



Share Prospectus  
8th December 2024

# Save The Elm Tree Langton Herring Dorset



This is an opportunity to reopen The Elm Tree Inn and to preserve it  
for generations to come

Please join us in our quest of saving The Elm Tree Inn

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# 1. Introduction

## 1.1 Current Situation

The Elm Tree Inn located in Langton Herring, Dorset, has been a thriving pub for three hundred years. It has attracted custom from the local villages as well as from further afield given the area's stunning landscape, connections with the South West footpath and being a focus of many historical events of note. The Inn has enjoyed a deserved reputation for a friendly welcome and well-priced good food and drink. It has, however, been closed since November 2023.

The challenge is now on to save and reopen The Elm Tree Inn as a community-owned pub at the heart of our rural community's social and economic life. The Friends of The Elm Tree Inn Limited (FOTETI) urgently need to avoid the potential 'change of use' of The Elm Tree Inn and guarantee for future generations a welcoming community hub for locals and visitors to enjoy together.

The Friends of The Elm Tree Inn Limited (FOTETI) initiative was set up in Summer 2024 with a series of public meetings, community engagement through a local information site and an online survey to explore the possibility of a community purchase. The survey outcome confirmed interest and discussion at a public meeting shortly afterwards, resulting in a desire to formally extend our Asset of Community Value and to notify the Dorset County Council of the intention to bid for the Elm Tree Inn and to register with the Financial Conduct Authority.

## 1.2 Rationale for a Community Purchase

The impact on communities that pub closures can have is visible across rural communities. Their closure not only threatens the social cohesion of a community but also increases the impact of rural isolation. This has been Langton Herring's reality since The Elm Tree Inn was closed in November 2023.

The Elm Tree Inn itself is not a listed building but sits inside the Langton Herring Conservation Area. It is noteworthy that Langton Herring is a non-sustainable village as it does not have a shop or a bus service.

Rural village life is recognised as being an important part of our heritage and deserving of considerably more care and attention than it has had in recent years. As amenities such as pubs disappear from our communities, it becomes harder to retain a local population as people prefer to move into areas where amenities are closer to hand.

## 1.3 High Level Plan

Over the last months, there have been numerous conversations and approaches from a wide variety of people from both within and beyond Langton Herring. These conversations have proved that there is a strong level of support to save The Elm Tree Inn and protect its future.

Given this fabulous backing, the plan evolved to buy The Elm Tree Inn as a community asset, and the overall objective is to have a friendly and welcoming village pub that serves local beers and sensibly priced locally sourced food.

It is planned to appoint a professional tenant with the experience and skills to run the Inn as a successful business for the benefit of the community and visitors.

A fair rent will be set that gives the tenant the opportunity and incentive to run their own profitable business. The tenant rent provides the income to sustainably maintain our investment in the 'bricks and mortar' side of the business. When cash reserves permit, the plan is to pay a modest interest to shareholders and enable the withdrawal of shares from time to time.

There is confidence that the business will be profitable, but in the unlikely event that it is not, the community will own a valuable asset – The Elm Tree Inn building and surrounding land. If necessary, this could be used for an alternative business in order to return funds to investors.

#### 1.4 Friends of The Elm Tree Inn (FOTETI) - a Community Benefit Society

The Friends of The Elm Tree Inn Limited (FOTETI) is a Community Benefit Society (CBS) formed to purchase The Elm Tree Inn and secure its future for the community's benefit. As of 21st November 2024, The Friends of The Elm Tree Inn Limited was registered with the Financial Conduct Authority with Registration Number 9439.

Purchase of the minimum number of shares will confer membership of the Society, giving Members control over the business through the annual election of a Management Committee and voting rights on significant issues at regular meetings. Community Benefit Societies are by law intended to be democratic organisations, and all Members will have an equal vote regardless of the size of their shareholding and will have the protection of limited liability.

The Society's Rules contain a statutory asset lock. This is a constitutional device that prevents the distribution of residual assets to Members. The purpose of the asset lock is to ensure that the community benefit of any retained surplus or residual value cannot be appropriated for the private benefit of Members after all Members' share capital has been refunded according to the Rules of the Society.

