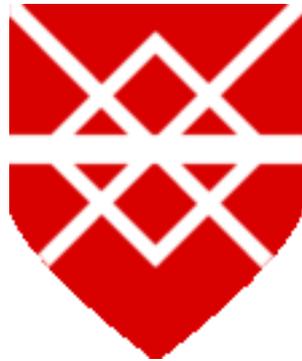


COMMUNITY SHARE OFFER

TO SUPPORT THE PURCHASE OF THE

The Three Horseshoes Pub

For The Benefit Of Helions Bumpstead &
Surrounding Communities



Minimum Share Target: £280,000
Maximum Funding Target: £435,000

SHARE OFFER CLOSING 16 JUNE 2018

Prepared by
Helions Bumpstead Community Benefit Society Limited

SHARE OFFER OVERVIEW

You are invited to buy shares and become a shareholder of the Three Horseshoes pub. You will be investing in a community enterprise which aims to secure the long term future of the Three Horseshoes as a pub and, most importantly, as a community hub.

PRICE PER SHARE	£50
INVESTMENT LIMITS	Minimum – £100 (two shares) Maximum – £100,000 (two thousand shares)
FUNDING TARGET	£435,000
SHARE OFFER TARGET (MINIMUM)	£280,000
MEMBERSHIP RIGHTS	One member, one vote irrespective of amount invested
MEMBERSHIP ELIGIBILITY	Individuals (over 18) and companies
SHARE OFFER DATES	Offer opens on 5 May 2018 Offer closes on 16 June 2018

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If you are considering buying shares, it is important that you read this Prospectus along with the related Business Plan and Society Rules and then please fill out the application form at the end of this document. The related **Business Plan, the Society Rules, and the Community Share Offer** can be downloaded from the website www.helionscommunitypub.co.uk.

The rules surrounding a Community Benefit Society are different from an ordinary company and so you should seek professional advice if you are unsure of any aspect.

You should note that this share offer is not subject to the Financial Services and Markets Act 2000, is not covered by the Financial Services Compensation Scheme and investors will have no recourse to the Financial Ombudsman. Anyone buying community shares could lose some or all of the money they invest, without the protection of the government's Financial Services Compensation Scheme, and without recourse to the Financial Ombudsmen Service.

Prospective investors should read the whole text of this document and should make the decision to invest only after careful consideration.

SUMMARY OF INVESTMENT OPPORTUNITY

You are invited to invest in Community Shares of the Helions Bumpstead Community Benefit Society Limited (the Society), registered at the Financial Conduct Authority under the Cooperative and Community Benefits Act 2014, Registration Number 7533.

The Society has been established with the intention of purchasing the freehold of the Three Horseshoes pub, refurbishing and reopening the Three Horseshoes and providing the basis for it to be a sustainable business which will serve the needs of the entire community.

After purchase, the community through the Society will become the owner of the freehold of the pub in perpetuity. Through its establishment as a community owned pub, the Three Horseshoes will remain safe from redevelopment or sale for as long as the community wants that to be the case.

The Model Rules of the Society for community ownership are those of the Plunkett Foundation and are published on our website www.helionscommunitypub.co.uk. The Society Rules are such that all financial surplus must be invested in the business (including paying modest interest on shares to members) or redistributed to other community organisations.

We aim to attract investment from the residents of Helions Bumpstead but also, more widely, from anyone with an interest in securing the future of the Three Horseshoes.

Overview

The Three Horseshoes pub has served the community of Helions Bumpstead and nearby communities since the first half of the 19th century. In its current state the pub has been closed since 2014 and is the last remaining pub in Helions Bumpstead. The pub is listed as an Asset of Community Value by Braintree District Council. A survey of residents of Helions Bumpstead in 2016 confirmed that 89% of respondents regarded having a public house as important to the village.

We now have a unique opportunity to invest in this worthwhile community enterprise and provide a service to the Society members (the shareholders), other pub users and future generations. The current owners of the Three Horseshoes have agreed to sell to the Society, subject to contract, the freehold of the pub buildings and associated land for £310,000. We are aiming to raise a maximum of £435,000 through community investment, grants and, if necessary, a long term top-up commercial loan.

