**COMMUNITY SHARE OFFER**

**TO SUPPORT THE RESTORATION AND
RE-OPENING OF THE**

**ROYAL OAK PUB, COLLINGHAM**For the Benefit of Collingham
& Surrounding Communities



**Minimum Share Target: £210,000**

**Maximum Funding Target: £325,000**

**Closing Date: 28th February 2019**

Prepared by Collingham Community Pub Limited

A Community Benefit Society Registered with the FCA.

Reg. No RS007810.Reg
**By purchasing shares, you can help secure the future of this village pub as a community asset for future generations**

# **SHARE OFFER**

**You are invited to buy shares to become a shareholder of Collingham Community Pub Limited.**

**You will be investing in a community enterprise which aims to secure the long-term future of the Royal Oak, Collingham as a pub and, most importantly, as a community hub.**

|  |  |
| --- | --- |
| **PRICE PER SHARE** | £50 |
| **INVESTMENT LIMITS** | Minimum - £250 (five shares)Maximum - £20,000 (four hundred shares) |
| **FUNDING TARGET** | £380,000 |
| **SHARE OFFER TARGET (MINIMUM)** | £210,000 |
| **MEMBERSHIP RIGHTS** | One member, one vote irrespective of amount invested |
| **MEMBERSHIP ELIGIBILITY** | Individuals over 18 and companies |
| **SHARE OFFER DATES** | Offer opens 1st December 2018Offer closes 28th February 2019 |

If you are considering buying shares, it is important that you read this Prospectus along with the related Business Plan and Society Rules and then please fill out the application form at the end of this document. The related **Business Plan, the Society Rules, and the Community Share Offer** can be downloaded from the website [www.royaloakcollingham.co.uk](http://www.royaloakcollingham.co.uk)

The rules surrounding a Community Benefit Society are different from an ordinary company and so you should seek professional advice if you are unsure of any aspect.

You should note that this share offer is not subject to the Financial Services and Markets Act 2000, is not covered by the Financial Services Compensation Scheme and investors will have no recourse to the Financial Ombudsman. Anyone buying community shares could lose some or all of the money they invest, without the protection of the government’s Financial Services Compensation Scheme, and without recourse to the Financial Ombudsmen Service.

**If you are considering buying shares, it is important that you carefully read the whole of this document. Before deciding to invest, please consider seeking independent financial or legal advice.**

# **INVESTMENT OPPORTUNITY**

**You are invited to invest in Community Shares in Collingham Community Pub Ltd (the Society), registered with the Financial Conduct Authority under the Cooperative and Community Benefits Act 2014, Registration Number 7810.**

The Society has been formed with the aim of refurbishing and renovating the Royal Oak, Collingham public house to a traditional village pub with the inclusion of a high-quality restaurant for the benefit of all residents of Collingham and surrounding villages. Being a community pub, it will have a responsibility to be open for use by local interest groups and societies for committee meetings and social functions etc. The profits generated will be used for the benefit of the whole community.

As a community pub, the Royal Oak will remain safe from redevelopment or sale for as long as the community wants that to be the case.

The Model Rules of the Society for community ownership are those of the Plunkett Foundation and are published on our website [www.royaloakcollingham.co.uk](http://www.royaloakcollingham.co.uk) The Society Rules are such that all financial surplus must be invested in the business (and can include paying modest interest on shares to members) or redistributed to other community organisations.

We aim to attract investment from the residents of Collingham and the surrounding area but also, more widely, from anyone with an interest in securing the future of the Royal Oak.

# **OVERVIEW**

**The Royal Oak public house has been an important part of Collingham area life and the character of the village, since at least 1803, and since the 19th century has been an important meeting place.** The Royal Oak is a large 2-story building, standing in a prominent position on High Street. Several single-story extensions have been added at various times during its long history. The ground floor consists of a traditionally presented bar and a separate lounge and a smaller room used as a dining room. The upper floor has a large meeting room that has been divided into two smaller rooms and there are two garages that have in the past served as a skittle alley. The pub has had many different owners, eventually finishing in the hands of Ei PLC. who closed it over two years ago after the last tenant was declared bankrupt. Unable to find a new tenant, they offered it for sale as a public house, and the property was then purchased by Lincoln Markets and Corn Exchange Ltd the property arm of Lincolnshire Cooperative Society Ltd.

We are offering a unique opportunity to invest in this worthwhile community enterprise and provide a service to Society members (the shareholders), other pub users and future generations.

