

GlenWyvis Distillery

Dingwall community-owned distillery share offer



Community Benefit Society Registration Number: 7305
www.glenwyvis.com
www.facebook.com/glenwyvis
[@glenwyvis](https://www.instagram.com/glenwyvis)

Share Offer Opens: 16 April 2016
Minimum Target: £1,500,000
Maximum Target: £2,250,000
Deadline: 24 June 2016

BY INVESTING IN OUR
COMMUNITY SHARES
YOU WILL HELP PUT
WHISKY DISTILLING
BACK AT THE HEART
OF THE HISTORIC
HIGHLAND TOWN OF
DIN **GW**ALL.

GlenWyvis

Built on history...Powered by nature

Owned by you!



We begin with Culloden

The long story of whisky distilling at Ferintosh, and thereafter through the mists of times to Dingwall, begins at Culloden. In 1689 Duncan Forbes of Culloden, had his lands sacked and his distillery burnt by the Jacobites for supporting King William of Orange. In recompense, he was allowed to distil and sell whisky free of duty for an annual fee of 400 Scottish merks. His principal distillery was built on lands Forbes owned at Ferintosh, near Dingwall. The fame of Ferintosh whisky spread far and wide until the duty-free privilege was withdrawn due to its unfair commercial advantage.

1689

DIN  ALL



Summary of the proposal

This document contains an invitation to subscribe for shares in **GlenWyvis Distillery Limited** (reg. no. 7305) to cover the cost of the first community-owned whisky distillery in Scotland.

GlenWyvis Distillery Limited has been established as a **Community Benefit Society** for the specific purpose of owning and operating a community-owned whisky distillery and associated visitor centre to benefit the community of Dingwall.

The distillery will produce high quality, craft Scottish whisky and together with the visitor centre (which is explained through a separate Business Plan) will aim to benefit the local community by developing Dingwall into the pre-eminent Craft Distillery Town of Scotland, and a quality destination on the North Coast 500 tourist route.

Investors should appreciate that any investment they make is to support the development of a completely new distillery and, accordingly, a subscription for shares in **GlenWyvis Distillery Limited** should be regarded as primarily an investment for social and environmental purposes. It should also be noted that members of community benefit societies do not have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme. **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR CAREFUL ATTENTION.** It should be read in its entirety.

The share offer opens on 16 April 2016 and closes on 24 June 2016. However, the board reserves the right to extend this deadline if the amount raised is close to the amount required to proceed. If more than £2.25m is raised in the share offer, the directors would investigate bringing forward investment in the bonded warehouse and the Distillery Manager's house.

Due care and attention has been taken in preparing this offer document. The process has been overseen by the founder members who can vouch that the information it contains is in accordance with the facts available and that there are no known omissions likely to affect the viability of GlenWyvis Distillery Limited.

Please note: on subsequent pages of this document, and on the front cover, **GlenWyvis Distillery** is used as a shortened version of the full name: **GlenWyvis Distillery Limited Community Benefit Society.**



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Ferintosh and Robert Burns

Distilled just outside Dingwall, the reputation of the original Ferintosh whisky was considerable and its demise moved Robert Burns to lament its passing in verse:

*Thee Ferintosh! O sadly lost!
Scotland lament frae coast to coast
Now colic grips an' barkin hoast
May kill us a':
For loyal Forbes' chartered boast
Is ta'en awa!*

ROBERT BURNS

The project

The **GlenWyvis** whisky distillery was initiated by John McKenzie with the support of other key people in the wider community who gained funding for feasibility studies to find the most suitable site for a community-owned distillery in the Dingwall area. These studies resulted in a site being identified on The Flying Farmer farm base in Dingwall for a small-scale, whisky distillery.

The location will be secured on a 175 year lease from The Flying Farmer farm base, planning permission has been secured for the distillery, Scottish Environmental Protection Agency licenses to extract water have been granted as have all Highland Council licenses for the storage and retail of whisky.

The **GlenWyvis** whisky is named for its historical connection to two earlier distilleries: "**Ben Wyvis**", the previous distillery on the proposed site of the visitor centre; and "**Glenskiach**" which operated in Evanton, six miles to the east. Ross-shire was once home to several whisky distilleries – this is an opportunity to invest in the rebirth of a once proud local industry.

With support from **Community Shares Scotland**, the **Plunkett Foundation** and **Co-operative and Mutual Solutions Ltd** it was decided that the most appropriate legal structure for the new body was a "**Co-operative and Community Benefit Society**".



The Scottish whisky industry exports to a world-wide market, generating significant economic benefits to the UK:

 The whisky industry is recognized as the UK's largest single food and drink sector, which accounts for 25% of the UK's food and drink exports, and 80% of Scottish food and drink exports, impacting 200 markets worldwide.

 The whisky sector generates £3.3 billion directly to the UK economy, and totals £5 billion when Gross Value Added (GVA) is added to the overall UK Gross Domestic Product (GDP).

 Craft distillers are increasing in the UK, in response to the demand from consumers for high-quality products with a backstory and which support their local economy. The Scotch Whisky Association estimates that more than 40 small new distilleries are setting up across Scotland. GlenWyvis Distillery is unique in being community-owned and 100% powered by renewable energy.

 France and USA generate the greatest levels of volume and value in terms of exports of Scotch Whisky. Emerging markets such as Brazil, India, Mexico, and UAE have achieved overall growth between 2012 and 2013 in terms of both volume and value in exports.

The opportunity

The benefits of the scheme will be threefold:



A new craft whisky distillery which is uniquely community-owned



A new craft whisky distillery which will be uniquely powered wholly by green energy



The reinvigoration of the historic Highland town of Dingwall



OWNED BY ALL
700ML • 40% ABV

Whisky with a dash of green

GlenWyvis will be built on its whisky heritage, its community-ownership and its environmental credentials. At the distillery, all energy will be produced using the renewable technologies – hydro, wind and solar – that are already used by The Flying Farmer on the farm. An advanced heating system will be powered by chip biomass. Water from both the Skiach River and Tulloch Spring will be used as cooling water with the existing borehole being used to make the whisky.

RENEWABLE ENERGY

Generating clean, green electricity

GlenWyvis Distillery will have strong environmental credentials. At the distillery, all energy will be produced using the renewable technologies – hydro, wind and solar – that are already used by The Flying Farmer on the farm.

An advanced heating system will be powered by chip biomass. This follows extensive research and a study that was part-funded by Highland and Islands Enterprise to prove the most economical and environmental heating system for the distillery. The preferred option, the chip biomass heating system, will be used for the production process and will benefit from the current Renewable Heat Incentive over a period of 20 years. A separate report is available that details the full findings of the study.

Environmental benefits

Minimise carbon emissions:

- From 15,000KWh (year 1) to a maximum of 67,000 KWH of non-thermal energy will be provided by on-site renewables
- The thermal energy used for distilling will be produced by biomass on-site
- Some 100,000kW of clean green energy is already exported from the site and would be available

Bringing social benefit to the community

Whisky has been made in small, locally-owned distilleries in Ross-shire and Inverness-shire for centuries. GlenWyvis Distillery will reinstate the iconic trade of distilling to Dingwall using high quality local barley sourced from local farmers and malted in the local area. The distillery and visitor centre will help to establish Dingwall as the pre-eminent Craft Distilling Town of Scotland.

Providing employment opportunities:

- Opportunity to increase direct and indirect employment: the distillery will employ 3 full-time staff and secure the position of the current sales and marketing executive.
- Increase through put of a local supply chain: the distillery aims to increase local use of grain products through Highland Grain Ltd farmers' cooperative society, based on the Black Isle near Inverness, which specialises in the production of malted barley.

