

A CALL TO ARMS

CLEEVE PRIOR COMMUNITY PUB LIMITED

COMMUNITY SHARE OFFER

A unique opportunity to be part of history and save the 16th C Kings Arms pub as a thriving hub of the community.



Closing date: 30th June 2024

Cleeve Prior Community Pub Limited 31st a Community Benefit Society registered with the Financial Conduct Authority (Registration number 9205) under the Cooperative and Community Benefits Society Act 2014.

Registered Office: 6, The Green, Cleeve Prior, Evesham, WR11 8LE



Community
Shares

STANDARD

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Community Shares Standard Mark

The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice. These standards ensure that:

- The offer document and application form are easy to understand.
- You are provided with all the facts you need to make an informed decision.
- The facts are supported by the annual accounts and/or business plan for the society.
- Nothing in the documents is purposefully incorrect, confusing or misleading.

Societies are asked to sign a Code of Practice requiring them, among other things, to give the public a right of complaint to the Community Shares Unit. We are pleased to confirm that this share offer has been awarded the Community Shares Standard Mark.

For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to: <https://www.uk.coop/support-your-co-op/community-shares>

Note to potential investors: *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 financial advice.*



1. Why should I invest in this Share Offer?

For over 500 years, since Henry VIII was on the throne, the Kings Arms in Cleeve Prior has welcomed residents, visitors, and travellers for a pint of good ale, or a glass of wine, a good quality, wholesome meal, and convivial company. Constructed from iconic Blue Lias stone, the pub is a much loved, Grade II Listed building which sits within the village conservation area.

This vital community asset is now facing an uncertain future, having been closed for over six months.

Supported by your investment through this share offer, grants, and loans, the CPCP Ltd, Community Benefit Society will purchase the freehold, renovate the building, and hire the professional staff necessary to manage the pub on a non-profit basis for the benefit of the community. Our governance rules include an asset lock which ensures that no individual or organization will benefit from this project, with all profits being reinvested in the Society or community.

As a community-owned asset, freed from the financial burdens of punitive rents, we can not only save the Kings Arms but develop this into a thriving social hub, offering an enhanced range of services fully aligned to your needs.

This is a UNIQUE opportunity to be a part of this vital asset and hub of the community it serves, not just for now, but for generations to come!

SAVE The Kings Arms – Your pub needs YOU!



2. Key Objectives

- To secure the long-term future of the Kings Arms as a pub and community hub to prevent any future owners seeking to change the use of the property.
- To raise sufficient funds to allow the recently formed, Community Benefit Society (CBS), the Cleeve Prior Community Pub Limited (herein referred to as CPCP Ltd) to buy the freehold, and renovate the Kings Arms Cleeve Prior, prior to appointing an experienced manager/chef individual or couple to manage the business for the benefit of the community.
- To develop the Kings Arms as a welcoming, atmospheric pub providing excellent real ales and good honest pub grub at competitive prices and a village hub which provides additional facilities and services that bring the community together and improve the sense of belonging and well-being, pride in place, while reducing isolation and rural loneliness.
- To underpin the future viability and desirability of Cleeve Prior village and primary school while protecting property values for residents.

2a. Details of this Share Offer

Targets	Sum	Remarks
Minimum	£175,0000	Minimum viable for project to proceed
Optimum (used in financial planning)	£200,000	Sum needed to meet funding target after grant awards and other donations
Maximum	£300,000	If reached share offer will be closed

- The balance of the capital necessary to buy, refurbish and open the pub will be raised through grants, donations, and commercial loans.
- Individual shares are priced at £50.00. A minimum of 4 shares are required to become a full voting member of the Society.
- The maximum value of shares that can be held by an individual is £30,000.
- Failure to meet the minimum target would prevent a purchase offer being made as the cost of servicing the necessary loans would be too great for the business to sustain.
- The launch date is 27th April 2024
- The **closing date of the Share Offer is 30th June 2024** (if the minimum target is not met then this can be extended to 31st July)

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This Community Share Offer has been independently assessed and accredited with the Community Shares Standard Mark.

2b. Summary of Project Costs and Sources of Funds

In addition to the £200,000 that represents the target from this share offer the following other sources of funds have been identified and have already been secured or are being pursued.

Category	Status	Amount £	Purpose
Community Share Offer – optimum Capital target	Launch date 27 th April 2024	£200,000	Purchase of freehold (part), Refurbishment costs (part)
Wychavon District Council UK Shared Prosperity Fund	Awarded	£50,000	Refurbishment costs (part)
COF Grant Capital Costs	Application submitted, at final assessment	£250,000	Purchase of freehold
COF Grant Revenue Funding (applied for)	Application submitted, at final assessment	£50,000	Start-Up Costs, working capital
Cleeve Prior Parish Council Grant	Received	£1,000	Initial project costs and contingency items
Worcestershire County Council	Received	£500	Initial project costs and contingency items
Crowdfunder page donations	Now closed	£2626	Initial project costs and contingency items
Other donations	Received	£2974	Initial project costs and contingency items
Total		£557,100	

NB: We will obtain short term commercial loan of approximately £75,000 to cover the VAT payable on the purchase price of the pub. We will reclaim the VAT after the first 3 months' trading when we repay this loan.

