

**The White Hart Inn Community
Benefit Society Limited**
**A Community Benefit Society
Registered with the Financial
Conduct Authority No 8442**

**Share Prospectus to
invest in the Ownership
of the White Hart Inn,
Foulden, Norfolk**

Community Enterprise in the Breckland village of Foulden.



Disclaimer

The White Hart Inn Community Benefit Society Limited (“The Society”) does not warrant the accuracy, completeness or timeliness of the information contained in this prospectus. The Society expressly disclaims all liability for errors or omissions or misinterpretation of any information contained in the prospectus. You assume the entire risk of the investment in the Society.

Further, the Society makes no warranties regarding the statements made including the financial information obtained from available sources at the time of publication. The Society disclaim all warranties, either express or implied, including but not limited to implied warranties of accuracy or fitness for purpose of the information obtained or of the representations made.

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OFFER SUMMARY

- You are being invited to invest in The White Hart Inn Community Benefit Society Limited ('the Society') through the purchase of Community Shares.
- The Society has been established to purchase, refurbish, and reopen The White Hart Inn (the 'Pub') for the benefit of the community.
- The Society vision is for the Pub to be a benefit to the community, a Hub to restore the vitality of the Village.
- The Society is seeking to raise a minimum of £160,000 and a maximum of £280,000 from this share offer.
- Shares will have a nominal value of £1 each and the minimum investment is 100 shares (£100), and the maximum is 25,000 shares (£25,000)
- The share offer will open on 01 April 2021 and will close on 31 May 2021.
- It is anticipated that the sale will be agreed by November 2021, with sufficient funding in place so that refurbishment and re-equipping of the Pub can be completed during the winter months, reopening in Mid-February 2022
- If the sale can not be completed or agreed with the vendor, then all share funds will be returned.
- This share offer is open to individuals, companies and other corporate organisations.
- Applied for funding from PtC / CCF under the More than a Pub Programme up to £100,000
- The Society has applied for a mortgage of up to £160,000 from Triodos Bank
- A detailed business plan setting out the proposal in full can be viewed on our website www.FouldenWhiteHart.com
- The Society operates under a set of Rules and these can be viewed at our website
- The Rules set out that the Society is run on a fully democratic basis whereby each shareholder has one vote irrespective of the number of shares held and is a not-for-profit organisation. This means that any surpluses realised by the Society can be used only for reinvestment in the business or be distributed to another charity or community group.
- This share offer is not subject to the Financial Services Markets Act 2000 nor covered by the Financial Services Compensation Scheme and investors will have no recourse to the Financial Ombudsman.
- This Share Offer has been drawn up following guidance of the Community Shares Standard Mark. The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice.
- You should be aware the value of your investment could fall, and the amount returned could be lower than your investment.
- If you are unsure whether to invest or not it is recommended that you consult with a professional advisor.
- Further information, including the Business Plan, Share Prospectus and governing rules can be found on the Pub's website www.fouldenwhitehart.com

1.0 Background

The current White Hart Inn building appears to date from before 1835 when it was originally built by the Tyssen-Amhurst family specifically as a Public House, part of the Foulden/ Didlington Estates. It was part of a development of new farm buildings and wood yard along White Hart Street. The first recorded landlord was registered in 1836.

The White Hart Inn has been at the centre of the cultural & social life of the village of Foulden, for the last 180+ years.

During the last seven years a tenant has leased the pub and had several managers to operate it. Ultimately, the tenant, who also owned & managed an unsuccessful microbrewery, ceased trading and the property owner, Sylvia Chisholm closed the Pub in March 2019.

The pub appears to have been a good investment for the current owner, as it has been for past owner-operators of the business. However, the condition of the building and its fixtures have been allowed to deteriorate. It has not been modernised over the last 10 years to meet the challenges of a Public House. Following the closure of the pub in March 2019 when the Brewery withdrew due to their financial failure, the pub has remained empty with the Village expecting the pub to be re- open under new management.

The property was listed for sale in March 2019 valued as a domestic property, and in March 2020 the owner of the property submitted a change of use application to convert the building into a residential dwelling, stating that the Pub was an unviable business.