The current owners of the Royal Oak have agreed to lease the pub subject to contract to the Society with the option to purchase after 5 years, and we are aiming to raise a maximum of £325,000 through community investment, a loan and grants. The Royal Oak is in a state of disrepair, and the Management Committee of the Society believe that this amount will provide sufficient capital to purchase the lease, refurbish and refit of the pub, and provide a modest amount of working capital to cover initial operating costs. Once re-opened, the Royal Oak will be a community asset that will benefit the community for future generations and be protected from further sale and possible alternative residential development.

**The Society will work to build on the social cohesion of the community, minimise social isolation and help to bridge gaps between social groups and generations**. The Royal Oak will be a place where informal networking can take place, ideas exchanged, and connections and friendships formed. The value of having a vibrant community pub is widely recognised within the housing market, enabling the sale of property and anecdotally adding circa 5% to house prices.

We will create a warm welcoming community pub-restaurant, which will have a fully refurbished bar, a restaurant serving quality food, a function room for use by community groups, meetings, parties, etc. A new kitchen and new toilets are also included in the plans and the large garden will be re-planned for both outside dining and to facilitate the temporary installation of a Marquee for large events along with a garden bar. Our aim is to secure a sustainable business for the future, creating a focal point for community activities that are inclusive and available to all sections of community, supporting the local economy by providing employment and using local suppliers.

Further details on the type of services to be considered are set out in our Business Plan, which can be viewed and downloaded from our website [www.royaloakcollingham.co.uk](http://www.royaloakcollingham.co.uk)

We want to raise as much as possible through community shares, which will minimise the reliance on interest bearing loans and through this share offer, widen community ownership to the fullest extent possible. If we are successful, the Society will employ an experienced manager to operate the pub, and who will work with the Society in the implementation of the Business Plan to include a wide range of community activities.

**The pub has been commercially valued and financial forecasts produced by local accountants to confirm that the business is viable and can be sustainable, and a schedule of essential refurbishments required to reopen the pub has been drawn up and costs estimated.**

# **OUR PROGRESS TO DATE**

The Steering Group has received strong support from the Plunkett Foundation throughout the development process, together with help from many other successful community owned pubs. This has helped us to take project forward, and to date, the Royal Oak Steering Group have:

* Set up the Collingham Community Pub Limited community benefit society.
* Consulted the community via a questionnaire and public meeting.
* Opened a business bank account with a trust facility.
* Commissioned a full set of working drawings from a local architect.
* Negotiated the terms of a 25-year lease from Lincoln Co-operative Society including an option to purchase the property after five years.
* Applied for full planning consent to Newark & Sherwood District Council.
* Applied for investment tax relief advance assurance confirmation from HMRC.
* Applied to the Plunkett Foundation for a loan and grant.
* Negotiated with Nottinghamshire County Council for a possible grant under the LEADER initiative.
* Obtained positive media coverage in the Newark Advertiser.
* Strengthened our steering committee to include expert advice on training, health and safety and pub management.
* Taken a stand at Collingham show to publicise the reopening of the Royal Oak.
* Accepted an offer from Gusto Construction to carry out all works required in the refurbishment of the Royal Oak on an open book at cost basis.

Our vision is to create a focal point that will improve the social life and activities in the community. To address any short falls in the social needs currently being provided to the community, especially to the more vulnerable in all age groups. The Royal Oak will provide a social activity centre that can be enjoyed by the whole community, and where all kinds of events, social and supportive, can be held that will enrich the fabric and inclusivity of village life.

Pledges for the purchase of shares were invited and we have so far received share-buying pledges amounting to over £175,000 from 170 potential investors. The Society has also been successful in its application to the ‘More than a Pub’ programme and we have been invited to apply for a £25,000 grant with a £25,000 unsecured loan, and there are strong indications that funds are available, if we act soon. We have also had positive discussions with EU LEADER for a £40,000 grant, as monies need to be committed before the end of March 2019 and we are applying to Tarmac for a £25,000 local Landfill Communities Fund grant.

# **OUR BUSINESS MODEL**

A Business Plan has been produced with input and advice from experienced and successful pub industry experts, and a local successful brewery and pub operator. The financial forecasts have been produced by a local accountant and are based on industry benchmarks.

In the past, the Royal Oak has been a thriving pub, enjoying a reputation for good food and drink, which was well supported across the community, hosting a vibrant and diverse range of groups and clubs. Our objective is to reinstate the pub as a ‘community hub’ and develop a friendly and inclusive pub environment serving good local beer, quality wine, soft drinks and reasonably priced freshly prepared, locally sourced food.

It was recognised that we should be realistic about the roles, skills and support the Society could reliably provide, both now and in the future, to operate the pub successfully and sustainably. Therefore, following the purchase of the pub, an experienced manager will be employed to run the business, and suitably incentivised to run a thriving community pub. This will entail a minimal level of operational involvement by the Society Management Committee.

