



COMMUNITY SHARE OFFER

Your chance to be part of a Glossopdale institution!

Our share issue will help us make improvements to the bookshop and secure the future of the business for the benefit of the community.

KEY DATES

Launch date - Sunday 11th November 2018

Closed date - Friday 7th December 2018

FUNDRAISING TARGETS

Maximum fundraising target the Society will consider - £50,000

Minimum fundraising target required - £27,200

INDIVIDUAL INVESTMENTS

Minimum investment individuals can make - £50

Maximum investment individuals can make - £5,000
(10% of target investment)



This share offer has been awarded the Community Shares Standard Mark by the Community Shares Unit. This is awarded to offers which meet national standards of good practice.





VISION

Based in Glossop, Derbyshire, George Street Community Bookshop is a not-for-profit community business that exists to improve access to knowledge, learning and local cultural heritage to the people of Glossopdale and visitors to the area.

From bestsellers to radical free-thinkers, from children's stories to local and international history, George Street Community Bookshop is establishing an extensive and affordable literary resource.

We aim to extend access to books and literature to as wide a mix of people in Glossopdale as possible. As a community benefit society, we encourage volunteers and members to organise individually and collectively, book clubs, reading groups, visiting speakers, poets, musicians and other events of cultural interest.

With this investment the shop, we will become a place for local artists, authors and creative practitioners to showcase and sell their work and will play an integral role as part of Glossop's wider cultural and creative sector.

Our values are: independence, free thinking, community, collaboration, cooperation, curiosity, learning, inclusivity, progressive, celebrating books, entertaining, member-led.

This document, our business plan and rules are available online here: www.georgestreetcommunitybookshop.co.uk/community-share-issue.html



FINANCIAL RISK

This document is important and requires your detailed consideration. Due care and attention has been taken in preparing this offer document. The process was overseen by the board of George Street Community Bookshop Limited who can vouch that the information it contains is in accordance with the facts available and that there are no known omissions likely to affect the viability of the business. If you want any advice you should consult with an independent financial adviser authorised under the Financial Services Act 1986.

Despite our protections under the Landlord and Tenants, there is a small risk of our lease not being extended, in this circumstance it is possible that we will not be able to pay back all of everyone's shares. Please see section 7.3.3 Balance Sheet Forecast and Appendix 4 Risk Assessment of our business plan for more information.

It should also be noted that members of community benefit societies do not have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme.



RISK

The purchase of shares is at full risk and if the business fails it is possible that you will never recover the full value of your shareholding or even lose it completely.

Should George Street Community Bookshop experience financial difficulties: we may not be in a position to pay interest; we may have to suspend investors' rights to withdraw shares; and investors may lose some or all the money paid for shares.

As George Street Community Bookshop Limited has been incorporated with limited liability, the liability of its Members is limited to the amount paid for their shares.

Please read this entire Community Share Offer document together with our Business Plan and Society rules which can be found online at www.georgestreetcommunitybookshop.co.uk before you apply to buy community shares.



PURPOSE OF THE INVESTMENT

When the long-established George Street Bookshop came up for sale in Glossop in early 2018, as a group of local people, concerned that the bookshop might close or radically change its ethos, we organised to take ownership.

We quickly formed a social enterprise company, raised £2,000 from 80 people via a crowdfunding campaign to cover startup costs, held a series of outreach and engagement events and managed to secure enough short term, bridging finance to purchase the shop. On 1st July 2018 George Street Community Bookshop began trading to the public!

You are invited to become a member of the George Street Community Bookshop Limited (society no. 7868) by investing in shares in the Society.

The purpose of this investment is to safeguard the shop's long-term future and maximise its social and economic potential and we are seeking to raise up to £50,000 of capital to pay off the short-term bridging finance, invest in making the shop more flexible in order to increase footfall and sales and to build new, online sales channels.

As well as economic returns, the investment will increase the social impact of the business, helping us increase volunteering opportunities and to invest in our wider cultural activities to benefit the Glossopdale community and beyond.



TARGET COMMUNITY

Our aim is to attract investors from our local Glossopdale community, including people who use the shop and anyone who values the wider social, cultural and economic impact of this longstanding local business. We have chosen to set a relatively low minimum share investment in order to attract a more socially diverse membership and to ensure a large number of small investors have a stake in participating in the governance of the bookshop.

We are also targeting bookshop customers who travel from outside the area as tourists or dedicated enthusiasts and anyone who appreciates the cultural impact of second-hand bookshops.

Based on the past Community Share Issue experience of our advisors, we estimate around 200 people will invest in the share issue.



BUSINESS MODEL

Since taking over, we have continued to operate under a standard business model of retailing second hand books using a part-time paid staff member (Steve Roberts, one of our directors who has extensive retail and shop keeping experience) and substantial volunteering to cover shop opening times. We currently have 12 regular, active volunteers staffing the shop and assisting with other business operations such as marketing, business planning and volunteer management.

