



2022

risingsun.space
@risingsuncollective

Information video:
<https://youtu.be/XOqqTh9-Cl8>



The Rising Sun Housing Co-operative LTD

Loan stock info pack

The Rising Sun | Contents

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The Rising Sun | History

The Rising Sun is a converted pub located near Queens Road on the Peckham/New Cross border. The building has been home to The Rising Sun Collective since 2015 when a group of art and music graduates from Goldsmiths moved in, repurposing the building for their needs. The Rising Sun has since become a hub for all manner of creative outputs and a staple part of the local culture.



Some of the people who have passed through our doors...

(Many of whom have lived here at some point!)

13XL - music duo
Jamie XX - recording artist
Novelist - MC
Crushed Beaks - band
Tom Unlikely - DJ
Roo - recording artist
Mark Pritchard - producer
Paul White - producer
Ben Assiter - recording artist and drummer for James Blake
AJ Tracey - MC
Osian Jenaer - artist
Tom Odell - recording artist
Patrick Lyons - recording artist
Olan Monk & Lugh (C.A.N.V.A.S) - label founders & recording artists
Michael Speers - recording artist
Jessica Quinlan - designer
Phoebe Gardner - journalist
Ramara - recording artist
Isaac Fidler - sound artist
Louise Martinez - sound artist
Remi Martin - recording artist
Anastasia Vukicevic - comedy promoter
Tinai Zivengwa - artist liaison
Bless Elska - visual artist
Lynks- performing artist

Scott Bowley - composer
Shame - band
Isserman - recording artist
Ed Holloway - Architect
Chloecurry - Performer
Lightningboy - recording artist
Henny Seear - recording artist
Cherry B - DJ / recording artist
Andy Blake - DJ / label boss
Gigi FM - DJ
Black Midi - band
Obongjayar - recording artist
Yussef Dayes - recording artist
Esme Blegvad - illustrator
Hot Desk - radio show
Byfyn - recording artist
A House in the Trees - band
Georgie Lillington - arts management
Sweat - band
Prae - recording artist
Xao - sound artist
Mystified - recording artist
Heavenly Hiraani Hutchence Geldof
Parliament of the Owls - music duo
Badgirl\$ - band
Ixian Optical - audiovisual duo
Gray for Days - visual artist
Nathan Sam Long- director
And many more...



