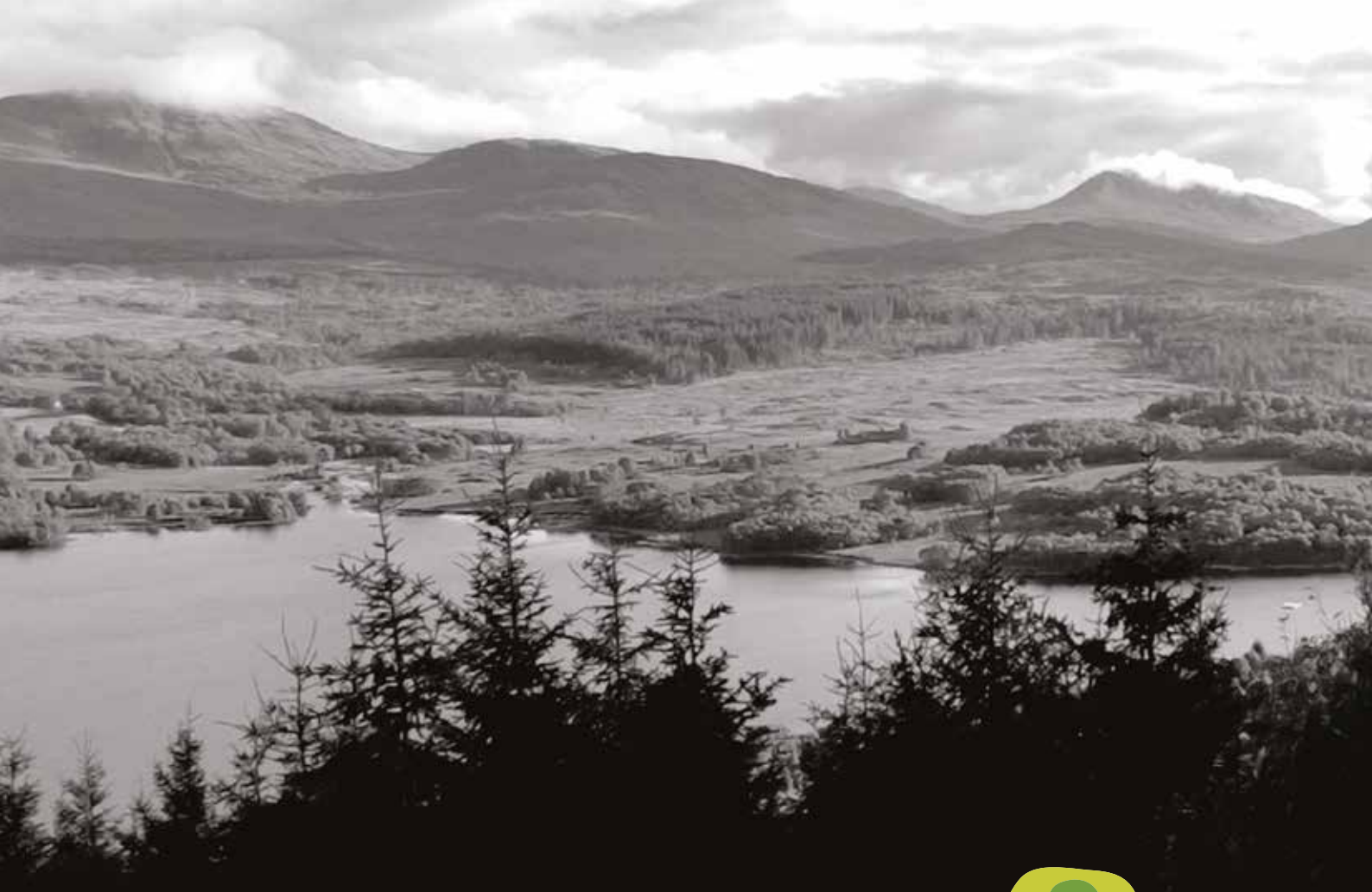




GLENGARRY
FOREST CABINS

SHARE OFFER DOCUMENT

INVEST IN GLENGARRY'S FUTURE



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1.

**AN INVITATION
TO INVEST IN
GLENGARRY
FOREST CABINS:
A NEW
COMMUNITY
OWNED
ECO-TOURISM
ENTERPRISE**



Dear Supporter,

We are inviting you to become part of an exciting eco-tourism enterprise which will help to strengthen the community in Glengarry in a way that is environmentally, socially and financially sustainable.

Community consultations before and since the establishment of Glengarry Community Woodlands (GCW) have shown that local residents are looking for the community woodland to address some of the significant challenges faced by our fragile rural community and deliver a range of benefits for local people. In the six years since it was set up, Glengarry Community Woodlands has developed a wide range of activities including events programmes for children and adults, as well as creating local employment, and taking on new projects to establish woodland crofts and affordable housing.

But to continue this work Glengarry Community Woodlands needs to generate income in a sustainable way. Establishing an eco-tourism business in the woodland was at the heart of the community's proposal to buy the woodland in 2015. It is now time to do it. In 2023, we will open 'Glengarry Forest Cabins' after building five off-grid, wooden cabins in the woodland, followed by another three in 2025. The cabins will be supported by a new amenity building for guest facilities. Glengarry Forest Cabins will create new jobs and all the profits generated will be used to fund the charitable activities of GCW. It's important to be clear that if the eco-tourism business is not established successfully, Glengarry Community Woodlands will not be able to continue employing staff, running events, establishing woodland crofts or creating affordable housing. The short-term grant funding GCW has relied upon until now will not be able to sustain the organisation over the longer term.

We are inviting you to join us to help secure the future of the organisation so that it can continue its work for the community. By investing in Glengarry Forest Cabins you are investing in a community owned and run business which will benefit local residents, businesses, and visitors. Each investor will become a member of Glengarry Community Benefit Society (GCBS) the new community organisation we've set up to run the business and will have a say in how the business is run. Residents of Glengarry will **always** make up a majority of members and **all members receive an equal vote regardless of the scale of their investment.**

Some potential investors may not have a direct connection to Glengarry. Instead you may be looking to invest in a project with environmental and social sustainability at its heart. You may want to support a small community to continue to deliver on some big ambitions. **While this should be viewed as a social, rather than financial, investment, we are also offering 4% interest on shares from 2025/26, plus the opportunity to get your money back from 2026/27.** We hope that as you read this document and learn more about our activities and our vision for the future of Glengarry you are inspired to join us on our journey by investing in our Share Offer. We can't do this without people like you.

Please read this share offer document with care before purchasing shares.

*Colin Grant
Ross Lynn
Tom Cooper*

Founding members of the Glengarry Community Benefit Society

2. THE COMMUNITY SHARE OFFER

2.1 COMMUNITY SHARE OFFER SUMMARY

Optimum target: £250,000 (5 cabins and amenity building built in Phase 1)

Minimum target: £160,000 (4 cabins and amenity building built in Phase 1)

Maximum target: £330,000 (6 cabins and amenity building built in Phase 1)

Minimum investment for those within the defined community: **£25**

Minimum investment for those outwith the defined community: **£500**

Maximum investment: **£37,500** (15% of optimum target)

Organisations can also invest, with an upper limit of **£37,500** for unincorporated bodies, and **£100,000** for incorporated bodies.

