

Dear Friends and Neighbours



COMMUNITY SHARE OFFER FOR THE THREE HORSESHOES, HELIONS BUMPSTEAD

You will have heard of 'More than a Pub' and 'Pub is the Hub'. We think after 4 years of ownership our pub is well and truly that – owned by the community, the commercial success of the tenants is apparent to all, and the pub restored to its rightful position at the heart of our village.

Since we purchased the property in 2019 and renovated it back into operation to ensure the eventual tenants could run a thriving business, the Three Horseshoes has been recognised in a national CAMRA award for local pubs saved by their communities.

None of this would have been possible without the faith and commitment of 167 residents and friends of the village who chose to back the project through the first community share offer in 2018.

The successful operation of the pub business is of course down to our wonderful tenants. Since Rob and Rhanny took over in December 2021 we now feature in the CAMRA good pub guide.

The Society now wish to build on this fantastic record of achievement and raise additional share capital. For this share offer our purpose is threefold: to maintain and improve the premises which are owned outright by the Society; to create opportunities for wider community engagement within the improved buildings (renovation of the old barn); and to refresh and replenish share capital.

In short, we are now providing a new opportunity for new and existing residents of the village, as well as nearby communities, to say you are “owners of the village pub”.

The application form and related instructions can be found at the end of the attached prospectus and on the website www.helionscommunitypub.co.uk

As ever, please address any questions to us at: helionspub@hotmail.com


We look forward to hearing from you!

Society Management Committee

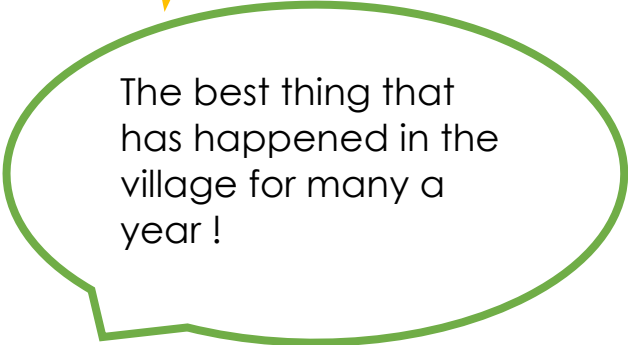
**Susie Dicker
Alison Meldrum (Co. Secretary)
Richard Russell (Chair)**

**Richard Hatch
Christine Parker
David West**


WHAT OUR CURRENT SHAREHOLDERS HAVE TO SAY!



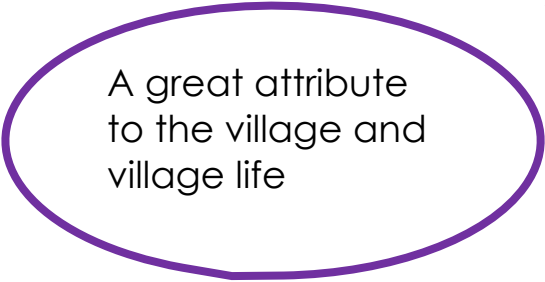
So great to see the village come back to LIFE !




The best thing that has happened in the village for many a year !




Definitely the pub is the hub of the village



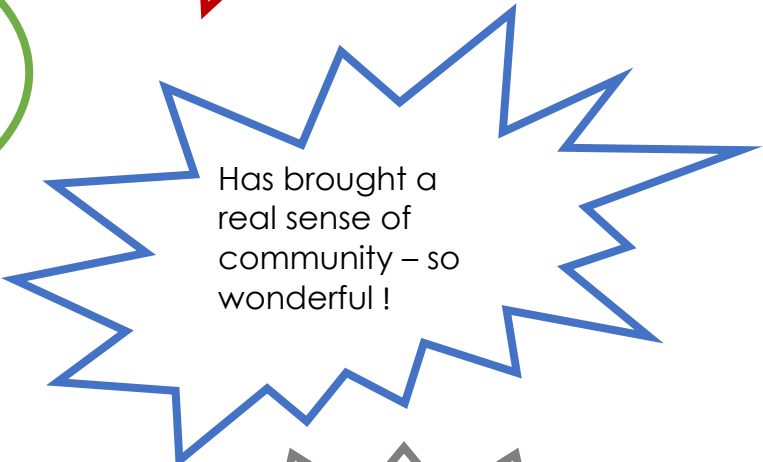
A great attribute to the village and village life




The heart of our village; Helions would be a much poorer place without our pub




We are proud to bring friends and family to our pub



Has brought a real sense of community – so wonderful !



