

BARRA DISTILLERY

OFFER TO INVEST

VIA THE PURCHASE OF

‘HEBRIDEAN  
SCOTCH WHISKY BONDS’



**Scottish  
Communities  
Finance**  
*Reinvesting in Your Community*

SCOTTISH COMMUNITIES FINANCE LIMITED

*Putting exclusive small batch whisky distilling  
at the heart of the Scottish Hebrides*

*Target raise: £2,200,000; minimum investment level: £500*

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*Image: Ears of Bere Barley*  
*It goes back to the eighth century*  
*and is likely to have been introduced by the Norse.*  
*Historically associated with Scotland,*  
*on the Outer Hebrides, bere barley has been used both as*  
*food (bread), feed and beverages (beer, ale, whisky).*

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## PROPOSAL SUMMARY



**B**ARRA, SEAT OF THE CLAN MACNEIL, IS AN ISLAND OF THE OUTER HEBRIDES, SITUATED 90 MILES OFF THE COAST OF NORTHWEST SCOTLAND (56.9545° N, 7.4866° W). It is grounded in rich prehistoric, Viking and Gaelic traditions and culture. Today Barra and neighbouring island Vatersay are home to 1,300 residents.

The Barra and Scottish diaspora reaches far and wide due to the clearances and emigration that has occurred over the past 260 years.

Scottish Communities Finance Limited (SCF Limited), is proud to serve as ambassadors for this rich heritage by financing the establishment of a new whisky distillery on Barra, producing high-quality single malt Scotch Whisky using locally-sourced ingredients.

The purpose of this offer is to raise finance for Uisge Beatha nan Eilean Limited, (Scottish Gaelic pronunciation: *ooshge be-ha nan yeh-lan*) to develop the Outer Hebrides' first community-owned craft distillery, using their own renewable energy and locally-sourced ingredients, situated in a unique location to produce a high-quality Scotch Whisky that will enhance the Barra brand around the world.

The distillery will produce Barra whisky and will offer single cask, single malt whisky exclusively, hand-labelled and hand-bottled with the option to introduce new make spirit to the range until the whisky matures.

Once operational, Barra Distillery will produce high quality single malt whisky bottled straight from the cask. The product will be a top-quality, single malt whisky at cask strength, designed to satisfy the increasing demand for limited

OPPOSITE:

*The Isles of Barra and Vatersay are the most Southerly inhabited islands in the Outer Hebrides and the most Westerly in the U.K. They have a strong Gaelic identity and many residents still speak Gaelic.*







edition, high quality malt whiskies. Production will be very limited, so this will always be a highly exclusive, niche product.

At the premium end of the market, small batch, limited edition, first releases are extremely sought after and can command high prices (i.e., 8-year-old artisan whisky can command a significantly higher selling price than mainstream 12-year-old single malt). It will be an Outer Hebrides spirit, introducing a new distillery to the Hebridean and West Coast Malt Whisky Trail, and one of only two community owned distilleries present in Scotland.

Craft distilleries are a growing international whisky market and there is plenty of space for distinctive, local, product. Large scale distilleries by their nature are unable to satisfy consumer desire for known provenance and traceability, which a small artisan distillery, such as the Barra Distillery, is uniquely able to provide.

UISGE BEATHA NAN EILEAN LIMITED (trading as Barra Distillery) will primarily be selling its production direct to customers—mainly to distillery visitors; online and very specialist whisky retailer(s). The vision is of a unique whisky that will personify the natural surroundings of Barra; and could only be delivered by the development of a new craft Scotch Whisky distillery. A distillery that would also strengthen the culture and future of the island by creating much needed employment, hosting cultural events and attracting visitors to beautiful Barra.

Now that Brexit is behind us and the pandemic is starting to subside, once again we all need to start to enjoy life. Whisky is the ‘water of life’ and it’s time to turn on the Barra whisky tap.

The land and the loch have been purchased, the wind turbines are in place and planning permission is in development, all that is needed is YOU.

**This document is important and requires your careful attention. It should be read in its entirety and in conjunction with the Uisge Beatha nan Eilean Limited Business Plan and other documentation available on the SCF Limited website.**

OPPOSITE:

*Kishmul Castle or Caisteal Chiosmuil (its Gaelic name translates to Castle Island), is the seat of the Clan MacNeil. The castle was built by the Chief of the Clan MacNeil in the 1400s on a rocky bay islet just off the coast of Barra. It can only be reached by boat. In 1838 the island was sold, and the castle was abandoned.*

*The remains of the castle and the island was purchased in 1937 by Robert Lister MacNeil, the then chief of Clan MacNeil who undertook some restoration. In 2000, Robert’s descendant leased the castle to Historic Scotland for 1,000 years.*

*The price as £1.00 and one bottle of whisky a year. The whole site is now maintained and run by Historic Scotland.*





OPPOSITE:  
*Port-adhair Bharraigh, Barra.*  
*It is the only airport in the world where*  
*scheduled flights use a tidal beach for a*  
*runway. It has all the full trappings of a*  
*regular regional airport, such as a flight*  
*control tower and departure hall—just*  
*no actual runway. Aircraft land on the*  
*beach when it is at low tide, with three*  
*‘runways’ set out in a triangle facing the*  
*terminal. This allows aircraft to land*  
*in any direction depending on the wind.*  
*The taking off and landing is a unique*  
*and beautiful experience. ✧*

Image by Simply Flying

It contains an invitation to invest and help finance the cost of the first community owned Scotch Whisky distillery in the Hebrides.

Investors should appreciate that any investment they make is to support the development of a completely new Scotch Whisky via the purchase of ‘Hebridean Scotch Whisky Bonds’. These Bonds are minibonds that have no secondary market and are unsecured, therefore this should be regarded as an impact investment with a financial return. A bond will cost £500, the minimum investment allowed and is offered for 10 years with a 2.25% return.

This offer document is issued on the basis of information provided by UISGE BEATHA NAN EILEAN LIMITED directors and its financial advisers to SCF Limited, a Community Benefit Society established and registered in 2017 (registration no 7649) with the Financial Conduct Authority (FCA) under the Co-operative and Community Benefit Societies Act 2014.

