

Hudswell Community Pub Ltd



ANNUAL REPORT DECEMBER 2009 –
JANUARY 2011



Cheers!

Executive Summary

It has been a memorable 13 months in which we have travelled from a hopeful proposal launched in the depths of winter to become the first community co-op pub in Yorkshire (and only the third in the country), opened on a balmy day in June. The pub is now a thriving business, and has 10 community allotments, a library, free internet access and a village shop – all run from the George and Dragon

This, our first annual report, tells the story of how we did it.

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Chair's Report

It is with great pleasure that I commend this, the first Annual Report of the Hudswell Community Pub Ltd, to you, the members, who made the purchase of the George and Dragon possible.

Not so long ago, in the depths of despair when the pub remained empty and a hub of the community was gone, it was only a tentative hope by a few individuals that it might be possible to buy and re-open the pub as a community venture. From that initial idea, a small group set out on a plan to buy the pub and develop it as a true community facility. To see the community pub today is indeed a remarkable achievement and a testament to so many who have assisted in a multitude of ways – it has truly been a community led effort.

Along the way we have received excellent media coverage and with this continuing, it bodes well for the future success of our community pub. One of the latest achievements has been the opening of the 'Little Shop' again as a result of considerable work and effort and now staffed by a number of volunteers.

Many visitors to our pub continue to comment on the welcoming atmosphere within the pub and this is down to the reception given by the tenants and locals, and this hopefully means they will want to return, time and time again, after enjoying their 'George and Dragon experience'.

Finally could I say that, as a pioneering venture, we have shown what a community can achieve when its spirit and effort is harnessed and thanks goes out to all of you who have helped in any way to make our community pub the success it is today.

Paul Cullen, Chair HCP Ltd.

Let's do something about it!



George and Dragon for Sale Winter 2008/9

Whilst this is a report of the activities of HCP Ltd over the first year of its life since the co-operative was legally constituted in December 2009 to January 2011, the story of the revival of the George and Dragon really begins nine months before this when a few villagers first got together to talk about the community re-opening the pub. Therefore this report will also say a little about these formative months. Above is the sad picture of the George and Dragon that appeared on the sales brochure published by Sydney Phillips and Company in late 2008. The George and Dragon had closed unexpectedly on the 8th August 2008, as the owners had gone bankrupt. The building was stripped of all its furniture and fittings and put up for sale and the village waited to see if anyone would buy it. But, this was the beginning of the economic downturn and as summer turned to winter, no one came forward to buy the village pub and it was to remain cold, empty and sad for a further year.

Early in 2009 a few of the former pub regulars were chatting after the monthly quiz in the village hall, about whether they could put together some kind of consortium to buy the pub. It seemed like a daunting task, but after attending a seminar on community shares in April 2009 one of the group contacted some of the others to say he thought a community share issue could be the answer.

Seven people met several times to discuss the idea and by July 2010, they were ready to put their idea to the village. A meeting was called in the village hall and about 45 villagers attended and gave their enthusiastic support to the proposal. A few more volunteers were recruited to join the steering group and, over the next few months, we took the following actions.

- We made a formal offer to buy the George and Dragon at the last advertised price of £209,950

- We began work on a prospectus outlining their plans to purchase the George and Dragon and develop the business
- We worked on a set of rules with the help of Muckle llp in order to register as an Industrial and Provident Society for Community Benefit
- We worked on a series of grant applications
- We sought publicity for the campaign

Our offer to buy the pub, made on the 8th July 2009 was met with a resounding silence! It was hard to get the vendor, an Essex based bank called Commercial First and their property development advisors – Spicerhart, to take our offer seriously. The staff at Sydney Phillips and Co. were extremely helpful and supportive but the vendor was unresponsive and uncooperative. Finally, we asked the press to ring them and ask why they were not accepting an offer from a community organization that wanted to buy the pub. This seemed to spur them into action as our offer to purchase the George and Dragon for £209,950 was suddenly accepted on the 30th October 2009.



The letter to the left, accepting our offer, was received on the 31st October 2010. It stated that purchase should be completed with 14 days!

