THE NEW INN
1750
Salvation Squad

Share Offer

for The New Inn, Norton Lindsey

Norton Lindsey Community Pub Limited

THE NEW INN
Salvation Squad

Share Offer for the community purchase of the New Inn, Norton Lindsey

SHARE LAUNCH: 29th October 2016
CLOSING DATE: 30th November 2016

OUR TARGET IS £300,000

WE FACE A ONCE IN A LIFETIME OPPORTUNITY.
Not only to save our pub, but to make it the community hub of the village and with your support we can make it happen.

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1. Key Points

Our aim is to make the New Inn the hub of the village, a pub providing facilities and services that bring the community together. The society proposes to raise funds to acquire, carry out minor works and provide the start-up working capital to run The New Inn.

You are invited to invest in a community enterprise set up to secure the long term future of the New Inn, Norton Lindsey as a pub and community hub.

1.1 Norton Lindsey Community Pub Limited is a Community Benefit Society and registered with the Financial Conduct Authority. It was set up with the aim of purchasing the New Inn in Norton Lindsey and reviving it for the benefit of the community, the people that live or work in the area or visitors that pass through.

1.2 Purchasing the freehold of the New Inn has been identified as the best option to save the pub from those who would seek to change its use and provides the platform for it to be a successful sustainable business that can serve the needs of the entire community.

1.3 An initial Steering Group was formed to develop the proposal and we are now seeking investors who wish to become members of the Society to help us reach our target of raising £462,500. The Steering Group believe that this amount will give sufficient capital to purchase the pub, carry out minor works which will allow the pub to re-open, cover costs to set up the pub, provide sufficient working capital to enable cash positive trading and establish a small contingency to meet unforeseen costs.

1.4 The minimum share funding level that is required to proceed will be £250,000, with the balance of our funding requirements of £212,500 being met by commercial or Government backed loans. Ideally we hope to meet or exceed this minimum level of share funding in order to reduce our reliance on loan funding thus reducing the interest burden on the Society.

1.5 To become a member of Norton Lindsey Community Pub Limited individuals are invited to invest between £250 and £60,000 each. Individual share value will be £50 with a minimum holding of £250. Each member will have an equal vote in the Society irrespective of their shareholding, following the key Society principle of 'one Member, one Vote'

1.6 It is the intention, subject to an appropriate surplus being available, to pay shareholders an annual interest of up to 2% above the Bank of England base rate or a maximum rate of 5%, whichever is the lower, paid gross of tax. In the first year the business needs to become established and it is unlikely that interest will be paid for that period. Any interest payable in subsequent years will be at the discretion of the Management Committee.

1.7 The Society has advance approval from HMRC for Enterprise Investment Scheme tax relief. The scheme provides 30% tax relief to investors. This means that 30% of the sum invested could be offset against income tax liabilities in the year the Society starts trading. To qualify, the shares must be held by an investor for a minimum of 3 years. Your investment in shares in the Society may qualify for ' business relief' under inheritance tax rules. Important: We cannot advise you on your own financial or tax position or decision on whether to invest in the Norton Lindsey Community Pub Limited. Please seek your own independent financial and/or tax advice when deciding whether to invest in this share offer.

1.8 A Community Benefit Society named Norton Lindsey Community Pub Limited (Registered Number 7412) whose registered address is at Cleeve Cottage, Main Street, Norton Lindsey, Warwickshire CV35 8JA has been established to purchase and trade the New Inn.

1.9 The New Inn will provide a much needed service to the village and surrounding areas. As a pub it will serve good beer and locally sourced, freshly prepared food and as a café it will provide quality hot drinks and cakes, all in a friendly atmosphere that welcomes the whole community. It is our intention to make the pub the village hub by offering social and cultural activities, providing a shop selling basic everyday necessities and a parcel drop-off & pick-up service with the potential to offer other services of value to the community. Financially it will benefit the entire community by making it more desirable place to live with benefits to house prices.

1.10 We will look for a manager who can work closely with the aims of the Society to provide a pub and community hub that meets our requirements. The manager will be responsible for how the business is run on a day to day basis and will be financially incentivised to make the pub a success.

1.11 When the premises are purchased the group of people who formed the Steering Group will form the largest part of the initial Management Committee for continuity reasons, with three co-opted members making up the balance. The Management Committee will oversee the performance of the business and measure it against the targets set down in the business plan.

1.12 Elected members of the Management Committee will hold office for a period of three years. All of the seven members of the Steering Group will form part of the initial Management Committee and the will all retire at the first AGM in accordance with the society's Rules (but may offer themselves for re-election). Thereafter, members of the Management Committee will retire in a phased way over the following three years in accordance with the Rules of the Society. All new Management Committee members will be elected by the Society's members. Members will be entitled to attend the AGM and stand for election to the Management Committee.

