

COMMUNITY BENEFIT SOCIETY

# SHARE OFFER

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TO PURCHASE AND OPEN THE TWO BARS

Share Offer opens on March 2024 and closes on April 2024 (Minimum Five Weeks)

Minimum target £130,000

Optimum target £180,000

Maximum target £220,000

*The Radnor Arms Hotel Limited Community Benefit Society (registration number 8974)  
Registered Office: Brookside Farm, Park Road, New Radnor, Powys LD8 2SU*

# INTRODUCTION

**THE RADNOR ARMS HOTEL LIMITED COMMUNITY BENEFIT SOCIETY** was set up by local people to secure and safeguard the future of the *Radnor Arms Hotel* in New Radnor, Radnorshire, Powys.

**THE AIM** is for our community to purchase and restore the pub, bringing it back to the heart of New Radnor, where it will once again become a true local that enriches the lives of people within its community, while extending a warm welcome to all visitors.

**THIS SHARE OFFER DOCUMENT** tells you all you need to know about buying shares and becoming a member of the Society, giving you the opportunity to shape the future of the Radnor Arms.

The Community Share Offer Opens March 2024 and Closes April 2024, unless extended or reduced at the discretion of the Management Committee.

**WE ARE AIMING TO RAISE** a minimum of £130,000 from this Share Offer to purchase and begin to renovate the Radnor Arms. Our optimum target is £180,000 and our maximum target is £220,000. We are delighted that the Society, on behalf of our community, has been awarded a grant of £240,000 from the Community Ownership Fund (hereafter referred to as COF) managed by the Government Department for Levelling Up, Housing and Communities. To access the grant, the Society must match fund pound for pound any money that is drawn down from the grant to a maximum of £200,000. The additional £40,000 is revenue money that does not have to be match funded. A successful Share Offer will enable the full grant to be drawn down. The Share Offer and grant will pay for the purchase of the pub and renovation and opening of the two existing bars. The grant money must be allocated by the end of June 2024. If the minimum Share Offer is not met a shareholders' meeting will be held to decide the next steps.

**IF THE SHARE OFFER IS SUCCESSFUL** Phases 1, 2 & 3 of the Business Plan will enable the pub to be purchased, the two original bars to be renovated and refurbished, and to commence limited opening hours/trading. The community and shareholders will begin discussions, develop ideas, and agree on Phase 4 of the project, which will involve the renovation of the rest of the site. The estimated cost of fully renovating the Radnor Arms over the next four years is £1,145,000.

**BUYING A SHARE/S** will make you a member of the Society and give you a say in how it is run. Each member has one vote, no matter how many shares they buy. The cost of one share is £25. The minimum shareholding is £25. The maximum amount that can be invested is £20,000 by a single individual, group, or organisation. You must be 16 years old to invest, but shares can be bought on behalf of someone younger.

## THE PURPOSE OF THIS DOCUMENT

- To describe the project, its benefits for members and the community
- Explain how the Society and the Share Offer works
- Provide information on how to apply for shares.

**MORE DETAILED INFORMATION** is contained in our Business Plan that we recommend you read in conjunction with this Share Prospectus.

## RISK WARNING

*The Radnor Arms Hotel Limited Community Benefit Society 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 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.*

## COMMUNITY STANDARD MARK

*The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice. For more information about the community shares, the Community Shares Standard Mark and the Community Shares Unit, visit:*

[uk.coop/support-your-co-op/community-shares](http://uk.coop/support-your-co-op/community-shares)





# FOREWORD

## A LIFE CHANGED BY *THE RADNOR ARMS*

### *Jennifer's story*

“Albert William (Bill) Swain the landlord of the Radnor Arms had been my father’s tailor down in Surrey and they were great friends. At the outbreak of war in 1939 he urged my father to send his wife and children to New Radnor for their safety. So, my mother, sister Shirley and I came to stay in New Radnor. I was seven years old, and Shirley was six. Eventually other family and friends also came. I loved it here; it was such a friendly and warm place, and I never forgot it even when we moved back South. Over the years I came back as often as I could to visit and, when I finally retired, I moved to New Radnor for good. I have never regretted that decision for a moment because New Radnor is still my favourite place, and all of this happened because of Bill Swain and the *Radnor Arms*. Jennifer is 91 years old and looking forward to a glass of wine at the reopening of the Radnor Arms.”

## COLIN KIRKBY MBE

“In 2016, I was invited to Chair the inaugural meeting to consider the Radnor Arms becoming a community pub. At the meeting the then owner was asked about his intentions for the closed pub and the first expressions of interest were made by a packed meeting in the village hall. Since then, I have watched with great interest the way in which the community has come together in achieving its aim of owning the pub for the benefit of all.

It has been a long road, but with dogged determination, it is finally happening. A significant grant has been obtained from the Community Ownership Fund, but more is needed, and now is your chance to invest in the future social life of your community. I fully support and admire the way this has been achieved and will take great pleasure in once again being able to walk to New Radnor for a drink and more! Please support this Share Issue.”

## FAY JONES

*Member of Parliament for Brecon & Radnorshire & Parliamentary Under-Secretary of State in the Wales Office*

“I am delighted to be supporting the launch of the Radnor Arms Hotel Limited Community Benefit Society’s Share Offer. I have seen for myself the sheer passion and determination behind the renovation of this wonderful community asset, and was delighted that the Secretary of State for Wales and Department for Levelling Up also recognised this in making a significant award from the Community Ownership Fund.

I know that progress has gone from strength to strength since then, and I am sure that it will continue to do so with the launch of this Share Issue.”

## KEY INFORMATION ABOUT THE RADNOR ARMS

The Radnor Arms Hotel, (front of the building facing east) dating back to the C18, sits at the end of a row of Georgian homes on Broad Street in New Radnor LD8 2SP. It is a semi-detached two-storey stone, block, and brick property with a slate clad pitched roof. The single storey extension has a flat roof. The adjoining property to the south is Listed which means that the south party wall is also listed. The party wall also includes the wall that adjoins the neighbouring garden.

The pub sits in its own plot of approx. 0.26 acreage. The ground floor is approximately 15 metres wide by 20 metres long. There is a first floor above the south half of the building that is approximately 9 metres wide by 20 metres long. The northern single storey restaurant area was originally a mirror image two storey construction which burned down in 1976.

The pub retains a three-section lounge bar with a central bar servery. A good size catering kitchen, walk in pantry and freezer area. The pub had a one bed accommodation flat and six letting bedrooms on the first floor. The current property layout provides an extensive trading area both inside the public house and the carpark. There are currently no services connected to the building. An outdoor trading area lies to the rear, together with a double block-built garage with tin roof and onsite car parking. Limited parking is available on the street.

Whilst the pub sits in the heart of the village it has stunning views, including glorious sunsets from the west and the castle mound in the north.

## CURRENT CONDITION

The structural survey carried out on the 22/03/23 identified that the external fabric of the two-storey building is generally sound, together with the roof and the first-floor construction. The felt roofs have failed in numerous locations, where ingress of water will result in deterioration of the timbers. There is movement and cracking above the first floor of the south cavity wall. The crack pattern suggests expansion of metals, which requires further investigation. Reinstating the letting rooms will mean areas of the flat roof will be fire exits. The full report can be found on [rahl-cbs.org](http://rahl-cbs.org)

The property is uninhabitable in its current condition but retains some fixtures and fittings which could be used in the future. There are risks involved in a building of this age that are known, which include damage to the property from fire and flat roof deterioration across the site. There is a potential risk of hazard to deal with from a previous small petrol station at the front of the building. The current Phase 2 development/renovation team are exploring to establish the current situation regarding this.

# OUR VISION & VALUES

## KEY THEMES FROM COMMUNITY ENGAGEMENT

### PEOPLE

- To return the Radnor Arms to the heart of the Community
- Provide a comfortable and accessible space that accommodates diverse needs
- Provide a warm welcome to people of each generation, from near and far
- Work in partnership with stakeholders, to enable our vibrant community to interact instinctively
- See old friendships re-kindled and new friendships form

### COMMERCE

- Offer drinks, light bites (and, in time, meals and accommodation) at affordable prices
- Celebrate the skills within our community by engaging local trades and enterprise
- Recognise and create local supply chains, (bringing opportunities and benefits to businesses in the Radnor Valley and neighbouring areas)
- Create opportunities for volunteering, employment, training and work-experience
- Run an efficient and competitive business.

