

# FISHERS ARMS HORNCLIFFE

Community Pub Buyout



## SHARE PROSPECTUS

THE FISHERS ARMS HORNCLIFFE COMMUNITY PUB LIMITED

May 2022



Horncliffe is a small community sitting right on the border between England and Scotland. It is an almost invisible village at the end of a public road where England runs out.

Our overall objective is to purchase and refurbish The Fishers Arms pub in order to retain the last amenity in the village. The vision is to build a sustainable business, which becomes a hub for the community of Horncliffe parish and creates employment for local people.



This share prospectus (the Prospectus) is issued by The Fishers Arms Horncliffe Community Pub Limited (the Society). The distribution of this Prospectus is exempt from the general restriction contained in section 21 of the Financial Services and Markets Act 2000 (FSMA) on the communication of invitations or inducements to engage in investment activity (or, where relevant, is exempt from the scheme restriction contained in section 238 of FSMA) on the grounds that it is only being distributed in connection with the issue of non-transferrable withdrawable shares in the Society which is a community benefit society.

Due care has been taken in the preparation of this Prospectus and the information contained within it is considered to be in accordance with the facts to the best of the knowledge of the Management Committee.

# PROSPECTUS

relating to the issue of shares in

## THE FISHERS ARMS HORNCLIFFE COMMUNITY PUB LIMITED

registered under Co-operative and Community Benefit Societies Act 2014 as a Community Benefit

Society:

Registration number: 8819

**Offer of between 500 and 100,000 shares of £1.00 per applicant**

**23 May to 7 July 2022**

**(subject to extension to 31 October 2022)**

**Target fundraising of between £200,000 and £350,000**

# SHARE OFFER AT A GLANCE

THE FISHERS ARMS HORNCLIFFE COMMUNITY PUB LIMITED



## SHARES:

May be interest-bearing; non-transferable; may be withdrawable after a minimum of 3 years but subject to capital requirements of the Society; asset locked so if the Society is wound up, surplus assets must be used for benefit of community - they cannot be distributed to members.

Price per share: £1.00

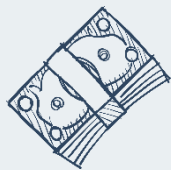
Minimum investment: £500.00

Maximum Investment: £100,000.00



## MEMBERSHIP:

One member equals one vote regardless of the size of your investment. Buying shares makes you a Member of the Society and gives you the right to vote on important decisions regarding the pub.



## PROJECTED RETURN:

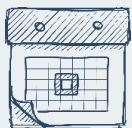
Annual interest payments may be payable on shares from Year 3 and depend on business performance and agreement of Members at Annual Members Meeting. The target in our business plan is to be able to pay interest annually of 2% above the base rate of the Bank of England.



## SHARE OFFER TARGETS:

Minimum: £200,000

Maximum: £350,000



## SHARE OFFER: KEY DATES

Opens: 23 May 2022

Closes: 7 July 2022

**WARNING –  
CAPITAL AT RISK:**

You could lose some or all of the money you invest in this share offer. You have no right of complaint to the Financial Ombudsman Service nor can you apply to The Financial Services Scheme.

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# GLOSSARY

**Business Plan:** the Society's business plan a copy of which is available on the [website](#)

**Closing Date:** 7 July 2022

**community benefit society:** a community benefit society formed under the Co-operative and Community Benefit Societies Act 2014

**Extension Date:** 31 October 2022, being the date to which the Share Offer may be extended if the Minimum Level of Investment is achieved by the Closing Date

