

Houghton & Wyton Community Shop Ltd
Community Benefit Society Registration Number 007390

SHARE OFFER PROSPECTUS

The purpose of this document is to inform those considering buying shares in Houghton & Wyton Community Shop Ltd (H&WCS Ltd), and to make them aware of the process, the benefits and risks.

H&WCS is registered under the Cooperative and Community Benefit Societies Act as Community Benefit Society Number 007390, with registered address as The Green, Houghton, Huntingdon, Cambridgeshire PE28 2AX.

The Committee announces an “On-going Share Offer” and invites interested parties to become a member of the community owned business and for existing members to increase their shareholding.

The main purpose of the On-going Share Offer is to encourage new membership, but also to raise money for the business to meet its objectives including maintaining reserves and funding further improvements of the fabric and fitting of Our Shop.

Shares can be applied for at any time.

Background

Houghton & Wyton Community Shop Ltd (H&WCS Ltd) started trading as a Community Benefit Society (CBS) in April 2017 and is trading profitably (see the Annual Accounts on Our Shop website www.hwcommunityshop.org) with an increase of over 70% in shop turnover since 2017.

H&WCS Ltd raised £341,500 through the initial share offer, secured a grant of £300,000 from “Power to Change” and a 15-year loan of £150,000 from Triodos Bank Ltd. This allowed H&WCS Ltd to buy the freehold of the shop and flat above, fixtures & fittings, stock and goodwill and fund the initial expenses such as building works and legal and other costs – a total of over £790,000. Since 2017 we have invested well over £100,000 in improving the fabric and fittings of the shop and flat.

A second share offer in summer 2020 resulted in 67 people buying shares, about half being new shareholders and half existing ones. A “Rolling Offer” to buy shares was launched in late 2021: 27 people have bought shares since then, the majority being new members. These share offers have raised a further £77,000 and we now have 346 shareholders.

H&WCS Ltd also own the flat above Our Shop which is rented out and provides an additional income stream.

Who We Are

We are a Community Shop currently owned by 346 shareholders, democratically run by a Management Committee of volunteers and trading for community benefit.

All members (shareholders) have a single vote on how the business is run at the Annual Members Meeting, regardless of their level of investment.

The shop has a paid manager, subpostmistress and 6 staff, currently supported by about 40 volunteers working both in the shop and behind the scenes. The Management Committee currently has 7 volunteer members, (but this can be up to 12) who are elected by the members and act together as directors of the Community Benefit Society.

H&WCS Ltd operates as a Community Benefit Society, under Rules governed by the Financial Conduct Authority and Cooperative and Community Benefits Society Act 2014 and this requires the company to operate for the benefit of the community.

Our Vision

Our aims and objectives remain the same as set out in the original Share Issue Offer Document in 2017 and these are:

- Maintain and develop the shop as a community hub connecting with residents and visitors and supporting village clubs and societies.
- Keep and maintain the Post Office and the services it offers.
- Develop better links with other local businesses for mutual benefit.
- Support and assist socially isolated and less mobile residents.
- Work with the community to create new jobs, volunteer and training opportunities.
- Support local traders and suppliers to improve sustainability, reduce “food miles”, reduce waste and promote environmentally beneficial initiatives.

Our latest three-year Strategic Plan is available on the web site.

The Share Offer

Community Shares

H&WCS Ltd is inviting share ownership in Our Shop using a form of investment called “Community Shares”. Such shares are ideally suited for the funding of community assets like our village shop.

We aim as a minimum to maintain the business and have plans for further improvements and growth. We desire to make returns to investors, but the Management Committee always has to ensure the business is prudently governed, financially sustainable and takes into account the objectives of a Community Benefit Society and the wider community purpose.

If you support these objectives and ethos, you will appreciate that investing in shares in H&WCS Ltd is a medium to long term interest only investment rather than an investment offering large returns or capital growth.

The shares cannot be traded as such but may be “withdrawn” subject to available funds. When shares are “withdrawn” their value is the same as the purchase price i.e. £10 per share. See Additional Information below for further details.

Who can buy shares?

The share offer is open to anyone over the age of 16.

