

Y Cross Cas-lai Community  
Benefit Society Ltd.

# Share Offer Prospectus



Gellir derbyn copi Cymraeg o'r ddogfen hon drwy gysylltu â...

A request for a copy of this document in Welsh can be made at

[www.ycrossinn.cymru](http://www.ycrossinn.cymru)

## Important Information

This document details and contains an invitation to subscribe for Shares in Y Cross Cas-lai Community Benefit Society Limited (“the Society”), which exists for the benefit of the community.

A copy of the Society rules is available on our website [www.ycrossinn.cymru](http://www.ycrossinn.cymru).

The Society is registered 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 the money that you invest. Unlike deposits with high street banks, community shares are not covered by the Financial Services Compensation Scheme, nor is there any right of complaint to the Financial Ombudsman Service. If you are considering investing a significant amount, then you may wish to seek independent financial advice before doing so.

This document should be read in its entirety. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice. Nothing in this document constitutes investment, tax, legal or other advice by the Society, its members forming the Management Committee or their advisors.

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## 1. Introduction

Hayscastle / Cas-lai is a small inland community in rural north-west Pembrokeshire, situated in the shadow of Plumstone Mountain, some seven miles north of the county town of Haverfordwest, a mile from the Pembrokeshire Coast National Park and around five miles from the coast. Its main residential areas being Hayscastle Cross and Pont-Y-Hafod.

Recent years have seen the closure of the community's two shops and Post Office, as well as the petrol station and garage. The village school closed in 2010. The Cross Inn, which has been run continuously by the Phillips family for over 160 years, remains open. Hayscastle Church and Noddfa Newton Chapel continue to hold regular services for the community's residents.

The Cross Inn, Hayscastle has been bringing our community together for over 160 years. It has provided a place for families and friends to come together and enjoy great food, drink, and company.

The pub has been in the same family since 1861 and is currently owned and run by Angela and Wayne Phillips. The current owners are seeking a lifestyle change and have put the pub on the market for sale. Unfortunately, after nearly two years and despite a significant price reduction no substantive offers have been received. It is understandable therefore that the current owners are considering alternatives to selling the property as a going concern.

Concerned about the future of the pub, and the fact that it might close, a small group, with a diverse range of skills and experience, came together during the summer of 2022 to see if it would be feasible to buy the pub and run it as a community venture. The group grew from two to four, four into eight, and eight to fifteen. They have since successfully formed a Community Benefit Society, drawing inspiration from other similar initiatives across Wales and England.

With support from Cwmpas, Y Cross Cas-lai was registered as a Community Benefit Society in January 2023. The Financial Conduct Authority registration number is 9002.

The current price for the pub is £299,500. A property survey was undertaken at the end of 2022 and the surveyor suggested a lower value of £275,000. The purchase price of £292,500 has been agreed with the vendors to include all fixtures, fittings and furniture but excluding stock.

On 15 August 2022, the first public meeting was held, where the local community and representatives from various local organisations and societies came together to share ideas, and discuss the potential of the Cross Inn as a community-owned pub. This was followed-up with a questionnaire which generated 90 responses.

Following this a second public meeting held was held at Newton Chapel on the 27th of September 2022 to share information and answer queries about the initiative. At this meeting the nominations were put forward for key committee member roles. We also agreed that we would continue to evaluate the feasibility of this project and hold another public meeting at the end of January to make a go / no-go decision.

A third public meeting on the 24th of January, attended by over 100 members of the community, unanimously voted to go ahead with the project.

The feedback received during these engagement activities shows that there is considerable support for the initiative within the local community. Of those who responded to a questionnaire 60% noted that they



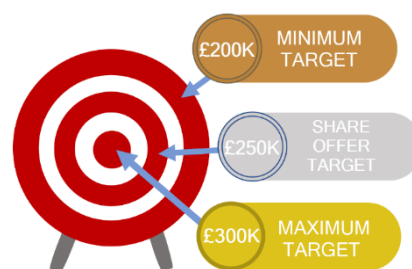
thought it was ‘most important’ for the Cross Inn to remain as a pub that also acts as a local community hub and 50% noted that they were interested in buying shares.

The current owners have been fully supportive of the concept of community ownership since the idea was suggested by some of the founding members of the Society last year, and the Society would like to thank them for their support and patience throughout the process.

Our purpose is to establish a financially and commercially sound community pub, providing a high-quality local dining and drinking experience as well as a central hub for community engagement, services, and benefits.

## 2. Share Offer Summary

- Price per share £50
- Minimum individual investment £250 (5 shares)
- Maximum individual investment £25,000 (500 shares)
- Minimum target - £200,000 (4000 issued shares)
- Share Offer (optimum) target - £250,000 (5000 shares)
- Maximum target - £300,000 (6000 issued shares)



### Share Offer Timeline



(\* ) The Society reserves the right to extend the Share Offer period for a further two weeks from the 7th of May until the 21st of May if necessary to allow more time to achieve the share capital target.

## 3. Y Cross Cas-lai and Our Community

In keeping with the strong Welsh culture of our community the name of the pub will revert from The Cross Inn to its Welsh equivalent and will be known as Y Cross, Cas-lai.

Y Cross Cas-lai Community Benefit Society Ltd. was formed to enable the people of Hayscastle and the wider community to secure the future of the Cross Inn.

A Community Benefit Society is a unique type of corporate business which is owned by and run for the benefit of the local community rather than private gain. Our aim is to buy and renovate the Cross Inn and run it as a pub and restaurant and as an active hub for all kinds of services and community activities. We plan to

open the doors to both the local and wider community and to offer a warm welcome to people who may not have used the pub before.