### HERITAGE & ENVIRONMENT

- Protect the architectural heritage of the Radnor Arms and New Radnor
- Respect and complement the surrounding natural and built environments
- Be mindful of sustainability, utilising sustainable building materials throughout the renovation
- Encourage and respect the use of the Welsh language

### VALUES

- We will listen to our customers
- Be fair and honest in all we do
- Be welcoming & inclusive
- Safeguard our community resource for future generations
- Have fun!

## THE RADNOR ARMS & THE COMMUNITY

The Radnor Arms Hotel Limited Community Benefit Society (hereafter referred to as ‘the Society’) was formed to enable the people of New Radnor, and the surrounding communities to secure the future of the Radnor Arms as an asset to be run by the community for the community.

Our Society is a legal entity that operates for the benefit of the community, rather than for the benefit of its members or shareholders. There is limited financial reward, it is not just about rebuilding the pub; it is about helping to sustain our community. Its purpose is entirely for the benefit of the community, and not for any alternative or secondary purpose. It has a membership that is open to anyone who supports its purpose and does not give any preferential right or benefit to any individual or group of members.

Plunkett Foundation who have been working with us to develop the Radnor Arms project, state ‘in rural areas, pubs are often one of the last local businesses standing, offering vital services and social opportunities reducing isolation.’ In a recent report, Plunkett Foundation also indicated that 92% of their community run businesses survive long term. (see link for more details on [rahl-cbs.org](http://rahl-cbs.org)) This is an opportunity for us as a community to create a sense of pride, and drive to ensure that renovating and opening the Radnor Arms is a success. At the same time, we aim to create a sustainable building, business and environment for today’s and future generations. Through this we will create a truly local enterprise that is owned by, and is accountable to the community, that will also serve and benefit from it.

The Radnor Arms was a much-loved pub, with people travelling many miles to meet up with friends and enjoy a traditional pint and affordable pub grub, with ‘Nigel’s steaks’ still being talked about in the area today, along with his legendary Sunday carvery.

Previous tenants and publicans through their own personalities and style became an integral part of the community and, as such, provide us as the Society with the knowledge that if our publican is truly community minded the pub will be a success in the future. Such was the community spirit at the Radnor, that if a stranger walked through the door, they were welcomed and a seat or place at the bar was made available. The community were interested in getting to know visitors to the area and hear their stories.

Clubs and societies that meet in the village and draw their membership from a wide area used to call at the pub, either for their meeting, or for a quick drink on the way home. Through ongoing community engagement, we constantly hear how the ‘Radnor’ was and can continue to be a vital community asset. We believe that its values and benefits will be best preserved if owned by the Society. We all have a unique opportunity to



become owners of a significant building and help retain it for future generations.

**To achieve the vision of bringing the Radnor Arms back to the heart of the community, we need to raise money.**

This Share Offer will act as the key source of funding from the community who, alongside the wider public, can now purchase shares. Investing will make the purchaser a member of the Society and give each member the opportunity to have a say in how the pub will be developed, what it will look like and how it is run. Research has identified that many rural communities are pro-active in looking after themselves and raising funds for community projects. New Radnor is no different. We believe there is the ambition and desire to make this venture a success.

Your decision to buy shares will enable the Society to draw down the grant awarded to the Society by the Community Ownership Fund. Together, the Share Offer and grant will allow us to purchase the pub and renovate and open the two original bars, while making safe the rest of the site. Members will have a say in this and any future developments.

We will continue to explore and apply for grants that are available for this project, some of which will also require match funding. Other grants, e.g. the Architectural Heritage Fund can be used towards match funding our COF grant.

**THE STORY SO FAR**

When it closed in 2016 the ‘Radnor’ was a viable business, acting as a pivotal point for locals from across the Radnor Valley to meet, interact and connect. A constant in the lives of many, the pub’s positive impact on the social aspects of rural life was clearly visible.

The pub was at the heart of the community – every life event, celebration, holiday, and social activity had been held there at some point. The ‘Radnor’ was a neutral place to meet, talk, create, catch up on news, settle arguments and enjoy a pint, glass of wine or a good meal.

The Radnor Arms was convivial. No matter who you were, you could walk through the door, be met with a smile, and made to feel welcome.

*People knew they could go into the Radnor Arms and feel welcome. It was a place of acceptance and inclusivity. One where ages and abilities mixed happily. An intergenerational melting pot, where a wide mix of people from different walks of life and ages would mix, interact, and have a chat.*

*New Radnor resident*

**In 2016**, concerned about the future of the pub and its likely closure, a small group of people came together, to create the Radnor Arms Action Group (hereafter referred to as **RAAG**) and was formally constituted in the same year. Two public meetings were held. At the first the then owner of the pub met with over 80 members of the community who shared

their passionate, personal, and collective views on what the deterioration and loss of the pub meant for them. The community were clear that the village was already losing its identity. The pub was not being maintained, and in the long term it was apparent the local economy would suffer. The meeting explored different ways the pub could be brought into community ownership.

A register of users gathered 228 names of people who saw the pub as ‘their local’. Over 20 letters of support were sent from community groups, businesses, and individuals, sharing their views on how the closure of the last pub in the village would impact their activities. A petition to list the pub as an Asset of Community Value was signed by over 300 people and sent to Kirsty Williams AM at the Welsh Parliament.

**In 2018** a small survey, of 59 responses, concluded that there was continued support for community ownership of the pub. The questionnaire provided early advice on what the community wanted: quality, inexpensive food, a range of reasonably priced drinks, daytime beverages and cake, special nights, pub teams and Sunday papers. It also identified those willing to volunteer their time and/or support fundraising efforts. In the same year, RAAG opened The Old School Community Hub (hereafter referred to as **The Hub**).

*The Hub is and will be a supportive and collaborative force behind the re-opening of the Radnor Arms. Born out of a collective need and desire for a social meeting, eating, and drinking place after the Radnor Arms was closed. The Hub’s volunteers and clientele have been tremendously important in maintaining community cohesion in New Radnor, while raising awareness, and consistently raising funds for the pub.*

*Volunteer Manager, The Hub*

**January 2019:** Residents in the neighbouring house noticed significant problems with water ingress coming from the Radnor Arms, and when the then owner failed to engage in solving the problem, they were forced to undertake lengthy litigation to protect their property. Court orders allowed the neighbours to repair both the pub and their house. The court ruled that the then owner of the pub was liable for costs, but he refused to pay, leading to a further Court Order transferring ownership of the pub to the neighbours and ordering it to be sold at auction for a minimum price set. Costs owed were to be paid from the proceeds of the sale and the remainder paid to other creditors and then to the now ex-owner. RAAG were kept informed of the progress of the litigation and prospect of a sale but were unable to meet the minimum price set to buy the pub prior to auction.

**August 2022:** RAAG held a public meeting to update the community. The 65 members present heard news that the pub was going to be sold at auction, reigniting the desire to bring it under community ownership. The concept of a Share



Offer, to raise funds to buy the Radnor Arms and develop it as a community-owned business, was discussed and agreed. To gauge the level of support within the community a share pledge was launched following the meeting. This saw £114,500 pledged in just eight weeks.

**October 2022:** Following the news that the pub was for sale, a meeting was called and attended by 40 members of the community. However, RAAG did not have the funds to buy the pub. A member of the community, having seen another local village lose its pub, stepped up to buy the Radnor Arms Hotel as an Interim Owner, until sufficient funds could be raised to bring it under community ownership.

A suggested timeline from purchase to the opening of the two bars was shared and discussed in principle, with alternative models presented. Questions arose around the proposed share price of £250 being cost prohibitive, the need for a more detailed Business Plan and any known interest from other potential buyers. Concerns were also aired as to whether re-opening the pub would affect The Hub.

The public meeting voted to reduce the Share Offer minimum to £25, enabling all members of the community to help save the pub. The Management Committee have subsequently developed a new Business Plan which can be found at [rahl-cbs.org](http://rahl-cbs.org) No one was aware of any other interested parties and The Hub's volunteer manager indicated that the re-opened pub would create a partnership that would be complementary for both the pub and The Hub. The Radnor Arms was bought at auction on the 20th October 2022 for £115,000 plus fees of £2,271, by the Interim Owner.

