

OGWELL COMMUNITY HUB LTD

SHARE OFFER PROSPECTUS



SHARES AVAILABLE

18th APRIL 2024 – 30th JUNE 2024

£25 per share

AN INVESTMENT IN OUR COMMUNITY

www.ogwell.shop

Ogwell Community Hub Ltd is a registered society under the Co-operative and Community Benefit Societies Act 2014

Registered with the Financial Conduct Authority: Registered No: 8648

THE MISSION OF OGWELL COMMUNITY HUB LTD

To reinstate and run an economically viable and sustainable village shop owned and managed by the community, which is mainly staffed by local volunteers and operates exclusively for the benefit of the community.

The shop will provide an attractive, welcoming and valued focal point for the village, servicing and actively supporting the community and its visitors.

OFFER SUMMARY

The offer opens on 18th April 2024 and closes on 30th June 2024 or when the maximum target is reached, whichever is sooner. The Management Committee reserve the right to extend the offer beyond this initial period if they believe doing so would benefit the share issue.

The Community Benefit Society is seeking £75,000 from the sale of community shares in Ogwell Community Hub Ltd to re-establish the village shop.

The minimum investment is £25 and the maximum is £10,000 per person.

This offer is not protected by the Financial Services Compensation Scheme and investors have no recourse to an ombudsman. You should only ever invest as much as you are prepared to lose.

This share offer document:

Outlines what we are seeking to do and why we think this matters to our community.

Explains the community share offer and provides information about Ogwell Community Hub Limited.

Invites you to become a member of Ogwell Community Hub Limited.

Has been produced by and is endorsed by the management committee of Ogwell Community Hub Limited.

A 'COMMUNITY SHOP' FOR OGWELL

The Oghwell Neighbourhood Plan, voted on by the residents in 2018, included an aim to restore a shop to the village.

Since September 2019 there has been work in the background by several Groups seeking to bring this vision to reality. The Global Pandemic paused that activity, but after restrictions were lifted, an application was made to create a Community Benefit Society (CBS) called Oghwell Community Hub Ltd (OCH Ltd), a "not for profit" commercial organisation. However, all options for a shop venue available at that time were exhausted and work ceased in late 2021.

In autumn 2023, an approach to the owners of the former shop, alongside a community survey of interest in the shop project, started further discussions and led to the formation of a new Oghwell Shop Steering Group.

By the beginning of 2024, we started working with the Plunkett Foundation, a leading national charity specialising in supporting community businesses. We also formalised the management structure and formed the OCH Ltd Committee.

In taking the project forward, the Committee has been encouraged by the extent of the enthusiasm that exists in the village for its own community shop. Offers of support have taken many forms and, crucially, given the nature of a community shop, a significant number of residents have expressed the wish to volunteer in setting up and running the shop.

1 ABBOTSRIDGE DRIVE

With the agreement of the current owner, **we intend to buy the entire freehold of the property for the benefit of the community.** We aim to create a true community asset; a shop staffed by volunteers guided by a part-time manager employed by OCH Ltd with the potential for

a small café element and meeting space. We will apply for a government grant, which will cover the bulk of the purchase, refurbishment costs and initial stock. But the terms of this grant also require us to contribute as a community, so **we will need to raise significant funds through this share offer.**

We intend to retain the accommodation spaces of the property and will initially let these out to provide an additional income stream for the venture. Follow-on phases of the project may see conversion of the flat to commercial use to further benefit the community, but this will be dependent on the future financial position and planning approval.

Our aim is to secure the sustainability of the business for the future, create a focal point for village life, boosting the local economy and sense of community.

THE JOLLY SAILOR PUB

Whilst Heavitree Brewery are in active discussions with a range of national and consultees and the local authority regarding the future of the Jolly Sailor premises, it is highly likely that redevelopment will be a long-term activity. Whilst there is large enough space to establish a shop and good-sized café in a rebuilt building, due to timing we view this opportunity as a later phase of our project and that success with the Abbotsridge Shop is the priority.

A DISTINCTIVE WAY OF RUNNING A BUSINESS

A community shop means community control: it is a business that is owned, managed and staffed by the community where it is located and trades. The community makes the shop sustainable by providing finance and volunteer staff. The community is also the core customer base of the shop.

