



BLADON COMMUNITY PUB
A pub for the community, run by the community

THE WHITE HOUSE

Bladon



RE-OPENED SHARE OFFER

PLEASE READ COVID-19 ADDENDUM

For the Community Purchase of
The White House
1 Grove Road, Bladon, Oxfordshire, OX20 1RQ

Opening date: 22nd May 2020
Closing date: 30th June 2020
Maximum Target: £515,000

www.bladoncommunitypub.org

SHARE OFFER AT A GLANCE

SHARE TYPES	Class 'A' – interest bearing and withdrawable Class 'B' – non-interest bearing and not withdrawable	
PROJECTED RETURN	Annual interest payments (Class 'A' shares only) – up to 2% above Base Rate. Interest is forecast to be payable from year 3.	
PRICE PER SHARE	£50	
INVESTMENT LIMITS	Individuals residing within a 5 mile radius of the White House: Minimum: £50 Maximum £50,000 for A Shares, £100,000 for B Shares	All other investors: Minimum: £250 Maximum £50,000 for A Shares, £100,000 for B Shares
MAXIMUM SHARE OFFER TARGET	£515,000	
MINIMUM SHARE OFFER TARGET	£335,000	
MEMBERSHIP	One member, one vote – regardless of amount invested. Buying shares makes you a member of the society and gives you the right to vote on important decisions regarding the pub.	
SHARE OFFER DATES	Re-opened Offer opens on 22 nd May 2020 Offer closes on 30 th June 2020	

To invest please read this Share Offer Prospectus carefully and then fill out the application form at the end of this document, or alternatively go to our website and fill in the online application form. This document is also available to download from our website www.bladoncommunitypub.org.

The management committee reserve the right to extend the offer beyond this initial period if they believe doing so would benefit the share issue.

A copy of the Society's Model Rules and the Community Share Offer Application Form can be downloaded from <http://bladoncommunitypub.org>. Our business plan can be requested by emailing the Society's treasurer at treasurer@bladoncommunitypub.org.

This offer is being promoted by the Bladon Community Benefit Society Ltd, 22 Grove Road, Bladon, Oxfordshire, OX20 1RD, a Community Benefit Society registered with the Financial Conduct Authority (Registration No. 8268). www.bladoncommunitypub.org

If we are unable to raise sufficient funds to ensure the commercial viability of the scheme we will not proceed with the purchase and will promptly return all payments made for shares.

Capital at risk warning: You could lose some, or all, of the money you invest in this share offer, without recourse to the Financial Services Compensation Scheme or the Financial Ombudsman Service.

**PLEASE NOTE THAT PAGES 4 to 20 ARE
THE SHARE OFFER DOCUMENT AS IT
STOOD WHEN FIRST LAUNCHED ON
13th DECEMBER 2019.**

We have updated our business plan to reflect the anticipated impact of the Covid-19 crisis and have therefore added an addendum to this document to outline the most pertinent changes. If you wish to have a more details, please request a copy of our updated business plan from the treasurer at: treasurer@bladoncommunitypub.org

INTRODUCTION

Our vision is to buy The White House for the benefit of the community and to secure its future as a thriving community pub.

You are invited to invest in a community enterprise, established to save The White House Public House and run it as Community Pub, welcoming everyone in the local and wider area and offering vital services to our rural community.

This community share offer invites you to invest in the Society so that we can buy The White House and appoint a professional tenant with the experience and skills to run the pub as a profitable and thriving business for the benefit of the community and other users. We will set a fair rent and agree a lease with the tenant who will run the pub as a free house.

A total of £515,000 is needed to purchase the pub, carry out initial repairs and improvements, and appoint a tenant. We aim to raise as much of this as possible through this share offer – we need to raise a minimum of £335,000 – with the balance being funded by grants, a loan and a commercial mortgage.

The price per share is £50, and the minimum shareholding will be one share for people living within a five miles radius of the White House and five shares (i.e. £250 minimum investment) for anyone outside a five-mile radius.

We aim to attract investment mainly from residents of Bladon and the surrounding area, but anyone with an interest in securing the future of The White House is welcome to invest.

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 are recommended to seek your own independent financial advice.

You should appreciate that any investment you make is recognition of your support for the work of the Bladon 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.

Accuracy of information

The Society 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 contains no omission likely to affect its substance.

1. OUR VISION AND COMMUNITY BENEFITS

The village of Bladon has a population of approximately 1,000 residents of all ages and is situated 3 miles from the town of Woodstock in Oxfordshire. It borders onto the grounds of Blenheim Palace and Sir Winston Churchill's grave is located in St Martin's Church in Bladon. The White House pub has been at the heart of the Bladon community since the 16th Century and is the last remaining pub and community facility in the village. It's also the pub where Churchill "learned to drink" when he lived at nearby Blenheim Palace.