The Rising Sun | Creative Output



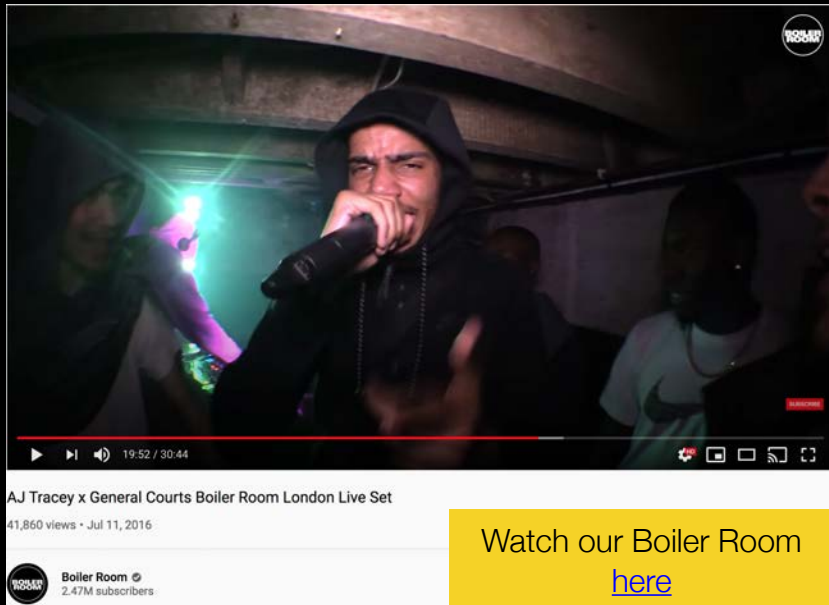
EP launches



Studio Recordings



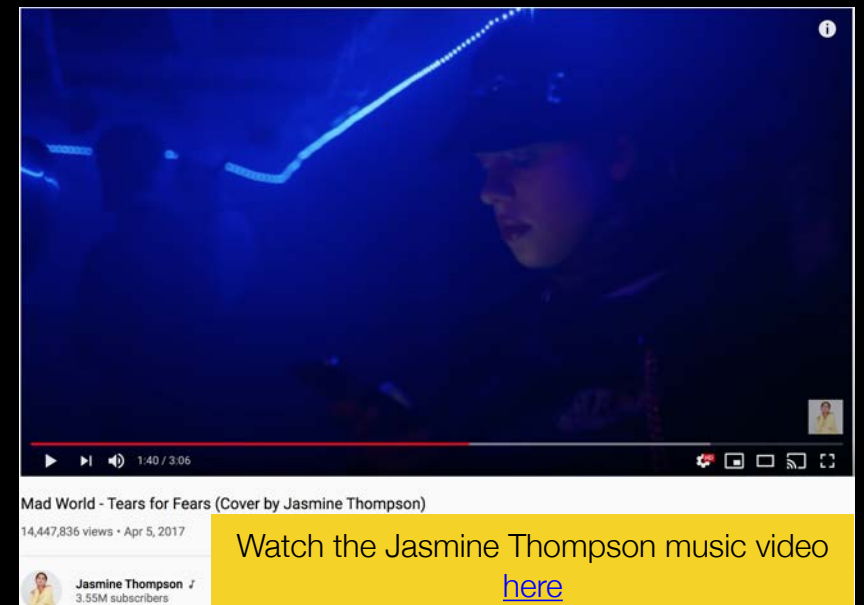
Art exhibitions



Live streams

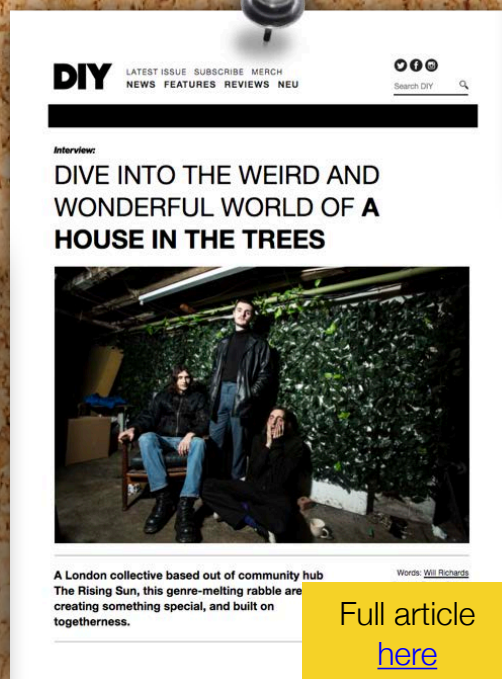
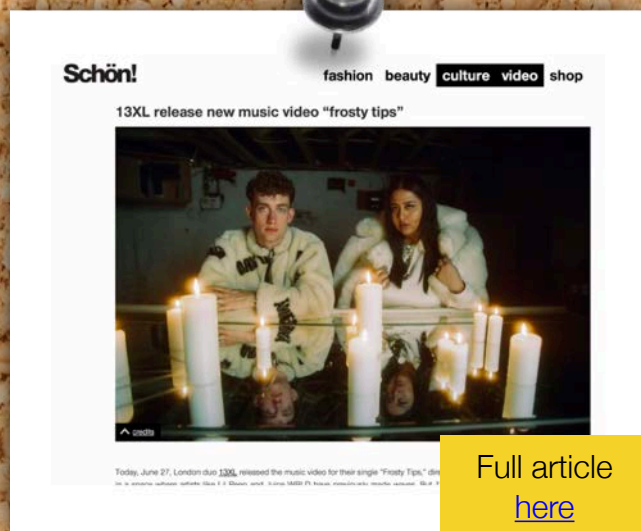
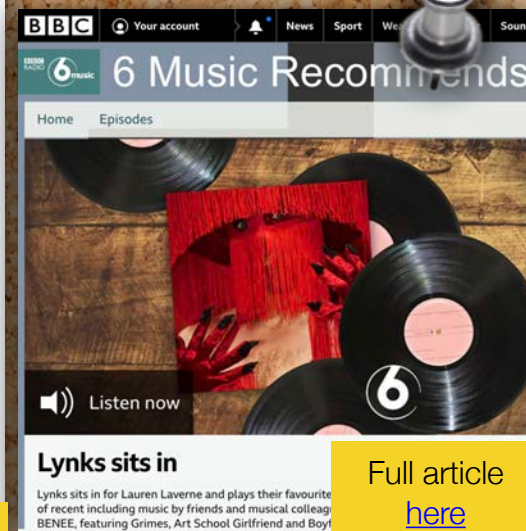
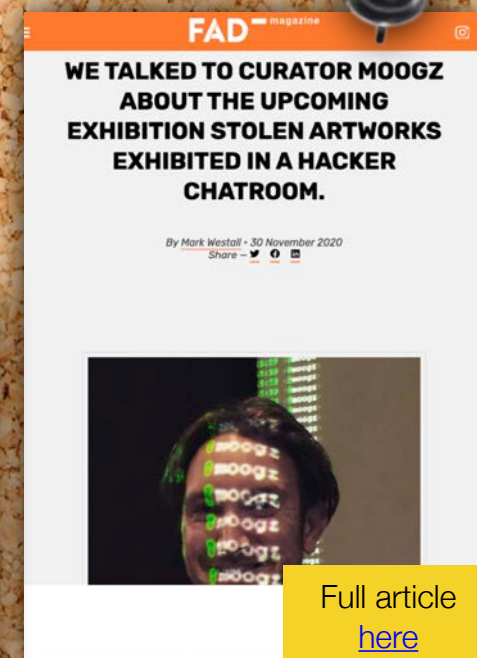
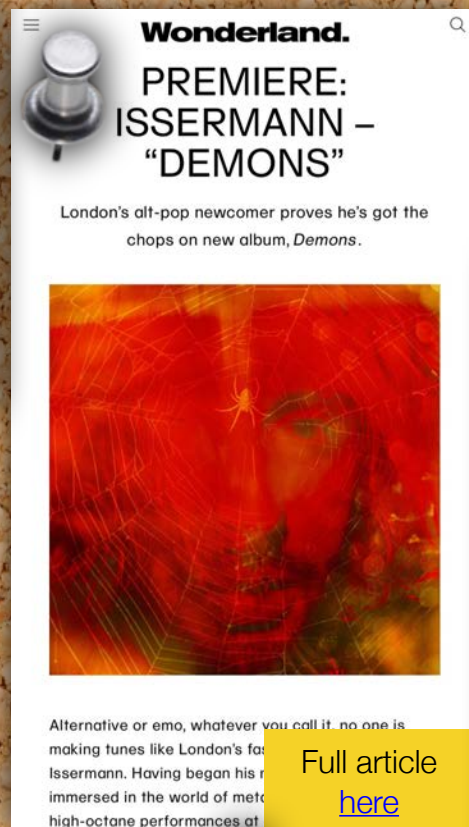
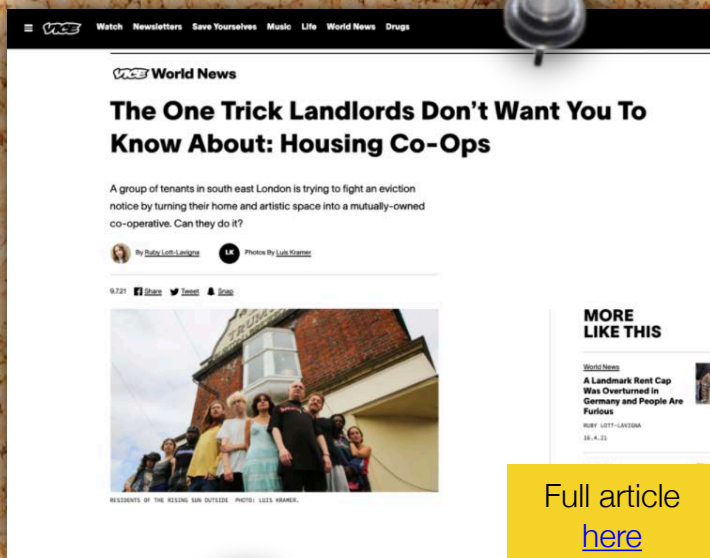


Films



Music videos

We've grabbed some attention



The Rising Sun | Our Predicament

We have to urgently raise £230,000 or lose a crucial community space to developers.



The Rising Sun | Our Predicament

Our widely-felt cultural impact is under threat as the property is now on the market to sell.

In the spirit of the way we've been doing things since our collective was founded in 2015, we've decided to form a **housing co-operative** to buy and manage the property democratically and to support the community.



We have an in-principle mortgage agreement with [Ecology Building Society and Co-operative and Community Finance](#) for a large proportion of the money we need and we are now looking to raise the rest of the funds through loan stock.

The Rising Sun | What do we offer?