SCF Limited works with communities across Scotland to assist them to raise the necessary finance required, from interested social impact investors, to deliver their socio-economic ambitions for their communities.

SCF Limited will issue, administer and use the proceeds of this minibond offer to extend a loan facility to UISGE BEATHA NAN EILEAN LIMITED. This will be used to help fund the required build costs of the distillery: the purchase of plant and machinery: startup costs: initial stock and working capital.

Due care and attention has been taken in preparing this offer document. The process has been overseen by the UISGE BEATHA NAN EILEAN LIMITED directors and advisers who can vouch that, to the best of their knowledge and belief, the information it contains is in accordance with the facts available and that there are no known omissions likely to affect the viability of Barra Distillery.

Uisge Beatha nan Eilean Limited is owned by the community consisting of people who love whisky and Barra and want to be associated with its rich history, its culture and its future. It will be one of only two genuinely community-owned distilleries in Scotland. ✧



## BARRA WHISKY HISTORY



WHISKY HAS NEVER BEEN DISTILLED ON THE ISLE OF BARRA (WELL THAT IS WHAT THE ISLANDERS TOLD H.M. CUSTOMS AND EXCISE), SO WHEN THE SS POLITICIAN RAN AGROUND OFF THE COAST OF NEARBY ERISKAY AND THE LOCALS WERE THRILLED TO FIND OVER 250,000 BOTTLES OF WHISKY AMONG THE SHIP'S CARGO.

Author Compton MacKenzie lived on Barra and his famous novel *Whisky Galore* is based on sinking of the SS *Politician*. The book was the inspiration for the 1949 film *Whisky Galore!* (marketed in the U.S.A. as *Tight Little Island*), which was shot on the Isle of Barra.

Uisge Beatha nan Eilean Limited is proud to honour Barra's rich culture and the wider Outer Hebridean whisky heritage through the production of exclusive, cask strength single malt Scotch Whisky using locally-sourced ingredients.

The vision is taking shape.

- ❖ Ownership of the land and the water supply (in the form of a loch, dam and water pipes) have been secured.
- ❖ A suitable site has been identified at Upper Borge, a village on the Isle of Barra west coast. The land has been purchased and there are four wind turbines operating on the site.
- ❖ Architectural designs have been completed and the business plan is finalised.
- ❖ The water extraction licences have been secured from the Scottish Environmental Protection Agency.



*Sir Compton MacKenzie was an English-born Scottish writer of fiction, biography, histories, as well as a cultural commentator, and lifelong Scottish nationalist.*

*MacKenzie is best known for his two comic novels set in Scotland: Whisky Galore and The Monarch of the Glen. Whisky Galore was made into two successful films, whilst Monarch of the Glen was a TV series that ran from 2000–2005. Additionally, he published almost a hundred books on various subjects, including history books (on the Battle of Marathon and the Battle of Salamis) and a 1943 biography of President Roosevelt. He was greatly admired by F. Scott Fitzgerald. In addition to his writing, in 1928 he, along with Hugh MacDiarmid, was one of the co-founders of the National Party of Scotland. The precursor of today's Scottish National Party which seeks Scottish Independence from England. ✚*

You can shape that vision and be a part of this cultural and historical odyssey for an investment of just £500.

Barra Distillery is the brainchild of local man, Peter Brown, who, thus far has provided financial support along with funding support for feasibility studies from Highlands & Islands Enterprise. Barra Distillery has evolved to be the first community-owned distillery in the Outer Hebrides and only the second in Scotland.

Once operational, in addition to the production of high quality single malt whisky, the distillery will also be supporting wider socio-economic activity across the Outer Hebrides. ✦

## THE ANGELS' SHARE



UISGE BEATHA NAN EILEAN LIMITED IS COMMITTED TO THE ISLAND LIFE, HERITAGE, PEOPLE AND VISITORS TO BARRA. As such all the profits from the distillery will be placed in an independent development trust—The Angels' Share. The Angels' Share will be dedicated to the economic, social and cultural life of Barra and Vatersay. This trust expects to grant funds to various community development efforts, including sustainable energy, affordable housing and other priorities

The distillery's financial support of the trust is expected to grow over time. Other community benefits arising from the new distillery include:

- ✦ The creation of sustainable all-year-round manufacturing and administrative jobs for the community. (Without sustainable year-round employment, the Outer Hebrides faces depopulation through emigration, especially among the 16–35 demographic.)
- ✦ Sourcing and utilising the natural ingredients available throughout the Outer Hebrides, will directly support local businesses.
- ✦ Promoting a sustainable island future by using renewable energy to power the distillery.
- ✦ Supporting the local visitor economy by creating a visitor centre and associated new infrastructure generating new customers for the hotels, guest houses and ferry services.
- ✦ Acting as a sales point for local croft and craft producers thereby reinforcing the quality image of the Hebrides and Isle of Barra brand while supporting viability of local products. ✦



*The islands supply of whisky had dried up due to wartime rationing, so after the official saltage team left, the islanders helped themselves to some of the remaining bottles of whisky. Boats came from as far away as Lewis as news of the whisky travelled across the Outer Hebrides. No islander regarded it as stealing, as the salvage team had finished their work and had welded down the hatch covers. However, when Customs and Excise had discovered that further unofficial salvage was taking place, they returned and blew up the ship. ✦*





Whisky Galore *was written by Compton MacKenzie and published in 1947. The story was based on a true event—the sinking of the ss Politician and its cargo of whisky. The novel was adapted for cinema in 1949 under the title Whisky Galore!. It was filmed on Barra and starred Basil Radford, Bruce Seton, Joan Greenwood and Gordon Jackson. During filming, the weather was so poor that the production over-ran its 10-week schedule by five weeks, and the film went £20,000 over budget. Whisky Galore! was well received on release. An unspoken sense of community runs through the film. The film has since been adapted for the stage, and a remake was released in 2016.* ✦

## THE DISTILLERY



BORVE, ON THE WESTERN COAST OF THE ISLE OF BARRA, IS THE SITE OF THE DISTILLERY. It faces the Atlantic and the next landfall is Newfoundland. The North Atlantic winds blow directly over the island where the swollen clouds drop rain producing the water used by the distillery giving the whisky its distinctive flavour.