The White House has been a thriving pub in the past, attracting both local residents and the many visitors to our village who have come to see Sir Winston Churchill's grave or to visit nearby Blenheim Palace. However due to a combination of lack of ambition, marketing and investment from the owners Greene King pub company and their various tenants over recent years its reputation and consequently its turnover have both declined.

The Society proposes to raise funds to purchase, improve and maintain the White House for the benefit of Bladon, the wider community and visiting tourists. We intend to make the White House a flourishing, friendly and welcoming village pub - a free house that serves local beers and accessibly priced, freshly cooked food prepared using local ingredients. It will be the heart of the village, a place for social gathering, cultural and sporting activities and will promote a cohesive and friendly community. We will increase its daytime usage to benefit local charities, community groups and people working from home and we intend to make it **More than a Pub** by offering additional services to the community. Benefits include:

- Strengthening the already strong community spirit in the village
- Giving the community a say in setting the direction and values of the pub
- Building a thriving, family-friendly community pub which is financially viable for the long-term
- Creating an offering which is attractive and accessible to all
- Using local produce to strengthen the local economy and improve the environment
- A pub that promotes a cohesive and friendly community and encourages participation in local events and organisations
- A pub that is more than a pub to the local community, and provides the services they have requested such as a café, parking for the school run, meeting space, package pick up point and local shop
- A venue that fosters participation in local activities such as pub games, quizzes, talks, book clubs, support and community groups, etc.
- Re-investing surplus profits into improving the pub for the future benefit of all

2. THE PROPOSAL

2.1 The Opportunity

In anticipation of a possible sale, Bladon Parish Council secured West Oxfordshire District Council's listing of the pub as an Asset of Community Value (ACV) in September 2019. Several weeks later the pub was put on the market by Greene King Plc.

On learning that the pub was on the market a group of concerned local residents formed a committee and, with the support of the Parish Council, triggered the six-month moratorium period that the ACV rules stipulate. This permits the community time to secure investment and put in a bid to purchase the pub. The moratorium period ends 13th March 2020.

It was decided to set up the Bladon Community Benefit Society (The Society) with the purpose of purchasing the White House, and on the 2nd December 2019 the Society was registered with the Financial Conduct Authority (FCA). The Society now intends to put in a bid to purchase the White House before the moratorium period ends.

This is a great opportunity to invest in a worthwhile community enterprise that will provide a valuable service to its members, other users of the pub, and future generations.

2.2 Business Viability

If we are successful in purchasing the pub, we will select a tenant to run the licensed business. The tenant will pay an affordable but realistic rent to the Society and the rent will be set at a level that gives the tenant the opportunity and incentive to run a thriving pub business. In addition, as a free house, the tenant will be able to purchase stock at the best commercial prices.

We will use the rental income to maintain and improve the White House, to repay any loans/mortgages we take out and, funds permitting, to pay a modest interest to shareholders and to fund the withdrawal of share capital in the future.

A detailed business plan has been prepared that can be provided on request by emailing the Society's treasurer on treasurer@bladoncommunitypub.org. **It is important that you read the business plan when considering whether to invest in shares.**

We firmly believe that the tenant's business will be profitable, but in the unlikely event that it is not, the Society will own a valuable asset – i.e. the building and land associated with it – which could be sold in order to return funds to investors. Your investment is in the building and land – the bricks and mortar – not the licensed business.

The viability of The White House as a business with the potential to thrive was confirmed in a feasibility study by specialist pub surveyors MJD Hughes Chartered Surveyors. Full details of their report can be found in the Business Plan.

2.3 The White House – Operating Model

We have decided to let the pub to tenants rather than appoint a manager or run the pub ourselves as volunteers. The advantage of this arrangement for the Society is that the tenant carries all the business risk. The attraction for the tenant is that they will benefit directly from a below market rent and be free from a tie to a brewery, resulting in a more profitable business and will therefore have every incentive to ensure that the business thrives and grows.

Selecting the right tenant will be absolutely critical in ensuring the success and long-term future of the pub.

As part of the selection process each prospective tenant's business plan will be closely examined, their view of what the pub will offer its customers, and their plans for its marketing. In particular, care will be taken to ensure that any prospective tenant's plans reflect the Society's vision for the White House.

From the positive experience of community pubs that we have consulted with, and their offers to help with the appointment process, we are confident that we will be able to appoint an experienced tenant who can market and build the business, resulting in a thriving and sustainable community pub.