The pub has ensured and helped towards Helions being a more friendly village



We have met many people and made lots of new friends

Helions Bumpstead Community Benefit Society Ltd

OPEN SHARE OFFER

(NOVEMBER 2023)

SUPPORTING FURTHER DEVELOPMENT OF

The Three Horseshoes Pub

For the Benefit of Helions Bumpstead &
Surrounding Communities



HELIONS BUMPSTEAD COMMUNITY BENEFIT SOCIETY LIMITED IS A COMMUNITY BENEFIT SOCIETY
REGISTERED WITH THE FINANCIAL CONDUCT AUTHORITY (REGISTRATION NUMBER 7533)

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This document is an invitation to subscribe for shares in the Helions Bumpstead Community Benefit Society Limited, which exists for the benefit of the community.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR CAREFUL ATTENTION

It should be read in its entirety. If you are in any doubt as to the action you should take, you should seek your own independent financial advice.

You should appreciate that any investment you make is an expression of your support for the work of the Helions Bumpstead Community Benefit Society Limited, and accordingly a subscription for shares should primarily be regarded as an investment for social purposes rather than one which will produce a significant financial return. You should be aware that as an investor you will not have access to the Financial Ombudsman Service (FOS) or the Financial Services Compensation Scheme (FSCS).

Nothing in this document constitutes investment, tax, legal or other advice by HBCBS, its directors or advisers.

Accuracy of information

HBCBS and its Management Committee accepts responsibility for the information contained in this document. We have taken all reasonable care to ensure that the information contained in this document is in accordance with the facts and there are no omissions likely to affect its substance.

1. PURPOSE OF THIS DOCUMENT

You are invited to buy shares in the Helions Bumpstead Community Benefit Society (the Society) to support our work to maintain and improve the **Three Horseshoes** pub in Helions Bumpstead. The Society was established to enable the people and friends of Helions Bumpstead to safeguard the future of our village pub, the Three Horseshoes.

The Society bought the freehold of the pub in 2019 following a community share offer which raised sufficient funds. After a period of renovation, the pub was leased to tenants in December 2021.

The Society is a not-for-profit Community Benefit Society using Model Rules developed by the Plunkett Foundation and registered with the Financial Conduct Authority (FCA).

You are invited to become a shareholder of the Society, which owns the pub premises. With this share offer the Society will build capital reserves so that we can make improvements to the premises for the benefit of customers and the community.

We aim to attract investment mainly from residents of Helions Bumpstead and the surrounding area but anyone with an interest in securing the future of the Three Horseshoes is welcome to invest.

This share offer has been designed to give you an opportunity to contribute financially on a long-term basis to this important business for the local community.



2. THE HISTORY OF THE THREE HORSESHOES AND THE COMMUNITY PURCHASE

The Three Horseshoes has its origins in the 19th century. Prior to becoming a pub the building comprised three labourers' cottages which were inhabited by workers at the adjacent blacksmith's forge. More recently it was a Greene King tied house which subsequently passed into private ownership.

The pub was closed in May 2014 and the owners applied for a certificate of lawful development to convert the premises to a licensed tea room with tied accommodation. By this stage the Parish

Council had secured ACV (Asset of Community Value) status for the pub. A privately funded legal challenge to the application was successful and the application was rejected by Braintree Council in January 2015. This decision was subsequently upheld on appeal by the Secretary of State.

An informal steering group was established, and the owners were approached in the summer of 2016 to raise the possibility of a community purchase. The Helions Bumpstead Community Benefit Society Limited was formed at this time. The community acquired the freehold in March 2019, having raised £287,000 through a community share offer. This was supplemented by support from the Plunkett Foundation of a further £100,000, half of which was a grant, the other half a short-term loan. The purchase price was £310,000.

