



Second Share Offer

Be part of our ongoing story

Disclaimer: The purpose of this document is to inform and encourage those considering buying shares in Longparish Community Pub Limited (LCPL), and to make them aware of the process, the benefits and the risks. The plan for the completion of the refurbishment of The Plough Inn, Longparish (The Plough) and its community facilities is outlined here. More detailed information is contained in our Business Plan, which should be read in conjunction with this Share Prospectus. We have aimed to avoid too much duplication between the two documents, though there are some elements that we are obliged to include in both.

This document contains forward-looking statements, including forecasts relating to the financial position of the Society. The Management Committee believes that the forecasts reflected in these statements are reasonable but will involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Society, to be materially different from any future results, performance or achievements expressed or implied by those forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in Appendix no 6 of the Business Plan.) Given these uncertainties, prospective investors are cautioned not to place any undue reliance on those forward-looking statements. The forward-looking statements contained in this document are made as at 27th April 2022 and the Society and the Management Committee is not under any obligation to update those forward-looking statements in this document to reflect actual future events or developments.

Before deciding to invest, please consider seeking independent financial or legal advice.

Due care has been taken in preparing this document 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.



Acknowledgments: LCPL is grateful for the help, advice and funding, as well as ongoing support, it has received from The Plunkett Foundation, Locality, Power to Change, LEADER, The Key Fund, Longparish Parish Council, Test Valley Borough Council and Hampshire County Council.



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Our Story

The newly re-vamped Plough has been open since September 2021. It is wonderful to see it thriving again as a much-loved community pub. Huge thanks must go to our 150 or so volunteers, generous shareholders (240 in all) and staff.

Now we are open, getting excellent feedback, and providing employment for more than 20 full and part-time staff. But there's a lot more to do and we still need to spend some more money to allow The Plough to continue as a thriving and profitable destination pub and community hub.

It's extremely encouraging that grant making bodies have shown their confidence in our project by supporting our detailed plans with grants. LEADER, a EU funded scheme for rural communities and Test Valley Borough Council's Community Asset Fund have already pledged valuable contributions. But they can only pledge a proportion of what we need. We have to raise our share too, hence the launch of this Second Community Shares Offer.

We would be delighted if you would join the hundreds of existing shareholders, or, if you are already a member, you could up your investment or buy some shares for a friend or family member.



This prospectus will explain more about our second share offer and how you can take part. Please read it carefully, together with the Business Plan. You can find the share application form enclosed, or download additional copies from our website. We really look forward to welcoming you to The Plough family!

Best wishes,

The LCPL Management Committee

Share Offer Summary

Aims

- We aim to raise at least £145,000 in share capital
- Shares will be sold at £10 each
- Minimum shareholding £50 (5 shares)
- Most shareholders paying income tax would qualify for Social Investment Tax Relief of up to 30% of the amount subscribed.

Objectives

1. Installation of up-rated electricity supply
2. Induction hobs and other kitchen equipment
3. Refurbish the walk-in fridge
4. Provision for electric vehicle charging points
5. Repair of existing tarmac and gravel parking areas
6. Fencing and footpath surfacing
7. Improve store room to free up space for a community room
8. Extension of the car park
9. Paving the terrace around the pub
10. Refurbishment of end store room

The most important projects are firstly, to up-grade the electricity supply to support the kitchen and secondly, to improve the parking. If we don't raise enough to do everything on the list, then the Committee will carefully consider what to do, bearing in mind funds and grants available.

Full details of the proposed works are set out in the Business Plan.

Question	Answer
What shares are they?	Interest-bearing and withdrawable community shares.
What's the potential return?	Discretionary annual interest payment after year 3, capped at the greater of 5%, or 2% above the base rate of the Bank of England.
Price per share?	£10
Individual investment total holding limits?	Minimum £50 and Maximum £47,500
Funding target?	£145,000
Share offer targets?	Minimum £25,000: Maximum £200,000
Membership?	Open to anyone 18 years old and over. One member one vote, regardless of value held.
Share offer dates?	Offer opens 9th May 2022. Offer closes 17th June 2022 (with an option to extend if required).