2.4 Plans for the White House

Current Condition

The current condition of the pub has been assessed by a number of knowledgeable experts including MJD Hughes Chartered Surveyors. We understand that no urgent immediate maintenance will be required at the point of purchase, although we are aware of a number of items that may require some attention. However, we have budgeted a reasonable amount for modest improvements and initial repairs should any be identified, and our offer to purchase will be subject to the satisfactory outcome of a full structural survey.

Future Plans

Once we have purchased the property, we would plan to carry out some works to improve both the public areas and the living accommodation. These include stripping back the finishes and replacing the commercial kitchen, taking down the retaining wall and altering garden levels to enable us to create a link from the dining room to the rear garden, increasing the size of the garden by moving the fence to the tenant garden and felling some trees to create more space. We would also want to decorate throughout and of course we will want to replace the external pub signage to make it clear that the pub is a free house and is a community amenity. Our plan is to do this work as soon as the purchase has been completed if the funds are already available, or as soon as we can raise the funds through grant applications. The financial modelling in our business plan is based on us receiving £50,000 in grant funding over several months following the purchase of the White House, which will be used to fund the refurbishment works. Potential grant providers include the National Lottery (Reaching Communities) and the FCC Community Action Fund.

We also intend to make substantial improvements to the toilets to modernise them as soon as funds permit, and importantly to improve access for customers with disabilities.

Longer term aspirations include the possibility re-modelling and extending the pub and dining area to accommodate other community amenities such as café, shop and potential Plunkett Foundation office facilities. This would clearly be a significant and expensive improvement that will only be possible when the pub is generating adequate rental payments, and which may well require a further share offer. Grant monies are also available through Oxfordshire's LEADER funding. We have no plans to pursue these ideas in the near future and have yet to investigate its practicability.

As a community enterprise, if you become a member you will be able to participate in making these kind of decisions about the future of the pub.

2.5 Fundraising Target

The price being asked for the White House is £495,000. A value and condition survey has been carried out on behalf of Bladon Community Benefit Society by MJD Hughes who have extensive knowledge of the licensed trade and direct experience in surveying more than 80 potential community-owned pubs.

The report estimates that total value of the White House to be £405,000 with some short-term repair and maintenance work required, estimated at around £50,000. Our financial calculations have therefore assumed a purchase price of £405,000 and have allowed £50,000 for initial refurbishment works plus £60k to cover costs associated with the purchase and provide a contingency reserve. We therefore estimate that we need to raise £515,000 in total. **The Society has already received pledges to invest in excess of £127,000.**

Our target is to raise the full £515,000 of this capital requirement through a community share issue. If this is achieved, we can implement our business plan immediately with no additional grants or loans required.

The **minimum** that we need to raise in order to purchase the White House is **£335,000**, to which we would then seek to secure £100,000 from a loan/grant package from the More Than a Pub scheme to add to the £2,500 bursary already received from the scheme. This would enable us to purchase the White House and cover all associated costs.

In this scenario, we will seek an additional £50,000 grant funding to cover the cost of refurbishment works plus a modest commercial mortgage of £27,500 allowing us to reach our overall target of £515,000. The commercial mortgage would be secured on the property, while the loan element of the More than a Pub scheme is not secured. However both loans would rank ahead of shareholders in the event of the pub being sold and the Society being wound up.

If we raise more than the minimum, but less than the target, we would reduce or remove the need for a commercial mortgage but would still seek the full £100k grant/loan package. In this scenario, if our total capital raised exceeded our target of £515,000 this would allow us to undertake additional development work to further enhance the revenue potential and community value of the pub.

Please see our business plan for additional information on our capital and operational financial models and refurbishment plans.

The share offer will be launched on the 13th December 2019 and will remain open until 13th January 2020. If the minimum share offer has been achieved, and an agreement in principle to purchase the pub secured, the share offer will proceed – assuming the loan/grant has also been approved - and funds will be drawn down. If the minimum amount is not reached the offer may be extended by up to 6 months if the committee considers that the additional time will enable the minimum target to be achieved.

If we are unable to raise the minimum share target of £335,000 and secure the loan/grant package, we will not proceed with the purchase and will promptly return in full all payments made for shares.

The following tables summarise the capital requirements and sources of capital based on the minimum share sale target:

Capital Requirements

Purchase of the White House (exc. VAT – we will take a short-term loan out to cover this cost)	£ 405,000
Stamp Duty (also need to pay stamp duty on the VAT, which is not re-claimable)	£ 13,850
Costs associated with the purchase	£ 16,150
Refurbishments	£ 50,000
Contingency	£ 30,000
TOTAL	£ 515,000

Sources of Capital

Share Offer	£ 335,000
More than a Pub Grant	£ 50,000
More than a Pub Loan	£ 50,000
Grants for refurbishment works (applied for once we own the asset)	£ 50,000
More than a Pub Bursary for set up costs (already awarded)	£ 2,500
Commercial Mortgage	£ 27,500
TOTAL	£ 515,000

2.6 Operational Financial Projections for the Society

Other than any one-off grants and donations that may be received, the Society's sole source of income will be the rent paid by the tenant. The core economics of the business therefore revolve around the primary source of income (rent payments) vs. outgoings (building maintenance, mortgage payments, shareholder interest, and other overheads). In addition, there is a need to build a reserve over time in case members need to withdraw their shares, and to provide for property improvements to support business growth.

