



OBAN COMMUNITIES TRUST
THE ROCKFIELD CENTRE

SHARE OFFER

SHARE LAUNCH : 16TH JUNE 2018

MAXIMUM TARGET : £500,000

To get The Rockfield Centre, Oban,
refurbished and open for our communities.



Community
Shares

STANDARD

OBAN COMMUNITIES TRUST IS A COMMUNITY BENEFIT SOCIETY NO. 7712



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1 // WELCOME

Dear Supporter,

Oban Communities Trust (OCT) is nearly there with securing the funding for the main former school building, to bring The Rockfield Centre into full operation as a creative community hub - for everyone to be part of and to enjoy.

After taking ownership of the building just three years ago, the OCT team has worked tirelessly to get the lights on once again in this iconic town centre building. It's been a really short journey by normal fund-raising standards, but it has been an amazing journey. Now, for the final burst of funding to get the doors open, we are offering everyone a chance to buy community shares in The Rockfield Centre.

The main building renovation and redevelopment is projected to cost £3 million. OCT has already secured £1.8 million in grant funding with further applications awaiting final approval or pending decisions. All permissions and plans for the building are being put in place. We now need your help to raise the remaining funds required to do the extensive restoration and refurbishment work, so that the building can have a sustainable future.

The past two and a half years have also seen over 24,000 people attending groups, events and activities at the Community Huts, proving that The Rockfield Centre is a much needed resource for people of all ages and walks of life.

Wherever you live, you can buy shares in this exciting project. They will never make you rich but they should make you feel proud to personally become a part of this community venture. Each share in OCT has a nominal value of £1. The minimum investment required is £250 (250 shares) and all shareholders will have their name inscribed on a special legacy wall.

If you are a UK taxpayer you could even reclaim up to 30% of your investment. The trustees of OCT intend to pay 2% interest on your investment 3 years after completion of the building work. Subject to trustees' approval, your shares can be redeemed after the first five years of operation, but not before.

By investing in the Rockfield Centre you are investing in a community business which will be run by the local community, for the benefit of locals and visitors alike, and will provide a hugely important focus for cultural activity in Oban and the surrounding area. If you invest in The Rockfield Centre you will help us all achieve this vision - at the heart of our creative community.

Thank you for your support.

Gordon McNab
Chair, Oban Communities Trust



2 // SUMMARY OF SHARE OFFER

Launch Date: Saturday 16th June 2018

Closing Date: Tuesday 31st July 2018

Minimum Investment: £250

Maximum Investment: £30,000

The aim of the share offer is to raise a maximum of **£500,000** and requires a minimum of £100,000 to be raised to go ahead. The optimum amount we are seeking is £300,000.

When the building work is complete our intention is to give a return of **2% interest** at the end of year 3.

We have applied for 'Advance Assurance' for Social Investment Tax Relief (SITR).

This share offer has been awarded the Community Shares Standard Mark by the Community Shares Unit. This is awarded to offers which meet national standards of good practice. For more information about community shares and the Standard Mark see Q&A in Section 7 or go to www.communitysharesscotland.org.uk

By buying shares, you will help us to achieve the vision for The Rockfield Centre.



This document is important and requires your detailed consideration. Due care and attention has been taken in preparing this offer document. The process was overseen by the Trustees of Oban Communities Trust who can vouch that the information it contains is in accordance with the facts available and that there are no known omissions likely to affect the viability of Oban Communities Trust. If you want any advice you should consult with an independent financial adviser authorised under the Financial Services Act 1986.

It should also be noted that members of community benefit societies do not have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme. You may lose the value of your investment. Please read this entire Community Share Offer document together with our Business Plan and Society rules which can be found online at www.therockfieldcentre.org.uk before you apply to buy community shares.



3 // OUR COMMUNITY

Our community includes the town of Oban in Argyll and its surrounding communities.

Our local communities and visitors will benefit from The Rockfield Centre as a thriving community hub and while we expect that most of our members will be from Oban and the surrounding communities, we welcome members from outside the area who share our values and vision for The Rockfield Centre.

The Rockfield Centre will accommodate a mix of community use, performance arts, heritage activity, all weather facilities and a business centre that would, for residents and visitors alike, address many of the town's needs under one

roof. It will be a vibrant and exciting focal point for the area.

The commitment and investment of time and effort by the Trust and the wider community of residents, who have been consulted every step of the way, is a strong indicator of its likely future success.

Activity on site has already been supported by a range of fundraising by the community including in-kind donations, grants, cash donations, event takings and other income generation.





4 // THE SOCIETY

4.1 A Community Benefit Society

The shares will be issued by Oban Communities Trust (OCT). This is a Community Benefit Society, which is a form of Registered Society, with rules registered with the Financial Conduct Authority. The legislation that controls what Registered Societies can do and how they must operate is contained in the Cooperative and Community Benefit Societies Act 2014.



