

The Auctioneers Arms

'So much more than a pub'



COMMUNITY SHARE OFFER

Share Offer Opens: 21st April 2017

Closing Date: 2nd June April 2017

Minimum Target: £250,000

Maximum Target: £300,000

If you are considering buying shares, it is important that you read the whole document. Caverswall Community Society Ltd is a Community Benefit Society registered with the Financial Conduct Authority (registration number 7506).

CAVERSWALL COMMUNITY SOCIETY

Caverswall Community Society Ltd

Registered Office: 1A The Green, Caverswall ST11 9EQ. Tel: 01782 385200

Email: secretary@caverswallcommunitysociety.co.uk



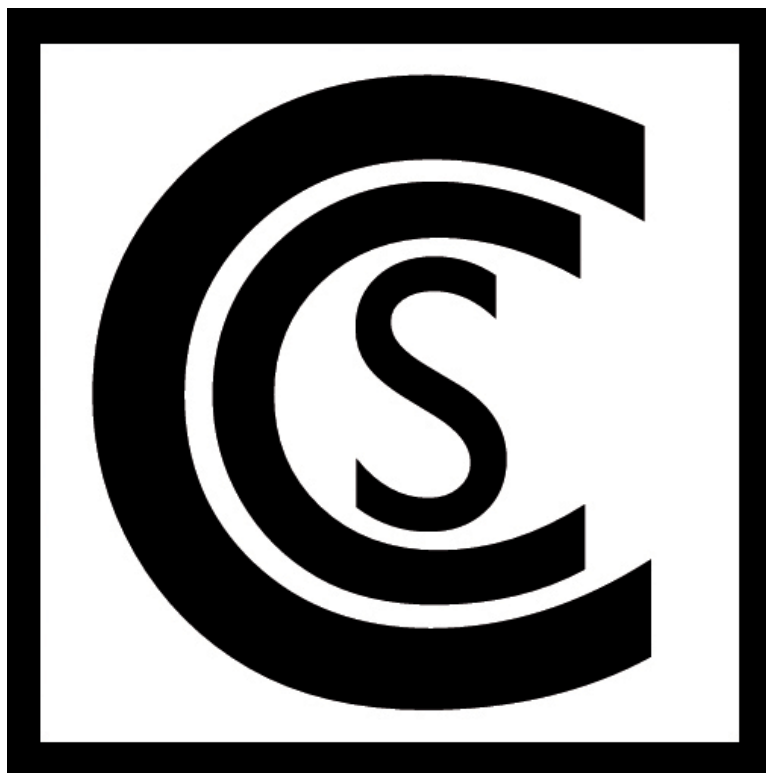
This is an opportunity to buy shares and become a shareholder of The Auctioneers Arms, Caverswall.

OUR BID

The Auctioneers Arms is listed as an Asset of Community Value (ACV). The new owner notified Staffordshire Moorlands District Council in September 2016 that he intended to demolish the pub then clear the site but as an ACV, the community now has the opportunity to raise a bid to buy it. Under the ACV legislation, a six month moratorium commenced from 21st Sept 2016 and ended on 21st March 2017. During this period, a number of local residents formed a society known as the 'Caverswall Community Society' and were awarded a bursary of £2500 to help finance any set up costs associated with raising sufficient funds to be able to make the owner an offer to buy the pub. Public meetings were held and a questionnaire was set up to allow residents to have their say if they were in support of 'keeping the Auctioneers Arms a pub'. The response was overwhelmingly positive and has provided us with a mandate to try to create a community owned asset in the heart of the old village to incorporate the pub, a café, and other community facilities. We want to create a community facility owned by the community, run by the community, for the community.

The current owner was asking for offers in excess of £300K for the pub and the associated land/car park. The Society had an independent valuation carried out on the pub and on 14th March 2017, made an offer of £245K to purchase the pub (including the car park) through their business advisor.

Our initial offer of £245K has not been accepted by the owner so we have to decide if we are prepared to increase our offer to the owner who has since taken the pub off the market. In the meantime, we will need to prove that we can raise enough capital to buy the pub, cover legal fees, and initial refurbishment costs. We can achieve this through a combination of share offers, grants and business loans. We will then be in a position to approach the owner with sound evidence of funding and be able to make him a robust offer to buy.



Why should you invest in a Community Enterprise?

If, like us, you feel that the life is going out of pubs, that large pub-owning companies and property developers are destroying the hearts of our communities, this is your opportunity to make a difference.

