



Heskett Newmarket Community Shop Limited

Share Offer Prospectus 2024

Community Share Offer: 18th June to 31st August 2024

Authorised by the Financial Conduct Authority | Registration number 9295

Hesket Newmarket Community Shop Limited Community Benefit Society

Financial Conduct Authority Registration Number 9295

You are invited to buy shares in Hesket Newmarket Community Shop Limited.

Hesket Newmarket Community Shop Limited (the Society) is a Community Benefit Society which has been set up to buy and run the village shop and post office in Hesket Newmarket. The purchase of the building will preserve it as a community asset in perpetuity, and the shop and post office will be owned by its members and run and developed for the benefit of the whole community.

The current shop owner is retiring and selling the building and the business. If the shop is offered to the market it is highly likely that it will be bought for private development. The village would lose not only the shop and post office, but a historic building in its centre that could be used for the benefit of the whole community.

This document explains how you can become a member of the Society and a part-owner of the shop and post office through our share offer.

Key facts about the Share Offer

Minimum shareholder age:	18 years old
Share price:	£1
Minimum shareholding:	£100
Maximum shareholding:	£25,000
Minimum shares target:	£250,000
Optimum shares target:	£500,000
Maximum shares target:	£500,000
Share offer period:	18th June to 31st August 2024





Why are we doing this?

There has been a shop and post office in Hesket Newmarket for about 200 years and we don't want to lose them! The success of the shop relies on your support. Every share you buy will help to secure the shop and post office for the community.

There is no public transport in the village and the nearest supermarkets are at least an hour's round trip by car, as are the nearest post offices in Wigton and Dalston to the north, and Greystoke to the south. There is a shop in the neighbouring village of Caldbeck, but this does not offer cash withdrawals or a delivery service.

Our shop provides fresh produce and essential supplies for locals and visitors, reducing fuel bills for some and providing an essential service to those without private transport. It offers an outlet for local suppliers of goods and services and helps to keep local cash in the local economy. The shop will also provide jobs and volunteering opportunities for local people, and any profits generated will be re-invested in the community.

The shop ran a successful tearoom for several years until the pandemic. We plan to reopen this within the first year of trading to provide a welcoming meeting place for the community and to attract visitors and people passing through the village, including cyclists on the National Cycle Network route.

We also plan to refurbish the building to provide an accessible meeting room for hire and accessible toilet facilities, providing a hub for other social and business services. We will continue to host the public access defibrillator and undertake to train all staff in basic life support skills. Our longer-term plan includes refurbishing and letting the space above the shop.

We are very proud to already have a community owned pub and a community owned brewery in our village. Our community shop would be the latest link in the social infrastructure which makes Hesket Newmarket an attractive place to live and visit, and fosters our social resilience.



What has happened so far?

We decided to fight for our shop and post office in March this year. We began with a public meeting on 11th March 2024 and followed this with a survey of the wider community of the seven parishes of the Northern Fells area to gauge support for our plans.

There was huge support to proceed, and we shared the findings at our second public meeting on 9th April 2024. We established the legal structure necessary to own and run the shop by registering as a Community Benefit Society with the Financial Conduct Authority on 15th May 2024 and began raising awareness and funds to put our plans in place.

The high level of support for the Society can be seen in letters from officials such as our Members of Parliament

Is it a good business proposition?

We have reviewed the accounts for the shop and post office for the last three years. We have also consulted with the Post Office, who confirmed that they wish to retain a branch in the village and are happy for the current contract to pass to the Society. We have drawn on this and other information from the current business to produce a financial forecast for the next three years. This shows an average turnover of £170,000 with a modest profit, and we believe it is financially viable to run the shop and reopen the tearoom using a combination of paid staff and volunteers.

Buying the building and business and carrying out initial

and our High Sheriff; from well known faces such as Sir Chris Bonington and Lord Inglewood; and from those who care for our community such as our Police and Crime Commissioner, David Allen, and his predecessor, Peter McCall; our local surgery and primary school in Caldbeck; local businesses, and religious and community groups.