OCT was initially incorporated as a charitable company on 1st August 2014. In 2017 the membership decided that the Trust should become a Community Benefit Society, which allows it to raise money by issuing community shares.

The new Community Benefit Society was registered with the Financial Conduct Authority on 2nd February 2018 in preparation for this share offer: registration number 7712. The registered office is Lindhu House, 19 Stevenson Street, Oban, Argyll, PA34 5NA.



The society is also a Scottish Charity registered with the Office of the Scottish Charity regulator (OSCR), registration number SCO45503.

The three Founder Members of the Society were Gordon McNab, Caroline Boswell and Graham MacQueen. The Founding Members appointed an additional five people to the Board of trustees to make up the full complement of the Board.

A copy of the rules of OCT can be downloaded from our website at www.therockfieldcentre.org.uk/invest



4.2 Who We Are

The Rockfield Centre is owned by OCT's membership. The OCT Board will be elected by its members and will continue to manage the project on behalf of the members and the wider community, working with an experienced project manager and specialist staff.

The Board of volunteer trustees oversee the on-going operation, maintenance and sustainability of The Rockfield Centre for the benefit of the community. The current trustees have a range of skills and experience:



Gordon McNab (Chair): Solicitor and Director of an Oban based law practice Stevenson and Kennedy Ltd.



Caroline Boswell (Member Secretary): a qualified genealogist; 28 years in civil service mainly on inshore and offshore patrol boats; previously worked for the local Tourist Board.



Ronnie Forbes (Treasurer): worked in retail strategy and operations for BP in the UK and abroad; moved into organisational consulting working in the NHS and the nuclear industry; retired to Argyll in 2013.



Joanie Garvin: background in arts, marketing and sponsorship in Glasgow; now runs local accommodation business; a Gaelic medium primary teacher, and a primary music specialist.



Alison McNab: freelance journalist on a range of weekly newspapers/magazines; previously worked in community education and tourism; project manages the restoration of a historic house and garden.



Graham MacQueen: owner and director of two successful small local businesses; has held a number of positions on the board of local charities; awarded the MBE and appointed Deputy Lord-Lieutenant for Oban, Argyll & Bute in 2013.



Ronnie Neil: Chartered Architect with broad experience in working with community and charity based projects. He has a special interest in historic buildings.



Mhairi Ross: retired teacher, formerly at Drummore School Hostel, working with children with special needs and senior teacher at Park School; also a writer and local historian.



Project Facilitator, Eleanor MacKinnon: freelance consultant with over 30 years' experience in community engagement, community development and fundraising for many Argyll projects and events.



4.2 Who We Are cont.

The OCT Board came together quickly to secure The Rockfield Centre site and has now moved forward progressively as a team. Each member bringing strengths, enthusiasm and skills such as legal, accountancy, architecture/buildings, heritage, volunteering/charities, performance, the arts and media.

The strong team of staff and volunteers has been built to support the Board to progress the vision for the building led by a Project Facilitator, and it is intended that this team will continue to grow as the Trust moves towards delivering the shared vision for The Rockfield Centre.

In addition to the skills brought by Board members and staff, OCT has engaged the following professional support:

Design Team: Page & Park, Architects; David Narro Associates, Structural Engineers; Atelier Ten, Services Engineers; Gardiner & Theobald, Quantity Surveyors.

Capital Build Project Manager (Freelance): Andrew Pinkerton.

Consultancy Support: Irene Anne McLaughlin, Accountant; Dale Glenny Meegan, Community Shares Licensed Practitioner; Jamie Proctor, Community Shares Scotland; Dave Boyle, Community Shares Company and Licensed Practitioner.

4.3 Some important issues addressed in the rules of The Society

Asset Lock – as a charity, if the Society is wound up at any stage in the future, shareholders are entitled to receive the value of any remaining share capital they have in the Society repaid from the society's assets after all creditors have been satisfied. Any additional monies after repaying shareholders would be passed to another charity with similar objects, and not to shareholders.

One member one vote - each member of OCT has equal voting rights in members meetings irrespective of the number of shares held (but interest is payable in proportion to number of shares held).

Eligibility for Membership – Membership is open to anyone age 16 or over or to any organisation. Anyone who has bought shares becomes a member and joins our existing membership.

The Board of Trustees -The Society shall elect a board of up to 8 trustees from its membership. Two may be co-opted for their particular skills. Any member aged 18 or over can stand for election to the Board.



5 // THE BUSINESS MODEL

The vision for The Rockfield Centre is well on the way to becoming a reality. It will be a creative community hub, welcoming and engaging to all, and fostering a sense of place and ownership.

