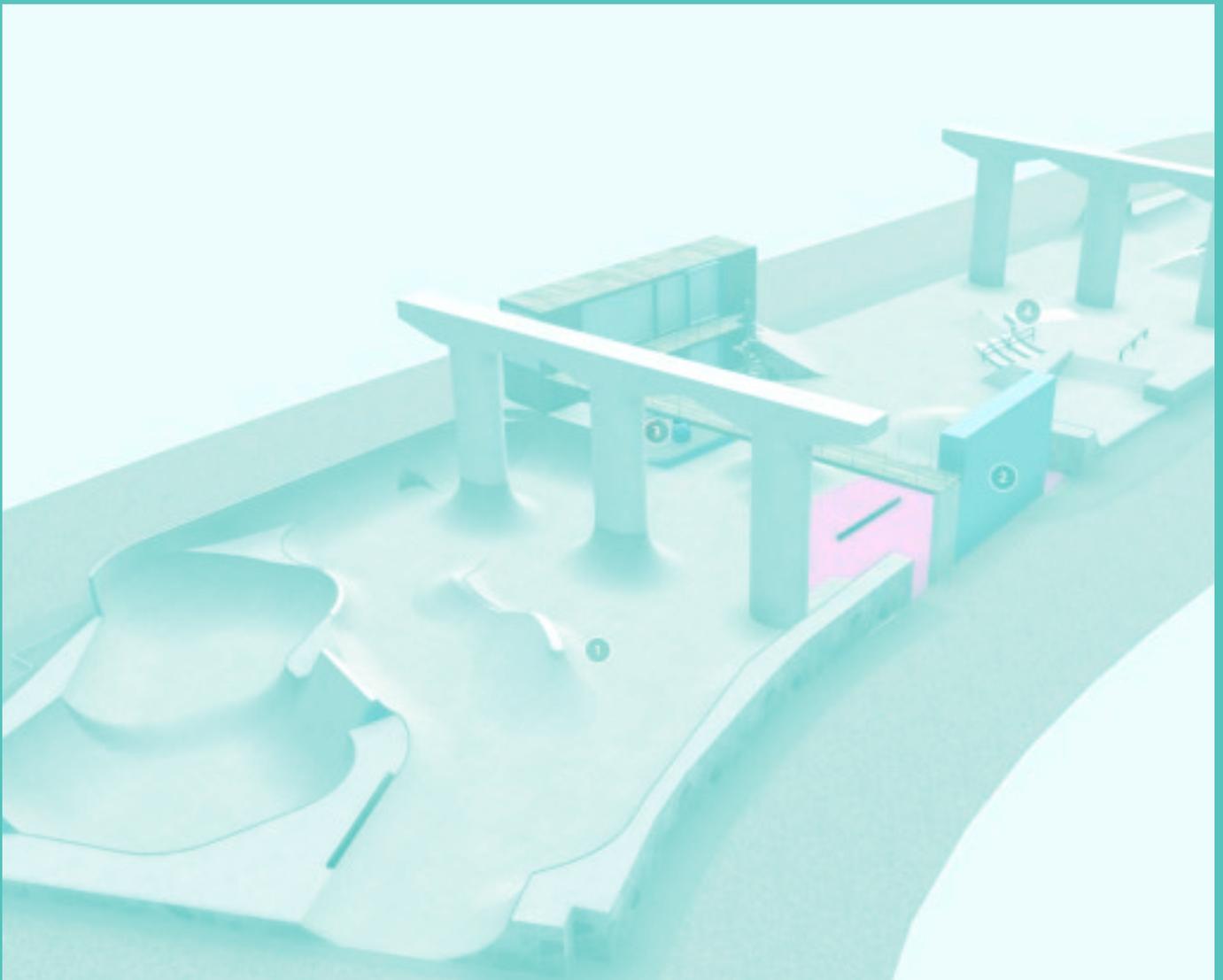


PROJEKTS MCR



PHASE 3 EXPANSION PROJECT - CITY OF SKATE

SHARE OFFER OPENS: **OCT 15TH 2018**
MINIMUM TARGET: **£50,000**
MAXIMUM TARGET: **£200,000**
DEADLINE: **NOVEMBER 15TH 2018**

The Community Shares Standard Mark is awarded by the Community Shares Unit to share offers that meet national standards of good practice.

These standards ensure that:

- The offer document & application form are easy to understand
- You are provided with all the facts you need to make an informed decision
- The facts are supported by the annual accounts and/ or business plan for the society
- Nothing in the documents is purposefully incorrect, confusing or misleading. Societies are asked to sign a Code of Practice requiring them, among other things, to give the public a right of complaint to the Community Shares Unit.

For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to: www.communityshares.org.uk



EXECUTIVE SUMMARY

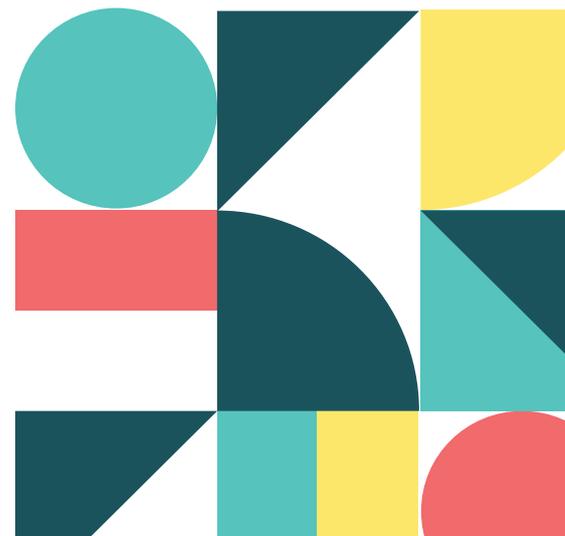
For the first time in Projekts' history, we are about to launch a Community Share Offer (CSO) – a chance for you to invest directly into building one of the most exciting skateparks in the UK and shaping the identity and history of Manchester.

