

Bovey Paradiso
Bovey Tracey Paradiso Arts Limited
2021 Community Share Offer

Offer Opens 1st June 2021
Offer Closes 31st August 2021

Share Offer Minimum Target £80,000
Share Offer Optimum Target £100,000
Share Offer Maximum Target £200,000

Minimum Individual Investment £100
Maximum Individual Investment £40,000

Any money you invest in community shares is fully at risk. You could lose some or all your money if the society gets into financial difficulties.

Community share offers are exempt from, or outside the scope of, statutory regulations that apply to the public offer of shares and other financial promotions. Applicants have no recourse to the Financial Services Compensation Scheme, or the Financial Ombudsman Service.

Contents

Invitation to invest	3
Purpose	4
Origins, achievements & plans	4
Our Community	4
Community Benefit	5
Our society	5
Structure.....	5
Rules	5
Asset Lock.....	5
Board	6
Our shares	7
What are Community Shares?.....	7
Current Members & shareholding.....	7
Our plans	9
Phase 2 Development	10
Total capital required (Phase 2 Development).....	11
Financial Projections	12
Share offer Terms.....	13
Type of Shares Issued	13
Who can apply?.....	13
Interest Payments	13
Withdrawal of Shares	14
Withdrawal / Inheritance on death of a member	14
Reduction in Share Value	15
Dissolution.....	15
Timeframe	15
Contingency arrangements	15
SITR Tax relief	15
How to apply	16
How we shall hold your money	17
Anti-money laundering checks and Data Protection.....	17
Risks and rights.....	18
Further information.....	18
Appendices - Application form (individual / Organisation) and Nomination form	18

Invitation to invest

Dear Potential Investor,

We are looking for your help to build the next phase of development at The King of Prussia site in Fore Street, which is to build a high-quality café bar/restaurant. The 100 seat cinema/theatre will complete the development in 2022 funding permitting. The first phase secured this 16th century heritage building into community ownership and the restoration has created an art gallery on the ground floor and artists' studios above.

If you are an existing member please consider increasing your shareholding, your total shareholding in the society must not exceed the maximum permissible by Law of £100,000.

If you are not already a member, please do join us and apply for shares to become a co-owner of this local charitable community benefit society.

This is a unique opportunity to become part of the most exciting development for Bovey Tracey's community over the last 100 years.

The benefits to your community will be:

- Excellent new facilities on your doorstep, bringing, upon completion, new films, live relays of theatre, opera and ballet from the world's top performers, live music and theatre performances, comedy evenings ...
- A great café bar/restaurant providing excellent food and drink ...
- A place for friends and neighbours to meet in a relaxed atmosphere, and to make new friends.

The benefits to you as a member are:

- You can invest between £100 and £40,000 in shares – the aim is to pay 3% per year interest on your investment from 2022, the year after trading starts.
- If eligible you might benefit from 30% tax relief on your investment under Social Investment Tax Relief (SITR)
- You can play your part in making this final phase of a special project happen...
- This is a local ethical investment to enable you to enjoy a local varied programme of new films, live relays of theatre, opera and ballet, live theatrical and other performances. The café bar will bring high quality dining to Bovey Tracey.

Without members and their investment, this community asset will not be developed, so please join this great project today.

If you have any questions after reading this document, please get in touch – info@paradiso.org.uk.

The Directors,

Bovey Tracey Paradiso Arts Limited

Purpose

Origins, achievements & plans

Bovey Tracey Paradiso Arts Limited was incorporated on 26th June 2017 to bring the derelict Grade II listed historic public house, the King of Prussia into community ownership which happened on 27th November 2017.

Our initial share offer enabled both the purchase and an upgrade and refurbishment the whole of the historic building for use as an art gallery with an additional small room on the ground floor for additional gallery space or a heritage display.

The original budget as set out in the Business Plan for the 1st share issue was developed before possession of the building. A survey was carried out, but not all areas could be examined without serious stripping out of the interior panelling. When we had possession of the building, the team of volunteers set to stripping out the vast amount of white-painted pine panelling as the intention was to get back to as much of the hidden Tudor features as possible. Panelling on walls can hide a multitude of sins, and it did! The January 2021 Business Plan, Sections 3.2.4, 3.2.5 and 3.2.6 outline the additional work and costs, much of which was not anticipated. However, it was deemed necessary and did allow many beneficial design improvements to be incorporated with a much better result. Yet, this additional work has come with a significant construction cost increase above the original budget, but there was no way of avoiding this overspend.

