

The Old Ship Inn, Cawsand



COMMUNITY SHARE OFFER

Share offer opens 15th March 2018

Share offer closes 10th May 2018

Minimum target: £150,000 Maximum: £400,000

Investment limits: Minimum £100, maximum £25,000

The Community Shares Standard Mark



The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice.

For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to: communityshares.org.uk

Promoted and sponsored by the applicants for The Old Ship Inn Cawsand Ltd who have lodged a registration application for a Charitable Community Benefit Society with the Financial Conduct Authority

Administered by The Peninsula Trust, a registered society under the Co-operative and Community Benefit Societies Act 2014, no. 32339R

Registered Office: 3 West St, Millbrook, Cornwall, PL10 1AA

Community shares are fully at risk

You could lose some or all of the money you subscribe. You have no right to compensation from the Financial Services Compensation Scheme, nor any right of complaint to the Financial Ombudsman Service.

The Old Ship Inn, Cawsand

Community Share Offer

This share offer provides a summary of our ideas and guidance on the risks and opportunities involved in becoming an investor. Full details for the whole project, including the finances, are in our Business Plan, available at www.thepeninsulatrust.org.uk, or on request.

The ruin at the heart of a village

The Old Ship Inn was probably the oldest pub in Cawsand, and one of the earliest buildings of any kind in the village. After centuries of life at the heart of the community, the pub closed some twenty years ago. It caught fire in October 2013 and was burnt to the ground. All that remains is the front wall – a Grade II listed heritage feature, shown on our front cover - and a large, bare site reaching back to the cliff face below New Road, 70 ft (20 metres) above. We have an agreement in principle with the owners to buy the site outright, and we have until May 2018 to raise the purchase cost.



The Old Ship, ablaze - Oct 2013

What we want to do

The Ground floor – new public space

We want to open the whole ground floor at the Old Ship as a single community space:

- Recreate the old pub bar and include a café
- Add a children's area in the rear yard
- Build a Local Heritage centre and set up a Village Information point, for residents and visitors

Upstairs – secure, long-term housing that people can afford

Housing is the biggest problem affected our community. Our plan is to build four flats on the upper floors of the Old Ship, as follows. The rental levels are indicative only at this stage.

- Two Studio flats: bed/sitting room, kitchen, bathroom. £300/month rent
- A one-bed flat: sitting room, bedroom, kitchen, bathroom. £350/month rent
- A two bed flat, with the second bedroom in the roof space. £450/month rent

The flats will be fully compliant with regulations, fire safety and materials used. They will be completely independent, with separate electric/water meters, laundry facilities and storage space. We will build them to the very best environmental standards that we can, to reduce resource consumption and cut bills for the tenants.

How much will it cost?

Our current estimate for the full rebuild of the Old Ship is £1.40 million:

- Purchase cost including legal fees, £255,000
- Initial work to make the site safe, £75,000
- Construction costs, £838,000
- Revenue costs including staff, publicity, surveys and registration, £233,000

This total figure is subject to change as we develop the project. Our financial assumptions, estimates and risk factors are given in detail in the Business Plan.

We will raise the money needed from a mixture of community shares, grant aid and finance (loans).

The timetable

- Phase One, March – July 2018, is the purchase and initial safety work at the site, aiming for a first “pop-up” bar/café by July to start trading and get the site open to the public.
- Phase Two, August 2018 – July 2019, will build the frame for the whole building and complete the Ground Floor facility, with a fully fitted out bar/café and the Heritage Centre.
- Phase Three, August 2019 – July 2021, will be the more expensive and complex housing element on the upper floors, requiring more time to raise the finance and get regulatory approval for the flats. We do not expect to offer tenancies until 2021.

How we will fund it

This share issue is currently raising funds to cover the purchase costs. Our initial target is £150,000 in Community Share investment.

If we don't reach the target, we may have to return the investments and close the project, although we will search for additional grant / loan finance first.

