

2nd SHARE OFFER

THE DUKE OF WELLINGTON PUB LEASINGHAM



LAUNCH DATE 21st July 2024

CLOSING DATE 31st January 2025

Our target is £25,000 to £50,000

We offer you this fantastic opportunity to help us to continue to improve the Duke of Wellington and for those who would like the opportunity to join us and become a member of Leasingham Community Benefit Society [LCBS] to do so.

With your support we can ensure the Duke of Wellington continues to be The Hub of our Community and can keep pace with its ever-changing needs.

Before deciding to invest, please consider seeking independent financial or legal advice.

The Leasingham Community Benefit Society Limited (LCSB Ltd) is the trading name of the legal entity and is registered under the Co-operative and Community Benefit Societies Act 2014. Its registration was approved by the Financial Conduct Authority on 13th February 2018, registered Number 7721.

Due care has been taken in preparing this document which has been approved by the management committee who vouch that the information it contains is true and complete to the best of their knowledge and belief.

History

The Duke of Wellington has been serving ale and food for over 200 years and was originally one of two pubs in the village. It was first known as The Wheatsheaf before Captain Middleton (resident of Leasingham Hall) went to serve as an ensign at the Battle of Waterloo in June 1815.

Originally the entrance was directly onto what became the very busy Lincoln Road. In those days a large pot would hang above the fire and farmhands would enter and place vegetables into the pot, from where customers were welcome to help themselves. Apart from the pot vanishing and the main entrance being moved to provide a safer exit for those leaving late at night, nothing much changed in the pub's design until 1986.

In 1986 our pub needed to change to better meet the needs of the community of that time. The lounge area was then extended to provide greater seating space and a dining area.

In 2018 the Duke of Wellington changed again to become a community asset, owned by 526 shareholders, and once again became a thriving hub of its community.

History of Purchasing the Duke of Wellington

The Duke of Wellington was put on the market summer 2017, and at that time there was very little interest as the owners, Enterprise, just wanted to sell the trading business. Then in late autumn 2017 the freehold became available.

A meeting was called in December 2017 to see if the idea of the villagers and friends buying the Duke of Wellington was feasible. In January 2018 a second meeting was called to take the idea forward. The 84 people present voted to have a committee to take the matter further. The committee was formed from those attending who set up a Benefit Company (with the help of a bursary of £2500 from the Plunket Foundation).

The company, Leasingham Community Benefit Society Ltd (LCBS) was formed, bank account opened, and Directors appointed for the set-up and first year's trading. Meetings were held to explain how the society would work and to answer any questions that people had. A grant of £50,000 was applied for from Plunket Foundation as well as a match funded £50,000 loan for five years from Keyfund Investments.

The Share offer was written and posted through everyone's door in the village, Cranwell and Holdingham. The first share offer started on 11th March 2018 and was open till 31st August 2018. The shareholders raised an amazing £225,400 which allowed LCBS, along with the Grant and Loan to buy the Duke of Wellington. We received the keys on 20th July 2018 at a cost of £278,397.60 including VAT.

First 5 years

Once the Duke of Wellington was bought, accounts were opened with Marston's brewery and other suppliers. The pub was open for a couple of days to celebrate the success of buying the Duke of Wellington, and closed for five days to enable an army of volunteers to help clean, paint, tidy the garden, paint the fence, and strip out the old kitchen. Most days there were between 30 and 60 volunteers. Amazingly the Duke of Wellington reopened the following Friday.

Over the next few weeks, the rewiring of the new kitchen commenced together with refurbishment of the bar area, back kitchen, and a complete refit of the cellar. Gas was not able to be connected until late autumn when central heating was installed both for the pub and accommodation above.

Staff were employed and the Duke of Wellington started to breathe again. Following delays the kitchen was ready to serve food in the first week of January 2019.

Initially the management model wanted was for a landlord or landlady to run the Duke of Wellington with LCBS charging them rent. Unfortunately, this did not work out, and from May to September 2019 the pub was run by paid staff and volunteers. Then in September 2019 Katie Cook was appointed manager with chef Simon Cowap starting in October. Everything was going extremely well till March 2020 when the whole industry was shut down because of Covid. After a few months the Duke of Wellington like lots of other pubs were allowed to open for a few weeks here and there until summer of 2021 when businesses were able, bit by bit to open as normal.