*The role of an Interim Owner is to purchase an asset to enable a group to raise the funds for the purchase of the asset.*

*This current Share Offer is significant. If we are unable to demonstrate that we can purchase the pub by early 2024, the Radnor Arms remains in jeopardy.*

**Nov/Dec 2022:** The Radnor Arms Hotel Limited was successfully registered as a Community Benefit Society on the 11th November 2022 (registration number 8974) under the Cooperative and Community Benefit Societies Act (2014) and is registered with The Financial Conduct Authority (FCA). The registered office (*which will be the Radnor Arms once purchased*) is currently Brookside Farm, Park Road, New Radnor. Powys, LD8 2SU.

An art exhibition was held in the pub, initiated by artists in the community for Herefordshire Art Week. Members of the committee helped set up and run this event. A short questionnaire and 'consultation corner' which used post-it notes to gather suggestions for the design of the pub, enabled the committee to engage with over 300 people who visited the exhibition to capture their ideas and dreams for the pub. Comments from these exercises were invaluable and began to

inform the development of the Business Plan and Share Offer documents. These comments included:

- A strong desire to ensure the pub remains a free house and is inclusive to everyone
- That the pub should have a community space that can be adapted for different uses: early morning, lunchtimes, evenings, night activities, computer space. A space adaptable for formal and informal activities
- That the pub will be accessible to all, with level access accommodation
- A strong desire for outdoor play areas
- Open/stove fires, comfy seating areas, window seats, good bathrooms, dog-friendly
- To have a boot/clothes/drying room for walkers and bikers
- Responses around food and drink included, real ale, good coffee, croissants (almond requested!) organic food, toasties, cakes (lots of cakes!) specialist food nights
- A pub where families want to meet, have early evening low-cost meals for children and for parents to have a drink and socialise without having to get babysitters
- An accessible building allowing the pub to be an authentic equal opportunities employer
- Live music nights, community activities and groups
- Supporting local artists, selling souvenirs
- Outdoor seating, umbrellas, 'village green' for events, electric chargers

**January 2023:** A more comprehensive questionnaire was published. Available on-line and as a hard copy the results provided a deeper understanding of the needs of our community and how people wished to see the pub develop. The survey went live for five weeks and resulted in 177 responses.

75 respondents lived within walking distance of the pub, 75 respondents lived within one hour of the pub and 26 people who responded lived over an hour away. The largest age group represented was between 45 and 79 years old, whilst recognising that 28 respondents withheld their age.

93% of those surveyed responded, with how excited they were for the pub to open. A score of 8.4 out of 10 from respondents indicated a high level of support for the Management Committee to proceed.

Asked about concerns for the project, 78 people responded: 44% identified risks and concerns around running out of money, the Management Committee running out of steam, waning enthusiasm, lack of customers and lack of support in the local community.

The Management Committee took on board these concerns, recognising that volunteers were running out of steam or experiencing burnout, creating a high turnover of members, which, in turn, contributed to a lack of continuity. This was addressed by adopting and adhering to a set of 'model rules' for the Society, putting in place policies and procedures and changes in leadership, ensuring that decision making is now made by the whole Management Committee.



The Management Committee are mindful of managing finances appropriately and being transparent in all that we do. Suggestions about trading as soon as possible were picked up, and are reflected in our Phased developments. Alternative financial scenarios are modelled in our Business Plan ([rahl-cbs.org](http://rahl-cbs.org)) to put measures in place should the finances from the Share Offer, grants and fundraising not match the Phased developments.

From 126 responses when asked ‘*what do you want the pub to achieve?*’ the top nine indicated that the Radnor Arms would be so much more than ‘just a pub’. Suggestions included a warm welcoming space, a place to meet, for the pub to be the heart of the village again, friendly people, affordable food, a place to stay, that the pub supports the community, offers a good pint, is inclusive and attractive to people from outside of the village. 2/3rds of respondents indicated that the pub would help with addressing/enhancing social issues by supporting people to address mental health issues, relieve stress, loneliness, and isolation by promoting a safe place to be, encourage exercise, host meetings to talk about health and serve healthy meals.

The Society is run entirely on a voluntary basis, with a Management Committee of members, while co-opted advisers and professionals offer *pro bono* advice and support. The Management Committee is incredibly grateful to all the volunteers who have been involved in this project to date and looks forward to new volunteers getting involved in the future.

We have recruited volunteers at our fundraising events and had a very positive response via our online questionnaire. This survey identified 51 people offering a variety of professional skills and services to help the project move forward. 48 others indicated a willingness to help with general tasks (*see Fig.3 above*).

The questionnaire invited people to volunteer at all stages of the project. The knowledge that a volunteer base is available has helped the Management Committee to plan. A wide range of professionals and volunteers have been involved in the project to date: on the Management Committee, sub-committees, down to individuals working at home fundraising, organising events and simply spreading the word of the project. This wide spread of support has limited the risk of potential burnout amongst Management Committee members.

154 people opted into our Mailchimp email marketing platform to receive regular updates. These include those who have responded to surveys, people moving into the village and people hearing about the pub from members of the community.

Overall results from this more in-depth survey identified short and long-term ambitions from the community for the Radnor Arms Hotel. It also confirmed that there is widespread support from within the community for the re-opening of the pub. The key results of this survey can be found on our website [rahl-cbs.org](http://rahl-cbs.org)

## FUNDRAISING

Throughout 2022/3 a series of fund-raising events raised over £16,000. These have included an online auction, music gigs, community charity shop sales, raffles, a monthly quiz and two art exhibitions, a sponsored ‘pub to pub’ walk, a talk on the history of the local area, jewellery sales, researching family trees and eBay sales of donated goods. Each activity has been keenly supported.

Recently, a Christmas Tree sale and competition for the best dressed tree was launched along with the culmination of a photography competition to create a 2024 calendar of the Radnor Valley.

We currently have plans for a further series of quizzes and a music event. All events enable a two-way sharing of information: providing updates about the Society and pending purchase and an opportunity to hear the thoughts, feelings and ideas of the community.

Publicising our aims and activities is key: as part of our governance process our communications team provides updates through our website, social media, newsletters, and press releases.

## ONGOING COMMUNITY INVOLVEMENT

Under community ownership information sharing will be more structured. We aim to hold quarterly information sharing events, open to everyone, alongside Members’ Meetings and Annual Members’ Meetings. Members will have the opportunity to engage in workshops and events to consider the design of the site to share these with the community. Events and activities will be held at the pub, Community Centre and Hub to help connect with as many people as possible. Members will vote on key strategic decisions, such as significant expenditure and material changes to the development.

Regular surveys/feedback forms will include questions on customer satisfaction, additional services required, food, drink, and hospitality. Feedback will be posted at the pub on noticeboards and social media. Regular meetings will ensure the Society’s elected Management Committee continues to listen to the community. Meetings will be advertised through our website, via social media, newsletters, emails, posters, and by word of mouth.

## MEMBERS OF THE CURRENT COMMUNITY BENEFIT SOCIETY MANAGEMENT COMMITTEE

### Chair **Martin Lewis, Grants Team**

*Self-employed landscape gardener*

Martin is a self-employed landscape gardener who moved from 'Up North' to the Radnor Valley 36 years ago and found he couldn't leave! He has an honours degree in Ecological Science and studied for a diploma in planning whilst employed in a council planning department. Martin has successfully completed a course in small business management and has submitted and secured grant applications.

### Vice-Chair **Sue Norton, Communications Team**

*Retired occupational therapist & operations manager*

Sue has worked in the NHS and charity sector, working jointly with colleagues and management to ensure good governance with evidence-based practice. She has experience in staff recruitment and retention, marketing, project management, hospitality, securing funding for projects and project management and working with volunteers. Sue is concerned for the younger generation who are being denied the opportunity to visit 'their' local.

### Joint Treasurer **Libby Roe, Finance Team**

*Retired management accountant & caravan park business*

Libby has worked in accounts for many years and up until 2005 worked as a Management Accountant at Tarmac plc. She ran the local caravan park alongside her husband John, and was responsible for the accounts and maintaining the website. Libby is on the Playground Committee and the Radnor Valley Recreation and Amenity Centre Committee. She is currently Treasurer of the Community Hub and has lived in New Radnor her entire life.

### Joint Treasurer **Paul Norton, Finance Team**

*Retired bank official & business manager*

Paul has experience working in the corporate, social and charity sectors, with transferable skills in finance, from banking to working with adults and children with learning disabilities. Prior to retirement Paul worked as a business manager, running with Sue, his partner, a 100-bed group accommodation centre, turning his hand to everything from finance to maintenance and hospitality. Paul has lived with Sue, within five miles of the Radnor Arms for 45 years.