The pub itself is a naturally cultural and historical place and boasts qualities that would be very difficult to recreate. Buying the Cross Inn will be a way of promoting and strengthening all the above, and this is central to the Society's objectives.

We believe that the Cross Inn is a vital community asset and that its value and benefits will be best preserved if owned and run by a Community Benefit Society like ours. We have a unique opportunity to become owners of an important part of our area's way of life.

But to achieve our vision, we need to raise money.

The key source of funding comes from the local community, who, alongside the wider public, can now purchase shares in the Society, to become members, and have a say in how it is run. Historically, our local community has always done things for themselves - our community forum, Community Woodland, Young Farmers Club, and numerous local voluntary organisations are good examples - thus giving us the confidence that the people of Hayscastle have both the expertise and desire to make this venture a success.

We will also seek opportunities to take advantage of grants from local and national governments, and from independent and charitable trusts.

## 4. Our Vision and Values

Y Cross Cas-lai Community Benefit Society has been created by local people to secure and safeguard the future of the Y Cross in Hayscastle Cross, Pembrokeshire and ensure it continues to act as a genuine community hub which benefits the local community. This is against a worrying background where several local pubs are faced with the threat of closure.

**Our Vision and Values - What do we want to see, and what's important to us.**

### Our Vision

- To ensure the Cross Inn remains at the heart of our vibrant community.
- To provide a place for people of all ages to socialise both in the traditional bar and the newly renovated 'Cwtsh', which will provide a welcoming and family-friendly environment to compliment the more traditional bar.
- To provide a comfortable and welcoming space for use by local people and organisations.
- To hold Welsh events and social evenings.
- To support local businesses and form partnerships with local companies and organisations.
- To offer drinks and meals, using local produce.
- To secure employment and training opportunities for local people, young and old, and support them to fulfil their potential.

Our vision for the Cross Inn is based on the regeneration of the building spaces to provide:

- We seek to preserve the character of the bar area: some improvements and modernization are envisaged including some newer and more energy efficient ways to run the business, but the intention is to achieve this without losing the traditional and current feel of this space as this is an integral and important part of the business for the regulars.
- Renovation of the 'Dining Room' space, to create 'The Cwtsh'. This will be for meals, community events, family events, social gatherings etc. This will have a "softer and more welcoming feel than the more traditional bar area.

- Undertake necessary improvements to existing structures, including improvements to heating and electricity systems etc. and make improvements to the current standard of fabric insulation and other measures that will reduce the carbon footprint and ensure the sustainability of the enterprise into the future.
- Create an attractive family-friendly beer garden.
- To replace some of the facilities and services that have been previously lost in the village. This may include a café, shop, and post office, which have all been greatly missed.
- We are currently holding community listening groups, to help shape the define the detailed outline of our community hub operation. We will start small and expand only when the initial services are successful and prove that they are fully sustainable.

## Culture



Running Y Cross Cas-lai as a community pub is a unique opportunity for Hayscastle, Hayscastle Cross and the wider community to have a valuable focus to boost an already active and welcoming community.

If, together, we succeed, we can make a difference to more than just the Cross Inn pub. Running a successful venture can share the energy and spirit of co-creating the future throughout the community. It could boost our culture and way of life in this rural area, at a time when it is needed more than ever. We might even inspire others to take ownership of the future of their local assets. However, we need everyone to invest, so that we can all make a difference. We need to stop the ever-increasing rate of Pembrokeshire pub closures. Whilst other pubs such as the Gwesty in Castlemorris and the Drovers in Punchedeston have recently closed we believe that our approach will ensure that it remains vibrant and viable.

## Society

- A place to socialise over a drink or meal.
- A meeting place for a wide range of clubs, groups, and societies
- A safe place that's accessible and welcoming to help tackle social isolation in a rural community.



## Economy

- Create employment opportunities for local people.
- Create work opportunities for local craftsmen and traders.
- Support local farmers and food and drink producers.
- Promote and highlight local businesses that support us through this exciting venture.

Over the past six months we have carefully evaluated the strengths and weaknesses of The Cross and its ability to meet our purpose. Our projections show that we can establish and operate it as a successful business for the benefit of the community.

The purchase of the pub includes an extensive four-bedroom owners' accommodation. There are several options which are being considered for the accommodation, including being used as accommodation for a live-in manager, or being renovated and let to earn rental income, or to provide possible holiday accommodation.

A General Manager, will be appointed in due course to run the bar and restaurant, as will a chef and part-time bar and restaurant staff. The aim will be to continue to offer employment, experience, and training opportunities to the area's young and old. However, we also anticipate that the opportunity to volunteer for occasional shifts at the bar or restaurant will also be valuable in ensuring the sustainability of the enterprise and in ensuring social benefit.

The General Manager will line manage the staff and co-ordinate any volunteers required to assist at different times; he or she will report to representatives of the committee on a regular basis. Further details on governance, staffing and salaries can be found within the Business Plan and standalone Financial Budgeting Plan.

In time, it is possible that grant funding will be sought to allow the appointment of a Development Officer who will focus on engaging with the community, arranging regular events and activities, creating links with various stakeholders, organising a skills development programme, and proactively promoting the use of the Welsh language. The Development Officer could be responsible for volunteer recruitment, communication and marketing and grant applications to fund any further development work.

*If not the Cross Inn, where? If not now, when? And if not us, who?*



## 5. Share Ownership

Our aim is to enable the local community to buy the Cross Inn, Hayscastle Cross to ensure it remains vibrant and commercially viable in challenging market conditions and run the pub as a community led and focussed cooperative.

This is a social investment opportunity to support the long-term security of the last community asset to be open for everyday use by every community member. You can become part of the venture by investing and buying shares. The shares will enable us to buy, renovate and operate the premises.

