



## **INVESTING IN THE WHITE LION ASH COMMUNITY PUB A COMMUNITY BENEFIT SOCIETY**

**Much of the appeal of Ash Villages rests on its sense of community and it is one of the reasons many people have moved here and remain here.**

**For many residents the White Lion is the Centre of our community. It is a meeting place, a place to relax and an important lynchpin of village life.**

### **Introduction**

We launched successful share offers in 2017 and again in 2021. More details are included later in this document. Whilst the earlier share offers are now closed, the reputation and success of the pub continues to grow and a number of residents, customers and supporters have enquired about being able to invest in the White Lion to support its continuing development.

The Management Committee has therefore agreed to open the opportunity for both new and existing investors to purchase shares. This is not time limited and will be available for the foreseeable future.

This document sets out the detail all investors need to be aware of and the process for purchasing shares.

### **The Community Benefit Society**

The Society is a Community Benefit Society registered with the Financial Conduct Authority (no. 7671). It was formed to purchase and operate the White Lion public house in Ash Magna. It undertook a share issue in 2017/18 and successfully raised c£225,000 towards the total purchase price and refurbishment cost of c£350,000; the rest was secured through grants from Power to Change's More Than a Pub Programme and loans provided.

We issued a second share offer in 2021 primarily to refurbish the Stables with a new patio and barbeque area. A further c£60,000 was raised through share sales. With grant support, this helped

us to develop the impressive Stables multi-use room which provides a café and restaurant service plus meeting room and events space.

This development has contributed to increased trading and growth and has proven popular with customers, supporting our ambition to be more than a pub.

We are now opening up the opportunity for investing members to buy more shares and/or new members of the community to purchase shares to become co-owners of our marvellous pub. Unfortunately, the tax relief facility available to those purchasing shares in 2017/18 and 2021, and taken up by a number of members, is no longer existing. We believe, however, that there is significant interest in a further share release.

Since taking ownership of the White Lion in 2018 we have benefitted from grants (especially those linked to Covid support) and have taken on debt to bring the pub up to the condition it needed to be to retain its attractiveness as a visitor attraction to the village and further afield.

These monies were secured solely to be used for the refurbishment and repair of the pub and a capital fund is currently secured against future development. At the time of writing (August 2023) the Management Committee is exploring opportunities to improve the toilet facilities, the kitchen space and to provide a link between the main building and the Stables.

A significant contribution to the popularity and success of the pub was the appointment of Shaun Embrey as the Pub Manager in March 2020. Under his leadership the business has gone from strength to strength. He leaves a strong legacy on which to build and continue the success of the White Lion as a viable and thriving business. Aided by recent national recognition of The White Lion (Countryside Alliance Rural Pub of the year) we are confident we can appoint a new Manager with the same enthusiasm and ethos as Shaun.

## **Current trading and financial position**

We report annually to members on our trading position and forecast. Pending finalisation of Annual Accounts for 2022/23 and their submission to an Annual Members Meeting (AMM) this autumn we continue to generate operational profit once our costs and commitments (incl. loan repayments) are set against trading income. Whilst these profits are not substantial, to achieve profit in the current market environment is a real achievement and an exception to the experience of many other pubs.

## **Community shares are fully at risk**

The overriding purpose of share investment is to sustain our community-owned pub, and to increase its operating capacity and model in order that it can thrive and generate a small profit as a community benefit. Sustaining our Pub benefits to whole community, whether through provision of a hub for events and social interaction or making Ash an attractive place to move to, reflected in house valuations. However, all investors should be aware that you could lose some or all of the money you subscribe. You have no right to compensation from the Financial Services Compensation Scheme, nor any right of complaint to the Financial Ombudsman Service. Please don't invest any money you can't afford to lose.