Our Share Offer

WHAT IS A COMMUNITY SHARE OFFER?

A community share offer provides the opportunity to be part of a truly local enterprise, accountable to the community while both serving and benefitting it.

LCPL was set up as a Community Benefit Society (the Society) to acquire, operate and revitalise the Plough as a community pub and hub.

Your shares 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 Annual Members' Meeting (AMM); stand for election to the Management Committee; volunteer skills to help behind the scenes or just make use of the community hub. We are encouraging as many members of the local community as possible to volunteer their time, now and in the future.

WHAT'S IN IT FOR ME?

It depends on what you want! Maybe you just always fancied owning a bit of an English rural pub?

However, this isn't only about the pub. It is also about helping to sustain a community. There is limited financial reward. This is about investing in the future of the community and ensuring the Plough thrives as a hub of the community and is run for the good of everyone.

It might be daytime social contact, a drink or a meal in the friendly bar and restaurant, a drink in the garden in the summer, coffee and a cake after you've walked the dog or dropped the kids off at school. It offers the warm feeling of belonging and having really helped the community.

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. LCPL's rules include an asset lock, which means that shares in LCPL will not increase in value. If the Society is wound up and, the value of the Society's assets is more than the value of the share capital, the shareholders would only get back their original investment. Any balance will need to be transferred to another community organisation or society that has a similar asset lock.

If the asset value was lower than the share capital, shareholders would receive back less than their original investment.

However, as the shares are issued by a corporate body with limited liability, shareholders will never have to pay anything more above the cost of their shares.

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. Our target is to pay interest of at least 3% from the fourth year of share ownership. Shareholders will be responsible for declaring this to HMRC.

CAN I SELL MY SHARES?

Shares can only be sold back to LCPL after a lock-in of 3 years from issue. This ensures the business has an initial period of financial stability and is an HMRC requirement for Social Investment Tax Relief. Three months written notice of withdrawal 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 may be refused.

Management Structure

Longparish Community Pub Limited is a Community Benefit Society (CBS) registered with the Financial Conduct Authority 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 and promote it as an important community asset. Our registration number with the FCA is 7951, and a copy of the registration document can be found on our website (www.lcpl.org.uk). More information on Community Benefit Societies can be found on the FCA website (www.fca.org.uk).

LCPL (through its Management Committee) is solely responsible for the day to day operation of the pub business, and maintenance of the property.

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.*
- *The 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.

Following advice from the Plunkett Foundation, LCPL adopted the latest version of their model rules at the time of its incorporation,

bringing us in line with all the current legislation for registered societies. You can obtain a copy of the rules of the Society by downloading them from our website, or by requesting a copy by email to the secretary (sec@lcpl.org), or by asking any member of the Management Committee.

MANAGEMENT COMMITTEE RESPONSIBILITIES

The Management Committee is responsible for managing the affairs of the Society in exactly the same way that the board of directors is responsible for managing the affairs of a limited company.

The Committee has overall responsibility for the strategic development of the Plough, its community facilities and its financial management. The day-to-day running of the pub is the responsibility of the General Manager.

The members of the Management 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. The Committee has the benefit of Director & Officer liability insurance.

At each Annual Members' Meeting an annual report will be made available to members. This will set 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 will also include 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.

The Committee

The Management Committee is made up of volunteers who receive no remuneration. Committee Members are elected by the Shareholders for a period of 3 years. Details of the Management Committee are set out in the Society's Business Plan. None have declared any conflicts of interest.

Chairman

Andy Jolliffe

Retired, formerly sales director with a major IT Communications group

“Now The Plough is a community owned venture there is huge potential for it to become so much more than a pub. Having seen other community pubs in operation, I passionately believe this is important for Longparish, both now and for future generations.”

