

Your invitation to buy shares in

The St Dominick Community Shop Limited

A Community Benefit Society registered with the Financial Conduct Authority
Registration number – **8227**

Share Issue Offer Document

Launch Date: Wednesday 23rd October 2019

Closure Date: Midnight: Tuesday 3rd December 2019



St Dominick Community Shop Limited will provide a local shop, selling newspapers, food and household supplies and run by the residents for the benefit of the Parish and the wider community.

This is your invitation to invest in a new and exciting community enterprise and contribute to the local fundraising efforts to create our Community Shop.

A Summary of the Share Offer

The St. Dominick Community Shop Limited (“SDCS”) wants to encourage investment from the local community to help to fund the development of a new Community Shop venture.

This share offer opens on Wednesday 23rd October 2019 (“the launch date”) and will close at midnight on Tuesday 3rd December 2019.

The SDCS reserves the right to extend the offer period beyond the closing date if they believe that by doing so would benefit the share issue.

This offer is being administered by The St. Dominick Community Shop Limited, a registered society under the Co-operative and Community Benefit Societies Act 2014 and regulated by the Financial Conduct Authority (“FCA”).

What is a Community Shop?

A Community shop is a shop which is owned and democratically run by members of the community. There are over 300 community shops already running in the UK with a 96.5% success rate.

Community shops trade primarily for community benefit and are owned by the community. Community shops have open and voluntary membership, members are part owners of the business and all members have an equal say in how the business is run, regardless of their level of investment.

Why should St Dominick create a Community Shop ?

St Dominick has for a long time been a desirable place to live, with an active wide range of community events and church-based activities, a thriving public house, and a Primary school.

SDCS will be at the heart of St Dominick and act as a hub for supporting and sustaining the community. There will be a wide range of goods and products sourced both locally and as recognisable brands, reducing the need to travel out of the village. Furthermore, it is hoped that the shop services will be developed over time based on customer feedback.

More importantly, the presence of a Community shop involving local volunteers makes an important contribution to a sense of community spirit and viability, and helps to bring people together to meet with and talk to neighbours. As such, SDCS will provide a vital community contact for some of our more vulnerable and isolated residents and will be most valuable in building new friendships and contacts within the community as a whole.

As and when the Community shop generates a ‘surplus’, this money can then be used to help fund other projects and activities in the village as agreed by the members. This means that every time money is spent in the shop, customers are contributing to building a surplus that can, in due course, be spent by the village members on the village needs and for the greater benefit of all.

The Background to the St Dominick Community Shop

Background and Context

St Dominick has had a privately-owned Village Shop and Post Office for many years and this is now the only commercial shop in the village. The current shop is recognised as an important part of the community, and is well established as a focal point and hub for residents.

In March 2019, Alan and Nina, the shop owners, notified the Parish Council that they intend to retire and close the shop. At the time of making the announcement, they expressed their wish that they wanted to give the local community the time and the opportunity to consider alternative arrangements including the possibility of establishing a Community Shop.

What happened next?

Two Public meetings, hosted by the Parish Council, took place in the Parish Hall on 1st and 16th May 2019. During these well attended meetings lots of positive support was expressed around the idea of setting up and running a Community Shop within the village. At the second meeting, two people involved in setting up a Community Shop in St Mabyn, north Cornwall were invited to share their story and experience of establishing their own Community Shop.

As the outcome of the second Public meeting – there were two main actions:

- A steering group, made up of a number of local volunteers, was established with the remit of exploring options for a Village Community Shop. The main purpose of this group is to further explore the possibility of establishing a Community Shop within the village.
- A questionnaire was developed and delivered to every household with the Parish Newsletter and the responses analysed during June.

The general outcome from all of this indicated a growing and positive level of interest and support for developing a Community Shop. A clear mandate was established to progress with making plans for a Community Shop.

The first Steering Group meeting took place at the end of May, and the group have continued to meet regularly since. A constitution has been established and various roles including a Chair, Treasurer and Secretary are in place. Contact has been made with the Plunkett Foundation to advise and support on the project. A business plan and budget has been written.

The Steering Group started by spending some time investigating the options for the location of a new shop, and, after very careful considerations, eventually concluded that the Parish Hall would be the most suitable place. The Parish Hall Committee has been engaged with in order to seek their agreement and support. A suitable portacabin for the shop building has been secured and planning permission has now been applied for the chosen site next to the Parish Hall.

