

# PROSPECTUS

An exciting opportunity to invest in and support a new Community Interest Company in St Neots: **Art & Soul Community Creative Café and Hub**

April 2024



**Tim and Caroline Richardson**

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## **1. INTRODUCTION**

Thank you for your interest in Art and Soul. We are Caroline and Tim Richardson, the owners of the company currently operating Art & Soul in St Neots town centre. We imagine you know the café and creative centre; and of course you may already know us. Our vision and more details can be found on our website [www.artandsoul.cafe](http://www.artandsoul.cafe) We're proud of what we've achieved over the last five years; building a business from scratch with many facets - and already we have a strong cohort of loyal customers. We are keen to leave a legacy that can run successfully longer into the future, beyond our involvement, and to that end we are looking to develop Art & Soul now to become a community-owned social enterprise.

St Neots is a growing town (an increase of 10,000 people over the coming 3 years) and is also on a path of recovery from the impact of Covid. To this end, there has been significant investment in the renewal of the High Street, the Market Square and, over the coming year, The Priory Centre. We believe Art & Soul is an established brand and well placed to play an important part in this renewal.

We need a new structure to deliver a better strategy to ensure continuity of the vision. We believe this is possible with community commitment through ownership and participation.

We are approaching partial retirement and the current premises lease has 4 years left to run, so we are keen to move forward with the creation of a Community Interest Company to move the business forward.

Until now Art & Soul has been part of our private limited company, owned entirely by the two of us. We want a more appropriate structure, fit for the future, which will allow many community members to participate in the ownership and running of the company.

This prospectus sets out how Art & Soul will be established, funded, and organized to meet both business and social aims.

## **2. OUTLINE PROPOSAL**

The proposal is to establish the Art & Soul brand as a company in its own right, separate from and independent of the Richardson's company (It's Original Ltd). This will be achieved by establishing a Community Interest Company limited by shares. A Community Interest Company is a form of company governance, midway between a charity and a business. It must operate for community benefit. Directors will run the company and they can be paid for their work where appropriate. In some cases and circumstances a CiC can apply for grants and attract other types of funding beyond purely commercial earnings.

A draft model of the proposed governing document is provided in Appendix 4.

Our proposition really is that this is a commercial business, which will be run by local people and will aim squarely at delivering community benefits.

These benefits are set out in more detail in section 6 below

Our hope then is to attract a wide range of local people as shareholders in the business and to be involved in shaping the future of and preserving the cafe as more than just a place to eat or drink but also a place to connect to create and to collaborate

### 3. OWNERSHIP STRUCTURE

- It is proposed that the company will be established with 400 shares.
- The Richardsons will hold 40% (160) of those shares initially. They expect to pass at least half these on within 5 years at the opening value
- A friend of the Richardsons and a specialist in CICs, Paul Whitnall will hold 4% (16) at launch. He expects to pass these on within 2 years at the opening value
- Therefore, we are seeking investors for 56% (224) of the shares.

Investors can buy from one share up to 99 shares.

This means that no one investor will be able initially to take more than 25% of the shares,

This is to ensure a spread of ownership. We would like to see a mix of shareholders along these lines:

Count	Shareholder type	Number of shares to be held	Total Shares taken	Cumulative
1	Founder - Caroline	80	80	80
1	Founder – Tim	80	80	160
1	Inaugural Chair - Paul	16	16	176
3	Early investors	20	60	236
1	Key investor	80	80	316
5*	Investor groups	10	50	366
5	Treble holders	3	15	381
4	Double holders	2	8	389
11	Single holders	1	11	400
32			400	

\*The category “investor groups” could each represent several people

Shares will be voting shares, each person share having 1 vote.

For the initial five years the Richardsons will be the largest shareholders (but will not at any point have a majority). The inaugural chair will launch the company but will make way to an elected chair found from amongst the shareholders.

The shareholders will select or recruit directors who will be appointed to run the company initially alongside the Richardsons and ultimately, the appointed directors will take full control of and responsibility for the company.

## 4. PRICE AND VALUE OF SHARES

The shareholders' agreement will state that shares must be offered first to other shareholders before bringing in outsiders.

