

# SECRET PROJECTS

community share offer 2019



“Girls and women have the right to thrive. Secret Projects is a business designed to make this happen.”

*Fritha Mason, Global CEO*

## Offer Summary

**Secret Projects Community Benefit Society are seeking to raise funds to expand their online retail business.**

**Opening date:** 13<sup>th</sup> November 2019

**Closing date:** 11<sup>th</sup> December 2019

The board of the society may choose to extend the period of the share offer by up to 4 weeks if they believe that by doing so they increase the chances of reaching the maximum target

- Minimum target to be raised: £120,000
- Maximum target to be raised: £200,000
- Minimum share subscription per person: £50
- Maximum share subscription per person: £15,000
- Maximum share subscription per organisation (which is a not a society): £100,000

# Secret Projects

Secret Projects is a trading name of Secret Projects Community Benefit Society which is registered with the Financial Conduct Authority (registration number 8216). The registered address is 8, Park Chase, Guildford, Surrey, GU1 1ES.

The society is a converted company, known as Secret Pillow Project Ltd which was registered at Companies House on 25 June 2014 with the registered number of 09102631.

By subscribing for shares issued by the society in this share offer you will become a member of it thus co-owner of the society and its assets. Our rules and other supporting documents are available on our website: [www.secretprojects.org/pages/invest](http://www.secretprojects.org/pages/invest)

## What are Community Shares?

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. Members can be paid interest on their shares if the Board believe it would be sensible to do so, and can also withdraw their shareholding, along with any interest accrued, again subject to the approval of the Board.

## 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. Please don't invest any money you can't afford to lose.



*Secret Shopping Bag Workshop at Nature Maker Group, Andhra Pradesh, India*



*Secret Pillows at Serenity Boutique, Jayamahar, Bengaluru, India*



# Founder's Letter

Dear Reader

Palakkad is a picturesque rural district in Kerala, in south-west India. But its long winding roads, lush leafy forests and dramatic waterfalls are the backdrop for hardship. More than 30% of its 817,000 inhabitants are from marginalised communities. This is where, back in summer 2013 when I was a charity fundraiser, I was travelling around on a motorbike with my boyfriend and visiting local finance charities.

I visited a women's group there and I couldn't believe how they made a living. They spent hours upon hours every day tying rose buds together for people to give as a daily offering to the Hindu Gods. They made next to nothing. All that work for the flowers to be discarded so quickly.

I saw a sewing machine in the corner of the house, and I asked the women why they didn't make things to sell at the local market. Their response was telling: they wanted to, but said no one had the money to buy them.

This was my epiphany moment.

A week before the trip began, I'd given a friend who was getting married a gift of a 'secret pillow' I'd made myself with brightly patterned fabric that folds out into a blanket. It was based on one I'd had growing up that had been made by the amazing mother of some of my childhood school friends.

My friend who'd received the gift was so charmed by it she told me that I should be selling them, but I dismissed the idea. I mean, why on earth would I start a homeware company? But the thought of those pillows returned as I stood in front of the women, who were desperate to make something people would pay for.

It suddenly seemed obvious. I could teach the women how to make the pillows and then sell them to an international market, making sure they got a good price. And Secret Projects was born.

Everything we sell is handmade in India by women who have received training in how to make our products. We call them our 'Makers'. We've gone on to train more than 500 women across India to make Secret Pillows since 2014, and those women get 70% of the profit generated by each item sold. We've expanded into making Secret Saris Dresses - wraparound dresses made from second-hand saris - as a way of preventing them from being trafficked.

But we've reached a turning point in the business. We've got this far thanks to lots of hard, hard work, lots of it unpaid by a whole host of people who are totally committed to what we're doing. But we're at a crossroads, where we have to choose whether we turn this into a proper business, or not, because we can't keep on relying on people's freely given labour. It's less a choice between staying where we are or getting bigger as going hard, or going home. And I don't want to go home.

Instead, I'm giving this business away. Secret Projects began life as a company owned by me, and now it's a society which will be owned by me and all of you who invest to help us take Secret Projects to another level. We'll all have an equal say in how things work and you get to own a thriving business that's bringing about real change in some of the most challenged communities in the world, and make a small return on your investment. So please join us to help us make our little secret a whole lot bigger.



*Fritha talking with the women's group mentioned in the story*

## Thank you - Fritha

*P.S. Some of my letter is editorial gifted by Hannah Keegan, Stylist Magazine in connection with Prix Clarins With Heart Award 2018*

# About our Makers

The women who make our products are not Secret Project employees. Makers work either in their own home, a community centre, or in a small rented unit. Our Maker Group in The Nilgiris, in Southern India, congregates in a community centre located in a tiger reserve. In all cases, women are connected through established charities and NGOs in the region. Secret Projects approaches these organisations to ask if they know of women who have basic sewing skills and who have few or no income generating opportunities, and we work with these groups and support them.