In addition, the Steering Group needed to secure some initial finance to support progressing with the project. To date, two applications for funding have been successful, the first to the local Howton Solar Panel Fund and the secondly the local Parish Council. Together, these have raised a total of £8000. Further applications for fundraising are continuing to be made.

During October 2019, the Steering Group applied to set up the St Dominick Community Shop Limited as a Community Benefit Society (CBS).

Costs to set up the Community Shop

The total costs for setting up the Community Shop have been estimated as in the region of £40-42,000. Further information on the finance and budget plan is provided later in this document (on page 10-11).

The Steering Group are continuing to actively seek and apply for other funds that are available for community projects. The Steering Group are positive that there are opportunities to secure up to a further £10-£12,000 (in addition to the £8,000 already raised) in funding over the next few months.

Looking at other similar community share offers, the Steering Group are optimistic that it will be possible to raise a substantial amount towards matching this from the local residents through the Share Offer.

Next steps from here?

The Steering Group have submitted an application for Planning permission, and the outcome is expected in late November or early December. We are also working on the other practicalities connected with this including agreeing the formal arrangements with the Parish Hall and liaising with the relevant Utility providers. Once the planning permission is received and all the plans have been put in place, the next step will be to arrange the delivery of the portacabin to the Parish Hall site.

A detailed plan is currently being put together for the transformation of the portacabin to become a lovely usable and practical shop space. The aim is to put in place wood cladding and a slate roof, add a veranda/covered space at the front of the building, and to provide a similar 'look and feel' as the St Mabyn Community Shop.

It is not possible to be entirely clear about the exact timescales involved, and at this stage, the expectation is that the portacabin would be delivered to site as soon as planning permission and the formal agreement with the Parish Hall are in place. The transformation work to turn the portacabin into a working shop will take a number of weeks, and this means the likely opening of the Community Shop will be in early Spring 2020.

St Dominick Community Shop Group	2019					2020				
	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Milestones										
Public Meeting held	X									
Steering Committee formed	X									
Village wide questionnaire		X								
Analysis of suggested sites		X	X							
Portacabin Identified		X								
Discussions started with Parish Hall Trustees		X								
First funding bid submitted			X							
Facebook page set up			X							
Successful 1st funding bid notified					X					
Contact made with The Plunkett Foundation					X					
Location for Community Shop Confirmed					X					
Business Plan and Budget confirmed					X					
Parish Council confirmed Financial support					X					
Planning submission submitted						X				
Join Plunkett and set up CBS						X	X			
Make Preparations for Lease with the Parish Hall						X	X			
Public Meeting to update residents and recruit Volunteers								X		
Open Share Offer							X			
Close Window for Share offer									X	
Planning Permission Response								X	X	
Lease Completed									X	
Cabin ordered and delivered									X	
Utility Connections Made										X
Transformation of the Portacabin to Shop - Cladding & Roof etc									X	X
First Fit out of Shop equipment - electrics, plumbing etc									X	X
Volunteer training/rotas etc									X	X
Open Community Shop										X

The Community Share Offer - A Social Investment

From the outset, it is important to consider the purchasing of shares under this arrangement as a social investment rather than a financial one.

Shares

Shares are being issued at a price of £10 per individual share.

There is no minimum shareholding required.

Shareholders must be aged 16 or over to make an application for shares.

No one person may hold more than 10,000 shares in total.

Shares carry no automatic rights to dividends or bonus', but the Society may (but is under no obligation to) pay interest to holders of shares.

Shares may be transferred or redeemed at the absolute discretion of the Directors of the Society (such approval not to be unreasonably withheld, particularly in the case of death or bankruptcy of a shareholder).

Any share redeemed will be done so at the original purchase price. Any redemption will be subject to the Withdrawal policies. The Management Committee will determine the Withdrawal policies on an annual basis. PLEASE NOTE: It is normal that any withdrawal is subject to the overall stability of the shop business and for the total amount that can be withdrawn annually to be subject to a maximum amount (ie: 10% of the total share investment). It is also likely that share redemptions will not be possible for the first 3 years of the Shop being operational.

A shareholder, having purchased (or obtained by transfer) and paid the price of £10 per share shall have no obligation to make any further payment whatsoever to SDCS relating to said shares.

Shareholders and Voting

Under the laws governing a Community Benefit Society, all shareholder have one vote regardless of how much they have invested. This reinforces the ethos that all investors are equal with a mutual desire to see the Community Shop prosper.