### Committee Secretary **Tanya Strange, RN, MSc (Nursing), MBE**

Tanya moved to New Radnor in February 2023 and has immersed herself in village life. Working in partnership with statutory, voluntary, and independent sectors, Tanya established the award winning Ffrind i Mi/ Friend of Mine initiative in Gwent, a multi-agency partnership approach to combatting loneliness and social isolation across communities. Tanya has been successful in securing several bids and grants to support the wellbeing of people.

### Society Secretary **Mary Cobbett**

*Owner/manager of Deli Tinto, Presteigne*

Mary has experience in bringing people together, recognising individual strengths to galvanise communities into action. Mary has facilitated youth and community programmes, co-ordinated multi-agency support for schools

and was a Governor at Radnor Valley Primary School for nine years. Mary taught at a pioneering Steiner school in Cape Town. A generalist with a broad outlook, Mary now runs a successful delicatessen in nearby Presteigne.

### **John Roe, Building Team**

*Retired transport co-ordinator & caravan park business*

John has worked for a large insulation company for 30 years as a warehouse supervisor and then transport co-ordinator. He owned and ran a successful caravan park in New Radnor for 15 years before retiring. He has stood on many committees in the village, including the Community Council, the Old School Hub and the Radnor Valley Recreation & Amenity Centre. John is a long-standing member of Radnor Valley Football Club.

### **Benedict (Ben) Asson, Building Team**

*Building & construction industry*

Ben Asson lives in New Radnor, he has over 40 years' experience in the building and construction industry, creating fine furniture and teaching workshops. Moving into custom made joinery and other building work, Ben established Radnorshire Ales microbrewery at Brookside Farm, New Radnor, producing a range of ales named after local landmarks in the Radnor Valley.

### **John Goodwin, Community Share Team**

*Farmer in the Radnor Valley and Business Owner.*

John runs his family farm which now has a shop and self-catering accommodation. He has an MSc in Sustainable & Efficient Food Production and is currently studying for a DAG in Bio-innovation. John is involved in many local projects and organisations, previously a member of the Presteigne Cricket Club and Radnor Valley YFC, and currently a committee member of the Radnor & West Herefordshire Hunt.

### **Phil Ram, Gardening Team,**

*Freelance gardener and musician*

Phil is a freelance gardener and musician. He has presented BBC horticultural articles and featured on both radio and TV with his music. Phil with his wife and mini-Dachshund live in the heart of the village. They share a keen interest in restoring the Radnor Arms Hotel to become the pub it used to be, once again opening its doors with a warm welcome to all.

## THE BUSINESS PLAN

Our detailed Business Plan, outlining the first five years of activity from purchase to renovation and running of the Radnor Arms can be viewed and/or downloaded via our website [rail-cbs.org](http://rail-cbs.org) or you can request a hard copy by emailing [contact@rahl-cbs.org](mailto:contact@rahl-cbs.org) or calling the Society's dedicated phoneline on **07469 094136** and we will post the documents out to you. Decisions on the redevelopment of the whole site will be taken by the shareholders after the pub is purchased.

Given the Radnor Arms has been closed for seven years we have been unable to use previous trading figures to drive our plan. Turnover figures for drinks and light snacks have therefore been calculated on the model of The Hub, which





is run by volunteers and is a successful community space. Comparisons have then been made with the business models of other community pubs in comparable rural areas provided by Plunkett Foundation and Cwmpas. Our reviews indicate that our assumptions are reasonable and, if anything, conservative.

Our plan, informed by the community engagement process, is to raise sufficient funds to allow for the redevelopment of the existing premises. Key to this is the response from people willing to volunteer at all stages of the development. This volunteer ethos is central to the success of the Society and ultimately the success of the Radnor Arms. We believe opportunities to volunteer will increase once the pub has been bought by the community.

The Management Committee is confident that enough volunteers with a wide range of skills, currently not involved in other projects, have come forward to offer help with the day to day running of the pub, marketing and development. The Management Committee will continue to seek grants that offer the option of employing paid development staff.

Our recommended Phased development of the pub based on the above research, community engagement and professional early cost advice is broken down into four phases:

#### **PHASE 1**

Purchase of the freehold of the property, April–May 2024

#### **PHASE 2**

Renovation of the two bars and making safe the rest of building following purchase. The area to the rear of the site would be made safe for outdoor events.

#### **PHASE 3**

##### **Opening of the Two Bars – Summer 2024**

The business will be licensed, and all regulations adhered to. As the bars become established, they will generate a small reliable income. The pub will initially be a wet bar and include sales of hot drinks, and snacks/cakes only. To keep costs to a minimum, during this phase the business will be staffed by volunteers, until sufficient funds allow for the employment of a manager.

#### **PHASE 4**

This last phase will be driven by the new Members of the Society and may include the creation of full catering facilities and eatery areas including beer garden, family-friendly horticultural garden, accommodation, function room, potential commercial space, parking area with accessible parking and charging point/hook ups for vehicles.

Renovation of the two bars will not compromise the overall development of the site. Toilets will be basic in their construction, as these facilities may be the focus of change once the full development of the site is agreed.

A full, detailed feasibility study and precise specification of the intended works will be undertaken once the Share Offer has closed. An inaugural Members' Meeting (with Annual Members' Meetings held thereafter) will be called no later than three months following a successful Share Offer.

Information gathered from all consultation exercises to date, indicates there is a desire for the following facilities:

- The creation of a new eatery: within bar area and/or creation of a café/restaurant
- Refurbishment of accommodation, including fully accessible accommodation
- Development of the outside space for community use

Throughout this Phased development, we want to have a clear message running through our actions and work to become an exemplar of community ownership, sustainable construction, and sustainable operation.

## PHASE 1: PURCHASE OF THE BUILDING

The purchase price of the Radnor Arms Hotel will be £115,000 plus auction fees (2022) of £2,271 and estimated legal fees incurred in the sale to the community of £3,000. Due to the length of time in reaching this stage of the project, and given the fragile state of the building, some costs have been incurred to prevent further deterioration and/or safe access to the building. Please see itemised charts with costings and detailed information relating to the notes in column 5.

| Costs incurred & anticipated |  | £            | £              | Note |
|------------------------------|--|--------------|----------------|------|
|                              | Expenditure to date                      | 17,300       | –              | 1    |
|                              | Purchase of Radnor Arms <i>Freehold</i>  | 115,000      | –              | 2    |
|                              | Incurred costs                           | 8,634        | –              | 3    |
|                              | The Society costs & expenses             | 16,346       | –              | 4    |
|                              | Refurbishment of Phase 2/3 building      | 286,420      | –              |      |
|                              | Start-up costs                           | 11,300       | –              |      |
|                              |  | <b>Total</b> | <b>455,180</b> |      |
| Funded by                    |  | £            | £              | Note |
|                              | Donations & fund-raising (past & future) | 25,000       | –              | 5    |
|                              | Sale of shares in March/April (target)   | 180,000      | –              | 6    |
|                              | Grants received                          | 240,000      | –              | 7    |
|                              | Grants applied for                       | 10,000       | –              | 8    |
|                              |  | <b>Total</b> | <b>455,180</b> |      |

## NOTES

- 1 *Asbestos removal £14,400, insurance £2,900*
- 2 *The pub was assessed by a RICS registered valuer (Mike Hughes) who provided a formal report on the current market value of the property*
- 3 *Auction fees £2,271, maintenance £2,645, web hosting & marketing £513, Health & Safety £796, Estimated legal fees for the sale of the Radnor Arms to the Society £3,000*
- 4 *Rent £5,646, rates £3,500, valuation £1,800, future insurance £2,900, other/legal fees £2,500*
- 5 *Donations/fundraising to date £20,500, future donations/fundraising £4,500*
- 6 *Shares £130,000 min, £180,000 optimum and £220,000 max*
- 7 *Community Ownership Fund £240,000 (£200,000 for purchase and renovation of two bars plus £40,000 revenue grant for e.g. architect fees, part-time project manager, initial stock, fixtures/fittings). This is a restricted fund, dependent upon the Society match funding*
- 8 *Architectural heritage fund £10,000 (for professional fees, surveys, designs) This grant is restricted but can be used to match fund the Community Ownership Fund*

**FUNDING MODEL A**

**PHASE 2 Refurbish the two bars**

The Management Committee believe that further community engagement and workshops will be necessary to explore the full renovation of the property. However, the opening of the two bars as soon as possible, which has been a constant theme at community events, will create a focal point where ideas and decision making can be discussed and shared quickly with the community.

