

Felsham & Gedding



Community Store Limited

Share Prospectus

Felsham & Gedding Community Store Limited

Registration No. 7822

Registered Office:

Ince House
Upper Green
Felsham,
Bury St Edmunds
Suffolk
IP30 0PL

How to contact us



Telephone:

Andrew Conquest (Treasurer) 01449 737619

Ria Crosbie (Chair) 01449 736876

Email:

enquiries@felshamgeddingstore.org

Mail:

Ince House, Upper Green, Felsham, IP30 0PL

This and other documents are downloadable from:

www.felshamgeddingstore.org

Introduction

This is an opportunity to invest in a share offer to support Felsham and Gedding Community Store Limited. This document:

- Provides more information about the Store
- Explains how the share offer works;
- Invites you to provide ongoing support to this exciting project which we hope will become a key asset in this rural community.

This is an open offer for shares. There is no closing date. There has been no limit set on the number of shares that can be issued.

Please read this document carefully before deciding to subscribe for shares. Greater detail about the proposal is in our Business Plan (available on request – see contact details below).

Background



In early 2018 the owner of Felsham Village Store and Post Office had asked the community whether it would be

interested in taking the business over as they wished to retire. A small group of residents designed a questionnaire and carried out a community consultation exercise to test public opinion and to understand what services the community wanted. It also asked residents if they would provide practical and/or financial help to set up the Store, and be willing to volunteer to help run the Store. The key findings were:

- 77% thought it important to have a village Store;
- 85% thought it important to have a post office;
- 65% said they would use a community-run Store
- around 60 people were interested in supporting the proposal, either through joining a steering group, fundraising, helping with refurbishments, making a donation, buying shares or making a loan;
- around 25 people said they would help with the day-to-day running of the Store on a voluntary basis; for

instance - working behind the counter, managing stock or cleaning.

Following this show of support a steering group was then set up to conduct a feasibility study. The group concluded that the project was viable so a share issue was launched with 23 Shareholders buying £320 shares in various denominations – from as little as one share. A target of £15,000 was set as being the amount needed to, re-stock and promote the Store. The proposal, at all stages, has been supported by residents, Felsham Parish Council and Gedding Meeting. An advisor with the Plunkett Foundation, a charity specialising in the development of rural community services, has given us expert advice and help. Sue & Jon who own the building, are providing ongoing support. The Management Committee took over the running of the Store from the 26th January 2019 with the “official” opening on 23 February 2019 by Jo Churchill MP.

However, as a Community Store, volunteer numbers are critical. Ideally over 30 volunteers are needed to perform a variety of roles including working on the till, cleaning, filling shelves, cashing up, helping with the post office, DIY and serving on the Management Committee.

In financial terms the work of the volunteers will amount to about £16,000/£20,000 p.a.

What is Felsham and Gedding Community Store Limited?

Felsham and Gedding Community Store Limited is incorporated as a Registered Society for the Benefit of the Community. It is registered with the Financial Conduct Authority (registration number 7882).

Our objective is to provide and sustain an attractive community Store. We will sell good quality products and services at a reasonable cost, which will largely meet the food shopping needs of parish residents as well as visitors to the local area. There will be an emphasis on supplying good quality local produce at a fair price.

There are additional objectives, which are:

- To safeguard and enhance the parishes viability and resilience by keeping and improving village facilities, acting as a hub for the parishes, fostering a stronger community, supporting the well-being of residents and helping to meet the needs of the local community.
- To promote a sense of common ownership and collective effort for the good of the community as a whole.

- To demonstrate that the business is sustainable and viable within three years.
- To support local businesses and the rural economy by providing an outlet for local producers, craftspeople and artisans, and enabling them to advertise their services and products.
- To develop a regular, loyal and profitable customer base from within our parishes by providing a good retail option, personal service, and being flexibly responsive to the needs, requests and criticisms of customers.
- To offer a cheerful, welcoming, friendly and helpful service.
- To reduce the carbon footprint of our parishes by reducing car use and food miles.
- To provide a central, informal meeting point for villagers.
- To provide training, voluntary work opportunities and work experience for local people.
- To distribute all profits not required to sustain the business to local community projects.

