

# The Harbertonford Community Shop & Post Office



The Harbertonford Community Limited  
(A registered Community Benefit Society)

## Community Share Offer



The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice.

For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to:

<https://communityshares.org.uk>

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# Offer Summary

The Harbertonford Community Limited (THCL), a Community Benefit Society, is offering shares in the Society to raise the funds needed to bring the business that is the Shop and Post Office into community ownership, to refurbish it and to seek to provide a small bar-cafe.

**The opening date of the share offer is Friday, 10 June 2022. The closing date will be Sunday, 25 July 2022.**

The THCL Management Committee reserves the right to extend the offer beyond this initial period if they believe doing so would benefit the share issue.

**The goal of this share offer is to raise a minimum of £60,000, an optimum of £90,000 and a maximum of £120,000.**

The cost per share is £20. The minimum investment per individual is £20 and the maximum investment per individual is £10,000.

**Power To Change, through the Community Share Booster programme, can provide a matched investment of up to £25k depending on the amount raised by the share offer. We have made an application.**

THCL is a Community Benefit Society registered with the Financial Conduct Authority (FCA) and its registered number is 8236 (or RS008236 at Companies House). The registered office is Lyndhurst, Woodcourt Road, Harbertonford, TQ9 7TY.

Shares in THCL will not be eligible for any dividend payments. 'Interest' will be paid at the discretion of the Management Committee, at a rate not higher than 5% or 2% above Bank of England base rate.

Community shares are fully at risk and you could lose some or all of the money you invest. You have no right to compensation from the Financial Services Compensation Scheme, nor any right of complaint to the Financial Ombudsman Service.

You are advised to read this document in conjunction with the THCL Business Plan and to obtain independent financial advice if you are unsure about investing. Copies of the Business Plan and Society Rules are available on our website: <https://harbertonford.com>

# Community Shares Standard Mark

**T**his share offer document has been awarded the Community Shares Standard Mark by the Community Shares Unit in recognition that it meets national standards of good practice.

These standards ensure that:

- The offer document and application form are easy to understand;
- You are provided with all the facts you need to make an informed decision;
- The facts are supported by the annual accounts and/or Business Plan for the Society;
- Nothing in the documents is purposefully incorrect, confusing, or misleading

Societies are asked to sign a Code of Practice requiring them, among other things, to give the public a right of complaint to the Community Shares Unit.

For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to:

<https://www.communityshares.org.uk>



# The Background

The village of Harbertonford is a village of about 600 people situated in rural Devon about 5 miles south of the town of Totnes. It is a working village with a very mixed demographic (there is more detail in the business plan). It is the largest village in the area with a range of tenure types including social housing. There are many young families and elderly residents. The village has a well respected Primary School that serves the whole area. The Harbertonford Shop and Post Office serves the village and the surrounding settlements which together add up to approximately 1000 households.

As many reading this will know, THCL was initially formed to save the Maltsters Arms pub in Harbertonford, but it became increasingly apparent that because of its location, being on a busy main road, with no parking and no garden and the need of extensive repairs, there was little community appetite for this project, as the view was it could never be made into a viable family friendly pub. Then, in 2020, we were approached by Gerry Mulrine, owner of the Shop and Post Office. He wanted the community to take over the business, as he wanted to retire.

This appeared to be a unique opportunity to create something special and to secure and enhance the important services the Shop and Post Office provide to the community of Harbertonford and the surrounding villages. The lack of any pub in the village might also be addressed by the creation of a bar-cafe at the end of the shop.

To see if there was community support we conducted a comprehensive survey of Harbertonford and the surrounding villages. The survey showed there was overwhelming support and the importance of the Post Office, Shop and the proposed Bar-Cafe divided among the respondents:



There is a lot more information on the survey results in the THCL Business Plan.

# The Aims and Objectives of THCL

**O**ur vision is to run the village shop under community ownership, and for it to be a thriving and profitable venture. The shop will be run by the community for the community, with all surplus profits being used to support local projects and individuals in need.

The business plan has more details, but in summary our aims will be:

- Keep and develop the Post Office and the services it offers;
- Maintain and develop the shop as a community hub connecting with residents and visitors and supporting our village halls, local clubs and societies;
- To add a bar-cafe to the end of the shop, subject to planning permission and further consultation with members, as a place the community can meet;
- Develop links with other local businesses for mutual benefit;
- Support and assist socially isolated and less mobile residents;
- To provide employment, and continuity for existing staff, and to work with the community to create new jobs, volunteer and training opportunities;
- Support local traders and suppliers to improve sustainability and reduce 'food miles', reduce waste and promote environmentally beneficial initiatives.



