



# OUR BIGASK



*For once you have tasted flight you will  
walk the earth with your eyes turned  
skywards, for there you have been and  
there you will long to return.*

Leonardo da Vinci



LAUNCH TARGET



MAXIMUM

Flying club - £75k

Runway - £475k

TARGET

Flying club - £50k

Runway - £100k

MINIMUM

Flying club - £25k

Runway - £25k

SHARE OFFER

Runway shares...

Minimum investment - £100 (Kinross-shire)

£200 (Other)

Maximum investment -£45,000

Flying club shares...

Minimum investment - £5,000

Maximum investment - £45,000

Applications Timeline...

Monday 8th May - Open

Friday 30th June - Closed

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR CAREFUL ATTENTION. It should be read in its entirety.

OFFER SUMMARY

Aero Space Scientific Educational Trust (“ASSET”) is seeking investment from the community. The minimum target to be reached is £25,000 and the maximum is £475,000. All funds will be used towards the fulfilment of the society’s objective to help launch Aero Space Kinross (“ASK”).

ASK will be a family visitor centre and tourist attraction which will benefit the local community by developing Kinross-shire into the pre-eminent light sport aviation and space flight play based learning centre in Scotland. ASK will inspire future generations into flight themed STEM related careers and leisure pursuits. In so doing, ASK will act as a feeder for both the aerospace industry and educational / training establishments in the Tayside area. ASK will also add to the attractiveness of the area as a quality destination on the Scottish tourist map.

There are two reasons for the share issue and to reflect that there will be two separate classes of shares:

- 1 Runway – for working capital
- 2 Flying Club – for a Kinross High School Build-a-Plane project.

Investment Features: Runway and Flying Class shares...

- ✓ Withdrawable shares
- ✓ 5% Dividend
- ✓ Tax Relief < 50%
- ✓ Equal voting rights
- ✓ Rewards

The offer opens on 8th May 2017 and closes 7 weeks later on 30th June 2017 or when the maximum target is reached, whichever is sooner. The Board of Directors reserve the right to extend the offer beyond this initial period if they believe doing so would benefit the share issue.

The minimum investment per person is £100 for people in Kinross-shire or £200 for people outside Kinross-shire and the maximum investment per person is £45,000.

ASSET is a registered Community Benefit Society FCA number 7524 of Whispering Pines, Mawcarse, Milnathort, Kinross KY13 9SJ and a Scottish Charity registered with OSCR number SC045931.

This offer is not covered by the Financial Services Compensation Scheme and investors have no recourse to an ombudsman. You should only ever invest as much as you are prepared to lose.

**Aero Space Kinross - ASK** will bring fun based learning to the young heart of Scotland about the sheer joy and technical wonder of all the ways in which we break the bounds of gravity and explore the space above us.

ASK fills a gap – a unique project that's more than a science centre or museum but something that feeds people's love of defying gravity and venturing into the air above and beyond. It won't be a graveyard for old planes, or an elitist spaceport for the rich and famous, but a place for people to have a great time whilst also being enthused about becoming the aviators and astronauts, the engineers and scientists of tomorrow.

Aerospace is a big part of the UK economy, but much of that is outside Scotland. Without a pool of people with the passion and the skill, the many firms working in this area can and will look elsewhere. ASK will inspire and nurture future generations.

While our ultimate goal is ambitious and challenging, our proposition chimes with both local and national goals. For example, the UK aerospace industry is second only to that in the USA. The UK has a 17% global market share which generates revenues of £12bn. However, Scotland accounts for only 2% of the UK total so we have an opportunity to grow in what is set to be a boom industry. Today, it is estimated that the UK needs 45,000 extra engineers. Where will they come from? Aero Space Kinross can be part of the solution.

We also want to build this because it matters to the local economy of Kinross-shire, a beautiful rural area that needs some motors of economic growth to attract people to the area and to give local people the kinds of jobs they want and we'd want our children to have – secure, well-paid and important.

We know this project is feasible, and now it's time to get serious. We've got the project onto the runway, and we need you to supply some 'financial fuel' to help us get it off the ground.

## OUR FLIGHT PLAN

To make ASK a reality, we'll need to raise around £10M to buy the land and build the venue on one of the two sites we've identified as suitable to meet our vision. A big part of making this happen is securing some economic growth grants provided from public funds, as well as a much bigger community share issue and some loan finance too. We'll be applying to the likes of The Big Lottery, Heritage Lottery Fund, Scottish Land Fund, Tay Cities Deal, as well as a wide range of trusts and foundations, corporate sponsors and philanthropic individuals. These funding sources are highly competitive and need professional and polished bids, written by people who have the right skills, based on support from the professional services needed to make capital projects projects a reality- architects, surveyors, designers and the like.

The volunteer team who have proven that ASK is feasible now need to bring in full time staff to deliver this critical phase. To that end, we are turning to the people who believe in our vision and want ASK to become a reality.

That will not only give us the money we need but will also demonstrate strong public support for what we're doing which will be just as critical as the finance, if not more so.



*bringing fun based learning  
to the young hearts of  
Scotland about the sheer joy  
and technical wonder of all  
the ways in which we break  
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explore the space above us.*



## THE PROJECT TEAM

The board of ASSET is comprised of volunteers who have freely given much of their spare time and talents to nurture the vision to its present advanced state of readiness. The ASK enterprise now needs to be ramped up to a level of operational capacity which demands full time resource.

To deliver the next phase of the development, ASK needs a project team to work full time on raising the necessary finance, promoting the vision, researching final options and engaging the professional services needed to make this happen. The team will deliver the necessary ASK enterprise capacity and be tested in a real-life environment as to their suitability for longer term employment at ASK. The team will be led by an experienced project manager supervised by the chairman who has extensive operational management experience.

Substantial research and evaluation of capital and operating costs has already been undertaken but the financial model for ASK has been prepared for illustration purposes in advance of venue design and asset acquisition decisions yet to be taken. The project team will review and discuss designs emanating from professionals. They will provide supporting information as required for planning applications. The project team will also investigate and report to the ASSET board on options and cost implications so that the plan can be finalised.

An outline fundraising strategy already prepared by external consultants will be refined by the full time professional fundraiser who is to be hired by ASK. The fundraiser will adapt and develop the existing strategy to meet prevalent conditions and in relation to the decisions emerging from the ASSET board in relation to venue location, design and development costs. Then the fundraiser will prepare and champion applications to external funders.

When the favoured site has been selected, and the funding secured, the project manager will engage in purchase negotiations alongside relevant ASSET directors and professional advisers.