The North Atlantic rains fall and are collected in the distillery's own small reservoir high in the hills above the distillery buildings. This gives the distillery a constant supply of water for both power and whisky production.

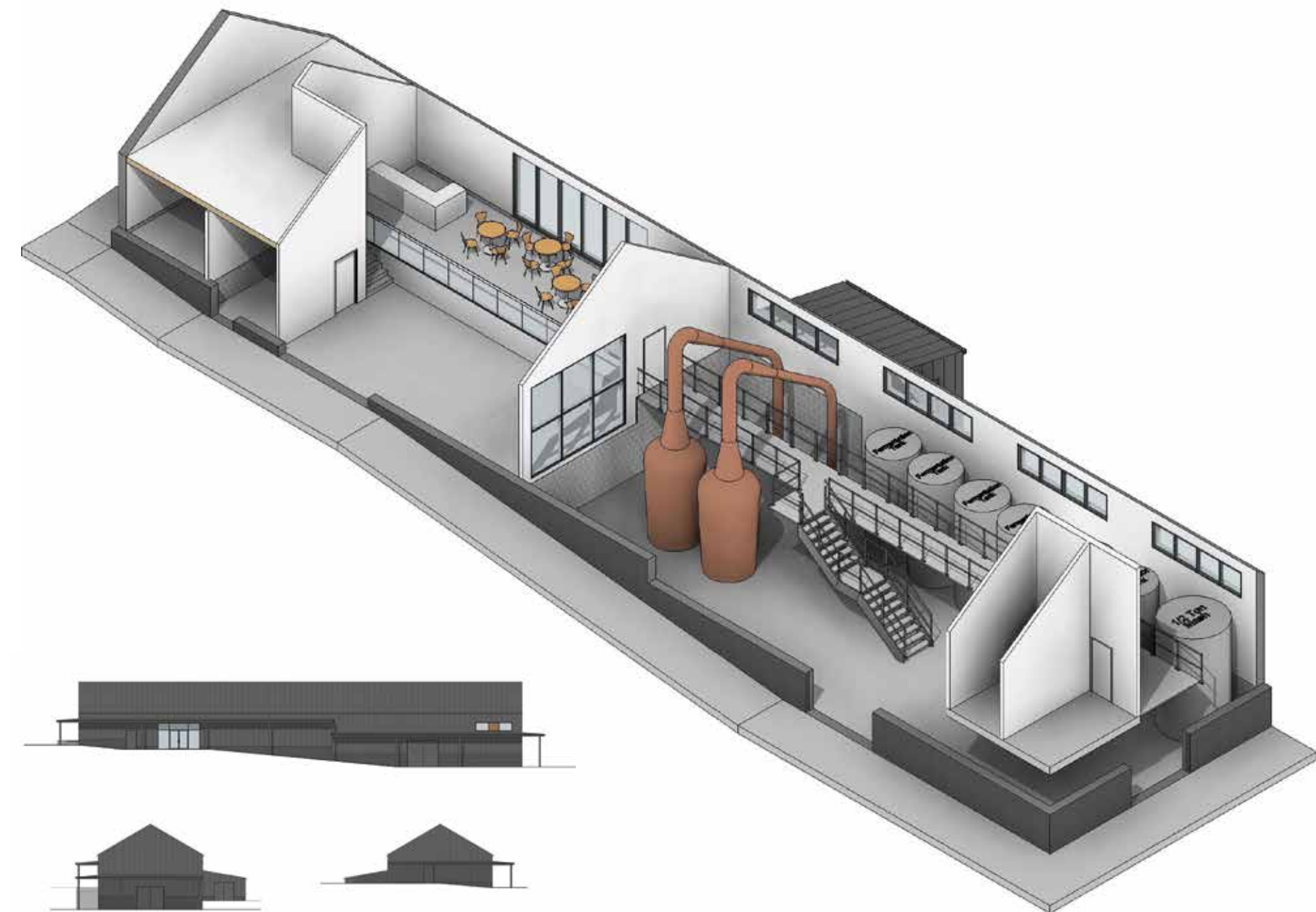
The site sits into the hillside, with Loch Uisge east and behind, supplying fresh Barra water—the Uisge—and power from its wind turbines. The main distillery and visitor centre then sits at the edge of the site, with a spectacular view westwards, down over Borge and its beach and out to America. A yard sheltered against the hill, is further enclosed by the Maturation Warehouse to the rear and, in future, a Malting Floor building to the track, at the front.

The Distillery building is simple, traditional shed forms, pitched-roofed and black-coloured like the Islands traditional herring sheds, but warm and lined. Large windows open out from the shop and café to the west. Materials will be simple, natural and recyclable, with options being investigated for a pioneering use, in Scotland, of corrugated, compressed hemp. Energy will be conserved and renewed, with the power from the hill harvested and heat from the processes recycled. ✦



ss Politician, *which sank on the 5th February 1941, during World War II, was the event that became the book Whisky Galore. It left Liverpool two days earlier, heading for Jamaica and New Orleans, with a cargo of 250,000 bottles of whisky for the American market. As the ship sailed past the Isle of Man, winds increased to gale force and ultimately sank the ship on the sandbanks off the Isle of Eriskay, in the Outer Hebrides. Local islanders took to a sailing boat and rescued all the ss Politician crew. The wreck of the ss Politician still lies off the coast of Eriskay, although it is below the water line as Customs and Excise blew up the wreck to prevent further recovery of her cargo.* ✦





## THE WHISKY

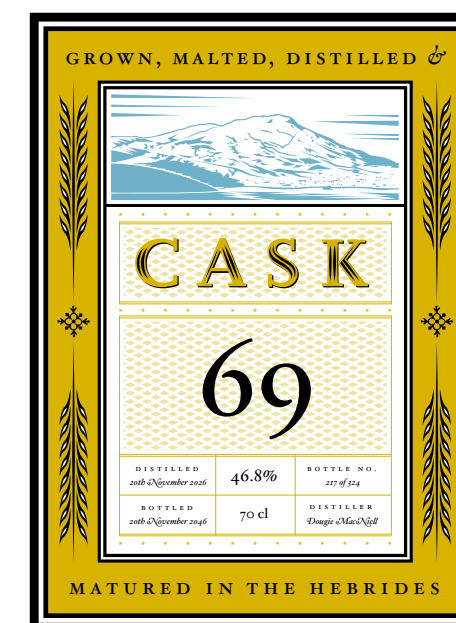


THE BARRA DISTILLERY WILL SELL ITS ANNUAL WHISKY OUTPUT OF 25,500 BULK LITRES OF WHISKY DIRECT TO CUSTOMERS AND INVESTORS EITHER DIRECTLY, ONLINE OR WITH EXCLUSIVE RETAIL OUTLETS.

