

Offer Summary

FC Clacton are undertaking a share issue to raise capital to create a new artificial all-weather pitch at the club's stadium to enable more reliable and intensive usage.

Opening date: 29th May 2020

Closing date: 26th June 2020

The board of the society may choose to extend the period of the share offer by up to 4 weeks if they believe that by doing so they increase the chances of reaching the maximum target

- Minimum target to be raised: £195,000
- Optimum target to be raised: £380,000
- Maximum target to be raised: £405,000
- Minimum share subscription per person: £1,000
- Maximum share subscription per person: £40,000
- Maximum share subscription per organisation (which is a not a society): £100,000

FC Clacton

FC Clacton is the trading name of FC Clacton, a Community Benefit Society registered on 28th June 2016 under the Co-operative and Community Benefit Societies Act with the Financial Conduct Authority (registration number 7306). The registered address is 4 Albert Gardens, Clacton-On-Sea, Essex, CO15 6QW. It also a recognised as a charity by HMRC with the reference number ZD00564.

By subscribing for shares issued by the society in this share offer you will become a member of it thus co-owner of the society and its assets. Our rules and other supporting documents are available on our website: <https://www.fcclacton.com/>

What are Community Shares?

Community shares are withdrawable shares that cannot be sold, traded or transferred between Members, unlike shares in a typical company. All Members are entitled to one vote – regardless of how many shares they hold. Members can be paid interest on their shares if the Board believe it would be sensible to do so, and can also withdraw their shareholding, along with any interest accrued, again subject to the approval of the board.

Community shares are fully at risk

You could lose some or all of the money you subscribe. You have no right to compensation from the Financial Services Compensation Scheme, nor any right of complaint to the Financial Ombudsman Service. Please don't invest any money you can't afford to lose.



The Community Shares Standard Mark

- The Community Shares Standard Mark is awarded by the Community Shares Unit. To receive Standard Mark a society must comply with eight nationally recognized Community Shares Standards of good practice. For further details see www.communityshares.org.uk/standards.
- Any money you invest in community shares is fully at risk, and that you could lose some or all your money if the society gets into financial difficulties.
- Community share offers are exempt from, or outside the scope of, statutory regulations that apply to the public offer of shares and other financial promotions. Applicants have no recourse to the Financial Services Compensation Scheme, or the Financial Ombudsman Service.
- However, you do have the right of complaint to the Community Shares Unit if the share offer has been awarded the Standard Mark. The Community Shares Unit will investigate all complaints and participating societies have agreed to act upon the decisions of the Unit, according to a process laid out in the code of practice for societies.
- Further details about the Community Shares Unit, the Community Shares Standard Mark, the code of practice and the complaints procedure can be obtained from www.communityshares.org.uk

Pitch in to give us a bright future!

Wouldn't it be great to know that first team fixtures were going ahead as planned, on schedule?

You'd know that plans made to come and watch the team would be able to be relied on?

We wouldn't have a crazy busy end of the season as we try and fulfil our fixtures before the season ends?

Wouldn't it be great to enable the club to reliably predict and manage its cash flow at the same time, safe in the knowledge that events planned to go ahead at the ground would?

And even better, to be able to use our main pitch inside the ground intensively, not just for senior matches but for other matches and training? To be able to enable the use of the stadium for five-a-side leagues and earn extra cash to make the club more sustainable? To enable us to replace the perimeter fence round the pitch, and get new floodlights too?

We've got big ambitions for FC Clacton but at the moment, what we want to do and what we are able to do are so very far apart. If we carry on as we are, we'll carry on living a hand-to-mouth existence, carry on seeing our ground become slowly delapidated. Visitors will come and see a facility that looks unloved, meaning they're likely to come back.

We truly believe that the club is at the crossroads. We can keep on fighting - often seeming to have one hand tied behind our back - to run our junior and senior teams and just about manage it, but it's getting harder. The weather is getting worse and getting wetter. The fact that the stadium sits on a landfill site with poor drainage means we're always going to have postponements, always going to have uncertainty of cashflow, always going to have backed-up fixtures to rearrange.

We've decided to stop waiting for things to change for FC Clacton, and change them ourselves. We're taking back control.

