Lower Broadheath Community Shop Ltd (LBCS) is offering the sale of shares to fund and open a community-owned shop in Lower Broadheath in 2018.

Show Your Support and Invest in a New Community Shop for Lower Broadheath

We really need your support to make this happen. If you want Lower Broadheath to have a thriving village shop then there are several ways in which you can help:

- By subscribing for shares via this share offer
- By volunteering your time and skills to work in the shop when it opens
- By offering other skills in other essential jobs such as stock-checking or bookkeeping

Our Vision:

- 2018: Open the new shop using a temporary portable cabin placed in the garden at The Bell Inn
- 2019: Build a thriving and successful volunteer-led community shop for our village
- 2020 Onwards: Work with the Parish Council and other village stakeholders to build a permanent community shop

Target: £25,000
Minimum: £15,000
Maximum: £50,000

Start Date: 16th May 2018
Closing Date: 30th June 2018

Minimum investment per individual is £10
Maximum investment per individual is £2500

Community shares are fully at risk and you could lose some or all of the money you invest. You have no right to compensation from the Financial Services Compensation Scheme, nor any right of complaint to the Financial Ombudsman Service. You are advised to read this document in conjunction with the Lower Broadheath Community Shop Business Plan and obtain independent financial advice if you are unsure about investing.

Thank You for your Support

Make Lower Broadheath Community Shop a Reality in 2018 - Buy your shares today!
THE SHARE OFFER

This prospectus is issued by the Management Committee of Lower Broadheath Community Shop Ltd and invites you to participate in a share offer. Everyone with a desire to see a new village shop, owned by the residents and run for their benefit, is invited to become a member by buying one or more shares in our community enterprise. We are offering an investment opportunity to buy shares in the Society. This offer has received advance approval from HMRC. If you are a qualifying tax payer, this may enable you to receive up to 50% tax relief on your investment.

OUR MISSION

Through our new community-owned Shop we aim to strengthen social interaction, support engagement, and enhance the overall well-being of our local community of Lower Broadheath. We will achieve this through:

- Providing a new shop and social centre at the heart of the village
- The sale of a range of essential products that the community needs
- Offering an essential lifestyle for our older residents and those without cars
- Offering an outlet for distinctively locally produced goods and services
- Offering outreach services which enhance quality of life and reduce social isolation
- Engaging volunteers to contribute to the Shop and Café and to deliver supportive services to the community
- Enabling younger residents to develop skills and experience vital to their future careers

THE PLAN

Our plan is to raise funds to acquire a modern community-owned general store and newsagent – additionally offering postal services – on the site of the old Ball Inn pub car park. We are very grateful to Ian and Lynsey Dawies and to Enterprise Inns for their support in allowing us to use this space for which we already have the necessary planning permission for an initial five years on this site.

As soon as we can show that this shop is successful, efforts will be made to find a more long-term home for it. We are already in discussion with a number of parties on this longer-term need.

THE BUSINESS

We aim to open in mid to late 2018 and stock a wide range of goods – providing local products where possible in a bright modern environment. We propose to fund the acquisition through a mixture of grants, loans and donations and particularly by inviting the community to buy shares in the new enterprise.

The business will be run as a community-owned shop run largely by volunteers supported by a part-time manager. It will be owned and answerable to the members and serving all local residents and visitors.

Our members will be involved in more ways than how we achieve this. Money invested in shares by people in the community will help fund the acquisition of the premises and setting up the business.

The investment by the community is also a key requirement to attract the potential grant funding we will need to meet our overall target. Raising funds by way of share capital, rather than by borrowing, will also minimise the interest and capital repayment costs of the community shop. In addition, a shareholding will keep our overheads down by attracting volunteers to set up and run the shop.

We have prepared a business plan which shows that the shop can be profitable provided that we meet what we think are realistic levels of turnover, keep loans to a minimum and have the support of enough volunteers. It is for this reason that we hope that many villagers as possible will choose to participate in this share offer and will volunteer to help.