This gave us two weeks to form and register the co-operative, raise over £175,000 from over 150 members and also submit and have approved several grant applications. Clearly they had no idea what an impossible deadline this was. Fortunately our very helpful lawyers, Muckle llp, kept them happy with tales of how well we were doing. While we were waiting to be

incorporated we asked potential member to complete forms telling us how much they pledged to invest. By the end of November the level of pledges had risen to £150,000 and the steering group were confident that we would reach the initial target of £220,000 to buy the pub (purchase price + fees). It took six weeks to register the co-operative and only when this was completed could we open a bank account and launch our prospectus.

The co-operative was finally registered on the 18th December 2009 and the Prospectus was launched on the 28th December 2009, in the middle of the worst winter in Hudswell for 30 years. This report is the story of what has been achieved over the 13 months since that launch.

Launching the Prospectus



Launching the Prospectus 28th December 2009

Once we were incorporated we were legally able to publish the prospectus, open a bank account and begin to collect cheques from prospective members. We put the message round the village that we were launching the Prospectus and asked people to gather in the snow outside the pub. Those that came are seen above in this historic picture that has been used many times, including on the front page of the Darlington and Stockton Times and the Co-ops UK Practitioners' Guide to Community Share issues.

Throughout January the funds rolled in. We had set ourselves a deadline of the 5th February to achieve our initial target of having £220,000, which would be enough to buy the pub and pay the fees. We had already been granted £50,000 from the Rural Access to Opportunities Programme and the Key Fund were offering a £5000 grant together with a £20,000 loan. The board of directors (as the steering group had now become) were reluctant to accept a loan, but as the end of January approached, without it we were still well short of our target. We approached the Key Fund and asked them to reconsider their offer, stressing that we could

manage without the grant if they would convert the proposed loan in to equity purchase and share the risk with the rest of the membership. This they agreed to do and, with this news, we were able to persuade a few other investors to join and, with all the funding in place, we were able to instruct our solicitors to complete the purchase. On the 17th February 2011 we had the keys to the George and Dragon and it was ours.

Improving the premises

The Prospectus had indicated in that the pub would be open within two months of acquiring the freehold. In the event however, as there were sufficient funds to undertake a major refurbishment, the board decided that this work was best done prior to opening the pub, rather than opening and closing again at a later date. It took three and a half months to complete this work. During the refurbishment the internal layout was significantly improved; new toilets were installed and internal access to the beer cellar was provided. New fire and burglar alarms were fitted and whole building was redecorated. This work was led by local builder Bob Charlton, but other local craftsmen were also employed and they were assisted by an army of volunteers from the village and other member of HCP who came to assist with the practical tasks of clearing the land, the refurbishment of the furniture which had been donated from other pubs that had closed, painting and decorating and cleaning the entire premises. Everyone visiting the pub has been impressed with the improvements to the premises. These have provided: a completely new pub kitchen and a new kitchen for the tenant's accommodation; new toilets with an improved layout and more convenient entrance from the lounge; a much larger bar with a far more open and airy bar area, whilst still retaining the attractive, wood panelled snug.

These alterations have created a far more open, welcoming and inviting feeling as you enter the pub, and visitors can see through the bar area to the spectacular views at the rear. This work required some major structural alterations which had to be carefully planned and costed before contractors were appointed to carry out the work. The patio area to the rear has also been improved and extended and the garden and quoits pitch tidied.

The costs of refurbishment were considerably lower than they might have been, due to the tremendous amount of voluntary effort that was donated by HCP Ltd members and by other villagers and supporters. It was also the case that the contractors appointed to undertake the work, all of whom were local tradesman, worked at discounted prices and many companies either donated supplies and equipment or also gave generous discounts. The whole project was well managed and came in within budget despite numerous unexpected problems. This effort was a tribute to the community spirit that this project has generated in working towards a common goal.

The details of the funds raised are set out in the accounts, and the Board of HCP would like to express their thanks in these pages to the organisations that provided grant aid to assist us.