Restoration of the two bars in the original section of the building by Summer 2024 has been costed with the assumption that the two bars will be refurbished to complement not pre-empt future development of the site in Phase 4.

We have sought the advice of a local Passivhaus architect for early cost advice and obtained an estimated cost from a local builder in Kington. The refurbishment can be broken down into the following charts, which provide initial guideline cost of the work required. See expanded breakdown on [rahl-cbs.org](http://rahl-cbs.org)

| Work required to refurbish the two bars   | Estimated cost  |
|---|-----------------|
| <b>External Work:</b> <ul style="list-style-type: none"> <li>• Replace 2 storey flat roof section above back bar &amp; rear pitched roof section</li> <li>• Install drainage to prevent ingress of water</li> <li>• Make good all openings</li> <li>• Structural work to tie in front brick wall</li> <li>• Replace all windows, frames &amp; external doors</li> </ul>                   | <b>£140,000</b> |
| <b>Internal Work:</b> <ul style="list-style-type: none"> <li>• Electrics</li> <li>• Plumbing</li> <li>• Insulate, board &amp; cover floors</li> <li>• Studwork, plaster boarding &amp; plastering</li> <li>• Masonry work &amp; rendering</li> <li>• 2nd fix carpentry</li> <li>• 2 x woodburning stoves &amp; flues</li> <li>• Internal decoration, carpeting &amp; furniture</li> </ul> | <b>£118,000</b> |

**FUNDING MODEL A**

**Renovation costs to open the two bars PHASE 3**

| Work to bring the bars up to standard required to open   | Estimated cost £ |
|--|------------------|
| • Refurbish existing cellaring equipment, beer lines, cooling system                                   | 2,500            |
| • 2 x fridge/coolers @ £600  | 1,200            |
| • Glasswasher  | 1,000            |
| • Area to store and prepare simple food & snacks   | 1,500            |
| • Glass & sundry bar equipment   | 1,500            |
| • Cash payment terminal: Dojo recommended with EPOS System (hardware and software) initial set up cost | 500              |
| • Initial stocking of the bar and cellar: based on '2-week supply in hand'                             | 2,000            |
| • Training in how the cellar operates, how to change barrels (based on 10 volunteers)                  | 300              |
| • Designated Premises Supervisor Role training (based on 10 volunteers)                                | 1,000            |
| <b>Total</b>   | <b>11,500</b>    |

| Total cost of works to open the two bars |                 |
|--|-----------------|
| • External work                          | 140,000         |
| • Internal work                          | 118,800         |
| • Contingency                            | 30,000          |
| • Work to get the bars ready to open     | 11,500          |
| <b>Total</b>                             | <b>£300,300</b> |

**Key financial trading forecasts for the first three full years are as follows:**

| Trading Forecast *                        | Year 0<br>£ | Year 1<br>£ | Year 2<br>£ |
|---|-------------|-------------|-------------|
| <b>Income</b>                             | 20,500      | 75,000      | 100,000     |
| <b>Expenditure</b>                        | 36,934      | 74,843      | 96,198      |
| <b>Profit/Loss excluding Depreciation</b> | - 16,434    | 157         | 3,802       |

**NB** These figures do not include costs associated with the renovations of the pub which are covered by revenue grants. Applications for grants will continue to be developed during the Share Offer period and beyond, however, if the Share Offer is successful, the intention is to open the two bars by Summer 2024.

\*Trading Forecast does not include any expenditure related to the purchase or refurbishment of the Radnor Arms



| Staged Timeline   | Date                 |
|---|----------------------|
| • Launch Business Plan & Share Offer  | <b>Mar 2024</b>      |
| • Close Share Offer   | <b>Apr 2024</b>      |
| • Commence conveyancing process & complete purchase                             | <b>Apr 2024</b>      |
| • Commission architect design for initial public discussion & quantity surveyor | <b>Apr 2024</b>      |
| • Present grant applications for capital & revenue funds                        | <b>May/Jun 2024</b>  |
| • Shareholders meeting, current steering group stand down, handover period      | <b>May/Jun 2024</b>  |
| • Phase 1 renovation planning, design agreement & works started                 | <b>May/Jun 2024</b>  |
| • Member & public consultations to determine Phase 4 development                | <b>May 2024</b>      |
| • Open two bars   | <b>Aug/Sep 2024</b>  |
| • Develop Phase 4 final design proposals & present to Members for approval      | <b>Oct/Nov 2024</b>  |
| • Submit applications for any Statutory Consents as required                    | <b>Oct/Nov 2024</b>  |
| • Develop Business Plan to reflect Final Scheme                                 | <b>Dec 2024</b>      |
| • Invite tenders for Capital Works  | <b>Jan 2025</b>      |
| • Commence Capital Works on site  | <b>Jun 2025</b>      |
| • Complete Capital Works  | <b>Mar/June 2026</b> |
| • Re-launch of the Radnor Arms following completion of renovation               | <b>Summer 2026</b>   |

## FORECAST OF FINANCIAL PERFORMANCE OF THE SOCIETY

Over the next five years, our Society is projected to experience steady financial growth, which will have a positive impact on our members' financial interests.

- In the first year, we anticipate the purchase of the pub, successful grant applications and the renovation of the two bars to provide a small revenue stream staffed by volunteers until sufficient funds to employ a manager are realised. We will continue fundraising activities and grant applications; this will allow us to invest in future infrastructure improvements and expand our services.
- In Years 1 and 2 we expect to see the complete renovation of the pub to include a kitchen, eating areas, guest accommodation and manager's accommodation. This should see a moderate rise in our surplus due to increased income and efficiencies in our operations, which will enhance the value proposition for our members.

- In Years 3 and 4 we envisage the pub opening for longer hours and operating fully with paid employees, increased income, and surpluses. This will enable us to gradually build our financial reserves, providing a safety net for the Society and its members. In Year 3 it is anticipated that the first interest payments will be made to our members.

Throughout this period, we will maintain a strong focus on financial stewardship to ensure the long-term sustainability of the Society. We will regularly review and adjust our financial forecasts as necessary, keeping our members informed of any significant changes.

In conclusion, we believe the projected financial performance of the Society over the next five years will positively impact our members' financial interests. We believe our members can look forward to enjoying enhanced services, potential financial returns and the peace of mind that comes from being part of a financially secure Society

***Please note** that this is a forecast of financial performance, and the actual performance may vary based on factors including the decisions made by the shareholders, the specific financial situation of the Society, economic conditions, and other external factors.*

## ALTERNATIVE FORECASTS FUNDING MODEL B

*Share issue does not realise £130,000*

If the Share Offer does not realise £130,000 a shareholders' meeting would be called, to decide and vote on how to proceed. This could be in the form of drawing down the match funded grant to the value of shares purchased and forfeit any remaining grant available. This would enable the purchase the pub and minimal work to open the two bars. A loan could be considered to enable the Community Ownership Fund grant of £200,000 to be fully match funded. A loan if taken out, is modelled to be repaid by November Year 0 (2024) The alternative modelling is available on request.

## FUNDING MODEL C

*Grant Funding is lower than anticipated*

If grant funding is not as anticipated, e.g. lottery fund of £250,000 not received, a shareholders meeting would be called, to decide and vote on how to proceed. One option would be for the project to scale back the work on the kitchen and the rest of the ground floor to a minimum of £330,000. This would leave £60,000 to start work on developing the accommodation to provide a viable income for the business. Work on whether food or accommodation sales would generate the most reliable income would be explored. The alternative modelling is available on request.