2c. Financial Headlines - Years 1 – 5 (£)

	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	262,054	276,467	291,673	307,715	324,639
Cost of Goods	91,719	96,763	102,085	107,700	113,624
Gross Margin	170,335	179,704	189,587	200,015	211,015
Operating Costs	157,840	164,293	171,716	181,616	193,087
Operating Profit EBITDA	12,495	15,410	17,871	18,398	17,929
Closing cash	44,332	61,703	81,642	94,222	106,452
Net Assets	202,223	204,743	209,255	206,195	202,754

3. The Kings Arms and Cleeve Prior

There's been a pub in Cleeve Prior since 1542. Situated in a prominent position on Main Street, The Kings Arms is a beautiful, Grade II listed, stone-built building consisting of a welcoming, character bar and restaurant area with inglenook fireplace, and a recently installed commercial kitchen, with three-bedroomed private accommodation on the first floor. Externally, there is parking and a garden area with views across adjoining farmland. A large stone barn was recently given planning permission for conversion into holiday lettings. It is the only pub in the village and has been designated as an Asset of Community Value.



Cleeve Prior is a picturesque village of 249 dwellings and over 550 inhabitants situated in the Vale of Evesham, 5 miles from Evesham and 10 miles west of Stratford upon Avon. Many of the local houses are built with the local Blue Lias stone which can be seen in the photograph of the pub.

In addition, neighbouring farms, and village communities such as Marcliff, Bickmarsh and the Littletons expand the immediate catchment area for the business.

The village boasts St Andrew's, a beautiful listed, 12th century church, a school, village hall and several businesses including horse training stables, and plant nurseries. The centre of the village is a designated conservation area and there is a well-established network of attractive, well sign-posted public paths including the Green Link route, River Avon walks and bridleways, which attract many walkers and cyclists. Planning permission for 100+ new dwellings is being sought for land on the SW edge of the village significantly increasing the future number of potential pub-users.

Prior to the Covid 19 pandemic and recent well-documented rise in energy and other costs, the Kings Arms traded successfully, offering excellent meals and occasional special events such as quiz nights, live music, and special theme nights.

It also provided a meeting and functions hub for the various clubs and societies within the village, such as the bellringers, CP Ramblers, book club, Heritage Trust, OAP luncheon club, and Golf Society.

We will build on this reputation by expanding the range of facilities and services we offer based upon close consultation with residents and regular pub-users. Our goal is to make the Kings Arms, “more than a pub”, rather, the thriving, vibrant hub of the community as well as attracting visitors from wider afield.

4. Current Situation

Since September 2023 the Kings Arms has been on the market following the brief, unsuccessful previous tenant vacating the premises. It is not known what plans any future purchaser may have for the building and site. To assess the opinion of the village, a public meeting attended by 60+ concerned residents was held on 11th October 2023. It was unanimously agreed that a steering group be established to save the pub as a long-term vital asset to the community. Since then, a Community Benefit Society (called Cleeve Prior Community Pub Limited) has been established and registered with the Financial Conduct Authority (registration number 9205). A comprehensive community survey of 280+ households in Cleeve Prior, surrounding farms, Marlcliff and Bickmarsh was undertaken in October/November. The results have been used to better understand what services the community needs from the enhanced Kings Arms Pub and hub, and to validate this detailed, robust business case confirming the viability of the business.

Headlines from the survey include:

- 84% of respondents agreed that maintaining the village pub was very important.
- 11% said it was important.
- 52% indicated their interest in buying shares in the Community Share Offer.
- 22% said they would make donations.
- 36% would volunteer in running the pub.
- 74% preferred “good honest pub grub”
- 70% would support special food theme nights eg curry nights.

In addition, detailed property surveys were carried out by qualified professionals and advice sought from many sources such as the Plunkett Foundation and existing successful community pubs in the region.

An Open Day was held on 10th February 2024 when our MP, district councillors and members of CAMRA plus over 100 supporters from the village and further afield attended. Progress reports were provided by the CPCP Ltd management team and initial plans for the refurbishment of the main pub building shared, while first ideas for the future development of the barn were canvassed.

Our [website](#) has been set up and a Crowdfunder page established [here](#).

An independent valuation of the premises and business has been commissioned from Thomas E. Teague, specialist licensed property valuers with over 100 years' experience, which has been used to underpin our financial planning and support various grant applications.

Letters of support for our project have been received from our MP, Nigel Huddleston and our district councillor, Hannah Robson.

