



# COMMUNITY SHARE OFFER

**You are invited to invest in the community owned shop at Woodgate, Pease Pottage.**

**Woodgate Community Shop will be a new village shop, located in a building that has been constructed by Thakeham for the benefit of the local community.**

**The shop will be managed by local residents, and run by the community for the benefit of the community.**

**We invite everyone to become a member and help us create a special shop, unique to the Woodgate and Pease Pottage community.**



**Community Shop Share offer**

**Launch Date: 29 July 2023**

**Target: £50,000**



## INTRODUCTION

The Woodgate development is a new community on the outskirts of Pease Pottage. The new development sees the building of 619 homes. Pease Pottage is a well-established village with over 250 homes. Those living within Woodgate and Pease Pottage have felt the inconvenience of living in a community without a shop, and the social consequences have been significant. Many of us feel we need to create a sense of community and a way to connect with our neighbours. And have access to affordable essentials without the need to leave the local area.

## THE PLAN FOR WOODGATE COMMUNITY SHOP

Woodgate Community Shop will be run by the community for the benefit of the community. Guided by research and feedback our aim will be to provide a high quality village shop that is attractive and appealing to shop in.

The look and feel will be 'Farm Shop' rather than 'Convenience Store', but we will still stock a good variety of everyday items at reasonable prices to cater for all needs. In addition, as we will supply good quality local produce and support local suppliers.

The community shop will be primarily for the benefit of the local residents, both those within Woodgate and the wider community of Pease Pottage, so our aim is to also provide a variety of services that the community wants and needs, including basic postal services and free deliveries.

The shop will be staffed by a paid manager(s) and a small team, who will also be supported by a team of volunteers from the community.

The shop premises will be leased on a peppercorn rent from St. Catherine's Hospice, who have been gifted the building by Thakeham. St. Catherine's Hospice will run the adjacent café, and we will work closely with them to ensure the shop and café offer products and services that complement each other and meet the needs of local residents.

Although the initial considerable cost of building has been covered by Thakeham, there are a number of overheads and other costs that we, the community, need to cover. We propose to fund the start-up costs by offering shares in the society to the local community, supplemented by donations, grants and loans as available and as necessary.

## WHO IS LEADING THE INITIATIVE?

The Management Committee of Woodgate Community Hub Ltd (legal name but will be trading as Woodgate Community Shop) is a group of residents who have been working to bring a shop to the village since 2021.

Between us we have a broad range of relevant experience in areas including business start-up, financial management, project management and retailing. We are all volunteers and have been supported by many in the community. In keeping with the ethos of community investment we have also invested our money into the community shop to become members (shareholders).

### **Current Management Committee members are:**

Sophie Peckham (secretary) and Emma Stapleton.

Additional members to the Management Committee are welcomed at any time, with new members becoming co-optees prior to their election at the next AGM. Committee members can remain on the committee for up to three years and can stand for re-election at the following AGM.



## WHY HAVE THE SHARE ISSUE?

The share issue is an opportunity for local people and organisations to contribute financially, long-term, to a community shop in Woodgate, in the expectation of receiving a social dividend rather than a financial return, although we may pay interest to shareholders if trading conditions allow, at the discretion of the Management Committee and agreed by members at the AGM. This social dividend will mean different things to different people, but may include:

- having a shop in Woodgate and the surrounding areas, to get daily staples (milk, bread etc.).
- introducing a 'community hub' where people can meet, make friends and exchange information.
- getting people out and about, walking around the village and bumping into friends and neighbours.
- ensuring good quality produce is available in the village, supporting local producers and reducing food miles.
- reducing car journeys to supermarkets and other shops.
- making Woodgate a more desirable place to live.

## IS THE BUSINESS VIABLE?

All the evidence suggests that it will be. The community shop will be different from a privately owned shop in a number of ways. Sales are likely to be higher as the shop's primary customers – the community – will own and run the business and will both want it to succeed and be more easily able to shape the shop to local needs.

Costs will be lower; the shop will have no rent or mortgage payments apart from service charges.

The shop will be partly staffed by volunteers and will not have to provide a living for the owner. Start up and capital costs will be raised by community shares, grants and donations, and a number of professionals have offered services at cost or free of charge. Community owned shops of this type are opening across the UK and have proved a resilient form of business.

Around 400 are currently open and they have a long-term survival rate of 96%. This compares extremely positively with estimations for UK small businesses, which have a five-year survival rate of 41%.

We have prepared a business plan with detailed financial information and reasoning behind our sales forecasts. It can be found on our website, [woodgatecommunityshop.co.uk](http://woodgatecommunityshop.co.uk) : or by contacting a member of the Management Committee by email at [woodgatecommittee@gmail.com](mailto:woodgatecommittee@gmail.com)

## DOES THE COMMUNITY SUPPORT THIS INITIATIVE?

We believe there is strong support for a community shop within the village. 73% of households completed a detailed questionnaire in 2023, and of those that completed it; over 80% stated they would support a shop in Woodgate at least twice a week.

In addition many offers of support and help were made:

- 33% of households offered some form of help or support to set up the shop
- 21% of households offered to volunteer in the shop once open
- 62% of households would use the shop for regular top-up shops and 50% would use it for emergency shops.
- 51% of households are looking for a postal service
- 78% of households are looking for fresh vegetables and 89% want to be able to buy their milk at the shop
- 69% of people would visit between 5pm and 7pm on their way home from work and 64% will be visiting on a weekend morning.

The income generated by the shares will help launch the shop; the income will contribute to staff wages, the initial stock and fitting out of the premises. It will also help to pay for insurance and other essentials needed to run the shop.



## HOW DOES THE SHARE ISSUE WORK?

We are a Registered Society for the Benefit of the Community (the Society). A single £10 share confers membership of the Society, and each applicant can apply for any number of shares up to a maximum value of £5,000.

The Management Committee is democratically elected on the basis of one member one vote regardless of the number and value of shares the member owns, and any member aged 18 or over can stand for election. Shares cannot be sold to another person, but investors are entitled to apply to withdraw them once the business has been trading for five years. Withdrawal will be at the discretion of the Management Committee who will consider if the business has adequate profits and cash reserves to fund the requested withdrawal.

Buying shares should be seen as a long-term investment for the benefit of the community. It is not the same as making an investment in a private sector enterprise where the investor makes capital gain from the increase in the value of the shares. Shares in Woodgate Community Hub Ltd cannot increase beyond their nominal value of £10 and could reduce in value if the shop fails to prosper.

However, because the shares are issued by a limited company, no further liability can fall on you as a shareholder, provided you have paid for your shares in full.

The Society will not pay a dividend on the shares. Any profits not needed for the development of the business or repayment of shareholders, will be used to maintain prudent reserves and on expenditure in carrying out the objectives of the Society.

We may pay interest to shareholders if there are enough trading profits and after first considering the needs of the business.

The investment is not guaranteed, in the event that the business ceases trading, any surplus and profits from the sale of assets (after paying creditors and repaying share capital) shall be used for the benefit of the community, under the direction of the Management Committee. Woodgate Community Hub Ltd cannot itself be sold for the benefit of its shareholders.

## TAX BENEFITS FOR INVESTORS

The Enterprise Investment Scheme (EIS) may be available, offering investors 30% tax relief on their investment. The Society will issue each eligible investor with the appropriate form to enable them to claim tax relief. It is the responsibility of each prospective investor to make their own enquiries as to their eligibility. It is advisable to consult your financial advisor before making the investment.

## WHAT HAPPENS IF WE DON'T MEET OUR FUNDING TARGET?

The share offer will close when our community funding target of £50,000 has been reached.

The shop has already been built; however we are still looking to raise additional funds through grants, donations and fundraising events. If the shares sold are significantly less than £50,000 in this offer, it will not prevent the shop from opening, it will simply delay the date while we continue to raise the additional money required.



## RISKS

We have identified a number of risks for the Woodgate Community Shop. These include: failure to raise sufficient capital; failure to achieve the predicted level of turnover; and dependence on volunteers to staff the shop. This list is not necessarily comprehensive and any trading activity is vulnerable to changing or unanticipated risk.

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 Registered Society is registered with, but not authorised by the Financial Conduct Authority and therefore the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme.

As the whole of your investment could carry a risk, please consider it carefully, and if needed seek independent financial advice. However, please also bear in mind that this share offer has been put together by members of our community for members of our community; we would not do it if we didn't believe in it.

## FREQUENTLY ASKED QUESTIONS

### **Why should I become a member?**

The Woodgate Community Shop will be a business that is run by the community for the community. The success of the shop relies on support from the people who live in Woodgate. We would encourage everyone in Woodgate to become a member and to have a say in the running of the shop. Also, we really need local investment in order to build and get the shop going. If you want to see a shop in Woodgate, then please be generous with your investment to help the village raise the necessary funds.

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

The primary beneficiaries will be the residents of Woodgate, who will have a village shop and amenity secured for the future and run for the benefit of the community. A wider group including local food producers and visitors to the village will also benefit.

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

We believe it is. The community shop model is robust and it is well proven that a community that works together to set up such a venture supports it in the future. We have prepared a business plan, which gives further details and financial projections. A copy can be viewed at [woodgatecommunityshop.co.uk](http://woodgatecommunityshop.co.uk) or by asking one of the Management Committee.

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

Day to day the shop will be run by a paid manager supported by volunteers from the community. The Society is run by a Management Committee, which is selected by member vote at the AGM. The shop manager will be employed by the Society and will report to the Management Committee.

### **What happens if the business fails?**

In the unlikely event of the business failing any surplus and profits from the sale of assets (after paying creditors and repaying share capital) shall be used for the benefit of the community, under the direction of the Management Committee. The shop building would remain a community asset, owned by St Catherine's Hospice under a lease from Thakeham.

### **Who can become a shareholder?**

Anyone aged 18 years or over can invest and become a member of the Society - there is no requirement to be a resident of Woodgate. Businesses and other organisations can also invest by nominating an individual to become a member on their behalf.



### **How much can I invest?**

The minimum share is £10, and the statutory maximum amount of share capital that can be invested by an individual or organisation in this type of Society is currently £5,000, based on the total size of the share offer (10%)

### **Can I invest in instalments?**

Yes. You can invest at least £10 as many times as you like (up to £5,000) while the share offer is open.

### **What is the difference between a member and a shareholder?**

There is no difference - all shareholders are members and vice versa.

### **Are the committee competent and do they have a personal financial interest?**

The Management Committee has both business, retail and fundraising experience. They are a group of volunteers who believe passionately in bringing a shop back to Woodgate. They do not have a personal financial interest in this project beyond the amount they have each invested themselves.

### **What voting rights do I have?**

In a Registered Society the rule is one member, one vote. So no matter how large your shareholding, you have an equal voice when electing the Management Committee. The democratically elected Management Committee takes most day-to-day decisions.

### **Can I sell my shares on?**

No, these shares cannot be sold. They are a special type of share known as a 'Community Share'. The only way to recover their value is to apply to withdraw your shares from the community venture itself.

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

To enable the business to build up sufficient reserves, it will be at least five years after trading begins before you can apply to withdraw any shares. After that you can apply to the Management Committee to withdraw some or all of your shares. Withdrawal will be at the discretion of the Management Committee who will consider if the business has adequate profits and cash reserves to fund the requested withdrawal. Details of the rules of withdrawal will be voted on by members at AGMs.

### **Will the business make enough profit for me to withdraw my money in the future?**

We are hopeful that the business will generate sufficient funds to allow members to withdraw shares. However, we cannot guarantee this and if you already anticipate needing to withdraw your investment you should consider carefully whether this is the right investment for you.

## **HOW YOU CAN HELP...**

We have been truly heartened by the enthusiasm and support that has been shown from people both in Woodgate and the surrounding villages, and we believe that together we can create something good for everyone in the community.

We need your continued support to make this happen, so if you want Woodgate to have a thriving community shop then please support the project by:

- Subscribing for shares to become a member and shareholder.
- Volunteering your time or skills to help set up the shop.
- Volunteering to help serve in the shop.
- Most importantly - using the shop when it's open!



## 10 IMPORTANT POINTS YOU MUST CONSIDER BEFORE INVESTMENT

When considering buying shares in Woodgate Community Hub Ltd it is important to realise that this is not a conventional financial investment. It is an investment in our community – creating a unique asset for us all, and helping to make Woodgate a more vibrant, thriving and sustainable community. The main financial points are summarised below and the full details are set out in the Rules of the Society, copies of which can be obtained from any of the Management Committee members.

1. The minimum shareholding is one share. Each share has a value of £10 and the statutory maximum that can be held by an individual is £5,000. Shares must be paid for in full on application.
2. There will be no annual membership fee to pay.
3. Shares are not transferable (except on death or bankruptcy) – you cannot sell these shares except to the Society itself for their original value of £10 per share.
4. The value of shares cannot increase beyond their nominal value of £10. The value may be reduced if liabilities exceed assets (i.e. if the business fails).
5. Your liability is restricted to the value of your shares. In the unlikely event that the business should fail, you would have no further liability.
6. The only way to recover the sum initially invested (or any reduced value) is to give notice of withdrawal. This cannot happen for the first five years after trading begins. In line with the Society's rules and after five years, the specific conditions for withdrawal include:
  - Three months' notice to be given
  - The total repayable in any year is limited to a maximum total of 10% of the net assets of the Society.
  - Withdrawals must be funded from trading surpluses or new share capital – and are discretionary (i.e. subject to the Management Committee being satisfied this is consistent with the long-term interests of the Society).
7. Currently there are no specific rights or plans to pay interest on these shares. The return should be viewed as a social investment. However, the rules would allow us to pay interest provided the Management Committee are satisfied this is consistent with the long-term interests of the Society.
8. The Enterprise Investment Scheme (EIS) is available, offering investors 30% tax relief of their investment.
9. All monies invested in this Community Share Offer will go towards the building fit out & stocking of the shop.
10. Woodgate Community Shop Ltd 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 Registered Society is registered with, but not authorised by, the Financial Conduct Authority and therefore the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme. As the whole of your investment could carry risk, please consider it in the context of the complete share offer document and if necessary seek independent advice.

**If you need further information on Woodgate Community Shop please see our website [www.woodgatecommunityshop.uk](http://www.woodgatecommunityshop.uk) or contact any member of the Management Committee.**



# WOODGATE COMMUNITY SHOP MEMBERSHIP FORM

Only one person can apply per form. Additional forms can be obtained from a member of the Management Committee or downloaded from our website:  
[www.woodgatecommunityshop.co.uk](http://www.woodgatecommunityshop.co.uk)

**This share offer will remain open until the £50,000 funding target has been reached.**

I would like to become a member of Woodgate Community Hub Ltd by purchasing shares in the Society:

Name:.....

Address:.....

.....Postcode:.....

Email:.....

Phone:.....

Your contact details will only be used to communicate with you on Woodgate Community Shop matters. We will not pass on your details to third parties.

I wish to buy shares to the value of £.....(Minimum £10, maximum £5,000)

I enclose a cheque made payable to Woodgate Community Hub Limited

I will pay by electronic transfer. Please make payments to:  
WOODGATE HUB LIMITED  
Account Number: 67250518  
Sortcode: 089299

Reference number your First initial + Surname

I confirm that I have read the Woodgate Community Shop's Community Share offer document, including the '10 important points you must consider before investment'

I am over 18 years of age

Signature:.....

**Please return completed application forms to:**

[woodgate.committee@gmail.com](mailto:woodgate.committee@gmail.com) or post to the Woodgate Community shop Secretary at 67  
Bellevue Farm Road, Woodgate, RH11 9GT