We intend to increase sales by investing in a shop refurbishment programme to improve storage and update the interior to make it more attractive. The use of a specialist architect will ensure the work caters for key audiences such as young parents and children. Offsite storage will expand our range whilst reducing congestion within the shop and an electronic indexing system will enable customers to quickly and simply find the books they want. Investment in equipment will enable online sales to be made.

Past accounts from the previous owner indicate average book sales around £2,000 per month (£24,000 per year). The change in ownership, and temporary closure has led to an inevitable reduction in sales to around £1,450 per month (£17,400 per year). With the investment in shop facilities we estimate an increase in sales of 5% per year to reach £23,300 per year in Year 2022/23.



BUSINESS MODEL (cont.)

Based on other community bookshops' experiences, we estimate online sales will generate around 15% of sales, amounting to £3,500 per year in 2019/20 rising to just under £4,500 in 2022/23.

The refurbishment will also create a small, flexible events space within the shop, enabling us to run ticketed author's evening readings. We estimate events attended by 300 people a year, with entry costs of around £5 per person (and subsidised ticket costs for low income people) this will generate a net £1,000 a year surplus and additional sales benefits from longer shop opening hours.

We will also rent out the shop to local cultural, community and voluntary groups, hiring the event space out for around four hours a month generating around £500 of income a year

The effect of these additional income streams is to boost income and enable the withdrawal of Community Share investment over time.



CAPITAL REQUIREMENTS

The funds raised in the share issue will be used to repay people who lent money for the initial business and stock purchase, to make refurbishment improvements to the shop and its fixtures and fittings, to purchase equipment to enable online sales and to buy other essential shop equipment.

The refurbishment will be designed by architects with experience of shop fit outs who will carry out community consultation work using key stakeholder workshops. The cost of the refurbishment has been estimated on basis of standard industry figures and will benefit from local volunteer labour and where possible reclaimed materials.

Maximum Fundraising target budget

Income	
Community Share Issue	£50,000
TOTAL	£50,000

Item	Costs
Repayment of loans	£20,000
Additional purchase payment	£3,000
Architect fees	£2,000
Cost of refurbishment	£16,000
Painting and decoration	£1,000
Shop equipment (including online sales)	£1,500
Marketing materials	£2,000
Working Capital	£4,500
TOTAL	£50,000



FIVE YEAR PROFIT AND LOSS FORECAST

	2018-19	2019-20	2020-21	2021-22	2022-23
INCOME					
TOTAL INCOME	£26.900	£24.379	£26.238	£28.239	£30.392
Total Cost of Sales	£8.000	£1.649	£1.775	£1.911	£2.056
Gross Profit	£18.900	£22.730	£24.463	£26.328	£28.336
Less Overheads					
EBITDA	£400	£3.368	£4.174	£5.041	£5.975
Share Interest (Paid as book tokens)	£0	£0	£1.000	£1.000	£1.000
TOTAL Overheads	£21.243	£22.114	£24.052	£25.060	£26.144
SURPLUS FOR YEAR Before TAX	-£2.343	£615	£411	£1.268	£2.192
SURPLUS FOR YEAR After TAX	-£2.343	£615	£411	£1.268	£2.192

BALANCE SHEET

	2018-19	2019-20	2020-21	2021-22	2022-23
Total Fixed Assets	£21.107	£18.804	£16.491	£14.169	£11.836
Total Current Assets	£39.900	£23.168	£27.242	£31.183	£33.558
Total intangible assets	£6.650	£6.300	£5.950	£5.600	£5.250
Total Current Liabilities	£0	£0	£1.000	£1.000	£1.000
Current assets less current liabilities	£39.900	£23.168	£26.242	£30.183	£32.558
NET ASSETS	£47.657	£48.272	£48.684	£49.952	£49.644
Members Share Capital	£50.000	£50.000	£50.000	£50.000	£47.500
CUMULATIVE RESERVES AT YEAR END	£47.657	£48.272	£48.684	£49.952	£49.644

The full Business Plan with a detailed financial breakdown is available via our website: <https://www.georgestreetcommunitybookshop.co.uk/community-share-issue.html>



FUNDRAISING TARGETS

Our optimum and maximum target fundraising amount for the Share Issue is **£50,000** and the spend of this money is outlined in the Capital Requirements section.

The minimum viable fundraising target is **£27,200**, this amount enables us to pay of the short-term bridging finance secured to buy the shop and make the most essential shop improvements.

If we raise more than £50,000, the Society will return money above £50,000 to investors – on a pro rata basis – excepting those investors who have contributed at the minimum level of £50. The Society does not need to secure any other sources of capital to complete the work required.