**FCA:** The Financial Conduct Authority, the registrar of community benefit societies

**Member:** a member of the Society being a person who holds a share

**Minimum Level of Investment:** £200,000

**Offer:** the time limited offer of shares in the Society during the Offer Period

**Offer Period:** 23 May 2022 to 7 July 2022, subject to extension to 31 October 2022

**Rules:** the Rules of the Society which govern relations among Members and between a Member and the Society

**Shares:** withdrawable, non-transferable shares of £1.00 each on the capital of the Society

**Society:** The Fishers Arms Horncliffe Community Pub Limited

**The Fishers:** The Fishers Arms, Main Street, Horncliffe, Northumberland TD15 2XW

**Website:** the Society's website hosted at [www.fishersarmshorncliffe.org](http://www.fishersarmshorncliffe.org)

# SUMMARY

- The Society is a community benefit society established to benefit the community of Horncliffe in Northumberland.
- The Society seeks to raise a minimum of £200,000 by the issue of withdrawable non-transferable shares to allow it to purchase and refurbish The Fishers Arms, the only pub in Horncliffe.
- The Fishers is currently closed and its owner wishes to sell it. It is an asset of community value in Horncliffe. The community has an opportunity to buy it and wishes to do so.
- The Society intends to develop The Fishers as a community resource and meeting place. The Society's plans for The Fishers are set out in its Business Plan which can be found on the [Website](#).
- The Society offers the opportunity to investors to subscribe between £500 and £100,000 for Shares in the Society.
- The offer opens on 23 May 2022 and will close on 7 July 2022. If the Minimum Level of Investment of £200,000 is achieved the Society may extend the Offer Period until 31 October 2022.
- The maximum amount to be raised by the Offer is £350,000.
- The Shares are not transferable and while it may be possible for members of the Society to withdraw their capital that will not be permitted for three years and even then, will be subject to the capital requirements and liquidity of the Society.
- Shares should not be regarded as a financial investment but rather as an investment in the community. The Society will, however, seek to pay interest on amounts invested at a rate which is 2% per annum above the base rate of the Bank of England.
- Persons interested in purchasing Shares should (a) read this Prospectus carefully; (b) carefully consider the additional information available on the Society's [website](#); and (c) complete and return the Application Form contained in this Prospectus.

# 1

## Introduction

The purpose of this Prospectus is to provide information to persons who might want to acquire **Shares** in The Fishers Arms Horncliffe Community Pub Limited (the **Society**). The Society is a community benefit society and has been formed for the purposes of acquiring the Fishers Arms (**The Fishers**) a pub in the village of Horncliffe.

Horncliffe is a small community sitting right on the border between England and Scotland. It is an almost invisible village at the end of a public road where England runs out.

Horncliffe once had three pubs, a village shop, a post office, a smithy, a school, and a church, but these have all gone. This Prospectus outlines an opportunity to purchase the remaining pub as an asset for the benefit of the community - to create a place where friends can meet for a drink, a meal, or just a chat; where clubs can meet, where we can have social events, evenings of music, charity quiz evenings and the like. All these events used to take place in The Fishers until the end of October 2021.

This isn't about real estate; it is about preserving a community asset. Storm Arwen devastated the village, cutting us off with fallen trees and cutting off power and other services to the whole village. The Fishers could have been a sanctuary for villagers to gather for mutual support, warmth, food and communication, if it had still been open.

Subject to raising the targeted amount of £200,000 (the **Minimum Level of Investment**) the Society intends to acquire The Fishers from its current owner and operate it as a community asset. This Prospectus will explain the background to the opportunity to acquire The Fishers, the nature of the Society and its Shares and the plans for the future of The Fishers and will allow persons interested in acquiring Shares to apply for them.

The Fishers was built in 1760 and has remained a pub ever since then. It has seen victories at Trafalgar, Waterloo, The Crimea, WW1 and WW2. Please consider this share offer and help us be victorious in this present undertaking of saving our pub and make it a hub for the community for generations to come.

# 2

## The Fishers Arms and the Society's plans for it

### 2.1 Horncliffe

Horncliffe is a Parish of just over 400 people situated on the very edge of North Northumberland approximately four miles west of Berwick upon Tweed. The village ends by the Tweed and the river separates it from Scotland. The Village is on National Cycle Route 1 and the Lower Tweed Trail.



## 2.2 North Northumberland

This part of North Northumberland is essentially rural comprising good agricultural land stretching to the Cheviot hills. It is close to the Northumberland Coast Area of Outstanding Natural Beauty and the Northumberland National Park. The area offers much for both the resident and the visitor.

## 2.3 The Fishers

The Fishers is a small rural public house. Until recently it was open and both sold drink and served food. It has the potential of a minimum of two letting rooms.

