**BRENT KNOLL COMMUNITY SHOP LIMITED**

**Community Benefit Society, Registered No: 8416**

**Registered address: 14 Brent Street, Brent Knoll, Somerset TA9 4DU**

**PLEASE BECOME A VOTING SHARE-HOLDER**

**IN OUR COMMUNITY SHOP**

**Are you interested in having a say in how the Brent Knoll Community Shop is run? If so we welcome you as a shareholder. We have been operating successfully for over two years now and have over 147 shareholders. Each share is priced at just £25 per share and will enable you to become a full voting member of our Society.**

**OUR STORY:**

**When Brent Knoll lost both its Post Office and Village Shop in March of 2020, we conducted a community consultation survey (online and on paper). More than 150 people confirmed their support for the creation of a Community Shop, with more than 40 respondents saying that they would volunteer and more than 90 saying that they would invest to become a share-holder.**

We opened our “Emergency Shop” on 18th April 2020, with our MP (James Heappey) conducting the ribbon-cutting via an online link. Since then, we have been trading seven days per week at a consistent profit.

We have secured a license to sell alcohol and, with additional volunteers, hope to extend our opening hours even further. These two factors will increase both the income and profit of our Community Shop, and we are actively pursuing ways in which we can restore Post Office services and provide a coffee-shop function.

**OUR FINANCIAL PERFORMANCE**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Brent Knoll Community Shop Limited** |  |  |  |  |  |
| **Profit and Loss** |  |  |  |  |  |
|  | **Feb-22 to** |  | **Feb-21 to** |  | **Jun-20 to** |
|  | **Oct-22** |  | **Jan-22** |  | **Jan-21** |
| **Revenue** |  |  |  |  |  |
| Sales | 88,617 |  | 109,316 |  | 60,513 |
| Event Income | 3,807 |  |  |  | - |
| Grants and subsidies received | 17,741 |  |  |  | 2,600 |
|  | 110,165 |  | 109,316 |  | 63,113 |
| **Cost of Sales** |  |  |  |  |  |
| Opening stock - finished goods | 4,024 |  | 2,750 |  | - |
| Purchases | 69,178 |  | 92,023 |  | 46,450 |
| Event Expenses | 1,495 |  | - |  | 1,834 |
| Closing stock - finished goods | (4,386) |  | (4,024) |  | (2,750) |
|  | 70,311 |  | 90,750 |  | 45,534 |
| **Gross Profit** | 39,854 |  | 18,567 |  | 17,579 |
| **Overheads** |  |  |  |  |  |
| Wages and salaries |  |  | 5,031 |  |  |
| Travel and subsistence expenses | 347 |  | 65 |  |  |
| Rent | 3,370 |  | 2,735 |  | 700 |
| Light and heat | 833 |  | 545 |  | 417 |
| Leasing of plant and equipment | 192 |  | 90 |  |  |
| Repairs, renewals and maintenance | 441 |  | 1,679 |  |  |
| Insurance | 194 |  | 373 |  | 231 |
| Printing, postage and stationery | 190 |  | 117 |  | 395 |
| Advertising and marketing costs | 124 |  | 398 |  | 164 |
| Training seminars and workshops |  |  | 45 |  |  |
| Telecommunications and data costs | 15 |  | 216 |  |  |
| Legal fees |  |  | 676 |  |  |
| Subscriptions | 337 |  | 303 |  |  |
| Bank charges | 748 |  | 998 |  | 458 |
| Other office costs |  |  |  |  | 242 |
| Entertaining |  |  | 327 |  |  |
| Sundry expenses |  |  |  |  | 621 |
|  | 6,791 |  | 13,599 |  | 3,228 |
| **Net Profit** | 33,063 |  | 4,968 |  | 14,351 |

**OUR AIM:**

Having built a team of volunteers to run the Community Shop successfully, we remain committed to the objectives identified by the community consultation:

* Provide a permanent Community Shop for Brent Knoll;
* Restore Post Office services;
* Provide a community hub.

