



#FORGEAHEAD



# COMMUNITY SHARE OFFER PROSPECTUS



## A COMMUNITY PUB

If you've made it this far you will know how special The Old Forge pub on Knoydart is. We are inviting you to become a shareholder member of The Old Forge Community Benefit Society and play a role in securing our only local pub under community ownership.

**Together we can rebuild it into a thriving business that is at the heart of our community once again.**



Earlier this year we found out that The Old Forge was up for sale, and after successful community consultation we set the wheels in motion to purchase the pub for the community. A huge amount of work has been done up to now to secure the appropriate funds needed to purchase the property. Our first stage was to submit an application to the Scottish Land Fund which, if successful, could support acquisition costs of up to 95% of the property valuation. This community share offer is the second stage in our funding plan, and crucial to get us over the line and secure enough funds to put an offer in on the pub.

***Under community ownership The Old Forge will be run by the community, for the community.***

## OUR VISION

*A vibrant and environmentally conscious community-owned pub, welcoming to all and investing in the regeneration and stability of Knoydart.*

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 Standard Mark and the CSU, visit:

[www.communityshares.org.uk](http://www.communityshares.org.uk)



## COMMUNITY SHARE OFFER

This Community Share offer gives you the opportunity to shape the future of The Old Forge.

Community Shares are a form of share capital unique to Community Benefit Society (CBS) legislation. The CBS model requires democratic governance - one-member-one-vote regardless of how many shares are held. By becoming a CBS member you will be making a social investment for the greater good - profits are reinvested back into the business and other local projects for community benefit - not distributed amongst shareholders.

There are plenty of perks too - members can vote and stand for the management committee, receive interest payments on your investment, benefit from tax relief options and there's also some additional perks including a members discount once we've brought the pub under community ownership.



# THE OPPORTUNITY

*"The Old Forge has always been more than just a pub."*

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With **your** help, we can make community ownership of The Old Forge a reality.

We aim to raise **£204,500** through this community share offer to purchase the pub and kickstart a revitalised community owned business.

We want to return The Old Forge to the heart of the community once again.

The share offer will launch on Friday 10th September 2021 and close on Friday 8th October 2021 \*

Minimum target is £204,500  
Maximum target is £240,000

Minimum investment is £25.00 \*\*  
Maximum investment for an individual or organisation is £24,000

We aim to pay 2% interest after the first three years

Community shares are fully at risk.

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*The Society is registered with the Financial Conduct Authority but 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. Please don't invest any money you can't afford to lose.*

*\* Unless extended or reduced at the discretion of the Management Committee*

*\*\* Minimum investment amount for Type A Resident members is £25, and for Type B Non-Resident/Corporate/Joint members is £10,000. For the definition of Type A and B members please see the FAQ Section of this prospectus and our Society Rules.*

# WHO WE ARE

## THE KNOYDART COMMUNITY

*Population: 100 (ish)*

Knoydart is a remote peninsula on the West Coast of Scotland. It's a beautiful area, with no road access - to get here you take the ferry or embark on a 3-day walk over the hills.

Our population currently stands around 100 and comprises folk from all walks of life - some have been here for all their days, some have only made Knoydart home in the last couple of years. Our community is diverse but we all have something in common - a love for where we live, and a drive to make Knoydart the best it can be.

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### COMMUNITY OWNERSHIP IN KNOYDART



In 1999 we took guardianship of 17,000 acres of the peninsula under the community-owned and managed charity Knoydart Foundation. Since then we have gone from strength to strength. The Old Forge community buyout is the next bold step. Click on the logo for more info.

## THE OLD FORGE COMMUNITY BENEFIT SOCIETY



When we found out in January 2021 our only local pub was going up for sale, a consultation was held to gauge support for a community buyout attempt - the response was overwhelmingly in favour and The Old Forge Community Benefit Society was formed.

Over the last few months a team of 10 dedicated local volunteers (with the support from many others) have been working tirelessly to make community ownership of The Old Forge a reality.

Governance, business planning, engaging with consultancy support teams, building our social media presence and spreading the word, finance planning and submitting applications... All of these elements have brought us here - the opportunity to come together and invest in an exciting share offer to bring our only local pub under community ownership and secure its future as a vital community asset.



# WHAT IS A COMMUNITY BENEFIT SOCIETY?

The Old Forge Community Benefit Society Ltd is a Community Benefit Society established under the Cooperative and Community Benefit Societies Act 2014. It is owned and managed by the community for the community. It is registered with the Financial Conduct Authority (FCA) using the Plunkett Foundation's Model Rules for Community Ownership, Register No. 8672.

As a Community Benefit Society, The Old Forge Community Benefit Society Ltd will be run on a democratic basis. Each member has a single vote regardless of the size of their investment. They will appoint a proportion of the Management Committee. This committee will have overall responsibility for running the Society in line with the direction set by the members; it will appoint the manager and staff to run the pub.



## WHO CAN BUY SHARES IN THE SOCIETY?

Membership is open to anybody aged 16 years or over, and the Society will have two types of member:

- Type A members will be individuals ordinarily resident in Knoydart as defined in the Society Rules
- Type B members will be individuals or corporate bodies who do not reside in Knoydart

At all times, Type A members must comprise at least 75% of the total membership. They must also form a majority of those present at any members meeting. The management committee will be comprised of individuals elected from the membership and at all times, Type A members must form a majority of the management committee. A maximum of three members of the management committee may be Type B members.

Those eligible for Type A membership must purchase at least 25 shares (valued at £1 each) to complete their application. Those eligible for Type B membership must purchase at least 10,000 shares. The Society will consider group membership where multiple individuals eligible for Type B membership wish to apply together. The group will need to nominate an individual to exercise its vote at members meetings. Corporate bodies, such as companies and charities, can apply for membership and should appoint a representative to attend members meetings on their behalf.

# THE STORY SO FAR

## THE PAST



**The Old Forge has always been more than just a pub.**

In such a small community, it plays a vital role not only to the overall economic sustainability of the area, but also has an impact on social aspects of rural living as well.

In days gone by the pub was at the very heart of the community - every life event, celebration, holiday and social activity has been held there at some point. It acted as a neutral space to meet, talk, create, get the craic, and enjoy great food and drink.

The Old Forge was famous for its welcome. It didn't matter who you were, you could walk through the doors and be met with a smile.



## THE PRESENT

Our community is evolving, and we need our local assets to grow with us. In rural areas like Knoydart the people, businesses and land are all connected, and when one falters it can have a knock on effect to many other parts of our day-to-day lives and long term sustainability.

As Knoydart has developed over the last decade, unfortunately the pub has not. Today, it does not provide the services that locals and visitors need and expect from such a prominent local asset.

With our collective experience in community ownership we have the opportunity to safeguard The Old Forge for future generations, and ensure that it is a welcoming space for community activity, and supports our community in both an economic and social way.

We also run the very serious risk that the pub could be sold on the open market and turned into a holiday home.





## ***Our goals:***

- Create a friendly and inclusive social hub that is welcoming to all residents and visitors
- Create an environmentally conscious business model that takes direct action to tackle climate change
- Offer year-round employment, training and career development opportunities
- Actively collaborate with local businesses and organisations to offer complementary services to the community and visitors
- Operate a sustainable, robust business that invests profits back into the community
- Make a concerted effort to support local producers, in turn improving the circular economy

# THE FUTURE

What we want our community-owned pub to offer:

***Expanding current operations.*** Our business plan demonstrates that we can operate a robust and healthy business under community ownership by expanding upon the current level and quality of service. Increased staff numbers will improve career opportunities in the area and encourage younger residents to move here and stay.

***Year-round opening.*** We are committed to providing year-round opening of the pub - something we have not had for many years. The pub will once again provide a place for residents and visitors to come together in the dark and cold winter months, and provide secure, year-round employment opportunities.

***Local food, local drink, local people.*** We have an abundance of fresh local produce including venison, lamb, seafood, vegetables - and beer! Using what is on our doorstep will be a priority in the pub's food and drink menus, and working with local producers will improve Knoydart's circular economy and open up new opportunities for local business.

***At the heart of the community.*** Everyone is welcome, and our community reaches further than the shores of Loch Nevis. The Forge will be a place for residents and visitors to come together, share stories and enjoy a great pint together. Our menus will cater to all budgets, and always be affordable for families. Community events and activities will be encouraged and celebrated.

***New opportunities.*** Profits will always be reinvested back into the business and other local projects that provide a wider community benefit. We will be able to offer career development opportunities for our young people and provide secure, long-term jobs for both residents and seasonal workers. This in turn will add to the future sustainability of our community.



# HOW WE CAN MAKE IT HAPPEN ~ TOGETHER.

We have various financial streams coming together to make community ownership of The Old Forge a reality:

- **Scottish Land Fund.** We have submitted an application to the Scottish Land Fund which, if successful, will support a substantial proportion of the acquisition costs. We could expect to receive up to 95% of the independent valuation which we have conducted, along with a proportion towards essential works and development. We expect to have a decision on our application in early-mid September.
- **Community Share Offer.** The investment raised from the community share offer set out in this document will be added to the SLF funds for the acquisition.
- **Crowdfund.** If all goes to plan, the above two funding streams will provide enough capital to put an offer in on the pub. We then hope to launch a crowdfund which would support further works on the building to get it up to standard, improve the building fabric, and enable us to host guests in a much more comfortable setting than is currently available.



It's crucial that we raise as many funds as possible through this share offer. We will not know whether our Scottish Land Fund application is successful before this share offer has launched - or how much support we will receive if it is. The more we invest in community shares the more secure we will be to have sufficient funds for acquisition. If there is excess after successful purchase of the property, the remaining share funds will be used to undertake essential repairs and new improvements - including upgrading the electrics, fire system and ventilation, and installing new toilet facilities.

This project relies on multiple funding streams coming together at just the right time. We have also applied to the Community Ownership Fund which may cover any gaps if the Scottish Land Fund is unsuccessful. In the event of both being unsuccessful we would look at what other fundraising options may be available to us. If the management committee feels that the project is too under-funded to proceed at any stage then investors will see ALL of their investment returned to them.

For further detail on our risk analysis and mitigation, please refer to Section 10 of our business plan.



# THE FINANCIALS

5-year financial projections have been prepared for the operation of The Old Forge as a bar and restaurant. The projections demonstrate that the operation of The Old Forge could be successfully run as a financially viable operation. The projections can be summarised as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Turnover</b>	515,393	545,163	572,421	601,042	631,094
<b>Other Income</b>	45,076	45,977	8,720	8,547	8,378
<b>Less Costs</b>	515,863	540,648	525,692	544,502	563,997
<b>Less Taxation</b>	8,921	10,098	11,090	13,017	15,096
<b>Profit</b>	35,686	40,393	44,360	52,070	60,379

**Cumulative 5-year profit: £232,889**

Project expenditure, excluding VAT, is estimated as follows

PROPERTY PURCHASE	
Building valuation & goodwill	500,000
LBTT	25,000
Legal & conveyancing costs	10,000
Remedial work	70,000
Office equipment	5,000
Stock	10,000
Working capital	42,500
	<b><u>662,500</u></b>

This is based on serving approximately 20,000 meals and 6,000 bar-only customers, and results in a significant increase in the level of service provided to customers of The Old Forge. Increasing the operation to this level would restore the business to its former glory and significantly enhance services in the area. To increase the turnover by 150% for a remote location such as Knoydart would be a transformational economic boost for the peninsula.

To provide this level of service we aim to increase staffing levels up to 12 positions resulting in 10.5 full-time-equivalent new jobs, with the opportunity for more posts to be created. We will also undertake significant refurbishment and repair works to the property to ensure we can deliver high quality service safely and professionally.

## It is planned to fund the project as follows:

Grant funding for building purchase (assume 95%, excluding goodwill)	413,250
Grant funding for building remedial work (10% of building value)	40,000
Grant funding for office equipment etc (assume 95%)	4,750
Share offer/ fundraising	204,500



# THE RELAUNCH PLAN

## YEAR 1

Prior to opening we will undertake essential repairs including to the ventilation system and the electrics to bring the building fabric up to a good standard. We will advertise for a development manager to take forward the building development and accommodation needs, and secure our bar, restaurant and kitchen staff alongside recruiting an experienced pub manager to oversee the day-to-day running of the business.

We will look to host a small series of events, including live music performances, to encourage locals and visitors to come to the pub and see what services we offer. We will engage with local businesses to provide complimentary services and source local food and drink produce for the relaunched menus. We will also begin a significant marketing campaign to promote our community owned pub, and begin to rebuild a positive business reputation. And maybe most importantly, we will be able to come together around the fire on those cold winter nights once again!

## YEAR 2

In the winter months between years 1 and 2, we will undertake substantial renovation works in order to make the building fully accessible to modern standards, improve its functionality and maximise the space available to customers. This will include improving the toilet facilities, relocating and enlarging the cellar, and extending the bar.

We will continue to build on our collaboration with local businesses, sourcing the best local food and drink options available. With a year of sales behind us we will continue to push a strong marketing campaign forward to increase awareness of the pub and secure high customer numbers. We will also look to increase the number of community events and activities held at the pub, and hope to work in close collaboration with Knoydart Community Hall.

## YEAR 3

By year 3 we anticipate having sufficient profit reserves to be able to support other community projects for local benefit. We will continue to seek regular feedback from customers and staff to improve the pub's services, and look at options for expanding our customer base further: for example, providing additional facilities to encourage the sailing community to visit more, and an online merchandise shop.


## BEYOND YEAR 3

For the business to be viable long term and retain staff, we have to be able to offer high quality, affordable accommodation - whether directly from the business or in partnership with other local facilities on Knoydart. In years 1 and 2 the development manager will have looked at options and created an accommodation plan which can be put into action.

## THE NEW NORMAL

The three year plan we have set out is based on 'normal' operations, and whilst we continue to move towards post-Covid freedoms, nothing is certain. Due to this, our figures and overall business plan is consciously conservative, and will be continually monitored. Covid has shown us, once again, what we can achieve when we band together and support each other for a common purpose. More than ever, it has also highlighted the importance of togetherness on Knoydart - and the need for safe, comfortable and welcoming spaces for our community and visitors to relax and enjoy one another's company.

Community health is crucial in rural areas like ours - be it physical, mental, social or economical. We are committed to learning from the challenges faced during Covid so that The Old Forge is able to support the community in whatever way necessary in the future.



## ***How you can shape the future of the CBS:***

You will vote at our members meetings and elect the management committee

You have the opportunity to stand as a member of the management committee

If you have specific skills that you would like to share you have the opportunity be a part of a training programme to mentor staff and volunteers

### ***Everyone who invests receives:***

- A share certificate
- Regular newsletter updates
- Invitations to members-only events
- 5% discount in the pub for the first three years of membership

## **THE BENEFITS TO YOU**

By investing in community shares with The Old Forge, you will be supporting the long-term viability of our local pub, our community, and Knoydart as a whole.

Community ownership of The Old Forge will bring forth huge benefits and increased value to our community. You will have the opportunity to shape the Forge's future, and return it to the heart of the community once more.

As a shareholder member of the Community Benefit Society, you will have a direct say in the future success of The Old Forge. You choose the team who will oversee the management of the business by voting at the annual general meetings; and also have the opportunity to stand for the committee.

You will receive regular updates on the Forge's operations and progress through the member newsletter, invitations to the annual members meeting, and exclusives available out with our social media presence.

The Community Benefit Society model was chosen specifically for this project as it ensures that the business will be run by the community, for the community. One-member-one-vote gives everyone an equal say, regardless of how much they have invested, so no one person can steer the direction of the business. No one person/investor will be able to take control, and cannot make money from selling shares due to them having a fixed value and being non-transferable.

Profits made by the Community Benefit Society will be reinvested back into The Old Forge and other local projects chosen by members for wider community benefit on Knoydart. By investing you will have a long-term commitment to The Old Forge Community Benefit Society - interest payments will begin from year 3 and withdrawals from year 5 at the management committee's discretion.



## SOCIAL INVESTMENT TAX RELIEF (SITR)

We anticipate the investment will be eligible for social investment tax relief and are currently awaiting advance assurance of this from HMRC. SITR is open to individual UK tax payers and would entitle investors to 30% tax relief, available once the Society has been trading for at least four months. The actual amount of tax relief you can claim will depend on your personal tax circumstances.

Applications for tax relief are made to HMRC by you, the investor, not by the Society, and so we cannot give any guarantees. HMRC's [information site](#) explains the application procedures but, if you are unsure, please seek professional advice. As community shares cannot go up in value, they are not subject to capital gains tax. Interest on your shares may be liable for income tax and it is the responsibility of the shareholder to inform HMRC of any interest received.

## COMMUNITY SHARES STANDARD MARK

The Community Shares Standard Mark is awarded by the Community Shares Unit. To receive Standard Mark a society must comply with eight nationally recognized Community Shares Standards of good practice. For further details see [www.communityshares.org.uk/standards](http://www.communityshares.org.uk/standards).

Any money you invest in community shares is fully at risk, and that you could lose some or all your money if the society gets into financial difficulties. Community share offers are exempt from, or outside the scope of, statutory regulations that apply to the public offer of shares and other financial promotions. Applicants have no recourse to the Financial Services Compensation Scheme, or the Financial Ombudsman Service. However, you do have the right of complaint to the Community Shares Unit if the share offer has been awarded the Standard Mark. The Community Shares Unit will investigate all complaints and participating societies have agreed to act upon the decisions of the Unit, according to a process laid out in the code of practice for societies.

Further details about the Community Shares Unit, the Community Shares Standard Mark, the code of practice and the complaints procedure can be obtained from [www.communityshares.org.uk](http://www.communityshares.org.uk)

## COMMUNITY SHARES IN DETAIL

This is a community share offer - legally called 'withdrawable shares in a Community Benefit Society'. Unlike shares in companies you'll not receive a dividend or be able to sell your shares on. These shares are a social investment, so much of the motivation behind investing has to be the change you'll help create within our community. As detailed in our business plan projections, we forecast being able to pay 2% interest on shares from the end of 2024 (at the discretion of the Management Committee). Interest is capped in our rules - we intend for it to be 2%, but this could be lower (and possibly not offered at all) if trading isn't as strong as forecast. How well we trade is the single most important factor behind whether we can offer a return of and on the capital you invest.

If Members forgo their interest payments, we can generate greater impact and community benefit, allowing us to support a wider network of local opportunities. If you choose this, you'll be kept informed of the projects and their successes.

The best way to generate a return is to continue to support the pub and encourage others too. That's the real secret of community ownership – we make the rewards of our success something we can share with the people who matter the most to us.





# THE LEGAL BIT

The Old Forge Community Benefit Society Ltd was registered with the Financial Conduct Authority on 8 July 2021 (registration number 8672). Our governing document, the "Rules of The Old Forge Community benefit Society Ltd", is available to download at [www.theoldforgecbs.org](http://www.theoldforgecbs.org) and explains member rights as well as the management and constitution. Other relevant background documents related to this share offer can also be found on our website.

1. Shares are priced nominally at £1. The minimum investment is £25 for Type A members and £10,000 for Type B members, with a maximum investment of £24,000 for an individual or company.
2. There are 2 classes of members, Type A Resident Members and Type B Non-Resident/Corporate Members. Type A members are those whose normal place of residence is Knoydart as defined in the Society Rules; Type B members are individuals not resident on Knoydart or corporate bodies who support the aims of the Society. Shareholder members must be at least 16.
3. Shares are non-transferable. Shares may be withdrawn from the Society after a minimum of 5 years, subject to terms listed below (see item 7).
4. Nominal share value cannot increase. However the value may fall if liabilities exceed assets e.g. if the business fails. Your investment is fully at risk.
5. Your personal liability in all circumstances is restricted to the value of your shares.
6. We are allowed to pay interest on shares provided the business' profits allow it. Our aim is to pay 2% interest after Year 3, but our first priority is to create a viable business and therefore the longevity of your investment. Any payment of interest on shares is dependent on the Society making a profit and is also subject to the approval of the management committee, with the maximum interest capped at 5%.
7. After the minimum 5 years, you may withdraw your share capital from the Society at the discretion of the management committee. All withdrawals shall be paid in the order in which the notices were received by the Society. Evidence from elsewhere is that new members come forward to replace departing members, keeping the level of shares roughly constant.
8. Applications for shares will be considered at the first management committee meeting after the share offer closes. Upon successful application, and when the management committee have confirmed that the minimum target share amount has been reached, we will provide details for applicants to transfer funds to The Old Forge Community Benefit Society, and at that point shares will be issued. The committee may also proceed at a slightly lower figure and make appropriate changes to the budget. If we fall significantly short of the target, such that, in the opinion of the management committee the business would no longer be viable, then we will not proceed and if funds have already been transferred to the Society, then ALL monies raised through this share issue will be returned to investors in full as soon as practicable. You will be informed online via [www.theoldforgecbs.org](http://www.theoldforgecbs.org) and by email of the status of the share offer and subsequent bid.
9. Once you are issued with your shares you will become a shareholder member of the Society and will be entitled to voting rights at general meetings and to stand as a member of the management committee. If your shareholding drops below the minimum amount, you will lose this right. All shareholder members have one vote irrespective of shareholding.
10. In the event of the death or bankruptcy of the Member, the value of their shares goes to their estate. Membership is not transferable. The application form in this document offers the option for you to nominate a recipient for the value of the shares in the event of your death.
11. The Society has a statutory asset lock designed to safeguard The Old Forge Community Benefit Society Ltd for the future, meaning that if the Society is dissolved, then once shares and other liabilities are paid, residual assets cannot be distributed amongst the shareholder members but must be used to benefit the community of Knoydart.
12. The Old Forge Community Benefit Society Ltd is registered with the Financial Conduct Authority. However, special rules apply to Co-operative and Community Benefit Societies and you have no right of complaint to an ombudsman. Nothing in this document constitutes investment, tax, legal or other advice by The Old Forge Community Benefit Society Ltd, its directors or advisers. See [www.fsa.gov.uk/doing/small\\_firms/msr/societies](http://www.fsa.gov.uk/doing/small_firms/msr/societies) for full details. As with any share offer you would be well advised to seek independent financial advice before investing. There are also several online independent sources of advice. Community Shares Scotland has numerous guidance documents and case studies. We particularly recommend that you read their guide aimed at potential community investors, which can be downloaded from the resources section of their website: [www.communityshares.org.uk](http://www.communityshares.org.uk) This is a business venture and as such is liable for both success and failure. We are confident that The Old Forge will be a success.
13. This community share offer closes on 8th October 2021. However, if the target sum has not been received by that date, but we are very close, the management committee reserve the right to extend the share offer. The management committee reserves the right to reduce the target sum and shorten the share offer closing date.
14. The Society rules and a copy of our business plan are to be found online at [www.theoldforgecbs.org](http://www.theoldforgecbs.org)
15. Due care has been taken in the preparation of this document, a process which has been overseen by the management committee, 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. We are confident that our predictions are realistic. The figures are based on what we believe the potential trade to be, taking into account figures for similar businesses in the area and across the industry in general, as well as historic data from previous management of The Old Forge.
16. Providing that members and the management committee behave responsibly, reasonably and legally and take out any necessary insurances, incorporation protects the members and directors of the Society from any legal action against them as individuals and any access to their personal finance in the event of the enterprise entering receivership.
17. We encourage prospective members to view their investment as a long-term commitment to the project – a oneoff investment to generate a long-term financial benefit to yourself, the community of Knoydart, and all those who love The Old Forge pub. Shareholders should be prepared to tie up their capital for a number of years. Please note, the management committee may resolve at any time to return excess capital to members in the proportions in which they provided it. They also reserve the right to refuse an application for withdrawal to protect the financial position.

# FREQUENTLY ASKED QUESTIONS

## HOW MUCH CAN I INVEST?

Type A members (individuals ordinarily resident in Knoydart as defined in the Society's Rules) can purchase a minimum of £25 shares. Type B members (individuals not resident in Knoydart, and corporate bodies) can purchase a minimum of £10,000. For both groups, the maximum any member may purchase is £24,000.

## WHAT WILL HAPPEN WITH MY PERSONAL INFORMATION?

All members will be added to the Society's member register, which will include their name and contact details. This is required in Society law to allow for member communication. The value of your shares will only be known to key members of the management committee ie. the office bearers.

## CAN I BUY SHARES AS A COMPANY/CHARITY?

Companies, charities and other societies may purchase shares as Type B members and a named individual will be able to vote at members' meetings on their behalf.

## WHY ARE THERE TWO CLASSES OF MEMBERSHIP?

It is a requirement of the Scottish Land Fund that the Society has a majority of its members reside in the local area. The intention of this rule is to ensure that local people are empowered through community ownership, however in a remote community with a small population such as Knoydart, it significantly limits the number of members we can invite into the Society. Following advice from Community Shares Scotland and Dave Hollings of Co-operative Mutual Solutions we have devised rules that ensure we can have a membership that is strongly representative of the local community but still offer the chance to invest to those further afield who would like to support us.

## ARE JOINT APPLICATIONS ALLOWED?

We are encouraging joint or group applications for Type B membership and there is no limit on how many individuals may form a group. The application should nominate an individual who will represent the group at members' meetings. It will be the responsibility of the individuals applying for joint membership to arrange how interest and any other payments will be shared.



## WHAT HAPPENS IF THE APPLICATION TO THE SCOTTISH LAND FUND IS UNSUCCESSFUL?

We have worked closely with our case worker at Highlands and Islands Enterprise to produce an extensive and compelling application - we are confident that the project fits the criteria set out for the fund and that we will succeed in the application process. We expect to have a decision from SLF early-mid September. However, to keep our options as open as possible we have also submitted an application to the new UK-wide Community Ownership Fund which could fill any gaps if we are awarded less than our projections from SLF.

## WHAT HAPPENS IF AN AGREEMENT IS NOT REACHED WITH THE CURRENT OWNER?

We have maintained consistent contact with the current owner and their representatives up to this point, and conversations have been constructive and positive. We foresee that this positivity will continue, however if we are unable to reach an agreement we would consider engaging Community Right to Buy legislation provided that there is a majority agreement within the Knoydart community.

## WHAT HAPPENS TO THE PROFITS MADE BY THE SOCIETY?

All profits will either be reinvested into the business or will be donated to local causes. None of the management committee stand to personally gain from their involvement in the society, other than through the interest payable to all members.

## WHAT HAPPENS IF THE SOCIETY IS WOUND UP OR DISSOLVED?

All of the business's assets would be sold and the proceeds of the sale (after settling any debts) would be divided between the shareholders up to the value of their shares. Any excess value would be transferred to another community organisation having similar community benefit aims. This is known as an asset lock and is to prevent private gain if the organisation dissolves. If the asset value was lower than the share capital, shareholders would receive back less than their original investment.



# FAQ'S CONTINUED

## WHY SHOULD I INVEST?

Your financial investment will help us raise vital funds needed to purchase The Old Forge. But more than that, the pub has always been about community and by being a member shareholder of the CBS you can help us shape the future of the pub to ensure it always works for the benefit of locals, visitors and all who visit and love the Forge.

## IS THIS A GOOD INVESTMENT?

We have taken care to produce these documents with the help of expert advice from various support organisations. We believe based on our research that the business can be a success. However, you could stand to lose some or all of your investment and if you have any doubts over whether or how much to invest, you should consult an independent financial advisor.

## COULD I BE LIABLE FOR ANY DEBTS IF THE BUSINESS FAILS?

You could stand to lose some or all of your investment but members will not be liable for any costs beyond the value of their shares.

## WHY FORM A COMMUNITY PUB, WHAT ARE THE ADVANTAGES OVER THE OLD FORGE BEING PRIVATELY RUN?

As a community pub The Old Forge will be run by the community, for the community. Profits will be reinvested back into the business and other local projects that provide a wider community benefit. We can tailor the business model to ensure that it reflects the goals and aspirations of the community. We can protect this vital community asset into the future, ensuring it always works with the communities best interests at heart, and delivers tangible and long-lasting benefits.

## WHO WILL MAKE DAY TO DAY DECISIONS ABOUT THE RUNNING OF THE PUB?

An experienced manager will be employed to oversee the day-to-day running of the pub. The manager will work with and report to the volunteer Management Committee who will set the goals and financial projections for the business.

## HOW WAS THE PROPERTY VALUED?

As part of our Scottish Land Fund application we were required to conduct an independent valuation of the property, from which our financial calculations would be drawn up. This valuation was carried out by Allied Surveyors Scotland who were granted access to the property to carry out a bricks-and-mortar valuation.



## WHEN CAN I WITHDRAW MY SHARES?

Share withdrawals will not be allowed within the first five years, in order for the Society to build its reserves and to meet the requirements for social investment tax relief. Once this period has passed we will consider withdrawals on a first come first served basis. Withdrawals will be entirely at the discretion of the management committee and only allowed where there are sufficient funds available.

## WHAT HAPPENS TO MY SHARES IF I DIE?

Your shares will form part of your inheritance and can be transferred as part of your will. You may nominate on your share application form a person you wish to receive your shares in the event of your death. You may also elect to donate your shares to the Society.

## WHAT HAPPENS IF THE SHARE OFFER DOESN'T REACH ITS TARGET?

Our business plan, prepared with expert support from Campbell, Stewart, MacLennan & Co, has identified £204,500 as the sum of money required through this share offer to complete the purchase of The Old Forge and provide working capital to get us started as a community business. If we are unable to reach that target, we would not be able to proceed with buying the pub. In the event we are close to the target, the management committee has the discretion to extend the offer period. If we are still not successful in raising the required funds, your investment would be returned in full.



## WHAT RIGHTS DO I HAVE AS A MEMBER?

Community Benefit Societies are owned and controlled by their members on a principle of 'one member one vote'. That means regardless of how much you invest, you'll have an equal say to other members. You'll be able to stand for and vote in the election of the management committee, who will make decisions about the running of the Society. You'll also be able to vote on any resolutions at members meetings.

## WILL I RECEIVE INTEREST FROM MY SHARES?

We intend to pay 2% annually beginning from Year 3 following the share offer. All interest payments will be at the discretion of the management committee and dependent on the financial performance of the Society.

## CAN MY SHARES GO UP IN VALUE?

No, community shares cannot increase in value. However, their value may decrease if the value of the society's assets falls.

## CAN I SELL MY SHARES TO SOMEBODY ELSE?

No, community shares are non-transferable. You can only withdraw your shares from the Society.

# TERMS & CONDITIONS

- You cannot withdraw your application for shares after we receive your application form.
- Your application may not automatically be accepted and it may not be possible to allocate you all or any of the shares that you requested.
- Your application will be considered for approval at the first management committee meeting after the share offer has closed. Therefore you should not expect an immediate response.
- The minimum investment for people resident on Knoydart (type A) as per the Society's Rules, is £25. For non-resident investors (type B) as defined in the Rules, the minimum investment is £10,000.
- Upon successful application, The Old Forge Community Benefit Society Ltd will provide Cheque / BACS / IBAN details for payment.
- The directors will acknowledge receipt of application, and subsequent payment if successful, within 14 days.
- If you are not a UK resident or do not have a UK bank account, applications can be made by Cheque / BACS / IBAN. Your investment may be subject to transaction fees.
- The money will belong to The Old Forge Community Benefit Society Ltd as soon as The Old Forge Community Benefit Society Ltd issues confirmation of receipt of your payment and issues shares to you (to the extent that they take it as payment for shares). The Old Forge Community Benefit Society Ltd will not pay interest on any money it returns to you.
- The purchase of shares should be seen as a social investment to support the aims of The Old Forge Community Benefit Society Ltd and not purely as an investment for personal gain or profit.
- As an investor, you promise that:
  - Your cheque/payment will be honoured on presentation
  - You, as an individual, are at least 16 years of age
  - You have authority to sign the application form. If you are signing it for another person, you will provide the directors with evidence of your authority to sign if they ask to see it
  - You will supply us with proof of your identity and address if the directors ask for it. We may need to do this to comply with the Money Laundering Regulations 2003. The directors may have to hold back your shares until they see this
  - You are not relying on any information or representation which is not included in this document





# MEET THE TEAM

*Leading the community-ownership bid of The Old Forge on behalf of the community are Management Committee members of the Society:*



## JACQUI WALLACE (CHAIR)

Jacqui moved to Knoydart in 1992, raised 3 children and has worked for Kilchoan Estate since around 1997. Jacqui's key role in the development of the Estate over the last 20 years, and its day-to-day management, means she brings many key skills to the committee. Jacqui has also devoted a lot of her personal time to community endeavours, including being co-founder of the Knoydart Music Festival, and acting as a director for Knoydart Foundation for five years, three of those as Chair.



## JO FIRMINGER (TREASURER)

Jo qualified as a Management Accountant in the 1980's and quickly realised she loved working with small businesses. She spent the 1990's working as a personal business advisor for the Government's Business Advisory Service, and then set up a successful engineering business with her husband. In 2019 they moved to Knoydart and are keen to use their skills to help the community prosper. Jo's financial management experience will be a valuable asset for pursuing the purchase of the pub and in its future management.



## DAVIE NEWTON

Davie has worked most of his life as a joiner with small excursions into university life and community development. As well as building lots of houses Davie worked as the Local Development Officer on Knoydart for a number of years and has played a vital role as a volunteer for Knoydart Community Hall including during the recent redevelopment and extension project.



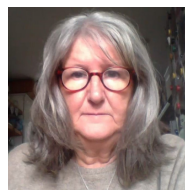
## ISLA MILLER

Isla has a background in setting up a hospitality business, Knoydart Pottery and Tearoom, and running it with her sister since 2008. She worked for The Old Forge which helped fund her way through college as well as learn valuable skills about the trade. Isla is Chair of the newly renovated Knoydart Community Hall and was a key player in the fundraising for this, helping to lead a successful crowdfunding campaign which brought in £30,000. She knows how valuable The Old Forge is to the local and wider community having grown up here.



## JACKIE ROBERTSON

Jackie is a local business owner and has experience of commercial and business law, contracts and conveyancing having studied law. She is also on the Knoydart Hall committee, and was the previous co-owner of the Forge from 1994-2013 with her husband Ian. Jackie is "committed to enabling the community to acquire The Old Forge and run it as a sustainable and profitable community asset that nurtures local employment opportunities and can resume as a year round asset for the benefit and enjoyment of everyone."



## RHONA MILLER (VICE-CHAIR)

Semi retired and local resident of 33 years, Rhona set the bench mark back in 1999 with the community buy-out forming what is now the Knoydart Foundation. With all her efforts to the buy-out, local events and fund-raising she was nominated "woman of the year" for her achievements. Having been manager of The Old Forge for ten years at the peak of its success, she is very keen to be a part of its journey once again.



## STEPHANIE HARRIS (SECRETARY)

Having grown up on Knoydart, Steph has been involved in community ownership for most of her life, and it is something she is very passionate about. Steph moved back home four years ago after a stint in Glasgow for university, and since then has volunteered for various community organisations. Her longest volunteering effort has been with Knoydart Hall where she focussed on communications, digital marketing and social media. She is also the founder of Visit Knoydart and is the current Chair of South Knoydart Community Council.



## AUDREY DUNN

Audrey, her husband and 2 young sons moved to Knoydart just over 2 years ago. With over 15 years experience in funding, Audrey supports groups to develop and deliver heritage and community focussed projects, including acquiring and renovating buildings to give them a viable future. Audrey also has property management and project management experience, and from growing up in a rural island pub also has knowledge of the trade



## UILLEAM O'NEILL

Will has lived on Knoydart full time since 2012. Before moving to Knoydart he worked in several pubs in Glasgow both behind the bar and in the kitchens, and made his way up to management position as part of a team running the Halt Bar. *"I grew up around small community pubs and know the benefits of having one for a small community. I have seen so many pubs lost over the years, so when I heard we could have a chance at saving The Old Forge I had to get involved."*

**The management committee is supported by an additional small army of amazing volunteers from within the community.**

**We are extremely fortunate to have been supported and advised by a great group of people up to this point. In no particular order...**

- John MacDonald (Highlands and Islands Enterprise)
- Toby Sandison (Community Shares Scotland)
- Dave Hollings (Plunkett Foundation)
- Faye MacLeod (Campbell, Stewart, MacLennan & Co)
- Duncan MacPherson (Community Development Consultant)
- Nick Thompson (Rural Design)
- Alison Macklin (Plunkett Foundation)



# HOW TO INVEST



We have four options available to become a shareholder member:

**Local resident individuals** complete the Type A member application form.

**Non-resident individuals, corporate organisations and group/joint applications** are completed via the Type B application form. Corporate organisations must nominate an individual to represent their interests and act on their behalf. Joint/group applications can be made by two or more interested individuals who would like to combine their investment under one membership, and must also nominate one representative to act on the group's behalf.

## Apply Online

[Click here](#) to download an editable PDF version of the application forms. Once complete, please return your form to [knoydartpub.steering@gmail.com](mailto:knoydartpub.steering@gmail.com)

## Apply Offline

[Click Here](#) to download and print a copy of our application forms. Paper copies can also be provided to local residents on Knoydart by emailing Stephanie via [knoydartpub.steering@gmail.com](mailto:knoydartpub.steering@gmail.com). Once complete, please return to: The Old Forge Community Benefit Society, % Stephanie Harris (Secretary), Knoydart Community Hall, Knoydart, PH41 4PL, Inverness-shire

## Application Process

Your application will be acknowledged within 14 days of receipt. Applications will be considered at the first management committee after the share offer closes. If successful, we will contact you with Cheque / BACS / IBAN details to make your investment payment. Upon successful receipt of these funds, your shares will be issued.



APPLICATION TO BECOME A TYPE A RESIDENT MEMBER OF THE OLD FORGE COMMUNITY BENEFIT SOCIETY.

Please refer to the Society Rules for our definition of Type A Resident Member. You may be required to provide proof of residency. If you are applying on behalf of someone else who will receive this as a gift they must also follow the eligibility rules for Type A members.

1. CONTACT DETAILS

Full Name: \_\_\_\_\_

Address: \_\_\_\_\_

Postcode: \_\_\_\_\_

Email: \_\_\_\_\_

Telephone: \_\_\_\_\_

Application made by (if different): \_\_\_\_\_

Contact me on: \_\_\_\_\_

Applications made on behalf of other individuals will only be processed when we have secured the agreement of the person for whom the investment is being made.

2. SHARES

How much do you pledge to invest: £\_\_\_\_\_ Minimum £25, maximum £24,000

3. NOMINATION UPON DEATH

You can nominate a person 18 or over to whom you wish your shares to be transferred upon your death.

Nominee Full Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_ Telephone: \_\_\_\_\_

4. CONSENT

I confirm that (this consent is required for us to accept your investment):

- I am 16 years old or older
- I understand that the management committee may reject my application, and are not obliged to tell me why it has been rejected
- I have read the share offer document and understand and accept the terms of the share offer and the Society
- I understand that the management committee may conduct such checks as necessary to comply with money laundering regulations
- I understand that the management committee may request proof of residency
- Upon successful application, I agree to pay the amount pledged above in return for shares in The Old Forge Community Benefit Society

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

☐ I consent to receiving formal notices by the email address on this form and links to formal documents on the Society website (optional)

☐ **SITR TAX RELIEF** We anticipate that the scheme will be approved for SITR tax relief. This will only be available to UK taxpayers who own shares. I would like my investment to be eligible for SITR tax relief (tick box)

APPLICATION TO BECOME A TYPE B OR CORPORATE MEMBER OF THE OLD FORGE COMMUNITY BENEFIT SOCIETY.

Please refer to the Society Rules for our definition of Type B / Corporate Body Member eligibility. If you are applying on behalf of someone else who will receive this as a gift they must also follow the eligibility rules. Applications made on behalf of other individuals will only be processed when we have secured the agreement of the person for whom the investment is being made. If you are applying on behalf of an organisation please give the name and address of the organisation, and state who will be named as the nominee to receive invitations to society meetings and documentation:

1. MEMBERSHIP Please choose one of the following options:

☐ Box 1. Individual Member applying on my own behalf

☐ Box 2. Individual Member applying on behalf of someone else

☐ Box 3. Corporate Organisation Member

☐ Box 4. Joint/Group Membership

2. CONTACT DETAILS

Investor Name: \_\_\_\_\_

Investor Address: \_\_\_\_\_

Postcode: \_\_\_\_\_

Application made by Complete if you checked Box 2 : \_\_\_\_\_

Nominee Name Complete if you checked Boxes 3 or 4 : \_\_\_\_\_

Email: \_\_\_\_\_

Telephone: \_\_\_\_\_

3. SHARES

How much do you pledge to invest: £\_\_\_\_\_ Min £10,000, max £24,000

4. CONSENT

I confirm that: (this consent is required for us to accept your investment)

- I understand that the Management Committee may reject my application, and are not obliged to tell me why it has been rejected
- I have read the share offer document and understand and accept the terms of the share offer and the Society
- I understand that the Management Committee may conduct such checks as necessary to comply with money laundering regulations
- Upon successful application, I/we agree to pay the amount pledged above in return for shares in The Old Forge Community Benefit Society

If you checked **boxes 1 or 2** above applying as an individual member on behalf of yourself or someone else please sign below:

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

If you checked **box 3** above applying on behalf of a Corporate Organisation, or **box 4** applying on behalf of a joint/group membership, you also confirm that you have authority to complete this application on behalf of the organisation/group:

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

☐ I/We consent to receiving formal notices by the email address on this form and links to formal documents on the Society website (optional)

☐ **SITR TAX RELIEF** We anticipate that the scheme will be approved for SITR tax relief. This will only be available to UK taxpayers who own shares. I would like my investment to be eligible for SITR tax relief (tick box)



# THANK YOU

[WWW.THEOLDFORGECBS.ORG](http://WWW.THEOLDFORGECBS.ORG)