Approximately one third of the all the households in Foulden formed The White Hart Inn Community Asset Action Group (WHICAAG) and challenged the application. Breckland District Council (BDC) has rejected the planning application as an acceptable loss of a community facility. The WHICAAG, on behalf of the residents, also applied to BDC and were successful in having the Pub listed as an asset of Community Value (ACV). This means that the community has exclusive rights to be treated as a bidder to purchase the pub.

In order to submit an offer, on behalf of the community The White Hart Inn Community Benefit Society Ltd has been created. Any member of the public can be a member of this Society and will have an equal say on its management.

The purpose of this prospectus is to solicit your support to become a member of the Society and to gather the necessary financial resources to support our bid for the Pub and the associated set up costs.

In the past, the White Hart Inn has traded very successfully and considerable goodwill towards the pub remains within the village and in the local area. The reopening of the pub as the Foulden Community Pub & Café, a local community hub, will restore it a very sought-after destination throughout West Norfolk.

2.0 The Objectives of the Benefit Society

Our vision is: -

- To create a hub & café area for people to meet, drink, eat, celebrate, commiserate, do business, raise funds for good causes, compete in quizzes, folk nights – and bring more activity, life and fun into our community.
- To restore the hub of the village with a pub & café that supports the local economy, enhances village life, helps alleviate loneliness and reduces rural isolation.
- To save this fantastic community asset for generations to come

Our priorities are: -

- To purchase the pub as a community asset
- To refurbish the building, making it accessible to all, including the less mobile
- To open a community pub & café in Foulde n that is inclusive and welcoming, serving reasonably priced, good quality food & drink in a friendly setting.
- To build a sustainable business that is owned by the community and run for the benefit of the community it serves.
- To sustain and build upon a successful Bed & Breakfast operation, supporting local industry and tourism.
- To see the pub operated by a manager who shares our community vision for a successful village pub & café
- To offer social opening hours that will make our pub & café an accessible place to visit, catch-up with friends and meet new people.
- To provide a place to find information, share news & views, get involved in activities and showcase local talent & expertise.
- To introduce an “essentials counter” selling basic foodstuffs, stamps, confectionery & ice-cream.
- Provide post office related services, visiting library and community support.

3.0 Invitation to invest

Shares offer target

minimum is £160,000.
maximum is £280,000.

An estimated £250,000 will be required to purchase the building and carry out the basic renovations & re-equipping of the business so it can reopen.

If the offer is over- subscribed, we will accept applications up to a maximum of £280,000.

The Society share offer is to raise the necessary money, giving residents and the wider community the opportunity to purchase a stake in this social resource and thereby make a tangible contribution to restoring an historical landmark at the heart of Foulde n.

3.1 Share Offer Summary

Purpose of the Shares	The shares are for purchase and management of the White Hart Inn for the benefit of the Foulde n Community. The Society’s rules contain a statutory asset lock. This is a constitutional device that prevents the distribution of residual assets to members. The purpose of the asset lock is to ensure that the community benefit of any retained surplus or residual value cannot be appropriated for the private benefit of members after all members’ share capital has been refunded according to the rules of the Society.
Type of shares:	Non-transferrable Withdrawable after 5 years or such period as the Management Committee decides. The shareholder may nominate who may receive the shares on their death.
Potential return:	Annual interest payment payable at the discretion of the management Committee after year 5 (assuming available trading profit), capped at the greater of 5%, or 2% above the base rate of the bank of England.
Price per share	£1

Investment limits	Minimum £100 per person/institution. Maximum £25,000
Share offer targets	Minimum: £160,000 Maximum: £280,000
Membership	Open to anyone 18 years old and over. One member one vote, regardless of value held. In the case of a share holding representing a family, a group of individuals, a business or similar organisation, only the nominated representative, who shall be over the age of 18 years, will represent the shareholding at any meeting or decision making forum concerning the Society and its matters.
Share offer dates	Opens at 9 am on 01 April 2021 and closes at 6 pm on 31May 2021

3.2 Notes on the offer

You will, by buying a number of shares, be investing in The White Hart Inn Community Benefit Society Limited registration number 8442. This is a Community Benefit Society that is registered with the Financial Conduct Authority with the purpose of buying and running the pub and its associated operations.

As a shareholder, you will be a member of the Society with an equal say regardless of the number of shares held.

Shares must be paid for in full at the time of application, or at the discretion of the Management Committee.