We have made applications for grants from the UK Levelling-Up Community Ownership Fund and the Architectural Heritage Fund.

Ending 31st March 2025

5. Benefits to the Community

“Half a million older people go at least 5 or 6 days a week without seeing or speaking to anyone at all” – ONS 2010

“Age UK predict that the number of people aged 50 years and above experiencing loneliness will reach 2,000,000 by 2025” All the Lonely People – Age UK 2018

“Wychavon District is second only to Worcester City in the number of referrals to Reconnecting Services for over 50’s.” Melissa MacDonald: Tackling Loneliness – House of Commons library.

By being established as a community owned pub, the Kings Arms would remain safe from future sale and redevelopment for as long as the community wants that to be the case. As it will be run with the needs of the local community in mind it is more likely to have local support and therefore be successful in the longer term.

This represents a fantastic opportunity for Cleeve Prior and nearby villages to strengthen the vibrancy, social cohesiveness, sense of belonging and sustainability of our community by investing in history and safeguarding the future of this historic pub.

This purchase would have many benefits, including:

- Maintaining a place to meet friends and neighbours.
- Providing a hub to strengthen the sense of community, inclusiveness and belonging within the community.
- Reducing isolation and loneliness in this rural population with a far higher-than-average percentage of residents over 65.
- Securing the future of the pub for the community.
- Protecting a 482-year-old Grade II listed building set at the heart of a conservation area for future generations which is also listed as an Asset of Community Value and adds to the sense of place and local pride.
- Allowing improvements to the premises and amenities including modification of the rear room in the main bar to create a cosy, welcoming café/teashop and community information hub and space. Staffed by volunteers, it is intended that this extra amenity will open outside of normal pub hours, to attract a broader range of customers including those who would not normally class themselves as traditional pub users.

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- Improving life chances of the community by;
 - creating opportunities for direct and indirect employment,
 - providing training opportunities for college students,
 - providing volunteering opportunities for local school children striving towards the Duke of Edinburgh Award.
- Increasing the sense of belonging and inclusivity by providing volunteering opportunities to the local community during the refurbishment and operation of the pub and augmented services.
- Injecting money into the local economy.
- Supporting local producers and tradespeople.
- Providing a hospitality venue for local groups & clubs, passing trade, special events.
- Reducing travel and other carbon footprints by providing local services.
- Improving the viability of the village as a whole and thus helping to sustain the village school.
- Increasing usage of the asset by provision of volunteer-led pick-up and drop-off services for residents (especially the aged) with mobility or transport problems

The Grade II listed barn provides opportunities for future development; however, this will be entirely dependent on raising significant extra funds, community consultation and feasibility studies and obtaining difficult planning permissions. This potential opportunity is outside the scope of the current project.

6. Strategic Plan, Business Model and Finance

A detailed business plan has been produced for your information and is available for you to download from the dedicated [website](#) or a hardcopy can be obtained by emailing [here](#). The business plan has been built using the best knowledge, information and estimates we have, however it will continue to evolve as we gather more information and advice from experts and advisers. It is important that you read the business plan when considering whether to invest in shares.

Key factors contributing to the success of a community run Kings Arms are:

- By purchasing the freehold of the pub, we will have no rent.
- Operating as a Free House we will be able to negotiate supply of interesting ales and drinks from a wide range of suppliers at competitive rates.
- Appointing a professional and experienced manager, who will become part of the community and share in the success of the pub.
- Providing appropriate additional facilities to offer all members of the community a reason to use the pub.
- Acquiring the freehold of the pub through the CPCP Ltd will ensure community buy in, and input to, the future success of the pub.
- Being owned and run by the community will ensure that the services and facilities remain aligned to the needs of the customers with a warm, welcoming atmosphere, good quality pub grub and a range of fairly priced real ales, ciders, lagers and wines.
- Staffing costs will be controlled by the strategic use of volunteer staff working together with the manager and his/her team.

Finding the right manager/chef is key to the success of the pub. We will be looking for an individual or couple who reflect our philosophy and who will be happy to work with members to make the Kings Arms a thriving community pub. It is this relationship between the community and the pub management that will be key to the future success of the venture.

We aim to raise a minimum of **£557,100** from a community share offer together with donations, grants and loans as summarized below:

Summary of Costs (Excluding VAT)

Item	£
Purchase Price	350,000
Start-up costs - searches, Surveys etc	48,050
Refurbishment works	123,000
Working Capital	12,000
Contingency	24,050
Total	557,100

We intend to fund this expenditure as follows:

Sources of Funds

Category	Purpose	£
Community Share Offer – target	Purchase of freehold (part), refurbishment costs (part)	200,000
UKSPF Grant from Wychavon (Awarded)	Refurbishment costs (part)	50,000
COF Grant Capital Costs (at final assessment)	Purchase of freehold	250,000
COF Grant Revenue Funding (final assessment)	Start-Up costs, working capital	50,000
Crowdfunder page	Share offer accreditation / valuations	2,626
Donations	Initial surveys and repair estimates	2,974
Cleeve Prior Parish Council grant	Share offer marketing and printing	1,000
Worcestershire County Council	Plunkett membership, FCA registration	500
Total		557,100

