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# OFFER TO BUY SHARES

# MENTER TY'N LLAN

OCTOBER 2023

## CLOSING DATE: NOVEMBER 12TH, 2023



# Menter Ty'n Llan

Menter Ty'n Llan Cyfyngedig is a Community Benefit Society which has been created by local people to secure and protect the future of the Ty'n Llan pub in Llandwrog, Gwynedd and turn it into a genuine community hub for the benefit of the local community and the wider area.

Following a successful campaign to raise money through the sale of community shares, the pub has been purchased and reopened. The structure of the building was secured in 2022 through work funded by grants and the Society is now offering a further opportunity to invest so that the whole vision can be achieved.

We aim to raise £150,000 from this Offer to purchase Shares, and it is open to the community and the general public. We will use the money raised, alongside grants we hope to obtain from other sources, to expand and improve the facilities and to offer a memorable experience of our local Welsh heritage. The total cost of the project is estimated at £2,750,196.

Buying shares makes you a Member of the society and gives you a say in how it is run. Each member has one vote, regardless of how many shares they buy. The minimum shareholding is £100 and the maximum is £50,000.

This document:

- describes the project and its benefits to members, the community and the public
- explains the nature of the Society and how the share offer will work
- contains information on how to apply for shares

## THE SHARE OFFER

**Closing date: 12 November 2023**

# Our Vision, Aims and Values

## Our Core Aim

To enrich the lives of individuals and of the community by bringing people together in a way which celebrates and sustains our heritage

## Our Means

Buying, adapting and sustaining the Ty'n Llan pub and restaurant as a community-owned hub

## Our Methods

- Provide a location and resource which is flexible, attractive and welcoming to every member of the community
- Celebrate our heritage visually and through the activities that we promote
- Pro-actively encourage wide-ranging participation
- Provide food, drink and a place to stay of attractive quality at a fair price
- Ensure availability and accessibility that meet the community's needs
- Create opportunities for volunteering
- Be a fair employer
- Create opportunities for work experience and skills development
- Promote the Welsh language
- Respect the environment
- Protect the architectural heritage
- Run an efficient and competitive business

## Our Values

- *Welcoming* – both the place and its people
- *Inclusive* – our doors are open to all
- *Hard-working and thorough* – in all that we do
- *Straight and true* - in word and deed
- *Fair* – in our dealings with each other and with the world

## **A Community Enterprise**

A Community Benefit Society is a unique kind of corporate business which is owned by and run for the benefit of the local community rather than private gain.

When buying Ty'n Llan in the name of the community an 'asset lock' was placed on it so that it cannot be sold for profit – only for the benefit of the community.

The village of Llandwrog is noteworthy in terms of its architectural character, with Ty'n Llan at its very centre. Culturally, the village is strongly Welsh-speaking. Preserving and raising awareness of the heritage while promoting a lively, welcoming Welsh culture are central aims of our venture.

Our aim is to see Ty'n Llan realising in full the vision of being a pub, restaurant, café and functional hub for all kinds of services and community activities. In doing so we will reduce feelings of loneliness and isolation and create a dynamic hub for community interaction of all kinds.

## **The Benefits**

- Providing a range of services, including a pub, café and restaurant, to the village and to visitors
- Providing a place to meet friends and neighbours
- Promoting health and wellbeing through creating opportunities to bring people together
- Offering a central hub for information for community events and local issues
- Protecting and safeguarding our unique history and heritage
- Offering a memorable experience of local and Welsh heritage for every visitor
- Offering facilities for special interest groups of all kinds
- Promoting and protecting the Welsh language
- Promoting tourism and boosting the local economy
- Supporting local businesses and promoting entrepreneurship
- Promoting sustainability and protecting the environment through sympathetically preserving a historic building, ensuring its efficiency
- Creating volunteering opportunities
- Promoting training and skills development
- Creating employment opportunities for local people.
- Promoting intergenerational work
- Working in partnership with the local school and other organisations, to involve local children and young people
- Inspiring others to take ownership of and regenerate local assets

## **The Background to This Offer**

Two and a half years ago, after being closed for four years, Ty'n Llan was put on the market. Following public meetings and strong support from the community, an appeal was launched to save the pub by raising money to buy it for the community. We succeeded! Thanks to the support of 1013 individuals, £463,700 was raised and the building was purchased in June 2021.

