



Kingstone Community Society Ltd

SHARE OFFER DOCUMENT

OPEN OFFER (Revision dated 31st July 2024)

The Shrewsbury Arms.
“more than a pub”

First issued 1st December 2018

Maximum Shareholding £500,000

Kingstone Community Society Ltd is a community benefit society.
Registered office, 49 The Meadows, Kingstone, ST14 8QE

Financial Conduct Authority.(registration number 7897)
www.kingstonecommunitysociety.co.uk/





About the Kingstone Community Society (KCS)

The Shrewsbury Arms had been a thriving restaurant pub in the past. The previous owners had decided to sell the property for possible development. The local community started a campaign to save the pub and a group of volunteers worked to assess the engagement of the Village and the viability of running a community pub/hub, assisted by advice and guidance from Plunkett UK.

The community of Kingstone rallied round and formed The Kingstone Community Society Limited in 2018 as a Community Benefit Society with the specific purpose to rescue the only pub in the village from demolition/redevelopment, and to then secure the asset as a community asset for present and future generations.

The Society was formed using Models Rules from Plunkett UK. A protective Asset Lock requirement is included within the constitution.

In April 2019 The Society successfully raised the required finances through the issue of shares, loans and grants to purchase and refurbish this closed country pub and convert it into a Community Pub/Hub.

This valuable rural community asset provides a friendly and welcoming space for residents and locals with a place to meet and enjoy time together.

This main purpose of the Society is to provide

- Greater community pride and empowerment,
- Rural employment,
- Reduce Social isolation,
- Improved health and wellbeing

About the Shrewsbury Arms

The Shrewsbury Arms is run under a tenanted model. An experienced team of commercially aware and socially skilled Tenants were appointed for the day-to-day operation of the facilities in September 2019 for a four-year period. That lease has now been extended for a further four years to September 2027. The KCS Management Committee hold regular meetings with the tenants to ensure that both teams are performing as expected.

Why an Open Dated Share Offer?

The original Public Share Offer Document was launched on 01 December 2018. This was then refreshed at regular intervals. As the KCS has passed the Share Moratorium Period, we have moved to an Open Dated Share Offer.

This Open Dated Share Offer remains open, and we continue to invite new and existing shareholders to invest. Despite the pub being purchased and the initial refurbishment being completed there is a schedule of ongoing refurbishments, notably the roof refurbishment in 2024. Whilst a considerable amount of funding has come from a grant from The Department of Levelling Up, Housing and Communities, the Society potentially has to contribute about £37,000 in matched funding. Some of this will be from new shares issued under this Share Offer.

In addition, we intend to build up a contingency of cash from shares. This is to set aside funds should shareholders wish to encash their shares, and we need to have a cash contingency in the bank for unforeseen expenditure.

As well as asking existing shareholders, we are keen to involve those people who are new to the village and to those who did not take up the opportunity at the start of the project, but now wish to be involved.

What is a Community Share Offer?

Community Shares are a new way of raising investment capital which encourages local people to buy shares in the enterprise and become part-owners. As shareholders, they are more likely to do everything they can to ensure the success of the business by becoming loyal customers, volunteers and supporters of the enterprise. Each member, regardless of the value of their shareholding, has only one vote.

Community shares have been used to finance shops, pubs, community buildings, local food schemes, football clubs and even renewable energy initiatives. Most community share offers are made by enterprises registered under the Cooperative and Community Benefit Societies Act 2014. This legal form provides limited liability status, just like large Limited Companies and PLC's. But unlike companies, shares in societies are non-speculative and democratic.

Kingstone Community Society Ltd is a Community Benefit Society and was setup to purchase The Shrewsbury Arms and run it as a community asset. The Society is registered with the FCA (registration number 7897). If you buy shares you will become a member of the Society, with equal voting rights regardless of your shareholding. Your involvement can be as much or as little as you wish. You can vote at Annual General Meetings, stand for election to the Committee, volunteer skills for any refurbishment work - or just give The Shrewsbury Arms and the Community Hub your custom.

