



Minstead Community Shop Ltd



SHARE OFFER DOCUMENT

19 August 2019

Minimum target: £25,000

Maximum: £50,000

Minstead Community Shop Ltd is a community benefit society registered with the Financial Conduct Authority (Registration number: 8134)

Minstead Community Shop Ltd: Registered office, Dunbridge Cottage, Minstead, Lyndhurst, SO43 7FY

www:/minstead.org.uk/village-community-shop-project/



About Minstead

Minstead is a small village in the heart of the New Forest, within the New Forest National Park and the New Forest District Council. Minstead manor dates back to the times of William the Conqueror, the parish church was originally built in the 12th Century.

Village amenities include the church, village hall and The Trusty Servant pub.

The 2011 census recorded a population of 685 in about 300 households. The village of Minstead is about 2 and a half miles away from Lyndhurst which has limited shopping and dining facilities. There are small shops in the surrounding villages of Bartley and Cadnam at a similar distance. There is no public transport to and from Minstead.

About the Village Shop

Minstead had a village shop for about 250 years until it closed in July 2018.

The Parish Council carried out a survey of its parishioners in the summer of 2018 after the shop closed. Of the 177 respondents, mostly from households rather than individuals, over 60% supported a community run shop in the village. In October 2018, a steering group formed to explore the opportunities in the village for opening a Community Shop. A public meeting was held in November 2018 which reinforced support for a shop on or adjacent to the village green. The premises of the old shop were not available but in December 2018 a space in the village pub, the Trusty Servant, was very generously offered as premises by Debbie and Duane Lewis and the steering group/committee have been working towards opening a community shop in that space since.

About Our Proposal

Minstead Community Shop Ltd (The Society) was formed on 11 June 2019 and is registered with the Financial Conduct Authority. The Society has become a member of the Plunkett Foundation, an organisation whose aim is to assist community run enterprises with advice and guidance. A small working group (now the management committee of the Society) has been formed to carry out the mandate on behalf of the village to establish a community shop in Minstead and to create a community owned asset in the heart of the village, incorporating a café and a community hub.

The Society is now seeking to refurbish the room in the pub and operate as a volunteer operated shop selling basic provisions and local produce, operating a café and acting as a community hub, identified as important by the local community in the summer 2018 survey.

The committee anticipate during the first years of trading that a more predictable pattern of demand and service will enable them to determine the appropriate premises for the future of the shop.



How much money do we need to raise?

Financial projections are available on the Minstead Village website (www:/minstead.org.uk/village-community-shop-project/). The estimate for refurbishment of the room is about £15,000 with some of the work being undertaken by volunteers guided by professionals who live in the village. In addition, other costs such as legal fees, publicity, equipping the shop (e.g. fridges, EPOS, shelving) and buying the initial stock amount to about another £15,000.

The committee has raised further from fund raising and grants. Many of you will have attended the village quiz and visited the pop-up cafes we have been running.

We have set a minimum investment target of £25,000 and a maximum of £50,000.

What is a Community Share Offer?

Community shares are a way of raising investment capital from communities. Local people are encouraged to buy shares in the enterprise and become members of the Community Benefit Society. As shareholders they are more likely to do everything they can to ensure the success of the business by becoming loyal customers, volunteers and supporters of the enterprise.

Community shares have been used to finance shops, pubs, community buildings, local food schemes, football clubs and even renewable energy initiatives. Most community share offers are made by enterprises registered under the Cooperative and Community Benefit Societies Act 2014. This legal form provides limited liability status, just like company law. However, shares in societies will not bring a return on your investment as companies may do. A number of Hampshire Villages have recently established community shops in this way, for example, Hursley, Braishfield and Preston Candover.

Minstead Community Shop Ltd is a Community Benefit Society and was setup to establish a community shop and run it as a community asset. This Society has been set up with support from the Plunkett Foundation. The Society is registered with the FCA (registration number 8134). If you buy shares you will become a member of the Society, with one vote regardless of your shareholding. Your involvement can be as much or as little as you wish. You can vote at Annual General Meetings, stand for election to the Committee, volunteer skills for any refurbishment work, work as a volunteer in the shop and give the community shop your custom.

What is in it for me?

This is not just about a shop; this is about maintaining the community and services in our village and investing in the future of Minstead. This community run business will be for the good of the village, for us now and for future generations.