The four north-facing bedrooms have been refurbished and will be offered as artists' studios. The art gallery will be a unique space in Bovey Tracey for artists to display their work, run workshops and attract interest in their work from the public. A number of out-buildings (kitchen, toilets, cellar and storage) to the rear of the historic house have also been demolished and the land cleared.

The next phase of development, which is the focus of this revised share offer, is to build a café bar/restaurant serving locally sourced food on the site and connected to the historic building. The 100 seat cinema theatre will follow in 2022 funding permitting. Public opinion surveys in 2017 showed massive local support for these proposals – 98% of a survey covering 7% of the population – details of the surveys can be downloaded at www.paradiso.org.uk (go to Community > Getting involved).

The café bar will bring high quality dining to Bovey Tracey. The cinema theatre will offer a varied programme of new films, live relays of theatre, opera and ballet, live theatrical and other performances.

Our Community

Bovey Tracey is an attractive small market town of around 8,000 inhabitants, providing easy access to Dartmoor National Park. The area, which includes the large industrial and residential area of Heathfield, plays an important role in providing services for other towns and villages within the district and across a wider area.

Large new housing developments in Bovey Tracey are increasing the population and raising the demand for services and facilities. There is an active community life with many groups and societies, mainly catering for the older age groups. Apart from talks and meetings, there is little for people to do in the evening or on rainy days. Young people have a Youth Café and scout groups, plus a skate park and some sporting opportunities.

The town is a popular destination for day visitors, attracted by its beautiful natural environment, recreational opportunities, and arts and cultural events. The cinema will provide a wet-weather attraction, especially in the summer holidays (although peak months for cinema-going nationally are December to February).

Community Benefit

This project will respond to a significant gap in local community facilities, by providing all-weather, day and evening interest and entertainment for locals and tourists. Bovey Paradiso Arts will increase social interaction for all age groups by bringing entertainment, performance and art under one roof and provide opportunities for developing local acting, musical, comedy and artistic talent. A local cinema will mean people no longer have to drive 10-30 miles round trip to see films.

Our society

Structure

Bovey Tracey Paradiso Arts Limited (BTPA) is an incorporated entity, a society for the benefit of the community, registered under the Co-operative and Community Benefit Societies Act 2014 and regulated by the Financial Conduct Authority (FCA). A Community Benefit Society is principally owned by its members on a one member one vote basis, irrespective of shareholding. Membership is open to anyone who supports its aims and objectives.

BTPA is recognised by HMRC as an exempt charity. This means that, although we are not registered with the Charities Commission, we must abide by Charity Law and we can benefit from all the tax advantages of being a charity. These tax advantages include exemption from Corporation Tax, Mandatory Business Rates Relief and claiming Gift Aid on donations. We are also registered for VAT, which means that we will charge VAT on sales and can recover the VAT paid on the purchase and set up costs.

BTPA shall be setting up a wholly owned Community Interest Company subsidiary as a trading arm, which will operate the café/restaurant. This trading arm, Bovey Tracey Paradiso CIC (BTP CIC) will be incorporated before the share offer closes so as to fit with SISR criteria requirements. For more information on the wholly-owned subsidiary please see the BTP CIC business Plan and section 4.3 of BTPA Business Plan.

Rules

Bovey Tracey Paradiso Arts was registered in June 2017 using a set of pre-approved model rules developed by Co-operatives UK, the umbrella body for co-operatives and community benefit societies in the UK. The rules were then subsequently partially amended in Aug 17.

Our Rules include provision to issue a form of shares to members known as withdrawable share capital, which is unique to society law. Withdrawable share capital, also known as Community Shares, can be withdrawn from the society by the member, subject to terms and conditions. The liability of its members is limited to the value of their shareholding and the value of members' community shares will never go up, but the value may go down.

Asset Lock

As an exempt charity, the rules include a Charities Asset Lock which restricts the ability of the Society to use or deal with its assets in line with Charity Law. In particular:

- The only payments that can be made to members are to the value of their withdrawable share capital or interest on that withdrawable share capital.
- The residual assets of the Society on winding up cannot be transferred except to another organisation whose assets are similarly protected.

Board

The Board is responsible for managing the affairs of the Society, on behalf of the membership and to report back to the membership at General Meetings in exactly the same way as the board of directors is responsible for managing the affairs of a limited company. Our Board is elected by and from the membership on a three-year retirement cycle, additionally the Board may co-opt up to two external independent Directors, who need not be members, for specific skills and experience. These co-opted places are appointed and removed by the Board and are for a fixed time period which should be reviewed regularly. We are intending to employ staff who will manage the day-to-day operations and report back to the Board. The Directors are volunteers and under the rules are not permitted to receive any remuneration for their services. The current Board members are:

Stephen (Steve) Willmore (Chair) has had a career in product design and development within the electro-mechanical manufacturing industry, holding senior management/director positions since the mid-80s. Steve retired as Technical Director at the end of 2013. Until the end of March 2018, Steve worked as a consultant on the development of international standards, representing the UK, world-wide on European and International committees. He fully retired in April 2018 and now works full time on our project. Steve and his wife Diane moved to Bovey Tracey in 2014 and are passionate about projects that benefit the community.

David Alexander joined the Board in March 2019. He is a chartered accountant and a partner at Smith & Williamson, a top ten accounting and investment management firm, where he specialises in Forensic Accounting. Outside of work David has been treasurer of the Westfield Sports Car Club for the past 12 years and recently became company secretary of an award-winning theatre company in Exeter/London. Having recently moved to the area from the Midlands with his wife Nicole, David is keen to add his expertise to this community project.

Andrew Huckerby is a hospitality entrepreneur with a career of over 40 years that spans the industry in both in the UK and UAE. Based in Devon for the last 25 years, he has led projects in both the charity and tourism sectors in the county throughout this period. Andrew was recently General Manager at a large hotel in Torbay following a period as a Business Studies module leader in Higher Education in Plymouth

David McGahey was Director of Education for Buckinghamshire until 2000, having previously worked for five other local authorities. From 2001 he was Managing Director successively of a number of education businesses. He retired in 2014 as Director and Chief Executive of a market leading executive recruitment consultancy working with independent and maintained schools in the UK and with international schools world-wide. He is a Governor of Exeter School and Vice-Chairman of the St John's Hospital Educational Foundation. He is a Liveryman of the Worshipful Company of Educators. Until he moved back to Devon in 2015 to live in Lustleigh, he was for many years Director/Chairman of an independent, community cinema, The Film Place in Buckingham.

Kenneth (Ken) Swan has had a varied career, initially in the motorcycle industry, then as a computer engineer and latterly in the construction industry. The manipulation, designing and creating of soundscapes for local theatres has long been a passion. Working with many non- and semi-professional theatre companies in Kent and London, Ken has directed, stage-managed, designed, built and painted sets, and has been known to 'tread the boards'! Currently working with two theatres in Teignmouth and our own Bovey Tracey Players, he is enjoying a very busy retirement.

Jenni Brooke* Jen graduated from Swansea Institute of HE with a degree in Surface pattern design, specialising in print and illustration. Exhibiting at New Designers London in 2005. Working for a year as a freelance designer before training to become a teacher of Art and Photography. Previous background in retail management during university study. Teaching art and photography to children and young adults from ages 11-18 before becoming Head of Art and now working as Assistant Principal. Jen has worked on various community projects and with both local and international artists. Throughout her career Jen has curated exhibitions of students work. She is passionate about art for all and the importance of community art projects.

Mark Richards* is a retired teacher who taught across the age range from adult, secondary to primary level. In 2017 he moved to Bovey Tracey with his wife Gill, who was born in and grew up in Bovey. Since moving to Bovey Tracey, he has used his background and training in art history to become involved in the restoration of St John's Church, returning it to the original aesthetic of it being a significant example of Victorian Tractarian church building. He has also been Churchwarden for St John's for the last three years. Mark is also a foundation governor for St Catherine's VA Primary School in Heathfield, as well as being on the Heathfield Youth Club committee, which is undergoing a relaunch after recent covid restrictions. Mark has been interested the Bovey Paradiso project since its early days, and is now delighted to be involved in this important community project as one of its two art directors.

* Co-opted to the Board, serving in the capacity of Directors, appointment to be confirmed at next AGM.

Our shares

What are Community Shares?

Community shares are a type of withdrawable share capital, unique to co-operative and community benefit societies. Withdrawable share capital can be withdrawn from the society, subject to the society's rules, any conditions set out in the share offer document and the board's discretion. Withdrawable share capital is fully at risk. Members could lose some, or all, of the money they invest. But they also have the scope to withdraw some, or all, of their capital when they need it, subject to consent.

Current Members & shareholding

It is worth noting that the nominal value of our shares is £1 and members liability is limited to the value of their shareholding. Our current share capital includes £100,000 invested by Big Society Capital, as an institutional investor, which is repayable in full in 2027. This has been included in our financial modelling.

Members currently hold 464,100 shares (£464,100).

No interest has been paid and no withdrawals have been approved from this first share offer to date. The first share offer aimed to pay interest from 2019 and to allow withdrawals from 2020, however significant issues were discovered with the building once BTPA took possession and details of these and the overspend against the budget presented with the 1st share offer can be found in the January 2021 business plan at sections 3.2.4, 3.2.5 and 3.2.6. BTPA has now all but completed the restoration of the historic building, it owns the land and building and has planning permission for the 2nd phase new build development. However, until the society starts to trade it will be unable to pay interest or allow withdrawals of shares.

The Society is not currently trading, and its income has been predominately from grants. Cash position at 31st December is £62,900, see Section 14 of the January 2021 Business Plan for the management accounts to 31/12/20.

Members of the society are invited to Annual General Meetings and additionally Extraordinary General Meetings where required. We aspire to members participating in the society in as many ways as possible alongside being investors, which might include being customers, tenants (of studio space), exhibitors (in the gallery), promoting the facilities as and when appropriate as supporters of our objects, and as volunteers/employees/Directors.

Financial Summary

Our Financial year ends on 30 June and the following tables show the previous three years accounts, membership and shares figures.

Finance summary

	For year ending 30 June		
	Year 2018	Year 2019	Year 2020
Profit & loss	£	£	£
Total income	30,793	23,113	127,774
Operating profit (loss) before depreciation, interest on capital and corporation tax	-37,889	-20,512	80,265
Net profit (loss) after depreciation, interest on capital and tax	-37,889	-20,512	80,265
Society funds			
Fixed assets	278,547	278,660	468,031
Member share capital	464,100	464,100	464,100
Society accumulated reserves (or losses)	-37,889	-58,401	21,864
Long term liabilities (loans)	0	0	0
Net assets	426,211	405,699	486,141
Member share capital			
Opening balance of member share capital	0	464,100	464,100
New share capital invested during year	464,100	0	0
Share capital withdrawn during year	0	0	0
Closing balance of member share capital	464,100	464,100	464,100
Membership levels			
Number of members at the beginning of year	322	322	322
Number of new members joining	0	0	0
Number of members leaving	0	0	0
Number of members at the end of the year	322	322	322
Use of society funds			
Interest rate on (eligible) share capital	0%	0%	0%
Interest paid on share capital	0%	0%	0%
Net profit (loss)	-37,889	-20,512	80,265

Management accounts for the period 1/7/20 to 31/12/20 can be found at Section 14 of the January 2021 Business Plan.

Our plans

Phase 2 Development

As a result of the lower than anticipated level of subscriptions during the second share offer, the Directors have revised the development plans. These revised plans will enable the gallery and studios to open in May 2021 (Phase 1 Development), café/restaurant to open in the Summer of 2021 (Phase 2a Development) and the cinema/theatre following on 2022 (Phase 2b Development).

We will build a 100 seat cinema/theatre in the south-east corner of the site. The cinema/theatre design is modelled on the seating in other independent cinemas with a mixture of comfortable theatre seating, removable seats at the front of the auditorium and wheelchair access. It will also be equipped with the latest theatre sound and lighting.

Linking the old and the new will be a glass-roofed atrium enabling viewing of the historic building from the south side. The atrium would house the café/restaurant (Café Paradiso) and the toilets, including accessible toilets. The café/restaurant would become a high-quality restaurant, a facility the directors believe is much needed in Bovey Tracey. This café/restaurant will be managed by our subsidiary BTP CIC (see subsidiary business plan).

The gallery and studios will be managed by a full-time manager from the completion of the works. In addition, volunteers will be recruited to provide information and advice about the work on display. In the case of an exhibition from the Bovey Tracey Society of Artists, these will be volunteer members of that society.

When completed in 2022, the cinema will be managed by an experienced projectionist. The films to be shown will be chosen by the cinema manager. Discussions have already commenced with the film distributor community to ascertain what level of release window would be possible in Bovey Tracey given the mixed-use space.

Total capital required (Phase 2a Development)

Share offer Target levels	Minimum	Optimum	Maximum
	£	£	£
Income			
Community Shares	80,000	100,000	200,000
Grants Awarded	84,402	84,402	84,402
Loan	90,000	70,000	0
Total Income	254,402	254,402	284,402
Expenditure			
<u>Construction</u>			
Enabling works	10,000	10,000	10,000
Construction works - New Build	170,000	170,000	170,000
Consultancy	13,100	13,100	13,100
Sub Total Construction	193,100	193,100	193,100
<u>Fit Out</u>			
Cinema & Air conditioning	0	0	0
Theatre	0	0	0
Café Paradiso	49,409	49,409	49,409
Sub Total Fit Out	49,409	49,409	49,409
<u>Stock</u>			
Cinema/Theatre	0	0	0
Café Paradiso	8,000	8,000	8,000
Sub Total Stock	8,000	8,000	8,000
Total Expenditure	250,509	250,509	250,509

At the minimum target level, we will need loan finance of 90,000 at optimum target level we need £70,000 loan finance and at maximum level we can proceed with no loan finance. We do not intend to lease any equipment.

The necessary loan finance is yet to be secured although we plan to approach our current bank imminently. This loan will be secured on the land and buildings which we own freehold. Delays to securing this loan may result in a delay in construction and worst-case scenario, if we are unable to secure this loan, we shall only be able to proceed with construction at the maximum target level leasing the equipment. Should we fail to secure the necessary loan finance and not reach our maximum target then all money received in respect of the share offer will be returned.

Our optimum target for the this share offer is to raise £100,000 from a community share offer and secure £70,000 loan finance. Importantly the larger the community take-up of shares, the less we will be dependent on loan finance.

Financial Projections

The consolidated financial projections at our optimum level of £100,000 shares and £70,000 loan can be found in the tables below.

Consolidated - Optimum Level Profit & Loss forecast

	2021	2022	2023	2024	2025	2026	2027	2028	2029
	£	£	£	£	£	£	£	£	£
Total income	154,488	581,278	710,229	731,536	753,482	776,087	799,369	823,350	848,051
Cost of Sale	54,568	213,016	262,562	270,438	278,552	286,908	295,515	304,381	313,512
Gross profit	99,920	368,263	447,668	461,098	474,931	489,179	503,854	518,970	534,539
Total direct costs	74,723	251,001	290,976	299,706	308,697	317,958	327,496	337,321	347,441
Operating profit (EBITDA)	25,197	117,261	156,691	161,392	166,234	171,221	176,357	181,648	187,098
Grants	84,402	150,000	0	0	0	0	0	0	0
Total Finance costs	12,115	68,043	105,739	103,052	100,364	97,677	94,239	91,552	88,864
Corporation Tax	2,785	116	2,796	3,305	2,774	2,774	0	0	0
Charitable Activities	0	0	0	0	0	0	1,884	41,094	49,231
Net profit	94,699	199,102	48,156	55,035	63,096	70,770	80,235	49,003	49,003

Consolidated - Optimum Level Balance Sheet forecast

	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29
	£	£	£	£	£	£	£	£	£	£
Total Fixed Assets	513,446	743,840	1,343,852	1,309,105	1,274,358	1,239,611	1,204,864	1,170,117	1,135,370	1,100,623
Total Current assets	83,477	123,051	62,837	64,671	71,213	84,774	106,542	110,000	110,000	110,000
Total Current liabilities	0	-669	-116	-2,796	-3,305	-2,774	-2,774	0	0	0
Net current assets	83,477	122,382	62,722	61,875	67,907	82,000	103,768	110,000	110,000	110,000
Net assets	596,923	866,222	1,406,573	1,370,980	1,342,265	1,321,611	1,308,632	1,280,117	1,245,370	1,210,623
Financed by:										
Share Capital	464,100	564,100	814,100	739,100	664,100	589,100	514,100	414,100	339,100	264,100
Loans and borrowings		70,000	161,250	152,500	143,750	135,000	126,250	117,500	108,750	100,000
Profit & loss account	132,823	232,122	431,223	479,380	534,415	597,511	668,282	748,517	797,520	846,523
	596,923	866,222	1,406,573	1,370,980	1,342,265	1,321,611	1,308,632	1,280,117	1,245,370	1,210,623

Consolidated - Optimum Level Cash flow forecast

	2021	2022	2023	2024	2025	2026	2027	2028	2029
	£	£	£	£	£	£	£	£	£
Opening balance	83,477	125,845	52,837	54,671	61,212	74,774	96,542	100,000	100,000
Total fund raising activities	259,002	500,000							
Sales income	154,488	581,278	710,229	731,536	753,482	776,087	799,369	823,350	848,051
Total development costs	242,509	619,755							
Total Operating costs	129,291	464,017	553,538	570,144	587,248	604,866	623,012	641,702	660,953
Total Finance cost & Distribution	-678	70,515	154,858	154,850	152,672	149,453	172,899	181,648	187,098
Closing balance	125,845	52,837	54,671	61,212	74,774	96,542	100,000	100,000	100,000

These financial projections at Optimum level are based on the following assumptions:

- The gallery and studios are occupied from July 2021 and are modelled at 80% occupancy
- The café/restaurant starts trading from September 2021 with trade phased, based on lower occupancy during the summer.
- The cinema/theatre starts trading from September 2022 with trade phased, based on lower occupancy during the summer.
- Loan finance is based on 5% over 8 years
- Share interest is paid from 2022 or after one year of trading but interest will only be paid when the society can afford to pay it
- Share withdrawals annual cap at £35,000 for years 2022 & 2023, this represents 7.5% of initial shareholding from the first share offer (£464,100) and then rises to 7.5% of total shareholding from the combined share offers from 2024 except for 2027 when only the £100,000 SIB shares

will be repaid. Shares which are eligible for SISR will not be able to be withdrawn until they have been held for three years.

For the Optimum, Minimum and Maximum target levels, the funds raised to cover construction are £193,100. Equipment costs will be £49,409 see Sections 12 & 13 in the January 2021 BTPA Business plan, stock levels are set at £8K for the café.

The Optimum target is £100,000 share capital, £70,000 loan and £84,402 grants secured. If the Maximum target of £200,000 is achieved then the loan required can be reduced to £0 assuming some equipment is leased. If only the Minimum target of £80,000 shares is achieved then, as well as the grants of £84,402 secured, a loan of £90,000 will be needed.

VAT liability and reclaim on the initial capital spend on construction and equipment is in the projections but, in subsequent years, the cashflow is operated without VAT.

Depreciation is applied to café bar equipment on a straight-line basis over ten years. The value of freehold property is depreciated over 50 years with an assumption that the land is valued at £100,000. Capital grants are put as income in the Profit & Loss Account in the year that they are received.

Share offer Terms

These shares are known as community shares because your primary return for holding shares is a social one and NOT driven by an overarching desire for a financial return. The real (social) payback to becoming a member is to ensure a thriving, sustainable community owned business is established.

This form of community investment should be considered as an opportunity to contribute to the sustainability of the business as an organisation with the expectation of a social dividend rather than a financial reward.

The words 'Community Shares', do not have any legal meaning and the rights of investors buying Community Shares in Bovey Tracey Paradiso Arts Limited are those set out in this part of the offer document and by our Rules. The Community Shares on offer are withdrawable shares issued by The Board of Directors as permitted by the Rules of the society. These shares are not transferable, which means they cannot be sold to a third party.

Type of Shares Issued

The value of each share issued is £1.

The shares are not transferable, except in case of death or bankruptcy

Who can apply?

Applications are open to individuals over 16 years old.

An Association, corporate body or firm may apply and must authorise a named representative.

The minimum investment is £100 and the maximum is £40,000 for individual and corporate Members as long as your total shareholding in the organisation does not exceed 10% of BTPA's total share capital or the maximum permissible shareholding, for an individual or corporate body that isn't a Society, by Law of £100,000.

Interest Payments

The society aims to pay interest at a rate determined by the Board from time to time but not exceeding 3% per annum on the sum invested, this is forecast in our financial model as 2022, but no interest will be paid until the first year after trading has commenced, as the Society will not have

earned enough income from its activities. Interest can only be paid when the society can afford to pay it.

Interest will be paid gross to all UK residents and those Members, who are liable to pay income tax, will be responsible for declaring this income to HMRC. Non-UK residents will have tax deducted prior to payment at the appropriate rate.

It is the responsibility of the Shareholder to inform Bovey Tracey Paradiso Arts Limited of a change in address or bank details so that interest payments can be made.

Withdrawal of Shares

Shares in BTPA may be withdrawn with effect from 2022, subject to the following constraints:

- A provision in the financial projections has been made for capping withdrawal of shares in a year:
 - At Maximum & Optimum target level withdrawals are capped to £35,000 in years 2022 & 2023 which represents 7.5% of the first share offer share capital of £464,100 and rising to £75,000 from 2024 which represents 7.5% of the total share capital from both share offers per year with the exception in 2027 where only repayment in full of Big Society Capital shares (£100,000) shall be made.
 - At Minimum target level there are no withdrawals during 2022 and withdrawals are capped to £35,000 in 2023 which represents 7.5% of the first share offer share capital of £464,100 and rising to £75,000 from 2024 which represents 7.5% of the total share capital from both share offers per year with the exception of 2027 when only repayment in full of the Big Society Capital shares (£100,000) shall be made.
- Applications are made in line with our Withdrawal Policy. *All withdrawals require three months' notice and shall be paid in the order in which applications are received by the Society until the maximum total withdrawal allocated for the year has been reached. The level is reviewed by the Board of Directors, who reserve the right to refuse withdrawals in order to ensure the effective management of finances.*
- In exceptional circumstances, the Board of Directors may, at its discretion, waive the notice required for a withdrawal.
- If SISR is granted, members must hold their shares for a minimum of 3 years.
- The Board of Directors has the discretion to suspend withdrawal of shares if circumstances dictate.

Withdrawal / Inheritance on death of a member

On the death of a Member, their personal representatives can apply for withdrawal of the Shares. The Directors will prioritise the withdrawal of shares for those Members who have died. Alternatively, a deceased members Shares can be inherited in accordance with the terms of the Member's will or under the rules of intestacy, subject to Board approval of the new member who shall hold the shares.

A nomination form can be found at the end of this document after the member/share application forms. Members may nominate who will inherit their property in the society in the event of their death. These nomination rights only apply to the first £5,000 of a member's shares although we require this, and any amount above this, to be resolved with reference to the deceased member's probate or letters of administration as evidence of entitlement in all instances. If the beneficiary is already a member of the society, the maximum individual shareholding rule still applies and if it is exceeded any excess should either be paid in cash or

converted into a loan. If the beneficiary is not already a member, the transfer of shares will be subject to the Board approving the beneficiary into membership.

It is unlikely that these shares in a charitable community benefit society will qualify for business relief from inheritance tax. Please seek independent advice.

Reduction in Share Value

If the Society's auditors or independent qualified accountants find that the Society's assets are insufficient to meet its liabilities to creditors and shareholders, the Board of Directors may decide to reduce the value of the society's shares for the purposes of withdrawal of shares. This means that the value of members' shares would be reduced accordingly.

Dissolution

On the solvent dissolution or winding up of Bovey Tracey Paradiso Arts Limited, holders of the shares will have no financial entitlement beyond payment of outstanding interest approved by the Board of Directors and repayment of paid-up share capital. Any residual funds must be transferred to another charitable body.

The Rules of Bovey Tracey Paradiso Arts Limited lay out the rights of members and the Society in full and can be downloaded from www.paradiso.org.uk/Become-a-Member-with-community-shares/Paradiso-Arts/

Timeframe

Offer Opens 1st June 2021 & Offer Closes 31st August 2021

Due to Covid19 restrictions and uncertainties, which may hinder our ability to raise awareness of the share offer or significantly impact the rate of applications on such a local offer, in the event that the minimum target is not reached by the closing date, we reserve the right to extend the share offer for up to three months. See Contingency arrangements section below.

Contingency arrangements

If we reach the maximum of £200,000 before the share offer end date then the scheme will be closed early.

As soon as we reach the minimum target and have secured the requisite loan finance, the Board will allocate shares, as appropriate. We will continue to keep the share offer open until the closing date of 31 August 2021 and allocate any further shares, as appropriate.

If we do not meet the minimum target of £80,000 by the closing date of 31 August 2021, the Directors reserve the right to extend the share offer for a maximum of three months and if during this extension we reach the maximum target the share offer will be closed.

If at the end of the three-month extension we have not met the minimum target of £80,000 we shall repay all the monies received in respect of share applications in full.

SITR Tax relief

HMRC has approved this share offer for SITR which has recently been extended to 5/4/23.

New shares allocated could qualify for tax relief from HMRC, which is currently set at 30% but the Board will reserve the right to return funds to investors if the share offer fails to reach the minimum target by the close of the extended offer timeframe.

We would provide you with the relevant forms after the shares have been allocated if HMRC approve the share offer for SITR, but it is your responsibility to claim the tax relief due to you from HMRC. Potential members should seek independent advice as to whether they are eligible for SITR tax relief. To qualify for SITR, the investor (or an associate) must not at any time between the date of incorporation of the social enterprise and three years from the date of investment have been an employee, a partner, a trustee or a remunerated director of Bovey Tracey Paradiso Arts. Shares must be held for 3 years.

Individuals must hold no more than 30% of the total shareholding of the society.

More information on SITR can be found at the link below:

<https://www.gov.uk/government/publications/social-investment-tax-relief-factsheet/social-investment-tax->

How to apply

Our application forms (one for individuals and one for organisations) can be found at the end of this document and online at our website at www.paradiso.org.uk/Become-a-Member-with-community-shares/Paradiso-Arts/. There are two ways to make payment by bank transfer or by cheque. It is essential that you **include an e-mail address** on your application if you have one, so we can make contact with you now and in the future regarding membership matters.

If you would like a copy of the share offer document including the application form and nomination form sent to you in the post please call 07762 396 475 or email admin@paradiso.org.uk giving your name and full postal address.

COMPLETE AN APPLICATION FORM and return

- **ON LINE**
The application form for an individual may be completed and submitted online at www.paradiso.org.uk/Become-a-Member-with-community-shares/Paradiso-Arts/
- **BY HAND**
Application forms may be hand delivered to Bovey Tracey Paradiso Arts Ltd., King of Prussia building, 83 Fore Street, Bovey Tracey, TQ13 9AB
Several drop-in events may take place during the course of the shares issue to make it as easy as possible for local people to invest. These will be advertised throughout the local community.
- **BY POST**
Application forms may be posted to Bovey Tracey Paradiso Arts Ltd., King of Prussia building, 83 Fore Street, Bovey Tracey, TQ13 9 AB

PAYMENT METHODS

- **CHEQUE**
Including a cheque with your application please make it payable to **Bovey Tracey Paradiso Arts Limited**.
- **BANK TRANSFER**
Please ensure that you use your **SURNAME as a reference** on the bank transfer so we can match payments received to applications. Our bank details are:
Bank: The co-operative bank Account name: Bovey Tracey Paradiso Arts Limited
Sort Code: 08-92-99 Account number: 65986871

How we shall hold your money

Bovey Tracey Paradiso Arts Limited will hold all share application monies in a separate account from our day to day account. The Board of Directors will consider your application, at the first Board meeting after the offer closes. You will then be advised as to whether your application has been accepted and the date on which your membership becomes effective.

Anti-money laundering checks and Data Protection

All personal data on your completed form will be processed in accordance with our Privacy Policy which is available at <https://www.paradiso.org.uk/Privacy-Statement/>

The Money Laundering Regulations 2007 do not apply to societies when they issue withdrawable share capital. However, we may still wish to carry out identity checks on non-UK resident applicants. The identity of UK resident applications we shall take as secure where they are paying by bank transfer, credit or debit card. Please be aware that we may request two separate forms of identification, one photo ID and the other proving where you live.

Risks and rights

Any money you invest in community shares is fully at risk. You could lose some or all your money if the society gets into financial difficulties.

Community share offers are exempt from, or outside the scope of, statutory regulations that apply to the public offer of shares and other financial promotions. Applicants have no recourse to the Financial Services Compensation Scheme, or the Financial Ombudsman Service.

Further information

Please read this entire Community Share Offer Document together with our Business Plan, previous years' Annual Accounts and the Society Rules which are online at www.paradiso.org.uk/Become-a-Member-with-community-shares/Paradiso-Arts/ before you apply to purchase Community Shares.

Appendices - Application form (individual / Organisation) and Nomination form