

Dear Resident,

1st November 2021

This letter is from the Sarn Steering Group which has been formed to raise the funds required for the community to purchase the Queens Head pub at Sarn.

The Finance Team

We are Brian Mackie, Matt Gilbert, and Ian James. We are part of the Sarn Steering Group who have been working hard to establish the necessary business framework to make the purchase of the Sarn pub a realistic proposition.

Sources of Finance

We are progressing with the application in December to the Government Community Ownership Fund which will match funding raised by the community. We estimate we need to raise total funds of £320,000 to buy and refurbish the Sarn. That means we need your support to raise the necessary £160,000 of community funding which we hope will be matched by the government fund.

As part of the grant application, we will need to provide evidence of how much our community is willing to invest and whether there is a genuine willingness amongst the residents of Threapwood, Sarn, Tallarn Green, Willington and Worthenbury to contribute sufficient funds to make the project work.

Many of you were kind enough to indicate in the recent questionnaire we distributed that you would consider investing in shares and/or making a donation. We are, therefore, contacting you now to ask more specifically what you would be prepared to contribute. We will be offering the same opportunity to all interested members of the community.

Legal Structure

If we are successful with the community funding and grant application we will be forming a company in which you can invest by buying shares. The primary objective of the company is to run the Queens Head for the benefit of the community, to pay a reasonable interest on amount of share investment (subject to available funds), and in the longer term, if there is any surplus, to use this for the benefit of the wider community. The company itself will be a Community Benefit Society and will be registered with, and regulated by, the Financial Conduct Authority.

Anyone who invests in shares will have a vote and therefore a say in the affairs of the business at General Meetings, but the business will operate strictly on a one member one vote basis regardless of how many shares you hold. The intention is that there will be a committee of members voted in by the shareholders to oversee the day-to-day running of the business.

You may be able to recoup your initial investment in the future by selling your shares back to the Company. To give the business a chance to establish itself we have agreed an initial period of three years during which time the buying back of shares will be restricted. After that the expectation is that there may be profits to fund withdrawals within parameters agreed by the members. We also plan to establish a share exchange register where people interested in selling their shares can be matched with new investors.

Share Prospectus

Should the pledge letter response identify sufficient community support to fund the project we will distribute a share prospectus. This will provide full information about the business case, how to buy shares, what interest can be expected to be earned on your investment and how the share buyback and share exchange mechanisms will operate.

Business Plan

We have prepared a business plan and firmly believe that with your support the business will be profitable, provided that we ensure we are responding to what you, our community, needs. A separate sub-committee is already working on this plan and proposals to make sure that the business is a success.

How You Can Help

The more people who can pledge a donation, however small, or buy shares, and the wider the section of the community that participates in our project, the greater the likelihood of success. We appreciate that some people will not be interested or able to purchase shares and may prefer to make a donation instead, for which we would be extremely grateful.

To help us judge the level of support would you please fill in the enclosed pledge form with how much money you are prepared to pledge. *No money changes hands at this stage and this is not a binding commitment on your part.* This information, however, will be key in our application for matched government funding. If we are successful in our application but subsequently fall short in collecting our pledges, we will only receive government funding up to the level that the community itself has invested.

The above-mentioned share prospectus will be distributed in due course following confirmation of sufficient community support to fund the project. This will provide detailed information to help you decide whether you would like to buy shares or make a donation.

We appreciate that many of you will want your pledges to be kept confidential and so only one member of the steering group, Brian Mackie, will be privy to this information and will provide the rest of the group with the totals only.

If you have any questions about the purchase of the Queens Head or the proposed share structure then please feel free to speak to any of the finance team on the numbers given below.

Yours sincerely,

Brian Mackie

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