



Upper Tweed Community Enterprise Ltd

COMMUNITY SHARE OFFER

Help us **IMPROVE** Broughton Village Store



The local community bought Broughton Village Store in 2019.
Now we want to make it bigger and better, to provide an
improved service to locals and visitors alike.

**MAKE THIS HAPPEN
BUY 2ND ISSUE SHARES NOW**

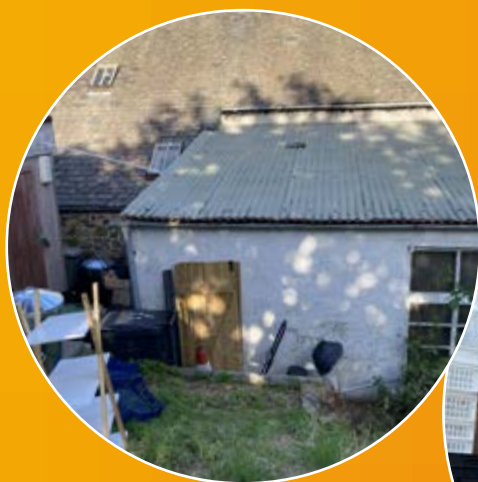
See: <http://broughtonvillagestore.co.uk/>

INTRODUCTION

Upper Tweed Community Enterprise Ltd (UTCE), the Community Benefit Society which owns Broughton Village Store, is pleased to offer a new opportunity to invest in our community-owned shop.

The Village Store was purchased by the community in 2019 and has been running successfully ever since, providing local employment for up to 6 people and a vital service to the community, particularly during the pandemic.

Whilst the shop has been performing well under community ownership, it has always been apparent that the shop buildings would be in need of renovation. In particular, the rear outbuildings, storage space and office areas require improvements to make them safe for staff, to increase the quality and quantity of stock, and to have proper staff facilities such as an office and toilet.



Drawings have been prepared for these works. Listed Building Consent and Building Warrants current shop extension, outbuildings, steps and shed will all be removed to be replaced by a new single storey extension.

Planning Permission, have all been secured. The will all be removed to be replaced

To minimise disruption to service while these works are ongoing, the store will temporarily relocate to Broughton Village Hall Cottage. We have agreed terms with the Village Hall Committee and funding has been secured from SSE Clyde Borders Wind Farm enabling the shop to move during 2023.

The shop extension works are expected to cost in excess of £200,000. We are working to secure funds from a number of sources, which are fully detailed in our business plan (see <http://broughtonvillagestore.co.uk/utce/>). Community shares will be an integral part of this funding mix and we aim to raise up to £45,000 through this offer.