Who is managing this enterprise?

We started with six members volunteering to do the community consultation. This expanded to a steering group of 8 which has now become a management committee. In future a management committee of up to 12 members will be elected at each AGM.

The current committee comprises:

Ria Crosbie (Chair)
James Morgan (Vice Chair)
Andrew Conquest (Treasurer)
Mark Di Cioccio (Company Secretary)
Ruth Crocket (Post Office)
Gillian Morgan
Tony Sunman (retiring 31 July 2019)
Patricia Wilson

We have a broad range of skills, qualifications and experience on the Management Committee, including business planning and development, project management, financial management, retail design and sales, human resources, and volunteering.

At all times, we aim to keep villagers and shareholders informed as to what is happening in the Store. This will be achieved by regular contributions to the Village News, updates to shareholders, our Facebook page and our website: felshamgeddingstore.org

Governance of the Society

The principal objective of a Registered Society is that it will be owned by the community and any profit from the Store, not required to be re-invested in the business (or for making a possible modest interest payment to shareholders), will be put back into the community

Our constitution, known as 'The Rules', is based on a template devised by the Plunkett Foundation specifically for community-owned enterprises. We also have a Business Plan. Both documents are available upon request.

The Share Offer



The share offer has been designed to provide local people and organisations with the opportunity to contribute financially on a long-term basis to the success of Felsham and Gedding Community Store

Limited and to become part owners. We need to raise £15,000 from a mix of shares, grants and donations to cover the start-up costs. We will continue to offer shares in order that we have additional funds to invest in developing the business. However, it is just as important for us to have as many people as possible involved with the Store which is a key asset in the local community. In addition, by raising funds through share capital, we can demonstrate to other potential funders the community's commitment and, at the same time, reduce our interest and capital repayment costs to commercial lenders, should that be necessary. We plan not to have to borrow money commercially if at all possible. Shares are priced at £10 each. The minimum number of shares per person or organisation is one share and the maximum value is £10,000. As a shareholder, you will have limited liability, which means that you will never lose more than the original value of your shares if the venture was to fail.

The purchase of shares gives members a right to vote in decisions regarding the management of the enterprise and each member will have one vote, irrespective of how many shares are held. Shares are not transferable except on death or bankruptcy and cannot be sold. Shares must be held for three years. After that period, you can apply to the Management Committee, giving three months' notice to withdraw your shares. Withdrawal will be at the discretion of the Management Committee, who will judge if the business is trading profitably and has adequate surpluses to fund withdrawals. Total withdrawals in any year may be limited to a maximum of 10% of the total share capital. Shares in a Registered Society for the Benefit of the Community cannot go up in value, but you may be paid interest on the original value of your shares as trading conditions allow. This is at the discretion of the Management Committee and subject to a decision by members at an Annual Members' Meeting. Interest payments must be funded from trading profits, after first considering the long-term interest of the business, the need to maintain prudent reserves and the Society's commitment to community benefit. If the business is ever sold, shareholders would be repaid up to the original value of their investment, after the repayment of outstanding debts and loans if any. Any surplus would be paid to a charitable or community body in the local area. Investors should, therefore, consider the social dividend of investing in the community Store.

Is the business viable?

We are confident that the Store is a viable and sustainable business provided we have the support of both the community and the volunteers who will help to staff it.

Our aim is that there will always be at least 2 people on duty in the Store and these will mainly be volunteers. At present we are unable to fund a Store Manager as the cost of funding this position would be around £25,000 p.a. which would leave us with substantial losses; this demonstrates just how vital the role of the volunteers will be for the success of the Store.

According to the Plunkett Foundation's records the number of community Stores in the UK has grown steadily over the past 20 years from 34 in 1996 to 348 in 2016, and only 17 have closed since 1992 which indicates a 95% long term survival rate. Their 5-year survival rate of 99% also compares very favourably with estimations for all small UK businesses which is 41% (Office for National Statistics).

Average turnover is £156,000 pa gross margins range between 10-37% averaging at 22% and net profit averages about £3,300 per Store.