When a community shop trades as a Community Benefit Society (CBS) registered with the Financial Conduct Authority, its members – those people who have bought shares in the CBS – enjoy limited liability in much the same way as company shareholders do. However, CBSs are unique legal business structures, as profits can only be used for the benefit of the community. This means that those involved in a community shop trading as a CBS, whether through financing, as volunteers or as customers, are contributing directly to their community.

THE POSITIVE IMPACT OF A COMMUNITY SHOP

In late 2023 we ran a community survey asking what a local shop should provide. From that we were told we should aim to offer a good mix of everyday value staple items plus a wide range of locally sourced products including fresh items. We have investigated a Post Office operation, but the complexities mean we will only consider this once we have established the shop, however the site presents an opportunity to create a safe drop-off and collection service for other national couriers. There is already good and reliable delivery of papers and magazines to the village daily, so we do not intend to impact their business. For Lottery tickets, it is now easy to buy these online.

In addition to selling the things that the community says it wants to buy, there are other benefits to a community shop:

- Support for the local economy by selling local goods and produce.
- A local retail outlet for people who find it difficult to travel further afield.
- Opportunities for employment, volunteering and work experience.
- Lower environmental impact through reduction in vehicle journeys and food miles.

- It is widely accepted that the presence of a village shop, together with other local services, enhances house prices in the local community.

IS A COMMUNITY SHOP VIABLE?

Some people ask whether the shop will be viable as a business. The straight-forward answer is that its success will depend on how much you use it – use it or lose it....again!

“Community shops are resilient forms of business – the success rate of community shops is 95%, compared to the average small business rate which is 46%.”

Plunkett Foundation, 2015



MAKING THE COMMUNITY SHOP A REALITY

Re-opening the Abbotsridge property as a community shop will create a community resource for everyone and this is now closer to reality. The work that has gone into the project in recent months now means:

- Ogwell Community Hub Ltd has been registered with the Financial Conduct Authority as a CBS, so it now has legal standing and a formal set of rules.
- The community, in questionnaire replies, has told us what sorts of goods and services it would like its shop to offer.
- More than 70 Ogwell residents have indicated their willingness to volunteer with the shop.

- Sufficient funding has been raised to cover the costs of a property valuation, architect services and legal fees.
- The current owner has agreed in principle to offer the freehold of the property for purchase by OCH Ltd, subject to contract.
- A business plan has been prepared to outline the costs of refurbishing the shop and getting the business trading.
- A bid to the Government Community Ownership Fund (COF) has been prepared and will be submitted in mid-May. If successful, this will provide the bulk (80%) of the funding required to purchase, repair/renovate the property and buy initial stock.

WHY BUY AND NOT LEASE?

We have considered both options very carefully and conclude that purchase provides significant advantages such as:

- Owning the property enables effective long-term planning and development.
- Leasing the flat above the shop generates a rental income which can offset overheads.
- Equity will be created over time which can be utilised for other community projects.
- Avoids rent payments on the shop benefitting 3rd parties.
- Applications to COF for property purchase are more likely to succeed.

TIMESCALE

All being well, we believe we can have the shop up and running by November 2024, but this timetable is heavily contingent on being successful with the share issue, the COF application and being able to proceed with the purchase of the 1 Abbotsridge Drive.

WHAT HAPPENS NOW?

In short, we need to raise the money to refurbish the premises and get the shop up and running.

HOW MUCH DO WE NEED TO RAISE?

We estimate that it will cost around £400,000 (including VAT) to purchase the property, renovate the shop and accommodation and open the shop for trading.

The COF funding of about £320,000 will, however, only be made available if the community is able to raise the remaining 20% “match funding”. This means we need to raise money from residents and local businesses through the sale of community shares and **we have set this target at £75,000**. This figure may, to some, seem out of our reach – but there are just over 1,100 households in Ogwell Parish, and we hope the majority will buy more than one share.

We estimate other fund-raising activities will raise a further £5,000 and we also are to negotiating a low-cost commercial loan from the Public Works Loan Board through Ogwell Parish Council to cover any shortfall.

The success of the offer of shares to the community, though, is the fundamental element. Without this we simply cannot proceed.