The focus is on empowerment, building confidence and giving them the opportunity to earn an income security and work towards financial independence. Our Makers are paid directly for each product and they receive customer feedback on the product. The feedback is received via a survey that is sent out to customers after purchasing a product. The feedback is then collated and given to the group as a whole, rather than singling out a single Maker. Being part of Secret Projects is about learning, growing and developing.

Makers are also told where in the world their specific product has gone and who has received it so that it is not a faceless process - we believe it is important that the Makers have the chance to be engaged in the product's life cycle. We work closely with people on the ground to ensure safe and fair working practices. If any problems arise, we will implement a clear plan to resolve any issues and support any necessary improvements.

Before making each product, our Makers are given a Production Bag with all the necessary materials: wadding, thread, zips, a delivery bag and also a delivery receipt. Depending on what is available to her, a Maker may make the product at home or in a group setting. This is entirely up to her.

When the product has been completed, she returns the bag with the finished product to our Quality Controller, along with the fabric scraps, a signed delivery receipt and a production certificate. The fabric scraps are separated out and re-used. If they are big enough they are made into mini Secret Pillows or bunting, which we then sell. Our products are packed into recycled plastic postage bags and sent to the customer.

Fabrics are normally sourced in the local community, from small shops at a price that ensures the product holds an attractive price-tag, and that the Makers receive a fair income for the work they do. Secret Projects pays our Makers at least twice the minimum wage.

But the innovation doesn't stop there - we use end-of-line export fabric: material that would otherwise be thrown away, and polyester wadding using around 80% of recycled polyester fibres in order to avoid waste PET bottles going into landfill.

From 2018, our customers and partners have been able to visit India and engage with our Makers and our Bengaluru team, with the aim of better understanding the journey and mission of the organisation.

“It is quite hard to put into a few words what this trip meant to me, but I do know that I think about what I saw, learnt and experienced in some way nearly every day. It was a very special opportunity to see the project operating 'on the ground' and in so many diverse and beautiful locations. I think one of the reasons I would strongly urge anyone considering making a similar trip is that at no point did I feel like an intruder or an outsider 'looking in' on the lives of others; rather every meeting with the makers was so joyful and always spent walking, sitting or making together, sharing equally as women our thoughts and experiences. It was one of the most incredible things I have ever done and I will always be grateful to Fritha for making what I have tried to describe above - as well as all the indescribable memories possible” - Ngair, customer of Secret Projects who travelled to India 2018



Ambiya & Sarbanu, from Molly's Sewing Unit, South of Kolkata, West Bengal, India Taking part in Fashion Revolution's Who Made My Clothes Campaign



Secret Shopping Bags made by Nature Maker Group, Hindupur, Andhra Pradesh, India

# What our investors will give us ...

With your investment, we're be able to develop the three legs of our development plan

- We'll be able to properly market ourselves in our core markets (UK, Europe, USA and India)
- Thanks to having the resources to expand the Makers Network, we'll have the stock we need to fulfil the demand we know is there
- We will be able to pay proper salaries to the new production and sales staff who'll pull both these elements together

# ... and what they get

Every investor becomes an owner of Secret Projects Community Benefit Society and will receive:

- The ability to stand and vote for the new Board of Directors before April 2020 and on other major decisions in the future
- A digital version of IMPACT SP, our new annual review
- An invitation to join our live-streamed AGM
- Access to our twice-yearly POWER Sessions and Monday Motivational Message via Whatsapp
- A pdf Share Certificate in time for Christmas 2019
- A pdf 'I am a Shareholder pack' for under 16's-
- 3% interest on their share capital and the right to ask for their money back after 3 years

# What are POWER Sessions?

They are an opportunity for the social change makers of the future to share their ideas and take mentorship from the social change experts that run and are connected to SPCBS. The sessions can be booked in advance on 2 different dates in a calendar year. Members can take up the session themselves or give the opportunity to somebody they know. The sessions are 45 minutes long via live stream starting with an informal pitch to the panel of the social change idea, followed by questions from the panel. The session finishes with a comment from each panel member to the change maker on where to go next, what to try, who to meet or something motivational.

These sessions are inspired by Secret Projects POWER Mantra – we believe in ourselves, we support one another, we persist, we take pride in everything we do, we think, we trust our instinct, we work with joy and we build our confidence to take risks.



Sahara Maker Group are a close-knit community living in Central Bengaluru, India

# Tax Relief

This share offer has received Advance Assurance from HMRC it qualifies for Enterprise Investment Scheme tax relief. Eligible investors who invest £1,000 and above will be able to claim 30% income tax relief on the value of their investment. So, if you invested £1,000, you would be eligible to reduce your tax bill by £300.