During the second half of the project, the team will pull together policies and procedures for the future operation of the full-scale enterprise.

A key role for the team will be to keep the local community fully informed and inspired. They will achieve this through a wide range of communication channels, the media and by running events.

The Community Share Offer will be in two phases. Simultaneous with this first phase, application is being made for match funding of £100k from each of LEADER and Big Society Capital. If the applications are successful, these sources will deliver £200k towards the phase 1 working capital target. Phase 1 will be virtually over by the time the ASK enterprise project team come on board. However, they will support the Phase 2 application which will seek to raise c.£1m towards the capital cost of the site and venue development.

Three members of the ASSET board have the necessary skills to supervise the Kinross High School Build-a-Plane project. The project team will provide administrative, book-keeping and promotional support to the school build-a-plane project.

In summary, the project team will:

- Support the ASK board to devise, maintain and implement robust corporate governance and operational procedures
- Maintain appropriate financial and administrative records
- Keep all stakeholders continuously informed
- Run community consultation events, marketing programmes and promotional events
- Manage a pool of volunteers (50 volunteers are already engaged)
- Assist in the supervision of projects, including a school Build-a-Plane project
- Conduct research into relevant aviation heritage, displays, interactive exhibits, simulations
- Participate in and contribute to site options and venue design analyses
- Liaise with external professional advisers and suppliers
- Raise funds for the creation of a venue for ASK

The **project manager** will provide team leadership, project management, and oversee delivery of all financial, IT, business planning and general administrative services.

Our **fundraiser and the marketing/PR officer** will support the board of ASK to deliver the stakeholder support and finance required to operate the business. They will help cultivate sustainable long term relationships with donors and funders.

The **curator** will conduct the heritage research in association with external partners in the aerospace sector such as the RAF Museum, NASA, ESA, UKSA, galleries, corporates, individuals. The curator will prepare and present funding applications to the likes of the Heritage Lottery Fund.

The project will be centred in Kinross-shire where the enterprise capacity building project team will be assembled. They will initially work from home as freelance/sessional contractors until momentum has built to the point where permanent employment contracts can be offered, at which time they be located in suitable temporary office accommodation in Kinross-shire.

In the first instance, shared office hubspace will be rented from Liberty Business Centre in Kinross. In due course the team will move into a more permanent office environment.

Ultimately, the staff will move into the ASK venue when it is constructed.

**SOCIAL IMPACT**

When operational, ASK will make a significant impact on...

- Employment, Training and Education
- Citizenship and Community
- Culture and Heritage

**EMPLOYMENT, TRAINING AND EDUCATION**

The construction phase will provide employment for local contractors, skilled workers and apprentices. When operational, 20-40 FTE posts plus a similar number of peak demand contract roles will be created at the ASK venue. These will include science graduates, the unemployed, socio-economically deprived and the disabled (especially amongst those living within a 15mile radius).

Local suppliers will benefit from the economic injection of such a significant visitor attraction and visitors to the Loch Leven area will find more interesting things to do and see in the surrounding area. As a result, their dwell time and spend will increase.

Partnerships are being forged with universities and schools with particular emphasis on Science Technology, Engineering and Maths ("STEM"). For example, final year BSC Hons Architectural Technology students at the University of the Highlands and Islands have designed a new build structure for the venue. At Heriot Watt University, students have designed concepts for the interior. And at Glasgow Caledonian University, the director of the Virtual Reality and Simulation Laboratory and his colleagues in the School of Engineering and Built Environment have proposals for 3D visualisations, simulations and computer games.

Staff in the science and computing related fields at Kinross High School see substantial learning opportunities for pupils once ASK is established but are equally excited about the prospects for pupils to be engaged in the many research and design projects which ASK will initiate for years to come. They also see the substantial learning potential for their feeder primary schools.

**CITIZENSHIP AND COMMUNITY**

ASK is a not for profit social enterprise. Participation in the creation of ASK will galvanize social cohesion around an innovative vision. Some 20 – 40 volunteering opportunities will be created which will span the age and experience spectrum. Volunteer posts will give young people work experience, a leg up to those transitioning to work, and retirees/semi-retirees an opportunity to stay active in the community. ASK will also provide a convenient and sympathetically designed family friendly indoor facility for residents and carers staying at Children's Hospice Association Scotland (CHAS) Rachel House.

ASK will be a low impact, low carbon and fully sustainable facility. Visitors will be encouraged to use public transport, cycling and walking as preferred means of travel. A link will be established to the Loch Leven Heritage Trail. Latest low cost solutions and technologies for heating, lighting, rainwater storage and utilisation as well as waste minimisation and recycling will be employed.



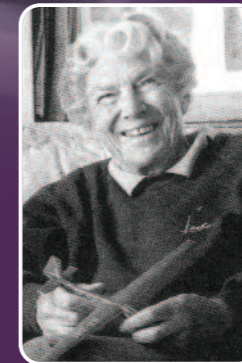
*Kinross High School see substantial learning opportunities for pupils once ASK is established*



T-in-the Park music festival



Sir Alan Smith  
CBE, DFC, DL



legendary glider and microlight pioneer  
Ann Welch



Vintage gliders at Portmoak

**CULTURE AND HERITAGE**

Following the departure of the famous T-in-the Park music festival which used to attract 80,000 visitors over a single weekend, Kinross has lost its prominent position as one of Scotland's key cultural venues. ASK will replace this loss.

**OUR INHERITANCE**

Although ASK will be very much focused on the here and now, it is crucial to understand, interpret and display the historical context which has given rise to today's great achievements in flight and aerospace developments. With this in mind a significant part of the ASK centre will be dedicated to the historical aspects of flight locally, nationally and internationally.



The story of flight itself is one which captures the imagination and has vexed man for thousands of years. In this context, RSPB Scotland have said...

*"We would like to continue to explore with you how your project could benefit from the links between human flight and bird flight and from its position at Loch Leven, which we think could further strengthen the case for you to choose Loch Leven as a location. Because of the geographic proximity and potential thematic links, we can also see the potential for working with you on creating links between our educational activities and to explore reciprocal marketing and ticketing incentives to the mutual benefit of both visitor attractions."*

Ranked high amongst flight pioneering individuals are many Scots - some local to Kinross - whom we intend to highlight at ASK. Heroes who have lived locally include Sir Alan Smith (Douglas Bader's wingman) and George Thomson VC (who gave his life at only 25 years of age to save other crew members in a burning Lancaster bomber) to name but two. With the Scottish Gliding Centre on our doorstep, a collection of vintage gliders, and the story of legendary glider and microlight pioneer Ann Welch, we will not be short of local features.