Tax relief on the purchase of shares under the Enterprise Investment Scheme

The subscription for shares may be eligible for income tax relief (currently 30%) if they are held for at least three years. The Company will be applying to qualify for EIS status four months after trading has commenced.

Prospective investors should make their own enquiries to satisfy themselves as to their personal eligibility for tax relief. For more information visit www.hmrc.gov.uk/eis

Is the investment guaranteed?

No. This should be viewed as a long-term investment for the benefit of the community. The value of your shares cannot increase and may be reduced if liabilities

exceed assets. However, because the shares are issued by a corporate body, no further liability can fall on you as a shareholder.

Risks

We have identified a number of risk factors for Felsham and Gedding Community Store Limited. These include:

- Failure to maintain the predicted level of turnover;
- Profit levels fail to cover costs;
- Insufficient volunteers to help run the Store;
- Failure to maintain a dependable customer base;
- Other competition, especially local supermarkets.

This list is not necessarily comprehensive and any trading activity is vulnerable to changing or unanticipated risk. However, please bear in mind that this share offer has been compiled by members of the

community for the benefit of the community and we would not consider it if we did not believe in it.

Our share offer is exempt from the Financial Services and Markets Act 2000 and subsidiary regulations; this means you have no right of complaint to an ombudsman. A community benefit society is registered with, but not authorised by the Financial Conduct Authority, and therefore the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme.

As the whole of your investment could carry a risk, please consider it carefully, and, if needed, seek independent financial advice.

Terms and conditions

You cannot withdraw your application for shares after

your application form has been received and processed.

How to apply for shares

A share application form is enclosed with this share prospectus. Please complete it and return it to:

Company Secretary

Felsham and Gedding Community Store Limited

Ince House, Felsham, IP30 0PL

A separate form should be completed for each applicant. If you need more forms please contact us - see page two for details.

Before deciding to invest, please consider seeking independent advice.

Please ensure you read the Frequently Asked Questions that follow.

Frequently Asked Questions about Community Shares



Why should I become a member?

Felsham and Gedding Community Store Limited is a business that is run by the

community, for the community. The success of the Store relies on the support of local people and we encourage as many people as possible to become shareholders and, therefore, part owners of the business.

Who will benefit from this venture?

The Parishes of Felsham and Gedding and the surrounding locality will benefit directly from owning the village Store. It will be run for the benefit of the community and surplus profits will be available for distribution for social, environmental and charitable purposes within the community - nominated by its members.

Is it a good business proposition?

Please see the previous section on the viability of the business, As this demonstrates, the community Store model has proved itself to be very robust. Our business plan shows that the community Store can be successfully run. It is well proven that communities that work together to set up such a venture will support it in the future.

Who is the Management Committee?

Can I trust them, and do they have a personal interest? The Management Committee is elected annually by the members; they are a group of volunteers who believe passionately in a community-owned Store. They do not have a personal financial interest in this project beyond the amount they have invested themselves.

Who runs the Store and the Society?

The Store will be run by volunteers. The Society is run by the Management Committee.

What voting rights do I have as a Shareholder?

In a society for the benefit of the community, 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 community.

How much should I invest? What is the minimum and maximum I can invest?

The minimum amount is £10 and the maximum amount of share capital that can be invested by an individual or organisation is £10,000.

What is my liability should I invest?

Your liability is limited to the original amount invested in your shareholding.

Will my investment increase in value?

Shares can go down in value but they cannot increase in value above their original price.

Will my investment remain confidential?

We will keep a Shares Register, which will be held in a controlled, confidential environment. As in a private company, shareholders are entitled to request to view the Share Register. They shall provide the Society with not less than 14 days prior notice given in writing to the Secretary at the Society's registered office.

Can I sell my shares?

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 and when I need it?

All withdrawals must be funded from trading profits, reserves or new share capital raised by members and are at the absolute discretion of the Management Committee having regards to the long-term interests of the Society, the need to maintain prudent reserves and the Society's commitment to community benefit.

Is there interest payable on the investment?

Interest may be paid on the value of shares as trading conditions allow. This is at the discretion of the Management Committee. Interest shall not exceed 2% above Bank of England Base Rate and will require a resolution to be approved by members.