The aim is to create a warm welcoming community pub-restaurant, which will have a fully refurbished bar with space for a snack service, a restaurant serving quality food, a function room for community groups, meetings, parties, etc., and a new kitchen and toilets. The large garden will be re-planned for both outside dining and to facilitate the temporary installation of a marquee for large events along with a garden bar. Our aim is to secure a sustainable business for the future, creating a focal point for community activities that are inclusive and available to all sections of community.

Further details on the type of services to be considered are set out in our Business Plan, which can be found at [www.royaloakcollingham.co.uk](http://www.royaloakcollingham.co.uk) and it is important this should be read in conjunction with this Share Prospectus when considering whether to invest in shares.

The refurbishment and reopening of the Pub as a community asset means that it will become a benefit to the community for future generations, with potential purchase later. The Pub will work to build on the social cohesion of the community, minimise social isolation and help to bridge gaps between social groups and generations.

Whilst we wish to purchase the lease of the pub to safeguard it for future generations and to develop it as an asset for the whole of the community, it must make a profit. Profits will be declared and managed by the Management Committee in accordance with the Society rules, which can be found at [www.royaloakcollingham.co.uk](http://www.royaloakcollingham.co.uk)

Securing and retaining commercially astute, experienced, Management Committee Members who have time to devote to the venture, are committed to proactive engagement with the community and are prepared to serve in a voluntary capacity will be essential. They will also be responsible for the recruitment of an experienced, reliable, commercially astute and socially adept manager and members of staff.

The manager and staff must reflect high standards of business management and customer care and be motivated by the desire to create a really special pub that is treasured by the community, attractive to those who travel from further afield and is commercially successful.

We want a manager and staff who fully buy into the vision we have for the Royal Oak and are keen to promote and ‘champion’ the pub as a special community asset. We are particularly interested in employing members of the local community, in sourcing local produce and in maximising the use of local suppliers.

The Society Management Committee will be elected at the annual general meeting each year. To facilitate continuity of the business no more than 1/3 the committee will be elected each year, and the Society can convene further meetings to discuss plans and progress or be required to do so by a majority of shareholders.

**Ultimately the success of this venture will be down to us as a Community**

# **FINANCIALS & RETURNS**

Our intention is to finance the acquisition of a 25-year lease (with an option to buy) and subsequent improvement works, through a Community Share Offer, combined with a Plunkett ‘More than a Pub’ unsecured loan and social grant totaling £50,000, plus additional LEADER and Tarmac grant funding of £65,000. The proposed cost of the project is shown in the following table.

**Project Costs**

|  |  |
| --- | --- |
| Funding Requirements | Costs |
| Set up 25-year lease, including legal fees | £1,250 |
| Planning Fees | £750 |
| Engineering Survey | £650 |
| Building Contracts | £320,000 |
| Working Capital | £50,000 |
| Contingency | £7,350 |
| Total | £380,000 |

The intention is to maximise the capital raised through the Community Share Offer. We have set a minimum target of £210,000 and a maximum of £325,000, and any funds raised over and above the minimum will reduce our dependence on loan funding and the associated interest costs.

If we only achieve the minimum amount of share capital through the initial offer the share offer may be extended. After raising the required amount of funds for the project these will be used to:

* purchase the lease of the pub with associated legal purchase costs and taxes;
* carry out improvement and refurbishments work prior to opening;
* provide sufficient working capital to enable cash positive trading in the first year;
* recruit a suitable manager and staff;
* support the manager in pre-launch publicity, marketing and advertising.

The Society will pay Lincolnshire Co-operative Society an annual rent of £10,000 in year 2 rising to £25,000 in year 5. Profits from the pub operation will be the main source of income to the Society, and at the outset we assume that it will be the only source of income.

The viability of the Royal Oak as a business is based on reasonable assumptions of:

* the pub’s likely turnover based on significant research;
* the expectation that the right tenant will grow the business significantly;
* a business valuation carried out by industry expert MJD Hughes;
* advice from an experienced local accountant and a successful local brewery and pub operator.

We believe that the business will be attractive to an incoming manager and beneficial to Society members and the wider community.

**Royal Oak Pub Financial Forecast**

The following table shows that the pub business plan projects a turnover in the region of £260,000 in year 1, rising to £282,000 in year 2, and £302,550 in year 3. We plan to grow the business to achievable sales of £373,500, with an overall gross profit of around 54% after 5 years, depending on trading conditions. To achieve this, we will seek to extend opening hours and the range of services provided.