*The Community Shares Standard Mark is awarded by Co-operatives UK to offers that meet national standards of good practice.*

*For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to [communityshares.org.uk](https://communityshares.org.uk)*



## Buying Shares

- The opportunity to invest in shares is open to both existing members of the society and new members.
- Each share costs £250.
- Investors must be 18 years or older.
- Investment can also be accepted from incorporated and unincorporated groups. Incorporated groups must name a nominee who is an individual with whom the society will communicate on behalf of the member and who will be invited to attend society meetings and cast votes on behalf of the society
- Unincorporated groups (such as clubs, or families) cannot hold shares and must name an individual who will, in addition to the above, also be the legally named beneficiary and nominee, and any interest paid, or withdrawal will be paid to them directly; it is a matter for the group to come to an arrangement about the equitable distribution of those funds within the group.
- Shares can be purchased by those aged 18 or over and held by them for younger family members or friends.
- It is possible to buy a share (or shares) as gifts. If a gift recipient is under 18 years of age, the purchaser will be able to nominate the recipient as their beneficiary. On the day the beneficiary turns 18, they become eligible for full membership in their own right, at which point both the purchaser and beneficiary need to notify the Society accordingly.

## Investment Limits

Individual subscribers can purchase any number of shares from a minimum of one share at £250 to a total share investment of £25,000. All shareholders, regardless of the number of shares held, have a single vote and an equal say in any business decisions requiring the view/support of members.

## Withdrawable Share capital in the society

Investments made into the society are not transferable, except upon death or bankruptcy. They cannot rise in value, regardless of any increase in the underlying value of the assets of the society but can be reduced in value if the society's auditors advise that this is necessary to maintain a solvent balance sheet.

As a Community Benefit Society, we cannot commit to paying dividends to members. However, if significant profits are made and sustained, we are permitted to make a payment to members in the

form of interest as a cost of capital. For 2021/22, when a small profit was generated, members at the AGM voted unanimously to keep this funding in the Pub to enable it's continued growth and not to receive any return directly.

The Community Benefit Society can agree to the withdrawal of share capital subject to: -

- a) Having sufficient cash balances.
- b) There being no adverse impact on future business viability.

Any request for the withdrawal of share capital requires three months notification to the Company Secretary, to then be considered by the Management Committee against the above considerations. In the event of there being multiple requests, the Management Committee shall set out a process for equitably handling these, again with consideration as to the impact on the business. It may well be that the Management Committee could refuse or only part allow requests or withdrawal, depending on the financial position and outlook for The White Lion.

Members should be advised that, were the Society to become insolvent during a financial year in which share capital had been withdrawn, that any such withdrawal could be recoverable under insolvency rules. Clearly, however, we are not foreseeing such!

## **Asset Lock**

In the event of the Society's liquidation, should there be any remaining funds after satisfaction of any creditors, members can be repaid the value of their outstanding investment in the Society (nb: at present the market value of the asset comfortably exceeds the value of shares and commitments to creditors (e.g., loans)). Any subsequent surplus would be distributed to groups with a clear community interest, with similar restrictions on the use of their assets. In this sense the Community purchase of the Pub has created an asset in perpetuity for the community.

Investors should be advised that the loan the society has with Barclays, taken out to consolidate other loans which supported the purchase and redevelopment of the pub, is secured by a charge on the society's assets.

## **Membership and Voting**

Under the terms of the Society's governance, shareholder members each have one vote, regardless of the level of their investment. This is designed to ensure an equitable structure which is at the core of our ethos.

Since its formation, the Society has held regular AGMs. The annual meeting this year, to which all members are able and encouraged to attend is provisionally scheduled for Wednesday, 1<sup>st</sup> November 2023.

Members receive quarterly shareholder newsletters - more frequently if there's significant news to report.

## **The Management Committee**

The Society's Management Committee is elected by members, with a third of the elected directors required to resign each year with the option of standing again. Elections of management committee

members takes place at the Annual General Meeting (AGM). The White Lion Ash Community Benefit Society is registered with the Financial Conduct Authority

The eight Management Committee Members are shareholders and directors of the Community Benefit Society. They are responsible for overseeing the Society.

## **Security of Funds**

The society holds funds raised through share investment in a separate bank account which is not used for day-to-day banking purposes. As the society envisages no issues with meeting all of the demands made on it financially, we do not consider it a risk to investors to have funds held by the society in its own accounts.

## **Interested?**

**IF you want to find out more, please contact our Company Secretary, Leigh Griffin on [leigh.griffin@btinternet.com](mailto:leigh.griffin@btinternet.com) or on 07789942811.**

**If you want to purchase shares, please complete the Application Form, and return to our Company Secretary, Leigh Griffin on [leigh.griffin@btinternet.com](mailto:leigh.griffin@btinternet.com) or by post to The Old School, Ash Magna, Whitchurch. SY13 4DR**