



## OPEN SHARE OFFER

### AN INFORMATION PACK AND APPLICATION FORM

Investing in community shares is a simple, direct and engaging way of supporting businesses that serve your community and, since 2012, £200 million has been raised by more than 126,000 people. By transforming community facilities, funding new football clubs, restoring heritage buildings, financing renewable energy schemes, and saving local shops and pubs like The Plough in Longparish, this has helped to build stronger, more vibrant and independent communities.

Thanks to the immense support and hard work from the community, we are very proud that we were able to rescue The Plough from the hands of a property developer, reopening its doors as a Community Pub and Hub in September 2021.



To help finance the project, hundreds of supporters, both in Longparish and further afield, bought shares as part of our initial Community Share Offer in 2020 and we then launched a second time-limited Share Offer in 2022.

To support The Plough's long-term sustainability and ensure it can go from strength to strength, community shares are now available to purchase at any time as part of our Open Share Offer so, if you are interested in supporting us, please read on!

*Please note that due care has been taken in preparing this Information Pack which has been approved by the Management Committee who vouch that the information it contains is true and complete to the best of their knowledge and belief. If you are considering buying shares, it is important you read this document carefully and consider seeking independent financial or legal advice before deciding to invest.*

*Longparish Community Pub Limited (LCPL) is a Community Benefit Society, registered under the Co-operative and Community Benefit Societies Act 2014. Its registration number is 7951, approved by the Financial Conduct Authority on 20<sup>th</sup> December 2018.*

## ABOUT THIS DOCUMENT

We would like to invite you to buy shares in Longparish Community Pub Limited (LCPL) and, by doing so, become part owner of The Plough in Longparish, a highly valued village asset and an exciting community business venture.

The purpose of this document is to inform you about the process, the benefits and the risks, and to answer some frequently asked questions. More detailed information is available on our website – [www.ploughahead.co.uk](http://www.ploughahead.co.uk) – including legal documents, previous share offers with financial forecasts, the Society's rules, the Management Committee members and more. We recommend you read this in conjunction with this Information Pack.

This document includes:

1. THE STORY SO FAR
2. HOW WE ARE ORGANISED - LONGPARISH COMMUNITY PUB LIMITED (LCPL)
3. THE SHARE OFFER AT A GLANCE
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With our thanks to our wonderful supporters for their help, advice and funding

Supported by



## 1. THE STORY SO FAR

In brief, The Plough dates back to 1721 but, in 2017, it was very sadly sold by its owner to a property developer on the basis that it was deemed unviable as a pub. The new owner applied to turn it into a residential development but, following significant local objection, this was refused by the local planning authority, a decision that was then upheld on appeal.

The local community believed that, in fact, The Plough could thrive again as a vibrant and valued community asset and, thanks to an army of volunteers, we were incredibly proud to reopen The Plough in September 2021 as a community pub and hub in the heart of the village and owned by the village.

The purchase of The Plough was partly funded by a loan taken out by Longparish Parish Council with the balance coming from a premium paid by LCPL in return for a 99 year lease. The amount of the premium and the renovation and refurbishment was funded by two Community Share Offers supported by hundreds of supporters from Longparish and further afield, as well as grants and donations. The Plunkett Foundation, in particular, has been instrumental in enabling the success of the project.



More detailed background information is available on [www.ploughahead.co.uk](http://www.ploughahead.co.uk).

## 2. HOW WE ARE ORGANISED - LONGPARISH COMMUNITY PUB LIMITED (LCPL)

Longparish Community Pub Limited (LCPL) is a registered Community Benefit Society (CBS) under the Co-operative and Community Benefit Societies Act 2014. Its purpose is to enable residents and supporters to secure and safeguard the future of The Plough in Longparish and promote it as an important community asset. More information on Community Benefit Societies is available on [www.fca.org.uk](http://www.fca.org.uk). Our registration number with the FCA is 7951 and a copy of the registration document can be found on our website – [www.ploughahead.co.uk](http://www.ploughahead.co.uk).

While the building is owned by Longparish Parish Council, LCPL is solely responsible for the day-to-day operation of the pub business and maintenance of the property, having taken a 99-year lease on the property from the Parish Council.

