

Involve@Lincoln Limited

Community Share Offer for the purchase of the well-being centre, Mint Lane, Lincoln

Final

Time limited offer from 1 December 2019 to 31 January 2020

Fundraising Target: £70,000 up to £300,000

Minimum single investment: £50 – maximum £20,000

If you are considering buying shares it is important that you read the whole of this document.

Summary

This public share offer is an invitation to you, your family and friends, local groups, organisations and businesses to invest, by buying shares in Involve@Lincoln Limited (I@L). This investment will be used in a rare opportunity to acquire freehold ownership of the well-being centre established at 12 Mint Lane, Lincoln LN1 1UD which supports a variety of organisations, services and activities protecting and enhancing mental health.

The purchase and a basic programme of repairs will cost at least £240,000. Involve@Lincoln Limited has been established as a Community Benefit Society, for the specific purpose of owning and running the centre for the benefit of the community of the City of Lincoln and its fringe villages. Those buying shares become members of the society and will own a piece of the Centre and a stake in its future.

To meet our deadlines, we have to raise a lot of money in just a few weeks, so we are asking for a *minimum* of £50 per investor (i.e. 50 shares). Investors can be individuals, businesses, constituted groups or organisations, but no investor can hold more than £20,000 worth of shares.

The offer of shares is open from 1 December 2019 until 31 January 2020 unless the maximum target is reached before then. However, I@L reserves the right to extend the offer period if they feel that would be beneficial.

Please invest to ensure a sustainable future for the centre, but before you do so it is important that you read this share offer document. It provides you with information about the share issue, the society and how the Centre will do business in the future.

This offer is not covered by the Financial Services Compensation Scheme and investors have no recourse to an ombudsman. You could lose some or all of the money you invest.

You may also wish to read the business plan and the society rules, which are available to download from the Involve@Lincoln website www.involvelincoln.org.uk.



The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice.

For more information about community shares, the Standard Mark and the Unit go to: www.communityshares.org.uk

About the Well Being Centre

Prior to 2011, the centre was used by the NHS to deliver work skills and IT training to people with mental health problems. It also accommodated SHuSH, a peer support group. When it became surplus to their requirements, SHuSH developed a plan to assume control of the building and collect a variety of mental health services and activities. After a pilot period, in 2012, Community Assets Plus was formed as a registered charity and they secured a 10 year lease on the building from the owner, Lincolnshire County Council. SHuSH became Renew and a number of other activities co-located on the site.



Since then the centre has been home to a large number of services across peer support, counselling, training and therapeutic activities. All the organisations using the centre contribute to its running costs in proportion to the use they make of the rooms and available times. Now in 2019, the main activities still include Renew which opens for 2 hours or more a day 7 days a week and has around 150 members. Lincoln Trauma Centre provides counselling and support to people living with the after effects of a variety of difficult experiences.



Mint Lane Café uses retail surplus food to create wholesome home cooked meals for people in food poverty and creates a warm welcome at the heart of the centre. Let Them Eat Cake mobilises committed volunteers to provide support and friendship to people sleeping rough in the City. As well as providing accommodation in the rooms of the centre, CA+ provides practical support in back office services, funding and other advice, promotions and networking.



The central location makes the centre highly accessible by those relying on public transport as well and convenience to other city centre activities and services. The accommodation provided is varied in room size and function and there is a small garden and 2 parking spaces.

Social and Community Value

The Centre recognises the variety of social and environmental circumstances that can adversely affect mental health and well-being and seeks to provide a similarly varied response to support recovery and prevent ill health. It supports almost exclusively, community and voluntary organisations who are engaged in this agenda, whilst linking them to mainstream services.

Around 200 people a year participate in peer support. An estimate of 150 people a year receiving counselling and another 50 involved in ancillary activities. The café feeds around 30 people on each of 4 days a week and has a 40 strong panel of volunteers who find the café activity purposeful and rewarding. Each week around 20 rough sleepers at least receive support and some go on to involvement in other centre activities.

Positive relationships have been built up with statutory and other health and care agencies and service providers with whom the centre collaborates.

Future Potential

Community Assets Plus have been grateful for the providers of grant that have enabled it to manage the centre so far, establishing it as an essential force for good in the City. It is now time to seek to establish its future more securely and this is best achieved by the acquisition of the freehold of the building. This will reduce running costs and enable future investment in improving the scale and quality of the accommodation, not possible under a short term tenancy. Future plans would include rationalisation of ground floor spaces to meet the needs of current and potential uses, energy efficiency measures and better use of the outside areas.



The Community Share Offer

Community Shares are a way of raising investment from communities. People are able to buy shares in the enterprise and become part-owners. Local people who become shareholders are more likely to value the asset and get involved in its use and management. Community shares have been used many times to raise finance for wind farms, community pubs and shops, local food schemes, community buildings and heritage assets.

