

A green dandelion seed head on a stem, with several seeds blowing away to the right.

# Food Loose

*Community Share Offer Pack*



*"Alone, we can  
do so little;*

*Together, we can  
do so much."*

*— Helen Keller*



Key Information	4
FoodLoose — A Business Born From Community	4
Our Vision	5
Inside the FoodLoose shop	5
Our Directors	7
Our Volunteers	8
Our Community	8
Community Membership Scheme	8
Community Benefit Societies	9
Our Plans — Range, Volunteers, Community, Sustainability	10
Finances	11
Financial Forecast	12
Investment — Explaining Community Shares	13
Tax Relief	13
Share Offer Summary	14
Community Shares Booster Programme	15
Funds Allocation	15
Risks	18
How to Invest	20

You are invited to apply to purchase withdrawable, non-transferrable shares in FoodLoose Limited, a Community Benefit Society registered with — but not regulated by — the Financial Conduct Authority. You must be aged 16 years or over to purchase community shares. The Directors reserve the right to reject any application for shares. Shares will be allocated on a first come, first served basis. Successful applicants will receive a share certificate and their details and holdings will be recorded in a share register. This offer document has been prepared by the FoodLoose Board of Directors, which takes responsibility for its contents. Due care has been taken to ensure that all information is fair and accurate at the time of issuing the share offer.

## *Key Information*

FoodLoose is a going concern: a start-up loose food shop, run by a Community Benefit Society in Cheltenham, dedicated to providing local people with the finest in ethically-sourced and responsibly-sold food and consumable goods.

Our share offer opens on 1<sup>st</sup> December 2021, closes on 31<sup>st</sup> January 2022 and is open to investments from £250 up to £7,500.

We seek to raise between £40,000 and £75,000 — primarily to fund the move of the current shop to larger premises but, if enough is raised, to also cover the first year's costs of employing a full-time shop manager, the installation of an integrated electronic point of sale system and expanded options for delivery.

## *FoodLoose —*

### *A Business Born From Community*

In July 2018, inspired by a national campaign for plastic-free shopping, a group of local people were brought together by the realisation that Cheltenham had nowhere to buy loose food and household refills.

The long-established ethical campaigning charity, Global Footsteps, stepped up to the challenge, offering the group the use of both their Portland Street retail space and their legal umbrella as project owner. And, over the next twelve months, word spread and the project — entirely run by



volunteers — grew, attracting a community of loyal customers and, eventually, the capacity to employ a full-time shop manager.

But challenges lay ahead. Not only did the coronavirus take its toll, but — despite the impact of lockdown on profits — Global Footsteps realised that the project had been too successful for it to be able to continue to run under a charitable umbrella: the time had come for FoodLoose to stand as its own business!

As a result, in June 2021, FoodLoose Limited was established as a Community Benefit Society, separate from Global Footsteps and managed by a team of five volunteers from diverse backgrounds but united by a conviction that FoodLoose could grow into something greater.

Over the last six months, the new management board has taken FoodLoose in hand: growing revenue, streamlining processes, reaching new customers and re-fitting the Portland Street unit. But now the time has come for more. It's time for FoodLoose to step up, lead the way to the future and be the change Cheltenham needs.

## *Our Vision*

FoodLoose wants to create a new paradigm of retail for domestic consumables in the Cheltenham area, with a community-focused, values-driven business model, led by passionate volunteers.

By doing this, not only will we make a measurable reduction in the creation of single-use plastic waste in landfill sites, water courses and oceans, but also set an example to local and national business and government that the power to transform how we shop, how we live and how we relate to our communities and our environments is in our hands.

## *Inside the FoodLoose shop*

FoodLoose offers food and cleaning products that can be sold in minimal packaging, with customers encouraged to bring and re-use their own containers. All good shops want to be welcoming to their customers, but our volunteers love to engage with new and regular customers alike. We love to help inspire our customers to try new products, recipe ideas and alternatives, but we also love to hear our customers' suggestions and

recommendations.