What is in it for me?

This is not just about a pub; this is about preserving the history of our village and investing in the future of Kingstone. This community-run asset will be for the good of the village, for us now, and for future generations.

This share offer is a chance to safeguard our local services. In an increasingly isolated world, it is about bringing the community together. This project was never just about saving The Shrewsbury Arms; it is about creating a community asset to be available to all members of the community. Investing in this business is mainly about the social rewards rather than any financial gains - which will always be limited.

During 2019, the Society achieved many of its goals: Refurbished and opened the pub and restaurant, negotiated a 4 year tenancy agreement with tenants who have a well-established and successful track record, rebranded the pub, offered a place to meet for coffee, hold functions and events, support other community societies by advertising on our website, support the Church fete, and provide employment in the local rural community.

More activities are to be delivered in the coming months/year, which address social isolation, greater community pride and empowerment and improved health and wellbeing. Some of these may require initial funding through additional share capital.

Medium and long-term works required.

The Management Committee is committed to identifying and producing a schedule of repair works to ensure the long-term future and security of The Shrewsbury Arms building and site.

The initial refurbishments in 2019 included temporary repairs to the original main roof, which is now in need of replacement and alteration. The main part of the roof is well over 100 years old and the flat roof is of poor construction. Together these are starting to degrade the fabric of the building with patches of damp, mould and water ingress.

Even with the continuing spot fixes when they can be identified, the roof condition will continue to worsen, the damage to underlying structure will accelerate with an end-result of the pub needing to close due to becoming inhospitable.

After taking advice from quantity surveyors, structural engineers and roofing contractors, the only way to fix these issues is to replace and insulate the complete roof. This project formed the submission of a Community Ownership Grant from The Department of Levelling Up, Housing and Communities.

During April 2024 we were successful in obtaining a maximum grant of £179,000 from the Community Ownership Funds toward the cost of roof repair, insulation and dormer window replacements. Under their Rules, this work

needs to be completed within 12 months, and we need to provide £37,000 of matched funds. More information is included in our Business Plan on our website: www.kingstonecommunitysociety.co.uk

The outcome of the refurbishment work will be:

- Replacing the roof so that the community asset is secure for future decades.
- Stop the ingress of water and the increasing damage to the fabric of the community asset.
- Stop the deterioration of the upstairs living accommodation of the building.
- Achieve the EPC rating necessary for The Society to continue to let the community asset to the tenant.
- Improve energy efficiency which will both reduce the carbon footprint of the building and reduce energy bills making the business more financially sustainable.

What guarantees do I have when buying shares?

This is a long-term investment for the benefit of the community. Shares cannot go up in value. Therefore, if you wish to withdraw shares at any point they can only be withdrawn at face value. In the event of having to wind up the Society, should the value of the Society's assets exceed the value of the share capital, the shareholders will still only have their original investment returned. Any excess value would be transferred to another community organisation having similar community benefit aims. This is known as an "asset lock" and is to prevent private gain if the organisation dissolves.

However as the shares are issued by a corporate body, shareholders have no liability beyond the value of the shares they have purchased. When the business is in profit, The Society aims to pay interest on the shares. The interest rate target is set at 2% above the base rate of the Bank of England up to a maximum of 5% per annum. Interest would be paid net and is taxable. Shares are not a loan or a deposit and the payment of interest is not guaranteed.

Tax Relief

HMRC has ruled that Kingstone Community Society is not eligible for any investment tax reliefs, as we operate under a tenancy model.

What are my risks?

You do need to consider the risks of this share offer. In the event that the business fails, it may be placed into liquidation, in which case a liquidator would be appointed to realise the assets and distribute them to creditors.

Effectively, this would mean selling the freehold of The Shrewsbury Arms, on the basis that the pub would be the main asset of The Society, and the creditors would be paid from the proceeds. After the payment of the creditors and the costs of the liquidator, any remaining surplus would be returned to the Members. In these circumstances, you may not recover the full amount of your investment. Your liability as a Member is limited to the value paid for your shares, so you cannot be asked for a contribution to any shortfall.