3. RETURNS ON THE INITIAL INVESTMENT

3.1 RESTORATION AND REFURBISHMENT (AND COVID-19)

Thanks to significant volunteering, community grants and voluntary specialist input from local professionals (plumber, builder, electrician and decorator) the refurbishment was accomplished without the need for additional commercial loans. Works included:

- A new kitchen was installed including modern extraction and safety flooring
- A new central heating boiler and oil tank installed
- Pub furniture and soft furnishings purchased
- New flooring throughout the public bars and restaurant areas
- Refurbishment of the cellar and cellar refitting
- All public areas downstairs redecorated
- Clearance of garden to make safe the grounds for public use
- Providing a covered eating area with disabled access to part of it
- Installing facilities for the safe storage of bicycles whilst cyclists are at the pub
- Renovating one of the external buildings with heating and seating to create a meeting place for local interest groups.



The search for a tenant commenced in summer 2019 but was suspended due to Covid-19 in early 2020. Through the period of the pandemic the pub operated as a community shop, selling and delivering essential supplies to village residents, many of whom were shielding and unable to visit supermarkets. As lockdown eased it became possible for the pub to open on Friday evenings, staffed by volunteers and in accordance with Covid-19 guidance. This brought much-needed revenue to the Society. The outside areas were significantly enhanced thanks to Covid-19 recovery grants.

3.2 THE FIRST TENANCY

As confidence started to return in the hospitality sector we resumed our search for tenants in mid 2021. We were delighted to receive an approach from Rob and Rhanny Carroll, who had been identified at an early stage in the project as our preferred candidates. Terms were agreed and the tenancy began in December 2021.

Rent is fixed at a low level for the duration of the tenancy. The Society remains in occupancy of two outside buildings which have been retained for community use and in time for further use by the pub business. The first of these units, 'the Hut', now has a wood burning stove installed and this space has become a focus for community small group activity alongside the pub.

The success of the community project was recognised in December 2022 when the Three Horseshoes was awarded a national CAMRA community pub-saving award.



Further endorsement can be found in the most recent editions of the Good Beer Guide.

Consensus is widespread within the village and surrounding area that the Three Horseshoes is now operated by excellent tenants. Both restaurant and bar areas are busy during opening hours and the tenants are making a good living.

The Society has a wider 'More than a Pub' programme of community based activities, including art, music, craft and book groups as well as village walks and a regular pub quiz.

4. THIS SHARE OFFER – HOW WE WILL USE NEW SHARE CAPITAL

We now welcome new and existing shareholders to help fund new projects and to rebuild our capital reserves, which are essential to fund ongoing maintenance and improvement works on the pub estate. This will allow us to continue looking after and improving the Three Horseshoes and developing the 'More than a Pub' ethos. Our objectives are as follows:

- I. Provide an opportunity to be part of our successful Community Benefit Society
- II. Increase the number of Members in the Society – involving more people directly in the activities of the Society
- III. Reconstruction of the derelict barn alongside the main pub building. Once refurbished, it is hoped that this simple timber construction will become a repository for local history, providing continuity with the past (authentic voices, stories and artefacts), as well as an additional function space for the pub business. A local

architect will be providing design work to the project free of charge. Building estimates are in the range of £40,000 to £50,000. This community scheme will also be eligible for contributions from national grant-makers.

- IV. Other development, essential maintenance and enhancement of the outdoor areas of the premises
- V. Maintain/increase share capital of the Society so that existing shareholders can withdraw some of their shares in case of need, as permitted by the Rules.

These and other improvements would not only enhance the attractiveness of the pub but would also help protect the community's investment – not only because these are aged buildings needing ongoing maintenance but also to ensure the pub is protected under community ownership in the long term.

NOTE: The Society generates most of its income by receiving rent from the tenants of the Three Horseshoes. The rent is pitched at a low level, by industry standards, to enable the tenants to make a good living, generating only a marginal surplus for the Society. It would not be possible for us to fund the activities proposed above without the additional capital investment which we are seeking through this share offer.

5. WHAT IS A COMMUNITY SHARE OFFER?

A community share offer provides an opportunity for local people and businesses to invest in their local community, where the motivation and payback is more social than financial. It helps to ensure a truly local enterprise, accountable to the community whilst serving and benefiting it.



An **open share offer** is one that is not time-bound nor with a maximum target. Our intention is that the offer will remain open for the foreseeable future. However, the Management Committee reserves the right to suspend this offer at any time.

HBCBS already has 165 Members, which is a tremendous vote of confidence in the Society, but we're conscious that since the original share offer in 2019 many people have moved into our area and, having witnessed the benefit of community endeavour, may welcome the opportunity to become shareholders/members. This latest and open share offer is intended to facilitate this.