The community has a key role to play in supporting and developing our business model, not only when it comes to voting as members at the AGM, but also with the day-to-day running of the shop. We know that one of the best ways to discover which products our customers would like us to stock next is to ask them! Many of our strongest selling lines are a direct result of listening to our customers.

This feedback is driving our product range expansion plans – we know, for example, that plant milks, nut butter machines and cereals are high on our customers' wish lists.

Our core product types are:

- Loose dried food, including flours, sugars, rice and pasta
- Loose tea and coffee beans
- Liquid cleaning products, like washing up and laundry liquids
- Personal and beauty products
- Household and kitchen products

We believe in taking a holistic approach to ethical trading, though, so it's not just about keeping packaging to a minimum. We work hard to make sure that all of our products are ethically sourced from suppliers as close to the grower or manufacturer as possible, making sure that our customers can have confidence that their shopping pays workers a fair wage, treats the



Earth with respect, and minimises the climate impact of their basket. As a result, the vast majority of our products are organic — but we also supply products that might not quite meet organic standards when we know that the grower or manufacturer still fits within our vision of a better, kinder future.

Here's a little more about three of our favourite suppliers:



Faith in Nature's products are made using the highest quality, naturally derived, cruelty-free ingredients, with 100% natural fragrances. Once finished, their 20-litre containers are washed out and returned for re-use — creating a closed loop system. Their products include shampoo, conditioner and body wash.

Infinity Wholefoods is one of the UK's largest national and international distributors of organic, biodynamic, fair trade and natural products. Some of the products we supply from Infinity include muesli, raisins and dried mango slices.



SESI is a UK social enterprise supplying sustainable household refills. They make cruelty-free, biodegradable products and believe strongly in a circular, local economy, re-using their 5-litre and 20-litre drums as many times as possible. They supply our washing up and laundry liquids among others.

## *Our Directors*

FoodLoose is led by a team of five volunteer directors, all of whom not only lend their particular skills and expertise to our longer-term plans, but also put on their aprons on a regular basis. If you've been into our shop you've almost certainly met at least one of them already!

**Diane** is our Chair. Her background is in project management, grant funding and administration, both in the UK and overseas. She currently works in the food charity sector and has been a FoodLoose customer since the pop-up began in 2018.

**Mo**, a professional bookkeeper, is the business's Treasurer.

**Jenny**, a former international credit manager turned business owner, is our Secretary.

**Lorraine** is our creative lead, handling social media, advertising and shop displays. Lorraine is one of the original group who set up FoodLoose in 2018.

**Cathy**, is our operations lead who makes sure our shelves are always stocked and keeps track of our product sourcing.

## *Our Volunteers*

Our team of volunteers is mostly focused on staffing and running the shop, six days a week, from 9.30am to 5pm from Monday to Friday and until 5.30pm on Saturdays. But we know they are a passionate and talented bunch. Several of our volunteers are also members of the Management Committee, supplementing the work of the Directors with their own particular experience and skills.

## *Our Community*

Not everyone with an interest in our mission has the time or ability to be a volunteer, but many of our customers want to do more for FoodLoose than just their weekly basket. This is where membership comes in.

A member of a Community Benefit Society has a voice at the Annual General Meeting, but it's about so much more than that!

Becoming a member means joining a community and working together with the other members to help grow and sustain the business.

The simplest way to become a member is to join our society. In return for a nominal annual fee of £1, you can become a member.

But the other way to become a member is to be an investor in our community share offer.

## *Community Membership Scheme*

As mentioned, members have a voice at the AGM, with each member



having a single vote, regardless of how they became a member or the size of their investment. But a CBS is there to give back to its whole community. So members also get access to our simple membership scheme.

Each purchase a member makes of over £10 in our shop, they receive one Point, and on their tenth purchase, these can be exchanged for a 10% discount.

