

FITTLEWORTH COMMUNITY SHOP AND CAFÉ

COMMUNITY SHARES INFORMATION PACK AND APPLICATION FORM

ABOUT FITTLEWORTH COMMUNITY SHOP LIMITED SHARES

We are building a community owned shop and café at the recreation ground on School Lane in the heart of the village, near the Village Hall and the Village School. A Community Benefit Society called Fittleworth Community Shop Limited (“FCSL”) has been set up to own and run the shop and café. FCSL is established for the benefit of the community and registered with the Financial Conduct Authority (FCA). You may purchase shares in FCSL. 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. Funds raised from the purchase of shares will be used towards the costs of building, equipping and stocking the shop and café.

Shares 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 in accordance with the Rules of FCSL.

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 FCSL.

The minimum purchase is one share. Each share costs £25. You may purchase up to a maximum of 60 £25 shares (ie a total investment of £1500). 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 – details about donations are on the community shop page of the village website.

FCSL operates 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.

FCSL 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 FCCSL are 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. FCSL is required under the terms of its registration with the FCA and its own Rules to prepare audited accounts annually.

We intend to apply to the Seed Enterprise Investment Scheme which provides 50% tax relief to investors. You would be able to claim this tax relief through your tax return. Details can be obtained from www.gov.uk/business-tax/investment-schemes. You should seek independent financial advice if considering this course of action.

FITTLEWORTH COMMUNITY SHOP AND CAFÉ

COMMUNITY SHARES – 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 community shop page of the village website (www.fittleworth-pc.org.uk/fittleworth-community-shop) 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. Share purchases 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 October 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/.

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 in April 2018. We hope the shop and café will be open for business in October 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/). The Management Committee are also happy to answer any questions you may have – details of Committee members appear on the website.

FITTLEWORTH COMMUNITY SHOP LIMITED

Share Application Form

Our preferred payment method is by cheque with this form. If you do not wish to pay by cheque please contact Alison Welterveden on 01798 865650 to discuss alternative payment methods.

Only one person can apply per form. If you need additional forms, please email welterveden@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:

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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 Welterveden at welterveden@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 information pack.

Signature:

Please return this form together with your cheque to:

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

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