



This document explains how you can financially support our campaign to re-open The Five Bells in Nether Wallop as a community pub.

The Five Bells Inn has been at the heart of the Nether Wallop community since 1721 but that heart has been silent since it closed more than 10 years ago. Our community now has an opportunity to buy, refurbish, and open The Five Bells as both a pub, and a hub that serves the whole community.

Since January a core group of dedicated residents have been working hard to pull together a robust, deliverable, and financially viable plan. You can learn more about our campaign and plans from our website fivebells.org.uk

Acquiring The Five Bells

Our intention is the property will be purchased with funds largely raised through community investment. Once purchased, the property will be renovated mainly using grants and possible further community investment or loans.

Our estimate is that the total project cost will be £1m and we have set a target to raise £500,000 through community investment and £500,000 from grants.

Your Pledge

We now need to know if we can meet this community investment target. To this end, we are asking you to complete the enclosed Pledge form to indicate the amount you will be willing to invest.

We understand your circumstances may change, and this could impact how much you are able or wish to invest. Please be reassured that, when making your pledge, you are NOT committing to handing over any money now or in the future. Your pledge places you under NO obligation or legal commitment to pay anything.

However, we will be relying on your pledge for our plans and will assume you continue to be willing to invest this amount unless you inform us otherwise.

To help inform your decision to pledge, this document sets out some basic information on how your investment in the pub will be structured.

Before we ask you to invest, we shall provide you with a comprehensive “share offer” document containing all the information you need to inform your investment decision.

Who will purchase the pub?

The pub will be purchased, renovated, and operated by a legal entity known as a community benefit society (CBS). A CBS is incorporated under the Co-operative and Community Benefit Society Act 2014 and regulated by the Financial Conduct Authority (FCA). CBSs are commonly adopted by organisations that wish to operate on a not-for-profit basis for the benefit of the community.

An application has been submitted to register a CBS with the name “The Five Bells Community Society Limited” (the Society). It is anticipated that the FCA will confirm the Society’s registration in March 2024.

Key features of the Society

On registration, the Society’s constitution will be a set of “rules”. The Society will adopt model rules developed by the Plunkett Foundation. These model rules are commonly adopted by community pub enterprises such as ours. The rules set out how the Society is owned, organised, and governed.

Shares and membership

Membership is the means by which the Society is owned by the community.

To become a member of the Society you must be over 18 and purchase at least one share. The Society’s shares have a nominal value of £1 each. A member can purchase a maximum of 100,000 shares.

The Society’s shares will be withdrawable (i.e. members may request that they relinquish their shares) and non-transferable (i.e. you cannot transfer a share to another person other than in limited circumstances such as death or bankruptcy).

We will be encouraging as many people as possible from the community to become members of the Society. Membership is open to those who wish to support the objective of the Society, irrespective of whether they can invest £1 or £100,000.

Liability of members is limited to the nominal value of the shares. Accordingly, you will not be placing anything other than your investment at risk by purchasing shares.

Member’s rights

Members are entitled to receive information about the Society and its business. Members have a voice in the Society’s affairs by

- i. attending, speaking, and submitting matters to be considered at members’ meetings
- ii. proposing resolutions and voting at members’ meetings
- iii. electing representatives to the Management Committee
- iv. standing for election as a Management Committee member

Each member has ONE vote. This means that every member has the same voting power irrespective of the number of shares they own. This is a fundamental principle of the Society and ensures the democratic principles of the Society are retained.

Withdrawal of shares

A member may apply to withdraw their share(s) without penalty. The Society will adopt a share withdrawal policy which will set out the principles and process of how an application to withdraw shares is managed. This policy will be shared with you. A withdrawal can only be funded from the Society's trading profits. Approval of an application for withdrawal is at the absolute discretion of the Management Committee having regard to long term interest of the Society, the need to maintain prudent reserves and the Society's commitment to benefiting the community. The Management Committee could decide it necessary to reject the withdrawal of all or some of your shares.

On withdrawing your shares there may be deductions to the nominal £1 value of your share. Accordingly, there is a risk that you may receive less than you originally invested.

Management Committee members

The Management Committee is equivalent to a company's board of directors, and it is responsible for the management and oversight of the Society.

The Society's rules require that there be a minimum of three and a maximum of ten Committee members. Committee members will be appointed by the members at the AGM for a maximum 3-year term. After 3 years, the Committee member will either be reappointed for a further term or shall step down. Committee members will not be paid.

Asset lock

Embedded into the Society's rules is a requirement that its assets are used for the benefit of the community. On dissolution of the Society its assets will distributed to other community organisations that support the purposes of the Society.

Fundraising

The Society intends to raise funds through the issue of shares, grants, donations and loans.

We propose to fund the purchase of the property with investment from the community via the issue of shares. For example, in return for a £10 investment you will receive ten £1 shares, for a £100,000 investment you will receive one-hundred thousand £1 shares, etc.

Before you make your investment by purchasing shares in the Society, we shall provide you with a comprehensive "share offer" document containing all the information you need to inform your investment decision, and you will be invited to attend one of a series of meetings in which we shall present the business plan and allow you to ask any questions.

Return on your investment

The Society may (but is under no obligation to) pay interest to members on their share investment. Such payments can only be made from the Society's trading profits and is at the absolute discretion of the Management Committee having regard to long term interest of the Society, the need to maintain prudent reserves and the Society's commitment to benefiting the community.

The decision to pay interest must be approved by members at the AGM. The agreed rate of interest shall not exceed the greater of 5% or 2% above the base rate of the Bank of England.

We currently anticipate that no interest will be payable for at least the first three years the pub is trading, but this approach will be reviewed at each AGM.

Risk Factors

Members may not be able to withdraw their shares at the time of their choosing. Members may not get back the full value of their investment on the withdrawal of their shares. The payment of interest on your investment is discretionary.

On the solvent winding-up of the Society, members will have no financial entitlement beyond the payment of outstanding interest and repayment of paid-up shares. On an insolvent winding-up of the Society, members' investment may be at risk.

Regulation of investment

This type of community investment is not regulated by the FCA.

Tax relief

Individuals will need to obtain their own tax advice in relation to the potential tax reliefs arising from investing in a community enterprise.