## *Community Benefit Societies*

The Co-operative and Community Benefit Societies Act 2014 established a legal structure called a Community Benefit Society (CBS), replacing what used to be known as Industrial & Provident Societies.

A CBS is an organisation established with the specific intention of benefiting the community and is registered with the Financial Conduct Authority, not Companies House.

FoodLoose chose the legal structure of a Community Benefit Society because it gives us and our community the following financial and social advantages:

- Community Benefit Societies can receive up to 100% exemption on business rates
- Combination of volunteers and employees keeps operating costs lower than having a fully employed workforce
- Lower operating costs enables us to offer unpackaged, ethically sourced, organic food and refills at a reasonable price
- Directors of Community Benefit Societies are unpaid, enabling more of our net profits to be invested back into the community

Data from the Plunkett Foundation's Better Business Report 2021 also shows that Community Benefit Societies perform consistently well, even in tough times, with the long-term survival rate of community shops standing at 92.5%<sup>1</sup>.

<sup>1</sup>Better-Business-Report-Community-Shops.pdf (plunkett.co.uk)



## *Our Plans —*

# *Range, Volunteers, Community, Sustainability*

FoodLoose has a strong customer base of around 300 environmentally-conscious Cheltenham shoppers who are already dedicated to eliminating their single-use plastic consumption and purchasing sustainably-sourced loose food and household refills. However, in order to expand and reach our revenue targets, we need to also attract consumers and members who haven't shopped with us before, either due to some degree of inconvenience or because they haven't heard of us yet! The IPCC report published at the beginning of 2021, COP26 and the BBC1 show Shop Well for the Planet have all raised people's awareness of the environmental damage caused by plastics and we are building on this by increasing our marketing and local networking. Our aim is to have a 500-strong member community by the end of 2022, comprising both regular and occasional FoodLoose shoppers from within our core Cheltenham community and its surrounding villages.

Our current premises have been a good starting point and we are so grateful to Global Footsteps for their support, but reaching more people with our mission means offering more products in greater quantities — which means a larger premises with more storage.

We will be able to meet demand for fresh and chilled goods — plant milks and deli products — and to expand our range of household cleaning products. And of course we want to offer more and better ranges of ethically-sourced dry goods, all dispensed from the best-designed self-service dispensers we can find.

To support this move to a larger range with a more self-service customer experience, we aspire to upgrade our Electronic Point Of Sale (EPOS) equipment and software.

Managing the delivery of this ambitious growth will necessitate a full-time, employed shop manager, supported by a part-time administrator.

But our ambitions don't stop at a bigger shop, important as that is. We know that the way people shop today is changing. And reducing our customers' climate impact means meeting them on their journey. We have already completed a re-vamp of our webstore to allow customers to order goods for delivery by our bicycle-powered delivery team. But this project will allow us to expand this service to a six-day delivery of larger volumes to a greater range.

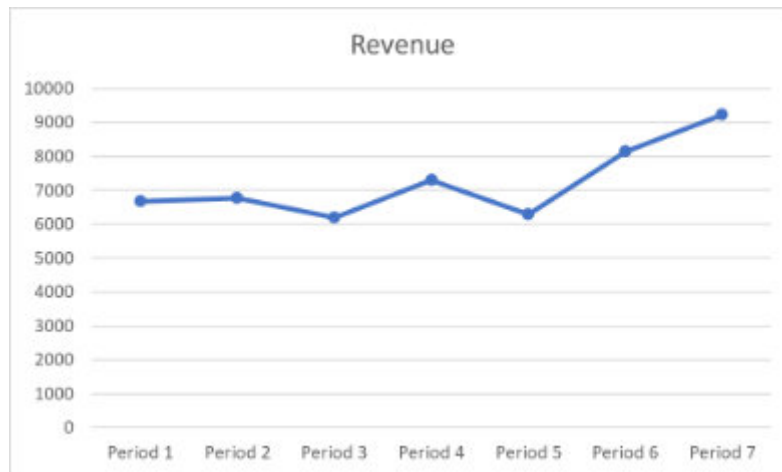
We are also conscious that we are far from the only organisation in Cheltenham with a radical vision for change, to restore our climate and build a more ethical framework for business in the future. We want to be able to build proactive and practical relationships with our friends in CheltenhamZero, Planet Cheltenham and the Cheltenham Education Partnership.