For over five years we have seen skatepark attendance shoot up, we've created female only classes, adults' classes and reached over 3000 children a year through skateboard coaching classes. But in order to continue helping more people we need to expand our skatepark and everything is in place to begin this fantastic project.

In the coming months, Projekts' Pumpcage Skatepark will expand further under the Mancunian Way flyover to occupy an additional 700m2 with concrete ramps, café area, community space and a spectator viewing platform, all carefully designed to enhance ramp use and increase capacity for all users, all abilities and all activity types.

Our ambition is to raise £50,000 to £200,000 of investment through the Community Share Offer. The increased space will reduce overheads by replacing the costly wooden skatepark with the more robust concrete surface. The increased capacity will generate more income through entrance fees, parties, events and coaching classes anchoring our potential for growth. The viewing area will allow parents to see their children across the whole skatepark, enhancing security and safety for all participants.

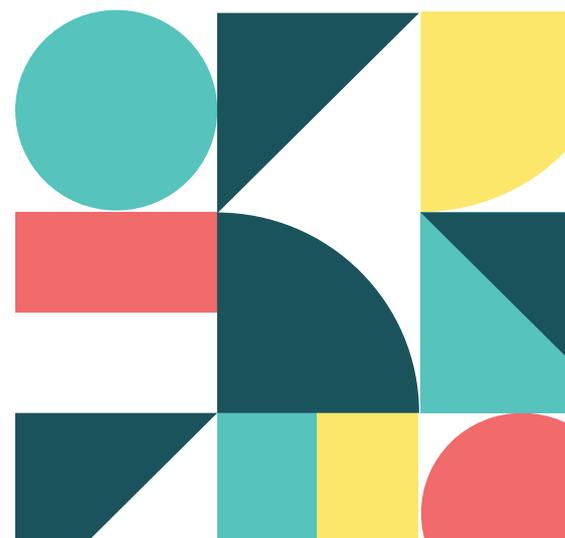
There are also clear benefits to the investor. This project is eligible for Social Investment Tax Relief (SITR) which means investors can reduce their income tax by 30% of the value of their investment, e.g. an investment of £1,000 could take off £300 from the investor's income tax. We plan to offer investors 4% interest on their investment each year after Year 3 and the investment is withdrawable after three years (see FAQs for full terms and conditions).



IMPORTANT NOTICE ABOUT RISK TO INVESTORS

Investors should appreciate that any investment they make is to support the extension of the community development work of Projekts MCR, accordingly, a subscription for shares in Projekts MCR Limited should be regarded as primarily an investment for social purposes. Community shares are withdrawable shares that cannot be sold, traded or transferred between Members, unlike shares in a typical company. All Members are entitled to one vote – regardless of how many shares they hold. Community shares are fully at risk. You could lose some or all of the money you subscribe. You have no right to compensation from the Financial Services Compensation Scheme, nor any right of complaint to the Financial Ombudsman Service. Details of the Annual Accounts and Governance structure of Projekts MCR can be found at <http://pumpcage.com/who-we-are/>. The Business Plan is available from the ProjektsMCR café or via email at john@projektsmcr.com or at www.crowdfunder.co.uk/projekts-mcr.

The share offer opens on 15 October 2018 and closes on 15 November 2018. However, the board reserves the right to extend this deadline if the amount raised is close to the amount required to proceed. **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR CAREFUL ATTENTION.** It should be read in its entirety.





WHAT WE WANT, WHO WE ARE AND WHERE WE'RE GOING

Projekts Skatepark is one of the UK's most successful skateparks but it has reached capacity and needs to increase ramp and spectator space in order to achieve further growth and meet the high demand for skateboarding and related activities in the North West.

This document contains an invitation to help us reach that capacity building goal. We are inviting you to subscribe for shares in Projekts MCR Limited (company registration 29726R) to cover the cost of the expansion and re-design of the skatepark facility to build capacity in line with demand.

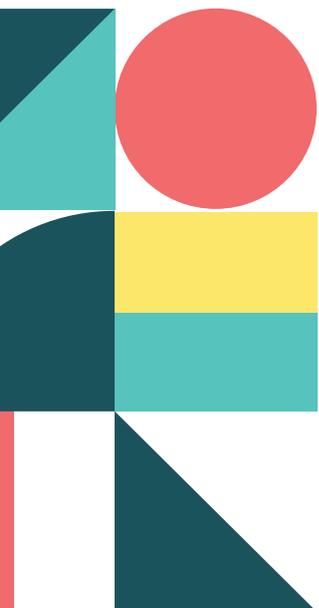
Brief History

Projekts MCR Limited was established in 2004. We are a not-for-profit Co-operative and Community Benefit Society with the aim of developing people and places through skateboarding and other skatepark activities. We are focussed on making skateboarding accessible to under-represented groups, particularly people living in areas of high deprivation, girls and women and people with disabilities. We do this primarily through our coaching work in schools and at our skatepark. Over the last 14 years Projekts MCR has used skateboarding to enrich the lives of over 20,000 people, mainly children and young people, living in and around Manchester. The skatepark sees over 18,000 visits a year and Projekts delivers over 20 coaching sessions a week to schools and youth related groups in Greater Manchester.

Goals

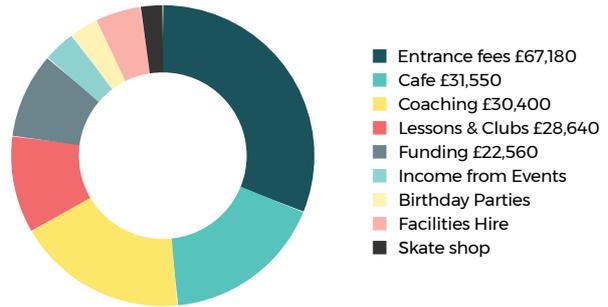
Projekts' aspiration over the next 12 months is to expand ramp capacity by 75%, allowing the Projekts team to work with up to 10,000 more young people each year. The expansion will also increase the capacity for group and individual skateboarding lessons, birthday parties and private hire as well as allowing hire of the site by other community organisations and for expansion of our youth work and educational programmes.

