

# **CPD Crymych**

# **Tafarn Crymych Arms**

## **Community Shareoffer**

## **Document**



**[www.cpdcrymych.cymru](http://www.cpdcrymych.cymru)**

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Clwb Pel Droed Crymych's purchase of Tafarn Crymych Arms is a venture which is led by local people.

Our aim with this project is to enable the local community to support the Football club to raise enough money to buy Tafarn Crymych Arms in order to reopen and run the pub as a community cooperative pub. The idea is to buy the asset to reopen Crymych Arms and run it as it has been done for many decades with a quality food and drink service. You can become part of the venture by investing and buying shares. The shares will enable us to buy and do some small alterations the building before immediately reopening the pub.

Clwb Pel Droed Crymych is now registering as a Community Benefit Society created by local people to secure and safeguard the future of the Tafarn Crymych Arms Public House in North Pembrokeshire and ensure it continues to act as a genuine community hub which benefits the local community.

This share offer, opening on Monday 20th of March 2023, shall run for 6 weeks, closing on Monday the 1st of May 2023. It is important to note that we will be seeking Social Investment Tax Relief (SITR) for investors who are taxpayers to claim 30% of their investment back as a tax relief. Unfortunately in the recent budget on the 15th March 2023 the chancellor made it known that he is not extending the SITR scheme beyond the 5th of April 2023 therefore anyone interest in the tax relief needs to see their investment hit our bank account before the 5th of April 2023. (The Crymych Arms purchasing committee have received advice that there will be an opportunity to claim the SITR scheme by applying to HMRC)

We are aiming to raise a minimum of £175,000 from this Share Offer, which is open to the community and the general public. We will use the money raised, alongside grants which we hope to secure from other sources, to buy and renovate the property for £275,000. The total cost of the project, including the cost of purchasing the property along with redevelopment, buying opening stock and equipment is estimated to be in the region of £350,000.

Buying shares makes you a Member of the CPD Crymych Society and gives you a say in how it runs. Each member has one vote, no matter how many shares they buy. Shares will cost £1. The minimum shareholding is £100 and the maximum shall be £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

# Our vision and values

## What do we want to see, and what's important to us.

### OUR VISION

- To ensure the development of the football club – CPD Crymych allowing it to raise funds to buy Tafarn Crymych Arms for locals to use as a community hub.
- To reopen Tafarn Crymych Arms as an important community asset at the heart of the community.
- To provide a place for people of all ages to socialise.
- To provide a comfortable and welcoming space for use by local organisations.
- To hold sporting events, meetings and social evenings.
- To support local businesses and form partnerships with local companies and organisations.
- To offer drinks and restaurant meals, using local produce.
- To secure employment and training opportunities for local people, young and old, and support them to fulfil their potential both sportingly and socially.

### OUR VALUES

We want the football club to continue to bring benefits to the local sporting community and to purchase Tafarn Crymych Arms for:

- Culture
  - A vibrant place to strengthen our cultural identity and heritage
  - A place to meet, share experiences and learn from others
  - A place to promote and support the Welsh language
- Sport
  - A place to develop new sports initiatives and socialise over a pint
  - Work in partnership with other sports organisations in the area on joint initiatives for the health and well-being of local people
  - Support with tackling adverse mental health issues
- Society
  - A place to socialise over a pint
  - A meeting place for a wide range of clubs, groups and societies
  - A safe place that's accessible and welcoming to help tackle social isolation in a rural community
- Economy
  - Create employment opportunities for local people
  - Create work opportunities for local craftsmen and traders
  - Support local food and drink producers

# Clwb Pel Droed Crymych's purchase of Tafarn Crymych Arms and our community

CPD Crymych Limited is registering as a Community Benefit Society that will support the people of Crymych and the wider community to secure the future of the Tafarn Crymych Arms.

A Community Benefit Society is a unique type of corporate business which is owned by and run for the benefit of the local community rather than private gain. Our aim as a football club is to buy and renovate the Tafarn Crymych Arms and run it as a pub and an active hub for all kinds of services and community activities.