## *Finances*

In its first year operating as a project under Global Footsteps, shop revenue achieved the impressive figure of £75,000. But to what is likely no one's surprise, the 2020/21 pandemic and lockdown of Britain's high streets saw revenue fall. It is testament to the commitment of its volunteers and the vision of its customers that the fall was only

around 13%.

FoodLoose's new life as an independent concern under the guidance of its Board, though, saw a tight focus on process improvement, increasing opening hours and introducing self-service. We have been rewarded with a very respectable growth in revenue over the last six months, putting us on track to realise annual revenue of £100,000 by the end of this financial year.



Periods in the above graph represent 4-week blocks of sales from April.

## *Financial forecast*

The independent retail sector has experienced a tough couple of years. Nationally, 14% of premises now stand empty<sup>2</sup> and high streets up and down the country are struggling to retain footfall and custom.

Cheltenham is no exception to this, despite our high street traditionally having lower levels of commercial vacancies than the national average<sup>3</sup>.

Despite all the challenges for the high street, 2021 has been an exceptionally strong year for organic and ethical food retail, with the Soil Association's Organic Market Report reporting the highest year-on-year growth for the organic market in 15 years.

Our financial forecast predicts that FoodLoose will grow over the next 6-10 years – with larger premises and an expanded product range and

<sup>2</sup><https://www.retailgazette.co.uk/blog/2021/04/one-in-seven-retail-shops-now-empty-as-vacancies-rise/> (30 April 2021)



delivery service. We expect to double revenue to over £200k within 3 years and sustain moderate growth in subsequent years. This will enable us to start paying interest on investments from 2025 as well as to repay invested capital at a rate of 10-15% of shares per year.

Full details of our ten-year forecast can be found on our Crowdfunder website. Actual results, performance or achievements may differ from those expected due to known or unknown risks, uncertainties and other important factors.

## *Investment —*

### *Explaining Community Shares*

Community shares are a withdrawable, non-transferable equity investment that anyone 16 or over can make in a cooperative or community benefit society.

It counts as a form of equity because the investors get a share of the organisation, which is represented by their ability to vote in society decisions at the Annual General Meeting

It is 'withdrawable' because the investor can choose to take their money out of the organisation at any point after the initial three year period.

Where they differ from shares in limited companies, though, is that they are non-transferable: that is, the ownership of the shares can't be passed to another person. Moreover, each community shareholder gets only a single vote, regardless of the value of their investment or the number of shares held.

## *Tax relief*

We are in the process of applying for advance assurance for the Enterprise Investment Scheme (EIS) from HMRC for the project, although it is not guaranteed that we will be awarded it. We expect to know the outcome of our application before the closing date of this share offer

<sup>3</sup><https://www.gloucestershirelive.co.uk/news/cheltenham-news/51-empty-unused-shopping-units-4700289> (20 Nov 2020)

and will publicise the outcome on our website and Crowdfunder. If we do obtain advance assurance it could mean that your shareholding could qualify for tax relief from HMRC which is currently set at 30%.

We will provide you with the relevant forms if HMRC approve the share offer for the EIS but it is your responsibility to claim the tax relief due to you from HMRC.

Potential members should take their own advice as to whether they are eligible for EIS tax relief. To qualify for the EIS, the investor (or an associate) must not at any time between the date of incorporation of the social enterprise and three years from the date of investment have been an employee, a partner, a trustee or a remunerated director of FoodLoose.

The individual investor will not qualify for the EIS on an amount on which they have already received EIS relief, SEIS relief or Community Investment Tax Relief.