Is my money safe?

Good financial controls are in place and are overseen by the Management Committee. Annual accounts will be prepared by the Treasurer for the membership. An independent accountant oversees the reporting of these accounts to the membership's Annual Members Meeting and the Financial Conduct Authority.

What redress do I have if the business fails and I lose the value of my shares?

The sale of community shares is not regulated and, therefore, there is no right of complaint to the Financial Ombudsman, nor can you apply to the Financial Services Compensation Scheme.

Can I lose some or all of this investment? Potentially you can lose everything you invest in a community share offer - it cannot be viewed in the same way as an investment in a building society or bank.

What happens to my shares when I die?

You can nominate a person to whom you wish your shares to be transferred on your death. We will respect those wishes (so far as the law and our Rules permit). A form is enclosed with this prospectus

Can I see the Business Plan and the Rules of the Society?

Yes, of course! Contact details to request electronic or hard copies of the Business Plan and the Rules are on page two.

Finally, you can help Felsham and Gedding to have a thriving community Store by:

- purchasing community shares in Felsham and Gedding Community Store Limited;
- becoming a volunteer member of the Store staff;
- regularly spending money in the Store;
- telling your family and friends about this share issue!

Thank you

Felsham and Gedding Community Store Ltd

Share Application Form

Registration No: 7882 Registered Office: Ince House, Upper Green, Felsham, IP30 0PL

To buy shares and become a member of Felsham and Gedding Community Store Limited please fill in this form. Both sides should be completed. Each individual, family member or organisation must complete a separate form. Additional forms can be downloaded from www.felshamgeddingstore.org If you have any queries please contact: Andrew Conquest (Treasurer) on 01449 737619 or enquiries@felshamgeddingstore.org

You must be 16 years of age or over to be eligible to apply for shares.

Shares are available at £10 each (minimum one share). You can buy as many as you like to a maximum value of £10,000

I wish to purchase shares at £10 each to the value of

Full Name:

Address:

Post Code:

Email:

Telephone:

I will pay by:

please tick as appropriate

Cheque: Made payable to
Felsham and Gedding
Community Store Limited

BACS transfer: please let me
have the details

Cash:

and enclosed

I plan to apply for EIS tax
relief on my investment.

I confirm that I have read Felsham and Gedding Community Store Ltd's share prospectus, including the Frequently Asked Questions section.

Signature:

Date:

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

Office use only Share numbers to Certificate number

Date when share certificate given / emailed / posted (delete as appropriate)

Felsham and Gedding Community Store Ltd Nomination Form

This form should be completed to nominate a person to receive your shares on your death.

Full Name:	<input type="text"/>
Address:	<input type="text"/>
<i>This will be used when we write to you</i>	<input type="text"/>
<input type="text"/>	Post Code: <input type="text"/>

You can nominate a person to whom you wish your shares to be transferred on your death. We will respect those wishes (so far as the law and our Rules permit).

If you are a joint holder and you do not wish your holding to pass to the other joint shareholder(s) then you must complete this form.

You may nominate a person to whom you wish your joint shareholding to be transferred on your death.

Or you may wish to nominate Felsham and Gedding Community Store Ltd as the recipient on your death.

Nominee's Full Name:	<input type="text"/>
Their Full Address:	<input type="text"/>
	<input type="text"/>
<input type="text"/>	Post Code: <input type="text"/>

I understand that it may not be possible for Felsham and Gedding Community Store Ltd (the Society) to action this request and I and my heirs will not hold the Society responsible for its actions.

I understand that these instructions can only be revoked or amended by my giving clear written instructions to the Secretary of the Society at the registered office.

I understand that trustees will need to be appointed if my nominee is under 16 years of age.

Signed as a deed	
Please sign here:	<input type="text"/>
A witness to sign here:	<input type="text"/>
Date:	<input type="text"/>

Please send your completed form and cheque (if applicable) to:

**Andrew Conquest, Treasurer, Felsham and Gedding Community Store Ltd,
Ince House, Upper Green, Felsham, IP30 0PL**

or hand it to a member of staff in the Store. (if after 26th January 2019)