



ERMINGTON

STORE & MORE

Open Community Share Offer

You are welcome to purchase community shares in Ermington Store and More to help improve and maintain the shop, cafe and community space ('hub') for Ermington!

This document is issued by the Management Committee of *Ermington Store and More*.

**Ermington Store and More, a Community Benefit Society, registered in England
Registration number: 8319**

Registered Office: Church Street, Ermington, Ivybridge, Devon, PL21 9NJ

Introduction

Ermington Store and More Limited is a Community Benefit Society, which provides a popular and well-regarded shop, cafe, and hub (community space) for the village, parish and wider community. We opened our doors in February 2020, just before the COVID-19 pandemic! Despite the COVID setback we have survived and thrived. We now have a dedicated throng of volunteers who believe in supporting this important feature of our community and who, together make Ermington Store & More the welcoming and successful community resource that it is today.

In setting up this venture we were enthusiastically supported by the local community who invested in our future by buying community shares and becoming members of our Society. Ermington Store & More Ltd already has 178 Members which is a tremendous vote of confidence in the Society

We are conscious that since the original share offer in 2020 there are people who have moved into and become a part of our community. We are sure that they would welcome the opportunity to become shareholders/members and help us to improve and maintain our offering. Many new residents are already active volunteers and have asked about ways in which they can become members of our Society.

This open share offer is intended to facilitate this. An open share offer is one that is not time-bound nor with a maximum target. Our intention is that the offer will remain open for the foreseeable future.

Management Committee

The Management Committee members are:

- Nicky Scutt (Chair)
- Rose Smith (Vice Chair)
- Ani Everitt (Treasurer)
- Catherine Rees (Secretary)
- Steve Hitch
- Kathy Toms
- Andrew Savery
- John Messham
- Roger King

We are a group of volunteers with a range of commercial expertise and skills who share the common aim of continuing the success of Ermington Store and More. We have invested our time and energy voluntarily without financial reward. We are also supported this venture by members and dedicated volunteers.

What are Community shares?

Community shares are what you will get in return for investing in Ermington Store & More. They are an ideal way for communities to invest in enterprises serving the community.

The opportunity to buy shares allows local people to contribute financially on a long-term basis to the community of Ermington in the expectation of receiving a **social dividend** rather than a financial return.

Shares in the Society are subject to laws that limit financial gain and emphasise social benefit. You will be investing for the long-term benefit of the Community.

A social dividend will mean different things to different people, but may include:

- Having a shop in the village to get daily staples – milk, bread, eggs and much, much more
- Access to a 'community hub' where groups can get together to enjoy each other's company, interests and exchange information
- Having a café where you can get a great coffee, cup of tea, cake or a light bite at the same time as meeting fellow locals and making friends
- Getting people out and about, walking around the village and bumping into friends and neighbours
- Knowing that there is good quality produce available in the village, supporting local producers and reducing food miles
- Reducing car journeys to supermarkets and other shops
- Making the area a more desirable place to live and therefore positively affecting house prices.

Becoming a member of our Community Benefit Society

The shares you buy will make you a Member of the Society, with an equal vote regardless of the size or type of your shareholding. As a member you can participate as much (or as little) as you like in our work. You can attend and vote at Annual Members' Meetings, stand for election to the Management Committee, elect members to the Management Committee, volunteer your skills - or just give Ermington Store & More your custom (but of course you don't need to be a member to do that!).

To become a member, you must have purchased at least **one** share.

- Each share costs £20
- You must be over 16
- The shares are non-transferable save on death or bankruptcy
- The shares are withdrawable at face value after 1 year, subject to our Share Withdrawal Policy.
- A member can own up to £1,500 worth of shares
- The value of shares cannot increase

The Society's shares cannot be transferred or sold. They are withdrawable after one year and with three months' notice being given. However, the repayment of the withdrawable shares has to be from the trading surpluses of the shop or a new issue of shares and, at any event, is at the Management Committee's discretion. Shares will not increase in value but can decrease in the event of failure of the business or poor performance. In the event of such failure, the shareholders' liability is limited to the value of their shares.