This means that the value of the CBS assets always remains in the CBS for the benefit of the community. In other words, the value of membership shares will not rise or fall with the value of the CBS assets. They will remain fixed in price.

A copy of the Community Benefit Society Rules and other documents can be found on the website [www.friendsoftheelmtree.org](http://www.friendsoftheelmtree.org)

#### 1.5 Financial Outline

The capital cost of the plan is projected to be up to £650,000. The aim is to raise this sum through a community share offer and from other sources such as grants if possible.

Rent from the tenant will cover property maintenance, sundry administration costs, a building reserve for any future repairs and, when possible, paying dividends to shareholders.

## 2. Vision and Community Benefits

### 2.1 Purpose

The aim is to secure The Elm Tree Inn for the long-term benefit of Langton Herring and the wider community. By doing so this can preserve for future generations a key element of our local rural heritage.

The Elm Tree Inn will, then, be a place for social gatherings and cultural activities, somewhere to meet people and exchange information. A good pub is about the diversity of its people and a place for a cohesive and friendly community to be forged that values shared experiences.

The village pub with tenant's accommodation will aspire to be flourishing, friendly and welcoming. The Elm Tree Inn will operate as a free house that serves local beers and sensibly priced, good food prepared using locally sourced ingredients where possible.

The key factors that will contribute to its success are:

- Establishing a broad membership of the Community Benefit Society;
- Purchasing the freehold of The Elm Tree Inn from the current owner ;
- Setting an affordable rent and operating the pub as a free house;
- Agreeing a lease with a professional and experienced tenant who knows how to run a successful pub business by being community-centric and developing appropriate drink and food offerings;
- Investing any surplus profits in improving the pub and additional facilities for the benefit of the community and, in time, paying a modest level of interest to all shareholders;
- Working with the tenant to promote a sustainable agenda through local sourcing and good waste management.

## 2.2 More than a Pub

A community purchase will enable The Elm Tree Inn to be 'More than a Pub' for Langton Herring.

By investing in a range of potential developments over time and in consultation with the tenant, services could be provided to the community that will enable wider use to be made of the community-owned pub building.

## 3. Buying The Elm Tree Inn

### 3.1 Market Considerations

Freehold pub values increased tenfold from 1975 to a peak in 2007 (source: Christie & Co). During much of this period, large pub estates were built up by pub-owning companies (PubCos) using cheap debt. However, in 2007, the market ground to a halt and in recent years, there has been a dramatic reversal, with values falling. Much of the fall was due to the impact of the financial crisis on the PubCos who consequently have been selling assets to pay down their debt. The decline has been accentuated by competitive pressures on drink sales and changing patterns of leisure time usage that together have put a significant strain on the traditional tied pub tenancy model. This model has become increasingly uneconomic, particularly in rural locations.

Figures from the Office for National Statistics show that there were 80 pubs and bars in Weymouth and Portland in 2010, but by 2017, that had fallen to 55, a 31.2 per cent reduction. Similar figures show the same trend in East and North Dorset, but surprisingly, West Dorset, where numbers have fluctuated, shows a slight increase in Dorchester and Bridport bucking the local and national trend.

Pubs have been pointing the finger of blame at the taxman for their troubles, complaining about the duty on beer, VAT levels and the cost of business rates. However, one must also consider the impact of Brexit, inflation, changes in consumer behaviour and changes in drinking and driving habits to better understand the current situation.

### 3.2 Community Pubs

The first co-operative pub opened in 1988 (Tafarn y Fic in Llithfaen, Gwynedd). By 2010 there were still only five community pubs in the UK. Legislation in 2011 (The Localism Act) introduced the designation of an Asset of Community Value (under which community groups have a six-month moratorium period in which to bid), and The Plunkett Foundation, working with others in the industry, developed the co-operative pub model. Since then, the number of community pubs has grown steadily. By the end of 2014, there were 33 community-owned pubs. There are now over 160 up and running, and more in the pipeline across the United Kingdom.

