

THE THREE TUNS

I have a question for the Community Group...

- **Why do we need The Three Tuns to re-open?**

Following the closure of The Three Tuns, there is nowhere in the village where people can meet for a meal in the evening, bump into neighbours during the day for a coffee or have a business lunch. Re-opening the pub would restore something valuable that we have lost. As a community hub, The Three Tuns would be 'more than a pub'.

- **What else would it provide?**

The community would own the pub and decide what it wanted from the pub. It is expected that it would offer a café facility during the day, be a venue for local groups to meet with free wi-fi for those without access to the Internet. The pub could provide space for presentations on topical issues such as health and wellbeing and may even work with local businesses to supply groceries, newspapers and other basics.

- **Is it realistic to expect the village to raise enough to buy the pub?**

Yes it is. Pledges to date, together with grants and loans awarded from the Plunkett Foundation are enough to be able to buy the pub. We would like to raise more, because that would mean we would have to borrow less to refurbish the pub. Our target is to raise £300,000 in share capital. That sounds a lot but many other villages – smaller than ours – have raised more to buy their village pub.

- **The pub failed in 2013 so why should it be viable now?**

The pub did not fail. Greene King sold it because the company changed its business strategy to focus on larger pubs. In 2013 and 2014 Greene King sold hundreds of village pubs including the Waggon & Horses in Steeple Morden. Without the brewery tie and with the additional support of community ownership, we believe The Three Tuns will thrive. There are now over 60 community owned pubs in the UK and none has ever failed.

- **Is this a good business proposition?**

We expect that the pub will be financially sustainable. We have prepared financial projections based on the perceived specific strengths and weaknesses of the pub and on industry comparisons provided by Everard Cole. These show that The Three Tuns can be successful. Full details of our forecasts are shown in the Business Plan.

- **How much will it cost to refurbish the building?**

Our heritage surveyor has carried out a full building survey (including refurbishment estimates). Thankfully there were no surprises! We're just talking to a local building contractor to confirm these costs for items that would need to be done straightaway. For longer term improvements there are a range of grants that are available to Community Benefit Societies.

- **How about if I just support The Three Tuns once it is open by eating and drinking in the pub?**
Whilst we sincerely hope the community will support the pub once it is open, it is really important that as many people as possible buy shares in The Three Tuns. Every investment will make a big difference and it also means you can be part of your community pub and help shape its future.
- **If The Three Tuns re-opens will the Edward VII be forced to close?**
There is no reason it should. Both pubs survived alongside each other for over 100 years. The Three Tuns has a different offering with the dining room and garden. An independent Viability Report carried out in January 2018, on behalf of The Plunkett Foundation, found that 'Our analysis of the village confirms there is viability for two pubs with differing offerings in Guilden Morden.'
- **What will I be investing in?**
You will be buying shares in the Guilden Morden Community Pub Ltd (GMCP). This is a Community Benefit Society (CBS) that has been established to buy and own The Three Tuns.
- **Can I make a donation?**
Yes. We welcome donations either in cash now or in time and effort later. When we have bought the pub we will need volunteers to help with the refurbishment. We've been delighted at how many people in the community have offered their services and time already, and any more volunteers would be warmly welcomed!
- **Who will run GMCP? Will they have a personal interest in the pub??**
The Community Benefit Society is run by a Management Committee. At the outset this will comprise of members of TTG (Three Tuns Committee Group). Shareholders will elect a new Management Committee at the first Annual Meeting and at each annual meeting thereafter. TTG members will invest in GMCP and will have the same financial interest as other Shareholders.
- **Who will benefit from this project?**
The residents of Guilden Morden will benefit from having an important social amenity secured for future generations, both through the direct provision of services but also because the pub will help to create a stronger, more vibrant and cohesive community in which to live. The pub will also provide employment opportunity for local people.
- **Are you paying a fair price for the pub?**
We believe the total cost of buying and refurbishing the pub is reasonable and will enable it to establish a successful business.
- **Will my shares give me voting rights?**
Yes. A Community Benefit Society is an open and democratic organisation. One Member receives one vote on issues determined by shareholders, irrespective of how many Shares that Member has purchased.

- **Who can buy shares?**

Anyone aged 16 or over. You do not have to live in Guilden Morden, although we would expect most investors to have a connection with the village.

- **What is the minimum investment?**

Each share costs £250 and the minimum holding is one share. The maximum investment for any individual is 160 shares, or £40,000.

- **Can I sell my shares?**

Shares can only be sold back to GMCP. They cannot be sold or transferred to anyone else.