It is also evident in the high level of financial support we have received from the community in share pledges and immediate donations. We have raised around £5,500 so far in donations which has paid for our Society registration, marketing costs and various professional fees, including the premises and business valuations and the structural survey.

refurbishments will cost in the region of £500,000. We've set a minimum share target of £250,000 for this share offer and plan to raise the remainder through grant funding bids. If we do not reach this minimum share target or if we are not successful in our fundraising bids, then we will need to make up the shortfall through donations or consider taking out a loan in order for the project to succeed. Our rules allow us to borrow, but this would be a last resort.

While the shop's historic financial information is confidential, our financial forecast and business plan is available on our website or by hard copy on request.

What exactly is a Community Benefit Society or CBS?

A CBS is a legal organisation set up under the Co-operative and Community Benefit Societies Act 2014 and registered with the Financial Conduct Authority (FCA). Our registration number is 9295 and you can find us on the FCA's register of mutuals at <https://www.mutuals.fca.org.uk>.

We registered using model rules developed by the Plunkett Foundation, a national charity which helps groups set up community-owned businesses. These rules set out the way we are owned, organised, and governed. For example, we are required to present audited annual accounts to members at an Annual General Meeting and to provide annual returns to the FCA. The Society's rules are available on the register, on

our website or by hard copy on request.

A CBS is owned by the community and run on a democratic basis with each member having one vote.

The Society is overseen by a Management Committee, voted for by the members. The first Management Committee is made up of those who registered the Society with the FCA, who are: Philippa Groves (Chair), Simon Hewitt (Vice-chair), Martin Woodham (Treasurer), Michelle Boundy (Secretary), Martin Nicholson, Helena Davies, and John Brown. Biographies of the Committee are available on our website. A new Management Committee will be elected by the members at the first Annual General Meeting of the Society.

What exactly is a community share?

A community share is a long-term investment in a CBS. In exchange for buying shares, you become a member of the society and a co-owner of the society's assets. Community shares are different to shares offered by limited companies. They are non-transferable and so cannot be sold, and they cannot increase or decrease in value. What you put in is what you can take out again, though withdrawal of the shares is subject to the following:

- The shares available through this offer must remain in the Society for three years from the date of issue;
- After three years the shares are withdrawable at the discretion of the Management Committee and in accordance with the Society's rules;
- Withdrawal of shares will only be allowed if retained profits exceed the value of the shares involved and if the Society can afford to return the shares and meet all its financial obligations.

It is unlikely that there will be enough money available to cover any large-scale withdrawal of shares in the

early years of community ownership, whether by a single shareholder or several. These community shares should therefore be considered as a long term, or even permanent, investment in the community.

CBSs do not pay dividends to members. They exist for the good of the wider community, not just for the benefit of members. The Society may, however, pay interest on shares though it is unlikely that we will have built up enough reserves in the early years of trading to make it financially viable to offer an interest payment. If we reach this point, the interest rate will be recommended by the Management Committee on an annual basis and approved by members at the AGM, in accordance with the Society's rules.

It is important to note that although a CBS is registered with the FCA it is not regulated in the same way listed companies are and member shares are not protected. You are also not entitled to any compensation for the loss of your shares through any depositor protection scheme, such as the FCA's Financial Services Compensation Scheme, and you cannot bring a complaint about the Society to the Financial Ombudsman Service.

Am I at risk of losing the money I put into community shares?

No investment is entirely risk free and, due to the restrictions on withdrawals that are outlined above, you will not be able to withdraw your investment for at least three years, potentially longer. However, we plan to use the shares to buy the shop building and believe that this provides a level of comfort that we can return your shares if things do not go according to plan. This is not a guarantee and if you have concerns you should seek financial advice specific to your circumstances.

The shares will be set aside to buy the building and will not be used to support the project itself. We will continue to rely on donations to do this. If we do not raise enough money to buy the shop between the shares and any grant funding, then we will return everyone's shares and

close the Society. If we raise enough money to proceed, and if the business is not successful in later years, we will wind-up the business, sell the premises, pay any creditors, and return everyone's shares and close the Society.