LCPL has a statutory asset lock; this restricts its ability to use or deal with its assets other than for the benefit of the community. In particular:

- The only payments that can be made to members are to the value of their withdrawable share capital, or interest on withdrawable share capital.
- Any surplus profits must either be reinvested into the business or used for the benefit of the local community.
- Any residual assets of the Society cannot be transferred except to another organisation whose assets are similarly protected.

This means the overall assets of the Society are protected from being cashed in and the Society cannot be demutualised.

LCPL adopted model rules recommended by The Plunkett Foundation. You can obtain a copy of the rules of the Society by downloading them from [www.ploughahead.co.uk](http://www.ploughahead.co.uk), by requesting a copy by email from the secretary at [sec@ploughahead.co.uk](mailto:sec@ploughahead.co.uk), or by asking any member of the Management Committee.

### Limited Liability

The Society is an incorporated entity and the liability of its members is limited to the value of their shareholding. The value of members' community shares will never go up, but the value may go down and there is a risk that members may lose some or all the money they have invested in their community shares.

### Management Structure

The affairs of the Society are managed by a Management Committee in the same way that a board of directors manages the affairs of a limited company.

This Committee is responsible for managing all aspects of the business including appointing and over-seeing the pub manager, monitoring the financial affairs of the Society, ensuring we comply with all applicable regulations and encouraging and enabling full engagement with the community.

The members of the Committee are equally responsible in law for committee actions and decisions. They are collectively responsible and accountable for ensuring the organisation is performing well, is solvent and complies with all its obligations. Members of the Committee are protected by director & officer liability insurance.

An annual report is made available to members. This sets out the key financial statements together with a report of the Society's activities during the previous financial year, including the social impact of the pub on the community and the benefits of keeping the pub in the village. The report also includes any plans for the following year. The rules provide for several other ways in which the membership may hold the Management Committee accountable for the running of the Society, including calling a special members' meeting if required.

Committee members are elected by members from the membership to serve for a period of up to three years. Each year a third of the Committee retires thus making places available for election, ensuring there is opportunity for members to stand for election while also providing continuity. For more information, please see the Society's rules available on [www.ploughahead.co.uk](http://www.ploughahead.co.uk).

### 3. THE SHARE OFFER AT A GLANCE

TYPES OF SHARES	Interest-bearing and withdrawable community shares
POTENTIAL RETURN	Discretionary annual interest payment as the business performance allows, capped at the greater of 5%, or 2% above the base rate of the Bank of England
PRICE PER SHARE	£10
INVESTMENT LIMITS	Minimum £50 per person/institution Maximum £47,500 (see explanation in Section 6 – FAQs)
MEMBERSHIP	Open to anyone 18 years old and over One member one vote, regardless of value held
SHARE OFFER DATES	Ongoing

To buy shares in LCPL, please read this Information Pack carefully, together with the background documents available on [www.ploughahead.co.uk](http://www.ploughahead.co.uk). If you would like to invest, you will then need to complete the share application form at the end of this document and return it to the address provided and make the relevant payment.

### 4. THE DIFFERENCE YOU WILL BE MAKING

By holding a minimum of £50 worth of shares, you will be a member of Longparish Community Pub Limited (LCPL), a Community Benefit Society, which means you can attend Annual Members Meetings (AMMs), be involved in the election of the Management Committee, and stand for election to the Management Committee. Importantly, as a shareholder, you will be:

- Helping to continue the legacy of a pub that's been serving its community for over 300 years
- Preserving this fantastic community asset for generations to come
- Supporting a hub for people to meet, drink, eat, celebrate, commiserate, do business, raise money for good causes, take part in quizzes, and have fun
- Creating jobs for people both directly in the pub and across our local suppliers



### 5. THE RISKS INVOLVED

The Society wants to be fully open and transparent to its potential investors about the risks as well as the benefits of investment in community shares. It is important to understand the following:

- Buying any type of shares involves risk. Community shares can't go up in value but they can go down if the Society is making losses.
- As a member and shareholder of Longparish Community Pub Limited (LCPL) you will have a stake in the Society and The Plough Inn pub. If the Society is unable to meet its debts and other liabilities, you could, in principle, lose some or all your investment held in shares. You should only take these risks with money you can afford to lose. Please seek independent financial advice.
- The Financial Services Compensation Scheme, which applies to bank accounts, does not apply to your investment, which is exempt from regulation and therefore does not require authorisation from the Financial Conduct Authority.
- Your investment in your share account is withdrawable without penalty at the discretion of the Management Committee under the Society's rules. Please note that the rules only permit applications to be made for withdrawal after shares have been held for three years (other than in certain exceptional circumstances such as death or bankruptcy of a member). Acceptance of an application for withdrawal is at the discretion of the Management Committee and is dependent on there being sufficient profits or reserves available or out of the proceeds of a fresh share issue. So, in any particular year, it may not be possible to accept any withdrawal applications, or if there are some funds available it may only be possible to allow some withdrawals. In such a case, withdrawals will be accepted in the order in which they were received and the full amount requested may not be available.
- The Financial Ombudsman Service does not apply to your share account or your relationship with the Society, but any dispute may be the subject of arbitration as set out in the Society's rules.
- Your investment in your share account does not enjoy any capital growth but may receive interest. It is possible that in the event of poor trading performance or unexpected outgoings, the Society would not have enough surplus funds to pay interest to members.
- The real return on your investment will be through a `social dividend` i.e. the preservation of a local asset servicing the community and potentially through a modest interest on your shareholding.
- Any surplus profits arising from the business would be used for the benefit of the community.

## 6. SOME FREQUENTLY ASKED QUESTIONS

### WHAT IS A COMMUNITY SHARE OFFER?

A community share offer provides the opportunity for 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 while both serving and benefitting it. Longparish Community Pub Limited (LCPL) was set up to acquire, operate and revitalise The Plough as a community pub and hub.

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 the AMM, stand for election to the Management Committee, volunteer skills for the development, ongoing maintenance and other activities or just make use of the pub and community hub. We would like to encourage as many members of the community as possible to volunteer their time to make The Plough a truly communal venture.

### WHAT IS A COMMUNITY ASSET?

The Plough was registered as an Asset of Community Value. The community purchased The Plough to protect it for the future and to enable it to become an asset for everyone to enjoy in the long term.

It is only truly a community asset if it can generate a profit that can then be re-invested into activities and assets that benefit the community.

### WHAT'S IN IT FOR ME?

It depends what you want! Maybe you just always fancied owning a bit of an English rural pub? However, this is about much more than that. Whilst there is limited financial reward, this is about helping to sustain a community, it's about investing in the future of the community and ensuring that The Plough, as a hub of the community, is run for the good of everyone. It's about the warm feeling of having really helped the community!

### WHY SHOULD I CARE?

The Plough aims to enhance the quality of life for people within Longparish and further afield by building social contact and, in turn, reducing isolation, especially for older people. Whether meeting friends for a coffee or a pub lunch or going to a quiz night, we want there to be something for everyone.

The 2021 Census showed that a quarter of Longparish's population are over 65 which is well above the national average. Protecting The Plough as a community asset will help reduce isolation in

our older population and make the area more desirable and attractive to all ages. (Recent research shows that social isolation in older age has as bad an effect on health as smoking 15 cigarettes a day.)

### **HOW DOES THE SHARE ISSUE WORK AND WHAT GUARANTEES DO I HAVE WHEN BUYING SHARES?**

This is a long-term investment for the benefit of the community. Shares in LCPL will not increase in value. In the event the Society were wound up and the value of the Society's assets were more than the value of the share capital, the shareholders would still only get back their original investment.

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.

If the asset value were lower than the share capital, shareholders would receive back less than their original investment. However, as the shares are issued by a corporate body, shareholders have no liability beyond the value of the shares they buy.

When the business is in profit, the Society aims to pay interest on the shares at a rate to be recommended by the Management Committee and voted on at the AMM. Shareholders will be responsible for declaring this to HMRC if necessary. See [www.gov.uk/apply-tax-free-interest-on-savings](http://www.gov.uk/apply-tax-free-interest-on-savings).

### **CAN I SELL MY SHARES?**

Shares cannot be sold. They can be transferred on death or bankruptcy; otherwise, applications may be made for withdrawal of shares provided they have been held for three years. Three months' written notice is required and the Management Committee has a duty to control withdrawals. If there are insufficient funds or new investors to purchase the shares, withdrawal may be delayed or suspended.

### **HOW DO I BUY SHARES?**

Membership is open to individuals over 18, as well as corporate bodies and associations who support our objectives. Before buying shares, please read this Information Pack carefully, together with further information available on [www.ploughahead.co.uk](http://www.ploughahead.co.uk), then complete the Share Application Form at the end and return to the address provided. You should receive your shareholder documentation within four weeks.