**Royal Oak Pub 5 Year Profit and Loss**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sales** | **YEAR 1**  | **YEAR 2** | **YEAR 3** | **YEAR 4** | **YEAR 5** |
| BAR SALES | £165,000 | £179,615 | £195,000 | £215,000 | £250,000 |
| CATERING INCOME | £92,308 | £100,000 | £105,000 | £110,000 | £120,000 |
| OTHER INCOME | £2,550 | £2,550 | £2,550 | £2,600 | £3,500 |
| **Total Revenue** | **£259,858** | **£282,165** | **£302,550** | **£327,600** | **£373,500** |
| **Purchases** |   |   |   |   |   |
| WET PURCHASES | £55,000 | £51,000 | £52,000 | £54,500 | £56,000 |
| WET LABOUR | £28,800 | £32,000 | £33,000 | £34,000 | £34,500 |
| FOOD PURCHASES | £30,769 | £33,333 | £35,000 | £36,667 | £40,000 |
| FOOD LABOUR | £36,000 | £37,000 | £37,500 | £38,000 | £39,000 |
| **Total Purchases** | **£150,569** | **£153,333** | **£157,500** | **£163,167** | **£169,500** |
| **Bar Gross Profit** | **£81,200** | **£96,615** | **£110,000** | **£126,500** | **£159,500** |
| **Catering Gross Profit** | **£25,538** | **£29,667** | **£32,500** | **£35,333** | **£41,000** |
| **Gross Profit** | **£109,288** | **£128,832** | **£145,050** | **£164,433** | **£204,000** |
| **Total Overheads** | **£108,969** | **£117,118** | **£117,589** | **£128,457** | **£132,483** |
| **Total Pub Operating Profit** | **£320** | **£11,714** | **£27,461** | **£35,977** | **£71,517** |

**Collingham Community Pub Limited Financial Forecast**

The table below shows the Society financial forecast for the first 5 years, showing positive cashflow and profitability.

**Collingham Community Pub Limited 5 Year Cash Flow Forecast**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Pub Operating Profit Above |  | £320 | £11,714 | £27,461 | £35,977 |
| Community Shares | £210,000 |  |  |  |  |
| More Than A Pub Loan | £50,000 |  |  |  |  |
| More Than A Pub Grant | £50,000 |  |  |  |  |
| LEADER Grant | £20,000 |  |  |  |  |
| Tarmac Grant | £25,000 |  |  |  |  |
| Total | £380,000 | £320 | £11,714 | £27,461 | £35,977 |
|  |  |  |  |  |  |
| Legal, planning & survey fees | -£2,650 |  |  |  |  |
| Building contracts | -£265,000 |  |  |  |  |
| Loan repayment | -£6.250 | -£6.250 | -£6.250 | -£6.250 | -£6.250 |
| Shareholder interest @ 3% |  |  |  | -£6,300 | -£6,300 |
|  | £51,100 | -£5,930 | £5,464 | £14,911 | £23,427 |
| Creditors b/fwd | 0 | -£7147 | -£7,028 | -£7,250 | -£7,597 |
| Creditors c/fwd | £7,147 | £7,028 | £7,250 | £7,597 | £8,000 |
| Corporation tax | 0 | 0 | 0 | 0 | -£3,845 |
| Cash movement for the year | £58,247 | -£6,049 | £5,686 | £21,558 | £26,285 |
| Balance b/fwd |  | £64,817 | £76,412 | £104,095 | £140,419 |
| Balance c/fwd | £58,247 | £58,768 | £82,098 | £119,353 | £160,404 |

Subject to achieving the above figures, our aim is to pay an interest rate to shareholders of 3% per annum from 2021.

For full details of the business plan please see our website [www.royaloakcollingham.co.uk](http://www.royaloakcollingham.co.uk)

# **COMMUNITY SHARES**

Community Shares (also called ‘withdrawable shares’) are ideally suited to community- focused organisations. Investors can receive interest on the sums they invest and may withdraw their investment, but only under certain conditions - the Society must first have the funds to support withdrawal and will only accept requests for withdrawal after three years.

Community shares are inheritable, but they cannot be sold on or transferred. The Society will always ensure that repayments to members is prudently managed, considering our responsibilities as a Community Benefits Society.

Community shares cannot increase in value. If the Collingham Community Pub Limited sold the pub and made a profit, investors would receive their original investment back, and any profit would be retained for community interests (this is called an asset lock). If the business runs into difficulty and must be sold at a reduced value, it is possible that not all the original investment could be repaid to investors.

We hope that you want to save The Royal Oak and secure its future, and this share issue has been designed to give you an opportunity to contribute financially, support the Society as a member on a long-term basis, and invest in this important business for the local community.