NB:

- We will obtain short term commercial loan of approximately £75,000 specifically to cover the VAT payable on the purchase price of the pub, refurbishment work, and some start-up costs. We will register for VAT and reclaim the VAT after the first 3 months' trading when we will repay this loan.
- Other grants and benefactor loans and donations will be sought. However, although we are reasonably positive about getting funding from these sources, the business plan has excluded these as their success and timing cannot be guaranteed.
- This funding plan is likely to evolve as we move through the share offer process, negotiate to acquire the pub, and as we achieve success with any grant applications.

We have set a funding **target of £200,000** from this Community Share Offer. However, we believe we need to raise a minimum of £175,000 to proceed. If this minimum target for the share offer is not met by the initial closing date, then we would, depending on the shortfall, review

extending the closing date by a further month. If it has not been met at that point, the share offer will be closed, and all funds received from potential investors will be returned (after payment of any outstanding costs or fees) If the share offer exceeds the target and reaches £300,000 before the deadline it will close early.

Our financial planning has been based upon detailed discussions with previous landlords, other community owned pubs of a similar size and located in comparable rural locations e.g. The Fox at Loxley, the New Inn at Norton Lindsey, both in Warwickshire and the Queen Elizabeth at Elmley Castle in Worcestershire. The fundamental assumptions are provided below which underpin a robust yet conservative plan which shows the future viability of the business.

General Financial assumptions

- Gross margins assumed at 65% for both wet and dry sales.
- Initial wet sales based on 200 covers/week @ £12.50 per cover (based on conversations with previous landlords, community survey and independent advisors)
- Initial dry sales based on 120 covers/week @ £25 per cover (based on conversations with previous landlords, community survey and independent advisors)
- Manager/Chef also get the accommodation/living space above the pub rent free.
- Volunteers will be used to supplement paid staff to reduce staffing costs and improve financial viability.
- Interest only short-term commercial loan for £75,000 covering VAT on purchase price of pub, which is claimed back in the first quarter's return.

5-year financial headlines

	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	262,054	276,467	291,673	307,715	324,639
Cost of Goods	91,719	96,763	102,085	107,700	113,624
Gross Margin	170,335	179,704	189,587	200,015	211,015
Operating Costs	157,840	164,293	171,716	181,616	193,087
Operating Profit EBITDA	12,495	15,410	17,871	18,398	17,929
Closing cash	44,332	61,703	81,642	94,222	106,452
Net Assets	202,223	204,743	209,255	206,195	202,754

The financial plan which is based on conservative realistic targets presents a robust viable business with operating profits and a strong cash position. If these objectives are achieved, the Society should be able to fulfil its intentions to pay Members with modest interest rates from Year 4 onwards in lines with the Model Rules of the Society.

For a detailed breakdown see the full business plan Section 9 Financial Planning which is available on our [website](#).

Future development plans

The financial projections presented above and in our business plan do include growth at 1% in year 2 and 2% thereafter above the rate of inflation recognizing the increased revenues generated by the increased number of covers and success of the pub within the community and in attracting more tourists and visitors. It also includes revenues from a volunteer-led cosy, café/tea shop and community meeting space within the main building of the pub which will increase the scope of the business by attracting people not normally considered as typical pub-users.

At this stage, this is not associated with any major redevelopment of the barn as we simply do not have funds available for this major project work. Further feasibility studies and community consultation is required prior to application for additional grant funding from sources such as the Architectural Heritage Fund and the Community Legacy Grant when the many different opportunities for this asset will be considered.

7. Community Share Offer

The minimum share funding level that is required to proceed will be £175,000, with the balance of our funding requirements being met by grants and donations. As described earlier in Section 1, these include £50,000 from the UK Shared Prosperity Fund which has already been awarded for use on refurbishment work, £250,000 capital funding toward purchase of the freehold and £50,000 revenue funding both from the Community Ownership Fund, where we are awaiting the final decision on our resubmitted grant application (expected May 2024). We have also raised almost £7100 in minor grants and donations from individuals and organisations supporting our project.

To become a member of CPCP Ltd, individuals (who must be aged 18 years old) or organisations are invited to invest between £200 and £30,000. The cost of each share is £50 with a minimum holding of 4 shares at a cost of £200 being necessary to achieve membership voting rights. Shares can be bought incrementally.

Every member with more than 4 shares, will have an equal vote in the Society irrespective of their shareholding, following the key Society principle of 'one member, one vote'.

You can choose from two options to apply for and pay for shares:

- Paper or online application form (included at the back of this offer document) and by
- Bank transfer to the Society's solicitors (details included at the end of this offer document.)