From spring 2022 the Duke of Wellington was fully open and soon returned to pre Covid profitability.

Since purchasing the Duke of Wellington, we have spent just over £105,000 in repairs and refurbishments. Further to this we invested £8,000 for initial stock to open the pub as well as £7,600 on Solicitors fees to buy the Duke of Wellington. We have also paid out £3,975 in interest on dividends.

We are now debt free having paid off our initial loan of £50,000 in January this year.

Who runs the Duke of Wellington

We are very fortunate to have Katie Cook as our manager, who is responsible for the total day to day business of the pub. The Directors are legally responsible for the business and are employers of all the staff and

landlord for the flat above the premises, which is currently the home of Simon the chef.

Why do we need a new share offer?

We need to plan so that the Duke of Wellington remains a viable business meeting the needs of the community and allow for a refresh of membership.

Over the last 2 years we have been asked when the next share offer would be. Some people wanted to increase their shareholding; others who did not buy last time now wish to be shareholders. People who have moved into the village over the last six years would also like the opportunity to purchase shares in the Duke of Wellington.

Being a shareholder, existing and new, gives all the opportunity to be part of LCBS, vote at the AGM and stand as a director.

Our bank balance is healthy enabling us to run the pub on a day-to-day basis and to cover the costs of repairs and some refurbishments. We have started the next stage of refurbishments and have plans for future large repairs and replacement of equipment.

We are in the process of replacing all the windows in the Duke of Wellington which will allow for better ventilation in the summer and improved insulation in the winter. This will give greater comfort to all our customers and provide a level of soundproofing that shows consideration to our neighbours.

The lounge and restaurant are ready for a face lift with plans for new tables and chairs, which will improve flexibility and allow extra seating area once the layout of the restaurant and lounge has been slightly altered. We also propose new flexible and controllable lighting for dining and quizzes and a replacement carpet for the bar area.

Hopefully all work will be completed before the end of summer 2024. This will be at a cost of around £25,000 to £29,000. We will then need to replenish our reserves so that we can move forward in the development of the Duke of Wellington for the benefit of the community and customers.

We are aware that in the future there will be major costs on repairs and replacement of equipment looming. The flat roof has been repaired twice; the last time was to replace the two large skylights. Three years ago, the contractors advised the flat roof would soon need replacing.

Six years ago, the carpark area outside the pub was resurfaced costing approx. £9,000, now we need to complete the rest of the car park as the area towards Spring Lane entrance is also in need of repair.

Some of the kitchen's appliances are now almost 7 years old, including the cookers which will need replacing shortly at a cost of between £8,000 to £9,000 each.

To date, staff, committee, and volunteers at the Duke of Wellington have ensured that the pub is an active part of the community, engaging where possible with all: including shareholders, customers, residents, the Parish Council, the Village Hall and the local schools, and colleges.

It leads and hosts the Advent Calendar and Scarecrow events, which is open to every resident to be part of and for all to enjoy. The Duke of Wellington has also lead celebrations for national events such as the Christmas Lights and Jingle Fair and the Jubilee and Coronation as well as supporting charities like the McMillan coffee morning.

Many groups meet at the pub, both regularly and for festive meals. There are regular sessions, including the weekly evening and monthly quizzes, monthly Open-Mic nights and it supports a successful pool team and golf society. It also prides itself in providing a venue for the community to come and celebrate anything from birthdays, weddings, and to wakes. The improvements planned will help us to continue and expand our community involvement and engagement further.

The money raised from the share offer will enable us to plan for all eventualities to ensure the Duke of Wellington remains an asset to the community and to enable us to continue to provide a hub for community engagement and support.

What You need to Know About Buying Shares

1. Who are the Society's Management Committee?

Dave Warner (Chairman)
Joan Lawton (Secretary)
Vanessa Majer
Gill Allenby

Mark Carter
Roy Richardson
Karen Warner

2. Meeting the Needs of the Community

- By the continuing support we have received, villagers have made it clear they want to retain an active, traditional village pub where all can gather
- The Duke of Wellington can continue to offer a wider range of quality draft beer, wine, and spirits
- The community will benefit by knowing that there is a more comfortable environment that you can drop into and receive a warm welcome
- The pub will continue to offer food and be a place to have a family meal in an improved and modern setting
- The pub will be better able to be inclusive and responsive to the community
- Investing in the improvements to the Duke of Wellington will help to ensure its future.