There are of course a great many uses for flight including tourism, commercial activities, humanitarian relief and search and rescue. Scotland's Air Defence is another important feature we will highlight at ASK. The former roles of airfields such as RAF Balado Bridge, Errol, Crail, Grangemouth and Scone will also be featured.

Looking further afield ASK will explore the history of space exploration, the space race, work at NASA, ESA, UKSA, SpaceX, Virgin Galactic, Blue Horizon and the applications of satellites upon which we now rely for so much in our daily lives.

**THE FIRST FLIGHT**

This share offer isn't just about planning for the future. We're serious about the reason for this: it's about inspiring young minds, and we plan to start to do that from the get go.

We want to buy a build-it-yourself kit plane which will then be assembled by the students at Kinross High School. Under the auspices of the Light Aircraft Association inspection regime, Pete Benbow (who has already assembled one of these kits which has been successfully operating as a tow plane at the Scottish Gliding Centre for 2 years) will voluntarily supervise them and when it's finished, some young people will have made some very big steps to careers in the aerospace world. For example, they'll learn about aircraft design, the scientific and mathematical principles of flight, aircraft engineering, inspection and maintenance regimes and procedures, avionics, navigation, meteorology, radio procedures for air traffic control, and crucially the key importance of teamwork. Just for starters. The plane will be assembled at the school and subsequently hangered at a local airfield where the flying class members will voluntarily pay for and (where appropriate) conduct routine maintenance. They will also cover the flying costs of the aircraft (insurance, fuel, repairs and consumables).

All of this practical experience will relate directly to the school curriculum and national government objectives to stimulate STEM related learning. The UK economy is critically short of qualified engineers and this initiative will capture the imagination of the young particularly when they are making key educational choices (typically in second year) which have life-long implications. Kinross High School has c.1000 pupils of which some 200 are second year.

But it's not just Kinross High School pupils who will reap the benefits. Within a 10-15mile radius of Kinross are some of the most disadvantaged and socially deprived communities in Scotland. We want to reach out to those communities and the build-a-plane project will help us to do that.

The plane will be owned by us thanks to the support of pilot investors who will subscribe for flying club-class shares – a special investment of £5K minimum in the share offer. The pilot investors will provide air experience flights for the youngsters for as long as they remain suitably qualified and are approved to do so by the board of ASSET. These pilot investors will be responsible for the operating costs of the aircraft.

Flying club-class shares will also be made available to investors who do not wish to pilot the plane or be responsible for its operational costs.

After at least 3 years of use, we'll likely sell the plane to free up capital to repeat the process at another school in the wider area, and Flying Club-Class shareholders will be able to potentially withdraw their funds (pro-rata to the aircraft's market value at that point), or else roll it over to the next investment.



*It's about inspiring young minds, and we plan to start to do that from the get go.*



Kinross High School



The kit will be assembled under our supervision and an independent examiner of the Light Aircraft Association who will ultimately issue its permit to fly under powers delegated from the Civil Aviation Authority.



**WHAT WE NEED AND WHERE WE'LL GET IT**

There's two aspects to this share offer –Runway Shares that give us to the working capital to employ staff and get the project off the ground, and Flying Club Shares that will buy the kit plane.

**Runway Shares**

The bare minimum amount this offer needs to achieve is £75,000 which will give us the ability to hire some key staff we need to make this project happen. The optimal amount we'd like is £300,000 which will give us the full staff complement we'd ideally like, paid up until June 2018. We would be also able to employ those people until December 2018 if we were super-successful and raised the maximum in runway shares of £475,000.

**Flying Club Shares**

The cost of buying a kit plane is around £75,000. So, the bare minimum we need to make this happen is £50,000, as we believe the balance of the cost can be met via supplier discounts, corporate sponsorship and other small grants (eg from the Light Aircraft Association Educational Trust) and others we can apply for locally and wider afield related to the aviation sector and skills.

Both elements of the share offer – Flying Club and Runway Shares – are independent, and so should the Flying Club be successful, but the Runway share offer not be, the Board will take the plane project forward and not draw down the Runway shares.

Similarly, if there is not enough investment in the Flying Club share offer, this project will not be taken forward and Flying Club share investment will not be drawn down.

In the event that subscription for flying club-class shares exceeds the bare minimum, the surplus will be applied towards the Runway share issue. Similarly, in the event that subscription for Runway shares exceeds the bare minimum, any extra will be put towards any shortfall on the flying club-class share offer.

**What this means in practice**

If we get LEADER and BSC Match			
	Minimum	Target	Maximum
Flying Club Shares	25	50	75
Runway Shares	25	100	275
Match	100	200	200
Total	150	350	550
Working capital after plane	75	300	475

If we get LEADER or BSC Match			
	Minimum	Target	Maximum
Flying Club Shares	25	75	75
Runway Shares	37.5	200	375
Match	62.5	100	100
Total	125	375	550
Working capital after plane	75	300	475

If we get neither			
	Minimum	Target	Maximum
Flying Club Shares	50	75	75
Runway Shares	75	300	475
Total	125	375	550
Working capital after plane	75	300	475

**What you'll get**

Investors will become shareholder members in the project, through the parent charity behind ASK, Aero Space Scientific Educational Trust ("ASSET"). ASSET is a Community Benefit Society with charitable aims and status. Investors can vote for the board of Directors, and will be owners of the ASK facility when it opens.

This offer is in 'withdrawable shares' so when ASK opens and is generating surpluses, we hope to pay all investors 5% return on the use of their capital from the end of the first full year of trading after the centre opens out of trading surpluses. Our projections are naturally early stage, but we forecast being able to comfortably meet these targets on a level of visitor numbers around half what our commissioned research suggests is achievable.



## OUR MARKET

Half of Scotland's population live within one hour's drive of Kinross. Thus, the immediate catchment area is home to approximately 2.75million people. The ASK theme and focus has no equivalent in the vicinity and will attract:

- Families with children under 16
- School coach parties (term time)
- Aviators, aviation & space enthusiasts, hobbyists, astronomers
- Events, exhibitions, product launches, gala dinners, workshops and private parties
- Tourists and passing motorists

Because Perthshire, Fife, Edinburgh, and Stirling are already highly successful tourist magnets, ASK will benefit from the area already being on the tourist map, and complement the existing attractions. The Loch Leven area is growing in popularity as a destination in its own right, with visitors to the likes of the Loch Leven Heritage Trail, the Kinross golf courses, RSPB Loch Leven and Loch Leven's Larder being key to its appeal. There are, however, few indoor venues and so ASK will offer an all-weather option that our climate sometimes demands!

