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# YOUR CHANCE TO HELP SAVE THE VILLAGE PUB!

## THE COMMUNITY PUB VISION

As many of you will know, over the last few months a small working group has been trying to secure a plan to enable the Pub to reopen, as an asset owned by the whole community.

Since 1988 there have been 46 Pubs nationwide that have become owned through a community shareholding across their local villages, and more recently there has been a wave of new community pubs being launched. These pubs have all been successful and currently have a 100% survival rate.



The village now has the unique opportunity to buy the Three Horseshoes pub for the whole community. This would mean that:

- The pub becomes owned by “Members” who are shareholders
- The benefits of the pub go back into the community
- It is owned by the Community for the benefit of the Community

Key to this ambition for our own community pub is that we:

- establish an inclusive community pub environment
- respect the wishes of the community in the way the pub is used
- prioritise community cohesion and addressing social isolation



## NOTES FROM THE VILLAGE MEETING

Many of you were at the meeting (on 25th November) to discuss the future of the Three Horseshoes. The lunchtime meeting was extremely well attended, demonstrating once again the level of commitment to the Pub Campaign from within the village and surrounding areas. More than 70 people were packed into the Pavilion to receive an update on all the recent exciting developments. The event was sponsored by Nethergate, who provided an excellent barrel of their finest bitter for the occasion.

## SUMMARY PROPOSAL

The pub working group provided updates on various aspects of the project, including a report on the outcome of negotiations with the current owners. Agreement has been reached in principle, on behalf of the village, on a freehold purchase price of £310,000. Additional funds will also be needed to cover the costs associated with the purchase and to cover essential refurbishment prior to reopening, plus funding the temporary operating losses during the ramp up period, bringing the fundraising target to just under £400,000. This also assumes that some of the reopening jobs can be done by village volunteers - for example, repainting or helping with the gardens.

Whilst this is a large sum of money, there is good reason to hope that a significant amount (up to £120,000) can be raised through a blend of grant funding and loan from the Plunkett Foundation and other networks which means that we are aiming to raise a minimum of £280k from investors through a share release and donations.



**SAVE THE THREE HORSESHOES**

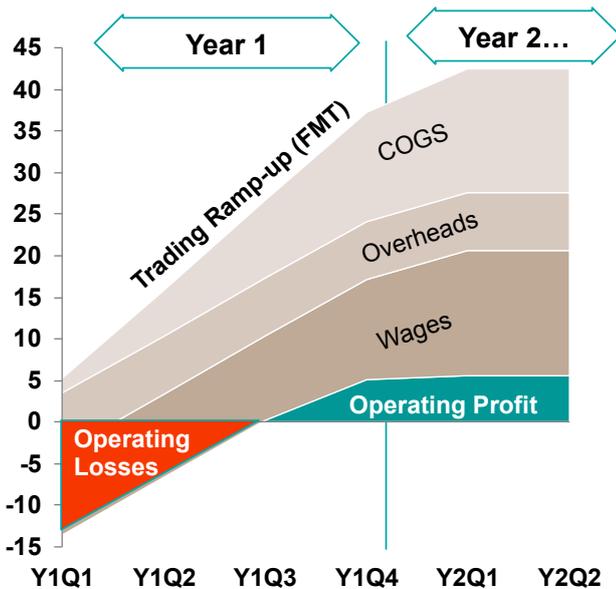


## BUSINESS PLAN ANALYSIS:

The working group (more properly the Initial Management Committee of the **Helions Bumpstead Community Benefit Society** (the “CBS”)) are Alistair Goddard, Richard Hatch, Neville Nicholson, Colin Tyler, Richard Russell (Chair), Alison Meldrum (Secretary) and Jonathan Hale (Treasurer).

The Committee has had very positive engagement with the Plunkett Foundation and The Pub is the Hub (represented by Bernard Lee), who have been a decisive factor in reaching agreement with the current owners, developing a viable business plan and establishing the way forward. Additionally a Plunkett bursary has been used to pay for a premises report from M J Hughes which was extremely helpful in establishing the value of the premises and the pub's trading potential.

Projected Quarterly Financials (£ 000s)



## FINANCIAL PROJECTIONS

On the basis of pub industry guidelines and previous trading, we believe that the pub has the potential to start making money in its second year after reopening, based on realistic benchmarks of “Fair Maintainable Trade” (i.e. annual trading revenue). Much will depend on the quality of service provided of course, how quickly the pub can attract business and the most important challenge will be that of securing a suitable Manager and Staff.

