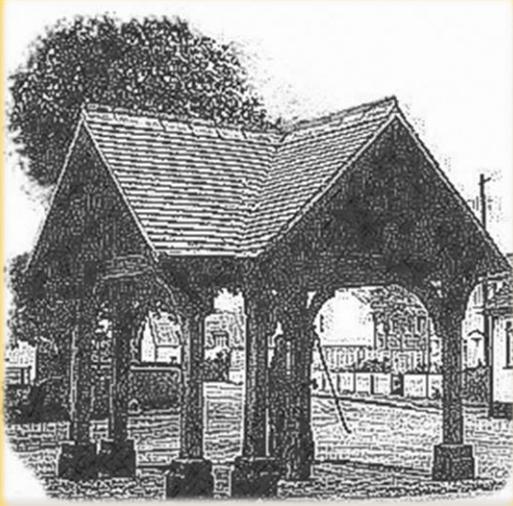


PumpHouse

Community Brewery Limited



Community Share Offer

Launch Date: 2nd March 2015

Closing Date: 4th April 2015

You are invited to invest in a community based enterprise which has been established to set up and run a micro-brewery in Toppesfield.

The aim of the share offer is to raise sufficient money, which, together with other funding will enable the acquisition of brewing equipment and cover all building and renovation costs required.

Pumphouse Community Brewery Limited ('PHCB') is a not-for-profit community benefit society, established and managed by the community for the benefit of the community.

You can join the society by becoming a member.

This document:

- Outlines the project and its benefits for members and the community;
- Explains about the society and how the share offer would work; and
- Invites you to help us realise this project.

What is Pumphouse Community Brewery Limited?

Pumphouse Community Brewery Limited ('PHCB') is the company established to enable the people and friends of Toppesfield to establish and run a micro-brewery in the barn adjacent to the Green Man public house in the centre of the village.

It is a not-for-profit Community Benefit Society (formally known as an Industrial & Provident Society or 'IPS') using the model rules developed by the Plunkett Foundation and registered with the Financial Conduct Authority ('FCA'). In its rules is embedded the principle that if the Society has a surplus, this may be made available for distribution to other community or charitable projects, after providing for the present or future needs of the Society. A copy of the rules of PHCB is available and can be requested from a member of the Management Committee.

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Our vision and the benefits to the community

In 2012 the village 'local' in Toppesfield, the Green Man, was acquired by a community owned company. Toppesfield Community Pub Limited became the 14th co-operatively owned pub in England. Part of the premises comprises an under-used barn and some thought had been given to utilising that space for a small brewery. In early 2014 a nearby micro-brewery, located in Helions Bumpstead, was forced to close when the pub in whose grounds it was based shut permanently. The brewing equipment was put up for sale and it was felt by the management committee that this provided a great opportunity to bring to fruition the thoughts of a brewery in Toppesfield.

We believe that the establishment of a micro-brewery on this site will strongly complement the Green Man by providing a regular supply of traditional ales at prices below those currently available to the Green Man. This can be done because of the nature of the brewery as a not-for-profit community benefit company. In addition the brewery will provide some employment and volunteering opportunities for its members and those in the wider community and will act as an attraction to visitors thereby, in turn, benefiting both the community owned village shop and the pub. Our intention is to finance the brewery through a mixture of grants and most importantly through support from the community in the form of **Community Shares**.

We believe that this provides a great opportunity for Toppesfield to continue to strengthen the vibrancy and sustainability of its community. This project will have many benefits, including:

- Creating an environment where people can work together improving the sense of community;
- Introduce a new, craft-based enterprise into the village with opportunities to learn new skills;
- Making full use of an underutilised asset;
- Produce beer for sale in the Green Man and in neighbouring villages;
- Creating opportunities for employment;
- Helping to sustain property prices in the village;
- Highlighting Toppesfield as a rural community which works together to maintain and enhance its amenities.

Toppesfield has long had a reputation for 'community activism'. Fifty years ago the village built its own village hall; in 2002 we completed one of the first community stores in England; in December 2012 we bought our local pub as an early Christmas present; now we have the opportunity to build on these earlier successes.

How will PHCB be managed and run?

The current Management Committee is made up of five Toppesfield residents who believe that this is a marvellous opportunity for our village. They are: Wendy Ames, Alan Collard, Mike James, Chris Neale and Rob Stafford-Baker. Additionally, we will have an experienced head brewer to manage the day-to-day activities of the brewery.

Phil Snowdon is a chemist by background and has had a long interest in brewing. He has built small scale home based brewing facilities and most recently was the brewer at Dropping Well Brewery located in the grounds of The Three Horseshoes in Helions Bumpstead. Despite producing a number of good quality ales, sold not only to the Three Horseshoes but also to pubs in neighbouring villages, the brewery was forced to cease production following the closure of the pub.

Other members may join the committee subject to a maximum membership of 7. The Committee will stand down en bloc at the first AGM and individuals may offer themselves for re-election.

The Management Committee will be selected by Members' votes at the AGM each year.

Annually, the Management Committee will provide all members with a report which will set out financial statements and a report of the society's activities during the previous financial year.

Pumphouse Community Brewery Limited is registered with the Financial Conduct Authority ('FCA') and will be required to provide the FCA with an annual return. However, as community share investors are deemed to invest for social returns and not for financial gain, the share issue does not fall within the scope of the Financial Services and Markets Act ('FSMA') and the sale of community shares is not regulated by the FCA. There is no right of complaint to the Financial Ombudsman Service and nor can investors apply to the Financial Services Compensation Scheme.

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The Community Share Issue

The share issue has been designed to give local people and organizations the opportunity to contribute financially, on a long term basis, to the business of PumpHouse Community Brewery Limited. Our expectation is that shareholder members will largely come from the local communities but we also welcome contributors from further afield.