### **DOES COMMUNITY OWNERSHIP WORK?**

There are more than 150 community owned pubs in the UK and, remarkably, they have a 100% success rate. (Source – [www.camra.org.uk](http://www.camra.org.uk).)

### **ARE JOINT APPLICATIONS ALLOWED?**

No, only individuals can apply. If multiple members of a household or family wish to invest, they should each fill out a share application form.

### **CAN I INVEST ON BEHALF OF MY CHILDREN OR GRANDCHILDREN?**

We can only accept applications from people aged 18 or over, but you may nominate a successor to receive your shares in the event of your death.

### **WHAT HAPPENS TO MY SHARES IF I DIE?**

On death your shares will form part of your estate and will be dealt with under the terms of your will. If you complete a Nomination form, the Society may distribute up to £5,000 worth of shares to a nominee outside of probate, but any shares above this will have to be resolved with reference to probate. You may, if you so wish, nominate the Society to receive your shares, or bequeath your shares to the Society in your will.

### **WHAT ARE THE MINIMUM AND MAXIMUM AMOUNTS?**

The minimum that you can invest is £50 (five shares at £10 each), although our plans depend on some investors investing considerably more. We have set the maximum level at £47,500. The maximum amount is based on guidelines that suggest the maximum individual investment should not exceed 10% of the total shareholding.

### **CAN I GET TAX RELIEF ON MY SHARE PURCHASE?**

Unfortunately, the previously available tax incentive schemes have been discontinued and so tax relief can no longer be claimed on your share purchase.

### **CAN I SELL MY SHARES?**

No, these are withdrawable shares, so you have to apply to the Society to withdraw your shares if you no longer want them. The statutory asset lock is also in place to ensure that any increase in business value is only used for community benefit.

### **WHEN CAN I WITHDRAW MY SHARES?**

According to the rules of the Society, shares cannot be withdrawn for at least three years (except in exceptional circumstances such as death or bankruptcy of a member), and then only if the Society has sufficient reserves to permit withdrawal without jeopardising the business. Our expectation is that in practice it will take a number of years to build up adequate reserves, before any repayments could be considered, and so any investment should be considered as being for the long term.

### **WHEN WILL I RECEIVE INTEREST, AND HOW MUCH?**

We will start paying interest when the Society has sufficient surplus funds available, i.e. once we have met our other obligations (such as finance payments

and other overheads) and have built up adequate reserves to ensure we can maintain the property and the continuity of the business.

Interest payments will be determined annually by the Management Committee, which will prioritise long-term profitability over short-term payments to shareholders. Interest will be paid gross and may be taxable. It will be the member's responsibility to declare any such earnings to HMRC if applicable. Please note that our rules limit interest payments to a maximum of 5%, or 2% above the base rate of the Bank of England, whichever is the greater.

#### **CAN A COMPANY APPLY?**

A company may apply to be a member and hold shares in the same way as an individual. The company will be required to provide the name and contact details for a single representative who will be able to vote at meetings on the company's behalf.

#### **WHO SHOULD I SPEAK TO IF I HAVE ANY FURTHER QUESTIONS?**

Email questions to [info@ploughahead.co.uk](mailto:info@ploughahead.co.uk) or contact any member of the Management Committee. You will also find useful information on the Plunkett Foundation's website ([www.plunkett.co.uk](http://www.plunkett.co.uk)) and from the Community Shares Unit ([www.communityshares.org.uk](http://www.communityshares.org.uk)). Additional resources are also available on the LCPL website ([www.ploughahead.co.uk](http://www.ploughahead.co.uk)).

#### **HOW DO I APPLY FOR SHARES?**

To apply for shares please complete the Share Application Form at the end of this document. A copy can also be found on the LCPL website, along with other useful documents. The PDF form may be completed digitally, or printed out blank and completed by hand but, in either case, you will need to print the form and add your signature to the printed copy.