The Fishers closed in October 2021 and its owner wishes to sell it. The Fishers is listed as an asset of community value (ACV) preventing its sale other than as a public house until May 2023. There was a moratorium in place until 29

March 2022 preventing its sale to anyone other than a qualifying community body. The Society is a qualifying community body. The Society has had discussions with the owner and the owner agreed in principle to sell the pub to the Society. The community of Horncliffe regards The Fishers as an important community asset with real potential to serve its community and wishes to acquire it and re-open it.

The property has suffered from a lack of investment in recent years and work is required to bring it up to standard. The Society has had both a valuation and a condition survey carried out. These suggest that the price being paid for The Fishers is reasonable and is in line with the business plan. In addition while significant work is required to bring it up to standard, that work is all believed to be possible. The sum required to purchase The Fishers and carry out the work necessary to refurbish and re-open it, is estimated at £350,000.

A decision has been reached, after consultation with the community, that the Society should seek in the first place to purchase The Fishers and then continue to raise funds for its refurbishment. The minimum amount necessary to buy The Fishers and meet the costs incurred to date and the modest costs of ownership over the next 12 months is estimated to be £200,000. If £200,000 can be raised the Society will go ahead and buy The Fishers as soon as possible. That is why the Minimum Level of Investment has been set at £200,000.



It is important that investors understand that fundraising will be ongoing. It is highly likely that the Offer Period will be extended to the Extension Date and efforts to seek grant funding are already actively underway. It is also hoped that some of the work necessary to refurbish The Fishers may be carried out by volunteers.

The overall objective is to purchase and refurbish The Fishers in order to retain the last amenity in the village. The vision is to build a sustainable business, which becomes a hub for the community of Horncliffe parish and creates employment for local people.

The following business objectives have been identified: -

- To purchase and refurbish The Fishers.
- To run the business as a pub serving food and offering accommodation.
- To become a community hub for Horncliffe parish.
- To provide local employment.

Once purchased and refurbished the objective will be to increase trade and footfall. Initial plans for this have been identified: -

- To recruit a skilled manager/tenant, able to increase profits and tightly control spending. They must be able to work with the Management Committee and community shareholders
- To let the refurbished bedrooms, possibly as Bed & Breakfast
- To convert the ground floor cellar to a snug to increase function space
- To increase food sales by offering coffee and cake, a lunch menu and evening bar meals. This fulfils suggestions from the village survey.

A copy of the Society's Business Plan can be found on the Website at:  
[www.fishersarmshorncliffe.org/business-plan](http://www.fishersarmshorncliffe.org/business-plan)

### 3 The Society

The Society is registered with the Financial Conduct Authority (the **FCA**) as a *community benefit society*. A community benefit society is a company which is run primarily for the benefit of people who are not members of the company and it must operate in the interests of the community at large. A community benefit society's rules must not allow either profits or the society's assets to be distributed to the members. Profits must generally be used to further the objects of the society by being ploughed back into the business to benefit the community the society was set up to serve. A society's rules must not allow its assets to be

distributed to its members on dissolution. The rules should state that on dissolution, after returning to the Members their capital and any accrued interest, any surplus should be transferred, for example, to some other body with similar objectives.

While a community benefit society cannot distribute its profits to members, it can pay to them a reasonable rate of interest on share capital and loans, but it may not do so at a rate that is more than that reasonably necessary to obtain and retain enough capital to run the business.

The Society was formed on 16 March 2022. Its registered number is 8819. It was formed with a minimum number of Members (three). They were Paul Burns, Andrew Firth and Neill Berry. The initial Secretary is Adrian Bell. A community benefit society is managed by its Management Committee. The Society proposes to have a Management Committee comprising not more than 12 people of whom not less than three quarters will be elected by Members. Again, with a view to forming the Society a number of individuals (considered to have skills, time or expertise necessary for this part of the process of acquiring The Fishers) have been appointed to the Management Committee. They are: -

Keith Giddens (Chair)	Village resident since 2014, polymer chemist, technical consultant and Chair for an International Trade Association. Semi-Retired.
Andrew Firth (Vice Chair)	Village resident since 2020, project manager for the retail industry. Retired.
Mo Kay	Village resident since 1961, caterer, founder of Veg Shed, Hookers, and Chair of the Memorial Hall Committee.
Tabitha Bell	Village resident since 2008. Scottish qualified Solicitor.
Adrian Bell	Village resident since 2008. Corporate lawyer and experienced director/trustee (arts, education and heritage).
Lesley Ferguson	Village resident since 2020. University lecturer.
Louise Giddens	Village resident since 2014, project manager, risk assessor, Memorial Hall Committee member. Retired.