The Crymych area is a hive of Welsh culture and community activity. The pub itself is a naturally cultural place and boasts qualities that would be very difficult to recreate. With over 20 organisations and societies in the area, we have an active community spirit and the link between sport and the Welsh language is part of people's daily lives. One of the area's characteristics is the way it integrates sport, the local economy, creativity and community spirit.

Buying Tafarn Crymych Arms will be a way of promoting and strengthening all of these things and this is central to the Society's objectives.

We believe that the Tafarn Crymych Arms 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 the area's way of life.

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 is run. Historically, our local community has always done things for themselves - our community and market halls, farmers' co-ops and numerous local voluntary organisations are good examples - thus giving us the confidence that the people of Crymych and Preseli area have the ability and desire to make this venture a success.

We will also seek opportunities to take advantage of grants from local and national governments, and from independent and charitable trusts.

## The story so far

Having been owned and run by Bill and Meima Evans for many years, the Tafarn Crymych Arms has been for sale for quite some time. The pub closed in October 2021. The asking price for the property, as noted in estate agents detail, was £275,000.

Concerned about the future of the pub, and the fact that it might never open again, a few of the football club members came together during the autumn of 2022 to see if a co-operative could be formed to register the football club as a mutual and that the football club then buys the pub, and run it as a community pub. The members of the football club in recent months have been exploring the possibilities of forming a co-op, drawing inspiration from other similar initiatives across Wales.

With support from PLANED and Cwmpas (the Wales Co-operative Centre), CPD Crymych Ltd new constitution and rules were approved and signed. The Cooperative UK body has endorsed the registration papers for the organisation to become a Community Benefit Society. These papers were submitted to The Financial Conducts Authority who will shortly issue a company registration number.

On 13th of December 2022, representatives from various local organisations and societies came together to share ideas and discuss the potential of the Tafarn Crymych Arms as a community-owned pub. The meeting which was open to the public was held at Crymych Market Hall.

This was followed-up with a pledge promotion which generated 108 responses, and a number of evening sessions were also held to share information and answer queries about the initiative.



The feedback received during these engagement activities showed that there is considerable support for the initiative within the local community.

Following the positive response, CPD Crymych formed a sub-committee to move forward with focussing on the purchase of the pub. The members of the sub-committee are:

1. Martin Lloyd – Retired headmaster
2. Robin Davies – Financial Advice
3. Matthew Thomas – Pembrokeshire Food Business
4. Cris Tomos – Social Business Advice
5. Rhydian Wyn – Legal
6. Rhys Jones – Building Control / Building Maintenance
7. Geraint Williams – Building works
8. Hywel Wyn Jones – Planning
9. Steven Edwards – Building works
10. Chris Evans - Legal
11. Rhys Davies – Local Builders Merchants

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 offer, rather than having to depend on grants. Also, many of the grant offers available are based upon match funding scenarios and therefore the more we can raise through a share offer then the more we are likely to be able to raise via grant support.

Running the Crymych Arms pub as a community pub is a unique opportunity for the area to have a valuable focus to boost an already active and welcoming community.

If, together, we succeed, we can make a difference to more than just reopening the Crymych Arms pub. Running a successful venture can share the energy and spirit of co-creating the future throughout the community. It could boost our culture and way of life in this rural area, at a time when it is needed more than ever. We might even inspire others to take ownership of the future of their local assets.

**Let us use the goodwill and energy of local people to reopen this important and historic Crymych building!**

## The CPD Crymych Committee

The Committee has been formed from among local people who wish to promote wellbeing and sport in the local area. Clwb Pel Droed Crymych was formed in 2019 and now wishes to support the community in purchasing and reopening Crymych Arms for the benefit of the local community.

The members of the main CPD Crymych football club committee are as follows:

**Martin Lloyd - Chairman.** Martin was brought up in the village of Cilgerran and attended Ysgol y Preseli as a pupil. He graduated with an Economics degree and a Masters degree at Aberystwyth University. Martin was head teacher at Ysgol y Preseli from 1991 to 2009. He moved to become manager of the National Professional Qualification for Headship at Cardiff University, returned as Head of School Improvement with Pembrokeshire County Council before returning to Cardiff to deliver Institute of Leadership and Management courses with Portal training company. He is now retired but is active in the local community, being chair of Cilgerran Community Council and chair of Cilgerran village hall committee.

