



# The Forge at Ulgham

Community Share Prospectus  
November 2023

*A rare opportunity to become a part owner  
of a village country pub and  
save our vital community asset*



# Share Offer and Application Form

*Prepared by:*

Ulgham Community Benefit Society Limited

*Registered with:*

Financial Conduct Authority under the Co-operative and Community  
Benefit Societies Act 2014.

*Registration Number: 9157*

The distribution of this prospectus is exempt from the general restriction contained in section 21 of the Financial Services and Market Act 2000 (FSMA) on the communication of invitations or inducements to encase in investment activity (or, where relevant, is exempt from the scheme restriction contained in section 238 of FSMA) on the grounds that it is only being distributed in connection with the issue of non-transferrable withdrawable shares in the Society which is a community benefit society.

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

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# PROSPECTUS

Relating to the issue of shares in

**ULGHAM COMMUNITY BENEFIT SOCIETY LIMITED**

For the purpose of  
purchase and refurbishment of:

**THE FORGE AT ULGHAM**

Offer to purchase between 100 and 10,000 shares  
at £1 per share - in multiples of 100

For sale between  
13 November 2023 - 31 December 2023

Target fundraising of between  
£300,000 - £450,000

## SHARE OFFER AT A GLANCE

**SHARES:** Are non-transferrable, possibly interest-bearing. Possible withdrawal after a minimum of 3 years subject to capital requirements of the Society. Asset locked so if the Society is wound up, surplus assets must be used for the benefit of the community, they cannot be distributed to members.

Price per share	£1
Minimum Investment	£100
Maximum Investment	£10,000

**MEMBERSHIP:** One member holds one vote, regardless of the size of your investment. Buying shares makes you a member of the Society and gives you the right to vote on important decisions regarding the pub

**PROJECTED RETURN:** Annual interest payments may be payable on shares after the third year of trading and are dependant on business performance and agreement of members at the Annual Members Meeting. Interest rate shall not exceed 5% or 2% above the base rate of the Bank of England, whichever is the greater (section 8.5.2 Model Rules)

**WARNING: CAPITAL AT RISK:** You could lose some or all of the money you invest in this share offer. Community shares are not covered by the Financial Services Compensation Scheme or the Financial Ombudsman Service

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# Introduction

The purpose of this prospectus is to provide information so that you can make an informed decision to purchase shares in Ulgham Community Benefit Society Limited for the purpose of purchase and refurbishment of The Forge at Ulgham.

We believe it is important that as many individuals of the community as possible are involved in this venture. Purchasing shares makes you a member, every member will have a say in how The Forge is run. So not only are you saving the pub for generations to come, you are bringing it under local control. The more members we have, the more of a community pub we become.

Community pubs don't just survive, they thrive with community input. They truly are able to work with the community. There are currently 164 Community pubs in the UK, with 14 opening in the last 12 months. The overall survival rate remains high at 99%.

We need your investment to help purchase and refurbish The Forge. This prospectus will further explain the background to the opportunity for us to acquire The Forge and the plans for the future. Please consider this share offer and help us save our pub and make it a hub for the community for generations to come.



# Vision

Ulgham Community Benefit Society Limited, also known as the ‘Society’ within this document, was established on 29th September 2023 and is registered with the Financial Conduct Authority as a ‘community benefit society’. A community benefit society is a society which is run primarily for the benefit of the community. Any profits must be used to further the objects of the society by being ploughed back into the business to benefit the community the society was set up to serve.

Our aim is to purchase and refurbish The Forge Inn in order to regain our pub in the village, but also make the asset a social hub, providing a warm and friendly facility with services that bring the community together, embracing the diversity of our community.

We have a vision that will build a sustainable multi-purpose community facility, reflecting the results of our village survey (August 2023) including a pub, cafe and shop. Creating a welcoming environment for all ages, we aim to support those who wish to volunteer and provide inclusive employment and training for those looking for work. Our services will be offered to our local community and visitors alike, actively working with other community facilities and clubs in the area is also high on our list of priorities.