By securing the future of the Shop and Post Office the primary benefit to the community will be the continuation of the valuable service it provides. However, there will be important secondary community benefits arising from its ability to support local initiatives and projects out of profits.

The model whereby there is a community owned business that provides local resilience and a funding source is becoming increasingly common and important. Our aim is to develop the business so that it can become an engine for community-led projects that help to address the many stresses residents are facing, not least the poverty crisis that is about to unfold but also the looming climate change and environmental crisis, the widespread problems of social isolation in rural communities and the many challenges to individual well-being in both young and old.

To achieve this THCL is committed to working with its members and local businesses and organisations to build a sound and profitable business that becomes an important community asset and a source of resilience.

THCL is already working with partners to improve road safety in the village of Harbertonford and to address replacement of the unsafe equipment in the play-park. It has acted as a coordinator and as a conduit for funds raised through small local grants.

# Who are we ?

THCL is run by its Management Committee of up to 12 members , as laid-out in the Society’s Rules, which will be elected annually. The Management Committee currently has 8 members, and 2 advisors.

The core team consists of:

John McKay	Chair	District Councillor
Mathew Roddan	Secretary	Qualified Lawyer
Graham Clayton	Treasurer	Qualified Accountant

The other members come from a variety of backgrounds and together make up a very experienced team. These are:

Tim Bank	Structural Engineer
Krystyna Krzyzak	Journalist
Josephine Rodrigues	Marketing Consultant
Amanda Daniel	Fundraising
Linda Allen	Restaurateur – retired

As advisors we have: Prana Simon (Housing specialist, Parish Councillor and former shop owner) and Gavin Castle (very experienced Chef with local supplier connections) .

The Management Committee are bound by the Rules of the Society that are available for download from our website or from the Financial Conduct Authority ( <https://mutuals.fca.org.uk/Search/Society/30500> ).

These rules were adopted from Model Rules provided by the Plunkett Foundation, which has helped in the creation of many Community Benefit Societies that are now running community shops and pubs throughout the country.

# The business plan

The following is a brief overview of our business plan and explains the targets we have set for the community share offer. There is a lot more detail in the THCL Business Plan document, which can be downloaded from our website: [https://harbertonford.com/docs/THCL\\_BusinessPlan.pdf](https://harbertonford.com/docs/THCL_BusinessPlan.pdf)

As we are taking over an existing business, we do not have to make many assumptions about likely turnover and profitability. The current owner of the shop has been very helpful in providing us with all the information we need.

To take over the business we have allocated the following costs:

	Cost £'s
Business Purchase	25,000
Current Stock Purchase	15,000
Professional Services - Contracts etc	8,000
Refurbishment	16,000
Equipment upgrades and IT	12,000
Working Capital	14,000
Total	90,000

The Optimum Target is £90,000. If we raise £65,000 from the community, Power To Change may add up to £25,000, giving us the £90,000 we need.

The Minimum Target of £60,000 would limit refurbishment and equipment costs and subsequent upgrade costs would then need to be paid for out of profits. If we raise £35,000 from the community, Power to Change may add up to £25,000 giving us £60,000.

The Maximum Target of £120,000 would give the business extra resilience and allow it to look more immediately at achieving its longer term aims and objects. If we raise £95,000 from the community, Power to Change may add up to £25,000 giving us £120,000.

The table below is a summary of the financial projects for the next three years for the Shop and Post Office. The numbers have been calculated based on the current performance of the Shop and Post Office with some very conservative assumptions and include contingency figures for various risk factors outlined in the business plan.

	Year 1 £'s	Year 2 £'s	Year 3 £'s
Sales	390,000	415,000	445,000
Post Office	12,000	12,000	12,000
Purchases	296,400	315,400	338,200
Wages & NI	53,000	56,000	59,000
Trading Costs & Depreciation	40,800	42,300	43,800
Trading Profit (before tax)	11,800	13,300	16,000

The current business is doing quite well, but with some extra investment that would be made possible by this share offer, there is the potential to grow the business and in the longer term fund local community projects from the profits as described in our Aims and Objectives above.

**Your investment in this community share offer will not only secure the business for the community, but will seed a long-term source of funds for the community that will give it the power to shape its future.**

# FAQs

## **1. What is a Community Benefit Society ?**

A Community Benefit Society is an equitable organisation, with every member having just one vote, irrespective of how many shares they hold. We have set a limit, so no individual can hold more than 10% of the shares. Business decisions are made by a Management Committee of up to 12 members, elected by and from the membership annually at the Annual General Meeting (AGM).