For the first 3 years we will set a fixed rent to provide the tenant with a degree of certainty on their outgoings as they establish themselves and develop the business. From Year 4 onwards rent will be set at 10% of turnover. We have assumed the pub will achieve a reasonable year-on-year increase in turnover until Year 3, at which point the pub will then be at a sustainable 'steady-state' level of trade once the tenant has rebuilt its reputation and developed its customer base. As with the forecast for turnover in Year 1, our growth projections are based on MJD Hughes' feasibility report - which is shown as an appendix in our business plan- and knowledge of trading levels previously seen at the White House under more successful tenants than recently, and also on the views expressed by local independent commercial pub operators. Our financial forecasts assume only nine months' rent in the first year to allow for immediate refurbishments and potential delays in appointing the tenant.

5 Year Headline Forecasts

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Total income	£17,503	£24,576	£29,925	£23,400	£31,200
Total costs (including depreciation)	£29,409	£24,156	£28,559	£23,114	£27,827
Profit / loss	-£11,906	£421	£967	£287	£3,373
Cash Available	£34,310	£39,330	£44,349	£48,093	£49,162

Key Assumptions

- Purchase price of the White House is £405,000
- Community share capital raised will be the minimum £335,500
- We will receive £50,000 as a grant and £50,000 as a loan through the More than a Pub scheme. The loan will be re-payable at 8% over 7 years
- We will require a commercial mortgage of £27,500. This has been calculated at 6% over a 20 year term.
- We will receive £50,000 in additional grant monies to fund the refurbishment works.
- A short-term loan will be required to cover VAT on purchase, pending reclaim
- Rent is fixed for Years 1 -3, thereafter charged at 10% of actual turnover
- Three months without rental income on completion of the purchase to allow for appointment of tenant and completion of minor works
- Three months without rental income at the start of Year 4, conservative forecasting in case of need to find a new tenant
- Interest will not be payable to shareholders until Year 3.
- The Society will be VAT registered and able to reclaim VAT

Detailed financial forecasts for Years 1 to 5 are set out in some detail in the Profit and Loss, Cash Flow, and Balance Sheet projections in Appendix 1 of the Business Plan. These forecasts are our best estimates at the current time on the basis of a set of conservative assumptions.

3. HOW YOU CAN BE INVOLVED

Bladon Community Benefit Society Ltd has been established to enable the people and friends of Bladon to secure and safeguard the future of The White House Public House, an amenity of prime importance to the village.

It is a Community Benefit Society using model rules (its constitution) developed by the Plunkett Foundation and registered with the Financial Conduct Authority (FCA) Registration No. 7404. Copies of our rules and Business Plan of The Bladon Community Benefit Society Ltd can be found on our website www.bladoncommunitypub.org.

We are inviting you to become an investor (shareholder) in the Bladon Community Benefit Society, which will own the pub. The Management Committee, elected by the shareholders, will run it on your behalf.

The shares you buy will make you a member of the Society, with an equal vote regardless of your shareholding. Your involvement thereafter can be as much or as little as you wish in making decisions about the pub. You can vote at Annual Members Meetings, stand for election to the Management Committee, volunteer your skills or just give The White House your custom.

The Society will provide all members with updates on progress and annual accounts.

The Management Committee will be 6-10 individuals who will be collectively responsible for establishing the strategy for the business and overseeing performance. All members of the Management Committee will be democratically elected by members of the Society.

An interim Management Committee has been appointed to serve until the first Annual General Meeting (held within 6 months of purchase of the White House). At this meeting all members of the committee will stand down and elections will be held for the new Management Committee. The initial Management Committee comprises ten local founder members:

- **James Mallick** (Chairperson) moved to Bladon in 2015 with his wife Zoe and daughters Georgia and Layla. Having grown up in a small village in Norfolk, James values the importance of having a focal point for the community to meet, socialise, engage and most of all, enjoy each other's company. James is Commercial Director for an international Recruitment Business, an England capped Touch Rugby player, and is often found braving the elements to cheer on his family in their various sporting endeavours.
- **Julie Bignone** (Treasurer) worked for many years in Planning and Operations for several luxury Tour Operators. Travelling the world proved more difficult with a young family, and she now works from home in Bladon doing the accounts for five local companies. She is an active member of the primary school PTA, sits on the board of an Intensive Care Unit charity, runs a Young Enterprise Activity each year in Bladon school and applies her event planning skills to organizing regular nights out for the Bladon Mums.
- **Clare Edwards** (Secretary) lives in Bladon and usually works as a Registered Midwife at the John Radcliffe hospital but has just taken a step into the world of research and is currently managing a large multi-centred neonatal trial sponsored by the University of Oxford. When not working full time she spends the rest of her time supporting her daughters at swimming and gymnastics as well as volunteering at Witney & District Swimming Club as a Team Manager, poolside official and committee member. Lover of all sport, plays netball and a fully paid up member of England cricket's Barmy Army.
- **Robin Jones** is a retired Managing Director. He worked in public transport, primarily in buses, but also undertook evaluation projects on various options for diversification into air, sea and light rail. Since moving to Bladon in 2017 he is involved in bridge, golf and immersing himself to help save the White House to become the focus of village life.

- **Vicki Davison** has spent the past 20 years working in education. This includes being a senior leader for many years and helping to devise and realise a vision for positive change and success for all. She is passionate about access and inclusion for everyone. When not cheering from a touch line, she can usually be found running, walking or cycling in the local area!
- **Mike Edwards** (Fundraising), despite being Welsh, managed to marry fellow pub rescue team member Clare, and lives in Bladon with his 2 daughters. When legal his worlds of aviation, heritage and pubs overlap. Mike set up, and runs, the heritage operations for the Indian and Jordanian Air Forces, including training the Indian Test Pilots. Mike, as tech advisor and assistant screenwriter, is hindering a major production company with the adaptation of his book into a film whilst working on his 2nd historical biography. Due to clerical error in the Palace he was awarded the MBE in 2011. As long as Wales are not playing rugby he flies as a long-haul Captain for British Airways.
- **Rachel Guest** (Marketing) is a Bladon resident, mum and freelance marketing and communications consultant. She works in the science, technology and medical (STM) sectors with global publishing houses and universities. In previous lives, she has worked as a part-time barmaid, on vineyards and a microbrewery in New Zealand (there appears to be a theme) and on business development bids for rural community projects. She's a keen runner, cyclist and open water swimmer.
- **Henry Webster** has spent most of his life living in Oxfordshire. A Bladon resident since last Christmas, having moved all the way from neighbouring Long Hanborough! He's passionate about having a focal point for the community and the part a vibrant community pub could play. At work he manages a large software engineering team for the BBC. Outside of work, between enjoying real ale and good food, Henry is slowly renovating his house and occasionally competes on off-road rallies in his Land Rover.
- **Tom Davison** grew up in Oxfordshire and moved to Bladon with his family in 2011. As well as the doorstep opportunities for walking, running and cycling, Bladon appealed for its sense of community and local amenities of village pub and primary school. Tom works as an International Director for a Cyber Security software company. When not working, he is part time Uber driver, head cheerleader and staff sports photographer for his two teenage daughters.
- **Ruth Chaloner** is a Psychotherapist working from her home in Bladon and has a particular interest in working with the homeless. Ruth was Chair of the Bladon Village (pop up) shop for a few years and worked alongside The Plunkett Foundation to develop it. She worked in fundraising and conservation on the island of South Georgia for two years, often lecturing with National Geographic. On her return Ruth helped to develop a Commission within Oxford University to promote International Legislation to save the Ocean.

4. THE SHARE OFFER

What are Community Shares?

Community Shares (also called ‘withdrawable shares’) are ideally suited to community-focused organisations. Investors can receive some interest on the sums they invest and may withdraw their investment (in essence, get their money back) but only under certain conditions.

Community shares can’t be sold on or transferred, and we will always have to ensure that funding capital withdrawals is prudent, taking into account our objectives as a community benefit society.

Community shares cannot increase in value. If Bladon Community Benefit Society Ltd ever sold the pub and retained a surplus after all other liabilities were settled, investors would receive their original investment back, and the any remaining money would go to the community (this is called an **asset lock**). If the business ever runs into difficulty, it is possible that the original investment could not be repaid.

There are two classes of share in this offer:

‘A’ Shares: Interest-bearing withdrawable shares

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. Based on trading projections, this business plan allows for payment of interest after the end of the 3rd year of trading, with limited share withdrawals after five years. Interest payments and withdrawals are at the absolute discretion of the management committee at the time.

‘B’ Shares: Non-interest-bearing shares that are not withdrawable

These shares are aimed at investors who consider their contribution to be more of a donation and do not expect to recoup their investment, nor are they concerned about earning interest on their shares. However, should the property be sold in the future and the Society wound up, then holders of B shares could receive some or all of their investment back, subject to availability of funds.