Individuals, organizations or companies are entitled to apply for membership by buying shares at a cost of £50 per share with a minimum investment of one share (£50) and a maximum investment of 400 shares (£20,000) per person or organisation. Each member will be limited to one vote at any General Meeting, irrespective of the number of shares purchased.

The shares are not transferable and cannot be sold but may be withdrawn by giving three months notice of withdrawal to the Management Committee. Shares cannot be withdrawn until at least three years have elapsed from the date of the share issue and then only at the discretion of the Management Committee.

The amount available to be withdrawn by shareholders in any one financial year will be 10% of the total value of shares outstanding. Should withdrawal requests exceed the 10% figure, investors would receive a pro rata payment based on their original investment. All withdrawals will be paid from trading surpluses or new share capital. The Management Committee will have the authority to refuse a withdrawal request if it would endanger the society.

Interest will be paid to shareholders for the first year at the rate of 2.5% per annum. Interest will start to accrue for the benefit of shareholders from the date of the start of production by the society. The interest rate for each subsequent year will be proposed by the Management Committee and put to a vote at the Annual General Meeting. The proposal will be based on the performance of the company. Interest will be paid gross to members.

Interest will be paid by the society to the investor and it is each member's responsibility to declare such earnings to HMRC if appropriate.

It is important to note that the value of the shares will not increase. The only financial benefit for members is the interest dividend paid annually. It is our intention to maintain a competitive and attractive interest rate and we hope this will increase with the success of the business.

In the event that the society is ever sold, for whatever reason, the shareholders would be repaid their investment from the proceeds of such sale, after repayment of any liabilities. Any surplus would have to be paid to a charitable or community body in line with the rules of the society.

Seed Enterprise Investment Scheme ('SEIS')

The SEIS is a Government scheme devised to encourage investment in new enterprises. Following an application by Pump House Community Brewery, HMRC has issued advance authorization for the proposed share sale to qualify for SEIS status.

Having SEIS status means that any purchasers of shares for any amount up to the maximum of £20,000 who pay income tax would be eligible for income tax relief equal to 50% of the amount invested.

The society will issue all eligible investors with form EIS3 to enable them to claim tax relief. Please note, the society is not able to advise members on tax issues and it will be each investor's responsibility to make their own enquiries and to satisfy themselves as to their own eligibility to claim such tax relief.

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Important Notice

When you are considering taking part 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.

It is intended to build on to our existing social infrastructure – the community owned pub, the community shop, the church, the school, the village hall, the allotments – and help to create an ever more thriving and sustainable community. It is not a conventional financial investment with an expectation of high and direct financial returns. Full information is set out in the society's rules.

Please note:

- i. The minimum shareholding is 1 share. Each share has a value of £50. The maximum number of shares that can be purchased is 400 shares. Members must be over 18 and shares must be paid for in full on application.
- ii. Shares are not transferable except on death or bankruptcy and they cannot be sold. They may be withdrawn on application to the society for no more than the original value of £50 per share.
- iii. The value of each share cannot increase beyond its nominal value of £50. You should be aware that the value of shares may be reduced if the value of the business's assets falls substantially.
- iv. As an investor your liability is restricted to the value of your shares. In the event that the business fails you would have no further liability.
- v. Currently the society plans to pay interest on shares but the shareholding should be viewed as a social investment. The rules of the society would allow for interest payments to be suspended if the financial performance of the society did not justify such payment.
- vi. The only way in which investments can be recovered (whether the initial sum or any reduced value) is on liquidation of the society or by giving the society notice of withdrawal. Notice of withdrawal may not be made during the first three years after the closing date of this share issue.
- vii. The specific conditions for withdrawal include:
 - a. Withdrawals must be funded from trading surpluses or new share capital and are discretionary, being subject to the Management Committee's satisfaction that withdrawal is consistent with the long term interests of the society;
 - b. The total repayable each year is limited to a maximum of 10% of the current value of the share issue;
 - c. 3 months notice is given.
- viii. All funds invested in this Community Share Offer will be held in a separate account and used only for the purpose of establishing the micro-brewery. In the event that the project does not proceed, all contributions will be repaid less any expenses that may have been incurred.
- ix. Pumphouse Community Brewery Limited is registered with the Financial Conduct Authority ('FCA'). However, as community shareholders, investors are deemed to invest for social returns and not for financial gain. The sale of community shares is not regulated by the FCA. There is no right of complaint to the Financial Ombudsman Service and nor can investors apply to the Financial Services Compensation Scheme.

Before deciding whether to invest please consider taking independent advice. For further information on the project please contact any member of the Management Committee.

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Application for Membership

If you wish to become a member of Pumphouse Community Brewery Limited ('PHCB') by investing in the society, please complete the form below and return it together with your cheque to the following address:

Pumphouse Community Brewery Limited
c/o Toppesfield Community Stores
Church Lane
Toppesfield CO9 4DR

Name(s):

Address:

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.....

Email address:

Phone numbers:

Number of shares I/we wish to purchase (minimum 1, maximum 400):

Value of shares you wish to purchase (Shares cost £50.00 each):

£.....

Please enclose a cheque with this form, payable to **Pumphouse Community Brewery Limited**

Receipts will be issued by email wherever possible.

By requesting that I become a member of Pumphouse Community Brewery Limited ('PHCB'), I agree to my name, address, phone number(s), email address (where applicable) and the number of shares I wish to purchase being held on a computer database. I understand that this information will be used for the purpose of maintaining a register of members and potential members as required by the rules of PHCB and for posting of notices regarding the activities of PHCB. **This information will not be passed to third parties.**

Signed:

Date: