



# **Lion Corner Community Shop**

## **Share Offer**

**Abberton and Langenhoe Community Benefit Society Limited**

**Registered with the Financial Conduct Authority**

**Registration Number 8295**

**Registered Office: 1 Sawkins Close, Langenhoe, Colchester, CO5 7LU**

***Help us ensure we keep this important community asset for  
future generations of Abberton and Langenhoe residents***

## 1. Executive Summary

- Abberton and Langenhoe lost a major community facility after the closure of the Lion Public House in 2012. The villages do not have a village shop, pub, GP or Post Office; the nearest convenience store is 3 miles away.
- Over 200 residents requested the establishment a Village Shop when commenting on a Planning Application to replace the Public House with residential properties.
- Abberton and Langenhoe Parish Council submitted an alternative proposition to establish a small community village shop in the ground floor of the house on the north end of the proposed development. The developer supported this and a revised planning application including the village shop was approved in April 2019.
- Key aims of the shop will be to:
  - maintain the product range of most convenience shops
  - provide a welcoming community hub for the village
  - help to reduce social isolation
  - provide voluntary work opportunities for village residents of all ages and capabilities
  - be run by a manager and trained volunteers
- The Abberton and Langenhoe Community Benefit Society Limited (ALCBS) was formed to enable the shop to be run by the community, for the community. It is registered with the Financial Conduct Authority (Registration Number 8295). Any surplus generated will ploughed back into the organisation or may be made available for distribution to other community or charitable projects.
- The main source of funds will be from the sale of shares to the local community. They will be supplemented by community fundraising, grants and donation. £50,000 is required to fit out, stock and commence trading.
- Shares in the organisation will cost £10 each. By purchasing shares, you will become a member of the Society, entitling them to be involved in the future of their community shop and permitting them to vote at Annual General Meetings. Only shareholders can be elected to the Management Committee, which will oversee the running of the shop.

***Please invest in shares today to help ensure we keep this important community asset for future generations of Abberton and Langenhoe residents.***

## 2. Who We Are

Abberton and Langenhoe Community Benefit Society Limited (ALCBS) is a Community Benefit Society Registration Number 8295, using the model rules developed by the Plunkett Foundation and registered with (but not authorised by) the Financial Conduct Authority. In its rules is embedded the principle that if the society has a surplus, this is put back into the organisation or may be made available for distribution to other community or charitable projects.

The planning for and the initial operation of the community shop is being managed by a Start-Up Committee, led by the Chair, James Lambert. This Start-Up Committee was born out of an initial working group formed by Abberton and Langenhoe Parish Council (ALPC), which handed over to the Start-Up Committee in July 2019.

The Rules of the Society, contact details of the Start-Up Committee and the Business Plan are all available on request and can be found at [www.lioncornercommunityshop.co.uk](http://www.lioncornercommunityshop.co.uk).

### 3. The Story so Far

There has been a Public House or Ale House on the site of The Langenhoe Lion for over 200 years. Until its closure, the pub acted as the social hub for the village.



After its closure by Greene King in 2012, the former car park and garden of the pub were developed to provide 4 detached houses. Subsequently, following a series of unsuccessful proposals from developers, we finally managed to negotiate with Colchester Borough Council and the Developer to establish a small community village shop in the ground floor of the proposed house on the corner of Mersea Road and Fingringhoe Road, with a parking area behind and additional street parking in the unrestricted Fingringhoe Road, thereby retaining a continuing community use for the site.

A more detailed account of the background is given in the Business Plan.

## 4. How it Works

### 4.1 The Community Benefit Society

The key features of a registered Community Benefit Society under the Co-operative and Communities Benefit Societies Act 2014 are that the Society has:

- A recognised legal identity.
- A written set of rules which governs the way the Society has been set up and operates (this to be found on our website or via application to the Management Committee).
- The ability to enter into contracts.
- Limited liability (i.e. members' liability is limited to the value of the shareholding).
- A profit-making ability, which under our rules is either put back into the organisation or to be used in community or charitable projects.

### 4.2 The Share Issue

Our expectation is that shareholder members will come largely from the local community, however we will also welcome contributors from further afield.

By subscribing to the Community Share Issue, you will become a Member of ALCBS. Each share will be priced at £10 each. The statutory maximum individual shareholding is £100,000.