1.13 The freehold of the New Inn was put on the market by Enterprise Inns in June 2016 and is being sold by Fleurets. It was closed in August 2016. It is registered as an Asset of Community Value (ACV) and this has enabled a moratorium to be placed on its sale to anyone but the community until December 8th 2016. After some negotiation a purchase price of £312,500 has been agreed with Enterprise Inns.

1.14 We firmly believe that there is a strong future for the New Inn when run by an experienced, professional and knowledgeable manager with a strong track record of success, who seeks the highest standards in quality and operates with the wellbeing and objectives of the community at the forefront of their strategy.

1.15 The closing date of the share offer is set at 30th November 2016 to enable us to complete the purchase of the premises before the expiry of the ACV moratorium on December 8th 2016.

1.16 A copy of the business plan may be downloaded from www.salvationsquad.co.uk

This is a great opportunity to be a part owner of a vital community asset that can become the hub of the community.

2. Locality

The New Inn, which is situated within the village of Norton Lindsey in Warwickshire, dates back to 1750 and is the only pub in the village. It is located 4 miles from the county town of Warwick and 7 miles from Shakespeare's Stratford-upon-Avon. The village takes its name from the Lindsey family who were lords of the manor in the 12th century. Part of the village is designated as a Conservation Area by Warwick District Council who quote that "the centre of the Conservation Area is the intersection of Main Street and New Road at the New Inn, a building which fits well into the village character". The 2011 census shows the village as having 139 households with a population of 326.

The parish is a vibrant community that is made up of the three villages of Norton Lindsey, Wolverton and Langley with numerous farms and approximately 300 houses. The parish has good road connections sitting just a mile away from the London to Birmingham M40 and the A46 to Coventry. With the exception of the New Inn there are no other pubs in the parish.

Norton Lindsey has a Church of England church, a village hall, a primary school, a thriving cricket club, and a small number of businesses including home run businesses. There are numerous access roads and walking and cycling routes leading to its location. This has enabled the business case to be further strengthened as a community enterprise with the significant benefits that this provides for the long term viability of the pub.

3. Current Scenario

Since 2012 Enterprise Inns have appointed four different tenants to the pub but, mainly for reasons of inappropriate experience, their tenancy has neither worked for them nor the local community. In August 2013 the Norton Lindsey Parish Council was successful in listing the New Inn as an Asset of Community Value (ACV) under the Localism Act 2011. In recent times Enterprise Inns have been progressively disposing of their under-performing pubs and in June 2016 the freehold of The New Inn was placed on the market with Fleurets estate agents. In early August 2016 the tenant left the property and the pub was closed and boarded up.

In July 2016, following two very well attended village meetings at which the community gave their overwhelming support to saving the pub, the Parish Council submitted their Expression of Interest to submit a bid to buy the pub, in line with the ACV regulatory procedure. This consequently triggered a 6 month moratorium period during which time Enterprise Inns are not able to sell the property to anyone other than a community group. The moratorium period expires on December 8th 2016.

A Steering Group was set up in late July to coordinate the work to save the pub and since then they have registered a Community Benefit Society (CBS) called Norton Lindsey Community Pub Limited to submit a formal bid to Enterprise Inns to buy the pub. They have also carried out a comprehensive village survey, prepared a business case and have engaged various expert advisers including property surveyors and architects. To validate our confidence in the future viability of the New Inn the business case has been prepared with assistance from a number of experienced professionals in the pub, restaurant and shop trade and with support from the Plunkett Foundation and Pub is the Hub. Of great importance to the Steering Group was to acquire the premises at an acceptable price. After some negotiation with Enterprise Inns, this was achieved with an agreed purchase price of £312,500. The next key step for the Steering Group is to raise the necessary funding to proceed with the acquisition.

It is believed that under community ownership and with the support of the community, a manager can be found who would share our aims and have a financial interest in developing the business for the long term. This would bring the New Inn back to its rightful place as a hub for the community where locals can meet, and where passing travellers, walkers and cyclists can refresh themselves, thus sustaining its future for decades to come.

4. Strategic Plan and Benefits to the Community

Our belief is that the pub and the site it occupies are vital amenities for Norton Lindsey and nearby villages and that the best interest of the community will be served by acquiring the pub through a limited liability Community Benefit Society (CBS). This legal structure is explained in detail later in this document.