COMMUNITY SHARES BOOSTER PROGRAMME

We have secured the support of the Booster Programme, which is funded by Power to Change and run by the Community Shares Unit. Under this programme up to £20,000 is available to match applications for shares from the public. This means that for every pound invested by individuals up to £20,000 another pound will be invested in shares by the Booster Programme.

The match shares will be held by Co-operatives UK, a partner in the Community Shares Unit, and will be subject to the same terms and conditions as other George Street Community Bookshop Limited members, except for its right to withdraw share capital, which will be restricted to a pro-rata amount.



THE OFFER PERIOD

- **Launch date** - Sunday 11th November 2018
- **Closed date** - Friday 7th December 2018

Should the minimum fundraising amount not have been raised by Friday 7th December 2018 we may choose to extend the share issue by no more than a month.

The purchase of equipment to support online sales and workshop sessions with our architects will take place immediately after monies have been drawn down and shares issued. We plan to carry out the refurbishment work during the down period in sales during January or February with the shop being closed for a brief period.



FINANCIAL RETURNS AND RESTRICTIONS

Should the business be generating sufficient annual surpluses, the board can utilise some of these funds to make the payment of interest to shareholders – we intend this interest to be paid at 2% of the investment made.

Assuming there is sufficient surplus, interest on shares will be paid after each year end at the rate of 2% of investment held. In any case, we do not intend to pay interest until the financial year ending March 2020.

Interest will be paid in the form of book vouchers issued by the Society and for exclusive use in George Street Community Bookshop. Vouchers must be redeemed within 12 months of being issued otherwise they will lapse.

Issuing of interest is subject to the financial performance in the previous year as the directors' prime responsibility is the sustainability of the Society.

We aim to allow share withdrawal from the year 2022/23. This is consistent with our forecasting and budgets. We have budgeted to allow 5% of the original share capital (£2,500) to be withdrawn each year. The Board may, at their sole discretion, suspend the right to withdraw either wholly or partially, and either indefinitely or for a fixed period.



TRACK RECORD

George Street Community Bookshop Limited has been trading and operating the business since July 2018. Individual directors have experience of running retail, co-operative and cultural businesses and we have been successful in engaging a number of experienced volunteers to assist with business development, marketing, volunteer management and promotion.

LOANS

It should be noted that three directors, Caroline Turner, Steve Roberts and Ann Bosset-Roberts are among the people who lent George Street Community Bookshop funds to carry out the initial purchase and will be repaid by the share issue – in total these directors lent 50% of the money. These directors are not involved with any board decisions relating to this liability.



DIRECTORS' BIOGRAPHIES

Steve Roberts

Steve has been a professional musician (1988-2008), owner of a Health Food Shop (2008-2017) and a Human Resource Officer in the NHS (1980-1988). His lifelong passion has been books; reading, collecting and writing songs inspired by books. He is currently studying for a BA (Honours) Arts and Humanities with the Open University.

Ann Bosset-Roberts

Ann has a degree in Librarianship and Information Studies and many years' experience of working in school and public libraries and is currently working in an academy. Along with Steve, they owned and managed a health food shop for nine years so have extensive retail experience.

Ronny Worsey

Ronny grew up in Birkenhead and got into environmental issues and social justice campaigning as a teenager. She has lived in various parts of Britain and been involved in a variety of co-ops and social enterprises as both an employee and volunteer. After moving to Glossop 10 years ago, she has really enjoyed being part of the local community. She's a regular face at People's Kitchen, Record Club and the We Shall Overcome gigs. Her main interests are organic gardening, cooking big pots of vegan food, hiking, live music, guinea pigs and books, especially graphic novels.



BIOGRAPHIES (cont.)

Jonathan Atkinson

Jonathan has over 20 years' experience of working within the co-operative and social enterprise sector. He is co-founder, director and staff member at Carbon Co-op, a Community Benefit Society established in 2011 and based in Manchester that carries out energy efficiency improvements and carries out other energy system projects. He also operates a freelance co-operative and social enterprise development agency, lowwintersun which specialises in new project development, fundraising and strategic development.

Caroline Turner

Caroline worked for 15 years in primary schools as a teacher with an art specialism and also within the education team at Manchester Art Gallery. She has four years retail experience as an assistant manager in Oddbins wine stores, has written a successful food blog and has been a reviewer for an award-winning food app. Since 2010 she has been working in the field of arts funding dealing with grants covering all areas of the arts in all areas of England.



SHARE CAPITAL

Up to 50,000 shares will be issued with a nominal value of £1 on acceptance of a valid application. The Shares, which cannot be traded or sold in any way, have been created under the Co-operative and Community Benefit Societies Act 2014. They are however withdrawable.

Applicants can apply for a minimum of 50 shares (£50) and a maximum of 5,000 shares (£5,000).