If we are unable to raise the full amount required for the purchase by the May deadline, we will go back to the sellers and ask for more time. Other options are to ask them to take less money, or ask for an initial sale and a period of time to raise the rest of the money.

Because of the other costs involved in developing the project, this share issue can and will accept more investment received at this stage, as the society hopes to undertake secondary share issues as soon as is practicable, and would accept up to £400,000.

Crucially, our ability to go forward and buy the pub will be enhanced if we can secure at least a further £200,000 in grants, loans and equity match-funding, allowing us to buy the site, make it safe and start trading.

The Phase Two work can follow over time because the urgency involved in the purchase deadline will have gone; if needed, we can fit out the ground floor in sections as money comes in.

Once we have secured the building and completed Phase Two, we will have a functioning business that provides valuable community facilities, creates jobs and pays its own way. The urgency involved in the purchase deadline will be gone; if we have to, we can spend years getting the rest of the finance in place to fit out the flats. Even so, such is the need for affordable housing in the area and such is the level of interests from all levels of government, that we believe we will be able to create a funding package to complete the development by 2022.

A part of funding either or both of phase two and three will likely see us have further share offers; should that be required, because that will impact on the financial returns for investors in this share offer, we would always come back to you for your assent to take on new investment.

Community ownership is the key

We are creating a new stand-alone legal structure to own and run the Old Ship. This will be a Charitable Community Benefit Society (the same legal structure as The Peninsula Trust itself) called The Old Ship Inn Cawsand Limited.

It is important to create a new body because it gives supporters the chance to invest directly in the Old Ship, becoming members and genuine part-owners of the building and its activities. This allows direct ownership and a sense of pride in the project. Members are not liable for any risks related to the project beyond the amount of their investment.

The community investment is a vital proof for grant-givers and funders that our community wants this project. If we can achieve the minimum £150,000 in share investment, we can “unlock” the rest of the finance we need.

Why invest in the Old Ship?

- **The knowledge** that you have saved this building for community use. We can't do this without the support of individuals – every £100 counts, because we need to show the **number** of people who support us as well as the total **amount** invested
- **Genuine ownership.** Investors are the members, who own and control the organisation. You get one vote per investment (doesn't matter if it's the minimum or the maximum).
- **Events and discounts** for investors. Join us for special events, presentations and parties! Earn your share money back from reduced-cost meals and drinks!!!
- **Tax relief.** We have approval from HMRC for 50% tax rebate on investments. If you're a UK taxpayer, you can claim back £50 for every £100 invested. This offer is limited to £150,000 maximum invested in total; any additional amounts above that figure will be eligible for 30% tax relief on those amounts. More details below.
- **A financial return.** Once the Old Ship has been developed and is stable and making a surplus, we aspire to pay annual interest of 3%, subject to trading performance, and allow members to take back their capital and the interest paid. We aim to be able to undertake both interest and withdrawal once we're fully trading and all phases of development are complete, which we hope to be in 3 years after investment (ie, from 2021 and beyond).

Once the Old Ship is rebuilt and fully operational, it will be self-sustaining indefinitely from earned income. It will become a beacon for community ownership and a valuable asset for the area.

The Board of Directors

This section lists the current Directors of The Old Ship Inn Cawsand Limited. These individuals have been involved in the creation of the project and will serve as Directors until the first Annual General Meeting. At that time they will retire as Directors, with the option to stand for re-election by the members. Other members will also be eligible for nomination and election to the Board.