What we offer the community:

- The use of our studios (music/film)
- A space for performance art/music
- Workshops covering a broad range of topics from coding to mindfulness
- LGBTQ+ & BAME safe space
- Community radio station (In pilot stages)

In addition to living space, The Rising Sun provides tenants and community alike with studio workspace. **This means that the rent for this kind of live/work space is extremely cheap for this area, especially as we border two boroughs.**

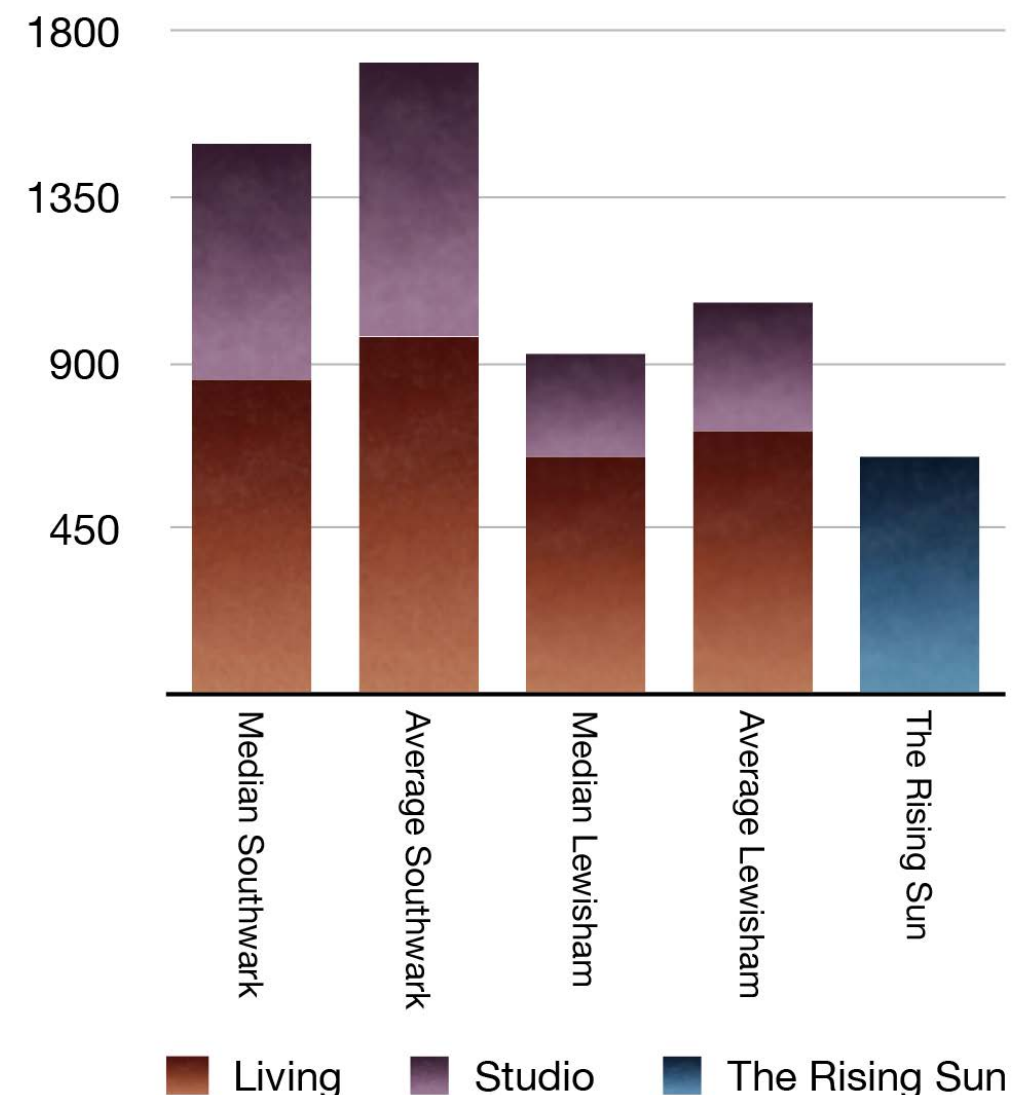


Monthly rents in Lewisham and Southwark compared with The Rising Sun

Rented space within the borough	Median Southwark	Average Southwark	Median Lewisham	Average Lewisham	The Rising Sun
Living	849	967	650	713	-
Studio	640	750	270	350	-
The Rising Sun	-	-	-	-	650

*Figures from CLH, flexioffices.co.uk and home.co.uk 2021

Monthly rents in Lewisham and Southwark compared with The Rising Sun

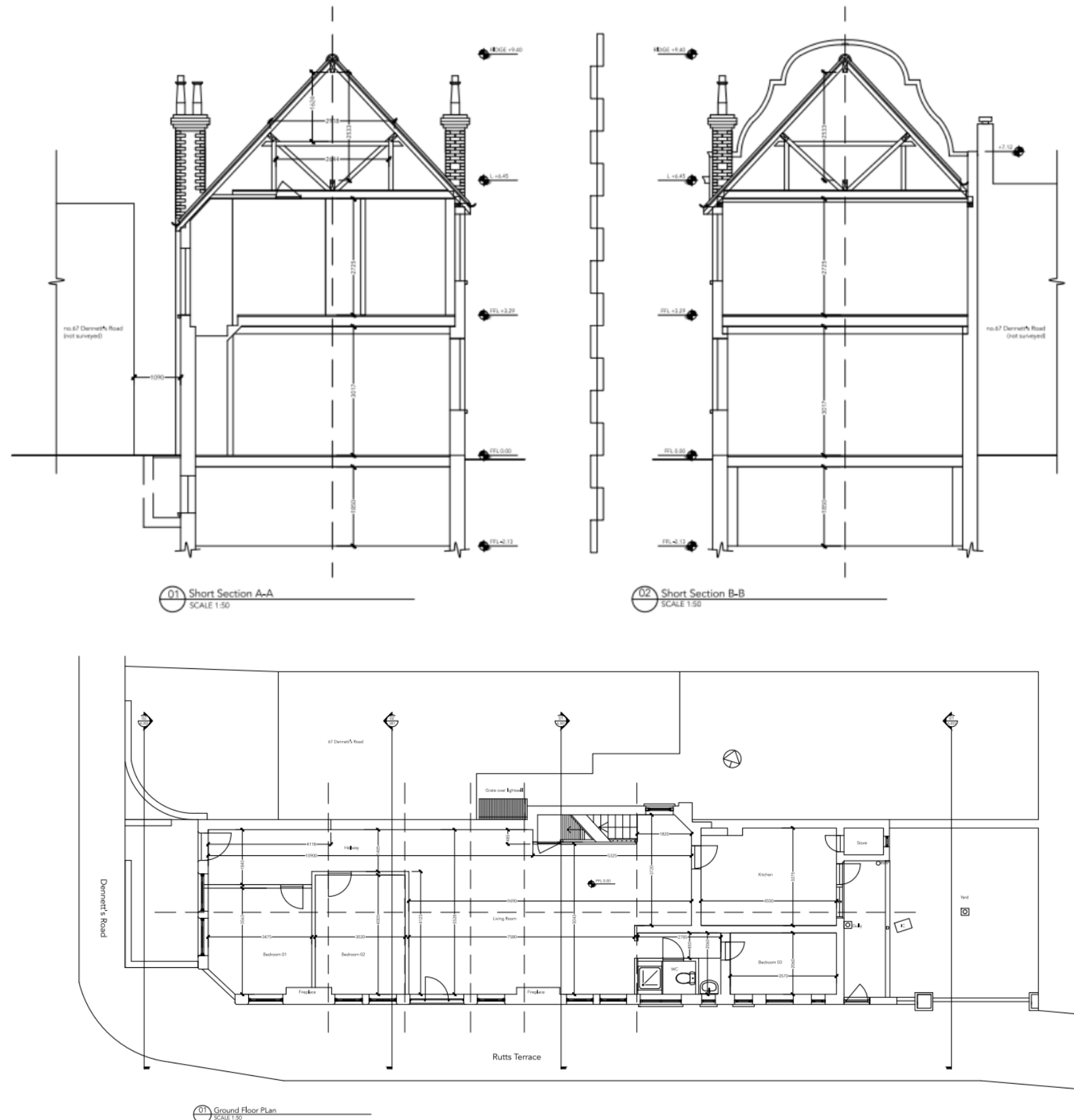


The Rising Sun | Space

We have a total of eight bedrooms with plans to add in a ninth room incorporated into our day one costs so that we can give the chance to live in affordable housing to even more of our community.

The property is large, with huge potential for expansion into the attic. In the future we would like to add more rooms to expand our residential capacity further and to more safely and sustainably facilitate our existing creative opportunities.

We have commissioned an architect to draw up plans for a loft conversion and had this approved by a structural surveyor so we can be confident this work can be done legally and safely.



The Rising Sun | Green & Safety Improvements

At The Rising Sun we have always had a strong commitment towards environmental sustainability. We want to make our building a greener and safer space to work and live.

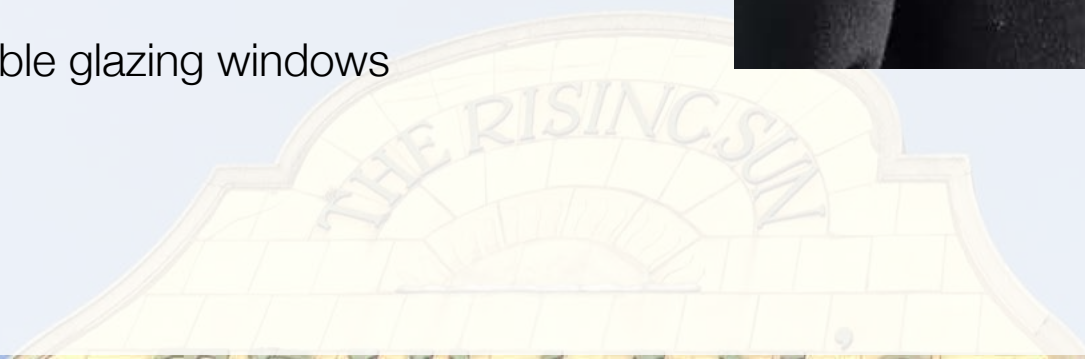
Over the years we have been working with the current landlord to make a number of improvements including:

- New flooring and insulation throughout the house.
- Fireproof boarding throughout the basement.
- New energy efficient boiler installed.

In the last 5 years, we have improved our EPC rating from an F to a D.

After gaining full control of our space through forming a co-operative, we plan to instigate series of additional measures to improve the energy efficiency and comfort throughout the property. This includes:

- Improved loft insulation
- New draught proofing
- New thermostats
- Secondary and double glazing windows
- Solar panels



The Rising Sun | Co-Operative

Meet a few of our wonderful members:



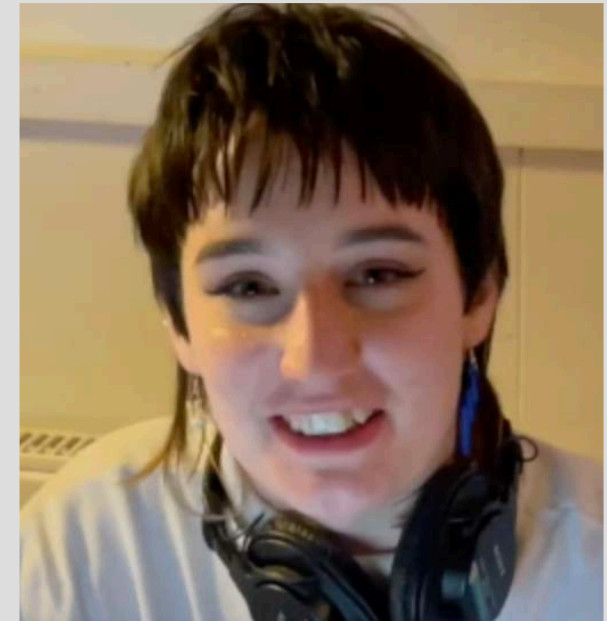
Scott

- Music producer
- Resident for 5 years
- Advertising Agency Account Director
- Secretary for The Rising Sun Housing co-op



Tom

- DJ
- Resident for 3 years
- Manager at Peckham Audio (Night club in Peckham Rye Lane)
- Treasurer for The Rising Sun Housing co-op



Ally

- Multi-disciplinary artist
- Resident for 1.5 years
- Student at Goldsmiths University
- Active member of The Rising Sun Housing co-operative.

See our video for more information on the community:

<https://youtu.be/XOqqTh9-Cls>

The Rising Sun | What is a housing co-operative?

Housing co-operatives are set up to allow people to collectively control their housing situation without owning the property they live in (unachievable for many).

Co-operatives are governed by their members where each member has an equal say in the decision-making process. The Rising Sun is a fully mutual housing co-op, meaning that all tenants are members and all members are tenants, which ensures that occupants (and only occupants) share an equal responsibility in the management of The Rising Sun.

The Rising Sun Co-op is also in common ownership to contribute to the transfer of property out of the private and speculative housing market whilst creating a permanently affordable and commonly owned asset/home, even long after the original members have left.


If the co-op were ever to cease to exist, any remaining mortgage and loan stock would be repaid as a priority and remaining assets would stay within the co-operative movement instead of going into private hands.

The Rising Sun | Co-operative Rules

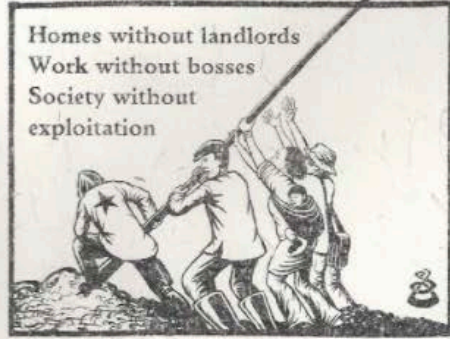
As a co-op we follow the

Seven Co-operative Principles

A co-op is a group of people that gets together to organise collectively for their mutual benefit. Work, housing, services, pubs and social centres can all be co-operatively owned and managed.



Homes without landlords
Work without bosses
Society without exploitation


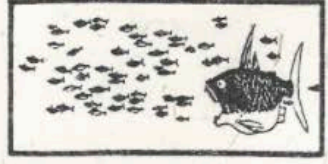


Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, social responsibility, openness and caring for others.

