



The Centurion Community Pub

Share Offer

If you are considering buying shares it is important that you read the whole document.

Introduction

The Centurion Community pub (The Centurion) lies in the heart of Vicars Cross on the outskirts of Chester and was built as part of the Vicars Cross development in the early 1960s.

The pub had uninterrupted trading until sold to Admiral Taverns in 2015, who closed the pub under an agreement for the pub to be demolished and replaced with a care home. The community banded together to prevent the sale, and in September 2016, it was re-opened under a lease from Admiral Taverns.

The Centurion Community Action Group Limited now has the status of a Community Benefit Society (CBS) and is regulated by the Financial Conduct Authority (FCA) under the Community Benefit Society Act 2014. The Society is governed by the Plunkett 'Model Rules' for a CBS and is run by a Management Committee (the Committee), in accordance with those Rules.

As a CBS, the pub is committed to trading solely for the benefit of the community, examples of which are using profits to provide support for the socially isolated in the area and in giving financial help for local sports teams, charities, and other local good causes.

As a result, the Centurion has become a place for locals to meet informally or as part of the many organised activities that take place there. Lots of our members have said that they have got to know more people since we reopened and feel more a part of the community. We also continue to work with other organisations in Vicars Cross, holding joint events and supporting activities in the community.

A large part of our expenditure is spent with local suppliers, purchasing drinks from local breweries and using local business services for repairs, maintenance and enhancements. Many local volunteers have been invaluable supporting day to day activities and weekly events.

At any given time, we employ around ten members of staff, most of whom are local.

Since re-opening we have developed a good reputation and achieved awards from the Plunkett Foundation and CAMRA.

VISION: To develop a sustainable community owned business that is inclusive, has a reputation for good customer service and which contributes to a vibrant & thriving Vicars Cross.

Financial Performance

The Centurion has successfully completed 7 years trading as a community pub and generated profits to accumulate Net Assets of £130,000. Even during the Covid-19 pandemic, which saw many pubs and hospitality businesses close, the Centurion continued to be profitable.

Attached is a Financial Summary for the seven years of completed trading (Appendix A) and a three-year forecast for the periods from 2023/24 to 2025/26 (Appendix B).

Purchase of the Centurion

We now have the opportunity to purchase the freehold of the pub site from Admiral Taverns. As well as helping to ensure the future of the business, the purchase will give us greater scope to apply for grants and to generally advance the business. In this respect, planned developments to the pub, which are based on customers' and members' feedback, include:

- Modernising the toilet facilities;
- Reroofing the entire pub;
- Installing solar panels to reduce our energy footprint.

This Share Offer is an opportunity for you to help purchase the freehold.

Admiral Taverns has agreed a price of £600,000 plus VAT for the freehold of the site.

Our intention is for the purchase to be financed by a combination of a government grant, a commercial loan and a Share Offer in the proportions set out below:

Grant	£250,000
Share Offer	£175,000
Commercial Loan	<u>£175,000</u>
Total	<u>£600,000</u>

We believe that the payment of VAT on the purchase price can be exempted under the Transfer of a Business as a Going Concern Regulations. If not, NatWest has agreed to us taking a VAT loan, which we believe we can reduce over time by recovering the VAT via our next VAT return.

Our 'Community Ownership Fund' (COF) grant application for £250,000 has been successful and we have 12 months to complete the purchase (September 2024).

We also have a firm offer of a commercial loan (secured by a mortgage over the site) from NatWest for £175,000

Comparing the current Admiral lease charges to any payment of interest on shares and the mortgage repayments, significant savings will be generated to allow investment in the business, as follows:

Share Offer (e.g. £175,000 @ 5% Interest)	£8,750pa
Commercial Loan repayments(approximately)	<u>£20,000pa</u>
Total	£28,750

This compares with existing Lease payments of	<u>£60,000pa</u>
Annual saving	£31,250

Legal costs/stamp duty arising on the purchase will be around £25,000 and will be met by retained profits.

To receive the COF grant, the expectation is that the amount raised by the accompanying Share Offer should demonstrate substantial community support. Under the conditions of the COF grant, the Share Offer must raise a minimum amount of £120,000. However, as the maximum amount we are able to borrow under the commercial loan is £175,000, we believe that the minimum sum that we need to raise under the Share Offer is also £175,000.

If the Share Offer raises more than the £175,000 required to purchase the pub, surplus funds will be used to reduce the size of the commercial loan we are taking from Nat West to facilitate the purchase.