Investing the community benefit monies

The community benefit payment generated by the distillery will be initially invested in a visitor centre. This will attract over 30,000 national and international visitors to Dingwall, providing interpretation and exhibitions on the history of whisky production in Ross-shire; the links to the Jacobites, Culloden and Robert Burns, and a science-based interactive exhibition on renewable energy in addition to whisky tastings and tours.

The visitor centre will include a bistro, run as a social enterprise to provide training and employment to long-term unemployed and other disadvantaged people in Dingwall. It will also include a small cinema, which will provide the audio-visual context for the exhibitions, showcase the work of Highland-based arts students, and provide a home for a Community Cinema Society. It will provide a catalyst to increase the profile of the Royal Burgh of Dingwall and the wider Ross-shire Heritage, particularly as part of the North Coast 500 road tour; and increase footfall to the independent shops that make up Dingwall's High Street.



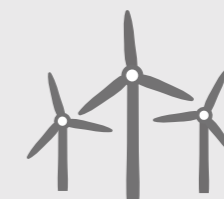
It is planned that GlenWyvis Distillery will move off-grid between 2030-2035; this would be a world first.



SOLAR



HYDRO



WIND



BIOMASS



THE COMMITMENT OF
LOCAL INVESTORS
 WILL HELP TO MAKE
 OUR COMMUNITY-OWNED
 DISTILLERY A WORLD
 FIRST FOR DINGWALL.

Big rewards for local investors

Local investors are at the heart of **GlenWyvis**. We want the distillery to be owned by the community. That's why we have a special offer and special rewards for investors living within the IV postcode area in Scotland. For just £250, if you live within the IV postcode, you can invest in **GlenWyvis Distillery** – and in return you will get a bottle of **GlenWyvis** Gin worth £40 and a **GlenWyvis** T-shirt worth £20 PLUS you will receive a bottle of **GlenWyvis** Whisky in year three worth £40. Add the 30% tax saving on your £250 investment – that's £75 off your tax bill – and you have total benefits worth £175! And you still have a shareholding of £250 and one vote like every other investor.



Offering you a financial return for your support

The project will not be possible without the support and commitment of investors. If you invest in **GlenWyvis Distillery** you will help to achieve this vision of a community-owned whisky distillery and a green future for Dingwall.

This is not an investment to make a quick financial return; this is a long term investment for those people who value craft distilled Scottish whisky.

It is your responsibility to declare to HMRC any income received from your investment.

If you are a UK tax payer you may be eligible for tax relief through the Enterprise Investment Scheme (EIS) and the Seed Enterprise Investment Scheme (SEIS) and you may be able to recoup up to half the cost of your investment at the outset. Shares must be held for at least three years after trading starts to maintain eligibility for (S)EIS.

Although in the medium term once the distillery is retailing 7 and 10 year old single malts we intend to pay interest on members' shares of up to 5% or 2% above the Base Rate, in the short term the rewards have been designed for people who love craft distilled whisky.

Invest £250 - £749

Postcode restriction to IV postcodes in Scotland.

1 bottle Gin now, T-Shirt and bottle Whisky in year 3.

Invest £750 - £2,499

2 Gin now or 2 Inaugural Whisky between Burns Day 2020 and St Andrews Day 2020, T-Shirt now and private distillery tour for 2 in 2018.

Invest £2,500 - £4,499

6 Gin now or 6 Inaugural Whisky between 25/1/20 and 30/11/20, 2 T-Shirts now and shared distillery tour in 2018 plus tour for 2 including 20 minute helicopter whisky history tour in 2017 flown from Dalcross Airport, Inverness, by The Flying Farmer.

Invest £4,500 - £7,499

One 64l "first fill" sherry cask filled with 64l New Make spirit at circa 63% abv (see terms & conditions on our website). Plus 6 Gin now, 2 T-Shirts now and shared distillery tour in 2018 plus tour for 2 including 20 minute helicopter whisky history tour in 2017 flown from Dalcross Airport by The Flying Farmer.

Invest £7,500 - £14,999

One 128l or two 64l "first fill" sherry casks filled with New Make spirit at circa 63% abv (please see terms and conditions on our website). Case of Gin now, 2 T-shirts now and private tour for 4 in 2018 plus tasting masterclass at distillery and 30 minute shared helicopter whisky history tour for 2 in 2017 flown from Dalcross Airport by The Flying Farmer.

Invest £15,000 - £49,999

Fill Hogshead Cask personally in 2017 and add your name on wall or roof of distillery plus case of Gin now and bottle of Whisky every Burns Day till year 10 including New Make spirit. A private extended 30 minute helicopter whisky history tour for 4 flown from Dalcross Airport by The Flying Farmer plus a private tour and tasting master class for 4 in 2018.

Invest £50,000 - £100,000

Investments will be considered by application only and bespoke packages similar to above can be arranged.

Casks are sold to you and become yours on successful application for shares. Detailed terms and conditions of your cask ownership are available on our website www.glenwyvis.com. These include that UK Duty and VAT may be payable after bottling; that you are a private individual purchasing for private consumption or gifting and that you may not sell on or trade for profit, the bottled whisky. A 64l cask will produce around 100 bottles of whisky at 46% abv. Assuming a bottling cost of £5 per bottle and VAT and duty at current rates, each bottle would cost you £20.

Keep an eye on your investment

VISIT

When the **GlenWyvis Distillery** is built, we plan to include a Pagoda Cam! Our live video feed from the distillery pagoda will operate 365 days a year revealing unique views of the barley fields, historic Dingwall and old Ferintosh on the Black Isle. A visit online will help ensure that all friends and investors are keen to visit the distillery in person!



Your investment

Shares can only be withdrawn in the first three years after **GlenWyvis Distillery** starts trading at the absolute discretion of the board. Shares will never go up in value but could have their value reduced to zero if **GlenWyvis Distillery** was to fail.

In order to enable people to withdraw their shares after three years (we don't expect many people to want to withdraw as this is a long term investment, but we know that people's circumstances can change), we will continue to promote community ownership of the distillery both locally and to whisky lovers around the world. We will operate a waiting list for new members. If you withdraw your shares in the first three years, you may forfeit some parts of the rewards package as well as any tax relief.

Investors can expect a reasonable rate of return on their investment. The level of interest will be set by the Directors of **GlenWyvis Distillery** annually but is not expected to be a cash return until 2022.

Based on the assumptions about the likely pre-tax profits, the Directors hope to be able to pay an annual interest on share capital 4% (gross) per annum from 2022 based on our financial model.

Membership of **GlenWyvis Distillery** is open to individuals, corporate bodies, voluntary organisations and public sector investors. Any tax incentives are subject to HMRC rules on eligibility.

If the minimum target is not reached, your money will be returned to you.

How much can I invest?

The price of a share in **GlenWyvis Distillery** is **£50**, with a minimum investment of **£250** to become a member for anyone living in the IV postcode area, or **£750** for people living elsewhere. If you are struggling to afford **£250 (or £750)** but want to invest, we can offer joint memberships where people club together to buy a share or discuss staged payments. If you have any questions about how joint membership works, please contact us. **The maximum investment is £100,000.**

GlenWyvis Distillery is a shortened version of the full name: **GlenWyvis Distillery Limited Community Benefit Society.**

Investing in **GlenWyvis Distillery** is principally a social investment but will provide investors with a fair financial return.

The more we raise through shares, the less commercial finance is needed for the scheme, the less risk there is and the more net profits we will have to invest in distilling whisky.

GlenWyvis IS AN OPPORTUNITY FOR ALL **SOCIAL INVESTORS** TO HELP REINVIGORATE THE HISTORIC TOWN OF DINGWALL.



What do I receive in return for my investment?