**Robin Davies - Secretary** Robin is born and bred in Crymych. His parents ran a business in the village for 40 years. He is a partner within DBD Financial in Newcastle Emlyn. His main interest is sport, (played and coached with Crymych RFC for 36 years) and he is on the local Community Council. Robin is looking forward to being part of an exciting project that can bring the "hwyl" back to the Crymych Arms.

**Matthew Thomas -Treasurer** Matthew, one of the three founders of the club and current player / treasurer works as a National Account Manager for Puffin Produce. A resident of Eglwysrwrw, with his partner Kerrie and son Teddy, Matthew is thrilled about the venture and prospect of bringing the football and local community together.

**Cris Tomos – Committee Member** Cris lives with his family in Hermon and has been involved with community social enterprise developments for over 25 years. Cris received the award of

Welsh Co-operator of the Year in 2012 and Welsh Social Enterprise Champion of the year in 2013. Currently, Cris works for the social enterprise charity PLANED as a Community Development Manager. Cris has been involved with many community share offers in the area. He was raised on a farm in Llwyndrain and attended Tegryn primary school and then Ysgol y Preseli secondary school and went on to train as an accountant. He is currently chair of Crymych Community Council.

**Steffan James – Committee Member** Steffan is a lecturer at Pembrokeshire College, a local boy living in Crymych with his partner and 2 daughters. One of the three founders of the football club back in 2019, ex player-coach now first team captain. Looking forward to welcoming teams back to the village.

**Caio Higginson – Committee Member** Raised in Llanwinio, Caio now lives with his wife and two children in Boncath. He attended Ysgol y Preseli before studying Politics and Welsh History as an undergraduate degree at Aberystwyth University and then later a Master's Degree in Management and Marketing. Caio now works as a Media Manager for Carmarthenshire County Council. Despite being rubbish at playing most sports, he has a keen interest in team sports and is thoroughly enjoying helping out as reserves team manager for CPD Crymych FC. Having kept the bench warm for the great Crymych Youth RFC side, 2003-2008, Caio fully appreciates the importance the Crymych Arms plays to the community.

**Dyfan Dafydd – Committee Member** Dyfan grew up in Blaenffos and was one of the three who founded the club in 2019. He went to UWIC university to study sports training before going on to train as a primary teacher at Swansea University. He now lives in Drefach, Llanelli with his wife but still travels back to Crymych to play for the club. He is responsible for Crymych CPD social websites and is looking forward to seeing Crymych Arms reopen to the people of the community.

**Gary Phillips – Committee Member** Gary is one of the new committee member for the club. He grew up in Hermon and attended Ysgol y Preseli School. He previously worked with ATS Tyres and became manager of the Machynlleth branch before moving back to the area to work within the building merchants industry. He is now lives in Blaenffos with his family and is a company director of Crymych Building Supplies and a keen supporter of all local community sports activities. He sees the importance of reopening the Crymych Arms to have a pub and restaurant facility in the village.

**Hefin Phillips – Committee Member** Hef is the first team assistant /helper. He works for a local family run building merchants company and is responsible for the in the sales side of the business. He attended Glandwr primary school before going on to Ysgol y Preseli secondary school. He then went on to study at Pembrokeshire college to train as a chef. He now lives on the outskirts of Crymych.

