

Frequently Asked Questions Following Public Meeting and Launch of Pledge Form Completion

Questions	Response
How does the agreed purchase price compare to the Commercial Valuation of the property/business, assuming one was done? And, presumably, it reflects the lowered current state of the business?	- This has been a significant point of debate. The conclusion reached is that we are buying a property, not a trading business, so a commercial business valuation is not the appropriate benchmark. - Current owner will likely only sell to someone who could match his property valuation expectations
Have I understood correctly that the SEIS Share Capital has a minimum investment of £5000 and the EIS Share Capital is at a minimum of £250?	Yes that's correct we want to maximise the SEIS by encouraging the larger investors and then not limit the EIS in any way
How do Donations differ from crowdfunding?	- None really other than the way they are "farmed" - Also, some of the original pledgers were clear they wanted to make donations - Crowd funding is the top up obviously
Why do the Steering Group consider the anticipated set-up of the business would be preferable to, say, getting in a tenant (young couple, one a chef?) at an (initially) attractive rent?	- SEIS & EIS approval rules mean we must have a manager for first 3 years of shareholding – we agree a tenant in long term is right direction, but we can't start that way and are aligned that a manager is less risky in the short term. - Other community pubs' experience corroborates these views
- The target fund raising has been publicly stated as £750k but also in other documents £650k - What is the real target? - What / how is walk away point(as in not raised enough)	- We need headroom above the purchase price to cover buying fees initial costs and year one trading losses – on this basis £650k is the minimum target - If we were to fall short by a small way we would likely be able to manage some adjustments to start up investments - we are looking at that as a contingency - for now, however, the target is clear. - The escrow or escrow type arrangement (see separate comment) will protect peoples funds until the final decision point

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The target fund raising @£650k is a big number How confident are you of reaching this sum?	- With the tax benefits of the SEIS, EIS and Gift aid schemes, £650k is realistic based on pledges we have and importantly it will only cost investors a net £400k. - The next weeks are really important to get the pledge forms in to confirm this position – then we will start the crowd funding campaign with that knowledge – timing on this and momentum will be everything
When is cash actually needed into the PCH Ltd accounts?	Once pledges are confirmed (Mid July) We are likely to need all payments by end of August – recent changes to laws looks like we will need to complete standard identity checks for all donors (associated with money laundering rules)
How can I be sure when I put my cash in it is secure until the final completion happens?	All monies initially donated will be collected into an independent account managed by a bank or an “escrow arrangement”. No shares will be issued until we know we are able to proceed with the purchase and a contract is in place. In this way, in the event we are unable to proceed, monies deposited can be returned to investors/donors minus any significant expenses incurred.
- The media reports lots of pub closures – 1 a day – can you find out what proportion of these are rural v town closures/ brewery owned v freehold? - How confident are you that we can buck the trend?	Quotes from CAMRA after information request - Last year, 1,010 pubs closed across Britain. Behind this number, 286 buildings were lost for ever - demolished, converted, gone. So far this year, another 56 pubs have been lost for good. - On the bright side 585 have closed their doors and aren't gone yet – - there is currently a huge amount of activity with rural communities trying to find ways to save their pubs - Importantly community pubs have a 99% success rate! Unfortunately, there isn't any specific data regarding rural/town centre pub closures we can help with right now but we will see if we can help.