The CBS proposes to raise funds in order to purchase the New Inn, carry out some minor works and provide initial trading working capital to reopen the pub as a 'hub' for the benefit of the community. It will recruit a professional manager who will be responsible for the day to day operation and business growth of the pub.

Our plan is to finance the acquisition and subsequent improvement projects, initially, through a community share offer and commercial loans. Our intention is to maximise the capital raised through the community share offer since this will reduce our dependence on commercial funding and the associated higher interest costs. Other sources of funding will be pursued but timescales for grant funding are notoriously uncertain, inevitably long, and have therefore been excluded from the acquisition plan for this reason. Any grants awarded post acquisition would be used to reduce the loan capital required or enhance the facilities of the premises.

Initially the pub would undergo some minor modifications and refurbishment works to provide a welcoming environment at a level dependent on the finances available. In the future, if finances allow, further enhancements to the pub and its facilities are envisaged.

To become a true hub for the village it is proposed that the New Inn would also include a café and a shop. Provision of other facilities such as parcel drop-off & pick-up will be explored dependent on their financial viability. Significant support for these additional services is available both in terms of advice and grant aid from numerous organisations such as Pub is the Hub and Plunkett Foundation.

The pub will work to build on the social cohesion of the community, minimise social isolation and help to bridge gaps between social groups and different generations. It will be a place where informal networking can take place, helping to shape the economic future of the businesses within the community, and will be a comfortable place to be for everyone. These benefits are also widely recognised within the housing market with evidence showing that having a successful pub in a village adds 5-10% to the house prices.

Importantly, by establishing a community owned pub, the New Inn would remain safe from redevelopment and further sale for as long as the community wants that to be the case and as it will be run with the needs of the local community in mind it is more likely to have local support and therefore be successful in the longer term.

This represents a fantastic opportunity for Norton Lindsey and nearby villages to continue to strengthen the vibrancy and sustainability of our community. This purchase would have many benefits, including:

- Maintaining a place to meet friends and neighbours;
- Providing a hub to strengthen the sense of community;
- Providing additional services and facilities not currently available in the village e.g.. café, shop, parcel pick up & drop off;
- Securing the future of the pub for the community;
- Allowing improvements to the premises;
- Creating opportunities for employment;
- Injecting money into the local economy;
- Providing a hospitality venue for local groups & clubs, passing trade, special events; and
- Helping to sustain our property prices.

5. Business Model and Finance

A detailed business plan has been produced for your information and is available for you to download from the Salvation Squad website www.salvationsquad.co.uk or a hardcopy can be obtained by emailing: enquiries@salvationsquad.co.uk. The business plan has been built using the best knowledge, information and estimates we have to date, however it will continue to evolve as we gather more information and advice from experts and advisers. It is important that you read the business plan when considering whether to invest in shares.

Key factors contributing to the success of a community run The New Inn are:

- By purchasing the freehold of the pub we will have no rent or beer ties;
- Appointing a professional and experienced manager who will become part of the community and share in the success of the pub;
- Providing appropriate facilities to offer all members of the community a reason to use the pub;
- Acquiring the freehold of the pub through Norton Lindsey Community Pub Ltd (NLCP) will ensure community buy in, and input to, the future success of the pub;
- Improving the pub in stages to provide improved facilities and increased financial returns.

Finding the right manager is key to the success of the pub. We will be looking for a manager who reflects our philosophy for the pub and who will be happy to work with members to make the New Inn a thriving community pub. It is this relationship between the community and the manager that will be key to the future of the pub. The Management Committee and members will not be involved in the day-to-day running of the business (other than as customers) however a structured business review and feedback mechanism will be established with the manager.

We aim to raise a total of £462,500 from a community share offer together with commercial and/or government backed loans. These funds will be used to:

- Purchase the freehold of the pub with associated costs and taxes;
- Carry out minor works to get it ready to be reopened;
- Provide sufficient working capital to enable early stage cash positive trading;
- Manager recruitment, adviser costs and contingency.

The detailed breakdown of these costs is included within the Business Plan.

It is proposed that this is funded as follows:

- £250,000+ from community shares

  (Importantly the larger the community take up of shares the lower the dependence on commercial loan funding which will reduce our interest payments).
- £150,000 from commercial / Government backed loans. Initial discussions have taken place with Plunkett Foundation, regarding the Government's £3.6m 'More than a Pub' loan and grant funding scheme, plus two commercial lenders.
- £62,500 short term loan specifically to cover the VAT payable on the acquisition. We will register for VAT and make taxable supplies in order that we can reclaim the VAT on the acquisition and on subsequent refurbishment and improvement works. We would propose to repay this loan with the VAT reclaimed at the end of the first quarter.