Projekts MCR is seeking to raise a maximum of £200,000 towards this capacity building project which has a total projected cost of £600,000. The maximum amount subscribers are invited to invest will be £20,000 and the minimum will be £100.



Income Generation

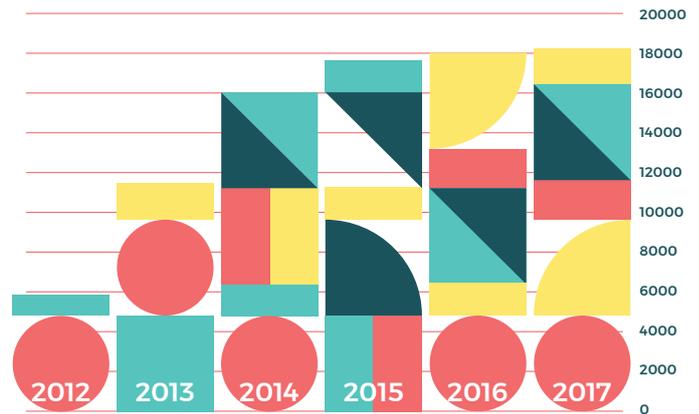
Projekts has two main income streams, which between them make up two thirds of the total income: skatepark entrance fees and lessons and clubs (in schools and at the skatepark). The final third is a combination of skatepark café sales, external funding, special events, birthday parties and shop sales. The proportion of income from each of the major sources fluctuates only marginally each year. Graph showing 2017 income



The case for expansion

The most significant change to Projekts MCR came in March 2013 with the Phase 2 expansion project. Projekts had been operating at capacity for several years and needed to expand to meet demand. Thanks to support from Sport England, Youth Capital Fund and Manchester City Council we raised £403,500 to build the Phase 2 skatepark - a new concrete skatepark with cafe on the adjacent site to the original wooden skatepark. Phase 2 tripled the capacity of the skatepark and with three years attendance tripled. Figures from 2016 show 18,098 visits compared with 5,876 visits in 2012. But we have reached capacity again. Attendance growth is beginning to plateau and a new phase of development is required to meet demand.

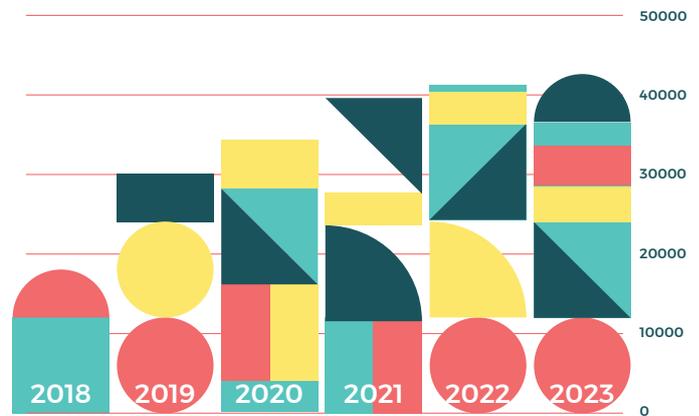
Graph showing annual attendance between 2012 & 2017.



Proposal for Growth - Phase 3

Capacity development is essential for growth. Projekts MCR is therefore proposing to build Phase 3, expanding the existing skatepark and café, including a new beginner section and advanced area and a larger spectator space creating room for 35 more skaters per session and 75 extra spectators. We will be adding a youth work/multipurpose meeting space for expansion of our community development and educational programmes in partnership with local schools. Over the course of the year post-Phase 3, we project that the total attendance figures will exceed 30,000 per year. The purpose of this larger facility is to create a strong, lasting and growing organisation that better meets the needs of the people it supports. With your help Phase 3 will be completed by March 2019

Projected attendance following phase 3 completion.



Protecting the environment

Projekts cares about the environment. This project will involve the replacement of the current wooden skatepark area with a new concrete area which will provide environmental benefits as the current wooden surfaces need to be replaced every year due to wear and tear whereas concrete surfaces require minimal repair over decades. This will allow us to dramatically reduce the waste produced by the skatepark and cut down our carbon emissions.

Enhancing sustainability

Projekts MCR has been operating successfully since 2004. We are a financially sustainable organisation with a strong track record for growth through development. The Phase 3 project aims to further enhance the long-term financial sustainability of Projekts MCR. It will reduce overheads and increase current revenue generation. To reduce costs we will replace the wooden skate surfaces, which require frequent, costly repair work due to their age and high use, with the far more robust concrete surface. Additionally, the new design will increase capacity, offer new programmes and services through the use of the new meeting space and café which will add new revenue streams to the park.

DELIVERING FOR THE LOCAL COMMUNITY

Projekts is run by people who live locally and who want to have the maximum positive impact on the communities surrounding the skatepark. The area we work is amongst the most deprived in England. Within a 2-mile radius of Projekts Skatepark there are 8 council wards that fall within the 10% most deprived in England: Collyhurst, Miles Platting, Bradford, Ancoats, Ardwick, Longsight, Moss Side and Hulme. The growth in attendance from people living within this radius has continued to grow over the last four years and is the result of our outreach work in primary schools in this area. We also work extensively with hard-to-reach groups such as children excluded from mainstream education and women and girls who are at risk of disengagement from physical activity.

But there is so much more we want to do. Phase 3 will enable us to increase our outreach work with the local community, offering more educational, health and well-being and youth work programmes utilising the new more flexible skate and meeting space.

Our business model relies on the support of the local community, including the work of volunteers to run our programmes, raise funding, help maintain the site and provide the artwork that contributes to the unique atmosphere of the park and makes it an attractive place for photoshoots and video producers. The skatepark community is active and supportive and we believe there is a symbiotic relationship where the skatepark provides a safe and welcoming space for the community and the community makes the skatepark a vibrant, fun and supportive environment in which its members flourish. We see this Community Share Offering as another opportunity for the skatepark community to come together to invest in helping Projekts MCR to extend its reach and fulfil its potential.