- You will be the part owner of a whisky distillery
- The rewards package as set out on page 7 (although if you are 16 or 17 years old, no alcoholic rewards will be sent until you are 18 or older.)
- A target interest rate of 4% (Gross) per annum
- We anticipate interest payments to start in 2022/23
- A vote: all members will have one vote each, regardless of how many shares they hold (providing they have the minimum 5 x £50 shares)
- The opportunity to participate in the Annual General Meeting deciding on the future and running of the business
- The right to elect the **GlenWyvis Distillery** Board of Directors. Note there are two classes of members; the expected largest class of A members residing in the IV postcode area can elect up to six directors, whereas B members living elsewhere can elect up to three directors only
- The opportunity to become one of the volunteer directors of **GlenWyvis Distillery**

Will my investment be eligible for tax relief?

We have applied for advance assurance from **HM Revenues and Customs (HMRC)** that the shares in **GlenWyvis Distillery** are eligible for tax relief under the **Seed Enterprise Investment Scheme (SEIS)** and the **Enterprise Investment Scheme (EIS)** – these are Government-backed schemes designed to encourage investment in smaller companies. We expect to receive this tax relief as distilling whisky is a qualifying trade.

Investors in **GlenWyvis Distillery** can apply for income tax relief after the start of trading i.e. when **GlenWyvis Distillery** is earning revenue from the sale of generated electricity. Your personal tax circumstances will affect the amount of tax relief in each case.

e.g. Jenny invests £20,000 in the tax year 2013-14 (6 April 2013 to 5 April 2014) in SEIS qualifying shares. The SEIS relief available is £10,000 (£20,000 at 50%). Her tax liability for the year before SEIS relief is £15,000 which she can reduce to £5,000 (£15,000 less £10,000) as a result of her investment.

The rules for SEIS and the EIS tax relief require the investment to be held for at least 3 years from the start of trading (not the date of the investment). Once **GlenWyvis Distillery** has been accepted by **HMRC** you can apply for tax relief. Remember applications for tax relief are made by you the investor to **HMRC**, not by **GlenWyvis Distillery**, and so we **cannot** give guarantees. www.hmrc.gov.uk/seedis/ is **HMRC's** information site; it explains the application procedures but, if you are unsure, please seek professional advice. It is your responsibility to declare to **HMRC** any income received from your investment.

SEIS will enable the first £150,000 of investment into **GlenWyvis Distillery** to qualify for 50% tax relief for individual investors and Capital Gains relief. Subsequent investment qualifies for 30% tax relief under EIS. As it is only the first £150,000 of investment that qualifies for the higher SEIS rate, this will be allocated to those qualifying investors who return their application form and payment first. We will offer those people who have pre-registered for shares the first opportunity to apply for shares.

The business

The aim is to create the world's first community-owned craft distillery, using 100% renewable energy to produce a high-quality Highland whisky with a unique heritage and provenance that will further enhance the reputation of Scotch whisky around the world, by:

- Using a Community Benefit Society to ensure community investment, community ownership and benefits are locked-in to the constitution, and profits require to be distributed to the benefit of the wider community.

- Employing whisky experts with a track record in start-up distilleries to ensure a quality product.

- Using water sourced from the site itself in the production process.

- Using only local barley, locally malted, from a farmers' cooperative.

- Marketing internationally primarily through the Scottish Craft Distillers Association, also a cooperative.



- Using the latest technologies and a balance of hydro, solar, wind, and biomass to derive all of the required energy on-site, backed up by energy generated from the neighbouring Dingwall Wind Cooperative through joint association with Loco2 Energy Best for Plant Tariff.

- Producing a range of non-matured spirits including GlenWyvis Gin, a malt liqueur and a vatted whisky malt under the GlenWyvis brand which will be popular locally and help to generate a positive cashflow prior to our single malt being bottled.



The products of GlenWyvis Distillery will be:

Gin

As gin requires no maturation period, it can be bottled and made available for sale as soon as possible after being produced which makes it an ideal product to generate cash and start building the brand name. **GlenWyvis Gin**, with its unique Dingwall botanicals, is being well received in the Highland market, and can be sold further afield to gain additional revenue.



New make spirit

Once the whisky distillery becomes operational in 2016 the plan is to sell new make spirit in the early period of production to the three year point when the spirit can be deemed whisky; hence sales in the first three years are relatively modest. There is a small market amongst whisky connoisseurs for new make spirit and spirit which has aged for less than 3 years and it is planned that a range of young products (termed Spirit Drinks) would be developed by the distillery. Again, this will help to build the brand and also provide an entrée into the world of whisky connoisseurs.



Liqueur

In the early years, before the whisky is fully matured, **GlenWyvis Distillery** also intends to sell a liqueur.



More detail can be found in our detailed business plan on www.glenwyvis.com



3 year old whisky

Whisky must mature for three years before it can be called such. Once there is a mature product (2020), it will be released as an un-aged single malt Scotch whisky, in both un-peated and peated versions.



Casks

One of the advantages of a small distillery is its ability to meet consumer demand for casks. There is a great interest in private cask ownership and with all of the established distillery companies now stopping direct cask sales to customers, there are opportunities for small distilleries such as **GlenWyvis** to build sales in this area.

8 year old whisky

At 8 years old the product will reach an age of maturity when the age will be put on the bottle. This will mark the beginning of **GlenWyvis whisky** moving into significant, more mainstream, markets in the UK and abroad.



FRIENDS & FAMILY

OVERSEAS CAN HELP
MAKE SCOTTISH HISTORY
TODAY BY INVESTING IN
OUR HIGHLAND MALT
WHISKY DISTILLERY.



Project financing

The board of **GlenWyvis Distillery** has identified four key funding phases. The first, which this Share Offer supports, is start-up funding for the distillery buildings, the distilling equipment, the biomass boiler, and to pay for the required HMRC Guarantee. In addition, start-up costs must be refinanced once the business is funded.

This gives a total of £2.6 million of funding required, as below:

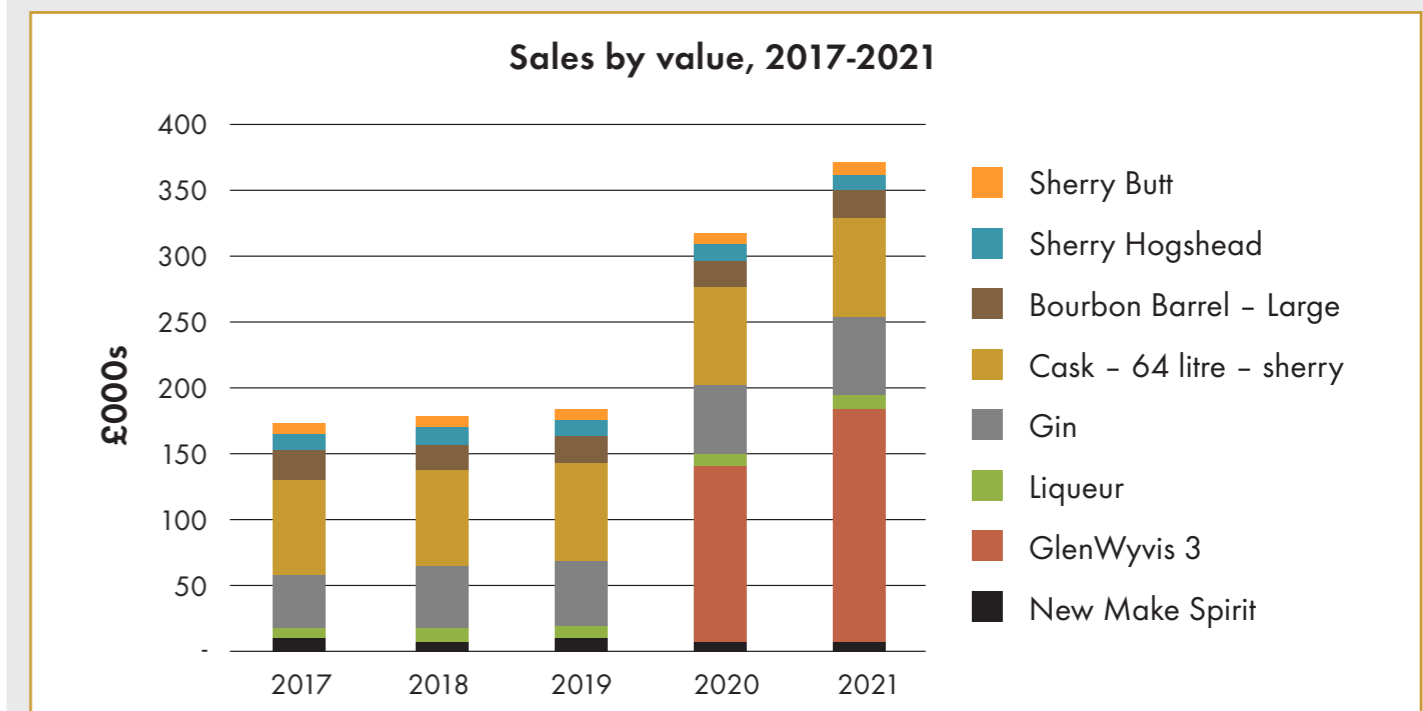
START-UP FUNDING			
Item	Cost £000s	Funding source	£000s
Buildings	638	Government grant	387
Distillery equipment	1,096	Bank	750
Biomass Boiler	325	Community shares	1,500
Other assets	50		
Total assets	2,109		
Initial working capital	23		
HMRC guarantee	270		
Repayment of start-up costs	185		
Share reward costs	50		
Total start-up costs	2,637	Total start-up funding	2,637

The £185k start up costs incurred include £18k for the distillery's electric car and 4x4 vehicle, a £20k deposit for the stills, £13k salaries for sales and marketing employee net of Highland Council grants, and £137k of professional, legal, planning, and regulatory fees.

The **GlenWyvis Distillery** is awaiting the results of grant applications to support the project. And, while awaiting the outcome of these applications, is in negotiation with two banks to ensure it achieves the most favourable terms for any loans that may be required.

Early trading activity

GlenWyvis Distillery will generate positive operating profits (before interest, depreciation, and tax) as soon as it starts trading, based on sales of new-make whisky, of unbottled whisky (casks, hogsheads), gin, and other spirits. We have already been successfully selling GlenWyvis gin and will publish first year accounts when available.

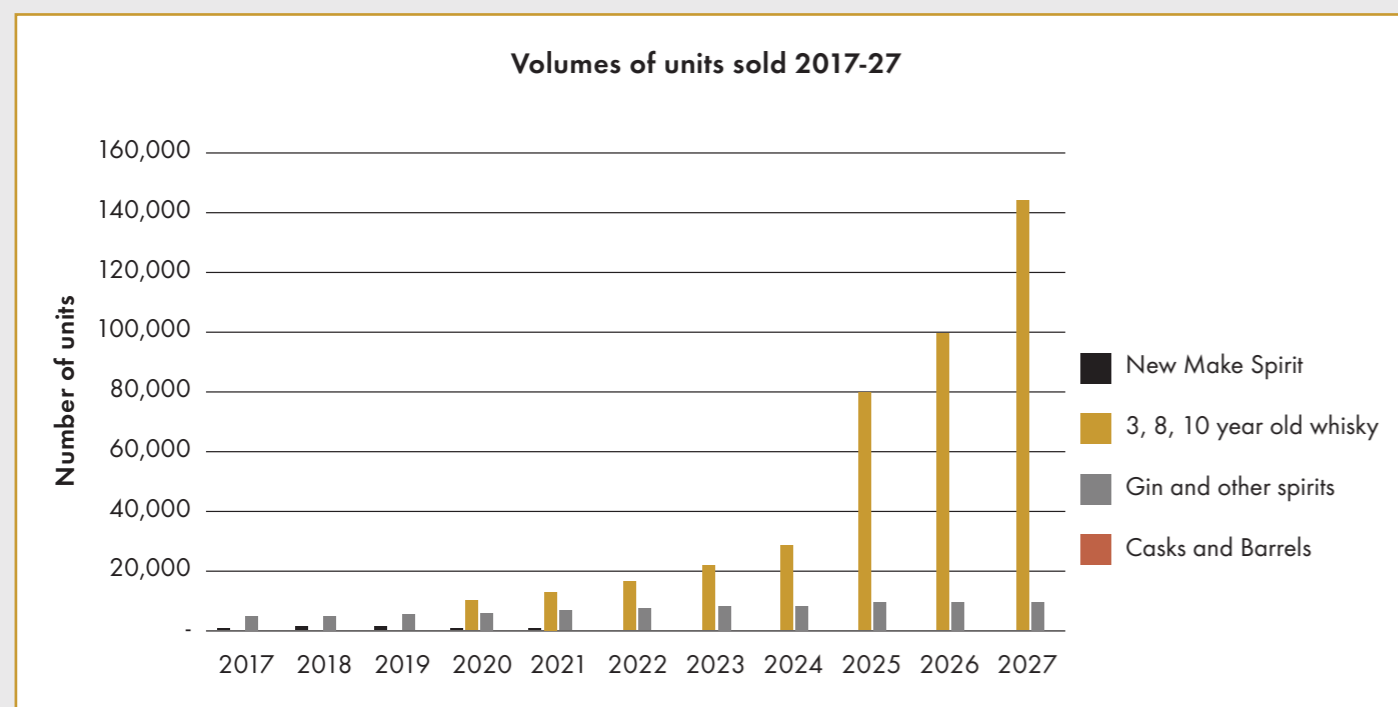


However, although **GlenWyvis Distillery** is making operating profit (profit before interest, depreciation, and tax) the substantial interest costs involved in bank lending – around £50k each year in the early years – means that the **GlenWyvis Distillery** will generate Net Losses, not Net Profits, until 2021.

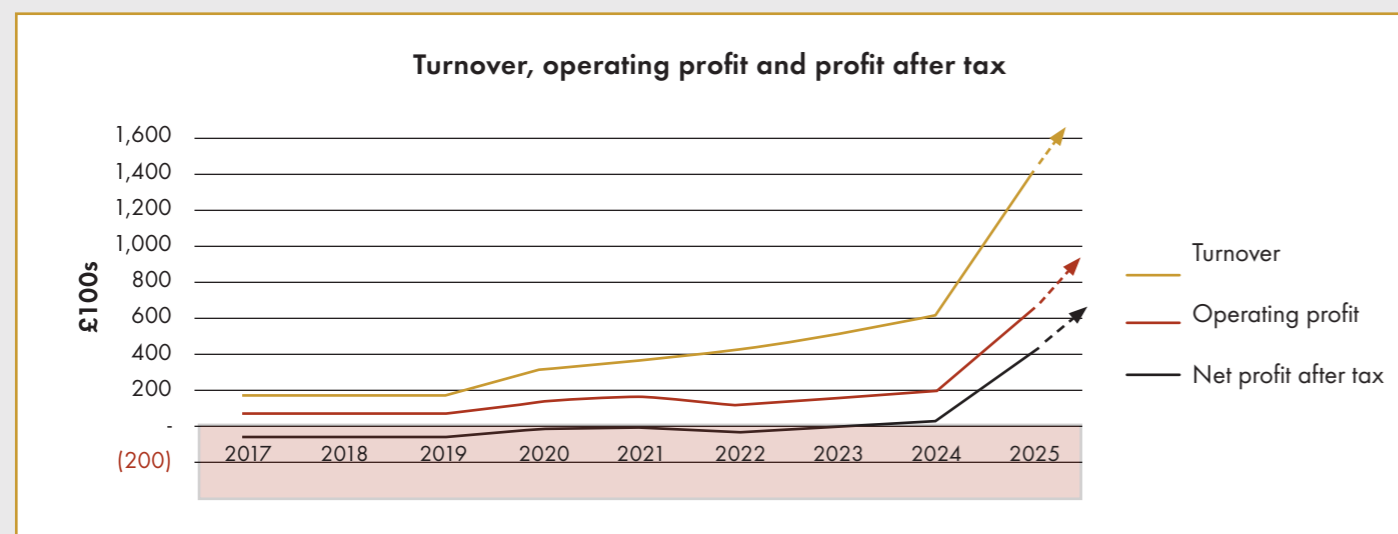
FORECAST SUMMARY TRADING RESULTS 2017 TO 2021					
£000s	2017	2018	2019	2020	2021
Sales	174	179	185	318	371
Operating Profit	68	69	67	136	153
Net (Loss) after Depreciation and Interest	(62)	(65)	(74)	(16)	2