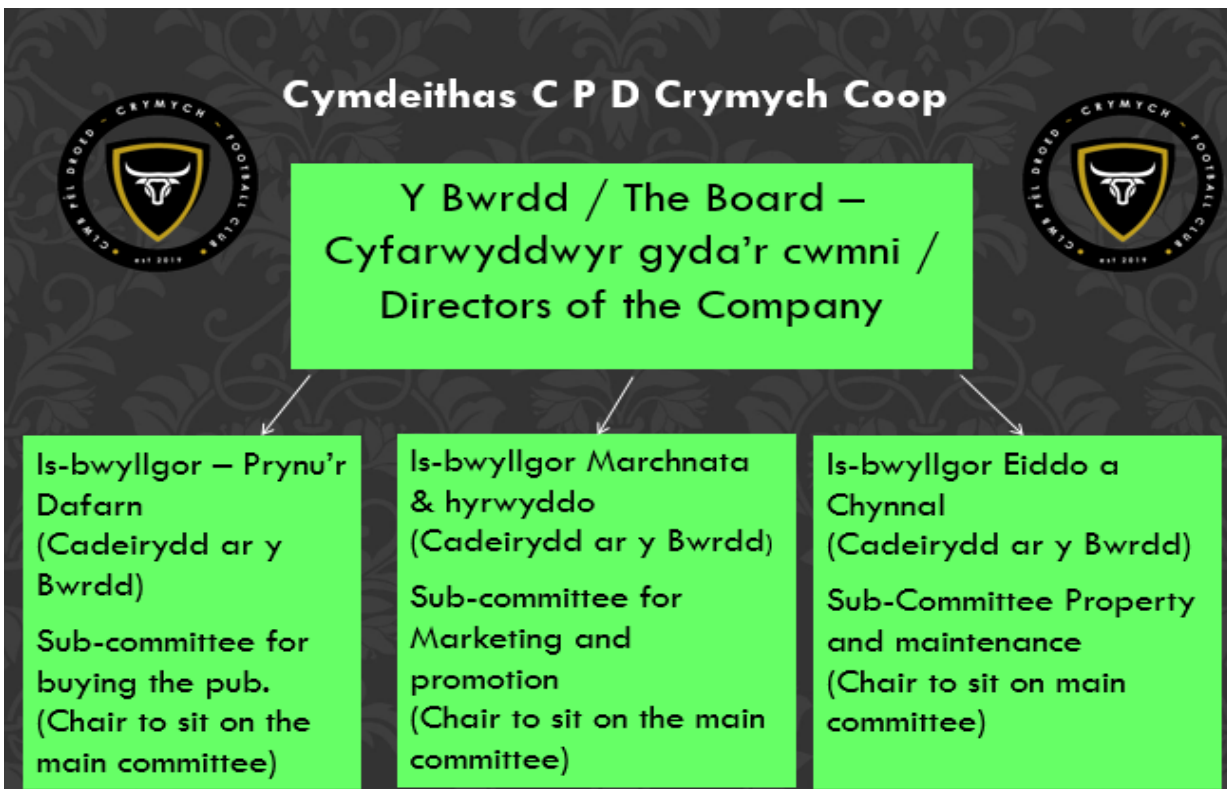
**Osian Wyn – Committee Member** A local boy raised in the Preselis! He's been a keen sportsman all his life and played all kinds of sports. He's been a committee member and a player since day 1 for Crymych FC. Although he now lives in Aberystwyth working as a teacher, and a relatively new father, he travels back weekly to play and participate in off the field activities to support the club. Crymych arms was a local watering hole back in the day for Osian, he fully supports and is excited about the possibility of it re-opening in the near future.

**Sam Phillips – Committee Member** Sam is the first team coach for CPD Crymych. He works for the family business as an Electrician and a Domestic appliance engineer. Attended Ysgol y Preseli and Pibwrlwyd college in Carmarthen. He and his partner have a young daughter they live in the village of Crymych.

**Sion Davies – Committee Member** Sion is a primary school teacher born and raised in Crymych, he is the grandson of the current owners of Crymych Arms and spent his childhood perfecting his pool and pint pulling abilities. He attended Ysgol Gynradd Crymych before going onto Ysgol Y Preseli where he enjoyed playing many sports. He now works as a teacher in Newport, Pembrokeshire whilst also running his own seasonal business renting kayaks & paddle board in Cwm-Yr-Eglwys with Cwm Kayaking. He has played for the club since the start in 2019 as a goalkeeper and is the first ever silverware-winning first team captain in the club’s history after captaining the team to victory in the Dai ‘Dynamo’ Davies Cup Final in 2022. He is very enthusiastic in reopening the historical Crymych Arms which is vital for the community and local people.