This Share Offer provides the opportunity for local people, supporters and businesses to buy into the community pub, where the motivation and reward is more social than financial and which, at the same time, helps to ensure a truly local enterprise, accountable to the community.

Terms of the Share Offer

The Share Offer opens on 1 December 2023 and closes on 29 February 2024, with the Society's option to extend the Offer period by a further month (until 31 March 2024) if the Committee believes that such an extension would ensure that we achieve at least the minimum share target of £175,000.

Subject to existing members' approval at a general meeting, the shares issued under the Offer will be of a different class to the existing shares. This will allow the Society to pay interest to holders of the new shares.

You need to be over 16 years to invest.

Each share will cost £1. The minimum investment per person (or per family group or syndicate) is £250 (250 shares) and the maximum is £25,000 (25,000 shares). The maximum has been set to limit the exposure of the Society to large share withdrawals. Purchases are open to existing and new members and can be made:

- as an individual, business, organization, or other body;
- as a group of family or syndicate of friends;
- as a gift of shares for someone else in the above categories

Alternatively, you could just make a donation to the society – please note any donations that are under the £250 which is the minimum share purchase, will be viewed as a donation only and are not subject to any annual returns.

Appropriate application forms are attached as Appendix C or you can download a form at www.centurionpub.org from 1st December 2023. You can also gain access to a copy of the forms by emailing a request to thecenturionshareoffer2023@outlook.com

Shares must be paid in full at the time of the application. You will receive a letter of confirmation once receipt of your payment is confirmed. During the Offer period and the subsequent period leading to completion of the purchase, all monies received will be held in a separate suspense account, so that it is safeguarded from any claims against the Centurion business and will be returned in full (without any addition of interest) if we fail to achieve the minimum Share Offer target.

If we meet our target, the Society will retain the monies in exchange for the issue of share certificates (reflecting the amount you have invested in exchange for shares). Share certificates will be issued at the time of completion of the purchase and you will become a member of the Society at that point.

By purchasing shares and becoming a member of the Society, your rights as a member are governed by the Society's constitution. A copy of the constitution can be found on the Society's website

Key points on the nature of the shares

Voting rights – the shares you buy will make you a member of the Society. All members have equal status and voting at society meetings is on the basis of one member one vote. It is important to realise that each member has an **equal vote regardless of your shareholding**. Irrespective of your investment (previous or new via the share offer), you will still be entitled to one vote only. For syndicate applications, the syndicate will be entitled to one vote from the nominated person and will not be eligible for a vote for each syndicate member.

Capital value - your **share value is fixed and cannot go up or down in value**, so on a withdrawal of shares you will receive your original investment only.

In the event of having to wind up the Society, should the value of the Society's assets exceed the value of the share capital, the shareholders will still get back their original investment only. Any excess value would be transferred to another community organisation with similar community benefit aims. This is known as an "asset lock" and is to prevent private gain if the Society dissolves.

Payment of interest - the Society intends to pay interest on the shares annually. The rate of interest to be paid in any year is to be approved by resolution of the members at the Annual Members' Meeting and shall not exceed 5% or 2% above the base rate of the Bank of England, whichever is greater. The interest will be paid gross and you will be responsible for declaring this income to HMRC.

Withdrawal Rights - shares cannot be sold or transferred to another person but can be withdrawn (i.e. bought back by the Society).

No shares can be withdrawn for three years from the date the share certificate is issued.

After this time, your money can be withdrawn by giving the Society a minimum of 3 months' notice. Under the Societies rules and withdrawal policy, the Committee has the right to refuse or suspend withdrawals and can specify a maximum total withdrawal for each financial year. All withdrawals shall be paid in the order in which the notices were received, up to a maximum total withdrawal specified for the financial year, following which no further withdrawals may be made.

The right to refuse or suspend withdrawal applications applies in order to protect the profitability and cash-flow position of the business. Where there are extenuating circumstances, the Management Committee have the discretion to release funds earlier where feasible.

Death of a member - A member may nominate any person or persons to whom his/her shares should pass at the time of their death. On receiving satisfactory proof of the death of a Member who has made a nomination, the Society shall transmit the shares to the person so nominated. Following the transmission of the shares, if the nominee does not wish to continue with membership, he/she may apply to withdraw the shares. The right to withdraw will then proceed subject to the conditions set out above (Withdrawal Rights).