**How you can be involved**

We are inviting you to become an investor (shareholder) in the Collingham Community Pub Limited, which is the society established to enable the people and friends of Collingham, and those in the surrounding area and further afield, to secure and safeguard the future of The Royal Oak Public House, an amenity of prime importance to the local community.

The society will provide all investors with updates on progress and annual accounts, a voice in the running of the Society and the opportunity to be elected to the Management Committee.

# **THE SOCIETY & MANAGEMENT COMMITTEE**

**The Society**

Collingwood Community Pub Limited was established in 2018 by ‘members of the community for the benefit of the community’. It was established specifically to raise sufficient funds for the community to secure and safeguard the future of the Royal Oak.

Collingham Community Pub Limited is a not-for-profit Community Benefit Society using model rules (its constitution) developed by the Plunkett Foundation and used by over fifty existing community owned pubs. The Society is registered with the Financial Conduct Authority (FCA), and copies of the constitution, defining your rights as a member, and our business plan can be found on our website [www.royaloakcollingham.co.uk](http://www.royaloakcollingham.co.uk) , so please read them if you wish to invest.

Community benefit societies are by law intended to be democratic organisations and all members will have an equal vote regardless of their shareholding and will have the protection of limited liability.

The rules determine that the pub will trade for the benefit of the community and not for anyone’s private benefit. It will retain and apply profit to advance the Society’s purpose (including through paying interest to members on their shareholding).

We are inviting you to become an investor in the Society through the purchase of shares which confer membership rights on the investor. These membership rights include a voice in the running of the Society and an opportunity to be elected to the Management Committee by members of the Collingwood Community Pub Limited Community Benefit Society at Annual Members’ Meetings, with one vote per member regardless of the number of shares held.

**The Management Committee**

The Management Committee will consist of 9 individuals who will be collectively responsible for establishing the strategy for the business and overseeing performance. One or two members of the Committee will oversee closer supervision of the business, initially daily, until trade is fully established.

Once the pub is established, members of the Management Committee will be democratically elected by members of the Society at Annual General Meetings, with one vote per member regardless of investment size.

The current Management Committee of the Society comprises nine village residents:

**Dr Alan Hutton Chair** - retired Senior Partner Collingham Medical Practice. Resident in Collingham 42 yrs. and a past Parish Councillor and School Governor at John Blow.

**Christopher J Allen Company Secretary** - retired Business Administrator including Personnel and Recruitment and Facilities Management. Also has a qualification in Health & Safety.

**John Howkins** - retired Business Owner and Director with experience of building businesses in a wide variety of industries.

**Jim Barrie** – retired Divisional Technical & Development Director in an international Chemical company.

**James Derry** - Managing Director Derry Ltd Mechanical and Electrical Services Company.

**Jen Watson** - retired civil servant (Department for Business, Energy and Industrial Strategy), former local government Service Manager.

**Henry J Bealby** - retired English teacher, director of Brook House Brewery, Collingham.

**Sarah Halpin** - Business Development and Training Manager for Castle Rock Brewery and Pub Group. Qualified trainer in hospitality and licensee.

**Alvin Wiggins** - retired company owner.

A Management Committee will be established from the Steering Group to oversee the first year of work, with an Annual General Meeting proposed for early 2020, at which 1/3 of the members will stand down and elections will be held. The Management Committee includes members with specific skills who have offered their services on a voluntary basis, with some overlap with the initial Steering Group to ensure continuity of purpose.

The Management Committee may co-opt additional members who bring particular skills or a contribution that is relevant to the purchase and operation of the Royal Oak and/or to members of the Community. These appointments are only valid until the next AGM.

Only Members (i.e. shareholders in the Collingham Community Pub Limited) may be elected to serve on the Management Committee.

The Management Committee members will be the Directors of Collingham Community Pub Limited and collectively bring a wealth of experience and expertise. They are all volunteers working together and sharing skills to purchase and manage the pub in the interest of its shareholders and for the benefit of the community.

# **THE SHARE ISSUE**

The Royal Oak is a very special place for the communities served by Collingham and surrounding villages. Over 200 years old, the future of this traditional pub is under threat with its closure and sale by Ei for development by the new owners. A public meeting to gather support, was overwhelmingly in favour of community ownership, by 200 votes to 3. The proposal is to initially lease the pub, refurbish and develop the property and later purchase the freehold.

To do this and retain the pub as a Community Hub, we are aiming to raise funds through community investment, grants and commercial loans. This will cover the costs of essential refurbishment, development (without changing the traditional, special nature of the Royal Oak) and set-up costs.

Pledges for the purchase of shares, were invited on 1st August 2018, and totalled over £150,000 within 8 weeks, from over 110 investors. The Society has also been encouraged to apply for loan and grant support through the Plunkett Foundation, More than a Pub Programme.

