

# Sutton Bonington Community Shop Limited



## Community Share Offer

Initially launched: 12th July 2021

This version, issued April 2024 (and effective until further notice), applies to new residents in the village and surrounding areas. It also extends to those who missed the initial shareholder offer but now wish to invest, ensuring inclusivity and opportunity for all interested parties.

We warmly invite you to become a valued shareholder in Sutton Bonington Community Shop Limited! By purchasing community shares, you'll play a crucial role in supporting the ongoing management of Sutton Bonington Post Office and Gift Shop, all for the benefit of our local community. Join us in making a difference today!



This document is issued by the Management Committee of Sutton Bonington Community Shop Limited.

**Sutton Bonington Community Shop Limited, Registered in England, No. 8554**

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## Introduction

In 2021, the villages of Kingston, Normanton, Sutton Bonington, West Leake and Zouch faced the imminent risk of losing their Post Office. Lesley Close, who had served as the Postmistress for the Sutton Bonington Post Office since 2009, wished to retire. However, she struggled to find a successor to take over the business. To prevent the closure of the Post Office and gift shop, we took action by establishing a Community Benefit Society (CBS) tasked with managing and operating these essential services. This initiative aims to secure the future of the Post Office and ensure its ability to cater to the diverse needs of the local community.

After forming the Community Benefit Society, we achieved several milestones. Firstly, we secured a 5-year lease agreement for the shop premises and signed a contract with the Post Office to manage operations. Furthermore, we have carried out minor refurbishments in the gift shop, funded by donations and a community share issue. The funds acquired through the share offer are intended to serve as essential reserves for our operations.

We are re-issuing this document to enable new residents in the village and surrounding areas, and those that missed the initial shareholder offer, to become shareholders and a part of this valuable village asset.

## Why do we think a community run Post Office and shop will succeed?

After the successful initial share offer in 2021, we received widespread support and approval.

We are supported by the Plunkett Foundation, an organisation specialising in facilitating community ventures. They have advised the majority of the existing 300-plus community shops in England. The Plunkett Foundation provided direct support to us in establishing a community owned business and facilitated our registration with the Financial Conduct Authority. Formal approval was granted in January 2021 and, we now submit annual accounts to the FCA.

Sutton Bonington Community Shop Limited is a business owned and operated by the community, for the community. We have expanded our offer by introducing new products and services to meet the needs of local residents, while also serving as a central hub for the community.

We are confident that the shop will continue to trade successfully by:

- Expanding and enhancing the variety of items for sale, especially those sourced locally.
- Responsively addressing the needs of the community.
- Leveraging the increased goodwill resulting from community ownership.
- Operating without the pressure to meet a strictly 'commercial' rate of return.
- Maintaining a well-organised and visually appealing shop layout.
- Sustaining a welcoming atmosphere by providing friendly and supportive service.

## **What is Sutton Bonington Community Shop Limited?**

We have officially registered Sutton Bonington Community Shop Limited as a Community Benefit Society (CBS) under the Co-operative and Community Benefit Societies Act 2014, with the Financial Conduct Authority.

A Registered Society is owned by its members. Any profit generated by the Post Office and Gift Shop, after being reinvested in the business or allocated for reserves, will be put back into the community.

You can become a Member by buying Community Shares.

Please see “The Share Issue” below for details of the shareholding offer

## **Management Committee**

Since September 2023, the Management Committee has comprised Janine Bone (Chair), Andy Sparow (Vice Chair), Chris Hughes, (Treasurer), Carey Evans (Secretary), Nikki James, Sheila Harrod, David Faulkner, Anne Marie Williamson and Jane Blower (Sub Post-mistress)

We are a team of volunteers with a broad range of commercial expertise and skills, united by the common goal of retaining the Post Office in our village and ensuring the success of Sutton Bonington Community Shop. We have invested our time and energy voluntarily, without financial reward. Additionally, we support the venture by having purchased shares.

If you have any questions regarding this share offer, please feel free to reach out to any member of the Management Committee.

## **Profitability Objectives and Financial Data**

Our success since 2021 and our business plan demonstrate the viability of Sutton Bonington Community Shop Limited. The business plan is based on sales data from the past three years, and, projections considering our anticipated management and cost structure.