The assets of the Society have to be used, directly or indirectly, for a purpose that is for the benefit of the community. This means that once we buy the shop building and business, it cannot be sold for private gain. This locks the assets into the community. Even if the Society closes in later years, the assets, or the residual value of the assets, will remain with the community forever.

What is the Hesket Newmarket Community Shop share offer?

We welcome everyone over the age of 18 to become a member of the Society. You become a member by buying 100 shares, worth £100, and the maximum shareholding an individual can have via this share offer is £25,000. As a member, you will receive a share certificate, and will have a vote in any ballots cast at the Society's general meetings.

We purposefully kept the minimum shareholding low to ensure that the share offer is as inclusive as possible. We set a maximum share value to limit any potential influence that having a large shareholding could

provide. To enable us to succeed in saving the shop and post office for the community, we really need as many people as possible to invest what they can.

This offer will open on 18th of June 2024 and close on the 31st of August 2024. It is open to everyone, whether they live nearby or far afield, whether they use the shop regularly or once in a lifetime.

We are aiming to raise at least £250,000 with this share offer, and our optimum target is £500,000. This would enable us to buy the shop without depending on grant funding or generous donors.



How do I purchase shares?

We need some information from you to accept you as a member. This includes personal details such as your name and address and the details of whoever you wish to inherit your shares in the event of your death. You'll need to complete a membership form which is set out on the last page of this document, available in hardcopy at the shop or to download from our website. We are happy to send this to you by email or post on request.

If you chose to buy the minimum amount of £100 worth of shares and it is easier for you to pay this in instalments over a year, please let us know and we will arrange this. We are required by law to draw up and manage a list of members, their shareholding, and their chosen beneficiary. Members can ask to see the full list of members' names and addresses but not anyone else's

shareholding or their beneficiary.

Our rules do not allow for joint or group membership. This is because each member has one vote irrespective of shareholding. However, you can include other names on your membership as long as they are eligible members (in other words are over 18 years of age) but voting rights will remain with you alone. You can hold shares for people under the age of 18 by including them in your membership as beneficiaries.

Please let us know when they come of age and we can set up a membership for them in their own right. Please send your completed membership application form to the Society's registered address (see below) or care of the Heskett Newmarket Post Office.

We bank with the Co-operative Bank. You can pay for your shares direct via bank transfer to the below account or by cash or cheque at the Heskett Newmarket Post Office. You can also send cheques to the registered address.

Account name: Heskett Newmarket Community Shop
Account: 67353664
Sort code: 08-92-99
Reference: Heskett shares

Contacts & Links

Registered office:

Heskett Newmarket Community Shop
Toppin House,
Millhouse,
Heskett Newmarket,
Wigton
CA7 8HR

Telephone contacts:

Philippa Groves (Chair)	07557 913183
Simon Hewitt (Vice-chair)	07585 973759
Martin Woodham (Treasurer)	07710 097868
Michelle Boundy (Secretary)	07717 224152

Email: heskettmshop@gmail.com

Website: www.heskettnewmarket-communityshop.co.uk



Hesket Newmarket Community Shop Limited

Community Benefit Society

Financial Conduct Authority Registration Number 9295

Membership Application Form

Name	
Address	
Email	
Telephone	

If you wish to buy shares together with one or more people, please include all names and indicate who is the primary shareholder. Only the primary shareholder will be able to cast a vote in Society ballots and all communication will be through them.

Beneficiary name(s)	
Address	

If you wish to nominate one or more people to receive your shareholding in the event of your death, or if you wish to hold shares for people under 18 years of age, please let us know here.

I wish to purchase _____ shares at £1 each amounting to a total of £_____ (Minimum shareholding £100, maximum £25,000)	
Signature: _____	Date: _____

We are legally required to retain your information on a members' register. We will use this to manage your membership of the Society, including sending you information about Society activities and events. We will not share your information with third parties for any other purpose. Any member of the Society can view a list of members and their addresses but cannot access information about others' shareholdings or beneficiaries. Please see our website for our Privacy Policy or request a copy.