It is the intention, subject to sufficient operating profits being available, to pay shareholders an appropriate annual interest to a maximum rate of 4%, paid gross of tax. However, in the first 3 years the business will need to become established, and it is unlikely that interest will be paid for that period. Any interest payable in subsequent years will be at the discretion of the management committee.

The maximum value of shares that will be issued in this offer is £300,000. Once this amount has been reached the steering group reserves the right to close the share offer early.

Funds will only be used to pay for shares if the acquisition proceeds and it is only at this time that the share certificates will be produced.

It is important to note that the value of shares will not increase. The benefits for members are the social benefit of retaining this important community facility and any interest paid annually on their shareholding.

Shares are not transferable (except on death or bankruptcy) and cannot be sold.

The only way to recover the value of the shares purchased is to give three months' notice of withdrawal to the management committee. Shares cannot be withdrawn for the first 3 years after the date of the share issue except in extreme circumstances which will be decided on a case-by-case basis by the management committee. Thereafter, all request for share withdrawals will be approved at the discretion of the management committee, who will prioritise the financial sustainability of the Society. The Society is not forecasting any withdrawals for the first 5 years of trading.

The amount available to be withdrawn by shareholders in any one financial year will be set by the management committee and limited to a maximum percentage (typically 10%) of the total shares in existence (as determined by the management committee from time to time) with withdrawals funded from trading surplus or new share capital. The management committee will have the authority to refuse a withdrawal request if it endangers the business. The full details of share ownership and the terms of withdrawal can be found in our CPCP Ltd rules which are located on our [website](#).

If the Kings Arms is sold at any time in the future, the shareholders will be repaid up to the amount of their initial investment after repayment of any outstanding loans or liabilities. Any surplus will be paid to a charitable or community body which benefits the local community.

As the CPCP Ltd confers limited liability, the most you could lose due to business failure would be the price you have paid for your shares.

8. Legal Model and Governance

The legal model we have chosen for our Society is a Community Benefit Society registered with the Financial Conduct Authority using the Plunkett Foundation's Model Rules for Community Ownership Version 6. A copy of these is available on our website.

The following definitions are taken from the introduction to these rules:-

Name: The Society is called Cleeve Prior Community Pub Limited and it is called “the Society” in these rules.

Registration and Registered Office: The Society is registered under the law as a society for the benefit of the community with the **Financial Conduct Authority**. (Registration number 9205) The Society's registered office is 6, The Green, Cleeve Prior, Evesham. WR11 8LE

Why does the Society exist? The Society exists in order to carry on business for the benefit of the community. This is the Society's Purpose. The Society's Objects shall be: purchasing, renovating and running The Kings Arms public house in Cleeve Prior offering augmented services for the benefit of the community of Cleeve Prior and beyond.

Commitments: The Society is committed to:

- trading for the benefit of the community, and not for anyone's private benefit.
- retaining profits and applying profit to advance the Society's Purpose and Objects in accordance with these rules.

The model gives its members and directors the protection of limited liability. The model provides an “asset lock”, a guarantee that the assets of the Society will be used for the benefit of the community and cannot be disposed of for private profit.

Shares cannot be transferable except on death or bankruptcy. Members may request the return of the amount invested through a withdrawal request to the society. No withdrawal requests may be made in the first three years and thereafter, will be paid at the discretion of the management committee.

The initial management committee will comprise the members of the campaign steering group, who wish to serve, plus up to 4 additional individuals with appropriate skills as co-opted members. No individual can have a personal financial interest in the project beyond their own personal investment in community shares. Any declared loans which will be provided on no less favourable terms than any other private lender or charges made by their businesses which will have to be approved by the management committee and the individual will have to declare their interest in

the business concerned prior to any approval. The management committee will resign at the first AGM which will occur within six months of the end of the financial year. At this time those members of the management committee who wish can put themselves up for re-election. The management committee will keep members updated via newsletters, the [website](#), Facebook, and at the AGM when members will be provided with an annual report and accounts.

Members' rights: Individuals or organisations that have met the requirement of purchasing the minimum number of shares (4 x £50) will have the following rights:-

- As a member of the CPCP Ltd Community Benefit Society, you will be a joint owner of the Kings Arms.
- You will receive regular information about the Society and its business.
- You will have the opportunity to be elected to a representative role on the Management Team and the governance of the Society.
- You have a voice in the running of the Society through attendance, speaking and proposing resolutions at Members' Annual General or Extraordinary General meetings.
- You will have voting rights at AGMs or EGMs on the basis of one member, one vote.

Further information is available in the Society's Model Rules of Governance available on our [website](#).

9. Risk Assessment

Prospective investors should read the whole text of this document and the associated business plan and should be aware that an investment in the Society involves a degree of risk and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial and/or tax adviser.