The funds will be held in a bank account and managed by the Management Committee. The accounts will be presented at the regular Society meetings and audited according to the FSA standards.

Purchases can be made:-

- as an individual over the age of 16 years.
- as a business, organisation, or other body
- as a group of family or syndicate of friends

You can just make a donation to the society if you do not want to become a member of the Society but still want to offer support.

If we meet our minimum target, we will issue share certificates; if not, we will refund your money.

It is important that as many local people take part as possible irrespective of the amount invested and so smaller investments from the same family are of real value.

The management committee reserves the right to extend the offer beyond this initial period if they believe doing so would be of benefit.

The White Hart Inn has great potential to be so much more than a pub, doing a bit of Bed & Breakfast. Professionally run and well-managed, we believe that the business can be profitable and expand.

In the unlikely event it has to cease trading, the community will own a valuable asset – the building and land associated with it. The asset will be sold in order to return funds to investors and settle any outstanding debts. Any remaining surplus will be redistributed for the benefit of the Community and not to for the Society’s members. Our investment is in the building and land – the bricks and mortar – not the licensed business.

By purchasing shares, you will have a stake in this social resource and be making a tangible contribution to restoring the White Hart Inn.

The shares can be redeemed after 5 years or at a time the Management Committee decide. The shares can only be sold back to the Society who may wish to resell or cancel the shares accordingly. The shares are non-transferrable. However, the shareholder may nominate, on purchase of the shares, who may receive the shares on their death.

TAX ADVANTAGES

Investors in the White Hart Inn will benefit from a reduction in their income tax.

The tax advantages for investors making an investment in The White Hart Inn Community Benefit Society Limited is that it will qualify for Enterprise Investment Scheme (EIS) investment. The tax advantages will include the following:

Income Tax Relief

If the White Hart Inn is acquired and refurbished for more than £150,000 individuals can obtain EIS Relief at up to 30% on the amount invested, or such amount which reduces their income tax liability to nil.

At this time, the Management Committee is aiming at acquiring and refurbishing the White Hart Inn for an amount less than £150,000 thereby giving the investor a 30% tax relief.

EIS Relief is given for the tax year in which the investor makes an investment. If the investor has an income tax liability in the preceding year, they can claim relief against that liability through Carry Back Relief; any carry back to the preceding tax year will attract relief at 30% for EIS.

The EIS relief is currently given at the rate of 30% and is given against (but cannot exceed) the individual's income tax liability for the tax year the investment is made.

EXAMPLE – EIS Income Tax Relief	£
Initial Investment	1,000
Less EIS Relief at 30%	(300)
Net cost of Investment	700

Inheritance Tax Relief

Investments in The White Hart Inn should qualify for 100% relief from IHT in the event of the death of an investor as long the investment has been held for two years from the date of Investment and is held at the time of death.

Tax legislation and HM Revenue & Customs practice are subject to change at any time and the Tax Advantages may be amended or withdrawn.

3.3 Financial Projections

Allocation of Funds

Cost of Acquiring the Building and Land;	£ 160,000**
Refurbishment of the Pub, Restaurant and Accommodation	£ 90,000
Legal Fees & Stamp Duty (estimated)	£ 5,000
Pre-trading Costs (estimated)	£ 15,000
Cash Contingency (anticipated)	£ 10,000
Total	£ 280,000

**** This will be subject to a final inspection & valuation. At the time of writing, these calculations are based on a survey & valuations conducted during January 2021 by Mike Hughes of MJD HUGHES Limited, a member of the Royal Institute of Chartered Surveyors**

Profit and Shareholder Interest Payments

Summary Financials	Year 1(part)	Year 2	Year 3	Year 4	Year 5
Gross Income (Food, liquor, & accommodation)	£62,892	£147,296	£199,128	£209,084	£219,538
Operating Profit	£41,008	£97,744	£131,418	£137,988	£144,888
Expenditure (Wages & expenditure)	£38,636	£77,272	£84,999	£89,249	£93,712
Maintenance & improvements				£20,000	£30,000
Profit/ (Loss) From Trading	£2,372	£20,472	£46,418	£28,739	£21,176
Net Surplus/ (deficit) after Tax & interest/loan repayments	£810	£6,991	£15,851	£9,814	£7,231
£ Interest Paid to Shareholders (based on £160,000)	£0	£0	£0	£0	£8,000
% interest Paid	0.00%	0.00%	0.00%	0.00%	5.00%
Shareholder Reserve Fund	£810	£7,801	£23,652	£33,466	£32,697

Notes

The forecast is assuming a post Covid position. It is unlikely that the pub sale will occur prior to August 2021 and normal hospitality industry norms returning until June 2022.