WHO IS LEADING THIS COMMUNITY INITIATIVE?

When the closure of the old shop was announced, a small group of villagers got together to try to find a way either to keep it open or to replace with a new shop in the village. As a result, a community shop committee was formed at a meeting at village hall in July 2017. The members of this group are all volunteers living in Lower Broadheath, with a balance of expertise and professional skills which we have put to use to develop a comprehensive plan for a community owned and run shop for the village. As founders of the shop, we hold our overheads down by attracting volunteers to set up and run the shop.

The Society was created using the Plunkett Foundation's Model Rules, updated early in 2017 and approved by the FCA, and these form our governing document. The Society is managed by a committee elected by members of the community for the benefit of the whole community and not just its members. Enshrined in our Rules is the principle that surpluses, beyond those required for the prudent operating needs and reinvestment of the business, will be distributed to support community projects.

Community Benefit Societies are member-owned organisations that seek to provide benefits for their community. The benefits of a large membership include:

- Having a large number of people who have a financial interest in the running of the enterprise and who are more likely to use it regularly
- A greater number of people who attend Annual Members’ Meetings and committee meetings and positively contribute to the overall direction of the business
- A more accessible pool of people to draw on when committee numbers are falling, or when more volunteers are needed to help run the business

The Society is managed by an elected Management Committee. Those members who have reached the end of their term must step down at the Annual Members’ Meeting, but may offer themselves for re-election alongside any other members wishing to be elected onto the Management Committee. The Management Committee of LBBS Ltd are listed on the end page of this prospectus.

COMMUNITY SHARES

Community shares refer to withdrawable share capital, which is unique to Co-operative and Community Benefit Societies under the Co-operative and Community Benefit Societies Act 2014. This type of share capital can only be issued by Societies and it differs from the usual transferable shares as offered by companies. When a share is withdrawable as opposed to transferrable, it can only be withdrawn from the organisation in which it is invested.

Shares may be withdrawn at their nominal value after a minimum period of 5 years (or the varied period agreed by the Management Committee may decide) and at the sole discretion of the Management Committee having regard to the needs of the business. Withdrawals can only be funded from trading surpluses or reserves of the business, or from net profit retained by members.

The value of a share in LBBS 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, any reduction in share capital will fall on you as a shareholder.

LBBCS is subject to an asset lock, which means that the Society cannot be sold for the benefit of the membership shareholders. In the event of a solvent winding up, assets would be sold, and after creditors are paid, shareholders could be repaid up to the nominal value of their shares. Any surplus would be put to community use. If the Society’s liabilities were more than the assets, shareholders would receive no return and lose their investment.

WHAT ARE THE MAIN RISKS?

We believe that our forecasts are conservative but there are always some elements of risk, and we think the main risks are:

- Failure to attract the predicted level of trading activity, which we will monitor by reviewing weekly turnover, ensuring proper management and accounting records, retail expertise and volunteer training, regular marketing and promotion campaigns to the village.

- Failure to attract sufficient volunteers to run the shop, which we are mitigating with increased communication with the community, and volunteer incentive schemes and training.

- This list is not comprehensive, and any trading activity is vulnerable to change or unanticipated risk. For more details please look at the risk assessment section of our Business Plan.

- You should also note that this offer is regulated by the Financial Services Compensation Scheme and investors have no recourse to an embroider, you could lose some or all of the money you invest.

MORE INFORMATION

Please see a detailed breakdown of our start-up costs in our Business Plan at www.lowerbroadheathshop.com
Our Community Shop will be an essential facility and a new social centre at the heart of our community. In our village survey you have told us that you want to be able to access household essentials, postal services, newspapers and local produce within the village. For our older residents and those without cars, the new shop will be an essential lifeline; for others, it will offer a convenient and friendly local facility at the heart of the village.

WHAT IS THE SHARE OFFER?

The share offer is an opportunity for local people and organisations to support and contribute financially to our community shop venture by buying shares in the business.

