

Hermon Community Resource Centre

April 2014 Community share offer

To open a community café and shop in Hermon

At the Old School

An opportunity for local people to shape the future of their rural village and have a 10.83% annual return over 6 years

Subject to tax status relating to the Seedcorn Enterprise Investment Scheme –(SEIS)

Community share offer



Total amount sought : Minimum of £20,000 - Maximum of £40,000

Minimum investment £250, maximum individual investment £10,000 – SEIS 50% tax relief

Launch date: 06th April 2014 - See www.canolfanhermon.org.uk for full details.

Or call 01239 831968

(How to claim the 50% tax relief see - <http://www.seis.co.uk/claiming-income-tax-relief-on-a-seis-investment/>)

Hermon Community Resource Centre Limited

A community benefit society Registration no. R 30234

Registered Charity Number 251430

Our aim

The purpose of this second community share offer is to raise the money needed to complete the works on the old school building in Hermon to open a community café and shop.

It has been over 15 years since the village had a shop and the plan is to have a day café for local residents to meet and socialise, while also having basic provisions available as a small shop area.

We have secured funding from the village SOS programme to ensure that the old school could be turned into a 2 floor space. Also funding from PLANED has allowed under floor heating and electrical fittings for the ground floor space. The new corridor provides a disabled access facility for the old school site.

This new share offer is a great opportunity for the local community to be fully involved in finishing off the community café and shop fixtures and fitting. The café will offer training opportunities for young people and also a chance for intergenerational projects to teach traditional cooking skills from the senior generation to young people. The aim is also to develop a luncheon club to meet on a regular basis.

In the longer-term we will also look to complete the remaining class room space to house the local children's nursery – Cylch Meithrin Hermon who currently meet in the attached hall meeting room and backstage area. The first share offer in 2007 allowed the community to raise the deposit to purchase the school site following the closure of the primary school in 2006. From the initial support in 2007 the volunteers on the committee secured substantial funding to build the timber frame ECO hall in Hermon known as Canolfan Hermon. Planning has also been secured to develop the first floor of the old school as a bunk house tourism venue for 25 people to stay at affordable rates.

Our targets

As agreed at our January 2014 board meeting there is a need to finish the corridor and café area to allow new business and employment at the site. The current 145 shareholders ensured the setup of our community cooperative to help clinch ownership of the site in January 2008. The subsequent grant funding has seen over £500,000 being drawn in to create a valuable community asset. Those now interested in purchasing new shares will be equal shareholders to those who initially purchased. Existing shareholders are able to purchase additional shares.

We naturally wish to offer an incentive for new and existing shareholders and special shareholders events are planned for 2014 with reduced price bar and food. In addition the board of directors wish to introduce a discount card for shareholders to benefit from discounts on food and drink as well as preferential rates for hiring the rooms at the hall.

A preliminary business plan for the new developments envisages that there are several income streams for the old school site. Phases one and two have seen the purchase and establishment of community hall, conference and offices and additional car parking. This current Phase three will see the renovation of the ground floor of the old school. The future phase four will see the upper floor of the old school developed into a community run bunkhouse.

Our share offer

This document sets out the terms and conditions attached to the shares. Shares in community benefit societies are not the same as shares in private companies. The shares are withdrawable, which means that you can ask for your money back at any time, although to comply with HMRC tax relief withdrawals before 3 years will negate the tax relief. The committee also wish to encourage another 3 years tie in of shares and are offering a 2.5% dividend/interest on the shares from year one along with the 50% tax relief to UK tax payers. With a 6 year tie in period, this amounts to an average of 10.83% return per annum for this period. This 72 month duration will allow our company time to develop new services and accumulate a monthly fund to fully repay the shares in 6 years. Our rules say you must give us three months notice of your intention to withdraw. Our rules also say that the board has the right to refuse your request, and to suspend withdrawals, if they think the society cannot afford to allow withdrawals.

*The objects of Hermon
Community Resource Centre
shall be to carry on any
trade, industry or business
for the benefit of the
community by managing,
maintaining and operating a
community resource centre.*

The society will be run for the benefit of the community and will be eligible for certain grant funding. Your shares cannot go up in value but the aim will be to offer shareholders a benefit in kind through a discount scheme. Shares can go down in value if the debts of the society exceed the value of its assets. There is a risk that you could lose some or all of the money you invest in these shares. This is an unregulated offer and you will not be eligible to apply to the Financial Services Compensation Scheme in the event of any losses.