Each cask will mature differently depending on the unique characteristics of the casks. Each cask will be monitored and only bottled when they reach their optimum point of maturity.

Each bottle will state the characteristics of the Cask, the number of years spent in Cask, the alcohol percentage, and the tasting notes on each bottle, hand filled, and hand labelled.

More detail about Uisge Beatha nan Eilean Limited can be found on the website: [www.uisgebeathananeilean.co.uk](http://www.uisgebeathananeilean.co.uk)





*In the u.s., the film Whisky Galore! was released in December 1949. At that time there were American restrictions on using the names of alcoholic drinks in titles, as such the film was renamed Tight Little Island. Made by the then young Ealing Studios, the success of the film in America took the studios by surprise and it was Ealing Studios first film to achieve box office success. ✦✧*

Image by Everett via Fine Art America

## NEW MAKE SPIRIT



ONCE THE BARRA DISTILLERY BECOMES OPERATIONAL, SOME NEW MAKE SPIRIT WILL BE SOLD IN THE EARLY PERIOD OF PRODUCTION TO THE THREE-YEAR POINT WHEN THE SPIRIT CAN BE DEEMED SCOTCH WHISKY; HENCE SALES IN THE FIRST THREE YEARS ARE RELATIVELY MODEST.

There is a small market amongst whisky connoisseurs for new make spirit which has aged for less than three years, and it is planned that a range of young products 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. ✦✧

## OPERATING THE DISTILLERY



ONCE FULLY OPERATIONAL, STAFFING WILL COMPRISE TWO OPERATIONS STAFF, TWO CAFÉ STAFF, ONE CHEF, FOUR SEASONAL ASSISTANTS AND ONE SALES AND MARKETING PERSON. CREATING A TOTAL OF TEN POSTS BOTH PERMANENT AND SEASONAL JOBS ON BARRA.

Staff with the relevant skills will be phased in throughout the early years of the project into designated departments, based on current needs. Recruitment is expected to be straightforward, and some staff have already been identified. The Directors anticipate that the skills needed are available on the island, or through further training. ✦✧



*‘Bere Barley, pronounced ‘bear’ is said to have been grown in Scotland from the eighth century, making it the country’s oldest cereal in continuous commercial cultivation. It is what is known as a ‘landrace’. This is the term given to a species of plant that has, over time, adapted to its natural environment. ✦✧*

Image by Living Field





*Alexander Forsyth served his time as a coppersmith in the 1890s. In 1933 he started business A. Forsyth and Forsyth's son. Forsyths is one of the world leaders in the supply of distillation equipment. It was founded by Alexander Forsyth who served his time as a coppersmith in the 1890s. In 1933 he started his business A. Forsyth and Son. To this day, staff still employ the hand hammering techniques of their forefathers to form copper into beautifully shaped pot stills. ✦*

Photograph courtesy of Forsyths



PROJECT FINANCING



FINANCE WILL BE RAISED FROM A COMBINATION OF SCOTCH WHISKY BONDS (VIA THIS OFFER), SHARE CAPITAL AND PUBLIC SECTOR GRANTS AND LOANS.

The project has been financed so far by a director’s loan, a small number of cask reservations and income from the already installed wind turbines.

The Directors have identified two funding phases to meet the company’s forecast cash requirements. This bond only applies to phase one.

PHASE ONE FUNDING

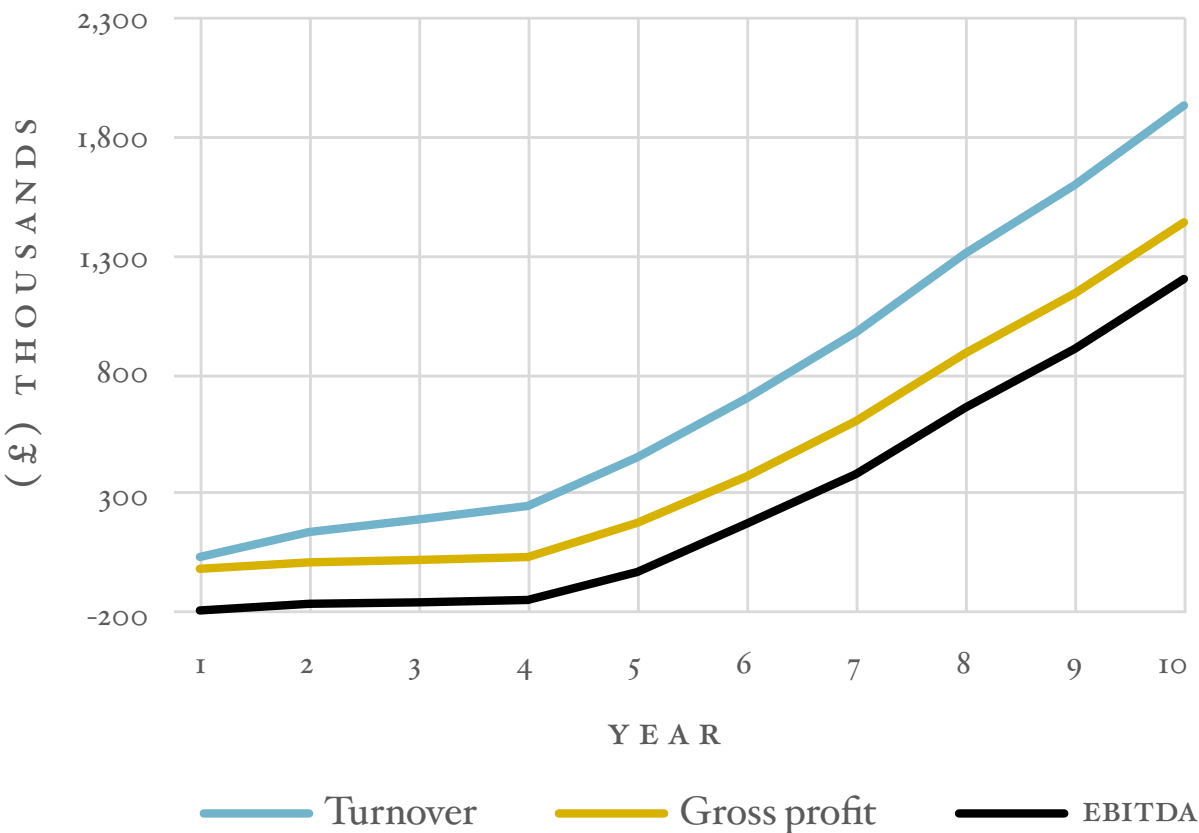
We are seeking to raise £4.7m to fund the initial requirements of establishing the Barra Distillery and the subsequent production of Single Malt Scotch Whisky for sale. Phase one funding of £4.7m is broken down into the following:

- ✧ Circa £2m required to build the distillery and c£1.9m to install the plant and equipment. Quotations have been obtained from a quantity surveyor and the equipment provider.
- ✧ Circa £0.8m for start-up costs, initial stock and working capital.

The first phase is to provide the necessary startup funding as follows:

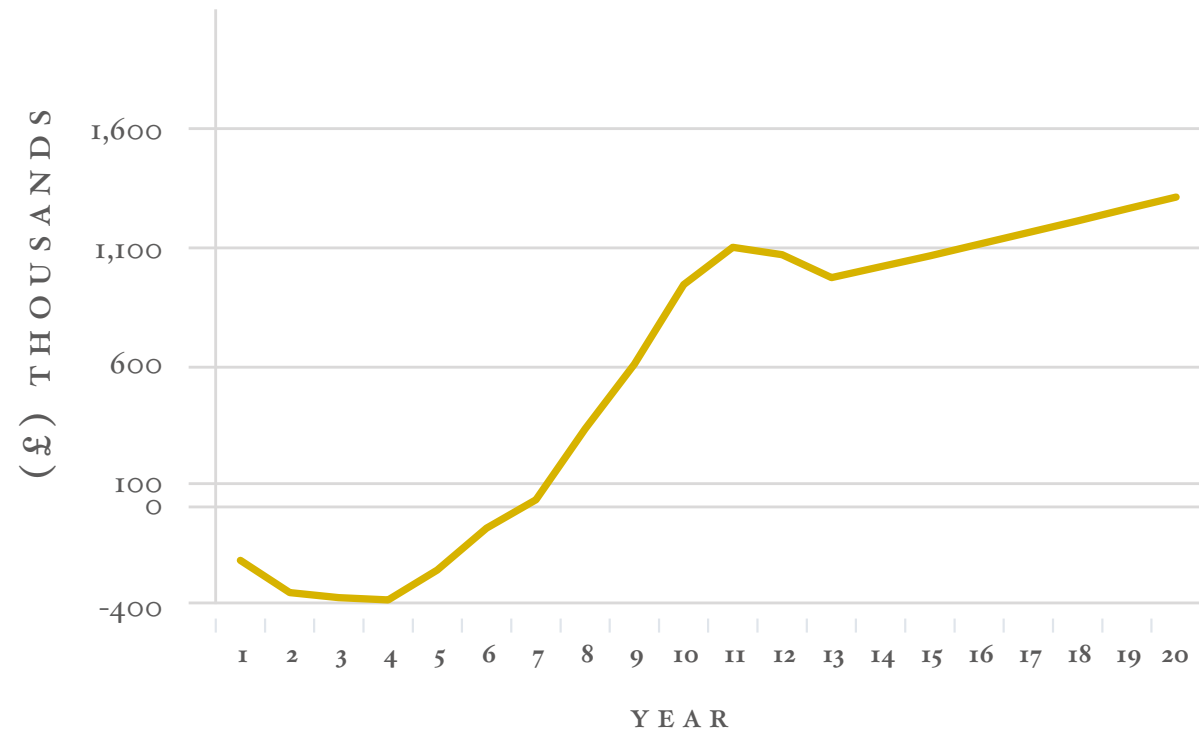
	£'000
Distillery land & buildings . . . . .	2,012
Distillery equipment . . . . .	1,700
Renewables. . . . .	180
Start-up costs, initial stock and working capital . . . . .	808
	4,700
Funded by:	
Scotch Whisky Bonds . . . . .	2,200
Public sector funding. . . . .	1,000
Share Capital. . . . .	1,500
	4,700

Trading Forecast





Projected After Tax Profits



- ✧ Whisky sales start in year 4 (3-year minimum legal maturation period for Scotch Whisky)
- ✧ Profitable business from year 6
- ✧ Significant cash generation from year 7

For detailed financials—see BUSINESS PLAN

PHASE TWO FUNDING

The second phase has a funding required of £450,000 for additional working capital requirements and to continue to build stocks of maturing Scotch Whisky. ‘It will be funded from lending secured on whisky stocks. ✧

WHY YOU ?



THERE ARE MANY, MANY REASONS WHY THIS INVESTMENT IS FOR YOU:

- ✧ **BECAUSE** you are a lover of whisky, particularly Scotch Malt Whisky;
- ✧ **BECAUSE** you’re part of the Scottish diaspora and feel a love and an affinity with Scotland and the Outer Hebrides;
- ✧ **BECAUSE** it’s a good investment;
- ✧ **BECAUSE** you want to be a part of Barra’s whisky heritage;
- ✧ **BECAUSE** you want to support small local distilleries and keep a tradition (stretching back hundreds of years) of making whisky on small home-steads alive;
- ✧ **BECAUSE** you want your investment to have a positive impact on Scotland;
- ✧ **BECAUSE** when you were young you read Compton MacKenzie’s book *Whisky Galore* or you saw the film *Whisky Galore!* or *Tight Little Island*.