A copy of the Business Plan can be found on our website at: <https://the-forge-at-ulgham.co.uk/useful-documents>  
or requested by: email: [ulghamCBS@gmail.com](mailto:ulghamCBS@gmail.com) or telephone:  
07754803703

# Welcome to Ulgham



For anyone who is unfamiliar with our village, Ulgham is a small historic village in the County of Northumberland, England. The name Ulgham is pronounced 'Uffam' and is known as the 'home of the owls'. With approximately 170 dwellings and a population of 351 (2021 Census), Ulgham is situated approximately six miles north-east of the historic market town of Morpeth. The village provides a rural environment whilst being within thirty minutes of the city of Newcastle upon Tyne. Also, within easy reach are the beautiful unspoiled and uncrowded beaches of the Northumberland coast, the Farne Islands, Holy Island, Bamburgh Castle and the historic town of Alnwick with its famous Castle and Gardens.

## The Current Situation

We have an amazing opportunity to create a facility to be proud of. The Forge Inn has previously been a thriving pub and restaurant. However, sadly has been closed for business since 2019.

The Forge Inn was placed on the Asset of Community Value (ACV) register with Northumberland County Council in November 2019, by the Parish Council on behalf of the residents. According to Part 5 Chapter 3 of the Localism Act 2011, when listed assets come up for sale or change of ownership, the Act then gives local community groups time to raise the money to bid to buy the asset. These provisions are also known as the community right to bid.



A community purchase will enable The Forge to be ‘more than a pub’ to secure and safeguard the pub as a community hub for future generations.



We urge you to help us secure the future of The Forge by purchasing shares. This will allow us to save and restore our pub back into a friendly welcoming establishment, the heart of the village and a welcoming community hub for locals and visitors to enjoy together.

## The Forge - a good investment

Pubs are one of Britain's oldest and most popular social institutions. They are essential in fostering and developing social relationships among residents, strengthening the level of community cohesion in villages and parishes, whilst positively contributing to communal well-being.

The Forge is a free house, so is not tied to any breweries, giving us great flexibility in the stock we can hold. We are keen to follow other

successful community pubs, of which there are currently 164 in the UK at present.

The property has suffered from a lack of investment in recent years and work is required to bring it up to standard. An independent valuation has been carried out and the price and refurbishment costs have been considered within the Business Plan. It is hoped that some of the work necessary to refurbish The Forge may be carried out by willing volunteers.

In addition, as a community enterprise, we have access to funding not available to other enterprises, which will help pay for on-going improvements.

We have forecast that The Forge will be financially profitable; though it should be stressed that this is more about being part of a community venture, rather than making a profit. For more detailed financial breakdown and our business plan, please visit the website: <https://the-forge-at-ulgham.co.uk/useful-documents>



## Finance

An offer will be made for the purchase of The Forge supported by a market appraisal valuation from MJD Hughes Limited based on it being an empty property today, but noting its trading potential for the future.

Through this share offer, we aim to raise between £300,000 and £450,000. We will also seek finance from other sources including crowdfunding, donations, sponsorship, local and national grants including the Government's Community Ownership Fund and National Lottery.

We have deliberately allocated significant working capital so that our business is not at risk due to any significant delays in acquiring additional funding and as we anticipate that capital will be available at different times we are planning a practical, phased restoration of the asset.

We will seek specific grants to reduce the carbon footprint of the property, this will include solar panels, battery storage, heat pumps and insulation. This will be a long term initiative intended to reduce the energy consumption of the building but will be integral to our business plan.

For more detail on finances, please refer to the Business Plan which can be located on our website: <https://the-forge-at-ulgham.co.uk/useful-documents>

# Frequently asked Questions

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## **What do the shares cost?**

Shares cost £1 each. Given the large amount of money required, we have set the minimum purchase at 100 shares, so £100. The minimum investment has been set at £100 to enable as many people within the community as possible to purchase a share whilst ensuring that the administration task remains manageable.

The maximum purchase is 10,000 shares, £10,000.