Secretary

Graeme Francis

Corporate Lawyer for over 40 years, Director of family manufacturing business

“We have achieved an enormous amount over the last three years and we now need to complete the vision. I firmly believe that as a pub and community hub, The Plough is, and will continue to be, of great benefit to the village and the surrounding area.”

Vice Chair & Operations Director

David Wright

Retired GP

“The Plough has been a fixture and focal point in the village for most of the 32 years I have lived here, and I am delighted to be involved in the project that is restoring it to its rightful place as a thriving, welcoming pub and community asset. It is wonderful to have it back.”

Treasurer

Jeremy Barber

Retired tax specialist

“It has been great to be part of the team who have brought The Plough back to life. What we have achieved is wonderful. Now we need working capital to help the business to fly. Grants already pledged will be a huge help but we can't do any of the work until we raise our share of the cost. “

Parish Council Representative

Longparish Parish Council owns the freehold of the pub and as such, holds a permanent seat on the Management Committee.

Committee Member

Ailsa Wiggans
HR Consultant

“I have lived in Longparish for just over 5 years and want to see this village asset flourish for the benefit of the whole community.”

Committee Member

Alison Cooper
Writer

“We have all felt a deep sense of satisfaction and pleasure from seeing our lovely pub transformed and re-opened. It is now a thriving community pub at the heart of village life. I want to help ensure it continues to thrive and flourish.”

Committee Member

Christopher Duxbury
Retired Soldier & Corporate Business Manager

“I have been involved since the outset, convinced it could be successful as a community owned pub. I have played a part in the refurbishment and the first year of operation - and continue to support the LCPL's aim for The Plough's long-term future.”

Committee Member

Martin Hulme
Sheet metal Fabrication and manufacturing

“I want to assist as best as I can in helping with some of the decision making that would best suit the Plough, and the community side of the pub, in the future.”

Committee Member

Mark Reynolds
Co-Founder and operations director of Three Cheers Pub Co

“Pubs are the “beating heart” of Britain and provide the community with a place to socialise, drink, eat and come together. The Plough has been reinstated at the heart of our village and it would be fantastic if we were able to raise a little more money to finish what we started”.

Business Plan Summary

This section contains a summary of the more comprehensive information that can be found in the business plan, which contains full details of profit and loss/cash flow and revenue forecasts etc.

Please also refer to filed accounts on our website. As with all forecasts there can be no guarantee of future performance.

LCPL needs to make a profit to flourish, but generating large profits is not the objective of the project. The primary driver is to ensure the long-term health and independence of the Plough as a pub and community hub. The aim is also to encourage social cohesion.

RAISING THE MONEY

As the business plan explains, the total investment required to carry out all the works needed is £220,600. Funding for the works will come from:

- A 'LEADER' grant, which will provide 40% of approved expenditure for some of the works, up to a maximum of £50,800
- A Test Valley Borough Council Community Asset Fund grant for 50% of the cost of repairs to the outbuildings (£17,500)
- Smaller grants and donations already received £6,300
- From other potential grants and donations (including £1,900 from the Parish Council)
- From the community share capital raised from this Share Offer

CONVERSION TO SHARES

All subscription monies received during the share offer will be held in a separate bank account. Once the amount subscribed exceeds the minimum (£25,000), we will start using the funds (by converting subscription monies into shares) to implement the business plan. Shares will be allotted and issued in regular batches. Share certificates will be issued electronically but hard copies are available on request.