A general meeting of the Society will be convened no later than 7 July 2023 to allow Members to elect a Management Committee. All current members of the Management Committee will retire and may offer themselves for re-election.

## 4 Members' Rights and Responsibilities

By purchasing Shares, you will become a Member of the Society (in the case of corporate membership a company representative needs to be appointed to attend membership meetings).

Membership confers the following rights and responsibilities: -

- 4.1 Each Member has one vote regardless of how many Shares they hold
- 4.2 Members may participate in discussion and decision-making at general meetings and vote to elect the Management Committee at the Annual General Meeting.
- 4.3 Members can make themselves available for election to the Management Committee.
- 4.4 All Members will be provided with the Annual Report and Accounts outlining the previous year's work.
- 4.5 The Rules of the Society provide a number of ways in which the membership may hold the Management Committee accountable for running the Society, including by calling for a special general meeting.

The Rules of the Society can be found on the Society's Website at:

[www.fishersarmshorncliffe.org/buy-shares](http://www.fishersarmshorncliffe.org/buy-shares)

## 5 The opportunity to acquire Shares

The Society invites interested persons to subscribe for Shares in the Society. Individuals or companies can buy shares. Any number of individuals can band together to buy Shares (as with companies they will be required to nominate a representative who can attend membership meetings on behalf of the group). Applicants must be aged 18 or over.

The offer of Shares is time limited. The period during which shares can be acquired commences on 23 May 2022 and will close on 7 July 2022 (the **Closing Date**). The Society may, if the Minimum Level of Investment is achieved by the Closing Date, extend the Offer Period until 31 October 2022 (the **Extension Date**). The Society considers it very likely that the Offer will be extended to the Extension Date.

It is believed there is substantial interest in acquiring Shares both in Horncliffe and the surrounding area, but, given the unique nature of The Fishers, situated right on a border, it is thought there might be wider interest in owning a part of the future of this much-loved village pub.

**Shares in the Society cost £1.00 each.**

Given the amount which the Society needs to raise, the Society has set the minimum number of Shares for which one person may subscribe, at **500** shares (at a cost of £500) and a maximum of **100,000** shares (at a cost of £100,000). Applicants may subscribe for any amount between £500 and £100,000. The minimum amount which the Society seeks to raise is **£200,000** and if that amount is not raised by the closing date, then the issue of shares in the Society will not proceed and the Society will not acquire The Fishers. The maximum amount the Society will raise by this issue is **£350,000**.

As noted above a community benefit society cannot distribute profit and its surpluses must be applied for community purposes. This ought therefore to be primarily regarded as an investment in the community rather than a financial investment. The Society can however pay interest and, subject to generating an adequate surplus from its trade, proposes to pay 2% per annum above Bank of England base rate to members.

The capital value of a Share will not grow, but the Society will seek to provide opportunities for members to withdraw their capital over time. The return of capital cannot be guaranteed and will be subject to the needs of the business from time to time.

Shares are not transferable (except on death or bankruptcy) and cannot be sold. Shares cannot be withdrawn until at least three years have elapsed from the date of the share issue and then only at the discretion of the Management Committee, who will at all times prioritise the ongoing financial sustainability of the Society. The Management Committee will have the authority to refuse a withdrawal request if it would endanger the business. The full details of share ownership and terms of withdrawal can be found in the Society's Rules which are located on the [Website](#).

You may subscribe at any time from the date of publication of this Prospectus until the Closing Date, and, if the offer period is extended, until the Extension Date.

If you wish to subscribe for Shares please complete the application form which accompanies this Prospectus and return it by the Closing Date to Adrian Bell at Cairnbank, West End, Horncliffe, Berwick upon Tweed, Northumberland TD15 2XN.

If the Minimum Level of Investment of £200,000 is not achieved by the Closing Date, all funds will be returned by no later than 14 July 2022.

## 6 Tax relief – EIS, SEIS, SITR

It is not considered likely that tax relief will be available on an investment in the Society.

