

# Bamford Community Society

## Membership Share offer

***If you are considering buying shares it is important that you read the whole document.***

### Introduction

The Anglers Rest was purchased in October 2013 by Bamford Community Society, through a community share offer which raised £263,500, with 75% of members living in Bamford (including Thornhill, Shatton and Yorkshire Bridge) and included investment from the main village institutions (Bamford with Thornhill Parish Council, The Parochial Church Council of the Parish Church of St John the Baptist Bamford, Bamford Primary School PTFA and Bamford Community Arts and Crafts).

The membership share offer provides a fresh chance for people to invest, e.g. for those people who have recently moved to the area, have only recently become aware of the Community Hub, or did not previously choose to buy shares.

The Board of Bamford Community Society has set a maximum shareholding at £275,000. Once this limit has been reached, any further requests for shares will be put on a waiting list. When shares become available, you will be contacted by the Company Secretary.

### What is in it for me?

This is not just about buying and running a pub, cafe and Post office it is about helping to sustain a community.

The vision is: ***To develop a sustainable community business that is inclusive & with a reputation for good customer service, that contributes to a vibrant & thriving village.***

There is limited financial reward – this is about investing in the future of the community and ensuring the Anglers Rest Community Hub is run for the good of the village, for us now and for future generations.

### What is a community share offer?

It provides the opportunity for local people and businesses to buy into the community where the motivation and payback is more social than financial. It helps to ensure a truly local enterprise, accountable to the community whilst serving and benefitting it.

The Bamford Community Society was set up to purchase and run The Anglers Rest.

The shares you buy will make you a Member of the society, with an equal vote regardless of your shareholding. Your involvement thereafter can be as much or as little as you wish. You can vote at Annual General Meetings, stand for election to the Board of Directors, inspect the share register of the society, volunteer skills or just give the community hub your custom.

The Anglers Rest Community Hub is the trading name of the Bamford Community Society Ltd, a registered society under the Co-operative and Community Benefit Societies Act 2014.

## A community asset

We have bought the Anglers Rest to protect it for the future and for it to become a community asset for everyone to enjoy in the long term.

It is only truly a community asset if it can generate a profit that than can be reinvested into activities that benefit the community. Our vision to run it as an enterprise for the good of the area.

## How do I buy shares?

You need to be over 16 years to invest.

Membership shares cost £250, consisting of 250 shares of value £1 each.

Fill in the application form and follow the instructions on the form. Upon receipt of your money you will be issued with a receipt, and shortly afterwards a share certificate.

## How does the share issue work and what guarantees do I have when buying shares?

This is a long-term investment for the benefit of the community.

Shares cannot go up in value. Therefore if you wish to withdraw shares at any point they can only be withdrawn at face value. In the event of having to wind up the Society, should the value of the Society's assets exceed the value of the share capital, the shareholders will still only get back their original investment. Any excess value would be transferred to another community organisation having similar community benefit aims. This is known as an asset lock and is to prevent private gain if the organisation dissolves. However as the shares are issued by a corporate body, **shareholders have no liability beyond the value of the shares they buy.**

When the business is in profit, the Society aims to pay interest on the shares at a rate to be recommended by the directors and voted on at the AGM. Interest will be paid pro-rata for shares within the year in which they are purchased, if relevant.

Interest is paid gross and is taxable. Interest will be allocated to your share account unless immediate payment is specifically requested. You will be responsible for declaring this income to HMRC. Any profits beyond this will be retained within the Community Hub and used to further its activities.

The Society has approval from HMRC for Enterprise Investment Scheme (EIS) tax relief. This places a number of trading restrictions on the BCS for three years from the date that shares are issued.

The Board has decided that to enable these restrictions to be removed from November 2016, that **EIS or Social Investment Tax Relief (SITR) will not be available on shares offered under this share offer.**

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## Can I sell my shares?

Shares cannot be sold or transferred to another person but can be withdrawn. No shares can be withdrawn for three years.

After this time you can get your money back, with 3 months notice, if you want to cash-in your shares.

Where there are extenuating circumstances the directors have the discretion to release funds earlier where feasible. The directors have the right to refuse or suspend withdrawals.

## What are my risks?

The Society wants to be fully open and transparent to its potential investors about the risks as well as the benefits of investment in community shares. Cooperatives UK recommend that it is good practice to make the following points explicit:

- As a member and shareholder of Bamford Community Society you will own the society and The Anglers Rest. If the Society is unable to meet its debts and other liabilities, you could, in principle, lose some or all of your investment held in shares.
- The Financial Services Compensation Scheme, which applies to bank accounts, does not apply to your share account. This share offer is exempt from regulation and therefore does not require authorisation from the Financial Conduct Authority (formerly the FSA).
- Your investment in your share account is withdrawable without penalty at the discretion of the Board under the Society's rules.
- Your investment in your share account receives interest but does not enjoy any capital growth. It is primarily for the purpose of supporting your society rather than making an investment. As a society, the maximum return offered to investors by way of income will always be limited.
- The Financial Ombudsman Service does not apply to your share account or your relationship with the Society, but any dispute may be the subject of arbitration as set out in the Society rules.

Due care has been taken in preparing this document which has been overseen and approved by the directors who can vouch that the information it contains is in accordance with the facts and that there are no omissions likely to affect its import.

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