

Want to be part of something special?

Become a co-owner of one of the first community owned and run pubs in Scotland

The Swan Inn.

Offer document for the issue of shares to a **maximum value of £60,000**



YOUR PUB - YOUR COMMUNITY

Our Story so far...

The Swan Inn has been at the heart of the North Lanarkshire village of Banton since the mid 19th century. It has been enjoyed by generations bringing people together. In recent years it struggled to meet the needs of the village. In summer 2016 we heard that the tenancy was running out in June 2018 and the owner was considering to change the use of the building to residential accommodation. But the community - having already lost its shop and post office, and with bus services under threat at that time - decided that enough was enough.

We were faced with an amazing opportunity to turn around the increasing isolation faced by the village. There was a harmonious thought 'Could the pub not just be saved but transformed into a vibrant community hub, providing a variety of services - including a shop?'

Villagers swung into action. A steering group was formed, and a community consultation showed overwhelming support. The pub owner (a local resident) said he would be happy to sell to the community - and offered a discount. Approaches to the Scottish Land Fund and Big Lottery received a positive response, with help given to explore feasibility.



The recurrent message is that villagers want a space to gather and connect and access basic services. Villagers are afraid of the prospect of losing any more facilities and becoming increasingly cut off and isolated. This fear is most pronounced for our elderly villagers. Several older residents have told us they are having to consider leaving the village (after 40-70 years of residence) as they fear for their future here with limited transport and declining facilities. Villagers are also concerned that Banton needs to maintain and improve its facilities to attract additional housing and new residents to create a sustainable community.

Conclusion from community consultation

It took time to pull everything together as the whole community had to be kept in touch and consulted further as things progressed. A business plan needed to be commissioned, to show how the pub could trade profitably as an expanded operation in due course. A legal structure had to be agreed and registered.

After over a year of blood, sweat and tears our dream started to become a reality. At the end of 2017 we had fantastic news that we had secured a **grant of almost £185,000 from the Scottish Land Fund**. This was to buy the premises and help us on our way with other start-up costs and in June 2018 People United for Banton took ownership of the Swan.

In April 2018 we made the BBC Scottish News Headlines when **the Big Lottery Community Assets Fund awarded us nearly £850,000** to cover capital costs of repairs, renovation, refitting and revenue funding once we start trading. The breakdown of this award is £664,150 towards capital and £185,814 towards revenue to assist with salaries over a 3 year period.

We have also successfully submitted an application to the **Kelvin Valley & Falkirk LEADER fund for £147,880** towards capital costs.

Finally, we were lucky enough to secure a further award from **The Clothworkers Foundation of £33,000** towards capital costs.

Then making sure we claimed every penny possible to help this project for our Village we used the services of a VAT expert to help us with HMRC to claim more than £120,000 back in VAT

WHAT WE WANT TO DO

The funding from the Big Lottery for repairs, renovation and refitting will enable us to transform what is on offer within the building. We plan to create a multi-purpose facility that will achieve both community and economic goals. The key activities will be:

- A 40-50 seat **café / restaurant** to provide a place to socialise in the village and to create economic activity by providing a destination for people who live outside of the village. The café would be open during the day six days a week (seven during the summer season), with the restaurant open a minimum of five evenings a week.
- Continued **bar services** as a pub to include the already loyal regulars and local characters, but enhancing the live music programme with local and other musicians to create a celebratory atmosphere. Community ownership is expected to ensure more interest and input, as currently it is not attractive to many villagers.
- A **volunteer-run shop** for the sale of basic items

The new Community Pub will create new employment opportunities (10 jobs – around 6 in full-time equivalent terms). To help us ensure it is a great success, some of the staffing costs will initially be supported by Big Lottery funding.

It is intended that at least two jobs will be specifically aimed at young people.

Three year summary of revenues, costs and net profit

| | 2020 | 2021 | 2022 |
|--------------------------------|----------------|----------------|----------------|
| Trading income | 383,295 | 426,068 | 498,000 |
| Employment grants (cash basis) | 73,180 | 85,907 | 26,727 |
| Total income | 456,475 | 511,975 | 524,727 |
| Cost of goods sold | 127,765 | 142,023 | 166,000 |
| Salaries & wages | 199,796 | 224,233 | 242,973 |
| Overheads | 64,310 | 68,660 | 73,075 |
| Depreciation | 24,698 | 24,698 | 24,698 |
| Net profit before tax | 39,906 | 52,361 | 17,981 |

This is what it will look like once all works are completed:



WHAT WE NEED FROM YOU AND WHY

We know you will think from reading this that we already have enough money to make this a success - but we still need your help to make it work.

In order for the Swan to be fully community owned, we need as many members of the community as possible to buy shares, at as little as £25 for one share – but you can also invest as much as £6,000 if you like.

Not only do we want this great project to be owned by the whole community, but we DO also need the money: -

- The LEADER funding is only payable in arrears, which means we have no cashflow. We have organised a bridging loan of £80,000 to assist with this during the build phase, but it is better to have the funds in place to avoid paying interest.
- We need working capital. It's all very well that we have secured money to pay for the build and wages, but we need to be able to pay for stock, electricity until we start to move into profit.
- We need a cushion for contingencies, particularly in the early months when it could take time to build up trade.