THE SHARE OFFER

This is an offer to apply for ‘**withdrawable community shares**’, which are a special form of share available only to co-operatives and CBSs’ like ours. They are a way of raising finance, especially start-up finance, for community projects.

This share offer gives local people and organisations the opportunity to invest in their community.

Single shares have been priced to make the offer inclusive for the whole community, but the more people who are able to invest the more likely it is that we will be able to open the shop.

TERMS AND CONDITIONS

As these shares are raising funds for a community project they are offered on a 'not for profit' basis.

The offer opens on 18 April 2024 and closes on 30 June 2024. The closure date may be extended by up to one month if the amount required has not been raised. Share certificates will be issued when the offer has formally closed.

The shares being offered are in Ogwell Community Hub Ltd, a CBS registered with the Financial Conduct Authority.

Anyone aged 16 or over can own shares and can be bought by individuals, held in the name of families, smaller groups such as a club or a company. Shares purchased by companies or legally incorporated bodies are the property of that company, but shares bought by families or groups are technically owned by the named person, on behalf of the group.

A single share costs £25. The minimum purchase is one share **BUT** we need as many of those that can afford it to buy £100 worth or more. The maximum investment permitted by law is £100,000, however we recommend no investment is greater than £10,000.

PLEASE BE AS GENEROUS AS YOU CAN.

Shares will be allocated on a first come, first served basis and this offer will close when the target is reached. However, we will continue to welcome future applications to become a member in the society on an ongoing basis by buying a single share and will also set up a waiting list of supporters who want to buy more shares.

If we do not achieve the minimum target for this share offer or we cannot start the project with confidence for some other reason, then we will not proceed, and all monies raised through the share offer will be returned.

MORE INFORMATION ABOUT SHARES AND THE RISKS

By buying at least one share, you become a member of Ogwell Community Hub Ltd. You will be entitled to vote at the Annual Members' Meeting (AMM) and to stand for election to the Management Committee.

Voting is on a 'one member, one vote' basis. This means each member's vote has the same weight, irrespective of the size of the shareholding.

You are not being asked to pay an annual subscription. All shareholders are members from the point they invest, until they cease to be a member by either resigning from membership or withdrawing their shares with the agreement of the Management Committee.

Withdrawable Community Shares are subject to an "asset lock" which means they can only be sold back to the CBS, cannot be traded and are not transferable, except on death or bankruptcy. They can, however, be left to an individual named in your will, or they can be bequeathed to the CBS. Shares must be held for a minimum of three years. After that period, a member may apply, by giving three months' notice to the Management Committee, to withdraw some or all of their shares and to have the original purchase price returned. Withdrawal is at the discretion of the Management Committee and depends on such things as profitability, available reserves and the long-term interests of the organisation and community.

It is unlikely there will be sufficient funds available to cover any large-scale withdrawal of shares in the medium term.

You are encouraged to think of your shares as a long-term or permanent investment in the community.

If you already anticipate needing to withdraw your investment within three years, you should reconsider whether this share offer is the right investment for you.

As the shares are in a CBS, they will not go up in value and will not entitle you to any share in the profits. The Society **may** decide to pay members interest if there are sufficient reserves and cash to do so and trading conditions allow.

The rate of interest to be paid is to be approved at the annual members' meeting but will not exceed 5% or 2% above the base rate of the Bank of England, whichever is the greater. It is unlikely that any interest payments will be possible until the shop has traded for at least 3 years.

The real 'return' on the shares is the value to our community of having a sustainable village shop.

If the business is sold or closed, after settling any outstanding liabilities, members may be paid up to the value of their original investment and any surplus would be paid to a charitable community body in the local area. You could lose some or all of the entire value of your investment if there are insufficient funds to repay members. However, your liability is limited to the amount that you have paid for your shares.

Your shares may be eligible for tax relief under the Enterprise Investment Scheme. Details can be found at [Enterprise Investment Scheme – Income Tax relief \(Self Assessment helpsheet HS341\) - GOV.UK \(www.gov.uk\)](#) You should seek independent

financial advice if considering this course of action. It is the responsibility of each investor to make their own enquiries and satisfy themselves as to their eligibility for any tax relief.

