

Saving Our Pub



For Future Generations

Tollerton Community Trust –

Tollerton Flying Club Ltd

Financial Conduct Authority (FCA) registration number - 8243

Open Share Offer

Starting 2nd March 2020

Share Offer Summary

You are invited to invest in a community enterprise, established to secure the future of our Public House, The Air Hostess, Tollerton. Just over 370 people from the community invested in the pub in the initial share offer, now it's your chance to join them as members of this Community Benefits Society.

The Air Hostess is the only pub in Tollerton. In early 2019 it was announced that the Brewery who owns the pub would be selling the business and property. In response the Parish applied for 'Community Asset' status which gave the community the opportunity to put together a proposal to purchase the pub as a community.

This open share offer has been designed to give you an opportunity to contribute financially, on a long-term basis, to this important business for the local community.

We raised a total of £165,700 through our original share offer which ran for 10 weeks between November 2019 and January 2020. With this community investment and the other monies made up from grants and loans. We successfully purchased the pub in March 2020. The Society owns the freehold of the building, meaning Tollerton has a pub for as long as local people want it.

We are, therefore re-opening the share offer to the community in order to increase the number of members and to create a process whereby new members are regularly joining, enabling existing members to leave the Society, as circumstances change.

The minimum investment is £250 per investor, with a maximum of £100,000 per individual (£50 per share).

Our business plan and other related documents can be downloaded from our website www.tollertontrust.org.uk

This offer is being promoted by the Tollerton Community Trust - Tollerton Flying Club Ltd, a Community Benefit Society using the model rules developed by the Plunkett Foundation and registered with the Financial Conduct Authority (registration no 8243).

This offer is not covered by the Financial Services Compensation Scheme and investors have no recourse to an ombudsman. **You could lose some or all of the money you invest.**

This is a great opportunity to be a part owner in a pub in Nottinghamshire, operated as a community asset and thriving pub business. We look forward to welcoming you as shareholders!

Vision and Objectives

Tollerton is a small village based just outside Nottingham. There are approximately 900 houses in the village. It is also home to a lovely village school, a post office, a couple of shops and most importantly a village pub.

The Air Hostess is the only pub in Tollerton and has been serving the village since the 1960's. It is at the heart of the community providing evening activities, hosts the yearly Plough Play, provides support for the local Tollerton Village Fayre and is also home to our local Petanque team. In early 2019 it was announced that the Brewery who owns the pub would be selling the business and property. In response the Parish applied for 'Community Asset' status which gave the community the opportunity to put together a proposal to purchase the pub as a community.

A Community Benefit Society has been formed to purchase the pub. This is called the Tollerton Community Trust – Tollerton Flying Club Ltd. Members will hold shares in the Society that will own the land and buildings. There will be a lease with a tenant to run the licensed business.

We have been advised by the Plunkett Foundation on the registration of the Society, using their model rules for community pubs. Community Benefit Societies are regulated by the Financial Conduct Authority (FCA). We have chosen this legal model because it emphasises the social benefit of the investment, we are asking our members to make.

The Steering group and subsequently The Management Committee have worked very hard to put together a deal to secure the purchase of the pub. They carried out a village wide survey in mid 2019 to ask the villagers their opinions on the pub and what they would like to see happen in the future. These results are available on the website. Overall people wanted a nice family friendly pub, which serves good food and drink. Therefore, the Society's vision is to

- Purchase the pub as a community asset.
- Refurbish the pub as a fit for purpose venue.
- See the pub operated independently by a tenant who shares a vision for a successful village and destination pub also serving as a community hub for the village and surrounding area.
- Restore the essential elements of village life that a vibrant family pub can bring and in turn support the local economy.
- Create a friendly, welcoming focus, and provide local employment and involvement.
- Develop a reputation for good ale and food, reaching beyond the immediate environment.