Whilst a reasonable return on investment can be expected, investing in George Street Community Bookshop should be seen as a way of supporting our wider social and cultural impact – this is primarily a social investment, not a financial one.

Capital is planned to be accrued each year with the intention of enabling some share withdrawal. Share withdrawal is at the discretion of the board and if requests for share withdrawal exceed the amount accrued for withdrawal may not be granted until sufficient reserves are again available. The board reserves the right to limit the quantity of shares that can be withdrawn within any 12-month period. This limit will be administered in as fair a manner as possible. We have budgeted for a withdrawal of 5% of the original shares invested every year from the year 2022/23.



GOVERNANCE

The project was initially constituted as a company limited by guarantee in order to quickly secure the bookshop. We have since converted to a Community Benefit Society (society no. 7868) – in order to enable a far wider membership and facilitate the community share issue. The Society has been registered using the Co-operatives UK Community Benefit Society Model rules and registered under the Co-operative and Community Benefit Societies Act 2014. The Society's rules can be found here: www.georgestreetcommunitybookshop.co.uk

Any member of the public aged 16 or over, wishing to invest a minimum of £50 is eligible for membership of the Society. Corporate organisations, ie companies, other co-operatives, community and voluntary sector groups etc, are also eligible for membership through investment. There are no restrictions on geographical location and you don't need to be a bookshop customer.

Each member has equal voting rights in members meetings irrespective of the number of shares held (but interest is payable in proportion to number of shares held).

The board of directors is elected from our membership by our membership at our Annual General Meeting. Two additional directors may also be co-opted from outside the membership for particular skills. Any member aged 18 or over can stand for election to the Board.

Asset Lock – our rules include an explicit asset lock, if the Society is wound up at any stage in the future, shareholders are entitled to receive the value of any remaining share capital they have in the Society repaid from the society's assets after all creditors have been satisfied. Any additional monies after repaying shareholders would be passed to another charity with similar objects, and not to shareholders.

SHARE APPLICATION FORM

Shares will be allocated on a first come first served basis. Successful applicants will receive share certificates and their details and holdings will be recorded in a share register to be kept by the Society.

Complete the paper application form at the end of this share issue document and return it, with your payment (you can pay by cheque or bank transfer) to George Street Community Bookshop Limited, 14-16 George St, Glossop SK13 8AY. If we do not reach the minimum target, the funds will be returned to you.

I wish to become a member of George Street Community Bookshop Limited in accordance with the Rules and apply for community shares to the value of: £

PLEASE NOTE: For this share offer the minimum shareholding is £50 and the maximum is £5,000 (10% of shares issued).

CONTACT DETAILS

PLEASE USE CAPITAL LETTERS

FIRST NAMES IN FULL:

LAST NAME:

ADDRESS:

POSTCODE:

PHONE NO.:

EMAIL:

If applying on behalf of an organisation please also provide:

ORGANISATION NAME:

TYPE OF ORGANISATION:

ORGANISATION ADDRESS:

REGISTRATION NUMBER:

COMPANIES HOUSE / FCA / CHARITY COMMISSION:

YOUR POSITION WITHIN THE ORGANISATION:

You must be authorised to sign on behalf of the organisation. Please supply notification of this appointment by the governing body with this application form.

AGREEMENT (please tick)

I have read the share offer document, including the risk factors.

I agree to be bound by the Terms and Conditions included in the Share Offer Document and Rules of George Street Community Bookshop Limited

I understand that the Board of George Street Community Bookshop Limited may reject my application, and are not obliged to tell me why it has been rejected

I consent to receiving formal notices by email and links to formal documents on George Street Community Bookshop Limited's website.

[Please Turn Over]

TERMS & CONDITIONS

The data provided by you on this form will be stored on an electronic database. This data will be used for George Street Community Bookshop Limited's purposes and will not be disclosed to any third party. By buying these shares, you agree to all the information disclosed here being held on a computer database in compliance with EU General Data Protection Regulations (GDPR). Your rights over this data can be found in our privacy notice here www.georgestreetcommunitybookshop.co.uk

It is a condition of the offer that to ensure compliance with the Money Laundering Regulations 2003, George Street Community Bookshop Limited may at its absolute discretion require verification of identity of any person seeking to invest.

SUBMITTING YOUR APPLICATION FORM

Please send your completed application form and payment to:
George Street Community Bookshop Limited, 14-16 George St, Glossop SK13 8AY.

CHEQUE

Make payable to 'George Street Community Bookshop'

TRANSFER

To George Street Community Bookshop

Sort Code: 08-92-99

Account number: 6585 4013

[Important: Please use the Applicant initials and postcode as the reference attached to the transfer.]

SIGN

DATE

Contact us

For all enquiries please call in at the shop or email at georgestreetcommunitybookshop@gmail.com Our website can be found at: www.georgestreetcommunitybookshop.co.uk