We welcome any investor who would like to become a part owner of our shop but please note that our Rules state that at least 51% of the shareholders should be village residents. Currently over 90% of shareholders live in the village.

Companies, clubs, societies, or groups of private individuals can invest. Such groups will be required to nominate a representative on the application form, who will then act for the group. The Management Committee will only communicate with this representative. Shares cannot be held in joint names.

Whoever is nominated for a group of investors will be the legal owner of the shares and the group will need to make their own arrangements for such things as how their single vote will be cast on their behalf and how any interest payments and withdrawals will be repaid to everyone who contributed from the outset. Please contact the Company Secretary for further details.

Minimum Investment

A single share has a value of £10, and the minimum individual investment is 10 shares, i.e. £100.

Maximum Individual Investment

The maximum individual investment is 2000 shares or £20,000.

Buy in blocks of 10

£100 is the minimum you can invest beyond which you can buy in blocks of £10 up to the maximum of £20,000.

“I want to invest but £100 (or 10 shares) is too much”

Individuals can club together as a group and buy any amount of the 10 shares collectively.

Supporting Information

Supporting information is available in the shop and on the Our Shop web site www.hwcommunityshop.org including:

- Rules 2024
- 2017 Share Offer Prospectus,
- The Annual FCA Reports and Financial reports.
- 3 Year Strategic Plan
- Share Purchase Application Form
- Data Privacy Policy

If you have any specific queries please email us at members@hwcommunityshop.org. or leave a message at the shop addressed to The Membership Administrator.

Future Plans

The main aim of the share offer is to increase our pool of shareholders (members) who support Our Shop. Any money raised will be used to strengthen our reserves and to fund capital expenditure.

The Committee are continuously reviewing ways to improve the experience for shoppers and staff and the fixtures, fittings and fabric of the premises including the flat above the shop and prioritise projects as appropriate.

It is important to note that the timing and Committee approval to finance any high value capital projects will always be dependent on the shop's actual and forecasted trading performance, on its reserves, and the availability of possible grant funding.

Additional Information

Investors Rights and Risks

As a shareholder you are entitled to vote in the election of the Management Committee, on resolutions tabled at the Annual Members Meeting and any Special Members Meetings; and to stand for election as a Committee Member. All members have one vote, regardless of their shareholding.

The Society's Rules 2024 are available on our web site: www.hwcommunityshop.org

Shareholders can expect relatively modest interest payment and our Rules dictate the rate shall not exceed 5% or 2% over Bank of England base rate on the sum invested. Our aspiration is to pay interest annually subject to availability of funds. The first interest payment of 2.75% was made to shareholders in July 2020, a second interest payment of 2% to those holding more than 10 shares in August 2021 and 2% again in November 2022. On both occasions about half of shareholders donated their payment back to the shop.

Interest Payments will only be paid to members on shares that satisfy all of the conditions listed in the Rules 2024. In summary these are:

- The Committee will set an Interest Payment Date and only shares held on that date will qualify for an interest payment.
- Only shareholdings greater than 10 shares (£100) will be eligible for interest.
- The interest paid on shares will be dependent upon the length of time they have been held: shares held for at least 12 months of the financial year from which interest is accrued will qualify for 100% and shares held for between 6 and 12 months will qualify for 50% of the interest payment announced by the Committee. Shares held for less than 6 months will not qualify for interest payments.

Investors in the first share issue were locked in for a minimum of 3 years but now the three years has passed, shareholders can apply to withdraw their shares. From time to time, our aspiration is annually, the committee will announce the opening of a window during which investors can apply to sell some or all of their shares: investors should be aware that if applications for withdrawal exceed the funds available shareholders may not receive the full

amount requested. The first share withdrawal window was in early 2021 and a second in May 2022: on both occasions all withdrawals were paid in full. Further withdrawal windows were delayed pending approval of the revised Rules (received November 2024) but a third withdrawal window has just closed, and we anticipate will be paid in full by the end of July 2025.

It should be noted that withdrawal of shares is subject to a number of constraints and the Management Committee must have regard to the trading conditions, reserves policy and funds available to meet demands for repayment.

Community shares cannot be transferred (except on death or bankruptcy).