Benefits for investors

Projekts MCR is very excited to be expanding its membership. It currently has only 8 members and these are the Directors and they each hold their initial £1 starting share. The CSO will open up membership to anyone wishing to invest and support the organisation in achieving its aims. The project will not be possible without the support and commitment of investors. All investments will accrue membership of Projekts MCR and a vote at the AGM as well as a planned 4% return on investment after year 3 (subject to the discretion of the Board) and, pending eligibility confirmation from HMRC, up to 30% tax relief via Social Investment Tax Relief. We will also have a board listing the names of all our investors in the café unless you would prefer to remain anonymous. In addition, to show our appreciation for our investors we will be offering the following benefits:

- Invest £100 - £249 and collect a limited-edition design Projekts-branded T-shirt from the café (first 100 investors)
- Invest £250 - £499 and receive the T-shirt and a limited-edition design Projekts-branded hoodie (first 20 investors)
- Invest £500 - £2,499 and receive the T-shirt, hoodie and a free coaching session for yourself or a person you nominate (first 20 investors)
- Invest £2,500 - £9,999 and receive the T-shirt, coaching sessions and a framed photograph of the new phase 3 park (first 20 investors)
- Invest £10,000 - £20,000 and receive the T-shirt, hoodie, coaching sessions, photograph and have a ramp named after you or given a name of your choice (first 10 investors only)

FOR FURTHER INFORMATION ON YOUR INVESTMENT PLEASE SEE THE FAQs BELOW.



PROJECT FINANCING

Historical Financial Performance

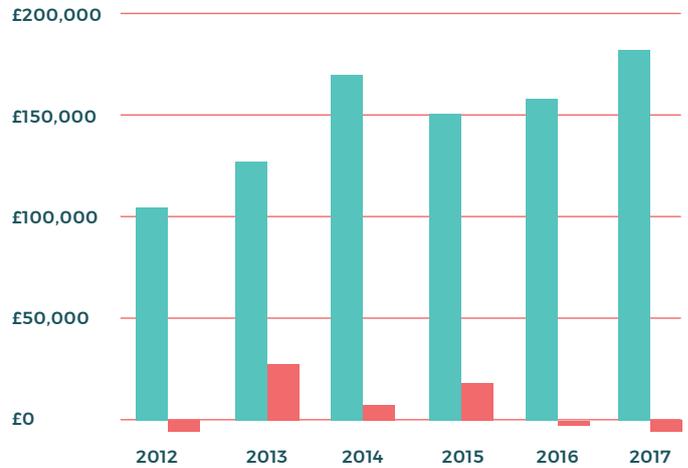
Since the Phase 2 development opened in 2013 turnover has steadily increased in all our main operational income streams. However, our financial support from Manchester City Council (£40,000 per year) ceased in March 2014 which explains £10,000 of the drop in income between 2014 and 2015. Our Coaching income in 2014 was also boosted by a large amount of funded coaching (by the Council) for schools work which also ceased from 2015. Since then most schools sessions are paid for by the schools or the parents and the Coaching business has been building up steadily in these past few years. In 2017 we had a one off large event which brought in additional surplus income of £7,000. This was possible due to funding from the Big Lottery to put on a celebratory event. In the graph, the annual turnover figures have been adjusted to take out most funding and VAT rebates (£20,000 received in 2014 and £28,000 in 2015) which relate to income from prior years.

The profit and loss (red) graph shows the profitability of the business in the years between Phase 2 opening and 2015. (Again, funding and VAT rebates have been removed for ease of comparison.) After 2015 we started to operate closer to break even, with small losses in 2016 and 2017. This is because in 2016 we started to spend money on planning and preparations for Phase 3, at a cost of £10,000. Also in 2017, we invested in our employees by starting a Pension scheme and paying the Living Wage, at an additional cost of £7,000.

Phase 3 Profit Projections

Our experience from phase 2 was that increasing the capacity of the park led to an increase in footfall and corresponding profitability due to economies of scale and greater revenue generation opportunities. Current usage and consultation within our community strongly suggests that the phase 3 capacity increase will meet an already present demand and enable us to extend our impact further within the local community and thus increase attendance and add additional revenue streams. We have projected the income and expenditure over the 5 years following completion of Phase 3 (see graph above). The projections have been broken down into detailed revenue projections available in the Business plan and at www.projektsmcr.com. These projections, our previous experience with Phase 2 and our risk assessment (also available in the Business Plan) give us confidence that we will be able to pay 4% interest to our investors 3 years after the share issue as well as allowing the withdrawal of share capital after year 3. The share interest rate of 4% is not significantly less than the interest rates charged on our loan finance (6.6% from GMCVO and 5% from the Charity Bank).

The projections show a profit in Year 1 of £26,985 and the profit increases each year up to £91,315 in Year 5. These surpluses will be possible after the opening of Phase 3 due to the increased capacity at the skatepark to allow more users at the same time, more opportunities for concurrent events and lessons in different parts of the skatepark, more scope for large events of different kinds (e.g. film nights), a larger and more dynamic cafe service which appeals to the general public, a larger shop selling skate equipment, and a much more appealing space for outside organisations to hire for promotional and other use. We will be able to expand the beginners' classes on offer, and outside the site we will continue to expand our Coaching business in schools which in turn will bring more regular users to the skatepark.

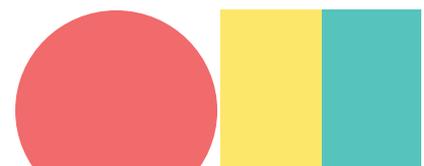


Annual turnover of profit and loss



Figure 3: Profit and Loss projections after Phase 3 completion

The income is forecast to grow annually as we have assumed a steady annual growth in the number of people at the skatepark each day, as well as the implementation of reasonable annual price increases. We will focus our marketing on key growth areas such as school classes and the gift shop so we expect strong growth there. Most of our costs, including staff wages, are forecast to increase at a rate of 5% each year. We follow the Living Wage Foundation wage recommendations whenever possible and historically the annual increase in the Living Wage is between 3% and 5%.