5.1 Background

The announcement at the end of 2014 that the former Rockfield Primary School would be demolished sparked a wave of reaction in the community of Oban and surrounding area and launched the community campaign to save this historic building.

The community also recognised the commercial value of the building and its grounds which sit central to the town, a short walk from the esplanade, the railway station and the ferry terminal. The Old School is a Victorian Grade B listed building which had been out of use for ten years, leading to a gradual deterioration to the internal fabric of the building.

OCT was set up in 2014 to campaign for ownership of the former Rockfield School building on behalf of the wider community, and on the 13th of May 2015, the Trust officially took ownership of the building with the ambition to transform it into a creative cultural hub for the town and surrounding areas.

A huge effort and a great deal of energy and resourcefulness from the community have not only ensured that the asset has been saved for future generations but it has also created an unstoppable momentum to realise the potential of this unique opportunity.

5.2 Progress So Far

OCT purchased The Rockfield Centre site, stabilised the main building, and refurbished the former classroom huts. This means that activity on the site has started which is already demonstrating need and is becoming a destination where people of all ages and backgrounds can meet.

Enthusiastic volunteers and local trades have supported us to stabilise the Main Building, whilst the former playground has been established as a commercial car park. The Huts and car park provide a regular income stream which helps fund the development of the Main Building and the energy and resourcefulness of the Trust has already raised £1.8 million from a range of grant providers.

OCT has also commissioned the design of the interior of The Rockfield Centre, to accommodate flexibility of use and be financially sustainable. We are well on the way to obtaining all the necessary building consents and permissions, and we have consulted with the community at each stage.

16th June - 31st July 2018
Community Share Offer

December 2018
Building Work Starts

2020
Grand Opening!



5.3 Community and Membership Involvement

Our communities and our membership have been involved at every step of the way and consulted at all stages of the development. In addition there has been a huge amount of voluntary time invested in realising the vision for The Rockfield Centre.



The “in kind” business support offered to stabilise the building and the volunteer hours given to support the refurbishment of the huts are in themselves equivalent to a substantial grant award.

Members will be able to continue to support OCT once The Rockfield Centre is open by getting involved in activities, events and businesses. They will receive regular communications, be invited to offer feedback online and at the Centre, and will be invited to a range of meetings and social events as well as the AGM.

Members will have a crucial role in promoting The Rockfield Centre when it opens as ‘marketing ambassadors’ through word of mouth, and supporters of the project as well as regular consumers.

The Community Huts are already successful as a focus for creative activity, providing activities across the four themes identified by our communities for The Rockfield Centre:

- // Arts & Culture
- // History & Heritage
- // Enterprise & Education
- // Community Wellbeing

To date, 23,000 people have attended events and activities at The Rockfield Centre and supported a range of fundraising events.





5.4 Sources of Capital

The estimated capital cost of the building renovation work on the old Rockfield School is £3 million. To date we have secured almost £1.8 m in grants and we expect to have secured another £900k in grant funding this year (see table below).

We have made preliminary arrangements to access a ten-year commercial loan from RBS Social and Community Capital for up to £500,000 at a fixed interest rate of 6%. In this scenario, we would take advantage of a payment holiday until 1/1/21 which would enable us to grow revenues.

Our optimum target for community shares is £300,000. Our preferred target is to raise £500,000 from our community share offer to reduce a need for the more expensive option of higher interest payable on a commercial loan. The additional £200,000 will give us a head start in fitting out more of the main building and ensuring its sustainability.

The success of our grant applications to date demonstrates the confidence felt by a range of Grant Makers in The Rockfield Centre development.

Source	Amount	Committed	In process	Application to be made
Big Lottery: Community Assets	850,000	850,000		
HIE	300,000		300,000	
RCGF Capital Grant	420,000	420,000		
HES	400,000	400,000		
HES Specialist Support	40,000	40,000		
MacQueen Bros Charitable Trust	25,000	25,000		
Small trusts	44,000		44,000	
Crerar Trust	25,000	25,000		
Donors	46,000	10,000	36,000	
Legacy Donors	35,462	26,462	5,000	4,000
LEADER	500,000			500,000
TOTALS	£2,685,462	£1,796,462	£385,000	£504,000



5.5 Capital Budget

Budget Elements	£
Construction Cost	2,805,610
Contingency	280,561
Inflation	61,365
F&E	5,000
Professional Fees	230,620
Hut Demolition Cost	10,000
SUB TOTAL	3,393,156
Managed reduction	(393,156)
TOTAL	£3,000,000

The Board of Trustees agreed to hold £3m as the current best estimate for planning purposes, the total the board are “comfortable and confident” with. The targeted reduction of £393,156 is expected to be achieved by:

- // an active and competitive tendering process
- // locally donated labour & materials
- // specification reductions

5.6 Application of operating surplus

Should the society be generating sufficient annual surpluses, the board can utilise some of these surplus funds to support the payment of interest to shareholders.

