

Chichester Bike Project Share Offer - Frequently Asked Questions (FAQ)

1. What is a Community Benefit Society (CBS)?

A Community Benefit Society is a form of cooperative organisation structured to benefit a particular community or communities. It operates for the benefit of the community rather than for private profit. Societies are different from companies. Community benefit societies are obliged by law to conduct business for the benefit of the community, and all profits must be used for this purpose.

2. Is there a maximum or minimum age to buy shares in the CBS?

Anybody over the age of 16 is welcome to apply for shares in the CBS. There is no upper age limit.

3. What is a CBS share offer?

A CBS share offer is when a Community Benefit Society issue shares to members of the community or other interested parties to raise capital for a specific project or purpose that benefits the community. In this incidence it will be to launch and then continue to run the Chichester Bike Project.

4. Do I have more influence over the CBS if I buy more shares?

Community Benefit Schemes work on a strict policy of one member, one vote. That means that regardless of how many shares you invest in, you will still only receive one vote on business matters. There are also restrictions on how many shares any one person can invest in, to ensure there is no inadvertent bias towards their opinions, in spite of their one vote.

5. How does investing in a CBS share offer benefit the community?

Investing in a CBS share offer provides financial support for projects and enterprises that directly benefit the community, such as affordable housing, renewable energy projects, community-owned businesses, or social enterprises. Profits generated from these projects are typically reinvested into the community or used for other community-focused purposes.

6. Who can participate in a CBS share offer?

CBS share offers are usually open to members of the community, residents, employees, or other stakeholders interested in supporting community-driven initiatives. The specific eligibility criteria may vary depending on the rules and regulations of the Community Benefit Society.

7. What are the advantages of investing in a CBS share offer – will the value of my share increase?

Investing in a CBS share offer allows individuals to support projects and initiatives that align with their values and contribute positively to their community. It provides an opportunity to have a direct impact on local development. The value of shares cannot increase beyond the value at which they were bought.

8. What is the Chichester Bike Project trying to achieve?

The Chichester Bike Project mission is to empower individuals from all walks of life to embrace the joy of two wheels.

The Chichester Bike Project is built on bike donations from the generous people of Chichester, which are then repaired by workshop attendees and volunteers and rehomed within the community. The Bike Project aims to help people from all areas of the Chichester District to get out on two wheels and for it to be an inclusive and empowering experience for them. The Chichester Bike Project offers invaluable support through the community and volunteer-led workshops working with young people and adults from all backgrounds to build confidence, develop life skills and provide work experience.

9. What risks should I consider before investing in a CBS share offer?

While investing in a CBS share offer can be rewarding, it also carries risks like other investment opportunities. These risks may include the potential for loss of capital, limited liquidity, and the success or failure of the underlying community projects. Investors should carefully review the share offer prospectus and consider their risk tolerance before making any investment decisions.

10. How do I participate in a CBS share offer?

To participate in a CBS share offer, individuals typically need to complete an application form and purchase shares directly from the Community Benefit Society or through a dedicated platform. The share offers details, including the investment amount, share price, and application process, will be outlined in the share offer documentation. You can find these here

<https://chichesterbikeproject.com/about/>

11. Can I sell my CBS shares after purchasing them?

Societies issue a form of shares known as withdrawable share capital, which is unique to society law. Withdrawable share capital can be withdrawn from the society, subject to the society's rules and any conditions set out in a share offer document. The board has discretionary powers to refuse or suspend withdrawals if it is financially prudent to do so. This means withdrawable share capital is fully at risk. Members could lose some, or all, of the money they invest. But they also have the scope to withdraw some, or all, of their capital when they need it, subject to consent. Unlike with transferable shares, members don't have to find a willing buyer, or negotiate a price for their shares. The CBS appreciates that some people will require their investment returned each year but restricts the volume of returned shares to 10% of the overall value per year. This withdrawable share capital places a responsibility on The Chichester Bike Project to manage its capital prudently. It needs to establish reserves to provide for withdrawals, or to attract new share capital from new or existing members to replace capital that is being withdrawn.

12. Can I transfer my share to somebody else at a later stage?

No. Shares are non-transferable.

13. How are profits from CBS projects distributed to shareholders?

Profits generated from CBS projects will be reinvested into the community business. Interest will either be paid out in cash or added to the share balance of Members, and then realised on withdrawal of the shares.

14. Where can I find more information about the Chichester Bike Project specific CBS share offer?

Individuals interested in participating in the Chichester Bike Project CBS share offer should review the share offer documentation, including the prospectus or offering memorandum, which will provide detailed information about the offering, the CBS's mission and objectives, the proposed projects, investment terms, and other relevant details. Additionally, they can contact the Community Benefit Society directly for further information or clarification. Details of these can be found here: <https://chichesterbikeproject.com/>

As with any investment, it's essential for individuals to conduct their due diligence, assess the risks and potential rewards, and consider seeking advice from a financial advisor or other qualified professional before making investment decisions.