By investing in this community-owned venture, you will be part of a growing group of people seeking to take back control over their local area. Pubs offer a safe place for people to drink, chat and socialize.

We spent a lot of time consulting with the community, with experts, with entrepreneurs and with top professionals before we chose the legal form that this organisation has taken. The result was a Community Benefit Society. We have also opted to Asset Lock the Society so that there is no incentive for any future shareholder members of the Society to sell off this valuable community asset. This means that it will, all the time it continues to trade profitably, remain a public house and asset to the community forever.

The members (you) will own the business and each member has one vote. You not only have a say in the running of the business but may also share in its fortunes. That doesn't mean that you get to say how the pub is run day to day, but you are in control of the strategic direction of the Society. You choose a team of Directors to oversee the management and the Directors will appoint a general manager. We don't want to communicate with you just once a year at an AGM - there will be regular newsletters, quarterly members meetings, a Facebook page and website. We want to know what you think about your pub.

Being a Community Benefit Society ensures as wide an ownership as possible, so no big fish can come along and change the nature of the business, and it is, comparatively, a safe form of share investment, although of course as with any investment there is a risk. Designed to be a longer-term, interest-paying community investment, there is nevertheless, the ability to withdraw your share capital from the Society if you want to free up your money after a period of time.

Unlike large scale investments this is very local; it's likely you will know most of the other investors. The way the Society is set up means that no one person or investor can take control, nor can anyone make money from selling shares, they all have a fixed value and can only be sold back to the Society. Any profits that the Society makes can either be put back into the business of the Society or shared amongst members. This decision will be up to the members.



CAVERSWALL AND COOKSHILL



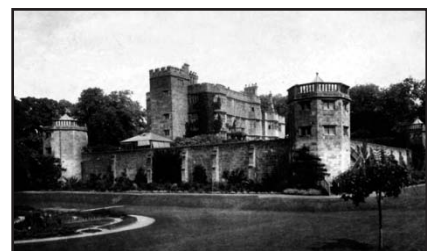
Caverswall is a traditional village located within the rural area of the Staffordshire Moorlands. Listed in the Domesday Book, 1086, it has its very own moated medieval castle that dates back to 1275 A.D. and is just a short walk from the Auctioneers Arms pub. It has its own set of stocks in the heart of the village which evidences times gone by. Our village has views over the Staffordshire countryside, plenty of meandering public footpaths linking nearby villages and is very popular with ramblers and interesting lanes for cyclists. It is also close to the theme park of Alton Towers and not far from the stunning Trentham Gardens, originally owned by the Duke of Sutherland.

Caverswall and Cookshill are steeped in history, ideal for exploring the sights and attractions of the Staffordshire Moorlands and the various fabulous pottery museums and 'pot-banks' of Stoke-on-Trent: affectionately known as 'The Potteries'.

The Foxfield Railway, which is also close by, was built in 1892-1893 to provide a link to the national railway network for the now closed Foxfield Colliery. The railway, to this day, has steam engines running at weekends and this is a very popular tourist attraction. Now run by volunteers, it serves to remind you of Caverswall's connection with its industrial past. Particularly when you hear the sound of a steam engine's whistle hoot over the village!

Caverswall Castle boasts a varied and exciting history.

It was built on the site of an Anglo-Saxon manor at the point where two tributaries of the river Blythe rise. It is one of the most interesting and attractive mansions in Staffordshire both because of appearance and its long and fascinating history.



THE AUCTIONEERS ARMS



The Auctioneers Arms, affectionately known by the locals as 'The Knocks', has held a prominent position in the village of Caverswall for over 150 years, not only as a public meeting place but also serving the community in many ways. Attached to the original building were four Alms houses. These were small basic houses that were built and maintained by charity organisations to house the poorer families within Caverswall.

However, these were demolished in the 1960s when the need for the houses had diminished due to the more affluent society. The Auctioneers Arms has had strong connections with the local mining communities of Park Hall and Foxfield collieries for over 100 years. After their shift, the miners would wash away the coal dust from their throats and then at weekends, spruce themselves up and take their families to the pub for a weekend's entertainment.

Although the pits have now closed, local families still attended the pub in the same way too: charity functions, entertainment nights, family fun days, cards, darts, football competitions or just to call in after work and wind down with a drink and chat to old friends.