Although still a relatively young sector, to date there has been just one co-operative pub closure in the UK and importantly this was not due to business failure but a management failure and represents over a 99 per cent survival rate. This compares extremely positively with estimations for UK businesses that have an estimated five-year survival rate of 41 per cent (Office for National Statistics) and is one of the best business survival rates anywhere in the world.

In Dorset, there is one successful community pub which was supported by the Plunkett Foundation, which is the Drovers Inn (now renamed as The Cockerell) in Gussage All Saints.

### 3.3 The Plunkett Foundation

The Friends of The Elm Tree Inn Limited (FOTETI) has been in grateful receipt of help and guidance from the Plunkett Foundation that helps communities take control of their challenges and overcome them through cooperation. Plunkett supports people, predominantly in rural areas, to set up and run life-changing community co-operatives, enterprises that are owned and run democratically by large numbers of people in their community, environmental and land-based initiatives, and anything in between.

Today, Plunkett actively represents a considerable network of rural community co-operatives that are trading across all parts of the United Kingdom. Their mission statement is:

“to inspire a movement of people who solve their challenges by running community-owned co-operatives in rural communities and beyond”.

The organisation has been supporting communities for over 100 years, having been founded in 1919 by the Irish co-operative pioneer Sir Horace Plunkett. Today, their work is primarily concerned with community cooperation in the UK, supporting communities such as The Friends of The Elm Tree Inn Limited at every stage of setting up and trading.

### 3.4 Understanding The Share Offer



### 3.4.1 The Share Offer

The share issue has been designed to allow local people and organisations to contribute financially, on a long-term basis, to the business of the Friends of The Elm Tree Limited.

Individuals (aged 18 years and over) and organisations can apply for membership by buying shares at £1.00 per share, with a minimum investment of £200.00 and a maximum investment of £65,000 per person or organisation.

Please note that shares must be purchased in tranches of £200 between the minimum and maximum investments noted above.

All money and cheques will be banked as they are received, and shares issued at that point. Should the project to purchase The Elm Tree Inn not go ahead, all monies will be refunded.

The shares are not transferable and cannot be sold. The only way to recover the value of the shares purchased is to give three months' notice of withdrawal to the Management Committee. Shares cannot be withdrawn until at least three years have elapsed from the date of the share issue and then only at the discretion of the Management Committee and subject to appropriate reserves having been generated.

Shares are not transferable except on death or bankruptcy, and they can be withdrawn at the sole discretion of the Management Committee under the Rules, which are available on [www.friendsoftheelmtree.org](http://www.friendsoftheelmtree.org) or from a member of the Management Committee. All withdrawals will be paid from surpluses or new share capital.

The Management Committee has the authority to refuse a withdrawal request if it would endanger the business.

No interest will be paid to shareholders in the first three years. After Year Three, it is FOTETI's intention to pay a modest interest and any such interest payment will be proposed by the Management Committee within the limits specified in the Rules and put to a vote at the Annual Members Meeting. Any such proposal will be based on the performance of the Society and if approved, will be paid gross to each Member by the Society, and it is each Member's responsibility to declare such earnings to HMRC if appropriate.

It is important to note that the value of the shares will not increase. The only financial benefit for Members is any interest paid annually.

If the Elm Tree Inn is ever sold, for whatever reason, the shareholders would be repaid their investment from the proceeds of such a sale, after repayment of any debts. Any surplus would have to be paid to a charitable or community body in line with the Rules of the Society.

### 3.4.2 Membership Share Application Form and Payment

To become a Member of Friends of The Elm Tree Inn Limited and invest in this venture, you will need to complete an application form (available from The Secretary) and send it with a cheque made payable to Friends of The Elm Tree Inn Limited to The Secretary or transfer the money via BACs.

Alternatively, you can complete an online copy of the application form on our website [www.friendsoftheelmtree.org](http://www.friendsoftheelmtree.org) and upon completion, it will be sent to The Secretary. Payment will be by cheque or by BACs transfer.

