

Hurst Green Community Shop & Cafe

The

Hurst Green Community Shop & Café community share offer

Launch date: 16 July 2011.

Closure date: 31 August 2011.



You are invited to invest in a community enterprise to ensure the future of our village shop & café.

Hurst Green Community Shop/Café is a “first” for our community, a not-for-profit organisation providing us with a local general store and café, run *by the village for the village.*

Come and join us !

Hurst Green Community Shop & Café will be the heart of our community. You have told us that you want to regain a newsagents and grocery store within the village. Indeed, for many of the elderly and those without cars, the shop provided an essential lifeline. For others, it is simply a convenience that is sorely missed.

This document is issued by the **HURST GREEN COMMUNITY SHOP & CENTRE LIMITED** steering group and invites you to participate in our share offer.

Our plan is to raise funds to acquire and refurbish the redundant Catholic Church in Station Road to form a new village shop/café and community space. On your behalf, the Parish Council now hold an 80 year lease on the building & land. This lease will be handed over to HGCS Ltd. to run the project. We plan to stock a wide range of goods within a bright modern environment. Most importantly, we plan to run the shop/cafe with the assistance of volunteers to keep running costs as low as possible. We propose to fund the acquisition through a mixture of grants, loans and by offering shares to the community.

The share issue

The share issue has been designed to provide local people and organisations with the chance to contribute financially to our community shop/café business in the expectation of receiving a social dividend rather than a financial return. The social dividend of having a local shop will mean different things to different people. For some it will be the convenience of being able to pop in for their daily paper or when you run out of milk. For others, it may be the only easily accessible place for them to do all their shopping; a real lifeline. Mums and Dads drop in whilst on the school run.

Remember last year's snow and ice and think about how many of us would value being able simply to walk to get groceries!

And of course there is the truly "social" aspect of the shop: as a meeting place, somewhere to post advertisements, sell panto tickets and keep up to date with village news. By investing in **HURST GREEN**

COMMUNITY SHOP & CENTRE LIMITED you can help secure this social dividend.

YOU HAVE EXPERIENCED HURST GREEN WITHOUT THESE AMENITIES, IMAGINE HOW MUCH BETTER OUR LIVES WOULD BE WITH A SHOP/CAFÉ, YOUTH CENTRE & HEALTH FACILITIES SITUATED IN THE HEART OF OUR VILLAGE.

Who is leading this initiative?

We are a group of volunteers with a sound mix of expertise and professional skills who have been working hard since the public meetings to develop a plan to reopen the shop and establish a cafe. We live locally and we all believe passionately that the village needs the shop & additional facilities. We have invested our time and energy voluntarily without financial reward. In keeping with the ethos of community investment, we are also investing our own money into this project. As founder members and original shareholders in **HURST GREEN COMMUNITY SHOP & CENTRE LIMITED** we form the current steering committee. We intend to stand down at the first **HURST GREEN COMMUNITY SHOP & CENTRE LIMITED** AGM and offer ourselves for re-election by the members, again on an unpaid basis. We would encourage any other members who are willing to commit time and energy to put themselves forward for election to the board We are:

Stephen Hardy – Chairman

Bob Janes - Secretary

Maureen Harniman – Treasurer

Allan Fisher

Cllr. Sue Prochak

Lesley Bristow.

James Acock

Business Viability

During our public meetings and on the doorsteps, many of you have asked whether the shop is really viable as a business. The straight-forward answer is that the previous shop on the A21 was not viable.

So why do we think that we can do any better?

Our plan is not to run the business as a private venture but as a community owned facility. Monies invested by the community in share capital will help fund the renovation of the premises and this investment by the community will unlock grant funding. For example, one of the conditions for securing a £20,000 grant funding from the Plunkett Foundation, is that the villagers invest at least this amount. By raising funds by way of share capital we will minimise the interest and capital repayment costs of large commercial loans. We will also be able to reduce overheads by using volunteers to work in the shop/café. We have already secured sufficient funding to purchase an 80 year lease.

We have prepared a business plan which shows that the shop can be profitable provided that we keep commercial loans to a minimum. It is for this reason that we are keen to ensure that as many villagers as are able participate in this share offer.

What Investment do we need in order to open?

We need to raise a minimum of £28,000. This sum is required for matched funding for grants. Once this sum is achieved we will have access to grant funding of £72,000. The money is needed for renovating the church premises at Station Road and for working capital. This includes the costs of 'fitting out', electrical and building work, purchase of

Hurst Green Community Shop and Centre Limited Registered in England No: 31042R

Registered Office: Parish Council Office, The Village Hall, Station Road, Hurst Green, TN19 7PL

refrigeration, chilling and kitchen equipment and initial stocking costs. The building has been surveyed for electricity & gas. While some upgrading is needed, this should not prove too costly.