Since December 2021, the pub has been open once again; food began to be served in the summer of 2022, and many societies and clubs meet here. Over 50 people offer voluntary help regularly and another 30 do so occasionally. There is a general feeling that saving Ty'n Llan has transformed life in the village and that the efforts have succeeded in realising our objective of 'bringing people together'.

We now face another very important step in the effort to ensure the long-term future of Ty'n Llan as the vibrant heart of our community. We are once again turning to the public and to supporters with a further invitation to invest in the venture.

From the start, we have realised that the facilities available at Ty'n Llan need to be greatly improved. Mainly this is in order to create suitable spaces for community activities and for hospitality. Our objective is of course for the enterprise to be self-sustaining and therefore it is also necessary to ensure a range of continuing income streams.

There is another reason, which is that we are determined that Ty'n Llan will offer a unique experience, to locals and visitors alike, of what a Welsh pub can be - a vibrant hub that is proud of its rich heritage and which presents this heritage to the world in a memorable and welcoming way. Our plans for improving and expanding the building are based on achieving these objectives.

When starting off on that journey, the first step was to ensure that the structure of the building was safe. The listed building needed a lot of attention - the construction of a new roof, as well as re-pointing the walls and treating all the windows - and we managed to attract support from a number of funding bodies for this work. The funding from the UK Government's Community Opportunities Fund (COF), the Welsh Government's Community Facilities Programme (CFP) and the EU/WCVA Community Asset Development Fund (CADF) must be noted in particular, with huge thanks.

However, the detailed work that the architect and other experts have done on our plans recently has shown that the cost of carrying them out is going to be much higher than we thought at the outset. Unfortunately building costs have continued to increase very substantially year-by-year. But we do not want to lose sight of that original, long-term vision and so the detailed planning and cost estimation work, as well as the search for further financial support, have gone ahead and planning permission was recently secured. At the same time the present business has developed significantly in the hands of the enthusiastic team who work here day to day.

The result is that we have succeeded in attracting support from a number of other funders, for different aspects of the scheme. The UK Government's Shared Prosperity Scheme has earmarked £500,000 of funding for the provision of bedrooms and for a new kitchen. The Arfor scheme (Gwynedd Council and Welsh Government) will give our catering service a big boost by providing support for staffing and new equipment.

The National Lottery Heritage Fund will contribute more than £160,000 this year to allow us to develop our architectural plans and our heritage delivery plan. In August we submitted our request for £1.5m to this Fund for delivery of the full scheme. Our bid will be considered between now and the end of November, when the Fund's Panel is expected to reach a decision. We have very recently submitted our full application to the National Lottery's 'People and Places' Fund, which has a similar timescale in view for its decision.

Some other applications are also being prepared and if these are all successful, we will come very close to securing all the funding needed to allow the whole scheme to be implemented as one project. That would be much more effective than spreading the work piecemeal over a long period and would mean that the pub would only have to be closed for a single period. And of course it would mean that all the improvements and new resources would be made available for use sooner.

As part of this exceptional effort to transform our pub and our community for the better, we now need once again to turn to you, our supporters. Although the grants would bring us close to the target, the Business Plan shows that some money needs to be raised again from the community and its supporters. In our grant applications we have told the funding bodies that this is what we intend to do. So we are now offering you and everyone else another chance to support the dream by investing in community shares - some of you for the first time, others perhaps as an addition to your current investment.

The terms are the same as for the first offer, and are listed later in this document. These shares will therefore stand on a completely equal basis, in terms of their rights, with the original ones.

