

Tisbury Community Benefit Society
Share Offer Document for Tis the Future

From the 23rd November 2020 you can secure a Community Share to help raise funds to establish a mobile, electric-powered, zero-plastic, zero-waste refill shop for Tisbury and its surrounding area.

To make this a reality we need your support. Our fund-raising target is: £5,000.

We passionately believe in shared ownership and want to create a business which benefits everyone. All investors in this project will automatically become a Member of the Tisbury Community Benefit Society and, no matter what they invest (minimum investment £50), will share equal voting rights with all other Members.

Our proposal is set out below and our financial and trading projections are detailed in a separate document at the bottom of this page.

A mobile shop fit for the future: our proposal

Our proposal to provide a mobile refill shop selling competitively priced standard purchases BUT with NO plastic packaging will help provide tangible, community level solutions which enable us all to encourage each other to minimise waste, be more sustainable and provide an example for future generations.

Our electric-powered mobile refill shop will help us all to address the issues raised by David Attenborough's 'Blue Planet II' which made it very evident that plastic waste is a blight on our planet, our seas, our skies, our land. We are privileged to live in a beautiful place, but how can we keep it that way and reduce our wider impact too?

Our project has been supported by the renowned food writer and environmental campaigner **Hugh Fearnley-Whittingstall** who says: "A refill shop is a great asset to any community that wants to take action on plastics, the community proposal sounds bold and imaginative and I wish them every success."

We will bulk buy and pass on near-bulk prices on standard purchases such as detergents, soaps, rice, pasta, cereals, pulses, dried fruit, nuts and seeds. You bring your container, we fill it. This allows local people to save money on everyday essentials and provides access to products that can benefit health and minimise environmental impact whilst generating zero plastic and zero waste. **This is the future.**

Key Questions

What sort of vehicle will house the mobile refill shop?

We have already found the vehicle we would like to purchase and refurbish for the community. It is an ex-Lewes Town Council Refuse Vehicle, like a large float. There are pictures above and you will see it needs some quite major work! The vehicle will be custom built to our specifications and we will be working closely with the gentleman who has sourced the vehicle for us and will be refurbishing it for us. He is based in Bampton, in Oxfordshire and we were really impressed with all the other vehicles which he had built or refurbished for his other customers. He is known nationwide for his work and does work internationally, too, so we feel we are in good hands.

How will the vehicle be powered and where will it go?

It will be powered by electricity, by plugging in overnight to recharge. Across the week, it will call at each and every community surrounding Tisbury, and in Tisbury itself, on a widely advertised schedule. So, a bit like old-fashioned mobile libraries or ice cream vans but shining a light on how we have to live if we want to help save the planet.

Please get in touch if you have any suggestions of places you would like the shop to stop!

How will the refill shop work?

We have already done lots of research into the most efficient ways to run low-plastic, low-waste refill shops – including visiting a couple, speaking to a couple and one of our Steering Group recently went on a course which has given us lots of ideas.

This is how the zero-plastic refill shopping experience will work for the consumer:

- Bring with you any containers you have to hand and would like to use, whether glass jars or Tupperware, old takeaway containers or cleaned out icecream or yogurt tubs – any of these would be great. We will sell a range of different sized, reusable jars if you forget yours as well as stocking paper bags for anyone who wants to try our refill shopping and doesn't have their own containers.
- We will be operating a specialised refill scale system: you tare weigh your container first, to remove the weight of the container, then you fill your container with whatever you are buying, weigh it again (the price will be based on what you are buying), label it and then pay.
- This might sound a bit complicated but you only need to tare weigh your container once on your first trip to the shop – keeping the tare label on will make repeat visits quicker (the labels will peel on & off easily: when you wash your container, just peel the label off and stick it back on when the container is dry).
- We will employ one full time driver/shop keeper who will be an expert in all the above and help operate the scales. Depending on how busy we get, we would also like to have a pool of volunteers in Tisbury and each of the villages the shop visits to help customers and keep the process a smooth & speedy one!

What will you sell?

We are open to suggestions, so please do let us know what you would like to see stocked in the shop. Initially we will focus on selling the basics in bulk: oats, cereals, pasta, grains, pulses, dried fruit, nuts & seeds, herbs & spices, baking goods, coffee beans and chocolate as well as sustainable personal and household products and detergents.