Starting with a minimum investment of £500, you can become an integral part in the historical, cultural and economic life of Barra. This project will not be possible without the support and commitment of investors—without YOU.

If you invest in Barra Distillery, you will help to achieve this vision of a community-owned Scotch Whisky distillery and a better future for Barra. This is not an investment to make a quick financial return, this is a patient investment for those people who value and appreciate the dedication and time it takes to create a craft distilled Scotch Whisky. ✧



*Clan MacNeil is a highland Scottish clan of Irish origin. The clan claims descent from Niall, a descendent of Aodh O'Neill, king of Northern Ireland at the beginning of the eleventh century. Niall is commonly recognised to be the first chief of the clan. The Barra line is now generally recognised as the chief line and the Scottish American Robert Wilson MacNeil is the current clan chief. ✧*

# THE INVESTMENT TERMS



- ✧ This is a 10 year fixed term minibond.
- ✧ Your investment will be repaid at 2.25% annual interest on the capital value upon maturity.
- ✧ Applications for bonds must be made to Scottish Communities Finance Limited and must be paid in full on application.
- ✧ Payment can be made via BACS, PayPal or cheque.
- ✧ Anyone aged 18 or above can buy bonds.
- ✧ Companies and other legally constituted organisations can also purchase bonds.
- ✧ This is a long-term investment, these minibonds have no secondary market and therefore cannot be sold, transferred or redeemed early. The priority is the long-term interests of the business and the need to maintain prudent financial reserves.
- ✧ In the event of the community bond offer being oversubscribed, the Directors reserve the right to reduce the allocation of bonds on the basis of an equitable formula.
- ✧ The face value of each bond cannot increase beyond their nominal value of £500. However, the value may fall and bonds may be repaid at less than face value.
- ✧ The closure date for the Hebridean Scotch Whisky Bond Offer is 22nd November 2021.
- ✧ At the discretion of the Directors, the offer may close early if the full amount is raised.
- ✧ In the event of reaching at least 80% of the funds before the closing date, we will extend the opening period for a few further weeks further in order to secure 100% of the raise.
- ✧ If we do not raise all the money required, your investment will be returned to you.



*Borve, where the distillery will be built.*



YOUR ANGEL SHARE INCLUDES:

\*

Level of investment

Investor rewards

- £500–1,000 . . . \* 1 miniature of new Scotch Whisky at year 4.
- . . . . . \* Free distillery tour for two.
- . . . . . \* 10% discount on all distillery purchases (in-person and online).
- . . . . . \* Regular updates on distillery progress.
- . . . . . \* 1 year membership of Exclusive Barra Cask Whisky Society.

- £1,500–3,000 . . \* 2 miniatures of new Scotch Whisky at year 4.
- . . . . . \* Free distillery tour for two.
- . . . . . \* 10% discount on all distillery purchases (in-person and online).
- . . . . . \* Regular updates on distillery progress.
- . . . . . \* 1 year membership of Exclusive Barra Cask Whisky Society.

- £3,500–5,000 . . \* 3 miniatures of new Scotch Whisky at year 4.
- . . . . . \* Free distillery tour for two.
- . . . . . \* 10% discount on all distillery purchases (in-person and online).
- . . . . . \* Regular updates on distillery progress.
- . . . . . \* 1 year membership of Exclusive Barra Cask Whisky Society.

- £5,500–9,500 . . \* 6 miniatures of new Scotch Whisky at year 4.
- . . . . . \* Free distillery tour for four.
- . . . . . \* 1 year membership of Exclusive Barra Cask Whisky Society.

Level of investment

Investor rewards

- . . . . . \* 10% discount on all distillery purchases (in-person and online).
- . . . . . \* Regular updates on distillery progress.

- £10,000 . . . . . \* 12 miniatures of new Scotch Whisky at year 4.
- . . . . . \* 1 bottle of Master Distiller’s Reserve with your own personal exclusive label on bond maturity.
- . . . . . \* Your day at the distillery making whisky and filling a cask.
- . . . . . \* Lifetime membership of Exclusive Barra Cask Whisky Society.
- . . . . . \* 10% discount on all distillery purchases (in-person and online).
- . . . . . \* Regular updates on distillery progress.

- £10,000+ . . . . . \* For investments in excess of £100000, we will develop a bespoke incentive package.

\*

Membership of the Isle of Barra (108) Cask Whisky Society will include bespoke access to future exclusive bottlings and special releases of whisky while encouraging regular visits to the distillery through member-only events such as tutored tastings of casks otherwise not available. The 108 Cask Whisky Society hopes to elevate the Barra Distillery brand while promoting the Hebridean and West Coast Malt Whisky Distillery Trail by seeking collaboration opportunities with other craft and niche distilleries in the region.

## HEBRIDEAN SCOTCH WHISKY BONDS



**H**EBRIDEAN SCOTCH WHISKY BONDS ARE MINI-BONDS, AS SUCH THEY ARE NON TRANSFERABLE OR WITHDRAWABLE DEBT INSTRUMENTS THAT HAVE NO SECONDARY MARKET. Typically, they are unsecured and like other investments, they do carry *RISK* so a return on investment or capital is not guaranteed. You should therefore only ever invest as much as you are prepared to lose.

The main attraction for Hebridean Scotch Whisky bond investors is the social return that the Outer Hebrides will receive from their investment in addition to a financial return.

These investments are not suitable for those who seek regular income from their investment or require immediate access to their capital.

Investors receive interest upon maturity. The interest is dependent upon the performance of the Barra Distillery in receipt of the capital raised by the bond. Consequently, the returns maybe variable according to the profitability of Barra Distillery.

At the end of the 10-year fixed term, interest which is accruing monthly will be paid in a lump sum along with the capital. Monthly interest is calculated on a simple basis.