The Auctioneers Arms was closed by Enterprise Inns in August 2016 and sold to Whiteacres, a property developer from Warrington. Within weeks of purchase, they applied to the local council to demolish the building, having plans to build several executive houses on the site. Swiftly, a local steering group was then formed to discuss how to put a stop to the development and registering the Auctioneers Arms as an Asset of Community Value. The group decided that a Community Share Offer would be the best option. The group has now been officially registered as the Caverswall Community Society and has now been awarded Government funding and support. This has enabled the Society to devise plans to restore the Auctioneers Arms back into the community.



WHAT IS A COMMUNITY SHARE OFFER?

Community shares are a new way of raising investment capital from communities. Local people are encouraged 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. 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 Co-operative and Community Benefit Societies Act 2014. This legal form provides limited liability status, just like company law. But unlike companies, shares in societies are non-speculative and democratic.

Caverswall Community Society is a Community Benefit Society and has been set up to purchase the Auctioneers Arms. This society was set up with support from The Plunkett Foundation when the owner notified Staffordshire Moorlands District Council of his intention to demolish the Auctioneers Arms. The founding members set up this Community Benefit Society and the Society is registered with the FCA (registration number 7506). If you buy shares, you will become a member of the Society, with an equal vote 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 Board of Directors, volunteer skills for the refurbishment or just give The Auctioneers Arms your custom.

HOW MUCH DO WE NEED TO RAISE?

We have set a minimum investment target of £250,000 and a maximum of £300,000. We want to bid for The Auctioneers Arms building and a viable car park. The whole site of the Auctioneers Arms pub was purchased for £250,000 in September 2016 by the property developer; however, the building does need repairs and renovation. We have obtained an independent estimate for the work needed to the building and estimates for renovations are in the region of £50K. We will carry out repairs and remodelling through money raised through the share offer in excess of the purchase price, loans/grants and volunteer labour. We aim to utilise volunteer labour and skills as much as possible and many skills have already been pledged by members of the community.

We have applied for a business loan through co-operative and community finance. This loan will be used to bridge any gap between the final share balance and the cost to purchase the pub and renovate it. The initial renovation will focus upon the bar area, the lounge and the cafe area. However, the more we raise in shares, the lower this loan facility will have to be and therefore the more we will be able to invest in the whole of the building and the business. If we raise more than our minimum target, we will also be able to begin renovations of the first floor which again will generate more income.

The maximum target of £300K assumes on buying the whole site and paying for renovations to the pub, whilst this is the ideal scenario we are pragmatic and our primary goal is to ensure that the Auctioneers Arms remains a community facility.

WHAT'S IN IT FOR ME?

This is not just about buying a pub; this is about preserving the history of our village and investing in the future of Caverswall. We want to ensure that the Auctioneers Arms is run for the good of the village, for us now and for future generations. This share offer is a once in a generation chance to safeguard our local community pub and the additional services we can offer. Your investment will preserve a valued community facility.

HOW DO I BUY SHARES?

You need to be over 18 years to invest. Shares will be sold at £1 each with a minimum investment of £250. We would prefer you to buy in batches of 250 shares up to a maximum of £30,000. Please fill in the application form at the back of this business plan or follow the instructions on our website. If our bid is successful you will be issued with a share certificate on completion.

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 buy. When the business is in profit, the Society aims to pay interest on the shares at a rate of 3%. Interest is paid gross and is taxable. You will be responsible for declaring this income to HMRC.

TAX RELIEF?

Social Investment Tax Relief (SITR) is a government scheme to give investors a financial incentive to invest in social ventures. It works by giving a series of tax reliefs; the most notable in this instance is that an individual whose shareholding qualifies can expect to claim income tax relief at a rate of 30% provided shares are held for over three years from the start of trading. There are various qualifying criteria for both the relevant entity (in this case Caverswall Community Society) and the individual. We have already applied to HMRC for SITR tax relief advanced assurance and all pubs that are using this model have been granted the advanced assurance.

WHAT HAPPENS IF WE DON'T RAISE ENOUGH MONEY?

If the share investments do not reach the minimum share target by the end of the share offer period, the founding members have two options: The period of the share offer could be extended. In this event existing investors would have the option to withdraw their investment; or the share offer could close and all of the share investment money would be refunded.

WHAT ARE MY RISKS IF THE PURCHASE GOES AHEAD?

