
Proposal for a shared boat purchase

**A traditionally styled gaff rigged yacht:
a proposal for shared ownership**

JUNE 22, 2019

Invitation to share ownership

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Summary

Outline proposal

A group of up to 10 members is invited to join together to buy, maintain and sail a traditional, gaff rigged yacht – original or replica - to be berthed in Jersey, Channel Islands. The boat will be available to members to sail through the year, with weeks allocated on a rotational basis for their own use, with friends and family.

From Jersey, the Normandy and Brittany coasts are easily accessible along with the English and French Channel Islands. Further afield, the South Brittany Coast / Bay of Biscay and the English south coast are also easily accessible from Jersey within a day or two's sailing. Jersey has many flights each day from Gatwick, Southampton, Exeter, Bristol, Cardiff, London City, Luton, Liverpool – for under £100 return if booked in advance.

The intention of this proposal is to attract members to own and sail a much better boat than they could afford alone - either to buy or maintain. Simultaneously it recognises that many people are time-poor, and the chance of 3 weeks sailing per year, in-season, is more than they might expect to be able to utilise. Therefore at a much lesser cost than sole ownership of their own vessel, members can sail a better boat than they could afford, for as much time as they have available and share the risks and costs of maintenance.

This project is not to be considered a financial investment with a potential for capital or revenue return. Should surplus funds accrue at any time, these will be retained within the company against future costs. It is the intention however, that members leaving will in due course recover an adjusted equivalent value of their original subscription.

Ownership

The boat will be owned by a company limited by shares established in England explicitly for the purpose. Each member will own one equal share which will have constraints on its transfer – in order to protect the other members' interest. These will include:

- 1) First right of refusal for other members. A member or group of members, may purchase more than one share, but voting rights will be constrained to one vote per member irrespective of total share holding. Additional shares would bring an additional allocation of usage weeks plus the associated requirement for additional maintenance days to be given;

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- 2) The right of other members to veto transfer/sale to any third party, in which case, the remaining members will be obliged to purchase the share at the prevailing value – where value is to be established by an independent marine valuation specialist.

The members will appoint such statutory officers of the company as are required by the UK Companies Act. Such positions are not expected to be remunerated. The company will seek to be exempt from the requirement for an annual audit under the small companies' regime. The articles of association will govern the company and these can be changed through a vote of 7 or more, or 70% of votes in the event that the number of shares in issue is not 10.

The vessel is not expected to be coded for charter – and members should not expect the vessel to earn an income. The members may choose to vary this in the future.

The initial subscription period will be kept open until either 10 members have been found, or the subscribers agree on a boat to purchase.

Financial contribution

Members are required to purchase their share according to the following formula, with actual values to be established once a boat has been selected – and paid on demand.

$$\text{Initial contribution} = \frac{\text{Number of members}}{\text{Purchase price}} + 20\%$$

For example: in a scenario where the purchase price of the boat is £300,000, with 10 members, each member will be required to subscribe an initial £36,000 for their share. The 20% is to establish a fund for maintenance. The purchase price is expected to be between £200,000 and £400,000 with annual running costs of 10% of that figure – of which some may be provided in kind (see Maintenance below).

In addition, each year an estimate for annual cash running costs will be calculated and divided equally between members to be paid in advance. These will include insurance, berthing, materials, repairs requiring professional attention, replacement and new equipment.

Should unexpected costs arise, and funds not be available, members will be applied to for a mandatory additional contribution. Failure to pay amounts due within 6 months of request, will cause forfeiture of the members share – which will then be considered

to have been redeemed by the company – and will be made available for sale to a new member.

Minimum standards

Members will be required to demonstrate competence in sailing in tidal waters, with either a minimum of a day skipper or internationally recognized equivalent certification – or demonstrable experience to an equivalent level. Members must be capable of navigating in the tidal waters of the Channel Islands.