General Investment risks

The Society wants to be fully open and transparent to potential investors about the risks as well as the benefits of investment in community shares. We wish to make the following points explicit:

- a) An investment in shares is not a loan, or a deposit, and the rates of return are not guaranteed.
- b) Like many investments, community shares are at risk and you could lose some or all the money you invest. If the Society is unable to meet its debts and other liabilities and goes into liquidation, you are likely to lose some or all your investment. However, your liability is limited to the amount that you have paid for your shares. You will have no further liability for any outstanding debts owed by the Society.
- c) 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. Any dispute may be the subject of arbitration as set out in the Society constitution.
- d) Your investment in your share account may receive interest but will not enjoy any capital growth. This is because the shares cannot be transferred to a third party but can only be withdrawn, which would result in the Society repaying your original investment only.
- e) Your investment cannot be withdrawn for the three years following the issue of the share certificate. After this period, your investment is withdrawable without penalty. The Committee is committed to managing The Centurion with a view to ensuring that it has sufficient funds and/or range of options available to allow for withdrawals on request. However, in line with the Society's rules, the Committee has the discretion to suspend withdrawals if the Society has insufficient finance available to repay the investment.

Due care has been taken in preparing this document which has been overseen and approved by the Committee.

We look forward to welcoming you as a shareholder!

Application Procedure

Please read the rules below and complete the appropriate application form in Appendix C.

- as an individual, a business, an organisation or other body – **Form 1**;
- as a family group or syndicate of friends – **Form 2**;
- to buy shares as a gift for someone else– **Form 3**.
- to make a donation only to the society, without becoming a member of the Society or receiving shares - **Form 4**.

By completing an application form the applicant offers to subscribe, on the terms and conditions contained in the Share Offer document, for the minimum value of shares specified (£250), or such lesser amount as may be accepted by the Committee.

Applicants must be 16 years of age or over and may be requested to provide additional evidence of identity to comply with Money Laundering requirements.

Once an application has been submitted and approved it cannot be withdrawn. Multiple applications will be admitted providing that they do not result in a member holding more than the maximum shares allowed of 25,000 (value £25,000).

Applicants can pay for shares by electronic bank transfer or cheque.

- If you wish to make a bank transfer from your online bank account (with your name as the reference), please make the payment to “**Centurion Community Action Group**”, **Account No: 83497868, Sort Code: 30-91-92 with Lloyds Bank plc**.
- If you wish to pay by cheque, make the payment to “**Centurion Community Action Group LTD**”.

Completed application forms must be posted to The Centurion, 1 Oldfield Drive, Vicars Cross, Chester CH3 5LN, or emailed to TheCenturionShareOffer2023@outlook.com. Alternatively, it can be physically delivered to the above address and placed in the secure post box for share offer documents.

As explained above, all funds will be held in a bank account in the name of Centurion Community Action Group Limited, separate from any other financial activities, until the share Offer is complete (and the share certificates have been issued) or fails to raise the minimum sum required.

Incomplete or inaccurate applications may be accepted, as if complete and accurate, at the Society’s discretion.

The result of the Offer will be published on our website, social media pages and all applicants will be informed by email/letter.

An applicant who receives shares agrees to be bound by the rules of Centurion Community Action Group Limited. A copy of the constitution can be found on the Society’s website.

The application process and subsequent maintenance of shareholdings on a database involve the use and retention of basic personal data of those who apply (e.g. name and contact details etc.) The Society is registered with the Information Commission Office (ICO) and is compliant with the **General Data Protection Regulations (GDPR)**. Please see the ICO website (<https://ico.org.uk/>) for a full description of your rights under the Regulations.

Don’t miss this one-off opportunity to invest in your community pub

Centurion Community Group Limited is a Community Benefit Society registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014, registration number 7382. A Member of the Plunkett Foundation
www.centurionpub.org