In order to raise the funds to acquire the operations of Art and Soul, and to transfer staff and hold sufficient working capital, the recommendation is that the shares be valued at an initial price of £400 a share

Taking this figure into the model shareholder table above produces these numbers:

Count	Shareholder type	shares	Total value of share bundle @£400 each	Total value of this row	Cumulative
1	Founder - Caroline	80	32,000	32,000	32000
1	Founder – Tim	80	32,000	32,000	64000
1	Inaugural Chair - Paul	16	6,400	6,400	70400
3	Early investors	20	8,000	24,000	94400
1	Key investor	80	32,000	32,000	126400
5*	Investor groups	10	4,000	20,000	146400
5	Treble holders	3	1,200	6,000	152400
4	Double holders	2	800	3,200	155600
11	Singe holders	1	400	4,400	160000
32			400	160,000	

£70,400 will not be paid in cash, but awarded to the founders and inaugural chair in exchange for the transfer of assets and goodwill, and for the work done to launch the CiC.

The incoming funds will then total £89,600.

Circa £28,000 will be required to pay the outstanding debt to HMRC, leaving >£60,000 as available working capital, to be used at shareholders' discretion.

## 5. POSSIBLE RETURN ON INVESTMENT

Since opening in 2018, the company has endured impossibly difficult trading conditions (Covid, economic downturn, energy price increases etc), but we have managed to increase our turnover year on year. The company has not been profitable to this point, but there are encouraging indications that we have turned the corner.

A business plan including projections of sales, costs and possible returns is available upon request.

We're projecting annual turnover of £400,000 after 3 years from here and targeting 10% net profits, £40,000 per annum

Profits will be divided:

- Half - £20,000 per annum – retained in the business
- Half - £20,000 per annum – distributed as dividend to the shareholders, one-four-hundredth of the distribution amount for each share

- If we deliver at this level of performance, then £400 invested will realise £50 per annum, 12.5% return
- Shareholders are investing in the business for what we hope will be a good rate of return, but beyond a commercial return there is also the community impact. For details of our current impact, see Appendix.

## **6. WHAT THE COMPANY WILL DO AND THE COMMUNITY BENEFITS**

The Company will operate as now four cost and profit centres

1. Café and customer events: established coffee shop and venue for private hire e.g. family events, weddings and parties **(Café)**
2. Events to include performing arts and community-building events **(Community events)**
3. Fostering of creativity through the art gallery, workshops and training courses **(Creativity)**
4. Collaboration with other businesses and enterprises **(Collaborations)**

Benefits to the community will include:

A vehicle for provision of learning new skills across different generations e.g. sewing, upcycling, creative and artistic skills, catering skills.

Provision of a shared resource to foster conversation across generations and combat loneliness.

Modelling principles of sustainable living and caring for the planet; educating the community on these issues.

Creation of employment and volunteering opportunities across generations.

Championing local artists through exhibitions and performance concerts.

Provision of spaces and support for a variety of mental health and wellbeing issues.

Continued revitalization of a local landmark building.

Continued close collaboration with local authority, social enterprises and business such as St Neots Initiative which is driving forward wider St Neots development.

## **7. HOW THE COMPANY WILL OPERATE**

As founders of the business, Tim and Caroline Richardson will continue to be influential in the early days of this new incarnation.

Caroline will act as general manager for the first year of trading, but it will be important to add more management capacity during 2025.