**Shares in Collingham Community Pub Limited will cost £50 each, and there is a minimum investment of 5 shares (£250) and a maximum investment of 400 shares (£20,000) per person.**

* The share offer will open 1st December 2018 and close 28th February 2019 or whenever the maximum target is reached, whichever is sooner.
* Each shareholder will have one vote, regardless of the size of their shareholding. This ensures that community interests are not dominated by major shareholders but reflect the views of the whole community more democratically.
* Shares are not transferable and can only be resold to the registered Society at face value. Three months written notice is required of any requested withdrawal and the board of directors have a duty to control any withdrawals. If there are insufficient funds or new investors to purchase the shares, withdrawal will be delayed.
* Minimum age for membership of the Society is 18 years old.
* Members’ financial liability is limited to the value of their shares. The full rules of the Society are available on our website [www.royaloakcollingham.co.uk](http://www.royaloakcollingham.co.uk)
* Interest will only be paid on holdings of more than 5 shares and from any profits, subject to the approval at a meeting of the Society.
* Under the HMRC regulations, aimed at increasing investment in small companies we applied for Advance Assurance that investors in Collingham Community Pub Ltd would be eligible for Tax Relief under SEIS (Seed Enterprise Investment Scheme) and EIS (Enterprise Investment Scheme).
* **This assurance has now been received from HMRC.**
* This means that on the first £150,000 of shares issued there will be Tax Relief available for those investors of 50% and for all subsequent shares issued Tax Relief to investors of 30%.
* **PLEASE NOTE: QUALIFICATION for SEIS 50% tax benefit that will apply to the first £150,000 invested will be receipt of payment for the shares.**
* **And that the 30% EIS tax break will apply to all investors once the SEIS threshold has been passed.**
* **The Committee reserve the right to reject, amend or allocate any application for shares.**
* **Subject to the terms and conditions of HMRC.**
* Further Guidance can be obtained from.
* https://www.gov.uk/government/publications/enterprise-investment-scheme-income-tax-relief-hs341-self-assessment-helpsheet
* The above will apply to ALL UK Tax Payers.
* The more shares you buy the larger the Potential Tax Relief.
* You should be aware that the money you invest will be at risk.
* **If you have any doubts you should seek Financial Advice.**
* A share certificate will be issued, and a register kept by the Society.
* The Management Committee reserve the right to extend the offer beyond the initial period if they believe doing so would benefit the share issue. It is our wish, however, to expedite progress and reopen the pub as soon as possible.

Our Business Plan can be downloaded from our website at: [www.royaloakcollingham.co.uk](http://www.royaloakcollingham.co.uk)

This offer is being promoted by Collingham Community Pub Ltd., c/o The Red House, 18 High Street, Collingham Nottinghamshire, NG23 7LA. Collingham Community Pub Limited is registered with the Financial Conduct Authority Registration No: RS007810

**Loans, Grants, Donations and Fundraising**

Subject to the success of the share offer, commercial loans and grants may be sought, the latter primarily to support the costs of refurbishment.

In addition, donations are an important source of funding. Individuals or organisations may wish to donate to The Collingham Community Pub Limited, and donations are welcomed.

We are sensitive to the fact that some people may be very keen to save The Royal Oak but may not be able to financially invest in shares. All ideas and support for fundraising efforts or helping with refurbishment are very welcome - if interested, please contact one of the Management Committee.

**Your Investment**

This is a social investment not an investment designed to generate large profits and should be regarded as a long- term social investment for the community.

* The return on your investment will be through a `social dividend` i.e. the preservation of a local asset servicing the community and through modest interest on your shareholding, at the discretion of the Management Committee and voted on at the AGMs
* All shareholdings of £250 or more will be eligible to receive interest although it is likely that no interest will be paid during the three years of trading. Interest will be paid gross and is taxable. You will be responsible for declaring this income to HMRC.
* The Management Committee can suspend interest payments if the business performance does not justify paying interest. Therefore, you should not invest in the expectation of direct financial return, as this is not a conventional investment.
* You cannot sell your shares, except back to the Society itself.
* The value of shares cannot increase, and their value may be reduced if the business fails and its liabilities exceed its assets.
* The only way to recover the sum you initially invested (or any reduced value) is to give three months’ notice of your investment withdrawal to the Management Committee. You cannot do so for the first three years after the date of this share issue.
* All withdrawals will be at the discretion of the Management Committee and must be funded out of either trading surpluses or new share capital.
* Total withdrawals in any year will be limited to a maximum percentage of the total shares outstanding (as determined by the Management Committee from time to time).
* All funds invested in this Community Share Offer will be restricted funds held in a separate account until the refurbishment is completed and thereafter will be used only for the purpose of acquiring and owning The Royal Oak. In the event that the refurbishment does not go ahead all contributions will be repaid less any expenses that may have been incurred.
* In the event of your death should you wish to transfer your shares to another person please contact the company secretary for a nomination form. (This is subject to a maximum holding of 400 shares by any individual)