6. WHAT IS IN IT FOR ME?



The Society is not just about a pub – it's about preserving the history of Helions Bumpstead and the surrounding area and investing in its future. We want to ensure the Three Horseshoes continues to be run for the good of the community, now and for future generations. The primary return on your investment will therefore be the continued existence of a convivial, welcoming village pub and a warm feeling that you've helped make this happen!

The shares you buy will make you a Member of the Society, with an equal vote regardless of the amount or type of your shareholding. As a Member you can participate as much (or as little) as you like in our work. You can attend and vote at Annual Members' Meetings, stand for election to the Management Committee, volunteer your skills – or just give the Three Horseshoes your custom (but of course you don't need to be a Member to do that!).

Our Rules permit us to pay modest amounts of interest to Members, depending on the level of our reserves. As at the issue date of this share offer we have yet to start paying interest and we forecast this will not be possible until at least the end of 2026 when our financial commitment to Cooperative Finance is complete (see finance sections).

7. HOW DO I BUY SHARES?

You need to be 18 years old or over in order to invest. **Each share costs £50**, and for this open share offer there is a minimum investment of **£100**.

There will be two classes of shares:

'A' Shares: Interest bearing shares that are withdrawable. These shares are for investors who would like to earn interest on their investment in due course, and to retain the option of withdrawing their investment at some future time.

'B' Shares: Non-interest bearing shares that are not withdrawable. These shares are for investors who are happy not to be able to withdraw them; nor are they concerned about earning interest on their shares. Purchase of 'B' Shares can be thought of as a donation.

The maximum investment in 'A' Shares by any one individual is £20,000 (i.e. 400 shares). There is no such limit on the number of 'B' Shares.

Existing shareholders are of course welcome to apply for further shares, but please note that we will not accept any applications that take your total shareholding of the original share offer plus 'A' Shares to above **£40,000**.

In the unlikely event that HBCBS has to be wound up and the pub sold, both 'A' and 'B' shareholders would receive the face value of their investment, assuming sufficient assets remain after all debts are settled.

If you would like to buy shares, please complete and sign the application form attached to this share offer, scan it and send as an email attachment to helionspub@hotmail.com

Alternatively send it to: The Secretary, Helions Bumpstead Community Benefit Society Ltd, c/o Sages End Cottages, Sages End Road, Helions Bumpstead, CB9 7AW.

Please make an online payment for the full amount into HBCBS Metro account (sort code 23-05-80 account no. 26281571) with your name as reference. Alternatively, you can include a cheque for the full amount with your application form.

All applications are subject to formal approval by the Society at its sole discretion. In the unlikely event that an application is rejected your payment will be returned.

Please note that if you are buying shares as a couple, only the first named applicant will be a Member with voting rights. You may therefore wish to make separate applications in each name so that you will both become voting Members.

8. WHAT GUARANTEES DO I HAVE WHEN BUYING SHARES?

Buying shares should be regarded as a long-term investment for the benefit of the community. These shares cannot go up in value. Therefore, shares can only be withdrawn at their face value. The Management Committee decides each year whether the Society will be able to pay interest to shareholders and/or allow shares to be withdrawn. Our overriding consideration when making this decision is the current and future financial security of HBCBS.

Asset lock

The Rules of the Society provide for a *statutory asset lock* which cannot be removed or overridden, and which ensures that the Society can use or deal with its assets exclusively for the benefit of the community. The only payments which can be made to Members are the value of withdrawable share capital or interest payable on withdrawable share capital. This means that the value of the Society's assets, most importantly the freehold of the Three Horseshoes, is secured for community benefit. The assets of the Society can never be used for individual gain.

In the unlikely event of having to wind up the Society, should the value of our assets exceed the value of the share capital, Members will still receive only the value of their original investment. By law any excess value has to be transferred to another community organisation with broadly similar community benefit aims.

9. WHAT ARE THE RISKS?

Buying any type of shares involves risk. Community shares cannot go up in value, but they can go down if the Society is making losses. As a shareholder you could therefore lose some or all of the money you invest, although in our view this is very unlikely. You should only take these risks with money you can afford to lose.