The Society will be governed by a Management Committee, elected by a membership vote each year.

To be a member you must be 16 years of age or over. Corporate members are allowed if they support the interests of the Society and its purpose. By purchasing shares and investing in your community, you will become a member of the Society giving you part ownership of the pub and a say in how it is run for the benefit of the community. The Society is set up on the basis of one member one vote. This means that all members will have an equal say in how they want their community pub to be run regardless of the number of shares they purchase.

This share offer will open on Monday 27<sup>th</sup> of March 2023, and shall run until end of Sunday 7<sup>th</sup> of May 2023. The Society reserves the right to extend this opening period to the 21<sup>st</sup> of May should it be considered necessary to achieve the target share capital.

Each share has a value of £50. The minimum shareholding is 5 shares (£250) and the maximum number of shares that can be held is 500 (£25,000).

Shares may be purchased as a gift for a minor under the age of 16 years however the shares will be held in the name of the giver and full details of the recipient must be registered with the Society. The giver must nominate the recipient as their beneficiary. At the time the recipient becomes eligible for membership of the Society then the shares can be transferred from the giver to the recipient following the Society rules for share withdrawal and re-investment.

Shares must be paid in full on application. If you would like to pay for your shares over a period, please contact us to discuss the possibilities.

The sale of Community Shares will be both a key component of funding the project and an important indicator of community support and demand for the facilities it intends to provide.

The aim of the share offer is to raise a minimum of £200,000 with an optimum target of £250,000 and a maximum of £300,000. The minimum has been chosen because it is the lowest value at which the project remains viable although it is highly contingent on achieving grant funding to reach the overall target.

The optimum target of £250k represents a solid figure which we think is achievable and which mitigates our dependence on grant funding and improves the available capital reserve.

The maximum of £300k would enable us to purchase the pub outright with grant funding required only for the upgrade scope and first year working capital.

The total cost of the project, including the cost of purchasing the property along with redevelopment, is estimated to be in the region of £468,475.

We are aiming to raise a minimum total of £615,000 through the share offer and matching grants to undertake the full scope and provide a capital reserve of up to £146,525. This Capital Reserve appears to show over-funding but is based upon the maximum grant funding being available, which may not be the case.

## Summary

|                        |                             |
|------------------------|-----------------------------|
| Share Offer launch     | 27 <sup>th</sup> March 2023 |
| Share Offer close date | 7 <sup>th</sup> May 2023    |
| Minimum target         | £200,000 (4000 shares)      |
| Optimum target         | £250,000 (5000 shares)      |
| Maximum target         | £300,000 (6000 shares)      |
| Nominal share value    | £50                         |
| Minimum investment     | £250 (5 shares)             |
| Maximum investment     | £25,000 (500 shares)        |

Buying shares will make you a Member of the Society and will give you a say in how it is run. Each member has one vote, no matter how many shares they buy. Shares will cost £50 each. The minimum shareholding is £250 (5 shares) and the maximum is £25,000 (500 shares).

### Tax Relief (SITR and EIS)

SITR (Social Investment Tax Relief) is a scheme under which qualifying investments may be eligible for tax relief of up to 30% of the investment value subject to approval by HMRC.

However, the SITR tax relief facility will end after the 5<sup>th</sup> of April 2023. Shares purchased on or before the 5<sup>th</sup> of April may be eligible for SITR tax relief subject to HMRC approval. Shares purchased after the 5<sup>th</sup> of April will not be eligible for tax relief.

The Society will seek Advance Assurance from HMRC that investments made on or before the 5<sup>th</sup> of April 2023 through this Share Offer will qualify for SITR.

If this assurance is received, then those investors who are taxpayers, may in due course receive a credit from HMRC of 30% of their investment, through their annual Tax Assessment. This means that an investment of £1,000 will, in effect, only cost the investor £700.

Four months after starting to trade (probably towards the beginning of 2024) the Society will enter a claim providing HMRC with details of investments made by individuals on or before the 5<sup>th</sup> of April 2023. HMRC will (assuming they are happy with the form submitted) issue the Society with a letter confirming that SITR will be available, together with a compliance certificate for each investor. The Society will send this certificate to each investor who has requested a copy on their Share Offer application. They 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 3 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. Investors who are non-taxpayers will not be able to benefit from this type of tax relief.

The Enterprise Investment Scheme (EIS) is an alternative scheme which enables tax relief for qualifying investments.

However, since the introduction of the 'risk to capital' criteria in March 2018, it has been increasingly difficult for Societies buying pubs to qualify for EIS. This is because the 'risk to capital condition' views the purchasing of a pub building as acquiring a capital asset that is likely to retain its value mitigating the risk attached with making an investment. The upshot of the 'risk to capital' condition is that community benefit societies buying their pub are highly unlikely to qualify for EIS.

Your investment in shares in the Society may also qualify for Capital Gains Tax rollover relief and / or business relief under inheritance tax rules.

**We strongly advise that you contact your Accountant and/or Independent Financial Adviser to obtain advice prior to investing in shares, or planning for tax, or claiming any type of tax relief. The Society cannot guarantee that tax relief will be available.**

### **Interest Payments**

As with any business our Society aims to be profitable and self-sustaining. However, this is not an exercise in generating large or short-term profits and should be regarded as a long-term investment in our community. The main return on your investment will be a “social dividend” namely the preservation of a community asset and a central hub for social engagement, services, and benefits.