Any trading surplus, after payment of interest to shareholders and repayment of share capital, must be reinvested in the business or used for community purposes. The Society is registered with but not regulated by the Financial Conduct Authority (FCA, previously the Financial Services Authority), so members cannot apply to the Financial Services Compensation Scheme (FSCS) and have no right of complaint to the Financial Ombudsman. Before deciding to invest, you may want to seek independent advice.

**This offer is not covered by the Financial Services Compensation Scheme and investors have no recourse to an Ombudsman. We are required to warn you that you may lose some or all your money should you invest.**

# **Summary - Key Points for Investors**

**Why should I buy community shares?**

We need your investment to help refurbish the Royal Oak. Without sufficient investment from the community we will be unable to establish the business and retain the Royal Oak for the community.

**Who will benefit from this project?**

The residents and friends of Collingham and surrounding villages will benefit directly from having a vital amenity preserved for future generations, both through the extended use of the facility itself but also because the Royal Oak will play a part in making Collingham a stronger, more vibrant and cohesive community in which to live.

**What happens if I have already made a pledge to this project?**

If you have already made a pledge to invest (and if so, a big thank you), we will need to convert your pledge into shares under the terms of this Share Offer, the application form for this is available at the end of this document.

**Is this a good business proposition?**

Whilst our prior aim is to maintain the Royal Oak as an asset for the benefits of the community, rather than to generate profit, we do expect and will require the business to be a profitable venture. We have carefully evaluated its strengths and weaknesses and our projections show that we can establish it as a sustainable, successful business. Experience from other community-owned pubs, none of which have failed to date, shows that communities that work together to set up such enterprises will support their operation.

**Who are the people behind the project? Do they have a personal interest?**

The Management Committee consists of a group of residents who care passionately about the Royal Oak, the value of a pub to the social well-being and wealth of an area, and its future heritage. They all intend to invest in shares and have no personal financial interest in the project other than as potential shareholders. They have contributed and will continue to contribute a large amount of time to the project on an entirely voluntary basis, which has been supplemented by the support of others within the community and beyond.

**Who will run The Royal Oak and make day-to-day decisions about the business?**

The Management Committee will oversee the appointment of the Manager and the operation of the Royal Oak, consistent with the intentions outlined in our Business Plan and regular engagement with members. We intend to recruit an experienced pub manager to oversee the day-to-day running of the pub, with governance and reporting arrangements in place to monitor financial and other performance. We will ensure that there is an ‘open book’ approach to sharing feedback and other information between the Society and the manager. Shareholders will be invited to meetings to discuss significant decisions about the Royal Oak

**Do my shares give me voting rights?**

Yes. Whether your share value is £250 or £20,000 you will have a single vote and equal voice on all key decisions.

**How do I get my money back?**

You will be unable to withdraw your shares for the first three years. After that, should you wish to withdraw your shares, you will need to give three months’ notice to the Management Committee. You cannot sell or transfer your shares, although they are inheritable, and withdrawals will only be approved by the Management Committee if they do not damage the business and the broader community interest in its sustainability.

The risk to the business may be mitigated by future share offers designed to increase membership, supplement working capital, and raise funds for future developments, all of which would be subject to member discussions.

**What happens if refurbishment plan for the Royal Oak falls through?**

If we are unable to complete the refurbishment, whether through insufficient funds or final agreement with Lincolnshire Co-op, we would initially seek donations for any costs incurred (these are likely to be minimal, given the bursary support received from the Plunkett Foundation to cover most of such costs). We would then return funds received, after deducting any remaining losses.

Clearly, having had a strong pledge of support received in advance of this share offer, we believe that the risk of the refurbishment falling through is relatively low.

**Would I get my investment back if the Royal Oak fails?**

In the event of business failure, all the business’s assets, would be sold and the proceeds of the sale (after paying any creditors) divided between the shareholders up to the value of their shares. Subject to the sale value, you might receive all your investment back or part of it.

**What redress do I have if the business fails and I lose the value of my shares?**

This share offer is unregulated, as it is exempt from the Financial Services and Market Act 2000 or subsidiary regulations, which means that there is no right of complaint to the Financial Ombudsman or right if application to the Financial Services Compensation Scheme. This is a standard feature of such schemes.