The Society will file all share application forms received.

### 3.4.3 Share Certificates

Once the Treasurer has received confirmation that your payment has been deposited in the Society's bank account, The Secretary will be informed and she/he will issue a share certificate. A digital copy of the share certificate will be sent to the shareholder or a paper copy can be sent if so requested. The Society will file copies of all share certificates that have been issued.

### 3.4.4 Share Application Dates

This share offer money needs to be raised in a timely manner in order to demonstrate to the vendor that the funds are available to proceed with a purchase.

As soon as the bank account is open, the share offer will be available with authorisation to accept cheques or BACS transfers and will close when the maximum target is reached. The Management Committee reserves the right to extend the offer beyond this initial period if it believes doing so would be of benefit to the well-being of the Society.

All applications will be handled on a 'first-come, first-serve' basis.

For regular updates, downloadable forms and more, please visit the website:

[www.friendsoftheelmtree.org](http://www.friendsoftheelmtree.org)

The Friends of The Elm Tree Inn Limited is officially registered with the Financial Conduct Authority as a Community Benefit Society under the Co-operative and Community Benefit Societies Act 2014.

The FCA registration number is 9439.

The Elm Tree Inn Community Pub Limited is a Member of the Plunkett Foundation.

### 3.4.5 Assessing Share Funding and Ability to Purchase the Pub

The Society has determined three strategic sums of funding and has attributed outcomes for each of the three stages. A summary can be found in the table below:

	Amount Raised	Result
Minimum Required	£500,000	The project may fail, consult
Ideal Amount Raised	£600,000	The purchase can be made
Maximum Amount Raised	£650,000	Start-up costs can be met

## 4. Operating The Elm Tree Inn

### 4.1 The Tenant Model

Based on our research and advice received from other community pubs, it is concluded that a 'tenant model' is the most appropriate operating model for The Elm Tree Inn.

As part of the selection process, each prospective tenant's Business Plan, their view of what the pub will offer its customers and their plans for its marketing and the ongoing development of the pub will be closely examined.

Selecting the right tenant will be critical in ensuring the success and long-term future of the pub. A lot of useful advice and offers of assistance with the recruitment process has been gratefully received from existing community pubs and other professionals in the area.

## 4.2 Affordable Rent

Based upon the freehold ownership status of the pub, affordable rent will be charged to the tenant whilst allowing the development and improvement of the pub's infrastructure. The rent that will be charged will be graduated over the three-year period: £27,000 per annum in Year One, £38,000 per annum in Year Two and £40,000 per annum in Year Three. The rent will be set at £30,000 per annum at the start of Year Four and increase gradually across the year if there is a need to change the tenant.

## 4.3 Community Management

The pub will be owned and let by The Friends of The Elm Tree Inn Limited. This means that the community will have control over how the property is managed and improved. It will also enable us to have constructive communications with the tenant about the community's wishes. One of the criteria for selection of a tenant will be their willingness to provide for our community needs.

A member of the Management Committee will be assigned to meet with the tenant once a quarter to review their business progress and mutually address any issues.

We hope that many members of the community will support the pub by assisting or being elected to the Management Committee. Most importantly, we hope they will come to eat, drink and make friends at The Elm Tree Inn.

# 5. Financial Details and Assumptions

## 5.1 Capital

The total capital targeted is £600,000 to cover the costs of purchase, but a further £50,000 will be needed for associated expenses related to reopening the pub as well as meeting cash flow requirements. This will be financed by the community share offer and potentially from donations or grants.

## 5.2 Income

The only income the FOTETI will receive is from the rent that the tenant pays each year to the Society. It is anticipated that it will be necessary to offer the tenant two to three months from the formal opening to enable the tenant to start running the pub. Starting the business of offering food and drink (target July 2025) at capacity, requires a contingency to be built into the financial forecasts. A similar contingency has also been allowed for the first three months in Year Four if there is a need to recruit a new tenant.

Rent will be increased annually and will be included in the tenant's agreement.