1. Coop membership is open and voluntary.
2. Co-ops are controlled only by their members, who each have equal control.
3. All members have a fair stake in the co-op. Investment does not give control and gives only a small return.
4. Co-ops are autonomous and independent self-help organisations.
5. We educate and train members so they can contribute to the co-op. We also inform the public about the benefits of co-operation.
6. Co-operation among co-ops benefits members and the wider co-op movement
7. We act with concern for the wider community.

For more info about co-ops contact:

Radical Routes
a network of radical housing co-ops,
worker co-ops and social centres
committed to positive social change:
www.radicalroutes.org.uk



We have been registered by the FCA as a Co-operative society under the Co-operative and Community Benefit Societies Act 2014 using the Radical Routes Fully Mutual & Common-Ownership rules.

We believe the Radical Routes rules are comprehensive and a particularly appropriate form of governance as we were already utilising the same form of consensus based decision making. We have effectively operated as a Co-operative without being officially registered as one for the past five years.

The Rising Sun | Why support us?



1. **We're protecting affordable housing from being seized by developers, while leaving a legacy of investment and training in future co-ops**
2. **Community facilities; recording studio, filming/ performance/event space and community radio**
3. **A space for young creatives to expand their networks and work collaboratively**

In the last 3 years, **London has lost over 25% of studio spaces**. Accessible creative spaces are crucial for the community but they are under constant threat for a number of reasons:

- Gentrification is pricing out locals artists
- Interesting creative spaces get turned into luxury apartments
- The current pandemic has caused commercial cultural institutions to close their doors

'The importance of non-commercial community run spaces like The Rising Sun is tantamount. This place will always provide a vital resource for the local creative community.'

Patrick Lyons - South London MC

Artists and musicians associated with The Rising Sun receive critical acclaim far and wide.

The Rising Sun | Financial Plan

Our financial plan is a detailed and thoroughly budgeted cash-flow forecast of all receipts and spendings of the co-operative. It includes everything from all day one costs (all cost associated with the property purchase and initial work on the house) to a yearly forecast of the next 45 years. The full financial plan is available via our website and is summarised on page 22 of this document.

We secured a grant from CLH.London who commissioned Catalyst Collective to build our financial plan. CLH.London is funded by The Mayor of London and recognised as a leading organisation in community-led housing. Catalyst Collective are experts in setting up and supporting housing co-ops specifically.

Our rent is set at the lower end of the market rate in the area making it affordable for those on housing benefit and for the generally less well-off creative community and minimises the risk of having vacant rooms. Moreover, The Rising Sun has always had a waiting list of people ready and waiting to move in, should the opportunity arise.

If you have any questions or would like us to go through the financial plan with you in detail, please do not hesitate to get in touch.



The Rising Sun | Loan Stock Opportunity

What we are looking for?

To be able to purchase our property we are looking to raise £230,000 of loan stock.

What is loan stock?

A direct loan both parties mutually agree terms together: the amount, payback time, and rate of interest for the loan.

Loan stocks are paid back in full at the end of their terms, with interests either paid out monthly or annually.

Who should invest?

Anyone! Though we imagine investors will share our passion for the arts, see the cultural value in non-commercial shared community spaces and appreciate the rarity of a self sufficient co-operatively owned artistic collective with our great facilities.

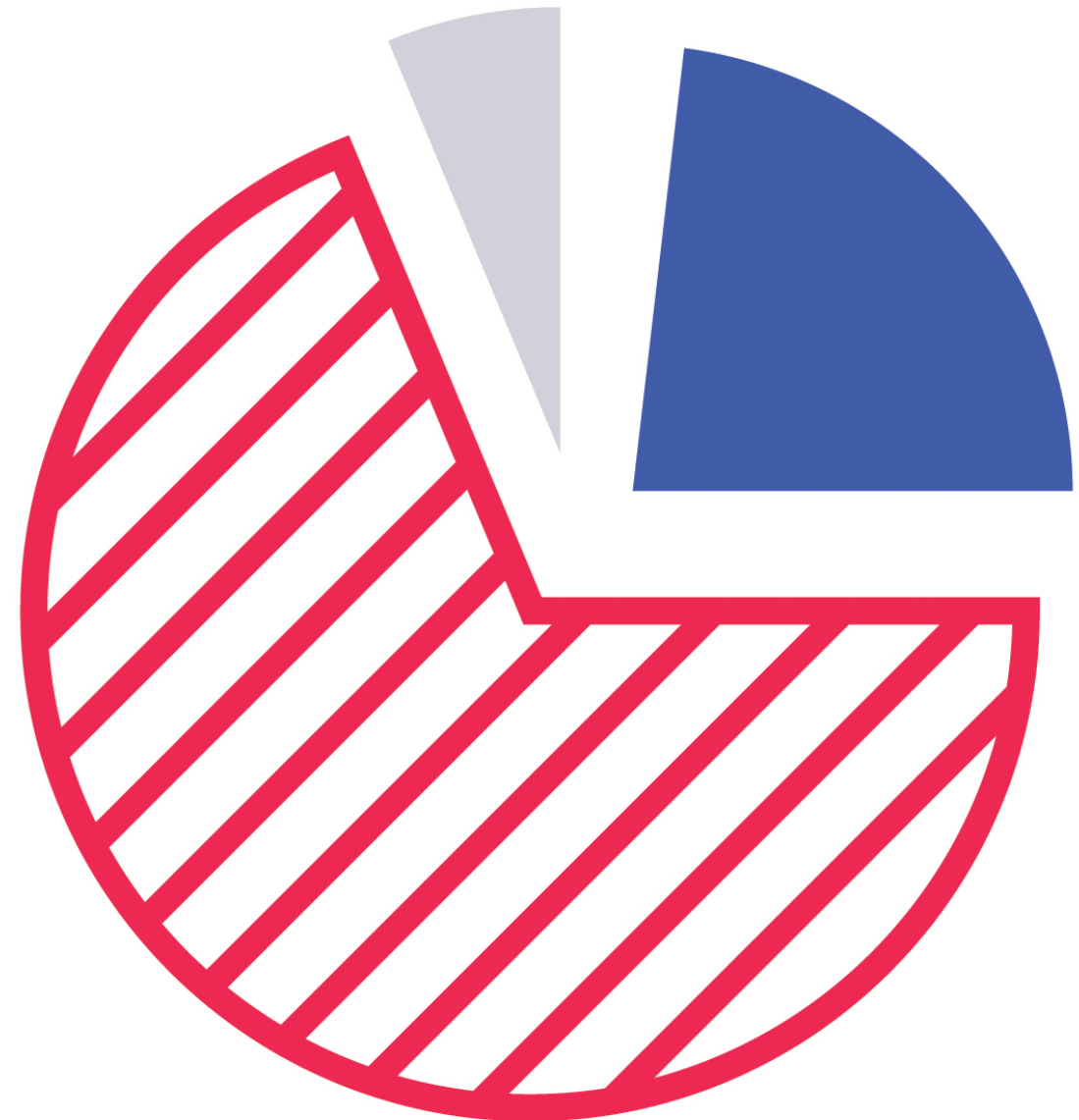
Consider preserving the future of this community a worthwhile investment in its own right!

