

# **BENENDEN COMMUNITY SHOP community share offer**

**Launch date:  
Thursday 30<sup>th</sup> April 2015**

**Closure date:  
Friday 5<sup>th</sup> June 2015**

**Target amount:  
£60,000**

*Benenden's*

SHOP AND POST OFFICE



You are invited to invest in a community enterprise to take ownership of our shop and Post Office.

This will provide us with a local food store, newsagents, Post Office and café, run by the Community for the Community.

Benenden Community Shop is a Community Benefit Society.

Let us follow up on the Parish Plan and turn 'Words into Action'

Benenden Community Shop Limited Registered in England No 7086

Registered Office: Oakdale, The Green, Benenden, Kent. TN17 4DT.

[www.benendens.co.uk](http://www.benendens.co.uk)

e-mail [info@benendens.co.uk](mailto:info@benendens.co.uk)

01580 279808

**This Share offer will help to secure our shop and Post Office for our community.**

Benenden Community Shop aims to be at the heart of our community. Indeed, for many of the elderly and those without cars, the shop provides an essential lifeline. For others, it is simply a convenience that would be sorely missed.

**The current position.** Benenden School has agreed to purchase The Poplars, which includes that part of the building we know as the Village Shop. The School intends to accommodate teaching staff above the shop.

We are arranging to lease the shop premises on a long-term basis. We plan to keep the Post Office open, stock a wide range of goods within a bright, welcoming environment and make a small café area.

Most importantly, we plan to run the shop for the benefit of the community. With the assistance of volunteers we can keep running costs lower.

**This document is issued by the Benenden Community Shop Limited start-up committee** and invites you to participate in this share offer. Our plan is to raise funds to refit, stock and run the existing village shop premises. Those who purchase shares will become members of a Community Benefit Society under the terms of the Co-operative and Community Benefit Societies Act 2014. You will have the right to vote for, and stand for election to, a Management Committee that will have overall responsibility for the shop.

**Who is on the start-up committee?** John Burbage, Tracy Claridge, Robin Dalton Holmes, Sheila Hume, Deborah Jenkins, Paul Leek, Grant Matthews, Martin Pexton, Alan Pickett, Steve Simmonds & Paul Tolhurst

We are a group of volunteers with a range of expertise and skills who have a common aim – to make a success of this opportunity. We all live in and/or are actively involved in the parish of Benenden. We all believe passionately that the community needs the shop. We have invested our time and energy voluntarily without financial reward. We will also invest our money into this project by purchasing shares through this offer.

We intend to stand down at the first Benenden Community Shop Annual General Meeting. Some of the start-up committee will offer themselves for re-election by the members, again on an unpaid basis.

**Why the share issue? To raise funds.** The share issue has been designed to provide local people and organisations with the chance to contribute financially to our community shop business in the expectation of receiving what is best described as a social dividend rather than a financial return.

**So what is a social dividend?** We want to provide a shop that meets the needs of the community. Any financial surplus not required for the business will be invested back into community projects or charities chosen by the members.

**The village shop is important for many reasons and to many people.** 95% of respondents in the Parish Plan survey wanted to retain a village shop. With this in mind we believe our aspiration for at least 200 members is realistic. Were this number to be achieved with an average investment of £150 we would reach our minimum target BUT remember even if you buy just one share you will be a member with a vote and have played your part in this opportunity.

By buying shares you will secure the convenience of a village shop, a place to buy your goods, a place to meet. To this end it is our intention to create a small café. It is hoped this will become an integral part of the community, a 'drop-in' place before or after school runs, a hub for residents with time to talk over a cup of tea or coffee.

***Remember - Any person who buys a share or shares becomes a member of the Society. You can vote on decisions that will affect how the shop is run and subsequently how profits made can be re-invested into our community. The intention is that the whole community can benefit from this opportunity and we would urge you to become a member by buying as many shares as you feel able to afford.***

***Start today – purchase one or more shares and/or put your name forward to help volunteer in your shop.***

**Business Viability.** Some may ask whether the shop is really viable as a business. The straightforward answer is that that will depend on how much you use it - use it or lose it!

So why do we think that this can work? Our plan is to run the business efficiently and effectively as a community- owned shop, Post Office and cafe.

Monies invested in share capital will fund the refitting of the premises and start-up costs.

Our preference is to raise all the funds through this share offer, as this would mean we avoid any interest or capital repayment costs that would be incurred with a commercial loan. We will also be able to reduce overheads if we have enough volunteers to work in the shop.

