

Re-opening of the first Community Share Offer

At the first Annual General Meeting of members on 16th March 2019, and at the follow up public meeting, a number of members on seeing evidence of the progress made expressed an interest in increasing their investment. The Management Committee (MC) were also made aware that some within the community missed the first opportunity to invest and have asked if it would be possible for them to do so now.

The MC wish to maximise community involvement in the Walled Garden project and have sought ways to enable these investments to be made. For logistical reasons the most appropriate way of enabling these requests is for the initial Share Offer to be re-opened.

The Share Offer will be re-opened on 10th February and remain open until the closing date of 31st March 2020.

As communicated to members by e-mail, letter and again at the AGM. It was clear from the share issue response, and subsequent changes to the projects that National Lottery grants would support, that the project as originally planned was over ambitious. This resulted in the MC including a downscaled shop and café building in a reworked project plan, we are pleased to report that 100% of members chose to remain invested in this scaled down project.

The project although unchanged in vision has substantially changed in scale since the first share offer was made. You should read the original share offer document in conjunction with this update to satisfy yourself that you are making a fully informed decision should you wish to either increase your investment, or make an investment for the first time.

Significant Changes

The original planned total expenditure was £550,000, with £125,000 to be raised from the Community Share Issue and the balance of £425,000 to be raised from various grant applications.

The actual sum raised from the share issue is £23,250.

The Parish Council rather than commit a £60,000 grant to cover repairs to the garden walls, have agreed to directly fund the cost of both repairs and ongoing maintenance through the Community Infrastructure Levy.

Other sources of funding that have been received are:

Hertfordshire Partnership Foundation Trust (Broadland Clinic)	60,000
Leader Rural Development Programme	100,000
Co-op Foundation Grant	10,000
Geoffrey Watling Charity	5,000
A Legacy Gift from a former Little Plumstead Hospital service user	30,000
Pocket Parks Grant	15,500

and a 5 year interest free repayable loan of £50,000 from the Co-op Foundation.

This provides total available funds of £243,750 plus a repayable loan facility of £50,000.

Our total estimated cost of building the shop & café, fitting out and stocking it, and starting the initial phase to regenerate the walled garden is £267,000.

This cost estimate is made up as follows:

Architect & archaeology fees	1,500
Worksite Preparation	10,000
Modular Constructed building	151,000
Outbuilding Refurbishment for toilets & dry store	35,000
Site Drainage	5,000
Shop Fixtures & Fittings and Kitchen	20,000
Contingency	10,000
Tills & Computing	3,000
Ground Clearance & Garden structure	15,500
Insurance	1,000
Opening Stock	11,000
Pre-opening Wages	3,000
Publicity & misc. expenditure	1,000

Wherever possible the above expenditure items have been reduced by members voluntarily undertaking whatever work can be carried out by themselves, always being mindful of health & safety.

In addition to the above we would like to include a covered outdoor seating area with outdoor furniture, at this stage our available funding does not permit this. Whilst it is felt the loan facility can support ongoing expenditure such as stock purchases, the MC believe it would not be prudent to commit repayable loan finance to permanent fixtures and fitting until the level of ongoing community use and support of the shop & café are known. Consequently we shall need to raise further finance through community support and further grant applications in order to make any enhancements towards the project.

Other than the build construction style, and size reduction from 225m² to 100m², all other aspects of the project outlined in the original share document remain valid. Café revenue has been halved due to there being less available space, but shop revenue projections which the MC considered to be set at a prudent level remain unchanged. The opportunity has been taken to update trading cost expectations, the resultant trading projection is shown below.

	Year 1	Year 2	Year 3
Sales	280,475	308,522	331,808
Purchases	(211,440)	(232,713)	(250,198)
Post Office Commissions	3,000	3,000	3,000
Staff Costs	(56,251)	(57,939)	(60,256)
Depreciation	(14,833)	(14,833)	(15,000)
Trading Costs	(14,036)	(14,737)	(15,474)
Deferred Income from Grants	14,833	14,833	14,833
Pre Tax Trading Profit	1,748	6,133	8,713

We have sufficient funding to proceed with the build programme, consequently there is no minimum target for this re-opening of the share offer. All investor money received from this offer will be used in the provision of the capital build programme, and will enable the project to proceed with reduced dependency on repayable loan money.

The share document makes reference to there being an application to HMRC for advanced assurance that the share offer meets requirements of the Seed Enterprise Investment Scheme (SEIS), we are happy to report this advance assurance has been received however the amount of tax relief, if any, cannot be guaranteed by the society.

The registered address has been changed to 10 Highefield, Little Plumstead, Norwich, NR13 5JA.