Any amount between £100 and £10,000 can be invested (in multiples of 100).

## **Who can buy shares?**

Shareholders must be aged 18 or over. Shares can be purchased by individuals, jointly or on behalf of groups, organisations or companies. You do not need to live locally to support the project.

Please Note: only the first named applicant or representative on the application form will be a member of the society with voting rights when applying jointly, or as a group or company.

Shares can be held for children. An adult must complete the application form. The shares and vote will be released to the child as soon as they reach 18 years of age. In the meantime, any adult who does not already have a vote as a shareholder themselves, may be nominated to vote on the child's behalf.

## **Will my shares increase in value?**

The value of membership shares cannot go up in value but in the unlikely event the Society gets into difficulty there is a possibility that the value may reduce. However, it should be noted that The Forge is a freehold property which does give the security of owning the property.

Our rules include a statutory Asset Lock which ensures that the assets, including any surplus generated by its activities are used for the benefit of the community. Therefore any funds beyond that required to meet liabilities, improve the facilities and ensure the future of the business, will be made available for distribution to other community or charitable projects.

Although any surplus cannot be used to benefit the members as individuals, our rules do provide scope for interest to be paid after the third year of trading. Interest shall not exceed 5% or 2% above the base rate of the Bank of England whichever is the greater (section 8.5.2 Model Rules). A copy is available on our website: <https://the-forge-at-ulgham.co.uk/useful-documents> or can be requested by emailing [ulghamCBS@gmail.com](mailto:ulghamCBS@gmail.com))

Shares should therefore be primarily regarded as an investment in the community rather than a financial investment.

Please don't invest hoping for a quick return. The real return on investment is being able to secure an important local amenity for the long term benefit of our local community.

## How do I get my money back?

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

You will be unable to withdraw your shares until after three years of trading. After that time, three months' notice of your intention to withdraw your shares will be required. You cannot sell or transfer your shares, and withdrawals must be funded from surpluses or new capital raised from members.

However it should be made clear that such withdrawals are at the discretion of the Management Committee, who will at all times prioritise the ongoing financial sustainability of the society. The Management Committee will have the authority to refuse a withdrawal request if it would endanger the business. Therefore, there is no guarantee that you will be able to withdraw your shares at a given time.

In the event that the asset is ever sold for whatever reason, the shareholders would be repaid their investment from the proceeds of such sale, after repayment of any debts. Should there be any surplus, it would have to be paid to a charitable or community body with similar objectives.

A copy of the Model Rules can be found on the website: <https://the-forge-at-ulgham.co.uk/useful-documents>

## **What happens to my shares if I die?**

You may nominate a person to whom your shares are to be transferred on your death within the Share Application Form, or at a later date in writing to the Society Secretary. Alternatively you may wish to convert to a donation to the society.



If you do not nominate such a person, your shares will convert to a loan. That loan will be repaid on the same basis on which the Society allows withdrawal of shares and subsequently become part of your estate which can then be transferred under the terms of your Will.

## **What are the risks?**

Ulgham Community Benefit Society is a limited liability entity. This means that the most a member can lose is the amount originally invested (experience of other Community Benefit Societies suggests that this is highly unlikely).

If the business fails, your investment is fully at risk and before investing you should be comfortable with this. However, it should be noted that The Forge is a freehold property which does give the security of owning the property.

## **What happens if there are not enough funds raised?**

The period marked for the sale of shares may be extended. If we still fail to meet the target, a shareholders meeting will be held. Once the Management Committee in consultation with the shareholders determine the purchase is not viable, you will be contacted within 2 weeks of the decision date to establish how you would like your

investment to be returned and your money will be returned (less any potential admin fees, which are likely to be minimal if any at all) as soon as possible after that.

### **Does the vendor have to sell the pub to us?**

No, they are under no obligation to sell the pub to us and they do not have to accept an offer from us. Our best chance of success is to raise the required amount as quickly as possible to demonstrate we have proof of funds and therefore have a credible offer.