Local airports participants will be reached directly through their flying clubs/schools. Wider market penetration will come through database contact mining (eg Light Aircraft Association members) plus features, articles and advertisements in special interest magazines (eg "Pilot").

Dundee Business School ("DBS") at Abertay University have independently researched the market and visitor number potential. DBS forecast the likely number of visitors to be in the range of 26,000 per year (a conservative estimate) through to a more likely scenario of 105,000. These estimates take no account of a very large unquantifiable category identified in their report (a copy of their 43page report is available upon request).

To be safer, we have built our projections around an estimate of 50,000 visitors in the first year and that compound growth of 10%pa will be achieved in the ensuing years as the attraction gains recognition and market penetration. By way of comparison, Dundee Science Centre and the National Museum of Flight both typically achieve around 70k and Glasgow Science Centre hosts around 350k visitors each year.



## AERO SPACE KINROSS

The medium case financial model for ASK when operational can be summarised as follows:

	Year of operation	1	2	3
<b>Visitors</b>	Number	<b>50,000</b>	<b>55,000</b>	<b>60,000</b>
<b>Income</b>	<b>£000</b>			
Entrance fees		508	559	615
Cinema		25	27	30
Events/functions/exhibitions		144	150	157
		<b>677</b>	<b>736</b>	<b>802</b>
Gift Aid recoverable <sup>28</sup>		31	34	
Café (Net of cost of sales)		163	180	198
Retail (Net of cost of sales)		42	46	50
<b>Gross Contribution</b>		<b>910</b>	<b>993</b>	<b>1084</b>
<b>Expenses</b>	<b>£000</b>			
Direct wages (Café & retail)		137	151	166
Salaries+NIC and Pensions		315	328	343
		<b>452</b>	<b>479</b>	<b>509</b>
<b>Gross Profit</b>		<b>458</b>	<b>514</b>	<b>575</b>
Overheads		425	422	423
<b>Pre-tax Surplus</b>	<b>£000</b>	<b>33</b>	<b>92</b>	<b>152</b>



*For every £1 people put in, they can lower their next tax return by 50p.*



### Notes:

- (1) These figures are an illustrative initial summary for operation of the proposed ASK venue, based a large number of assumptions though these have been scrutinised by an independent firm of Chartered Accountants -EQ CA who said in their report "The financial model as presented gives a good initial summary for the proposed project. From our review there is nothing within it which should cast any doubt on its integrity in any material way".
- (2) It does not include the pre-start-up income & expenditure which form the basis of the share offer.
- (3) As the composition of the Balance Sheet will be determined by the mix of investment, grants, donations and loans ultimately secured, none is presented at this time.
- (4) Visitor numbers and unit ticket prices are the most important element of the model. The visitor number projections are illustrative of what is considered to be the medium case scenario. An independent market research report by Dundee Business School, Abertay University gives assurance to the projected visitor numbers.
- (5) Ticket prices were determined in line with similar operations across the UK

Please note – we have commissioned studies on a variety of aspects of our plans, and what is contained in this offer document is a high-level summary. Potential investors may review the detailed documents by contacting us directly.

We will be doing a later share issue to raise much more to help the final push to open ASK (and potentially enable non-tax relief claiming investors at this stage to withdraw) but the rate of interest will be lower than the 5% offered to investors at this stage. In addition, investors in this share issue will be given priority for getting their money out when the centre is generating surpluses.

In the meantime, we have applied for Advance Assurance from HMRC that this offer will be eligible for Seed Enterprise Investment Tax Relief, meaning that for every £1 people put in, they can lower their next tax return by 50p, up to a total of £150,000 investment in the share offer in total. It is also eligible for Social Investment tax relief worth 30% to investors, up to a value of £1.5M (though investors cannot claim both reliefs on the same investment). Investors receiving tax relief will not be able to withdraw for three years after the investment date.

Because of HMRC's timescales, we have not yet received confirmation of this, though we are confident our offer will be eligible. However, investors should check the ASSET website for the latest information through the period of this offer.

Please note - tax relief is also condition on investors meeting the criteria for the respective tax reliefs, and so anyone relying on the prospect of securing tax reliefs when considering the amount they wish to invest should seek independent professional advice.

## WHAT WE'VE DONE SO FAR

The idea for ASK was floated 3 years ago. Since then, a huge amount of careful consultation, research and feasibility study has been done.

Local community based organisations have supported the vision with pump priming grants to fund the feasibility studies, research and initial market development. Through a Scottish Government sponsored scheme, Dundee Business School carried out an independent study of the market potential. Benchmarking has been conducted through visits to a wide range of visitor centres across the UK and further afield to identify and assess world class best practice. Several of the organisations visited have shared confidential operating and financial information with us.

Detailed financial projections were prepared (and subjected to external scrutiny by an independent firm of Chartered Accountants -EQ CA) all of which showed us that the idea stacked up as a business proposition.

A pool of over 50 local volunteers has already coalesced around the ASK vision. They bring a wealth of experience and expertise across a diverse range of skills, and can be found enthusiastically sharing the vision at local events/ fairs/ markets.

The Loch Leven Tourism Forum, the Scottish Tourism Alliance and VisitScotland are all very optimistic about the tourism potential of ASK. RSPB (whose main Scottish bird sanctuary and nature reserve has been located at Loch Leven for 50 years) are keen to have a presence at the ASK venue to demonstrate how we have learned from natural flight and to highlight the fact that Loch Leven is on the main UK migratory flightpath for many species – notably Pink Footed Geese flying to/from Iceland and Whooper Swans to/from Scandinavia. In a letter of support, RSPB Scotland said...



*"We support this project in principle, as we believe it has the potential to enhance the visitor destination...and to attract additional visitors to the area..... We chose this location 50 years ago to engage with the public because of its geographic proximity to a large proportion of Scotland's population and its situation on one of the major transport routes to the Highlands.....Fifty years of success demonstrate the wisdom of that decision"*

# OUR BIG ASK

## WHAT WE'VE DONE SO FAR (Continued)

Particularly close links have been established with the University of the Highlands and Islands (Perth and Inverness Colleges), Heriot Watt University, Glasgow Caledonian University and St Andrews University. These university links have already delivered architectural and interior design concepts for a possible venue, proposals for a flight simulator and assistance with STEM related educational outreach.