Target Interest offered: 4% from 2025/26

Share withdrawal: Up to 10% of total Society share capital from 2026/27

Share Offer opening date: []

Share Offer closing date: []

www.ethex.org.uk/invest/Glengarry

Risk Warning

We must remind you that community shares, like all such investments, may be at risk. You could lose some or all of the money you subscribe, even though the Society is registered with the Financial Conduct Authority. 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.

Community Shares Standard Mark

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

In Scotland this supportive work is undertaken by Community Shares Scotland, which is funded by the Scottish Government, Acorns 2 Trees and the National Lottery Community Fund, to help promote the use of community shares. For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to: communityshares.org.uk



DEVELOP A SUSTAINABLE ECO-TOURISM BUSINESS

ENABLE COMMUNITY DEVELOPEMENT ACROSS MULTIPLE PROJECTS, FOR THE BENEFIT OF MANY!



2.2 WHAT ARE COMMUNITY SHARES?

Community shares are an equity investment into a community benefit society. They are withdrawable and non-transferable. Put simply, this means that they are a way for community enterprises to raise money. They are a form of investment crowdfunding. Members of the community in Glengarry and others who support the aims of the Glengarry Community Benefit Society are invited to invest in our business; in return they will become members of the Society plus have the potential to **receive interest** and to **receive their money** back once the enterprise is thriving.

2.3 THE BENEFITS OF INVESTMENT

- (a) By investing you will become a Member of Glengarry Community Benefit Society (see Section 3.2). This means that you have the right to participate and vote at member meetings and Annual General Meetings. You will therefore be able to influence the direction of the business and contribute to its success.
- (b) Each Member will have one vote, regardless of the size of their investment.
- (c) The majority of the Members must be ordinarily resident in Glengarry, as per the Rules of the Society.
- (d) Members of the Glengarry Community Benefit Society are eligible to stand for election as a Volunteer Director of the Society. You are also able to vote in the Director elections at each AGM.
- (e) After the business has been operating for three years, you will receive interest of up to 4% on your investment (subject to approval by the Board).
- (f) From the third full year of trading, you will have the right to ask for repayment of your share. Withdrawals will be at the Board's discretion, taking into account the performance and long-term profitability of the business. A maximum of 10% of the Society's share capital will be available for repayment in any one year; and payments will be made in strict order of application. A date for withdrawal applications will be set each year. This procedure will ensure that the business will not be subject to unexpected deficits.
- (g) All members are encouraged to volunteer their skills to help the business. Part of the fun and strength of a community led business is active member engagement – either in a short term or long term capacity. You can directly and positively impact the future of Glengarry.





2.4 INVESTMENT INFORMATION

Who can invest

Anyone can invest; but there are certain restrictions. At least 51% of the Members must be resident in the defined area of benefit (post codes PH34 4EA and 4EB, PH35 4HA, 4HB, 4HD, 4HG, 4HH, 4HJ, 4HL, 4HP, 4HR and 4HS) and eligible to vote in a local government election in that area. Anyone over the age of 18 may invest.

Please note that should the share offer not meet the eligibility of at least 51% resident membership, then the board may action the right to cancel some non-resident investments. This will be done based on investment size.

Organisations can also invest, with an upper limit of **£37,500** for unincorporated bodies, and **£100,000** for incorporated bodies.

Investment limits

The minimum investment by members of the defined community is £25; and the minimum for those living outwith the community is £500. The maximum investment is £37,500.

Group purchase of shares

A group may invest together; but only one member of the group will become the nominated representative voice and member of the Society.

If the Society becomes insolvent

The Society has an asset lock, so in the event of its insolvency or winding-up the proceeds from the sale of its assets and cash would pay its creditors in the first instance. Any funds above that amount would repay the Members' investments on a pro rata basis. Any surplus remaining after that would be given to another charity in the defined area of community benefit.

Sale of shares

Unlike shares in most (limited) companies, community shares cannot be sold, traded or transferred between Members. However, the value of the shares of a deceased shareholder may be transferred to another person in accordance with his or her wishes.

Giving shares

Shares can be given to another person, though applications made on behalf of others will only be fully processed on Ethex when we have secured the agreement of the person for whom the investment is being made. If you would like to gift shares then please contact us for a paper application form – please give the name and address of the recipient on the application form, and also state who is making the application on their behalf. The minimum investment age of 18+ applies to gifts also.

Increase in value

Community shares do not increase in value, but they can go down.

Interest on shares and share withdrawal

We hope to offer 4% interest on your investment from 2025/26. Interest payments will be at the discretion of the Board of Directors, having regard to the long-term interest of the Society. Interest payable on the Contributor Shares shall never be higher than 5% per annum above the base rate of the Bank of England. The Board shall propose the annual interest rate at each AGM for members to agree.

We also aim to offer share withdrawals from the financial year 2026/27. Withdrawals will be at the discretion of the Board of Directors, having regard to the long-term interest of the Society. Withdrawals will be paid in the order in which the requests are received. A limit of 10% of the Society's share capital will be placed on withdrawals in any one year. This will ensure that the business will not be subject to unexpected deficits.



2.5 HOW TO INVEST

We have chosen Ethex as our platform to manage our investments. The platform coordinates the whole investment process and is safe and very well regarded.

The easiest way to make an investment is to visit our Ethex page at:

www.ethex.org.uk/invest/Glengarry

If you are unable to access this digital platform or need support to complete your applications please contact Tom Cooper at:

tom@glengarry.org.uk

Tel: **01809 501 287** or call in at the Community Woodland where we have paper application forms available if needed.

Please return these to;

Glengarry Community Benefit Society
The Old Forestry Depot
Invergarry
Inverness-shire
PH35 4HG

50mm UPVC pipe in
channel embedded in
concrete slab

3845

14100

110mm stub stack
AAV fitted within
partition

A photograph of a forest floor. In the foreground, there are several large, dark logs covered in moss and lichen. The ground is covered with a dense layer of brown ferns and other forest debris. The background shows more logs and a hint of green foliage. The overall scene is a natural, somewhat overgrown forest floor.

3.

**AN INVESTMENT
IN GLENGARRY
FOREST CABINS IS
AN INVESTMENT IN
THE SUSTAINABLE
FUTURE OF
GLENGARRY**



3.1 HOW WILL YOUR INVESTMENT HELP SECURE THE FUTURE FOR GLENGARRY COMMUNITY WOODLANDS & ITS PROJECTS?

The community in Glengarry is small, with only around 330 permanent residents; and it faces specific economic and social challenges. Traditional employment in sectors such as forestry and hydro-electricity has declined, and the local population has a lower-than-average proportion of people at working age, putting established businesses under pressure. There is also an acute shortage of affordable housing which makes it difficult for younger people and families to remain in

Glengarry, or to return or move to the area.

Glengarry Community Woodlands is actively trying to address these issues by setting up the forest cabin business, and developing affordable housing and woodland crofts. Glengarry Community Benefit Society is a separate legal entity, which will run Glengarry Forest Cabins. But it is intricately linked; all surplus profits raised by Glengarry Forest Cabins will

be paid to Glengarry Community Woodlands. That means that while your investment will be used to set up Glengarry Forest Cabins, the profits from those cabins will support the provision of affordable housing, new woodland crofts, employment, environmental education, and other long-term needs of our community. For more information about the history and financial position of Glengarry Community Woodlands please see our business plan.

OUR VISION FOR GLENGARRY FOREST CABINS:

- ☛ To set up a successful business in the community woodland which will create new, reliable jobs for people in our community
- ☛ To run Glengarry Forest Cabins successfully so that surplus profits are paid to Glengarry Community Woodlands to carry on work on housing, new crofts, and other economic regeneration projects
- ☛ To support other local businesses by providing much-needed holiday accommodation for visitors to Glengarry without duplicating what's already on offer

AN INVESTMENT IN THIS BUSINESS IS AN INVESTMENT IN THE FUTURE OF GLENGARRY



▲ Colin and Lauren Grant, local resident and owner of Faichemard Camp Site, Invergarry.

“I have had the good fortune to have lived in Glengarry for almost 40 years on the farm once worked by my great great grandfather from 1868. My wife Lauren and I now run the campsite opened by my grandfather in 1935 situated just to the northwest of the community woodland.

There has been extensive change in the area over the past number of decades, seeing a big shift away from the traditional big employers like the Hydro-Electric Board, the Forestry Commission and Highland Council.

In common with many rural areas of Scotland, housing is expensive and scarce not least because Glengarry is a very popular place for tourists to visit.

As part of the original committee who formed GCW, I am so pleased that the organisation is taking these issues on, because engaging with them at a community-level is the most robust and empowering way to ensure they are tackled. I really hope this investment target is reached and GCW goes on to deliver these great projects for our community.”

Colin Grant





3.2 WHAT IS GLENGARRY COMMUNITY BENEFIT SOCIETY?

Glengarry Community Benefit Society is a Community Benefit Society registered on 9th December 2021 with the Financial Conduct Authority (registration number 8770), under the Co-operative and Community Benefit Societies Act.

It has been set up to issue community shares and to run the ecotourism business. Community shares can only be issued from a Community Benefit Society, but this model also emphasises the social benefit of the investment we are asking our members to make, and ensures community control and ownership of the business.

Any person or organisation applying for membership will become a **Contributor Member**. Any Contributor Member who is ordinarily resident in the Society's defined community will **also** be eligible to become a **Community Member**.

Community Members must at all times make up a majority of the total membership. They will also make up a majority of the society's management committee, and no meeting can be considered quorate unless a majority of Community Members is in attendance. Only Community Members may vote in relation to any resolution for the conversion of the society into some other type of legal entity or for the amalgamation of the society or for the transfer of engagements of the society (see the Society Rules for further information).

By investing in community shares issued by the Society in this share offer you will become a member and co-owner of Glengarry Community Benefit Society.

All members:

- 🌱 Receive an equal vote regardless of the scale of their investment (subject to Rule 97)
- 🌱 Are able to vote at Member Meetings and to drive the direction of the business
- 🌱 Are able to stand for election to the Board and vote in the Board election
- 🌱 Are encouraged to volunteer their skills to help the business.

We have developed our Society Rules (which act as our Constitution) from standard templates for Community Benefit Societies and have received guidance and support from Community Shares Scotland. Our rules and other supporting documents are available on our website www.glengarry.org.uk.

This model guarantees that the society's assets will be used for the benefit of the community and cannot be disposed of for the private profit of the Management Committee or members.

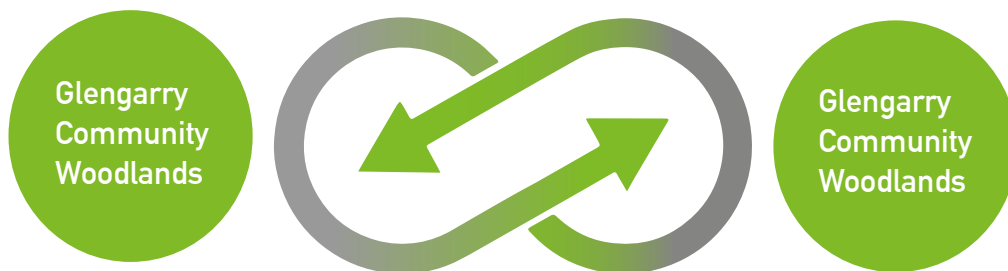
3.3 THE LINK BETWEEN GLENGARRY COMMUNITY BENEFIT SOCIETY AND GLENGARRY COMMUNITY WOODLANDS

The Community Benefit Society model we have used is called the 'Development Trusts Association Scotland Hybrid Model'.

The hybrid model creates a formal link between Glengarry Community Benefit Society and Glengarry Community Woodlands. These rules afford Glengarry Community Woodlands a level of influence over the society and ensure that surpluses from the society will pass to GCW to benefit the community. This reflects Glengarry Community Woodlands' essential partner role in developing Glengarry Forest Cabins to date, and into the future.

Glengarry Community Woodlands therefore holds a Community Anchor Share in Glengarry Community Benefit Society and has certain rights, namely:

- Up to 3 reserved seats on the Glengarry Community Benefit Society Board (although it cannot have a majority of Board members);
- The ability to block changes that would fundamentally alter the nature of the Society. For certain types of resolution brought to a vote (which are set out in Rule 95 of the Society's Rules) Glengarry Community Woodlands will be allowed a vote equivalent to 26% of the total votes cast; and
- Glengarry Community Woodlands will be the recipient of surplus profits from Glengarry Community Benefit Society and will use these to further its charitable objects to benefit the community.



I offer my full support to this project and wish it the very best of luck.

I recently I had the opportunity the visit Glengarry Community Woodlands, a community group that I've supported for many years.

It's a small and fairly new Development Trust with limited resources, that has made a big commitment to manage their woodland sustainably, by setting up an eco-tourism business to create revenue and support the organisation's ongoing work for years to come.

This innovative way of collective thinking will create jobs and investment in the community-owned woodland whilst also restoring areas of native woodland.

The new business being proposed here, "Glengarry Forest Cabins" shows the best of community groups – delivering on charitable aims, whilst with a keen sense for business so they're not always reliant on grants.

When rural communities are working together to better their economies, they can as proven here, achieve a lot.



3.4 BOARD PROFILES

Founding members of Glengarry Community Benefit Society

For further information on the wider Glengarry Community Woodlands Board of Directors please see our business plan. Once the community share offer is complete we will actively encourage our new investor members to join our Board. New members will play a very important role in bolstering the business model and strength of the Society. New Board members can be co-opted onto the Board in the period before our first AGM, where a full democratic Board election process will take place.

Tom Cooper

Originally from Wales, Tom has lived in Scotland since 2003, and moved to Invergarry in 2016 to take on the role of Development Officer for Glengarry Community Woodlands – a role which he still holds. Tom comes from a farming background where he learnt first-hand of the importance of diversification of the traditional rural economy, particularly the opportunities and challenges presented by tourism. With a BSc (Hons) in Environmental Management from The University of Glasgow, Tom went on to complete Masters degree in Forestry at Bangor. Tom has worked in numerous community development and environmental management roles in and around Glasgow over the years, and is currently a Director for the Community Woodland Association, a role which puts him at the forefront of representing and networking community woodland groups at a national scale. Tom brings a wealth of experience when it comes to developing projects in Glengarry. Tom will step down from the role once the new board has been formed, it is expected that this will be shortly after the closure of the share offer.



Ross Lynn

Since moving to Glengarry in 2017, Ross has sought to contribute to the area that she now calls home. Being retired, and despite working hard to create an eco-friendly home, Ross grows as much of her own food as possible, and tries to contribute her skills and experience to local organisations where she can. Ross used her experience in education by serving for 2 years on the board of the West Highland College, and other career experience in the voluntary sector to support the local Citizens Advice Bureau as a trustee. Ross has volunteered for Glengarry Community Woodlands since arriving in the Glen and was very pleased to be elected to the board in 2021, now serving as Chair. Ross is also a founding member of the Glengarry Community Benefit Society. Having worked in the public and voluntary sector all her life, and been part of numerous community share investments, Ross is excited to be part of the work of the Glengarry Community Benefit Society and the Glengarry Community Woodland, contributing to the growth and development of the local community.



Colin Grant

Colin Grant lives and works on Faichemard Farm Campsite with his family, where he maintains and manages the campsite started as a farm diversification by his grandfather in 1935. He studied B Eng. in Electrical and Electronic Engineering at Heriot Watt University and worked for a decade in Inverness for a small IT company before returning to Invergarry. Colin is actively engaged with the local community and has been involved with Glengarry Community Woodlands since its earliest days in 2014; as a result Colin is very keen to see the community woodland deliver the outcomes for the community that it was set up to do.





4. GLENGARRY FOREST CABINS: THE BUSINESS PLAN

We are confident that community ownership of the woodland and the eco-tourism business will be a catalyst for strengthening the economic sustainability of the area.



4.1 OUR PROPOSAL FOR A NEW TOURISM ENTERPRISE IN GLENGARRY

The community woodland is very well positioned to benefit from the established popularity of the Highlands as a tourist destination. The woodland lies directly on the A87 (one of Scotland's principal tourist routes, leading to the Isle of Skye) and just west of the even busier A82, which links Fort William and Inverness. The Great Glen Way long-distance footpath and off-road cycle route lies just 1.5 km away. Whilst there are a number of small visitor attractions in the vicinity (such as the ruins of Invergarry Castle and the Clan Cameron Museum), Glengarry's principal appeal to visitors is its natural environment. There are many footpaths to enjoy, salmon fishing and kayaking in the River Garry, and plentiful wildlife viewing opportunities including red squirrels and ospreys.

We have planned carefully for Glengarry Forest Cabins to offer a new holiday opportunity that does not compete directly with other local businesses. The accommodation will appeal to - and attract - the type of guests looking for an experience, not just accommodation. In our planning for the cabins, we have insisted from the start on the highest possible standard of design and have incorporated our own community-owned timber for constructing the new buildings.

With this background and these principles in mind, we plan to provide attractive and comfortable off-grid cabins, each with its own composting toilet and running water from a tank. Lighting will be from solar powered LED lighting and rechargeable lanterns; and each cabin will be heated by a wood burning stove, on which it will be possible to do some simple cooking. Each cabin will accommodate two adults, with space for a small child as well.

4.2 A PHASED BUILD-UP

Although we have planning permission to build 8 cabins, we have chosen a phased build-up of the business. We will build 5 cabins in the first phase, before adding another 3 in 2025. By taking this approach we have an opportunity to make design alterations to phase 2 should we decide they're necessary. By taking this approach, we hope to minimise risks in the early stages of the business by gradually building it up.





A two-person cabin designed by North Woods Construction

4.3 OUR UNIQUE, ENVIRONMENTALLY SUSTAINABLE OFF-GRID WOODLAND CABINS

Although the cabins will be simple, our guests will not be deprived of modern facilities during their stay. An amenity building, about 500 metres from the cabins and available to all guests, and will provide showers, wifi, refrigeration and cooking facilities.

The cabin site is accessible to vehicles; but guests will be asked to leave their car at the amenity building and walk through the forest to the cabins, which will be in an attractive part of the woodland, within the tree cover and with views across the glen to Ben Tee, and overlooking a clearing in the forest with three ponds to the other side.

The cabins will offer an opportunity for our guests to switch off from many of the trappings of modern life, and to have a break in simple comfort, away from the sounds of traffic and immersed in the natural forest environment.



UNPLUG AND RECONNECT

The design of the cabins reflects the best current practice in environmental sustainability. They are designed and will be built by North Woods Construction Ltd (NWC), a company based near Ullapool and established by Bernard Planterose, an ecologist, forester and timber building design consultant who co-authored Good Practice Guide to Hut Building for the Scottish Government, the guide which was published to support the new Scottish Building Standard for Huts and Bothies.

Following those principles the cabins will;

- ✔ have minimal foundations, being raised on small concrete and timber piers;
- ✔ have low embodied carbon, being largely built from timber, including exceptionally high quality larch, grown in the surrounding forest and milled on site, and all other timber used will be from certified Scottish and Scandinavian sources;
- ✔ have large and carefully positioned windows to maximise solar gain;
- ✔ ensure that the small and well-insulated rooms, not using mains electricity and being heated by wood from the forest, will have a low operational energy requirement;
- ✔ ensure that manufacturing and building takes place in the Highlands so will reduce waste and transport emissions.

- ▼ Aerial view of the cabin space: the sleeping area will be partitioned from the main living area





- ▲ Amenity building
- ▼ Floor Plan

4.4 AMENITY BUILDING

Although our cabins are off-grid, guests are not expected to go without anything during their stay with us. All of the usual facilities will be provided in the amenity building, including guest showers, a communal kitchen with fridges, cooking facilities and food storage, a communal lounge, a laundry utility space, storage cupboards and an outdoor washing-up area. It will be a fully-heated building with wifi, and with hot water from solar heating backed up with an air source heat pump.

As with the cabins, the same principles of sustainability apply to the design of the amenity building, which is based on a proven concept developed by Kilfinan Community Forest Company in Argyll as an affordable house for new woodland crofts. Our own high-quality larch timber will be used for cladding.



4.5 PROJECTED OCCUPANCY RATES AND NIGHTLY RATE

In the first two years, it will be open for the season from early April through to the end of October. We are confident that the business will be able to do some trade during the winter. However, we will build up to that position, making sure we are established before taking risks. We also plan to develop the business in other ways: for example, by offering bookings for small weddings in the woodland, or by other types of group bookings to develop the out of season trade. Although we are optimistic about the success of the business, we are taking a realistic and conservative approach when estimating the revenue it will generate.

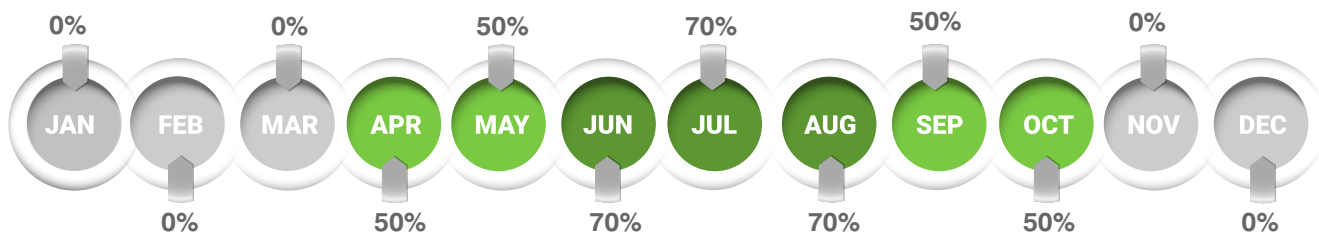
Glengarry Community Benefit Society will be liable for VAT, and this has to be taken into account when setting the nightly rate. For the purposes of our financial planning we have set a flat rate of £78 per cabin per night at the outset, which means after VAT deductions

GCBS retains £65. It is normal practice for new businesses to set prices low and to build up a trading history before considering an increase; and the price has been set taking this into account. Once we open, we will be able to note peaks and troughs in demand and adjust the prices accordingly.

The Highlands is an incredibly popular destination for domestic and international tourists, and it is generally accepted in most areas that the demand for accommodation exceeds supply. However, we are emerging from two years of a global pandemic, so the usual trends we would look at to forecast occupancy are of limited use. We have therefore chosen to be conservative when projecting the occupancy levels.

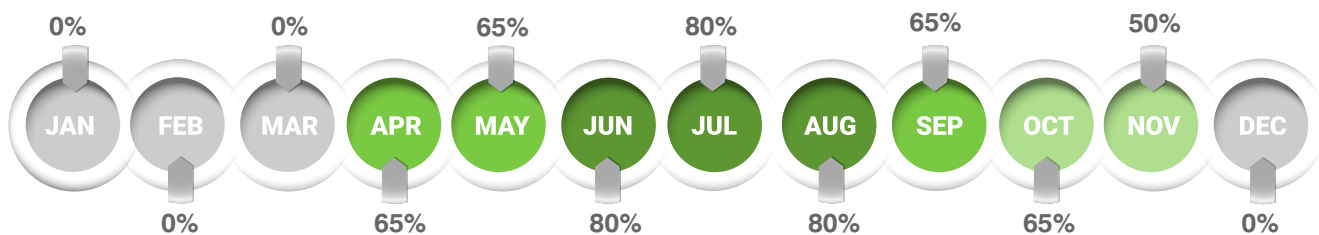
2023/4

OCCUPANCY YEAR 1 & 2



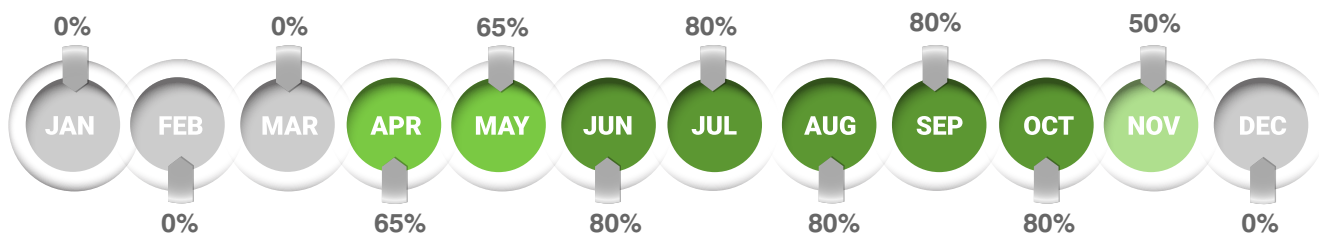
2025

OCCUPANCY YEAR 3



2026

OCCUPANCY YEAR 4



4.6 MARKETING GLENGARRY FOREST CABINS

Marketing the business effectively will be crucial for its success. Our business plan contains a costed marketing plan for years 1 and 2. There are many options available, including promotional sites that charge a fixed fee for listing, but have a limited reach. There are also third parties, such as Air BnB, or Booking.com with a very wide reach and will allow us to make 'live' alterations to our pricing. We have undertaken research into these options and this is summarised in our business plan. These options will be under ongoing consideration, and will be reviewed as we develop the business further. It is likely that we will not restrict ourselves to only one platform; and our approach to marketing will undoubtedly change as the business becomes more established. However, we have allocated a budget of £5,200 for marketing and promotion in years 1 and 2.

We have also undertaken thorough market research in assessing the market opportunity for Glengarry Forest Cabins and our likely customer base – please see business plan for further information.

4.7 STAFFING GLENGARRY FOREST CABINS

Managing the cabin business, as well as cleaning and maintaining the cabins, will bring some new job opportunities to Glengarry.

In the early years, Glengarry Community Woodlands staff will be seconded to undertake the management of the business. They will be accompanied in this early stage by a new, part time staff member between April and October to clean and prepare the cabins between lets, as well as cleaning and re-stocking the amenity building. Once the business has become established, we will develop a dedicated, permanent position to oversee running the whole business, allowing staff seconded by Glengarry Community Woodlands to return fully to other development duties for the community.

WE ARE CONFIDENT THAT COMMUNITY OWNERSHIP OF THE WOODLAND AND THE ECO-TOURISM BUSINESS WILL BE A CATALYST FOR STRENGTHENING THE ECONOMIC SUSTAINABILITY OF THE AREA.

4.8 CONSTRUCTING GLENGARRY FOREST CABINS: PROJECT TIMELINE 2022-3

01 November - December: track to cabin site is constructed



02

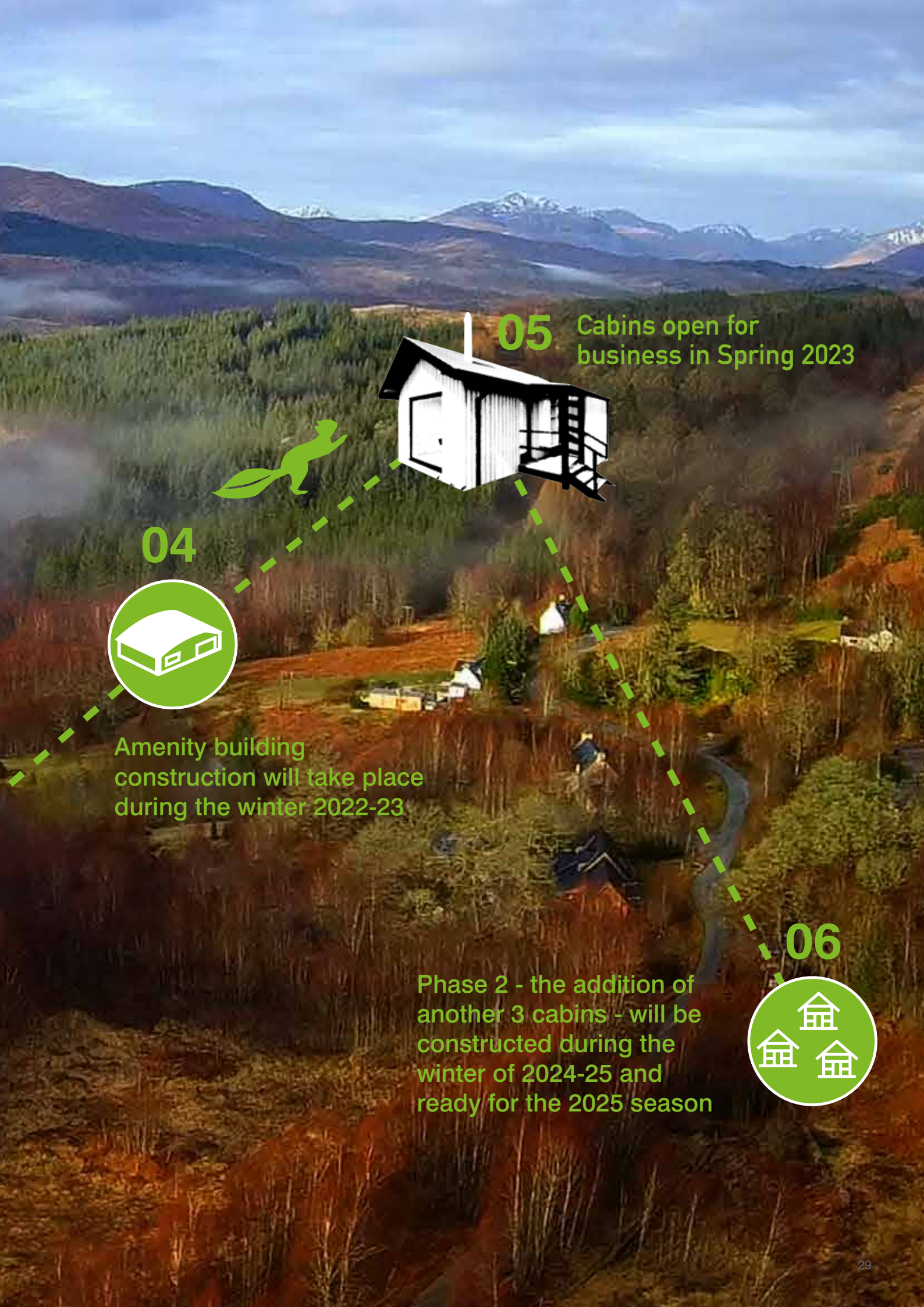


September, October 2022: cabins are fabricated in the North Woods Construction workshop in Ullapool.

03



January - March 23: cabins arrive on site



05 Cabins open for business in Spring 2023

04



Amenity building construction will take place during the winter 2022-23

06



Phase 2 - the addition of another 3 cabins - will be constructed during the winter of 2024-25 and ready for the 2025 season



A photograph of a dense forest with tall, thin trees and a ground covered in moss and fallen leaves. The lighting is soft, suggesting a misty or overcast day.

5. THE FINANCIALS

Some early-stage developments have already been carried out by Glengarry Community Woodlands, or are currently underway. This include renovation of the Old Forestry Depot, upgrading our access onto the A87 Trunk Road, and upgrading the forest track leading to the cabin site. This work has been funded primarily by the Beinneun Community Benefit Fund, with match funding from the Glengarry Trust.

5.1 PHASE 1 CAPITAL REQUIREMENTS

The total projected capital requirement to fund the first phase of this project is £489,997.

The cabin unit cost is £46,500. A 10% contingency on each cabin (£4,650) has been allowed for to account for materials and labour increases over the period. The amenity block is also to be constructed in 2022/23 at a cost of £175,000. A contingency of 10% (£17,500) has also been allowed in the financial forecasts.

Total Capital Required for Phase 1 (incl. contingency)

5 cabins	£255,750
Amenity block	£192,500
Fixtures and fittings	£4,000
Working capital	£37,747
	£489,997



5.2 PHASE 1 SOURCES OF CAPITAL

Source of Capital	Optimum share offer target	Minimum share offer target	Stretch share offer target
Community Share Offer	£250,000	£160,000	£330,000
HOIL Loan	£30,000	£70,000	£0
Beinneun Community Benefit Fund	£133,960	£133,960	£133,960
SSE Sustainable Development Grant	£25,667	£25,667	£25,667
Other Grant	£28,150	£28,150	£28,150
Reserves	£22,220	£22,220	£22,220
Total Capital	£489,997	£439,997	£539,997
No. of Cabins Built in Phase 1	5	4	6

Community Share Offer

This main capital phase, which consists primarily of building 5 cabins and the amenity building, will be largely supported by community share investment. Because it is not possible to know exactly how much share investment there will be until the offer has been launched, three different scenarios have been modelled (optimum, minimum and stretch). We hope to raise £250,000 from community share investment- this is our optimum target. If the sum raised by the share offer is only £160,000 (our minimum target) we will build 4, rather than 5, cabins in phase 1. The maximum we expect to be able to raise is £330,000. In the event of that happening there would be no need for the HOIL loan and we would build 6 cabins in Phase 1.

If we fail to reach our minimum target of £160,000 then all money will be returned to investors.

We are reasonably confident that the Society will be in a position to pay members interest of up to 4% on their shareholding from 2025/26. We will also offer share withdrawals (as per our withdrawal policy) - currently forecast to be offered in the 2026/27 financial year.

Beinneun Windfarm Community Benefit Fund:

The Beinneun Community Benefit Fund distribute money from the Beinneun Windfarm. In 2022 GCW was awarded an annual settlement of £150,000/year for three years. This transformational level of funding will firmly help establish Glengarry Forest Cabins, and will be used to support capital payments in phase 1, but will also fund the second phase in 2025.

SSE Sustainable Development Fund:

This fund, set up to benefit rural communities following the construction of windfarms across the Highlands, will be re-opening in 2021. GCW has been awarded £55,000 of grant aid to pay for a mixture of capital and revenue costs spread over two years.

Loan:

We also have the option of up to £70,000 loan from Highland Opportunity Investment Limited (HOIL), an investment fund run by the Highland Council aimed at projects like ours. At a share offer raise total of £250,000 we have modelled borrowing £30k in early 2023 to ease cash flow – paying it back in full by the end of 2023. The interest payable for borrowing £30k for this time period would be in the region of £1000.

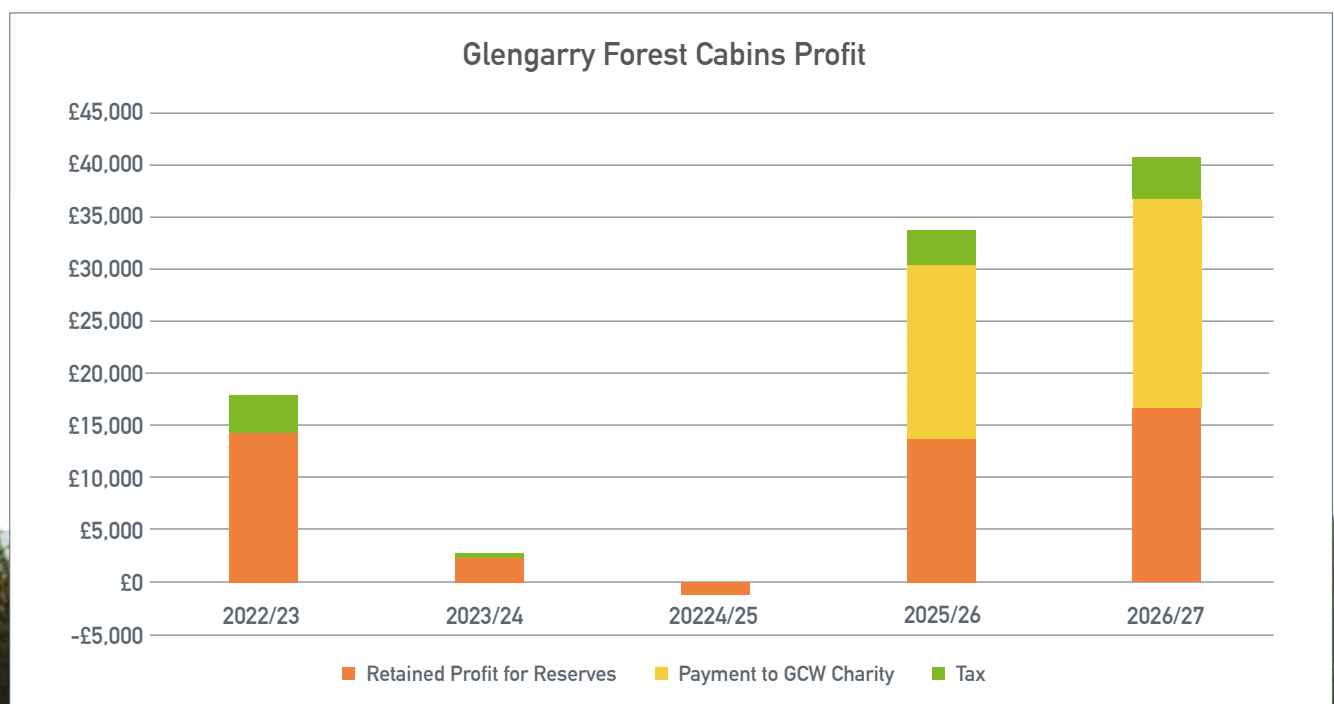
5.3 SUMMARISED 5 YEAR FINANCIAL PROJECTIONS

Our 5 year financial projections are based on achieving our optimum community share offer raise of £250,000. For more detail on our profit and loss, cash flow and balance sheet projections please see our business plan.

Profit and Loss Forecast

The first trading year (2023/24) shows a small profit, 2024/25 a small loss of £1201. In 2025/26 and 2026/27 when 8 cabins are available to rent, healthy profits are made and profit payment to GCW begins.

5 Year Summary Forecast PROFIT & LOSS	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
Total Sales	0	40,755	40,755	91,781	100,324
Less overheads	17,230	(37,961)	(43,829)	(49,880)	(52,126)
Total Interest received/paid	970	136	1,873	(8,272)	(7,729)
Profit before Payment to GCW	18,200	2,929	(1,201)	33,628	40,469
Payment to GCW Charity	0	0	0	(16,814)	(20,235)
Remaining Profit before Tax	18,200	2,929	(1,201)	16,814	20,235
Tax	(3,458)	(557)	0	(3,195)	(3,845)
Profit after Tax	14,742	2,373	(1,201)	13,619	16,390
Retained profit/(loss)	14,742	2,373	(1,201)	13,619	16,390




Cashflow Summary Forecast

The cash flow in year 2022/23 (construction year) shows healthy balances. At the end of this year, cash balance carried forward is £30,969. This healthy cash flow is supported in the first year 2022/23 by a short term bridging loan of £30,000 from HOIL. The Society has a very health cash balance from 2023/24 due to the continued Beinneun Community Benefit Fund Grant – this allows for flexibility to invest in future infrastructure that would improve the guest experience – such as extending the path network through the woods / bike trails etc.

5 Year Summary Forecast CASHFLOW	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
Receipts					
Rent	0	48,906	48,906	110,137	120,388
SSE Sustainable Development Grant	55,000	0	0	0	0
Beinneun Community Benefit Fund	136,000	136,000	136,000	0	0
Loan received	30,000	0	0	0	0
Share investment received	250,000	0	0	0	0
Interest received	944	1,078	1,878	1,699	1,833
	471,944	185,984	186,784	111,836	122,221
Payments					
Supplier payments	0	(16,542)	(17,038)	(17,549)	(18,076)
Payroll costs	0	(26,833)	(27,797)	(31,471)	(32,535)
Capex gross of VAT, Cabins	(306,900)	0	(167,400)	0	0
Capex gross of VAT, Amenity Block	(231,000)	0	0	0	0
Capex gross of VAT, FandF	0	(4,800)	0	0	0
VAT (paid)/reclaimed	80,025	2,274	19,749	(18,356)	(20,065)
Share Platform fees	(11,250)	0	0	0	0
Corporation tax paid	0	(3,458)	(557)	0	(3,195)
Share withdrawal	0	0	0	0	(24,000)
Share interest paid	0	0	0	(10,000)	(9,560)
Payment to GCW Charity	0	0	0	0	(16,814)
Loan interest	0	(1,031)	0	0	0
Loan capital repayment	0	(30,000)	0	0	0
	(469,125)	(80,390)	(193,042)	(77,376)	(124,244)
Net cash flow	2,819	105,595	(6,258)	34,460	(2,023)
Balance b/fwd	28,150	30,969	136,564	130,305	164,765
Balance c/fwd	30,969	136,564	130,305	164,765	162,742

6. RISK ANALYSIS

Risk	Probability of risk	How the risk will be minimised
Forest cabins fail to realise market share, don't reach projected occupancy rates	Low	Research into similar short term let accommodation in the area indicates we have a unique offering and are ideally situated on the road to the isle of Skye for this risk to be low. However, should we fail to get the bookings and market share anticipated, we will diversify the marketing platforms we propose to use to increase booking rates, review the rates we are charging for accommodation and potentially charge less (particularly in Year 1 until we build up reviews) and potentially market 'experiences' in the woodlands such as a Yoga Course of Green Woodworking to encourage people to come and stay.
Early guests are dissatisfied with their experience and the business suffers reputational damage.	Low	It is imperative that every guest has a good experience. However, we recognise that things may not always go to plan. Our approach is to foster excellent communication with guests so that should things not be perfect, we step in to rectify these and minimise any potential damage to reputation. Choice of booking platform and marketing is important here: AirBnB allows the host to review the guest and are able to address any issues where expectations of guests have been unrealistic or unreasonable. We must ensure that our listing description and website have accurate information about the experience so that expectations are managed as 'off grid' camping will not be agreeable to everyone, but guests will know prior to arrival exactly what they have booked.
Encounter construction issues (particularly whether designs might change if any issues are flagged between first cabins and additional cabins being erected).		<p>There is always a risk of construction issues with capital projects of this scale; however there is already a good team of staff, volunteers and board members each of whom have considerable experience in building projects and ... a delay of opening .</p> <p>It is likely that after operating the business for two seasons there will be</p> <p>To complete ...</p> <p>Flexibility in the design</p> <p>To complete</p> 
GCW unable to secure capital funding	Low-Medium	GCW has already had considerable success in securing grant funding for much of the capital costs and this should minimise the amount of private investment/ venture capital required.

Development costs greater than anticipated, impacting on profitability	Low-Medium	To minimise risks, fixed price contractors' quotations should be obtained.
Operating costs greater than anticipated, impacting on profitability.	Low	Careful monitoring of operating costs, especially staffing, with remedial action taken promptly if required.
Collapse of the local and/or Scottish economy, with knock-on effects to the tourism and leisure sectors.	Low	The Scottish economy is generally robust, and even in times of downturn, the tourism and leisure sector has been resilient. The accommodation offering is not high-end so less vulnerable to economic downturn. 'External' issues, such as Brexit, but at micro-level, little can be done to mitigate against these.
Recurring waves of Covid-19 (or indeed future pandemics) mean that tourism is shut down or restricted.	Medium	It is probable that Covid-19 will be affecting UK travel and tourism for years to come, but at the micro-level, nothing can be done to minimise this risk. On the positive side, GFC's customers are likely to be overwhelmingly UK residents, whose travel will be less restricted. Areas such as Glengarry are likely to remain popular because of the outdoor and remote aspects.
Unable to achieve sufficient income to ensure viability.	Low-Medium	Covid-19 notwithstanding, the otherwise promising outlook for the Scottish tourism industry in the coming years helps to mitigate this risk, but as with any new business, it cannot be removed altogether.
Disagreements over management style and strategy.	Low	There is always a small risk of disharmony when businesses are ultimately managed by a committee. However, GFC has good governance arrangements in place and is led by experienced staff which suggests that this is a low risk. Clear boundaries between operational and strategic matters will be important to achieve harmony and GFC is led by experienced staff who will help establish this structure. GFC members have the opportunity to elect new Board members and influence the direction of the CFC if they are dissatisfied.
It proves impossible to recruit staff with the necessary skills and experience.	Medium-High	There is always a risk in a sparsely populated rural location, where access to housing is an issues, that there may well be challenges with recruitment. Our aim is to start the recruitment process as early as possible to ensure that cover is available before bookings are taken for the accommodation. We are also willing to look at a range of options for staffing such as: a pool/bank of staff working a smaller number of hours, the use of a cleaning agency, or setting the booking calendar to only permit check outs only on certain days. We are also fortunate that we would be able to temporarily redeploy GCW staff to support GFC should this be necessary; although this is not a sustainable long term solution it will help us in times of staffing emergencies such as sickness cover.
The business fails outright, either because it runs into severe financial problems or because it cannot attract sufficient customers.	Low-Medium	Hard work, volunteer support, rigorous cost monitoring and control, both during development and ongoing operations, will minimise the chances of failure. Covid-19 notwithstanding, the otherwise healthy prognosis for tourism in the Highlands means that the risk of outright failure is low.

7. FAQ

COMMUNITY SHARES FAQ

How can I invest?

We have chosen Ethex as our platform to manage our investments. The platform coordinates the whole investment process and is safe and very well regarded. The easiest way to make an investment is to visit our Ethex page at:

www.ethex.org.uk/invest/Glengarry

If you are unable to access this digital platform or need support to complete your applications please contact tom@glengarry.org.uk or phone 01809 501 287. We have paper application forms available if needed. Please return these to Glengarry Community Benefit Society, The Old Forestry Depot, Invergarry, Inverness-shire PH35 4HG.

What is the minimum and maximum investment?

The minimum investment is £25 (1 shares) for those within the defined area of the community; for those outwith the area it is £500 (20 shares). Regardless of the level of investment, each shareholder receives one vote. The rules of the Society state that the number of members from the defined area of benefit must be at least 51% of the whole membership.

Who can invest?

Anyone over the age of 18 can invest.

Can organisations and businesses subscribe for Community Shares?

Yes; although a representative of that organisation will need to become a member of the society as nominee for their organisation or business. The minimum investment for organisations is £500, the maximum for unincorporated organisations is £37,500, and the maximum for incorporated organisations is £100,000

Can people buy shares as a group?

Yes; although one person from the group will need to become a member of the society as nominee and named person on the Ethex platform for their group.

Will I get a share certificate?

Yes, every shareholder will receive a digital share certificate detailing their investment.

What if the society becomes insolvent?

Our Society has an asset lock which means that in the event of our insolvency or winding-up, the proceeds from the sale of assets and our cash would first pay off all our creditors. Any leftover funds, if there are any, would then be used to pay back shareholders' investments on a pro-rata basis. If there is any surplus after returning funds to creditors and investors, this would be given to another charity within the defined area of community benefit.

Note that shareholder personal liability is restricted to the value of your shares.

🌿 Can I sell my shares?

No; unlike shares in a typical company, community shares cannot be sold, traded or transferred between Members. However, the value of shares of a deceased shareholder may be transferred to another person in accordance with his or her wishes.

🌿 Can my shares increase in value?

No; community shares do not increase in value but they can decrease.

🌿 When will I be able to withdraw my shares?

We aim to offer share withdrawals from the financial year 2026/27. Withdrawals will be at the discretion of the Board of Directors, having regard to the long-term interest of the Society. Withdrawals will be paid in the order in which the requests are received. A limit of 10% of the Society's share capital will be placed on withdrawals in any one year. This will ensure that the business will not be subject to unexpected deficits.

🌿 Will I get any interest on my shares?

We hope to offer 4% interest on your investment from 2026. As with withdrawals, interest payments will be at the discretion of the Board of Directors, having regard to the long-term interest of the Society. Interest payable on the Contributor Shares shall never be higher than 5% per annum above the base rate of the Bank of England. The Board shall propose the annual interest rate at each AGM for members to agree.

🌿 Why set up a separate Community Benefit Society?

The existing community organisation, Glengarry Community Woodlands, is a company limited by guarantee and is a registered charity. This legal structure cannot issue community shares. Only a Community Benefit Society can issue community shares. Instead of changing the legal structure of Glengarry Community Woodlands, a decision has been taken to run the eco-tourism business through a separate organisation which is strongly linked new Community Benefit Society. See the explanation of the hybrid model above. The new Society is also community controlled and asset locked.



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