Community Benefit Societies are member-owned organisations that seek to provide benefits for their community.

In our case, the Society will be owned by its member shareholders under the name of The Harbertonford Community Limited (THCL) and it will only carry out business for the benefit of the community which it serves.

Trading profits will be either reinvested to maintain and improve our facilities, to fund share withdrawals or to support other community projects.

If all community objectives are satisfied, the Management Committee can, at its discretion, pay a modest interest to shareholders, although it is not currently our plan to do so until three trading years have been completed.

It is our hope that this share offer will result in a large and representative membership as this brings many benefits including:

- more people who have a financial interest in the running of the enterprise and who are more likely to use it regularly;
- more people eligible to attend AGMs and committee meetings and positively contribute to the overall direction of the business;
- an accessible pool of people to draw on when committee numbers are falling, or when more volunteers are needed to help run the business.

## **2. How can I join the Management Committee ?**

The Management Committee is elected annually at the AGM, so you just need to be a member and to put your name forward. However, there are often vacancies arising throughout the year, so please do get in touch if you are interested. The Society will always benefit from new ideas and perspectives.

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### **3. What happens if we raise more than the £120,000 maximum ?**

If we raise more than our maximum target then we will end the share offer.

### **4. What happens if we raise less than the £60,000 minimum ?**

If we raise less than our minimum target of £60,000 then we would have to re-consider our offer for the shop and if this was not possible then the the project would not be viable.

If this circumstance arose, then the share offer period would be extended for a period.

If we still failed to meet the minimum target, then it would suggest that the project does not have the support from the community that we believed was there; the project would be ended and all share investment would be returned in full.

*Until the minimum target is reached, funds raise through this share offer will be ring-fenced and unavailable for any use, so that if the project is unable to proceed these funds can and will be returned to investors.*

### **5. What happens if THCL becomes insolvent ?**

THCL is an asset-locked Community Benefit Society which means that in the event of insolvency the assets would be sold off.

After paying off any creditors any remaining amount would then be paid back to investors, in proportion to their original investment.

Any surplus after that would be transferred to one or more community organisations that support the objectives of THCL.

It is important you are aware that whilst no investor will be liable for any losses or shortfall of funds in the event of insolvency, investors will not have any rights to compensation under the Financial Services Compensation Scheme or recourse to an ombudsman because Community Benefit Societies are exempt from the regulations governing public share offers.

## **6. Who can buy shares ?**

This share offer is open to anyone over the age of 15.

You do not need to live or work in the village of Harbertonford or the surrounding area. We welcome any investor who would like to become a member of THCL.

However, the goal of the Management Committee is that at least 75% of the shareholders live or work in the parishes of Harberton & Harbertonford, Ashprington & Tuckenhay, Cornworthy, or Halwell & Moreleigh. The Management Committee reserves the right to refuse applications if it does not feel it is in the best interests of the community.

Companies, clubs, societies, or groups of private individuals can invest. However, any such group will be required to nominate a representative for its group on its application form, who will then act on behalf of the group.

Whoever is nominated for a group of investors will be the legal owner of the shares and the group's members will need to make its own arrangements for such things as how votes will be cast on their behalf and how any interest payments or withdrawals will be repaid to everyone who contributed from the outset.

## **7. What is the minimum individual investment ?**

A single share has a value of £20, and the minimum individual investment is £20.

## **8. What is the maximum individual investment ?**

There is a maximum individual investment of £10,000, In addition, so that THCL is not over-dependent on one investor, no one individual shareholder shall own more than 10% of the shares.

## **9. Will I be able to withdraw my investment ?**

You will be able to withdraw all or part of your investment 3 years after the date of issue of the shares if the management committee are content that this will not damage the business or adversely affect its plans. The management of withdrawals is governed by the THCL Society Rules (see section 7.3). Normally 3 months notice is required for a withdrawal but we recognise that emergencies may arise and this period can be shortened at the discretion of the management committee.

It is anticipated that some withdrawal of share capital will be requested from time to time, so THCL will maintain a waiting list of parties interested in purchasing shares. While no explicit funds will be set aside

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for capital withdrawals, a buyback may be facilitated by reselling the shares to interested parties on the waiting list or by using reserves at the discretion of the management committee.

### **10. Will the shop have to close for a while ?**

We plan to do some refurbishment of the interior but we hope to be able to do this in stages and to keep the shop open. If there is a need to close for a few days we will ensure that the community has plenty of notice.