More information on the EIS can be found at [Tax relief for investors using venture capital schemes- GOV.UK \(www.gov.uk\)](http://www.gov.uk/guidance/tax-relief-for-investors-using-venture-capital-schemes)

## Share Offer Summary

<b>Share offer opens:</b>	<b>December 1, 2021</b>
Minimum investment:	£250
Maximum investment:	£7,500
Minimum target:	£40,000
Maximum target:	£75,000
Interest payable	Up to 3%
First interest payment	April 2025
<b>Share offer closes:</b>	<b>January 31, 2022</b>



If the minimum target of £40,000 is not reached, the share offer will not proceed and all monies will be returned in full straight away. In this situation, we would seek alternative sources of funding, e.g. loans. Shares will be allocated on a first come, first served basis, so once the maximum target of £75,000 is reached, no more investments will be accepted.

The interest payable is 3%. However this is subject to financial performance and at the absolute discretion of the management board.

Our expansion plans are to a large degree contingent upon moving into larger premises. This means that invested funds will be held until premises have been secured. We are currently in discussions with several local commercial estate agents and landlords about potential premises in Cheltenham and hope to be able to move by spring / early summer 2022. This would then be the point at which we would take on new staff and significantly expand our product range and deliveries.

## *Community Shares Booster Programme*

We are currently being considered for support from the Community Shares Booster Programme, which is funded by Power to Change and run by the Community Shares Unit. Under this programme, equity investment funding is available to match applications for shares from the public. If we are successful, it would mean that for every pound invested by individuals, another pound will be invested in matched shares, up to our maximum target. The matched shares will be held by Co-operatives UK, a partner of the Community Shares Unit and will be

subject to the same terms and conditions as other members, except for its right to withdraw share capital which will be restricted to a pro-rata amount.

As soon as we hear if our application has been successful, it will be announced on our Crowdfunder page.

## *Funds Allocation*

Rent	£18,000
FT shop manager, PT admin	£30,000
Self-service dispensers / shop re-fit	£8,000
EPOS system upgrade incl. tills and scales	£6,000
Expanded delivery service	£5,000
Expanded product range	£8,000

### *Premises*

The Portland Street premises consists of only 21sqm and cellar-level storage of the same size. This means we are at the limit of the stock we can hold for retail. It also offers serious obstacles to access for physically-impaired customers and volunteers alike. Even volunteers without physical impairments must routinely manage a steep, narrow and twisting staircase to refill shop floor containers.

The location also leaves something to be desired in terms of passing trade, with no other food shops or cafes in the immediate vicinity. As a result, footfall past the shop is sparse, reducing opportunistic sales and new-customer visibility.

Our aspirations for new premises include the following:

- Shop floor of 40-60 sqm
- Storage space of at least 30 sqm
- Single-level shop floor and storage space
- Space to pack and store online orders, with the potential for secure



cargo bike storage for an expanded delivery service

- Nearby bike loops to encourage customers to cycle to us
- Location in an area of Cheltenham with higher footfall

## *Employees*

The Board is collectively committing as much as 100 hours per week to the operational management of the society — far beyond what is reasonable to ask of uncompensated volunteers and outside the proper remit of a business's directors. It therefore makes sense to employ a full-time store manager to take on the operational leadership of the business, allowing the Board to reduce their commitments and focus on the society's bigger picture objectives.

The society already employs a part-time administrator to assist with management of the website and social media advertising, and would like to increase the available hours and expand the remit of this role to cover direct support to the shop manager, covering stock orders.

## *Re-fit*

In September, we installed self-service gravity dispensers for 19 of our most popular products, and six scoop bins for our customers' favourite products too sticky to go into gravity dispensers. These have been a huge hit! Not only do customers love using them, but they free up time for our volunteers to help find other products or serve other customers.

In our new premises, we aspire to make our entire range self-service but, as a minimum, triple the total number of goods available for customers to serve themselves.