After completion of three full years of trading, and if the business is running successfully and has a sufficient surplus, we hope to be able to pay annual interest on members’ shares of a maximum 2%. This will be followed by at year 4, a payment of 2.5%, at year 5, a payment of 3%, and hopefully, maintained at this amount on an ongoing basis. This is purely dependant on reaching required profitability targets. The committee will each year submit a recommendation regarding interest payments on shares for the approval of the Annual General Meeting.

### **Repurchase of Shares**

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.

Withdrawals must be funded from surpluses or new capital raised from members. You will need to give at least three months’ notice of your wish to withdraw; however, it is important to note that we do not anticipate being able to allow any withdrawals before year 5. When it is possible to consider share repurchase, the Committee will set out appropriate criteria and annual limits. It is important to understand that the Committee may suspend withdrawals depending on the long-term interests of the Society, the need to maintain adequate reserves, and the commitment to the community.

Where shareholders are also business owners, we will aim to promote your business via free sponsorship of our café, bar and Cwtsh menus. We aim to partner with all local business shareholders and are currently working on other business initiatives. Please invest and promote your business.

We are keen to trial various promotions to evaluate their impact on sales and profitability. You, as shareholders will benefit!

### **Asset Lock**

The Society’s Rules include a legally binding asset lock. This ensures that any surplus earnings remaining after it has paid interest to its shareholders and repaid any capital which is withdrawn must either be reinvested in the business or used for the benefit of the local community or for another charitable or community cause. This means that, if the Society should close but the building has appreciated in value, it would be possible to sell the assets and return capital to members up to the value of the original investments, but not to distribute any surplus value in that way.

### **Remuneration**

Directors and 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. However, Directors and members are allowed to enter contracts with the Society and are allowed to receive any interest that will be paid on shares.

### **Data Protection and Anti-Money Laundering Checks**

All personal data on your completed form will be processed in accordance with our Privacy Notice which is available at the Share Offer page on the community website. The Money Laundering Regulations 2007 do not apply to societies when they issue withdrawable share capital. However, we may still wish to carry out identity checks on non-UK resident applicants. The identity of UK resident applications we shall take as secure where they are paying by bank transfer, cheque or standing order from a UK registered bank. Please be aware that we reserve the right to request two separate forms of identification including one photo ID.

## 6. Business Model

The outline Capital Funding and Expenditure model is as follows: -

The table illustrates the multiple sources of funding which may appear to generate over funding. As different elements become confirmed, the share capital raised and the availability of grant aid then the balance between these components will become clearer.

|   |                |
|---|----------------|
| Public Share Offer                                | 200,000        |
| Fundraising (community)                           | 5,000          |
| National Lottery Community Fund                   | 50,000         |
| UK Gov Community Ownership Fund                   | 200,000        |
| COF Revenue funding 20% (50k max)                 | 40,000         |
| Welsh Government - Community Facilities Programme | 100,000        |
| Other small grants                                | 20,000         |
|   |                |
| <b>TOTAL INCOME</b>                               | <b>615,000</b> |

| <b>EXPENDITURE</b>                    | <b>£</b>       |
|---------------------------------------|----------------|
| <b>Building</b>                       |                |
| Purchase of Y Cross Cas-lai           | 292,500        |
| Professional Fees                     | 1,500          |
| Stamp Duty                            | 4,475          |
| Building Alterations                  | 75,000         |
| <b>Equipment</b>                      |                |
| Kitchen equipment                     | 10,000         |
| Bar equipment                         | 10,000         |
| Equipment other                       |                |
| <b>Furniture and Furnishings</b>      |                |
| Bar and restaurant furniture          | 10,000         |
| Other furnishings                     | 5,000          |
| <b>Non-CAPEX</b>                      |                |
| Working capital                       | 30,000         |
| Interest Paid Out (100k/12 months/5%) | 5,000          |
| Other non-CAPEX expenditure           |                |
| Contingency                           | 25,000         |
| <b>TOTAL EXPENDITURE</b>              | <b>468,475</b> |
|                                       |                |
| <b>RESERVE (Surplus)</b>              | <b>146,525</b> |

A detailed financial budgeting plan covering the first five years of running the Cross Inn can be download from [www.ycrossinn.cymru](http://www.ycrossinn.cymru) A hard copy can be requested by emailing [enquiries@ycrossinn.cymru](mailto:enquiries@ycrossinn.cymru)

Our figures are derived from researching the experience of rural pubs in comparable communities with similar facilities to those we have at the Cross, as well as historic trading figures. We have also received advice from people with extensive experience in the industry, including the current owners. The aim is to create a sustainable business, by generating a small profit by end of year two and increasing it thereafter to grow the business gradually.

A five-year profit and loss analysis has been undertaken. The approach has been to be conservative with assumptions about sales growth. The projected Sales in the first five years of trading are achievable even in the current economic climate. These figures do not include rental income from the accommodation.

The projected Sales will only be achieved through effective marketing.

Trading loss occurs in the first year (18 months actual trading) and a modest profit is achieved at the end of the second year and the business is self-sustaining by the end of year 3.

The Profit and Loss headline data excluding depreciation is as follows:

|                          | 2023-24 * | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|--------------------------|-----------|---------|---------|---------|---------|
| <b>Sales £</b>           | 52,140    | 195,040 | 230,560 | 252,560 | 274,560 |
| <b>Cost of Sales £</b>   | 23,687    | 81,224  | 101,130 | 111,768 | 124,661 |
| <b>Gross Profit £</b>    | 28,453    | 113,816 | 129,430 | 140,792 | 149,899 |
| <b>Gross profit %</b>    | 55%       | 58%     | 56%     | 56%     | 55%     |
| <b>Overheads £</b>       | 48,176    | 104,819 | 113,286 | 117,520 | 121,753 |
| <b>Net Profit £</b>      | -19,723   | 8,997   | 16,144  | 23,272  | 28,146  |
| <b>Retained Profit £</b> | -19,723   | -10,726 | 5,418   | 28,690  | 56,837  |

\* Period 2023-24 represents 6 months of trading, and all figures are net of VAT.

