

# COMMUNITY SHARE OFFER PROSPECTUS

## YOUR INVITATION TO SAVE THE CHEQUER INN FOR OUR COMMUNITY

TARGET £430,000

Share Offer Closing Date: 31<sup>st</sup> July 2017



[www.savethechequerinn.co.uk](http://www.savethechequerinn.co.uk)

***THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR CAREFUL ATTENTION.***

It should be read in its entirety. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice. Nothing in this document constitutes investment, tax, legal or other advice by Chequer Inn Ash Society Limited, its directors or advisers.

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## HOW DO I SUBSCRIBE FOR SHARES?

To invest, please complete a share application form

Before doing so you should:-

- Read this Prospectus carefully;
- Read the Business Plan and the Rules of the Society;
- Consider whether you need to take financial or other advice in relation to this share offer.

You can download our Business Plan, the Society's Rules, and the Community Share Offer application form from our website: [www.savethechequerinn.co.uk](http://www.savethechequerinn.co.uk)

If we are unable to raise sufficient funds to ensure the commercial viability of the scheme we will not proceed with the purchase, and will promptly return all payments made for shares.

## Who should I speak to if I have any further questions?

Please contact either:

Jane Greaves (Secretary) Tel: 01304 813010

Sallie Greenhalgh (Treasurer) Tel: 01304 812214

or email [chequermates@gmail.com](mailto:chequermates@gmail.com)

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## INTRODUCTION

The Chequer Inn Ash Society (The Society) is a Community Benefit Society established in 2016 and managed by **members of the community** for the **benefit of the community**.

The Society has been formed to raise sufficient money to purchase the freehold of The Chequer Inn, Ash so that it can be re-opened and operated as a pub for the benefit of the community.

The Chequer Inn Ash Society is registered with the Financial Conduct Authority – Registration Number 7406.

It is a limited liability legal entity under the terms of the Co-operative and Community Benefit Societies Act 2014.

The Chequer Inn has been listed as an Asset of Community Value and you are invited to invest in the Society to secure and safeguard the long-term future of this historic pub.

This document explains about the Chequer Inn Ash Society and its benefits for members and the community.

We aim to attract investment mainly from residents of Ash and the surrounding area, but anyone with an interest in securing the future of The Chequer Inn is welcome to invest.

## **THE CURRENT SITUATION**

The Chequer Inn is currently owned by a private developer who originally sought planning permission to convert it into two residential dwellings. The community of Ash launched a campaign to object to this proposal. We received help from high profile supporters and The Chequer Inn was featured on The One Show 'Pub Special' as well as included on local news and various platforms. The pub was listed as an Asset of Community Value to prevent its loss to the village.

Dover District Council listened to the views of local people and in February 2016 refused to grant the developers application for change of use.

The owner subsequently put the property up for sale on the open market in March 2016.

We have been communicating with the Agent and have confirmed our interest in the purchase of the pub on behalf of the community.

Our belief is that the pub and the site it occupies are vital amenities for the residents of Ash and that the best interest of the community will be served by acquiring it through a Community Benefit Society.

**This will enable the village to secure and safeguard the pub for the future.**

## **THE MANAGEMENT COMMITTEE**

The current Management Committee of the Chequer Inn Ash Society is made up of 13 residents of Ash who believe that it is vital to secure the future of The Chequer Inn for the community.

They are: David Moulden, (Chair), David Greaves (Deputy Chairman), Jane Greaves (Secretary), Sallie Greenhalgh (Treasurer), Helen Ellis (Operations Director), Hazel Howard, James Howlett, Colin Guest, Sandra Scatchard, Jon Scatchard, Vince Radix, Matthew Titterton and Russ Timpson.

The initial members of the Management Committee will stand down at the first Annual Members Meeting to allow the members to elect a new Management Committee. The first annual members meeting will be held as soon as is practicable after the purchase has been completed. Members can themselves be elected onto the Management Committee.

All members will be provided with an Annual Report, which will set out details of the operation of the Society and how it has developed its activities over the previous year and which will include a copy of the accounts.

The Rules also provide for a number of other ways in which the membership may hold the Management Committee accountable for the running of the Society, including the calling of a special general meeting if required. A copy of the Rules of the Society are available on request or can be found on our website ([www.savethechequerinn.co.uk](http://www.savethechequerinn.co.uk)).

**The Rules are important. They define your rights as a member; please read them if you wish to invest.**

## OUR VISION

Our objective is to have a friendly and welcoming village pub that serves local beers, good wine, soft drinks, and sensibly priced freshly prepared food, and which will offer additional amenities to the community 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
- protecting and improving the fabric of this heritage building
- creating opportunities for employment
- injecting money into the local economy

If we are successful in purchasing the pub we will select a tenant to run the licensed business. The tenant will pay an affordable but realistic rent to the Society, and the rent will be set at a level that gives the tenant the opportunity and incentive to run a thriving pub business.

A detailed business plan has been prepared that can be downloaded from the Society's website ([www.savethechequerinn.co.uk](http://www.savethechequerinn.co.uk)). **It is important that you read the business plan when considering whether to invest in shares.**

## THE SHARE OFFER

This Share Offer represents a fantastic opportunity for Ash to strengthen the vibrancy and sustainability of our community. A community share offer provides an opportunity for local people and businesses to buy into the community where the motivation and payback is more social than financial. It helps to ensure a truly local enterprise, accountable to the community whilst serving and benefitting it.

