

FISHERS ARMS HORNCLIFFE

Community Pub Buyout

The Fishers Arms

COMMUNITY BENEFIT SOCIETY AND A COMMUNITY
SHARE ISSUE





Introduction

1. What is a Community Benefit Society (CBS)?
2. Why a CBS?
3. What is the nature of the Shares in a CBS?
4. How does a Community Share issue work?
5. What rights and obligations attach to Shares?
6. The Fishers issue
7. What are the next steps?



What is a Community Benefit Society?

A type of company or society governed by its rules.

Reflecting a commitment to conduct the business of the society for the benefit of the community.

Registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014.

The registration requirements typically require:-

- The business to be run primarily for the benefit of people who are not members of the society and in the interests of the community at large.
- Where a CBS issues more than nominal share capital or where members make loans to the society, or both, any interest paid must not be more than a reasonable rate necessary to obtain and retain enough capital to run the business.
- The society's rules must not allow either profits or the society's assets to be distributed to the members.
- The society's rules must not allow its assets to be distributed to its members on dissolution. The rules must state that on dissolution the assets should be transferred, for example, to some other body with similar objects.

Run by its board (management committee) elected by members.



Why a CBS?

Made for the purpose of community activity.

Limited liability.

Two tier structure – members and management committee.

The offer of non-transferable, withdrawable shares in a CBS is not a regulated share issue for the purposes of the Financial Services and Markets Act 2000.

... so we propose a CBS called *The Fisher Arms Horncliffe Community Pub Limited*.



Shares in a CBS

One vote per member – not per share.

Do not regard as a typical financial investment:-

- ▶ Do not share in profits. Interest subject to free cash – we are suggesting 2% per annum above Bank of England Base Rate.
- ▶ Do not share in capital growth. The most you get back is what you invested.
- ▶ Withdrawable – subject to free cash after three years.
- ▶ Not transferable except on death or bankruptcy.

An investment in the community.

Can be held by individuals, companies and groups of individuals (family/neighbours syndicate).

A community share issue

Issue of shares in the CBS to raise the capital necessary to buy, repair and run the pub.

Not regulated by FSMA as an issue of non-transferable withdrawable shares.

Offer made in a Prospectus/Information Memorandum which sets out:-

- Invitation to acquire shares
- Details of the society
- Details of the shares
- Something of the plan for the business
- How to apply

This information memorandum (the Memorandum or the Prospectus) is issued by The Fishers Arms Community Pub Company Limited (the Society). The distribution of this Memorandum is exempt from the general restriction contained in section 21 of the Financial Services and Markets Act 2000 (FSMA) on the communication of invitations or inducements to engage in investment activity (or, where relevant, is exempt from the scheme restriction contained in section 238 of FSMA) on the grounds that it is only being distributed in connection with the issue of non transferrable withdrawable shares in the Society which is a community benefit society.

Due care has been taken in the preparation of this Memorandum and the information contained within it is considered to be in accordance with the facts to the best of the knowledge of the Management Committee.

INFORMATION MEMORANDUM

relating to the issue of shares in

THE FISHERS ARMS COMMUNITY PUB COMPANY LIMITED

registered under Co-operative and Community Benefit Societies Act 2014 as a Community Benefit Society:

Registration number: •

Offer of between 500 and 100,000 shares of £1.00 per applicant

23rd May to 7th July 2022

(Subject to extension to 31st October 2022)

Target of between £250,000 and £300,000

Rights and obligations attaching to community shares

Rights

- One vote per share at general meetings of the society including right to vote on election of management committee
- Interest when we can afford it – 2% over Bank of England Base.
- Withdrawal of capital, after three years if the CBS has free cash.
- No right to transfer except on death and bankruptcy.

Obligations

- Limited liability entity – only your capital is at risk.
- Pub is freehold – there is a saleable asset. May or may not raise more than the number of shares.



The Fishers Issue



- ▶ Time limited offer of shares
- ▶ Initial offer period – 23 May to 7 July 2022
- ▶ Extended term – 31 October 2022
- ▶ Minimum aggregate level of investment – £250,000
- ▶ Individual minimum – £500
- ▶ Individual maximum – £100,000
- ▶ Possibility of EIS relief – income tax and CGT reliefs

Next steps

- Register with Plunkett – access to their Rules and assistance with registration with the FCA.
- Form the CBS.
- Make the share offer – issue the Prospectus and invite applications.
- Receive applications – held pending receipt of £250,000.
- Buy the pub...
- and drink.



The Fishers Arms Community Pub Company Limited

Application Form

Groups and individuals

Full Name(s)	
Address	
Phone No	
Email	
If a group name of representative	

Companies

Company Name	
Registered number	
Registered office	
Phone No	
Email	
Name of representative	

I/we wish to apply for 1shares in The Fishers Community Pub Company Limited (the **Society**) at a price £1.00 per share. I enclose my payment of £ 2. I request you to allot and issue the Shares to me and agree to accept the same and to become a member of the Society and to be subject to the rules of the Society.

By buying these shares, I agree to all the information disclosed here being held on a computer database in compliance with UK General Data Protection Regulations (**GDPR**). I understand that this information will be used by the Society only and will not be passed to third parties.

Signed

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Dated.....

Notes:-

Applications may be rejected in whole, or in part, or be scaled down.
Applications that are incomplete or inaccurate may be accepted as if complete and accurate.
The outcome of the Offer will be notified to all applicants.
Applicants may be requested to provide additional evidence of identity in order to comply with Money Laundering requirements.

1 Please complete number of shares - between 500 and 100,000

2 Please complete aggregate price

“A good local pub has much in common with a church, except that a pub is warmer, and there's more conversation.”



William Blake