Because of these early losses, interest on community shares is assumed to commence in 2022 for the initial investors.

GlenWyvis Distillery will then be at or slightly above breakeven from 2021 until it starts to generate significant sales from 2025 onwards as 8 year old and 10 year old malt whisky is bottled from matured stocks:



This increase in sales means that the **GlenWyvis Distillery** will generate significant profits in 2025, as the 8 year old malts are sold to a national and international market:

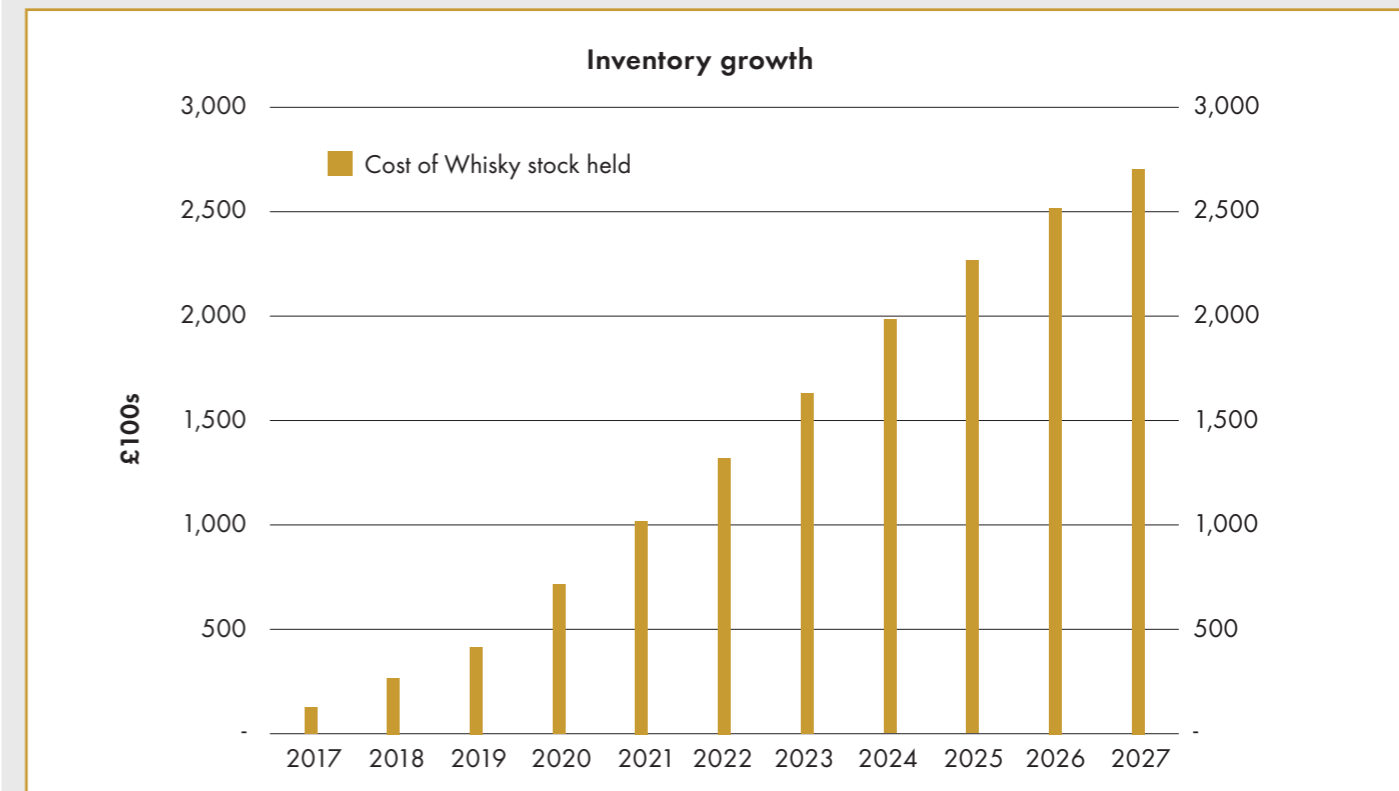


Cash Flow

During the first 10 years, the distillery will be producing from 36,000 growing to 75,000 litres of alcohol each year. Most of this will not be sold, but will be stored for maturing into 8 year old and 10 year old malts and other mature whiskies.

GlenWyvis Distillery will require additional funds over the first 10 years to fund the costs of producing the whisky and laying it down in casks to mature. This is the single greatest demand on **GlenWyvis Distillery's** cash flow.

By the end of the first 10 years, **GlenWyvis Distillery** will have a stock of maturing whisky that cost £2.7 million to produce:



To fund this inventory build, the Board of **GlenWyvis Distillery** plans three further financing rounds as below:

FUTURE FUNDING ROUNDS			
Year	Loan	Community Shares	Assumed term and interest
2019	500,000		Repayable over 10 years, 5%
		500,000	4% assumed after 5 years
2021/22		750,000	4% assumed after 5 years
	1,000,000		Repayable over 10 years, 4.5%
2024	600,000		Repayable over 10 years, 4.5%
Total future funding	2,100,000	1,250,000	

The inventory shown here is valued at historic cost, not at "net realisable value" – that is, the sale value less costs to bottle and deliver. If the inventory were valued at "net realisable value", the directors' view is that the overall value of **GlenWyvis Distillery** would increase in value over this time.

For example, a 64l cask of whisky put down in 2016 at a production cost of £330 will retail in 2017 for £750 without any further processing, and with the buyer to pay the duty.

The same whisky cask, held in inventory in 2020 at a value of £330, could be bottled as 3 year old whisky and sold.

The cask will produce around 110 bottles of whisky, at an additional cost of £1,565 for bottling and duty. These bottles will sell for £21 per bottle, or £2,310. The "net realisable value" of the cask in 2020 is over £745 – twice its value on the balance sheet. By 2027, it will be worth significantly more.

It is this excess of value over cost that gives the directors confidence that **GlenWyvis Distillery** will not only achieve its funding rounds, but be able to return capital to shareholders once the company is in a position to sell 10 year old malts.

The journey to GlenWyvis

The GlenWyvis timeline

1690

Ferintosh Distillery founded

Originally established by the Forbes of Culloden family in 1690, on the Black Isle just east of Dingwall, Ferintosh is one of the oldest whisky recorded distilleries, and its story is central to the development of the **GlenWyvis** brand.



