

The Great Bromley Cross Pub  
Community Benefit Society Limited

SHARE OFFER

THE GREAT BROMLEY CROSS, ARDLEIGH ROAD,  
GREAT BROMLEY, ESSEX CO7 7TL

Minimum investment: £250  
Maximum investment: £50,000

The Great Bromley Cross Pub CBS Limited  
is registered with the Financial Conduct Authority under the  
Co-operative and Community Benefit Societies Act 2014 as a  
Community Benefit Society, registration number 7216

V1.3 - June 2021

## This Share Offer Document

- Outlines the project and its benefits to the community.
- Explains the community share offer and provides information on the Great Bromley Cross Pub Community Benefit Society Limited.
- Invites you to become a member of the Society and outlines your rights and liabilities.

## Our Vision and Benefits to the Community

We believe that the The Great Bromley Cross and its site are vital amenities for the hamlets of Bromley Cross and Burnt Heath.

Securing the long-term future of the pub enables us to:

- Continue to provide Post Office and Library facilities.
- Provide a meeting place for the whole community and fostering community spirit.
- Utilise the site to provide other services that are badly needed here in Great Bromley.
- Creating opportunities for employment, both paid and voluntary.
- Helping to sustain property prices in the village.

## What is the Great Bromley Cross Pub Community Benefit Society Limited?

The Great Bromley Cross Pub Community Benefit Society (CBS) Limited is the Society established to enable supporters to purchase and run the Great Bromley Cross. It is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 as a Community Benefit Society (registration number 7216). The Society uses the model rules developed by the Plunkett Foundation ([www.plunkett.co.uk](http://www.plunkett.co.uk)), a copy of which is available to download from our website together with this prospectus.

The CBS is administered by a Management Committee, selected by members' votes at the AGM each year. Committee Members can remain in place for 3 years but then need to seek re-election. Each shareholder will be a member of the society and will have a single vote regardless of the level of their share ownership. Annually, the Management Committee will provide all members with a report setting out audited financial statements and a report of the Society's activities for the previous financial year.

## The Share Issue

Share issues are designed to give you the opportunity to contribute financially, on a long-term basis, to the continued success of The Cross. We expect most shareholders to come from the local community but welcome contributors from further afield. The pub will operate as a community business with ongoing costs covered by a trading surplus.

Individuals (aged 16 years and over) and organisations can apply for membership by buying shares at a cost of £50 per share. There is a minimum investment of £250 (5 shares) and a maximum investment of £50,000 (1000 shares) per person or organisation.

Interest is payable on shareholdings at an interest rate proposed by the Management Committee based on the performance of the Society and put to a vote at the AGM. The Management Committee will endeavour to make interest payments as soon as viable. Payments cannot by law exceed 2% above the Bank of England Base Rate. It is each shareholder's responsibility to declare such earnings to HM Revenue & Customs, if appropriate.

**It is important to note that the value of the shares will not increase.** The only financial benefit for shareholders is the interest paid annually, which is at the discretion of the Management Committee.

The shares are not transferable (except on death or bankruptcy) and cannot be sold. Applications for withdrawal may be made by providing three months' notice to the Management Committee. **Shares cannot be withdrawn until they have been held for a minimum period of 3 years, and then only at the discretion of the Management Committee.**

The amount available to withdraw by shareholders in any one financial year will be limited to 10% of the current total value of shares issued. Withdrawals will be funded from trading surpluses or new share capital. The Management Committee will endeavour to meet all withdrawal requests but has the authority, if necessary, to refuse a withdrawal request if it endangers the business.

Should The Cross ever be sold, the shareholders would be repaid their investment from the proceeds of the sale, after the repayment of any debts. Any surplus must be paid into community projects or held in trust until such monies are needed by the community. As with any such investment, there is a risk that the value of your shares may fall. To mitigate this, the CBS will own a property and land, and it is difficult to see how this will ever be worthless.

As an investor, your liability is restricted to the value of your shares. In the very unlikely event that the business fails, you would have no other liability.

## How to Buy Shares

Shares can be purchased by completing the form on our website and returning it, with payment, to the Secretary.

## Important Notice

**When considering investing it is essential to understand that this should be regarded primarily as a long-term social investment in our community, intended to secure a vital amenity for years to come. It is not an exercise in generating large or quick financial returns.**

Please read these summary points before deciding whether to invest.

- The minimum investment is £250 (5 shares). The maximum investment in our Community Benefit Society is £50,000 (1000 shares) per person or organisation.
- Shareholders must be aged 16 years or over.
- Shares cannot be transferred except on death or bankruptcy, and they cannot be sold.

- Shares cannot be withdrawn for the first 3 years following their issue. Following this period, they can only be withdrawn by providing three months' notice to the Society. Any withdrawals are at the discretion of the Management Committee. Total withdrawals in any financial year are limited to 10% of the issued share capital.
- The value of shares cannot increase, and their value may be reduced if the business fails, and its liabilities exceed its assets.
- The Society can by law only pay interest on shares up to a maximum of 2% above the Bank of England base rate interest. Such interest will only be paid when the performance of the business justifies this and will be at the discretion of the Management Committee and as voted on at the AGM.
- Every shareholder has an equal voice regardless of the size of his or her shareholding – one member, one vote.
- Any trading surplus, after payment of interest to shareholders and repayment of share withdrawals, must be re-invested in the business or used for community purposes.
- The Society is registered with the Financial Conduct Authority (FCA) and will be required to provide an annual return to the FCA. However, it is not regulated by the FCA. Members cannot apply to the Financial Services Compensation Scheme (FSCS) and have no right of complaint to the Financial Ombudsman.

**Before deciding to invest you may wish to seek independent advice.**