You will also be looking to make a long term investment with a simple fixed rate of interest.

Where does the money go?

The money will go to The Rising Sun Co-op and will be used to:

- Purchase The Rising Sun into co-operative ownership.
- Carry out renovation and improvement works to maximise potential of the space.
- Undertake proposed energy saving measures.



Can I withdraw my loan stock at any time?

It is possible to do this but we would need adequate time to re-finance around withdrawals.

How much can I invest?

Anything from £1000 to £230k in loan stock.

When can I invest in this offer?

Opening date: 1st June 2021

The Rising Sun | Loan Stock Opportunity

What do I get in return

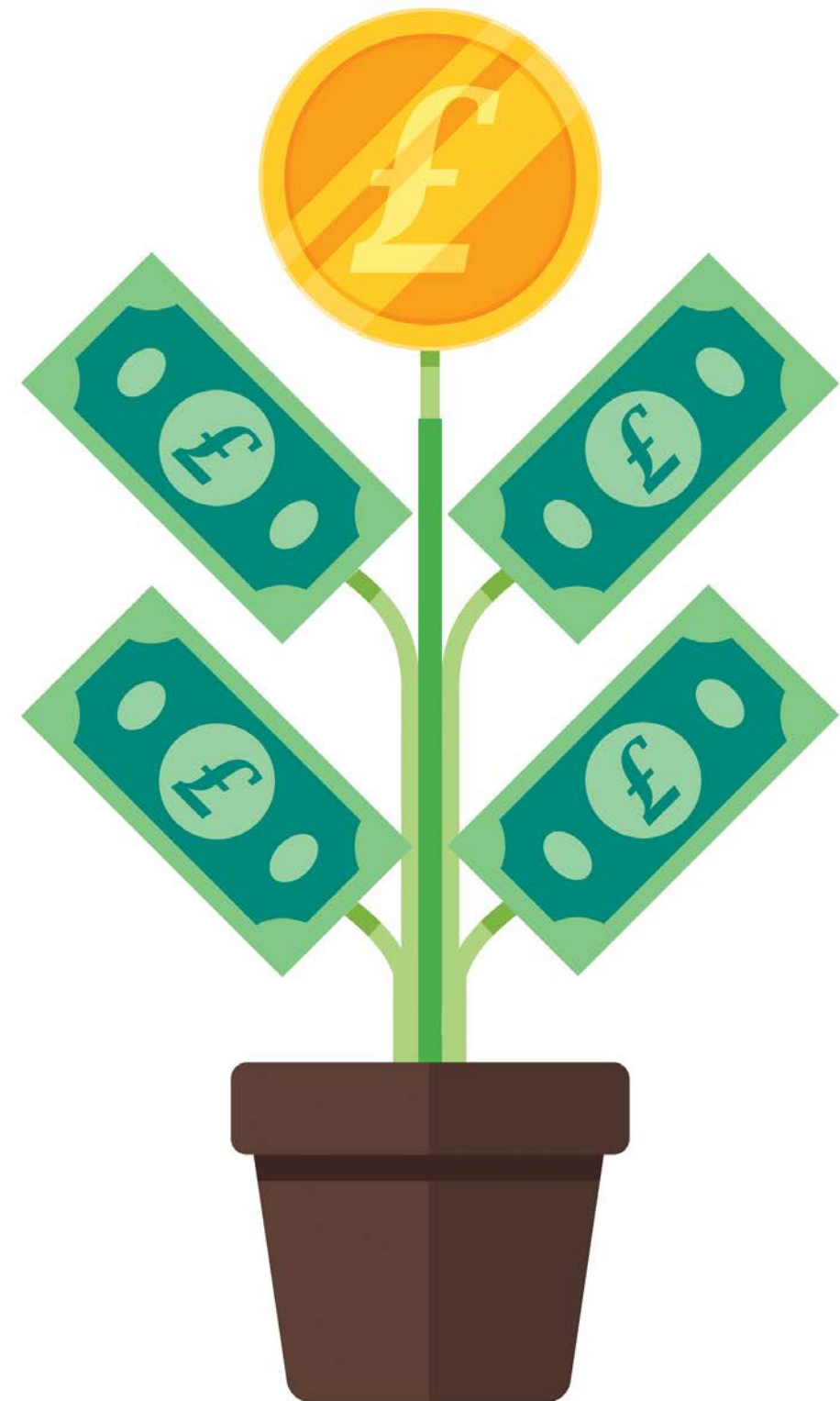
- A fixed rate of interest you choose between 0% - 3% per annum that is unaffected by the Bank of England base rate (meaning once agreed, the rate will never increase or decrease).
- Peace of mind that your money is supporting a cause you care about and directly enabling a whole artist community to survive instead of letting a bank invest your money in potentially unethical industries.

Why choose the 0% interest option?

If you select 0% interest, you will still receive your full original sum back at the end of the agreed term. You could decide to take this option as a way of providing extra support to the co-op. This would ease pressure on the co-op and give more freedom for it to develop.

What terms do we offer?

- Amount: £1000 to £230,000
- Interest rate: from 0% to 3% annually
- Length: from 5 to 30 years
- Interest payment: yearly (simple) or at the end of the term (compound)
- Interest will start accruing from the date of house purchase
- Full details on terms and conditions that apply can be found on our website rising-sun.space/housingco-op



The Rising Sun | Loan Stock Opportunity

Example

An investment of £15,000 in Loan Stock, over a 10-year term, at 3% interest:

If the interest is paid out at the end of the term:

- You do not receive interest yearly
- After your 10-year term, you would receive a total of £20,159 which is made of your initial £15,000 investment plus interest
- In total, your investment will have made £5,159 profit

If you choose to have the interest paid out as yearly interest:

- You would receive £450 interest per year
- After your 10-year term, you would receive your initial £15,000 investment back
- In total, your investment will have made £4,500 profit



The Rising Sun | Our business case | Strengths



- The monthly rent from all co-op members covers all mortgage repayments and interest on loan stock and includes a contingency fund
- **100% track record of The Rising Sun Co-op members paying their rent in full every month for the last 5 years**
- Extensive financial modelling and a full viability analysis for the The Rising Sun Co-op has been conducted by specialist external bodies Catalyst Collective and CLH.London who have sponsored the project with funding from the Mayor of London
- **Our rigorous financial plan is stress tested against possible weaknesses, such as having 3% vacant rooms (two rooms empty for three months) every year and a 3% increase in mortgage interest rate over the next 10 years. Insurance cover for crisis eventualities is factored in**
- All investments and repayment plans will be bound by contract
- **Interest rates are unaffected by the Bank of England base rate** (meaning once agreed, the rate will never fluctuate as is the case with many high street bank accounts and other investment opportunities)