We will encourage social cohesion, communal activities, music events and participation in games and sports leagues. We will provide a social environment for people to eat and/or drink on their own, in couples, with family and friends – or with other pub users.

Your investment will help make The Air Hostess a great place for you and your family to visit. Funds raised through the open share offer will be used to make small scale investments in maintaining The Air Hostess. We also have a number of ongoing and planned business developments to improve the pub, for example, garden landscaping and interior improvements.

Community Shares

Community shares are slightly different to ordinary shares. They are also known as “withdrawable shares” and are ideally suited to community-focused organisations. Investors can receive some interest on the sums they invest and may withdraw their investment (in essence, get their money back) but only under certain conditions.

These shares are non-transferable (except on death or bankruptcy) and cannot be sold. Community shares cannot increase in face value, but they can go down in value. If this venture should fail members could lose some or all of their investment, however this is the limit to their liability.

If the Society ever sold the pub, and made a profit, investors would receive their original investment back, and the profit would go back to the community (this is called an asset lock).

Withdrawing Shares

The only way to recover the value of the shares is to give three months’ written notice of withdrawal to the Management Committee. Shares cannot be withdrawn until at least 3 years have elapsed from the date of the share issue and only then at the discretion of the Management Committee. Withdrawals must be funded from surpluses or new capital raised from members. The Management Committee may suspend withdrawals depending on the long-term interests of the Society, the need to maintain adequate reserves and the commitment to the community we serve. Therefore, the total that may be withdrawn in any financial year is limited to 10% of the total number of shares, in order to stabilise working capital. (See Share Withdrawal Policy)

Share Prices

Individuals (aged 16 years and over) can purchase Community Shares in The Tollerton Community Trust. Shares cost £50 each with a minimum investment of 5 shares i.e. £250 the maximum investment is 2000 shares i.e. £100,000.

However, there is an option to purchase shares to hold for children under 16 (See Child Share Policy)

The application must be accepted by the Management Committee who may refuse membership at its absolute discretion.

If the share offer is oversubscribed the Management Committee reserves the right to refuse part or all of an application for shares.

If you cannot afford to invest the minimum amount or you would just like to donate/gift some money then this is possible, but you would not be entitled to voting rights or any other shareholder benefits.

Return on Shares

The true return on these shares is keeping a pub in your village and keeping it at the heart of your community. If the society returns a profit the Management Committee will consider options regarding the use of the profits, taking into consideration the views of the members. Options include returning profits to members in the form of interest or reinvesting the profits back into the community. Either way no interest will be paid for the first 3 years after this share offer has expired and such interest cannot exceed 5% above the Bank of England's base rate.

This will be your pub and you will have an opportunity to have a say in its future. You will be invited to an Annual General Meeting (AGM) where you will be given a vote on any significant decisions about the society. One member equals one vote, irrespective on size of shareholding.

Risks

With any financial investment there are always risks. This offer is not covered by the Financial Services Compensation Scheme and investors have no recourse to an ombudsman. You could lose some or all of the money you invest. A community benefit society is registered with, but not authorised by, the Financial Conduct Authority (FCA). As the whole of your investment could carry a risk, please consider it carefully in the context of the complete share offer document and, if needed seek independent advice.

The members liability for the business is limited to the value of their shares.

It is important for members to understand that there is a potential risk that the business may fail, and land and property values may fall. If this were to occur the value of a share in the Society could reduce.

We believe the business will be profitable, but if it is not, the society will own an asset – the building and land associated with it- which can be sold to return funds to investors. Your investment is in the bricks and mortar, not the licensed business.

If the purchase of The Air Hostess should fall through, we would return any funds we have received. If the business fails all the business's assets, including the freehold of the building, would be sold and the proceeds of the sale (after paying any creditors) divided between the shareholders up to the value of their shares. You might receive the full value of your shares back or you might lose part or all of your investment.