The Management Committee of the Society believe that this amount will provide sufficient capital to purchase the pub, carry out works which will allow the pub to reopen and establish sufficient reserves to enable cash positive trading. It also includes a modest contingency (£30,000) to meet unforeseen costs. Wherever possible we will minimise the reliance on interest bearing commercial loans and will endeavour through this share offer to widen community ownership to the fullest extent possible.

If we are successful in purchasing the pub, the Society will lease the pub to a professional tenant who will be responsible for the operation of the public house and who will work with the Society in the implementation of the Business Plan to include other community 'More than a Pub' activities.

The pub has been commercially valued and structurally surveyed to confirm that the business can be sustainable and that the proposed rent is attractive and in line with achievable forecast turnover for the tenant; the buildings are structurally sound and a schedule of essential refurbishments required to reopen the pub has been drawn up following survey.

Pledges for the purchase of shares were invited in December 2017. Within four weeks the total exceeded our initial target of £280,000 from 111 potential investors. The Society has been successful in its application to the 'More than a Pub' programme and our application for a £50,000 grant with £50,000 unsecured loan has been conditionally approved. This financial support includes valuable industry advice and insight provided by the 'More than a Pub' programme managed by the Plunkett Foundation and from Bernard Lee from the Pub is the Hub organisation as well as expertise and insight from other local successful publicans.

We are now able to launch a share offer through the Society. The offer opens on **5 May 2018** and will run for six weeks, closing on **16 June 2018**. The Society may extend the offer beyond the initial period if this would benefit the share issue although it is our intention in liaison with the current owners to expedite the purchase. Once the share offer targets have been achieved and the contract to purchase the Three Horseshoes finalised with the owners (including the regulated disposal notices related to the Asset of Community Value provisions) then funds will be drawn down from the Society's bank account to complete the purchase.

Buying shares makes you a member of the Helions Bumpstead Community Benefit Society Limited (the Society) and means you can attend annual meetings and vote on important issues and stand for election on to the Management Committee of the Society. **Each member will have an equal vote in the Society irrespective of their shareholding, following the key Society principle of 'one Member, one Vote' meaning the total membership will own the pub and have a control over the strategic direction of the Society in its ownership of the pub.**

The Business Model

A Business Plan for the Society has been produced and it is important this should be read in conjunction with this Share Prospectus when considering whether to invest in shares. The Business Plan can be found at www.helionscommunitypub.co.uk.

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The Business Plan has been developed with input and advice from experienced and successful pub industry experts, local successful pub operators and independent commercial pub operators. It is based on published industry benchmarks.

The Three Horseshoes has in the past been a thriving pub which was well supported across the community, hosting a vibrant and diverse range of social clubs run from the pub and enjoying a reputation for good food and drink. Our objective is to reinstate the pub as a 'community hub' and develop a friendly and inclusive pub environment serving good local beer, quality wine, soft drinks and reasonably priced freshly prepared food.

Following the purchase of the pub, a tenant will be selected to run the licensed business. The tenant will pay an affordable but realistic rent to the Society to enable him/her to be suitably incentivised to run a thriving pub business.

Other operating models such as employing a manager or running the pub through a rota of volunteers were ruled out by the Management Committee as these would have entailed significantly more operational involvement and risk. It was recognised that we should be realistic about the roles, skills and support the Society could reliably provide, both now and in the future, in order to operate the pub successfully and sustainably. Under this model, the tenant carries all of the business risk and will directly benefit and be incentivised to operate a more profitable business.

The appointment of the right professional and experienced tenant is critical. The Society will lease the pub to a commercially astute, experienced and socially adept professional tenant who will

work with the Society to ensure the Three Horseshoes develops as an attractive pub highly regarded by the local community and by those who may travel from further afield.

The Society will not micromanage the tenant: he/she will have a high degree of autonomy in the running of the pub. We will nonetheless provide support and guidance through regular reviews with them not only to guarantee community benefit but also because we believe this process will greatly enhance their chances of commercial success. The lease agreement will include core community features required of the tenant which will be referred to as 'Community Operating Guidelines'. This approach will ensure that the pub operates as intended by the local community.