Investors, who must be at least 16 years old, may, if they wish, purchase a mix of ‘A’ and ‘B’ shares. Regardless of share class, all investors will be members of the Society and entitled to vote on matters affecting the Society.

The price for each share will be £50, and the minimum share purchase for investors living within a 5-mile radius will be one share, and outside of the stipulated area will be 5 shares. The maximum permitted individual investment will be £50,000 for A shares and £100,000 for non-withdrawable B shares. The limit on A shares is lower to ensure that no one holder of withdrawable shares holds more than 15% of the minimum target total.

Shares are not transferable (i.e. members cannot sell them to anyone else), except in the case of death or bankruptcy of a member where they can be transferred to a beneficiary.

In the unlikely event that the bid to purchase the White House is unsuccessful, then all investment monies (for both ‘A’ and ‘B’ shares) will be returned promptly in full.

If the share offer is oversubscribed the management committee reserves the right to refuse part or all of an application for shares.

Interest will be payable on all holdings of "A" shares at an interest rate proposed by the Management Committee, based on the performance of the Society, and put to a vote at the Annual General Meeting. Our rules state that interest shall not exceed 5% or 2% above the base rate of the Bank of England whichever is the greater;

The only way to recover the value of the shares purchased is to give three months' notice of withdrawal to the Management Committee. No withdrawals can occur within the first 3 years of trading, and our business plan does not forecast withdrawals until year 5. The Management Committee will have the authority to refuse a withdrawal request if it would endanger the business.

The full details of share ownership and the terms of withdrawal are set out in the Rules of the Society.

5. WHAT'S IN IT FOR ME?

This is not just about buying a pub – it is about helping to sustain the community. There will be limited financial reward – this is about investing in the future of the community and ensuring The White House is run for the good of Bladon and nearby villages, for us now and for future generations.

In addition, you may earn interest and your liability will be limited. What you won't get is windfall profits, any increase in share value, or government backed guarantees.

The social return

The main point of the exercise is to create a thriving and sustainable community pub and to provide the additional community benefits described above. You can learn more about the social impact in Appendix 6 in the business plan.

This is not an exercise to generate large profits for the members. It is all about putting The White House on a viable, long-term, sustainable footing and securing its future. The primary return on your investment will therefore be the existence of a convivial welcoming village pub and social hub for the village.

The Society's Rules include a legally binding asset lock. This ensures that any surplus earnings remaining after it has paid interest to its shareholders and repaid any capital which is withdrawn must either be reinvested in the business or used for the benefit of the local community or for another charitable or community cause. Directors and members will not benefit in any other way from the activities of the Society.

For more information about the community benefits, additional services planned and social impact of the project please see our business plan.

Interest payments

Once the business is running successfully and has sufficient surpluses, the Society plans to pay a modest level of interest to shareholders at a rate to be recommended by the Directors and voted on at the Annual Members Meeting in accordance with the rules.

The introduction of the Personal Savings Allowance (PSA) in April 2016 means that if you are a basic rate (20%) taxpayer you are allowed to earn up to £1,000 interest per year tax-free. Higher rate (40%) taxpayers can earn up to £500 tax-free. The PSA does not apply to top rate (45% and above) taxpayers. This means that interest the Society pays to shareholders may be tax-free, depending on your personal circumstances.

Any interest from the Society will be paid gross. If applicable, you will be responsible for declaring this income to HMRC.

Limited liability

The Society is a limited liability entity. The most you could lose is your initial investment (though we believe that this is highly unlikely). You will not be liable for activities of the tenant – for example, if they run up huge bills and then disappear.

What you won't get:

- **Windfall profits**

If the pub was to cease trading and be sold for residential use, the asset lock will ensure that any surplus (after paying creditors and repaying share capital) must be used for the benefit of the community. Any investment should therefore be considered an opportunity to contribute financially to the community, with the specific goal of helping to keep the pub open, rather than receiving a substantial financial reward.

- **Increase in share value**

The value of shares will not increase. They cannot be sold or transferred and in the case of A shares can only be withdrawn for their face value. B shares cannot be withdrawn but could be repaid in the event of a solvent winding up of the business. This will not be an investment that grows in value.

- **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. A community benefit society is registered with, but not authorised by, the Financial Conduct Authority and therefore the 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, please consider it carefully and, if necessary, seek independent financial advice.

- **Tax relief**

Unfortunately, the government's Enterprise Investment Scheme (EIS) and Social Investment Tax Relief (SITR), which give individuals the ability to claim tax relief on qualifying investments, are not applicable as our primary activity (property rental to a tenant) falls outside the list of currently eligible activities.

