



THE RAILWAY INN COMMUNITY PUB LIMITED

PLEDGES AND SHARES FAQs

We need to raise a significant amount of money to purchase, renovate and reopen the pub. It can be done! Many other community pubs have succeeded.

How much do we need to raise?

We estimate that we need to raise a minimum of £275,000 mainly from the issue of community shares. A crowdfunding campaign will run alongside the share offer for those who wish to contribute but do not want to buy shares. Sources of grant funding will be explored and applied for if they become available.

What is a Community Benefit Society (CBS)?

We have established the Railway Inn Community Pub Limited as a CBS. A CBS is a legal entity, monitored by the Financial Conduct Authority which, amongst other things, allows a group to issue community shares. It operates on a democratic, one-member-one-vote system, and membership is obtained by purchasing shares. A CBS must reinvest surplus profits into the business or the community.

What are community shares?

Community shares are a form of social investment that gives members ownership and a say in running the pub. Members have voting rights, can put themselves forward for the committee, and help shape key decisions. Community shares in societies are governed by societal law and are wholly different from share capital in companies which are governed by company law.

Who runs the Railway Inn Community Pub Ltd?

The Railway Inn CPL is currently run by a Steering Group of volunteers. We are supported by The Plunkett Foundation. If successful and we are able to purchase the pub, we will hold the first Annual General Meeting and the current committee must stand down and the members will appoint a new Management Committee who will manage the project (current committee members can stand for re-election). Anyone who purchases shares (regardless of the number of shares) will have a vote.

How does it work?

Shares are £1.00 with a minimum purchase of 250. This means that if 1100 people buy 250 shares or 55 people buy 5000 shares, we have reached our target. You pledge the amount of community shares you would be willing to buy once the share offer is launched. Pledging is a non-binding commitment, and we are not asking you to invest any money at this stage. Consider it your promise, a demonstration of support for the project. The Pledge campaign closes on 28th February, so forms need to be in by this date. When we launch the share offer, you will be given a copy of our share offer prospectus, which will contain our business plan and have all the information you need to make an informed choice. You will then have the option to convert your pledge into community shares. However, we do ask that you are realistic about making a pledge, as it is important that enough pledges are converted to shares to be able to make an offer for the pub.

What rights do I have as a member?

Community Benefit Societies are owned and controlled by their members on a principle of 'one member one vote'. That means regardless of how much you invest, you will have an equal say to other members. You'll be able to stand for and vote in the election of the management committee and be able to vote on any resolutions at members meetings.

How much can I pledge?

You can pledge the amount you believe you can support once the share offer is released. The minimum share purchase is set at £250 and the maximum £100,000. There is no obligation to invest if circumstances change, but we ask that pledges be made in good faith.

Will I receive any interest/income?

Community shares are primarily for social investment rather than financial gain. However, if the business performs well, at the discretion of the Board, we may be able to offer modest interest payments. Many community pubs offer interest payments after the third year after trading begins but there is no guarantee of this.

Will my share value increase?

No. Shares in the Society can never be worth more than their face value.

Can I pledge to buy shares for a group or family?

Yes. Community shares can be purchased as a group, for example a family, and can be held in more than one name. In the case of a group, the group or family members would elect a named representative to attend meetings with one vote. Minors cannot be voting members until the age of 18.

Will I be able to sell my shares?

No. Shares in the Society cannot be sold or transferred. The only way you can recover their value is to apply to the Society to withdraw the value of the shares you own.

If I buy shares, will I be able to get the money back?

It is expected that withdrawals will not be possible for a period of 3 years and after that at the discretion of the Management Committee depending on whether or not sufficient funds are available in the business to be able to buy back your shares. Investors should take their own advice on risk.

What would happen to my shares if I die?

Community shares can be passed on to a nominated beneficiary or next of kin. To do this, you will need to complete a nomination form when you invest, specifying who should inherit your shares. If no beneficiary is nominated, we will follow the rules on handling deceased members' shares.

Can I get tax relief?

We will be applying for Advance Assurance to HMRC for our proposals to qualify for tax relief on the purchase of shares. We hope to receive Advance Assurance that the venture is eligible for the Seed Enterprise Investment Scheme (SEIS) and the Enterprise Investment Scheme (EIS). All investors may be able to claim 30% against their Income Tax bill with the EIS scheme. Those investors who buy 10,000 shares or more can benefit from SEIS, which allows them to claim 50% relief against their Income Tax. However, the SEIS scheme has a total investment limit of £250,000 so we will allocate this tax relief benefit on a 'first come first served' basis. If the venture were to fail, then you could also claim additional loss relief on your investment.

What is the difference between donating and investing in community shares?

A donation is a gift to support the project with no expectation of financial return. Community shares would give you part-ownership of the Railway Inn and may provide modest interest payments when the business performs well and in line with our rules.

Who will have access to my data?

Only designated members of the committee will administer your pledge form, and it will be treated with the strictest confidentiality. Data will not be sold, nor will it be shared without your permission, unless required to do so by law. We will only be making public the total amount of funding pledged, nothing else.

Please contact us through the website contact@railwayinn.org if you would like any more information or to talk to us about your pledge.

What happens if you do not reach your pledge target?

Pledges are crucial to the future of the campaign. If we do not reach our pledge target, we will review our plans and explore other alternatives, but ultimately, we may have to halt the project if not enough people pledge to buy shares.

What happens if you do purchase the pub, but it then fails?

In the unlikely event that the Society fails, all the business assets including the freehold of the building and land, would be sold and the proceeds of the sale (after paying any creditors) divided between the shareholders up to the value of their shares. Your liability as a member is limited to the value of your shares. You might receive the full value of your shares back or you might lose part or all of your investment.

How can I pledge?

Completed pledge forms can be returned to:

- The Railway Inn Community Benefit Society Ltd
8 Prince Albert Terrace
Norton Bridge
Stone, Staffordshire
ST15 0NU

Or given to a member of the Steering Group in a sealed envelope.

- Or you can pledge online using the QR code on the pledge form or go to our website <https://railwayinn.org/>

What happens after I pledge?

Once we process your pledge, you'll receive an acknowledgement email. When we hit our target, we'll launch the official share offer and send you a share offer prospectus with full details, including our business plan. You'll then be invited to convert your pledge into community shares.

How can I get involved beyond pledging?

We welcome volunteers, skill-sharing, and spreading the word about our campaign. If we are successful you can also attend sub-group meetings, join working groups, or help with promotional and fundraising activities. You can also donate at our GoFundMe page. Contact us if you wish to get involved.