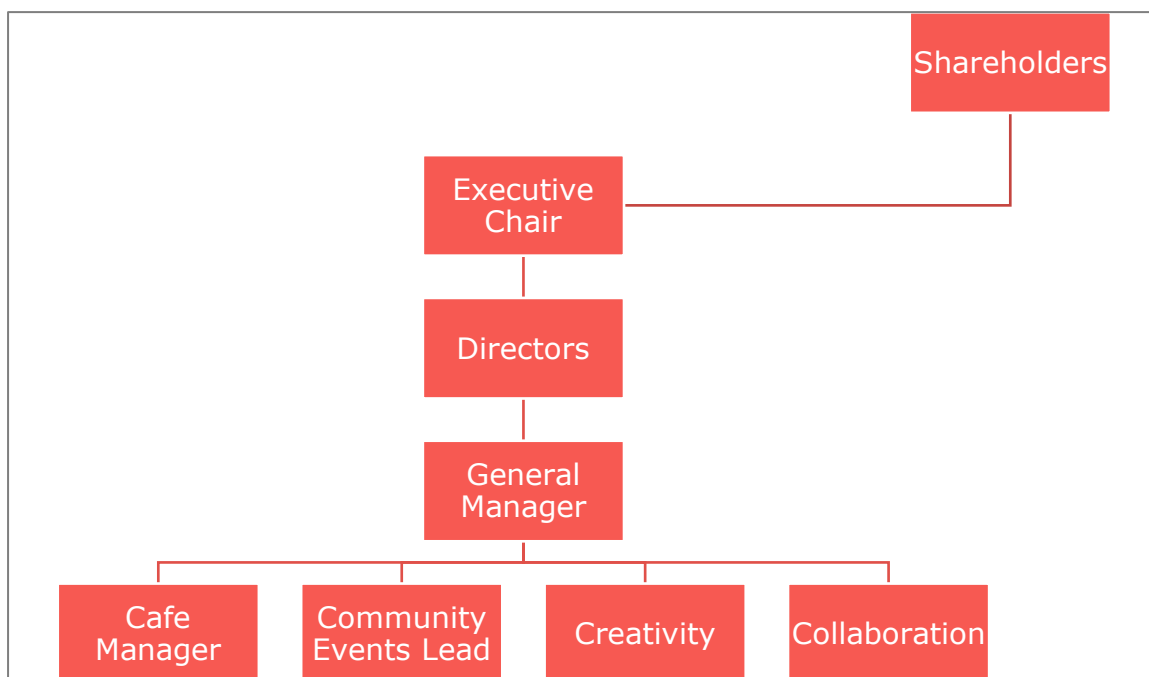
Of the four sections of business, three are established and can be projected from past performance to date.

The fourth, the collaboration with others, will initially be built around our links with Waterstones and MIND CPSL. We hope to develop a collaboration with The Priory Centre during its temporary closure (July 2024-July 2025) as we hope to work with them to sustain their brand in the area through catering services. Once the Priory Centre is re-opened, we would like to see an ongoing collaboration.

We have a strong working relationship with Black Cat Radio (St Neots' award-winning local radio station) and regularly put on concerts arranged through them. They are also strong advocates for our work.

We hope for similar agreements with the Museum, St Neots Initiative and Neotists as we offer our facilities and expertise to support their work for the wider benefit of the town and surrounding area. This may include provision of training towards employment.

The organigram below shows the delivery mechanisms and responsibilities



## 8. GOVERNANCE AND COMMUNITY ENGAGEMENT

A distinctive feature of the company will be regular shareholder meetings (e.g. quarterly) when everyone involved has the opportunity to:

- comment and discuss what has been done and

- what should be done and
- how to shape the planning of the business going forward
- including the appointment of directors as in a normal business

The board will be a board of six with an independent chair.

The first independent external chair will be Paul Whitnall, responsible for convening regular shareholder meetings and any line management of the board of directors.

We expect by the end of 2025 that this board will be working together effectively and able to identify and recruit an appropriate legacy chair.

A key outcome of the process is to share the load and the vision and the load of responsibility and work with us.

## 9. TIMELINE

- We will open the CIC as an entity in April/May 2024
- We will invite expressions of interest to invest / volunteer / support by the middle of May
- We will invite interested parties to attend a formal presentation and Q&A meeting in May 2024
- We will hold the inaugural general meeting of the CIC (to include celebratory meal)
- We will begin trading as the new CIC entity 1/9/2024

## 10. NEXT STEPS

There are several ways to respond to this proposal.

- Offer to invest and become a shareholder.
- Offer to volunteer to support specific aspects of the work.
  - Options include:
    - Support with social media and marketing
    - Hands on support in the café and/or events, concerts, meals
    - Organizing / delivering workshops or events
    - Maintenance, DIY, practical refurbishment
    - Fundraising / grant applications
- Offer simply to 'promote' the work wherever you can.

Please respond to [hello@artandsoul.cafe](mailto:hello@artandsoul.cafe) by May 17<sup>th</sup> 2024

All responses will be treated in confidence.