The financial year for the model runs from 1<sup>st</sup> February to 31<sup>st</sup> January. For 2023 we anticipate the business will start in August 2023 and the data above represents 6 months trading.

All figures have been cross-checked and validated by Ashmole & Co, chartered certified accountants based in Haverfordwest.

The Cost of Sales is based on rates consistent with the rates published by the British Beer and Pub association for 2022.

The Overheads are largely based on existing overhead data for the business in 2022. The main difference is the addition of labour costs. These labour costs have been increased for the later years to reflect the increase in trade.

No account has been taken for inflation over the first five years and the above values are based on current value Money of the Day January 2023. The reality is inflation will impact the values shown but this will be allowed for in real time by adjusting sales prices as far as practicable to cover increased costs.

The Business Plan assumes our efforts to raise sufficient funding, through a combination of selling shares, securing short term loans and grants, and other fund-raising activities, are successful.

Applications for grant funding will be developed during the share offer period and beyond, however the intention is to keep the 'Cross Inn' open throughout the process in its current condition, with any development and improvement works programmed at around 8 to 12 months into the future, dependant on the success of grant funding applications.

### **Grant Funding Application Support**

Pembrokeshire County Council has agreed to assist with supporting the work of developing grant funding proposals. We have held several productive conversations with prospective grant funding providers.

Below are some examples of possible funding sources for the building refurbishment and development work and possible revenue funding sources for staffing:

### **UK Government Community Ownership Fund**

The UK government has launched a new £150 million Community Ownership Fund to help ensure that communities across Wales, Scotland, England, and Northern Ireland can support and continue benefiting from the local facilities, community assets and amenities most important to them. Community groups will be able to bid for up to £250,000 matched- funding to help them buy or take over local community assets at risk of being lost, to run as community-owned businesses. The fund will run until 2024/2025 the next bidding round for the Community Ownership Fund will likely open in May 2023 and the Committee are working towards an application within that round. We have already been told that our initial application meets the criteria for future funding.

### **National Lottery Community Fund - People and Places**

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 to them the most. 'People and Places' can fund capital and revenue costs up to £500,000, such as equipment, staff costs and refurbishments. It can fund projects for up to five years.

### **Welsh Government - Community Facilities Programme**

This is a capital grant scheme operated by the Welsh Government. Grants are available at two levels: small grants of under £25,000 and larger grants of up to £300,000. Grants can be used to improve community facilities which are useful to, and well used by, people in the community.

If grant aid is slow coming forward then the plans will be scaled back, and individual parts of the development described here will be shelved or postponed until funding becomes available.

Short-term community loans may be required in the interim period to enable the Society to purchase the pub should there be any delay in receiving approved matched funding from the Community Fund. These loans will be person to person and will be sought from within the community. Interest will be paid at a rate of 5% per annum equivalent over either a 6-month or 12-month period.

If funding income is minimal, the Committee is confident that basic repairs and redecoration of the premises as they stand, undertaken primarily by volunteers and then staffed by them, would allow the pub to continue operations. This does not, however, represent the extent of our vision and ambition. It should be viewed purely as an ultimate fall-back plan.

At an appropriate point, and before major expenditure is incurred (other than the actual purchase of the premises), a finalised plan, based on funding which has been secured, will be put to the members for approval.

Any profit generated from trading will be used to cover the following fixed and discretionary items:

- Any corporation tax liabilities
- Interest on loans
- Repayment of loans
- Maintenance of the premises
- Enhancing and developing the facilities and services

- Interest on share capital (ideally 2% at the end of year 3, rising to 3% by year 5, but dependant on profitability as to actual amount paid)
- Facilitating the withdrawal of shares from time to time

For prudence, we will aim to build a modest reserve fund to cover unexpected costs. If the Society is unable to complete its purchase of the Property and no alternative plan has been approved by the members, shareholders' funds will be returned, less any administrative costs incurred, and a proposal will be made to a General Meeting to discontinue the Society.

Please note that further details on how the trading forecast were derived and the research undertaken, and assumptions made can be found within the Business Plan itself.

## 7. Society Management

The governance, structure and resilience of any business is key to its success and long-term sustainability.

The Society has adopted the Community Benefit Society Model Rules drawn up by Cooperatives UK. A copy can be found on our [website](#).

The Society Management Committee has 14 founder members whose biographies can be found in [Section 9](#). Five of these members serve as the directors of the Society. The directors will serve until the first Annual General Meeting (AGM) which will be held six months after the end of the first financial year when they will step down and may volunteer for re-election along with any other shareholders in the Society. Those elected will assume office immediately and will serve until the next AGM in accordance with the Society rules.

Those members who form the initial committee will all retire at the first AGM in accordance with the Society's Rules but may offer themselves for re-election. Thereafter, members of the committee will retire in a phased way over the following three years in accordance with the Rules of the Society.

Day-to-day running of the enterprise will be the responsibility of the management committee, who will be the legal Directors of the Society. The appointment of members of the committee and the approval of policies regarding paying interest on shares and share repurchases will be made by the members of the Society at each Annual General Meeting.

The role of the Management Committee is to ensure that strategic governance, oversight, direction, and guidance are provided across the Society, and specifically the Operating Committee, to ensure the Society achieves its purpose.

The Operating Committee will be responsible for delivering all aspects of the business plan and the successful management of the pub's key business functions at operational level. The committee will include the General Manager once recruited, and members of the Society fulfilling various business roles as required.