The company that we have set up is registered with the Financial Conduct Authority as a Community Benefit Society. It was registered on 13 October 2017, registration number 1533265.

WHAT WILL THE SHOP SELL?

In addition to every day groceries and essentials, newspapers, tobacco and off licence products, we will be looking to source many items for the shop from local suppliers, including things like home-made cakes and hand-made products from local producers who can supply Quality locally produced goods.

WHAT WILL HAPPEN ABOUT A POST OFFICE?

Discussions with the Post Office have started and there is every prospect of our being able to operate a Post Office in the shop. We will keep you informed of any developments.

CAN I SELL MY SHARES?

These shares cannot be sold, but after being held for 5 years they may be withdrawn, subject to the rules of the Society, and by agreement, providing that withdrawals can be funded from trading surpluses. The share capital is held in a password protected digital vault. Withdrawal will be at the sole discretion of the Management Committee 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 is to make an easier repayment (if requested), subject to funds being available. The two exceptions to this are as a result of the investor’s death or bankruptcy.

WHAT HAPPENS TO MY SHARES IF I DIE?

In the event of the death of a member, the face value of the shares will normally be added to the estate for probate purposes. Under current legislation, you (if you wish) elect to nominate a beneficiary for the face value of your shares (but only up to £5000) and thus exclude up to 500 x £10 shares from your estate for probate purposes (ie the shares may pass by the will of the deceased). Our rules allow shares to be transferred in case of death.

Alternatively, they can be withdrawn, but only if the Management Committee agrees, as explained above.

HOW WILL THE MONEY FROM THIS SHARE OFFER BE USED?

We will be using the proceeds to purchase and fit out the premises with the necessary shelving and equipment such as refrigerators and freezers, to buy initial stock and other items, for working capital. Details of our start up costs can be found in our Business Plan. Money raised within the village by the share sale will also help us to access additional grants and loans.

WHAT WILL BE THE VALUE OF MY SHARES GO UP?

We have had HMRC advice that our investment will probably meet the criteria for the Seed Enterprise Investment Scheme programme which, if we continue to qualify, will enable anyone who pays enough UK income tax or capital gains tax to gain 10% tax relief on their investment. It will be the responsibility of investors to make their own decisions on whether to sell themselves as to their eligibility for such tax relief.

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WHAT SUPPORT IS THERE IN THE VILLAGE FOR A SHOP?

Results from over 360 returns in our village survey indicated that there was huge support for providing a Community Shop with over 85% being strongly in favour. Some 50 households have already offered their time and skills as volunteers to help set up and staff the shop and another 65 have said that they would consider doing so once they had a chance to see how the project had been set up.

WHAT WILL MY INVESTMENT REMAIN SECURE?

A Share Register which contains the information about an individual’s shareholding will be held in a password controlled confidential environment. It will be the responsibility of investors to make their own decisions on whether to sell themselves as to their eligibility for such tax relief.

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WHAT WILL HAPPEN IF WE ARE UNABLE TO RAI

E MONEY?

In the event of failure to secure funding from other sources while reserving the right to extend the share offer closing date to give more time. In the event of failing to secure the total funding necessary by 30 June 2019 the Community shop initiative will be deemed to have failed and shareholders will be given the option to withdraw their investment in full.

WHAT IS THE SHARE OFFER?

Anyone over the age of 16 can buy shares and each share costs £10. No person can buy more than 250 shares.

WHAT IS THE RETURN?

The return comes in the form of a social dividend, the result of having a local shop in the village against the backdrop of all of us. It will mean the convenience of being able to pop in for the daily paper, somewhere to drop in for neighbours, keep up to date with village news and become part of a caring community.

On top of these dividends, if the finances of the society permit, the Management Committee has the option to pay interest to members in the future as laid out in the Rules - providing 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 is to make an easier repayment (if requested), subject to funds being available. The two exceptions to this are as a result of the investor’s death or bankruptcy.

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MAKE YOUR SHOP A REALITY IN 2018