

# FITTLEWORTH COMMUNITY SHOP AND CAFÉ

## COMMUNITY SHARE OFFER

### COMMUNITY SHOP SHARE OFFER- KEY DATES

Launch Date: 26 June 2017

Closure Date: 6 August 2017

Target Amount: £25,000

**£25 per share**

Please join us!



26 June 2017

### FITTLEWORTH COMMUNITY SHOP

You are invited to invest in a community enterprise to establish a village shop and café in Fittleworth.

The shop and café will be built at the recreation ground on School Lane in the heart of the village, near the Village Hall and the Village School. It will be a new purpose-built structure: a timber and brick barn style building providing a welcoming and bright environment. The store will provide a full range of grocery items, newspapers, dairy and meat produce, fruit and vegetables and locally sourced goods and crafts. We will also provide postal services (mail and parcel services) and are discussing with the Post Office whether we can provide local post office services. The café will provide hot and cold drinks and a range of sandwiches, cakes and snacks.

The shop will provide different benefits to different people. For those without transport it will be an invaluable place to buy essential groceries. For some it will be a drop-in place before or after school runs, a hub for residents to meet and exchange news over a cup of tea or coffee and somewhere to find out about local events. It will provide a much-needed social hub for the village.

The shop and café will be owned by the community and run by the community for the benefit of the community.

A Community Benefit Society has been set up called Fittleworth Community Shop Limited to own and run the shop and café. This document sets out the terms on which we are offering shares in Fittleworth Community Shop Limited.

We will be holding an evening on 6 July at the Village Hall from 6-8pm where the Shop Committee and a representative from the Plunkett Foundation will be available to answer any questions you may have about this share offer and the project generally. Members of the Shop Committee can also help you fill in your share application form at this evening.



## **ABOUT THE FITTLEWORTH COMMUNITY SHOP SHARE OFFER**

Fittleworth Community Shop Limited is a Community Benefit Society established for the benefit of the community and registered with the Financial Conduct Authority (FCA).

This document is issued by the Fittleworth Community Shop Limited Management Committee and invites you to purchase shares. Those who purchase shares will become members of the Community Benefit Society under the terms of the Co-operative and Community Benefit Societies Act 2014. Our plan is to raise funds through this share offer, donations and grants to build, equip and stock the shop and café.

The land on which the shop will be built is owned by a registered charity which administers the land on behalf of the Parish Council. The Parish Council will lease the land to Fittleworth Community Shop Ltd, with the right for Fittleworth Community Shop Ltd to build the shop. The shop will be staffed by volunteers and two paid shop managers. By using volunteers, we can keep the running costs lower and ensure that the community remain fully involved in the operation of the shop. It will offer a wide range of goods including groceries and other domestic necessities, newspapers, stationery and whatever else you tell us you need! We will provide postal services too (recorded delivery and special delivery services, national and international post and parcels and a parcel drop off and collection point).

The shop and café is part of a wider project which involves moving and rebuilding the children's playground and installing a second area of play equipment behind the Sports Pavilion. The playground and proposed secondary area of play equipment will be owned by the Parish Council – the shares offered under this share offer are for the shop and café only.

## **THE SHARE ISSUE**

This share issue has been designed to provide local people and organisations with the opportunity to contribute financially to the development and growth of our shop and café in the expectation of receiving a social benefit rather than a financial return. The social benefits will be different for different people. Some will enjoy being able to do their shopping without getting on a bus, in a car or relying on others. Some will like the convenience of picking up a newspaper and some milk before breakfast or buying the kids' tea after school. And, of course, we hope the shop will offer a real social benefit in acting as a meeting place.

Buying shares will ensure that you have a say in how the shop is run because a share will provide you with the right to vote on decisions affecting the shop. You will also have the right to stand for election as a Management Committee member.

Any financial surplus generated by the shop and café not required for the business will be invested back into community projects or charities chosen by the members.

Shares will be held and registered in the name of an individual. So, if there are two (or more) of you in your household you might want to buy shares for each of you.

You must be over 16 to buy shares in Fittleworth Community Shop Ltd.

## **HOW MUCH DO WE NEED TO OPEN?**

We need to raise a minimum of £15,000 although ideally, we would like to raise at least £25,000 through the share offer. 82% of respondents in the village shop survey rated a shop as very important or important. With this in mind, we believe our aspiration for at least 150 members with an average investment of £100 each is achievable meaning our minimum target would be reached. If we achieved 250 members with an average investment of £100 then our target sum of £25,000 could be achieved. However please do remember that even if you buy just one £25 share you will be a member with a vote and have played your part in this opportunity.