It is expected that the operating committee will undertake the following roles and responsibilities: -

- Generate financial forecasts, reports, transactions, bookkeeping, payroll, cash flow and performance updates for the society members.
- Recruitment, remuneration, welfare, and training.
- Marketing, driving community and business engagement.
- Building maintenance, cleaning, fixtures, and fittings technology (Wi-Fi, point of sale etc.)
- Quality Assurance, community feedback, customer suggestions, spot checks.
- Compliance with health and safety, hygiene, and environmental standards
- Management of volunteer sector to cover the café, shop, and community group use of the facilities etc.

## 8. Key Activities

The following bullet points detail key activities that either have been or need to be completed before re-opening as Y Cross Cas-lai.

- Set up legal structure - Community Benefit Society
- Appoint and establish initial management committee
- Governance structure - complete.
- Finalise Business Plan
- Apply for SITR/EIS Advance Approval
- Obtain Standard Mark Approval on Share Offer document.
- Release community share offer and raise required investment.
- Raise remaining funds required via grants, donations, loans, and fundraising.
- Negotiate and complete the purchase of the pub.
- Recruit and appoint the General Manager and chef.
- Form the operating committee.
- Recruit and train staff
- Complete repairs, modifications, refurbishment, and re-equipping.
- Finalise branding and undertake marketing campaign.
- Ensure all licence and compliance requirements are in place ready for operating.
- Ensure all health and safety procedures are in place and risk assessments complete.
- Ensure all necessary insurances are in place.

## 9. The Management Committee and Founder Members

The Management Committee has been formed from among the founder members of the Society.

The founder members consist of 14 people, and at their meeting on 25th January they agreed the details of the Business Plan and of this Share Offer.

If a member of the Management Committee or their immediate families wishes to enter a commercial relationship with the Society, they will be asked to step down from the Committee to avoid conflicts of interest. The declaration of a conflict of interest and the authorising of a conflict of interest under certain conditions are covered in detail by the Society rules.

The members of the Management Committee are as follows:

### **Geraint Evans (Chairman - Director)**

Geraint was born and raised in the village of Cas-lai / Hayscastle. He is the fifth generation of his family to farm the family's dairy farm, with many generations of the family working alongside the Phillips family of Y Cross to support the local community. A founder member of Hayscastle YFC, Geraint went on to become Wales YFC Chair. Running his own farming enterprise, Geraint is experienced in managing budgets according to fluctuating market conditions, working to deadlines and working very long hours to meet those deadlines!



### **Jeremy Bowen (Vice-Chairman - Director)**

Jeremy lives in Hayscastle Cross with his wife Jill and is recently retired after 25 years in senior retail management. He worked for 7 years in financial services, including 4 as an independent IFA. He was also a Trustee and Treasurer for 5 years for the Gower Society (a prominent Swansea Charity) and has extensive knowledge and experience with strategic planning and working as part of professional teams across many sectors. Jeremy is always passionate about the community he lives in and is renowned for ensuring that committee meetings finish by 8.30pm so he can call into The Cross on his way home!

### **Mark Austin (Secretary - Director)**

Mark and his wife Sue moved to the village just over 5 years ago visiting The Cross on their first evening. Mark worked with Pembrokeshire as the Head of School Improvement having gained valuable experience in Southeast Wales. He has worked successfully with national and local government in gaining grants for schools and other organisations to improve their facilities and impact on what is supplied for local people.

### **Sarah Lewis (Finance Officer - Director)**

Sarah is Welsh-speaking, Pembrokeshire born into a farming family going back several generations and has lived in Hayscastle since marrying Richard in the late 1990's and have 3 children. Sarah is a qualified bookkeeper, working with sole traders within Pembrokeshire and also works for both Clynderwen & Cardiganshire Farmers at their Head Quarters and the bustling Theatr Gwaun in Fishguard as the Theatre Accounts Administrator, a Duty Manager and as Events Manager during live events. In a voluntary capacity Sarah's passion is co-producing charity events at the theatre and making connections with talented musicians/actors/speakers. She holds the roles of Treasurer to Hayscastle Community Centre & Forum, Co-ordinator for the village 100+ Club and has set up the project of producing the community calendar. As for hobbies, Sarah has an enjoyment for music, especially the piano and is full of enthusiasm for the Welsh language, its growth and conversing with keen Welsh learners, has a passion for the future of good food & farming and finds time to exercise in the countryside in the way of hill walks and coastal paths with the family Collie. Sarah is very much looking forward to the Fruition of Y Cross Cas-lai and the opportunities it will bring to the community.

### **Clive Hampton (Property Officer - Director)**

Clive and his wife Kay purchased the village property Lynfield, in June 2010, which was the old Post office, village shop and petrol station. Sadly, these have long since closed. They renovated the property over some years. Kay moved in November of that year, as she was working across Pembrokeshire as a Psychiatric nurse, for CA M S. Clive came six months later, after closing a building company in the Rhondda valley, where they both grew up and worked. Clive has been in construction most of his life and at one point was employing around ten people. Clive has purchased numerous buildings over the last 35 years, which were either let, or sold on. His background in this field, will obviously be vital, to the improvement and expansion works needed, to move Y Cross to the next level.

**The following people are all founder members of the Society.**

### **Kay Thomas (Liaison Officer)**

Kay moved to Hayscastle from Cardiff with her husband in 1977 following her husband being appointed as consultant anaesthetist at Withybush Hospital. As they didn't know anyone from Pembrokeshire, they wanted to move to a small Welsh speaking village not too far from the hospital and Hayscastle certainly fitted the bill. Kay is a retired schoolteacher, and a Welsh speaker, as are all the family. Hobbies include walking and music, and she is the piano player for a local dance group and played an active part in the village historical society. Kay and family have made some very good friends and has enjoyed being a part of a variety of events held in the village, they would be sad to see the pub go as they have many great memories and stories to tell of the events held there over the years!