Key factors that will contribute to the success of the Three Horseshoes under community ownership include the following:

- the pub is a free house with no beer ties;
- the appointed tenant will be an experienced professional who will become part of the community and share in the success of the pub;
- appropriate facilities will be provided to encourage all members of the community to use the pub;
- the acquisition of the freehold of the pub through the Society will encourage community buy-in, and involvement in the future development of the business;
- significantly improved pub facilities, including kitchen facilities, will increase financial turnover;
- additional income streams will be developed to complement the core business and make the Three Horseshoes a 'go-to' pub within the immediate and wider catchment area.

Social Return

The main point of the purchase is to create a viable community asset and to sustain the community for now and future generations. We all want a place to meet friends, have a drink, take our families and socialise. This is not an exercise in generating large profits for the members, but putting the pub on a viable, long term, sustainable footing and developing other community services.

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The initial return on your investment will therefore be the existence of an open and functioning village pub. Once the pub is in the ownership of the community, it will be possible to explore a wider range of amenities to enable the pub to be 'More than a Pub' for Helions Bumpstead.

In the initial phases, we have streamlined the many potential community features to those we see as immediately viable. These have been put forward to our social funders as initial targets requiring minimal capital expenditure, and focus on addressing the risk of social isolation in a rural community. These include:

- a basic shop facility and 'virtual shop' ordering/collection point;
- access to WiFi – café facilities – community events;
- a gardening club for re-establishment of the pub garden;
- microbrewery: this was a popular theme in a village consultation held in December 2016 and through discussion at public meetings. The Management Committee is minded to raise revenue from leasing the unit for this purpose, raising rental income and using the pub as a tap house without exclusive commitment or tie-in. Alternatively the facility could be operated as a joint venture between the Society and the tenant.

Much will depend on the enthusiasm of individuals and groups of individuals within the community. With the right tenant operating within our 'Community Operating Guidelines', broadly speaking,

initiatives will be considered on the basis of their commercial viability and/or potential social impact.

This represents a fantastic opportunity for the Three Horseshoes and nearby villages to strengthen the vibrancy and sustainability of our community. This purchase would have many social benefits, including:

- maintaining a place to meet friends and neighbours and improving the sense of community;
- providing a central point for information on community events and local issues;
- securing the heart of the village for the community;
- improvements to the fabric of the building to improve accessibility and use;
- creating opportunities for employment;
- injecting money into the local economy;
- providing a hospitality venue for local groups, tourists, weddings and funerals;
- the value of having a vibrant community pub is recognised within the housing market as a factor which adds value to house prices.

Financials

Our intention is to finance the acquisition and subsequent improvement projects, initially, through a Community Share Offer combined with a Plunkett 'More than a Pub' social grant & unsecured loan for £100,000 plus the addition, if required, of a long term commercial loan secured on the property. The intention is to maximise the capital raised through the Community Share Offer. We have set a minimum target of £280,000 and a maximum of £330,000 to determine whether or not a commercial loan will be required. **Any funds raised over and above the minimum will reduce our dependence on commercial funding and the associated interest costs.**

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If we only achieve the minimum amount of share capital through the initial offer the share offer may be extended.

After raising the maximum of £435,000 of funds for the project these will be used to:

- purchase the freehold of the pub with associated purchase costs and taxes;
- carry out minor works to get it ready to be reopened (our financial model assumes that we will invest £70,000 in refurbishment including major improvement in the kitchen facilities);
- provide sufficient working capital to enable cash positive trading in the initial phase of the business;
- recruit a suitable tenant;
- support the tenant in pre-launch publicity, marketing and advertising.

Under the tenanted model of operation, the rent paid by the tenant will be the main source of income to the Society, and at the outset the financial projections assume that it will be the only source of income. The proposed level of rent to the tenant is attractive (£20,000 in Year 1 rising to £25,000 until a rent review at the end of Year 3).

The proposed rent reflects the Fair Maintainable Trade (FMT)¹ for a pub of this type, as defined by the British Beer and Pub Association. On this basis, the annual turnover would be in the region of £250,000 before VAT and the rent represents 10% of this turnover. We will set the rent at the lower end of the rental levels for a free house in the pub sector to promote a sustainable business for the tenant and the community.