The following pictures tell some of the story of the refurbishment of the George and Dragon



Jackie scrapes the walls (top left) and Carol beats a carpet (top right)

Barry and Bob, (left) up from Middlesbrough for a spot of painting

Dave, Ron and Brian take a tea break



Stephen considers the next paint stroke



Annie marks off the tasks as they are completed over a working party weekend.

Opening for business

At the same time as the building was being improved the board advertised for a tenant to run the George and Dragon. Once again Sydney Phillips and Company helped with this and the tenancy attracted a modest level of interest, with four applicants being shortlisted for interview.

We asked them all to set out their plans for developing the business at the George and Dragon. The panel unanimously agreed to appoint Jackie and Margaret Stubbs.

Jackie and Margaret are a daughter and mother team and whilst they had never actually run their own pub before, they did have a wealth of experience in the hospitality industry and also they were enthusiastic and brimming over with ideas about how they were going to market and develop their business at the George and Dragon.



Jackie and Margaret Stubbs

As the end of May 2011 approached the refurbishment work was coming to an end and the pub was ready to open. The first pints were actually served on the 5th June, ahead of the official opening event which took place on the 12th June 2010. Some three or four months earlier our local MP William Hague had joined HP Ltd as a member. He had also written letters of support, but now, as the newly appointed Foreign Secretary, he was able to pay his first visit and declare the pub officially open. With the Foreign Secretary to open the pub and with 170 members and all the media interest we had received to date, it was not surprising that quite a few people turned up! The sun shone, there were queues at the bar, live music and short and funny speeches. It was a great and memorable event, which generated a good deal of publicity.



Foreign Secretary, William Hague gives a TV interview in which he acknowledges the achievements of Hudswell Community Pub Ltd and declares that, “whilst he travels all over the world, he still knows the best place to be is in a Yorkshire Pub!”



Then he declares the George and Dragon officially open

The Pub is the Hub

Since the George and Dragon opened in June business at the pub has been extremely good. The board have quarterly monitoring meetings with the tenants and at which the sales figures are presented and discussed and also other matters to do with the management of the George and Dragon are dealt with. Sales at the George and Dragon had been consistently 50% higher than anticipated; the food sales are edging up to the 45% of sales that we set as the target for the tenants. There have been many memorable events at the G and D including live music on a regular basis, some very successful charity fund raising events, the surprisingly popular Halloween Scarecrow competition and many private parties and celebrations. The pub is also host to a series of regular events including darts and dominoes competitions, a book club, a folk club, a blues and country music night, a quiz night and the women of Hudswell meetings. The George and Dragon has therefore already fulfilled the ambition set out in the prospectus that it would once again be the beating heart of village life and would provide range of social, cultural and sporting activities.



The Scarecrow competition had over 30 entries from the village, with many very inventive designs.

BUT, the prospectus also promised that the George and Dragon would go far beyond being a successful pub and provide many other services. This too has been achieved as the George and Dragon also provides 10 community allotments let to villagers and members of HCP Ltd. These allotments provide fresh produce for their owners and also – if they have any to spare – for the pub and for the shop.

The George and Dragon also hosts a library, with books provided by North Yorkshire Library Service and free internet access for customers and lap top computers to hire for a small fee. Finally, after several more months of hard work, a village survey, further fund raising and some more building work, the “Little Shop” opened its doors just before Christmas. **The Little Shop**, so called because it is quite small - perhaps the smallest community shop in the country we are told. The shop has been created within a small room at the George and Dragon. It has its own



access onto the street and therefore can be open when the pub is closed. But, you can also get into it from the pub, opening up the opportunity for a brief trip out for a loaf of bread turning into a longer chat with your neighbours over a pint. The costs of converting the room and providing all of the equipment have been met by two small grants from Awards for All (£5,000) and the York and North Yorkshire Community Foundation (£4,600). The shop is not run by the pub licensees, but by Hudswell Community Pub Ltd. It is staffed by 20 volunteers who take it in turns to work two-hour shifts. It is proving very popular and takings are steadily increasing. As well as bread, milk, eggs, fresh vegetable, and all manner of groceries, the shop also provides a prescription collection service and parcel drop off point.



