control. As mentioned, more than 50 pubs in the UK have now been bought by their communities and they all continue to trade successfully today. Community pubs don't just survive, they thrive.

What do the shares cost?

Shares cost £1 each. Given the large amount of money required we have set the minimum purchase at 500 shares (£500). The maximum purchase is 20,000 shares (£20,000). Any amount between £500 and £20,000 can be invested.

Can anyone buy shares?

Individuals or companies can buy shares. Any number of individuals can band together to buy shares (as with companies they will be required to nominate a representative who can attend membership meetings on behalf of the group). Shareholders must be aged 18 or over.

When can I buy shares?

The share offer opens on 14 November 2019 and closes on 21 December 2019. If we have raised the required amount by that date, then a formal offer will be made to purchase The Gun Inn. It is hoped that the current owners would then agree to the sale and - subject to contracts - The Gun would become a community-owned pub in early 2020.

What should I do before buying shares?

Read this document carefully and consider whether or not you need to take independent financial advice.

Will my shares increase in value?

Nominal share value cannot increase.

Is there any financial benefit to buying shares?

The only financial benefit for members is the interest which may be paid annually. We will aim to pay 2% above the Bank of England base rate subject to profits. Please don't invest hoping for a quick return, the real return on investment is being able to secure an important local amenity for the long-term benefit of a rural community.

How do I get my money back?

You will be unable to withdraw your shares for 3 years, but after that time all we require is three month's notice on withdrawals. On withdrawal, you will be entitled to the return of your full initial investment. You cannot sell or transfer your shares, and withdrawals must be funded from surpluses or new capital raised from members. It should be made clear, however, that such withdrawals are at the discretion of the Management Committee; who may suspend withdrawals depending on the long-term interests of the Society, the need to maintain adequate reserves, and the commitment to the community it serves.

How does EIS Tax Relief work?

The group has applied to HMRC for advance assurance that the Offer Shares will qualify for tax relief under the Enterprise Investment Scheme, a government scheme that provides a range of reliefs for investors who subscribe for qualifying shares in qualifying companies.

Under this relief an individual with no more than 30% interest in a company can reduce their tax liability by up to 30% of the amount invested. The shares must be held for at least three years from the date of issue. The minimum subscription is £500 per company. Please note that if advance assurance is given, we cannot guarantee EIS tax relief which is based on individual circumstances.

Is there any risk?

The value of shares may fall if liabilities exceed assets, e.g. if the business fails. Your investment is fully at risk and before investing you should be comfortable with this. As the Ridsdale Community Group Limited confers limited liability, your personal liability in all circumstances is restricted to the value of your shares; the most you could lose due to business failure is the value of your investment. However, It should be noted that The Gun Inn is a Freehold property giving the security of owning the property.

Can the business be sold at a later date for a profit?

You must be aware that the society can only use its assets for the benefit of the community, and therefore the business cannot be sold on for private gain or for the gain of its current members .The full explanation of this Asset Lock is set out in Section 7.5 of the Society's Rules.

Who can I complain to?

The Ridsdale Community Group Limited will be registered with the Financial Conduct Authority. However, special rules apply to Co-operative and Community Benefit Societies and you have no right of complaint to an ombudsman. As with any share offer you would be well advised to seek independent financial advice before investing.

Where can I find more information?

Full details of share ownership, the terms of withdrawal and The Society Rules are all to be found online at www.ridsdalecommunitygroup.co.uk

Can I influence the way The Gun is run?

Yes. Being a shareholder confers the following rights ...

Members' Rights and Responsibilities

By purchasing shares you will become a member of the Society (in the case of corporate membership a company representative needs to be appointed to attend membership meetings).

Membership confers the following rights and responsibilities:-

- Each member has one vote regardless of how many shares they hold
- Members may participate in discussion and decision-making at general meetings and vote to elect the Management Committee at the Annual General Meeting
- Members can make themselves available for election
- All members will be provided with the Annual Report and Accounts outlining the previous year's work
- The Rules of the Society provide a number of ways in which the membership may hold the Management Committee accountable for running the Society, including the call for a special general meeting

Share Purchase Application Form

If you'd like to buy shares in the Ridsdale Community Group Ltd and save The Gun Inn, please fill in the form below:-

Groups & Individuals

Full Name(s)

Address

Phone

Email

Company Registration

Name of Representative

Name of Company

Head Office / Registered Address

Phone

Email

Number of Shares (between 500 and 20,000)

By buying these shares, I agree to all the information disclosed here being held on a computer database in compliance with EU General Data Protection Regulations (GDPR). I understand that this information will be used by Ridsdale Community Society Ltd only & will not be passed to third parties.

An Applicant who receives Shares agrees to automatic membership of The Ridsdale Community Group Limited and to be bound by its Rules.

Applications may be rejected in whole, or in part, or be scaled down.

Applications that are incomplete or inaccurate may be accepted as if complete and accurate.

The outcome of the Offer will be published on the website www.ridsdalecommunitygroup.co.uk and all applicants will be informed.

Applicants may be requested to provide additional evidence of identity in order to comply with Money Laundering requirements.

For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to: communityshares.org.uk

Please return this page by post, or hand deliver, to:-

The Ridsdale Community Group, Sarelaw House, Sarelaw Cottages, Ridsdale, NE48 2TB

Alternatively, you can fill out a pledge form on our website:-

www.ridsdalecommunitygroup.co.uk

If you have any questions please email us at:-

RidsdaleCommunityGroup@gmail.com