

DRAFT PROSPECTUS

Hildersham Community Pub



Community Share Offer

Launch date: February 8th 2017

Closing Date: 31st March 2017
(unless otherwise extended)

You are invited to invest in a community based enterprise in order to purchase the freehold premises formerly trading as the Pear Tree public house in Hildersham.

The aim of the share offer is to raise sufficient money, which, together with other funding will enable the freehold of the former Pear Tree premises to be purchased.

Hildersham Community Pub Limited is a not-for-profit Community Benefit Society established and managed by the community for the benefit of the community.

You can join the society by becoming a member.

This document:

- Outlines the project and its benefits for members and the community;
- Explains about the society and how the share offer would work; and
- Invites you to help us realise this project.

What is Hildersham Community Pub Limited?

Hildersham Community Pub Limited ("HCPL") is the company established to enable the residents and friends of Hildersham to purchase the freehold premises formerly trading as the Pear Tree public house and to recommence trading as a public house, an amenity of prime importance to the village.

It is a not-for-profit Community Benefit Society (formally known as an Industrial & Provident Society or 'IPS') using the model rules developed by the Plunkett Foundation and registered with the Financial Conduct Authority ('FCA'). In its rules is embedded the principle that if the Society has a surplus, this may be made available for distribution to other community or charitable projects, after providing for the present or future needs of the Society.

A copy of the rules of HCPL is available and can be requested from a member of the Management Committee.



Hildersham Community Pub Limited

Our vision and the benefits to the community

The Pear Tree public house premises in Hildersham have been put up for sale by their owner. A major concern of the community is that the premises could be sold to developers who, over time, would seek to redevelop the site. Our belief is that the pub premises and the site it occupied were vital amenities for Hildersham and that the best interest of the community will be served by acquiring them through a community benefit company.

This will enable the village to re-establish the pub as a village amenity for the foreseeable future.

We, in Hildersham, have suffered the impact that pub closure can have. Pub closure not only threatens the social cohesion of a community but also exacerbates the impact of rural isolation.

Our intention is to finance the acquisition and subsequent improvement projects through a mixture of local authority, national and European grants, independent trust and private donations and most importantly through support from the community in the form of **Community Shares**.

This represents a fantastic opportunity for Hildersham to continue to re-establish and strengthen the vibrancy and sustainability of our community. This purchase would have many benefits, including:

- Maintaining a place to meet friends and neighbours and improving the sense of community;
- Providing a central point for information on community events and local issues;
- Improving the fabric and amenities of the building;
- Creating opportunities for employment;
- Helping to sustain property prices in the village;

Hildersham has long had a reputation for being one of the most delightful villages in South Cambridgeshire. It is mentioned in many guidebooks to the area and is a magnet for walkers. Now we have the opportunity to bring back our 'local' once an important village amenity.

How will Hildersham Community Pub Limited be managed?

The current steering group is made up of six Hildersham residents who believe that it is vital to re-establish and secure the future of the Pear Tree for the community. They are: Jeffrey Coburn (Treasurer) Jenny Logan, Mark Logan (Chair), Will Rickets, Fergus Pery and Emma Pery; The first four make up the Management Committee of the company and Mark Logan is Company Secretary.

Other members may join the committee subject to a maximum membership of 12.

The Committee will stand down en bloc at the first AGM and individuals may offer themselves for re-election.

The Management Committee will be selected by Members' votes at the AGM each year.

Annually, the Management Committee will provide all members with a report which will set out audited financial statements and a report of the society's activities during the previous financial year.

HCPL is registered with the Financial Conduct Authority ('FCA') and will be required to provide the FCA with an annual return. However, as community share investors are deemed to invest for social returns and not for financial gain, the share issue does not fall within the scope of the Financial Services and Markets Act ('FSMA') and the sale of community shares is not regulated by the FCA. There is no right of complaint to the Financial Ombudsman Service and nor can investors apply to the Financial Services Compensation Scheme.



Hildersham Community Pub Limited

The Community Share Issue

The share issue has been designed to give local people and organizations the opportunity to contribute financially, on a long term basis, to the business of HCPL. Our expectation is that shareholder members will largely come from the local communities but we also welcome contributors from further afield.

Individuals, organizations or companies are entitled to apply for membership by buying shares at a cost of £50 per share with a minimum investment of two shares (£100) and a maximum investment of 2,000 shares (£100,000) per person or organisation. Each member will be limited to one vote at any General Meeting, irrespective of the number of shares purchased.

The shares are not transferable and cannot be sold but may be withdrawn by giving three months notice of withdrawal to the Management Committee. Shares cannot be withdrawn until at least three years have elapsed from the date of the share issue and then only at the discretion of the Management Committee.

The amount available to be withdrawn by shareholders in any one financial year will be 10% of the total value of shares outstanding. Applications for withdrawal, if permitted, would be on a first-come first-served basis. All withdrawals will be paid from trading surpluses or new share capital. The Management Committee will have the authority to refuse a withdrawal request if it would endanger the business.