So this share money is fundamental to the success of the project. YOU are fundamental to the success of the project.

WHAT'S IN IT FOR YOU?

- Investors may be able to set 30% of the cost of their shares against tax under the terms of the government's Social Investment Tax Relief (SITR) scheme, subject to confirmation by HMRC.
- Each member will have one vote irrespective of the number of shares held.
- Your vote will mean you will have a voice when any matters go out to members to be agreed on.
- You will be able to attend AGM to elect the Board.
- The more you invest, the more you will have an impact on the success of the project which will in turn benefit our Community.
- The feeling of being part of something so special, The Swan is one of the first community owned pubs in Scotland.
- You will be taking your village assets into the control of the villagers through your social investment.

The offer is due to close at midnight on 15 November 2019, although it may be extended at the discretion of the Board. If the offer fails to raise the minimum of £25,000 then all monies will be returned in full.

LEGAL STRUCTURE & GOVERNANCE (The boring but necessary bit)

People United for Banton 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 7607.

Its objects are “to carry on business for the benefit of the community by running a community-owned hub which will have a pub, restaurant, café and any other services that would benefit the village of Banton. All profits made shall be for the benefit of Banton village.”

The community of Banton is defined as those resident within an approximate 1 mile radius of the village centre, comprising the following G65 0 postcodes: QE, QF, QG, QH, QJ, QL, QN, QP, QR, QS, QT, QU, QW, QX, QY, QZ, RA, RB, RD, RE, RH, RJ. The rules specify that residents in this community shall always form the majority of members and shall elect the majority of the Management Committee. 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, theswanbanton.co.uk) incorporate a statutory asset lock, ensuring that its resources can never be diverted for private benefit.

Details of the current Management Committee who have approved this offer document can be found below. A new Management Committee will be elected at the first AGM. Any shareholder over the age of 16 may be nominated for election to the Management Committee, and every shareholder is entitled to cast a vote in that election.





ABOUT THE SHARE ISSUE

- Each share is £25. The minimum investment is one share.
- The maximum individual share investment set by the Management Committee is £6,000 to avoid over-dependence on any one investor.
- Each member will have one vote irrespective of the number of shares held.
- No interest is likely to be paid on shares in the first five years. Interest may be paid subsequently at the discretion of the Management Committee.
- Investors may be able to set 30% of the cost of their shares against tax under the terms of the government's Social Investment Tax Relief (SITR) scheme, subject to confirmation by HMRC.
- The closure date for the share issue is midnight on 15 November 2019, but may be extended by the Board at its discretion. If the minimum target of £25,000 is not reached then all monies will be returned in full.
- 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 however shall prioritise applications from within the community of benefit.
- The value of shares of a deceased shareholder may be transferred to another person in accordance with his/her wishes.
- 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. Even this is at the discretion of the Management Committee, 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 of £25.

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 Management Committee 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.



WHAT TO DO NOW

We would love you to support this exciting opportunity to save the Swan Inn and create a new community hub for Banton, so please apply for shares using the paper form attached or by downloading the form at theswanbantton.co.uk/shareoffer

MANAGEMENT COMMITTEE INFORMATION

This offer document has been prepared by the Management Committee of People United for Banton Limited, and to the best of their knowledge all information it contains is correct.

Annette Johnston (Chair) I have lived in the village with my family for 32 years and am a retired Yoga teacher trainer. I am passionate about the P.U.B. project and am prepared to put my heart and soul into its success.

Grace McGinnity (treasurer) I have lived in Banton for 22 years and have brought up my family here. I see the project as being not only a great asset to our village but a necessity as the village has lost several key services over the years.

Catherine Money Penny (vice chair) I have lived in Banton for 22 years and I love this village and feel incredibly lucky to live here. I bring a background in social science and publishing and lots of experience capturing ideas in words.

Kerry Thomson (secretary) I moved to Banton some 30 years ago. I have over 35 years secretarial experience and I am delighted to use my skills in this worthwhile project which will ensure the community spirit of Banton lives on.

Wendy Dunsmore Born in Banton. I have worked in a trade union all my working life and campaign for communities and employees. I am optimistic that Banton will continue to be a village of choice and The Swan will enhance this.

Mandy Barrie I have only lived in Banton for 4 years and run and own Caulders with my husband Colin (another Bantonian). I think it is important there is a business side as well as a community side to this project to ensure its long-term success!

Scott Alison I have lived in the village all my life. I am National Operations Manager with Specialist Engineering Services Ltd. The Swan has been part of my life for over 30 years and it is very important that it remains a focal point of village life.

Robert Johnston I have lived in Banton 32 years and I have worked in retail banking for 19 years. I want to lend my experience to see this great wee village take control of its own assets, to allow people to make the right choices for their village.

Lorraine Khan I have lived in Banton for 25 years altogether and loved it so much I have chosen to move back to bring my children up here. I want to use my expertise in retail management, recruitment and training to support the Swan to be the best place it can be for everyone.



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