¹ Fair Maintainable Trade is the level of trade that an average operator can be expected to achieve.

The viability of the Three Horseshoes as a business is based on reasonable assumptions of the pub's likely turnover based on significant research including:

- most recent trading history;
- the expectation that the right tenant will grow the business significantly from most recent history of trade;
- a business survey commissioned by the Society and conducted by industry expert MJD Hughes;
- the advice of experienced and successful local pub operators who have confirmed that, with the right tenant, our turnover forecast should be readily achievable.

Attractive commercial features of the pub to good potential tenant candidates include the following:

1. the pub is a free house, not tied into any brewery, which will enable the tenant to procure food and drink at competitive wholesale prices;
2. the rent will include the benefit of accommodation;
3. because the Three Horseshoes is the last remaining pub in Helions Bumpstead the tenant will not have to pay business rates;
4. the proposed initial refurbishment spend of £70,000 in the premises will enable the tenant to provide a level of service to customers which should compare favourably with that of other local establishments;
5. subject to negotiation, use of the restored microbrewery previously sited on the premises may also be at the disposal of the tenant.

Therefore we believe that the business will be profitable for the tenant and beneficial to the Society members. If that proves not to be the case, however, the Society will own a valuable asset, namely the building and associated land. In the unlikely event of business failure, the Three Horseshoes would be sold and the shareholders would be repaid their investment after the settlement of any outstanding debts. Any surplus will be paid to a charitable or community body which benefits the local community.

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The Society and Management Committee

The Society: The Helions Bumpstead Community Benefit Society Limited was established in 2017 by 'members of the community for the benefit of the community'. It was established specifically to raise sufficient funds for the community to secure and safeguard the future of the Three Horseshoes.

Community benefit societies are by law intended to be democratic organisations and all members will have an equal vote regardless of their shareholding, and will have the protection of limited liability.

The Society uses the Plunkett Foundation's Model Rules as its constitution. The Model Rules of the Society define your rights as a member so please read them if you wish to invest.

The rules determine that the pub will trade for the benefit of the community and not for anyone's private benefit, other than the appointed tenant. It will retain and apply profit to advance the Society's purpose (including through paying interest to members on their shareholding).

We are inviting you to become an investor in the Society through the purchase of shares which confer membership rights on the investor. These membership rights include a voice in the running of the Society and an opportunity to be elected to the Management Committee by members of the

Society at Annual Members' Meetings, with one vote per member regardless of the number of shares held.

Management Committee: The current Management Committee of the Society comprises seven village residents: three of the originating members and four co-opted members.

In accordance with the Model Rules of the Society, the Management Committee will comprise not less than three and not more than ten members. None of these individuals will ever have a personal financial interest in the project above and beyond their own personal investment in community shares and any declared loans to the Society.

A Management Committee will be established by election in accordance with the Rules of the Society with an Annual Members' Meeting proposed for autumn 2018 or after the completion of the purchase of the pub and installation of a tenant whereupon the existing Management Committee would step down.

The Management Committee are collectively responsible for establishing the strategy for the business. One or two named members of the Management Committee will oversee close liaison with the tenant to guarantee the 'More than a Pub' facilities and operation in accordance with guidelines developed in cooperation with the tenant.

The Management Committee is accountable to members and will be elected by members' votes at the Annual Members' Meeting which will occur within six months of the end of the financial year. The Management Committee will keep members updated via newsletters, a dedicated website, Facebook, and at the Annual Members' Meeting when members will be provided with an annual report and accounts. Budgets for the next 12 months will be prepared and presented for approval at the Annual Members' Meeting. There will be a full financial review of income and expenditure against budget on a quarterly basis in the first year of the business.

The Share Issue

This Community Share Offer provides the opportunity to join the project to save the Three Horseshoes by:

- subscribing to shares;
- becoming a member of the Society; and
- becoming part owners of the pub.

It has been demonstrated across the 50+ community pubs across England and Wales that community shareholders are more likely to do everything they can to ensure the success of the business by becoming volunteers, customers and supporters of the pub.

IMPORTANT INFORMATION:

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 not a conventional financial investment with an expectation of high and direct financial returns.