The Board

- **Alex Huke** works for the University of Exeter in Falmouth, as a specialist in project development and funding. He was a senior officer in the RDA. Alex brings us a strong background in the realities of public funding, its reporting requirements and operational details. He is a long-term resident of Cawsand village and a member of Maker-with-Rame parish council.
- **Laurence Watkins.** Laurence is a retired company accountant with long experience of managing and reporting on organisational finances. Laurence brings great rigour and clear thinking to the Old Ship project and will ensure that our financial management is robust and correctly reported.
- **Debbie Patterson.** Debbie has recently retired, having sold her successful local business in the marine sector. Debbie brings us a clear insight into business planning and development work. She is a long-term resident, an active local volunteer and a mainstay of the Methodist church.
- **Simon Ryan** is an experienced community development worker with over twenty years' experience. He has run a series of property acquisitions and refurbishments in the local area including the youth centre, Congregational Church manse, charity offices/shop and The Peninsula Trust's property in Millbrook. Simon is on the Old Ship board to help create the new organisation and launch it; he will step down once it is fully operational.
- **Jane Riggs** has a lifetime's local experience in running successful businesses and managing commercial properties with multiple occupancy. She has an unrivalled grasp on the realities of day-to-day operational and financial management, service/utility provision, and tenant relations. Jane is on the Old Ship board to help create the new organisation and launch it; he will step down once it is fully operational.

Accountant

We are advised and supported by our Chartered Accountant, Andrew Wing LLB FCA. Mr Wing has read and approved the material on Tax Relief and community shares.

The Peninsula Trust

The Peninsula Trust is a Community Benefit Society with over 600 local members, serving the rural Rame Peninsula in SE Cornwall. They run the Rame Centre in Millbrook, a thriving community hub with rented accommodation above.

The Trust are sponsoring the creation of a new Charitable Community Benefit Society, The Old Ship Inn Cawsand, to buy the ruin and create a community-owned asset for the area.

They have provided the management and admin staff to launch the Old Ship project, and will hold the funds invested in this share offer. As soon as the society is registered and has a bank account of its own, we will pass over the share capital we have held on its behalf.

The Peninsula Trust will be completely independent in ownership from the Old Ship Inn Cawsand but we would envisage drawing on the expertise of some of the Directors of the Peninsula Trust to act in a similar capacity until the first AGM of the Society at which point the Board elected by members of the society will take office.

The Tax Relief

We have been awarded tax relief from HM Revenue and Customs (HMRC) for individual investments in the Old Ship project. This document explains the detail and the process to claim the rebate. This section on Tax Relief has been checked and approved by our accountant, Andrew Wing LLB FCA.

Some general points:

- To claim Tax Relief, you must be liable to pay at least same amount in tax as you are claiming in relief in the tax year.
- You can get the relief on income tax and also Capital Gains Tax
- People who earn their wages through PAYE (most waged workers) can still claim the rebate– but you will have to send in a Tax Return by 31st January.
- Registered businesses cannot claim these tax reliefs, only individuals. However, businesses may be able to get tax relief on donations to our project – please ask us for details.
- Even though investment in this share issue is eligible for tax relief, individual investors might not be, and if in doubt, you should speak **to an accountant or financial adviser**.

For the first £150,000 invested

We have approval for Seed Enterprise Investment Scheme (SEIS) tax relief at the rate of 50%. This means for every £100 invested in the project, you will receive a tax rebate of £50. How it works:

- You invest in the Old Ship project, within the first £150,000 received.
- Once we start trading, we issue you with a Tax Relief certificate
- You include the certificate in your Tax Return for the current financial year. Your tax payment to HMRC is then reduced by 50% of your investment amount in either tax year 2018-19 or 2017-18 (you can choose which year the relief is most helpful to you).
- We can only issue certificates after we have been trading for 4 months or spent 70% of the sum we have raised (ie, after we have bought the Old Ship Inn).

First come, first served

The opportunity for the higher rate tax relief will be allocated strictly in chronological order of investment received. Once we are trading and able to issue the tax relief certificates, we will ask each individual investor if they want to use their allocation. If some people don't want to, we will then offer the opportunity to the next investor(s) in the list, and continue until the full allowance is taken up.

