

THE RACEHORSE



COMMUNITY SHARE OFFER

Share offer opens: 27 September 2018
Closing date: 30 November 2018

Minimum Target: £225,000
Maximum Target: £300,000

Join the Race for the Racehorse!

Westhall Community Pub Society Ltd is a Community Benefit Society registered with the Financial Conduct Authority (registration number 7806)

Registered Office: Keys Cottage, Locks Road, Westhall, IP19 8RD
Email: secretary@westhallpub.com

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This is an opportunity to buy shares and become a shareholder of The Racehorse, Westhall, Suffolk IP19 8RQ

The Racehorse has been closed and up for sale since August 2016 and is currently on the market for an asking price of £235,000. It seems unlikely that a new tenant will be found, in which case, this is the only remaining chance to save the village pub.

Why should you invest in this Community Enterprise?

If you are considering buying shares, it is important that you read the whole document. By investing in this community-owned venture, you will have the opportunity to have a say in the management and running of The Racehorse.

It is important to note that the rules (see www.westhallpub.com) surrounding a Community Benefit Society are somewhat different to an ordinary Limited Company and you should seek professional advice if you are unsure of any aspect. The main purpose of such a society is to advance the interests of the community as a whole and it is necessary to trade in a manner that would generate a profit.

Each member has one vote (regardless of the number of shares held) and the membership will own the business. As an investor, you will have a share in its future and a say in the running of the business - not on a day-to-day basis, but you will control the strategic direction of the Society.

Although designed to be a longer-term community investment, you may apply to withdraw your capital after a minimum of three years should you need to. All shares have a fixed value and can only be sold back to the Society. Any profits the Society makes will either be re-invested in the pub or used for other community projects or used to pay interest to members. This decision will be up to the members.

THE RACEHORSE

The precise details of the origin of The Racehorse are not clear. We know it was a thriving pub in the nineteenth century, probably starting as a room in someone's house and gradually extending over time. At that time it would have been one of many pubs serving the local farming community. In the 1860's records show a dispute between the owner and tenants about which beer could be served. Then, as now, people had strong views on what constitutes good beer!

As social trends changed in the late twentieth century, the pub like many others, started to decline. It finally closed in August 2016 has been for sale since then.

The emergence of the community pub in the twenty-first century presents an opportunity for a new chapter in the life of The Racehorse. With a different business model, community pubs all over the country are proving successful. In fact, all those that have opened are still operating today. We believe, with your help, the same can be true of The Racehorse. Join us now in this exciting venture. Remember, once it's gone it's gone forever.



THE VISION

We want a Pub that, together with the Village Hall, Church and Tony's Stores, provides a rich and varied community for Westhall and the surrounding villages. Westhall has in the past had a good community spirit; we want to re-ignite this spirit and make Westhall a great place to live.

We have registered The Racehorse as an Asset of Community Value (ACV) and we have set up The Westhall Community Pub Society as a Community Benefit Society, whose aim is to purchase, open and run the pub at a profit.

We intend to extend the kitchen area, refurbish the upstairs flat and redecorate the pub and outside areas.

Our vision is that the pub will be run by a tenant who will be supported by volunteers from the village and who will work with the committee to provide a pub that reflects the community needs. This may change as the pub develops, but the value of this approach is both to keep the tenants costs down and to generate the community spirit that is so important for the village.

We expect to retain one area of the pub specifically for the use of the community

We want the pub to sell good quality beer and quality pub food at a reasonable price. Over time we will provide other facilities aimed at benefiting all sections of the community - for example a daytime café and themed evenings.

We want the pub to be for the benefit of every part of the community and any profits from the enterprise to be fed back into the community.

WHAT IS A COMMUNITY SHARE OFFER

Community shares are a way of raising investment capital from communities. Local people are encouraged to buy shares in the enterprise and become part-owners. Shareholders are more likely to do everything they can to ensure the success of the business by becoming loyal volunteers, customers and supporters of the enterprise.

It is intended to offer shares at £25 each. It is hoped the local community will respond positively and a large number of people will want to assist financially in this community project.

When the business is in profit it will be re-invested in the pub, community projects or a dividend will be paid to shareholders. This will be decided at the AGM.

If you buy shares, you will become a member of the Society, with an equal vote regardless of the size of your shareholding. Your involvement can be as much or as little as you wish. You will be able to vote at Annual General Meetings, stand for election to the Management Committee, volunteer or give the Racehorse your custom. The Management Committee will be responsible for decisions concerning the pub.