### **11. Will shareholders be offered a discount ?**

At this stage there won't be any shop discounts for shareholders but this will be kept under review. We may have a loyalty card scheme and will consult with members about this.

### **12. Who will own the shop ?**

The business that is the shop and the Post Office, and potentially the bar-cafe, will belong to THCL and hence the community. The freehold of the building will belong to the current owner Mr Gerry Mulrine. THCL will have a 25 year lease of the shop, and it has been agreed that we will have first refusal should the building or parts of it be sold. As part of the leaseholder agreement, Mr Mulrine will be responsible for the upkeep of the fabric of the building.

### **13. Who will run the shop ?**

On a day-to-day basis the shop will be managed by a shop manager and the existing staff. The Post Office service will be provided by the existing trained Postmistress and we will be seeking to provide training for others including volunteers.

To support this team there will be rota of volunteers helping in various roles as we develop the shop's services.

The overall or strategic management and direction of the shop will be the responsibility of the Management Committee that members will have the opportunity to elect annually at the AGM.

### **14. Can I buy shares as a gift for someone ?**

Yes, but because the shares are not transferable you cannot buy them and then pass them on. When shares are bought there is a legal contract made between the investor and THCL so we need to make arrangements to make sure that the person who is to receive the shares as a gift is able to personally agree to that contract.

If you are buying shares as a gift for an individual who is over 15, they must agree to join THCL and will become a member of the society. Gifts for children under 15 will be held in your name, until the child is old enough and agrees to join THCL.

If you just get in touch we can make sure things are done correctly.

### **15. Who is the Plunkett Foundation ?**

The Plunkett Foundation is a registered charity set up in 1919 by Sir Horace Plunkett, who believed that rural communities didn't have to wait for someone else to make life better for them; they had the potential to do it themselves - with a little help. Today Plunkett helps by supporting people, predominantly in rural areas, to set up and run life-changing community co-operatives and enterprises that are owned and run democratically by large numbers of people in their community.

<https://www.plunkett.co.uk>

### **16. Who are Power to Change ?**

Power to Change is an independent charitable trust set up in January 2015 to grow community business across England. The trust has a £150 million endowment from the Big Lottery Fund, over ten years.

<https://www.thepowertochange.org.uk>

THCL would like to thank all those who have given invaluable support and advice especially:

*Our Parish Councils:*

Harberton & Harbertonford  
Ashprington  
Cornworthy  
Halwell & Moreleigh



**Thank you!**

# Share Application Form

## The Harbertonford Community Limited (THCL)

- Please note that there is an online version of this form on our website, which will also allow you to pay online or by electronic transfer:  
<https://www.harbertonford.com/shop/index.php#csopay>
- Only one person or organisation can apply per form. Additional forms can be downloaded from our website.
- Your personal and financial details will be held in strictest confidence and not circulated or made available to any third party in accordance with our Privacy Policy that is available on our website.

### Shares

I understand that each share in THCL is valued at £20 and I would like to buy shares to the value of: £

*If the share offer is oversubscribed and/or we are unable to offer you any or all the shares you have applied for, we will refund the difference by cheque to the address below unless we are notified to do otherwise.*

### Personal Details (or Authorised/Nominated Person)

*Please see FAQ 6 in the Community Share Offer document for information on who is eligible to buy shares.*

Full name:

Telephone:

Mobile:

Address and Postcode:

Email:

### Organisation Details (if applicable)

Organisation name:

Org Type:

Reg No:

Address and Postcode:

Check to confirm authorised to act on behalf of the organisation:

## Gifts (if applicable)

*If this application is to make a gift to someone else please give their details below and we will be in touch to advise what to do. Please also see FAQ 14 in the Community Share Offer document for more information.*

Full name of recipient:

Date of Birth:

Their Address and Postcode:

## Payment Methods

*Please note that until the minimum target is reached, funds raise through this share offer will be ring-fenced and unavailable for any use, so that if the project is unable to proceed these funds can and will be returned to investors.*

I enclose a cheque made out to The Harbertonford Community Limited.

*Please send to: Lyndhurst, Woodcourt Road, Harbertonford TQ9 7TY*

I have transferred funds to THCL directly to:

*The Harbertonford Community Limited, Sort Code: 08-92-99, Acc No: 65886421*

## Consents

I confirm I am over 15 years of age.

I have read the share offer document and understand and accept the terms of the share offer and the Rules of THCL.

I consent to the email address above being used as the primary means of communication for official documents from THCL

Signed .....

Date .....