Property

Property evaluations have been carried out during the feasibility stage of this project and estimated costing received for those necessary immediate essential refurbishment works. These have been built into our financial and business planning. Prior to purchase further complete, professional surveys covering the building structure, timbers and drains will be carried out as part of the due diligence for the property. Those essential issues that are highlighted will be dealt with prior to the re-opening. To be prudent we have included a level of contingency within the plan to allow for these and other matters that may arise.

Revenue stream

Whilst the management committee believes the basis for the financial projections contained in this document to be reasonable there is a risk that the actual revenue stream will be materially different to that projected. However, the business plan includes advice from previous successful landlords and professional trade advisors. The base business case which sees the operation making a small profit is based upon conservative projections. Community surveys conducted just within the local area indicate that some 80% of revenues should come from within the village.

Insufficient monies are raised to finance the proposal

If the required funds are not raised, we would be forced to abandon the process meaning that the owners would be free to sell the property to whoever they wished, including property developers.

10. Summary of key points for potential Investors

- This is a social investment not an investment designed to generate large profits and should be regarded as a long-term social investment in your 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 AGMs.
- All shareholdings of £200 or more will be eligible to receive interest although it is likely that no interest will be paid during the early 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.
- The minimum investment is £200 equivalent to 4 shares at £50 each. The maximum investment is £30,000 per person or organisation.
- You must be aged 18 or over to become a member.
- You cannot sell your shares, except back to the Society.
- 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 partial withdrawal) is to give three months' notice of your request to withdraw to the management committee. You cannot do so for the first three years after the date of this share issue.
- No withdrawals have been forecast during the first 5 years of trading to ensure the business is on a sound footing.
- Individual cases may be considered in extreme circumstances. All withdrawals will be at the discretion of the management committee and must be funded out of either trading surpluses or new share capital.
- After Year 5, 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 held in a separate account until the purchase is completed and thereafter will be used only for the purpose of acquiring and refurbishing the Kings Arms. If the purchase does not proceed, all contributions will be repaid less any expenses that may have been incurred.
- 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 financial advice.

11. Frequently asked questions

How can I find out more about the project?

You can find the Rules for our Society or download a copy of the full business plan from our [website](#). Any member of the steering group will also be happy to answer any questions you may have.

Why should I buy community shares?

Your investment is vital in helping us purchase the Kings Arms, Cleeve Prior and preserve this vital amenity for the benefit of the community and the positive social impact this brings. Without sufficient investment from the community, we will be unable to purchase the freehold of the premises and establish a trading business. The more money we can raise from the community the less reliant we are on grants and commercial loans.

Who will benefit from this project?

The residents of Cleeve Prior and the surrounding village communities will benefit directly by preserving this vital village pub. Life chances of younger people within the village and surrounding area will be improved because of the training and volunteering opportunities the pub will offer. By making an investment you will be ensuring that the Kings Arms re-establishes itself as the hub of the village, helping to provide essential services and building a vibrant community facility which can be enjoyed by both current and future generations while at the same time strengthens the local economy.

Is this a good business proposition?

We expect and will require the business to be a profitable venture. We have carefully evaluated its strengths and weaknesses and our projections show we can establish it as a successful business. It is well proven that communities that work together to set up such an enterprise will support it in the future. In fact, there have been over 175 established community owned pubs set up since the first was established some 20 years ago. We do not know of any that has subsequently gone out of business. You can download a copy of the full business plan from the [website](#).

Will you be paying a fair price for The Kings Arms?

You can be assured that we will negotiate to achieve the lowest possible price and one that takes into consideration, the independent valuation provided by Thomas E. Teague, the current market conditions and the assumptions in our business plan.

Are there any tangible indirect benefits of this Share Offer being successful?

A thriving pub at the heart of the village is, together with the church, village hall and primary school, vital to the ongoing sustainability and desirability of the village.

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

The steering group consists of a group of residents who care passionately about saving the Kings Arms from potential residential development and ensuring its position as the community hub of Cleeve Prior. They have voluntarily contributed a large amount of time to the project. They will have no personal financial interest in the project above and beyond their own investment in community shares or charges made by their businesses which will have to be approved by the steering group and the individual will have to declare their interest in the business concerned prior to any approval. Their personal profiles are outlined below.

What advice has the Steering Group taken on running a community pub?

The steering group has taken advice and received support from multiple sources including Plunkett Foundation, professional advisers from the licensing trade, other community pubs, CAMRA and of course the community itself.

Who will run the Kings Arms and make the day-to-day decisions about the business?

We intend to recruit a professional manager/chef to run the day-to-day business of the pub. This is the most important position, and the successful candidate(s) must share the ethos of the Society in their objective to provide a thriving community hub as well as a warm, welcoming English village pub selling competitively priced, good beer and “honest pub grub”. The management committee will oversee the performance of the business and ensure it meets the targets set down in the business plan.