Membership: With this share offer we are inviting you to become a member of the Society with an equal vote regardless of your shareholding. The Society will provide investors with updates on progress and annual accounts, a voice in the running of the Society by voting at the Annual Members' Meeting, the opportunity to be elected to the Management Committee to volunteer your skills and, crucially, to provide your custom to the pub.

Eligibility: You must be 18 years old or over to become a member of the Society. Shares must be paid for in full on application. Organisations and companies may invest in shares.

Voting Rights: Each member will receive one vote at members' meetings, regardless of the number of shares held by that member.

Shares: Each share has a value of £50. The minimum shareholding is two shares (£100). The maximum number of shares is 2000 (£100,000) per person or organisation.

Share Interest: The Rules of the Society permit the distribution of interest payments on shareholdings to ensure that we can promote and maintain membership. Once the business is running successfully and has sufficient surpluses, it is proposed that modest share interest maybe paid to members of the Society on an annual basis after recommendation by the Management Committee. Based on current financial plans, from the end of the third year after the share release we have assumed an interest rate of 2% payable, rising to 4% after the fourth year. The maximum permitted under Society Rules is 5%. This is indicative only at this point and if we can make earlier payments we will do so. This will be determined at the Annual General Meeting on a year-by-year basis and depending on the health of the business after we have met other obligations such as loan payments and other mandatory overheads.

Limited Liability: As an investor your liability is restricted to the value of your shares. In the unlikely event that the business fails you would have no further liability.

Asset Lock: In the event that, for whatever reason, the Three Horseshoes was sold, shareholders would be repaid their investment after repayment of all debts. Any surplus remaining after such disposal and repayment would be paid to a charitable or community body.

Transfer and Withdrawal of Shares: Members may request the return of the amount invested through a withdrawal request to the Society for the original value of £50 per share by providing a three month notice of withdrawal to the Management Committee. No withdrawal requests may be made until the first three years have elapsed from the share release and then will only be paid at the discretion of the Management Committee, having regard to the financial requirements of the Society. The Management Committee may set a maximum percentage of share capital which may be withdrawn in any one financial year and a strategy will be developed to build a waiting list of prospective new investors. Withdrawals must be funded from trading surplus or new share capital. Shares will not be transferable except on death or bankruptcy and cannot be sold other than to the Society.

Value of Shares: It is important to note that the value of shares will not increase under the terms of the Society. The benefits for members are any interest paid annually on their shareholding and the social benefit of retaining this important community facility. You should be aware that the value of shares may be reduced if the value of the assets of the business falls substantially.

Finance: Our intention is to finance the full project as far as possible through this share offer to reduce our reliance on any external funding. We will seek to limit the overall number of shares to a planned aspirational target of £435,000 at which point the share offer would close. If the share offer is oversubscribed the Management Committee reserves the right to refuse part or all of an application for shares.

The minimum target for the share offer is to raise £280,000. If the Society is unable to raise sufficient funds to purchase, refurbish and reopen the pub then all monies received for the purchase of shares will be returned. Share certificates will only be issued if the purchase of the pub proceeds. All funds invested in the share offer will be restricted funds in the Society bank account and used solely for the purchase, refurbishing and reopening of the pub.

Shares Purchased for Minors: Shares can be purchased on behalf of people under the age of 18 but the applicant must be above the minimum age limit. In this case the shares will be held as the Applicant 'A' on Behalf of 'M' where 'A' is the applicant and 'M' is the minor. The minor's date of birth will be recorded and the shareholding will be automatically transferred to them on their 18th birthday. It is important to note that in this instance the applicant is the member and not the minor and that multiple applications by a member will not enable that member to have more than one vote. However, upon reaching their 18th birthday the minor does become the member and will have a vote.

Loans, Grants, Donations and Legacies: Subject to the success of the share offer, commercial loans secured on the property plus further grants may be sought. In addition, donations and legacies are an important source of potential funding: individuals or organisations may wish to make a donation or legacy to the Society. Such engagement would be welcome so please contact us if you wish to discuss the legacy option or, in the case of donations, use the payment details provided in the share application form at the end of this Prospectus.