A close working relationship was established with Kinross High School, the focal point of which was the first Aero Space Kinross STEM day (funded by the Institute of Physics in Scotland) where we delivered a full day of astronomy, interactive flight simulations, human physiology, team building, meteorology and other science related educational activities to 200 S2 pupils. Beyond the High School, some 175 P6 and P7 pupils from 7 feeder primary schools participated in a half day outing to the High School where they had talks on astronomy inside an inflatable planetarium and a rocket challenge on the playing fields. Because creating pathways into good jobs in this sector is at the heart of what we are about, there was also a careers oriented exhibition at the Community Campus throughout the day open to all 1000 High School pupils during their breaks.

Links have been established with a wide array of partners who are supporting the vision of the company. Most notable among them are Glasgow Science Centre, the National Space Centre the RAF and the RAF Museum. We are also making links with aerospace sector corporates thanks to ADS - the Farnborough headquartered trade body of the UK aerospace, defence and security industries.

In the world of light sport aviation, the Aero Space Kinross vision has been enthusiastically supported by the Light Aircraft Association Educational Trust whom we expect to award a grant to assist with the Build-a-Plane project, whilst the British Gliding Association lent its gliding flight simulator and sent two instructors to the ASK STEM event at Kinross High School.

We recently ran an open and free public astronomy evening event called 'Watch this Space' in the main assembly hall at Loch Leven Community Campus, with high profile speakers from Glasgow Science Centre and Strathclyde University. This attracted an enthusiastic audience of around 250 people. In the summer, we will host a 1940s-themed Gala Dinner celebrating local and national aviation heritage which will be supported by the RAF, The RAF Museum, The RAF Association and the RAF Benevolent Fund.

## POTENTIAL SITES FOR THE ASK VENUE

We identified 6 potential sites in the vicinity of Kinross for the proposed ASK venue, which were then assessed against a range of economic and operational criteria.

From these, the 2 best potential sites are under close evaluation. One is a greenfield site for a new build close to junction 6 of the M90, and the other is a vacant warehouse complex near to junction 7 which could be reconfigured and renovated to suit our needs. We've opened discussion with the landowners and consider both to be viable options, and with the funding from this share offer and associated match funding, we can narrow the choice down to the best site and move towards purchase. Our indicative costs for developing ASK at either site are:

Land & Buildings	Construction & fit out	Total Cost
<b>Kinross West</b>	£0.4m	£10m
<b>Milnathort</b>	£1m	£8m

Kinross West (new build)

Milnathort (warehouse conversion)

The purchase costs represent the known aspirations of the landowners. The construction and fit out costs were prepared by Quantity Surveyors from the detailed designs illustrated earlier. The final costs will ultimately depend on the selection of construction methods, materials and interior design.



*as an all-year round attraction, provide a better platform for good, secure, well-paid jobs.*



*ASK is surrounded by this academic expertise*

## CHALLENGER SPACE CENTRE



Over 30 years ago now, the Space Shuttle Challenger exploded soon after take-off, killing all the crew onboard.

As a lasting legacy, the families of the astronauts have established over 40 Challenger Learning Centres across the USA, which take young people on a realistically simulated and highly educational space mission.

There are currently only 3 Challenger Learning Centres outside the US – one in Canada, one in South Korea and a third at the National Space Centre Leicester. ASK has been approved as an emerging site for Scotland and over the months ahead the ASK team will work up detailed plans to locate a Challenger Centre within the ASK venue.

*"Aero Space Kinross is a great idea to engage your public for support, and to inspire your youth to further pursue careers in technical fields, which are key to economic growth."*

**Lance Bush Ph.D., President & CEO, Challenger Center**

## THE LOCAL ECONOMY

This part of Scotland is uniquely strong in light sport aviation activities - gliding, hang gliding, micro-lighting, ballooning, skydiving, para-gliding, aeromodelling – and so we already have a pool of talent. Until recently, the RAF were stationed at Leuchars and they were formerly at Balado, Scone, Errol and Brechin, whilst Crail was a Royal Naval Air station and Scotland's Secret Bunker is near St Andrews.

But Kinross-shire is principally a rural economy with little diversification. Following the relocation of Forth Wines to Glasgow, Milnathort has lost its largest employer and 50+ jobs.

Since the T-in-the-Park music festival moved to a new venue away from the area, Kinross-shire has lost its position as the home of one of Scotland's key cultural attractions, and lost something that brought a big economic benefit to many small businesses in the area.

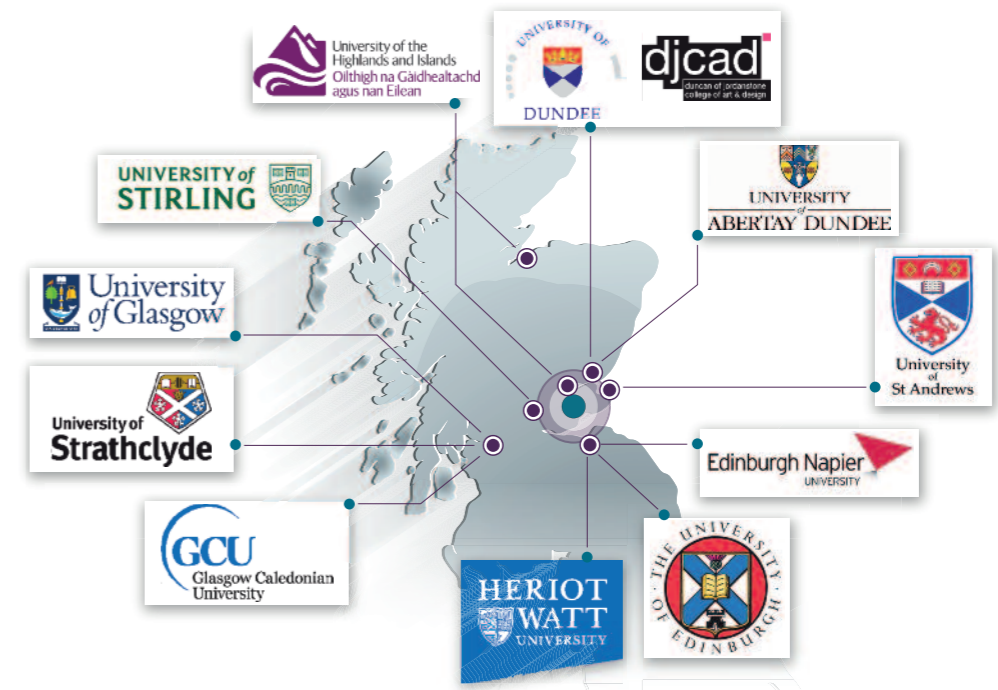
Aero Space Kinross can replace these losses, and, as an all-year round attraction, provide a better platform for good, secure, well-paid jobs.