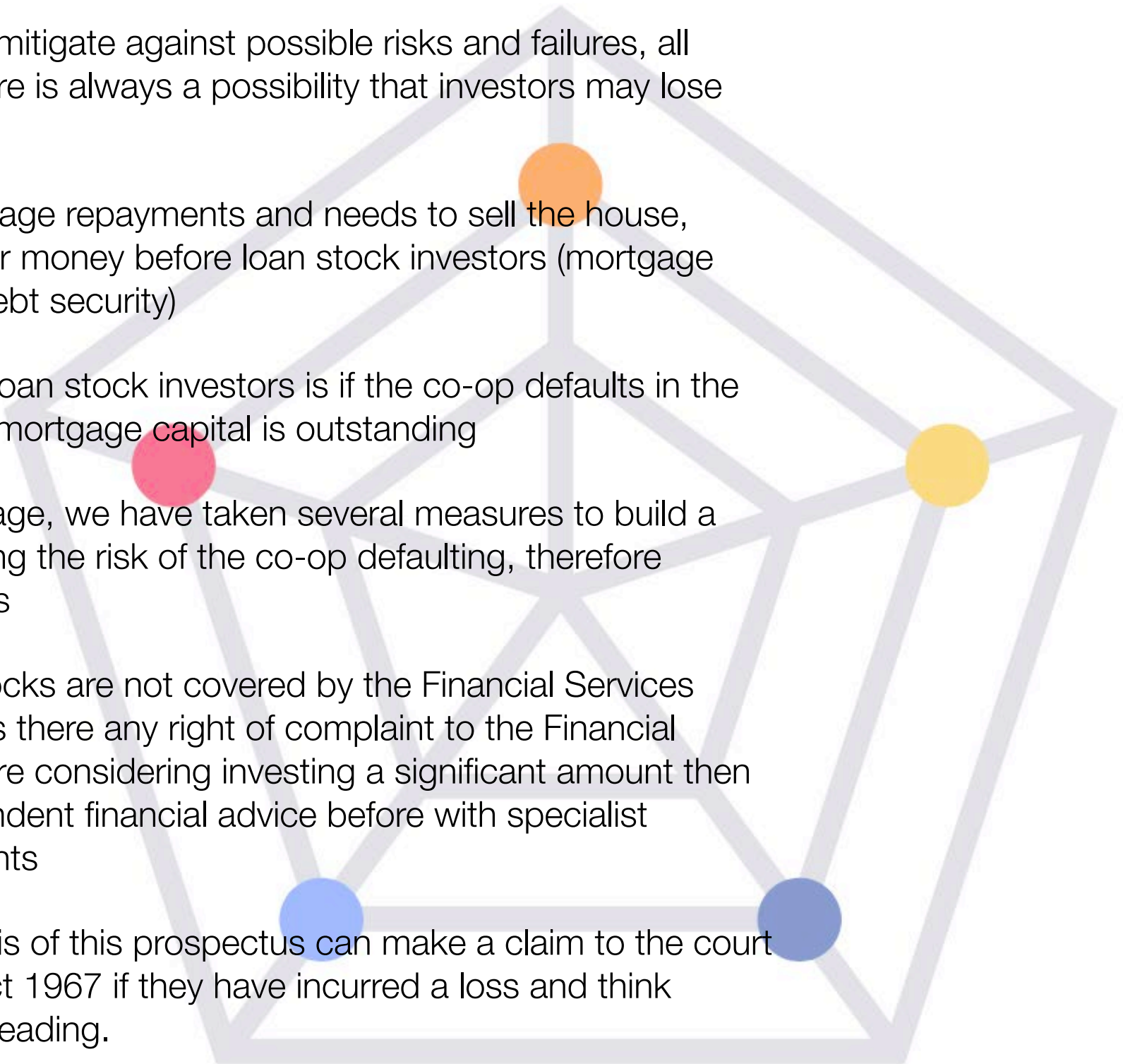
The Rising Sun | Our business case | Strengths

- **By directly investing in a small co-op there is scope for lenders to re-discuss the terms of the loan if needed**
- You are investing in an organisation with tangible assets since the The Rising Sun Co-op will have bought a property. If we decide to wind up or if we default on our loans, we have a property to sell to repay our lenders
- **Our rent is low for the area and the space is so unique that we have a long waiting list of replacement tenants. In the past a room became available and we had over 100 people apply** - many of whom would have been suitable and already use the facilities as part of our community
- Based on our financial projections, Ecology Building Society and Co-op and Community Finance have agreed in principle to give us a mortgage for up to £870,000
- Improvements will lead to an increase in value in the property overall



The Rising Sun | Our business case | Risks

- While we've tried to plan and mitigate against possible risks and failures, all investments carry risks so there is always a possibility that investors may lose some of their money
- If the co-op defaults on mortgage repayments and needs to sell the house, mortgage lenders recover their money before loan stock investors (mortgage lenders use the property as debt security)
- Therefore the biggest risk for loan stock investors is if the co-op defaults in the first few years when all of the mortgage capital is outstanding
- As outlined on the previous page, we have taken several measures to build a strong financial plan, minimising the risk of the co-op defaulting, therefore minimising the risk to investors
- Unlike bank deposits, loan stocks are not covered by the Financial Services Compensation Scheme, nor is there any right of complaint to the Financial Ombudsman Service. If you are considering investing a significant amount then you may wish to seek independent financial advice before with specialist knowledge of social investments
- Investors investing on the basis of this prospectus can make a claim to the court under the Misinterpretation Act 1967 if they have incurred a loss and think information provided was misleading.



