

# COMMUNITY SHARE OFFER



## **Why “community” shares?**

Bosavern Community Farm, which is owned and managed by Bosavern Community Enterprises Limited (BCE) has been producing food with and for residents and visitors to West Penwith since 2010.

In March 2014 with the help of a National Lottery grant, a loan, and funds from our first Community Share Offer, we were able to purchase Bosavern Community Farm from Cornwall Council - so safeguarding the Farm in perpetuity for the Community.

BCE is a Community Benefit Society, a social enterprise with charitable aims. The organisation is made up of Members, each with a least one Community Share, and annually they elect the Management Board which are responsible of the day-to-day management of Bosavern Community Farm. BCE wishes to continue to increase the number of Members, making Society fully representative of the local community. The funds from Community Shares- purchased over and above the £1 needed to become a member - are treated as loans from Members to the Society and are one-way equipment and developments at the Farm can be funded.

## **How will the money be used?**

The money raised through this open share offer will contribute towards equipment and capital projects developing the farm.

To attract funds to BCE, as well as to promote the social and environmental benefits of the Society, the Society intends to pay interest on shares once held for a minimum period, and where an individual's shareholding is above a minimum level (currently £300). Interest will only be paid if and when the Farm is making a surplus and has adequate reserves to do so. The rate of interest paid will not be higher than is needed to attract these funds to BCE.

This is a long-term investment: it is unlike investment in a for-profit enterprise, where the investor seeks to share in profits through dividends and make capital gains from an increase in the value of shares held, which are freely marketable. Community shares offer the opportunity of an investment with a social gain, which will benefit the Community. As the shares do not increase in monetary value, and are not transferable, this investment should be considered as an opportunity to contribute financially to the community with the expectation of a social dividend rather than just a financial reward.

## **Membership Benefits**

- You will be entitled to one vote at General Meetings regardless of the amount you invest
- You can be confident your money is invested in a project supporting social and environmental objectives
- You will have access to and priority booking for courses and activities at the farm
- You will receive regular newsletters
- You may be entitled to interest on your investment, at the discretion of the Board

## **Share Parameters**

Shares in Bosavern Community Enterprises Ltd. cost £1 each, and their nominal value will be £1. The minimum investment is £20 and the total and maximum amount of shares an individual can hold is £100,000.

The value of shares in Bosavern Community Enterprises Ltd cannot increase beyond the nominal value of £1 and may be reduced if liabilities exceed assets.

Shares are not transferable. To recover the sum initially invested (or any reduced value) it is necessary to give 180 days' notice of withdrawal to BCE. This request to withdraw shares cannot be made until 1 year has elapsed from the date of issue of the shares.

Consent to withdrawal will be at the discretion of members of the Board who will judge if BCE is trading profitably and has adequate cash reserves to fund withdrawal.

The Farm business cannot be sold for the benefit of its Community shareholders.

Investors become members of BCE and will be entitled to one vote at General Meetings of BCE, regardless of the amount invested.

It is the intention of the Board of BCE to pay interest on shares on an annual basis if and when the enterprise is trading profitably and has adequate cash reserves to fund such payments. To limit the administrative burden interest will only be paid where a shareholder has £300 or more in shares and they had been held for the entire previous financial year. Interest will be paid in the form of shares.

Any decision about any interest payment on shares will be announced at the Annual General Meeting and interest payments will cover the previous financial year period.

## **Risk Factors**

The Board of BCE has conducted an analysis of the strengths, weaknesses, opportunities and threats to Bosavern Community Farm. Several risk factors were identified.

The main ones are:

- Economic factors (e.g. recession, inflation, effects of Brexit) may affect income and employment for local people resulting in reduced sales of our produce
- Increased competition from similar enterprises in the locality
- The impact of sustained adverse weather on the growing operation
- Inability to secure funds to support future developments
- Changes in personnel leading to loss of expertise

BCE will endeavour to minimise these risks wherever possible, whilst recognising that some of them will be out of their control. Should BCE become insolvent and have to cease operation of Bosavern Community Farm, BCE will make every endeavour to realise assets purchased with capital from the Community Shares in order to be able to offer to buy back Community Shares from shareholders at a price as close to the nominal value as possible.

## **Caution**

This is not a savings scheme. Your money will be used carefully, but it is at risk. You cannot sell these shares to anyone else. BCE can only pay interest on your investment if there is a surplus. We do not want any money you cannot afford to be without. Any trading activity is vulnerable to changing or unanticipated risk. The BCE share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations; this means you have no right of complaint to an ombudsman. A Community Benefit Society such as BCE is registered with but not authorised by the Financial Services Authority and therefore the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme. The whole of your investment will be at risk (although you will not incur a liability beyond your investment). Please consider it carefully in the context of this Share Offer Document and related information and, if needed, seek independent advice.

If you have any questions related to this Community Shares Offer and to receive an application form, please contact [membership@bosaverncommunityfarm.org.uk](mailto:membership@bosaverncommunityfarm.org.uk)

The application form is also available from [www.bosaverncommunityfarm.org.uk/membership](http://www.bosaverncommunityfarm.org.uk/membership)

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