Key Risks

A Risk That You Could Lose All, or Part of Your Investment: As a member and shareholder of the Society you will be part owner of the Society and the Three Horseshoes. If the Society is unable to meet its debts and other liabilities you could lose some or all of your investment in shares – for example, if the pub closes and we have no rental income, yet we still have loan payments. It might be that if the Society eventually sells the pub there is no surplus after repaying creditors. The Society could not in those circumstances repay your share capital and you would not qualify for protection under the government's Financial Services Compensation scheme or have recourse to the Financial Ombudsman. Your liability, however, is limited to the value of your shares.

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The risk of this occurring is low based on the following assessment:

- the Management Committee has obtained a commercial valuation, a building survey and is engaging experienced solicitors to satisfy ourselves that we are paying an appropriate price and will have absolute title to the pub;
- our financial projections all tell us that the Society can be profitable. The anticipated returns over the duration of any external funding will exceed the anticipated outgoings;
- the Society will not be directly running the pub so that it will not directly suffer the consequences of trading losses from the pub business. The Society will own the property;
- if the pub cannot be made successful then the Society will review all of the options available which could include seeking to sell it for suitable development. The Society would only consider this if there is no prospect of running the pub viably. So long as the business can be run viably it is the intention of the Management Committee that the building should operate as a pub and wider community facility. If the Society is unable to find a tenant to run the pub, the Management Committee will consider the alternatives available and in the event of a decision to sell the land and buildings the relevant planning permission could be available, subject to the agreement of the Parish Council and the District Council. The likely value with planning permission would substantially outweigh the value as a pub.

A Risk That You See No Returns: Another possible, albeit unlikely, outcome is that there is no scope to pay interest on the investment for several years because of poor trading or unexpected outgoings. Therefore the Society would not have enough surplus funds to pay interest to members. We think this is a low risk based on our conservative financial plan and advice received on likely turnover of the pub and the tenancy lease fee.

A Risk That You May Not Be Able to Withdraw Your Shares: The Rules of the Society permit withdrawals only in certain circumstances, and then only after three years. Thereafter, if many people want to withdraw their money in a particular year, then not everyone will be able to withdraw their money in that year. In those circumstances, the repayments will be made in the order in which notice to withdraw was received. In addition, shares cannot be withdrawn at any time during which there is a default on the repayments to any loan provider under the terms of a mortgage.

A Risk of Financial Fraud: The risks here are considered to be very low. The Management Committee does not intend that the Society *per se* should trade as a pub, two signatories are required for bank transactions and the Society will take out appropriate insurance against inappropriate actions by any member of the Management Committee and the Company Secretary.

Data Protection

The Society adheres to the principles of the Data Protection Act and acknowledges the new obligations and liabilities for organisations in the handling and protection of personal data under the General Data Protection Regulation (GDPR). The Society will satisfy and document the applicable requirements of the GDPR by 25 May 2018 and publish these on the Society's website www.helionscommunitypub.co.uk. The Society acknowledges that as a data controller under the GDPR we have specific legal obligations in the handling, sharing and issue of personal data.

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The Society is exempt from registration with the Information Commissioner as a not-for-profit and small organisation. We will use and process personal data only for the legal requirements of the Society. We will keep your personal information secure and up to date and will only use it for the purposes for which it was gathered and not keep it longer than necessary.

Members' data will be used solely for the purpose of maintaining a register of members and potential members as required by the Rules of the Society, and for communication with members. We will not share any member's personal information (names, address, phone numbers, email addresses) with third parties unless required by law. We are required through the GDPR to obtain an affirmative confirmation from members and potential members for the use of their personal data for the purposes stated. For convenience your permission is sought through the application form attached to this share offer although this forms no part of the agreement to purchase shares.

Members' financial information, such as amounts invested and interest paid, will be treated as strictly confidential, and will not be shared even with the Management Committee except as necessary for managing the Society (e.g. when making decisions about whether withdrawal requests can be funded).

Investment FAQs

Why Should I Buy Community Shares? We need your investment to help save a valuable community asset, the Three Horseshoes. Without sufficient investment we will be unable to proceed with the purchase of the pub and operate it as a community venture.

What Will Happen if the Group Doesn't Raise Sufficient Finance through the Community Share Offer?