We're going to lay an artificial next-generation pitch at the ground, which will mean no more postponements. No more cancelled training. We're going to fix the floodlights, so we can play on into the night, 7 days a week. With the extra capacity, more youth team training and matches will be able to use the ground, and with fewer matches on the surrounding pitches, those pitches will stay more playable through the winter.

We'll also be able to let the stadium be used by 5-a-side leagues for people in Clacton and surrounding areas. We think playing at a stadium with changing rooms and a bar and catering will be more of a draw than playing in a fenced-off area at a leisure centre. We'll also be able to run soccer schools using the extra capacity.

How much will this cost?

This will cost us around £638,000, including £30,000 of working capital. We've secured a grant from the Football Stadium Improvement Fund of £99,000 towards the floodlights, but because we're going to be using the playing surface for competitive matches, no grants are available for the pitch

itself. We have to raise all of this ourselves.

Of the £539,000 we need, we've identified £200,000 as coming from a loan from Sporting Capital which we can afford to service from our new revenues. That leaves the rest coming from this share offer.

We have secured the support of the Booster Programme, which is funded by Power to Change and run by the Community Shares Unit. Under this programme, they can support us as long as we raise as much as they can invest, up to a cap of £100,000.

The match shares will be held by Co-operatives UK, a partner in the Community Shares Unit, and will be subject to the same terms and conditions as other FC Clacton members, except for its right to withdraw share capital, which will be restricted to a pro-rata amount.

We have also have an in-principle offer of a £50,000 investment from the Co-operative Foundation.

That leaves us needing to raise £195,000 from the community to make this all happen (that's the outstanding figure of £189,000 plus the fees due to Crowdfunder for raising that on their platform).

And, if we can raise more from the share issue, we'll reduce the loan element.

So, all in all, it's a simple situation. We need people to invest and become owners of FC Clacton. With that investment, we can transform this club for ever. And as a thank you to investors, we'll pay 4% interest each year from the first year after investment, and you'll be able to reclaim 30% of whatever you invest from your income tax return.

About the Club

FC Clacton was formed back in 1892 and has proudly served the local community ever since. The club played in a variety of regional leagues, such as the Ipswich & District League in the 1920s, the Southern League in the 1950s, and the Eastern Counties League in the 1960s.

Following changes in ownership and legal structure in 2007 and 2016, the club was reformed as a Charitable Community Benefit Society in 2016.

We currently play in the Eastern Counties League Premier Division, which is step 5 of the National League System, at level 9 (ie, 8 promotions from the Premier League, 5 promotions from the Football League).

How is the club run?

For administrative and FA purposes, the Club is divided between its Youth and Senior Sections, all run on a voluntary basis. Each section has its own committee headed by a Chairman, and each reports to the board of trustees.

The Youth Committee meets monthly and comprises the coach from each team, a Youth Chairman,

Youth Treasurer, Youth Secretary, Youth Development Officer and Club Welfare Officer. The Senior Committee meets bi-monthly and comprises a coach from each senior team, Chairman, Treasurer, Secretary and supporters' representatives.

The senior team fees are fully accounted for in the Club's accounts, however the junior teams effectively operate as unincorporated associations; they abide by Club rules for accounting, code of conduct, etc, and each have their own set of accounts. Each junior team pays a fee of £5 per person per month to the Club, which are accounted for as subscriptions in the Club accounts.

FC Clacton currently has three trustees, who have over 50 years of service to the Club between them:

David Ballard (Chairperson)

David has worked for Tendring District Council since leaving school 30 years ago. He has been involved with the Club in a variety of senior roles for 13 years. David is currently Trustee and Chairman (position held for 13 years), and a member of the Senior Committee.

Stephen Andrews (Secretary)

On leaving school Stephen worked for Tendring District Council as a trainee in the finance department for 11 years, eventually becoming a benefits manager. Stephen left to set up a successful estate and letting agency which was sold after 7 years, before joining the local Citizens Advice Bureau 13 years ago as a money adviser. He has been involved with the Club in a senior management position for 13 years and oversaw the move to become a Charitable Community Benefit Society. He is currently a Trustee, coach of the u9s Blues and u11s reds, Child Welfare Officer, and a member of the Senior and Junior Committees.