You do need to know 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 who would realise the assets and distribute them to creditors. Effectively, this would mean selling the freehold of the Auctioneers Arms (on the basis that the pub would be the main asset at the relevant point) and the creditors would be paid from the proceeds. After the payment of the creditors and the costs of the liquidator, then the surplus would be returned to the Members. Your liability as a Member is limited to the value of your shares. You cannot lose any more than the value of your shares. 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.

WHAT HAPPENS IF OUR BID IS UNSUCCESSFUL?

The owner does not have to sell the pub to us, but we would wish to leave the offer on the table for a long enough period for the vendor to give it due consideration.

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. Shares can, however, be withdrawn after an initial period of three years. This time period is to ensure the business is guaranteed an initial period of financial stability. After this time, you can get your money back, with three months' notice, if you want to cash-in your shares. The directors do have the right to refuse or suspend withdrawals if there is insufficient liquidity in the business and withdrawals are expected to be capped at 10% per year. We are considering applying for match funding through Big Society Capital. If we do apply for this funding and are successful, then we may prioritise withdrawals of investment to Big Society Capital over other investors. Our reliance on Big Society Capital money will be relative to the amount we can raise through our share offer.

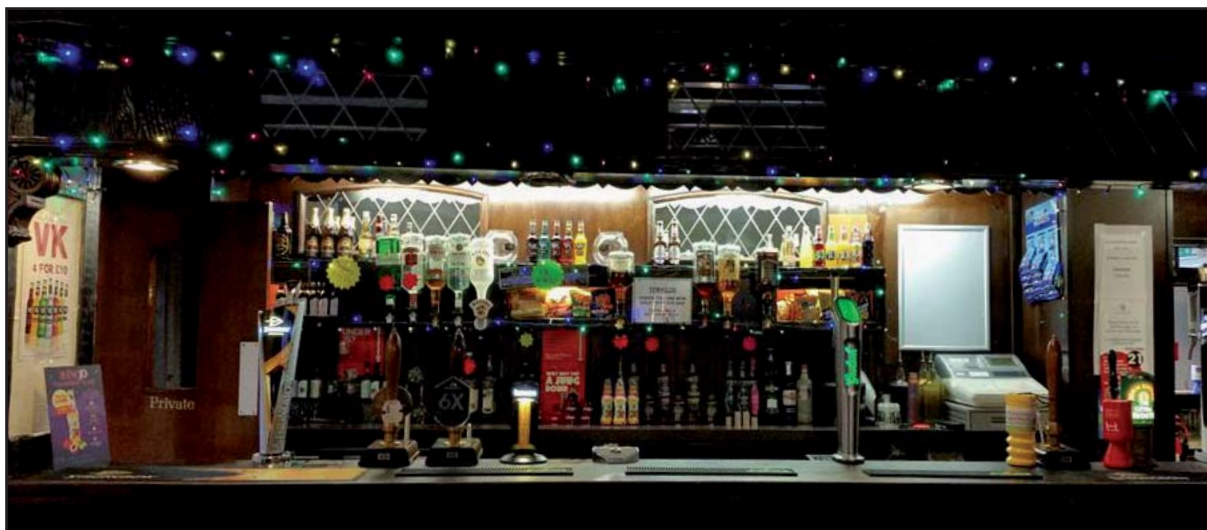
Is it a good business proposition?

The business has been operated by numerous tenants over the past 11 years with little or no support from the owners. This project is a completely new business model compared to how the pub has been run in previous years. We intend to sell traditional ales at an affordable price; provide both pub lunches and restaurant meals and to open a cafe/coffee shop for customers who want to use the facility as a meeting/chat area rather than just a pub. We also intend to use the pub as a registered parcel drop off/collection point for the village. Our estimations are based upon the experience of other, successful community owned pubs with similar business models and customer profiling along with the following sales figures. We should expect that trade will improve over the coming months; this is the normal pattern for community-run pubs. We are confident that we will achieve about £203,000 turnover in the first year of trading. A detailed breakdown of all projected finances can be found in our separate business plan.