In the withdrawal of shares, the Management Committee has an overriding duty to consider first the long-term interests of the Society and thus, for example, it must ensure that prudent reserves are maintained. Withdrawals will be capped in line with the Society's withdrawal policy. (See our withdrawals policy)

If, after reinvesting in the business and maintaining prudent reserves, there remains a financial surplus, it is intended that any surplus will be used to invest in community or charitable projects chosen by Members, in line with the Rules. **There is no intention pay any interest on shares.**

A Community Benefit Society share offer is exempt from the Financial Services and Markets Act 2000 and other regulation. This means that you have no investor safeguards. The Society is registered with, but not authorised by the Financial Conduct Authority, thus the money that you pay for your shares is not safeguarded by any depositor protection or dispute resolution scheme. You could lose some or all of the money you invest. You will have no right of complaint to an ombudsman. You are reminded that you are not investing for profit but for the long-term benefit of the Community and such investment has inherent risk; if needed, seek independent advice.

If you do not have internet access, please contact us on 01548 831111 and we can supply you with a paper copy.

SOME FREQUENTLY ASKED QUESTIONS

Why should I invest?

You are being invited to become a Member and contribute financially to maintain and develop a community resource. Your dividend will be a social one rather than one resulting in any financial gain.

Who benefits from this venture?

Ermington and the surrounding community do. Ermington Store & More is a vital village amenity which you will help to sustain. It is run by a democratic, not-for-profit organisation called a Community Benefit Society. Embedded in its Rules is the principle that the Society's surpluses will be available for distribution to other community projects.

Who runs the shop and the Society?

The shop is run by volunteers and by paid staff, employed on the Society's behalf. The Society is run by the Management Committee which is re-elected each year by your vote at the AGM.

What is my liability should I invest?

Your liability is limited to the value of your shares.

What voting rights do I have as a shareholder?

As a shareholder you are also a Member of the Society. In a Community Benefit Society, the rule is **One Member – One Vote**. No matter how large or small your shareholding, you have an equal voice. If shares are bought by an organisation including a company, then a representative will have to be appointed to vote on matters concerning the Society.

What is the minimum and maximum I can invest?

The minimum share is £20, and the maximum amount that can be invested by an individual in the Society is £1,500. The minimum age for members is 16.

Will my investment increase in value?

Shares can go down in value but they cannot increase in value above their original price.

Will my investment remain confidential?

The Management Committee will keep a share register separate to the members' register. Members are entitled to request a view of the members' register, however this is not to be encouraged. We anticipate that the great majority of shareholders will respect that others may not wish their shareholding to be general knowledge.

Can I sell my shares on?

No, these shares cannot be sold. They are a special type of share known as a community share. The only way to recover their value is to apply to the Management Committee for the withdrawal of your shares from the community venture itself.

How can I get my money back if and when I need it?

The Management Committee has stipulated a minimum of one year before you can apply to withdraw any share. Three months' notice for withdrawals is required and withdrawal will be at the discretion of the Management Committee.

What happens if the Shop becomes insolvent or in the solvent winding up?

If there remain, after the satisfaction of all its debts and liabilities and the repayment of the paid-up share capital, any assets whatsoever, such assets shall be transferred to one or more community organisations that support the objects of the Society chosen by the Members at a Members' Meeting. Under our Rules, a statutory asset lock ensures that any remaining assets of the society have to be handed over to a "similar not-for-profit or community benefit society" (see society Rules 7.5 to 7.9)

What happens to my shares if I die?

In the event of the death of a member, the repaid value of the shares will normally be added to the estate for probate purposes. You may (if you wish) elect to nominate a recipient for the value of the shares and thus remove shares from your estate for probate purposes (i.e. the shares may pass to the nominee outside the Will of the deceased). Our rules allow shares to be transferred on a death or they can be

withdrawn, but only if the Society can afford to do so.

What redress do I have if I lose the value of my shares?

The sale of community shares is not regulated by the Financial Services Authority because investors are deemed to be investing for social returns, not for financial gain. There is no right of complaint to the Financial Ombudsman, nor can you apply to the Financial Services Compensation Scheme. Investment cannot be viewed in the same way as an investment in a building society or a bank, where currently the first £85,000 is protected. Potentially you can lose everything you invest in a community share offer.

If you are in any doubt about investing in the share offer, you should seek further financial advice.

Can I afford to lose some or all of this investment?

If you can't, please don't invest!