**OUR CURRENT SITUATION:**

With the sale of the old village shop in the autumn of 2021 we had to relocate. We received planning permission to erect a portacabin on a temporary basis in the Village Hall car park. We are working hand-in-glove with the Parish Council to replace the existing, outdated toilet block and to add to that building a purpose-built shop on the land they own beside the Parish Hall – an ideal location, with central access for everyone, proximity to the village green, school, and hall, etc.

**Please become a voting share-holding owner/member.**

**WHAT IS A COMMUNITY BENEFIT SOCIETY?**

* **We exist for the benefit of our community;**
* **We are subject to FCA rules and governed by the model rules of the Plunkett Foundation;**
* **Any “profit” we make must be spent on our community service, or on other community ventures;**
* **A Community Benefit Society’s business is owned and controlled by its voting members – ie its shareholders, with one vote per shareholder, irrespective of the number of shares held;**
* **No member may make a financial gain; we have a team of dedicated volunteers who are responsible for coordinating and training our volunteers, overseeing compliance with all regulations, and managing daily operations.**

**THE SHARE OFFER**

**We invite applications to purchase shares in Brent Knoll Community Shop Limited to become voting members and to be eligible for election to the Management Committee.**

***Ownership of those shares is NOT about making a financial return, it is about making a community contribution: the Community Shop has proved to be crucial to many people in Brent Knoll, to be a vital community hub, and to be the only platform for restoring Post Office Services.***

**Shares are priced at £25 each, because we want as many in the community as possible to become share-holding members.**

**We are focused on selling shares to those who want to become voting members and co-owners of our Community Shop.**

**Community Shares differ from ordinary shares:**

* There is no increase in face value;
* One member, one vote;
* Shares cannot be traded, but they can be redeemed (within rules agreed by the Members) and can be bequeathed;
* Any profit we make must be used for community benefit, although the members can decide on any future interest payments to members);
* Community Shares can benefit from HMRC SITR tax relief;
* Community shares are not regulated, and there is no recourse to any Ombudsman.

**Our share-issue rules:**

1. There is no maximum limit to the number of shares you can buy;
2. Withdrawal (ie, repayment) of shares cannot happen within three years (an item to be reviewed by votes of members after that time);
3. There will be no interest payment for the first three years (also an item to be reviewed by votes of members after that time);
4. Every share-holder will be eligible to stand for election to the Management Committee;
5. Each share-holder must be named individually – ie, shares cannot be held by a family group;
6. Share certificates will be issued to shareholders within one month of completing this share sale;
7. **We are fully compliant with GDPR rules on protecting your personal details: your details will be held securely and used for no other reason than to keep you informed.**

**WHO ARE WE?**

**Right now, Brent Knoll Community Shop Limited is operated by a team of almost thirty volunteers and run by a Management Committee of seven people:**

* David Yates, Chair
* Caroline Sturgess, Treasurer
* David Sturgess, Secretary
* Lucy White, head of purchasing
* Michelle Coles, Vice Chair
* Jonathan Rees, Accountant
* Kim Wilcox, head of grant funding

**Contact details for all Management Committee members are available on request.**

We are registered as a Community Benefit Society (No: 8416), bound by the Model Rules developed by the Plunkett Foundation and registered with the Financial Conduct Authority (FCA). In our rules is embedded the principle that if the Society has a surplus, this may be made available for distribution to other community or charitable projects.

**THE BASIC PRINCIPLES OF OUR COMMUNITY SHARE OFFER**

This share issue has been designed to give local people and organisations the opportunity to contribute financially, on a long-term basis, to the business of Brent Knoll Community Shop Limited.

Our expectation is that shareholder members will largely come from the local community, but we would also welcome and encourage contributions from further afield.

You are entitled to apply for shares at a cost of £25 per share with a minimum investment of £25 and no maximum investment. Everyone who is a shareholder holds one vote, meaning that everyone has an equal voice – regardless of the size of their investment – and can stand for election to the Management Committee.

These shares are not transferable and cannot be sold. The only way to recover the value of the shares purchased is to give three months’ notice of withdrawal to the Management Committee. Shares cannot be withdrawn until at least three years have elapsed from the date of the share issue and then only on the discretion of the Management Committee.

