



# The George, Newnham

# COMMUNITY SHARE OFFER



# Ten reasons to support our Share Offer

**The aim of this community share offer is to raise money to buy The George in Newnham on Severn and convert it to a multi-use community hub. The offer is open from 1st to 31st March 2019.\***

Our overall fundraising target is £500,000. Of this, we hope to raise a minimum of £150,000 through community shares. Money raised over and above this amount will reduce the ongoing liabilities of the business. **If we fail to meet our £500,000 target and are unable to buy the building, shareholders' money will be refunded in full.**

The table below shows our initial spending plans. Further details are provided in our Business Plan.

Purchase of building	£450,000**
Legal fees and Stamp Duty	£15,000
Repair and refurbishment	£10,000
Capital costs (e.g. kitchen and office equipment)	£15,000
Contingencies	£10,000
<b>Total</b>	<b>£500,000</b>

## Other funding

Local support is essential to the success of our project, but in order to make a realistic bid for the building we cannot rely on the community share offer alone.

As well as the £150,000 we hope to raise by selling shares, we are seeking an additional £350,000 of funding. This will come from a variety of sources including donations, sponsorship from local businesses, District Council and County Council grants and a £100,000 social investment loan. If necessary we are also prepared to take out a commercial mortgage.

In addition, we have applied for a substantial grant from the Big Lottery 'Reaching Communities' Fund which will not be available until we have acquired the building. This will be directed towards staff salaries, training and other operational costs.

\* This deadline may be extended if we are close to reaching our target.

\*\* Please note that this represents the current asking price and does not necessarily reflect our view of the value of the building. Our offer will be based on an independent valuation of the property by a commercial surveyor. The amount will be based strictly on what we consider to be a realistic market price.

**2**  
Our scheme will create jobs and training opportunities for young people, increase footfall in the village, improve social cohesion and help to combat loneliness and isolation.

**3**  
The George will provide a permanent home for the village Post Office, which is under threat of closure when the present owners retire. Without this, a vital local service would be lost.

**4**  
The building is located in the heart of the village, in a good state of repair and fit for purpose. Most of the equipment and fittings needed to run a cafe and gallery are already in place.

**5**  
The George is well placed to attract passing trade and has no competition. It is also part of a beautiful and historic village occupying a stunning position on the River Severn.

**1**  
The George will provide a central meeting place that will be open all day, and will be accessible and welcoming to residents and visitors. No other venue in the village offers this.

**Newnham is changing.** With the lifting of tolls on the Severn Bridge and eighty new homes about to be added to the village, now is the time to look to the future and expand the range of local amenities. **The opportunity to buy The George for the community is there for the taking – it will not come again.**

**6**  
The plans for the George are the result of full public consultation including a village-wide survey, two public meetings and ongoing discussions with local traders and other bodies.

**10**  
Our proposals are fully endorsed by The Plunkett Foundation, a leading charitable trust that helps local groups to establish community ventures in rural areas.

**7**  
The George is recognised by the District Council as an Asset of Community Value (ACV). Both FoDDC and the Parish Council support our scheme to save it for the village.

**9**  
No investment is risk-free. We have taken all possible steps to ensure that our share offer is in line with current best practice.

**8**  
Community businesses work – see the successful community shop and café at Brockweir and other community-run projects springing up all over the country.

# Newnham on Severn Community Benefit Society Ltd

**Our vision is for The George to become a lively, welcoming and inclusive space in the heart of the village, offering services, retail space, entertainment and activities for people of all walks of life, ages and abilities.**

Our proposals are set out in detail in the Business Plan. They include:

- An all-day café and bakery
- A gallery and venue for music and live events
- Flexible short-term workspaces for small businesses and start-ups
- A Post Office counter and retail space for cards, gifts, newspapers, magazines and stationery
- Meeting and function rooms for hire.

The café and bakery will be run by paid staff, supported where necessary by volunteers. An elected Management Committee will appoint staff, manage budgets and ensure that the services offered meet the needs of Newnham residents and the wider community.

## About the Society

In order to run a sustainable business we have set ourselves up as a Community Benefit Society. This allows us to raise money by issuing shares, and gives investors the protection of limited liability. In the unlikely event that the business fails or that someone brings a claim for damages against the Society, investors cannot lose more than the amount they originally invested.

Ownership and control of a Community Benefit Society is democratic. By buying a share you automatically become a member of the Society. This entitles you to vote at the Annual Members Meeting (AMM), to receive a copy of the Annual Report and to stand for election to the Management Committee.

Overall control of the Society is through the AMM, and is strictly on the basis of one member one vote – so all members have an equal say, regardless of how many shares they own. Members also have the right to hold the Management Committee to account by calling for a special general meeting if necessary.

