

Friends of the Newtown St Martin pub Ltd

## OPEN SHARE OFFER

(July 2024)



Friends of the Newtown St Martin Pub Ltd is a Community Benefit Society registered with the Financial Conduct Authority (registration number 8572)

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## **1. INTRODUCTION**

You are invited to buy shares in **Friends of the Newtown St Martin Ltd** ('FONSMP' or 'the society') in order to support **The Prince of Wales**, a community-owned pub in Newtown St Martin, Cornwall.

The Society bought the freehold of the pub in 2022 and since then has leased it to tenants who run the day-to-day pub business. We would now like to grow our capital reserves so that we can make improvements to the pub for the benefit of customers and staff.

We aim to attract investment from residents of St Martin and the surrounding areas, but anyone with an interest in securing the future of The Prince of Wales is welcome to invest.

By investing in the Society you will support our pub and our community.

### **Important information**

This document contains an invitation to subscribe for shares in FONSMP which exists for the benefit of the community.

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR CAREFUL ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD SEEK YOUR OWN INDEPENDENT FINANCIAL ADVICE.**

**Accuracy of information** The Society and its Management Committee accept responsibility for the information contained in this document. We have taken all reasonable care to ensure that the information contained in this document is in accordance with the facts and contains no omission likely to affect its substance.

## 2. HISTORY

The Prince of Wales is the only pub in the parish of St Martin in Meneage, situated in the beautiful South Helford area in Cornwall. It dates back to the 17th century and has been a valuable hub for the local community for generations. The building itself is beautiful and has been kept in excellent condition. It remains a Grade II listed building and is constructed from serpentine with granite sills. Whilst some of the pub was reconstructed in the 19th century, the large fireplace in the right hand room and the complex moulded remnant of pine muntin and plank partition on the right hand side of the passage probably date back to the 17th century. It still has the carriage steps which travellers could use to embark and disembark in its early years. Outside there is an attractive beer garden running alongside the stream which leads down to Frenchman's Creek on the Helford River (made famous by the Daphne du Maurier novel).



### **3. THIS SHARE OFFER – HOW WE WILL USE THE CAPITAL**

We now invite new and existing shareholders to help fund new projects and to rebuild our reserves, which have been depleted due to unplanned expenditures, principally

- approximately £8,000 to ensure that a compliant and appropriate fire safety and alarm system was installed in the pub.
- Additional costs due to administrative challenges with the bank account name, which resulted in HMRC delaying a £90,000 reimbursement of VAT spent on the purchase for six months, which incurred a further £3.4k interest charge on the loans taken out to cashflow the VAT payment

New funding is now essential to provide for ongoing maintenance and improvement works on the pub building. This will allow us to continue looking after and improving The Prince of Wales. As a listed building in a conservation area building works are particularly expensive. Some developments we would like to pursue, in consultation with the tenants, include:

- 1) Replacement of signage which were removed by the vendors prior to our purchase
  - This includes two new 'blackboard' signs to be placed on either side of the front entrance door.
  - A new 'swinging' sign.
- 2) Repainting of the rear walls of the building
- 3) Repainting of windows
- 4) Replacement of three external doors
- 5) Repair/replacement of window and window frames which are currently damaged and leaking.
- 6) Repair of internal seating damaged due to water ingress from windows.

All these improvements would not only enhance the attractiveness of the pub to customers and staff, but would also help protect the community's investment. Most have not yet been fully costed, and we will of course only go ahead with improvements that are affordable and that represent good value for money.

**To fund the improvement projects and to avoid depleting our reserves further, we therefore encourage investment from new and existing shareholders**

## 4. WHAT IS A COMMUNITY SHARE OFFER?

A community share offer provides an opportunity for local people and businesses to invest in the community, where the motivation and payback is more social than financial. It helps to ensure a truly local enterprise, accountable to the community whilst serving and benefiting it.

An open share offer is one that is not time-bound nor with a maximum target. The Society's intention is that the offer will remain open for the foreseeable future. However, the Management Committee reserves the right to suspend this offer at any time.

FONSMP already has 100 Members which is a tremendous vote of confidence in the Society, but we're conscious that, since the original share offer in 2021, people have moved into, or purchased property in the area who may welcome this opportunity to invest in their community and become shareholders. This offer is intended to facilitate this.

## 5. FONSMP – THE FINANCIALS

Our primary source of income is the rent paid by the tenants which is set at an affordable level that provides FONSMP with a reasonable return. We have also received a number of grants for the purchase of the freehold of the pub.

Other sources of funding are share purchases and donations.

Our expenditure, other than on major capital projects, relates to ongoing property maintenance and improvements, and the administrative costs of running the Society (loan repayments, website, accountancy, etc).

Copies of our annual accounts and reports to the Annual Members' Meeting can be found on our website: <https://friendsofthewhitehorse.org>.

## 6. HOW IS FONSMP MANAGED?

The Society is managed by a Management Committee currently made up of 3 Members of the Society. The committee is accountable to the membership and reports to them via the Annual Members' Meeting.

Members of the Management Committee receive no remuneration or other benefits.

The Society's annual accounts are prepared by David Cadwallader & Co. Ltd, a Bicester-based accountancy firm, and are submitted to the FCA.

## 7. HOW DO I BUY SHARES?

You need to be 18 years old or over in order to invest. **Each share costs £10**, and for this open share offer there will be a minimum investment of five shares, i.e. £50.

Existing shareholders are of course very welcome to apply for further shares.

If you would like to buy shares, please complete and sign the application form, scan or photograph it and send it as an email attachment to [princeofwalesnewtownstmartin@gmail.com](mailto:princeofwalesnewtownstmartin@gmail.com). Alternatively send it to: The Membership Secretary, Friends of the Newtown St Martin pub Ltd, c/o The Prince of Wales, Newtown St Martin TR12 6DP.

Please make an online payment for the full amount into FONSMP Nat West Bank account Transfer the money for the shares you want to buy via bank transfer to Friends of the Newtown St Martin pub Ltd, Account No: 45341265 Sort code 52-41-31 with your name as reference or post a cheque for the full amount to us at Friends of the Newtown St Martin pub Ltd, c/o Prince of Wales, Newtown, St Martin, Helston, TR12 6DP.

The application form can be downloaded from our website <https://friendsoftheprinceofwales.org/request-share-offer-application/>. All applications are subject to formal approval by FONSMP at its sole discretion. In the unlikely event that an application is rejected your payment will be returned. Please note that if you are buying shares as a couple, only the first named applicant will have voting rights. You may therefore wish to make separate applications in each name so that you will both have a vote.

## **8. TERMS AND CONDITIONS**

Please read the following terms and conditions carefully.

- The purpose of this open offer is to build up funds to maintain and improve The Prince of Wales, and to replace share capital.
- This share offer runs from July 2024 until such time as the Management Committee at its sole discretion decides to close it.
- The minimum subscription for this offer is five shares, and each share has a nominal value of £10. This means that the minimum permitted investment is £50. The legally permitted maximum investment in a community benefit society is £100,000.
- All shares must be paid for in full on application.
- All investors will be Members of the Society and entitled to vote on matters affecting the Society.
- Joint applications for shares will be accepted, but please note that only the first named investor on the application form will have voting rights.
- Each voting Member will have one vote regardless of the number of shares held.
- All Members must be aged 18 or over.
- The Management Committee reserves the right to refuse applications at its absolute discretion.
- Shares are not transferable except on death or bankruptcy and they cannot be sold.