- Grants and benefactor loans and donations will be sought. However, although we are reasonably positive about getting funding from these sources, the business plan has excluded these as their success and timing cannot be guaranteed. Any such funding will lower the overall cost of finance by reducing the dependence on the commercial loans and thereby enhancing the business plan.

This funding plan is likely to evolve as we move through the share offer process, negotiate to acquire the pub, and as we achieve success with any grant applications. Subject to raising sufficient funds, exchange of contracts and completion of the acquisition would be anticipated to happen in December.

We have set a funding target of £300,000 from community shares, however we believe we need to raise a minimum of £250,000 to proceed. If the minimum target for the share offer is not met by the initial closing date then we would aim to extend it subject to Enterprise Inns agreeing that they will continue to engage with us post the 8th December moratorium date. If the minimum target of £250,000 has not been met at the point that Enterprise Inns are no longer engaging in discussions with us then the share offer will be closed and all funds received from potential investors will be returned (after payment of any outstanding costs or fees) If the share offer exceeds the target and reaches £400,000 before the deadline it will close early.

NLCP will recruit a manager who will be paid a salary with free accommodation above the pub plus a share of the business profit as an incentive. An arrangement with Snitterfield Shop is expected to be agreed where they will run the hub shop within the New Inn, effectively as a satellite of their own shop, and will pay a profit share to NCLP. They will staff and stock the hub shop, carry all the risks of failure, but will profit from its success. We believe that this unique partnership model will provide our community with a viable hub shop with little or no risk.

Any profit generated from NLCP will be used to cover the following fixed and discretionary items:

- Any corporation tax liabilities;
- Interest on loans;
- Interest on share capital;
- Maintenance of the premises;
- Enhance and develop the facilities;
- Facilitate the withdrawal of shares from time to time.

For prudence, we will aim to build a modest reserve fund to cover unexpected costs connected with the land and buildings or the trading business of the New Inn.

We believe that the business will be profitable, but if it is not, NLCP owns a valuable asset, the building and land associated with it, which could be sold in order to return funds to investors after repayment of any loans, debts or other liabilities. Your investment is in the building and land, the bricks and mortar, not just the licensed business. This is a great opportunity to invest in a worthwhile community enterprise that will provide a valuable service to its members, users and future generations.

6. Share Offer

This share offer has been designed to give you an opportunity to contribute financially, on a long-term basis, to the Norton Lindsey Community Pub Limited (Community Benefit Society Reg. No. 7412). Please see the Society's rules of incorporation at www.salvationsquad.co.uk. The rules follow the Model Rules recommended by The Plunkett Foundation and are approved by the Financial Conduct Authority (FCA).

Individuals (aged 18 years and over) and organisations can apply for membership by buying shares at a cost of £50 per share, with the minimum investment of £250 and the maximum investment of £60,000 per person or organisation.

You can choose from three options in order to apply for and pay for shares:

- Paper application form (included at the back of this offer document) and by bank transfer to the Society's solicitors 'Hill Hofstetter Limited' (details included at the back of this offer document)
- Paper application form (included at the back of this offer document) and by cheque made payable to the Society's solicitors 'Hill Hofstetter Limited'
- Online application and payment via Crowdfunder (the crowdfunding platform) at www.crowdfunder.co.uk/save-the-new-inn-norton-lindsey (this option will incur a 5% handling fee for the Society)

The maximum amount of shares that can be issued in this offer is £400,000. Once this amount has been reached the Steering Group reserve the right to close the share offer early. Unsuccessful applications will be contacted with a view to be added onto a waiting list.

Funds will only be used to pay for shares if the acquisition proceeds and it is only at this time that the share certificates will be produced. It is important that funds are not drawn down in advance as the rules of the society prevent share withdrawal during the first 3 years.

Interest may be payable on shareholdings at an interest rate proposed by the Management Committee, based on the performance of the society during the previous 12 months' trading, and put to a vote at the Annual General Meeting. In the first year the business needs to become established and it is unlikely that interest will be paid for that period. Once sufficiently profitable, the society aims to pay an annual interest of up to 2% above the Bank of England base rate or a maximum rate of 5%, whichever is the lower.

It is important to note that the value of shares will not increase. The benefits for members are the social benefit of retaining this important community facility and any interest paid annually on their shareholding.

Shares are not transferable (except on death or bankruptcy) and cannot be sold. The only way to recover the value of the shares purchased is to give three months' notice of withdrawal to the Management Committee and the shareholder will then receive the amount they paid for the shares. Shares cannot be withdrawn until at least three years have elapsed from the date of the share issue and then only at the discretion of the Management Committee, who must at all times prioritise the ongoing financial sustainability of NLCP Limited.