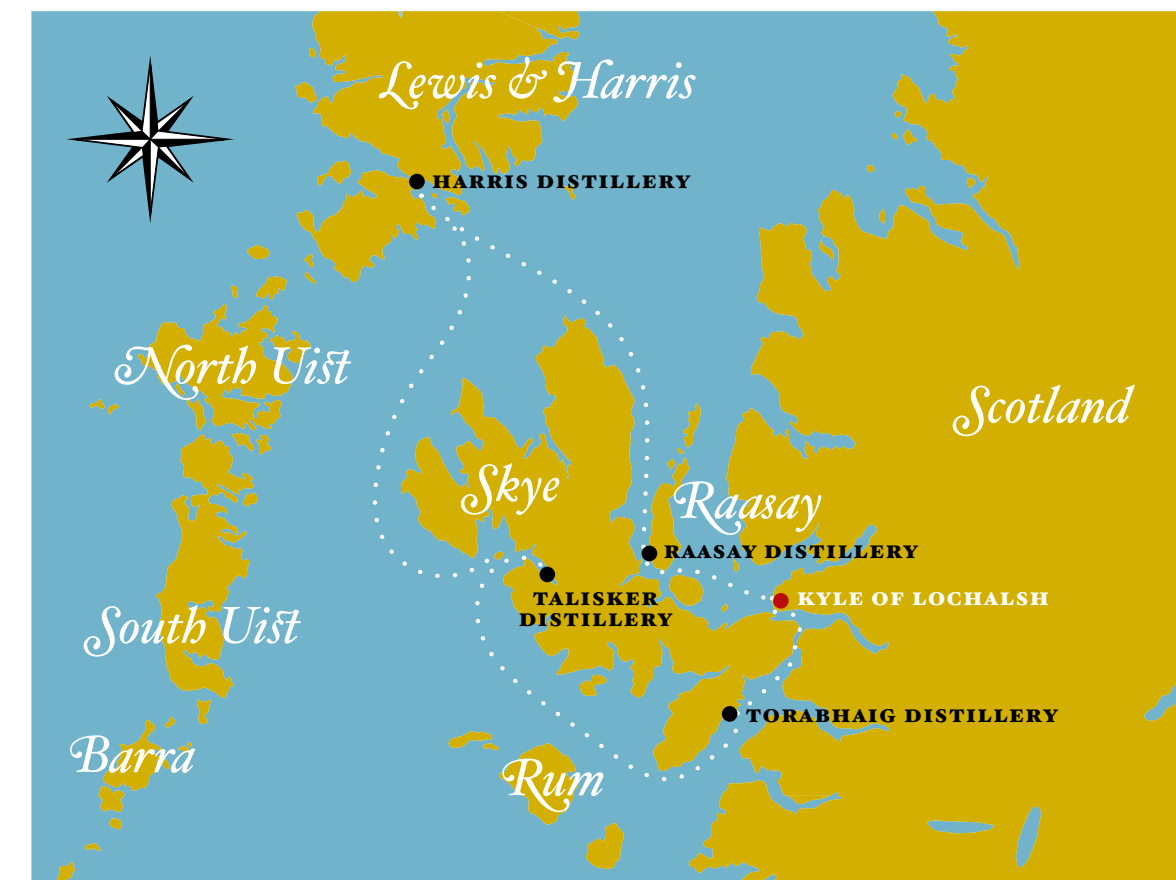
Scottish Community Finance Limited (registration no 7649) is registered with, but not authorised by the Financial Conduct Authority under the Co-

Operative and Community Benefit Society Act (2014). Under the rules of our FCA registration we are unable to prioritise investor returns at the expense of the longer term sustainability of Barra whisky.

Investors in this mini bond offer are not covered by the Financial Services Compensation Scheme and have no recourse to the Financial Ombudsman.

In order to comply with the UK Money Laundering Regulations (2003), investors maybe requested to supply proof of identify and address if necessary.

If you have any concerns, please speak to a financial advisor. ✧



*The Hebridean Whisky Trail is a 115-mile coastal route which explores whisky distilleries on Scotland's wild Atlantic islands of Skye, Raasay, Harris and Jura.*

*Each distillery has its own distinctive character and atmosphere. From the oldest, Talisker, founded in 1830, to the youngest on Raasay, opened in 2017. Most importantly all distilleries have unique stories and approaches to the craft of whisky making. ✧*



THE RISKS



PRIOR TO MAKING ANY INVESTMENT DECISION, YOU SHOULD CAREFULLY CONSIDER (TOGETHER WITH ALL OTHER INFORMATION CONTAINED IN THIS DOCUMENT AND ON THE WEBSITE) THE SPECIFIC RISK FACTORS DESCRIBED BELOW WHICH ARE CONSIDERED TO BE MATERIAL TO THE SUCCESS OF THE PROJECT.

The project has a number of specific risks, which are seen to be mitigated as follows (the list should not be regarded as exhaustive): ❖

RISK	impact	MITIGATION	risk level
Insufficient Phase 1 funds for start-up or funds not available at an affordable price.	H	Refreshed marketing strategy and sufficient planning resources to ensure plan is robust and attractive to investors and lenders. Leverage equity and bond offer to secure public funds.	M
Construction overspends resulting in insufficient funds.	M	Reliable third-party quotes for building works and distillery equipment with plans to secure by fixed price construction contracts. Built in contingency budget.	L
Sales volumes are not achieved at levels or are as quickly as forecast.	M	Developing the web-based marketing and sales platform to increase online sales.	M

RISK	impact	MITIGATION	risk level
Overspend on production costs.	M	Highly experienced team in place to ensure production is managed efficiently. Partnership with highly reputable stillmakers (Forsyths) to support commissioning and start-up while providing ongoing support after operations begin.	L
Insufficient Phase 2 funds or funds not available at an affordable price.	H	Develop relationships with working capital funders to reduce uncertainty.	M
Gaps on distillery board.	M	Continued recruitment efforts amongst stakeholders and the local community.	L
Reputational damage due to potential IP issues.	M	Continued protection of IP. Ensure Uisge Beatha nan Eilean Limited/Barra Distillery branding is distinct and unique.	L
Insufficient barley supply to support whisky production.	M	Relatively small-scale of operation is more resilient to supply changes. Bere barley is a hardier crop than commercial. Building a supplier base through partnerships.	L

## MEET THE TEAM



**B**ARRA DISTILLERY IS RUN BY A TEAM OF EXPERIENCED PEOPLE, ALL WITH USEFUL EXPERIENCE TO BRING THE PROJECT TO FRUITION. The core team members are introduced below:

### **PETER BROWN** *Founder*

Peter is an entrepreneur with over twenty years' experience in the tourism industry in both domestic and international fields. He was the Barra representative on the Outer Hebrides Tourist Industry Association for many years. He is a founding non-executive Director of Barra and Vatersay Wind Energy Limited which commissioned and built a £2m wind turbine to benefit the Barra Community. As ambassador for the Barra Distillery brand, Peter will be applying his knowledge to oversee the commercial operations when the distillery opens.

