



# The Herb Garden Community Café

## Community Share Offer

### Invest in the Herb Garden Community Café Ltd to secure its future

Over the past seven years, thanks to Sally Bramhall, The Herb Garden Café has grown into the popular café and community hub that we all know and love. Sally now wants to retire, and there is a strong motivation from staff and customers to keep the café going. A steering group, comprising members of staff plus a few others, has been working hard to register the café as a Community Benefit Society, with an ongoing enrolment process to gain members. The strength of support is evidenced by a membership of over 100, many of whom have also offered to volunteer in varying ways.

We now need to raise funds and the primary method is a share issue, open to anyone over 16 years old.

The Business Plan and Rules of the Society are also available. We ask that you read them in conjunction with this share offer document.

Share offer target:	£50,000
Cost per share:	£1
Minimum share purchase:	20
Opening date for share offer:	31st March 2017
Closing date for Share Offer:	12th May 2017

## The plan:

### What are we trying to do?

The Herb Garden Community Café is now a not-for-profit organisation, the mission of which is to establish a community run café in Llandrindod Wells, with the purpose to provide good food in an accessible and inclusive venue which is a resource and focal point for the community and supports local providers and growers.

### Objectives:

- To continue to provide good food, home-made and using locally sourced ingredients where possible.
- To provide an accessible and inclusive venue for all, including those with disabilities and special needs, mother and baby etc.
- To provide a venue, which acts as a meeting place for local community groups.

- To support local providers and growers.
- To provide social activities, e.g. quiz nights, music evenings, games nights.
- To provide gallery space for local artists.
- To use the café facilities to provide opportunities for training/education on, e.g., basic cooking, nutrition, etc.
- To adopt strategies to reduce food waste in the local community
- To revise working practices in the café to ensure that it runs at a profit.

You may have some questions:

### **Why do we need your money?**

- We have to purchase the equipment from the current owner
- We need to upgrade some of this equipment and update the internal decoration.
- We will need some working capital

### **How much do we need?**

Set up costs plus essential working capital for first 3 months of trading

- Purchase of existing equipment: £5,000
- Cost of priority replacement of old equipment: £12,000
- Cost of decorative refurbishment: £8,000
- Working capital to cover cost of initial stock, wages payments for lease, insurance and business rates (discount being applied for) and contingencies £25,000

Total amount = £50,000

### **Can we get money from anywhere else?**

Yes, being a Community Benefit Society means that we can apply for grants and funding, although these are likely to be limited in amount, and be for specific purposes.

### **Who is leading this initiative?**

The current transitional management committee is leading the initiative. It consists of a mixture of members of staff and volunteers. When we have completed our share issue and membership enrolment, we will hold a members' meeting at which all posts on the management committee will be filled by election at the meeting.

Current Transitional Management Committee:

Chair: Dorianne Robinson	Paul Jays
Secretary: Pat Howard	Penny Nicholson
Vice Secretary: Martha Wooldridge	Membership Secretary, (job share)
Sarah Palmer	Mary and Kevin Russell

## How does the share offer work?

We have formed a Community Benefit Society, which abides by a set of Rules.

Each person's shareholding has a single vote attached. Thus, every shareholder will have one vote at the AGM, however many shares he or she holds. The minimum share-holding is £20, i.e. twenty £1 shares. We are encouraging as many people as possible to buy multiple shares to help us reach our target.

## What do I get out of owning shares?

The satisfaction from having some ownership of your favourite café

The opportunity to have a say in how it is run

Our plan is to pay interest on shares of up to 3% once the café has achieved the necessary expansion plans, there is a sustainable income and there are profits to enable us to do so. We also anticipate there will be tax relief on all share investments subject to the agreement of HMRC (application submitted).

## What are the risks of investing?

Shares should be regarded as a long-term investment in the community café. The shares are not traditional company shares, but community shares. They cannot be sold but you may be able to withdraw them after 3 years, or in exceptional circumstances, at the discretion of the Management Committee and subject to there being available surplus capital. Shares will never exceed their initial value of £1 per share, but their value may go down, or be lost completely, if the café fails to prosper.

However, because the shares are issued by a limited company, no further liability can fall on you as a shareholder.

There is a possibility that you may lose your money if the venture fails. If it thrives, your investment may provide a return for you in the form of interest of up to 3%, subject to there being available surplus capital.

## Risk factors for the Herb Garden Community Café

- The failure to raise sufficient capital
- The failure to achieve our financial projections
- The failure to reverse current unprofitability
- Lack of support from volunteers – we need your help!!

## Positive factors

- Our assets – a café already set up and running
- Enthusiastic staff and committee in place
- Lease of 10 years agreed, with a break clause at 2 years, with 6 months' notice, and a discounted rate for the first two years.

**We believe that we can do it – please support us!!**