The amount available to be withdrawn by shareholders in any one financial year will be set by the Management Committee and limited to a maximum percentage of the total shares outstanding (as determined by the Management Committee from time to time) with withdrawals funded from trading surplus or new share capital. 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 can be found in our Norton Lindsey Community Pub Limited Rules which are located on our website www.salvationsquad.co.uk.

In the event that the New Inn is sold at any time post acquisition, the shareholders would be repaid their investment after repayment of any outstanding debts. Any surplus will be paid to a charitable or community body which benefits the local community.

As Norton Lindsey Community Pub Limited confers limited liability, the most you could lose due to business failure would be the price you have paid for your shares.

The Society has advance approval from HMRC for Enterprise Investment Scheme tax relief. The scheme provides 30% tax relief to investors. This means that 30% of the sum invested could be offset against income tax liabilities in the year the Society starts trading. To qualify, the shares must be held by an investor for a minimum of 3 years.

A simple Investment guide has been included at the end of this document to show a range of share investment amounts and the actual net cost to the investor after EIS tax relief.

Your investment in shares in the Society may qualify for 'business relief' under inheritance tax rules.

Important: we cannot advise you on your own financial or tax position or decision on whether to invest in the Norton Lindsey Community Pub Limited. Please seek your own independent financial and/or tax advice when deciding whether to invest in this share offer.

7. Legal Model

The model we have chosen for our society is a Community Benefit Society registered under The Plunkett Foundation's Model Rules. The model gives its members and directors the protection of limited liability. The model provides a guarantee that the assets of the society will be used for the benefit of the community and cannot be disposed of for private profit. Details of the Norton Lindsey Community Pub Limited Rules are located on our website www.salvationsquad.co.uk.

Shares will be valued at £50 each, with a minimum investment of £250 per member. You must be 18 years old or over to become a member of the society. Each member will receive one vote at Members' Meetings, regardless of the number of shares held by that member.

All shareholdings of £250 or more will be eligible to receive interest although it is likely that no interest will be paid during the first year of trading. Interest will be paid gross and is taxable. You will be responsible for declaring this income to HMRC. Interest will be payable at the discretion of the Management Committee.

Shares will not be transferable except on death or bankruptcy. Members may request the return of the amount invested through a withdrawal request to the Society. No withdrawal requests may be made in the first three years and thereafter, will be paid at the discretion of the Management Committee having regard to the financial requirements of the Society. The Management Committee may set a maximum percentage of share capital which may be withdrawn in any one financial year.

The value of shares cannot increase and their value may be reduced if the business fails and its liabilities exceed its assets.

The initial Management Committee will comprise the seven members of the campaign Steering Group plus three additional individuals with appropriate skills as co-opted members. None of these individuals will ever have a personal financial interest in the project above and beyond their own personal investment in community shares, declared loans which will be provided on no less favourable terms than any other private lender or charges made by their businesses which will have to be approved by the Management Committee and the individual will have to declare their interest in the business concerned prior to any approval. The Management Committee is accountable to members and will be elected by members' votes at the AGM which will occur within six months of the end of the financial year. The Management Committee will keep members updated via newsletters, the www.salvationsquad.co.uk website, Facebook, and at the AGM when members will be provided with an annual report and accounts.

8. Steering Group

The Steering Group members who have worked to establish this enterprise come from a variety of backgrounds and have a range of relevant experience, skills and reasons for volunteering.
Brief summaries of these are provided below:

ROB BROOK

Partnerships Team Leader & Steering Group Chair

My Day Job: Managing Director of VTG Rail Ltd

My reason for getting involved

We moved to the village just before last Christmas and the pub was a big factor in why we chose Norton Lindsey. I do not want to see the pub lost forever and to see houses on the historic site. We have a once in a lifetime opportunity not only to save The New Inn but to make a real community hub.

LUCY BOYES

Communications Team Leader

My Day Job: Client Services Director at Leader Communications Ltd

My reason for getting involved

I moved into the village relatively recently. Having a young family, I want to us to use the pub as a social hub for both myself and my husband to enjoy on rare date nights, along with a great place for us to come with the kids and meet new faces and friends! I also feel that The New Inn, being an Inn since 1750, provides such an important centrepiece to the village and one definitely worth saving!