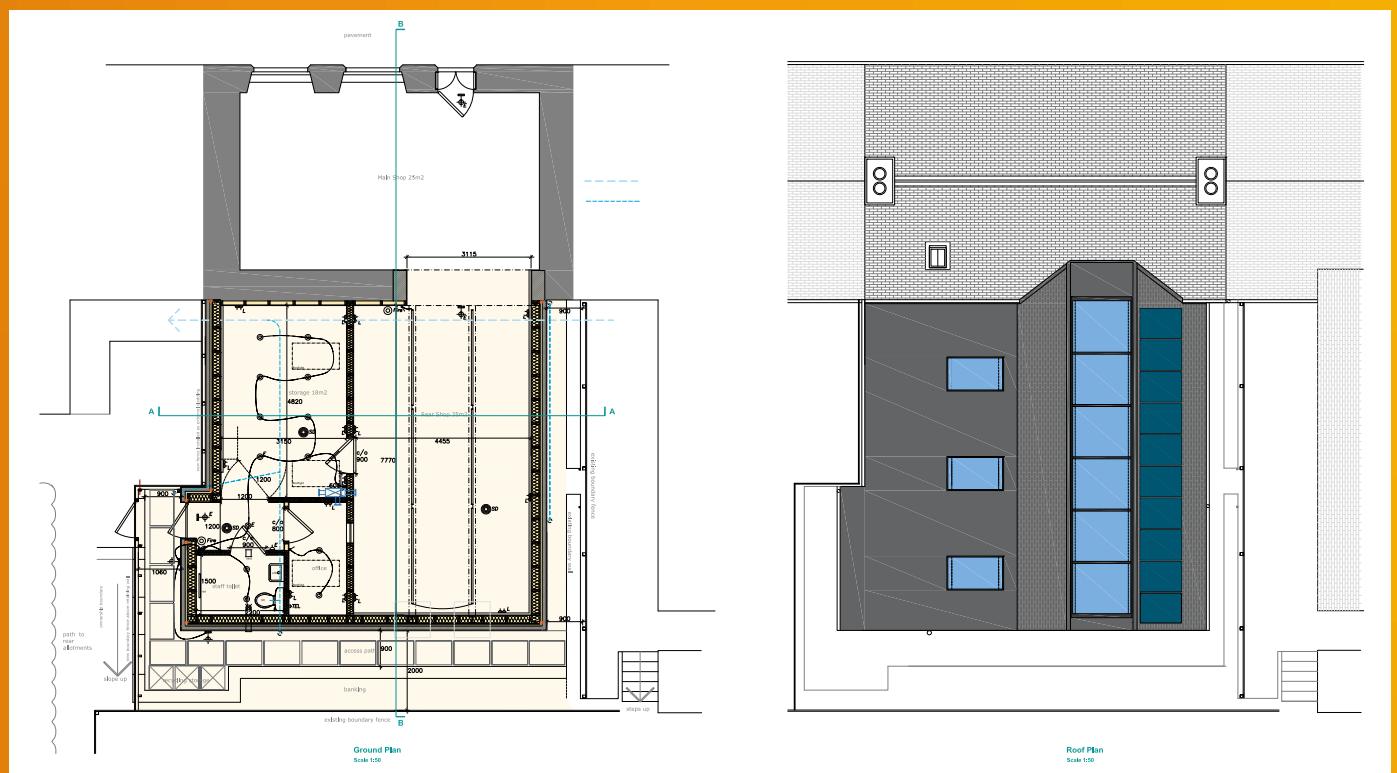
SHARE OFFER SUMMARY

In 2019 over 250 individuals purchased shares in Upper Tweed Community Enterprise Ltd (UTCE) to the value of £66,400. Each shareholder is a Member with equal voting rights. This second share issue is open to everyone over the age of 16, including existing shareholders, with a maximum subscription of £5000 or 200 second issue shares. The first share issue had a maximum subscription of £3000 so the combined value of first and second issue shares held by one individual cannot therefore exceed £8000. The minimum subscription is one share (£25). All shares, both first and second issue, are treated as equal.

The second share issue at a glance:

| | |
|---------------------------------|--|
| Price per Share | £25 |
| Investment limits | Minimum £25 (1 share) Maximum £5000 (200 shares) |
| Share offer target | £45,000 |
| Membership rights | One member one vote irrespective of amount invested |
| Eligibility | Shareholders must be over the age of 16 |
| Second share offer dates | From March – May 2023 |

Outline plans for the extended shop. Architect: Icosis



UPPER TWEED COMMUNITY ENTERPRISE

Upper Tweed Community Enterprise Ltd is a Community Benefit Society registered with the Financial Conduct Authority since 21 December 2018 (registration number 7979). It was set up for the community to take collective ownership of the village store. In deciding on this structure, we followed guidance from several agencies, including Community Shares Scotland and the Plunkett Foundation, who advised that it is well suited to community-owned businesses such as ours. The Rules governing the function of the Society have recently been updated and approved by an Extraordinary General Meeting. The Rules can be viewed and downloaded on the UTCE page of the shop website <http://broughtonvillagestore.co.uk/utce/>

Anybody may become a member of the society by purchasing a share, though a majority of members must be resident in Upper Tweed. The society is owned and controlled democratically by its Members. Decisions about the running of the business are made by the Board, who are elected on a one member one vote basis.