### **Alyson Moules (Community and Events Officer)**

Alyson moved from South Pembrokeshire to Hayscastle Cross in 2008 and lives next door to the Cross Inn. Her career has been very varied from teaching Physical Education to running her own Health and Fitness Centre teaching dance and fitness to sports development and then a community education officer. She then returned to teaching as a behavioural support teacher and finally as a HLTA in Prendergast Community School. Now happily retired she fully supports the Cross Inn as a community pub and hub - The Cross being able to offer a vital lifeline to village life. She considers it an exciting challenge and a privilege to serve on such an enthusiastic committee. She mixes with many groups in fitness and hopes to attract diverse activities which will appeal to a range of demographics.

### **Owen Roberts (IT Officer)**

Born and raised in Pembrokeshire, Owen moved to Hayscastle Cross with his wife Helen in 2006. Owen has 2 sons and regularly enjoys going to the Cross Inn to play darts and to watch Wales Rugby and Football matches. Owen has worked for Pembrokeshire County Council for 20 years on several different projects and is currently responsible for co-ordinating passenger transport. Owen is also trustee of Clarboston Road AFC where he is safeguarding officer, junior coach and helps with the promotion and marketing of fundraising events. During the last 12 months Owen has also been responsible for the Hayscastle Community Forum website and sits on the forum.

### **Judith Roach (Marketing Officer)**

Judith, a former resident of Hayscastle, lives in Pelcomb Bridge with her husband Alwyn. She runs her own independent stationery business after 28 years working for National Resources Wales and its predecessors. She has also worked as a conference coordinator at The Gleneagles Hotel being part of a team that organised a NATO conference and large corporate events. She's also a school governor, a volunteer organising annual Country Markets for a local agricultural society, an active member of her Parish Church and passionate about all things community related.

### **Jayne Evans (Strategy and Welsh Language Officer)**

Jayne moved to Hayscastle on her marriage to Geraint in 1995. Having worked in education during her professional career, she was Headteacher of a local primary school for over twenty years. Now semi-retired, she enjoys teaching Welsh to adults across Pembrokeshire and remotely throughout the world. Jayne's professional experience includes creating and monitoring development plans, managing budgets, preparing grant applications, and motivating, leading, and managing people. She is pleased to support community efforts to purchase Y Cross. Hir oes i'r Cross!

### **Mike Hillier (Strategy Officer)**

Mike and his wife Anne have lived in the village for the last 30 years. Mike's parents moved to Hayscastle in 1963 and he enjoyed his first pint in Y Cross with his father in 1969. Mike retired 6 years ago after 45 years as a professional engineer in the oil industry working both in the UK and overseas. Mike brings a wealth of experience of delivering major projects against tight schedules and budget constraints. The main lesson he has learnt over the years is that good people are the most important asset in any endeavour.

### **Jon Archer - (Hospitality Officer)**

Lives in Brimaston with his wife Jacqui. Former Head Brewer of Boot Beer Brewery and member of the senior management team at Bespoke Inns pub group in Derbyshire, which included The Boot Inn, Repton, a former AA Pub of the Year (England) and AA 2\*\* rosette restaurant. Jon was involved in all aspects of the pubs' food and drink operations and led the group's wet-side strategy including cellar and bar management, quality, and training. He was key to the pub achieving Good Pub Guide and continual CAMRA Good Beer Guide entries and enjoyed various awards for his beer including a CAMRA Champion Beer of Britain (Silver). Prior to his time in hospitality, Jon spent 33 years working for a global IT company in Account and Service Management across HMRC, NHS, hospitality, and retail sectors. Jon envisages a thriving, warm and welcoming pub at the heart of the community, recognised for serving the finest local real ales, craft beers and an exciting menu of fresh and affordable seasonal produce. He is happiest when talking about his favourite subject...beer!

### Glenn Rees (Hospitality Officer)

Glen moved into Hayscastle Cross village 22 years ago with his partner Christyna. He has worked in hospitality for the last 35 years, running various establishments i.e., Hotels, Restaurants, and his own business. He achieved Hospitality Management Course Certification with a company in Oxfordshire. He is presently working at Bluestone National Park Resort, having held various senior positions. It is his intention to retire in July. His claim to fame is he once saved a young girls life in Ogmo Bay Estuary

### Ian Breslin (IT Officer)

Ian currently works for Barclays and can't wait to retire! Ian, his wife Nikki, and sons have been visiting Hayscastle and the West Coast of Wales for 30 years and is looking forward to being involved in this project and using it as an opportunity to get to know more people in the village and community. Ian's interests include gardening, cars, and football.

## 10. How to Apply for Shares

### QUICK STEP BY STEP GUIDE OF HOW TO APPLY

- Read this document in full.
- Further information is contained within the Business Plan and Financial Forecast documents available at [www.ycrossinn.cymru](http://www.ycrossinn.cymru)
- Take independent financial advice
- Please only invest what you can afford
- Complete the enclosed application form. Further copies are available at [www.ycrossinn.cymru](http://www.ycrossinn.cymru)
- Use the Business Reply pre-paid envelope or return the completed application form in a sealed envelope to arrive ahead of the share offer closure date.