We have prepared a business plan which is available on line or by request to 01580 279808. This clearly shows a business model with financial viability. Even assuming growth at a cautious rate it is our hope and expectation that investment in community projects is realistic.

The new shop layout will be well-designed and appealing. It will utilise computerised systems for accurate stock control thus helping to keep costs down. The shop will offer friendly service and be welcoming. The shop café will be available as a meeting place – a formula which has proved itself to be successful elsewhere. **Most importantly our aim is that the Community become users of the shop.**

**What investment do we need in order to open?** Our target is to raise a minimum of £30,000 but ideally we would like to raise at least £60,000 through the Share Offer. This sum is required for start-up costs, legal fees, refitting the existing shop premises e.g. counters, chillers, other equipment and for working capital. If we were to raise between £60,000 and £100,000 the working capital is improved thus increasing the safety margin. The higher the figure raised so the need to borrow money to implement the business plan is reduced. The share offer would be closed were £100,000 achieved. If the lower targets are not met then we reserve the right to re-open the Share offer for an identified period.

**What happens if we don't raise enough?** If we only raise the minimum we would look to unlock grant funding wherever possible and have confidence we could utilise commercial loans if required. The most likely source of loan funding would be from a social lender, e.g. Kent Community Foundation with whom we have already held meetings. If the offer does not reach the minimum target then it will be deemed to have failed and plans for the Society will not proceed. Existing applicants will be fully refunded.

**How does the share issue work and what guarantees do I have for my investment?** The company that we have set up is a Society for the Benefit of the Community. It will operate on the basis

of one member one vote, irrespective of the number of shares purchased. It is a long term social investment to benefit the community. It is NOT the same as the more familiar investment in a profit-driven enterprise where the investor seeks to share in profits through dividends and make capital gains from an increase in the value of shares held which are freely marketable. The value of shares in The Benenden Community Shop cannot increase beyond the nominal value of £10 and could even decrease if liabilities exceed assets. **However, the Society confers limited liability so, should the project fail, there would be no further liability on shareholders.**

These shares cannot be sold or transferred. The only way to recover the sum initially invested (or any reduced value) is to give notice of withdrawal to the Committee. No withdrawal can take effect (except in exceptional circumstances) until 3 years have elapsed from the date of issue of the shares or from the date Benenden Community Shop begins trading (whichever is the later). Withdrawal will be at the discretion of the Management Committee who will judge if the business is trading profitably and has adequate cash reserves to fund withdrawal. The Management Committee will also have the right to set a cap on how many shares can be withdrawn each year. In the event of the death of a member, the intention would be to make an earlier repayment (if requested), subject to funds being available. Benenden Community Shop will not pay interest or dividends on shares. This investment must therefore be considered an opportunity to contribute financially to the community with the expectation of a social dividend rather than a financial reward. The Benenden Community Shop business cannot be sold for the benefit of its member shareholders.

**Any future profits, not needed for the development of the business, are to be used for the benefit of the community.** Were the business to cease trading, any surplus (after paying creditors and repaying share capital) must be used for the benefit of the community.

**How can I find out more about the business plan and the Society Rules?** The easiest way to find this information is to go to [www.benendens.co.uk](http://www.benendens.co.uk) e-mail [info@benendens.co.uk](mailto:info@benendens.co.uk) or 01580 279808

**We have identified the following risks for Benenden Community Shop:**

- Failure to agree the lease for the shop premises.
- Failure to achieve predicted level of turnover.
- Profit levels fail to cover costs.
- Restrictive government legislation.
- Insufficient volunteers to run the shop.

This list is not necessarily comprehensive, and any trading activity is vulnerable to changing or unanticipated risk. However, also bear in mind that this share offer was put together by members of our community for members of our community. **We would not be doing it if we didn't believe in it!**

**The Share offer.** 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. As a Community Benefit Society we are 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 in the context of the complete share offer document, and if needed seek Independent Financial Advice.

We have received support and advice from The Plunkett Foundation who have helped many villages establish community owned shops. **Across the country over 300 Community shops have started. The five year survival rate is 99% - we too can be part of that success story.**

**Seed Enterprise Investment Scheme. (SEIS)** We intend to apply to the Seed Enterprise Investment Scheme which provides 50% tax relief to investors. 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.

**And finally...** We really need your support to make this happen. If you want Benenden to have a thriving village shop, Post Office and cafe then there are three ways in which you can help:

1. By subscribing for shares via this share offer.
2. By volunteering your time to work in the shop when it reopens or helping with the refitting.
3. By continuing to use the shop. We expect to give you plenty of reasons to spend a little more as we aim

to stock the items and provide the services that you request.