### Membership

The shares you buy will make you a member of the Society, with an equal vote regardless of your shareholding. Your involvement thereafter can be as much or as little as you wish. You can vote at Annual Members Meetings, stand for election to the Management Committee, volunteer your skills or just give The Chequer Inn your custom.

We would, however, like to encourage as many members of the community as possible to volunteer their time now and in the future to make this a truly community venture.

This is not an exercise to generate large profits for the members. The primary return on your investment will be the existence of a convivial welcoming village pub.

We've already got lots of ideas, but if you become a shareholder it will be your pub too and you can help us decide how it's developed and run!

Individuals, organisations or companies are entitled to apply for membership by buying shares at a cost of £100 per share with a minimum investment of one share (£100) and a maximum investment of 1000 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.

### Withdrawal of Shares

The shares are not transferable and cannot be sold but may be withdrawn by members who have held them for a minimum of three years. Applications for withdrawal must be made by giving at least three months notice to the Management Committee. All withdrawals are at the absolute discretion of the Management Committee.

The Management Committee may specify a total withdrawal by shareholders in any one financial year. 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.

## Finance

Our intention is to finance the purchase as far as possible through this share offer, so **our target is to raise the full £430,000**. This amount includes the purchase costs, associated fees and initial refurbishment costs to get the Pub operating again. We are also applying to local charities and the 'More than a Pub' programme operated by the Plunkett Foundation. The Plunkett Foundation helps communities, predominantly in rural areas, to set up and run life-changing community enterprises that are owned and run democratically by large numbers of people in their community.

However, the greater the amount raised through the Community Share Offer will reduce the dependence on loan funding. Other sources of funding such as grants and loans are being pursued but as these cannot be guaranteed we have not relied on them in our budgeting.

If the Chequer Inn Ash Society is unable to raise sufficient funds to purchase and refurbish The Chequer Inn, all monies received for the purchase of shares will be returned.

## Interest

Once the business is running successfully and has sufficient surpluses, the Society will pay a modest level of interest to shareholders at a rate to be recommended by the Management Committee and voted on at the Annual Members Meeting. Our Rules specify that the interest rate shall not exceed 5% or 2% above the Bank of England base rate. Our business plan assumes that interest will be paid to shareholders after three years trading. 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.

## Value of Shares

It is important to note that the value of the shares will not increase. The only financial benefit for members is the interest dividend expected to be paid annually after three years. In the event that The Chequer Inn is 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 have to be paid to a charitable or community body in line with the rules of the society. A copy of the Rules of the Society can be found on our website [www.savethechequerinn.co.uk](http://www.savethechequerinn.co.uk) or they can be requested from the Secretary.

## IMPORTANT INFORMATION

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 not a conventional financial investment with an expectation of high and direct financial returns.

### You should note:

- The minimum shareholding is 1 share. Each share has a value of £100. The maximum number of shares that can be purchased is 1000 shares. Members must be over 18 and shares must be paid for in full on application.
- 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 £100 per share.
- The value of each share cannot increase beyond its nominal value of £100. You should be aware that the value of shares may be reduced if the value of the business's assets falls substantially.
- 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.



- Currently the society plans to pay interest on shares but the shareholding should be viewed as a social investment. The rules of the society would allow for interest payments to be suspended if the financial performance of the society did not justify such payment.
- 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.
- The specific conditions for withdrawal include:
  - 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
  - Limited to the total withdrawal set for the financial year
  - Three months notice is given.
- 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 and refurbishing The Chequer Inn Public House in Ash. In the event that the purchase does not proceed, all contributions will be repaid.
- The Chequer Inn Ash Society is registered with the Financial Conduct Authority (FCA). 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.
- You should be aware that as an investor you will not have access to the Financial Ombudsman Service (FOS) or the Financial Services Compensation Scheme (FSCS).
- The rules of the Society include a statutory asset lock. This means that if the Society is wound up or dissolved its assets can only be used to pay creditors and repay shareholders the nominal value of their shares, and any remaining surplus has to be used for the benefit of the community. This effectively means that the shares will not increase in value.

## DATA PROTECTION

The Society adheres to the principles of the Data Protection Act, even though it is exempt from registration with the Information Commissioner as a not-for-profit organisation, and will use and process personal data only for the purposes of the Society.

We will keep your personal information secure and up to date, and will:

- only use it for the purposes for which it was gathered
- not keep it longer than necessary

Personal data will be used solely for the purpose of maintaining a register of members and potential members as required by the rules of the Society, and for communicating with members. We will not share any members' personal information (names, addresses, phone numbers, etc.) with third parties.

Members' financial information, such as amounts invested, share classes purchased, and interest paid will be treated as strictly confidential, and will not be shared even within the Management Committee except as necessary for managing the Society (e.g. when making decisions about whether withdrawal requests can be funded)



### Accuracy of information

The Society and its Management Committee accepts responsibility for the information contained in this document. We have taken all reasonable care to ensure that the information contained in this document is in accordance with the facts and contains no omission likely to affect its substance.