Mulchaich Farm, site of the Ferintosh Distillery, Black Isle

1780s

Ferintosh Distillery closes

After 90 years, a combination of competition and legislation brings production of the famous Ferintosh Whisky to a halt. Its demise is sadly lamented by Roberts Burns.



Real Ferintosh Whisky Distillery

1879

Ben Wyvis Distillery opens

The original Ben Wyvis Distillery opens in Dingwall in 1879. The distillery is sold to Scotch Whisky Distillers in 1887 and then to the Ferintosh Distillery Co. Ltd. in 1889.



Ben Wyvis whisky bottled in 1894

We're very proud of our history here at **GlenWyvis**, drawing enormous influence from the famous Ferintosh brand, a much loved whisky throughout Scotland which became synonymous with quality. It was a favourite of Scotland's great bard Robbie Burns, who lamented:

*Thee, Ferintosh! O sadly lost!
Scotland lament frae coast to coast!*

... on its closure in 1784.

On the **16th of April 2016**, **270 years to the day after the Battle of Culloden**, *The Flying Farmer*, **John Fraser Mckenzie and his board** presented investors with the chance to become part of history. With your investment, construction of **GlenWyvis Distillery** in Dingwall will commence on schedule in summer 2016 with distilling production scheduled for **Burns Night 2017**. We think Robbie Burns and the Jacobites would be proud.

Ben Wyvis Distillery renamed Ferintosh

1893

In **1893**, the **Ben Wyvis Distillery** is renamed the **Ferintosh Distillery** to build on the enduring reputation of Forbes of Culloden.

Ferintosh & Glenskiach close

1926

The same year Glenskiach closed, so did Ferintosh in Dingwall. Like its neighbour - it was unable to survive US Prohibition, which dramatically cut demand for whisky.



Aerial view of the Ben Wyvis Distillery grounds from 1962

Ben Wyvis Distillery in Invergordon closes

1976

After a short 11 year run the **Ben Wyvis Distillery** in Invergordon was dismantled.

GlenWyvis launches

Taking its name from **Ben Wyvis** and **Glenskiach**, and its heritage from **Ferintosh**, **GlenWyvis Distillery** will bring back the tradition of distilling to Dingwall - and give you a chance to play an exciting role in the next phase of this dramatic whisky story.



GLENWYVIS owned by all

2016

distilling production
scheduled for
Burns Night
2017

2017

Glenskiach Distillery opens

Built in **1896** next to the River Skiach, in Evanton just north of Dingwall, the **Glenskiach Distillery** prospered during the Great War years. Good fortune didn't last though, and the distillery went into voluntary liquidation in **1926**.



Glenskiach Distillery

Ben Wyvis Distillery in Invergordon opens

The Ben Wyvis name was resurrected by **Invergordon Distillers Ltd** in **1965** on the Invergordon Grain Distillery complex. Although primarily producing whisky for blending, very rare single malt bottles of **Ben Wyvis** from this time can still be found.

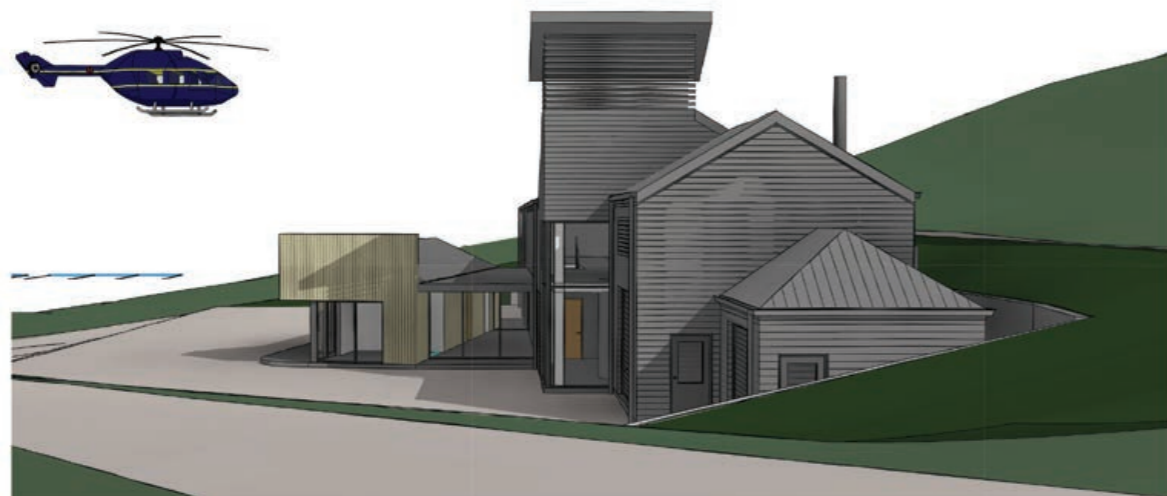


Ben Wyvis 37 Year Old

A story of three water sources

The old Glenskiach and the new **GlenWyvis** distilleries are linked by the Skiach River. Water from Ben Wyvis flows into the Skiach, and the Skiach then flows into our hydro dam via Glen Wyvis and the Docharty Burn.

These waters and those of nearby Tulloch Spring will be used for cooling purposes at distillery, while the water from a new underground borehole on the **GlenWyvis** site will be used to make the whisky.



Reynolds Architecture Ltd. - GlenWyvis Distillery, site views.

Operating the distillery

GlenWyvis Distillery will initially be run by a group of Founder Members (directors). These founder members were on the previous Limited Company Board, and continue to work on a voluntary basis. There will be a Distillery Manager responsible for day to day management of the business. It is directors who will decide on the initial share allocation and run **GlenWyvis Distillery** until the first Annual General Meeting. There will be a total of up to twelve directors in future elected from among the members.

The Risks

As **GlenWyvis Distillery** has been incorporated with limited liability, the liability of its members will be limited to the amount paid for their shares. However, prior to making any decision to subscribe for shares in **GlenWyvis Distillery**, you should carefully consider, together with all other information contained in this document,

the specific risk factors described below which are considered to be material.

However, these risk factors are not set out in any particular order of priority and the list should not be regarded as exhaustive or a complete and comprehensive statement of all potential risks and uncertainties

associated with the scheme. Additional risks and uncertainties that are not presently known or which are currently deemed immaterial may also have an adverse effect on operating results, financial condition and prospects.

RISKS (M – medium; L–low)			
There is a risk of:	Because	Risk after mitigation	Resources allocated to mitigation in this Plan?
Project failure	Insufficient funds are raised for start-up or funds not available at an affordable price	M	Significant marketing and planning resources invested to ensure plan is robust and attractive to community investors and lenders. If insufficient capital is raised, community share funding will be returned.
Project failure	Planning and other permissions are not granted	L	Mitigation already in place; planning permission for distillery in place and others submitted.
Financial targets not achieved	Construction overspends mean start-up funds insufficient	L	Mitigation already in place; construction costs prepared by QS based on UK rates which are more likely to be overstated than understated. The distillery building is larger than required for distilling, to allow space for cask storage – if necessary this could be reduced.
Financial targets not achieved	Sales volumes are not achieved or are not achieved as quickly as forecast	M	Sales targets will be carefully overseen and managed by the board of directors and the Sales Manager. Development of a targeted marketing plan once funding achieved has been included in start-up costs. Product development to be overseen and managed by the directors.
Financial targets not achieved	Overspends on production costs etc.	L	Experienced Distillery Manager will be appointed at the start of the project to ensure production is expertly managed
Financial targets not achieved	Failure to achieve additional funding in future funding rounds	M	Experienced professional board appointed to ensure good governance and management, and to achieve Plan targets. If funding unavailable despite this: Reduce cash outflow by reducing production/increasing cask sales. This will impact volumes of future sales and future profitability but allow the distillery to continue. If this is insufficient then the directors will seek members approval for additional commercial investment in a holding company. This will ensure that community benefits will continue but will reduce the value of future benefits. In the unlikely event of all three risks arising (insufficient capital, unable to reduce costs/increase sales, unable to attract part investment) then the directors will seek sale of the distillery and its inventory to a large whisky corporation; and distribute any surplus assets as required by FCA law and regulation.