Although it is not possible to foresee all possible adverse outcomes for investors there are a number which it is reasonable for the Management Committee to guard against:

Loss of some or all of your investment

As a Member of HBCBS you will be a part-owner of the Society. If the Society is unable to meet its debts and other liabilities you could, in principle, lose some or all of your investment held in shares. We think this is a very unlikely outcome because:

- We have good legal title for the Three Horseshoes
- We have been diligent and proactive in our maintenance of the property, and the property is fully insured
- Our business model of leasing the pub to experienced operators is proven in the community pub sector and, if necessary, we are able to draw on good advice from, for example, the Plunkett Foundation
- To date we have been financially solvent and we are not aware of reasons why this will not continue to be the case
- The Society is responsible for the property, not the pub business itself (which is solely the tenants' responsibility)
- In the last resort, if the property had to be sold for residential use, its likely market value would considerably exceed its value as a pub.

Not be able to withdraw shares

Although the Rules permit withdrawal of shares, this is dependent on our financial performance, and is at the sole discretion of the Management Committee. If a large number of Members wanted to withdraw their shares in a particular year, it is unlikely that there would be sufficient funds available to satisfy all requests.

No financial returns

It is possible that the Society may not have enough surplus funds to pay interest to Members.

Financial fraud

We believe the risk of financial fraud is low:

- The Society will not itself be trading as a pub
- The Committee collectively reviews income and expenditure at each meeting
- We have a 'Director & Officer' insurance policy in place to protect the Society

Investment guarantees

Our share offer is exempt from the *Financial Services and Markets Act 2000* and subsidiary regulations. This means that there is no right of complaint to an ombudsman. Community Benefit Societies are registered with, but not authorised by, the FCA and therefore any money paid for shares is not safeguarded by any depositor protection scheme or dispute resolution scheme. As the whole of your investment could carry a risk, however unlikely, please consider it carefully and if you feel it necessary seek independent financial advice.

Limited liability

The Society is a limited liability entity. The most you can lose is your initial investment (though we believe that this is very unlikely). You will not be liable for the activities of our tenant, financial or otherwise.

Can I sell my shares?

Shares cannot be sold or transferred to another person, although you may nominate someone to inherit your shares in the event of your death. Shares can, however, be withdrawn (i.e. sold

back to HBCBS) for their face value, subject to our Rules (meaning shares can only be withdrawn if the Society has sufficient financial surplus, made in order of application).

10. HBCBS – THE FINANCIALS

The Society acquired the pub land and buildings from the previous owner, Mrs Ann Jennings, for £310,000 in March 2019.

Our primary source of income is the rent paid by our tenants which is set at an affordable level and that provides HBCBS with a sufficient return to address debts and unavoidable costs. Over the years we have also received a number of grants for specific purposes, for example, the accessible path to the garden, the garden furniture and awning and the kitchen infrastructure.

Our expenditure, other than on the major capital projects, relates to ongoing property maintenance and improvements, and the administrative costs of running the Society (loan repayments, professional fees and insurances).

Financial Year ending 30 April:	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Status of Society:	Society Incorporation	Pub purchase 15 March 2019	Pub purchase & refurbishment	Pub purchase & refurbishment	Pub tenancy from Dec 21	Pub tenancy
Income (includes any pub trading prior to tenancy, rental income, interest, grants as deferred income)	£3,117	£5,271	£38,034	£52,808	£29,886	£34,678
Expenditure	£3,117	£7,971	£45,242	£44,767	£18,947	£17,349
Accounting Profit/(Loss) before taxation	-	-£2,700	-£7,208	£8,041	£10,939	£17,329
Balance Sheet (share capital and reserves)		£281,792	£276,584	£274,825	£282,893	£291,560
Total Long Term Debt at the end of financial year						£31,154

Source: HBCBS Ltd approved Annual Accounts <https://mutuals.fca.org.uk/Search/Society.17941>

Since the end of Financial Year 2023, a shareholder has resigned their membership, converting their shares into a loan to the value of £81,000. This will appear in the accounts for FY24 (ending 30 April 2024).

The Covid-19 pandemic impacted our ability to attract and appoint a good tenant and we reduced our rent levels to attract good tenants. During Covid we were obliged to suspend capital payments on our commercial loan of £50,000 to Cooperative Finance.