PHASE 3 CAPITAL COSTS

Feasibility work including architects' drawings for planning, and cost assessments through tenders, have already been completed. Phase 3 has been divided into two separate parts: Phase 3A which comprises the relocation of the café and offices and construction of the viewing bridge as well as replacement of the location of the current café and the road through the middle of the skatepark with skate surfaces; and Phase 3B which is the replacement of the wooden skate surface to the west of the park with concrete ramps and a bowl-style feel. The projected costs for Phases 3A and 3B are given below:

Design and professional fees costs:

DESIGN	Architect	£14,413
	Structural engineer	£6,843
	H&S Coordinator	£1,783
	TOTAL	£23,038
	DESIGN TOTAL	£23,038
OTHER FEES	Prof fees road closure	£1,294
	Planning	£924
	Building Control fee	£1,200
	Legal costs (Gateley)	£4,313
	OTHER FEES TOTAL	£7,731

Construction costs Phase 3A:

	DESCRIPTION	AREA (M2)	RATE/M2	TOTAL COST
Skate Surfaces	Concrete in middle section of park, next to and around new cafe/offices	205	£265	£62,474
Structures	Cafe, offices, meeting space, storage & Wheelchair lift			£364,550
	TOTAL			£427,024
	CONSTRUCTION TOTAL (GROSS)			£427,024

Please note that for some figures in 'Total Cost' there is a VAT element, as we are a partially exempt business and hence do not reclaim 100% of our input VAT. The rate/m2 is net of VAT. We have estimated that we will be able to claim back 25% of VAT.

Total costs for Phase 3A: £457,793

Construction costs Phase 3B:

	DESCRIPTION	AREA (M2)	RATE/M2	TOTAL COST
Skate Surfaces	Replacing the wooden skate surface with concrete	420	£321	£144,356
	TOTAL			£144,356
	CONSTRUCTION TOTAL (GROSS)			£144,356

Total Costs of Phase 3 (3A and 3B combined) including VAT costs: £602,149





PAYING FOR PHASE 3

The total combined cost of Phase 3 (3a and 3b) is £602,149. We have secured £352,813 towards this in grant funding and have applied for a further grant of £126,000 which would make a contribution of £478,813 towards this total. We intend to fund the rest of the project through a combination of loan and Community Shares funding.

Our grant funding comes from three sources. The Veolia Environmental Trust are contributing £253,813 towards the project and Projekts was presented with £100,000, at the National Lottery Awards 2017, from Sport England, towards the project, as it meets Sport England's goals to increase participation in physical activity and encourage healthier lifestyles. The final source of grant funding is an application to Power to Change for £126,000. We also have an agreement in principle for loans from two charitable loan funders, GMCVO and the Charity Bank.

Any funds raised from the Community Share Offer we would use to reduce our loan funding, Projekts own contribution and towards some additional skate surface and design features which would add value and growth potential to the current plans but are not currently included in the costs.



INVESTMENT SECURITY

PHASE 3 IS A SOUND INVESTMENT FOR THE FOLLOWING REASONS:

- 14 years' experience operating the skatepark and coaching service
- Year on year growth in skatepark attendance and coaching classes since 2012
- 25-year lease on the land
- 10-year break clause
- Alienation clause allowing loan provider to transfer the lease to another operator
- Strong evidence of high demand for services
- Strong board of Directors
- Unique service
- Low competition

In our financial projections we are projecting for a share withdrawal of 10% per year following the initial 3-year period in which share withdrawal will not be permitted. Any funds within that 10% that are not used to buy back shares or that are secured by the reissue of shares that have been withdrawn to new investors will be placed in a long-term deposit account and held against the possible need to repay the total share capital at the end of the 25-year lease period. In the very unlikely event of the break clause being activated at 10 years, we also therefore will have sufficient capital in reserve to refund our investors.

Other legal information we need to tell you

Projekts MCR Limited was registered as a Community Benefit Society with the Financial Conduct Authority on 6 April 2004 (No: 29726R) and its Rules updates on 26 April 2018. Our governing document, the "Rules of Projekts MCR", is available from <http://pumpcage.com/who-we-are/> and explains member rights as well as the management and constitution of the Society. The Society is run by a management committee which is elected by its members on the basis of one member one vote.

As with any investment there is risk involved. Should Projekts MCR get into financial difficulties:

- We may not be in a position to pay interest
- We may have to suspend your rights to withdraw shares
- You may lose all the money you pay for your shares

If Projekts MCR is wound up, its assets will first be used to meet its liabilities; next to repay members for their shares; finally, any surplus remaining will be passed onto a charity, society or other asset locked body serving the Manchester community.

If a Member dies the repaid value of the shares will normally be added to the estate for probate purposes. The application form at the end of this document offers the option for you to nominate a recipient for the value of the shares in the event of your death.

We encourage prospective members to view their investment as a long-term commitment to the project – a one-off investment to generate a long-term financial benefit to yourself and a commitment to the development of the local community. Shareholders should be prepared to tie up their capital for a number of years. Share capital cannot be withdrawn for the first three years of investment and thereafter only at the Directors' discretion. Please note, the directors may resolve at any time to return excess capital to members in the proportions in which they provided it to the Society. Also, directors reserve the right to refuse an application for withdrawal to protect the stability of the society's financial position.

If you are in any doubt as to the action you should take you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (FSMA) or from another appropriately authorised independent financial adviser.

The content of this document has not been approved by an authorised person within the meaning of FSMA. Reliance on this document for the purposes of engaging in investment activity may expose an individual to a risk of losing all the money he/she has invested.

Nothing in this document constitutes investment, tax, legal or other advice by Projekts MCR Limited, its directors or advisers.



