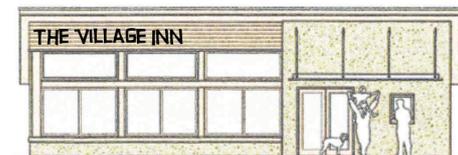


Glenfarg Village Inn



16th May 2019

Dear Villagers, **GLENFARG VILLAGE INN – PROPOSAL FOR COMMUNITY OWNERSHIP**

The Committee established to try to develop the new build of a Village Inn has been hard at work since our last village meeting on 25th April.

At the meeting it was unanimously agreed to convert the company into a Community Benefit Society (CBS) and with support from the Community Share Scotland we will establish the CBS as the legal body for community ownership. This is a model that has been used successfully to secure community projects elsewhere in Scotland. The CBS will have legal liability status (shareholders would have no liabilities beyond their investment) and will be registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014. Most importantly it will be able to issue shares to community members and others (on the basis of one member one vote however many shares are purchased).

This is important because the total cost of the project cannot be funded from the private or public sector organisations alone. With a total cost in the region of £200k and we are confident of support from the bank for up to 50% of the costs. We are therefore seeking to launch a Community Share Issue to cover the balance of £100k

For a Share Issue to work we would need as much support from the community as we can get. We hope that with that help - and the help of others who may be interested in investing in such a community enterprise - we can generate sufficient capital to meet all costs.

Although full terms and conditions have not yet been worked out, the working model (based on similar co-operative set-ups) would be as follows:

- In order to offer as many people in the community the opportunity to be part of this share issue, the share price has been set at **£50 (Fifty Pounds)** and the **Minimum Investment** will be 2 shares i.e. **£100 (One Hundred Pounds)**. The Company recognises that there will be individuals who wish to invest significantly more, and this is welcomed, subject to a maximum investment of 15%.
- Each shareholder would be entitled to be nominated for election to the Committee and have one vote for the election of members to the Committee at the Annual General Meeting.
- Each shareholder would have one vote irrespective of the number of shares held.
- It is anticipated that membership will attract a level of benefits, which will meet FCA rules.
- Social Investment Tax Relief of 30% may be available on the value of shares purchased.
- At the discretion of the Committee, share capital may be withdrawn after three years upon giving due notice, this will ultimately be dependent on sufficient surplus funds being available to allow the CBS to buy the shares back.

There is no requirement for any cash or binding commitment at present. All that is being requested is an expression of interest to enable us to assess how much funding can be generated in this way. If you are able to help bring this much needed community facility into being, then please complete the attached form and return it to one of the addresses indicated there.

Check out the website <https://www.glenfargvillageinn.co.uk>

The Glenfarg Village Inn Committee