Our target the first time was £400,000. We don't want to be quite as ambitious this time, but as you can see from the Business Plan, we are required to contribute £250,000 of our own funding towards reaching the goal. We anticipate that we will still have £100,000 in reserve from the original fundraising campaign, so we aim to raise a further £150,000 through this Offer. Can you help us?! Every investment, large or small, will bring us closer to the objective. We are launching this Offer at our Annual Meeting on 26 September 2023 and the closing date is 12 November 2023.

## **The Business Plan**

The original Business Plan has been completely revised following two years of trading and in light of the forecasts for the full cost of the entire Project. They include trading forecasts, together with project delivery costs, for 5 years from April 2023, with a cash flow forecast from August 2023 onwards. The documents can be viewed or downloaded from our website - [tynllan.cymru](http://tynllan.cymru). A written copy can be obtained on request from Menter Ty'n Llan Cyf, Bodryn, Llandwrog LL54 5TN.

Our plan is to raise enough money to allow the redevelopment of the current site to include the following:

- Complete renovation and remodelling of the interior, in order to make the most productive use of the space
- An extension at the rear with windows looking south towards the Eifel, to be used mainly as a dining area and community room for larger events
- Five en-suite bedrooms on the first floor
- A multi-purpose room available to hire for a reasonable fee by societies and private functions
- A new parking area with disabled parking spaces and charging points for electric vehicles and bicycles
- An attractive garden that welcomes families
- Heritage interpretation that provides a rich experience for visitors
- A programme of heritage activities that will surprise and expand horizons

Here are the trading results to date and the financial forecasts for the current year and the next four years:

	21/22	22/23	23/24	24/25	25/26	26/27	27/28
Turnover*	44,347	221,872	564,435	581,635	763,469	803,473	784,923
Profit (loss)	(4,165)	(9,031)	3,878	(28,916)	54,954	75,935	110,283

\*(including revenue grants but excluding capital grants)

## What are these figures based on?

The financial year ending 31 March 2022 included the setting-up period for the Society, the share offer and the purchase of the property, together with 3 months of initial trading. Not unexpectedly we showed a small loss of £4,165 for the year.

In 2022/23 the challenge was to respond to demand by expanding the business, mainly by opening the kitchen and serving food, and doing so while the building work was going on. There were a number of staff changes and a large, unexpected rise in the cost of energy. However, turnover increased significantly and the trading loss of £9,031 does not take account of the capital grants of £560,000 received to improve the building.

These historical figures do underline, however, how important it is to have additional income coming in from different sources to support the social activities and therefore how important it will be to ensure that the additional facilities referred to in this plan are realised.

The current year (2023/24) has seen improvements and further investment in catering equipment and staff, with the support of a grant from Gwynedd Council under the Arfor - Enterprising Communities scheme and the commercial side has continued to grow.

This Business Plan reflects this trading experience and makes assumptions about the growth we believe will occur as a result of the improvements the Project will deliver.

We estimate that construction and renovation work will begin in January 2024 and that it will be necessary to close the site and the business for a period of 4 months. During this period our contract staff will be retained and relocated as far as possible, with holidays and training being part of the mix. Making provision for this forms part of the financial discussion with the National Lottery Heritage Fund.

The aim will be to have the existing public areas ready to reopen by Easter 2024 with the rest of the developments being completed by the end of the 2024/25 financial year. It is assumed that a temporary kitchen will be hired from May until August with the new kitchen available in September. The bedrooms should be ready by April 2025 at the latest. The financial forecasts for 2024/25 have been modelled on the basis of a small increase above current trading levels, less closure costs, with the improvement to trading figures as a result of new facilities not taking effect until April 2025.

Staff costs in 2026/7 and 2027/8 show that a Community Heritage Officer and the Assistant Manager continue to be employed beyond the initial periods during which grant funding will be used to support them. It is assumed that the Project Manager position will continue until the end of June 2026 - i.e. three months after the construction work has been completed.

