***[Your CS Groups Name]***

***[Your invitation to Invest]***

***Purchasing a property using a Declaration of Trust***

**Income and Capital Gain**

The rental price of the property will be set at the Local Housing Allowance rate for the [area name]. This is dependent on the number of bedrooms. The current proposal is to purchase a [select how many bedrooms] 2/3/4 bedroom house.

Once the property is let this would generate sufficient income to return the investor an expected dividend of x % per annum.  
The investor would need to be aware that depending on their circumstances, this may be subject to tax.

The x % return cap is to allow the retention of some money within the trust to cover insurance and any normal maintenance that a landlord would be expected to undertake during the letting period. This would be reviewed annually to ensure there is sufficient money in the fund. Once this has grown to a sufficient level, the return rate would be increased by agreement at an investor Annual General Meeting.

Over the five year term of the investment, it is likely but not guaranteed that there will be a capital gain from the rise in the value of the house. The investor would need to be aware that depending on their circumstances, this may be subject to Capital Gains Tax on divestment.

**The Investment Aim**

The aim of the investment is to raise £xxx,xxx to enable the purchase and preparation of a suitable house in the xxx area. This house will then be let to a refugee family. The family will be welcomed and supported by [insert group name] as part of the Community Sponsorship scheme.

The venture is an opportunity for like-minded people to make an ethical investment that will help [group name] to transform the lives of a refugee family by housing them safely and with ongoing security of tenure.

\* Please see accompanying leaflet for full information or use the link xxxxxxxxxxxxxxxxxxxxxxxxxx

**The Investment**

The investment will cover the initial cost of purchase including all legal costs, stamp duty and buildings insurance as well as any remedial work and safety certifications required to make the property ready.

An investor should plan an investment commitment for a minimum of five years.

We are looking for investments between £xxxx and £40,000 \*\*.

\*\* The upper limit is subject to confirmation of a tax clause which may shield us from paying Stamp Duty with 3% surcharge levied on a second property.

**How the investment is managed**

An Annual General Meeting would be proposed to allow all aspects of the investment to be discussed and actions agreed upon. Regular quarterly or half yearly statements would be proposed to cover financial status and expenditure on maintenance. These would be emailed to all members.

An Extraordinary General Meeting would be called should the need arise to cover any exceptional circumstances requiring investor approval.

Please note: Officer remuneration will not take place at any time during the investment.

**How to be involved**

To express your interest please contact us at [xxxxxxxxxxx@xxxxxxx.xxx](mailto:xxxxxxxxxxx@xxxxxxx.xxx)

Note – your expression of interest relates to this prospectus which is not a legal contract in terms of this investment opportunity.

**Details of the Investment**

The investment will be for an initial five years. Before this period expires, the investors would be asked if they wish to leave their money invested. If investors wish to divest at this point the property could either be sold and the proceeds divided, or new investors could be sought to cover the leavers.

Should an investor need to leave before the five years, a clause will be included in the Declaration of Trust to allow this to happen by finding a new investor.   
The property would then be valued and the overall figure including money held in the fund would then define the value of the shares to be sold.   
Any legal costs of bringing in the new investor and altering the Trust would be met by the seller.  
It should be considered that there could be a delay in finding a new investor.

It is important to stress that in the early years of an investment of this type, it is possible that an investor will not get all the money back as some would have been spent on the legal fees and stamp duty remedial work, improvements, decoration, etc.

As with all investments there is some risk that must be considered. It is possible that there could be a fall in value of the property should the market conditions change significantly.

The property will be fully and comprehensively insured covering both the building and the Landlords contents for the five years to cover any unforeseen events.

**A Declaration of Trust**

A Declaration of Trust will be set up by the investors to protect their interests. We can suggest using a law firm who is well versed in this type of investment for Charities who buy properties for homeless families, but the investors will be free to use an alternative firm if preferred.

This is an independent Trust and will be owned by the investors.  
The Declaration of Trust is a legally binding agreement and is not a regulated product or covered by FCA compensation schemes.

A Declaration of Trust is made at the time of buying the property. Once this document is in place, the investors will know exactly where they stand if the property is sold or one person wants to be bought out in the future.

The purpose of a Declaration of Trust is to remove any uncertainty as to what will happen to each person's financial investment in the property. Setting out these financial arrangements at the outset provides clarity, minimising the chance of any disagreements in the future.

The Trust will limit its scope to the supply of the capital to buy a good quality unfurnished house sourced by [group name] and approved by the local authority and the police.   
All furniture will be provided by [group name].

The refugee family will take on a short-term legal tenancy agreement of two years with a deposit being held by the Tenant Deposit Service.

The tenant will be fully responsible for paying the rent.

[Group name] will be supporting the tenant during the first two years of the project.

When the property is purchased the Declaration of Trust is noted with the Land Registry and currently up to four people’s names can be included on the registry. This will need to be agreed on before the purchase can go ahead. Those four people will be required to act in accordance with the wishes of all the investors.