Assuming there is sufficient surplus, interest on shares will be paid after each year end as follows: After the years 1 and 2 - complete years of operation - zero: after year 3, 2%.

Capital will be accrued each year to enable some share withdrawal. Share withdrawal is at the discretion of the board and if requests for share withdrawal exceed the amount accrued for withdrawal may not be granted until sufficient reserves are again available.

5.7 Business Plan

The business plan for the Society and supporting documents can be downloaded from the website www.therockfieldcentre.org.uk/invest



6 // FINANCIAL

Oban Communities Trust was incorporated on 1st August 2014 with a financial year-end of 31st August. For the purposes of this document the trading figures of the previous incorporated Charitable Company have been used and can be downloaded from the website

www.therockfieldcentre.org.uk/invest

6.1 Financial Projections for the Operation of The Rockfield Centre

With the main building renovation project, OCT is entering a period of major growth and transition. During 2019 and early 2020 we will seek to sustain our charitable activities at historic levels.

After the renovation project and intense change period we will seek to:

- // grow charitable activities in line with the growth in net revenues
- // generate sufficient surpluses to support annual interest payments to community shareholders
- // build reserves to fund approved share redemptions

Financial forecasts have been drawn up to illustrate projected operational income and expenditure over the next 4 years. The financial projections cover the period September 2017 to August 2023.

In preparing the financial projection a simplified and conservative view of funding has been taken; the calculations assume no funding from interest free loans or Gift Aid. Base figures and assumptions are set out in the following pages.



**Base Case - £300,000 Share Capital**

The main building renovation project is targeted to cost £3.0m and we expect to have secured £2.7m in grant funding this year (see 5.4). We aim to fund a gap of £300,000 from our community share offer and any balance by bank loans. Bank loans are a more expensive source of funds than share capital. We are seeking to bridge the entire funding gap with share capital. The loan interest payments in 2018/19 and 2019/20 arise from a temporary bank overdraft required to fund VAT reclaims.

	2015/16 Actuals	2016/17 Actuals	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast	2021/22 Forecast
Operating surplus/ (deficit)	40,224	15,840	(28,265)	22,613	2,662	22,088	70,435	96,928
Less: Loan repayments & interest on shares	0	0	0	(5,600)	(7,000)	0	0	(4,000)
Finance from grants and shares	32,869	32,423	351,692	2,648,308	0	0	0	0
Renovation Project	(64,663)	(41,020)	(59,800)	(1,644,500)	(1,295,700)	0	0	0
Net Surplus/ (Deficit) year	8,430	7,243	263,627	1,020,821	(1,300,038)	22,088	70,435	92,928
Brought forward	54,584	63,014	70,257	333,884	1,354,705	54,667	76,755	147,190
Carried forward	63,014	70,257	333,884	1,354,705	54,667	76,755	147,190	240,118

Target Case - £500,000 Share Capital

Our preferred/target case is to raise £500,000 from our community share offer. The additional £200,000 over our base case will give us a head start in fitting out more of the main building. We will apply funds to complete the Play Museum resulting in a forecast additional £20,000 operating surplus (versus the base case) in 2020/21.

	2015/16 Actuals	2016/17 Actuals	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast	2021/22 Forecast
Operating surplus/ (deficit)	40,224	15,840	(28,265)	22,613	2,662	42,088	80,435	106,928
Less: Loan repayments & interest on shares	0	0	0	(5,600)	(7,000)	0	0	(6,667)
Finance from grants and shares	32,869	32,423	351,692	2,848,308	0	0	0	0
Renovation Project	(64,663)	(41,020)	(59,800)	(1,644,500)	(1,495,700)	0	0	0
Net Surplus/ (Deficit) year	8,430	7,243	263,627	1,220,821	(1,500,038)	42,088	80,435	100,261
Brought forward	54,584	63,014	70,257	333,884	1,554,705	54,667	96,755	177,190
Carried forward	63,014	70,257	333,884	1,554,705	54,667	96,755	177,190	277,451



Minimum Case - £100,000 Share Capital

In the event we raise only £100,000 from our community share offer we have made preliminary arrangements to access a minimum of £200,000 via a ten-year loan funds from a commercial lender; to fill the funding gap. In this scenario, we would take advantage of a payment holiday until 1/1/21 which would enable us to grow revenues, increasing our capacity to meet loan repayments. The £20,800 loan repayment in 2020/21 below represents the first eight months of the payback period.

	2015/16 Actuals	2016/17 Actuals	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast	2021/22 Forecast
Operating surplus/ (deficit)	40,224	15,840	(28,265)	22,613	2,662	22,088	70,435	96,928
Less: Loan repayments & interest on shares	0	0	0	(5,600)	(7,000)	(20,800)	(31,200)	(32,533)
Finance from grants and shares	32,869	32,423	351,692	2,648,308	0	0	0	0
Renovation Project	(64,663)	(41,020)	(59,800)	(1,644,500)	(1,295,700)	0	0	0
Net Surplus/ (Deficit) year	8,430	7,243	263,627	1,020,821	(1,300,038)	1,288	39,235	64,395
Brought forward	54,584	63,014	70,257	333,884	1,354,705	54,667	55,955	95,190
Carried forward	63,014	70,257	333,884	1,354,705	54,667	55,955	95,190	159,585





6.2 Financial Assumptions

The financial year runs from 1st September to 31st August. Financial projections cover the period 1st April 2018 to 31st August 2023.



The revenue received will be used in the first instance to meet the operating and maintenance costs of The Rockfield Centre, and any debt repayments due to lenders. Once these commitments have been met and three years after The Rockfield Centre is open for business, the Board will determine on an annual basis if it can meet its aspiration to make 2% interest payments to its shareholders and positively respond to any requests for withdrawal of shares from year 5.

// Significant grant funding has been secured and the funding gap (total cost less grant funding) will be met by a community share offer and, if necessary, bank loan funding.

// Existing hut activities will be expanded significantly with the opening of the main building. Artistic, cultural and community events and exhibitions will be added. Rental of various spaces to businesses and diverse local groups and artists will also become possible with the completion of the renovation project. Revenue and cost increases have been phased across the opening two years (2019/20 and 2020/21) recognizing that steady increases in footfall and a quality service provision will build Rockfield's reputation both locally and beyond.

// Space in the new building has been identified for future developments including a play museum, bakery and canteen. The play museum is projected to start up in the base case from 2021. Initial basic bakery and canteen offers are included with a projected start to operations from January 2021. In addition, the shelter space offers a significant opportunity for an additional revenue stream. Start up shelter revenue is included from 2021.

The shop selling second-hand furniture started operation in April 2018. It is averaging £1000/week and is expected to grow at 5%pa with increased public awareness and increasing footfall.

The capacity of the car park will increase

following the demolition of one of the community huts.

It is anticipated the level of donations may fall in future years. Forecasts are set at circa 50% of the historic levels.



New non-staff grants for current activities are set at £10,000 pa in the forecast period.

Fundraising forecasts are based on historic actuals plus increased participation in the larger building.

Forecast hire income is based on the activity level at our existing huts complemented by additional information from surveys. With the completion of the Main Building project, including flexible accommodation arrangements, the range of activity will expand further.

Charitable activities include history/heritage events, arts/cultural events and educational collaborations. Forecasts are set at historic levels.

Other revenue includes bar, conference income, centre shop, café, events income, canteen and bakery.

Staff costs are included net of any direct grants received and include training costs. Full-time staff will be recruited on a planned timetable: some costs are offset by grant funding.

Overheads include: insurance, electricity, rates, repairs & maintenance, gardening, advertising, travelling, printing, postage, stationery, telephone, internet, bank charges, accountancy fees and sundry.

6.3 Bank Loan Funding

We have reviewed a range of possible bank financing opportunities and have decided to proceed with one - RBS Social and Community Capital.

We have discussed and agreed in principle that the Rockfield Centre project would be eligible, subject to approval, to access loan funding of £200,000 to £500,000 subject to the outcome of the community share offer.

The terms of such financing are:

- 6% fixed interest rate
- 10 years maximum term
- Capital repayment holiday of up to 24 months
- 1/2% payable on set up
- 1/2% when capital drawn down

We hope to raise sufficient funds from the share offer to avoid bank loans.



7 // SHARE OFFER

The target sum sought from this community share issue is £500,000 as the final part of the funding for the estimated total capital cost of £3 million. £1.8 million has already been secured with further grant awards pending.

We want to raise at least £300,000 to reduce the amount that we need to borrow and the associated costs of taking out loans. If it is necessary to take out a top up loan this will be used prudently and only if it is required to complete the project funding in time for the building work to begin this autumn.

The share offer is vital to enable The Rockfield Centre to go ahead to the planned schedule approved by grant funders. By investing in shares you are not just saving a building and supporting a project but making a mark in the history of Oban.

While you can expect a reasonable return on investment, investing in The Rockfield Centre should be seen as a way of supporting our communities – it is primarily a social investment, not a financial one. On top of this your support will be recognised by having your name inscribed on a legacy wall inside the refurbished building!

Up to 500,000 shares will be issued, with a nominal value of £1 on acceptance of a valid application. The Shares, which cannot

be traded or sold in any way, have been created under the Co-operative and Community Benefit Societies Act 2014.

Applicants can apply for a minimum of 250 shares (£250) and a maximum of 30,000 shares (£30,000). If there are fewer than £100,000 worth of shares applied for, our minimum case scenario, no shares will be issued.

By investing you are joining many other people and organisations that have already put their confidence and their money into this project!



7.1 Answering Your Questions About Community Shares

Will I get interest on my investment?

Investors can expect a reasonable rate of return on their investment. The level of interest will be set by the Trustees of OCT annually and payable from the third year after The Rockfield Centre's main building is finished.

OCT aims to pay approximately 2 % interest on the balance of each investor's shareholding. However this is subject to the financial performance in the previous year as the Trustees' prime responsibility is to the financial sustainability of The Rockfield Centre.

The interest is paid gross— all members must declare their interest received and tax owed to HMRC. Investment returns are capped by the rules that govern Oban Communities Trust. We anticipate that the first interest payment will be made in 2023.

Am I eligible to claim Tax relief on my investment?

We have applied for 'Advance Assurance' from HM Revenue and Customs (HMRC) so that the shares in The Rockfield Centre are eligible for 30% tax relief under Social Investment tax relief (SITR), a government-backed scheme designed to encourage investment in organisations working in the 'social sector' like Oban Communities Trust.

So, for every £250 invested, investors can reduce their tax liability by £75, meaning a net spend to you of just £175. You will be able to choose whether the tax relief is claimed in the current tax year, 2018-19, or backdated and claimed against the last tax year 2017-18.

Please note that whilst shares in this share issue will be eligible, whether relief is claimable will depend on your personal circumstances. The amount of tax relief, if any, is decided following your application to HMRC and cannot be guaranteed by Oban Communities Trust.

We are confident that the shares will be eligible, but we will advise potential investors via the Rockfield and OCT websites and the Crowdfunder page when we receive confirmation from HMRC.

If successful, we will send out documents to enable people to claim the tax relief soon after we have completed the share issue. People who pay tax via PAYE or who want to backdate the payment will have to send a form to the HMRC office that deals with their tax, whilst people who make Self-Assessment tax returns will add it to their tax return.

Who can buy shares?

Individuals over the age of 16, businesses, charities, and other organisations may invest in this offer. Other organisations include corporate bodies, voluntary organisations and public sector. Couples and families may pool their funds to invest but only one of them can be the nominated member of OCT. Details about how to apply for shares and a Share Application form is provided at the end of this document.

How much can I invest?

The nominal price of a single share in Oban Communities Trust is £1 with a minimum investment of £250 (250 shares) and a



maximum individual investment of £30,000 (although there are other options available if you would like to invest more so please get in touch with us if this is of interest). You can invest any multiple of £50 over £250.

Shares in OCT will never go up in value but can have their value reduced to zero if OCT runs into financial difficulty. Purchasing community shares is not suitable for anyone who needs income from investments or immediate access to their capital.

When can I withdraw my shares?

Shares in this Community Benefit Society (OCT) cannot be sold or traded but are technically withdrawable. However they can only be withdrawn during the first five years of trading at the Trustees' absolute discretion.

We strongly encourage prospective members to view their investment as a long-term commitment to the project – a one-off investment to generate a long-term financial benefit to you and a lifetime of social benefit to the community. Shareholders should be prepared to tie up their capital for several years.

The Trustees will reserve the right to limit the quantity of shares that can be withdrawn within any 12-month period. This limit will be administered in as fair a manner as possible. In addition, if the finances allow, the Trustees may consider offering member-investors the opportunity to sell back a defined number of shares, beginning in the fifth year after the main building of The Rockfield Centre is completed.

In the event of OCT ceasing to trade, shareholders will be re-paid up to a maximum of £1 for every £1 share owned, once all

creditors have been repaid in full.

There is a contingent liability which should be noted within the financial accounts that shares are to be paid back by 2039. Possible share sales may occur prior to this date.

What rights does being a member and investor give me?

- A vote: all Members will have one vote each, regardless of how many shares they hold
- The right to elect the OCT Board of Trustees and to participate in the Annual General Meeting deciding on the future and running of the business
- The opportunity to become one of the volunteer trustees of OCT

What happens to my shares if I die?

If a Member dies the repaid value of the shares will normally be added to the estate for probate purposes. Shareholdings up to £5,000 can nominate someone for the value of their shares in the event of death, but anyone investing more, or failing to nominate anyone, must rely on probate. Please contact us and we will provide you with a form to complete.

What happens if OCT raises enough money before the deadline?

In the event that this community share issue raises the full amount needed to finance The Rockfield Centre development before the deadline, the Trustees will give notice of early closure of the share issue. Any applications received after notice of closure will be returned to the applicant.

What happens if more than £500,000 worth of shares is applied for?



OCT may issue additional shares if there is still a shortfall in the capital funds required, to reduce the need for top up commercial loans.

How do I make an investment in this Community Share offer?

You can make an investment and buy shares either online at a secure website, or offline by cheque or bank transfer. Your investment will be held in a separate bank account pending the successful completion of the share offer.

Shares will be allocated on a first come first served basis. Successful applicants will receive share certificates and their details and holdings will be recorded in a share register to be kept by the Society.

You can apply online and pay electronically and securely online via

www.crowdfunder.co.uk/rockfieldcentre

which has been set up to administer applications for community shares. Money will be taken from your credit or debit card but held in suspense by Stripe, Crowdfunder's payment engine.

Provided we reach at least the minimum target by the close of the share offer, these funds will be passed to us. If we do not reach the minimum target, the funds will be returned to you.

You can also pay by cheque or bank transfer. Complete the paper application form at the end of this share issue document and return it, with your payment to Oban Communities Trust Ltd, Linndhu House, 19 Stevenson Street, Oban, Argyll, PA34 5NA

When can I expect to hear if my application

has been successful?

Anyone investing by crowdfunder will receive an email saying when their investment has been passed to us and from that moment, they will be a shareholder member.

Offline investor will be written to soon after the offer closes to inform them of the offer's success.

If the offer is oversubscribed, anyone unsuccessful in investing will be notified as soon as possible and their funds returned.

What is the Share Issue Standard Mark?

OCT has received the Community Shares Standard Mark. This is awarded by the Community Shares Unit to offers that meet national standards of good practice.

These standards ensure that:

- The offer document and application form are easy to understand
- You are provided with all the facts you need to make an informed decision
- The facts are supported by the annual accounts and/or business plan for the society
- Nothing in the documents is purposely incorrect, confusing or misleading

Societies are asked to sign a Code of Practice requiring them, among other things, to give the public a right of complaint to the Community Shares Unit.

For more information about community shares and the Community Shares Standard Mark, go to www.communitysharesscotland.org.uk



8 // RISKS

All projects involve several risks. Successful projects manage and take steps to mitigate the risks appropriately. The Trustees of OCT have identified a number of risks, or areas of risk, and will seek to manage these and any emerging risks throughout the project.



Although the Trustees will implement prudent management policies, there is always the risk that you could lose some or all of your share capital. Oban Communities Trust's Rockfield Centre is run by a team of local people, many with professional qualifications and all with useful experience and skills.

As with any investment there is risk involved. Should Oban Communities Trust get into financial difficulties

- // we may not be in a position to pay interest
- // we may have to suspend your rights to withdraw shares
- // you may lose some or all the money you pay for your shares

As Oban Communities Trust has been incorporated with limited liability, the liability of its Members will be limited to the amount paid for their shares.

8.1 Risk Assessment

Prior to making any decision to subscribe for shares in OCT (Rockfield Centre), you should carefully consider, together with all other information contained in this document, the specific risk factors below which are material in relation to the Society.

This list should not be regarded as exhaustive or a complete and comprehensive statement of all potential risks and uncertainties associated with the project. A full risk assessment is available in the Business Plan or on request.

Investing in OCT's Rockfield Centre should be viewed as both a social and a financial investment. Although OCT can never guarantee a safe haven for your money or even that you will ever receive back all the money you invest, our projections, experience to date and assessment of risk would indicate that The Rockfield Centre will produce sufficient revenue to be able to meet all its obligations, pay interest on shares and offer the option to withdraw shares at a future date as intended.

Increase in Costs and Overspend

We will keep investors informed of any

How safe is your investment?



significant changes to construction costs and timetable. However, this risk has been mitigated by careful budgeting at an early stage which is regularly reviewed, and by ensuring all works are to be carried out at fixed cost.

There is contingency built into the financial projections. The capital costs are based on estimates and quotations obtained prior to this share issue. Any subsequent increase in capital costs will be met by money raised in this share issue or by an additional commercial loan.

Construction Delays

This risk will be mitigated by ensuring qualified contractors are selected with a good track record of delivery of similar projects. All contractors will be suitably insured, and the construction process will be closely supervised by a project manager so that any problems can be dealt with at an early stage.

Slippage time has been built in to cope with any adverse weather conditions and allowances have been budgeted for in case of unforeseen activities.

Inadequate income to cover future operational and maintenance costs

Projections for income are based on extensive consultation with the community and local organisations and businesses, and the demand for the current Hut facilities. This has confirmed that the demand for space in The Rockfield Centre will exceed availability from the outset. However the financial projections have been based on a cautious approach to income generated from rental and events.

8.2 The Legal Position of Oban Communities Trust and this Share Issue

As a Community Benefit Society, OCT is registered and regulated by the Financial Conduct Authority, but this share offer is not regulated or authorised by them. Any money you pay for shares is not safeguarded by any depositor protection or dispute resolution scheme. In particular, you will have no right of complaint to the Financial Ombudsman Service nor any access or entitlement to the Financial Services Compensation Scheme.

8.2 Data Protection

Your personal details as submitted on the application form will be held by the society and used in accordance with the provisions of the rules and of the 2014 Co-operative and Community Benefit Societies Act.

Only members can inspect the members' register and view members' names and addresses (but not how much they have invested) but the society will not share, sell or provide your details to any other individual or organisation and will ensure compliance with the European GDPR regulation in accordance with its responsibility as a data controller.

We do not and will not sell, share or exchange members' data with any third party organisation, but we reserve the right to communicate with you about activities, opportunities and events taking place as The Rockfield Centre.



The Trustees of Oban Communities Trust have taken all reasonable steps to ensure that the facts stated in this document are clear, fair and not misleading in all material respects and that there are no other material facts the omission of which would make misleading any statement in this document. Accordingly, no representation is made or warranty given as to the accuracy, completeness, achievability or reasonableness of any such projections, views, statements or forecasts. Anyone interested in making an application for shares in Oban Communities Trust is advised to take appropriate independent advice. The list of risks contained in this document is not exhaustive. Further information is contained in the business plan and project plans available on request or at www.therockfieldcentre.org.uk/invest



9 // CONTACT US

For all enquiries please contact Caroline Boswell at Oban Communities Trust on 07483308142 or by email at admin@therockfieldcentre.org.uk

Our website can be found at: www.therockfieldcentre.org.uk

APPLICATION FOR COMMUNITY SHARES



Or apply online via our website at www.rockfieldcentre.org.uk/invest

I wish to become a member of Oban Communities Trust (OCT) in accordance with the Rules and apply for community shares to the value of: £

(PLEASE NOTE: For this share offer the minimum shareholding is £250 and the maximum is £30,000).

CONTACT DETAILS (PLEASE USE CAPITAL LETTERS)

FIRST NAMES IN FULL:		LAST NAME:	
ADDRESS:		POSTCODE:	
		PHONE NO.:	
EMAIL:			

SOCIAL INVESTMENT TAX RELIEF (STIR)

OBAN COMMUNITIES TRUST has received 'Advance Assurance' that this project will qualify for SITR tax relief.

I am / I am not a UK taxpayer. (Please delete as applicable)

If applying on behalf of an organisation please also provide:

ORGANISATION NAME:		TYPE OF ORGANISATION:	
ORGANISATION ADDRESS:			
REGISTRATION NUMBER:			
REGISTERED WITH COMPANIES HOUSE / FCA / OSCAR:			
YOUR POSITION WITHIN THE ORGANISATION:			

(You must be authorised to sign on behalf of the organisation. Please supply notification of this appointment by the governing body with this application form)

AGREEMENT (please tick)

- I have read the share offer document, including the risk factors.
- I agree to be bound by the Terms and Conditions included in the Share Offer Document and Rules of Oban Communities Trust
- I understand that the Board of Trustees of Oban Communities Trust may reject my application, and are not obliged to tell me why it has been rejected
- I consent to receiving formal notices by email and links to formal documents on Oban Communities Trust website.

TERMS & CONDITIONS

The data provided by you on this form will be stored on an electronic database. This data will be used for Oban Communities Trust purposes and will not be disclosed to any third party. By buying these shares, you agree to all the information disclosed here being held on a computer database in compliance with EU General Data Protection Regulations (GDPR).

It is a condition of the offer that to ensure compliance with the Money Laundering Regulations 2003, Oban Communities Trust may at its absolute discretion require verification of identity of any person seeking to invest. All shareholder funds will be held in a separate bank account in the name of society, thus protecting applicants' money from any liabilities associated with our day-to-day financial activities.

SUBMITTING YOUR APPLICATION FORM

Please send your completed application form and payment to The Treasurer, Oban Communities Trust, Linndhu House, 19 Stevenson Street, Oban, Argyll, PA34 5NA.

CHEQUE: make payable to Oban Communities Trust

TRANSFER: to Oban Communities Trust. Sort Code: 80-22-60. Account number: 17441067.

Important: Please use the Applicant initials and postcode as the reference attached to the transfer.

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