GREG JUDD

Property Team Leader

My Day Job: Senior Director of GVA

My reason for getting involved

It's so important to be able to stroll to the village pub for a drink with friends and family and not have to worry about who is driving home or getting a taxi. We've just returned from a family holiday in Italy where the bar is the hub of the village for all ages throughout the day. Young mums sipping cappuccinos and enjoying cake, kids excitedly buying ice creams, village elders playing cards and workers dropping in for a glass of wine or beer at the end of the day. We can create a community hub in Norton Lindsey!

AMY BIRCH

Fundraising Team Leader

My Day Job: Manager at Langham Walsh Chartered Accountants

My reason for getting involved

Having moved to the village three years ago, I realised quickly that the pub was incredibly important to the village. The village has such a huge community spirit and I believe the pub has been integral in keeping that spirit alive. Right now the choices are ours to make, do we want a pub, a café, a shop, the possibilities are available to us now but once the pub is gone so are our choices.

ALEX MELLON

Operations Team Leader

My Day Job: Retired, formerly CEO of a Charity, Further Education College Principal

My reason for getting involved

I want to keep our village pub! The New Inn offers place to drink regularly with friends, a handy place to eat, either for lunch or dinner and has been a lively place on Friday Nights. In addition it's an ideal venue for Birthday celebrations, Quiz Nights etc. and a place to bump into people you wouldn't otherwise see very often.

ZANNA PATCHETT

Legal Team Leader

My Day Job: In-House Solicitor at REPL Group Worldwide Limited

My reason for getting involved

After moving to the village in 2008, we quickly got to know people from meeting our neighbours at The New Inn. We feel like we are part of a very special community in Norton Lindsey, the likes of which are not seen in very many places nowadays, and the pub has a big part to play in bringing the village together. We have some very special memories already of family visits to the pub, including holding our children's christening party there.

PHILIP LONDON

Business Plan Team Leader

My Day Job: Finance Director at Paintbox Group

My reason for getting involved

I moved to Norton Lindsey from Bishampton, a village where the local pub had lost its way but was saved by the local community. Under community ownership it has been transformed into a thriving model of what a village pub should be. I want to help The New Inn become the same!

9. Risks

Prospective investors should read the whole text of this document and should be aware that an investment in the Society involves a degree of risk and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial and/or tax adviser.

Property

Professional surveys covering the building structure and drains have been carried out as part of the due diligence for the property. These surveys identify a number of relatively minor issues that it is proposed are dealt with prior to the re-opening. However to be prudent we have included a level of contingency within the plan to allow for matters that may arise.

Revenue stream

Whilst the management committee believes the basis for the financial projections contained in this document to be reasonable their is a risk that the actual revenue stream will be materially different to that projected. However, as part of building up the business plan advice has been sought from previous successful landlords and professional trade advisors. The base business case which sees the operation making a small profit is based upon revenue streams some 25% less than achieved in prior years, and that was in a period when it was a tied pub required to pay rent and buy beer at inflated prices. Surveys conducted just within the local community indicate that some 80% of revenues could come from within the village.

Insufficient monies are raised to finance the proposal

In the event that the required funds cannot be raised then we would be forced to abandon the process meaning that the owners would be free to sell the property to whoever they wished, including property developers.

Staffing

Securing the necessary skills and personalities will be a challenging task. The importance of simple but good food is as much a driver as is keeping good ales. To minimise this risk, advice and guidance has been sought from experts within the hospitality and licensed trade, some of whom have offered to support us directly in the recruitment process.

Snitterfield Stores does not follow through with the satellite operation

We would still seek to provide a basic shop offering and would intend to expand this as we develop.

10. Key points for Investment

1. This is a social investment not an investment designed to generate large profits and should be regarded as a long-term social investment in your community.
2. The return on your investment will be through a 'social dividend' i.e. the preservation of a local asset servicing the community and through modest interest on your shareholding, at the discretion of the Management Committee and voted on at AGMs.
3. All shareholdings of £250 or more will be eligible to receive interest although it is likely that no interest will be paid during the first year of trading. Interest will be paid gross and is taxable. You will be responsible for declaring this income to HMRC.
4. The Management Committee can suspend interest payments if the business performance does not justify paying interest. Therefore, you should not invest in the expectation of direct financial return, as this is not a conventional investment.
5. The minimum investment is £250 (5 shares). The maximum investment is £60,000 per person or organisation.
6. You must be aged 18 or over to become a member.
7. You cannot sell your shares, except back to the Society itself.
8. The value of shares cannot increase and their value may be reduced if the business fails and its liabilities exceed its assets.
9. The only way to recover the sum you initially invested (or any reduced value) is to give three months' notice of your investment withdrawal to the Management Committee. You cannot do so for the first three years after the date of this share issue.
10. All withdrawals will be at the discretion of the Management Committee and must be funded out of either trading surpluses or new share capital.
11. Total withdrawals in any year will be limited to a maximum percentage of the total shares outstanding (as determined by the Management Committee from time to time).
12. All funds invested in this Community Share Offer will be restricted funds held in a separate account until the purchase is completed and thereafter will be used only for the purpose of acquiring and refurbishing and owning The New Inn. In the event that the purchase does not proceed, all contributions will be repaid less any expenses that may have been incurred.
13. Any trading surplus, after payment of interest to shareholders and repayment of share capital, must be reinvested in the business or used for community purposes. The Society is registered with but not regulated by the Financial Conduct Authority (FCA, previously the Financial Services Authority), so members cannot apply to the Financial Services Compensation Scheme (FSCS) and have no right of complaint to the Financial Ombudsman. Before deciding to invest, you may want to seek independent advice.

