

## Shared Ownership Scheme v1.02 Aug 2009

Drayton Boats ([www.draytonboatservices.co.uk](http://www.draytonboatservices.co.uk)) is an established company with operational bases in Fazeley and Polesworth in the Tamworth area of Staffordshire. As you are probably aware, this area of the UK is steeped in industrial history when the waterways were used primarily for the transportation of goods around the UK. With the advent of improved road and rail systems, the canals became all but redundant and were left badly neglected. The new roads and railways were far more efficient and cost effective when compared to the canals for freight transportation and, as a result, the canals fell into disrepair.

Over recent years the UK Government, through British Waterways, have invested millions into improving the canals of the UK and they have now become a wonderful addition to the country's leisure and tourism industry.

Drayton Boats cater for all services relating to your enjoyment of some of the most scenic and picturesque waterways of the region. The company is committed to offering unparalleled levels of service to you, our customer. The company is staffed by experienced boating enthusiasts and highly skilled craftsmen and engineers.

Our services include:

- 1 Bespoke design, construction and sales of narrowboats to exacting specifications with delivery guaranteed within specific timeframes.
- 2 Shared Ownership Schemes
- 3 Servicing and maintenance of all types of leisure craft.
- 4 Day Boat hire
- 5 Moorings provision

One of the fastest growing sectors of Drayton Boats is our "shared ownership" scheme. The scheme is designed to allow clients the benefit of ownership and usage of a narrowboat without incurring the huge capital outlay associated with purchasing and owning the vessel personally.

### **How does shared ownership work?**

Shared ownership schemes are becoming ever more popular. A number of like-minded people (the Syndicate) is gathered, each of whom **owns** a share of the narrowboat. Each owner has an entitlement to use the narrowboat as their own for a predetermined number of weeks per year. In a 12 man syndicate, for instance, each member would be entitled to use the vessel for 4 weeks of the year with the remaining 4 weeks given over to the annual maintenance of the narrowboat.

### **There are numerous advantages of shared ownership but the key points are as follows:**

As you are only purchasing a share of the boat, it is likely you will be able to afford a much higher quality boat with a superior specification.

Running costs are greatly reduced as they are spread on an equitable basis between the members of the syndicate. Typically, the costs that you would incur as a member of a 12 man syndicate would be somewhere in the region of £100 per week. When you consider that to hire a high quality narrowboat for a week in the peak season can cost around £1,500, this alone makes considerable financial sense.

In our experience, clients who own narrowboats outright often only use them for around 2 to 4 weeks of the year and the vessel will lay idle for the remaining weeks. The narrowboat is like any other piece of precision engineering and is designed to be used! Leaving the vessel inactive for sustained periods is not good for the boat and problems can often occur through lack of use. Clearly, in a shared ownership

scheme the vessel is likely to be used continually throughout the year with the only "downtime" being the 4 week break for annual servicing and maintenance.

## **Frequently Asked Questions**

### **Is there a formal, legally binding agreement confirming the shared ownership of the boat?**

Yes there is. The shared ownership agreements have been ratified by a number of Solicitors and are designed to be fair, equitable and non contentious in order to protect fully the interests of the syndicate membership. Each syndicate member is issued with a certificate confirming their proportional ownership of the vessel.

### **Can there be more than one person named on the share certificate?**

Yes, up to 4 people can be named on the certificate (family members, children over 25 years of age, co-investors, etc). Shares can be bequeathed to family members

### **Will I know the other members of the syndicate?**

Yes, absolutely. We would actively encourage you to meet and communicate with your co-owners. Remember, this is designed to be a pleasurable experience for all members and there are definite benefits to be derived if co-owners interact regularly. Irrespective of this, there will be a formal AGM every year and though not compulsory, it is expected that members attend.

### **How many weeks usage of the boat am I entitled to?**

This depends on the number of members within the syndicate but you will have a minimum of 4 weeks usage. If all members of the syndicate invest the same amount of money, then they will all get the same number of weeks. If a syndicate member decides to purchase more than one share in the boat (to a maximum of 2 shares), then their usage will increase proportionally. Although this may sound a little complicated, it is in fact a very simple equation.

### **How long will I own my share in the boat?**

There are a number of shared ownership schemes where ownership is limited to 5 years. **This is not applicable to this scheme.** You will own the share(s) indefinitely. You may choose to sell your share on the open market at any time and we will assist you, if so required. The vessel can be sold on the open market if 90% or more of the syndicate members are in agreement to this course of action. We may be prepared to "buy back" your share or the entire vessel and this can be negotiated at the pertinent point in time.

### **Am I restricted to who I can take on board the boat?**

No, there is no restriction on who you can take on board the boat providing that they are accompanied by you as the syndicate member and that the numbers do not exceed the working capacity of the boat.