This share offer is to safeguard our local services. This project was never just about saving our shop; it is about creating a community asset to be available to all members of the community. Investing in this business is mainly about the social rewards rather than any financial gains (which will always be limited).



It is the presence of the Church, the pub and the shop that makes Minstead a particularly desirable village to live in and many house purchasers may be influenced to choose Minstead because of the services and real community that exists at the heart of the village.

How do I buy shares?

Anyone who is over 18 years of age can invest as an individual. You do not have to be from the village or local area. Shares are £1 each with a minimum investment of £25 and will be sold in blocks of 25. Please fill in the application form at the back of the prospectus and follow the instructions. If you buy shares you will become a member of the Society, with an equal vote regardless of your shareholding

What guarantees do I have when buying shares?

This is an investment for the benefit of the community. Shares cannot go up in value.

Shares in Minstead Community Shop Ltd are not transferable except on death or bankruptcy and are withdrawable at the sole discretion of the Management Committee. (Please see section 8 of the Minstead Community Shop Ltd Rules which can be found on the Parish Council website (www/minstead.org.uk/village-community-shop-project/)).

Therefore, if you wish to withdraw shares at any point they can only be withdrawn at face value. The Minstead Community Shop Ltd Rules allow for a member to withdraw when they have held them for a minimum period of three years or such other period as the Management Committee decides. An application for withdrawal shall be made on not less than three months' notice, on a form approved by the Management Committee and the Management Committee may specify a maximum total withdrawal for each financial year.

In the event of having to wind up the Society, should the value of the Society's assets exceed the value of the share capital, the shareholders will still only have their original investment returned. Any excess value would be transferred to another community organisation having similar community benefit aims. This is known as an "asset lock" and is to prevent private gain if the organisation dissolves.

Tax Relief?

Social investment tax relief (SITR) is the government's tax relief for social investment which encourages individuals to support social enterprises and helps them access new sources of finance.

Individuals making an eligible investment can deduct 30% of the cost of their investment from their income tax liability, either for the tax year in which the investment is made or the previous tax year (if 2014/15 or later). **The investment must be held for a minimum period of 3 years for the relief to be retained.**

If individuals have chargeable gains in that tax year, they can also defer their capital gains tax (CGT) liability if they invest their gain in a qualifying social investment. Tax will instead be payable when the social investment is sold or redeemed. They also pay no CGT on any gain



on the investment itself (not a concern for investors in Minstead Community Shop Ltd), but they must pay income tax in the normal way on any dividends or interest on the investment.

Whilst we think buying shares in Minstead Community Shop Ltd will qualify for Social Investment Tax Relief (SITR). The business must apply for investment in it to qualify for SITR. We can only apply for compliance status to SITR after 4 months of trading. Assuming the shop qualifies, HMRC will issue compliance certificates (SITR3) for Minstead Community Shop Ltd to issue to its share buyers.

What are my risks?

You do need to know the risks of this share offer. In the event that the business fails it may be placed into liquidation, in which case a liquidator would be appointed who would realise the assets and distribute them to creditors.

After the payment of the creditors and the costs of the liquidator, then the surplus would be returned to the Members in proportion to their original investment. As stated earlier under provisions of “asset lock” any excess value would be transferred to another community organisation having similar community benefit aims. Your liability as a Member is limited to the value of your shares. **You cannot lose any more than the value of your shares.**

Any money you pay for shares is not safeguarded by any depositor protection or dispute resolution scheme. You will have no right of complaint to the Financial Ombudsman Service nor any access or entitlement to the Financial Services Compensation Scheme.

Can I sell my shares?

Shares cannot be sold and may only be transferred to another person at face value in the event of their death or bankruptcy.

How is the business managed?

The Society is managed by a Management Committee of up to 9 members. They will be accountable to the membership and will report to them via Members Meetings and an Annual General Meeting (AGM).

After each year, all the Management Committee members will stand down and may be re-elected or replaced by new members.

Please see section 5 of the Minstead Community Shop Ltd Rules which can be found on the Parish Council website (www/minstead.org.uk/village-community-shop-project/).

Further details about the financial projections can be found on the Parish Council website (www/minstead.org.uk/village-community-shop-project/). These are only projections and all commercial activities carry risk.