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

**Thank you for your support**

Contacts for any questions or suggestions.

E [info@benendens.co.uk](mailto:info@benendens.co.uk)

Tel: 01580 279808

## 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. Core Post Office services will continue to be offered.

**What will it look like?** It will take the form of a contemporary fit-out of a traditional village shop.

**How will it be run?** It will be staffed by a professional management team and a friendly group of local volunteers.

**What will be available?** A full range of groceries and household goods (more than 800 different items), fruit and vegetables, freshly made sandwiches and cakes, bread baked on the premises - together with a range of beers and wines. Newspapers and magazines will continue to be stocked.

**Will the new shop move "Up Market"?** No. Items will be reasonably priced, and sourced from local suppliers where possible. The aim is to serve the village, by stocking the things which people need.

**Will there be a delivery service?** Yes, grocery boxes will be made up for local delivery.

**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?** Benenden Community Shop will be a business that is run by the community, for the community as a Community Benefit Society. The success of the shop, Post office 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. The society must specify the geographic community, community of interest, or other group of people it intends to serve. It must state what these activities that benefit the community will be, and

explain how they will be delivered. It must also state how the profit or surplus of the society will be used.

**Who will benefit from this venture?** The Parish of Benenden and the surrounding locality benefit directly from a village shop and Post Office. We believe a café has the potential to enhance this benefit further still. The business will be run for the benefit of the community and surplus profits will be available for distribution to social,

**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 community.

**Is it a good business proposition?** The community shop model has proved itself to be very robust. Of a total 324 start-ups across the country, there is a 96% success rate and it is well proven that communities that work together to set up such a venture will support it in the future. A summary Business Plan will be made available

**How much should I invest? What is the minimum which I can invest?** The individual share value is £10. The minimum investment is £10 and maximum is £10,000.

**Will my investment increase in value?** No, they are limited to the initial value of £10.00 However, shares can go down

environmental and charitable purposes within the community – nominated and chosen by its members at BCSL meetings.

**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.

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.

**When will this take place?** The exact date of share availability is to be determined; it is dependent upon the progress of the purchase of the premises by Benenden School and the subsequent lease of the shop to the Society. This is anticipated this should happen around the beginning of May.

**Will the shop be closed?** No. There will be a transition period during which the shop may only supply 'essential items' but the intention is to keep trading.

**Is this a Parish Council or similar group project?** No. There is no council or political involvement. A group of volunteers has followed up findings which were identified by a Parish Plan working group.

# **Benenden Community Shop Limited**

## **Share Application Form**

**Our preferred payment method is via [www.benendens.co.uk](http://www.benendens.co.uk) and go to – Become a Shareholder**

Only one person can apply per form. If you need additional forms, please e-mail [info@benendens.co.uk](mailto:info@benendens.co.uk) or Telephone 01580 279808 or download from [www.benendens.co.uk](http://www.benendens.co.uk)

You must be over 16 to apply for shares.

I would like to purchase shares in Benenden Community Shop Limited (BCSL).

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 to the value of £..... (minimum £10, maximum £10,000 in multiples of £10)

I plan to apply for SEIS tax relief on my investment if approved (**please tick if applicable.**)

I enclose a cheque made payable to Benenden Community Shop Limited

**Our preferred payment method is via [www.benendens.co.uk](http://www.benendens.co.uk) and go to - Become a Shareholder**

this will take you to [www.microgenius.org.uk](http://www.microgenius.org.uk) and then go to - Benenden Community Shop.

Microgenius offers an easy, secure electronic way of buying community shares, and keeping track of them. By buying shares using Microgenius, you are saving us time and reducing the workload. **Payment is taken via a one off direct debit when the share offer closes successfully.**

I would prefer to pay electronically by BACS. Please e-mail [info@benendens.co.uk](mailto:info@benendens.co.uk) to obtain BCSL Bank details and a reference number for your purchase.

**I confirm that I am over 16 and have read Benenden Community Shop Limited's share offer document and the frequently asked questions.**

**Signature:**.....

If completing this form in writing please return together with a cheque to:

Benenden Community Shop. Registered Office: Oakdale, The Green, Benenden, Kent. TN17 4DN

(your cheque will be cashed when the Share offer closes successfully.)

**Closing date for applications is Friday 5<sup>th</sup> June 2015** or earlier if the maximum investment figure is reached.

Help and support is available from: e-mail [info@benendens.co.uk](mailto:info@benendens.co.uk) or Telephone 01580 279808