Our financial projections, combined with two plus years of trading experience, indicate that Sutton Bonington Community Shop Limited can anticipate a modest profit (c. £1,000 - £2,000) without exceptional costs.

As a community-owned business, we have strong support from shareholders and local residents who are eager to back the enterprise.

We continually strongly encourage everyone to ‘shop local’.

## The Share Issue

The share issue presents a unique opportunity for local individuals and organisations to make a lasting financial contribution to our community. The primary objective is not financial gain but rather to receive a social dividend. By purchasing shares, community members both literally and symbolically invest in the shop project. While investors will become partial owners of the business, shares in our society are regulated by laws that prioritise social benefit over financial profit. This means that your investment is geared towards long-term community improvement.

To become a Member you must purchase at least 20 shares.

- Each share costs £1.
- You must be over 18.
- A member can own up to £1,000 worth of shares.
- The value of individual shares cannot increase (this is a “not for profit” social investment).
- The shares are non-transferable save on death or bankruptcy.
- The shares are withdrawable at face value after 3 years\*

\* Shares are withdrawable after three years and with three months' notice being given. However, repayment of the withdrawable shares must be from the trading surpluses of the shop or a new issue of shares and, at any event, is at the Management Committee's discretion. In the withdrawal of shares, the Management Committee has an overriding duty to consider first the long-term interests of the Society and thus, for example, it must ensure that prudent reserves are maintained.

If enough financial surplus has been made after reinvesting in the business and maintaining prudent reserves, any surplus can be used to invest in community or charitable projects chosen by Members, in line with the Rules. We do not currently plan to pay any interest on shares.

## What does being a Member of the Society mean?

By purchasing a minimum of twenty shares, each member gains the following benefits,:

- The satisfaction of playing a part in retaining this valuable community asset
- Receiving regular updates and information about the business
- The opportunity to participate in Members' meetings by voicing opinions and proposing motions, including any decisions regarding the allocation of surplus funds.
- The ability to exercise their vote at members' meetings, where resolutions are decided by simple majority.
- Having the opportunity to elect representatives to the Management Committee
- Eligibility to become a member of the Management Committee, with various roles available.

It's important to remember that each member holds one vote regardless of the number of shares owned. This ensures a democratic structure that is integral to the community project. If a corporate body or business becomes a Member, they appoint a representative

to attend Member's meetings and have one vote. For more detailed information, please refer to the Society's Rules. Join us today and be a part of shaping the future of our community!

## **What are the Risks Going Forward?**

We have identified the following risks:

- Failure to achieve the predicted turnover targets
- Facing tighter profit margins than anticipated due to increasing costs
- Insufficient committee members/volunteer support

This is not a comprehensive list and, as with any other business, we are subject to unexpected changes both to the economy generally and to the business of a small retail business.

***A Community Benefit Society share offer is exempt from the Financial Services and Markets Act 2000 and other regulation. This means that you have no investor safeguards. The Society is registered with, but not authorised by the Financial Conduct Authority, thus the money that you pay for your shares is not safeguarded by any depositor protection or dispute resolution scheme. You could lose some or all of the money you invest. You will have no right of complaint to an ombudsman. You are reminded that you are not investing for profit but for the long-term benefit of the Community and such investment has inherent risk; if needed, seek independent advice.***

## **SOME FREQUENTLY ASKED QUESTIONS**

### **Why should I invest?**

Investing allows you to become a Member and financially support a community venture aimed at retaining, equipping, and running the post office and gift shop for the benefit of our community.

### **Who will benefit from this venture?**

The villages of Kingston, Normanton, Sutton Bonington, West Leake and Zouch will benefit.

This vital amenity will be preserved and managed by a democratic, not-for-profit organisation known as a Community Benefit Society. Any surpluses from the society will be distributed to other community projects as outlined in its Rules.

### **Is it a good business proposition?**

The community shop model has proven to be highly robust, with a 95% success rate out of 309 established community shops in the UK. Communities that come together to establish such ventures continue to support them in the long term. This has also been our experience since we took over in October 2021

### **Who are the people organising this? Can I trust them, and do they have a personal interest?**

The initial steering group comprised passionate volunteers dedicated to preserving this amenity for our villages. The Management Committee, elected by Members during the first Annual Members Meeting (AMM), remains committed to the businesses future. None of the committee members has a personal financial interest in the project beyond their own shareholding investment which is held in the same way as all other shareholders.

### **Who will run the shop and the Society?**

The Sub-Postmaster/mistress and part-time employee(s) are employed on behalf of the Community Benefit Society and supported by volunteers. Major decisions and oversight of employees is led by the Management Committee.

### **What is my liability should I invest?**

Your liability is limited to the value of your shares you purchase.

### **What voting rights do I have as a shareholder?**

As a shareholder and Member of the Society, you have one vote regardless of the number of shares owned. Corporate bodies appoint a representative with one vote, irrespective of the shares held.

### **What is the minimum and maximum I can invest?**

The minimum investment is £20, and the maximum for an individual is £1,000. The minimum age for members is 18.

### **Will my investment increase in value?**

Shares cannot increase in value above their original price.

**Will my investment remain confidential?**

The Management Committee maintains a share register. Members can view the members' register, albeit this is not encouraged in order to respect shareholders' privacy. We anticipate that the great majority of shareholders will respect that other people may not wish their shareholding to be general knowledge.

**Can I sell my shares on?**

No, these shares cannot be sold. They are community shares and can only be withdrawn with approval from the Management Committee.

**How can I get my money back if and when I need it?**

You can apply to withdraw shares after three years with three months' notice, subject to the Society's financial position.

**Where will the money come from to cover withdrawals?**

All withdrawals must be funded from trading surpluses or a new issue of shares or reserves. The Management Committee may at any time suspend the right to withdraw, having regard to the long-term interests of the Society, the need to maintain prudent reserves, and the Society's commitment to community benefit.

Withdrawals are funded from trading surpluses, new share issues, or reserves, with the Management Committee having the discretion to suspend withdrawals when necessary.

**Is there interest payable on the investment? No****Is my money safe?**

Your investment will be spent wisely, and you will receive annual accounts of the business.

**We are related/partners/married – can we hold our share(s) jointly?**

No, shares can only be held by individuals. If you are married or if there are otherwise two or more of you in your household you might want to buy shares individually in order to both be able to vote for example.

**What happens if the Shop becomes insolvent or is wound up?**

Assets remaining after debts and liabilities are settled will be transferred to community organisations chosen by Members.

**What happens to my shares if I die?**

In the event of the death of a member, the repaid value of the shares will normally be added to the estate for probate purposes. You may (if you wish) elect to nominate a recipient for the value of the shares (but only up to £1,000) and thus (under current legislation) remove up to 1,000 shares from your estate for probate purposes (i.e. the shares may pass to the nominee outside the Will of the deceased). Our rules allow shares to be transferred on a death or they can be withdrawn, but only if the Society can afford to do so. You will be requested to complete a "Death Beneficiary form" so that we can ensure your wishes are carried out

**What redress do I have if I lose the value of my shares?**

If you are in any doubt about investing in the share offer, you should seek further financial advice. Community share sales are not regulated by financial authorities, and there is no



recourse through financial ombudsmen or compensation schemes. Investors should seek financial advice if unsure.

**Can I afford to lose some or all of this investment?** If you can't, please don't invest!

# SUTTON BONINGTON COMMUNITY SHOP LIMITED



## Share Application Form 2024 (current until further notice)

Please print and complete this form and return to Sutton Bonington Post Office or scan and send by email to [stanneshouse@btinternet.com](mailto:stanneshouse@btinternet.com)

Our preferred payment method is by bank transfer to Sort code 08-92-99, Account No. 67263000, Account Name: Sutton Bonington Community Shop Limited (Coop Bank). *Please use your name as the reference.*

Only one person can apply per form. If you need additional forms, please print more of these.

You must be over 18 to apply for shares.

I would like to purchase shares in Sutton Bonington Community Shop Limited

Full Name .....

Address: .....

.....

Email: .....

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 at £1 each. Note there is a minimum of 20 shares and maximum shareholding of 1,000 shares.

I confirm that I have made payment by Bank Transfer

I confirm that I am over 18 and have read Sutton Bonington Community Shop Limited's share offer document.

Signature: ..... Date .....