The minimum age of membership is 18 years.

Holding shares gives the shareholder the right to vote on decisions affecting the future of the shop at Annual General Meetings and the right to stand for election to the Management Committee. Each shareholder has **one** vote, irrespective of the number of shares they hold overall.

The Management Committee have set an optimum target amount to be raised through the share offer of £50,000. Any additional amounts raised will be used to reduce our dependency on grants and increase the working capital. The share offer will be kept open to allow for future subscriptions. If the share offer fails to raise £25,000, the offer would be deemed to have failed and it would not be possible for the Management Committee to move forward with the project. At this point, all subscriptions would be repaid on a pro-rata basis following the payment of any debts incurred.

The Management Committee will keep the share register in a password controlled confidential environment. Shareholders are entitled to request to view the share register.

The investors, as shareholders, are the owners of the business and have voting rights and the right to stand for election to the Management Committee.

## 4.3 Withdrawal of Shares

The shares are:

- not transferrable (except on death or bankruptcy).
- cannot be sold.
- cannot be withdrawn until at least 3 years have elapsed from the date of the share issue and only then at the discretion of the Management Committee. Three months' notice is required of withdrawal by the Management Committee.

All withdrawals will be paid from trading surpluses or new share capital. The Management Committee will have the authority to refuse a withdrawal request if it would endanger the business.

The amount available for withdrawal in any one financial year will be 10% of the total value of shares outstanding. Should withdrawal requests exceed the 10% figure, investors would receive a pro rata payment based on their original investment.

## 4.4 Risk Factors

### 4.4.1 Risks to the Business

We have identified the following key risk factors:

Risk	Mitigation
The failure to achieve the predicted level of turnover	Selection of appropriate product lines and with continual review. Advertising by poster, leaflet, website and banners. Publication by word of mouth.
Profit levels fail to cover costs	Strictly control costs. Ensure profit margins are set at an appropriate level. Minimise wastage. Minimise shoplifting and fraud.
Insufficient volunteers to run the shop.	Advertising by poster, leaflet, website and banners. Publication by word of mouth. Training and mentorship of volunteers. Branding of clothing and reusable shopping bags

#### **4.4.2. Lack of Regulation on Community Shares**

Our share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations; this means that you have no right of complaint to the Ombudsman. A Community Benefit Society is registered with, but not authorised by, the Financial Conduct Authority and therefore the money you pay for the shares is not safeguarded by any depositor protection scheme, or dispute resolution scheme. As the whole of the investment could carry a risk please consider it carefully in the context of this share offer document and seek independent advice if needed.

#### **4.4.3 Other Risks to Consider**

Community shares are distinct from ordinary shares. There is no increase in face value. There is potential loss of value (if liability exceeds the capital).

Whilst ALCBS will have a share capital, there will be no interest or dividend paid on shares and shares will not increase in value. The benefit of buying and holding shares will be a long-term social investment in the shop.

The member's liability for the business is limited the value of their shares. ALCBS does confer limited liability so, should the project fail, there is no further liability on shareholders. In the event that the business fails, the shareholders would be repaid their investment from any proceeds, after repayment of debts. Any surplus would be paid to a charitable or community body.

It is important to remember that any trading activity is vulnerable to change or unanticipated risk.

#### **4.5 Tax Relief on Shares**

We will apply for the Seed Enterprise Investment Scheme (SEIS). SEIS is a government scheme devised to encourage investment in new enterprises and which offers, if granted, 50% tax relief to investors. Details can be obtained from [www.gov.uk/business-tax/investment-schemes](http://www.gov.uk/business-tax/investment-schemes).

You will have to check your own eligibility for tax relief and it is not the Society's responsibility to action this for you.

