

Save the Harewood Arms

Broadbottom Community Pub Group

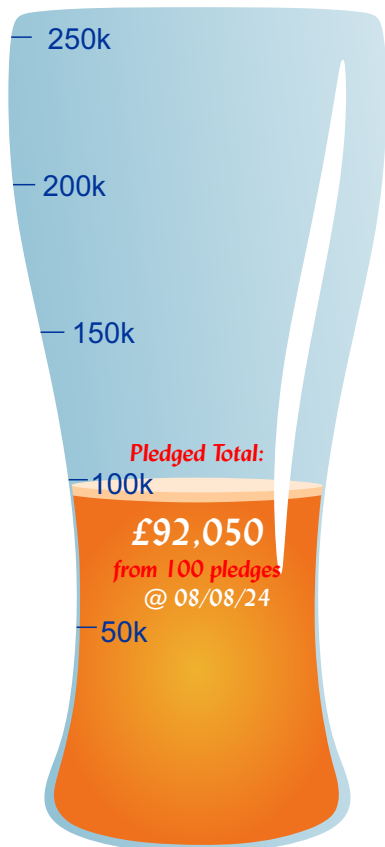


We've formed a Community Benefit Society to buy our local pub through a combination of grant funding and community shares.

The success of our funding application hinges on our ability to show a genuine willingness and financial commitment in Broadbottom and surrounding villages to raise sufficient funds for a successful purchase.

This is an invitation to pledge your intention to buy shares and become a proud co-owner of our pub as a community asset. We're looking for pledges between £100 and £25k. Your pledge is not a contract. We'll release a share prospectus once plans are in place.

Please send us a pic of your completed pledge form, or pop it in the post box on the bar in the pub, or email details of your pledge to: communityharewood@gmail.com



Name:	Pledge: I pledge to buy shares worth £ to save our community pub
Phone:	
Email:	
Address:	

People have been asking about Community Shares – here's a Q&A

What am I pledging to buy shares in?

You'll be buying shares in a Community Benefit Society called "Broadbottom Community Pub Ltd" which will own the pub. A CBS is slightly different to a publicly listed company and the clue is in the name – the company rules are designed to benefit the community. It's the go-to structure for community pubs. Our plan is to buy the pub with a blend of community shares, grants, and a smaller amount in donations. If these aren't enough, we might need a loan.

Why are you asking for pledges?

We need pledges now to convince funders to invest in the project. Grants are often "matched" against the community shares, in other words if we have £100k in pledges, we could apply for £100k grant funding. So, the more we get pledged, the more we can bid for in grants, and the less we need to cover by loans! Also, matched funding doesn't always mean 50:50 – Government Funds can offer up to 80% grant vs 20% shares.

If I pledge now, when do I have to pay?

Once we have everything organized, we'll issue a Business Plan and Share Prospectus with all the T&Cs and the dates for payment. You can then decide whether to proceed with your pledged investment. Once the Business plan is ready, and we have enough funds pledged, we can apply for grants. In terms of timing, buying a pub is much like buying a house, it can take anything from two to six months. There's the added complexity because of the shares and grants, and because we're buying the business, including the Brewery, not just the building.

Can I sell my shares and get my money back?

Yes, you can sell your shares back to Broadbottom Community Pub Ltd, but not to anyone else. Also, you get back what you put in, the value is fixed. However, there are rules to protect the stability of the business and to protect everyone's investments: We need everyone to remain invested for the first three years, and there'll be a limit on how much can be released in any year. These are fairly standard for a CBS and will be detailed in the share prospectus.

What do I get in return for my investment?

1) You help save the Harewood; 2) get a share in the pub; 3) a vote at the AGM, and it doesn't matter how much you invest, it is one member one vote; 4) potentially interest on your investment and 5) investment in our community. The latter two are at the discretion of the management committee. Profit might be split between developing the business, projects in the community and paying interest to shareholders.

What happens if the business fails, for whatever reason?

If the pub fails, the business would have to be sold. If it was sold for less than we paid, then the loss would be spread between investors in proportion to their investment. With respect to any grant funding, there is usually an "asset lock" to protect the investment. That means the grant funding must be reinvested into the local community or another local CBS. After a fashion an asset locked grant is a win-win for the community.

Are you looking for donations as well as grants?

We'll only receive the pledge money when the sale is confirmed. Right now, we need £4-5k to cover pre-purchase costs like an independent business evaluation. The committee have already chipped in £1000, and we're planning events and a crowd-funding page to raise this cash. Also, some people may want to donate rather than buy shares - you can even do both!!