The Little Shop may be small, but it's amazing what you can fit into such a small space

Our first customer



When we acquired the George and Dragon the field behind the pub was overgrown and disused. With some professional help from a villager and a great deal of voluntary effort the land was cleared and tidied. There is now a pub garden and quoits pitch. Below that is a lawned area for games and below that ten community allotments have been created, all of them let to villagers or members of Hudswell Community Pub Ltd. Despite the fact that the allotments were not available until June, all of them were quickly cultivated and growing produce. Below the allotments is some rough pasture on which Jackie, the landlady, keeps her two pet pigs. Also there is a new entrance to the pub land that has been built, again by volunteers who created steps up to a stile so that walkers can enter the pub from the paths through Hudswell Woods. A path now runs up through the pasture, past the allotments and pub garden and onto the pub patio. A perfect way for to walkers to enter the pub to enjoy a beer on the pub patio.



The Allotments on land at the rear of the George and Dragon

With the shop, allotments, library and internet access we feel that we have created a hub of services that make the George and Dragon a real centre of village activity and we have helped to create a more cohesive and friendly community in the village. It is clear that there are now far more people are involved in village life and we all feel part of a caring and supportive community. The volunteers at the shop chat to the customers, the allotment owners pop in to the pub for a drink, the tourists stop to use the internet access and strikes up a conversation with a villager, the parcel delivery firm drops off a parcel at the shop that a villager picks up later that day, the pub landladies organise a wine tasting evening to help them choose wines for the wine list, and the local teenager pops into the pub to ask what hours the landladies want him to work as a waiter that evening. All this happens and much, much more in a typical day at the George and Dragon in Hudswell.

We could not have done it by ourselves!

Whilst re-opening the George and Dragon and creating the hub of village services and activities built around the pub has been a great achievement, the directors of HCP Ltd are very aware that we have had a great deal of help from a wide range of people. From funders and advisors, to lawyers and estate agents and builders, suppliers, T.V. and radio stations and the press, we have, almost without exception, had enthusiastic help from all quarters. Everyone, it seemed, was impressed by what we were trying to achieve and wanted to help us. For many it was their job to sell us services or supplies or to advise us, but often they went the extra mile, or gave us a good deal, or did not charge us at all!. We want to thank you all. Listed below are the key contributors, but many others not named below have also helped in different ways.

Chris Hodges - Architectural Services
 Robert W Chartlon - Builder
 Angela Gilmore - Accountancy
 Burton Roofing
 David Atkinson - Electrical Testing
 David Hudspeth - Carpets
 Graham Gomersall - Plumbing
 Hill Cross Furniture
 Ian Roberts - Carpet Fitting
 Kearney Roofing
 Leonard Scafton - Carpentry
 Mike Thomas Plastering Services
 NU Interiors
 Johnson's Paints
 Stephen Stubbs - Electrical
 Muckle Ilp - lawyers
 Co-operative UK
 Richmondshire District Council
 The Development Trust Association
 Rural Action Yorkshire
 The Plunkett Foundation
 York and N. Yorkshire Community Foundation
 Norman F Brown Chartered Surveyors
 The Co-operative Hub

Alan Thompson - Structural Engineer
 Alan Porter - Joiner
 Bryan Kassell - Excavations /Heavy Lifting
 Catering Kitchens - Sheffield
 David Knox - Joinery
 Episcot Laminate Products
 Graham Lonsdale - Cellar Fittings
 Howdens Joiners
 John Blenkiron and Sons
 Len Porter - Fencing
 M.W. Waste, Mark Wardam and Team
 Northallerton Heating Centre
 Rodbers of Richmond
 Scotch Corner Catering Equipment
 Tony Gibbons = Gardener
 Co-operative and Mutual Solutions
 Yorkshire Forward –Access to Opportunities
 North Yorkshire County Council
 Business Link Yorkshire and Humber
 Pub is the Hub
 Awards for All (Big Lottery)
 Sydney Phillips and Company
 The Old Crown Heskett Newmarket
 Ronnie Kassell – electrical work and more

The Directors of Hudswell Community Pub Ltd

In addition to all of the individuals and organisations named above many of our 200 + members and many other supporters who are not members have also given of their time and expertise. Hundreds of hours of voluntary effort have been freely donated to tackle tasks ranging from restoring all the pub furniture, clearing the pub land, creating publicity material, and of course working in the Little Shop. The Directors of HCP Ltd are grateful to all of these people.