The issue of withdrawable shares, which are not transferable to anyone else but the Society, exempts this document from the requirements of an approved prospectus for the public issue of Company shares.

Any money you pay for shares is not safeguarded by any depositor protection or dispute resolution scheme. In particular, you will have no right of complaint to the Financial Ombudsman Service nor any access or entitlement to the Financial Services Compensation Scheme.

Can I sell my shares?

Shares cannot be sold or transferred to another person, although investors are invited to nominate a person who will inherit their shares in the event of their death or bankruptcy. Shares can, however be withdrawn after an initial period of three years.

This time period is to ensure that the business is guaranteed an initial period of financial stability. After this time, you may be able to encash your shares with three months' notice. The withdrawal of shares is limited to the liquidity of the business, the need to maintain prudent reserves, and the Society's commitment to community benefit. There is also a total Society annual withdrawal limit amount of £10,000.

How will we use the Share Capital?

This share offer is an opportunity for you to support the continued development and integration of The Shrewsbury Arms with the local community. Share income will be used in accordance with the Rules of the Society and in line with the Business Plan, including the acquisition of the freehold, development and alteration to the premises and to allow for ongoing repairs. The scope of the work undertaken will be dependent on the funds raised.

How is the business managed?

The Society is managed by a Management Committee of up to 12 members. They are accountable to the membership and will report to them via Members Meetings and an Annual General Meeting (AGM).

Currently the Management Committee consists of 10 volunteers who are passionate about securing this community asset. Collectively they offer a wealth of business, financial and community experience. Support from Plunkett UK has also been secured, together with lessons learnt and best practice through liaison with other community benefit societies.

Management Committee

Committee Member	Position/Role	Date Appointed
Alisdair Cumming	Chairman	March 2023
Alison Grocott	Vice Chair	March 2023
Bill Pearson	Treasurer	March 2023
Caron Hall	Secretary	March 2023
John Miller	Asst Treasurer	March 2024
Alex Skittery	Media Coordinator	March 2024
Alan Proctor	Garden Club	March 2024
Linda Stockholm	Walking Group	March 2024
Jean Holbeach	Health and Safety Coordinator	March 2024
Siobain Mathie	Grants Coordinator	March 2024

See the "Meet The team" section on our website: <https://kingstonecommunitysociety.co.uk>

How do I buy shares?

Anyone who is over 18 years of age can invest. You do not have to be from the village or even the local area. Shares are £1 each with a minimum investment of £250 up to a maximum of £25,000. Please fill in the application form at the back of this offer document and follow the instructions.

I would like some more information.

Contact: Bill Pearson on 01889 500367 or Siobain Mathie on 01889 500349. They will be happy to discuss any queries that you may have.

Visit the **About & Images** section at www.kingstonecommunitysociety.co.uk this contains lots of useful documents and links, including the Business Plan, Model Rules, Code of Conduct, and Policies governing the Society.

Here are some useful links if you want some more information:

Our Facebook page: Kingstone Community Society

The Plunkett Foundation: www.plunkett.co.uk

Community Benefit Societies are regulated by the FCA. Details of the Co-operative and Communities Benefit Act 2014 can be found at www.fca.org.uk

CAMRA is working to protect pubs from closure www.camra.org.uk

Pub is the Hub helps pubs to diversify: www.pubisthehub.org.uk

For information about community shares go to www.communityshares.org.uk

Frequently asked questions

As a shareholder, would I be responsible for any Health and Safety issues – ie someone being electrocuted by faulty wiring in our building?

Kingstone Community Society Limited has insurance to cover these risks, but in any case shareholders enjoy limited liability. This means that there can never be any question of you being forced to pay anything more than your initial investment.

Can I make a profit on my investment?

The concept of a community Society does not allow investors to profit from their investment. Subject to our Rules, we intend to pay interest each year on the value of your shares. So if we paid interest at 3%, on £1,000 of shares you would receive £30.

