



MENTER TY'N LLAN SHARE OFFER

APRIL 2021

*LET'S CLEAN THE PIPES AND DUST THE BAR,
IF YOU CONTRIBUTE - WE'LL GO FAR!*

CLOSING DATE: 11TH JUNE 2021



tynllan.cymru

 [/tynllan](https://www.facebook.com/tynllan)

 [@tynllan](https://twitter.com/tynllan)

Menter Ty'n Llan Cyfyngedig is a Community Benefit Society created by local people to secure and safeguard the future of the Ty'n Llan Public House in Llandwrog, Gwynedd and make it into a genuine community hub offering a range of facilities for the benefit of the local community.

We are aiming to raise £400,000 from this Share Offer, which is open to the community and the general public. We will use the money raised, alongside grants and loans which we hope to secure from other sources, to buy and transform the property. The total cost of the project, including the cost of purchasing the property along with extensive redevelopment, is estimated to be in the region of £850,000.

Buying shares makes you a Member of the society and gives you a say in how it runs. Each member has one vote, no matter how many shares they buy. The minimum shareholding is £100 and the maximum is £50,000.

This document:

- Describes the project, its benefits for members and the community
- Explains about the society and how the share offer will work
- Contains information on how to apply for shares



The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice.

For more information about the community shares, the Community Shares Standard Mark and the Community Shares Unity go to:
communityshares.org.uk

Our Vision

Our Core Aim:

To enrich the lives of individuals and of the community by bringing people together

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
- 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
- Promote and facilitate a range of activities which encourage participation
- 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* – with open arms 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

Menter Ty'n Llan

Menter Ty'n Llan Cyfyngedig is the community benefit society formed so that the people of Llandwrog and the wider community can secure and safeguard the future of the Ty'n Llan pub.

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.

Our aim is to buy, extend and re-open Ty'n Llan as a pub, restaurant, café and functional hub for all kinds of services and community activities.

The loss of village pubs can have a devastating effect on communities, increasing feelings of loneliness and isolation, especially in rural villages like Llandwrog.

Our village is noteworthy in terms of its architectural character, with Ty'n Llan at its very centre. Culturally, the village is strongly Welsh-speaking. Preserving the former while promoting the latter will be central aims of our venture.

We believe that Ty'n Llan is a vital community asset and that its value and benefits will be best preserved if owned and run by a Community Benefit Society like ours. We have a unique opportunity to become owners of an important part of our local heritage.

But to achieve our vision, we need to raise money.

The key source of funding comes from the local community, who, alongside the wider public, can now purchase shares in the society to become members and have a say in how it runs. We will also be looking to access a variety of grants and loans from local and national government, independent and charitable trusts.

Our Community

Running Ty'n Llan as a community pub is a unique opportunity for Llandwrog to further improve what is already an active and welcoming community.

There will be many benefits including:

- 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
- Offering facilities for special interest groups of all kinds
- Assisting our community in its recovery from Covid-19
- Promoting and protecting the Welsh language
- Promoting tourism and boosting the local economy
- Supporting local businesses and promoting entrepreneurship
- Safeguarding and preserving our unique Welsh history and heritage through refurbishing and developing this Grade II listed building

- 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 Youth Service, to involve local children and young people
- Inspiring others to take ownership over local empty and derelict assets and regenerate communities

The Story So Far

The pub has been privately owned and run by a series of tenants, including several who used the first-floor flat as family accommodation. Offers are believed to have been made over the years by various tenants to buy the pub, but were not accepted. The need for money to be spent on repairs and refurbishment has been a deterrent for prospective tenants.

Ty'n Llan closed in December 2017 and the absence of a meeting place was keenly felt in the village.

The owner died in 2019 and informal conversations within the community suggested a strong desire to 'do something' to rescue the pub. A number of villagers had professional experience of working in the field of community development and enterprise and were acquainted with the principles and models for community-owned enterprises.

In February 2021, it was learnt that the executors of the owner's estate intended to put Ty'n Llan up for sale, alongside other assets. A number of those who had been discussing ideas moved quickly to call a community meeting on Zoom a few days before the sale was advertised.

The response was extremely positive with over 100 people attending. There was clear and strong support for the idea of establishing a Community Benefit Society to buy and run the pub for the benefit of the community.

Given the need to act quickly it was agreed that the first steps were to secure pledges of short term loans sufficient to allow a bid to be made, and to complete and register the formation of the Society, to be followed in due course by an invitation to invest in shares in the enterprise.

Two days later, Ty'n Llan was put on the market with an asking price of £350,000.