**Stephen John – Committee Member** Stephen is Crymych Football Club’s first team’s player/manager, He is a Director in the family construction company. He was a local coach in the junior football and rugby community teams for a period of 8 years. He lives in Blaenffos with his wife and two children and looks forward to welcoming opposition football teams, supporters and friends to the Crymych Arms once reopened.

In the event that a member of the main committee or sub-committee or of their immediate families wishes to enter into a commercial relationship with the Society, they will be asked to declare and interest in the matter. Further policies will be developed to ensure conflicts of interests are fully considered.





# The Business Plan

A detailed business plan has been created for the first five years of running the Tafarn Crymych Arms. You can download it from our website [www.cpdcrymych.cymru](http://www.cpdcrymych.cymru), or if you'd prefer a hard copy, please email: [finance@cpdcrymych.cymru](mailto:finance@cpdcrymych.cymru)

Our figures are derived from researching the experience of rural pubs in comparable communities with similar facilities to those we have at the Crymych Arms, as well as historic trading figures. We have also received advice from people with extensive experience in the catering industry. The aim is to create a sustainable business, by generating a small profit year on year and to grow the pub business gradually.

Our vision is based on the reopening of the pub to provide for the following:

- The bar and dining and social areas inside the building: some improvements and modernization are envisaged but the intention is to achieve this without losing the current feel of these spaces.
- Offering affordable housing in our flat and the manager accommodation.
- Undertake necessary improvements to existing structures, including any improvements to link with the restaurant, heating and electricity systems etc.
- Improvements to the current standard of fabric insulation and other measures that will reduce the carbon footprint and ensure the sustainability of the enterprise into the future.
- Redesigned and tarmaced parking space, with disabled space and a charging point for electric cars as well as an area for parking cycles.

It is worth noting that the purchase of the pub includes a two bedroom annex flat and a three-bedroom flat. There are several options which might be considered for the flats.

A manager, will be appointed in due course to run the bar and restaurant, as will a cook and bar staff. The aim will be to continue to offer employment, experience and training opportunities to the area's young people. However, we also anticipate that the opportunity to volunteer for occasional shifts at the bar or kitchen will also be valuable in ensuring the sustainability of the enterprise and in ensuring social benefit.

The manager will line manage the staff and co-ordinate any volunteers required to assist at different times; he or she will report to a representative of the Pub Steering Group on a regular basis. Further details on governance, staffing and salaries can be found within the Business Plan.

In time, it is hoped that 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 5 full years are as follows:

Tafarn Crymych Arms					
5 Year Business Plan Summary					
Title	2023/24 (8 months)	2024/25	2025/26	2026/27	2027/28
<b>Capital Programme</b>					
Total Freehold Buildings	£ 298,000	£ 9,000	£ 9,500	£ 10,000	£ 10,500
<b>Funding</b>					
Shares	£ 350,000	£ -	£ -	£ -	£ -
Grant	£ -	£ -	£ -	£ -	£ -
<b>Profit &amp; Loss</b>					
Sales	£ 130,257	£ 215,648	£ 226,100	£ 237,075	£ 248,599
Gross Profit	£ 80,879	£ 130,891	£ 137,106	£ 143,631	£ 150,483
<b>Overheads</b>					
Labour	-£ 49,636	-£ 70,769	-£ 74,387	-£ 78,106	-£ 81,687
Other Overheads	-£ 15,749	-£ 30,207	-£ 28,807	-£ 29,383	-£ 29,971
<b>Net Profit Before Depreciation</b>	<b>£ 15,493</b>	<b>£ 29,915</b>	<b>£ 33,912</b>	<b>£ 36,142</b>	<b>£ 38,825</b>
Depreciation	-£ 11,727	-£ 17,219	-£ 16,689	-£ 16,163	-£ 15,646
<b>Net Profit After Depreciation</b>	<b>£ 3,766</b>	<b>£ 12,697</b>	<b>£ 17,224</b>	<b>£ 19,979</b>	<b>£ 23,178</b>
<b>Dividends</b>	<b>£ -</b>	<b>-£ 10,500</b>	<b>-£ 10,500</b>	<b>-£ 10,500</b>	<b>-£ 10,500</b>
<b>Cashflow</b>					
Inflows	£ 480,257	£ 215,648	£ 226,100	£ 237,075	£ 248,599
Outflows	-£ 422,133	-£ 204,928	-£ 211,871	-£ 221,100	-£ 230,425
<b>Net cash Inflows (Outflows)</b>	<b>£ 58,124</b>	<b>£ 10,719</b>	<b>£ 14,229</b>	<b>£ 15,975</b>	<b>£ 18,174</b>
<b>Forecasted Cash Balance</b>	<b>£ 58,124</b>	<b>£ 68,844</b>	<b>£ 83,073</b>	<b>£ 99,048</b>	<b>£ 117,221</b>
<b>Balance Sheet</b>					
Tangible fixed assets	£ 301,673	£ 288,454	£ 275,765	£ 263,602	£ 251,956
Current assets	-£ 24,698	-£ 13,847	£ 438	£ 16,485	£ 34,735
Current liabilities	-£ 7,236	-£ 9,460	-£ 9,933	-£ 10,430	-£ 10,951
<b>Net current assets/(liabilities)</b>	<b>£ 269,507</b>	<b>£ 266,704</b>	<b>£ 267,927</b>	<b>£ 271,406</b>	<b>£ 277,584</b>
<b>Shareholders Funds</b>	<b>£ 353,766</b>	<b>£ 355,963</b>	<b>£ 362,686</b>	<b>£ 372,165</b>	<b>£ 384,844</b>