The tenant's business plan will be calculated from the bottom up, week by week, through the holiday seasons, based on an estimate of prices, meal covers and days open. The tenant will derive revenue from a restaurant with 52 covers per sitting and an additional bar serving drinks.

For more details about our income statement, please review the relevant section of the Business Plan.

### 5.3 Outgoings

Other than interest to Members, the Society will have a number of recurring costs, including professional fees (e.g. banking and accountancy costs, FCA fees, Plunkett Foundation membership), building and indemnity insurance etc.

Also, as owners of The Elm Tree Inn, it will be necessary to maintain the assets (land and buildings) to uphold their value and ensure that the pub can operate. Although the tenant will have clearly defined obligations for the upkeep of the pub (these will be specified in the tenancy agreement), it is reasonable to assume that the Society will incur costs for some level of ongoing maintenance of the refurbished building. The expense of which has been budgeted.

For more details about the outgoing statement, please review the relevant section of the Business Plan

## 6. Risk Assessment

Investors should be aware that the share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations; this means the shareholder has no right of complaint to an ombudsman. A Community Benefit Society is registered with, but not authorised by, the Financial Conduct Authority and, therefore, the money paid for the shares is not safeguarded by any depositor protection scheme or dispute resolution scheme. It should, however, be noted that the Society is a limited liability entity. It is considered very unlikely that investors would lose their money as the investment is in the land and buildings that could be used to the advantage of the community or sold if the enterprise failed. Investors will not be liable for the activities of the pub tenants should their business fail.

If this share issue raises less than the sum required to proceed with the project, then all those who have invested will be reimbursed in entirety and the share issue deemed to have failed.

## 7. The Community Benefit Society

### 7.1 Introduction

The purpose of the Community Benefit Society (CBS) is to enable the residents of Langton Herring, and other supporters, to secure and safeguard the future of The Elm Tree Inn, and promote it as an amenity of prime importance to the community.

The Society is a limited liability CBS that is registered with the Financial Conduct Authority (FCA) using a set of pre-approved model rules developed by The Plunkett Foundation.

The Society is a democratic organisation that operates on the principle of "one Member one vote" regardless of the amount each Member has invested. Every shareholder is a Member.

A copy of the Rules of the Society is available on the website, [www.friendsoftheelmtree.org](http://www.friendsoftheelmtree.org), or it can be requested from the Society's Secretary

## 7.2 Limited Liability

The Society is a limited liability entity. This means that the most a Member can lose is the amount originally invested, however, experiences of other Community Benefit Society pubs suggest that it is highly unlikely that such losses will occur. Investors will not be liable for any activities of the tenant – for example, if they run up huge bills or other losses.

## 7.3 Management Structure

The first Members of the Society are those who signed the application for the Financial Conduct Authority registration, and these Members will appoint the Steering Committee that will then serve until the first Annual Members Meeting (AMM). This AMM will be held as soon as is practicable after the opening of the pub, probably in Summer 2025. Our start-up provisions require that all Members of the Steering Committee will retire at the first Annual Members Meeting (AMM), although they are eligible to stand for re-election.

The newly elected Management Committee will take office immediately after the conclusion of that meeting, and the following provisions will apply to them:

- One-third of those so elected, who obtained the highest number of votes, shall serve until the conclusion of the fourth Annual Members Meeting;
- One-third who obtained the next highest number of votes shall serve until the conclusion of the third Annual Members Meeting.

The remainder of those elected shall serve until the conclusion of the second Annual Members Meeting (AMM).

Thereafter, elected members of the Management Committee hold office for a period of three years commencing immediately after the Annual Members Meeting at which their election is declared, and ending after the third Annual Members Meeting after that.

The Management Committee will:

- Organise and supervise the purchase of the pub;
- Appoint the tenant;
- Monitor and manage the Society's financial affairs for the benefit of the community;
- Oversee the lease and manage the relationship between the Society and the tenant;



- Ensure that the Society complies with all applicable regulations;
- Recommend the level of any interest payment for Members, for agreement at the AMM.