There is a strong tourism element to the local economy, and the Loch Leven Heritage Trail has succeeded in attracting many additional visitors to the loch-side but they tend to spend only a few hours in the area. ASK will promote longer dwell time in the vicinity and so help the businesses supporting tourism – hotels, B&Bs, restaurants and the like - even more.

## THE WIDER REGION

### Talent Pool

Scotland enjoys a prestigious academic reputation. It has more world class universities per head of population than anywhere else in the world. Three key features of higher education in Scotland, which makes it a destination of choice, include the quality of education underpinned by world-class research, the tremendous breadth of learning on offer and a focus on employability. Because of its central location, ASK is surrounded by this academic expertise and is superbly positioned to collaborate with many universities in its orbit....



# OUR BIG ASK

## THE WIDER REGION (Continued)

These institutions have all expressed a keen desire to help shape the design and content of ASK. Our preliminary interface with the universities bodes well for long term mutually beneficial co-operation which will help maintain the freshness and sustainability of the attraction.

The Scottish Space School takes 100 secondary school pupils (S5) into Strathclyde University for a week in June each year. The top 10 pupils are selected for a trip to the Johnson Space Centre Houston. Since its inception in 2002, 1700 pupils have taken part - of whom over 800 are now in well paid jobs with good prospects in science and technology.

The 3 Universities in the close vicinity of Kinross (Tay Cities Area) add expertise in a diverse array of disciplines ranging through aeronautics, astronomy, astrophysics, aero engineering, gaming, VR/AR simulation, robotics and life sciences in addition to the traditional range of STEM related subjects.

Scottish universities are at the forefront of research but the aerospace sector has much scope for growth. That growth will fuel demand for highly skilled people, and Aero Space Kinross will be at the grass roots of developing a desire to be involved in STEM related activities by Scotland's young people.

## WHAT ARE COMMUNITY SHARES

Community Shares (also called 'withdrawable shares') are ideally suited to community-focused organisations. Investors can receive some interest on the sums they invest and may withdraw their investment (in essence, get their money back) but only under certain conditions.

Community shares can't be sold on or transferred. We will always have to ensure that repaying members is prudent, taking into account our objectives as a community benefit society. We hope that you want to make the vision for ASK a reality. This share issue has been designed to give you an opportunity to contribute financially, on a long-term basis, to this important business for the local community.

Community shares cannot increase in value. If ASSET ever sold the facility, and made a profit, investors would receive their original investment back, and the profit would go to a charity (this is called an asset lock). If the business ever runs into difficulty, it is possible that not all of the original investment could be repaid.

The target audience for this share offer reaches well beyond the boundary of Kinross-shire. A multi channel, multi-touchpoint approach is being adopted. This approach is underpinned by establishing the offer on a leading crowdfunding platform backed up by promotion on digital social media including our website: [www.aerospacekinross.com](http://www.aerospacekinross.com) and the ASK Facebook page. Our communications plan identifies a known reach of over half a million people through (a) owned, (b) partnership and (c) paid for advertising channels. Local, national and indeed international penetration will be achieved. Local and national radio and TV coverage is anticipated. The Scottish diaspora will be tapped into via the likes of the American Scottish Foundation in New York City.

## ABOUT ASK

ASK will be developed and owned by Aero Space Scientific Educational Trust (ASSET), a charitable community benefit society registered with OSCR and the FCA No SCO45931. ASSET will raise the capital and investors will become members of ASSET.

A copy of the society's rules is available to all; and an open, transparent democratic society ethos will prevail. The centre will be operated by Aero Space Kinross Ltd, a wholly-owned subsidiary of ASSET created for this purpose.

Shareholders will automatically enjoy membership status. Irrespective of the amount invested, each shareholder will have only one vote in matters of corporate governance. Share subscription rewards are included at the end of this document. These rewards vary in value on a pro-rata basis compared to the amount invested, and include free entry categories (for both adults and families) to the ASK venue when it opens.

Investors in the charity will be its legal owners and be able to vote for and stand for the Board of Directors of the charity, receive information about the charity and attend the AGM.

Beyond that though, we want to see our investors as a resource. We know there are passionate people who want to make this project happen, (over 50 have already volunteered to do so) and we'll be looking to members for support with their enthusiasm and skills to help us make ASK a reality. As we get closer to developing the centre, we'll be looking to our members to help us shape what goes into the centre and what the user experience will be like (as well as being the first port of call for feedback on how we're doing).

## WHO WE ARE

ASSET is run by a Board of Directors who bring a wealth of expertise and experience to the project, alongside other key advisors and supporters:

## Our Board



### Alisdair Andrew Stewart **Chairman**

Alisdair is a retired senior banker with some 40 years experience across a wide range of financial sectors including personal, commercial and corporate lending, leasing, venture capital and investment fund management. As Head of Clydesdale Bank Corporate Investment Services his team of 150+ staff across offices in Glasgow, London and Dublin provided securities services to some of the world's most prestigious fund management houses. At RBS he created a new business - RBS Luxembourg SA - which provides independent fund management services to a wide range of investment fund managers headquartered all over the world.

Alisdair is chairman of the Kinross-shire Partnership, holds a Private Pilots Licence and is a volunteer representative of MAF which flies 130 light aircraft to reach vulnerable people in remote locations in 25 of the world's poorest countries.



### John G Cassells **Company Secretary**

John is a commercial property law partner at Young & Partners Dunfermline with many years' experience in advising clients on a wide range of property and business matters. He specialises in the purchase and sale of commercial property (including trading businesses), leases of commercial property (for landlord and tenant), secured lending for banks and private investors, sourcing property, complex property transactions, assembly and disposal of residential and commercial property development sites, advising on planning agreements, asset restructuring, advice on land taxes.

John is a director and Company Secretary of the Kinross-shire Partnership and Vice President of Orwell Curling Club.



### Ross McConnell **Finance Director**

Ross qualified as a Chartered Accountant in 1988, and as a Chartered Tax Advisor in 1995. He trained with an independent Edinburgh firm, and after qualifying worked for a medium sized firm before setting up his own practice in Kinross in 1995.

His practice specialises in tax compliance and tax planning for small and medium sized business, and high net worth individuals. He is also involved in charitable organisations, acting as reporting accountant for various local organisations and also as a trustee for a local charity.



### Anthony Peter Benbow

Pete Benbow is manager of the Scottish Gliding Centre at Portmoak Airfield, Kinross. He is a British Gliding Association (BGA) Chief Engineer (CE) and Airworthiness review Certificate (ARC) signatory.