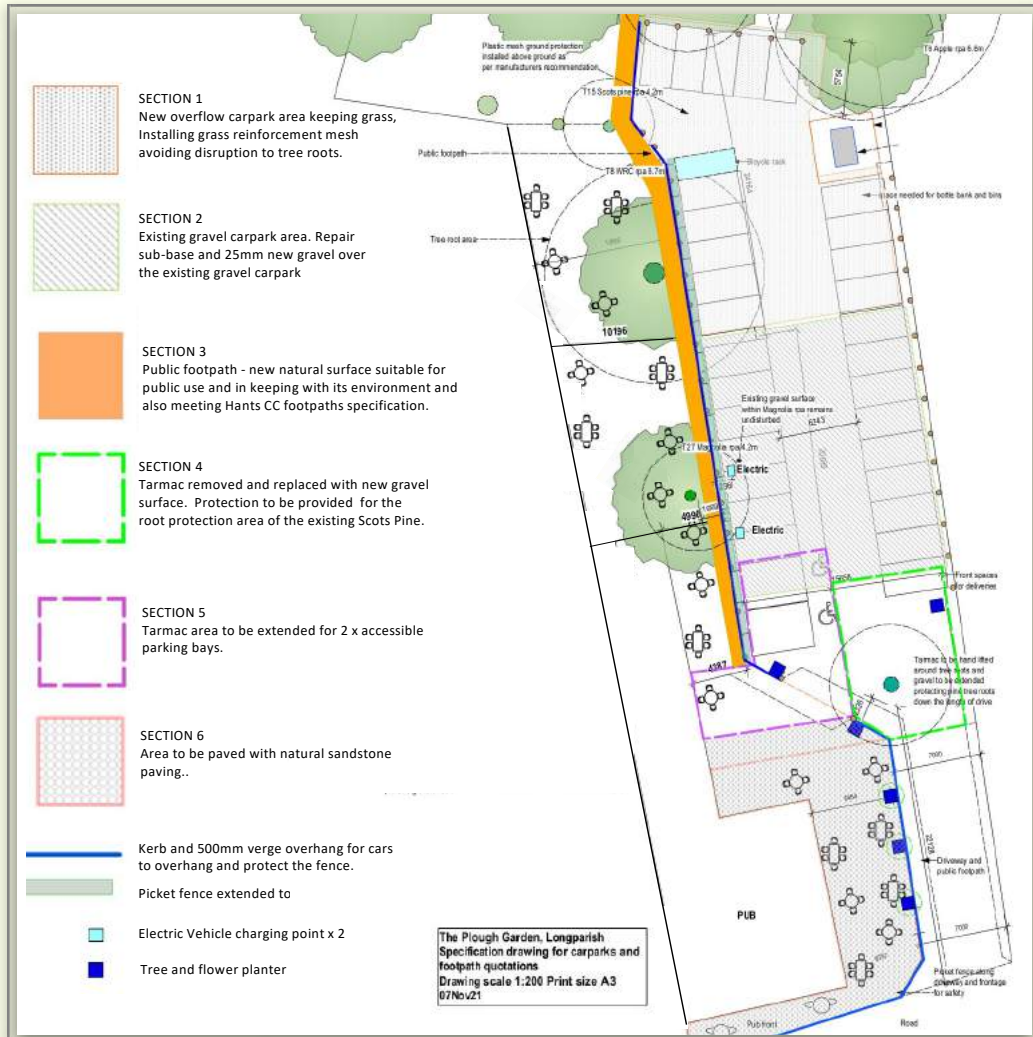
Four year trading profit and loss forecast (£)

Income	Year 1	Year 2	Year 3	Year 4
Wet sales	154,851	208,000	214,240	220,667
Food (dry) sales	198,518	312,000	321,360	331,001
Costs of goods sold	133,627	195,000	200,850	206,876
Gross contribution	219,742	325,000	334,750	344,793
Salaries	137,853	168,800	173,864	175,409
Operating costs - fixed	34,192	43,412	44,714	44,850
Operating costs - variable	26,346	46,744	48,146	49,591
Equipment repairs & renewal		10,000	10,300	10,609
Rent	9,450	9,450	9,450	9,450
Total Costs	207,842	278,406	286,475	289,909
EBITDA (<i>Earnings Before Interest, Taxes, Depreciation, & Amortization</i>)	11,901	46,594	48,275	54,883
Loan repayment	7,143	7,143	7,143	7,143
Loan interest	2,017	2,200	2,200	2,200
Interest on community shares				9,900
Surplus (deficit) before tax	3,336	37,251	38,932	35,641