You may purchase up to a maximum of 60 £25 shares (ie a total investment of £1500). By imposing a maximum shareholding we ensure that we are not dependent on larger shareholders and that we have as many villagers as possible as shareholders. If you would like to invest more than £1500 in the shop, we would encourage you to consider making a donation to the shop and playground projects in addition to purchasing shares. There is a separate registered charity which we will use to take donations for the combined shop and playground projects. As donations will be made to a registered charity, these donations would attract gift aid. If you would be interested in making an additional donation please get in contact with Aliso Welterveden at [welterveden@btinternet.com](mailto:welterveden@btinternet.com) or on 01798 865650. We have also prepared an Investor Pack which is available on request for those considering a donation to the projects.

The sum of £15,000 is required for the construction and fitting out of the shop and for stock and working capital. If we were to raise between £25,000 and £40,000 the working capital is increased which raises the safety margin and we may be able to reduce the amounts we need to raise from grants. We anticipate we can secure £135,000 - £165,000 from grants but some of these will be conditional on raising a similar amount from you, the community. We have already received donations from the Parish Council and some parish residents to enable us to establish our legal status, to submit our planning application and to carry out legal work to amend the constitution of the charity which holds the recreation ground to enable use of part of it by the shop. We will also seek further donations to fund the project and are organising a number of fund raising activities to take place over forthcoming months.

The share offer would be closed if we reach £40,000. If the lower targets are not met then we reserve the right to re-open the share offer for an identified period.

If we only raise the minimum we would look to unlock grant funding wherever possible and, if necessary, would obtain a commercial loan. If the offer does not reach the minimum target then it will have deemed to have failed and plans for the Society will not proceed. Existing applicants will be fully refunded.

### IS A COMMUNITY SHOP VIABLE?

Some people may ask whether the shop is viable as a business. The straight-forward answer is that its success will depend on how much you use it – use it or lose it!

*“Community shops are resilient forms of business – the success rate of community shops is 95%, compared to the average small business rate which is 46%.”*

Plunkett Foundation, 2015

We plan to run the business efficiently and effectively as a community owned shop and café. Using volunteers will help to keep costs lower and keep the community fully involved in the operation of the shop. Monies invested in share capital will fund the build and start-up costs.

Our preference is to raise the funds required through this share offer, donations and grants rather than through a commercial loan (as a loan will carry interest charges).

We have prepared a business plan which is available on the community shop page of the village website (<https://fittleworth-pc.org.uk/fittleworth-community-shop/>) or by request to [welterveden@btinternet.com](mailto:welterveden@btinternet.com). The business plan clearly shows a business model with financial viability and shows a projected modest growth over the first three years of trading.

The shop layout will be well-designed and appealing. The shop will offer friendly service and will be welcoming. The café will provide a meeting place and additional revenue.

## WHO ARE THE MANAGEMENT COMMITTEE?

We are a group of volunteers with a mixture of skills and business and professional experience. Since the results of the village survey, which made it clear that you would like a shop in Fittleworth, we have been working, without financial reward, to acquire information and support necessary to develop a plan to fund and establish the shop. We all believe passionately that the community needs the shop. We will also invest our money into this project by purchasing shares through this offer.

### MANAGEMENT COMMITTEE

Alison Welterveden (Chair), Mick Foote (Vice-Chair), Shelagh Morgan (Secretary), Sammi Leese (Treasurer), Rev'd Colin Datchler

## HOW DOES THE SHARE ISSUE WORK?

Fittleworth Community Shop Limited is a Community Benefit Society for the benefit of the community. It will operate on the basis of one member one vote irrespective of the number of shares each member holds. Any investment you decide to make will be a long term one for the benefit of the community. **It is not an investment for the purposes of gaining income or an increase in capital and the shares cannot be sold or transferred. The purpose of the investment is to give you and your friends the convenience of a village shop.** The nominal value of each share will be £25 and cannot increase beyond that value (and may even decrease if liabilities exceed assets). Although you only need one share to have a say in how the shop is run, please do consider buying more to support this community enterprise. **The Society confers limited liability so, should the project fail, there would be no further liability on shareholders.**

The only way to recover the sum initially invested (or any reduced value) is to give notice of withdrawal to the Management Committee. No withdrawal can take effect (except in exceptional circumstances) for a minimum of three years from the date of issue or the date on which the shop begins trading, whichever is the later. After three years the shares might be capable of withdrawal at the discretion of the Management

Committee, depending on the profitability of the business and the adequacy of cash reserves to meet the withdrawal. The Management Committee will also have the right to set a cap on how many shares can be withdrawn each year.