Pete is also co-owner, maintenance engineer and restorer for the private "Portmoak Collection" of historic British gliders (1934 – 1970). The Portmoak collection is, possibly, the largest collection of airworthy historic British gliders in the UK.



### Dr Stephen Breslin

Stephen is Chief Executive Officer of Glasgow Science Centre and is committed to stimulating peoples' interest in science and helping them to discover the pleasure and relevance in science, engineering and technology. The Science Centre is a five star attraction and plays a pivotal role in Scotland's science infrastructure and Stephen is dedicated in driving it forward to become a key player in inspiring the scientists and engineers of tomorrow through hands-on engagement.

Previously, Stephen was Chief Executive Officer of Futurelab Education, one of the most highly respected think-tanks and research labs in the world whose work has had a profound impact on educational practice and thinking. Prior to this, Stephen was Chief Executive Officer with The Kelvin Institute Ltd, a joint venture between the University of Strathclyde, the University of Glasgow and Scottish Enterprise. The organisation's remit was to take technology that originated from Scottish Universities and develop it into marketable products and services for sale or licence.



### Sarah Brown

Sarah is Headteacher of Kinross High School and Campus Leader for Loch Leven Community Campus. Graduating with a science degree from Strathclyde University in 1989, Sarah worked in industry for a number of years before entering the teaching profession as a Teacher of Chemistry. A love of education and learning has meant that she has continued to study at postgraduate level in Science Education, Management and Leadership.

Sarah joined Kinross High School in 2015, with successful Senior Management and Headship experience gained in Fife and Edinburgh. She is passionate about providing high quality learning experiences and opportunities for the personal development of young people.



**Prof Andrew Rae** Andrew is Professor of Experimental and Applied Aerodynamics and Head of Engineering Research at the University of the Highlands and Islands, a Visiting Professor at Zhengzhou Institute of Aviation Management in China and for five years was a Royal Academy of Engineering Visiting Professor in the School of Engineering and Physical Sciences at Surrey University.

Andrew graduated from Imperial College in 1987 and joined the High-Lift Section of the Aerodynamics Department at the Royal Aircraft Establishment, Farnborough. His activities there concentrated on the physics of multi-element aerofoils. He has managed tests at over 30 other major facilities in seven countries and worked on projects for Airbus, Boeing and several Formula 1 teams.

He was the signatory for the aerodynamics clearance of flight test aircraft (including E-3D Sentry, BAC 1-11, Canberra, Andover, Nimrod, Hercules, Jaguar, Tornado, Sea King, Chinook and Lynx) modified to accommodate trials or upgrade equipment. He became a QinetiQ Fellow in 2008 for his contribution to applied and experimental aerodynamics, and he has worked on many non-aeronautical applications including road and rail transport, wind engineering and sport.



**Fiona Stewart** Fiona is a public relations professional with over 25 years of corporate, consumer and media experience who has worked in management roles across a number of sectors including finance, health and latterly tourism. She has led on international campaigns for VisitScotland in North America and Europe for ten years and has successfully started her own PR company 3 years ago. Her client base focuses on social, community and start-ups where she has built her expertise working with a number of community and social enterprises and ethical businesses in Scotland.

She is fully qualified with CIPR diploma and MSc journalism qualifications and is currently studying for her Public Affairs diploma.



**Gordon Nisbet** Gordon is a project manager/consultant with extensive experience of demanding projects across a wide range of industries. Prior to retirement in 2015 he held senior operations and support management positions in the RAF (23 years) and as a contractor in the energy services sector (17 years). Gordon has a track record in delivering significant improvement to business performance with proven skills in project management, operations management, safety and quality management. He is self-motivated and able to communicate plainly at all levels, trouble-shoot and deliver fit-for-purpose solutions on time and to budget. His extensive management experience, combined with cultural awareness, has underpinned successes in domestic and overseas appointments.



## OUR PARTNERS AND SUPPORTERS

Our partners and supporters to date include...

- University of the Highlands and Islands (“UHI”)
- Glasgow Science Centre (“GSC”)
- Kinross High School (“KHS”)
- RAF Museum
- National Space Centre Leicester

They have all freely shared their time, talents, extensive knowledge, expertise and insight with us. We will build ever closer relationships with them all over the months and years ahead. For example:-

### UHI

Prof Andrew Rae CEng FRAeS is a founding member of the ASK board. As Professor of Applied Aerodynamics and in his role as Head of Engineering Research at UHI, Andrew is uniquely placed to help direct many advanced aerodynamic educational aspects of the design and development of ASK content. Andrew sits on the ASSET board in his capacity as a STEM Ambassador for UHI.

### GSC

Dr Stephen Breslin is also a founder member of the ASK board. As CEO of the largest science centre in Scotland, Stephen has a wealth of creative and operational experience which he brings to the ASK table. The highly experienced GSC creative team will help to design and commission suppliers for the content of the ASK venue.

### KHS

Sarah Brown is a new member of the ASSET board who has however been an advisor over the past 12 months. In her role as Headteacher of Kinross High School and Leader of Loch Leven Community Campus, Sarah will convey educational priorities to the ASK team and facilitate pupil engagement across a wide cross section of the school curriculum.



## WHAT HAPPENS IF WE SUCCEED IN THIS SHARE OFFER?

We'll start recruiting people as soon as the offer is a success and they will help prepare the critical big capital project grant applications.

We're looking to raise around £8-9M towards the cost of building the centre, and without these grants, we don't see how those sums can be raised absent a lottery-win or a massive donation by a major philanthropist, so if we're not successful in the big capital project grants, that will likely be the end of the big capital project.

If we are successful, we expect we will do a further share issue to fill any gap between what the big capital project has raised and what it will cost to finish it. Traditional bank mortgage borrowing will also be an option for part of the capital cost.

We anticipate the applications for funding to be made later in 2017, with positive decisions in 2018, leading to the centre opening in 2019. We'll be building the plane in 2017 with it taking its first flight in 2018.

## WHAT HAPPENS IF WE FAIL IN THIS SHARE OFFER

If we don't raise £75,000 from people investing in this offer, then this enabling project will very likely never see the light of day. We'll not be able to take things further, commission architects or convince big capital project grant funders. The local economy will continue to decline, and Scotland won't get any better at attracting the good jobs of the future in the aviation sector.

The build-a-plane project is standalone, and so even if not enough Runway Share capital is raised, this will go ahead in the event of at least £50,000 being raised via the share offer.