### **Am I restricted as to where I can take the boat?**

No, but the usual parameters apply i.e. the boat must be at a location (not necessarily its berth) in time for the next syndicate members usage. It is not uncommon for syndicate members to board the craft at a mutually convenient location, which really means that the UK waterways are at your disposal. This is one of the major reasons why we encourage syndicate members to interact.

### **Do you allow smoking in the boat?**

No. Drayton Boats do not allow smoking within the confines of the boat. Smokers are at liberty to smoke from the fore and aft decks if they so choose.

### **Where will the boat be moored?**

The boat can be moored at our base in Fazeley or a mooring of your choosing. Having the boat moored at Fazeley has definite benefits as our maintenance teams are permanently onsite. In addition to this, should you decide that shared ownership is for you, we would offer you the first year's mooring **free of charge**. This is absolutely unique to our shared ownership clients.

### **How are weeks allocated?**

The initial allocation of weeks is done by drawing lots. Each syndicate member will be allocated time in the high, medium and low seasons. Thereafter, syndicate members are at liberty to "swap" weeks with each other if they so wish on the proviso that any changes to the original allocations are reported to our offices in writing. This allows us to control and record information centrally ensuring that there are no double bookings.

### **Is there a code of conduct for syndicate members?**

Yes. The boat is your collective property and syndicate members are expected to act in an appropriate manner at all times and respect the vessel. Continued inappropriate activity could result in the syndicate member in question being asked to leave the syndicate.

### **Are the boats insured?**

Yes. The boats are insured up to the replacement value of the vessel. The cover is very similar to that of a standard household buildings and contents product. We can arrange bespoke insurance cover through our brokers if the syndicate members require any additional indemnification aside to that covered within the standard insurance policy.

### **Can I guarantee weeks in the school holidays**

No. However, you will be allocated at least one week in the peak (school holiday) period from the initial drawing of lots. Again, you are at liberty to "swap" weeks with fellow co-owners. Many owners prefer the more tranquil periods and may well be prepared to allow you to exchange your low or medium weeks for their peak season weeks.

### **What annual maintenance is carried out on the boats?**

Annual maintenance consists of a full service of the boat and engine, central heating system, white goods and cooker. In addition, we will address any paintwork issues including hull reblacking if required. The boats usually require repainting every 3 years or so. A thorough clean of the soft furnishings, flooring and curtains also forms part of the annual maintenance. The costs associated with the annual maintenance of the boat are proportional to the shares held by each syndicate member. A breakdown of the costs is given later on in this document.

### **Do owners have a choice on the colour of the boat and style of internal furnishings?**

Drayton Boats has a recognisable blue livery and we would prefer members to accept this. However, if as a collective you decide on different livery, we will be happy to accommodate your request. Internal fittings and furnishings can be bespoke to your requirements but, again, we would suggest that you listen to our advice as we aim to ensure the longevity of your investment and ensure that you are not paying for repairs/replacements due to ill-informed decisions made by members at the time of construction.

### **Can we take pets on board the boat?**

Yes. Up to 2 well behaved pets are allowed. However, the responsibility is on the member(s) with pets to ensure that the vessel is cleaned thoroughly prior to handover to the next syndicate member.

### **Can we hire the boat out if we are unable to use any particular weeks.**

No. This is not allowed under the shared ownership scheme. It would be unfair to other syndicate members to allow non syndicate members to use the boat as they would undoubtedly not show the vessel

the same respect as your co-owners. This is quite often borne out when rented boats are returned in unsatisfactory condition. We want your asset to remain pristine and as you have paid for a share, your standards will be as exacting as your fellow co-owners. You still have the option of swapping any unused weeks with other syndicate members though.

### Cost Comparisons of Ownership, Co-Ownership and Rental:

The information below demonstrates the commercial benefits of co-ownership when compared to ownership and rental. The estimated annual running costs of a 57 foot narrowboat are as follows:

	Ownership	Hiring	Shared Ownership Based on Syndicate of 12
Capital outlay	£65,000.00	£0.00	£7,995.00
British Waterways Licence	£775.00	£0.00	£77.08
Insurance	£550.00	£0.00	£45.83
Annual Servicing / General Maintenance	£250.00	£0.00	£20.83
Mooring Fees	£2,200.00	£0.00	£183.33
Breakdown Cover RCR (Similar to AA or Rac)	£160.00	£0.00	£13.33
Provision for unforeseen expenditure (slush fund)	Unknown	£0.00	£150.00
Administration costs	Unknown	£0.00	£50.00
2 x Weeks High Season Narrowboat Rent	£0.00	£2,800.00	£0.00
1x Week Mid Season Narrowboat Rent	£0.00	£1,000.00	£0.00
1xWeek Low Season Narrowboat Rent	£0.00	£750.00	£0.00
<b>Total cost for 1<sup>st</sup> year</b>	<b>£68,935.00</b>	<b>£4,550.00</b>	<b>£8,535.40</b>
<b>Annual cost for subsequent years</b>	<b>£3,935.00</b>	<b>£4,550.00</b>	<b>£540.40</b>
<b>Total costs over a 10 year period</b>	<b>£104,350.00</b>	<b>£45,500.00</b>	<b>£12,855.00</b>
<b>Average annual costs over 10 year period</b>	<b>£10,435.00</b>	<b>£4,550.00</b>	<b>£1,285.50</b>

Please note, the above information does not include the cost of fuel as this is based on the usage of the craft and therefore difficult to estimate.

### Narrowboat Specification 2009

Hull produced by M & D Fabrications

ENGINE	Vetus M17 40hp (or Similar) with PRM120 gear box and standard controls
BATTERIES	1 x starter and 3 x leisure
GALLEY	Base units, laminate worktops, stainless steel sink and taps, tiled splash back, oven with separate hob, washing machine, plumbing and electrics leading to:
PULLMAN DINETTE	Fully fitted "Pullman Dinette" providing separate dining area and additional double bed sleeping area
LOUNGE	Lighting, switches, sockets, wood effect flooring and a "solid fuel" stove, shelving to customers requirements
BATHROOM	Full size shower unit fully tiled with quadrant shower enclosure, hand basin with vanity unit below, pump out toilet, all plumbing and electrics as required
BEDROOM	Built in double bed with storage below, and built in wardrobe
ELECTRICS	The boat will be fitted with 12 volt lighting (spotlights), 240 volt ring main with landline hook-up and a 2500 watt inverter / charger

PLUMBING	The boat will be fitted with a calorifier with emersion heater and a diesel fired "Webasto" central heating unit with three radiators and a chrome towel rail in the bathroom
CLADDING	Our boats are usually fitted out with either Oak or Ash faced ply with solid timber trims to match, however other colour combinations can be accommodated, all timber surfaces are finished with three coats of varnish
VENTILATION	The appropriate amount of mushroom vents are fitted depending on length of boat and low level ventilation is fitted to front and rear doors
WINDOWS	Anodized windows with top opening ventilation fitted as standard
PAINT	The boat is blacked and primed and finished with 2 top coats
MISC	The boat comes complete with Horn, Headlight, Ropes, Pole, Plank, Tiller Bar and fenders

Drayton boats aim to produce only the best quality boats with a finish to match, should you have any requirements not mentioned above we will gladly discuss these and try to accommodate your ideas wherever possible

KITCHEN  
EQUIPMENT

	Pudding basin	Potato peeler	Wine bucket
Frying pan	Mixing bowl	Fish slice	Coffee pot
Saucepans & lids	Fruit bowl	Tin opener	Tea pot
Roasting pan	Measuring jug	Bottle opener	Butter dish
Carving dish	Cheese grater	Corkscrew	Sugar bowl
Casserole	Potato masher	Cruet set	Storage containers
Colander	Carving fork	Palette Knife	Toast rack
Pie dishes	Cook's knives	Rolling pin	Dish drainer
Bread bin	Wooden spoons	Scissors	
Pedal bin			

CUTLERY

Table knives
Dessert knives
Table forks
Dessert forks
Dessert spoons
Soup spoons
Teaspoons
Serving spoons
Serving forks

CHINA

Dinner plates
Dessert plates
Tea plates
Cereal bowls
Soup bowls
Cups
Saucers
Mugs
Egg cups

GLASSES

Wine
Pint beer
Small tumblers
Large tumblers

ELECTRICAL EQUIPMENT

Microwave
Colour television
Radio cassette
CD player
Vacuum cleaner

CLEANING ITEMS

Waste bin  
Toilet brush and stand  
Bucket  
Dustpan and brush  
Doormats  
Water key  
Gas spanner

SAFETY EQUIPMENT

Fire extinguishers  
Fire blanket  
First aid kit

GAMES

Set of cards  
Reading novels

BEDDING

Duvets  
Pillows

EXTERNAL EQUIPMENT

Life belt  
Windlasses  
Mooring spikes  
Mooring ropes  
Club hammer  
Boarding plank  
Boat poles  
Boat hook  
Water hose  
Deck mop  
Buckby can  
Radio aerials  
Chimneys

For more information or if you have further question please do not hesitate to call us:

[www.draytonboatservices.co.uk](http://www.draytonboatservices.co.uk)

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