Share holders will be eligible for Interest to be paid on their investment. The interest rate will be proposed by the Management Committee and put to a vote at the Annual General Meeting. The proposal will be based on the rules of the company which limit payment to between 2% and 5% above the bank base rate, as well as performance of the company. Interest will be paid gross to members.

Interest will be paid by the Society to the investor and it is each member's responsibility to declare such earnings to HMRC if appropriate.

It is important to note that the value of the shares will not increase. The only financial benefit for members is any interest paid annually. It is our intention to maintain a competitive and attractive interest rate once the business is successfully established.

In the event that the Pear Tree is ever sold, for whatever reason, the shareholders would be repaid their investment from the proceeds of such sale, after repayment of any debts. Any surplus would be paid to a charitable or community body, such as the Hildersham Village Hall Trust, in line with the rules of the society.

Enterprise Investment Scheme ('EIS')

The EIS is a Government scheme devised to encourage investment in new enterprises. An application by Hildersham Community Pub Limited will be made to HMRC for the proposed share sale to qualify for EIS status.

Having EIS status means that any purchasers of shares for any amount up to the maximum who pay income tax would be eligible for income tax relief equal to 30% of the amount invested.

The society will issue all eligible investors with form EIS3 to enable them to claim tax relief once we have approval.

Please note, the society is not able to advise members on tax issues and it will be each investor's responsibility to make their own enquiries and to satisfy themselves as to their own eligibility to claim such tax relief.



Hildersham Community Pub Limited

Important Notice

When you are considering taking part it is essential that you understand that this is an investment in our community, intended to create a secure and lasting asset for us all.

It is intended to build on to our existing social infrastructure –the church, the village hall, the allotments – and help to create an ever more thriving and sustainable community. It is not a conventional financial investment with an expectation of high and direct financial returns. Full information is set out in the society's rules.

Please note:

- i. The minimum shareholding is 2 shares. Each share has a value of £50. The maximum number of shares that can be purchased is 2,000. Members must be over 18 and shares must be paid for in full on application.
- ii. Shares are not transferable except on death or bankruptcy and they cannot be sold. They may be withdrawn on application to the society itself for the original value of £50 per share.
- iii. The value of each share cannot increase beyond its nominal value of £50. You should be aware that the value of shares may be reduced if the value of the business's assets falls substantially.
- iv. As an investor your liability is restricted to the value of your shares. In the very unlikely event that the business fails you would have no further liability.
- v. Currently the society plans to pay interest on shares but the shareholding should be viewed as a social investment. The rules of the society allow for interest payments to be suspended if the financial performance of the society did not justify such payment.
- vi. The only way in which investments can be recovered (whether the initial sum or any reduced value) is on liquidation of the society or by giving the society notice of withdrawal. Notice of withdrawal may not be made during the first three years after the closing date of this share issue.
- vii. The specific conditions for withdrawal include:
 - a. Withdrawals must be funded from trading surpluses or new share capital and are discretionary, being subject to the Management Committee's satisfaction that withdrawal is consistent with the long term interests of the society;
 - b. The total repayable each year is limited to a maximum of 10% of the current value of the share issue;
 - c. 3 months notice is given.
- viii. All funds invested in this Community Share Offer will be restricted funds held in a separate account and used only for the purpose of acquiring the Pear Tree premises. In the event that the purchase does not proceed, all contributions will be repaid less any expenses that may have been incurred.
- ix. HCPL is registered with the Financial Conduct Authority. However, as community shareholders, investors are deemed to invest for social returns and not for financial gain. The sale of community shares is not regulated by the FCA. There is no right of complaint to the Financial Ombudsman Service and nor can investors apply to the Financial Services Compensation Scheme.

Before deciding whether to invest please consider taking independent advice. For further information on the project itself please contact any member of the Management Committee.



Hildersham Community Pub Limited

It is proposed to establish 'Hildersham Community Pub Limited' ('HCPL') with the purpose of purchasing the site of the Pear Tree. If you think that you would be interested in becoming a member of HCPL and investing in the company, please complete the details below.

When completed, return it to:

Jenny Logan, Mabbutts, Hildersham, Cambridge, CB21 6BU

Please respond by Friday 31st March 2017 so that we can move things forward.

This information will be used purely to enable the steering group to gauge the potential level of support for this venture.

It will be treated confidentially. It does not constitute a commitment to invest. However, the steering group would expect to be able to ask for the pledge to be honoured with a 30 day notice period. The pledge would only be considered to last for 6 months from the close of the offer on the 31st March 2017.

The company is registered with the Financial Conduct Authority ('FCA') and Revenue and Customs ('HMRC') and we have received professional advice in doing this.

It is currently intended that the shares purchased will pay an attractive rate of interest and that they must be held for a minimum of 3 years.

**If you would like more information please call Mark Logan on 01223 891897 or 07802 758 204;
Or email: jenny.logan@btinternet.com**

Name:

Address:

eMail address:

Phone: landline -

mobile -

Possible amount
of investment:

£100

£250

£500

£1000

£5000

£.....
(other please specify)