This sum became the target for the exercise to raise short term loans and within less than a week pledges for sums well in excess of this target had been received. In effect these loans act as underwriting for our bid for the property. The initial verbal pledges have been confirmed in writing and the estate agents have accepted these as proof of the Society's ability to fund its offer. These loans are intended to be for a minimum of six months' duration and a maximum of 12 months. They will be secured against the property on a pro rata basis and will receive interest of 2%.

A local surveyor immediately undertook a survey of the property and advised that, given the need for some refurbishment, its value, in his opinion, was in the range of £270,000-£330,000.

An offer of £300,000 was made in the Society's name but rejected, as was a second offer of £310,000. On the 10th March 2021, a third offer of £325,000 was accepted, subject to contract, and the property was withdrawn from the market. The Society has instructed solicitors, who are now carrying out the necessary searches and preparatory work prior to completing the sale.

The Society wishes to close this share offer before the date at which payment will be due for completion of the purchase so that the greatest possible percentage of the cost of purchase can be paid for by the proceeds of the share issue, rather than by loans, although longer-term loan funding on terms yet to be decided is likely to be an important part of the Society's overall funding plans.

Following the first public meeting, a questionnaire was circulated and more than 200 responses were received. The responses have provided a very useful indication of the community's priorities for Ty'n Llan, and which services are most likely to be in demand. A summary of the responses can be found on the website tynllan.cymru.

Advice regarding documentation has been taken from the Plunkett Foundation and the Wales Cooperative Centre, and the Share Offer documents have been approved as meeting UK standards of good practice in accordance with the Community Shares Standard.

The Initial Management Committee

A second public meeting was held on the 9th March 2021 following which the Initial Management Committee was formed from among those who indicated an interest in being members.

This Committee consists of 14 people and at its first meeting agreed the details of the Business Plan and of this Share Offer.

The members of the Committee are 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.

Grant Peisley (Secretary) - Founding Director of Datblygiadau Egni Gwledig (DEG), Anglesey and Gwynedd Recovery Organisation (AGRO), YnNi Teg, Ynni Newydd, Ynni Lleu and YnNi Llyn. Director of Community Energy Wales. Advisor for the Plunkett Foundation.

Wyn Roberts (Director of Marketing)- 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.

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 - 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.

Dylan Wyn Herbert. Head of Resources & Work Planning SP Energy Network; Community Councillor for Penygroes; Member - Caernarfon RFC Committee, North Wales Rugby Union Referees Society, Digital Skills Employer Group - North Wales Ambition; STEM ambassador.

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.

Alun Prytherch - Chief Business Analyst at VISA, defining how the company's next-generation payment systems will work. Previous - Business Advisor to Barclays, Bank of America, Lloyds and the Royal Mint; Retail Statistician and Forecaster for Sainsbury's.

Iwan Williams - Head of Music at Ysgol Glan y Môr Pwllheli, adjudicator and choral conductor. Passionate for Welsh culture and community spirit.

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.

The Business Plan

A detailed business plan has been created for the first three years of running Ty'n Llan. You can download it from our website tynllan.cymru, or if you'd prefer a hard copy, please contact our Treasurer on 01286 830640 or siars@tynllan.cymru

Our figures are derived from looking at the experience of pubs in comparable communities with similar facilities to those we are considering. Input is also being provided by supporters in the catering industry. The aim is to gradually grow the business over time, generating a small profit in the first full year and increasing it thereafter.

The response to the share offer will be crucial in defining the scale of the project which we can deliver.

Our vision for Ty'n Llan is based on a substantial redevelopment of the main and ancillary buildings to provide for the following:

- A fully refurbished and remodelled interior, to allow for the most productive use of space
- A rear extension with windows looking south towards yr Eifl, for use primarily as a dining and café area
- Three first-floor ensuite bedrooms with kitchenette, with a fourth located in a ground floor outbuilding
- A multi-purpose room available to be hired at an economic rate by societies and private functions
- An attractive family-friendly beer garden with outside kitchen
- Reconfigured and tarmacked parking area with disabled space and charging point for electric vehicles

A manager will be appointed in due course to run the bar, cafe, restaurant and accommodation operations. Grant funding will be sought to allow the appointment of a Development Officer who will focus on engaging with the community, arranging regular events and activities, creating links with various stakeholders, organising a skills development programme and proactively promoting the use of the Welsh language. The Development Officer will be responsible for volunteer recruitment, communication and marketing and grant applications to fund any further development work.

Key financial trading forecasts for the first three full years are as follows (£):

	Year 1	Year 2	Year 3
Income	304,891	334,397	359,903
Expenditure	287,859	301,241	321,028
Profit / (Loss) excl depreciation	17,032	33,156	38,875

The Business Plan assumes our efforts to raise sufficient funding, through a combination of selling shares, securing grants, issuing loans, and other fund-raising activities, are successful.

