

INFORMATION FOR SHAREHOLDERS

Metfield Stores became a CiC on 19th May 2006. Our mission statement is:

To provide the local communities of Metfield and environs with a sustainable convenience store, promoting local suppliers, employing local people and inviting local volunteers to help.

What is a CiC?

A Community Interest Company (CiC) is a new type of company (Est. 2005) designed for social enterprises that want to use their profits and assets for the public good. It is a business where surpluses are reinvested in the business or in the community rather than a business driven by the need to maximise profit for shareholders and owners. It is like a limited company but incorporates two principal differences:

1. There is a cap on the size of the dividend that the company may wish to declare in any one year. However successful the company is it will not be able to pay more than 5% above Basic Bank rate at the time. This is meant to ensure that more of the profits stay within the company rather than solely benefiting the shareholders.
2. Its current and fixed assets and provisions are locked which means they must be permanently retained within the CiC and used solely for community benefit. In the event of liquidation, after paying creditors and repayment of the shares to the shareholders, any remaining assets have to be passed on to another community interest group in the locality. In our case we have undertaken to pass any such proceeds to the Village Hall.

Why should I buy a share?

1. Becoming a member and shareholder of Metfield Stores reflects your commitment to the community shop and helps it raise equity for its capital needs.
2. VOTE! Akin to cooperatives and unlike many other limited companies, Metfield Stores "Memorandum of Association" states that each shareholder has only one vote i.e. not one vote for each share. You can vote for motions raised by the Board of Directors, you can vote to approve the Board of Directors and you can nominate yourself as a Director.

3. You can receive a share in the profits of the business. Being a CiC you will never get more than 5% above Bank of England rates, Dividends are paid on a per share basis irrespective of the number owned. If the dividend is 1p per share you would get £1 per 100 shares. **Practically speaking, however, our priority is to reward the people who work directly with the shop, i.e paid staff and volunteers.**

How are my shares used?

Initially - thanks to the great generosity of Metfield villagers - £12,000 was raised to help restore and restock the shop so that we opened for business within two months of its purchase.

Can I sell my shares?

Shares in CiCs are transferable not withdrawable. If you wish to sell your shares then it is up to you to find a buyer for them.

What is my risk?

The shareholders own the company in proportion to their contribution. Their risk is limited to the amount they have invested, that is the number of shares they own.

What is the benefit to me?

1. You have access to an excellent successful local community shop.
2. Everyone who has bought shares wants the shop to succeed. Some do not expect return in either dividend or capital.
3. If the business is successful and Metfield Stores CiC remains a community owned shop your shares will remain within the company.
4. If the business is successful and Metfield Stores CiC is sold to a private buyer (independent of the building) then the business is valued (depending on turnover and stock and asset value) and after the creditors are paid the shareholders will have their original holding returned to them or a proportion of its original plus capped profit, each option depending on the value of the business.
5. As with any limited company if the company fails and goes into liquidation then the first call on any residual value (after paying creditors) is to pay out the shareholders their original stakeholding or a proportion thereof.

How is the company, Metfield Stores CiC, structured and regulated?

Being a limited company we are subject to general company law, registered under the Companies Act 1985. Members of the company are the subscribers to the company's Memorandum and in our case, being a company limited by shares, members purchase shares.

The company is directed by a Board of Directors, voted in annually by shareholders. We are obliged to produce an annual report together with accounts and hold an Annual General Meeting open to all shareholders.

Our obligations are outlined in our Memorandum of Association which together with a list of Company Directors is available to read on our website or at the shop.

How can I support Metfield Stores CiC?

If you would like to buy a share please ask for a share application form from the shop.

If you would like to be on the Board of Directors ask one of the Directors (contact information is available in the shop).

If you would like to be involved in Metfield Stores in any way whatsoever, as a counter volunteer, stocker of shelves, cleaner or in any other way please do come and see us.