## **APPENDICES**

Appendix 1	St Neots
Appendix 2	Building Our Community
Appendix 3	Measures of Success
Appendix 4	Draft Statements for Governing Document
Appendix 5	Images of Art & Soul

## **APPENDIX 1            ST NEOTS**

St Neots is a charming market town located in west Cambridgeshire and is the largest and fastest growing town in the county with a population over 40,000.

It's proximity to Cambridge makes it an attractive place to live for those working in Cambridge as it has a pleasant environment but is much more affordable than Cambridge itself, particularly for young families. Around 20% of the population are of retirement age. There are also many who are less well-off who need a place to feel valued and engaged.

In terms of needs within St Neots, the town could benefit from improved infrastructure, such as better transportation options and more affordable housing. Additionally, there is a growing need for more recreational facilities and green spaces to support the well-being of residents. The High Street is struggling to provide retail diversity and is heading more towards a wide selection of cafes, barbers and a few restaurants. Work is currently being undertaken to improve the Market Square and the Priory Centre overlooking the river, but still more needs to be done to attract the growing population into the town centre.

There is a real energy developing within various key groups of the town to improve its brand and High Street, with an emphasis on developing community and making it a great place to live, work and play for all age groups.

Overall, St Neots is a vibrant town with a strong sense of community, but there are opportunities for growth and improvement to better meet the needs of its residents. Art & Soul is ideally placed to build on our already strong foundation and develop something exciting as a community venture.

## **APPENDIX 2                    BUILDING OUR COMMUNITY**

Art & Soul has at its core a vision to build in St Neots a community space where people can meet, relax and be inspired. Creativity is at the heart of our vision. We aim to trade for the benefit of our community, to bring people into the centre of St Neots and provide a space where artists and musicians alike can offer their creativity to encourage others and thrive.

Wellbeing is particularly important at a time of economic and global challenges, when anxiety is growing ever more prevalent amongst both all ages but particularly among young people. As the demise of the traditional High Street progresses it is even more important to actively work against the increasing trends towards isolation.

Art & Soul is designed to have a welcoming 'home from home' atmosphere where people feel accepted for who they are and of value to those they meet, both as customers and employees. We aim to build confidence amongst our staff, particularly for those who have been through difficult experiences in their journey through life.

We aim to collaborate with other local businesses to bring about our vision for a thriving and vibrant community.

The following is a list of groups and events that already regularly use Art & Soul.

### **Weekly**

- MIND (Good Mood Café) for c10 people
- WALK & TALK groups (Men and Women) for between 10-20 people
- Crochet group c 6 people
- Knitting groups x2 c 12 people
- Informal occasional meetings of a home school network for St Neots c 6 parents and 8-12 children
- PRIDE coffee morning

### **Monthly**

- Book clubs with Waterstones and WI
- Vegan tasting nights: we have been running these now for 3 years and they regularly attract 20-40 guests for a 5-course themed tasting menu all created in our kitchen by our chefs. We plan to also introduce a monthly tasting menu for meat eaters.
- Jazz Club has been running for 2 years and attracts 50-70 people each month
- Vinyl Club has been running for 2 years and attracts 20-30 people each month
- Music concerts: we have run c20 of these over the last 2.5 years ranging from individual folk singers to gospel and blues singers, cover bands. Our intention is

to champion emerging and original talent. These attract audiences of between 30-60

### **Other events**

- Live theatre: we have had two live performances of one man plays to audiences of 20-40
- We also run open mic events and spoken words evenings.
- We run on average 3-6 parties each month for kids, birthdays, special events, receptions.
- We run between 3-6 creative workshops each month either delivered by our team or by members of the community who hire the space. The range of these is enormous including:
  - Artist drawing and painting classes
  - Seasonal wreath making
  - Crafts
  - Pottery
  - Hand reflexology
  - Craft Fairs
- We also host business functions and meetings as well as local council sessions, and have played an active part in St Neots Festival.