Who are the Management Committee?

Only members (i.e. shareholders in CPCP Ltd) may be elected to serve on the management committee. Members of the management committee elected by the members shall hold office (unless vacated beforehand) for a maximum of 3 years. The management committee is elected each year by and from the Members at the AGM.

The initial management committee will comprise the members of the campaign steering group plus three additional individuals with appropriate skills to be appointed as soon as the pub purchase has been completed. All members of the initial management committee will retire at the first AGM in accordance with the Society's rules (but may offer themselves for re-election). Thereafter, members of the management committee will retire in a phased way over the following three years in accordance with the rules of the Society.

How do I buy shares?

You can choose one of two options to purchase shares:

- Paper application form with payment by BACS or cheque
- Online application form with payment by BACS or cheque

The share application form plus details of payment can be found on our [website](#) or at the end of this document.

Funds will only be drawn down (or cheques banked) if the acquisition proceeds and it is only at this time that share certificates will be produced. It is important that funds are not drawn down or banked in advance as the rules of the Society prevent share withdrawal for the first 3 years.

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

If you have already made a pledge to invest, we will need to convert your pledge into community shares under the terms of this share offer. The application form can be found within this offer.

Why is the minimum investment £200?

A relatively low minimum investment level of £200 was set to give as many individuals as possible the opportunity to invest whilst being high enough to limit the ongoing member administration workload for the Society.

Do my shares give me voting rights?

Yes, this is a democratic structure based on one member one vote, regardless of the size of your investment / number of shares that you own.

How do I get my money back?

You will not be able to withdraw your money during the first three years. After that, you will need to give at least three months' notice. You cannot sell or transfer your shares, and withdrawals must be funded from surpluses or new capital raised from members. The management committee may suspend withdrawals depending on the long-term interests of the Society, the need to maintain adequate reserves, and the commitment to the community.

Can I transfer my shares to someone else?

Only when you die when they become part of your estate, or if you become bankrupt.

Will I get my investment back if the Kings Arms fails?

All the business' assets, including the freehold of the building, would be sold and the proceeds of the sale (after repaying any loans and costs) divided between the shareholders up to the value of their shares. You might receive the full value of your share back or you might receive less than this, however it is important to note that this share offer is backed by the value of the Kings Arms buildings and site.

What is my liability should I invest?

Your liability will never exceed the value of your shares.

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

The share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations, which means there is no right of complaint to the Financial Ombudsman, nor can you apply to the FSCS.

Will I receive interest on my shares?

We aim to pay interest on the shares, but this will be subject to the provisions and limits specified within the society's rules and will reflect the performance of the business. However, during the early years of community ownership, we believe it is not prudent to commit to making an interest payment. Interest will be paid gross, and it is each member's responsibility to declare such income to HMRC if appropriate.

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

12. Cleeve Prior Community Pub Ltd Management Team

Brian Williams: (Chair)

Occupation: Retired

I retired in June 2019, after 40 years working in senior sales, technical marketing and general management positions in multi-national companies, operating within the construction chemicals business. I hold an honours degree in Chemistry from Durham and an MBA from Warwick University Business School.

Having worked for 25 years overseas, my wife Sally and I bought our property in Cleeve Prior in 2009 as our future final post-retirement home, when one of the key reasons was the proximity of the local pub! I believe passionately that the “local” is an essential cog at the very heart of the community and would hate to see its demise.

Gareth Williams (Vice-Chair, Estates and Property)

Occupation: Company Director.

With an honours degree in Urban Estate Management and a higher national diploma in Land Economics, I have worked in the property industry since 1989, starting at International Property Consultants King Sturge, where I worked for 16 years, rising to the position of salaried partner, and Managing Director of King Sturge, Prague.

Since then, I have been an executive director at two large property development companies, Opus Land and St Francis Group. In 2023 I established a new property development business, Erdgard Development Limited with a business partner, focusing on industrial warehouse and logistics development.

I moved to Cleeve Prior with my family in 2006. My children attended Cleeve Prior First School, and recently both have worked at the Kings Arms pub. I am passionate about the wider community, have coached local junior sports teams for over 12 years and believe that the Kings Arms is integral to the identity and sustainability of village life. As such I am fully committed to the establishment of a viable business proposition to safeguard it for the people of Cleeve Prior, the wider area and for future generations.

Jonathan Marshall (Treasurer and Company Secretary)

Occupation: Company Director

I am a technical director, focused on digital technology for a global consultancy delivering sustainable design, engineering and consultancy services for natural and built assets. I am a governor at the village school, having spent 4 of the last 5 years as chair. I previously spent 8 years as the treasurer for a membership organisation with a turnover of £725k pa. The Kings Arms is a key part of the village fabric, like the school, field barn, church, and village hall – to lose one of these would diminish the place we live and the community we have. I'm excited about the ability to ensure the Kings Arms is not just saved for the future, but by being community owned enables it to thrive and be responsive to the changing needs of the village.