The Business Plan assumes that our efforts to raise funds, through a combination of selling shares and being awarded grants, will be successful. If they aren't, the plan will be cut back, and spending will be focused on those elements that have been earmarked in relation to specific grants.

Any surpluses generated from trading will be used to pay for the following, in this order of priority:

- Any corporation tax and Value Added Tax liabilities
- Interest on loans
- Repayment of loans
- Maintenance of the building
- Improvement and development of facilities
- Interest payments to shareholders
- Facilitation of occasional share repurchases

We are aiming to create a Reserve Fund to provide for long-term repairs and maintenance and to meet unforeseen expenses.

## The Management Committee

This Committee consists of up to 15 people and is responsible for electing its Officers.

The members of the Committee are currently as follows:

**Caryl Elin Lewis** (Chair)- Owner Director Cwmni CELyn. Chair, Llandwrog School Governors, Llandwrog Village Committee and founding member of Merched Mentrus Môn a Gwynedd. Formerly - senior posts with Gwynedd Council, Director of Mudiad Meithrin Cymru, associate consultant to the Institute of Public Care and Mental Health Foundation Wales.

**Catrin Huws** (Vice-Chair) - BBC production manager for Welsh-language programmes and online content. Responsible for co-ordinating many aspects of national broadcasting projects.

**Huw Jones** (Treasurer)- Chair of Portmeirion Ltd and Ymddiriedolaeth Nant Gwrtheyrn. Formerly Chair and Chief Executive of S4C, co-founder of Sain, Barcud and Teledu'r Tir Glas and Trustee of RSPB and Royal Television Society.

**Carys Aaron** (Secretary) - Trustee of 'Sistema Cymru - Codi'r To'; director Adra Lodge Cyf hostel and restaurant. Formerly Business Manager and director Ffilmiau'r Nant Cyf; law lecturer Bangor Law School. Former company secretary Galeri Caernarfon Cyf and Crochan Celf; former Chair of Governors Ysgol Syr Hugh Owen.

**Angharad Gwyn** - Owner-director of Welsh retail company Adra. Leader and co-founder of Clwb Gwawr Llandwrog, former chair of the school PTA and of the village Ti a Fi group. Member of Coleg Glynllifon Council and a business role model with Big Ideas Wales.

**Ian Kenrick Hughes** - Business Manager for the North and Mid Wales Trunk Road Agency, having worked in local government for over 35 years. Former member of Governors at Ysgol Syr Hugh Owen and Ysgol Llandwrog.

**Bethan Mary Jones** - Professional actor who has lived in Llandwrog for 25 years and raised 4 children. Former Chair of Governors of Ysgol Llandwrog. Owns a self-catering accommodation business.

**Sion Huw Jones** - Teacher at Glan Clwyd High School; part owner of Hairline Inc GC. Has lived in the village all his life and seen Ty'n Llan flourish as a child and adult. Passionate about seeing Ty'n Llan once again at the heart of the village.

**Elfyn Owen** - Chief Officer of a local charity with a background in the construction field. Leading on the development of housing services for older and vulnerable people. Extensive experience on matters from governance to risk management, financial management, health and safety, and supporting staff. Trustee of the Llanwnda Community

Centre, chairman of the Governors of Ysgol Felinwnda, and chairman of the chapel Buildings Committee at Salem, Caernarfon. A regular volunteers helping to maintain the cellar at Ty'n Llan.

**Marnel Pritchard** - A former teacher who is an active member of a number of Ty'n Llan groups including the Gardening Group and the Hospitality Group. Regular volunteer helping in the kitchen, cleaning when needed and being available to provide access when needed.

**Wyn Roberts**- Owner Director of AQUA Marketing Ltd with extensive expertise in digital marketing and the tourism sector. Director of Galeri Caernarfon Cyf, Hwb Eryri Cyf, Datblygiadau Egni Gwledig (DEG), and Cooliture Cyf.