11. Questions regarding buying Shares

How can I find out more about the project?
You can find the Rules for our Society at www.salvationsquad.co.uk. You can download a copy of the full business plan from the Salvation Squad website www.salvationsquad.co.uk or a hardcopy can be obtained from Phil London at prlondonuk@yahoo.co.uk or Rob Brook at rob@brookfamily.net. Each member of the Steering Group will also be happy to answer any questions you may have.

Why should I buy community shares?
Your investment is vital in helping us purchase the New Inn, Norton Lindsey. Without sufficient investment from the community we will be unable to purchase the freehold of the premises and establish the trading business and the more money we can raise from the community the less reliant we are on commercial loans.

Who will benefit from this project?
The residents of Norton Lindsey and the surrounding village communities will benefit directly by preserving this vital village pub. By making an investment you will be ensuring that the New Inn re-establishes itself as the hub of the village helping to provide essential services and building a vibrant community facility which can be enjoyed by both current and future generations.

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 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. You can download a copy of the full business plan from the Salvation Squad website www.salvationsquad.co.uk or a hardcopy can be obtained from Phil London at prlondonuk@yahoo.co.uk or Rob Brook at rob@brookfamily.net.

Will you be paying a fair price for The New Inn?
We have now secured a purchase price of £312,500 with the vendors Enterprise Inns. You can be assured that we negotiated to achieve the lowest possible price and one that meets the assumptions in our business plan.

Who are the people behind this project? Do they have a personal interest?
The Steering Group consists of a group of local residents who care passionately about saving the New Inn from residential development and ensuring its position as the community hub of Norton Lindsey. They have voluntarily contributed a large amount of time to the project. They will have no personal financial interest in the project above and beyond their own investment in community shares or charges made by their businesses which will have to be approved by the Steering Group and the individual will have to declare their interest in the business concerned prior to any approval. Their personal profiles have been outlined in this document.

What advice has the Steering Group taken on running a community pub?
The Steering Group has taken advice and received support from multiple sources including Plunkett Foundation, Pub is the Hub, professional advisers from many disciplines, other community pubs, CAMRA and of course the community itself.

Who will run the New Inn and make the day-to-day decisions about the business?
We intend to recruit a professional Manager to run the day to day business. The Management Committee will oversee the performance of the business and ensure it meets the targets set down in the business plan.

Who are the Management Committee?

Only Members (ie. shareholders in Norton Lindsey Community Pub Limited) may be elected to serve on the Management Committee. Members of the Management Committee elected by the Members shall hold office (unless vacated beforehand) until the conclusion of the third AGM after their appointment. The Management Committee is elected each year by and from the Members at the AGM. The Management Committee may co-opt other Members onto the Management Committee but these appointments are only valid until the next AGM.

The initial Management Committee will comprise the seven members of the campaign Steering Group plus three additional individuals with appropriate skills to be appointed as soon as the pub purchase has been completed. All members of the initial Management Committee will retire at the first AGM in accordance with the Society's Rules (but may offer themselves for reelection). Thereafter, members of the Management Committee will retire in a phased way over the following three years in accordance with the Rules of the Society.Further information regarding the composition of the Management Committee, the appointment of its members and the regulation of its meetings etc, is set out in the Rules which can be found on our website www.salvationsquad.co.uk.

How do I buy shares?

You can choose one of two options to purchase shares:

- Paper application form with payment by BACS or cheque
- Online via the Crowdfunder platform (this option will incur a 5% handling fee for the Society).

The share application form plus details of payment methods and the Crowdfunder website can be found on our website www.salvationsquad.co.uk or is available from Amy Birch at abirch@langhamwalsh.co.uk or Pippa Brook at pippa@brookfamily.net.