The pub business will be leased to a tenant who will run the pub and pay rent to the Society. The Management Committee will set the broad policy direction for the business and agree on specific standards with the tenant, including certain aspects that community feedback has shown to be important. The Management Committee will not get involved in, or interfere with, the day-to-day running of the business, or attempt to micro-manage the pub.

The Management Committee is equally responsible in Law for Committee actions and decisions. The Management Committee is responsible and accountable for ensuring that the organisation is performing well, is solvent and complies with all its obligations.

The Management Committee will provide all Members with an annual report that will set out the key financial statements together with a report of the Society's activities during the previous financial year, and any plans for the following year.

Other than the intention that FOTETI purchase The Elm Tree Inn, the Members of the Management Committee have no other vested interests. It holds interim roles until the first AMM when the membership will elect the officers.

#### 7.4 Members

The Community Benefit Society structure means that any person who buys the minimum number of shares becomes a Member of the Society. Each Member then has one vote to exercise at the Annual Members Meeting regardless of how many shares they hold.

Members can be elected to the Management Committee. All Members will be provided with an Annual Report, which will set out details of the operation of the Society and how it has developed its activities over the previous year and which will include a report of the accounts. The Rules also provide for several other ways in which the membership may hold the Management Committee accountable for the running of the Society, including calling a special general meeting if required. Corporate bodies may also be Members.

#### 7.5 Data Protection Act

The Society adheres to the principles of the Data Protection Act, even though it is exempt from registration with the Information Commissioner as a not-for-profit organisation, and will use and process personal data only for the use of the Society. All personal information will be held secure and up-to-date and will:

- Only be used for the purposes for which it was gathered;
- Not be kept longer than necessary;
- Personal data will be used solely to maintain a register of Members and potential Members as required by the Rules of the Society and for communicating with Members. No Members' personal information (names, addresses, phone numbers, etc.) will be shared with third parties;
- Members' financial information, such as amounts invested, shares purchased, and interest paid, will be treated as strictly confidential and will not be shared even within the

Management Committee except as necessary for managing the Society (e.g. when making decisions about whether withdrawal requests can be funded).

## 8. Appendices

### 8.1 Share Application Forms

Purchasers of shares must be 18 years of age or over to become a Member of The Friends of The Elm Tree Inn Limited Community Benefit Society.

To purchase shares, either complete an online form on the website [www.friendsoftheelmtree.org](http://www.friendsoftheelmtree.org) that will automatically be sent to The Secretary. or obtain a hardcopy form from The Secretary and when completed, the form can be sent by post to The Secretary, Lerret Cottage, Shop Lane, Langton Herring, Dorset DT3 4HX.

Note that both pages of the form should be completed. Each individual, family member or organisation must complete a separate form, and the appropriate amount of money must accompany your submission to pay for your shares.

Payment can be by cheque or by a BACs transfer (which is the preferred option).

### 8.2 Friends of The Elm Tree Inn Limited Payment Details

Account Name: The Friends Of The Elm Tree Inn Limited

Sort Code: 08-92-99

Account Number: 67387740-00

### 8.3 Forms Of Payment

Cheques should be made payable to Friends of The Elm Tree Inn Limited and posted or delivered to The Secretary, Peter Hughes, Lerret Cottage, Shop Lane, Langton Herring, Dorset DT3 4 HX.

Alternatively use an online bank transfer, (BACs) to The Friends of The Elm Tree Inn's account, the details of which are above. This method of payment is preferred if possible.

For online bank transfers, use a reference generated as follows. This will help to identify your payment:

The first three characters of your first name (e.g. MAR for Mary) followed by the first three characters of your surname (SMI for Smith) This example would generate the reference: MARSMI, which would be your reference on the BACs payment.

Buying Shares	
Are there limits to how much I can invest?	Yes. The minimum amount is £200 and the maximum you can invest is £65,000.