It is our intention to pay interest on this share offer at 2.5% per annum, also we have registered this share offer with HMRC's tax incentive scheme known as the SEIS (Seedcorn Enterprise Investment Scheme). The SEIS scheme allows UK taxpayers to recoup up to 50% of their shares value against their personal tax payments. An example being if someone buys £2,000 worth of shares and are UK taxpayers then they can claim £1,000 of tax paid or payable to HMRC AND also retain the £2,000 shares, HMRC rules dictate that the shares have to be kept for a minimum of 3 years. Our proposals regarding paying an annual interest (dividend) on these shares will be offer 2.5% interest for a period of 6 years. Over 6 years the 50% tax relief amounts to 8.33% average and with the 2.5% interest this is an average total of 10.83% return to the investor supporting this community café. **Our board members**

The voluntary directors/trustees of Hermon Community Resource Centre Limited are:

Chair Trustee – Bill Davies A local farmer and events organiser. Serving many years on the local community council has held the position of chair on many occasions.

Vice Chair Trustee– Roger Howells A builder by trade and heavily involved with numerous local community organisation. A member of the local community council

Secretary Trustee – Jennifer Thomas Office administrator with a local bus company. Having supported many children activities and past treasurer of the Cylch Meithrin play group.

Treasurer – Mike Bossom A local businessman and artist. Developed skills in e-commerce and website design

Trustee – Dyfrig George A builder by trade. Retired retained fireman. The closest trustee living next door to the community centre.

Trustee – Iwan Evans A carpenter by trade. Coordinator of darts events at the community centre. Rugby coach with the junior teams at Crymych RFC

Trustee – Andrew Phillips A builder by trade. A retained fire man and rugby coach with the junior teams at Crymych RFC.

Trustee – Brenda Jones Involved with children support activities. Member of the Gardening Club

Trustee – Buddug Ward Employed supporting children services. Involved with the local chapel and supporting many community groups.

Trustee – Sharon Morley Runs her own cleaning business. Heavily involved as a leader of the Young Farmers Club in Hermon. Interested in local heritage with her family having lived in the area for generations.

Trustee – John Morgan A building merchant officer by trade. Supporting community sports and events.

Trustee – Will North A local clothing and banners business man. Involved with developing the business activities of the community centre.

At least one-third of the board will stand down each AGM and others having a 3 year rotation. Any member of the society will be able to stand for nomination to be elected to the board but will need to highlight the skills they offer.

Risk factors

The board has identified the following risks, which could result in losses for the society, and affect its ability to meet future demands for the withdrawal of shares:

- Unforeseen problems arise with the building structure which results in additional costs
- Planning permission is wholly or partly refused for the desired uses of the old school site
- The income from the café is less than anticipated, or visitor numbers fail to reach our targets
- The site takes much longer to get ready for use, resulting in a longer than anticipated period without any income
- Several large shareholders seek to withdraw their capital at the same time resulting in cashflow problems for the society
- The board fails to develop an effective succession plan to attract new board or sub-committee members
- The society is unable to raise sufficient finance to complete the long-term developments, or the costs associated with these developments are too high.

Further information

Copies of the preliminary business plan and the society rules can be provided electronically on request.

Our investment terms

The minimum investment for membership is £250, but individuals can invest as much as they like up to a maximum of £10,000. This formal offer is launched on 6th April 2014 and close on the 30th of July 2014 or when we have reached our upper target of £40,000, whichever happens sooner. As soon as we reach our lower target of £20,000 we will proceed with the kitting out the cafe. If we do not succeed in meeting our lower target for this second share offer we will discuss refunding investments received with those new shareholders. We naturally wish to ensure full social inclusion to this offer and can therefore provide a 10 month payment plan of minimum £25 a month for 10 months. Also the local West Wales Credit Union cooperative can offer 3 year loans for local people to participate in this share offer – see www.wwcu.co.uk

Hermon Community Resource Centre Limited

Official Community Shares Application Form

Please complete this form. The purpose of this form is to confirm your acceptance of the terms and conditions of this offer.

Full name:

Name of Guardian if under 16 years old:

Address:

Postcode:

Home Telephone:

Mobile Telephone for text info:

Email:

Tick to confirm that you are happy to receive all future correspondence by email

Tick to confirm that you (or as guardian) are aged 16 or over and that you accept the terms and conditions associated with investing in the society shares set out in this document

New or additional investment of £250 per share - amount in Words:

(Total with any previous
must not exceed £10,000) :

New or additional investment of £250 per share - amount in Numbers

(Total with any previous
must not exceed £10,000) :

 £

(Please enclose a cheque made out to "Hermon Community Resource Centre Ltd")

Signature

Date

Please return by post to:

Canolfan Hermon, Hermon, Y Glog, Llanfyrnach, Sir Benfro. SA36 0DT
www.canolfanhermon.org.uk 01239 831968