The most appropriate legal structure for the issue of such shares was found to be a “Community Benefit Society” registered under the Co-operative and Community Benefit Societies Act 2014. This legal form provides limited liability status, just like company law, but unlike companies shares in these Societies are non-speculative and democratic. The Societies are regulated by the Financial Conduct Authority (FCA) and governed by a set of rules. I@L Ltd has been formed to undertake the acquisition and future management of the centre, including the business of Community Assets Plus.

If you buy shares in I@L you will become a member of the Society, with an equal vote regardless of the size of your shareholding. Your involvement can be as much or as little as you wish. You can vote at member meetings, stand for election to the Board of Directors, volunteer your time and/or skills in the planning and implementation of future developments, or help I@L with the running of the centre.

Return on Investment

This is not just about buying a building, but about preserving and enhancing a major community asset, maximising its benefit to the mental health and well being of the people of Lincoln. Investors can be a part of this, owning a piece of the Centre and having a say in how it is run and developed in the future.

If all goes well, I@L expects that surpluses from its business will enable it to reward investors with interest payments, but this cannot be guaranteed.

Investors should appreciate that any investment they make is a recognition of their support for the work of the Centre and, accordingly, a subscription for shares in I@L should be regarded as an investment for social purposes which might produce a useful financial return.

Share Issue Targets

I@L needs to raise a minimum of £240,000 in order to complete the purchase of the Centre, including associated fees, of which it is planned to raise at least £70,000 from the share issue. The balance is expected to come from grants and loans. Discussions with the Key Fund and National Lottery Communities Fund are at an advanced stage. If more money is raised I@L will also undertake a limited programme of minor repairs.

If a larger amount is raised up to £300,000 this will also enable I@L to undertake a more extensive programme of refurbishment and improvements to room layout and function as well as reducing the proportion of finance that will need to come from borrowing.

Investment Security

Investing in I@L is principally a long-term social investment in a sustainable future for the Centre as a community asset, but the ownership of the property will provide some security for shareholders as it represents a continuing fixed asset of value. Initially this value is likely to be higher than the cost of members shares, as part of the capital raised will be through grants.

Community Shares do not change in value and cannot be traded. The level of interest will be set by the directors of I@L annually. Based on assumptions about the likely pre-tax profits, the directors hope to be able to pay an annual interest on share capital of approximately 1-2% (gross) per annum based on current interest rates, after an initial 1 year establishment period. Higher levels of interest might be available in the longer term when any loan is paid off.

In the unlikely event of the Society being wound up, shareholders would get back no more than the value of their investment, even if the Society's assets (mainly the Centre itself) are worth more than the share capital. Any excess, after paying debts, would be transferred to another charitable organisation having similar community benefit aims. This is called an asset lock which prevents private gain if the Society dissolves.

Similarly shareholders have no liability beyond the value of the shares they buy – that is the very most they could lose.

Selling Shares

Community Shares cannot be sold or transferred, although investors are encouraged to elect to have them passed to a nominated person to inherit in the event of their death.

I@L will buy back shares from shareholders who wish to withdraw their investment. It does not expect to be able to do this for at least 3 years from the closure of the share offer.

This is needed to give the business an initial period of financial stability. It will create a reserve of funds to allow withdrawal or make a further issue of new shares if necessary. If appropriate, it can suspend the withdrawal facility until it has sufficient funds available.

Not meeting the Target

If the share offer fails to reach the target of £70,000 then there are options available:

1. Pledges of around £20,000 have already been made by philanthropic individuals towards the cost of purchase and more might be solicited.
2. The Community Shares Booster programme (run by Power to Change and Co-operatives UK) may contribute towards the target through purchase of shares of equivalent value to those sold, up to £100,000, which will be held by Co-operatives UK on the same terms as other investors.
3. I@L may choose to extend the period of the share offer if there is a likelihood that the target might then be reached.
4. A package of blended grant and loan finance is being agreed with the Key Fund, which might be extended if the share offer falls short.
5. Other possible sources of grant funding are being explored.
6. If the minimum amount of capital needed to proceed with purchase cannot be raised, the shares sold would be cancelled and all funds repaid to investors.

Completing the Purchase

The current owners of the Centre, Lincolnshire County Council have indicated in principle a willingness to sell the property to the community.

If the sale should not proceed then the full value of shares will be returned to investors. This is possible because the full costs of the share offer process is being met by grants and funding secured by Community Assets Plus.

The Business Proposition

I@L is confident that the Centre can be operated immediately after acquisition in a sustainable manner, based on the 7-8 year trading history of Community Assets Plus. Detailed forecasts are provided in the business plan, but the key points are set out below.

- I@L will act as the managers of the facility, providing day by day maintenance and servicing the organisations that occupy under license or hire rooms on a sessional basis. Current centre users are expected to continue, perhaps with organic growth and new activities will be attracted by more secure terms.
- Without the burden of the rent currently payable under the lease arrangement, the business is expected to trade profitably from day 1, and priorities for the application of surplus will be the repayment of interest and capital of any loan finance necessary to secure the purchase, followed by establishment of a robust reserve position
- Current centre users are known to have ambitious plans to develop new and extend existing services and these have been modestly included in future income projections.
- Further surpluses including those from revenue growth should be available to provide interest on shares in due course

However, all commercial activities carry risk and any share investment is not a loan or a deposit and the rates of return are not guaranteed. I@L believe that this is an important opportunity for the centre to be founded sustainably to serve the community for years to come. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (FSMA) or from another appropriately authorised independent financial adviser.