What happens if we don't raise enough?

If we fail to achieve our target we would continue with our search for funding, however the opening of the new facility would be delayed. We reserve the right to extend the share closing date if required.

How does the share issue work and what guarantees do I have for my investment?

The company that we have set up is an Industrial and Provident Society for the Benefit of the Community. It will operate on the basis of one member one vote, irrespective of the amount subscribed for shares. This is a long-term investment for the benefit of the community. It is NOT the same as the more familiar investment in a "for profit" 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 **HURST GREEN COMMUNITY SHOP & CENTRE LIMITED** cannot increase beyond the nominal value of £10 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.

We have set the individual share value at £10 to ensure that everyone in the village can take part. However if we are to reach our target, we would ask you to consider buying more than one share. The maximum that can be invested as an individual is £20,000.

These shares cannot be sold. The only way to recover the sum initially invested (or any reduced value) is to give notice of withdrawal to the Board which cannot take effect (except in exceptional circumstances) until 5 years have elapsed from the date of issue of the shares or from the date **HURST**

GREEN COMMUNITY SHOP & CENTRE LIMITED begins trading (whichever is the later). After 5 years, withdrawal can be approved providing 3 months notice is given. The total repayable in any year is limited to a maximum total of 10% of the community capital. This will be at the discretion of the directors who will judge if the business is trading profitably and has adequate cash reserves to fund withdrawal. 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.

HURST GREEN COMMUNITY SHOP & CENTRE LIMITED Currently has no specific plans to pay interest or dividends on these shares. However the Rules would allow us to do so provided the Management are satisfied this is consistent with the long-term interests of the Society. This investment must therefore be considered an opportunity for people to contribute financially to the community with the expectation of a social dividend rather than a financial reward. The **HURST GREEN COMMUNITY SHOP & CENTRE LIMITED** business cannot be sold for the benefit of its member shareholders. Future profits not needed for the development of the business can only be used for the benefit of the Parish of Hurst Green. In the event that the business ceases 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 company constitution?

We will be holding a public meeting in the church on 16th July where there will be short presentations on the business plan and our legal structure as well as information on how we plan to run the shop/cafe facility.

Copies of the business plan and company constitution can be obtained from any member of the steering group and is available on our website www.hurstgreen.com

We have identified the following risk factors for HURST GREEN COMMUNITY SHOP & CENTRE LIMITED :

- The failure to achieve the predicted level of turnover
- Profit levels fail to cover costs
- Restrictive government legislation
- Insufficient volunteers to run the shop and cafe

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 do it if we did not believe in it. Our share offer is exempt from the Financial Services and Markets Act 2000 or 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 Services Authority and therefore the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme. You could lose some or all of the money you invest so please consider your investment carefully in the context of the complete share offer document, and if needed seek independent advice.

A share application form and addressed envelope is attached and we are also enclosing a form to enable anyone who wishes to make a gift. **Please ensure that these are returned to our treasurer, Maureen Harniman by the closing date of 31st August 2011.**

Other things that you may wish to know

Results from our village survey and Open Day in March, indicated that there was huge support for reopening the shop and establishing a cafe. Some 30 people offered their time and skills either as volunteers to staff the shop or as fundraisers or business advisers.

Much of the money raised by the share issue will be used to renovate the premises, providing a long term asset for the benefit of the community.

We may not be able to reopen the Post Office, but intend to replace some of their services through a post point so that you can send parcels & have letters/cards etc. weighed for the appropriate postage charges.

We will be looking to source many new items for the shop from local suppliers and would welcome discussions with anyone who can supply quality locally produced goods.

Co-operatives UK provided us with legal advice on our constitution and we are registered with the Financial Services Authority. We are also getting support and advice from The Plunkett Foundation who have helped many villages establish community owned shops.

Across the country 259 community owned shops have been established in recent years and only 8 have failed, according to the Plunkett Foundation.

And finally.....

We really need your support to make this happen. If you want Hurst Green to have a thriving village shop/café then there are three ways in which you can help:

- 1. By subscribing for shares via this share offer**
- 2. By volunteering your time and skills to work in the shop/cafe when it reopens or helping with refurbishment (we will need an electrician, plumber, joiner, decorators and general handymen as well as a carpenter and sign painter)**
- 3. By using the shop & café facilities. 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.**

Thank you for your support

Useful contacts:

Chairman:
Stephen Hardy
Tel: 01580 881309
Steering Committee Members:

Bob Janes
Maureen Harniman
Clr Sue Prochak
Lesley Bristow
Allan Fisher
James Acock

Volunteer Co-ordinator:
To be appointed.
Can you help?

We are here to serve YOU.
Don't hesitate to contact us with any queries or suggestions that you may have.

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