For investments after we have raised the first £150,000

We have also been awarded a second Tax Relief, called Social Investment Tax Relief, or SITR. This one works differently to the SEIS relief described above:

- The tax relief amount is 30% instead of 50%
- There is no upper limit on the total investment we can provide relief on in this share offer , so any investing taxpayer can claim this relief
- We can only issue certificates after we have been trading for 4 months, so the relief cannot be claimed until this point.

Important legal information

We have a legal obligation to be very clear to you how the share process works and a moral obligation to be true to the twin aims of safeguarding The Old Ship Inn Cawsand for the community and safeguarding your money, so don't skip this part!

1. Shares are priced nominally at £1. The minimum investment is £100 with a maximum investment of £25,000 for an individual or company. Any amount between £100 and £25,000 may be invested.
2. Shareholders must be aged 18 or over. By investing, you are applying for society membership. The Society's Board may reject any application for shares and are not obliged to give reasons why such application has been rejected.
3. The shares are not transferrable (except on death or bankruptcy of the member) and cannot be sold. Shares may be withdrawn from the Society after a minimum of three years, subject to terms listed below (see item 7).
4. Nominal share value cannot increase. The only financial benefit for members is the interest which may be paid annually (and initial tax relief that may be obtained). However, the value may fall if liabilities exceed assets and our auditors recommend lowering the value of shares, or if the business fails. Your investment is fully at risk, before investing you should be fully comfortable with all the risks.
5. As The Old Ship Inn Cawsand Limited confers limited liability, your personal liability in all circumstances is restricted to the value of your shares; the most you could lose due to business failure is the value of your investment. As this offer is unregulated, you have no right of complaint to the Financial Ombudsman or to compensation.
6. Interest will be payable on all shareholdings at an interest rate to be proposed by the Board, based on the performance of the Society, and put to a vote at the AGM. Our aim is to pay at a 3% interest once we are fully trading and have completed all development and let the flats, but our priorities are to repay any loan capital, build a prudent financial reserve and maximise the community benefit we provide. Any payment of interest on shares is dependent on the Society making a profit and is in any case capped at 5% or 2% above Bank of England base.
7. After the minimum three years, you may apply to withdraw your share capital from the Society by giving of three months' notice in writing to the Board. The Board will have the authority to refuse a withdrawal request if it would endanger the business. Full details of share ownership and the terms of withdrawal are set out in the rules which can be found at www.thepeninsulatrust.org.uk.
8. Before shares are issued, all monies will be held in safekeeping in an account in the name of The Peninsula Trust until the Old Ship Inn Cawsand Limited is fully registered with its own bank account. The monies will be released once the Society's Board are clear that the minimum amount has been reached to make the purchase viable. Should this not occur, your money will be returned in full. You will be informed online at www.thepeninsulatrust.org.uk, by email and by notices in the area of the status of the share offer.
9. Once you are issued with your shares you will become a shareholder member of the Society and will be entitled to full voting rights at general meetings and to stand as a director of the society. If your shareholding drops below the minimum amount, you will lose this right. All shareholder members have one vote irrespective of the size of shareholding.
10. The Society will be seeking to register as a Charitable Community Benefit Society as soon as it is registered, and that being the case, we will be subject to Charity Law, which states that in the event of the society's dissolution or winding up, shareholders would be repaid their investment after repayment of any debts. Residual assets cannot be distributed amongst the shareholder members

but must be paid to a charitable or Community body. This is irrevocable, and cannot be changed by members.

12. This community share offer will close on 10th May 2018. However, if the target sum has not been received by that date, the Board reserves the right to extend the share offer.

13. The Society Rules and a copy of our Business Plan are online at www.thepeninsulatrust.org.uk.

14. If we receive more investment applications than we require at this stage, priority will be given to applicants who live on the Rame Peninsula, SE Cornwall.

15. Due care has been taken in the preparing of this document, a process which has been overseen by the Founder Directors, who can vouch that the information it contains is in accordance with the facts and that there are no omissions likely to affect its import.