About us



Involve@Lincoln Limited is an independent company and not a subsidiary of any other organisation. It has been formed by trustees of Community Assets Plus, a charity, with the intention that it will have the undertaking of that charity transferred to it in due course. It will seek charitable status with HMRC, but will not be registered with the Charity Commission. I@L has 3 founder members these are:

- *Martha Vahl* has, for many years, been involved with Community Operational Research in the University of Lincoln. She has been Chair of Community Assets Plus since it was formed in 2012.
- *Simon Beardsley* is Chief Executive of Lincolnshire Chamber of Commerce and Industry and was a founding Trustee of CA+
- *Jeanne Bain* was CEO at the community development charity Development Plus, formerly LCDP. She was also a CA+ founder Trustee.

Existing CA+ Trustees who have been co-opted to the I@L Board are

- *Prof Nigel Curry*, formerly at University of Lincoln and progenitor of the Lincoln Food Partnership, representing **Mint Lane CIC** who run the Mint Lane Café.
- *Michelle Freeman*, Counsellor and therapist, representing the **Lincoln Trauma Centre**.

The I@L Society Secretary is Charles Cooke, also a CA+ founder Trustee, but also retained as centre manager through Rainbow Enterprise Management Ltd and is representative of the committee of **Renew Plus**, peer support group.

Advisers and Support

Solicitors: Wilkin Chapman

Accountants: Rigel Wolf

Bankers: The Co-operative Bank

Consultants: David Hollings – CMS Ltd – Advice on Share Offer Process

Rainbow Enterprise Management – project management, business planning and share offer.

Sortified – Enterprise development consultants

Graham Gibbs Associates – Building condition survey and costings

Mundys – Property Valuation

Advisers: Locality – Community Enabler Programme

Co-operatives UK – Registration of the Community Benefit Society

The Key Fund Social Investment Finance

Lincolnshire Community Foundation – Project Viability

**Community
Shares**



Supporting Documents

For further information and support for your investment decision, the following documents are available on the website involveinlincoln.org.uk where you can read or download

- I@L Business Plan
- I@L Rules
- “Investing in Community Shares” (The Community Shares Unit <https://communityshares.org.uk/>)

Involve@Lincoln Limited is a Community Benefit Society registered with the FCA under the Co-operative and Community Benefit Societies Act 2014, number 8086. Registered Office Involve@Lincoln, 12 Mint Lane, Lincoln LN1 1UD

How to invest

Complete the appropriate application form at the end of this share offer document and return it, along with a cheque made payable to "Involve@Lincoln Limited", to: Involve@Lincoln, 12 Mint Lane Lincoln LN1 1UD.

BACS payments are available, details on the application form. If you do make a BACS payment, please can you let us know by emailing caplus@virginmedia.com or by telephoning 07969875464. You must also send the application form back to us.

- By completing an application form the applicant offers to subscribe, on the terms and conditions contained in the share offer document, for the value of shares specified or such lesser number as may be accepted.
- Cheque payment must be honoured on presentation.
- You, as an individual, must be at least 16 years of age.
- You must have authority to sign the application form. If you are signing it for another person or an organisation, you must provide the directors with evidence of your authority to sign if they ask to see it.
- Incomplete or inaccurate applications may be accepted as if complete and accurate.
- You may need to supply us with proof of your identity and address if the directors ask for it. We may need to do this to comply with the Money Laundering Regulations 2003. The directors may have to hold back your shares until they see this.
- You cannot withdraw your application for shares after it is received by I@L.
- Your application may not automatically be accepted and it may not be possible to allocate you all or any of the shares that you requested.
- Your application will be considered for approval at the first directors' meeting after the share offer has closed. Therefore you should not expect an immediate response. Results of the offer will be published on the I@L website and applicants advised by email.

Your payment

The directors will acknowledge receipt of your cheque/BACS payment and application within 14 days. They may cash your cheque as soon as it is received. I@L will hold your money on trust for you until your application is considered, in a dedicated bank account for that purpose.

If your application for shares is unsuccessful, your money will be returned within 28 days of the Board of Directors meeting. If fewer shares are issued to you than you applied for, they will return the balance to you within 28 days of that board of directors meeting.

The money will belong to I@L as soon as I@L issues shares to you (to the extent that they take it as payment for shares).

I@L will not pay you interest on any money it returns to you

Data protection

By completing the application for membership you consent to I@L holding personal data about you in accordance with the Data Protection Act 1998. I@L does not sell, share or exchange mailing lists but uses all such data held for the purpose of fulfilling its obligations to its shareholders.