The amount available for share withdrawal in any financial year (ending 31st January) will be 10% of the total value of shares outstanding. Should withdrawal requests exceed the 10% limit, investors will receive pro-rata payment based on their original investment.

All withdrawals will be paid from trading surpluses or new share capital.

The Management Committee will have the authority to refuse a withdrawal request if it would endanger the business.

To pay interest to shareholders after three years of the share-issue, the interest rate for each year will be proposed by the Management Committee and put to the vote at the Annual Members’ Meeting. The proposal will be based on the performance of the Society and will prioritise the need to maintain reserves and community benefit. Interest will be paid gross to members.

**The members’ liability for the business is limited to the value of their shares. In the event of the business being sold, for whatever reason, the shareholders would be repaid their investment from the proceeds of such sale, after repayment of any debts. Any surplus would have to be paid to a charitable or community body.**

**WHAT ARE THE RISKS TO SHAREHOLDERS?**

Buying Community Shares is not the same as buying normal shares (eg, Stock Market investments). These are the risk factors:

* The failure of the Parish Council to deliver a replacement location to our current Portakabin in the village car park;
* The failure of the business to sustain its current level of profitability;
* Restrictive Government legislation;
* Insufficient volunteers to run the shop;

**As a Community Benefit Society, we can assure you that – were our business to fail – there will be no exposure to shareholders beyond the loss of their investment.**

**WHAT ARE THE BENEFITS TO SHAREHOLDERS?**

We are not asking you to invest in our Community Shop for financial gain: we are asking you to share in the ownership and future direction of a crucial community project and asset. You will be helping to sustain a vital resource and a community hub for Brent Knoll.

**As a shareholder, you will:**

* Have a vote on who runs the shop (ie, the Management Committee);
* Have the right to stand for election to the Management Committee;
* Have a vote on future changes to interest payment to members and rules on reclaiming investments through withdrawal (currently restricted to three years);
* Be able to nominate a recipient of your shares on death;
* Have a vote on all future plans for the development of the Brent Knoll Community Shop.

You will also be able to propose items for consideration by the Management Committee at Annual Members’ Meetings – eg:

* Changes to stocking policy;
* New services (eg, deliveries).

**TAX RELIEF**

We have now received from HMRC accreditation for tax relief under the HMRC-approved Social Enterprise Tax Relief (SITR) formula.

It will then be up to every shareholder to claim that relief in their annual tax return (equivalent to a 30% relief for SITR).

**HOW TO APPLY FOR SHARES**

1. **RIGHT HERE AND NOW:**

Scroll down to the next page, which will provide you with an application form to fill in and send back – either by email (to [David.sturgess@tiscali.co.uk](mailto:David.sturgess@tiscali.co.uk)) or by printing and submitting in the shop;

1. **IN THE SHOP:**

Call into the shop and pick up an application form that you can complete and return to the shop.

**Please be assured that your personal details will be kept under pass-word controlled security and not used for any other purpose whatsoever.**

**Scroll down for the share-application form.**

**BUYING SHARES IN BRENT KNOLL COMMUNITY SHOP LIMITED**

**I wish to become a shareholder in Brent Knoll Community Shop Limited, and become a voting member.**

Name:

Address:

Post Code:

Email address:

Telephone number/s:

I wish to buy (please specify the number of shares): \_\_\_\_\_ shares at £25 each.

**Payment:**

* You can write a cheque (made payable to Brent Knoll Community Shop Limited), and take it, with this application, to the shop or send it to:
  + Brent Knoll Community Shop Limited, 14 Brent Street, Brent Knoll, Highbridge, Somerset, TA9 4DU;
* You can arrange a bank transfer to our savings account:
  + Co-Operative Bank;
  + Account No: **67197697**
  + Sort Code: **089299**

**PLEASE CONSIDER INVESTING TIME AS WELL AS MONEY**

**We’d love you to join our happy team of volunteers.**

If you can spare a few hours per week to help us in the shop – or to help with organising supplier orders from your home – we’d be delighted to have you!