



Share Prospectus

The Windmill Community Pub Ltd

The Windmill Community Pub Ltd (WCPL) aims to purchase The Windmill pub and its car park in Charlton, by raising funds from shares and other means. The WCPL is a Community Benefit Society.

By investing in this community share offer you will be participating in a community business which will be run for the local community, by the local community, and will once again provide a hugely important focus for the community of Hitchin and the surrounding area.

The share scheme will commence on 1 July 2019 and will last for a period of one calendar month in which time you will be able to and specify your level of interest in buying shares in the WCPL. You must be aged 18 or over to apply.

The value of a single share is £100. The minimum number of shares that a shareholder can purchase is 1 and the maximum is 500.

The minimum target for the share offer will be £270,000, with a maximum target of £450,000. The WCPL Management Committee will have the discretion to extend the share scheme registration period to reach the target, however it is important that prospective share holders register their interest as early as possible so that their interest is recorded and can be quantified.

WCPL will also undertake fundraising and apply for commercial loans to meet the purchase and initial refurbishments costs of enabling The Windmill to re-open.

The WCPL is not asking for any money during this registration period. If and when the target is reached, negotiations will start to purchase the pub and car park. If a purchase is agreed, you will then receive a request for payment. A registration of interest is not legally binding. However, once the target is reached, the WCPL will rely on the level of registered interest in shares to proceed with a successful purchase.

Shareholder Information

If a purchase is successful, shareholders will become members of the WCPL Community Benefit Society. Under this model of community ownership, the WCPL will be community led and democratically owned. Membership will be open to anyone aged 18 or over who hold shares. Members own and control the WCPL, and at the Annual Membership Meeting can exercise their ownership rights by electing members onto a Management Committee.

Each member has one vote regardless of how many shares they hold. Any member can stand for election to the Management Committee.

All members will receive an Annual Report, which will set out details of the operation and accounts of the WCPL in the previous year. The Model Rules that have been adopted by the WCPL and which are available to view on our website, state other ways in which the membership may hold the Management Committee accountable for the running of the WCPL, including calling a Special Members Meeting if required.

Corporate bodies and associations who support our objectives can also become shareholders and members of the WCPL, and such bodies and associations must nominate a named individual to represent them at Members' Meetings. This individual will have one vote, the same as a private individual.

Further information about investing in Community Benefit Societies can be found in the publication "Investing in Community Shares" published by the Community Shares Unit: <https://communityshares.org.uk/guide-investing-community-shares> and also available from our own website at: www.savethewindmillpub.com

Limited Liability

The WCPL is an incorporated entity and the liability of its members is limited to the value of their shareholding. The value of members' community shares will never go up, but the value may go down and there is a risk that members may lose some or all of the money they have invested in their community shares.

Members of the campaign group and founding members of the WCPL believe that the WCPL will be profitable, but in the unlikely event it is not, the WCPL will still own an asset – the buildings and associated land – which, if necessary, could be sold to return funds to investors.

Under the terms of the Community Benefit Society Rules, any profits remaining would be donated to local community organisations. The investment is in the buildings and land – the bricks and mortar – not the licensed business.

Shares are withdrawable and can, subject to certain conditions, be 'cashed in' with the WCPL. The conditions under which shares can be cashed in will be determined by the WCPL and will be dependant upon the business having become established and having enough funds to enable repayment without threatening the financial security of the WCPL. For this reason, investors should not expect WCPL to be in this position within the first 3 – 5 years of trading.

The financial model underpinning this business plan is realistic and robust. It will evolve over time as the WCPL runs the share offer, applies for any grants and loans, and appoints a tenant.

Interest Payable to Shareholders

Whilst the value of a share will remain the same, under the rules that govern the WCPL, it may at the discretion of the Management Committee, pay interest to shareholders from trading profits as compensation for the use of such funds. The rate of interest shall not exceed 5% or 2% above the base rate of the Bank of England, whichever is greater.

MORE ABOUT SHARES AND COMMUNITY PUBS

Do community pubs work?

Community pubs are becoming increasingly popular. There are now over 100 in the UK, and none have failed. Their success lies in the fact that they are 'tuned into' local needs and therefore well supported. Their operating costs are also lower as they operate free of tie from breweries and can purchase stock locally and often more competitively. Some even brew their own beer in on site micro-breweries.

Could The Windmill be a Community Pub?

As a community pub the elected Management Committee of the WCPL would manage the business and recruit an experienced tenant. A market rent would be charged and the tenant would run the pub under the terms of a tenancy agreement, agreed by the WCPL, that is focussed on key community objectives as well as the need to operate a sustainable business. This rent would service any loans and meet maintenance costs, any profit could be paid to shareholders in accordance with the rules of the society, or be re-invested into the site or premises.

What benefits could it bring to the community of Hitchin and the surrounding area?

Reopening The Windmill would restore what's lost – a place to meet, relax, and catch up with friends. Summer BBQs, bonfire nights, duck races and more, it would again entertain adults and children alike.

With the threat of redevelopment gone, there'd always somewhere to park, whether you're out for a walk or a bike ride, or calling in at the pub.

As a community hub, The Windmill would also be more than a pub – offering free wifi, good coffee, local beer and food, and a community space to gather. Under the canopy of the willows, the river would sparkle once again, a relaxing place for people, a favourite for dogs and ducks, and a haven for wildlife.

I don't live in Charlton, can I get involved?

The Windmill is often regarded as 'Hitchin's country pub'. We need residents of Hitchin and beyond to work together to save and sustain the pub and car park. Charlton is a small hamlet of 30 households and is too small to do this alone. Anyone can buy shares, if you are aged 18 or over. You do not have to live in Charlton or Hitchin. Buying shares means you can be part of a community pub and help shape its future.

How many shares can I buy?

Each share costs £100 and the minimum holding is one share. The maximum investment for any individual is 50 shares, or £50,000.

Can I get involved in other ways, or make a donation?

We've been delighted at how many people in the community have offered their services and time already, and any more volunteers would be warmly welcomed! We also welcome donations.

Are shares a sound investment?

Your share(s) will help save and support a valuable social and community resource, which will provide health and social benefits for generations to come.

Owning community shares is a long-term commitment. You will not be able to sell your shares for at least three years, to give the WCPL time to establish the business. However once successfully established the WCPL would aim to enable investors to sell back their shares, if they so wished. You cannot make a profit on community shares, according to Community Benefit Society Rules. Shareholders can be repaid their initial investment and may receive a modest interest on their capital, but buying community shares should not be regarded as an investment for capital gain.

What happens if the WCPL fails as a business?

Your shares will be in a freehold property, not the business. If the business closes, the freehold of the pub and car park will be sold as assets. Subject to these assets exceeding the value of shareholder investment, shareholder investment will be returned. Any surplus will be transferred to other local community organisations selected by the WCPL members.

The investment is unregulated and not covered by the Financial Services and Markets Act 2000. There is no right of access to the Financial Services Compensation Scheme nor to the Financial Ombudsman.

How do I register my interest in purchasing shares?

To register for shares, please:

- Download the registration form on the website (www.savethewindmillpub.com), print off, complete and return the form:
 - via email to: savethewindmill@hotmail.com
 - by post to: The Treasurer WCPL, 22 Charlton Road, Hitchin, SG5 2AE

The Share Registration Form can also be obtained from Phil Jarvis at the above address.

Thank you for your interest in the Windmill Community Pub Ltd. Community Shares are foremost about supporting a social return over and above any financial return. We hope all investors will wish to frequent the pub and use it as a community facility.