## 7 Risk factors and considerations for Applicants

- 7.1 Before applying for Shares you should read this Prospectus carefully and consider whether or not you need to take independent financial advice.
- 7.2 The Minimum Level of Investment is considered to be sufficient to buy The Fishers. It is not sufficient to refurbish and open it. The Society will continue to fundraise for that purpose. There is no guarantee that the Society will be able to raise sufficient funds to carry out all or any of its plans.
- 7.3 The value of Shares may fall if liabilities exceed assets, e.g., if the business fails. Your investment is fully at risk and before investing you should be comfortable with this. As the Society confers limited liability, your personal liability in all circumstances is restricted to the value of your Shares; the most you could lose due to business failure is the value of your investment. However, it should be noted that The Fishers is a freehold property giving the security of owning the property.
- 7.4 You must be aware that the Society can only use its assets for the benefit of the community, and therefore the business cannot be sold on for private gain or for the gain of its current Members. The full explanation of this Asset Lock is set out in Section 7.5 of the Society's Rules.
- 7.5 The Society is registered with the Financial Conduct Authority. However, special rules apply to Co-operative and Community Benefit Societies and you have no right of complaint to an ombudsman. As with any share offer you would be well advised to seek independent financial advice before investing.

## 8 Frequently Asked Questions (FAQs)

### Why buy shares?

Buying Shares in The Fishers means investing in the last public amenity in Horncliffe and bringing it under the Society's control for the benefit of the Parish of Horncliffe and the wider area. 119 known community pubs in total were trading across the UK at the end of 2019. No community pubs ceased trading or transferred out of community control into private ownership during 2019.<sup>1</sup> Pubs bought into community ownership appear to thrive and contribute to the communities in which they are located.

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<sup>1</sup> Source: Plunkett Foundation - "Community Pubs - A better form of Business - 2020"

<b>What do the Shares cost?</b>	Shares cost £1 each. Given the large amount of money required, the Society has set the minimum purchase at 500 Shares (£500). The maximum purchase is 100,000 shares (£100,000) per applicant. Any amount between £500 and £100,000 can be invested.
<b>Can anyone buy Shares?</b>	Individuals or companies can buy Shares. Any number of individuals can band together to buy Shares (as with companies they will be required to nominate a representative who can attend membership meetings on behalf of the group). Shareholders must be aged 18 or over.
<b>When can I buy Shares?</b>	The share offer opens on 23 May 2022 and closes on 7 July 2022. If we have raised £200,000 by that date, then we will progress the formal contract negotiations to purchase The Fishers. It is hoped that the current owner would then agree to the sale and – subject to contracts being concluded – The Fishers would become a community owned pub by late summer 2022.
<b>What should I do before buying Shares?</b>	Read this document carefully and consider whether or not you need to take independent financial advice.
<b>Will my Shares increase in value?</b>	No – the value of a Share will not increase.
<b>Is there any financial benefit to buying Shares?</b>	The only financial benefit for members is the interest which may be paid annually. The Society will aim to pay 2% above the Bank of England base rate but this is subject to profits. Please don't invest hoping for a quick return, the real return on investment is being able to secure an important local amenity for the long-term benefit of a rural community.
<b>How do I get my money back?</b>	You will be unable to withdraw your Shares for 3 years, but after that time, the Management Committee of the Society will require three months' notice of your intention to withdraw your Shares. On withdrawal, you will be entitled to the return of your full initial investment. You cannot sell or transfer your Shares, and withdrawals must be funded from surpluses or new capital raised from members. However, it should be made clear that such withdrawals are at the discretion of the Management Committee, who may suspend withdrawals depending on the long-term interests of the Society, the need to maintain adequate reserves and the commitment to the community it serves. Therefore, there is no guarantee that you will be able to withdraw your Shares.