6. INVESTMENT FAQs

Why should I buy community shares?

We need your investment to help purchase the White House. Without sufficient investment from the community we will be unable to establish the business and ensure the pub continued as a community asset for the long term.

Who will benefit from this project?

The residents and friends of Bladon will benefit directly from having a vital amenity preserved for future generations, both through the use of the facility itself but also because the White House will play a part in making Bladon a stronger, more vibrant and cohesive community in which to live.

Is this a good business proposition?

We expect and will require the business to be a profitable venture. We have carefully evaluated its strengths and weaknesses and our projections show that we can establish it as a successful business. It is well proven that communities that work together to set up such an enterprise will support it in the future. Of all the Community owned pubs none have failed to date. For more details about our business case please read the business plan, which can be requested from the treasurer on treasurer@bladoncommunitypub.org.

Will you be paying a fair price for the White House?

We have had an initial valuation of the building, but have, as yet, not entered into formal negotiations with Greene King. However, you can be assured that we will attempt to achieve the lowest possible price.

What are the implications on the business plan if the purchase price is higher than budgeted?

As noted in the business plan, to bring in additional capital we could choose to extend the share offer, take out a larger commercial mortgage than budgeted or solicit loans at favourable rates from members of the community.

Who are the people behind this project? Do they have a personal interest?

The Management Committee consists of a group of local residents who care passionately about the White House and what it could mean for the community. They donated money to help register the company and will be investing in shares. They will have no personal financial interest in the project, above and beyond their own investment in community shares. They have voluntarily contributed a large amount of time to the project and this has been supplemented with advice and considerable support from many people and organisations

Who will run the White House and make the day-to-day decisions about the business?

The Management Committee will appoint a tenant to manage the day to day running of the business. We will work closely with the tenant to ensure that our vision for the White House is delivered, however we will not micro-manage the tenant and ultimately all decisions regarding the management of the pub and therefore all associated business risks will be the tenant's.

Do my shares give me voting rights?

Yes, they do. Everyone has an equal voice, regardless of the size of their investment.

How do I get my money back?

Our rules do not allow you to withdraw your shares in the first three years. After that, you will need to give at least three months' notice. We do not anticipate and have not budgeted for being able to allow any withdrawals before year 5. You cannot sell or transfer your shares, and withdrawals must be funded from surpluses or new capital raised from members. The Committee may suspend withdrawals depending on the long-term interests of the Society, the need to maintain adequate reserves, and the commitment to the community we serve.

Does Greene King have to sell the White House to us if we raise enough money?

No, they are under no obligation to sell the pub to us. The Asset of Community Value rules mean that they can't sell to anyone else before 13th of March 2020, but they don't have to accept an offer from us. Our best chance of success is therefore to raise the required amount as quickly as possible and then make an offer in advance of the cut-off date. **So if you wish to invest, please do so promptly!**

What happens if the purchase of the White House falls through?

It is possible that we will proceed with the project but after incurring some costs, find we unable to complete the purchase, even after we have an in-principle agreement with Greene King and have secured the funds. In the unlikely event that this happens we will seek donations to cover any costs incurred. Our intention is to return in full any payments received for the purchase of shares.

Will I get my investment back if the White House fails?

All the business's assets, including the freehold of the building, would be sold and the proceeds of the sale (after paying any creditors) divided between the shareholders up to the value of their shares. You might receive the full value of your shares back or you might lose part or all of your investment.

Are joint applications allowed?

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

Can I invest on behalf of my children or grandchildren?

Yes, so long as you are a member in your own right, and provided the total amount invested does not exceed the maximum investment amount. You will only have one vote, as is the case for any member. The shares can be transferred to them as soon as they reach 16 years of age. Just 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. Make sure you complete the relevant section on Page 2 of the application form.

Why are there two types of share?

We are aware from feedback received that quite a few members of the community would like to make a philanthropic investment to ensure the future of The White House and are not concerned about receiving interest payments or being able to withdraw their shares in the future. Of course, there's nothing to stop people making donations, but we decided to introduce 'B' shares so that people can in effect make a donation and also be members of the Society with a voice in how it is run. Both class of shares will be re-paid in the event of a sale of the property, as long as sufficient funds are available.

Can I buy both 'A' and 'B' shares?

Yes, a mix of share classes is fine. Just indicate on the application form how much you want to invest in each class and make the appropriate payment.

What are the minimum and maximum investment amounts?