- **How long will I have to keep my shares?**

This is a long-term commitment. It will not be possible to sell shares other than back to GMCP. There will be no share redemptions for at least three years. Thereafter it is hoped that the financial position of GMCP will be strong enough to allow share redemptions.

- **What happens when I die?**

Your shares would form part of your estate.

- **What happens if I move out of the village?**

You may retain your shares. Alternatively you can request share redemption from GMCP.

- **Who are the people behind GMCP and what do they stand to gain?**

The Management Committee currently consists of a group of local residents whose details are given in the business plan. We care keenly about the future of the pub and about Guilden Morden. We will also be investing in this share issue. We will have no personal financial interest in the project, above and beyond our own investment in Community Shares. We have contributed a large amount of time to the project so far, at no cost to GMCP.

- **Who will run the pub and make the day-to-day decisions about the business?**

The Management Committee will oversee the business of GMCP. An experienced Tenant will be appointed to oversee the running of the pub business, typically on a three-year tenancy. The consequent tenancy agreement will set out the obligations and responsibilities of the Tenant and GMCP (the Landlord). There will be arrangements in place with the Tenant to monitor performance against agreed community focused objectives. There will be an open and regular dialogue between the Tenant and the Management Committee and the views of members and customers will be actively canvassed by the Committee.

- **Can I get my money back?**

You will be unable to withdraw your Shares for the first three years after purchase. Thereafter you will need to give at least three months' notice of your wish to withdraw Shares. Shares can neither be sold nor transferred to someone else. Withdrawals

must be funded from surpluses generated by the business or from new Share capital raised from members. The Committee may decline requests for withdrawals depending on the long-term interests of the Society, its need to maintain adequate reserves, and the broader needs of its community.

- **Can I make a profit on my capital investment?**

No. GMCP is a Community Benefit Society (CBS), which means that no individual can make a capital gain from their investment. If the assets of the CBS are sold for a profit, any surplus after costs and expenses must be applied to other community causes in the local area. Shareholders can be repaid their initial investment and may receive a modest interest on their capital, but this is not an investment for capital gain.

- **What happens if the purchase of The Three Tuns does not proceed?**

It is possible that GMCP will not be able to complete the purchase. In the event that this happens GMCP will return any funds it has received less any outstanding expenses to investors. It is probable that investors would receive back the greater part of their investment should the pub not be acquired.

- **What happens if GMCP fails?**

Should the underlying business fail, all assets, including the freehold of the land and building, would be sold and the proceeds of the sale (after paying any creditors) divided between the shareholders up to the value of their shares. As is quite normal in purchases of property like The Three Tuns Pub, GMCP have agreed to an overage provision in favour of the vendor for a limited period. Any overage payable on a disposal of the property will be paid along with any other creditors. You might receive the full value of your shares back or you might lose part or all of your investment. However, you should remember that this is an investment underpinned by freehold property.

- **What redress do I have if the business fails and I lose the value of my shares?**

This share offer is first and foremost an investment in your community. The investment is unregulated and not covered by the Financial Services and Markets Act 2000. There is no right of access to the Financial Services Compensation Scheme nor to the Financial Ombudsman.

- **Will I receive interest from my shares?**

GMCP will aim to pay a modest interest rate to the Members. The Business Plan assumes that interest will be paid on shareholdings on an annual basis from year 4 onwards. It should be noted that the administrative costs of paying interest on small investments make it unlikely that GMCP will pay interest on investments of less than 4 Shares or £1,000. The payment of interest will be subject to the business generating sufficient surpluses. Interest will be paid gross and it will be each Member's responsibility to declare such income to HMRC if appropriate. Interest will not be paid for the first 3 years and, in the case of any investments made after the initial Share Offer period, only once the investor has held Shares for 3 years.

- **Will my investment be eligible for tax relief?**
No. This share issue does not qualify for tax relief.

- **How can I purchase shares in GMCP?**

To buy shares in GMCP and take part in this exciting opportunity, please complete the attached Application Form and return it to the address shown.

If I want more information, whom should I contact?

You can write to us at: 9 Dubbs Knoll Road,
Guilden Morden,
Herts, SG8 0LA

Contact us by Telephone on: 07980 200005, or
07867 555757

Or E-mail us: thethreetunsguildenmorden@gmail.com

More information is also available on our website - www.thethreetunsguilden.co.uk –
including the Business Plan and the Rules of the Society.

What else would you like to know? Contact us via the website
www.thethreetunsguilden.co.uk
Email: thethreetunsguildenmorden@gmail.com