<b>Is there any risk?</b>	The value of Shares may fall if the liabilities exceed the assets, e.g. if the business fails. Your investment is fully at risk and before investing, you should be comfortable with this. As The Fishers Arms Horncliffe Community Pub Limited confers limited liability, your personal liability in all circumstances is restricted to the value of your Shares; the most you could lose due to business failure is the value of your investment.
<b>Can the business be sold at a later date for a profit?</b>	You must be aware that the Society can only use its assets for the benefit of the community, and therefore the business cannot be sold on for private gain or for the gain of its current members.
<b>What happens to my Shares if I die?</b>	You may nominate a person to whom your Shares are to be transferred on your death. If you do not nominate such a person, your Shares convert to a loan and that loan will be repaid on the same basis as the Society allows withdrawal of Shares.
<b>Who can I complain to?</b>	The Fishers Arms Horncliffe Community Pub Limited is registered with the Financial Conduct Authority. However, special rules apply to Co-operative and Community Benefit Societies and you have no right of complaint to an ombudsman. As with any share offer, you would be well advised to seek independent financial advice before investing.
<b>Where can I find more information?</b>	Full details of The Fishers, the background to the Offer, share ownership, the terms of withdrawal and the Society's Rules are all to be found online at <a href="http://www.fishersarmshorncliffe.org">www.fishersarmshorncliffe.org</a>



# SHARE APPLICATION FORM

THE FISHERS ARMS HORNCLIFFE COMMUNITY PUB LIMITED

## GROUPS AND INDIVIDUALS:

Full Name(s):

Address (including postcode):

Telephone Number:

Email Address:

If a group, name of representative:

ALL SHARE OFFERS ARE NOW CLOSED

## COMPANIES:

Full Name(s):

Address (including postcode):

Telephone Number:

Email Address:

Name of Representative:

I/we wish to apply for  <sup>2</sup> shares in The Fishers Arms Horncliffe Community Pub Limited (the **Society**) at a price £1.00 per share. (£500 is the minimum investment; £100,000 is the maximum investment per applicant).

<sup>2</sup> Please complete number of shares - between 500 and 100,000

## Please tick to indicate your method of payment:

- I/we enclose my payment of £  <sup>3</sup>
- Cheques must be made payable to: The Fishers Arms Horncliffe Community Pub Limited and sent as soon as possible to the address listed below in the Notes section.
- I/we have made payment by bank transfer to the Society's bank account  
Name of Bank: Bank of Scotland, Sort Code: 80-22-60, Account Number: 23248364  
Name of Account: The Fishers Arms Horncliffe Community Pub Ltd

## Please agree with the following statements:

- I/we request you to allot and issue the Shares to me/us and agree to accept the same and to become a member of the Society and to be subject to the rules of the Society.
- I have read the Share Prospectus and agree to be bound by the terms and conditions contained within it.
- By buying these shares, I/we agree to all the information disclosed here being held on a database Under the General Data Protection Regulation (GDPR) (EU) 2016/679 and the UK Data Protection Act 2018 is the lawful base on which we rely on for processing this information as set out in Article 6 of the UK GDPR. I/we understand that this information will be used by the Society only and will not be passed to third parties.

**ALL SHARE OFFERS ARE NOW CLOSED**

SIGNED:

Any typed name will be treated as your e-signature

DATED:

## NOTES:-

1. Applications may be rejected in whole, or in part, or be scaled down.
2. Applications that are incomplete or inaccurate may be accepted as if complete and accurate.
3. The outcome of the Offer will be notified to all applicants.
4. Applicants may be requested to provide additional evidence of identity in order to comply with Money Laundering requirements.
5. For more information about community shares generally, go to: [communityshares.org.uk](https://communityshares.org.uk)
6. If you require a hard copy of any of the documents, please contact Moira Kay on 01289 382935 or email: [treasurer@fishersarmshorncliffe.org](mailto:treasurer@fishersarmshorncliffe.org)
7. Visit our website to complete the [online Share Application Form](#)
8. Alternatively, please complete this PDF Share Application Form and return it by email to: [treasurer@fishersarmshorncliffe.org](mailto:treasurer@fishersarmshorncliffe.org), or print and return by post, or by hand – along with your cheque (if applicable) – to: The Fishers Arms Horncliffe Community Pub Limited, c/o Adrian Bell, Cairnbank, The Square, West End, Horncliffe, Berwick upon Tweed, Northumberland TD15 2XN.
9. If you require a hard copy of this form, please email: [treasurer@fishersarmshorncliffe.org](mailto:treasurer@fishersarmshorncliffe.org) to request one, then complete and return by the methods listed above.

<sup>3</sup> Please complete aggregate price