



Dear Member of our Community

Save The Miners Arms

This letter is from the Miners Arms Community Pub Limited. We are writing to you about the potential community purchase of our village pub, the Miners Arms. We are confident that, with your support, the pub can return to its former glory and position at the heart of the community. You are no doubt aware that the Miners Arms is currently closed and that its owner has placed it on the market with a view to sell.

As you are aware the Miners Arms Community Pub Limited is working towards being able to make an offer to buy the Miners Arms. To this end we are working to secure grant funding from several sources. We are about to lodge an expression of interest to the Community Ownership Fund and if this is accepted we will be invited to submit a full application. It is already clear however that any such grants can only form part of the funding required. Our business planning indicates that we need to raise in the region of £180,000 from the community. This is the goal of our Community Share Offer. Additionally, for our grant applications to be successful, we must demonstrate beyond doubt that the project has strong support from our community. A fully subscribed share offer would be irrefutable evidence of this. Consequently, we have begun the process of contacting supporters in the village, and further afield, to ask whether you wish to help fund the project to Save The Miners Arms.

Legal Structure

The Miners Arms Community Pub has applied to register with the Financial Conduct Authority (FCA) as a Community Benefit Society ("CBS") in which you can invest through the purchase of shares. The sole purpose of the CBS will be to purchase, refurbish and manage the Miners Arms as a community pub for the benefit of our community and visitors.

A CBS is a democratic structure that encourages membership and empowers communities by giving members a direct say in the management of the business through the elected committee, which oversees its day-to-day running. An important feature of a CBS is that there is one vote for each member, irrespective of how much they have invested.

A CBS is registered with the Financial Conduct Authority, with member liability limited to the value of their shares.

Any trading profits will either be reinvested in the business or distributed for social or charitable purposes within the community.

Business Plan

Our draft business planning looks very positive, and we firmly believe that, with the support of the community, the business will flourish. As well as local trade, the Miners Arms has in the past benefited from significant day and overnight trade from visitors to the area and we see no reason why this should not continue.

The Community Share Scheme

The structure of the Share Offer is as follows:

- Share Value £1
- Minimum shareholding 100 (£100)
- Maximum shareholding 25,000 (£25,000 per shareholder subject to approval)

The community shares will be withdrawable, subject to the rules of the CBS. Also, dependent on the performance of the business, nominal interest payments may be made annually against each share.

How You Can Help

Community support is critical to the success of the project. Our recent survey had an overwhelming level of support for the Miners Arms to return to the heart of the community with 97% of responders saying they wanted to see the pub reopen.

Support will now be judged by the number of people willing to be involved as members of the Miners Arms Community Pub Limited, CBS and the number of share pledges received. The level of pledges of support will have an influence on the outcome of our grant applications. To help us prove the extent of the support for the project, can you please complete and return the attached pledge form.

Please note that no money should be forwarded at this stage.

- Completion of this form will most definitely not commit you to anything – at this time it is purely to allow us to evidence the level of support we might expect from our community. Further financial information and final details of the share offer will be provided in a formal prospectus at a later stage, allowing you to make a more informed choice.

You can post the completed form in the box in the Nenthead Community Shop or send it to us by e-mail at minersarms.nenthead@gmail.com . Please return completed forms by Sunday 17th December. Alternatively, you can make your share pledge on our website www.minersarmsnenthead.com

We have included a frequently asked questions sheet with this letter. If you have any further questions on the Community Share Offer, please speak to any of the members of the working group or email minersarms.nenthead@gmail.com.

I do hope that you will feel able to support us and the wider community in our efforts to bring back to the village a once thriving pub.

Yours



Simon Walker

Chair Miners Arms Community Pub.

Please return this page by 17th December 2023.

Our target is to raise £180,000 through community shares to purchase and refurbish the Miners Arms. (Minimum share purchase 100 shares = £100)

Please select one option

I would be interested in buying shares at £1 per share.	
I do not wish to buy any shares.	

All pledges will be treated in the strictest confidence.

No money should be forwarded at this stage and this is not a final commitment on your part.

Please let us have the contact details that you wish us to use to send the final share offer. Your details will only be used for this purpose.

Name:	
Address:	
Email:	

Share Pledge Frequently Asked Questions

How much does a share cost?	A single share will cost £1, and the minimum investment is £100 (100 shares)
Are there limits on how much I can invest?	Yes. The maximum you can invest is £25,000 (25,000 shares subject to approval)
Why should I buy community shares?	We need your investment to help buy the Miners Arms. Without sufficient investment from the community we will be unable to establish the business and ensure the pub continues at the heart of the community for the long term.
Are joint applications allowed?	Yes. However, the society rules require shares to be held by an individual. It is okay if you have pledged in joint names, but when the formal share offer is issued, you will have to nominate individual shareholders. The minimum (100) and maximum (25,000 subject to approval) shareholdings apply to an individual, not a couple or household.
Who can buy shares?	Anyone over the age of 18 can buy shares for themselves or as a gift for someone else. A group of people. However only the first-named investor will be a member of the society. A business, organisation, or other incorporated or unincorporated body.
Will my share value increase?	No. Shares in the Society can never be worth more than their face value.
Will I receive a dividend from my shares?	The shares do not pay a dividend but can pay interest, the business plan assumes interest to be paid at The Bank of England base rate plus 2% from year three, but this will depend on the success of the business.
Can I sell my shares?	No. Shares in the society cannot be sold. They are a special sort of share known as community shares and the only way you can recover their value is to apply to the society to withdraw the value of the shares you own.
What happens if the buy out of the pub fails?	All monies will be returned as soon as possible once the decision not to proceed is made.
What happens if you do purchase the pub, but it then fails?	In the unlikely event that the Society fails, all the business assets including the freehold of the building and land, would be sold and the proceeds of the sale (after paying any creditors) divided between the shareholders up to the value of their shares. Your liability as a member is limited to the value of your shares. You cannot lose any more than the value of your shares. You might receive the full value of your shares back or you might lose part or all of your investment. Any remaining money (after paying any debts) must be transferred to another community organisation having similar community benefit aims. This is known as an asset lock which prevents any private gain if the Society dissolves
What happens to my shares when I die?	Your shares will form part of your inheritance and can be transferred under the terms of your Will, or alternatively you can nominate a beneficiary (to the Company Secretary) at any time. The share offer will allow you to nominate a future beneficiary.
Can I see the business plan?	A business plan is being developed and will be available as both a hard copy and online version.
When will the share offer begin?	It is estimated that the share offer will be launched during February or March 2024.
Who should I speak to if I have any questions?	Please speak to any of the members of the working group or email minersarms.nenthead@gmail.com .