



Hallbankgate Hub Ltd: A Community Benefit Society

Share Offer

**You are invited to join a community enterprise providing
a shop and cafe in Hallbankgate and a Hub for the village and the surrounding area.**

There has been a co-operative in the village of Hallbankgate for more than 130 years. It is part of the history and fabric of the village and has been a lifeline for many people. We want to continue this rich tradition of having a shop at the heart of the community.

Scottish Midland Co-operative Society took ownership of the village shop in 2013 and closed it at the beginning of June 2015. Hallbankgate Hub Ltd, a Community Benefit Society set up by local people in 2015, then raised funds to buy the premises and re-open a shop combined with a café and community facilities in Hallbankgate. This now provides local residents with an attractive, friendly place that meets most of their shopping needs. By extending the services provided beyond those of a traditional Co-op we hope to ensure that the shop is viable and has a secure and certain future.

The Hub is owned and controlled by the community through the Community Benefit Society. It can issue shares to ensure that everybody in the community who wishes can be a part-owner of the business and thus join in the process of deciding its development and its future.

If you are not already a shareholder, the Management Committee of the Hub now invites you to buy shares for this purpose.

This offer stands open indefinitely.

The share issue is intended to provide local people, as well as friends, potential suppliers, businesses with interests in the locality, and other organisations far and wide, with the chance to be involved in, and contribute financially to, the community business in the expectation of receiving a social dividend (and possibly, in due course, a financial return). For some, this dividend will be the convenience of being able to pop into the shop for their daily paper or when the milk runs out. For others, it may be that there is an easily accessible place for them to do all their shopping. For others again, it may be the community life which the Hub supports: the coffee shop with information boards and artwork on the walls provides a meeting place at the heart of the village where people can keep up to date with local news and events, and there are also Post Office services, a Library Link, exhibition space and a room for group use.

If any or all of these benefits capture your interest, please support us now!



Farlam
Parish Trust



Background information

Who is in charge?

Hallbankgate Hub Ltd. is run by a Management Committee elected by shareholders at the Annual General Meeting. The details of the current committee membership can be found on the hub's website www.hallbankgatehub.org

How does the share issue work?

A Community Benefit Society operates as a democratic organisation with a Management Committee drawn from its membership. Each member has one vote, irrespective of the amount subscribed for shares. Shares are a long term investment for the benefit of the community. The value of a share in the Hub cannot increase beyond its initial cost of £20, and may decrease if liabilities exceed assets. However, no further liability can fall on you as a shareholder.

Why should I become a member?

Hallbankgate Hub Ltd is a business run by the community, for the community. The success of the shop relies primarily on the support of local people. We would encourage everyone in the locality to become a member and have a say in the running of the Hub and help ensure that it continues to trade successfully.

Who will benefit?

Everyone in the parish of Farlam, and beyond, from Halton-Lea-Gate to Milton. The shop provides a good range of essential supplies. Local producers have an outlet and there is a focal point for other services. The cafe attracts visitors and people passing through. The presence of a shop in the village enhances the value of your house, attracts new residents and so helps to ensure the continuing presence of other local services such as the village school, pub and garage.

What are the advantages?

The Hub is *more than just a shop*. It:

- Supplies residents and visitors with daily staples such as bread, milk and newspapers as well as a wide range of specialist foods (vegan, gluten-free, organic) and a variety of other merchandise including fresh fruit & veg, alcoholic and soft drinks, canned and dried foods, baking ingredients, sweets and housekeeping supplies.
- Maintains access to postal services and a library link
- Creates jobs and volunteer opportunities for local people
- Offers local suppliers the opportunity to supply fresh, quality food to the local community
- Strengthens the local economy via produce and service initiatives
- Reduces car journeys to supermarkets and other shops in Brampton or Carlisle
- Provides a community hub where people can obtain information and meet friends and neighbours
- Increases the sense of belonging in the community
- Re-invests any surplus profits in the community

Other funding

In addition to our current shareholders, this initiative has been supported financially by Farlam Parish Council, the Farlam Parish Trust and Cumbria County Council. Our project has also been endorsed with grant funding from The Power to Change (Big Lottery), The Prince's Countryside Fund and Cumbria Community Foundation.

What will the funds be used for?