Members will be required to stay up to date with applicable regulations – and the Collision Regulations in particular.

When away from her home port, or when members are on board, the member whose allocated week it is, will be deemed captain and therefore will bear ultimate responsibility for the vessel at that time. A member will be considered to be the captain of the vessel when they are on board during their allocated weeks, unless

- a) Agreed explicitly otherwise with another member who agrees to take the captaincy; or
- b) An otherwise competent captain has been agreed in advance with all other members. The original member must remain with the vessel.

Members will be expected to remain with the vessel during their allocated weeks, if they are using it. The vessel is not to be lent or otherwise provided to anyone else to use, without the allocated member being present for the voyage. In extreme circumstances (accident, illness, acts of god) a member may request of the other members, that an emergency, appropriately qualified alternate be permitted take charge of the vessel to secure her safety and return.

Members will be expected to remain unimpaired by drugs or alcohol while in charge of the vessel at sea. The primary consideration of all members will be the safe protection of the vessel.

Members will submit an anticipated sailing plan prior to departure with the Company Secretary, though it is not the intention of that this should become onerous and therefore there is no requirement that this is adhered to strictly as weather and circumstance may determine otherwise.

Allocation of weeks

Each member will be allocated weeks on rotation in advance starting from the first Saturday on or after April 1st and running to October 31st. Each member's allocated weeks will advance each year by an increment agreed in advance by the members.

Examples of how this could work with the maximum 10 members for 2020 and 2021 are shown in Appendices A and B.

Members will be free to exchange or combine weeks with other members as they determine between themselves.

If a member is unable to use an allocated week and has not been able to exchange it, it will be offered on a first come, first served basis to other members.

Outside the sailing season (1st April to 31st October) the vessel will be available for any member who wants to use her - subject to a simple request to other members and availability from maintenance schedules.

It is anticipated that the vessel will be returned to Jersey by the end of a period of usage unless members agree otherwise between themselves. The receiving member has the right to insist on the vessel's return to Jersey.

The vessel will be maintained to a high standard and returned clean, with full water and fuel tanks and empty grey water tanks. Breakages will be notified to the company secretary and replacements purchased immediately where feasible.

Should repairs be needed during the sailing season, the member in charge of the vessel at the time this is identified should immediately speak to the Company Secretary to agree the most appropriate action.

Members may agree a different sailing schedule entirely, for a season, with a unanimous vote following proposal by one or more members¹.

While traditional gaff rigged boats frequently attend various sailing events around the UK each year, there is no requirement for members to do so, and such would be at the discretion of member to agree annually.

Vessel specifications

Original subscribing members will agree on the vessel to be purchased within the following parameters:

- 1) A sailing boat
- 2) Of traditional style and materials
- 3) Gaff rigged and deep keeled (ie like an original or replica Pilot Cutter)
- 4) Capable of being sailed by a competent/experienced crew of 3 or less

¹ ie to sail the boat to a different location for a season, with all members sailing from there, rather than Jersey

5) Minimum 6 berths

6) With an engine

A full marine survey will be sought prior to purchase and members will vote on the options with a simple majority of subscribing members being required to authorise the purchase. A consultant may be retained, if members agree, to assist with the initial selection of the vessel, and any training needed in how to manage her.

Maintenance

Each member is required to either contribute 5 days of their own time (or delegate) per year per share owned for upkeep and maintenance, or to contribute £500 per day missed – work to be performed out of the sailing season (1st April to 31st October).

During this time, members will be able either to stay on board the vessel or in alternative accommodation at their discretion. While the vessel remains berthed in Jersey, the proposing member (see contact details below) will organise for the storage and provision of a repository of relevant maintenance equipment. Members will be expected to work to an agreed rotating schedule of works plus additional items which become necessary through everyday wear, tear and accident.

How to participate

Please contact Swithun Mason with expressions of interest, as follows

swithun@masonbreese.com or 00 44 (0)7797 893535