Funds will only be drawn down (or cheques banked) if the acquisition proceeds and it is only at this time that share certificates will be produced. It is important that funds are not drawn down or banked in advance as the rules of the Society prevent share withdrawal for the first 3 years. The funds will be drawn down and cheques cashed in order to pay the deposit once our bid to purchase the pub has been accepted.

What happens if I have already made a pledge to the project?

If you have already made a pledge to invest we will need to convert your pledge into community shares under the terms of this Share Offer. The application form can be found within this offer.

Why is the minimum investment £250?

A relatively low minimum investment level of £250 was set to give as many individuals as possible the opportunity to invest whilst being high enough to limit the ongoing member administration workload for the Society.

Do my shares give me voting rights?

Yes, this is a democratic structure based on one member one vote, regardless of the size of your investment

How do I get my money back?

You will not be able to withdraw your money during the first three years. After that, you will need to give at least three months' notice. You cannot sell or transfer your shares, and withdrawals must be funded from surpluses or new capital raised from members. The Management 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.

THE NEW INN
Salvation Squad

Can I transfer my shares to someone else?
No, unless you die or become bankrupt.

Will I get my investment back if the New Inn fails?
All the business' assets, including the freehold of the building, would be sold and the proceeds of the sale (after paying any loans) divided between the shareholders up to the value of their shares. You might receive the full value of your share back or you might receive less than this.

What is my liability should I invest?
Your liability does not exceed the price of your shares.

What redress do I have if the business fails and I lose the value of my shares?
The share offer 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 FSCS.

Will I receive interest on my shares?
We aim to pay interest on the shares but this will be subject to the provisions and limits specified within the society's Rules and will reflect the performance of the business. However during the first year of community ownership we believe it is not prudent to commit to making an interest payment. Interest will be paid gross and it is each member's responsibility to declare such income to HMRC if appropriate.

IMPORTANT: Please consider carefully the terms above and take independent advice.

EIS Investment Guide

Comparison between gross investment cost and actual net cost to investors.

INVESTMENT	EIS TAX RELIEF @ 30%	NET COST
£250 (min)	£75	£175
£350	£105	£245
£700	£210	£490
£1,450	£435	£1,015
£2,850	£855	£1,995
£7,150	£2,145	£5,005
£14,300	£4,290	£10,010

Application to Join Norton Lindsey Community Pub Limited

To become a member of Norton Lindsey Community Pub Limited and invest in our venture, you need to complete this application form and send it to the address below, accompanied either with a cheque made payable to '**Hill Hofstetter Limited**' or with payment by bank transfer to the following bank account:

Hill Hofstetter Limited Client Account
Sort Code: **20-07-71**
Account Number: **13124436**
Please make sure you include the reference: **JWW/NortonLindsey**

Please complete this form and return with your cheque (if applicable), made payable to Norton Lindsey Community Pub Ltd. to: **Amy Birch (NLCP Secretary), Cleeve Cottage, Main Street, Norton Lindsey, Warwickshire CV35 8JA**

Each individual must complete a separate form.

Shares are available at £50 each with a minimum of 5 shares.
Above this minimum you may buy as many as you like to a maximum of £60,000.

☐ **I am over 18 years of age**
Please note: you must be 18 years of age or over to be eligible to become a member.

I wish to purchase shares (minimum 5, maximum 1,200) at £50 each to the value of £_____

Name: _____

Address: _____

_____ **Postcode:** _____

Tel No: _____

Email: _____

I request and authorise you to apply the amount paid by me in connection with this application to subscribe for shares in Norton Lindsey Community Pub Limited. I further authorise you upon the allotment of shares in Norton Lindsey Community Pub Limited to me to enter my name in the register of members and to send to me a share certificate in respect of shares issued pursuant to this application.

I confirm that I have read the Share Offer document, including the 'Key Points for Investment' on Page 15.

Signature: _____

Date: _____

☐ I wish to apply for EIS relief (please tick).

By requesting that I become a member of Norton Lindsey Community Pub Limited, I agree to my name, address, phone number, email address and the number of shares I wish to purchase being held in a database. This information will only be used for the purpose of maintaining a register of members and for posting notices regarding the activities of Norton Lindsey Community Pub Limited. This information will not be passed to third parties.

If you would like any interest on your shares paid direct into your bank account please enter your bank details below. Please consider doing this as it will make the Society's administration considerably easier.

Bank/Building Society: _____

Sort Code: _____ Account Number: _____

If you have any questions please email: enquiries@salvationsquad.co.uk

THE NEW INN

Salvation Squad

www.salvationsquad.co.uk