## POTENTIAL FUNDING SOURCES & SUPPORTING ORGANISATIONS

The Society has used The Directory for Social Change to explore a range of grant giving organisations and has been supported with its grant funding applications by Cwmpas, Plunkett Foundation, The Architectural Heritage Fund, the





Welsh Council for Voluntary Action and members of the community who have had previous success in applying for grants on other projects. Below are examples of grant funding for building refurbishment and development work and possible revenue funding sources for staffing:

- **The Community Facilities Programme:** a capital grant scheme operated by the Welsh Government. Grants are available on two levels: small grants of under £25,000 and larger grants up to £250,000. Grants can be used to improve facilities which are useful to, and well used, by people in the community.
- **The National Lottery Community Fund:** Offers funding from £100,001 to £500,000 for projects where people and communities are working together and using their strengths to make positive impacts on the things that matter most to them. ‘People and Places’ can fund capital and revenue costs up to £500,000 for equipment, staff and refurbishment. Projects can be funding for up to 5 years.
- **Architectural Heritage Fund:** Project viability and project development grants fund studies to look at potential uses for a building and assist an organisation to cover some of the costs of developing and co-ordinating a project.
- **Making a Difference in Powys Fund:** Their aim is to help grow the capacity of local organisations to deliver new activities that address community priorities. The fund is available to support revenue costs only.
- **Welsh Council for Voluntary Action:** Providing information, support, funding, training, and advocacy for voluntary organisations and volunteers in Wales.
- **Cwmpas:** A co-operative development agency that works for positive change in Wales and across the UK. It offers support to individuals, groups, and organisations who want to create a fairer, greener economy and a more equal society. They offer advice and guidance, deliver training, facilitates networking and collaboration, conducts research and innovation, act as advocates and influence policy makers and represents the voice and interests of the social business sector.

**Prior to any major expenditure incurred, other than to purchase the property and preliminary work on the two bars, any future decision-making and approval will be the responsibility of the Members (shareholders).** Any profit on trading will be used to help cover the following fixed and discretionary items: any tax liabilities, interest or repayment of any loans taken out, maintenance of the premises, enhancing and developing the premises, and from 2028, setting the interest share on capital and facilitating the withdrawal of shares.

*This is not just about buying a pub; it is primarily about helping to sustain the community.*

## HOW WILL THE RADNOR ARMS COMMUNITY BENEFIT SOCIETY SHARE OFFER WORK?

**What is a community Share Offer?** In this instance, a community Share Offer is a way for people and local businesses to raise capital by allowing people (aged 16+) to invest in this enterprise. You can buy shares through Individual Membership, Joint Membership, for groups of individuals that buy shares together, which are then held in one person’s name, and they vote for the group and Corporate Membership which involves nominating someone to act on behalf of the corporate body, who support the objectives of the Share Offer. Purchasing shares allows you to buy into a community project that prioritises social benefits over financial gains. As a shareholder you can vote at the Annual Members’ Meeting, stand for election to the Management Committee, volunteer to help, support ongoing fundraising, or just make use of the pub. *Once the Share Offer closes, members of the community will not be able to buy shares or become members, and vote on the future development of the pub, until another Share Offer is launched.*

**Can I buy shares if I live abroad:** Yes, shares in a community benefit society can be bought if you live abroad, however, it is important to note that the rules and regulations regarding community shares may vary depending on the country you live in. If you are interested in buying shares in the Radnor Arms, it is recommended that you consult with a financial advisor or a legal professional to ensure that you are aware of all the rules and regulations that apply to your specific situation.

**Your Invitation:** You are invited to buy shares and become a member of the Radnor Arms Hotel Limited Community Benefit Society to help with purchase and renovation. You will be investing in a community enterprise which will secure the long-term future of New Radnor’s valued pub. There will be limited financial reward, but you may earn interest and your liability will be limited. You may also be able to save tax by investing.

**What is our minimum & maximum target for the Share Offer?** The Society aims to raise a minimum of £130,000. Our optimum figure is £180,000, and our financial forecasts reflect this figure. The maximum of £220,000 is set for this Share Offer.

**How much do the shares cost?** The minimum investment is £25. The maximum investment is £20,000.

**How long is the Share Offer open for?** The Share Offer will be open for 6 weeks. If the minimum Share Offer is not met or is oversubscribed a shareholders’ meeting will be held to decide the next steps. The Share Offer will close early if the maximum target of £220,000 is reached. The Share Offer may be extended if the optimum target is not reached within the Share Offer period.

**What’s in it for me?** Depending on what you want to put into the project, your involvement can be as much or as little as you wish. It is not just about rebuilding the pub; it is about helping to sustain a community. There is limited financial reward. However, if you pay tax, the government provides 50% tax

relief to investors who invest in small and early-stage companies. For everyone who invests, in the project it is about securing the future of the pub for the village and investing in our young people and families, investing in a community space that is run for the good of everyone.

**Why should I care?** New Radnor is a supportive community, but it's becoming increasingly easy to feel isolated in village settings across the country. This can affect everyone, whether you're a young person without transport, a young family, someone who works outside of the village, a new resident, a retired resident, or someone who lives alone. Having a community pub will make a real difference and the social contact from having 'our local' back will help enhance lives.

**What should I do before buying shares?** We strongly recommend that you read both the Share Offer document and the Business Plan before buying shares.

**How do I buy shares?** The investment application form is at the end of this document, and on our website [rahl-cbs.org](http://rahl-cbs.org). The form can also be requested by email at [contact@rahl-cbs.org](mailto:contact@rahl-cbs.org) or by calling our dedicated mobile **07469 094 136**. An acknowledgement of your application for shares/donations will be made by email or posted within five working days.

**Please Note:** [finance@rahl-cbs.org](mailto:finance@rahl-cbs.org) is a dedicated email address for the Share Offer and will adhere to our data protection policy. Joint treasurers (Libby Roe & Paul Norton) are the signatories and the only people that can access this account. Share monies will be kept in the Radnor Arms Hotel Share Account with Lloyds Bank until the Share Offer closes. Our data protection policy can be found at [rahl-cbs.org](http://rahl-cbs.org)

**How does the share issue work and what guarantees do I have when I buy shares?** This is a long-term investment for the benefit of the community. Shares in the Society will not increase in value. If the Society is wound up and the value of the Society's assets is more than the value of the share capital, shareholders will have no financial claim beyond outstanding interest (if any) and repayment of shares held. Given the shares are issued by a corporate body, Shareholders have no liability other than the value of the shares they purchase.

**Do I get interest on my shares?** Interest payments on shares have been forecast from 2027, dependent on business success and availability of sufficient surpluses. The interest rate has been forecast at 4%, however, each year the Management Committee will submit a recommendation regarding interest payments on shares to the Annual Members' Meeting for approval.

**Can I sell or transfer my shares?** Shares can only be sold back to the Society after a lock-in of three years. This ensures the business has an initial period of financial stability. This is also a requirement of His Majesty's Revenue and Customs Department (hereafter referred to as **HMRC**) for shares to qualify for SEIS tax relief.

**Can I withdraw my shares?** Share withdrawals must be funded from trading surpluses or new share capital. Withdrawal is discretionary, subject to the Management Committee's

satisfaction that the action is consistent with the long-term interest of the Society. Three months notice must be given. Share withdrawal is anticipated from Year 4 onwards. The members Management Committee will monitor the trading position of the business throughout the project, and will put recommendations to a Members' Meeting, if opportunity to allow withdrawals before Year 4 arises.

When it is possible to consider share repurchase, the Management Committee will set out appropriate criteria and annual limits (potentially only up to 10% of initial share value). The Management Committee may suspend withdrawals depending on the long-term interests of the Society, the performance of the business, difficult trading conditions, the need to maintain adequate reserves, and its commitment to the community. 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.

**Nomination on Death Form** A nomination on death form is attached to this document that allows shareholders to nominate a person to become entitled to their shares in the event of their death. This can be filled in and sent with your investment form or can be filled in during your lifetime.

**Will my shares increase in value?** The shares you buy attract limited interest, generally getting back what you paid for them. It is important to understand that valuation factors demonstrate a level of risk for your investment and your share value can go down. Risks include a COF charge on the asset, and can be determined by financial performance, market conditions, asset value, intangible assets, and/or lack of future growth.

**Is this the only Share Offer for the Radnor Arms Hotel?** The Management Committee will consider further Share Offers if funding is required for the project. This could be due to grant funding not being available or to match fund future grants if the Society does not have the capital to do so.

**Can I get tax relief on my investment?** The Society has obtained Advance Assurance from HMRC that individual investments made through this Share Offer will qualify for Seed Enterprise Investment Scheme (SEIS) tax relief. This is a UK government initiative that encourages investment in small and early-stage startup businesses by offering tax relief to individual investors who buy initial shares in our Society. If this assurance is received and you pay tax, you are eligible to apply to receive a credit from HMRC of up to 50% of your investment, dependent on the rate at which you pay income tax.