Building the brand with GlenWyvis Gin

One of our biggest moments to date was the launch of our limited edition **GlenWyvis** Gin to celebrate World Gin Day on the 13th June 2015. Using nine local botanicals including Hawthorn berries – River Skiach means ‘Hawthorn River’ – we teamed up with The Malt Whisky Company to produce a unique Ross-shire taste experience. Our **GlenWyvis** branded gin has been selling very well since – both online and through local outlets – and in March 2016 we were proud to reveal a new very limited bottling of 500 to commemorate Ross County’s historic league cup win.



Early recognition for GlenWyvis

GlenWyvis received the **Innovation Award** for 2015 from the **Scottish Craft Distillers Association (SCDA)** for our unique design

and aims. Innovation is at the heart of the **GlenWyvis** business plan as we all work together to put Dingwall back on the world stage of Scotch whisky. Our business ambitions were also celebrated when we were named as a finalist in the **Highland Business Awards 2015**. We believe such awards will be the first of many for **GlenWyvis Distillery** and its premium spirit products.



Other legal information we need to tell you

GlenWyvis Distillery Limited was registered with the Financial Conduct Authority on 5 April 2016 (registered number 7305). Our governing document, the “Rules of **GlenWyvis Distillery Limited**”, is available to download at www.glenwyvis.com and explains member rights as well as the management and constitution. Other relevant background documents can also be found on our website.

As with any investment there is risk involved. Should **GlenWyvis Distillery** get into financial difficulties:

- We may not be in a position to pay interest
- We may have to suspend your rights to withdraw shares
- You may lose all the money you pay for your shares

If **GlenWyvis Distillery** is wound up, its assets will first be used to meet its liabilities; next to repay members for their shares; finally any surplus remaining will be passed onto a charity, society or other asset locked body serving the Dingwall community.

If a member dies the repaid value of the shares will normally be added to the estate for probate purposes. The application form at the end of this document offers the option for you to nominate a recipient for the value of the shares in the event of your death.

We encourage prospective members to view their investment as a long-term commitment to the project – a one-off investment to generate a long-term financial benefit to yourself and a lifetime benefit to Dingwall. Shareholders should be prepared to tie up their capital for a number of years. Share capital cannot be withdrawn for the first three years of investment and thereafter only at the directors’ discretion. Please note, the directors may resolve at any time to return excess capital to members in the proportions in which they provided it. Also the directors reserve the right to refuse an application for withdrawal to protect the financial position.

If you are in any doubt as to the action you should take you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (FSMA) or from another appropriately authorised independent financial adviser.

The content of this document has not been approved by an authorised person within the meaning of FSMA. Reliance on this document for the purposes of engaging in investment activity may expose an individual to a risk of losing all the money he/she has invested.

Nothing in this document constitutes investment, tax, legal or other advice by **GlenWyvis Distillery**, its directors or advisers.



Advisers

Solicitors: Callum Macleod – Harper Macleod

Accountants: Jamie Waugh – Johnston Carmichael

Consultants: Hazel Allen – GHRL – Business Advisors and Interim Managers
David Hollings and Gareth Nash – CMS
Advice on society Rules and Share Offer document and process
Neil Urquhart – Brand Consultant
Stuart Nickerson – Whisky Consultant
Fiona Stewart – PR Consultant
Kelly McIntyre and Morven Lyon – Community Shares Scotland
Reynolds Architecture Ltd – Architect

Failure to Proceed

All monies raised by this share offer, all money donated and all interest free loans will be held in a holding account until the decision to go ahead with the project has been made.

If a decision **NOT** to go ahead is made, all monies raised through the share offer will be returned **IN FULL** to the parties concerned.

About us

GlenWyvis Distillery is run by a team of local people, all bringing extensive business experience and useful expertise. There are seven founder directors and a Project Mentor whose details are outlined below:



John Fraser McKenzie – founder/director

An ex Army Air Corps helicopter pilot, John now runs a small livestock farm on the edge of his home town of Dingwall. He has installed a range of renewable energy projects on the farm including a hydro scheme, wind turbine and solar panels. Biomass heating, borehole and electric car complete the farm setup. Flying helicopters UK-wide under his **Flying Farmer** business, John is also behind the **Logic Energy** Wind and Solar display screen at the **Dingwall Auction Mart**. Passionate about Scotland and its history John was born on Burns Day – 25th January 1975. Following extensive research and planning on whisky history locally John is the founder of the **GlenWyvis Distillery** project which will be built on his farm. The existing energy systems will power the distillery.



Stuart Nickerson – director

Stuart is a successful business leader who has recently taken a new start distillery business to profit in 3 years and successfully sold it on behalf of the shareholders within 5 years. He has worked in the Scotch whisky industry for over 30 years starting as project engineer in Speyside before managing several high profile distilleries and moving on to Distilleries Director for one of the largest Scotch producers. He then started his own consultancy where he negotiated the purchase of **Glenglassaugh Distillery** in Scotland on behalf of a group of overseas investors and then managed the refurbishment of the distillery before restarting production after a 22 year gap. Stuart created and built the Glenglassaugh brand, winning several international awards for the quality of the whisky, while creating a distribution network stretching over 25 markets across 5 continents.



David O'Connor – director

David was a police officer for 31 years and during that time he was commander in Dingwall and Inverness prior to taking up the full time role as **President of the Association of Scottish Police Superintendents**. He was awarded the **Queens Police Medal** in 2013 for his contribution to reforming the Police in Scotland. On retiring David took up a non-executive Director's role at **Ross County Football club** and is currently the Operations Manager. He is a keen hobby farmer in and around Dingwall and the Black Isle at the centre of which is his herd of Highland cows.



Jenny Henderson – director

Jenny is proprietor of the **Royal Hotel** in Cromarty. Brought up on her family farm in the Black Isle, Jenny achieved a Business Management degree and has worked throughout the UK & abroad. Her passion for supporting local food & drink producers is evidenced in her restaurant and bar. Her former role as director of the **Royal Highland Agricultural Society of Scotland** and current role as committee member of the **Black Isle Farmers Society** allow her to continue her interest in agriculture and rural life.



William Reynolds – director

A former Captain in The Parachute Regiment, Billy is now a Chartered Architect and established Dingwall based **Reynolds Architecture Ltd.** in 1999. The practice works in the domestic and commercial sectors throughout the north of Scotland and West Highlands with experience in new build and renovation of food and drink related factories, restaurants and hotels.



James Cameron – director

Originally from Dalwhinnie, James has always been a whisky enthusiast. He runs a successful building and plant hire business in Dingwall and has a background in mechanical engineering, construction and manufacturing. James put the current infrastructure in place at **GlenWyvis** and assisted in the installation of all the renewable technologies that are on site.



Richard Lockett – director

With a background in farming and degree in Environmental Science, Richard has worked in environmental land management since graduating from University in 1999. He has run his own consultancy business – **Lockett Agri-Environmental** – for the last 7 years. Richard moved back to the family farm near Dingwall in 2014 and played a leading role in establishing the **Dingwall Wind Co-operative** – Scotland's first 100% co-operatively owned wind turbine.