Questions on buying shares in “The Old Ship Inn Cawsand Limited”

Why should I buy community shares?

We need your investment to help purchase the Old Ship. Without sufficient investment from the community, we will be unable to buy the building to create the benefits that we are planning, so the opportunity for very worthwhile community facility would be lost. It will remain a ruin unless and until another purchase can be found.

Who will benefit from this project?

The residents of the Rame Peninsula will benefit directly from having a vital amenity preserved for future generations, both through the use of the facility itself but also because the Old Ship will play a part in making the area a stronger, more vibrant and cohesive community in which to live. The secure housing, at rents local people can afford, will be a very real benefit to our area. We know that affordable housing is the biggest issue facing local residents and their families.

Is this a good business proposition?

We expect and will require the business to be a profitable venture. We have carefully evaluated its strengths and weaknesses and our projections show that we can establish it as a successful business. It is well proven that communities that work together to set up such an enterprise will support it in the future. For the full business case, go to www.thepeninsulatrust.org.uk.

Who are the people behind this project? Do they have a personal interest?

The Management Board consists of a group of local residents who care passionately about the Old Ship and the benefits it can bring to our area. They will have no personal financial interest in the project, above and beyond their own investment in community shares. They have voluntarily contributed a large amount of time to the project and this has been supplemented with advice and considerable support from many people and organisations.

Who will run the Old Ship and make the day-to-day decisions about the business?

The Management Board will oversee the business and ensure that it meets the goals set down in the vision statement. We intend to appoint an experienced manager to oversee the day-to-day running of the pub. There will be governance and reporting arrangements in place to monitor financial and other performance. We will ensure that there is an ‘open book’ approach to sharing feedback and other information between the Society and the manager. Shareholders will be invited to meetings to discuss significant decisions about the Old Ship.

Do my shares give me voting rights?

Yes, they do. Everyone has an equal voice, regardless of the size of their investment.

How do I get my money back?

You will be unable to withdraw your shares in the first three years. After that, you will need to give at least three months' notice. You cannot sell or transfer your shares, and withdrawals must be funded from surpluses or new capital raised from members. The Board may suspend withdrawals depending on the long-term interests of the Society, the need to maintain adequate reserves, and the commitment to the community we serve.

What happens if the purchase of The Old Ship Inn Cawsand falls through?

It is possible that we will be unable to complete the purchase, even though we have an in-principle agreement with the current owners. That said, we are confident we can secure the funds. In the unlikely event that we are unable to complete the purchase, we will return any funds we have received though we will endeavour to exhaust every avenue before getting to this point. As the timetable for this process is not within our control, we cannot be definitive about when we might come to this conclusion, but we will communicate developments to members and should we have not purchased the building within 12 months of the share offer closing, we will call a meeting of members to get permission to continue to hold the funds.

Will I get my investment back if The Old Ship Inn Cawsand fails?

All the business's assets, including the freehold of the building, would be sold and the proceeds of the sale (after paying any creditors) divided between the shareholders up to the value of their shares. You might receive the full value of your shares back or you might lose part or all of your investment; this would depend on the state of the property at the point of the society failing.

What redress do I have if the business fails and I lose the value of my shares?

This share offer is unregulated, as it is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations, which means there is no right of complaint to the Financial Ombudsman, nor can you apply to the Financial Services Compensation Scheme.

Will I receive interest from my shares?

We aim to pay a reasonable interest rate to our members. Our Business Plan assumes we will pay 3% interest, but this will always be dependent on the success of the business. Interest will be paid gross and it is each member's responsibility to declare such earnings to HMRC if appropriate.

Are investments eligible for tax relief?

Yes. We have approval from HM Revenues and Customs (HMRC) that the shares in The Old Ship Inn Cawsand are eligible for tax relief under the Seed Enterprise Investment Scheme (SEIS) and the Social Investment Tax Relief scheme (EIS) which are both government-backed schemes designed to encourage investment in smaller enterprises.