However we are confident that the pub should generate a modest operating profit, which will be controlled by the CBS Members (i.e. all the shareholders). This profit would be used to pay a bonus to the Manager and Staff of the pub, fund improvements to the pub, and potentially pay an annual dividend (i.e. interest payments) to the people who buy shares. Although under the CBS

terms the value of the shares cannot rise, it is intended that an annual dividend of up to 5% of the value of the holding will be payable if the business proves sufficiently profitable. These matters will all be addressed in more detail in the share prospectus which we hope to publish early in the New Year.

The advantages of community ownership were covered in some detail at Saturday's meeting, including the very democratic nature of the CBS structure (all shareholders get a single vote, irrespective of the size of their investment). Whilst it is acknowledged that there will be some residents and investors who will be able to contribute significantly, it was stressed that the minimum level of investment would be a single £50 share to ensure that ownership would be spread as widely as possible within the village and surrounding area.

Amongst many other benefits, community ownership will enable us to define exactly what we want in the future which, it is hoped, will include a wide range of cultural and social activities. Those already raised at the meeting included; reopening the micro-brewery, an after school club, a prescription service, a parcel collection service, an outdoor cinema, shepherd huts for B&B, race nights, quiz nights, a hub for the University of the Third Age, exhibitions, board & card games, encouraging walkers, cyclists, bikers & visitors and a venue supporting local sports teams and new clubs...



## PURCHASE STRUCTURE

The committee group also reported back on various steps of negotiations and specifically that the previous plan from last June, which consisted of a short-term lease, had been rejected in favour of outright purchase as soon as possible for four key reasons:

1. If funding is in place, the financial case for purchase at the right level is much stronger than the leasehold alternative.
2. Freehold purchase provides exclusive control of the premises to enable the Community Benefit Society (CBS) to run and develop the pub in accordance with the wishes of the village.
3. Freehold purchase secures the premises for posterity as an asset owned by the community through the CBS.
4. Substantial grant funding is available to the CBS on the purchase model, which would not be available under leasehold.

## PLEDGE FORM

Feedback after the meeting, over a pint of Nethergate's finest, was very positive indeed and many of those who were present indicated their willingness to invest. Pledge forms were distributed and an additional copy is printed at the back of this issue of the magazine, which you can tear off! This can also be photocopied and/or further copies can be obtained direct from the CBS (email: [helionspub@hotmail.com](mailto:helionspub@hotmail.com)). Membership of the CBS is not restricted to those who live in the village, so please spread the word to others who you think may be interested!

**NO FINANCIAL COMMITMENT IS REQUIRED AT THIS STAGE BUT WE NEED REASSURANCE THAT THE PURCHASE WILL BE FUNDED TO ENABLE US TO EXCHANGE CONTRACTS. SO PLEASE COMPLETE THE FORM AND LET US KNOW HOW MUCH YOU WOULD BE WILLING TO INVEST WHEN THE SHARE RELEASE IS ISSUED IN THE NEW YEAR. PLEDGE FORMS SHOULD BE COMPLETED BY THE 20<sup>th</sup> DECEMBER AND RETURNED TO THE ADDRESS PRINTED ON THE FORM. ALTERNATIVELY A SCANNED VERSION OF THE FORM CAN BE RETURNED BY EMAIL TO [helionspub@hotmail.com](mailto:helionspub@hotmail.com) (all pledges will be kept confidential by the CBS Committee)**

## COMMUNITY BENEFIT & INCOME TAX RELIEF

Subject to sufficiently strong support for the purchase, a share prospectus will be produced in the early New Year which will provide detailed information for prospective investors. The strongest argument in favour of investing, for those who can afford to do so, is the prospect of a village amenity which will exist in perpetuity, owned by the Members of the Community Benefit Society and run for the benefit of our village. Subject to HMRC approval, there are also potentially substantial tax advantages for investors who can reclaim against their income tax. In broad brush terms, it is hoped that investors who pay tax will be able to reclaim up to 50% (SEIS) or 30% (EIS) tax relief on their investment from the Inland Revenue.

**This is a once only opportunity to invest in the future of our village community.** We hope that many of you will choose to do so and look forward to hearing from you.

## CONTACT DETAILS - PLEASE GET IN TOUCH!

By Email: [helionspub@hotmail.com](mailto:helionspub@hotmail.com)  
Twitter: @Helionspub  
Website: [helionscommunitypub.co.uk](http://helionscommunitypub.co.uk)  
Facebook: Save The Three Horseshoes

Our thanks, in conclusion, to all those who supported the event, including Nethergate and the Cricket Pavilion, to which £50 of the bar proceeds will be donated.



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**SAVE THE THREE HORSESHOES**

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