



SHARE OFFER - Frequently Asked Questions

Holding shares in Lesbury Community Shop Limited is an investment in our community. Full details are set out in the Share Prospectus and can be found on the www.lesburyshop.co.uk website or paper copies in the Lesbury Village Hall, Church and School. The success of such a venture is not only about raising funds for the set-up but also providing the means whereby the community, through shares, own the Shop and buys into its success as a business. This Share Offer is designed to attract as wide a membership as possible from the community. This will mean even greater involvement and interest in ensuring that the business will continue to succeed and be valued by all.

The Community Shop will be a real asset to the village, not only providing a vital service for the village – a convenience store, basic post office-style services and a community hub to meet up. Passing walkers and cyclists benefit too! This valued village amenity is a not-for-profit organisation (a Community Benefit Society). Embedded in its Model Rules is the principle that any trading surplus (profit) will be reinvested in the business or distributed to local community or charitable projects.

Why should I invest?

By buying a share, you will become a Member of the Community Benefit Society called Lesbury Community Shop Ltd. Annually, the Management Committee provides all Members with a report setting out audited financial statements and the Society's activities for the previous financial year. Each Member has a single vote on Resolutions at these meetings and so has a say in how the Shop is run. Each Member also has the right to stand for election as a Management Committee member; the Management Committee is elected by Members' votes at Annual Members' Meetings. Your support is key to the ongoing success of this enterprise.

What is my liability should I invest?

Your liability is limited to the value of your share. The Society confers limited liability, so should the project fail, no further liability can fall to you as a shareholder.

What voting rights do I have as a Shareholder?

In a Community Benefit Society, the rule is one member, one vote. So, no matter how large or small your shareholding, all Members have an equal voice.

How much does a share cost? Can I buy more than one?

A single share is £1 with a minimum purchase of 25 shares and up to a maximum of 5,000 shares

Who can buy shares?

Any individual over the age of 16 can buy a share in this Offer. Shares can also be purchased by companies and will be the property of that company; a nominee will need to be elected on behalf of the company. There is no requirement to be resident from the Lesbury Community.

Will my shares increase in value?

No, they are limited to the initial value of £1. However, shares can go down in value (if the project does not do as well as expected) but they cannot increase in value. This is an investment for the benefit of the community, rather than for personal financial gain.

Can I sell my share?

No, these shares cannot be sold. The only way to recover their value is to apply to withdraw your shares from the community venture itself.

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

To enable the business to build up sufficient reserves, our Model Rules state that no withdrawals can be made in the first 3 years of trading. The two exceptions to this are as a result of the investor's death or bankruptcy. From the 4th year of trading onwards, shareholders may request to withdraw their investment by giving 3 months' notice in writing. Withdrawal will at all times be at the discretion of the Management Committee who will consider if the business has adequate profits and cash reserves to fund the requested withdrawal.

What happens to my shares if the business fails?

In the event of a solvent winding up, assets would be sold and, after creditors are paid, shareholders could be repaid up to the nominal value of their shares. Any surplus would be put to community use. If the Society's liabilities were more than the assets, shareholders would lose their investment.

How can I invest?

Please use the Share application form. Please use one per person.

Application forms, along with copies of the Share Offer Prospectus and Model Rules are available from the website

www.lesburyshop.co.uk/share-offer.

If you have any questions, please email:

ShareOffer@lesburyshop.co.uk