## **APPENDIX 3                    MEASURES OF SUCCESS**

Customer surveys

Number and range of groups using site

Attendance to and diversity of art exhibitions and literary events

Popularity of music events

Collaborations with other local businesses

Effectiveness of communication

Establishment of social groups/clubs based on shared interest eg vinyl club

Range of performance events

Intergenerational connections

Sales for café

Party bookings, both the children and adults

## **APPENDIX 4                      DRAFT STATEMENTS FOR GOVERNING DOCUMENT**

### **1 Community Interest Statement**

*The company's activities will provide benefit to ...*

*All residents of the town of St Neots in Cambridgeshire, and the districts surrounding the town.*

*Offering them a place of connection, a place to belong and a place to learn diverse skills with others.*

*We believe community is grown through a process which begins with connection, which leads on to trust and then a genuine sense of belonging. This is a pathway that Art and Soul provides.*

*Residents of St Neots do not have easy access to these opportunities. Art and Soul has a strategic central location, with enough space not only to create a welcoming environment but also to offer courses, groups and events where connection and trust can be fostered.*

### **2 Community Interest Statement – Activities & Related Benefit**

Please indicate how it is proposed that the company's activities will benefit the community, or a section of the community. Please provide as much detail as possible as to what the company is being set up to do. It would be useful if you were to explain how you think your company will be different from a commercial company providing similar services or products for individual or personal gain.

<p style="text-align: center;"><b>Activities</b></p> <p>(What is the company being set up to do)</p>	<p style="text-align: center;"><b>How will the activity benefit the community?</b></p> <p style="text-align: center;"><i>(The community will benefit by...)</i></p>
<p><b>Be a place of engagement and connection.</b></p>	<p><i>Having a place where people of all types can come together for refreshment, interest, connection and to grow in mutual appreciation and understanding.</i></p>
<p><b>Offer an atmosphere of welcome and inclusion!</b></p>	<p><i>Knowing that this is a place and group of welcome and inclusion, a safe place of mutual regard, respect and community development.</i></p>
<p><b>Offer events of interest to attract people to attend and where appropriate participate.</b></p>	<p><i>Having increased and increasing opportunities to learn, explore, discover, enjoy, participate, shape and create events of specialist or general interest.</i></p>
<p><b>Offer courses to spark creativity and self-development.</b></p>	<p><i>Having increased and increasing opportunities for individuals and groups to work and learn together through targeted courses which foster creativity and self-realisation, and which allow people to share and grow together.</i></p>
<p><b>Be an active purchaser and promoter of local goods, food supplies and creative talents</b></p>	<p><i>For local suppliers, to have a willing and committed customers to purchase and promote their goods. For local consumers, to know they can have an impact on local people who they support by their purchases, and also will know they are reducing transportation costs and energy usage</i></p>
<p><b>Provide employment to local people</b></p>	<p><i>The creation of new jobs, knowing that local people will benefit from these new opportunities.</i></p>
<p>If the company makes any surplus, it will be used for... <b>(If donating or fundraising for charities, please include the wording 'with the consent of the CIC Regulator')</b></p> <p><b>Recycling through the business to grow our offerings of services, products and facilities to the community both in range and type.</b></p>	

## APPENDIX 5 IMAGES OF ART & SOUL



Our upstairs gallery that doubles as our performance space and theatre.





Our popular vinyl record night.

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 5 Course Tasting Menu  
**FRIDAY 26TH APRIL**

ARRIVAL TIME 7PM

**The Menu**

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 Caprese Salad - Sliced Fresh Mozzarella & Tomatoes with a Lemon & Basil Vinaigrette  
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Hosted by Aimee Hill

Bring your own lotion or oil and join this calm and relaxing session, where we will release tension by exploring various Reflex Zones within the hands.

TASTES OF **Jamaica**  
 5 COURSE VEGAN TASTING MENU  
**Saturday 11th May**  
 ARRIVAL TIME 6.30PM | FIRST COURSE SERVED AT 7PM

**The Menu**

Jamaican Jerk Chickpeas  
 Golden Coconut-Infused Patties with a Rich Tomato & Curried Vegetable Filling  
 Vegan Jamaican Saltfish Fritters with Sweet Chilli Sauce  
 Jamaican Ginger Cake with Passionfruit Icing  
 Ackee Cake

£35pp

**Book Now** [WWW.ARTANDSOUL.CAFE/WHATSON](http://WWW.ARTANDSOUL.CAFE/WHATSON)

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**BlackCat Radio for St Neots** Art and Soul, in association with Black Cat Radio's Full English Breakfast Show, presents

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