Depending on the size of the shortfall we would take out a commercial loan secured on the property. If the share offer reaches at least £330,000 no commercial loan will be required.

What Happens if the Purchase Doesn't Happen? All money received for shares will be returned promptly. We ask investors to provide their bank details on the application form.

Are Joint Applications Allowed? Yes, but you should note that only the first named investor on the application form will be a member of the Society with voting rights. If a couple would both like to be members, then each person should make a separate application.

Is it Possible for a Company To Purchase Shares? It is possible for a company or other incorporated entity to purchase shares but an association which is not incorporated is not permitted to invest. If an incorporated entity purchases shares voting rights would be delegated to one named individual

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Can I Invest on Behalf of My Children or Grandchildren? Yes, so long as you are a member in your own right and provided that the total amount invested does not exceed the maximum investment amount. You will only have one vote, as is the case for all members. The share can be transferred to nominated children or grandchildren when they reach 18 years of age. Please complete the relevant section on page 2 of the application form.

What Happens to My Shares if I Die? Your shares will form part of your inheritance and can be transferred under the terms of your will. There are three ways in which your community shares can be dealt with:

1. Surrender some of your shares to the Society, meaning they are cancelled and your investment will effectively become a donation.
2. Nomination: You can nominate a person aged 18 or over to whom you wish your shares to be transferred on your death. A nomination form is included in this Share Prospectus.
3. Withdraw some or all of your shares in line with the Society Rules: shares may be withdrawn by an authorised personal representative upon giving such notice as the Board requires.

It would also be possible to choose a combination of three options. In this share offer document we provide a form for investors to nominate a person who will inherit their shares in the event of their death. Please make sure you complete the relevant section on the application form in this Prospectus if this is your preference. A more detailed codicil form can be provided on request.

Can these Shares Qualify for Investment in an ISA or SIPP? We think it unlikely that ISA or SIPP holdings would be appropriate for this share offer. In the case of ISAs the shares would have to

be publicly listed on the Stock Exchange. In the case of a SIPP, individuals should check with their providers.

What Happens if the Share Offer is Undersubscribed? If the minimum target of £280,000 is not achieved the offer will close and all monies will be returned. We would then review the position and consider whether an alternative means of purchase could be identified. All funds received will be preserved intact within the Society's bank account prior to the issue of shares.

What if the Share Offer Target is Reached? If the funding target of £435,000 is reached we will close the share offer and will not accept any further applications.

When Will I Start to Receive Interest Payments? We will start paying interest as soon as the Society has sufficient surplus funds available and after we have met our other obligations, i.e. loan payments, other overheads and built up adequate cash reserves.

Can I Sell My Shares, For Example if I Move House? No. The Model Rules and legislation are very clear that shares cannot be traded or transferred (unless through death or bankruptcy). Shares can only be bought and sold through the Society so a direct transfer from one resident to another could not happen. The Society will maintain an open share offer so that if the member informs the Society that she/he has decided to relocate and wants to sell his/her shares to a nominated buyer this could be considered by the Management Committee. Such a 'back to back' sale would be at the discretion of the Management Committee. If there was a waiting list of others awaiting share membership then this would be taken into consideration with decisions made by the Management Committee on an equitable basis.

When Can I Withdraw My Shares? The Model Rules of the Society state that shares cannot be withdrawn for at least three years. This time period is to ensure the business has an initial period of financial stability. After three years you can request your money back with three months' notice. The Management Committee have the right to refuse or suspend withdrawal if there is insufficient liquidity in the business. Withdrawals are expected to be capped each year and will be treated on a first come, first served basis.

Can I Get Tax Relief on My Investment? The government's tax relief schemes such as EIS, SISR and SEIS exclude property rental as an eligible business activity, therefore investment in the Society will not be eligible for tax relief under these schemes. However, the Personal Savings Allowance introduced in April 2016 means that interest received is not taxable up to a certain threshold as determined by your tax rate.

APPLICATION PROCEDURE

You can apply for this share offer by completing the attached application form and returning it with a cheque or confirmation of a bank transfer (please also provide your bank details) for your investment to:

The Helions Bumpstead Community Benefit Society Limited
Sages End Cottage
Sages End Road
Helions Bumpstead
CB9 7AW

This application form is also available via our website.