## **7. TERMS AND CONDITIONS**

- a. This is an Open Share Offer. It has no end date though the Management Committee reserves the right to close the Offer.
- b. The minimum shareholding is five shares and each share has a nominal value of £10. The minimum permitted investment is £50.
- c. The maximum individual shareholding under this offer is 4,750 shares with a nominal value of £47,500.
- d. All shares must be paid for in full on application.
- e. All investors will become members of the Society and are entitled to vote on matters affecting the Society.
- f. Members will have one vote regardless of the number of shares they own.
- g. Members must be aged 18 or over.
- h. The Management Committee reserves the right to refuse applications at its absolute discretion.
- i. Shares are not transferable other than in certain exceptional circumstances such as death or bankruptcy of a member, and they cannot be sold, only withdrawn.
- j. After an initial holding period of three years, members may apply to the Society to withdraw their shares. The amount of share withdrawal permitted each year will be dependent on the performance of the business and determined at the sole discretion of the Management Committee, with approval by members at an Annual Members Meeting (AMM). You should therefore view this as a long-term investment and review your finances accordingly.
- k. Withdrawals can only be funded from trading profits 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.
- l. The value of each share cannot increase above its nominal value of £10. You should be aware that the value of shares may be reduced if the value of the Society's assets falls substantially.
- m. A member's liability is limited to the value of their shares.
- n. The Society aims to pay interest on shares when business performance allows us to do so. Our rules allow interest payments up to a maximum rate of 5%, or 2% above the base rate of the Bank of England whichever is the greater. However, this rate may be varied by the Management Committee in place at that time. Any payment of interest would be subject to the financial performance of the Society and at the sole discretion of the Management Committee, with approval by members at an Annual Members Meeting (AMM). Over time, the level of interest paid to members may vary between zero to the maximum allowed in the Society rules.

- o. Longparish Community Pub Limited (LCPL) is registered with the Financial Conduct Authority (FCA), no. 7951. Community shares are primarily to support a social return and not for financial gain. This share offer 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.
- p. ID may be requested from any applicants paying for shares from a non-UK bank.

## **8. DATA CONFIDENTIALITY**

The Society adheres to the principles of the Data Protection Act and General Data Protection Regulation and will use and process personal data only for the purposes of the Society.

We will keep your information secure and up to date and undertake to use it only for the purposes for which it was gathered and keep it no longer than necessary.

Personal data will be used solely for the purpose of maintaining a register of 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 any third parties whatsoever, unless we are required to do so by law.

## **9. APPLICATION FORM**

Before completing the Share Application form, you should:

- Read this Information Pack carefully.
- Read the information available on [www.ploughahead.co.uk](http://www.ploughahead.co.uk).
- Consider whether you need to take financial advice.

If you then decide you would like to apply, please return your completed Share Application Form and a cheque for the full amount (unless paying by bank transfer) to:

**The Secretary**  
**Longparish Community Pub Limited (LCPL)**  
**Broadacre House**  
**Longparish**  
**Hampshire**  
**SP11 6QQ**

Thank you for your interest and support.



# Application to buy shares in Longparish Community Pub Limited, a Community Benefit Society



I would like to buy the following shares (minimum = 5) at £10 for each share:

Number of shares:	<input type="text"/>	Total cost (at £10 each):	£ <input type="text"/>
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Shareholder details: *(Please note joint ownership is not permitted)*

Forenames:	Surname:
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## Address:

House:	Street:
Location:	Town/City:
Postcode:	Email:
Phone:	Mobile:

Please tick the appropriate payment box (please note – by bank transfer is our preferred method):

I have transferred the above sum to:  
 Account name: Longparish Community Pub Ltd  
 Sort code: 30 90 89  
 Account no.: 55105260

*Please add your surname and initials as the reference if you pay by transfer.*

or

I have enclosed a cheque for the above sum with this form, made payable to **Longparish Community Pub Ltd**

Please post or deliver this form to: **The Secretary, Longparish Community Pub Ltd.,  
Broadacre House, Longparish, Hampshire, SP11 6QQ**

Or email it to **secretary@lcpl.org.uk**

Or hand it to **a member of staff at The Plough**

By buying these shares, I agree to all the information being disclosed here to be held on a database in compliance with the General Data Protection Regulations (GDPR). I understand that this information will be used by Longparish Community Pub Ltd only and will not be passed to third parties unless required by law.

## I confirm that:

- I am 18 years or older.
- I accept the rules of the Society (available at [www.ploughahead.co.uk/documents](http://www.ploughahead.co.uk/documents)).
- I understand that my application must be approved by the Committee.
- I support the objects of the Society and I would like to become a member.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**Thank you – see you in The Plough!**