FAILURE TO PROCEED

All monies raised by this share offer, all money donated and all interest free loans will be held in a holding account until the decision to go ahead with the project has been made. If a decision NOT to go ahead is made, all monies raised through the share offer will be returned IN FULL to the parties concerned.

ABOUT PROJEKTS MCR

A history of Projekts MCR

2004-2013 PHASE 1 PARK

Projekts began in 2004 following a decision by Manchester City Council to ban skateboarding on the highways and pavements in the city. Following a protest they allocated the land that Projekts MCR now occupies, under a flyover of the Mancunian Way, to building a new skatepark and Projekts MCR won the tender to run the site. From the outset Projekts was run as a cooperative society, owned and run for the benefit of its members. Projekts grew steadily in users and revenue through its early years. However, by 2012 growth in users had plateaued as the skatepark reached capacity.

2013-2018 PHASE 2 PARK

In 2013 Projekts underwent the Phase 2 re-design with the aim of increasing capacity and access to the park to meet demand. Phase 2 involved more than doubling the size of the park by building a concrete skatepark to the east of a disused road that ran under the centre of the flyover. In addition to the new ramps a café was added, providing a place for spectators to socialise and watch skaters in action. Following the Phase 2 re-development visits to the skatepark again began to increase and went from 6,000 prior to the new section being built to the current levels of 18,000 visits per year. As a result of the Phase 2 expansion Projekts was able to become financially independent, sustaining itself without Council funding. Additionally, the extra space and facilities have allowed the organisation to expand the coaching, youth and community programmes they are able to provide both inside and outside the park. However, by 2017, again the management began to notice growth in users and revenue levelling off as the skatepark reached capacity as well as experience limitations in terms of community and educational projects they wanted to run due to capacity and design issues, instigating the plans for the Phase 3 park. Also, in 2017 the society fully upgraded its Rules as a Community Benefit Society because it was felt that the new structure better enabled Projekts MCR to articulate its vision as a community-orientated organisation as well as offering a greater ownership of that vision to the skatepark community itself. To fulfil that objective we are hoping that many of our skatepark users will become members through this Community Share Offering and become part of shaping the direction of Projekts MCR and contribute to its future success.



THE PROJEKTS MCR BOARD AND MANAGEMENT TEAM



**JOHN HAINES,
CEO AND
DIRECTOR
PROJEKTS MCR**

John Haines was a founding member of Projekts MCR and was appointed

CEO of Projekts MCR in 2012. Since taking on the role, John has successfully led Projekts MCR through the transition from reliance on local authority financial support to a 100% trading model. He achieved this by pioneering capacity building programmes including facility expansion, coaching, education and people development programmes in schools, leading to significant growth in skatepark attendance from 6,000 to 20,000 annual visits.



**LORNA HAINES,
FINANCE
MANAGER
& DIRECTOR
PROJEKTS MCR,
FINANCIAL
ADVISOR TO THE
BOARD**

Lorna Haines is a Chartered Accountant. She qualified in 2005 with Deloitte & Touche and she now works at Projekts overseeing the financial management of the organisation.



**GARY OULDS,
CHAIR PROJEKTS
MCR BOARD**

Gary Oulds has been Chairman of Projekts MCR since 2013 and brings a range of board level experience. Gary has extensive operations and business development background, generating over £20m in funding for drug and alcohol rehabilitation services. He is a qualified social worker with 30 years' experience in senior operations management across health and social care in both public and voluntary sectors.



**VIC MACMAHON,
EMPLOYEE
& DIRECTOR
PROJEKTS MCR**

An artist and lifelong skateboarder who's been

involved with Projekts since 2004. In his role as Gallery manager he has curated many successful art exhibitions and originally conceived the skateboard coaching program. A vital connection between the customers and the directorship; in addition to his volunteer work on the board, he still works for Projekts MCR part time as skateboard coaching/park supervisor.



**OWEN ROBERTS,
DIRECTOR
PROJEKTS MCR**

Owen Roberts has been skateboarding for more than 30 years and a

trustee of Projekts MCR for the past four years. Owen is passionate about the positive change that skateboarding can bring to individuals and their community and loves working as part of the Projekts team to make this happen. Outside of skateboarding Owen is a Managing Director of a company based in Manchester and a father to three children.



**MATT WILSON,
DIRECTOR
PROJEKTS MCR**

Matthew Wilson, BA, MA, MSc, FRSA. Matt has over two decades of experience in

the charity sector and during his career has been involved in a wide range of initiatives particularly in the arena of young people, education, employability and enterprise. He holds Masters Degrees from the Business School at Salford University and from the School of Public Policy at King's College London. He is an active fellow of the RSA.



**JAMES KIRKLAND,
DIRECTOR
PROJEKTS MCR**

James Kirkland is a born again skateboarder, coming to the sport later on in

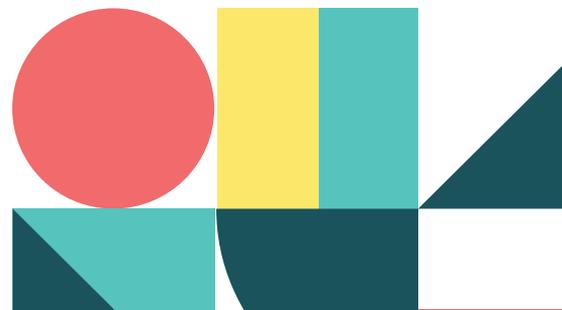
life (45) by being his Skate Coach son's first student. He firmly believes that you can teach an old dog new tricks, it just takes a bit more time and copious amounts of Radox and Nurofen. When not working on his board skills, James has had a 20 year career in Software, and is currently his firms Client Director for a number of pan European Technology Alliances.