Daniel Coyle (Football Secretary)

David is now retired but previously worked in bookkeeping and financial management roles. He has been involved with the Club in a variety of roles for over 25 years. He is currently Trustee, coach of u16s, Registrations Secretary and member of Junior Committee.

The Trustees are elected in thirds at the society's AGM, to be held towards the end of each year, and all members can vote in, and stand in, the elections.

There are currently no paid staff; FC Clacton's activities are made possible by a loyal, dedicated team of around 75 volunteers; who act as team coaches, committee members, or help around the ground or other tasks on matchdays etc. The key personnel have all been involved with the Club for a long time, and FC Clacton is incredibly lucky and grateful to have such a loyal, committed and hard working committee and a structure that works perfectly.

FC Clacton is recognised by the FA as a Charter Standard Community Club, the highest accolade the FA can award non-league clubs to recognise excellence in youth coaching and long-term player development. This award is subject to annual review and is dependent upon having the necessary constitution, open and non-discriminatory membership, relevant codes of conduct and all coaches having the relevant qualifications and up to date DBS checks.

What are Community Shares?

This is a community share issue, which is a much snappier name for what they are legally-speaking: 'withdrawable shares in a Community Benefit society'.

Unlike shares in companies, you'll not get a dividend nor are you able to sell them to someone else. Withdrawable shares work a lot more like a bank account, as you get your money back through withdrawing it from the society. However, the society can only give it back to you if we're doing well as a business (we have to have sufficient trading surpluses and ready cash to enable it to give you your investment back in legal terms).

Like a bank account, we pay interest each year on the investment, which we plan to be 4% from the first year after the investment. The interest will be retained by us, to be taken out when you withdraw your initial investment at some point in the future.

Each year, the Board will decide how much interest to pay, whether they can afford to allow shares to be withdrawn, and if so, to what level – please note that depending on available resources, the board may prohibit withdrawal in any given year or for a specific period, and may allow partial withdrawal.

The other way to get your money back is through new investor members joining and giving us their money in a separate share issue. We do plan to open up the share offer to new members but that won't be for a few years after this first share issue.

Either way, the best way to get your money back is to continue to support and crucially, persuade other people to support us too. That's the real secret of community ownership – we make the rewards of our success something we can share with the people who matter the most to us.

Individuals over the age of 16, charities and other organisations may invest in this offer.

What do investors get?

- A vote at the AGM on important issues facing the club and for the Board of Directors
- The chance to stand for and be elected to the Board of the club
- Entry into our monthly £100 raffle for as long as you are a shareholder
- Your name on the honour board next to the pitch to thank everyone who makes this happen
- 4% interest on share capital each year from year 1 (provided we have sufficient funds)
- 30% Tax relief on your investment
- Possibility of capital being returned from the start of the second year after we have opened (provided we have sufficient funds)

Tax Relief

This share offer has received Advance Assurance from HMRC that it qualifies for Social Investment Tax Relief, so investors will be able to claim 30% tax reliefs on the value of their investment:

- 30% of their income tax liability for the current or previous tax year (you choose which one to claim it against)
- 30% relief of Capital Gains Tax on any capital gains used to invest into the share issue

In order to benefit from the tax relief, you must be a UK tax payer with tax due to pay equal or greater than the amount of relief you're seeking.

You can claim the relief in either the tax year you make the investment or the previous tax year. The date of investment will be the day the society receives the money after the share offer closes, not the date in which you made the investment.

If you pay tax via PAYE, you send the certificate to the tax office that process your employer's payroll tax collection, and if you do self-assessment, you claim the relief when completing your tax return (unless you want to backdate it for a tax year you've already filed a return for, in which case you have to contact HMRC directly).

We cannot give tax advice, and can only vouch that the investment is a valid investment for tax relief. Anyone considering investing with tax relief in mind should contact a financial advisor to establish whether they themselves would be eligible.

Returns to Investors

We're hoping to pay investors 4% per year which will accrue from the first year after investment to be taken out when you withdraw your capital (unless you specify otherwise).

Anyone who has received tax relief at 30% on their investment must keep their money in the club for at least three years, but people who aren't claiming tax relief can start withdrawing their money after year 1, should funds allow. Each year, the Board will decide what percentage of share capital (if any) can be withdrawn in each year.

