

Muker Community Benefit Society Ltd



Community Share Scheme – Pledge Offers for Muker Community Pub

5th March 2024

Dear Supporter

As part of our work concerning the potential community purchase of our village pub, The Farmers Arms, we are now writing to supporters to ask whether you will be willing to pledge financial support, in the form of community shares, towards the purchase.

Since the initial November public meetings, held in Muker and Keld, there has been an increasing amount of support for the campaign. Through some generous donations we have been able to make good progress, with the support of Plunkett UK, and have been registered by the Financial Conduct Authority (FCA) to become a Community Benefit Society (registration number 9228). This provides the governance structure for a Community Share Scheme to be developed and launched later in the year. The Rules of the Society are available on our website – www.mukercbs.org which highlights an important feature of one-member-one-vote regardless of how much they have invested.

Our Expression of Interest to the Government's Community Ownership Fund has been accepted and we have been invited to submit a full application. It is clear that this potential grant (£250,000) will only form part of the funding required and it is important for a successful application to be able to evidence that the group can raise funds from other sources. Our business planning indicates that we need to raise an optimum of £320,000 from the community. With the support of the community and the significant trade from visitors we have every confidence that it can thrive.

The Board are currently producing the business case for the Government application that includes the strategic and management case for the project. It must be of benefit to the community, evident from over 220 responses to the questionnaire, but we need to be able to demonstrate the financial support from residents, visitors and businesses.

Being registered with the FCA means that member liability is limited to the value of their shares and that any trading profits will either be reinvested in the business or distributed for social or charitable purposes within the community. Our Community Share Offer will enable individuals (aged 18 or over) and corporate bodies to buy shares in the Society, making them a member of the society and giving them a vote at the Annual Members' Meeting.

The Community Share Scheme

The structure of the Share Offer is as follows:

Share Value	£1
Minimum shareholding	250 (£250)
Maximum shareholding	32,000 (£32,000 per individual shareholder) – 10% of the total shares

The minimum shareholding has been kept at an affordable level to encourage as many people as possible to invest and will be available in £250 blocks. We hope you invest as much as you feel comfortable to give us the best opportunity to bring the Farmers Arms into community ownership. The community shares will be withdrawable, subject to the rules of the Society. Dependent on the performance of the business modest interest payments may be paid annually (after the third year of trading) against each share.

You may be able to recoup your initial investment in the future by selling your shares back to the Society. To give the business a chance to establish itself we will need to agree an initial period during which the buying back of shares will be closely restricted, but thereafter the expectation is that there may be profits to fund the withdrawals within parameters agreed by the members.

How You Can Help

Community support is critical to the success of the project. To help us determine the extent of the support for the project please could you complete the attached pledge form. **Please note that no money should be forwarded at this stage.** This is not a final commitment on your part, 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 decision.

You can post the completed form back to the address on the reply slip or scan and email back to mukercommunitypub@gmail.com Alternatively, you can make your share pledge online by following the link on the Muker Community Pub Facebook page by the 26th March 2024.

If you have any questions on the Community Share Offer, please feel free to speak with any of the Board or forward your query to mukercommunitypub@gmail.com A frequently asked questions sheet is also available on our website.

The members of the Board are:

Mike Richards – Chair	Justin Jupp – Secretary	Louise Metcalfe
Richard Walls – Vice-Chair	Christine Clarkson	Philip Metcalfe
Ian Evans – Treasurer	Chris Hopwood	

The more people that are able to pledge to buy shares and the wider the section of the community that is actively involved in the enterprise, the greater is the likelihood that it will be a success.

Whilst those pledging will be under no obligation to purchase shares once the Community Share Offer is issued, **we do ask that you think carefully about the amount you wish to pledge**, as we will use this information to assess the viability of our plans; we do not want to risk misleading stakeholders about the level of financial support from within the community.

Yours faithfully

Mike Richards

Professor Sir Michael Richards

Chair, Muker Community Benefit Society