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

Applications for grant funding will be developed during the share offer period and beyond, however the intention is to reopen the Crymych Arms as soon as possible once initially agreed works are completed.

### Grant Funding Application Support

Cwmpas funding under the Perthyn project has been clichéd for £10,150. This will pay for supporting the share offer process and surveyors work to enable additional grants to be applied for.

Pembrokeshire Council, via the Enhancing Pembrokeshire scheme will be applied for to support the marketing and Welsh Language activities.

Below are some examples of possible funding sources for the building refurbishment and development work and possible revenue funding sources for staffing:

- UK Government Community Ownership Fund

The UK government has launched a new £150 million Community Ownership Fund to help ensure that communities across Wales, Scotland, England and Northern Ireland can support and continue benefiting from the local facilities, community assets and amenities most important to them. Community groups will be able to bid for up to £250,000 matched- funding to help them buy or take over local community assets at risk of being lost, to run as community-owned businesses. The next bidding round for the Community Ownership Fund will open in April 2023 and we are working towards an application within that round.

- National Lottery Community Fund - People and Places

Offers funding from £100,001 to £500,000 for projects where people and communities are working together and using their strengths to make positive impacts on the things that matter to them the most. 'People and Places' can fund capital and revenue costs up to £500,000, such as equipment, staff costs and refurbishments. It can fund projects for up to five years.

- Welsh Government – Community Facilities Programme

This is a capital grant scheme operated by the Welsh Government. Grants are available at two levels: small grants of under £25,000 and larger grants of up to £250,000. Grants can be used to improve community facilities which are useful to, and well used by, people in the community.

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.

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.

Please note that further details on how the trading forecast were derived and the research undertaken and assumptions made can be found within the Business Plan

itself.

## How will our Community Benefit Society work?

This is not just about buying a pub – it is primarily about helping to sustain the community and supporting sports and football in the area. 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.

Each share has a value of £1. The minimum shareholding is 100 shares and the maximum number of shares that can be held is 50,000. Members must be over 16 (although shares may be brought on behalf of a minor and held in trust by an adult). Shares must be paid in full on application. If you would like to pay for your share over a period of time, please contact us to discuss the possibilities.

### **Rules and Governance**

The Society has adopted the Community Benefit Society model Rules drawn up by Cwmpas – previously known as Wales Cooperative Centre. A copy can be found on our website.

Day-to-day running of the enterprise will be the responsibility of the Sub-committee, then the main CPD Crymych committee will be the legal Directors of the Society (several people sit on the 2 committees to ensure joint strategic development). The appointment of members of the Steering Group 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 Steering Group will hold office for a period of three years. Those members who form the initial 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 Steering Group will retire in a phased way over the following three years in accordance with the Rules of the Society. All new Steering Group members will be elected by the Society's members. Members will be entitled to attend the AGM and stand for election to the Steering Group.