Fittleworth Community Shop Limited does not intend to pay interest or dividends on shares. The business cannot be sold for the benefit of its members. Any profit not needed in the development and running of the business can only be used for the benefits of the residents of the Parish of Fittleworth. Should the business cease trading at any time, any surplus (after the repayment of creditors and share capital) must be used for the benefit of the community.

The rules of Fittleworth Community Shop Ltd will be published on the village website.

Any business activity risks failure through unforeseen circumstances or changes in the trading environment. You should be aware that this share offer is exempt from the regulatory effects of the Financial Services and Markets Act 2000. You will, therefore, have no right of complaint to the Financial Services Ombudsman, nor is the money you pay for shares safeguarded by a deposit protection scheme. Fittleworth Community Shop Limited is required under the terms of its registration with the FCA and its own Rules to prepare audited accounts annually.

*“Run by the Community for the Community”*

## SEED ENTERPRISE INVESTMENT SCHEME (SEIS)

If you purchase shares, you may be able to claim income tax relief of 50% of the amount invested under the Seed Enterprise Investment Scheme. We have obtained advance assurance the share offer will qualify. You would be able to claim this tax relief from your tax office. Details can be obtained from [www.gov.uk/business-tax/investment-schemes](http://www.gov.uk/business-tax/investment-schemes). You should seek independent financial advice if considering this course of action.

**It is a proven fact that communities that work together to set up community shops will support it in the future.**

**Thank you for your support.**

Contacts for any questions:

Alison Welterveden

([welterveden@btinternet.com](mailto:welterveden@btinternet.com)/01798 865650)

Mick Foote

([footemichael1@gmail.com](mailto:footemichael1@gmail.com)/01798 865156)

# FITTLEWORTH COMMUNITY SHOP AND CAFÉ

## COMMUNITY SHARE OFFER – FREQUENTLY ASKED QUESTIONS

**What will the shop offer?** Our community owned shop will be open every day, and will offer the general groceries, local produce and household goods which villagers and visitors want and need.

**What will it look like?** The artist's impression sketch on the cover page of the share offer document gives a great idea what the building will look like.

**How will it be run?** It will be staffed and run on a day to day basis by a manager and assistant manager (both paid roles) and a group of friendly local volunteers. The manager and assistant manager will be employed by Fittleworth Community Shop Ltd and will report to the Management Committee of Fittleworth Community Shop Ltd. The Management Committee will be selected by member vote at the AGM.

**What will be available?** A full range of groceries and household goods, meat and dairy products, ready meals, fruit and vegetables and bakery items together with a range of beers and wines. Newspapers will be stocked too. Items will be reasonably priced, and sourced from local suppliers where possible. The aim is to serve the community, by stocking the things which people need.

**Will there be a cafe?** Yes – good quality tea, coffee, cakes and light snacks will be served in our café. It will provide an environment where people can meet, relax, and chat.

**Will the café be licensed?** No.

**Will I be able to access wi-fi in the shop or cafe?** Yes, free wi-fi will be available for customers.

**How will it work?** Fittleworth Community Shop Ltd will be a business that is run by the

community, for the benefit of the community. It is registered as a Community Benefit Society. The success of the shop and café relies on the support of local people and we would encourage you to become shareholders and thus members of the Society. This way you will be part owners of the business and able to influence decision making.

**What is a Community Benefit Society?** A Society which is run primarily for the benefit of the community at large, not just for its members. Profits made must be used for the benefit of the community.

**Who will benefit from this venture?** The Parish of Fittleworth and the surrounding locality will benefit directly from the community shop and café. Local businesses who supply the shop and café will also benefit. Surplus profits will be available for distribution to charitable and community projects within the Parish in accordance with the Rules of Fittleworth Community Shop Ltd.

**What is my liability should I invest?** Your liability is limited to the value of your shares. The Society confers limited liability, so should the project fail, no further liability can fall to you as a shareholder.

