

The Share Offer

‘One member, one vote’

A key rule is that each Member has one vote, regardless of how many shares they own.

Each share has a value of £25. The minimum shareholding is 1 share, the maximum number of shares that can be held is 1000. Members must be over 16 and shares must be paid in full on application.

Please note: The value of shares cannot increase beyond their original value. You should be aware that the value of shares may be reduced if the business is unsuccessful

The Crown and Anchor CBS Ltd is registered as a society with The Financial Conduct Authority (FCA), but the sale of community shares is not regulated by the FCA.

Rules and Governance

The Society has adopted the Community Benefit Society model Rules drawn up by Co-operatives^{UK} - a copy can be found on our website.

Day-to-day running of the enterprise will be the responsibility of the Management Committee, who will be the legal Directors of the Society. The appointment of members of the Management Committee and the approval of policies regarding paying interest on shares and share repurchases will be made by the members of the Society at each Annual Meeting.

Elected members of the Management Committee will hold office for a period of three years. Those members who form the Initial Management Committee will all retire at the first AGM in accordance with the society’s Rules but may offer themselves for re-election. Thereafter, members of the Management Committee will retire in a phased way over the following three years in accordance with the Rules of the Society. All new Management Committee members will be elected by the Society’s members. Members will be entitled to attend the AGM and stand for election to the Management Committee.

In addition to the Management Committee, we will draw on the support of volunteers to get the enterprise up and running and help keep things going once we have opened. Different groups will focus on Business and Finance, the Buildings, Hospitality, the Garden, Events and Marketing.

Interest payments

After completion of three full years of trading, and if, the business is running successfully and has sufficient surpluses, we hope to be able to pay annual interest on members' shares of around 2%. The Management Committee will each year submit a recommendation regarding interest payments on shares for the approval of the Annual Members’ Meeting.

Repurchase of Shares

Your shares cannot be sold or transferred except on death or bankruptcy and their value cannot be realised except on application to the society itself for their original value. The Society's rules allow for the possibility of withdrawal of share capital after three years.

Withdrawals must be funded from surpluses or new capital raised from members. You will need to give at least three months' notice of your wish to withdraw. We do not anticipate being able to allow any withdrawals before Year 5. When it is possible to consider share repurchase, the Committee will set out appropriate criteria and annual limits. The 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.

Asset Lock

The Society's Rules include a legally binding asset lock. This ensures that any surplus earnings remaining after it has paid interest to its shareholders and repaid any capital which is withdrawn must either be reinvested in the business or used for the benefit of the local community or for another charitable or community cause. This means that, if the Society should close but the building has appreciated in value, it would be possible to sell the assets and return capital to members up to the value of the original investments, but not to distribute any surplus value in that way.

Remuneration

Directors and members will not benefit financially in any way from the activities of the Society, other than through participation in the Society's shares and loan offers.

How to apply for Shares

If you wish to become a member of The Crown and Anchor and invest in our venture, please complete the Application Form either online at CARP.cymru or by returning it to the following address: The Crown and Anchor, 2 Coed y Llan, Llanidloes, SY18 6LE.

If you apply for shares to be held in the name of a minor, please be aware that the shares will be considered purchased but unissued and will be held by the Society in Trust until the minor comes of age.

Important Notice

You must read the following points about the share offer before deciding whether you wish to participate

- I. When you are considering buying shares it is essential that you understand that this is an investment in our community, intended to create a secure and lasting asset for us all.
- II. The intention is to build on our social infrastructure and help to create a thriving and sustainable community. This is not a conventional investment and you should not expect high or direct financial returns. Full information is set out in the society's rules available on our website. Please note:
- III. The value of shares cannot increase beyond their original value. You should be aware that the value of shares may be reduced if the business is unsuccessful.

- IV. As an investor your liability is restricted to the value of your shares. In the unlikely event that the business fails you would have no further liability.
- V. Currently, the society plans to consider paying interest on shares after the third year of trading has been completed and enabling shareholders to withdraw investments after the fifth year. The rules of the society allow for interest payments to be suspended if the financial performance of the society does not justify such a payment. Detailed financial projections for the society's performance are included in the Business Plan.
- VI. The only way in which an individual's investments can be recovered (whether the initial sum or any reduced value), other than interest payments or general reimbursements, is to give the society notice of withdrawal. This cannot happen during the first five years after the date of this share issue.
- VII. The specific conditions for withdrawal include:
 - a. Withdrawals must be funded from trading surpluses 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.
 - b. The total repayable each year is limited to a maximum of 10% of the current value of the share issue.
 - c. Three months' notice must be given.
- VIII. All funds invested in this share offer will be held in the bank account of Crown and Anchor CBS Ltd, and used only for the purposes of purchasing The Crown and Anchor, for renovation of the building, for working capital and for costs incurred in launching and administering the Society. In the event that the purchase does not proceed all contributions will be repaid net of costs incurred.
- IX. The Crown and Anchor CBS Ltd is registered as a society with The Financial Conduct Authority (FCA), but the sale of community shares is not regulated by the FCA. Like many investments, community shares are at risk and you could lose some or all of the money you invest. Unlike deposits with high street banks, community shares are not covered by the Financial Services Compensation Scheme, nor is there any right of complaint to the Financial Ombudsman Service. If you are considering investing a significant amount then you may wish to seek independent financial advice before doing so.