The Rising Sun | Financial summary

YEAR	1	2	3	4	5	6	7	8	9	10	11 – 16	17 – 22	23 – 32	33 – 40
MONEY IN														
Cash in bank	£0													
Mortgage type loans	£870,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Loanstock in	£230,000	£0	£0	£0	£70,000	£0	£0	£0	£0	£145,000	£60,000	£175,000	£105,000	£0
Rental income	£70,000	£71,050	£72,116	£73,198	£74,296	£75,410	£76,541	£77,689	£78,855	£80,038	£506,077	£553,366	£1,039,553	£950,575
TOTAL IN	£1,167,408	£71,050	£72,116	£73,198	£144,296	£75,410	£76,541	£77,689	£78,855	£225,038	£566,077	£728,366	£1,144,553	£950,575
MONEY OUT														
Property purchase (inc. SDLT, legal fees, etc)	£1,002,250													
Renovation cost	£76,204													
Other purchase (solar PV, etc)	£20,000													
House expenses														
Void	£2,592	£2,132	£2,163	£2,196	£2,229	£2,262	£2,296	£2,331	£2,366	£2,401	£15,182	£16,601	£31,187	£28,517
Extraordinary maintenance										£20,608	£0	£30,719	£41,284	£55,482
House insurance	£750	£773	£796	£820	£844	£869	£896	£922	£950	£979	£6,520	£7,785	£16,474	£17,174
Maintenance	£0	£2,318	£2,387	£2,459	£2,532	£2,608	£2,687	£2,767	£2,850	£2,936	£19,559	£23,355	£49,423	£51,522
Council Tax	£1,464	£1,507	£1,553	£1,599	£1,647	£1,697	£1,747	£1,800	£1,854	£1,910	£12,722	£15,191	£32,147	£33,512
Admin expenses														
Accountant	£250	£258	£265	£273	£281	£290	£299	£307	£317	£326	£2,173	£2,595	£5,491	£5,725
Mortgage repayment														
EBS @ 4.35%	£38,013	£38,013	£39,804	£41,600	£43,399	£45,199	£46,996	£48,790	£50,579	£52,360	£314,158	£314,158	£523,596	£418,877
CCF @ 7%	£12,722	£12,722	£12,722	£12,722	£12,722	£12,722	£12,722	£12,722	£12,722	£12,722	£76,332	£76,332	£38,166	£0
OPERATING CASH SURPLUS	£14,209	£13,329	£12,426	£11,529	£10,640	£9,763	£8,899	£8,049	£7,217	-£14,203	£59,430	£66,630	£301,783	£339,766
Loanstock repayment														
From existing	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
From Day 1	£0	£0	£0	£0	£127,520	£0	£0	£0	£0	£161,270	£0	£0	£0	£0
From refinancing	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£103,617	£214,635	£347,857	£155,426
TOTAL OUT	£1,151,652	£57,722	£59,690	£61,669	£191,175	£65,647	£67,643	£69,640	£71,637	£255,511	£550,264	£701,371	###	£766,234
CASH SURPLUS	£15,755	£13,329	£12,426	£11,529	-£46,880	£9,763	£8,899	£8,049	£7,217	-£30,473	£15,813	£26,995	£58,925	£184,341
BANK BALANCE	£15,755	£29,084	£41,510	£53,038	£6,159	£15,922	£24,820	£32,870	£40,087	£9,614	£25,427	£52,422	£111,347	£295,688

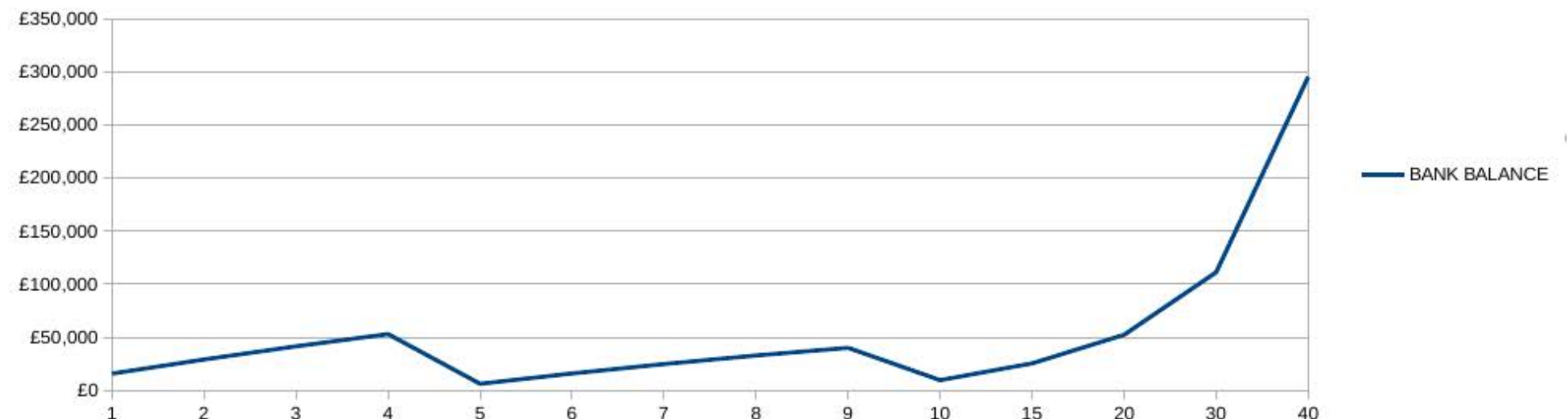
Project summary

Purchase price: £950,000
 Renovation and improvement: £96,204
 Mortgage borrowings: £870,000
 Loan stock borrowings: £230,000

Stress testing

3% unoccupied rooms per year
 3% increase in mortgage rate (EBS) over the first 10 years
 Expenses increase with inflation
 Extraordinary maintenance every 10 years

Financial Projections The Rising Sun Co-operative



The Rising Sun | Offer summary

Target to be raised: £230,000

Minimum investment per investor: £1,000

Maximum investment per investor: £230,000

Interest rate:

Investor can choose a rate between 0% – 3% per year.
Interest is payable from the date of the house purchase.

Length of investment:

Investor can choose to invest their loan stock between
5 to 30 years

For your own records, all of the terms related to this loan stock are detailed on the **Loan Stock Certificate**.

The Rising Sun | How to invest

1) Download our Loan Stock Investment Form [here](https://risingsun.space/invest) or find it on our website at:

<https://risingsun.space/invest>

2) Fill in the form, specifying the amount you want to invest, for how long, and the rate of interest you wish to receive

3) Send us back an **investment form** via email at: therisingsuncollective@gmail.com or by post to:

The Rising Sun Co-operative
69 Dennett's Road
London
SE14 5LF

4) Send us the money via:

Bank transfer:

Account Name: The Rising Sun Co-operative Limited

Account Number: 20437080

Sortcode: 60-83-01

Account Type: Unity Current Account T1

Crypto Currency Wallet: Please call us to discuss this option

Cheques to: The Rising Sun Co-operative Limited at the above address



Once we have received the funds, we will issue you a Loan Stock Certificate

For your own records, all of the terms related to this loan stock are detailed on the **Loan Stock Certificate**.

Thank you!

Please visit <https://risingsun.space/invest>
to play your part in preserving this hub of South
London culture! <3



risingsun.space
[@risingsuncollective](https://twitter.com/risingsuncollective)

The Rising Sun | FAQ

Are loan stocks transferable?

No, loan stocks are not transferable, except in the event of death or bankruptcy of an investor.

What happens if the Rising Sun Co-op does not raise all money it needs or if the purchase fall through?

The money will be paid back to investors.

Who can invest?

Anyone over the age of 16 can invest.

What happens to my loan stock investment is the society winds up?

The Rising Sun will sell its assets to repay its debtors, which includes both the mortgage provider(s) and loan stock investors. The Rising Sun has a legal obligation to repay its debts!

Can my investment be gift aided?

No, as we are a co-operative, not a charity, this is not possible.

What will you do with my personal details and data?

We will hold information on all loan stock holders for the purpose of our contractual relationship. We also have a statutory duty to share this information with HMRC if we pay you more than £250 in interest in a year. We only hold this data as long as required by contractual relationships. We do not share information about loan stock providers with third parties (except in rare cases with explicit prior consent).

Common ownership

As a 'common ownership' co-operative society, our rules state that should there be any surplus after repaying debts and returning funds to members, this would be transferred to another organisation within the co-operative movement and which has a similar common-ownership clause.