Ron Solomon (Administrative Secretary)

Occupation: Retired

I finally retired in 2018 after graduating in History from Oxford University and then having worked in the city of London for over 40 years specialising in investment trusts.

What attracted my late wife and me to Cleeve Prior when we bought our house here in 2007, was the fact that the pub, together with the church and the school, was an integral part of the village community. The Kings Arms has survived for over four centuries by responding to the changing needs of the village and should now be enabled to do so again by becoming a community owned and managed social hub to best serve the needs of the current generation.

Sarah Gallucci (Steering Group Member / Marketing and PR)

I have over 20 years' experience in marketing communications and have worked for agencies and in local government. I began my career in tourism working as marketing manager for a leading french hotel before joining travel operating company Intasun. I returned to the UK to work at a design agency where I led the real estate sector and worked with clients such as Savills and Strutt & Parker on their brochures and support material. After this I worked with leading data business Experian as marketing manager before a shift into local government, spending 4 years as corporate affairs manager for Essex County Council and the Healthcare Trust and 3 years as youth arts coordinator for Castle Point Borough Council creating a range of events to engage youth of all ages. After a 10-year break to raise my family, I spent 3 years as director of London based marketing and advertising consultancy You Don't Say, before becoming an art gallery consultant at Piece Gallery in Leigh On Sea, Essex.

Kevin Mellor (Steering Group Member / Finance)

Occupation: Retired

I was fortunate to be able to take early retirement after 41 years in a globally recognized, iconic brand within the motor industry. During this time, I worked in senior roles within finance, sales and operational functions. Since retirement I have worked for several local charities including the Hedgehog Bus, Voluntary Action for Stratford upon Avon, and the Cleeve Prior Heritage Trust (of which I am a Trustee). We moved into the village in 1996, with the Kings Arms being one of the major attractions. I am currently serving my second term on the Parish Council, and I strongly believe that we must secure the future of this vital social amenity for the future viability of the village as a whole.

Gary Vale (Steering Group Member / Website and Facebook page)

Occupation: Managing Director

I am currently the MD of a national furniture wholesaler which specialises in the supply of furniture to the hospitality, leisure, and licensed industries, having held the position for the last 25 years and prior to that as an interior designer. I am involved with many local and national chains of pubs along with working alongside Lumina Intelligence providing industry insight into the new and future trends within the hospitality industry.

Moving to Cleeve Prior in 2006 with my wife and 2 sons, the Kings Arms has always been a central, social hub for many different groups within the community and we have seen what has, and hasn't, worked over the years with the various landlords. One thing for sure, is that the village pub is a vital part of the community, and this is a great opportunity to secure a long, stable and exciting future for the Kings Arms not only as a pub but also as a village hub for other various ventures.

13. How to buy Shares

To become a member of CPCP Ltd and invest in our venture, you need to complete this application form and send it to the address below, accompanied either with a cheque made payable to:

Cleeve Prior Community Pub Limited

or with payment by bank transfer to the following bank account:

Cleeve Prior Community Pub Limited

Sort Code: 08-92-99

Account Number: 67327658

Please make sure you include the reference: Your Name – Share Purchase

Alternatively, complete the online Share Application form available on our [website](#) and send to info@cleevepriorcommunitypub.co.uk

Each individual must complete a separate form.

**Cleeve Prior Community Pub Limited – a Community Benefit Society
registered with the Financial Conduct Authority (Reg. No: 9205)**

Application for Shares

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Cleeve Prior Community Pub Limited

Account Number: 67327658

Sort Code: 08-92-99

Please make sure you include the reference: “Enter Your Name” - Share Purchase

Each individual must complete a separate form.

Shares are available at £50 with a minimum purchase of 4 shares to attain voting rights. Above this you can buy as many shares as you like, in £50 increments, to a maximum of £30,000.

I am over 18 years of age ☐

Please note: you must be 18 years of age or over to be eligible to become a member.

I wish to purchase shares (.....) at £50 each to the value of £

Payment by bank transfer ☐ or cheque ☐

Name:

Address:

Postcode:

Tel No:

Email:

I request and authorise you to apply the amount paid by me in connection with this application to subscribe for shares in Cleeve Prior Community Pub Limited. I further authorise you upon the allotment of these shares to me to enter my name in the register of members and to send to me a share certificate in respect of shares issued pursuant to this application. I confirm that I have read the share offer document, including the ‘Key Points for Potential Investors’ and Risk Assessment.

Signature:

Date:

By requesting that I become a member of CPCP Ltd, I agree to my details and the number of shares I wish to purchase being held in a database. This information will only be used for the purpose of maintaining a register of members and for posting notices regarding the activities of CPCP Ltd. This information will not be passed to third parties.

If you have any questions, please email info@cleevepriorcommunitypub.co.uk