What we think is great about this way of shopping is that you can buy as much or as little you need of any one product which not only reduces the use of unnecessary packaging, but also reduces food wastage. This is something we can all do to help the push for a better, cleaner planet.

Who will run the business?

We plan to employ a full time driver/shop keeper assisted by a rota of volunteers from the membership and the communities that the refill shop will serve. (Please see our website www.tisthefuture.com/we-are-hiring for a link to the job advert.)

They will be overseen by the Management Committee. The Committee members all serve in an unpaid voluntary capacity and is made up of the initial volunteers who set up the Tisbury CBS. A Steering Group has also been established with a broad range of relevant skills and experience, including retail, marketing, governance, surveying, accountancy, hospitality, social business, community projects and environmental expertise.

This Committee will serve until the society's first AGM at which point they will all retire and Members will elect the board who serve. Those who retire can stand to be re-elected, as can all other Members. Thereafter, each year, Members will elect one-third of the Committee each year at the AGM.

About Us

Tisbury CBS is a Community Benefit Society registered in 2018 under the Co-operative and Community Benefit Societies Act with the Financial Conduct Authority (registration number 7874). The registered address is Ark Farm, Tisbury, Salisbury, Wiltshire SP3 6RP.

By subscribing for shares issued by the society in this share offer you will become a Member of it (or remain as one if you are a Member already) and thus co-owner of the society and its assets.

A copy of our rules and other supporting documents are available at the bottom of our Crowdfunder page and also by writing to tisburyCBS@gmail.com and also Ark Farm, Tisbury, Salisbury, Wiltshire SP3 6PR.

Offer Summary & The Finances

Tisbury Community Benefit Society is undertaking a share issue to raise capital to purchase an electric powered mobile refill shop to help reduce plastic pollution in our environment.

Opening date: Monday 23rd November 2020

(The board of the society may choose to extend the period of the share offer if they believe that by doing so they increase the chances of reaching the upper target.)

- **Target to be raised: £5,000**
- Minimum share subscription per person: £50
- Maximum share subscription per person: £30,000
- Maximum share subscription per organisation (which is a not a society): £40,000

Investment and purchase

How much do we need in total?

We are looking to raise a total of £5,000 which will cover the 'fitting out' costs of the shop i.e. those costs which take us from being an empty electric vehicle to a fully functioning mobile refill shop. These costs include:

- The dispensers we will need for the stock
- The scales and the tills
- The training we need for using the scales & till
- The hand sanitisers and PPE
- The equipment for cleaning down in between stops and at the end of each day
- The kettle for making cups of tea for our lovely customers
- The opening run of stock

Our business plan is based on a number of carefully considered assumptions

These include:

As to revenue,

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|--|-------|
| • Average transaction value: | £7.50 |
| • Average number of transactions per day by end of year 1: | 44 |
| • Cost of sales assumptions: | 57% |

As to staffing,

- One salaried staff member
- 2 part time members of support staff, funded by the Government's Kickstart Scheme
- Some help from volunteers along the way

Please contact Emily Hobbs at tisburyCBS@gmail.com if you would like a look at our Financial and Trading Projections.

Questions about the Investment

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

If the business fails to meet our expectations, Members will be able to make a democratic decision about whether to close the business, establish a new business(s) or sell the mobile refill shop.

If we did become insolvent, the ability of the investors to recoup the funds they have invested would depend on firstly the value that could be obtained for the assets of the society and secondly, the level of debt at that point.

In the event of a sale, proceeds would firstly pay off all creditors, with surplus funds paid back to shareholders.

The society will be subject to a statutory lock. As a consequence, any surplus after returning funds originally invested by shareholders would be transferred to another community organisation with similar aims and a similar asset lock. Neither the society nor its Members are able to modify or change these arrangements which are enforceable by statute.

What happens if I don't get all my investment back following a sale of the mobile refill shop?

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.

Are these community shares eligible for tax relief?

Great news! We've received confirmation from HMRC that this share issue is eligible for Seed Enterprise Investment Scheme (SEIS) tax relief. This means that you can claim 50% of the value of whatever you invest back against your income tax due to HMRC. If you use a capital gain to make the investment, then you can also reduce any Capital Gains Tax due from 28% to 14% on top of the income tax relief, giving a combined tax relief possible of 64%.