Send your completed, signed and dated application in a sealed envelope addressed to;

Y Cross Cas-lai Community Benefit Society Ltd.,  
c/o The Cross Inn,  
Hayscastle Cross,  
Haverfordwest SA62 5PR

### Important Notice

**This document should be read in its entirety. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice. Nothing in this document constitutes investment, tax, legal or other advice by the Society, its members forming the Management Committee or their advisors.**

**You must read the following points about the share offer before deciding whether you wish to participate:**

1. When you are considering buying shares it is essential that you understand that this is an investment in our community, intended to create a secure and lasting asset for us all. This deemed to be a long-term investment with modest financial returns. After year 5 there may be opportunities to withdraw some capital, but most shareholders are expected to leave their money with the Society for many years.
2. The intention is to build on our social infrastructure and help to create a thriving and sustainable community. This is not a conventional investment, and you should not expect high or direct financial returns. Full information is set out in the Committee's rules available on our [website](#).

**Please note:**

- a) The value of shares cannot increase beyond their original value. You should be aware that the value of shares may be reduced if the business is unsuccessful.
- b) 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.
- c) Currently, the Committee plans to consider paying interest on shares after the third year of trading has been completed and enabling shareholders to withdraw investments after the fifth year. The rules of the Committee allow for interest payments to be suspended if the financial performance of the Committee does not justify such a payment. Detailed financial projections for the Committee's performance are included in the Business Plan and standalone Financial Budgeting Plan.
- d) The only way in which an individual's investments can be recovered (whether the initial sum or any reduced value), other than interest payments or general re-imburements, is to give the Society notice of withdrawal. This cannot happen during the first five years after the date of this share issue.

The specific conditions for withdrawal include:

- e) Withdrawals must be funded from trading surpluses or new share capital and are discretionary, being subject to the Committee's satisfaction that withdrawal is consistent with the long-term interests of the Committee.
- f) The total repayable each year is limited to a maximum of 10% of the current value of the share issue.
- g) Three months' notice must be given.
- h) All funds invested in this share offer will be held in the bank account of Y Cross Cas-lai and used only for the purposes of purchasing the Cross Inn Hayscastle pub, for renovation of the pub facilities, for working capital and for costs incurred in launching and administering the project. If the purchase does not proceed, all contributions will be repaid net of costs incurred.
- i) The granting of Social Investment Tax Relief / EIS Tax Relief will ultimately rest with HMRC. Although the Society has taken steps to ensure that nothing in this share offer or in the way the proceeds will be used is in contravention of SISR EIS Tax Relief rules, (and has sought Advance Assurance from HMRC on that basis), it takes no responsibility for any failure by individual investors to recover tax in relation to their investments. Furthermore, it will be their individual responsibility to ensure the accuracy of information regarding tax status which will have been provided by them in making their investment.
- j) Y Cross Cas-lai 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 the money that you invest. Unlike deposits with high street banks, community shares are not covered by the Financial Services Compensation Scheme, nor is there any right of complaint to the Financial Ombudsman Service. If you are considering investing a significant amount, then you may wish to seek independent financial advice before doing so.**

# Y Cross Cas-lai Community Benefit Society Ltd

## Share Offer Application Form

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This form constitutes an Application for Shares in Y Cross Community Benefit Society Ltd.

**First Applicant Name \***

First

Last

**Joint Applicant Name (only the first applicant will be listed on the members register and will have voting rights)**

First

Last

**Company or Organisation name (if applying on behalf of a Group or Incorporated body)**

**Address \***

Address Line 1

City

County / Region / State / Province

Postal Code \*

Country

Phone

**Email \***

And, if buying on behalf of a child (under the age of 16):

Child's full name

Date of birth

(\*) Mandatory field

# Y Cross Cas-lai Community Benefit Society Ltd

## Share Offer Application Form

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The price per share is £50. The minimum shareholding, in multiples of £50, is five shares (£250) and the maximum is five hundred shares (£25,000). I wish to become a member of Y Cross Cas-lai Community Benefit Society Ltd in accordance with the Rules and apply for:

Number of £50 shares I wish to apply for

Total Amount (in £s)

Please tick this box if you wish to receive an S1TR3 certificate to claim tax relief

I confirm that I am over the age of 16 and I have read and understood the Share Offer document 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 the activities of Y Cross Cas-lai. The sum invested will be confidential and no information will be transferred to a third party. Please only invest what you can afford.

All applicants must sign.

Signature

Name (in capitals)

Date

Your application will be considered on receipt of this completed form and full payment of requested shares. Applications and payments must be received prior to the closure date. The Society reserves the right to close the Share Offer before the advertised Closure Date. Receipts will be issued by email wherever possible to reduce administration costs and share certificates will be issued in due course. To reduce administration costs our primary method of communication will be via email. If you do not have access to email, then your postal address will be used.

Application Form return address;

**Y Cross Cas-lai Community Benefit Society Ltd.,  
c/o The Cross Inn, Haycastle Cross, Haverfordwest SA62 5PR**

Or by hand, sealed applications can be placed into the secure Y Cross Community Post Box (not the red Royal Mail post Box) at the above address.

**Payment method - PLEASE DO NOT SEND CASH**

**By Bank transfer** (using the first line of your address as a reference number)

Account Name: **Y Cross Caslai CBS Ltd**  
Sort code: **67279243**  
Account number: **08-92-99**

**By cheque** - Please make cheques payable to: Y Cross Cas-lai Community Benefit Society Ltd

All applications will be acknowledged. If you have not received an acknowledgement within one week of submitting your application, please contact us via [www.ycrossinn.cymru](http://www.ycrossinn.cymru).

**NOTES:**



Y Cross Cas-lai Community Benefit Society Ltd.  
c/o The Cross Inn  
Hayscastle Cross  
Haverfordwest  
SA62 5PR

[enquiries@ycrossinn.cymru](mailto:enquiries@ycrossinn.cymru)  
<http://www.ycrossinn.cymru>