

Community shares

Need
funding?

#OwnedByTheCrowd



Crowdfunder



@crowdfunderuk



support@crowdfunder.co.uk

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.

They re-invented themselves as a Charitable Community Benefit Society and worked hard on creating a community share offer.

Reaching out to their community they received a staggering amount of support and funding from their investors to secure the future of their pier.



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, Managing Director,
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,
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.

£9million
raised

17,000
investors

£300k
invested by
BSC

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.

1

Does your group need substantial capital?

2

Do you have a network of supporters?

3

Are you happy to be owned by the Crowd?

As long as you didn't answer NO to any of these 3 questions, then a community share issue could be right for you, so find out more...

Glenwyvis

2,456 investors
£2.5m
raised
in 77 days

90 years after the last of the town's original distilleries closed its doors, whisky production will fire up again at the world's first community-owned plant, GlenWyvis.

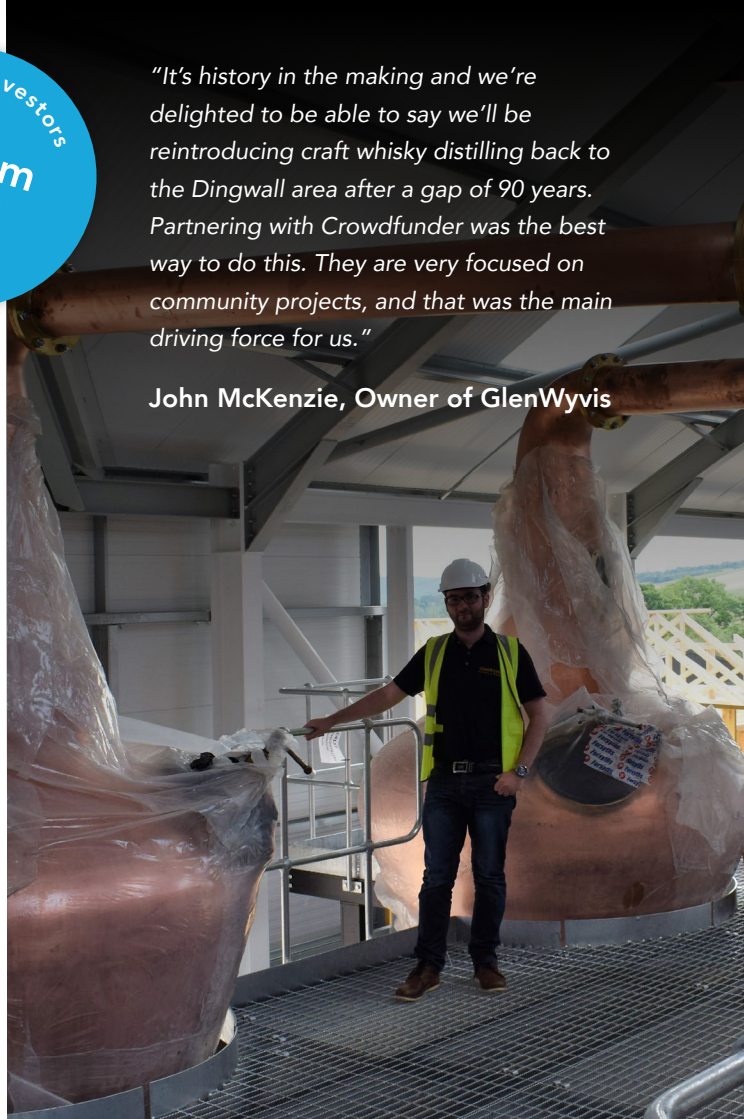
In just eight weeks, £1m had flooded in via Crowdfunder to build a new distillery on a loch-side farm in the Highlands, complete with hydro power and a community-owned wind turbine.

In the end, over 2,400 investors from 30 different countries had bought shares in the GlenWyvis Community Benefit Society, pledging over £2.5m to build the state-of-the-art plant which will be powered by green energy and local barley.

The record-breaking project is Crowdfunder's biggest ever and the largest of its kind in the UK.

"It's history in the making and we're delighted to be able to say we'll be reintroducing craft whisky distilling back to the Dingwall area after a gap of 90 years. Partnering with Crowdfunder was the best way to do this. They are very focused on community projects, and that was the main driving force for us."

John McKenzie, Owner of GlenWyvis



Why people invest

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?

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

Extra funding for your community share issue



Big Society Capital can match up to £100,000 of your community share issue when you run your project on Crowdfunder.

crowdfunder.co.uk/funds/crowd-match-fund



Up to £6,000 of extra funding for community groups based in England planning to set up a community business such as a pub, shop, leisure centres.

crowdfunder.co.uk/funds/community-share-starter-fund

How much?

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.

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.

Even so, groups usually find that they raise more from being on the platform than they would have from doing it themselves, so it more than justifies itself.

What's next?

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

Get started at

crowdfunder.co.uk/communityshares



Save The Craufurd Arms

The Craufurd Arms, one of Maidenhead's oldest pubs, was only weeks away from closure. The freehold was up for sale and there was no knowing what the site could become.

Step in, the Crowd who came together to buy the freehold of the Craufurd Arms from the Wellington Pub Company Plc in order to preserve the pub for future generations.

193 investors
£279,250
raised
in 39 days