Investment by our grant funders and shareholders to date has supported the purchase and fitting out of the premises, initial stocking and the guaranteeing of running costs during the start-up phase. From now on new share investment will:

- Help ensure the continuing viability of the community business as it establishes a firm basis of profitability.
- Provide a margin for Hub staff to continue supporting non-profit-making community services like the Library Link and meeting space.

How much can I invest?

Anything from £20 to £20,000 in multiples of £20.

Will I receive interest on my investment?

The main focus of this share offer is to provide a social dividend. However, our rules permit payment of interest at up to 2% above Bank of England base rate. The management committee would decide at an appropriate stage in the development of the business whether profits justified such a payment.

Can I sell my shares?

No. After three years you can give notice that you wish to withdraw. Permission may be granted by the management committee, depending on profitability.

Are shareholders liable for any debts?

No. Your liability is limited to the value of your shares.

What happens to any profits?

The *Hallbankgate Hub* business cannot be sold for the benefit of its member shareholders. Future surpluses not needed for the development of the business can only be used for the benefit of the local community. In the event that the business ceases trading, any surplus, after paying creditors and repaying share capital, must also be used for community benefit.

Is the investment guaranteed?

No, but our purchase of the freehold of the old Co-op premises means that the property is now an asset which will give investors a measure of security. If the business ceased to trade the building could be sold and the proceeds used to repay share capital, after creditors have been paid. The shares should be viewed as a long-term investment for the benefit of the community.

Is this a good business proposition?

We believe it is. Whilst not guaranteed, the value of shares will be supported by ownership of the shop freehold.

Will the Hub be a success?

We certainly hope so. We have received support and advice from the Plunkett Foundation, who have helped many villages establish community-owned shops. Across the country the five-year survival rate for such shops is 99%. The business has made a strong start and is already a welcoming and popular local venue. **If we all use it, the Hub will succeed.**

Will I have a say in running the Hub?

Yes. All shareholders have one vote at AGMs and other shareholder meetings. This does not depend on the number of shares held. Any shareholder may also put themselves forward to join the management committee. In addition, any shareholder may raise an issue to be discussed at a committee meeting by contacting the Secretary.

How else can I get involved?

This project is almost entirely dependent on volunteers. It is staffed by a salaried Manager and Assistant Manager supported by a team of volunteers who serve in the shop and café and do other vital jobs. Please tick the box on the share application form if you are willing to offer your skills, experience and time in any volunteer capacity.

The small print

Please read this carefully in full before making a decision to subscribe for shares.

Shares in a Community Benefit Society cannot go up in value, but you may be paid interest on the value of your shares as trading conditions allow. This is at the discretion of the management committee and must be funded from trading profits, after first considering the long-term interest of the business, the need to maintain prudent reserves and the Society's commitment to community benefit.

We are exempt from the Financial Services and Markets Act 2000 or subsidiary regulations; this means you have no right of complaint to an ombudsman. *Hallbankgate Hub Ltd*, as a Community Benefit Society, is registered with, but not authorised by, the Financial Conduct Authority (Register number 7111), and therefore the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme. As the whole of your investment could carry a risk, please consider it carefully in the context of the complete share offer document, and if needed seek independent advice.

We have a comprehensive business plan and detailed financial information available on request. You can find the business plan and more information about the Hub, including our memorandum of association and other documents at <http://www.hallbankgatehub.org>

How to make an investment

Please complete the attached application form and send it with your payment to:
The Secretary, Hallbankgate Hub, Hallbankgate, Brampton, CA8 2NJ.

Hallbankgate Hub Ltd

Share Application Form

Only one person can apply per form.

You must be over 16 to apply for shares.

If you need additional forms, please contact the Secretary or download from <http://www.hallbankgatehub.org>

I would like to purchase shares in *Hallbankgate Hub Ltd*

Name:.....

Address:.....

.....

E-mail:.....

Phone number:.....

Your contact details will only be used to communicate with you on matters regarding the business. We will not pass your details on to third parties.

I wish to buy shares to the value of £.....

Multiples of £20 - minimum £20, maximum £20,000

☐ I enclose a cheque made payable to *Hallbankgate Hub Ltd*

☐ I enclose cash

☐ I am also interested in volunteering

I confirm that I have read the share offer document and understand fully the status of my investment.

Signature:.....

Date:

Please return this form to:

The Secretary, Hallbankgate Hub, Hallbankgate, Brampton, CA8 2NJ