### **If I feel the need, to whom do I complain?**

If you wish to raise a general concern, in the first instance please contact one of the Management Committee direct, or email the Secretary at [UlghamCBS@gmail.com](mailto:UlghamCBS@gmail.com) and you will be provided with a copy of our complaints policy. Management Committee members can be found on our website: <https://the-forge-at-ulgham.co.uk/useful-documents>

Ulgham Community Benefit Society Limited is registered with the Financial Conduct Authority. Special rules apply to Co-operative and Community Benefit Societies, community shares are not covered by the Financial Services Compensation Scheme or the Financial Ombudsman Service. As with any share offer you would be well advised to seek independent financial advice before investing.

For more information about community shares in general, go to: <https://www.uk.coop/support-your-co-op/community-shares>



## When can I buy shares?

The share offer opens on 13 November 2023 and closes on 31 December 2023. The Management Committee reserve the right to extend the offer beyond the initial period if they believe doing so would be of benefit.

In the event that shares are oversubscribed a waiting list will be held by the Secretary and individuals contacted as shares become available in order of application date.

*We need to raise this share offer money in a timely manner to ensure that we can access grant funding and demonstrate to the vendor that we have the funds to proceed with a purchase.*

Once we have raised the required amount for purchase, a formal offer will be made to purchase The Forge.

It is hoped that the vendor will agree to a sale subject to contracts and The Forge at Ulgham would become a community-owned pub with the next 12 months.



## **When will I receive my share certificate?**

You will receive a confirmation email within 5 working days of your money being received into the bank account of Ulgham Community Benefit Society Limited. Funds will be held on deposit by the Society until purchase of the asset has been completed.

Share certificates will then be issued to all members detailing the number of shares bought and the amount of money paid.

## **Will shares qualify for tax relief?**

We have applied to HMRC for Advanced Assurance for SEIS (Seed Enterprise Investment Scheme), looking for approval that your investment in the Society is likely to qualify for tax relief.

We will update members and a notification will be placed on our website on receipt of the outcome to our application.

## **Persons interested in purchasing shares should:**

1. Read this Prospectus in full
2. Carefully consider the additional information available on our website (<https://the-forge-at-ulgham.co.uk/>)
3. Complete and return an Application Form either online or hardcopy

# Members' Rights and Responsibilities

By purchasing shares you will become a member of the Society. In the case of corporate or group membership a representative needs to be appointed to attend membership meetings.

- The Society is a democratic organisation that operates on the principle of one member has one vote regardless of how many shares they hold. Every shareholder is a member, with the exception of children (under 18 years of age) this complies with the rules of all Community Benefit Societies
- Members may participate in discussion and decision-making at general meetings and vote to elect the Management Committee at the Annual General Meeting
- Members can make themselves available for election to the Management Committee
- All members will be provided with the Annual Report and Accounts outlining the previous year's work

The Rules of the Society provide a number of ways in which the membership may hold the Management Committee accountable for running the Society, including calling for a special general meeting. The Rules of the Society can be found on our [website](https://the-forge-at-ulgham.co.uk/useful-documents): <https://the-forge-at-ulgham.co.uk/useful-documents>

# How to Apply for Shares

Each individual, group or company must complete a separate application form.

You can apply and complete the application online via our website:  
<https://the-forge-at-ulgham.co.uk/share-issue-1>

Alternatively you can download an application form direct from the website or request one via email, telephone or text.

- Download from our website: please use link above
- Request by telephone or text: 07754803703
- Request by email: [ulghamCBS@gmail.com](mailto:ulghamCBS@gmail.com)

Completed application forms can be returned either by:

- Hand delivering or posting to:  
Ulgham Community Benefit Society Limited  
The Old Exchange, Ulgham. Morpeth.  
Northumberland. NE61 3AW
- Scan and email to: [ulghamCBS@gmail.com](mailto:ulghamCBS@gmail.com)

**If you have any questions please contact:**  
**Dave Wilson (Chair) Tel: 07754803703**  
**Email [ulghamCBS@gmail.com](mailto:ulghamCBS@gmail.com)**