The SEIS scheme is offered for share offers targeted to raise up to a maximum of £250,000.

Four months after starting to trade (i.e. towards the end of 2024) the Society will enter a claim providing HMRC with details of investments made by individuals who have indicated they want to claim the relief. HMRC will issue the Society with a letter confirming that SEIS tax relief will be available, together with a compliance certificate for each Member. The Society will send this certificate to each member, who must then claim their tax relief either through their annual tax return or by requesting a



new PAYE code from HMRC.

To qualify, the shares must be held by an investor for a minimum of three years. Investors thinking of investing jointly should consider whether there would be tax advantages in allocating the greater part of the investment to the person best able to take advantage of the tax relief available. Your investment in shares in the Society may also qualify for business relief under inheritance tax rules. The granting of the SEIS will ultimately rest with HMRC. We believe the Society has taken the necessary steps to ensure that nothing in this Share Offer or the way in which proceeds will be used is in contravention of the HMRC rules. Please tick the box SEIS3 (Seed Enterprise Scheme) on the Investment Form if you want to claim tax relief. Please see our Business Plan for more details at [rahl-cbs.org](http://rahl-cbs.org)

**Who will own the building that accommodates the Radnor Arms?** The building freehold will be owned by The Radnor Arms Hotel Limited Community Benefit Society.

**What happens to the Asset if the project fails?** The Society's rules include a legally binding asset lock, that ensures that the assets of this community business are used for the benefit of the community, rather than for private gain. The asset lock will be a permanent and long-term restriction on the pub for the benefit of the community. Any surplus earnings remaining after interest has been paid to shareholders must be reinvested in the business or used for the benefit of the local community or for another local charitable or community cause. This is irrevocable and cannot be changed by members.

**Will the members be paid?** 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.

If a member of the Management Committee declares an interest in which they, or their spouse, partner or immediate relative have a personal, financial, or other material interest they shall not vote on any matters relating to that interest. Members of the Management Committee are not entitled to any remuneration, but they may be reimbursed for reasonable expenses incurred in connection with the Society's business.

**What are my risks if the purchase goes ahead?** The Society wants to be fully open and transparent to its potential investors about the risks as well as the benefits of investment in community shares. It is important to understand the following:

- As a member and shareholder of the Society you will have a stake in the Society. If the Society is unable to meet its debts and other liabilities, you could, in principle, lose some or all your investment held in shares. You will have no other financial liability for the project.
- The Financial Services Compensation Scheme, which applies to bank accounts, does not apply to your investment, which is exempt from regulation and therefore does not require authorisation from the Financial Conduct Authority.
- Your investment in your share account is withdrawable without penalty at the discretion of the Management Committee under the Society's rules.

- The Financial Ombudsman Service does not apply to your share account or your relationship with the Society, but any dispute may be the subject of arbitration as set out in the Society's rules.
- Your investment in your share account does not enjoy any capital growth but may receive interest.
- The return on your investment will be through a 'social dividend' i.e. the preservation of a local asset servicing the community and potentially through a modest interest on your shareholding.
- Any surplus profits arising from the business will be used for the benefit of the community.

**What happens if we don't raise all the money?** The Society has undertaken initial works at risk. If the minimum Share Offer is not met, a shareholders' meeting will be held to decide the next steps. If we are still unable to move forward with the purchase of the pub, due to insufficient funds, any funds raised from the Share Offer will be returned to the investors with minimal admin costs deducted, if incurred. So far, responses from the community, potential investors and grant awarding bodies make us confident that we will succeed.

If the project fails before completing Phase 2, activities will stop, and grant owners will absorb their losses. The COF will maintain a claim on the property for community benefit. Despite this, positive feedback from funding agencies makes us believe this scenario is unlikely. Our strategy adopts a cautious approach, with gradual phased developments, which relies significantly on grant funding to support our project. However, this unregulated investment carries risk. Investors may not recoup their full investment and should verify the credibility of our business plan before investing.

**Will the project make any money?** Hospitality is a difficult sector with tight margins. However, community owned businesses have some advantages over a traditional business model. As no commercial owner will be seeking to make a profit, all income can be used for operation and development. The following three points support the project:

- Grant finance is available for community assets. We intend to cover a large proportion of set up and renovation costs in this way.
- Those who invest will be inclined to use and support the venture. We intend to garner practical support from local community tradespeople and businesses during the refurbishment phase, working with contractors who support community owner projects and volunteer input. These works and volunteers will be managed by the contractor.
- Lastly, by adopting a phased approach, it might take longer to develop the business. However, this also means that the business can remain financially secure throughout. If we need to slow phases to allow consolidation of the business, we would do so.

## RULES & GOVERNANCE

The Society has adopted the community benefit society model

rules drawn up by Plunkett Foundation [plunkett.co.uk](http://plunkett.co.uk) a national charity that works with rural communities in the UK to help them set up and run community owned businesses. You can find a copy of the model rules at [rahl-cbs.org](http://rahl-cbs.org)

Day to day running of the enterprise will be the responsibility of the Management Committee until the Share Offer closes and a Members' Meeting is called within three months of the Share Offer closing. The current members of the Management Committee will retire at the first Annual Members' Meeting in accordance with the Society's rules but may offer themselves for re-election. Thereafter members of the elected Management Committee will retire in a phased way over three years ad infinitum, in accordance with the rules of the Society. This ensures new blood, new energy onto the team and continuity, preventing volunteer fatigue and burnout.

All committee members will be elected by the Society's membership. All members will be entitled to attend meetings and stand for election. The Management Committee are volunteers, and a strength of the Society is to draw on the support of volunteers to get the project up and running. Members and members of the community will make up the sub-committees for continuity. Recommended groups to include finance, business operations, project development, building renovation & maintenance of the site, community engagement, retail operations, governance, audit and volunteer management.

## HOW TO APPLY FOR SHARES

We strongly recommend that you read both the Share Offer document and Business Plan before buying shares. The investment application form is at the end of this document, and on our website [rahl-cbs.org](http://rahl-cbs.org) and can be completed and:

### Sent by post to:

Libby Roe, Rowington, Rectory Lane,  
New Radnor, LD8 2TF

### Completed online:

by visiting our website [rahl-cbs.org](http://rahl-cbs.org)

### scanned and emailed to: [finance@rahl-cbs.org](mailto:finance@rahl-cbs.org)

You can also request a copy of the investment forms to be sent to you by calling the dedicated Society Share Offer phonenumber on **0746 909 4136**. **An acknowledgement of your application for shares/donations will be made by email or posted within five working days.**

- 1 Buying shares is an investment for the community, intended to create a secure and lasting asset, a pub in the village for everyone.
- 2 The ambition is to build on our social infrastructure and help create a thriving, sustainable Society. This is not a conventional investment, and you should not expect high or direct financial returns. Our model rules on our website

## You must read the following points about the Share Offer before deciding whether you wish to participate:

provides further information on this [rahl-cbs.org](http://rahl-cbs.org)

- 3 Please complete one application form per person or child.
- 4 The Share Offer will close early if the maximum target of £220,000 is reached. The offer may be extended if the optimum target is not reached within the Share Offer period.
- 5 The value of shares cannot increase beyond their original value. The value of your shares may be reduced in the unlikely event that the business is unsuccessful.
- 6 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.
- 7 Interest payments on shares may be available from Year 3, dependent on business success and availability of sufficient surpluses. The rate of interest has been forecast at 4%. A detailed financial forecast can be found in the Business Plan at [rahl-cbs.org](http://rahl-cbs.org).
- 8 The only way in which your investment can be recovered other than interest payments or general reimbursements, is to give the Society notice of withdrawal. Share withdrawal is anticipated from Year 4. Three months' notice is required to withdraw shares.
- 9 The specific conditions for share withdrawals is that they must be funded from trading surpluses or new share capital and are discretionary, subject to the Management Committee's satisfaction that withdrawal is consistent with the long-term interest of the Society.
- 10 All funds invested in this share offer will be held in the dedicated bank account: The Radnor Arms Hotel Limited Share Account. Joint treasurers (Libby Roe & Paul Norton) are the signatories and the only people who can access this account. Withdrawals by the Society to purchase and renovate the pub cannot be made until members agree to the purchase of the property. The account will also then be used for working capital, and administration. Investments will be returned (with minimal costs deducted) if the Society fails to secure funds to purchase the pub.