Initially the pub/hub will not be open on all days and will initially open Thursday to Sunday, following similar protocols followed by other Community Hub launches. As reputation, service and footfall increases then all services will be extended.

The Pub will not initially apply for VAT registration, but will intend to during Year 2

The Society recognises it has the objective to achieve a turnover of £250k by year 5/6 but is cognisant that the pub has been shut for 3 years after 5-7 years of poor management & service. There is a reputation to rebuild which will take time. The forecast is prudent and has been set as an achievable target.

3.4 Financial Details & assumptions

Capital

The total capital required is £280,000 to cover the costs of purchase, associated expenses and refurbishment as well as meeting cash flow requirements. This will be financed by the community share offer of £160,000, and from grants, loans and private donations. If insufficient share capital is generated in the required timescale, we will consider taking debt financing. We have modelled various funding scenarios and have established the maximum amount of debt that is commercially viable. Under no circumstances will we take on debt in excess of this limit, even if that means we cannot proceed with the purchase.

Refurbishment Costs

These costs will cover the following: -

- General Exterior repairs
- Kitchen Refurbishment
- Repair and refurbish tenant accommodation.
- Window repairs
- Internal Furnishing
- Conservatory leak
- Internal & external decoration

TOTAL (subject to final inspection & evaluation)	£90,000
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Pre-trading Costs

These costs will cover: -

Insurance

Professional Fees

Stock & consumables

Contingency

TOTAL (anticipated or estimated value)	£ 20,000
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Contingency

Cash contingency	£ 10,000
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Income

The cash flow above shows how we have modelled the income for The White Hart Inn using information made available from previous managers and other sources. The trading years starts on the receipt of the first full months trading income. To be clear this is likely to be approximately 6-9 months after the ownership of the property is secured.

Approximately 3-6 months will be required to repair and upgrade the building before its formal opening.

The core economics of our business revolve around the 3-primary source of income (B&B, Liquor and Food) vs. outgoings (building maintenance, shareholder interest, loan repayments (if any), and other overheads). In addition, a reserve will be built over time in case members wish to withdraw their shares, and to provide for property improvements to support business growth. The basis of the income assumptions is set out above.

The business plan and cash flow figures assume that we will receive little or no income in the initial months as the business starts to operate.

We have assumed the pub will achieve a reasonable year-on-year increase in turnover until Year 5 at which point the pub will then be at a sustainable 'steady- state' level of trade once the manager has rebuilt the Pub's reputation and developed its customer base.

3.5 Funding

There is a good local support to restore and return the White Hart Inn operating as pub, restaurant and café and reverse its fortunes. Pledges of financial support have already been offered from potential shareholders amounting to £25,000. While short of the total proposed funding from this source it is thought to be a good measure of interest in a formal share offer. Based on the experience of similar share offers elsewhere, this is an encouraging start which should lead to additional investments.

Should our share offer fail to reach the £160,000 target the opportunity for loan or combined grant and loan funding will be explored. There is an opportunity to access additional finance via the Plunkett Foundation. This may contribute towards our target. Failure to achieve the target or failure to reach an agreed sale will result in all monies raised during the share issue to be returned appropriately.

Should the share offer exceed the required target the Society members will decided either to return elements of any loan taken out or increase the contingency holding.

Any potential loans will need to be carefully considered to ensure affordability within our business plan. It is recognised that loan repayments could only be financed by increasing the income generated from the business or by reducing interest payments to shareholders both of which could have an adverse impact on management recruitment.

As a Benefit Society there is further potential funding from the Plunkett Foundation via their 'More Than A Pub' programme in order to help fund start-up and start up administration costs.