Shareholders can vote at the Annual General Meeting (or other special Members Meeting) of SDCS. At such meetings, members of the Management Committee will be elected and all relevant business of SDCS transacted. Annual reports and accounts will be published prior such meetings.

In the event of SDCS ceasing to trade for whatever reason(s) the assets of SDCS (with the exception of the premises from which they do business) shall be realised and the proceeds thereof used to discharge all debts and in the event of there being a surplus, to repay the capital invested rateably amongst existing shareholders in proportion to the number of shares held by them. In the event of a surplus, any such surplus shall be distributed by the Directors for the benefit of the parish community of St Dominick.

Important Notes

Our share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations and therefore this means there is no right of complaint to an ombudsman.

A registered society such as ours is registered with, but not authorised by, the Financial Conduct Authority and therefore any money paid for shares is not safeguarded by any depositor protection scheme or dispute resolution scheme. **As any investment could carry a risk, consider it carefully in the context of the complete share offer document, and, if needed, seek independent financial advice.**

Please note: This offer is not covered by The Financial Compensation Scheme and investors have no recourse to an ombudsman. Please be aware that any investor could lose some or all of their investment.

Governance and Annual General Meeting

At the first Annual General Meeting, the rules require the temporary steering committee to resign. A new management committee will then be elected, according to the rules of the society.

These rules are described in detail in the relevant document available on our website www.stdominickcommunityshop.co.uk and also in the model rules from The Plunkett Foundation.

Only members of the society are allowed to vote in the election of a management committee.

The SDCS steering committee plans to hold the first Annual General Meeting within six months of the end of the first year since it was set up as a Community Benefit Society. This means the first AGM will take place in early 2021. The first AGM will have the opportunity to consider trading figures, and accounts, covering the initial period of trading up to 31 October 2020 (one year after the CBS is established).

It is very important that subscribers for shares, who will become members of the Community Benefit Society, are familiar with the rules of the society, particularly in respect of their rights to elect, at least once a year, a management committee which will be responsible for the overall governance of the shop.

Use of the Proceeds from the Share Offer

Implementation of the Business Plan starts with the acquisition, delivery, placement of the portacabin, and the costs for this are covered by the funding that has been already secured.

Further money is required for:

1. providing external features including cladding, roofing and building the veranda area, in addition a toilet will be built for the use of volunteers working in the shop;
2. connection to the utility services of electricity, telephony (for internet), water and sewerage;

3. acquire fixtures and fittings such as fridges and freezers, shelving, storage, new flooring, a till and computer;

4. recruiting, training and arrangements for organising Volunteers to work in the Shop;

and

5. providing working capital for stocks of goods for sale, including meat, vegetables and alcohol and administrative costs, including internet/website, accountancy, legal, lighting and heating

We will be using the money raised through the share offer, along with further money obtained through grants and funds, to cover the costs of the set up and launch of the Community Shop.

We do not anticipate initially being able to employ paid staff, and we will be relying on volunteers to work in the shop. We are aiming to get to a situation where we can offer some paid hours to a Coordinator for the shop during the first year of operating.

As well as a wide range of food products and general household supplies, we want to be able to offer additional services within the shop to encourage community use. This includes potentially offering free WiFi, parcel collection, NHS prescription service collection, 'click and collect' internet ordering and also to use local and eco-friendly suppliers wherever possible.



Social Investment Tax Relief (“SITR”) Guidance Notes

To encourage investment in community ventures like SDCS, HMRC is offering tax relief on investments. This is called Social Investment Tax Relief or SITR.

SITR is available to individual investors investing in charities and regulated social enterprises.

Individuals can deduct 30% of the amount they invest from their income tax for that year or the previous year. Investors pay no capital gains tax on the eventual sale of their investment, and if they invest capital gains from other investments into a SITR investment, they can also defer paying that capital gains tax until they sell the SITR.

SITR is not available to an individual investor or someone connected with them where they own more than 30% of the shares in issue and/or hold more than 30% of any loans made to SDCS.

Any investment must be held for a minimum of three years in order to remain eligible for SITR. In the event of death of the original shareholder, the investment will be transferred to the beneficiary and therefore remains eligible for SITR to the beneficiary.

The Steering Group intends to apply to the HMRC for SITR at the earliest possible time. Provided that the application is successful, each investor will be issued with a “certificate of compliance” and it will be the investor’s responsibility to attach this to their tax return to allow them to apply for the 30% tax relief from HMRC.

In the event that the taxpayer does not complete a self-assessment tax return, then the tax relief can be claimed by post.

SDCS will keep a register of shareholders, as required by law, which is available to view by any shareholder. Any changes to the shareholder’s details will be shown in the register once notified to SDCS. Any relevant changes will be notified to HM Revenue and Customs.

SITR would only be eligible for those shareholders who participate in this investment opportunity, which closes at midnight on Tuesday 3rd December 2019.

For further details or questions, please contact Graham Wilkins, Treasurer for SDCS
Email gdw@3mcl.co.uk

Any investor is encouraged to take independent financial advice to confirm their own eligibility for tax relief under the scheme.

Current Steering Committee for the St Dominick Community Shop

The open public meeting held on 16th May resulted in establishment of a temporary Steering Group. This group of volunteers were charged with developing the feasibility of a Community Shop, and would be in place until such time as a full management committee is elected by members.

Three members have been nominated by the Steering Group to be named as the founding members of SDCS. The current steering committee members are:

<p>Jo Redgrave (Chair and Founding Member of SDCS) <i>Jo.redgrave_08@btinternet.com</i></p>	<p>Jo has lived in the village for over 5 years, and is Cornish born and bred. She runs her own successful business and is keen to bring her varied skills and experience to help support the creation of a thriving Community Shop.</p>
<p>Graham Wilkins (Parish Councillor, Treasurer and Founding Member of SDCS) <i>gdw@3mcl.co.uk</i></p>	<p>Graham is a Chartered Accountant and Parish Councillor. He has been involved on several start-up companies in Devon and Cornwall, both as an Adviser and Director.</p>
<p>Sue Morrish (Fundraising and Founding Member and Secretary of SDCS) <i>Sue.morrish592@btinternet.com</i></p>	<p>Sue is retired and has lived in the village for over 4 years. She has been a Governor at St Dominick School for three years, and is currently Chair of Governors. Sue has extensive knowledge of community fundraising.</p>
<p>Dave Fry (Parish Councillor and coordinating the Planning and Build for the Shop)</p>	<p>Born and raised in a Devon village, Dave has lived here for nearly sixteen years, retiring three years ago from a long career as an electrical technician. As well as a Parish Councillor, Dave is also Chair and Newsletter Editor for the Tamar Historic Transport Club.</p>
<p>Linda Fry (Minute secretary)</p>	<p>Linda is a retired driving instructor, is married to Dave and has also lived in the village for nearly sixteen years. Born in London, Linda loves living in St Dominick and is very keen to help the community thrive by helping in any way possible.</p>
<p>Eunice Hodge (Parish Hall Committee Liaison)</p>	<p>Eunice describes herself as a lifelong 'Retailer' and has lived in St Dominick for 21 years. She is also Joint Chair and Treasurer of the Parish Hall Committee.</p>
<p>Alan Cox (Website, Communications and Shop Liaison)</p>	<p>Alan is currently joint proprietor of St Dominick Village Stores, and was the former Sub Postmaster of the Post Office for fifteen years. Alan is coordinating communications for the Steering Group.</p>
<p>Keith Heslop (Experienced Retailer) <i>keithhes@hotmail.co.uk</i></p>	<p>Keith has lived in the village for over 15 years and has considerable experience both as a Retailer and a Wholesaler, and will be bringing these skills to the Shop. <i>If you are interested in supplying the shop with any local produce or products then please contact Keith in the first instance.</i></p>
<p>Jo Dunn (Branding and Community Engagement)</p>	<p>Jo moved to the village last year with her husband. Jo believes that a Community Shop has the potential to be a great asset to the village, and this is why she has volunteered to be part of the Steering Group.</p>
<p>Amy Lockyer (Branding and Community Engagement)</p>	<p>Amy is a serving Logistics Officer in the Royal Navy. She is a new Mum and is passionate about creating a sustainable, eco friendly hub for our community.</p>
<p>Diana Greene (Parish Councillor and Festivities Group Liaison)</p>	<p>Diana has lived in the Parish since 2000. As well as being a Parish Councillor, she is Chair of the Festivities Committee and brings a tremendous enthusiasm for 'Community' to the Group.</p>
<p>Heather Douglas (Experienced Retailer)</p>	<p>Heather has lived in the village for 8 years. She has over 20 years of retail experience including running grocery and convenience stores.</p>

Finance and Budget Information for the Community Shop

Estimated Costs for the Community Shop Project

Projected Balance Sheet as at start of trading	
	£
Fixed Assets:	
Shop costs including fit out	16000
Utilities	6000
Equipment	5000
Total fixed assets	27000
Current Assets:	
Stock	7500
VAT recoverable	5400
Cash at Bank	9600
Total current assets	22500
Current liabilities	
Suppliers for stock	7500
Total current liabilities	7500
Net current assets	15000
Total assets	42000
Comprising:	
Paid up share capital	20000
Grants	22000
Total investment	42000

St Dominick Community Shop – Profit and Loss

Projected results for first three years

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Sales	100000	120000	132000
Cost of sales	84000	100800	110880
Gross Profit	16000	19200	21120
Overheads			
Staff costs	0	0	0
Set up costs	3150	0	0
Property costs	2796	2796	2796
Administration	6195	5920	6010
Depreciation	5400	5400	6733
Profit/(Loss) before tax	<u>(1541)</u>	<u>5084</u>	<u>5581</u>

Assumptions:

1. Turnover builds on existing shop levels of around £75000 pa by offering greater choice, longer opening hours and support from local residents
2. Gross Margin targeted at 18%, but assumptions based on 16% to allow for wastage etc.
3. Employee costs assumed at nil as no paid staff anticipated until turnover of £125,000 achieved OR grant support obtained.
4. Cafe commences in Year 3, leading to small additional increase in turnover.
5. Post Office service provided by mobile operation for 2 sessions each week. No additional revenue to SDCS.

In Final Summary

The Community Benefit Society (CBS) has been formed to fund the purchase, set up and operation of the St Dominick Community Shop for the benefit of the village and the community.

Members of the Society - that will be you if you buy just one share - will be part owners of the business and all members have an equal say in how the business is run.

This Share Offer has been prepared under the Plunkett Foundation model rules and The Society is registered with the Financial Conduct Authority.

The initial meeting and the questionnaire sent out across the village during May 2019 resulted in financial pledges from local residents in the region of £18,000.

We now need to follow up on your pledges to secure the funds needed to purchase equipment and stock for the shop.

In addition to the funding grants obtained and those we are seeking, we need to obtain an investment from the local community in the region of £15-20,000. This will ensure we can progress with establishing the 'new' village shop and getting it ready to open in the spring of 2020.

We now need the pledges made earlier this year to be confirmed by you completing the attached application for the issue of shares and returning your completed form and money to:

Graham Wilkins, Treasurer, SDCS
Kelly Park
St Dominick PL12 6SQ

Further copies can be downloaded from www.stdominickcommunityshop.co.uk

St Dominick Community Shop Limited

Application for the issue of shares

Please support the St Dominick Community Shop by subscribing for shares of £10 each.

Applicants must be aged 16 or over.

Please make your cheque made payable to '**St Dominick Community Shop Limited**'. Alternatively, make a Bank Transfer payment The Co-Operative Bank Sort Code 08-92-99 Account Number 65881950 using your surname and initial as the reference.

Whether making your payment by cheque or Bank Transfer, please complete all sections of this form (in block capitals, please) and return to: *Graham Wilkins, Treasurer for SDCS, Kelly Park, St Dominick, PL12 6SQ.*

Completed forms and cheques may also be left with Alan in the current shop (*Opening Hours: Monday to Saturday 9am-11am*) in a sealed envelope marked 'For the Attention of Treasurer, St Dominick Community Shop'. Any queries, please contact Graham Wilkins in the first instance: gdw@3mcl.co.uk or 07802 740284

Please Print Clearly

Full name:	
Address and post code:	
Telephone no:	
Email address:	

I wish to apply for _____ shares of £10 each in the St Dominick Community Shop Limited.

Please Complete the relevant section below:

I enclose a cheque for the sum of £

Or

I have made a Bank Transfer payment of £ _____ to sort code: 08-92-99 and Account number 65881950 giving my surname and initial as the reference.

Signature:

Date:

By purchasing a shareholding, you become a member of The St Dominick Community Shop Ltd and you are entitled to one vote at General Meetings and you agree to abide by the rules of the society. Please note: This investment is not covered by the Financial Compensation Scheme and investors have no recourse to an ombudsman. Please be aware any investor could lose some or all of their investment. Your contact details will only be used to keep you informed of SDCS news and events such as the AGM notice