	2017-18	2018-19	2019-20	2020-21
Projected Income	£555,379 (includes shares/loans)	£318,899 (includes VAT reclaim)	£319,719	£339,820
Projected Expenditure	£551,327	£248,216	£280,895	£302,100 (includes 3% Rtn to Share holders)
Pre-tax Profit/(Loss)	+£4,052	+£70,689	+£38,824	+£37,720

The society is projected to make a profit from the first year of trading and our cash position is expected to be secure. All of our forecasts can be seen in our business plan which is available on our website www.caverswallcommunitysociety.co.uk. Based upon the record of the Auctioneers Arms under earlier owners; the principle of housing several services under one roof; the success of nearby village pubs, the success of other community owned pubs and the fact that we are a non-profit making organisation we believe this is an excellent business proposition. However, all commercial activities carry a risk and therefore rates of return on shares are not guaranteed.

We firmly believe that this community venture is the best way to safeguard the pub for the future and any community facilities associated with it.



Who are the people organising this?

The people organising this share offer are a group of local people who believe passionately in preserving the Auctioneers Arms and creating a community hub. These people are the founding members of Caverswall Community Society. Collectively, there is a wealth of business, legal, financial and community experience within the Committee. We have support from The Plunkett Foundation under their “more than a pub” government funded scheme: we have been assigned an adviser from a successful local community pub committee and have been given a bursary of £2,500 to help with legal fees and advertising costs.

‘So much more than a pub’

FOUNDING MEMBERS OF CAVERSWALL COMMUNITY SOCIETY

Who are we?

We are the Caverswall Community Society (CCS) Limited, a community benefit group comprising of a number of local residents who formed the original steering group. There are eight group members who have planned the business case and the share offer, feeding back regularly to the larger steering group. They are:

Brian Griffiths – Chair

Brian moved to Caverswall in 1998 with his wife and young family. He is a current serving operational Fire Officer completing 28 years’ service this year. During his career in the Fire Service, Brian has gained professional qualifications in Incident Management, Project Management (PRINCE2), Leadership and Management (ILM 5) Industrial Relations (Cert IR) and Health and Safety (NEBOSH). Brian's current role within the Fire Service is Head of Emergency Response, Policy and Procedure and responsible for research and development and the procurement of Operational equipment; managing public sector budgets in excess of £2million.

Neil Mountford – Treasurer

Neil had lived in neighbouring Meir for twenty years as the youngest of eleven children. He moved to the lovely village of Caverswall with his wife Debbie in 1995. Neil previously had a short career as a professional footballer with Stoke City in the mid 1980s before working in the pottery industry for Wedgwood in Barlaston for twenty three years and currently runs a successful child minding business with Debbie and his daughter, Sally. In addition he recently co-managed a local under 14's football team, Foley F.C. based in Meir, of which his son, Bradley, was a member of the squad, having previously played for them himself as a youngster in the early 1980s.

Clare Griffiths – Secretary

Clare is a successful local business woman for 31 years. Owner of a hair salon and currently managing three staff, she prides herself in creating an excellent working environment for her staff as well as her customers. A good communicator, committed and hardworking, she has valuable business and communication skills to contribute to the project. She upholds a strong sense and value of community spirit, having been a part of the village community for over 19 years, attending and supporting local events.

Ross Ward

Ross is a Parish Councillor and school Governor in Caverswall and Cookshill, also a District Councillor for the Staffordshire Moorlands, and as such is a great believer in a sense of community and 'place'. Ross believes that this project will benefit our community in many ways beyond the primary function of the Auctioneers Arms simply as a social venue. He currently works as a Business Manager for a Civil Engineering contractor which gives him a wide skill set from project management and financial analysis through to safe, efficient delivery on site. Ross is a professionally qualified Safety, Health, Environment and Quality Manager, to degree level, giving him further opportunities to support this endeavour. He also has previous experience in bringing similar community schemes to fruition including the hugely successful library in Werrington which is now run entirely by volunteers, is financially sustainable and is offering a huge depth of services to the local community, many of which would be applicable to the Auctioneers Arms.

David Rushton

David has been a resident of Caverswall since 1986, married to Pamela with two adult children. Formerly employed as a Financial Director and Managing Director for a Distributor of Building Materials and member of the Institute of Builders Merchants for some 30 years. Latterly, he was employed overseeing accounts and payroll for a Construction Company. Also over the years, he has gained wide experience in purchasing and taken an active role in buying societies.

Debbie Mountford

Debbie has lived in Caverswall since 1995. She has been married to Neil for 28 years and together they have five children (two of whom they have adopted, having cared for them initially on a fostering basis). She is an Early Years Practitioner - Registered with Ofsted and co-manages their busy, successful family childcare business in the heart of Caverswall at their family home. Debbie works alongside Neil and one of their daughters Sally. They look after pre-school children during the daytime and provide before and after school provision for both of their village schools. Prior to this, Debbie worked at the local horse riding school, teaching children and adults, organising events and competitions. Before starting her family, Debbie worked in the catering sector providing meals at Staffordshire House for workers in the mining industry. She also worked at night at a local hotel serving evening meals.

