Newnham on Severn Community Benefit Society Ltd

THE GEORGE, NEWNHAM

SHARE OFFER PROSPECTUS 2022

Newnham on Severn Community Benefit Society (NoSCBS) Ltd

Registered address:
Garden House, High Street, Newnham on Severn, GL14 1BU.
Secretary: Paul Manning  T: (01594) 516259. E: paulmanning54@gmail.com

www.noscbs.org

**About our Project**

The aim of the community share scheme is to raise funds to enable NoSCBS Ltd to buy The George in Newnham on Severn and convert it to a multi-use community hub. In addition to the money raised from shares, we also seek funding through donations, sponsorship from local businesses and grants.

The table below shows our initial spending plans.

Purchase of building £300,000\*

Repair and refurbishment £45,000

Capital costs (e.g. kitchen and office equipment) £45,000

Contingencies £10,000

**Total £400,000**

\*This is an estimated cost. Our offer will be based on an independent valuation of the property by a commercial surveyor and strictly on what we consider to be a realistic market price.

Our vision for The George

We want The George to be a lively, welcoming and inclusive space in the heart of the village, offering services, employment, cultural events and activities for local people and visitors to the area.

Our proposals 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
* Meeting and function rooms for hire.

The café and bakery will be run by paid staff, supported by local 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.

We believe that Newnham needs a central daytime meeting place that is family-friendly and inviting. By re-establishing the George as a community business we aim to:

* Boost the local economy and improve footfall for other local businesses
* Put life back into the High Street
* Create jobs and training opportunities for young people
* Support homeworkers and new business start-ups
* Combat loneliness and isolation
* Attract visitors to the village and surrounding area
* Help tackle the effects of climate change
* Build a stronger, more resilient community

Our proposals are fully supported by The Plunkett Foundation, a leading charitable trust that helps local groups establish community ventures in rural areas. Our share scheme has been fully vetted by the independent Community Shares Unit, and is fully in line with current best practice.

About NoSCBS Ltd

NoSCBS Ltd (register no. 8012) is a limited liability Community Benefit Society (formerly known as an Industrial & Provident Society).

The Society is a democratic body registered with the Financial Conduct Authority (FCA). Control is exercised by members on the principle of one member, one vote. The assets of the Society are for the benefit of the community, not for the private gain of members. If the Society achieves a surplus beyond that required to meet liabilities, improve facilities and ensure the future of the business, this will be made available for other community or charitable projects.

Copies of the Society’s governing document and Share Application Form are available to download from www.noscbs.org or can be requested from the Secretary (see contact details below). The rules are there to define and protect your rights as a member. You are advised to read them carefully.

The share offer

As a community shareholder, you can play a real part in shaping the development of The George as an asset for everybody in the village to use and enjoy. But you also need to be aware that community shares are a long-term investment and carry an element of risk.

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 to others, 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 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.

***Rules governing the Society are laid down by the Financial Conduct Authority (FCA) and can be read in full on our website at www.noscbs.org. The rules define your rights as an investor and you are advised to study them carefully.***

**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 below.

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 sixteenth 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. Forms are also available by post from the secretary of the Society.

Your share application form needs to be completed and returned to the secretary. You will then be sent a share certificate as proof of your membership by email. This should be printed and kept in a safe place.

**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 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.

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.

**Risk**

Investing in our project is not risk-free. 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 for The George 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.
* Our latest projections indicate that the business will gradually move into profit in Year 2 and that 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 should cover any remaining liabilities.

The Management Committee

Newnham on Severn Community Benefit Society is run by volunteers who are elected at the Annual Members’ Meeting (AMM). Details of the current Management Committee members can be found on the society’s website at the ww.noscbs.org.

Members of the Management 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. Co-opted members serve for one year only and must be formally elected at the next AMM.

**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.

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

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.