After covering all expenses, including any shares interest and withdrawals paid to Members, any remaining surpluses from the running of the shop must be reinvested into the business or otherwise used to further the Society's community objects.

The shop building and other assets held by the Society are protected by an asset lock meaning Members cannot profit from their sale. Should the Society be dissolved, once liabilities and shares have been repaid, remaining assets or the proceeds from their sale should pass to one or more likeminded community organisations selected by the Members.

CURRENT BOARD MEMBERS OF UTCE Ltd

Christopher Lambton (Chair) Christopher has a background in broadcasting and journalism but since moving to Broughton in 1998 has increasingly been involved in local ventures. He owns and manages some 160 acres of woodland around Broughton as a community amenity, and in 2004 bought the Laurel Bank Tea Room, expanding it into a pub/bistro which has since been sold and is now trading again as a tea room. He was instrumental in setting up the Broughton Shop Development Group in March 2018 when the original shop closed, which led to the community purchase of the shop and the establishment of UTCE Ltd.

Donald Stewart (Treasurer) Donald has over 20 years of financial services and banking experience, and is now working on a self-employed basis as an asset finance broker. He moved to Broughton in 2005 with his wife, and they have a son who attends Biggar High School. Donald has been keen to be involved in the local community and has sat on the SSE Community Fund Board for the last 9 years considering applications for grant assistance for non-profit making entities. More recently he has helped with an annual welcome meeting for newcomers to Upper Tweeddale. When the shop closed he was asked to take on the treasurer role for the Broughton Shop Development Group.

Simon Edwards (Secretary) Simon has been self-employed since 2001 working in the cellular and television and radio broadcast industries. Latterly he was Project Director for three multi-million-pound telecoms and broadcast projects which included the Digital Switch Over for both television and radio. Now semi-retired, he is able to devote some time to the community. He is a keen team player and is eager to see the re-development of Broughton Village Store.

Camilla Younger Camilla has a background of working in the private rented sector of 20 years across Edinburgh, the Lothians and the Scottish Borders. She has also worked in the commercial sector in London. She was brought up in the village of Broughton and has recently returned to her roots. She joined the Board of Upper Tweed Community Enterprise Ltd in 2022.

Bill Sheridan Bill has lived in the village since 1986 and has previously been active as a committee member of Upper Tweed Community Council and of the local tennis club. In addition, Bill was the principal organiser for 17 years of the Two Breweries Hill Race between Traquair and Broughton. Prior to retiring, Bill worked in environmental consultancy with responsibility for managing and directing multi-disciplinary teams on studies in support of large development projects being taken forward through the planning process. Bill's principal role on the Board is to facilitate and co-ordinate the works required for both the upgrade to the village hall cottage and the extension to the village shop.

Jen McBeth (co-opted to the board as shop manager) Jen grew up in a retail environment, with her parents running a post office/shop in Dumfries for over 30 years and when she left school, she went into the family business. Jen eventually went on to work in various other Post Offices until 25 years ago when she moved into management in retail and hospitality. In 2012, Jen moved to Biggar and then to Broughton in 2019 and on returning to her roots she is delighted to be able to manage the local shop and loves her role in the village.

WHAT ARE COMMUNITY SHARES?

Community shares are an equity investment in a Community Benefit Society. By purchasing a share, you will become a Member of Upper Tweed Community Enterprise Ltd and will be entitled to vote and stand in the election of its Board.

Unlike other shares, you can't sell them on and they don't go up in value. Shareholders may withdraw their money after shares have been held for three years if the Board agrees that it will not affect the operation of the business. Any withdrawals must be funded from trading profits, reserves or new share capital raised from Members.