**Sioned Williams** – Head of Gwynedd Council's Economy and Community development department, responsible for economic development, tourism, events, regeneration programmes, skills and employment. Qualified town planner, supporting social enterprises for 25 years. Advisory roles with North Wales Economic Ambition and Snowdonia Enterprise Boards. Former chair of North Wales Skills and Employment Board. Chair of Sport North Wales.

In the event that a member of the Committee or of their immediate families wishes to enter into a commercial relationship with the Society, they will be asked to step down from the Committee in order to avoid conflicts of interest.

## How Does Our Community Benefit Society Work?

This is not just about buying a pub – it is primarily about helping to sustain the community. There will be limited financial reward but you may earn interest and your liability will be limited.

### One member, one vote

A key rule is that each Member has one vote, regardless of how many shares they own. The minimum shareholding is 1 share. Each share has a value of £100. The maximum number of shares that can be held is 500. Members must be over 16 and shares must be paid in full on application.

## Rules and Governance

The Society has adopted the model Rules for Community Benefit Societies drawn up by the Plunkett Foundation. These Rules outline how the Association is owned, organised and governed. A copy can be viewed on our website.

It is the responsibility of the Management Committee to manage all the Society's affairs, and the members of the Committee are legally responsible for everything done in the name of the Society.

The members of the Society elect the members of the Management Committee and the Members will approve the basis and rate of payment of any interest on shares. The Management Committee elects its officers.

The elected members of the Management Committee will hold their positions for a period of three years retiring gradually over the three years in accordance with the Society's Rules. The members of the Management Committee will be elected by the Members of the Association. All Members have the right to attend the Annual Meeting and to stand for election to the Management Committee.

In addition to the Management Committee, volunteers are welcome to contribute to the work of running the venture. There are different groups focusing on Buildings, Food and Drink, the Garden, Activities and Marketing.

## Interest payments

After completion of three full years of trading, and if the business is running successfully and has sufficient surpluses, we hope to be able to pay annual interest on members' shares of around 2%. The Management Committee will each year submit a recommendation regarding interest payments on shares for the approval of the Annual Members' Meeting.

## Repurchase of Shares

Your shares cannot be sold or transferred except on death or bankruptcy and their value cannot be realised except on application to the society itself for their original value. The Society's rules allow for the possibility of withdrawal of



share capital after three years. Withdrawals must be funded from surpluses or new capital raised from members. You will need to give at least three months' notice of your wish to withdraw. We do not anticipate being able to allow any withdrawals before year 5. When it is possible to consider share repurchase, the Management Committee will set out appropriate criteria and annual limits. The 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.

## Asset Lock

The Society's Rules include a legally binding asset lock. This ensures that any surplus earnings remaining after it has paid interest to its shareholders and repaid any capital which is withdrawn must either be reinvested in the business or used for the benefit of the local community or for another charitable or community cause. This means that, if the Society should close but the building has appreciated in value, it would be possible to sell the assets and return capital to members up to the value of the original investments, but not to distribute any surplus value in that way.

## Remuneration

Directors and members will not benefit financially in any way from the activities of the Society, other than through participation in the Society's shares and loan offers.

## Tax Benefits

At the time of the invitation to participate in the original Share Offer, it was possible for investors to take advantage of the Social Investment Tax Relief Scheme (SITR) and save up to 30% of income tax on the value of their investment. Unfortunately, this Scheme has been discontinued by the Government, so it is not possible to offer this advantage this time. Your investment in the Society's shares may qualify for business relief under inheritance tax rules.

## How to apply for Shares

If you wish to become a member of Menter Ty'n Llan Cyfyngedig and invest in our venture, or if you wish to re-invest, please complete the Application Form either online at [tyllan.cymru](http://tyllan.cymru) or by returning it to the following address: 8 Beddwenan, Llandwrog, LL54 5LL.

If you apply for shares to be held in the name of a minor, please be aware that the shares will be considered purchased but unissued and will be held by the Society in Trust until the minor comes of age.