RISKS

We have identified a number of risk factors for the business. These include:

- Inadequate funding i.e. failure to raise sufficient capital at the outset.
- Dependency on a volunteer workforce.
- Failure to achieve the predicted level of turnover on an ongoing basis.

This list is not comprehensive, and any trading activity is vulnerable to changing or unanticipated risk.

You need to be aware that you could lose some or all of your investment if the shop fails. Community shares are not protected by the government's Financial Services Compensation Scheme and there is no right to complain to the Financial Services Ombudsman. Therefore, the money you pay for shares is not safeguarded by any depositor protection scheme or dispute resolution scheme.

BUSINESS PLAN

The Committee has prepared a Business Plan for the community shop. This plan provides the rationale for re-opening the shop and covers such things as:

- Market and competition analysis
- Goods and services to be offered
- Marketing and publicity
- Staffing and preferred opening times
- Timescales and risks

- Legal structure and governance

Importantly, the Business Plan also provides a researched assessment of profit and loss forecast.

An abridged summary of forecasts for the first three full years of trading are shown in the table below:

	2025	2026	2027
SALES	£150,000	£157,500	£165,000
COST OF SALES	(£112,500)	(£118,125)	(£123,750)
FLAT RENTAL	£9000	£9000	£9000
GROSS PROFIT	£46,500	£48,375	£50,250
EXPENDITURE	(£37,330)	(£39,520)	(£41,175)
PROFIT/(LOSS) BEFORE TAX	£9,170	£8,855	£9,075

You will note we forecast that the shop will break even and we will generate a modest profit throughout the period through letting the flat. We intend to retain these profits to create a prudent reserve of around £15,000 to provide resilience against future business downturns or unforeseen events. Surpluses achieved thereafter will be used for further improvements to the shop, potential interest payments to members and wider community benefits.

You can view and download the Business Plan at www.ogwell.shop

THE COMMITTEE

Chair	Paul Martin
Vice-Chair	Mary Elkington
Treasurer	Steve Reynolds
	Alex Fitton
	Stella Llewelyn
	Ruth Maker
	Stuart Robinson

The Committee is highly motivated to make the shop a success. We have a range of relevant experience and skills, including successful entrepreneurship, business development, fundraising, financial management, administration, communications, and staff training.

Our biographies can be found in the Business Plan.

All Committee members are Ogwell residents and will be investors in shares at a level appropriate to their means.

GOVERNANCE RULES

The Committee has adopted the Plunkett Foundation's code of conduct for Management Committees. Again, this can be found at www.ogwell.shop

The first Management Committee will serve until the first Annual Members' Meeting, when an elected Committee will be appointed.

WHO TO CONTACT ABOUT THIS OFFER

If you have any questions about the offer or want to obtain any documents, please contact:

Email:

ogwellcommunityhubltd@gmail.com

Thank you for your support.



APPLICATION FOR THE PURCHASE OF SHARES IN OGWELL COMMUNITY HUB LTD

A single share costs £25. The minimum number of shares a person or organisation can buy is one share and the maximum investment is £10,000.

Full name	
Address	
Post code	
Phone	
Email	
Number of shares applied for	

AGREEMENT

- I have read the share offer document.
- I wish to become a member of Ogwell Community Hub Ltd.
- I am 16 years of age or over.
- I agree to be bound by the rules of Ogwell Community Hub Ltd.
- If I have provided an email address, I consent to receiving formal notices by email and links to formal documents on the Ogwell Community Hub Ltd's website www.ogwell.shop

DATA PROTECTION

By buying these shares, I agree to all the information disclosed here being held on a database in compliance with the General Data Protection Regulation (GDPR). I understand that this information will be used by OCH Ltd only and will not be passed to 3rd parties.

Signature

Date

METHOD OF PAYMENT (please tick as appropriate)

- I have enclosed a cheque made payable to Ogwell Community Hub Ltd
- I have paid by bank transfer to The Cooperative Bank, Account name: Ogwell Community Hub Ltd, Sort Code: 08-92-99, Account no: 67344107, Ref: Your name + "Shares".

Please send your completed and signed application form to Ogwell Community Hub Ltd, 4 Sunny Hollow, Ogwell, Newton Abbot, TQ12 6AN or (if you have paid by bank transfer) you may also scan and email your signed application form to ogwellcommunityhubltd@gmail.com