## 4.6 Key Contacts

The founders of the Society are:

- **James Lambert – Chairman** of the Set-up Committee and also holds the role of **Treasurer**. James is a qualified accountant and works for a local firm of accountants as the Tax Manager. Outside of work he is actively involved in a not for profit organisation called Junior Chamber International and is the 2020 UK President. James has lived in the village for over two years.
- **Richard Pink** - Richard is an IT Programme Manager currently working for an energy generator & supplier. Richard has lived in the village for over 20 years and outside of work is a keen yachtsman, and in the past has served on the Committee of West Mersea Yacht Club as Vice and then Rear Commodore. He has also been the Chairman of Mersea Cadet Week.
- **Jenny Turtill** – Jenny is a retired NHS Administrator, married to Andrew who has lived in the village for 14 years. She is a member of the Set-Up Committee to help with fundraising as she believes we need the community asset of a corner shop.
- **Alan Frost** – Alan is a garage proprietor who has lived in the village for over 60 years. He is closely involved with the Abberton and Langenhoe Community Association, the Edward Marke Trust (managing the village allotments) and serves as an elected Parish Councillor in Abberton and Langenhoe.
- **Simon Dougherty** - Simon is a retired doctor who served in the RAF for 40 years retiring in 2009 as Director-General Medical Services (RAF) – the RAF’s senior doctor. In retirement, he has served as a trustee on the boards of a number of national veterans’ charities, as a governor of an independent school and as an elected Parish Councillor in Abberton and Langenhoe. He has known the village throughout his life moving back to live here in 2008. He lives in the house previously owned by his parents and before them, his grandparents.
- **Sarah Lambert** – holds the role of **Secretary** of ALCBS. Sarah is an Orthoptist and has worked in the NHS for 12 years. Originally from Maldon, after studying in Sheffield and working in Southampton for 10 years, Sarah moved to Langenhoe 2 years ago. Outside of work, Sarah enjoys cooking, Pilates and organising – an attribute that is useful in her role as Secretary.



Once the Community Shop has started trading and is operating normally, the members of the Start-Up Committee will stand down and members of ALCBS will be asked to elect a Management Committee.

If elected as a member to the **Management Committee** you will:

- have a direct role in the operational management of the shop
- be involved with shaping the future of the shop
- ensure that we keep this important community asset for future generations of Abberton and Langenhoe residents.

## 5. Important Points Before Investing

Please ensure you have read this document in full and are aware of the following points:

- Age limit of membership to the CBS is 18 years
- Maximum limit of shareholding
- Face value of shares cannot increase but they may reduce in value if assets are worth less than liabilities
- One member, one vote policy
- Restrictions on withdrawal of shares
- Lack of interest payments/dividends on your investment
- Lack of recourse to Ombudsman
- The need to seek independent advice before investing

## 6. How to Apply

Please fill out the attached **Application Form** and indicate whether you intend to apply for tax relief where requested.

***Help us ensure that we keep this important community asset for future generations of Abberton and Langenhoe residents. Don't delay, invest with shares today!***

**What to do next:**

**You can fill out the Application Form and return to Chair, ALCBS, 1 Sawkins Close, Langenhoe, CO5 7LU with a cheque payable to Abberton and Langenhoe Community Benefit Society Ltd or cash.**

**Or, you can pay online to: Abberton and Langenhoe Community Benefit Society Ltd account at the Co-operative Bank: SORT CODE 08-92-99; ACCOUNT NUMBER 65892062 – using your surname as REFERENCE – and send a scanned copy of the completed Application Form by email to [chairalcs@gmail.com](mailto:chairalcs@gmail.com)**

**Please remember – if the Application Form is not received or the transfer of funds not identified, the investment will not have taken place!**

## Abberton and Langenhoe Community Benefit Society Limited Share Application Form

	<b>PLEASE ENTER DETAILS BELOW USING BLOCK CAPITALS</b>		
Title (Mr/Mrs/Ms/Miss/Dr/Other)			
First Name			
Surname			
Address (Line 1)			
Address (Line 2)			
Town			
Post Code			
Contact Number (Landline)			
Contact Number (Mobile)			
Email Address			
Date of Birth of Applicant			
Number of Shares to be purchased (at £10 each)			
Total Value of Shares to be purchased	£		
<b>I consent to my name, address and email address to be used for communications other than those directly related to membership</b>	<b>PLEASE DELETE AS APPROPRIATE</b>	Yes	No
<b>I intend to apply for tax relief (if available)</b>		Yes	No
<b>I have read and understood the Share Offer Document and I will seek independent advice if I deem it necessary before investing (TICK BOX) <input type="checkbox"/></b>			
Signature	Name in Block Capitals	Date	

*All personal information provided by individuals will be kept securely by Abberton and Langenhoe Community Benefit Society Limited and used solely in conjunction with the development of plans for the Community Shop and securely destroyed when no longer required.*