To protect the financial stability of the business, share withdrawals are limited to 10% of total share capital per annum. Withdrawals are at the discretion of the Board and require three months' notice. Forms for withdrawal can be downloaded from <http://broughtonvillagestore.co.uk/utce/> and will be dealt with in order of receipt.

Interest can be paid on shares, but given the aims of our project, the current Board intends to reinvest any surplus in the community rather than pay interest initially. It is best to think of community shares as an investment in the future well-being of the community rather than an investment you will make money on. Through time Members can review this policy and decide how any surplus should be used. Should a shareholder die then their estate can nominate a beneficiary or request withdrawal of the shares purchased.

HOW WILL THIS BENEFIT THE COMMUNITY?

We were delighted to reopen the store in 2019, a feat only possible thanks to the contributions of over 250 community shareholders. Prior to the community buyout, the village had been without a local shop and residents faced travelling to neighbouring towns to access vital amenities.

The local community is now into its fourth year managing the store, which has proven to be a viable, profitable business. We are now ready to begin looking to the future by making improvements that will ensure that Broughton Village Store remains an asset to the community for years to come.



"During the Covid pandemic we were able to buy a van, increasing our capacity to fetch goods from markets and to deliver essentials to those isolating"

The planned works are intended to enlarge and modernise the shop building, making it a more efficient and sustainable business. They will:

- **Increase available retail space by 37%**
- **Improve the storage space available in the shop allowing us to increase the quality and quantity of stock held.**
- **Improve staff welfare** by giving access to proper facilities including an office and toilet, thereby helping to recruit and retain staff and volunteers.
- **Add insulation and other energy saving measures to improve our environmental sustainability.**

The store employs up to 6 members of staff making it an excellent **source of local employment**

TAX RELIEF

Your investment in UTCE may qualify you for tax relief under the Social Investment Tax Relief scheme (SITR). For more information visit:

<https://www.gov.uk/guidance/venture-capital-schemes-apply-to-use-social-investment-tax-relief>

FUNDING AND FINANCE

Full details of anticipated costs, sources of funding, and trading figures can be found in the business plan, which can be viewed and downloaded from

<http://broughtonvillagestore.co.uk/utce/>

The outline costs of the shop extension can be seen in the following table, which adjusts for inflation over the period that has elapsed since figures were first calculated:

| Item | Cost |
|--|--------------------|
| Build cost per Bill of Quantities 2021 | £104,657.00 |
| Preliminaries | £21,325.00 |
| Contingencies | £19,000.00 |
| Net total 2021 | £145,000.00 |
| Inflation at 12% | £17,400.00 |
| Net total 2022 | £162,400.00 |
| Inflation at 15% | £24,360.00 |
| Net total 2023 | £186,760.00 |
| Fees at 15% | £28,014.00 |
| Total net build cost at 2023 | £214,774.00 |
| VAT at 20% | £42,954.80 |
| GRAND TOTAL | £257,728.80 |

Kenneth Ferguson QS amended 28 Feb2023

The total cost of renovating Broughton Village Store has been estimated at £257,728.80. This figure includes VAT, which we expect to be able to recover later.

Funding is anticipated to come from a number of sources, including local wind farm community funds, grants from the local authority (Scottish Borders Council), loans, and this share issue. Through our first share offer, we secured the backing of over 250 Members, holding a total of 2,656 shares with a value of £66,400. At the most recent Annual Members Meeting of UTCE, Members indicated there would be an interest in and willingness to support a further share issue, including pledges worth approximately £11,000. We have opted to open our second community share offer in advance of securing other funds as it is expected that by securing the support of the community we will strengthen our case with these funders.



WHAT BENEFITS DO I GET FROM INVESTING?

By purchasing shares you are supporting a vital community asset.