Under Financial Conduct Authority (FCA) rules, the assets of the Society cannot be used or sold for private gain. If the business fails, the first option is to transfer ownership of the building to another community group. If this is not possible, the building will be sold, creditors and investors repaid and any money left over made available for other community use.

## The share offer

**As a shareholder, your first question will be: what do I get for my money? You also need to know how a community share offer differs from other types of investment.**

Unlike the usual type of share offer where the aim is to make a profit, in a community share offer the return you get on your investment is an actual amenity that you can use and enjoy. In our case, you stand to gain a thriving café and bakery, a functioning Post Office and shop and all the positive knock-on effects these are likely to have on the local economy. Because the benefit is mainly local we expect most of our shareholders to come from Newnham and surrounding area, but we also welcome investors from further afield.

Community shares need to be seen as a long-term commitment, not as a means to short-term gain. For example, you should *not* expect:

- **An increase in the value of your shares.** The value of your shares stays constant. They cannot be sold or passed on, only withdrawn.
- **Windfall returns.** If the business fails and the property is sold, profits that are made – for example as a result of a general rise in



*The first-floor gallery at The George is airy, light, well-equipped and a perfect space for exhibitions, meetings, and smaller-scale live events.*

*Rules governing the Society are laid down by the Financial Conduct Authority (FCA) and can be read in full on our website. The rules define your rights as an investor and you are advised to study them carefully. Please remember that community shares are a long-term investment and that all investment involves an element of risk. If in doubt, consult a financial adviser.*

property values – cannot go into the pockets of investors. They must be used for the benefit of the community.

- **Investment guarantees.** Community shares are not covered by the Financial Services and Markets Act 2000 and other regulations. *This means that there is no right of complaint to an ombudsman. A Community Benefit Society is registered with, but not authorised by, the FCA and therefore the money paid for shares is not safeguarded by any depositor protection or dispute resolution scheme.*

If the business fails, the building would be sold and shareholders would be reimbursed after all outstanding liabilities had been settled. However, no investment is entirely risk-free, and you need to consider it carefully and if necessary seek independent financial advice.

### Who can buy shares?

Our shares cost £20 each and can be bought by anybody aged 16 years and over. Organisations such as charities and local businesses can invest too. The minimum shareholding is £20 and the maximum is £30,000. The upper limit is designed to protect the Society against shortfalls if a number of investors want to withdraw shares at the same time. You will find more information about share withdrawals overleaf.

Shares can be purchased on behalf of young people under the age of 16. Shares bought on behalf of minors need to be held in the purchaser's name until the young person's 16th birthday, when the shareholding will be automatically transferred to them. Please note that membership entitlements belong to the shareholder; you have only one vote, regardless of how many share applications you may make on behalf of others.

### How do I apply?

A copy of the Share Application Form is enclosed with this prospectus, and copies can be downloaded from our website at [www.noscbs.org](http://www.noscbs.org). Forms are also available by post from the secretary (see back page).

When the share offer is fully subscribed, certificates will be issued to all members. **If our fundraising fails to reach the overall target of £500,000 and we are unable to buy the building, all shareholders will be repaid in full.**

### When can I withdraw my shares?

In order to allow the business to generate a surplus, we need to allow a reasonable length of time before investors can reclaim their shares. By **Year 5** we expect to have generated a sufficient reserve to begin repaying investors. This, however, is only a forecast, and much will depend on our success in attracting grant funding and on trading conditions during our first few years.

Requests to withdraw shares are subject to three months' notice and must be made in writing to the Management Committee. The Committee has the absolute right to refuse a withdrawal request if it would endanger the business – for example, by leaving the Society unable to pay staff or keep up with loan repayments.

If a number of people apply to withdraw their money at the same time, it may not be possible to honour requests straight away. Once funds became available, shareholders will be repaid in the order in which their requests are received.

### Will my shares earn interest?

Community benefit societies sometimes offer a small amount of interest – usually 2% above Base Rate – as an incentive to investors. We do not currently envisage being able to do this. However, the possibility may be raised for discussion at the Annual Members Meeting, and the Management Committee will keep it under review.

### Tax relief

We intend to apply to HMRC for authorisation for Enterprise Investment Scheme (EIS) tax relief, the conditions for which we believe we meet. To qualify for EIS relief the investor must agree to hold their shares for at least three years. If our application is successful, individual UK-based taxpayers will be able to receive 50% tax relief on



Work by local potters on display at the George Gallery

the value of their investment for the first £150,000 of shares invested in the Society, and 30% of the value of the investment thereafter. It is the responsibility of the investor or member to claim this tax relief, which will be dependent on their individual eligibility.