How will we use the Share Capital?



This share offer is an opportunity for you to support the community shop and the local community. Share income will be used in accordance with the Rules of the Society (available on the village website www:/minstead.org.uk/village-community-shop-project/) and in line with the financial forecast.

Who are the Management Committee of the Minstead Community Shop Ltd

Collectively we offer a wealth of business, financial and community experience.

| The Committee | |
|-------------------------|--------------------------------|
| Member | Role |
| George Dibben | Chair |
| Alison McGhee | Company Secretary |
| Tim Nicholson | Treasurer |
| Nib Saunders | Parish Council Rep & Buildings |
| Annabel Bruxner-Randall | Member |
| Yvonne Le Brun | Member |
| Alan Ferguson | Member |

Here are some useful links with more information:

Our website www:/minstead.org.uk/village-community-shop-project/ here contains lots of useful documents and links, including the financial projection, Model Rules governing the Society and presentations given to the community by the steering committee.

The Plunkett Foundation: www.plunkett.co.uk

The Plunkett document 'A Better Form of Business' explains the principles of community ownership: <http://www.plunkett.co.uk/better-business-reports>

Community Benefit Societies are regulated by the FCA Details of the Co-operative and Communities Benefit Act 2014 can be found at www.fca.org.uk

Guidance from the HMRC about SITR Tax Relief can be accessed at: <https://www.gov.uk/government/publications/social-investment-tax-relief-factsheet/social-investment-tax-relief>

For information about community shares go to www.communityshares.org



Minstead Community Shop Ltd



Registered office, Dunbridge Cottage, Minstead, Lyndhurst, SO43 7FY
[e-mail: minsteadcommunityshop@gmail.com](mailto:minsteadcommunityshop@gmail.com)

Application for Membership of the Minstead Community Shop Ltd

For use by individual applicants
Shares cost £1 each, minimum 25. Applicants must be 18 or over.

I wish to apply for membership of the Minstead Community Shop Ltd and would like to purchase the following shares:

| | |
|--|--|
| Number of Shares: (in blocks of 25) | |
|--|--|

| | |
|----------|------------|
| Name: | |
| Address: | |
| | |
| | Post code: |
| E-Mail: | |
| Tel No: | Mobile No: |



Your shares can be transferred on death or bankruptcy. Please nominate someone to transfer your shares to in the event of your death or bankruptcy.

| | |
|----------|------------|
| Name: | |
| Address: | |
| | Post Code: |

Agreement

- I have read the Share Offer Document, including risk factors.
- I wish to become a member of Minstead Community Shop Ltd.
- I agree to be bound by the Terms and Conditions included in the Share Offer Document and the Rules of the Minstead Community Shop Ltd.
- I understand that the Management Committee of Minstead Community Shop Ltd may reject my application and are not obliged to tell me why it has been rejected.
- I consent to receiving formal notices by email and links to formal documents on Minstead Parish Council's website.

| |
|------------|
| Signature: |
| Date |

Method of payment:

Please include a cheque made payable to '**Minstead Community Shop Ltd**' or by direct payment to the Minstead Community Shop bank account (Sort code: 30-98-97 Account No: 71505068, Reference: Your name & "Shares")

The money raised will be held in a Lloyds Bank Plc business account and the money can only be accessed by an appointed member of the Management Committee.

Data protection and money laundering

The data provided by you on this form will be stored within a computerised database. This data will be used only for Minstead Community Shop Ltd to maintain a register of members and potential members as required by the rules of the Shop and will not be disclosed to any third party.

It is a condition of the offer that to ensure compliance with the Money Laundering Regulations (2003), Minstead Community Shop Ltd may at its absolute discretion require verification of identity of any person seeking to invest.

Notices by email and documents on our website

To reduce our administrative costs, we would like to be able to send you formal notices by email and refer you (by email) to documents posted on our website. By signing this form, you are consenting to receiving such notices by email (exceptions will be made where members have no email account) and accessing documents through our website.

Please send your completed application form (& cheque, if not paying by direct payment) to:

Minstead Community Shop Ltd
Dunbridge Cottage, Minstead, Lyndhurst, SO43 7FY

[email: minsteadcommunityshop@gmail.com](mailto:minsteadcommunityshop@gmail.com)