Other member benefits are:

- A voice in the society – all members, regardless of shareholding, have one vote in matters pertaining to the future of the Society (which manages the shop)
- Access to information about the operation and plans of UTCE Ltd
- The opportunity to be elected to a representative role in its governance
- Facebook page and website to show support and share information on matters pertaining to the village
- A regular newsletter about the shop/society and what's going on
- Invitation to shop "events", tastings, promotions etc
- Special and periodic discounts as available

THE SMALL PRINT

Community share offers are exempt from the Financial Promotions Regulations, and as such not regulated by the FCA. So if you invest in community shares you have no right of complaint to the Financial Ombudsman or access to the Financial Services Compensation Scheme. As a shareholder you could lose some or all of the money you invest.



EVEN IF YOU BUY ONLY ONE SHARE, THIS WILL HELP DEMONSTRATE LOCAL SUPPORT, AS WILL EXTRA SHARES BOUGHT BY EXISTING SHAREHOLDERS.

Full details on how to buy shares are available on our website

<http://broughtonvillagestore.co.uk/>

Upper Tweed Community Enterprise Ltd would like to thank SSE Clyde Borders Wind Farm, the Scottish Land Fund, the Plunkett Foundation, Glenkerie Wind Farm, Community Shares Scotland, Scottish Borders Council and everyone who has helped so far for their advice and support.

Scottish Land Fund

Delivered by



Plunkett
Foundation

Community
Shares
Scotland



Funded by

Clyde
wind farm



Scottish
Borders
COUNCIL

Upper Tweed Community Enterprise Ltd is a Community Benefit Society registered with the FCA number 7979 UTCE
Registered Office: The Old Police House, Broughton, Biggar, ML12 6HQ

SECOND SHARE ISSUE



Upper Tweed Community Enterprise Ltd

Broughton Village Store Community Share Application Form

In 2019 over 250 individuals purchased shares in Upper Tweed Community Enterprise Ltd (UTCE) to the value of £66,400. Each shareholder is a Member with equal voting rights. This second share issue is open to everyone over the age of 16, including existing shareholders, with a maximum subscription of £5000 or 200 second issue shares. The combined value of first and second issue shares held by one individual cannot therefore exceed £8000. The minimum subscription is one share (£25). Each individual, family member or organisation/company must complete a separate application form.

Further application forms are in the village shop or can be downloaded from <http://broughtonvillagestore.co.uk/>

| | |
|--|---|
| I wish to purchase _____ 2nd issue share(s) at £25 each to a total value of £ _____ (max £5000 or 200 shares) | |
| Name: _____ | I am over 16 (tick Box) <input type="checkbox"/> |
| Address: _____ | |
| Postcode: _____ | |
| Telephone: _____ | |
| Email: _____ | |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> I am already a shareholder. Number of shares held _____ |
| I confirm that I have read Broughton Village Store 2nd Issue community share document. <input type="checkbox"/> | |
| I am interested in claiming Social Investment Tax Relief if eligible (see share document) <input type="checkbox"/> | |
| Signature: _____ | |
| Date: _____ | |

Please return your completed application form together with payment to Broughton Village Store, or post it to the Secretary of UTCE: Simon Edwards, The Old Police House, Broughton, ML12 6HQ or email it to shares@broughtonvillagestore.co.uk

How to pay: by cheque made out to Upper Tweed Community Enterprise Ltd, to be enclosed with application form OR: bank transfer to UTCE a/c no 18772065 sort code 80-22-60; so that we can trace your payment please indicate here the reference (ideally this should be your name) and date of transfer.

Reference: _____ Date: _____

If you prefer you can apply without sending money – we will respond to arrange payment.

If you have any questions please contact us by email: shares@broughtonvillagestore.co.uk or telephone: 07879 470 920 or <http://broughtonvillagestore.co.uk/>

I understand that by completing this form my contact details will only be used to communicate with me by email, phone or post on matters regarding the business. They will not be passed on to third parties. [tick box]

UTCE Ltd is a Community Benefit Society registered with the FCA Number 7979

Office use only: Shares issued _____ Certificate number _____ Date certificate issued _____