'More Than A Pub': The Community Pub Business Support programme aims to bring pubs into community ownership and to increase the range of services they offer to help local people. The support includes allocated business development advisers, help with community consultations, advice on legal forms, business planning, community share offers and, bursary awards of up to £2,500. Groups can access the full range of support from the pre-venture stage, or just the elements they need, depending on how well their plans are developed. When a group is ready to purchase a pub, the 'More Than A Pub' Programme can offer a combined finance package of up to £100,000, made up of a loan and grant.

In preparation of this prospectus the Society has taken sound advice from the Plunkett Foundation representatives who have a considerable expertise in community funding.

In Summary.

Share Funding	£160,000
Grants (Plunketts or similar)	£ 50,000
Loans (Plunketts or similar)	£ 50,000
Fund raising & donations	<u>£ 20,000</u>
Total	<u>£280,000</u>

3.6 Start Up Costs

Renovate & refurbish

It is intended to bring the pub up to a standard such that the manager can focus on running the pub without concerns about the condition of the building. The pub needs investment to be able to operate and develop as a community venue. A working schedule of improvements and repairs is being drawn up.

A more detailed appraisals will have to be undertaken (most likely post acquisition) but based on the surveyor's findings and knowledge of the building, we believe the budget is prudent and the most essential works will be funded. These are:

- Essential repairs to the structure, primarily to the conservatory leak, and replacing windows and doors.
- Internal structural improvements, primarily decoration
- Refurbish the kitchen to be able to operate an appropriate food offering.
- Refurbish the upstairs rooms as possible letting or tenant's accommodation.
- Refurnish Bar, Pub and Café areas.
- Restore outside areas, tidying inside and out with a thorough internal clean and redecoration of the public areas.

Internally the building is in satisfactory condition of repair. There is evidence of water ingress in the conservatory, only. The decorations need cleaning and repair. The trade area needs re-equipping and so bringing the public house up to standard. The creation of a café would need consideration as part of this upgrade.

The area that could be the tenant's accommodation needs a full refurbishment with a new kitchen and facilities. The other rooms require redecorating and all rooms need repairs to damages.

Externally the building is in reasonable condition. The windows vary in condition, some need

replacing while some need repair.

In the public trade area, there were no tables and chairs when the property was viewed. In the food preparation and cooking area, all equipment has been removed so there is nothing left to operate it as a commercial kitchen. Similarly, the cellar with the beer raising equipment would need new equipment and refurbishment.

To the side and rear of the building is the beer garden which is over-grown, needing cutting back and regular maintenance to bring it back to life. The car park is in good condition and does not require any immediate maintenance, just removal of overgrowing weeds.

1. APPLICATION FOR MEMBERSHIP

If you wish to purchase shares in The White Hart Inn Community Benefit Society Limited ('the Society') and become a member of the Society, please complete the form below and return it to the Secretary at:

The White Hart Inn Community Benefit Society Limited, 13 School Road, Foul登, Norfolk, IP26 5AA

Name(s):

Address:

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Email address:

Phone number(s):

For corporate bodies, provide details of a nominee

Shares cost £1 each. The minimum investment is 100 shares = £100. The maximum investment is 25,000 shares = £25,000

Number of shares you wish to purchase: Value of shares : £

Tick the box if you are a UK taxpayer and wish to claim tax relief on your investment under an HMRC supported scheme [see Notes on the Offer]:

Payment should be made either:

- by cheque drawn on a UK bank payable to The White Hart Inn Community Benefit Society Ltd. **Please enclose your cheque with this application;** or
- by direct transfer from a UK bank to LICP's bank account as follows:

Bank: Barclays Bank
Account Name: The White Hart Inn Community Benefit Society Ltd
Sort Code: 20-16-12
Account Number: 93104648
Reference: "Share issue/[name]"

Please tick the box to confirm payment has been made directly to our account

If you wish to nominate a person to receive your shares upon your death, please supply details here:

Name:

Address:

By requesting to purchase shares, I agree to my name, address, phone number(s), email address (where applicable) and the number of shares I wish to purchase being held on a computer database. I understand this information will be used for the purpose of maintaining a register of members as required by the rules of the Society and for posting of notices regarding the activities of the Society. **This information will not be passed to third parties and will be used only for the purpose of communicating with you in respect of your membership of the Society.**

If you are happy for us to communicate with you on non-membership issues (eg. events, business matters, marketing etc.) please tick box.

I confirm I am 18 years or older:

Signed: Date: