

# FITTLEWORTH STORES

## COMMUNITY SHARES INFORMATION PACK AND APPLICATION FORM

### ABOUT FITTLEWORTH COMMUNITY SHOP LIMITED SHARES

Our village shop, café and post office (Fittleworth Stores) is a community owned and run enterprise. A Community Benefit Society called Fittleworth Community Shop Limited (“FCSL”) has been set up to own and run the shop and café, which trades under the name Fittleworth Stores. FCSL is established for the benefit of the community and registered with the Financial Conduct Authority (FCA). You may purchase shares in FCSL. Many of our villagers and those from the surrounding area are already shareholders and we are always keen to welcome others to our shareholding community. Those who have purchased shares become members of the Community Benefit Society under the terms of the Co-operative and Community Benefit Societies Act 2014. Funds raised from the purchase of shares will be used towards the ongoing costs of equipping, stocking and running the shop and café.

Shares provide local people and organisations with the opportunity to contribute financially to the development and growth of our shop and café in the expectation of receiving a social benefit rather than a financial return and to be part of our village shop community. The social benefits will be different for different people. Some will enjoy being able to do their shopping without getting on a bus, in a car or relying on others. Some will like the convenience of picking up a newspaper and some milk before breakfast or buying the kids’ tea after school. And, of course, the shop offers a real social benefit in acting as a meeting place.

Buying shares will ensure that you have a say in how the shop is run because a share will provide you with the right to vote on decisions affecting the shop at our Annual General Meetings. You will also have the right to stand for election as a Management Committee member.

Any financial surplus generated the shop and café not required for the business will be invested back into community projects or charities chosen by the members in accordance with the Rules of FCSL.

Shares will be held and registered in the name of an individual. So, if there are two (or more) of you in your household you might want to buy shares for each of you.

You must be over 16 to buy shares in FCSL.

The minimum purchase is one share. Each share costs £25. You may purchase up to a maximum of 60 £25 shares (ie a total investment of £1500). If you would like to invest more than £1500 in the shop, please speak to the Management Committee as there may be larger projects we would like to undertake or more significant equipment purchases that we would be delighted to receive a donation towards.

FCSL operates on the basis of one member one vote irrespective of the number of shares each member holds. Any investment you decide to make will be a long term one for the benefit of the community. **It is not an investment for the purposes of gaining income or an increase in capital and the shares cannot be sold or transferred. The purpose of the investment is to give you and your friends the convenience of a village shop.** The nominal value of each share will be £25 and

cannot increase beyond that value (and may even decrease if liabilities exceed assets). Although you only need one share to have a say in how the shop is run, please do consider buying more to support this community enterprise. **The Society confers limited liability so, should the project fail, there would be no further liability on shareholders.**

The only way to recover the sum initially invested (or any reduced value) is to give notice of withdrawal to the Management Committee. No withdrawal can take effect (except in exceptional circumstances) for a minimum of three years from the date of issue or the date on which the shop began trading (which was 1 October 2018), whichever is the later. After three years the shares might be capable of withdrawal at the discretion of the Management Committee, depending on the profitability of the business and the adequacy of cash reserves to meet the withdrawal. The Management Committee will also have the right to set a cap on how many shares can be withdrawn each year.

FCSL does not intend to pay interest or dividends on shares. The business cannot be sold for the benefit of its members. Any profit not needed in the development and running of the business can only be used for the benefits of the residents of the Parish of Fittleworth. Should the business cease trading at any time, any surplus (after the repayment of creditors and share capital) must be used for the benefit of the community.

The rules of FCCSL are published on the Fittleworth Stores website.

Any business activity risks failure through unforeseen circumstances or changes in the trading environment. You should be aware that this share offer is exempt from the regulatory effects of the Financial Services and Markets Act 2000. You will, therefore, have no right of complaint to the Financial Services Ombudsman, nor is the money you pay for shares safeguarded by a deposit protection scheme. FCSL is required under the terms of its registration with the FCA and its own Rules to prepare audited accounts annually.

# FITTLEWORTH COMMUNITY SHOP AND CAFÉ

## COMMUNITY SHARES – FREQUENTLY ASKED QUESTIONS

**What does the shop offer?** Our community owned shop is open every day, and offers general groceries, local produce and household goods which villagers and visitors want and need. It also incorporates our Post Office

**How is it run?** It is staffed and run on a day to day basis by a manager and assistant manager (both paid roles), supported by a further paid staff team and a group of friendly local volunteers. The manager and assistant manager are employed by Fittleworth Community Shop Ltd and report to the Management Committee of Fittleworth Community Shop Ltd. The Management Committee is selected by member vote at the AGM.

**What is available?** A full range of groceries and household goods, meat and dairy products, ready meals, fruit and vegetables and bakery items together with a range of beers and wines. Newspapers are stocked too. Items are reasonably priced, and sourced from local suppliers where possible. The aim is to serve the community, by stocking the things which people need.

**Is there be a cafe?** Yes – good quality tea, coffee, cakes and light snacks are all served in our café. It provides an environment where people can meet, relax, and chat.

**Is the café licensed?** No.

**Can I access wi-fi in the shop or cafe?** Yes, free wi-fi is available for customers.

**How does it work?** Fittleworth Community Shop Ltd is a business that is run by the community, for the benefit of the community. It is registered as a Community Benefit Society. The success of the shop and café

relies on the support of local people and we encourage all residents of the parish and surrounding areas to become shareholders and thus members of the Society. This way you will be part owners of the business and able to influence decision making.

**What is a Community Benefit Society?** A Society which is run primarily for the benefit of the community at large, not just for its members. Profits made must be used for the benefit of the community.

**Who will benefit from this venture?** The Parish of Fittleworth and the surrounding locality will benefit directly from the community shop and café. Local businesses who supply the shop and café also benefit. Surplus profits will be available for distribution to charitable and community projects within the Parish in accordance with the Rules of Fittleworth Community Shop Ltd.

**What is my liability should I invest?** Your liability is limited to the value of your shares. The Society confers limited liability, so should the project fail, no further liability can fall to you as a shareholder.

**What voting rights do I have as a Shareholder?** In a Community Benefit Society, the rule is one member, one vote. So no matter how large or small your shareholding, you have an equal voice.

**Are there any restrictions to becoming a member?** Members must be aged 16 or over. There is no requirement to be resident in the Parish of Fittleworth.

**How much does a share cost? Can I buy more than one?** The individual share value is £25. The minimum investment is £25 and the maximum is £1,500 (i.e. 60 shares).

**We are married – can we hold our share(s) jointly?** No, shares can only be held by an individual. If you are married or if there are otherwise two or more of you in your household you might want to buy a share or shares for each of you.

**Will my investment increase in value?** No, they are limited to the initial value of £25. However, shares can go down in value (if the project does not do as well as hoped) but they cannot increase in value. Share purchases achieve a social benefit for the community not a personal financial benefit.

**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 three years from the start of trading (1 October 2018) 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.

**Is it a good business proposition?** The community shop model has proved itself to be very robust. The success rate of community shops is 95% and it is well proven that communities that work together to set up such a venture will support it in the future.

**Are the committee competent and do they have a personal financial interest?** The Management Committee has a mixture of business and professional skills and is backed by wider expertise and help from members of the community. Committee members are volunteers who believe passionately in the value of the shop and café. No Committee

member has any personal financial interest in this project beyond any amount they have invested as shareholders.

**Where can I find out more?** Our Fittleworth Stores website has plenty of information ([www.fittleworthstores.co.uk](http://www.fittleworthstores.co.uk)). The Management Committee are also happy to answer any questions you may have – details of Committee members appear on the website.

# FITTLEWORTH COMMUNITY SHOP LIMITED

## Share Application Form

**Our preferred payment method is by bank transfer or cheque with this form.** If you do not wish to pay by either method please contact Mick Foote on 01798 865156 to discuss alternative payment methods.

Only one person can apply per form. If you need additional forms, please email [fittleworthstores@outlook.com](mailto:fittleworthstores@outlook.com) or download from <https://www.fittleworthstores.co.uk>

You must be over 16 to apply for shares.

I would like to purchase shares in Fittleworth Community Shop Limited

Full Name .....

Address: .....

.....

E-mail: .....

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 £25 each. Note there is a maximum shareholding of £1500 (ie 60 shares). If you wish to invest in excess of £1500, please consider a donation to the shop in addition to purchasing shares. Please contact Mick Foote ([footemichael1@gmail.com](mailto:footemichael1@gmail.com)/01798 865156) or Alison Welterveden ( [welterveden@btinternet.com](mailto:welterveden@btinternet.com) /01798 865650) if you would like to make a donation.

Bank details for bank transfers are as follows (please put your surname as the reference on the transfer):

Account Name: Fittleworth Community Shop Ltd

A/c No: 89104366

Sort Code: 60-16-27

I have made a bank transfer to Fittleworth Community Shop Limited **OR**

I enclose a cheque made payable to Fittleworth Community Shop Limited

***I confirm that I am over 16 and have read Fittleworth Community Shop Limited's share information pack.***

**Signature:** .....

Please return this form (together with your cheque if appropriate) to:

Fittleworth Community Shop Limited

Fittleworth Stores, School Lane, Fittleworth, W Sussex, RH20 1JB.

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