Westhall Community Pub Society Limited is a Community Benefit Society and has been established to purchase the freehold of The Racehorse.

This community share offer is being made by this Society registered by the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014. This legal form provides limited liability status, just like company law, but unlike companies, shares in societies are non-speculative and democratic.

HOW DO I BUY SHARES?

You need to be over 18 years of age to invest. Shares will be sold at £25 each with a minimum investment of £25 but, due to administrative costs, interest will only be paid on holdings in excess of £250. Please fill in the Pledge Form at the back of this document to indicate an intention to purchase shares. Pledges will be called upon within 8 weeks of the 30th November 2018, assuming we proceed with the purchase of The Racehorse. You will be issued with a share certificate on completion of the purchase of The Racehorse.

WHAT GUARANTEES DO I HAVE WHEN BUYING SHARES?

In the event of having to wind up the Society, should the value of the Society's assets exceed the value of the share capital, shareholders will only have their original investment returned. Any excess value would be transferred to another community organization having similar community benefit aims. This is known as an **Asset Lock** and is to prevent private gain if the organization dissolves. As the shares are issued by a corporate body, however, shareholders have no liability beyond the value of the shares they buy.

WHAT HAPPENS IF WE DON'T RAISE ENOUGH MONEY?

If the pledges do not reach the minimum share target by the end of the share offer period, the Society will have two options: the period of the share offer could be extended; or the share offer could close and additional grants or loans sought to cover the shortfall. If neither of these works, the pledged money will not be collected.

WHAT ARE MY RISKS IF THE PURCHASE GOES AHEAD?

In the event that the business fails it may be placed into liquidation, in which case a liquidator would be appointed who would realize the assets and distribute them to creditors. Effectively, this would mean selling the freehold of The Racehorse (on the basis that the property would be the main asset at the relevant point) and the creditors would be paid from the proceeds. After the payment of the creditors and the costs

of the liquidator, the surplus would be returned to the Members. Your liability as a Member is limited to the value of your shares. You cannot lose any more than the value of your shares.

CAN I SELL MY SHARES?

Shares cannot be sold or transferred to another person, although investors are invited to nominate a person who will inherit their shares in the event of their death. Investments can, however, be withdrawn after an initial period of three years. This time period is to ensure the business is guaranteed an initial period of financial stability. After this time, you can request your money back, with three months' notice, if you want to cash-in your shares. The directors do have the right to refuse or suspend withdrawals if there is insufficient liquidity in the business. Withdrawals are expected to be capped at 10% of the capital per year and will be treated on a first come first served basis.

IS IT A GOOD BUSINESS PROPOSITION?

As a community pub, the new Racehorse will be a completely different business model compared to the old Racehorse.

- While we intend that the pub will run at a profit, your investment is primarily in your community.
- Community pubs thrive- as of yet no community pub has closed.
- When the community own the pub they use it.
- Our financial estimations are based upon the experience of other successful community owned pubs and advice from our Plunkett and Pub-is-the-Hub advisers.
- Please visit www.westhallpub.com for information about our plans.

PLEDGE DOCUMENT

‘Westhall Community Pub Society Ltd’

Westhall Community Pub Society Ltd (‘WCPS’) would be established with the purpose of purchasing The Racehorse pub in Westhall, to be run as a community owned venture. If you think that you would be interested in becoming a member of WCPS and investing in the company, please complete the details below.

When completed, return it to any committee member or post to Brenda Smith at Keys Cottage, Locks Rd. IP19 8RD.

In any event please respond by 30th November 2018 so that we can determine whether to move things forward.

This information will be used only to enable the group to gauge the potential level of support for this venture.

It will be treated confidentially. It does not constitute a commitment to invest.

Shares are valued at £25 each and there is a maximum holding of 800 shares per person.

The company structure and its formation has been registered with the Financial Conduct Authority (‘FCA’). A formal Community Share Prospectus is available on request.

If you would like more information please contact Brenda Smith 01502 575800

Or email: secretary@westhallpub.com

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Name:

Address:

eMail address:

Phone: landline -

mobile -

Please specify the amount you wish to invest:

By returning this form, I/we agree to my/our name, address, phone number(s), email address (where applicable) and my potential interest being held on a computer database. I understand that this information will be used only for the purpose of determining the level of interest in the venture and sending me/us updates on progress. **This information will not be passed to any third parties nor used for any other purpose and will be removed from our database at your request.**