### Risk

As we have made clear, there is always a risk that you could lose all or part of your investment. The worst-case scenario is that the business fails and all the proceeds from the sale of building have to be spent paying off creditors and loans. Although your liability is limited to the value of your shares, this would mean your original capital investment could not be repaid.

We believe this is unlikely for the following reasons:

- Our offer will be based on an independent valuation of the property from a commercial surveyor. We do not intend to pay more than we consider to be a realistic market price.
- The projections in the Business Plan indicate that the business will be profitable and that returns will exceed outgoings by the end of Year 1 and a sufficient surplus will enable share withdrawals to begin by the end of Year 5. If the business fails and no other community enterprise can be found to take over the building, the sale of the property would cover any remaining liabilities.

## The Management Committee

Newnham on Severn Community Benefit Society was originally set up by members of the ReNewnham Steering Group, and the same group make up the current Management Committee. The group will continue to serve until the first Annual Members' Meeting (AMM), which will be held as soon as possible after The George has been purchased.

At the first AMM, members of the current Management Committee must either retire or stand for re-election. Those elected to replace them take office immediately.

Members of the Committee hold office for three years from the date of election, but are allowed to stand for re-election at the end of their term. Members who are co-opted on to the Committee serve for one year only.

### The role of the Committee

The role of the Committee is to ensure that the Society fulfils its business and community objectives.

Specific responsibilities include:

- Ongoing care and maintenance of the building
- Selecting and appointing staff
- Managing the Society's financial affairs
- Drawing up and managing leases
- Advertising for and selecting tenants if required.

The Committee is also required to produce an Annual Report for members, setting out details of the Society's performance over the past year and plans for the year ahead. It must also report once a year to the FCA.

In the first three to five years, the Society will need to focus on repaying loans and building up sufficient reserves to allow shareholders to withdraw their funds. If surplus funds are generated in future, it will be the responsibility of the Committee to decide how they should be spent.

## Committee members



**Siobhan Smith (Chair)** is a former local GP and mother of five and has lived in Newnham for twenty years. A former school governor, she is currently chair of Newnham Fairtrade Committee and sings in the George Choir when time allows.



**Paul Manning (Secretary)** is a freelance editor, writer and graphic designer. A father of three, Paul helps run the local Film Club and Community Library, and is a volunteer at The Grange, one of two local Camphill communities for adults with special needs.



**Sarah Tempest (Treasurer)** is an award-winning BBC radio producer, journalist, PR and Comms specialist. She now works for a not-for-profit social housing company. Sarah has young children and in her spare time helps to run a youth drama group and is quizmaster at the local pub.



**Carolyn Black (Vice Chair)** has worked in the arts for more than twenty years and has extensive experience of curating, fundraising, marketing and project management. She is the founder of Flow Contemporary Arts, which connects people and places in order to show art in unusual locations.



**Linda Love** is a local Parish Councillor and works part-time for the National Trust at Westbury Court Garden. Prior to this she worked for twenty-two years in the Legal and Democratic Services department at Shire Hall, Gloucester.

## Newnham on Severn Community Benefit Society Ltd

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NoSCBS Ltd (register no. 8012) is a limited liability Community Benefit Society (formerly known as an Industrial & Provident Society). It was incorporated in January 2019 and was established using Model Rules developed by The Plunkett Foundation, a charitable trust established in 1919 to promote community enterprises in rural areas.

The Society is a democratic enterprise registered with the Financial Conduct Authority (FCA). The assets of the Society are for the benefit of the community, not for the private gain of members. Should the Society achieve a surplus beyond that required to meet liabilities, improve facilities and ensure the future of the business, this will be made available for distribution to other community or charitable projects.

Copies of the Society's governing document and Share Application Form are available to download from [www.noscbs.org](http://www.noscbs.org) or can be requested from the Secretary (*see below*).

The Society is a democratic organisation that operates on the principle of one member, one vote.

The rules are there to define and protect your rights as a member. You are advised to read them carefully.

Newnham on Severn Community Benefit Society Ltd  
Garden House, High Street, Newnham on Severn, GL14 1BU.  
Secretary: Paul Manning T: (01594) 516259.

[www.noscbs.org](http://www.noscbs.org)

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### The Community Shares Standard Mark

The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice. These standards ensure that:

- The offer document and application form are easy to understand
- You are provided with all the facts you need to make an informed decision
- The facts are supported by the annual accounts and/or business plan for the society
- Nothing in the documents is purposefully incorrect, confusing or misleading

Societies are asked to sign a Code of Practice requiring them, among other things, to give the public a right of complaint to the Community Shares Unit.

For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit, go to [www.communityshares.org.uk](http://www.communityshares.org.uk).