APPENDIX A

Financial Accounts YE 2017 to YE 2023

	YE 2016/17	YE 2017/18	YE 2018/19	YE 2019/20	YE 2020/21	YE 2021/22	YE 2022/23
Income Statement							
Wet Sales	309,058	338,067	349,811	249,274	288,414	388,886	449,717
Other Sales	17,520	13,347	11,615	9,475	7,890	20,748	13,297
Gross Profit	174,464	179,361	196,256	139,998	151,124	210,200	245,257
Overheads	140,243	174,969	172,321	164,423	180,198	217,499	246,016
Net Profit/(Loss)	34,221	4,392	23,935	(24,425)	(29,074)	(7,299)	(759)
Interest Payable on Shares	0	0	0	0	0	0	0
Donations Received	13,029	1,193	0	(200)	(100)	0	44
Community Fund Raising	0	0	0	0	0	0	2,480
Grants (COVID/Furlough/COC)	0	0	0	46,865	68,997	7,000	0
Other Income	0	38	608	0	0	0	0
Net Profit Before Tax	13,029	1,231	608	46,665	68,897	7,000	2,524
Balance Sheet							
Land and Buildings	0	0	0	0	0	0	0
Total Fixed Assets (NBV)	515	529	309	402	509	1,239	10,365
NET CURRENT ASSETS	48,338	54,125	77,248	95,848	128,313	127,294	120,192
NET ASSETS	48,853	54,654	77,557	96,250	128,822	128,533	130,557
Represented By:							
Share Capital	13,400	13,400	16,465	17,125	17,395	17,405	17,665
Profit & Loss Account	35,453	41,254	61,092	79,125	111,427	111,128	112,892
Total Funds	48,853	54,654	77,557	96,250	128,822	128,533	130,557

APPENDIX B

Financial Forecast YE 2024 to YE 2026

		Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
Wet Sales	e)	475,677	499,461	524,434
Total Other Sales		37,500	39,325	41,241
Total Gross Profit		265,623	278,854	292,746
Total Overheads	c,b,d,g)	255,122	248,856	256,999
Net Profit/(Loss)		10,500	29,998	35,747
Interest Payable on Shares	a)	10,500	10,500	10,500
Grants - COF	h)	250,000	0	0
Share Offer	h)	175,000	0	0
Loan - NatWest	h)	175,000	0	0
Purchase of Freehold	h)	(600,000)	0	0
Net Profit Before Tax		0	19,498	25,247
Balance Sheet				
Land and Buildings		600,000	600,000	600,000
Total Fixed Assets (NBV)	d)	7,046	31,046	26,046
NET CURRENT ASSETS	f)	(46,467)	(26,969)	(1,722)
NET ASSETS		553,533	573,031	598,278
Represented By:				
Share Capital		442,405	442,405	442,405
Profit & Loss Account		111,128	130,626	155,873
Total Funds		553,533	573,031	598,278

Notes

- a) 2023/24 Interest payable on share holdings, £175,000 @ 6%
- b) 2023/24 Purchase Costs, solicitor cost and stamp duty - £25,000
- c) Invest 2024/25 £40,000, 2025/26 £40,000 on building repairs & upgrades
- d) 2024/25 Install Solar panels, cost £29,000, dep 10yrs, savings £8,800pa
- e) Assume sales and costs will increase with inflation @ 5% over next 3 years
- f) Loan from Natwest, £20k repayments, estimated liability at Year End
- g) Saving on termination of lease less Loan repayment, estimate £10,000
- h) Purchase Admiral Taverns: COF Grant, Commercial Loan, Share Capital

Appendix C

Form 1 – If purchasing shares as an individual or as a business, organisation, or other body

Name (in full)		
Company or Group name (if applicable).		
Address – (including post code)		
Email		
Telephone	Home/mobile	

I wish to purchase shares as follows (Minimum 250 shares, Maximum 25,000 shares):

No of Shares		Total Value of Shares (£)	
--------------	--	---------------------------	--

**Please make cheques payable to: Centurion Community Action Group Limited.
Or make a bank transfer to the Centurion Community Action Group account at Lloyds Bank plc
Account no: 83497868
Sort code: 30-91-92
Please reference your payment with your surname and initials.**

By requesting that I become a member and investing in Centurion Community Action Group Limited, I agree to my name, address, phone number, email address (where applicable) and the number of shares I wish to purchase being held on a computer database. I understand that this information will only be used to maintain a register of members and potential members as required by the rules of the Community Benefit Societies, for posting of notices regarding the activities of Centurion Community Action Group Limited and will not be passed to third parties.

By applying for shares and adding your signature below, you acknowledge that you have read and understood the Offer document.

Signed	
Date	

Completed forms and cheques can be physically delivered to or posted to **Centurion Community Action Group Limited, 1, Oldfield Drive, Vicars Cross, Chester CH3 5LN,**

or emailed to TheCenturionShareOffer2023@outlook.com

CLOSING DATE: 29 February 2024.

Form 2 – If purchasing shares as a family group or syndicate of friends

The group or syndicate are required to nominate one individual who will represent the group at members' meetings and be responsible for how the interest will be distributed to other members of the group/syndicate.

Name (in full)		
Address – (including post code)		
Email		
Telephone	Home/mobile	

I wish to become an individual member of Centurion Community Action Group Ltd, as the representative **of up to 9 others**. The names of the other people in my group/syndicate are:

Name	Address

I wish to purchase shares as follows (Minimum 250 shares, Maximum 25,000 shares):

No of Shares		Total Value of Shares (£)	
--------------	--	---------------------------	--

**Please make cheques payable to: Centurion Community Action Group Limited.
Or make a bank transfer to Centurion Community Action Group account at Lloyds Bank plc**

Account no: 83497868

Sort code: 30-91-92

Please reference your payment with your surname and initials.

By requesting that I become a member and investing in Centurion Community Action Group Limited, I agree to my name, address, phone number, email address (where applicable) and the number of shares I wish to purchase being held on a computer database. I understand that this information will only be used to maintain a register of members and potential members as required by the rules of the Community Benefit Societies, for posting of notices regarding the activities of Centurion Community Action Group Limited and will not be passed to third parties.

By applying for shares and adding your signature below you acknowledge that you have read and understood the Offer document.

Signed	
Date	

Completed forms and cheques can be physically delivered to or posted to **Centurion Community Action Group Limited, 1, Oldfield Drive, Vicars Cross, Chester CH3 5LN,**

or emailed to TheCenturionShareOffer2023@outlook.com

CLOSING DATE: 29 February 2024.

Form 3 – if applying for shares to give as gifts to others.

Your Name (in full)		
Address – (including post code)		
Email		
Telephone	Home/mobile	

I wish to purchase shares as a gift to others (Minimum 250 shares, Maximum 25,000 shares):

No of Shares		Total Value of Shares (£)	
--------------	--	---------------------------	--

I am applying for shares to give as a gift or gifts to one or more people aged 16 or over. Note that the donee(s) must confirm that he/she/they is/are eligible and will acknowledge agreement to become a member before the shares are issued.

I will provide relevant details (identity etc.) of the donee(s) to Centurion Community Action Group Limited before it issues Share Certificates.

Name (in full) of individual shares being gifted to		
Address – (including post code)		
Email		
Telephone	Home/mobile	

**Please make cheques payable to: Centurion Community Action Group Limited.
Or make a bank transfer to the Centurion Community Action Group account at Lloyds Bank plc.**

Account no: 83497868

Sort code: 30-91-92

Please reference your payment with your surname and initials

By requesting that I become a member and investing in Centurion Community Action Group Limited, I agree to my name, address, phone number, email address (where applicable) and the number of shares I wish to purchase being held on a computer database. I understand that this information will only be used to maintain a register of members and potential members as required by the rules of the Community Benefit Societies, for posting of notices regarding the activities of Centurion Community Action Group Limited and will not be passed to third parties.

By applying for shares and adding your signature below you acknowledge that you have read and understood the Offer document.

Signed	
Date	

Completed forms and cheques can be physically delivered to or posted to **Centurion Community Action Group Limited, 1, Oldfield Drive, Vicars Cross, Chester CH3 5LN,**

or emailed to TheCenturionShareOffer2023@outlook.com

CLOSING DATE: 29 February 2024

Form 4 – if you are making a donation to support the project, without becoming a member of Centurion Community Action Group Limited.

Name (in full)		
Company or Group name (if applicable).		
Address – (including post code)		
Email		
Telephone	Home/mobile	

I wish to make a donation to support the project of £

**Please make cheques payable to: Centurion Community Action Group Limited.
Or make a bank transfer to the Centurion Community Action Group account at Lloyds Bank plc.
Account no: 83497868
Sort code: 30-91-92
Please reference your payment with your surname and initials**

By making a donation to Centurion Community Action Group Limited, I agree to my name, address, phone number, email address (where applicable) being held on a computer database. I understand that this information will only be used to maintain a register of donations, members and potential members as required by the rules of the Community Benefit Societies, for posting of notices regarding the activities of Centurion Community Action Group Limited and will not be passed to third parties.

By making the donation and adding your signature below, you acknowledge that you have read and understood the Offer document.

Signed	
Date	

Completed forms and cheques can be physically delivered to or posted to **Centurion Community Action Group Limited, 1, Oldfield Drive, Vicars Cross, Chester CH3 5LN,**

or emailed to TheCenturionShareOffer2023@outlook.com

CLOSING DATE: 29 February 2024

**Issued by CCAg Ltd
10/11/2023**