## *EPOS system*

As well as customers being able to serve themselves with products, we also want to offer an enhanced EPOS system that will allow customers to weigh their own containers and instantly print labels for their weighed goods, reducing the time customers need to spend in the store and improving the overall customer experience.

The updated system will also permit up-to-the-second stock-keeping, synchronized with our online order system so website customers can be sure that the goods they order are in stock and available to buy.

### *Delivery*

We already have a small team of brave volunteers providing a limited bicycle-powered delivery service. Our vision is to make this service available for up to six days a week, and support it with either a small fleet of electric cargo bikes or with a partnership with an electric vehicle delivery service.

### *Products*

The increased storage and retail space of new premises will finally allow us to grow our product range, expanding customers' options in a range of core goods and adding entirely new product ranges — all responsibly sourced from ethical manufacturers and distributors, without compromise.

### *Risks*

We have enormous confidence in FoodLoose. Our first six months, supported by our longer-term forecast show that the shop has every reason to expect growth and success beyond the realms necessary to be sure of offering our investors the returns predicted. Actual results, performance or achievements may differ from those expected due to known or unknown risks, uncertainties and other important factors.

In addition to the usual risks associated with an investment in a business, the Directors believe the Society's ability to redeem the Offer Shares and/or pay interest to Members may be affected by the specific risks listed in the table below.

Additional risks and uncertainties may also have an adverse effect on the Society's activities and the information set out below does not purport to be an exhaustive summary of the risks affecting the Society.

There may be additional risks of which the Directors are not aware.

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>
No suitable premises available			In the event that suitable new premises cannot be secured within 12 months of the close of this offer, all investors' money will be returned in full.
Shortage of staff/volunteers			We already have a solid contingent of volunteers and a strategy to grow numbers. We expect publicity from this share offer to attract new volunteers. With sufficient volunteers on strength, staff shortages can be managed.
New lockdown/other social disruption			A core reliance on volunteer labour protects FoodLoose from the impact of most major social disruptions.
Supply issues squeezing margins			We have a diverse range of suppliers and are building more contacts with local manufacturers to ensure no core reliance upon a single point of failure.

### *Financial Risks for Investors*

All investment and commercial activities carry risk, and investors should consider whether FoodLoose is a suitable investment for them in light of their own personal circumstances. This offer is not covered by the Financial Services Compensation Scheme or by any financial ombudsman.

### *General investment risks*

Applicants should read the whole text of the offer document and should be aware that an investment in FoodLoose involves a degree of risk and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial advisor. Supporting our community purposes should be the primary motivation for investment and investment in the Society should be seen as a long-term, social investment, rather than a financial one.

### *Asset lock*

FoodLoose is an asset-locked Community Benefit Society. This means that its assets, including profits, can only be used for the benefit of the community, and not to benefit any Members or Directors. Further information can be in our Model Rules.

## *Community Shares Standard Mark*

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 purposely 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.community-shares.org.uk](http://www.community-shares.org.uk)

## *How to invest*

We welcome investments from a value of £250 up to a maximum of £7500.

If you would like to make an investment in the FoodLoose Community Share Scheme, follow the link below to our Crowdfunder site:

[crowdfunder.co.uk/foodloosecommunityshareoffer](http://crowdfunder.co.uk/foodloosecommunityshareoffer)



# Food Loose

ECO  
FRIENDLY  
CLEANING  
REFILLS



REDUCE  
YOUR  
PLASTIC  
WASTE!



PLANET  
FRIENDLY  
TOILETRIES



COME IN WE'RE  
OPEN



FAITH IN NATURE  
We Supply LIQUID REFILLS of:  
SHAMPOO: 1.25/lb  
CONDITIONER: 1.25/lb  
BODY WASH: 1.25/lb  
\*Sustainable & Organic\*

BOXROLL  
Eco-friendly toilet paper and Recycled Paper