In addition to the Steering Group, 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 issues such as Business and Finance, the Building, Hospitality, the Garden, Events and Marketing.

### **Interest payments**

After completion of four 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 a maximum 3%. The Steering Group will each year submit a recommendation regarding interest payments on shares for the approval of the Annual Members' Meeting.

### **Repurchase of Shares**

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.

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; however it is important to note that 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. It is important to understand that 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, sports 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 is disappointed to learn that the Chancellor of the Exchequer has decided to scrap this tax incentive on the 6<sup>th</sup> of April 2023. We have sought professional advice and if any investor wishes to take advantage of this tax relief they must have their investment in the society's bank account by the 5<sup>th</sup> of April 2023 at the latest. We are being advised that we would be eligible for our Share Offer to qualify for SITR (Social Investment Tax Relief) but it is important to have the shares investment in the bank account **by the 5<sup>th</sup> of April 2023**.

We will be applying to HMRC for this tax relief scheme and have been told by our advisors that this can be done retrospectively after the 6<sup>th</sup> of April. 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. **The granting of Social Investment Tax Relief will ultimately rest with HMRC. There is no guarantee that we will be awarded the SITR therefore please do not take it as granted that the tax relief will materialise, but we will work hard to try and clinch this for our investors.**

Four months after starting to trade (probably towards the summer of 2023) 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 CPD Crymych's purchase of Tafarn Crymych Arms and invest in our venture, please complete the Application Form either online at [www.cpdcrymych.cymru](http://www.cpdcrymych.cymru) or by returning it to the following address: Clwb Pel Droed Crymych's purchase of Tafarn Crymych Arms, c/o PLANED, The Old School, Station Road, Narberth, Pembrokeshire. SA67 7DU

## 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 asset. 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 pay interest on shares after a full trading year 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 reimbursements, 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 Steering 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 a specific bank account of CPD Crymych's purchase of Tafarn Crymych Arms and used only for the purposes of purchasing the Crymych Arms 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. There is no guarantee that we will be awarded the SITR therefore please do not take it as granted that the tax relief will materialise, but we will work hard to try and clinch this for our investors.** 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 sought independent advice 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. CPD Crymych will shortly be 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 [www.cpdcrymych.cymru](http://www.cpdcrymych.cymru) or contact us on [finance@cpdcrymych.cymru](mailto:finance@cpdcrymych.cymru)

# Investment form

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

£ \_\_\_\_\_

Full name \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_

Phone number \_\_\_\_\_ Email \_\_\_\_\_

Name of person to inherit your shares: \_\_\_\_\_

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

Child's full name \_\_\_\_\_ Date of birth \_\_\_\_\_

Or, if buying on behalf of a corporate body (such as a company or a club or society):

£ \_\_\_\_\_

Full name of company or society \_\_\_\_\_

Name of representative acting on behalf of the body \_\_\_\_\_

Position of representative acting on behalf of the body \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_

Phone number \_\_\_\_\_ Email \_\_\_\_\_

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

## Payment method

Bank transfer, it is IMPORTANT to use a reference of the first 3 letters of your surname then a dash/minus sign (-) and the first 4 letters/numbers of your post code then a dash/minus sign (-) and last 3 numbers of your home or mobile telephone number. For example if you are Mrs Lewis, live at SA41 5TS and your telephone number is 07948 014857 the your code is :

L E W - S A 4 1 - 8 5 7

Business name: CPD Crymych

Sort code: 30-90-90 (Lloyds Bank)

Account number: 46183860

Cheque payable to: CPD Crymych

**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 CPD Crymych's purchase of Tafarn Crymych Arms. The sum invested will be confidential and no information will be transferred to a third party.

Signature \_\_\_\_\_ Name \_\_\_\_\_

Date \_\_\_\_\_

Please send to: CPD Crymych's purchase of Tafarn Crymych Arms, c/o PLANED, The Old School, Station Road, Narberth, Pembrokeshire. SA67 7DU or by email: [finance@cpdcrymych.cymru](mailto:finance@cpdcrymych.cymru)

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