## Important Notice

**You must read the following points about the share offer before deciding whether you wish to participate**

- I. When you are considering buying shares it is essential that you understand that this is an investment in our community, intended to create a secure and lasting asset for us all.
- II. The intention is to build on our social infrastructure and help to create a thriving and sustainable community. This is not a conventional investment and you should not expect high or direct financial returns. Full information is set out in the society's rules available on our website.  
**Please note:**
- III. The value of shares cannot increase beyond their original value. You should be aware that the value of shares may be reduced if the business is unsuccessful.
- IV. As an investor your liability is restricted to the value of your shares. In the unlikely event that the business fails you would have no further liability.
- V. Currently, the society plans to consider paying interest on shares after the third year of trading has been completed and enabling shareholders to withdraw investments after the fifth year. The rules of the society allow for interest payments to be suspended if the financial performance of the society does not justify such a payment. Detailed financial projections for the society's performance are included in the Business Plan.
- VI. The only way in which an individual's investments can be recovered (whether the initial sum or any reduced value), other than interest payments or general re-imburements, is to give the society notice of withdrawal. This cannot happen during the first five years after the date of this share issue.
- VII. The specific conditions for withdrawal include:
  - a. Withdrawals must be funded from trading surpluses or new share capital and are discretionary, being subject to the Management Committee's satisfaction that withdrawal is consistent with the long-term interests of the society.

- b. The total repayable each year is limited to a maximum of 10% of the current value of the share issue.
  - c. Three months' notice must be given.
- VIII. All funds invested in this share offer will be held in the bank account of Menter Ty'n Llan Cyfyngedig and used only for the purposes of extending and renovating the pub facilities, for working capital and for costs incurred in administering the Society.
- IX. **Menter Ty'n Llan Cyfyngedig is registered as a society with The Financial Conduct Authority (FCA), but the sale of community shares is not regulated by the FCA. Like many investments, community shares are at risk and you could lose some or all of the money you invest. Unlike deposits with high street banks, community shares are not covered by the Financial Services Compensation Scheme, nor is there any right of complaint to the Financial Ombudsman Service. If you are considering investing a significant amount then you may wish to seek independent financial advice before doing so.**

For further information on the project please contact us via our website: [tynllan.cymru](http://tynllan.cymru)

**APPLICATION FORM TO INVEST AND BECOME A MEMBER:**

Name.....Date.....

Full address including postcode.....  
.....  
.....

Email address.....

Phone number (s).....

Amount you wish to invest: (minimum £100, maximum: £50000):

Are you already a member? Yes /No

Are you purchasing these shares on behalf of a minor? Yes / No

Minor's Full Name:.....

Minor's date of birth:.....

Please tick this box to indicate that you have read this Share Offer document:

**Please note that by applying for shares in Menter Ty'n Llan Cyfyngedig you are agreeing to the following statement:**

I agree to my name, address, phone number(s), email address and the number of shares I wish to purchase being held on a computer database. I understand that this information will be used (i) for the purpose of maintaining a register of members and potential members as required by the rules of the Community Benefit Society, (ii) for communicating with members (via email, phone, SMS, post) and (iii) for the posting of notices regarding the activities of Menter Ty'n Llan Cyfyngedig. This information will only be shared with third parties in supporting us in the execution of these particular activities.

**Please send this completed form to [siars@tynllan.cymru](mailto:siars@tynllan.cymru) and make an online bank transfer of the sum you wish to invest to this account: Menter Ty'n Llan Cyfyngedig**

**Sort code: 60-83-01**

**Account number: 20439554**

**including the first line of your address as a reference**

**OR**

**Send this completed form with a cheque for the correct amount payable to Menter Ty'n Llan Cyfyngedig, Bodryn, Llandwrog, LL54 5LL.**

We ask you kindly to send your online payment as soon as possible after submitting your application form. This will greatly facilitate our administrative work.

Receipts will be issued by email wherever possible to reduce administration costs and share certificates will be issued in due course.