The Management Committee believe that the underlying business is sound and that they are not aware of any reason why the business should not continue to trade profitably. Having made that statement, potential investors should be aware that any business is exposed to risk and uncertainty and future returns cannot be guaranteed.

Tax Implications

Investors should also be aware that any future interest payments are liable to income tax and that it is members responsibility to notify HMRC of this. The Society is required to advise HMRC of any individual interest payments made in excess of £250.

Business Insolvency

H&WCSL is an asset-locked Community Benefit Society and in the unlikely event of insolvency, the assets, including the freeholds, would be sold off. Any remaining amount after paying creditors would then be paid back to shareholders, in proportion to their original investment. Any surplus after that would be transferred to one or more community organisations that support the objectives of the original investment.

We believe the business is in excellent financial health and we invite anyone considering investing to review the FCA reports and annual reports on the shop web site.

It is important to note that whilst no investor will be liable for any losses or shortfall of funds in the event of insolvency, investors will not have any rights to compensation under the Financial Services Compensation Scheme or recourse to an ombudsman because Community Benefit Societies are exempt from the regulations governing public share offers.

How to Invest

You can make a payment for your shares by cheque or by BACS payment:

Please complete the form on the next page. It is also available on our website and in the shareholders folder in Community Corner in the shop.

Monies received will be held in the account below that is dedicated to receiving share investment monies, is kept entirely separate from, and not used for, shop business until the share certificate is issued.

Please be reassured that your financial details will be held in strict confidence and not circulated or made available to any third party outside the scope of this share offer.

Please note that for tax purposes the investment only occurs when the share certificate is issued as above. The Management Committee reserves the right to restrict or abandon a share offer and should this occur any monies held prior to closure of the offer window will be returned.

Houghton & Wyton Community Shop Ltd

Share purchase application form

Name: Address: <div style="text-align: right; margin-top: 10px;">Post Code:</div> Email: Phone:											
<table style="width: 100%; border: none;"> <tr> <td style="width: 40%;">How much do you want to invest?</td> <td style="width: 30%;">No. of shares</td> <td style="width: 30%;">value £</td> </tr> <tr> <td colspan="3" style="font-size: small;">(The minimum purchase is £100, maximum is £20,000, in multiples of £10. Each individual share is valued at £10)</td> </tr> <tr> <td colspan="2">Do you wish to pay by BACS? Please cross out.</td> <td style="text-align: right;">YES / NO</td> </tr> </table>			How much do you want to invest?	No. of shares	value £	(The minimum purchase is £100, maximum is £20,000, in multiples of £10. Each individual share is valued at £10)			Do you wish to pay by BACS? Please cross out.		YES / NO
How much do you want to invest?	No. of shares	value £									
(The minimum purchase is £100, maximum is £20,000, in multiples of £10. Each individual share is valued at £10)											
Do you wish to pay by BACS? Please cross out.		YES / NO									
Please tick the boxes below to indicate you agree with the statements: <div style="display: flex; align-items: flex-start; margin-bottom: 10px;"> <input style="margin-right: 10px;" type="checkbox"/> <div>I confirm that I am 16 years old or older</div> </div> <div style="display: flex; align-items: flex-start; margin-bottom: 10px;"> <input style="margin-right: 10px;" type="checkbox"/> <div>I have read the share offer documents and understand and accept the terms of the share offer and the Rules of the Houghton & Wyton Community Shop Ltd</div> </div> <div style="display: flex; align-items: flex-start;"> <input style="margin-right: 10px;" type="checkbox"/> <div>I consent to using the email address above as the primary means of communication for official documents from H&WCS Ltd and for H&WCS Ltd to obtain, store, use and destroy my personal information in line with the Privacy Statement on the H&WCS Ltd website.</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div>Signed</div> <div>Date / /</div> </div>											

Please return your completed form to Houghton & Wyton Community Share Offer, c/o Our Shop, The Green, Houghton, Huntingdon, PE28 2AX enclosing your cheque made out to **H&WCS Ltd (Share Offer)** or make a BACS payment to H&WCS Ltd Sort Code 60-18-17 Account No. 17640660 If paying by BACS please use the reference "Shares – your name".

Please be assured that your personal and financial details will be held securely in strict confidence and not circulated or made available to any third party outside the scope of this share offer.