



2023 Share Offer

FREQUENTLY ASKED QUESTIONS ABOUT COMMUNITY SHARES

Before deciding to invest, please consider seeking independent advice. If you need further information on the project itself, please do not hesitate to contact any member of the Management Committee.

Why should I become a member?

North Molton Community Shop Limited is a business that will be run by the community, for the community. The success of the shop relies on the support of local people and we would encourage as many people as possible to become shareholders and therefore part owners of the business.

Who will benefit from this venture?

The community of North Molton Village and Parish and the surrounding locality will benefit directly from owning a village shop. It will continue to be run for the benefit of the community and surplus profits will be available for distribution for social, environmental and charitable purposes within the community – nominated by its members.

Is it a good business proposition?

The community shop model has proved itself to be very robust. Based on information provided by the Plunkett Foundation out of a total of over 400 there is a 92% success rate and it is well proven that communities that work together to set up such a venture will support it in the future.

Who is the Management Committee? Can I trust them and do they have a personal interest?

The Management Committee making this share offer is a group of volunteers who believe passionately in reopening the shop. They do not have any personal financial interest in this project beyond the amount they have invested themselves.

Going forward, at the first AGM of the Society, which will be held by September 2024, but not before March 2024, the current Committee will stand down, and whilst some of the the current Committee may offer themselves up for re-election this will allow the Members of the Society (shareholders) to vote in a new Committee. Any member of the Society can stand for election.

Who will run the shop and the Society?

The shop will be operated by a Manager and volunteers, and all the takings in the shop & café will go into the Society's bank account, they do not get passed to the society from somewhere or someone else.

The Management Committee will employ and line manage the Manager, and the Manager will report to the Committee and also be responsible for the volunteers

Stocks and decisions on stock levels will be decided by North Molton Community Shop Limited. The Society is run by the Management Committee which is selected each year by Member vote at the Annual General Meeting.

What voting rights do I have as a Shareholder?

In a Community Benefit Society the rule is one member, one vote. So no matter how large or small your shareholding, you have an equal voice. If somebody invests £5,000 they have no more of a say than somebody who purchases the minimum shareholding of 10 shares (£10.00).

Are there any restrictions to becoming a member?

Members must be aged 18 or over. There is no requirement to be resident in the community. Membership is also open to corporate bodies.

How much may I invest? What is the minimum and maximum I can invest in the North Molton Community Shop?

The minimum amount is £1.00 for a single share, with the minimum share purchase of 10 shares (£10.00). The maximum shareholding for any individual or organisation has been set by the Committee at £14, 000, which is no more than 20% of the maximum total share capital of the society.

However, as detailed in our model rules which are on our website, only one vote is obtained irrespective of the number of shares purchased. You can also make donations or provide medium term loans that do not provide voting rights.

Can I invest in instalments?

No. This is a cash offer. Anyone will be able to become a member with a holding of our minimum purchase of 10 x £1.00 share(s). Once you have purchased a share you may increase the number shares held at any time, subject to not holding more £14, 000 of this share offer.

What is my liability should I invest?

Your liability is limited to the value of your shares. For example, if you purchased £100 worth of shares then your maximum liability would be the £100 you invested in your shares.

Will my investment increase in value?

Shares can go down in value, but they cannot increase in value above their original price.

Will my investment remain confidential?

We will keep a Members' Register; the Membership Register, as a list of names of shareholders. Individual allocation of shares purchased will be held separately in a password controlled, confidential environment. As in a private company, shareholders are entitled to request to view a list of Members and their addresses but not shareholdings or others details held. They can do so by contacting the Secretary.

All personal data on your completed form will be processed in accordance with our Data Protection Policy which is available at www.northmoltonshop.com

Can I sell my shares?

These shares cannot be sold to third parties. They are a special type of share known as Community Share. The only way to recover their value is to apply to withdraw your shares from the community venture itself (after an initial three year period).

How can I get my money back if and when I need it?

You can apply to the Management Committee to withdraw your shares, giving three months' notice after an initial three year period from share purchase. Withdrawals are at the discretion of the Management Committee who will judge if the business is trading profitably enough to allow withdrawals. Withdrawals will be paid from trading surpluses or from a new share offer. Full details are shown in the Society's Rules, section 8.

Is my money safe?

Your money will be cared for prudently by the Management Committee but there is no absolute guarantee of safety. Annual accounts of the business and regular reports on the state of the business will be available on request at any time and submitted to members at the AGM, and also submitted to the Financial Conduct Authority annually.

How we shall hold your money

We will email you to acknowledge your application and confirm payment has been received and banked. Your investment will be held on deposit until either the minimum share offer is achieved, or the lease for the shop is signed, whichever is the sooner, and at that point we will issue your share certificate and your membership becomes effective. If your application is declined then we will contact you to discuss the reason. Reasons may include incomplete application form, age restriction, multiple applications from the same person, declined payment, reducing applications over the maximum amount (£14,000).

What redress do I have if the business fails and I lose the value of my shares?

The sale of community shares is not regulated and therefore there is no right of complaint to the Financial Ombudsman, nor can you apply to the Financial Services Compensation Scheme. By regular updates to the village and prudent management, it is intended that the business will remain viable. Should any financial issues arise we will inform you at the earliest occasion and call a General Meeting of the Society.

Can I lose some or all of this investment?

Potentially you can lose everything you invest in a community share offer – it cannot be viewed in the same way as an investing in some other businesses. If the enterprise isn't successful then we would clearly have to cease trading. To avoid this situation the residents need to support the venture by using the shop on a regular basis in order to make it viable.

Why have you further extended the offer close date

The share offer was originally planned to close by the 14th January 2024. However, post Christmas and the New Year we started to receive a lot more enquires about offer, and also feedback that having a potential opening date would help people decide. Therefore to allow people more time, and the opportunity to announce an opening date by then, as allowed in the terms and conditions, we made the decision to extend the offer up to the 14th March 2024. As we are still receiving enquires and application forms, and have not yet signed the lease, we have decided to extend the offer one further month until 14th April 2024, the maximum allowed for within the Terms and Conditions. The offer will close on this date, as no further extension is allowed.