If they are not, the plan will be scaled back, and individual parts of the development described here will be shelved or postponed until funding becomes available. At an appropriate point, and before

major expenditure is incurred, (other than the actual purchase of the premises), a finalised plan, based on funding which has been secured, will be put to the members for approval.

In the event that none of the developments described above can be realised, the Management Committee is confident that basic repairs and redecoration of the premises as they stand, undertaken primarily by volunteers and then staffed partially by them, would allow the pub to reopen. We have modelled a scenario to that effect. This does not, however, represent the extent of Menter Ty'n Llan's ambition and it should be viewed purely as an ultimate fall-back plan.

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

- Any corporation tax liabilities
- Interest on loans
- Repayment of loans
- Maintenance of the premises
- Enhancing and developing the facilities
- Interest on share capital
- Facilitating the withdrawal of shares from time to time

For prudence, we will aim to build a modest reserve fund to cover unexpected costs.

If the Society is unable to complete its purchase of the Property and no alternative plan has been approved by the members, shareholders' funds will be returned, less any administrative costs incurred, and a proposal will be made to a General Meeting to discontinue the Society.

How Will 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. You may also be able to save tax by investing.

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 Community Benefit Society model Rules drawn up by the Plunkett Foundation. A copy can be found on our website.

Day-to-day running of the enterprise will be the responsibility of the Management Committee, who will be the legal Directors of the Society. The appointment of members of the Management Committee and the approval of policies regarding paying interest on shares and share repurchases will be made by the members of the Society at each Annual Meeting.

Elected members of the Management Committee will hold office for a period of three years. Those members who form the Initial Management Committee 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.

In addition to the Management Committee, we will draw on the support of volunteers to get the enterprise up and running and help keep things going once we have opened. Different groups will focus on Business and Finance, the Buildings, Hospitality, the Garden, Events 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 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.

Social Investment Tax Relief (SITR)

The Society has obtained Advance Assurance from HMRC that investments made through this Share Offer will qualify for SITR (see also Note IX in Notice below).

Those investors who are taxpayers will in due course receive a credit from HMRC of up to 30% of their investment, dependent on the rate at which they pay income tax, through their annual Tax Assessment. This means that an investment of £1,000 will, in effect, only cost the investor £700.

Four months after starting to trade, which means towards the end of 2021, the Society will enter a claim providing HMRC with details of investments made by individuals. HMRC will (assuming they are happy with the form submitted) issue the Society with a letter confirming that SITR will be available, together with a compliance certificate for each investor. The Society will send this certificate to each investor who must then claim their tax relief either through their annual tax return or by requesting a new PAYE code from HMRC.

To qualify, the shares must be held by an investor for a minimum of 3 years. Investors thinking of investing jointly should consider whether there would be tax advantages in allocating the greater part of the investment to the person best able to take advantage of the tax relief available.

Your investment in shares in the Society may also 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, please complete the Application Form either online at tynllan.cymru or by returning it to the following address: Menter Ty'n Llan Cyf., 8 Beddgwenan, 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 purchasing the Ty'n Llan pub, for renovation of the pub facilities, for working capital and for costs incurred in launching and administering the Society. In the event that the purchase does not proceed all contributions will be repaid net of costs incurred.
- IX. The granting of Social Investment Tax Relief will ultimately rest with HMRC. Although the Society has taken steps to ensure that nothing in this share offer or in the way the proceeds will be used is in contravention of Sitr rules, (and has obtained Advance Assurance from HMRC on that basis), it takes no responsibility for any failure by individual investors to recover tax in relation to their investments. Furthermore, it will be their individual responsibility to ensure the accuracy of information regarding tax status which will have been provided by them in making their investment.
- X. **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, visit our website tynllan.cymru or contact us on siars@tynllan.cymru

Investment Form

Amount to invest (minimum £100, maximum £50,000 in multiples of £100)

£ _____

Full name _____

Address _____

Postcode _____

Phone number _____

E-mail _____

And, if buying on behalf of a child (under the age of 16):

Child's full name _____

Date of birth _____

Please tick this box if you wish to receive an SITR3 certificate to claim tax relief

Payment method

Bank transfer (using the first line of your address as a reference number)

Menter Ty'n Llan Cyf
Sort code 60-83-01
Account number 20439554

Cheque payable to 'Menter Ty'n Llan Cyf'

I confirm that I **have read and understood the Share Offer** document and I agree that the following may be kept in an electronic data base: my name, address, phone, email, number of shares purchased. This information will be used for maintaining a register of members and shares as required by the rules of the Society and for communicating the activities of Menter Ty'n Llan. The sum invested will be confidential and no information will be transferred to a third party.

Signature _____

Name _____

Date _____

Please send to: Menter Ty'n Llan Cyf., 8 Bedd Gwenan, Llandwrog, Caernarfon, Gwynedd LL54 5LL

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