Paul Hulme

Paul moved into the village 9 years ago, he has a wife and 3 adult children. Born in Manchester, he has had family connections with the village for over 25 years. He has worked and had various roles within the Manchester Airport Authority with over 36 years' service in aviation security, engineering, procurement, supply chain and stock control teams which had a stock holding of 1.2million.

Darren Barker

Darren has been a resident of Caverswall for 12 years, where he lives with his wife Julie and their children. Darren has his own successful business, building narrowboats, in which he has over 25 years' experience in this fine craft industry. Prior to this, of equal value to our current project, is the fact that he was in the building trade. With this background, it is easy to conclude that he brings many practical skills, in addition to valuable project management experience to the table.

Members of the steering group who assist and support the board include ;Andy Robb, Rich Warner, Julie Barker, Wendy Locker, Gavin Smith, Denice Pemberton, Debbie Rushton and Stef Giblin.

The Auctioneers Arms



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APPLICATION FOR MEMBERSHIP OF CAVERSWALL COMMUNITY SOCIETY

I wish to apply for membership of Caverswall Community Society and I would like to purchase the following number of shares (Shares cost £1 each, minimum £250; maximum £30K):

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I include my payment of £

Payments should be made through Crowdfunder (www.crowdfunder.co.uk/auctioneers-arms), but if you would prefer to send a cheque, please make them payable to Caverswall Community Society and post to the above address

Signature

Date

Name

Address

.....

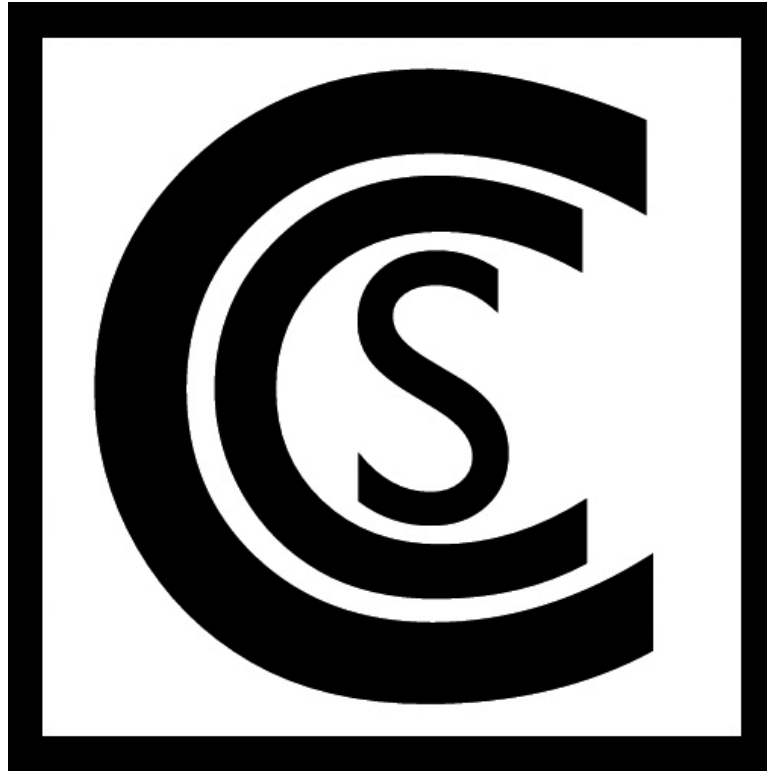
Post Code

Telephone

Email

The money raised will be held in a secure bank account and the money can only be accessed by cheque signed by two signatories.

By requesting that I become an investing member of Caverswall Community Society Limited, I agree to my name, address, phone number, email address and the number of shares I wish to purchase being held on a computer database. I understand that this information will be used for the purpose of maintaining a register of members and potential members as required by the rules of the Society, for posting of notices regarding the activities of HCS and will not be passed to a third party.



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The Community Shares Standard Mark is Awarded by the Community Shares Unit to offers that meet national standards of good practice. For more information about the shares, the Community Shares Standard Mark and the Community Shares Unit go to www.communityshares.org.uk.