- We will acknowledge receipt of your application and provide notice that funds will be drawn down from the Society's bank account and cheques cashed after the offer has closed.
- If the offer is unsuccessful cheques will be destroyed and confirmation of this will be made by email to you.
- We will promptly return all other payments for shares made by bank transfer, without interest.
- Multiple subscriptions may be made, providing that they do not result in any single member holding more than the maximum number of shares to the value of £100,000.
- Applicants may be requested to provide additional evidence of identity to comply with money laundering legislation.
- In the event of oversubscription, applications may be rejected in whole or part, and cheques destroyed and/or monies securely and promptly returned to the applicant without interest.
- Progress on the share offer will be published on the Society website www.helionscommunitypub.co.uk.

APPLICATION TO BUY SHARES IN THE HELIONS BUMPSTEAD COMMUNITY BENEFIT SOCIETY LTD (the Society)

PLEASE USE CAPITAL LETTERS

Name/Organisation: _____

*(For joint applications please provide both
name(s) and nominate the principle name
for the share certificate and member rights)*

Address: _____

Postcode: _____

Email: _____

Phone: _____

How many shares of £50 would you like to purchase?
(Minimum two shares – maximum 2000 shares) _____

Total amount of investment: _____

Agreement:

I am over 18 years old.

I have read the share offer document and understand and accept the terms and conditions included in the share offer and the Rules of the Society.

Signature of Applicant(s):

Name: _____

Date: _____

Method of Payment:

I have enclosed a cheque made payable to 'The Helions Bumpstead Community Benefit Society Ltd' for the total value of shares applied for; or

I have transferred the sum of money equal to the total value of shares by bank transfer to Metro Bank: **Sort Code** 23-05-80 **Account No.** 26281571
For the payment reference please use your initials and surname (e.g. A Russell)

Data Protection Requirements:

Please confirm by ticking this box that you agree to your name, address, phone number, email address and the number of shares purchased to be stored securely on a computer database. I understand that this will be used solely for the purpose of maintaining a register of members and potential members as required by the Rules of the Society and will not be passed to third parties without my permission except as required by law.

We would like to send you formal notices by email and refer you (by email) to documents posted on our website. Please confirm by ticking this box to the use of your email address as the primary means of receiving such notices and accessing documents through our website.

Please return this form as soon as possible and at the latest by 16 June 2018 to:

The Company Secretary, Helions Bumpstead Community Benefit Society Ltd, c/o Sages End Cottage, Sages End Road, Helions Bumpstead, CB9 7AW

Receipts will be issued by email wherever possible. Share certificates will be issued as soon as possible after the closing date of the share issue if the purchase of the Three Horseshoes can be completed.

HOLDING SHARES ON BEHALF OF CHILDREN & NOMINATION OF SHARES ON DEATH

PLEASE USE CAPITAL LETTERS

You can choose to:

- Hold shares on behalf of children (under the age of 18) and/or
- Nominate a person to whom you wish your shares to be transferred on your death.

Holding shares on behalf of children:

If you wish to hold shares on behalf of someone who is under 18, please fill in that person's details below:

First name(s) in full:
Last name:
Date of birth:
Address (if different from that supplied on the main application for shares form):
Postcode:

Nomination of shares on your death:

You can nominate a person (aged 18 or over) or organisation to whom you wish your shares to be transferred on your death. The Society will respect your wishes insofar as the law and our rules permit. If you are a joint shareholder your holding will pass to the other joint shareholder(s) on your death unless you complete the form below:

Personal details of your nominee
First name(s) in full:
Last name:
Address (if different from that supplied on the application for shares form):
Postcode:

I understand that it may not be possible for the Society to action this request and I and my heirs will not hold the Society responsible for its actions. I understand that these instructions can only be revoked or amended by my giving clear written instructions to the Company Secretary of the Society at its Registered Address.

Signed as a Deed:	Date:
Name in print:	
Signature of Witness:	
Name in print:	Date:

Please send your completed form to:

The Company Secretary, Helions Bumpstead Community Benefit Society Ltd, c/o Sages End Cottage, Sages End Road, Helions Bumpstead, CB9 7AW