## CONCLUSIONS

There is strong evidence of support from the community to renovate the Radnor Arms, to make it a vibrant pub and significant social meeting place in the area. To do this, we recognise that the current building is not fit for purpose and will require extensive upgrade, development works and remodelling.





This Share Offer Document focuses on Phases 1,2 & 3 of the proposed development. We have not explored any drawings or plans for Phase 4.

The aspiration that The Radnor Arms, once fully renovated, will become self-financing as trade and community use continues to grow is realistic. Sufficient investment in the early stages, will enable the newly formed Management Committee created from this Share Offer, to build a high quality and environmentally efficient community pub.

Developing suitably trained volunteer and eventually paid staff will ensure the community can rely on the pub being open when advertised, with a warm welcome. Providing a space where loyal customers, community groups and people staying at the pub or in the area want to be.

We believe the projected financial performance of the Society over the next five years will positively impact our members financial interests. We believe our members can look forward to enjoying the enhanced services, potential financial returns and the peace of mind that comes from being part of a financially secure Society as the Radnor Arms becomes a thriving business once again.

As an investor, you will be part of the decision-making process and ownership of the Radnor Arms in New Radnor and responsible for developing a pub and community hub for our current vibrant community and for future generations.

**The Share Offer investment form, nomination on death form and a volunteering form (which can be completed whether you buy shares or want to support the project with your gift of time attached) may found on the following pages. Additional forms can be sent, by contacting us below:**

Please visit our website at [rahl-cbs.org](http://rahl-cbs.org) email us at [contact@rahl-cbs.org](mailto:contact@rahl-cbs.org) or call us on 07469 094 136, where a member of the Management Committee would be happy to discuss any specific questions you may have.

**Our thanks go to the following organisations who have supported the work of the Management Committee to reach this point in the purchase and renovation of the Radnor Arms Hotel:**



[ahfund.org.uk](http://ahfund.org.uk)



[cwmpas.coop](http://cwmpas.coop)



[plunkett.co.uk](http://plunkett.co.uk)



[wcva.cymru](http://wcva.cymru)



**Funded by  
UK Government**

[levellingup.campaign.gov.uk/wales/](http://levellingup.campaign.gov.uk/wales/)

*Thank you!*

Thank you for taking the time to read this Share Offer Document. We hope that you, along with many others, will choose to buy Community Shares to help secure the future of the Radnor Arms.



## FORMS OVERLEAF





## Investment form

Amount you are investing (*min. £25, max. £20,000*) £

Full name

Address

Postcode

Phone number

Email

*If buying on behalf of a child (under the age of 16)*

Child's full name

Child's DoB

Nominee for child (*if different from above*)

*Or, if buying on behalf of a corporate body (Company, Society or names of joint members):*

Amount to invest (minimum £25, maximum £20,000) £

Full name of Company or Society

Name of Representative acting on behalf of the body

Position of Representative acting on behalf of the body

Address

Postcode

Phone number

Email

- Please tick this box if you wish to receive an SEIS3 certificate to claim tax relief
- I have paid via electronic bank transfer (*Radnor Arms Hotel Limited Share Account Lloyds Bank*  
**Sort Code:** 30-99-50 **Account number:** 14211963) and put my name & post code as the reference.
- I enclose a cheque made payable to Radnor Arms Hotel Limited Share Account

*All funds will be held on deposit in the Society's account until the Share Offer closes and the minimum target has been achieved.*

*I confirm that I have read and understood the Share Offer Document. I am over 16 years of age, and I agree that the following may be kept in an electronic data base: my name, address, phone, email & number of shares purchased. This information will be used for maintaining a register of members and shares as required by the rules of The Society and for communicating to me, the activities of The Radnor Arms Hotel Community Benefit Society. The sum invested will be confidential to the two joint treasurers and no information will be transferred to a third party.*

Signature

Date

Name

**Please send to:** Libby Roe, Joint Treasurer, Rowington, New Radnor LD8 2TF **or complete the online form**  
**or send a scanned copy to [finance@rahl-cbs.org](mailto:finance@rahl-cbs.org)** Receipts will be issued by email wherever possible to reduce administration costs. Share certificates will be issued in due course.



## *Nomination of Shares on Death*

- You can use this form to advise the Radnor Arms Hotel Limited Community Benefit Society of how you would like us to treat your shares in the event of your death.
- You can nominate a person (aged 16 or over) or an organisation to whom you wish your shares to be transferred on your death.
- Alternatively, you can bequeath the value of your shares back to the Radnor Arms Hotel Limited Community Benefit Society.
- Nominations only apply to the first £5,000 of share capital: any proportion of your share capital over £5,000 must be handled by your executors with reference to probate.
- If you choose not to nominate anyone, or for the proportion of share capital above £5,000, your executors will deal with these shares as part of the administration of your estate.
- The Society will respect your wishes insofar as the law, our Rules, and Policies permit.

| Beneficiary name | % of Shareholding | Full contact details: postal address, telephone number & email |
|------------------|-------------------|--|
|                  |                   |  |
|                  |                   |  |
|                  |                   |  |
|                  |                   |  |

*I understand that it may not be possible for The Society to act on this request and I and my heirs will not hold The Society responsible for its actions. I understand that these instructions can only be revoked or amended by my giving clear written instructions to the Company Secretary of The Society at their registered address.*

Full name

---

Address

---

Postcode

---

Country if not United Kingdom

---

Phone number

---

Email

---

**Please send to:** Libby Roe, Joint Treasurer, Rowington, New Radnor LD8 2TF **or complete the online form**  
**or send a scanned copy to [finance@rahl-cbs.org](mailto:finance@rahl-cbs.org)**





## *Other ways to support us...*

*The more people offer practical support, the better The Radnor Arms will thrive. Whether you invest or not, this is your community, your local, and it will be better for you being part of the journey.*



### **How can you help?**

*Please tick the box/s below, if you are willing to give a little time to develop the pub: by being a member of a subgroup, by volunteering behind the scenes on fundraising days, by offering specific skills or labour or practical help in running the pub.*

- |  |   |
|--|---|
| <input type="checkbox"/> Building maintenance team             | <input type="checkbox"/> Community engagement team                  |
| <input type="checkbox"/> Website team, Membership & admin team | <input type="checkbox"/> Marketing team                             |
| <input type="checkbox"/> Retail operations team                | <input type="checkbox"/> Practical help in the pub (training given) |

I have the following specific skills to offer:

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I can give approximately \_\_\_\_\_ hours per week/month

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My contact details:

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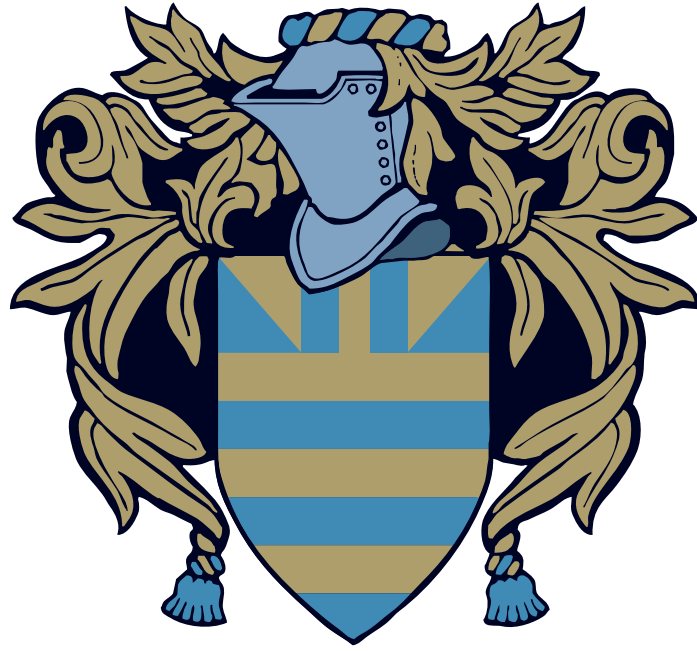
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**Please send to:** Libby Roe, Joint Treasurer, Rowington, New Radnor LD8 2TF *or complete the online form*  
*or send a scanned copy to [finance@rahl-cbs.org](mailto:finance@rahl-cbs.org)*



*The Radnor Arms Hotel Limited Community Benefit Society (registration number 8974).  
Registered Office: Brookside Farm, Park Road, New Radnor, Powys LD8 2SU*

MARCH MMXXIV