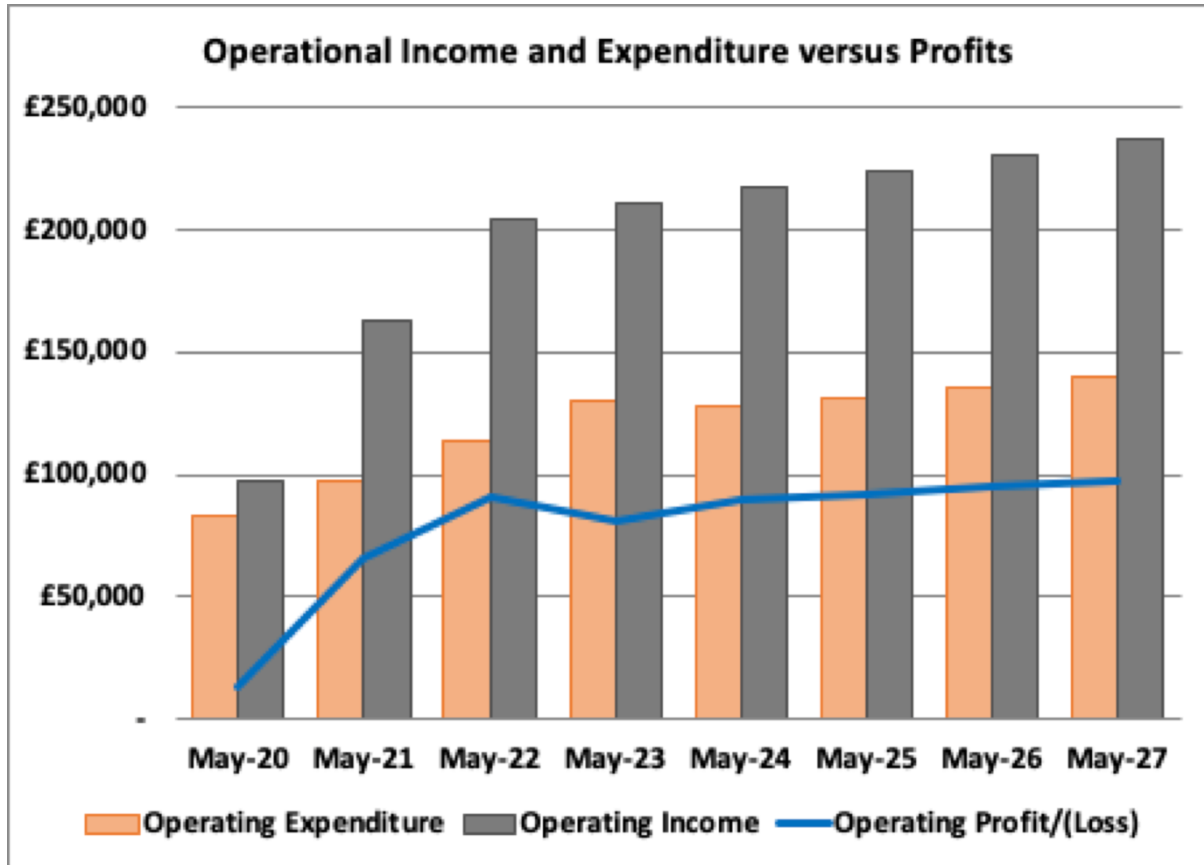
In the early years after opening, this is likely to be a small amount due to the costs of servicing the debt we'll be taking on to get the pitch installed. Once that debt has been repaid, we plan to make around 10% of the total capital available for withdrawal in any year, revenues permitting.

That's on the basis of two key assumptions – that the numbers of people using the pitch match our projections and we service the debt we will owe as per the schedule we've agreed with the lenders. Both of these assumptions could be pessimistic; we will explore whether we can refinance the debt to longer-term borrowing which will reduce our repayments (or even get grant funding to pay it off early), and we have deliberately not been as ambitious in projecting likely income from the pitch as we hope it will in reality be. So, if either of both of these assumptions change, then the amount of share capital we can enable to be returned to investors will be greater.