### **IAN MACMILLAN** *Master Distiller*

Ian is one of the most respected professionals in the whisky industry. He brings forty-five years of experience and knowledge to the Barra Distillery team having previously worked with Bladnoch Distillery, Burn Stewart Distillers (Deanston, Tobermory and Bunnahabhain) and the Glenturret Distillery. Ian has streamlined the Barra Distillery's operational strategy and overall design, facilitating efforts to progress this project.

### **KATHERINE FRANGOS** *Project Manager*

Originally from San Francisco, Katherine studied mechanical engineering before entering the U.S. oil and gas industry as a project manager and engineer. She came to Scotland to do an MSc. in Sustainable Energy Systems with a focus on island energy in the Outer Hebrides. Katherine has now joined the Barra Distillery team as a project manager, combining cross-functional professional experience with a personal interest in community development, energy advocacy and single malt.

### **MALCOLM FRASER** *Architect*

Malcolm is an Edinburgh-based architect whose practice has been involved in projects, many of which redefined the townscape and urban realm of Edinburgh's Old Town, such as the Dovecot Studios. Highlands and Islands projects include the rebuilding of Lews Castle in Stornoway. Malcolm's practice has won innumerable awards at local and national level, including eight RIBA awards. Malcolm has used his influence in public life in Scotland to advise and campaign on key public and environmental issues.

### **NEIL MACKINNON** *Construction Manager*

Neil gained extensive experience in the construction industry throughout the U.K. before returning to his native Barra in 2008. Since then, he has been involved in several major construction projects and infrastructure on the island, e.g., Bayhead Primary School: Wind turbines etc. He is therefore highly experienced in managing the logistical problems of construction on Barra.



ADVISORS

IAN DURIE *Corporate Finance Advisor*

Ian is a Corporate Finance Partner at Armstrong Watson and a Chartered Accountant. His vast experience in advising growing businesses, finance raising and strategy has been invaluable to the development of the Uisge Beatha an Eilean business plan and financial projections.

IAIN BROWN *Technical Support & Renewables Integration*

Brought up on the Isle of Barra, Iain has a MEng. in Mechanical Engineering. He has an innovative approach and up-to-date knowledge of renewable energy and advises on that aspect of the project. Iain has also been key to help resolve and coordinate technical issues supporting Uisge Beatha nan Eilean Limited operations.

GAVIN BROWN *Compliance & Administrative*

Also brought up on the Isle of Barra, Gavin is working in statistics and has a degree in economics. He has accounting experience, and he provides compliance advice and administrative support.

SHAUN DUKE *Accountant*

Shaun is a business accountant at Altrieve Accountancy who has supported Uisge Beatha nan Eilean Limited from the beginning.

OTHER NON-DIRECTOR TEAM MEMBERS

- ✧ Anderson MacArthur (Solicitors).
- ✧ Derek Johnston & the Forsyths Team: design and installation of distillery plant.

CONCLUSION



WITH A LOW ENTRY COST FOR INVESTORS, THIS IS A GREAT OPPORTUNITY FOR ANYONE FASCINATED BY THE WORLD OF WHISKY, TO INVEST IN SMALL NICHE SCOTCH WHISKY DISTILLING. It is an expanding marketplace with increasing demand from buyers across the world.

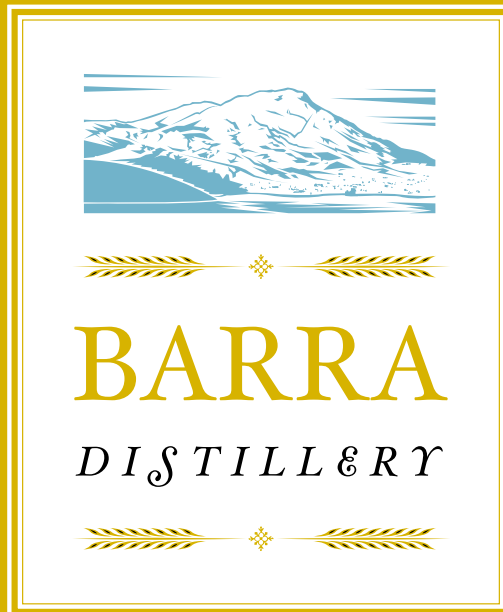
The growth in the global market and the mounting interest and popularity of the smaller, niche distillery sector is helping to drive awareness of this premium bespoke whisky sector, leading to sales growth. Strengthening this acceleration has been the recent development of the ‘Scottish Distillers Association’, which looks to champion the values of small batch produce spirits.

We know that 20% of visitors to Scotland visited a whisky distillery as part of their trip and we anticipate this will grow. In 2019, Scottish whisky distilleries attracted over 2 million people sightseers, as the distilleries become honeypot destinations in themselves.

The Business already has purchased the land, the water, the renewable energy and is confident of securing planning permission. There are a range of experts and experience in the team that has developed the project—including a master blender; architectural plans; financial advisors and experts on tourism and construction.

The Barra Distillery is a compelling opportunity to invest in the establishment of a distillery that honours the rich whisky heritage of the Outer Hebrides through the production of an exclusive, high value single malt while supporting the long term sustainability of Barra and Vatersay.

‘The directors of Uisge Beatha nan Eilean Limited are confident that their business model is viable and we look forward to your investment. ✧’



*Uisge Beatha nan Eilean Limited was established  
as a community benefit society in 2018  
for the specific purpose of owning and operating a community-owned  
Scotch Whisky distillery and visitor centre on the Isle of Barra  
to benefit the local community.*



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DESIGNED BY JULES AKEL

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