Can I have a paper copy of the share prospectus and application form?	Yes. Please get in touch via email: <a href="mailto:friendsoftheelmtree@gmail.com">friendsoftheelmtree@gmail.com</a> or contact The Secretary.
Can I buy shares on behalf of my children or grandchildren?	Yes, shares can be held for children. The shares and vote will be transferred to the child as soon as they reach 18 years of age. In the meantime, any adult who does not already have a vote may vote on the child's behalf.
Can I buy shares on behalf of a company I own?	Yes, you can buy shares on behalf of your company and any interest would be paid to the company. The company would have one vote.
What happens when the share offer target is reached?	If the ideal share offer target of £600,000 is reached, we will continue the share offer until we reach our maximum target of £650,000.
What happens if you do not raise sufficient funds to buy the Pub?	Then the sale of shares may be extended. If we still fail to meet the target, a meeting will be held within four months of the share offer closing to decide if it is possible to purchase the Elm Tree Inn or not.
When will I receive confirmation of my share purchase?	You will receive a share certificate within five working days of your application. The share certificate confirms that the bank transfer or cheque has been received, the number of shares that you have bought, the price that you paid for your shares and also provides you with a Society Membership number.
Shareholders and Members	
Why do you need to raise £650,000?	The money will allow us to purchase the Elm Tree Inn and meet all the start-up costs.
When I buy shares, what do I become a Member of?	When you buy a share, you become a Member of Friends Of The Elm Tree Inn Limited (FOTETI), a Community Benefit Society, and you then have a say in how the Society is run.
Do my shares give me voting rights?	Yes, they do. Everyone has an equal voice, so, regardless of the size of the investment, you will have one vote.
If I have bought multiple shares why do I only have one vote?	This is to comply with the rules of all Community Benefit Societies.
Will future meetings of the Management Committee be scheduled, open to Members to attend and Minutes published?	Yes, once we have formalised the ownership of The Elm Tree Inn, committee meetings will be advertised, and Minutes will be made available to the FOTETI Members (shareholders).

My Investment	
Can my investment increase in value?	No. Shares in the Society can never be worth more than their nominal face value. However, the Members may vote to pay interest on the loan represented by their shareholding.
Can I sell my shares?	No. Shares in the society cannot be sold. They are a special sort of share known as 'Community Shares' and the only way you can recover their value is to apply to the Society to withdraw any shares you own.
How can I get my money back?	You must invest your shares for a minimum of three years after which time you can apply to withdraw your shares to get your money back. The Management Committee will determine, based on the liquidity of the Society at the time, the extent to which shares can be withdrawn.
When will my money be refunded if the purchase of The Elm Tree Inn does not proceed?	Once the Management Committee, in consultation with the community, determines that the purchase is not viable, you will be contacted within two weeks of the decision date to establish how you would like your investment to be returned and all monies will be returned as soon as possible after that.
What happens to my shares if I die?	Your shares will form part of your inheritance and can be transferred under the terms of your Will.
The Pub and Friends of The Elm Tree Inn Limited (FOTETI)	
What is a community pub?	A community pub is just as it sounds – a pub business owned and run by the community for the benefit of the community.
What are the benefits of community ownership?	In many cases, community pubs have been established as a means to save pubs otherwise destined for permanent closure. Frequently, these are the last surviving pubs in the towns and villages they serve.
What is FOTETI?	FOTETI stands for The Friends of The Elm Tree Inn Limited. It is recognised in law as a Community Benefit Society (or 'Society' for short) and was registered with the Financial Conduct Authority (FCA) on 21st November 2024 (Number 9439).
What is the difference between FOTETI and the pub?	FOTETI is a Community Benefit Society, which was formed to sell shares to raise money to buy the pub property. FOTETI will own the property and pay for buildings insurance and appoint Tenants to run the day-to-day pub business.
Will you be paying a fair price for the pub?	Yes. We commissioned an 'Independent Business Buyer Valuation Appraisal' and offered the full market valuation price for the pub.
Does the Vendor have to sell the pub to us if we raise enough money?	No. The Vendor is under no obligation to sell the pub to us and it does 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.
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8.4 Frequently Asked Questions