**ELIZABETH
CUNNINGHAM-
DOYLE,
DIRECTOR
PROJEKTS MCR,
LEGAL ADVISOR
TO THE BOARD**

Elizabeth joined

the board of Projekts MCR in 2017. She has been a practising solicitor for nearly forty years with experience in both the private and public sectors. She has been a director of two companies responsible for delivering the Building Schools for the Future Programme and a company secretary for Ellenroad Engine House Museum Trust Ltd. Elizabeth acted as a trustee for a charitable trust running the Eden Cafe a youth cafe in Leigh and is currently a member of the Boothstown Village Hall management committee. Her legal expertise has proved useful in facilitating positive outcomes for the organisations with which she has been involved.



FAQ'S

How can I invest?

We are running this share offer through the Crowdfunder website, which means anyone with a credit or debit card inside or outside the UK can invest. Funds you pledge to invest will be taken from you as soon as you agree to become an investor, but will be held by Stripe, Crowdfunder's payment provider and only released to us if the offer meets its minimum target by the deadline for the offer closing. If you cannot use Crowdfunder, we can accept cheques payable to Projekts MCR Ltd or payments made direct to our bank account (see details below).

What will happen to the money?

Funds invested via Crowdfunder will be released to us soon after either the share offer closes, provided we have hit the minimum target. Cheques will be banked after this point, whilst bank transfers will be kept in a special deposit account to protect them from the day-to-day trading of the skatepark. Should the share offer fail, then cheques will be destroyed (we can return them if you request this) and bank transferred funds will be returned. Funds invested via Crowdfunder will be returned to you via the bank card through which you made the payment. Should the share offer proceed and funds be received by the skatepark, but subsequently be unable to be used because the wider grant and loan package fails to materialise, then we will return funds to investors, and will liaise with investors to identify the most effective route to achieve this.

What is the minimum and maximum investment?

The minimum shareholding is £100. The maximum investment is £20,000.

If I invest I become a member, what does that mean?

Members of Projekts MCR are invited to the Annual General Meeting where they will have a vote on who is on the Board, as well as other matters that the Board wants to put to the society. All members have an equal say independent of the number of shares that they hold. Additionally, members will be invited to any other general meetings and will be eligible to sit on sub-committees. Member opinions and feedback will also be welcomed and sought through informal conversations with the skatepark management. We also commit to keeping members informed of what is happening at Projekts MCR and any changes or new ventures proposed in a variety of different ways including the website, facebook, twitter and email updates. We will welcome members communicating with us through email or social media as well as face-to-face at the skatepark sharing their ideas, volunteering their help or voicing any concerns. Once a year we will solicit members' opinions and ideas through an online survey before the Annual General Meeting and member feedback will be taken into account in the business of the meeting.

Who can invest?

Anyone over the age of 16 can invest and become a member of Projekts MCR. Under 16s are not able to invest but they can sign up to the Projekts Youth Panel which will mean they will also be consulted and informed of any new projects or changes to the park in the same way as members and their views taken into account.

Can organisations and businesses subscribe for Community Shares?

Yes. A representative of that organisation will need to become a nominee member of the society on behalf of their organisation/ business. If the organisation or business is legally incorporated, the shareholding remains the property of the organisation/ business and any interest or withdrawal would be paid to the organisation or business. If the organisation or business is not legally incorporated (e.g., a small sports club or a sole trader business) then the shares are the legal property of the named individual who completes the form and any interest and withdrawal would go to the named individual, and it would be a matter for the organisation and the named individual to resolve how this was handled by them.

Can people club together to buy shares?

Yes, but as with organisations, you'll have to nominate a member of your group to be the named shareholder in our share register.

Could you sell the Skatepark?

No. Projekts has a 25-year lease from Manchester City Council, who are the freeholders. The lease does not give power to the society to sell its interest in the skatepark.

Are my shares at risk?

Although Projekts MCR Ltd is registered as a Community Benefit Society with The Financial Conduct Authority (FCA), the sale of community shares is not regulated by the FCA. Like many investments, community shares are at risk and you could lose some or all of the money you invest. Unlike deposits with high street banks, community shares 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 doing so.

Can I get tax relief on my investment?

As long as you are a UK tax payer, you are eligible for tax relief on your investment via the Social Investment Tax Relief Scheme subject to HMRC rules on eligibility, as long as you leave your shares in the Society for at least three years.

We have applied for advance assurance from HM Revenues and Customs (HMRC) that the shares in Projekts MCR Limited are eligible for tax relief under the Social Investment Tax Relief scheme (SITR) which are both government-backed schemes designed to encourage investment in smaller enterprises.

Under SITR, the money raised by the share issue will attract tax relief at 30% of the sum invested. So, provided you are a UK taxpayer, you will be able to recover up to 30% of the amount you invest from HMRC. The actual amount of tax relief you can claim will depend on your personal tax circumstances.

For example, Bethan decides to invest £10,000 in the tax year 2018-19 (6 April 2018 to 5 April 2019) in SITR qualifying shares. The SITR relief available is £3,000 (30% of £10,000). Her tax liability for the year before SITR relief is £7,500 which she can reduce to £4,500 (£7,500 less £3,000) as a result of her investment.

Who cannot claim tax relief?

You cannot claim SITR if you or your associates are connected with the company. This applies where you or your associates:

- are employed by the company, except as an unpaid director
- hold a total of more than 30% of the company's:
- shares (see note below)
- rights to assets if the company is wound-up
- voting rights
- loan capital for SITR

Your associates are:

- parents, grandparents and great-grandparents
- children, grandchildren and great-grandchildren
- spouses and civil partners
- business partners
- trustees of settlements where you are the settlor or beneficiary

Whilst you cannot claim this tax relief if you're a paid director of the social enterprise, unpaid directors can claim tax relief.

Please note, on the subject of not being allowed to hold more than 30% of the shares, that in this proposal, the maximum individual shareholding of £20,000 is 40% of the minimum total amount which we could raise (£50,000). Therefore, in the event we only raise the minimum total amount investors would only be eligible for SITR for investments up to £15,000 and we would need to raise a total of £66,667 for investors who invest £20,000 to be fully eligible for SITR.