Dennis Overton – project mentor

Trained as an agricultural economist, Dennis' career has been focussed on starting up, building and growing agri-businesses, particularly in the Scottish aquaculture and African Essential Plant Oils sectors. He is co-founder and Chairman of the Alness-based, employee-owned sustainable seafood company **Aquascot**. Dennis is involved in upland farming, hydro and wind renewable developments as Chair of the **Ardtornish Estate Company** in North Argyll. He is Chair of the UK's lead organic food and farming body, the **Soil Association** and Vice Chair of **Scotland Food and Drink**, the national industry-led leadership body. In 2013 Dennis became a founding director of **Dingwall Wind Co-op**.



ALL WHISKY LOVERS
WORLDWIDE ARE VERY
WELCOME TO INVEST IN
THE FUTURE OF THE FIRST
COMMUNITY-OWNED
MALT WHISKY DISTILLERY
GlenWyvis.



How to invest

Online for UK and international investors

We're running this offer through the Crowdfunder Platform, as they are able to process international payments. The system uses PayPal to accept international payments, and you will need to have or to set up a PayPal account. PayPal charge 3.4% of their share purchase for payment processing on successful share offers to cover the transaction costs (in other words, for every £100 invested, £3.40p goes towards transaction costs).

Offline investments

You can also apply by completing the application form on the rear of this brochure (or downloaded from the website) and returning it with a **cheque** or **proof of your BACS payment** for your investment to:

GlenWyvis Distillery Limited

Upper Docharty
Dingwall
IV159UF

BACS payments should be made to **GlenWyvis Distillery Limited**.

If you do make a **BACS** payment, please can you let us know by emailing info@glenwyvis.com or by telephoning **01349 862005**.

BANK ACCOUNT..... Bank of Scotland

SORT CODE..... 80 22 60

ACCOUNT NUMBER.... 13775161

IBAN..... GB74BOFS 8022 6013 7751 61

International investors

All international investors should check in advance via info@glenwyvis.com if we can deliver alcohol to your country as part of our rewards scheme. We will be able to advise you.

Investors aged 16 or 17

Anyone over 16 can invest in **GlenWyvis Distillery**, but investor's rewards of gin and/or whisky will be held in trust until investors turn 18 years of age.

What happens when I invest?

On the Crowdfunder site, your name, address and bank details will be taken but no money will be transferred until the offer closes.

After the offer has closed, the directors will decide a specific time to begin the transfer, and every investor will be given advance notice of when exactly this will be.

Cheques from offline investors will be paid in after the offer closes.

Investing online via Crowdfunder is the best way to invest. However, for offline investors, any cheques received will be paid in after the offer closes. For applications supported by BACS or IBAN transfers, the funds will be held separately and will be refunded if the minimal share amounts are not reached.

Data protection

By completing the application for membership you consent to **GlenWyvis Distillery** holding personal data about you in accordance with the Data Protection Act 1998. We do not sell, share or exchange mailing lists.



ANYONE CAN INVEST IN **GlenWyvis**.
NO MATTER WHERE YOU LIVE IN THE
WORLD, YOU'RE INVITED TO BECOME
A CO-OWNER OF SCOTLAND'S FIRST
COMMUNITY-OWNED DISTILLERY.



Terms and conditions

Your application

You cannot withdraw your application for shares after we receive your application form.

Your application may not automatically be accepted and it may not be possible to allocate you all or any of the shares that you requested.

Your application will be considered for approval at the first directors' meeting after the first and second phase of the share offer has closed. Therefore you should not expect an immediate response.

Minimum investment

The minimum investment for people living within the IV postcode area of Scotland is £250.

For investors who live outside the IV postcode area, anywhere else in the world, the minimum investment is £750.

Your payment

Payments made via Crowdfunder will be administered according to the terms set out on their website.

The directors will acknowledge receipt of your cheque/BACS payment and application within 14 days. **GlenWyvis Distillery** will hold your money on trust for you until your application is considered.

If you are not a UK resident or do not have a UK bank account, applications can be made by BACS.

If your application for shares is unsuccessful, your money will be returned within 28 days of the board of directors' meeting. If fewer are issued to you than you applied for, they will return the balance to you within 28 days of that meeting.

The money will belong to **GlenWyvis Distillery** as soon as **GlenWyvis Distillery** issues shares to you (to the extent that they take it as payment for shares).

GlenWyvis Distillery will not pay interest on any money it returns to you.

The purchase of shares should be seen as a social investment to support the aims of **GlenWyvis Distillery** and not purely as an investment for personal gain or profit.

Your promise to us

You promise that:

- Your cheque will be honoured on presentation
- You, as an individual, are at least 16 years of age
- You have authority to sign the application form. If you are signing it for another person, you will provide the directors with evidence of your authority to sign if they ask to see it
- You will supply us with proof of your identity and address if the directors ask for it. We may need to do this to comply with the Money Laundering Regulations 2003. The directors may have to hold back your shares until they see this
- You are not relying on any information or representation which is not included in this document



GlenWyvis Online

You can keep up to date with progress through our dedicated website, Facebook page and Twitter account.

www.glenwyvis.com

www.facebook.com/glenwyvis

[@glenwyvis](https://twitter.com/glenwyvis)



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.

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

communityshares.org.uk



www.glenwyvis.com

This share offer brochure is available as a pdf on the GlenWyvis website



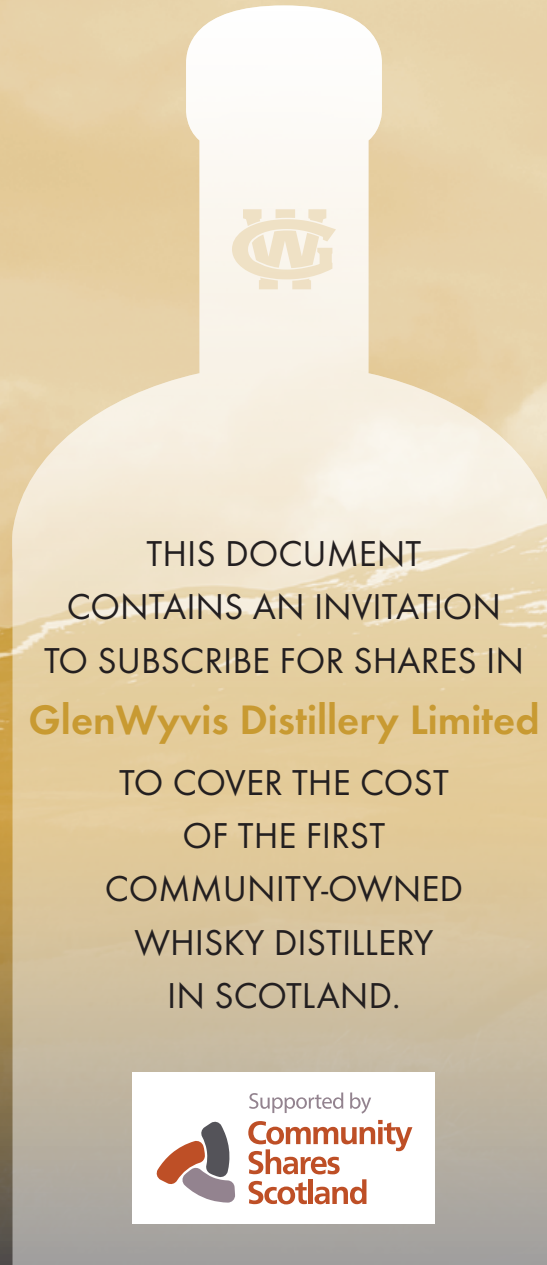
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GlenWyvis Distillery

Dingwall community-owned distillery share offer



THIS DOCUMENT
CONTAINS AN INVITATION
TO SUBSCRIBE FOR SHARES IN
GlenWyvis Distillery Limited
TO COVER THE COST
OF THE FIRST
COMMUNITY-OWNED
WHISKY DISTILLERY
IN SCOTLAND.