Notes:

- a) These figures relate solely to HBCBS's activities, and do not include our tenants' trading activity which commenced in December 2021. The Society is a not-for-profit Society and our role is to ensure that the pub continues to thrive and survive, that we have the best possible tenants and the building fabric is fit for purpose.
- b) The modest profit in 2021–22 related to the 'sale of fixtures and fittings' to the tenant in accordance with standard pub trade practice. These will be sold back to the landlord at the end of any tenancy minus depreciation and dilapidation.
- c) As at the end of FY 2022–23 (30 April 2023) the value of our balance sheet (share capital plus reserves) stood at £291,560, including share capital of £266,792 and 166 Members.
- d) As at the issue date of this share offer, we have not made any interest payments to our Members.
- e) The Society **has a social loan with Cooperative Finance** for an original value of £50,000. This was tied to grant funding of £50,000 required to support the purchase of the premises. The balance of the loan (which at the date of this share offer is £35,170.16) will be paid in full

by January 2027.

- f) **Since the end of April 2023**, a major shareholder has chosen to request the return of their shareholding by resigning from the Society and converting the shareholding into a debt on the Society. This will be repaid over time by instalments as and when it is prudent for the Society to make such repayment. The outstanding amount of the share to loan conversion is currently £81,000.
- g) This change in position and one further share withdrawal at the date of this share offer leaves the Society share capital at **£183,292 and 165 Members**.
- h) Our target range from this open share offer to address the main objectives, i.e. to restore share capital and address the rebuilding of the barn is up to **£83,500**.

Copies of our annual accounts and reports to the Annual Members' Meeting are reported to the FCA and found on their public registers (not on Companies House): <https://mutuals.fca.org.uk/Search/Society/17941>

11. TERMS AND CONDITIONS

Please read the following terms and conditions carefully.

- a) **The purpose of this open offer** is to build up funds to maintain and improve the Three Horseshoes, and to replace share capital to allow those who have already invested money with us to withdraw their share capital if they need to do so, subject to the Rules of the Society.
- b) This share offer runs from November 2023 until such time as the Management Committee at its sole discretion decides to close it.
- c) The minimum shareholding is two shares, and each share has a nominal value of £50. This means that the minimum permitted investment is £100. The legally permitted maximum investment in a Community Benefit Society is £100,000; however, **for this offer the maximum investment is £20,000 per person**. Please note that we will not accept applications from existing Members if that would result in their total shareholding exceeding £40,000.
 - i. All shares must be paid for in full on application.
 - ii. All investors will be Members of the Society and entitled to vote on matters affecting the Society.
 - iii. Joint applications for shares will be accepted, but please note that only the first named investor on the application form will be a Member with voting rights.
 - iv. Each voting Member will have one vote regardless of the number of shares they hold.
 - v. All Members must be aged 18 or over.
 - vi. You may invest on behalf of children. In this case the shares can be transferred to them to hold in their own right once they have reached their eighteenth birthday.
 - vii. The Management Committee reserves the right to refuse applications at its absolute discretion.
 - viii. Shares are not transferable except on death or bankruptcy and they cannot be sold, only withdrawn.
 - ix. 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 applying to the Society for withdrawal.
 - x. Share withdrawals can only 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.

- xi. The value of each share cannot increase above its nominal value of £50. You should be aware that the value of shares may be reduced if the value of the Society's assets falls substantially.
- xii. As an investor your liability is restricted to the value of your shares. In the very unlikely event that the business fails you would have no further liability.
- xiii. The Society hopes to be able to pay interest on 'A' Shares in due course, subject to the financial performance of the Society justifying such payments, at the sole discretion of the Management Committee. Interest payments will not exceed 2% above the Bank of England base rate or 5%, whichever is the lower.
- xiv. Interest, if paid, will be paid gross and is taxable. It will be your responsibility to declare these earnings to HMRC.
- xv. The Helions Bumpstead Community Benefit Society Limited is registered with the 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 FOS and nor can investors apply to the FSCS.
- xvi. This offer has been prepared by Helions Bumpstead Community Benefit Society Limited, and authorised by the Management Committee at its meeting held 19 November 2023. Due care has been taken to ensure that all information and opinions contained within it are fair and accurate at the time of issuing the share offer.

YOU SHOULD THEREFORE VIEW THIS AS A LONG-TERM INVESTMENT AND REVIEW YOUR FINANCES ACCORDINGLY

**The Management Committee
19 November 2023**

END