Remember applications for tax relief are made to HMRC by you, the investor, not by Projekts MCR and so we cannot give any guarantees. HMRC's information site, <https://www.gov.uk/government/publications/social-investment-tax-relief-factsheet/social-investment-tax-relief> explains the application procedures but, if you are unsure, please seek professional advice.

What if the society fails?

The risk assessment in the Business Plan details the risk we feel the skatepark faces, and we believe that there is no serious prospect of insolvency. However, in the unlikely event this does happen, the ability of investors to recoup the funds they have invested would depend on firstly the value we could realise for the assets of the society and secondly, the value of our debts at that point. Any surplus after paying any debt owed by the society would be used to enable shareholders to have their capital returned, and any surplus left after that would have to be spent on charitable activity in the community as a result of the asset-lock provision of our governance structure which proscribes the use or management of society assets for anything other than community benefit except in a small number of restricted cases.

Can my investment be gift aided?

No, Projekts is a Community Benefit Society and not a registered charity and as such it is not eligible to receive gift aid.

Can I sell my shares?

No. This investment is in withdrawable share capital which cannot be transferred, sold or given to anyone else, except on your death to someone you have nominated and told us about up to the level of £5,000 of investment (any investment above £5,000 requires your beneficiary to be explicitly named in your will). Shares can be purchased as a gift, in which case please nominate the shareholder on the application form and list yourself as the person making the application. Once shares have been purchased the named shareholder cannot be changed so they cannot be passed on as a gift once issued.

Can I withdraw my share capital?

This investment is locked in for 3 years and even after that period withdrawal will be subject to the financial performance of the society and Board discretion. In our financial projections we are projecting for a share withdrawal of 10% per year following the initial 3-year period in which share withdrawal will not be permitted. Any funds within that 10% that are not used to buy back shares or that are secured by the reissue of shares that have been withdrawn to new investors will be placed in a long-term deposit account and held against the possible need to repay the total share capital at the end of the 25-year lease period. In the very unlikely event of the break clause being activated at 10 years, we also therefore will have sufficient capital in reserve to refund our investors. Share withdrawal requests that would take repayment of share capital above 10% per year of the total initial value of shares issued in this share offer are likely to be rejected..

So how can I get a return on my investment?

The society has the ability to pay interest and allow investors to get their money back on withdrawable share capital should we have the funds to do so. The Board have decided to offer 4% return on investment from 3 years after investment although this may be adjusted at their discretion if it affects the financial viability of the society.

Can shares increase in value?

Shares cannot rise in value, so there will never be a capital gain. They may be reduced in value if our auditors instruct us to do so if they believe that the value of our assets has fallen.

Will I get a Share Certificate?

Everyone who invests will receive a community share certificate.

Does being a member mean I can use the skatepark for free whenever I like?

No. The skatepark will need to continue charging users to generate enough revenue to cover its costs and build reserves. Entry tickets are sold separately from this share issue.

What will you do with my personal details and data?

Your personal details as submitted on the application form will be held by the society and used in accordance with the provisions of the rules and of the 2014 Co-operative and Community Benefit Societies Act. Only members can inspect the members' register and view members' names and addresses (but not how much they have invested) but the society will not share, sell or provide your details to any other individual or organisation and will ensure compliance with the European GDPR regulation in accordance with its responsibility as a data controller.





TERMS AND CONDITIONS FOR APPLYING FOR SHARES

Your application

You cannot withdraw your application for shares after we receive your application.

Your application may not automatically be accepted and it may not be possible to allocate you all or any of the shares that you requested.

Your application will be considered for approval at the first Directors' meeting after the first and second phase of the share offer has closed. Therefore, you should not expect an immediate response.

Your payment

Payments made via Crowdfunder will be administered according to the terms set out on their website.

The Directors will acknowledge receipt of your cheque/BACS payment and application within 14 days. They may cash your cheque as soon as it is received. Projekts MCR will hold your money on trust for you until your application is considered.

If your application for shares is unsuccessful, your money will be returned within 28 days of the Board of Directors meeting. If fewer are issued to you than you applied for, they will return the balance to you within 28 days of that Board of Directors meeting. The money will belong to Projekts MCR as soon as Projekts MCR issues shares to you (to the extent that they take it as payment for shares). Projekts MCR will not pay you interest on any money it returns to you.

The purchase of shares should be seen as a social investment to support the aims of Projekts MCR and not purely as an investment for personal gain or profit.

Your promise to us

YOU PROMISE THAT:

- Your cheque will be honoured on presentation.
- You, as an individual, are at least 16 years of age.
- You have authority to sign the application form. If you are signing it for another person, you will provide the Directors with evidence of your authority to sign if they ask to see it.
- You will supply us with proof of your identity and address if the Directors ask for it. We may need to do this to comply with the Money Laundering Regulations 2003. The Directors may have to hold back your shares until they see this.
- You are resident in the United Kingdom.
- You are not relying on any information or representation which is not included in this document.

Data protection

By completing the application for membership you consent to Projekts MCR holding personal data about you in accordance with the Data Protection Act 1998 and the European GPDR regulation 2018.

How to invest

You can invest in Projekts MCR community shares offer via Crowdfunder and completing the application form below.

Alternatively, you can complete the application form below and return it, along with a cheque made payable to Projekts MCR Ltd or a BACS payments can be made to Projekts MCR Ltd, Sort Code 08-92-99 and Account Number 65138360 using CSO and your name as the reference.

Community Shares Standard Mark

The Community Shares Standard Mark is awarded by the Community Shares Unit to share offers that meet national standards of good practice.

THESE STANDARDS ENSURE THAT:

- The offer document and application form are easy to understand
- You are provided with all the facts you need to make an informed decision
- The facts are supported by the annual accounts and/ or business plan for the society
- Nothing in the documents is purposefully incorrect, confusing or misleading Societies are asked to sign a Code of Practice requiring them, among other things, to give the public a right of complaint to the Community Shares Unit.

For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to: www.communityshares.org.uk