(Assumes 3% annual growth for income and costs from year 2)

Plan Continued

Proposed Car Park & Garden



Works	LCPL	Grants & Donations	Total
Upgrade electricity supply	11,100	7,400	18,500
River Room chairs	1,400	1,300	2,700
Garden works	2,000		2,000
Kitchen equipment	8,000		8,000
Car park - phase 1	21,000	14,000	35,000
Store room	8,750	8,750	17,500
Car park - phase 2	19,200	12,800	32,000
Footpath	3,900	2,600	6,500
Fencing	6,000	4,000	10,000
Flat roof repairs	5,000		5,000
Walk-in fridge repairs	4,000		4,000
Patio	15,000	10,000	25,000
End building	8,750	8,750	17,500
Chimneys repair		1,900	1,900
Main roof repairs	15,000		15,000
Other works	15,000	5,000	20,000
Totals	144,100	76,500	220,600

FAQs

How do I apply for shares?

To apply for shares please complete the share application form included with this document. Further copies may also be found on the LCPL website, along with the Business Plan. Applications can be printed, but must include an original signature.

Before completing the application form, you should:

- Read this Share Prospectus carefully.
- Read the Business Plan.
- Consider whether you need to take financial advice.

Please return the completed share application form to Secretary at the address on the application form, and send your payment by BACS (preferred), or enclose a cheque with your application form

What if I already own shares?

Thank you - you are a very valued member of the Plough family.

You are free to apply for further shares, but your individual aggregate shareholding must not exceed 4750 shares (£47,500). Please note that the society rules set out in this share offer, including those on withdrawal and interest, apply to all share capital, not just shares purchased in this share offer.

How can I help to sell shares?

Tell your friends, family, business associates or anyone with a connection to Longparish. We have a lot to do and want as many supporters as possible.

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 shares to a nominee outside of 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?

Our previous offer complied with HMRC rules and members have received their tax relief certificates. We have applied for advance assurance on the current offer and have no reason to believe that it will not be granted.

As long as you are a UK taxpayer you should be eligible for tax relief on your investment. Subject to HMRC rules, individuals making an eligible investment can deduct 30% of the cost of their investment from their income tax liability, either for the tax year in which the investment is made or for the previous tax year. HMRC require that any qualifying investment must be held for a minimum period of three years and if that condition is not satisfied, then the relief must be repaid to HMRC.

Individuals who have chargeable gains may also be able to defer their capital gains tax (CGT) liability.

FAQs Continued

The actual amount of tax relief you can claim will depend on your personal tax circumstances:

For example, Freda invests £10,000 in the tax year 2022-23 in SITR qualifying shares. The SITR relief is £3,000 (30% of £10,000). Her tax liability for the year before SITR relief is £7,500 which she can reduce to £4,500 (£7,500 less £3,000) as a result of her investment. Remember applications for tax relief are made to HMRC by you, the investor, not by LCPL, and so we cannot give any guarantees. Provided we are approved for SITR, we will issue certificates to members confirming that their investment qualifies, and we will explain how to claim. You can find out more on the HMRC website, or you may wish to take professional advice.

Do I have to pay income tax on any interest I received from LCPL?

Interest from your shares is liable to income tax. But the Personal Savings Allowance (PSA) means the majority of savers in the UK no longer have to pay any tax on their savings income. Basic-rate taxpayers qualify for a £1,000 a year in savings income tax-free.

What happens if the share offer target is exceeded?

If the share offer raises more than the £200,000 maximum amount, then we will close the offer.

Can I sell my shares?

No, these are withdrawable shares, so you have to apply to the Society to withdraw your shares. 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 from the date of issue (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.

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 protect the business. We anticipate this will be after year three of operations and is subject to the discretion of the Management Committee.

Interest payments will be determined annually by the Management Committee, (subject to approval at the AMM) 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. Our target is to be able to pay annual interest of at least 3% after the shares have been held for three years. 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 I buy shares after the share offer has closed?

We strongly encourage people to invest up-front so that we can properly judge the level of support and plan accordingly. It is likely however that there will be opportunities for new members to buy shares in LCPL at a later date.

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. Companies, however, cannot claim SITR.

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

Email info@lcpl.org.uk or contact any member of the Management Committee. You will find useful information on the Plunkett Foundation website (www.plunkett.co.uk) and from the Community Shares Unit (www.communityshares.org.uk). Additional resources are also available on the LCPL website www.lcpl.org.uk

Potential Risks

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 shareholder there is a risk you could lose some or all of the money you invest. You should only take these risks with money you can afford to lose. Please seek independent financial advice.

Although it is not possible to foresee all possible risks for investors there are a number which it is reasonable for the Management Committee to guard against.

Loss of some or all of your investment

As a member and shareholder of LCPL you will be a part-owner of the Society. If the Society is unable to meet its debts and other liabilities you could, in principle, lose some or all of your investment held in shares. This is considered a very unlikely outcome because:

- Financial projections are based on actual and projected turnover.
- The Plough's landlord is the Longparish Parish Council and we have a 99-year lease at a modest rent which is fixed for the first 50 years and thereafter drops to a peppercorn rent.
- In the last resort, if the property had to be sold for an alternative use, it's possible the value would exceed the value which it was acquired for. It should be noted that the Parish Council will have full control of the sale proceeds.

Inability to withdraw shares

The rules permit withdrawals only after three years from the date of issue (other than in certain exceptional circumstances such as death or bankruptcy of a member), and then only at the discretion of the Management Committee.

If a large number of members wanted to withdraw their shares in a particular year, there may not be sufficient funds available. In that circumstance, withdrawals will be made in the order in which applications are received, and the full amount requested may not be available.

In the event of no financial returns

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 or to allow members to withdraw their shares.



The River Room

Terms and Conditions

This share offer will run from 9th May to the 17th June 2022. The Management Committee may extend the offer period at its sole discretion.

1. The minimum shareholding is 5 shares, and each share has a nominal value of £10.
2. The maximum individual shareholding under this and previous offers is offer is £4,750 shares with a nominal value of £47,500. No individual may own more than 10% of the total issued share capital.
3. All shares must be paid for in full on application.
4. Monies deposited with LCPL for the purchase of shares will be held securely in a separate account by LCPL until converted into shares.
5. All subscribers (if not already members) will become members of the Society and will be entitled to vote on matters affecting the Society.
6. Members will have one vote regardless of the number of shares held.
7. Members must be aged 18 or over.
8. The Management Committee reserves the right to refuse applications at its absolute discretion.
9. All subscription monies received will be ring-fenced, and if the minimum (£25,000) is not reached they will be returned promptly.
10. 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.
11. Members may apply to the Society to withdraw their shares. Save in the event of death or bankruptcy, withdrawal applications will not be accepted during the first three years after the issue of their shares.
12. 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. **You should therefore view this as a long-term investment and review your finances accordingly.**
13. 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.
14. 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 or in the event of insolvency.
15. A member's liability is limited to the value of their shares.
16. The Society aims to pay interest on shares after three years from the date of issue. Our rules allow interest payments up to a maximum rate of 5%, or 2% above the Bank of England base rate, whichever is the greater. This business plan suggests that a target rate of 3% interest could be paid after three years from their respective issue dates. 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, at the sole discretion of the Management Committee and subject to approval by Members at an AAM. Over time, the level of interest paid to Members may vary between zero to the maximum allowed in the Society rules.
17. LCPL is registered with the Financial Conduct Authority, 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.
18. ID may be requested from any applicants paying for shares from a non-UK bank.
19. Email will be the primary mode of communication from LCPL to shareholders, who should keep LCPL updated with a current email address.



www.ploughinn.org

Longparish Community Pub Ltd is registered under the Co-operative and Community Benefit Societies Act 2014. Its registration, number 7951, was approved by the Financial Conduct Authority on 20th December 2018.