For everyone who has invested already, what this means is that, in effect, you can double the investment you have made to the society at no additional cost to yourself. Obviously, there is the loss of the actual cash, but if you were to double the investment today, the additional cash sum you invest will be returned to you in reducing your tax due, either for 2019-20 or 2020-21 as you choose.

If you've given us £250, you can double that to £500 and get the additional £250 knocked off your tax bill, depending on which tax year the investment is claimed.

If you also use a capital gain to make the investments, you can in effect triple the amount to £750 knowing that you will get back £480 of the additional £500 you've invested.

Please note that tax relief can only be claimed by those individuals who also meet the personal eligibility criteria, and so investors who seek to rely on this tax relief when choosing their investment value should take appropriate advice first as the society cannot provide advice on this.

How exactly does Seed Enterprise Investment Scheme tax relief work?

In order to claim your tax relief, you need an authorised HMRC certificate stating that you have invested in an eligible tax relief scheme. This is something that we provide you with.

This certificate is then used by you to claim the relief. You claim the relief in either the tax year of the investment date, or the previous tax year.

The investment date will be after the share issue is successful and closes successfully and after we receive the money from you. However, we can only apply to HMRC for these certificates when we've either spent 70% of the investment or else been up and running for 4 months, whichever is sooner. We don't yet know exactly when this will be, but would expect to have these certificates with every investor by Spring 2021.

If you are claiming the relief in tax year 2020-21 then, when you submit your self-assessment return for this tax year, you would use the certificate to claim the relief at this point, thus lowering your tax due. If you are on PAYE, you must send the certificate to the HMRC office which handles your payroll, and they will issue you with a new tax code which you then give to your employer to process, and that adjusts the tax you are due to pay accordingly.

If you are backdating the relief to tax year 2019-20, then you must send the certificate to the tax office which handles your tax affairs for an adjustment to be made.

Please get in touch with the TCBS team direct on tisburyCBS@gmail.com if you have any further questions relating to this tax relief.

About our share offer

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'.

Community shares are a form of investment that offer both social and financial returns to investors. They have been widely used by UK communities to raise funds to save pubs, sports clubs and arts venues, as well as to set up new business ventures such as wind farms, solar panels and even a distillery.

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 aim to pay interest each year on the investment, which we plan to be 5% (which is the maximum our rules say we can pay) as from the end of year two. We will pay the interest to you directly every year or you can choose to leave the interest with us to be withdrawn in a lump sum when you withdraw your initial investment at some point in the future (interest will not compound). We will send you an annual statement of shares. We will start calculating interest due from the date we start trading, so the first interest payment might only relate to a part of a year.

Each year, the Board will decide how much interest to pay, whether they can afford to allow shares to be withdrawn, and if so, how many. Interest is capped in our rules to a maximum of 5% per year, or 2% above Bank of England base rate, whichever is higher; if we aren't doing well financially, we can suspend the right to withdraw shares until such time as we've turned a corner.

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 may not 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 our business 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.

Questions about the share issue

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 much they have invested.

Members will 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 may be withdrawn by Members who have held them for a minimum period of three years, subject to 3 months' notice.

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.

Community shares and membership of the Tisbury Community Benefit Society

You will become a Member of the Tisbury Community Benefit Society (TCBS) if you purchase community shares.

How can I invest?

We are running this share offer through Crowdfunder. When you click to invest, the money will be taken from your credit or debit card and held by Crowdfunder's payment platform Stripe. The funds will then be passed to us at the end of the share offer raise.

What is the minimum and maximum investment?

We have set the minimum investment at £50. The maximum we can accept from individuals will be £30,000. Each shareholder has one vote, regardless of how much they invested.

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.

Can people club together to buy shares?

Yes, but as with organisations, you'll have to nominate a member of your group to be the named shareholder in our share register.

Can my investment be gift aided?

No, because we aren't a charity.

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 society 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 GPDR regulation in accordance with its responsibility as a data controller.

We won't have external shareholders or lenders looking to take a cut of our success, and instead will be ploughing the fruits of that success back into the society.

Please email us on tisburyCBS@gmail.com if you have any further questions.