Would a coffee shop be viable? How many people would use it?

Crafty Coffee mornings and the Breakfast Club, whilst initially well supported, latterly became poorly attended. Craft Mornings have been trialled and other menu options and opening times constantly reviewed. Our tenants are happy to serve hot and cold drinks during their opening hours.

What happens if we can't pay for the rates, electricity and other charges?

The tenants are responsible for the running costs of the building.

Will the KCS fundraising cause a reduction in other village organizations income?

Initially, we needed to raise some monies to pay for surveys and legal costs before we could use any funds raised by selling shares. Now that we have purchased the pub and completed the majority of the refurbishment, the need for separate fund raisers will diminish if not disappear altogether. We would also allow clubs and societies to advertise their events on our digital platforms enabling them to reach a larger audience. The KCS has made donations to village organisations and was a major player in the 2024 Kingstone Festival.

Realistically, what's the chance of us getting a Post Office?

A full Post Office option is not feasible; however the Society is committed to review alternatives.

I'm too old to be getting involved in investments

Our aims for the "Pub is the Hub" initiative is that we want to help and support all ages within the community, and offer investing, social or volunteering opportunities to all.

I have never used the Pub so why should I invest?

Statistics show that house prices can be deflated by as much as 10% by the lack of amenities in a village. Even if this were not the case, the presence of a Pub Hub must make the sale of your property more attractive to more potential purchasers. It is reported that 33% of people considering buying a village property regard a pub within walking distance to be essential.

Not having a pub in the village can seriously damage your wealth. Pubs are closing at an alarming rate, why would a Community Pub be any better?

The first Community Pub was opened in 2004 and there are now over 100 in the UK. To date, none of them have closed. Publicans are keen to take on Community Pubs because the rent is reasonable and unlikely to be hiked up by large percentages. The Pubs are usually free of tie to a brewery allowing the tenant to buy beer from wherever they get the best deal. And there is help from the Community in organizing events such as Quizzes. Our experience so far has proved that Community ownership is a very successful trading model..

Please buy or pledge your support for the purchase of shares today.

Visit www.kingstonecommunitysociety.co.uk for other information including our current Business Plan.

Application for Membership of the Kingstone Community Society Ltd

For use by individual applicants. Shares cost £1 each, minimum 250; maximum 25,000. Applicants must be 18 or over. I wish to apply for membership of the Kingstone Community Society Ltd and would like to purchase the following shares:

Number of £1 shares	Value of Shares £
Name:	Mobile no:
Address:	
	Home no:
	E-Mail:
Post code:	

Agreement

1. I have read the Share Offer Document, including risk factors.
2. I wish to become a member of Kingstone Community Society Ltd
3. I agree to be bound by the Terms and Conditions included in the Share Offer Document and the Rules of the Kingstone Community Society Ltd.
4. I understand that the Management Committee of Kingstone Community Society Ltd may reject my application and are not obliged to tell me why it has been rejected.
5. I consent to receiving formal notices by email and links to formal documents on Kingstone Community Society's website.

Data protection and money laundering

The data provided by you on this form will be stored within a computerised database. This data will be used only for Kingstone Community Society Ltd to maintain a register of members and potential members as required by the rules of the Society and will not be disclosed to any third party. It is a condition of the offer that to ensure compliance with the Money Laundering Regulations 2003, Kingstone Community Society Limited may at its' absolute discretion require verification of identity of any person seeking to invest.

Signature:	Date:
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Method of payment:

Please include a cheque made payable to **Kingstone Community Society Ltd.**

Or payment can be made via bank transfer directly to our bank:

Sort code 30-98-97 Account number 50766162

Please send your completed application form:

Kingstone Community Society Ltd

c/o Bill Pearson

49 The Meadows,

Kingstone, Uttoxeter.

ST14 8QE

Our Supporters



Funded by UK Government



Website: www.kingstonecommunitysociety.co.uk
email: kingstonecommunitysociety@gmail.com



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.

For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to: www.communityshares.org.uk