Of course the directors themselves are also a group of volunteers who have come together to use their collective skills and experience to lead HCP Ltd through its first year of activity.

Our rules state that, at the first AGM, “All elected members of the Board of Directors shall stand down”. At subsequent Annual General Meetings only a third will resign in rotation, but for our first AGM we are all, or rather, those of us that wish to, are subject to re-election. The current members of the Board of Directors of Hudswell Community Pub Ltd and their current roles are listed below.

Paul Cullen - Chair

Paul Hetherington - Vice Chair

Annie Sumner - Treasurer + shop co-ordinator

Martin Booth - Secretary

Ron Lightfoot - Membership Secretary

Carol Wilkinson - Shop co-ordinator

Dave Wilkinson - Allotments and pub land co-ordinator

Martin Towell

Sheila Sadler

Tim Williamson

Ivor Sadler

Financial Report

The Annual Accounts are attached to this Annual Report. They provide an independent record of our first year of activity prepared by Ian Chrisop of Needham, Chipchase, Manners and company. It provides the members of HCP Ltd with a full and objective picture of the financial affairs of the Society and demonstrates that our financial affairs are in good order and our financial position is secure. Based on these results the Directors will be recommending to the Annual General Meeting that members are paid interest on their investment at a rate of 3.5%. This is in line with the level of interest indicated in our prospectus.

The Challenges Ahead

With so much achieved within the first year one might expect that the directors and volunteers associated with Hudswell Community Pub would want to sit back and enjoy the fruits of their labour. However, there are still challenges ahead. Having secured members investments for the first year, we are now entering a new phase in which member can, with the proper notice, withdraw their shares. Should this occur we have the security of a growing waiting list of new members and our reserves on which we can draw. Nevertheless this process will have to be carefully managed.

The pub business has got off to a great start, but we will need to keep helping our tenants with publicity and events to ensure the sales continue to grow. The shop too is in its infancy and needs to be nurtured and developed. Our ambition is that it generates enough surplus to allow us to employ a manager, so this is a challenge to be addressed in the coming year. The other outstanding development that we identified in the Prospectus issued to our members is the possibility of developing some bed and breakfast accommodation at the George and Dragon.

When HCP Ltd acquired the George and Dragon there was an existing planning consent to build an extension at the rear of the pub on land currently occupied by outhouses? This was to have been a two story extension with three en suite double rooms on each floor. This permission lapsed in August 2010. The board did consider starting the project in order to preserve the planning consent. However the costs would have been considerable and would have left unsightly trenches and foundations adjacent to the patio area. The board therefore decided to let the existing permission lapse and to consider this development again after the pub had been open and trading for a year. The board's reasoning was that we ought to allow a year to pass in which we have proved that the current enterprises – the pub and shop are viable and sustainable before embarking on a further development. In a few months' time this anniversary will be reached and the new board will need to consider whether to embark on this additional enterprise. In order to be able to make a decision on this the board will need to assess the likely demand for the accommodation, what extra income this may generate and how the development could be funded. They will also need to know what it would cost to construct the accommodation and perhaps consider some different design options. If HCP Ltd were to pursue this initiative it is likely that they would need to take the following actions:

- Commission market research into the demand for bed and breakfast accommodation in the area and what income it could be expected to generate.
- Commission a design or designs for the rooms and have these designs costed.
- Submit a planning application for these proposals
- Agree a business plan for the accommodation

If the board determines that the construction of this accommodation is viable and desirable then a proposal document will be issued to all existing members and to other potential new members seeking the investment necessary to develop the accommodation. A new lease agreement with the tenants would be negotiated which incorporated increased rental payments to take account of the additional income that the bed and breakfast rooms would generate. This income would be used to pay the necessary additional interest to members.

The membership of HCP Ltd will be fully consulted before this course of action is embarked upon.