We can only make these returns if the club's financial record since 2016 is positive (ie, that the total of our surpluses is greater than the total of our losses), and secondly that we have the cash to do so. We can also refund investors from the new investment introduced by new members in subsequent share offers.

Club Finances

You can download the business plan which details the project finances in more detail, but the key headlines are that over the next 5 years, even paying back the loans and paying returns to investors, we will be in position to become a sustainable club. You can also download our most recent accounts from our website too. Those accounts show that the club.



Questions about the share issue....

How can I invest?

We are running this share offer through the Crowdfunder website at www.crowdfunder.co.uk/clacton4g

Crowdfunder will take payment immediately using a credit or debit card and will hold the funding until the project is either successful, and they will pass the money to us, or unsuccessful, in which case they will give you your money back.

What is the minimum and maximum investment?

The minimum investment is £1,000 and the maximum is £40,000. We know that this is a lot of money, but we don't have much choice here – we need to raised the money and as much as we'd like to think the people of Clacton will rally to our cause, we have to be realistic about how wide our network of support in the community is.

However, we can accept joint investments, so families can club together to buy a share, even if they can't afford one on their own. You can join up with as many people as you like, but it's important that you tell us which member of the group will be the person who acts as the nominee (the person who

we sent all communications about shares to, basically).

Because the share is what gives you the rights to interest, getting the money back and voting etc, it's important that you work out how this will all work yourselves. If there is any dispute between groups about who is the named shareholder, we can't get involved.

Who can invest?

Anyone over the age of 16 can invest (but only people aged 18 or above can serve as directors).

Can organisations and businesses subscribe for Community Shares?

Yes. A representative of that organisation will need to become a member of the society as nominee for their organisation/business.

What if the Club isn't financially successful enough to survive?

If we did become insolvent, the ability of investors to recoup the funds they have invested would depend on firstly the value we (or the appointed insolvency practitioners) could get for the assets of the society and secondly, the value of our debts at that point.

In the event of our insolvency or orderly winding-up, the proceeds from the sale of those assets and our cash would firstly pay off all our creditors, and if there were any funds left at that point, would be used to pay back shareholders as much of their investment as they have outstanding as possible, on a pro-rata basis.

As we are a charity, should there be any surplus after returning funds to investors this would have to be given to another charity or to enable charitable objects. This cannot be changed by members and is enforced by charity law.

What happens if I didn't get all my investment back?

Although we are registered as a society with The Financial Conduct Authority (FCA), the sale of withdrawable shares in the society is not regulated by the FCA. Like many investments, these community shares are at risk and you could lose some or all of the money you invest.

Unlike deposits with high street banks, community shares are not covered by the Financial Services Compensation Scheme, nor is there any right of complaint to the Financial Ombudsman Service. If you are considering investing a significant amount then you may wish to seek independent financial advice before doing so.

Investors who have claimed tax relief would also be eligible to claim loss relief against their tax liability for the difference between what they invested less any tax relief already claimed and what was returned to them.

Can my investment be gift aided?

As a charity, we are eligible to receive Gift Aid, but investments are not eligible for Gift Aid. If you want to enable us to receive Gift Aid, you would have to waive all your rights to ever withdraw your investment or receive interest and turn it into a donation. If you are interested in doing this, then please get in touch with us.

Can I sell my shares?

No. This investment is in withdrawable share capital which cannot be transferred, sold or given to anyone else, except on your death to someone you have nominated and told us about up to the level of £5000 of investment (any investment above £5000 requires your beneficiary to be explicitly named in your will).

Can shares increase in value?

Shares cannot rise in value, so there will never be a capital gain. They may be reduced in value if our auditors instruct us to do so if they believe that the value of our assets has fallen.

Will I get a Share Certificate?

Everyone who invests will receive a community share certificate.

What will you do with my personal details and data?

Your personal details as submitted on the application form will be held by the Club and used in accordance with the provisions of the rules and of the 2014 Co-operative and Community Benefit Societies Act.

Only members can inspect the members' register and view members' names and addresses (but not how much they have invested) but the society will not share, sell or provide my details to any other individual or organisation and will ensure compliance with the GDPR regulation in accordance with its responsibility as a data controller.