**What voting rights do I have as a Shareholder?** In a Community Benefit Society, the rule is one member, one vote. So no matter how large or small your shareholding, you have an equal voice.

**Are there any restrictions to becoming a member?** Members must be aged 16 or over. There is no requirement to be resident in the Parish of Fittleworth.

**How much does a share cost? Can I buy more than one?** The individual share value is £25.

The minimum investment is £25 and the maximum is £1,500 (i.e. 60 shares).

**We are married – can we hold our share(s) jointly?** No, shares can only be held by an individual. If you are married or if there are otherwise two or more of you in your household you might want to buy a share or shares for each of you.

**Will my investment increase in value?** No, they are limited to the initial value of £25. However, shares can go down in value (if the project does not do as well as hoped) but they cannot increase in value. This is an offer to achieve a social benefit for the community not a personal financial benefit.

**Can I sell my shares on?** No. These shares cannot be sold. They are a special type of share known as a community share. The only way to recover their value is to apply to withdraw your shares from the community venture itself.

**How can I get my money back if I need it?** To enable the business to build up sufficient reserves, it will be at least three years from the start of trading (expected to be August 2018) before you can apply to withdraw any shares. After that you can apply to the Management Committee to withdraw some or all of your shares. Withdrawal will be at the discretion of the Management Committee who will consider if the business has adequate profits and cash reserves to fund the requested withdrawal.

**Is it a good business proposition?** The community shop model has proved itself to be very robust. The success rate of community shops is 95% and it is well proven that communities that work together to set up such a venture will support it in the future. Our Business Plan includes financial projections and is available on the community shop page of our village website, [www.fittleworth-pc.org.uk/fittleworth-community-shop/](http://www.fittleworth-pc.org.uk/fittleworth-community-shop/).

**Are the committee competent and do they have a personal financial interest?** The Management Committee has a mixture of business and professional skills and is backed by wider expertise and help from members of the community. Committee members are volunteers who believe passionately in the value of the shop and café. No Committee member has any personal financial interest in this project beyond any amount they intend to invest.

**When will the shop be built?** We anticipate that we will be able to start construction early in 2018, provided we have raised sufficient funds. We hope the shop and café will be open for business by 1 August 2018.

**Is this a Parish Council project?** A group of volunteers has followed up findings which were identified by a Parish Council working group and the project is now run by the Management Committee of Fittleworth Community Shop Ltd. The Parish Council have, however, funded certain initial aspects of the project and remain fully supportive of the shop and café.

**Where can I find out more?** Our Business Plan has plenty of information (available on the community shop page of our village website, [www.fittleworth-pc.org.uk/fittleworth-community-shop/](http://www.fittleworth-pc.org.uk/fittleworth-community-shop/)). The Management Committee are also happy to answer any questions you may have – details of Committee members appear in the share offer document.

# FITTLEWORTH COMMUNITY SHOP LIMITED

## Share Application Form

**Our preferred payment method is by cheque with this form.** Your cheque will be cashed when the Share Offer closes successfully.

Only one person can apply per form. If you need additional forms, please email [welerveden@btinternet.com](mailto:welerveden@btinternet.com) or download from <https://fittleworth-pc.org.uk/fittleworth-community-shop/>.

You must be over 16 to apply for shares.

I would like to purchase shares in Fittleworth Community Shop Limited

Full Name .....

Address: .....

.....

E-mail: .....

Phone number: .....

Your contact details will only be used to communicate with you on matters regarding the business. We will not pass your details on to third parties.

I wish to buy ..... shares at £25 each. Note there is a maximum shareholding of £1500 (ie 60 shares). If you wish to invest in excess of £1500, please consider a donation to the shop in addition to purchasing shares. Please contact Alison Welerveden at [welerveden@btinternet.com](mailto:welerveden@btinternet.com) or on 01798 865650 if you would like to make a donation.

I plan to apply for SEIS tax relief on my investment (if approved)

I enclose a cheque made payable to Fittleworth Community Shop Limited

***I confirm that I am over 16 and have read Fittleworth Community Shop Limited's share offer document.***

**Signature:** .....

Please return this form together with your cheque to:

Fittleworth Community Shop Limited  
Lower Street House, Lower Street, Fittleworth, W Sussex, RH20 1EP.

**Closing date for applications is 6 August 2017** or earlier if the maximum investment figure is reached.

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