How can I find out more about the project?

You can find our Business Plan and the Rules for our Society at www.thepeninsulatrust.org.uk, or contact us via the Rame Centre, 3 West St, Millbrook PL10 1AA or by phone on 01752 658516.

The application procedure

By post

You can apply by completing the postal application form that follows, and return it with a cheque payable to **THE PENINSULA TRUST** for your investment to: The Old Ship Inn Cawsand Limited, 3 West St, Millbrook, Torpoint, Cornwall, PL10 1AA. We will acknowledge receipt and pay cheques in after the offer closes. If the offer is unsuccessful, cheques will be destroyed, and digital evidence of this returned by email. If you don't have a cheque book, send back the completed application form and we will contact you for payment. **DO NOT SEND CASH.**

Online

You can complete our application form online at www.thepeninsulatrust.org.uk and send your payment by BACS transfer to our account with the Unity Trust bank. You **MUST** include your own name as the Reference for your payment.

The Society's Board reserve the right to make share applications available at a later date on a recognised national shares platform.

Application conditions

- By delivering an application form, an Applicant offers to subscribe, on the Terms and Conditions contained in this Offer Document, for the number of shares specified, or such lesser number as may be issued and in so doing becomes a member of The Old Ship Inn Cawsand Limited and agrees to be bound by its Rules.
- Once an application has been submitted and approved it cannot be withdrawn.
- Multiple subscriptions will be admitted providing that they do not result in a member holding more than the maximum amount of shares, £25,000.
- Applicants may be requested to provide additional evidence of identity in order to comply with Money Laundering requirements
- Applications may be rejected in whole, or in part, or be scaled down, and monies shall be securely returned to the application, not later than two months after application, without interest.
- Applications on incomplete or inaccurate Application Forms may be accepted as if complete and accurate, providing that the form makes clear the name, address and amount to be subscribed, of the investor.
- Results of the Offer will be published on the website of The Old Ship Inn Cawsand Limited, and all applicants will be informed.



THE OLD SHIP INN CAWSAND — SHARE APPLICATION FORM

IMPORTANT. BEFORE COMPLETING YOU MUST:

- Read the Share Offer in full and pay special attention to the Risk Factors described
- Consider whether you need to take financial or other advice
- Read the Rules of the Society available at www.the.peninsulatrust.org.uk. If you do not have internet access, contact us via the details specified in the Share Offer.

PLEASE USE CAPITALS AND DARK INK

Name:

If a company or organisation, please show both the company and representative's name

Address:

..... Post code:

Email:

We prefer e-mail contact as it is cheaper and quicker. If you prefer post, please tick here:

Phone: **Date of birth:**

Your contact details will only be used to communicate with you regarding the Old Ship Inn Cawsand. We will not pass on your details to third parties.

I wish to become a member of The Old Ship Inn Cawsand Limited in accordance with the Rules and apply for withdrawable shares to the value of £ (minimum £100, maximum £25,000).

Please tick as applicable:

I enclose a cheque made payable to The Peninsula Trust

I will pay by BACS transfer: **Sort Code** 60-83-01 **Account no:** 20334769 **Reference:** your name.

I have read and understood the Share Offer document and understand and accept the terms of the Share Offer, including risk factors, and the rules of The Old Ship Inn Cawsand Limited

Signature:

Date:

By signing the application form, you confirm that you will provide proof of identity and address if required for compliance with money laundering regulations. To ensure compliance with the Money Laundering Regulations 2003, The Old Ship Inn Cawsand Limited may at its absolute discretion require verification of identity of any person seeking to invest.

We are not obliged to accept your application, or may choose to issue less than the full amount of shares you have applied for.

Please return the completed form to: The Old Ship Inn Cawsand, 3 West St, Millbrook, Torpoint, Cornwall, PL10 1AA or bring it to the Rame Centre at the same address.

The closing date for applications is 10th May 2018

