

# Community Shares

Need  
funding?

#OwnedByTheCrowd

Case study

## Hastings Pier

Hastings Pier changed history with the power of the crowd when they became the first pier in the UK to be owned by their community.

The team raised £590,000 through an innovative community share issue after the pier was devastated by a catastrophic fire in 2010.

They'd raised £13 million from the Lottery to ensure it survived but needed their own capital to place attractions on the pier that would make it thrive and become a bustling community space once again.

A lot of money was needed, so they re-invented themselves as a Charitable Community Benefit Society and worked hard on creating a community share offer.

The team reached out to their community and received a staggering amount of support and funding from their investors to secure the future of their pier - a real success story showing just what can happen when the crowd comes together.

OVER 3,000  
PEOPLE INVESTED  
TWO-THIRDS OF  
INVESTORS WERE  
LOCAL  
£590,000  
RAISED



# Introduction

“ Here at Crowdfunder we are dedicated to helping communities come together to make their great ideas a reality. Our crowdfunders have had incredible success using rewards-based crowdfunding.

We are delighted to be enabling communities to take the next step in funding by offering community shares in partnership with The Community Shares Company. ”

**Phil Geraghty, MD**  
**Crowdfunder.co.uk**

“ Community shares have helped groups all over the UK raise millions of pounds by selling shares to their supporters. Now, through the partnership between Crowdfunder and The Community Shares Company it's easier than ever for you to do the same. ”

**Dave Boyle, Founder**  
**The Community Shares Company**

# What are community shares?

Community shares are a way to raise money by offering your community a chance to own shares in your organisation.

Community shares are usually about more than just profit - they work best for people who want to get involved and support a cause or a project they really care about, often because it has a positive social impact for the community it serves.



# Why community shares?

Is there a project in your area – perhaps a pub, the local shop, a housing project, even a wind turbine – that could benefit your community, but needs money to become a reality?

This is where community shares can help. The community can unite to buy shares, and enable the project to become sustainable. Community shares don't have to be large investments, shares can start at £50 or even lower, and people can come together to make an investment.

Research shows that people often use their savings pots to invest in community shares, because it's a long-term investment, not a donation. This means the average investment in community shares is around eight times higher than what people would normally donate.

It's important to know that community shares don't produce dividends for shareholders, but shareholders may get interest payments and their investment might be repaid to them later if the enterprise is doing really well.

Often a community share issue unlocks lots of additional support and help because shareholders have invested and become its greatest advocates – you can create a volunteer army at the same time as raising the money you need!

# What makes the perfect community share issue?

Community shares are a great fundraising solution for community businesses, charities and organisations. Read on to learn more...



$$1 + 2 + 3 =$$

If you answered YES to all three questions, you need to find out more about community shares...



Case study

## The Bevy

When the people of Bevendean and Moulescoomb near Brighton were awarded the lease on the empty shell of their local pub, they had a huge mountain to climb to get it back in business.

The pub is located on a council estate and was closed in 2010 on police advice, leaving 18,000 residents four miles away from the nearest pub - that's a long way to walk for a pint and a chat!

The community group were successful in working together to secure the lease but they needed £200k to refit the building and turn it back into the pub the community wanted and needed.

After issuing their exciting community share offer the team reached their ambitious target thanks to the help and support of the crowd, and in doing so secured SEIS tax relief, which meant investors could claim back half of their investment if they paid tax.

The beers were on them when they opened their doors and pulled their first pint in December 2014.



OVER 700  
PEOPLE INVESTED  
ONLY £10 A SHARE  
GAVE FUNDERS CONFIDENCE  
TO GIVE AN EXTRA £175,000  
IN GRANTS & LOANS  
ADDITIONAL  
£20,000 WAS RAISED  
IN DONATIONS

# Why do people invest in community shares?

Community share issues can attract tax breaks, earn interest and be repaid, and with shares comes ownership in the enterprise which together can form a powerful mix. As a result, people tend to think bigger and the sums they invest are usually higher than simple donations, coming from savings, not day-to-day spending.

# Why choose community shares over other forms of finance?

The great part about issuing community shares is that you can raise large sums of money, the sorts of amounts you'd normally need to borrow – but the money comes from ordinary people who support what you're doing.

With community shares, you don't have a debt to manage, just a group of dedicated investors who want to see you succeed.

# Who can issue community shares?

To offer community shares your group has to be registered as either:

- A Community Benefit Society
- A Charitable Community Benefit Society
- A Co-operative

Don't worry if your group has a different legal structure. That just means you'll have to convert to one (or create one) of those three structures if you decide you want to launch a community share offer. We are here to help with all of that!

COMMUNITY  
BENEFIT  
SOCIETY

CHARITABLE  
COMMUNITY  
BENEFIT  
SOCIETY

CO-OPERATIVE

# How much does it cost?

Community shares aren't regulated in the same way as normal company shares, so expense can be kept to a minimum, which makes them a very cost-effective way to raise a significant amount of money for your community enterprise.

At Crowdfunder we charge 5% +VAT of the funds successfully raised. There are also transaction fees charged by payment providers PayPal, GoCardless and or Stripe.

This means that if your share issue isn't successful, there's no fee to pay. If you are successful, you're paying the fee out of the money you've raised once it's been invested, **so there's no upfront cost.**

# What next?

You've got the facts - are you ready to start building your community share issue?

Head to [crowdfunder.co.uk/communityshares](https://crowdfunder.co.uk/communityshares) and click the Get Started button to fill in a short registration form.

Case study

# FC United of Manchester

FC United of Manchester needed to raise £1.6 million through a community share issue to help fund their new ground. They actually raised a total of £2m making it one of the largest amounts ever raised by football supporters!

The club promoted their share offer as a landmark opportunity to invest in a club that wanted to bring football back to the heart of the community. The money would help fund the development of a community football ground, as well as sports and non-sports facility for the community

FC United of Manchester wanted to grow the club while staying true to their roots in the community. By raising the money through a community share issue Broadhurst Park opened to national acclaim in May 2015!

1,522 PEOPLE  
INVESTED IN SHARES

MOST PEOPLE  
INVESTED £500 OR LESS

MAX SHARE PURCHASE £20,000,  
LEGAL MAXIMUM AT THE TIME

UP TO 30% TAX RELIEF AVAILABLE

ALLOWED THE CLUB  
TO UNLOCK FURTHER  
GRANT FUNDING



Partnered with:



Feel free to get in touch

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