## RISK WARNING

Due care and attention has been taken in preparing this offer document. The process has been overseen by the founder members who can vouch that the information it contains is in accordance with the facts available and that there are no known omissions likely to affect the viability of ASSET. However, investors should appreciate that any investment they make is to support the development of a completely new centre and, accordingly, a subscription for shares in ASSET should be regarded as primarily an investment for social and educational purposes. We have made detailed financial projections relating to the operation of the ASK venue. These projections were based on well-researched visitor numbers which show comfortable levels of trading surpluses. However, at this stage we cannot predict exactly what the operating surplus will be because the precise make-up of the capital sum we raise will affect the surplus level (for example greater success in securing grants as opposed to loans or equity will lead to lower costs, hence greater surpluses and so on).

This is an early-stage share offer and any return to investors is entirely contingent on securing the necessary capital to develop the facility, which is something we are not in complete control of.

Anyone investing is doing so to show support for the project, and all likely returns of interest on capital invested and withdrawal of capital invested is entirely dependent on the project being funded to completion, and then by our successful trading to enable sufficient surpluses.

If the project doesn't attract further funding and cannot progress, then the charity will likely be dissolved and investors unlikely see any return.

As a charity, we are asset-locked, and so any cash remaining at the point of dissolution from the sale of assets such as the plane or the centre will be applied firstly to satisfy any creditors (including employee contracts). Flying Club shareholders will have priority in the event of the charity having any surplus on dissolution after those creditors have been paid, followed by Runway shareholders.

Shareholders will not receive any more upon dissolution than the value of their capital interest plus any interest accrued; should there be sufficient funds after returning shareholders their funds, these will be donated to another charity in the Kinross-shire area, preferably with an aviation focus.

This offer is not covered by the Financial Services Compensation Scheme and investors have no recourse to an ombudsman. You could lose some or all of the money you invest.

We of course acknowledge that not everyone who supports the aims of the Trust will be in a position to invest. However, membership of ASSET (the Community Benefit Society) is open to anyone who supports our aims on payment of £10. Membership offers people the opportunity to participate fully in the Society. For more information about becoming a member ASSET, please visit [www.aerospacekinross.com](http://www.aerospacekinross.com)

## HOW TO INVEST

For residents within Kinross-shire, the minimum amount that can be invested by an individual in this share offer is 100 £1 shares. Shares are available to be purchased in £50 multiples above that.

For those living outside Kinross-shire the minimum amount that can be invested is 200 £1 shares. Shares are available to be purchased in multiples of £50 above that.

The maximum amount that can be invested by an individual is £45,000 – equivalent to 10% of the maximum capital we are seeking to raise.



**Online for UK Investors**

We're running this offer through the Crowdfunder online platform: [www.crowdfunder.co.uk](http://www.crowdfunder.co.uk)  
 Every investment made online via Crowdfunder by UK investors will be matched £ for £ by Big Society Capital ("BSC") up to a total of £100,000.  
 This online payment method therefore doubles the value of your investment for ASK and is therefore the very best way for UK investors to support the share issue.

To qualify for the BSC match, investments must be sent directly via the Crowdfunder online site from a debit or credit card issued by a UK bank.

So, even if you're not a fan of online payments, if you support what we're trying to do, we'd implore you to use the crowdfunder site as this enables us to raise much, much more in total from this share offer.

Crowdfunder will charge 5% + VAT upon success at the close of the share offer. In other words, for every £100 invested, £6.00 goes towards Crowdfunder related transaction costs. This does not affect the value of your investment, and these fees are operating expenses for us.

**International Investors**

Crowdfunder is able to process international payments from cards eligible to use the STRIPE system. Full details can be found in FAQs on the Crowdfunder website.

**Offline investment**

Investing online via Crowdfunder is the easiest way to invest and the only way to release the match funding from BSC which will possibly double the value of your investment

However, if you still wish to apply offline, you will need to complete an application form (available upon request - telephone +44(0)7825 698613).

**What happens when I invest?**

On the Crowdfunder site, your name, address and bank details will be taken but no money will be transferred until the offer closes and the minimum target has been reached.

If that target has been reached, the directors will decide a specific time to begin the transfer (likely within 2 weeks), and every investor will be given advance notice of when exactly this will be. The directors will acknowledge receipt of your cheque/BACS payment and application within 14 days. Any cheques received will be paid in after the offer closes. For applications supported by BACS or IBAN transfers, the funds will be held separately on trust and will be refunded within 28 days of the Board of Directors meeting to review applications, or within 28 days of the offer closing in the event of the share minimum target not being met. If fewer are issued to you than you applied for, they will return the balance to you within 28 days of that meeting.

The money will belong to ASSET as soon as ASSET issues shares to you (to the extent that they take it as payment for shares). ASSET will not pay interest on any money it returns to you.

**COMMUNITY SHARE OFFER REWARDS**

INVESTMENT MINIMUM	QUALIFICATION	CATEGORY	REWARD	+ FREE ENTRY TO VENUE
£100	Kinross-shire resident	Community	Aero Space Kinross T shirt	+  1 YEAR
£150	Kinross-shire resident	Community Family	2 Aero Space Kinross T shirts	+  1 YEAR
£200	Living outside Kinross-shire	Founder	Aero Space Kinross T shirt	+  1 YEAR
£250	None	Life	Aero Space Kinross Hoody	+  LIFE
£500	None	Discovery	2 Adult + 3 child ASK T shirts and pilot bear	+  LIFE
£1,000	None	Columbia	2 Adult Hoodies + 3 child ASK T shirts and pilot bear	+  LIFE + Preview invitations to events and exhibitions
£2,000	None	Endeavour	a/a (except designer polo shirt instead of hoody)	+  LIFE + As Above +VIP preferential offers, and personal introductions to celebrity speakers
£5,000	None	Voyager	a/a	+  LIFE + As Above +3 visits to KHS Build-a-Plane project, flight and name on plane

**TERMS AND CONDITIONS**

**Your application**

You cannot withdraw your application for shares after we receive your application form. 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, especially if the offer is oversubscribed. Your application will be considered for approval at the first directors' meeting after the share offer has closed. Therefore, you should not expect an immediate response.

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

**Your promise to us**

You promise that: • 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 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 ASSET holding personal data about you in accordance with the Data Protection Act 1998. We do not sell, share or exchange mailing lists.



Aero Space Merchandise The thumbnails above are for illustrative purposes only; Actual product may differ slightly

## ACKNOWLEDGEMENTS



# ASSET

AERO SPACE SCIENTIFIC EDUCATIONAL TRUST

## COMMUNITY BENEFIT SOCIETY



[www.aerospacekinross.com](http://www.aerospacekinross.com)

Community Benefit Society No 7524