**Will I receive interest from my shares?**

Hopefully, yes! We aim to pay a reasonable interest rate to our members, with effect from 2021. Our Business Plan assumes interest at 3%, but this will always be dependent on the success of the business and the views of Members at Annual General Meetings. Interest will be laid gross and it is each member’s responsibility to declare such earnings to HMRC if appropriate.

**Will my investment be eligible for tax relief?**

Please note CCP Ltd has now received Advance Assurance that Tax Relief will be available to investors under both SEIS and EIS. The amount of tax relief if any is decided following your application to HMRC and cannot be guaranteed by CCP Ltd

**How do I purchase Shares?**

You can purchase shares via an application form, with payment by cheque or bank transfer (BACS). The share application form plus details of payment methods is attached below and can also be found on our website [www.royaloakcollingham.co.uk](http://www.royaloakcollingham.co.uk)

The Society can draw on funds when the minimum share target is reached, but funds will only be used if the project proceeds. It is at this time that share certificates will be produced.

**How can I find out more about the project?**

You can find our Business Plan, the rules for our Society and further contact details on our website at [www.royaloakcollingham.co.uk](http://www.royaloakcollingham.co.uk)

**IMPORTANT: Please consider carefully the terms above and take independent advice.**

# **APPLICATION PROCEDURE**

You can apply by completing the application form below, and return it with a cheque or completed BACs form for your investment to:

**The Secretary, the Collingham Community Pub Ltd. c/o The Red House, 18 High Street, Collingham Nottinghamshire, NG23 7LA.**

This application is also available via our website. We will acknowledge receipt and draw down funds/pay cheques in after the offer closes. If the offer is unsuccessful, cheques will be destroyed, and confirmation of this made by email to you.

* By submitting an Application Form the Applicant offers to subscribe, on the Terms and Conditions contained in this Offer Document, for the number of shares specified, or such lesser number as may be accepted;
* An Applicant who receives shares agrees to automatic membership of Collingham Community Pub Limited, registered as a Community Benefits Society and bound by its Rules;
* Once an application has been submitted and approved, and shares issued, it cannot be withdrawn;
* Multiple subscriptions may be made, providing that they do not result in any single member holding more than the maximum number of shares - £20,000;
* Applicants may be requested to provide additional evidence of identity to comply with money Laundering legislation;
* In the event of over-subscription, applications may be rejected in whole or in part, and cheques shall be destroyed and/or monies securely returned to the Applicant, not later than two months after the application has been received, without interest.

**Collingham Community Pub Limited Share Application Form**

**Shareholder Details**

|  |  |
| --- | --- |
| Forenames: | Surname: |
| Date of Birth (if under 16): | Intentionally left blank |
| House:  | Street:  |
| Location:  | Town/City:  |
| County/State:  | Postcode:  |
| Country:  | Email:  |
| Phone:  | Mobile:  |

**Number of shares wanted at £50 each:**

|  |  |
| --- | --- |
| Number (minimum 5 –maximum 400): | Total value (Number x £50): £  |

|  |
| --- |
| YES / NO  |

Will you want to apply for a UK tax rebate on your investment?

Bank account to receive any interest on the shares

|  |  |  |
| --- | --- | --- |
| Sort code:  | Account No:  | A/C Name: |

Please tick the appropriate payment box:

I have enclosed a cheque with this form, made payable to the **Collingham Community Pub Ltd**, for the total value of the shares applied for; or

I have transferred the sum of money equal to the total value of the shares applied for to:

|  |  |  |  |
| --- | --- | --- | --- |
| **Bank** | **Account Name** | **Sort Code** | **Account Number** |
| **Barclays** | Collingham Community Pub Ltd | **20-63-28** | **63870065** |

Reference: Purchaser's surname & initial(s) and postcode.

Please post or deliver to: The Secretary, the Collingham Community Pub Ltd., c/o The Red House, 18 High Street, Collingham Nottinghamshire, NG23 7LA

Receipts for the subscriptions will be issued by email whenever possible.

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 The Collingham Community Pub Ltd only & will not be passed to third parties. I confirm that:

* I have read and understood the terms of the Share Offer document and the risks involved.
* I understand that this application, when accepted, forms a contract subject to English Law.
* I am over 16 years of age. I also understand that shares bought for someone under 16 years old do not confer society membership or voting rights until the shareholder becomes 16.
* I am not making an application that would create an aggregate holding of more than 400 Shares.
* I am not relying on any information which is not included in the Share Offer document.
* I will give proof of my identity and address, if necessary, for anti-money laundering purposes.

Signed: .............................................................................................................. Date: ………………………………………...

(Purchaser or Authorised Signatory)