The minimum that you can invest is £50 (i.e. one share at £50 each) if you live within a 5-mile radius of the White House, although we hope that most investors will invest considerably more than the minimum. If you live more than 5 miles from the White House, the minimum you can invest is £250 (i.e. five shares at £50 each). The maximum that can be invested in class A shares is £50,000 and the maximum that can be invested in class B shares is £100,000, which is the legal limit for individual investments in community benefit societies.

What happens if the share offer is under-subscribed?

If the minimum raise target of £335,000 is not achieved, we will review whether to proceed. We reserve the right to do so if the financial model remains viable, for example, if we have received additional donations or confirmation of grant funding.

What happens if the share offer target is reached?

If the share offer target of £515,000 is reached we will close the share offer, and we will not accept any further applications.

What redress do I have if the business fails and I lose the value of my shares?

This share offer is unregulated, as it is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations, which means there is no right of complaint to the Financial Ombudsman, nor can you apply to the Financial Services Compensation Scheme.

Will I receive interest from my shares?

We aim to pay a reasonable interest rate to our members. Our business plan assumes we will pay 2% interest from year 3, but this will always be dependent on the success of the business. Interest will be paid gross and it is each member's responsibility to declare such earnings to HMRC if appropriate.

How can I find out more about the project?

You can find our business plan, the Rules for our Society and further contact details at www.bladoncommunitypub.org

Who should I speak to if I have any further questions?

Please contact either:

- James Mallick (Chair) on 07808 871236 or chair@bladoncommunitypub.org
- Mike Edwards (Committee Member) on 07703 345607 or bladoncommunitypub@gmail.com

For a copy of the business plan please contact

- Julie Bignone (Treasurer) on 07980 589824 or treasurer@bladoncommunitypub.org

7. HOW DO I APPLY TO BECOME A MEMBER?

You can apply by completing the postal application form that follows. You can also apply online by visiting our website www.bladoncommunitypub.org.

Money can be paid either by attaching a cheque to your postal application, or by online bank transfer (see application form for details). Postal applications should be sent to:

Bladon Community Benefit Society Ltd,
22 Grove Road
Bladon
Oxfordshire
OX20 1RD

We will acknowledge receipt and pay cheques in after the offer closes. If the offer is unsuccessful, cheques will be destroyed, and digital evidence of this returned by email. Payments made by online bank transfer will be returned to you in full.

- By delivering an Application Form an Applicant offers to subscribe, on the Terms and Conditions contained in this Offer Document, for the number of shares specified, or such lesser number as may be accepted.
- An Applicant who receives Shares agrees to automatic membership of the Society and to be bound by its Rules.
- Once an application has been submitted and approved it cannot be withdrawn.
- Multiple subscriptions will be admitted providing that they do not result in a member holding more than the maximum amount of shares.
- Applicants may be requested to provide additional evidence of identity in order to comply with Money Laundering requirements

- Applications may be rejected in whole, or in part, or be scaled down, and monies shall be securely returned to the applicant, not later than two months after application, without interest.
- Applications on incomplete or inaccurate Application Forms may be accepted as if complete and accurate.
- Results of the Offer will be published on the website of The Bladon Community Benefit Society Ltd, and all applicants will be informed.

ADDENDUM

Revised financials due to the Covid-19 Crisis

As we are all painfully aware, life is far different now than it was when this share offer was launched on 13th December 2019. Whilst most of the details in this share offer document concerning the legal structure of the Community Benefit Society, the Society's Management Committee, the day to day running of the Society and the agreements made with shareholders remain accurate, there are obviously great financial implications that the Covid-19 lockdown has had on our original business plan. To this end we would ask you to take note of the following amended financial projections for the Bladon Community Benefit Society:

5 Year Headline Forecasts

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Total income	£12,500	£24,576	£29,925	£23,400	£31,200
Total costs (including depreciation)	£19,012	£20,333	£26,102	£19,343	£25,536
Profit / loss	-£6,512	£4,243	£3,823	£4,057	£5,664
Cash Available	£32,552	£39,079	£44,533	£49,785	£50,275

We have allowed for the impact of the Covid-19 crisis with the following adjustments to our projections:

- We have allowed for no income from a tenant until January 2021, by which time we would assume that the lockdown for pubs will have been lifted and a tenant will be able to trade.
- In order to off-set the loss of 6 months of income we have amended our anticipated terms of contract with a tenant to fix the rent that they will pay for 2.5 years, rather than for a full 3 years. Thereafter the rent will remain at 10% of turnover, as originally planned.
- Should the lockdown on pubs be lifted earlier or some form of trade be possible from the pub before a return to full trade is allowed, this will of course enhance our financial position but we feel it is prudent to not plan for this scenario at this stage.

More detailed financial projections as well as updated information on our activities to date are available in our revised business plan. If you would like to see a copy, please send an email to the treasurer at treasurer@bladoncommunitypub.org.