Appointing a Tenant

The Management Committee have chosen to appoint a tenant rather than a manager. This gives a clean separation between property ownership and business management which will allow a tenant to develop the business without constraints or restrictions that might frustrate this aim. The Management Committee have set a broad policy direction for the business and agree key targets with the tenant in line with the results from the village wide survey. Such as, hosting the Plough Play and running the bar at the annual village fair.

The tenant will be responsible for all outgoings necessary to run a pub on a fully repairable basis. They will be responsible for determining staffing levels, opening times and the food and beverages available, subject to some general requirements within the tenancy agreement. The committee does not intend to interfere in the day to day running of the business or attempt to micro-manage the pub.

The advantage of this arrangement for the Society is that the tenant carries the business risk. The attraction for the tenant is that they will benefit directly the more profitable the business becomes. Therefore, they have every incentive to ensure that the business thrives and grows.

Governance

The Society will have members (shareholders), a Management Committee and a Secretary. Membership is the means by which the Society is owned by the community.

Individuals as shareholders can participate through the legal mechanisms of Annual General Meetings (AGM's) or putting themselves forward as management committee members. Building on the goodwill expressed so far, we will also be seeking help in the initial phases of the pub development following purchase (e.g. decorating and some of the works required to refurbish the pub).

The Management Committee is collectively responsible for everything done by or in the name of the Society.

Management Committee

The Management Committee is a team of volunteer member shareholders elected by members to carry out the trust's business on their behalf. It provides strategic direction for the pub and its activities but does not manage day-to-day operations, which is the responsibility of the pub's appointed tenant. The committee is made up of not less than 3 and not more than 12 members who will meet regularly. They will be accountable to the membership and will report to them via members meeting/email communications and at an AGM.

After the first year, all the Management Committee will stand down and may be re-elected or replaced by new members. After this first year Management Committee members will be in position for 3 years.

Current Management Committee

Matt Garrard - Chairman	Anthony Sumner – Commercial Officer
Andrew Flett – Vice Chairman	Chloe Higgins – Communications Officer
Rob Barrett – Secretary	Caryl King – General Member
Rupert Butt - Treasurer	Claire Dul – Share Officer
George Walker – Real Estate Officer	Mark Law – Marketing & Events Officer
Parma Somal – General Member	Alex Ball - Community Officer

The initial Management Committee members will be made up of people who have all been involved in the steering group (listed above) to establish this enterprise, none of whom will ever have a personal financial interest in the project above and beyond their own personal investment in community shares. They all live in Tollerton and come from a variety of backgrounds. This team has a broad range of skills and experience to draw on, including expertise in finance, management, staff employment and business development.

Key Points about the share offer.

- This is a social investment and not an investment designed to generate large profits and should be regarded as a long-term social investment in your community.
- The return on your investment will be through ‘social dividend’ i.e. the preservation of a local asset servicing the community and through modest interest on your shareholding, at the discretion of the Management Committee and voted on at AGM’s.
- One member = One vote.
- No interest will be paid for the first three years.
- The Management Committee can suspend interest payments if the business performance does not justify paying interest. Therefore, you should not invest in the expectation of direct financial return, as this is not a conventional investment.
- The minimum investment is £250 per individual.
- You must be aged 16 years or over to buy shares and become a member.
- You cannot sell your shares, except back to the society.
- The value of shares cannot increase; however, their value may reduce if the business fails and its liabilities exceed its assets.
- You must give three month’s written notice to withdraw your shares to the Management Committee. You cannot withdraw your share for the first three years after the date of the share issue.
- All share withdrawals will be at the discretion of the Management Committee and must be funded out of profits or new share capital.
- Total withdrawals in any year will be limited to a maximum of 10% of the current value of this share offer.
- The Society is registered with but not regulated by the Financial Conduct Authority (FCA), so members cannot apply to the Financial Services Compensation Scheme (FSCS) and have no recourse to the Financial Ombudsman.
- Before deciding to invest, you may want to seek independent advice.