3. The Benefits of Community Ownership

- Community shares has helped save many pubs, and there are currently just over 174 community pubs in England and Wales, all running successfully
- Community ownership helps to instill a sense of pride and confidence in communities, and provides local people with a meaningful stake in the future development of their pub
- Community ownership also has the following benefits:
 - Protects key local services / facilities that may otherwise be lost
 - Provides a physical base for provision of local services
 - Allows generation of income that can be re-invested locally
 - Provides jobs, training, and business opportunities

4. Your Investment

a. What is a Community Share offer?

- It provides an opportunity for people and businesses to buy into their local community, where the motivation and payback is more social than financial
- This form of share offer helps to ensure a truly local enterprise, being accountable to the community that it serves and benefits. The shares you buy will make you a member of the society, with an equal vote regardless of your shareholding. Everyone who invests can:
 - vote at the Annual General Meeting
 - stand for election to the Society's committee
 - volunteer skills for the refurbishment and ongoing activities, or
 - just use and enjoy your community pub
- A Community Benefit Society is able, under the terms of the Co-operative and Community Benefit Society Act, to issue a simple form of document for share issue.

b. How do I buy shares?

- You will need to complete one application form (attached at end of document) for each person purchasing shares
- You need to state the number of shares required and give your full name (printed) as a reference, so we can match your shares to our bank account and your contact details
- Shares are £50 each, with a minimum of one share to become a member and a maximum investment of £20,000. Please note that however many shares you hold, you only have one vote
- If purchasing on behalf of someone else, complete the second section of the application form with that person's name and contact details
- You need to be 16 years or over to be a voting member. However, it is possible to purchase shares on behalf of someone below 16 years. You need to complete the second part of the application form with their name, date of birth and the name and contact details of their parent, trustee, or guardian
- A remittance advice will be sent on receipt of payment
- Share Certificates will be issued at the end of the share offer period.

c. Can I sell my shares?

- You can only sell back your shares to the Society. They can only be bought back at face value, after an initial period of 3 years. Following which a notice period of 3 months is required. LCBS Rules state, the Directors specify a maximum total withdrawal for

each financial year. All withdrawals must be funded from trading profits, reserves or new share capital raised and are at the absolute discretion of the Management Committee. Requests for withdrawals will be considered in the order of the date of request

- The 3-year period is to allow the board of directors sufficient time to produce financial stability for the business. The board does have the right to refuse a withdrawal request if it would endanger the business.

d. What guarantee do I have?

- This is a long-term investment for the benefit of the community
- Shares cannot go up in value, therefore if you wish to withdraw shares at any point, **they can only be withdrawn at face value**
- 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, the shareholders will still only have their original investment returned
- Any excess value would be transferred to another community organisation having similar community benefit aims. This is known as an asset lock and is to prevent private gain if the organisation dissolves
- As the shares are issued by a corporate body, shareholders have no liability beyond the value of the shares they buy.

e. What are my risks?

- If the business were to fail, it may be placed into liquidation, where a liquidator would realise the assets and distribute them to creditors. This would mean selling the Duke of Wellington, 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 so you cannot lose more than the value of your shares
- The issue of withdrawable shares, which are not transferable to anyone else but the Society, exempts this document from the requirements of an approved prospectus for the public issue of Company shares
- Any money you pay for shares is not safeguarded by any depositor protection or dispute resolution scheme. You will have no right of complaint to the Financial Ombudsman Service nor any access or entitlement to the Financial Services Compensation Scheme.

f. How will it work financially?

- The business is owned by the shareholders, not a national pub company or a private owner, and is run for the benefit of the community and visitors alike via a Community Benefit Society
- The pub is managed by an employee of LCBS and all profits are used for the benefit of the business that serves the community. Interest on shares may be paid but must be from trading profits and is at the discretion of the Management Committee.

Data Protection Act 1998

By requesting to become a shareholder in the LCBS Ltd you agree to your name, address, telephone number, email address and the number of shares you wish to purchase, being stored securely on a computer database. You understand this information will be used for the purpose of maintaining a register of members and will not be passed to third parties without your permission, except as required by law.

Please note that there will be question-and-answer sessions held in the Boot Bar of the Duke of Wellington on Wednesdays the 24th July, 28th August, and 25th September 2024. These will take place between 1 and 3 pm and 6 and 8 pm on each of these days.

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