In order to benefit from the tax relief, you must be a UK income and/or capital gains tax payer with tax due to pay equal or greater than the amount of relief you're seeking.

We would be likely to apply for the tax relief certificates in the new year and so each investor should get them before the end of the current tax year, with the tax relief able to be claimed either for the current tax year, or backdated to the previous one.

If you pay tax via PAYE, you send the certificate to the tax office that process your employer's payroll tax collection, and if you do self-assessment, you claim the relief when completing your tax return (unless you want to backdate it for a tax year you've already filed a return for, in which case you have to contact HMRC directly).

We cannot give tax advice, and can only vouch that the investment is a valid investment for tax relief. Anyone considering investing with tax relief in mind should contact a financial advisor to establish whether they themselves would be eligible.

# How to buy shares on behalf of somebody else

Shares are £50 each, so can be bought in units of £50 (ie, £50, £100, £150 etc).

Although our default position is that people investing are doing so on behalf of themselves, shares can also be bought on behalf of other people. If you want to do this, you'll need to contact us after investing to let us know, so we can find out who you are buying those shares for, as you can't simply buy them on someone's behalf and then gift them to someone else (as the shares are legally not transferable from one person to another except in the event of your death).

Buying shares makes a contract between the investor as us, and under English Law, a binding contract binding can only be made by the parties who it binds. So, everyone who has shares bought for them has to personally agree to that contract by completing an application form, which we will provide for you if you let us know who you are buying those shares from. If you are purchasing shares for people who are under 18, that agreement must be made by the young person's parent or legal guardian.



"We support one another" Lizzy, our Quality Controller and Padma, a Maker in Bengaluru, India

Above: Banashankari Maker Group Bengaluru, India

## The numbers

We've used some business development loans to finance the growth of the business to date, but now we need more patient finance from the people who want us to succeed the most.

We're projecting good things if we raise this money, because we've already shown that there is a demand for what we've been doing.

We've detailed the three crucial forecasts below, which show how we'll use the capital to generate new sales income, and be able to pay interest on shares. Whilst we won't be in position to start enabling shares to be withdrawn until the year-ending 2023, these projections demonstrate that we're going to have the cash to hand that we need to fund these payments, well within our aspired rate of 5%-10%.

## Profit/Loss

	ACTUAL			FORECAST		
	June 2017	June 2018	June 2019	June 2020	June 2021	June 2022
<b>Turnover</b>	£27,879	£27,122	£89,064	£190,000	£316,000	£535,000
<b>Less Cost of Sales</b>	-£10,036	-£9,493	-£19,600	-£36,800	-£53,315	-£92,966
<b>Gross Profit</b>	<b>£17,843</b>	<b>£17,629</b>	<b>£69,464</b>	<b>£153,200</b>	<b>£262,685</b>	<b>£442,034</b>
<b>Staff Costs</b>	£0	£0	-£13,916	-£94,387	-£167,118	-£188,422
<b>EBITDA</b>	<b>£17,843</b>	<b>£17,629</b>	<b>£55,548</b>	<b>£58,813</b>	<b>£95,566</b>	<b>£253,612</b>
<b>Depreciation</b>	-£498	-£539	-£455	-£3,623	-£7,141	-£9,070
<b>Loan Interest</b>	£0	£0	£0	-£1,775	-£3,626	-£3,410
<b>Share interest</b>	£0	£0	£0	£0	-£4,816	-£8,421
<b>Other charges</b>	-£24,834	-£39,133	-£37,109	-£92,529	-£74,837	-£114,612
<b>Profit / (Loss)</b>	<b>-£7,489</b>	<b>-£22,043</b>	<b>£17,984</b>	<b>-£39,115</b>	<b>£5,146</b>	<b>£118,098</b>
<b>Corporation Tax</b>	£0	£0	£0	£0	£0	£12,759
<b>Profit after Tax</b>	<b>-£7,489</b>	<b>-£22,043</b>	<b>£17,984</b>	<b>-£39,115</b>	<b>£5,146</b>	<b>£105,759</b>
<b>Profit %</b>	-26.9%	-81.3%	20.2%	-20.6%	1.6%	22.1%
<b>Other Charges - Yr end 2020</b>	Include £20,000 one-time expenses associated with conversion of the company to CBS, share offer and registration of a new subsidiary in India.					

## Cash flow forecast

	Year ending		
	June 2020	June 2021	June 2022
<b>Opening Balance</b>	£6,407	£57,976	£23,783
<b>Inflow</b>			
Sales - Debtors from Prior Year	£13,164	£45,600	£75,840
Current year Sales	£143,450	£238,580	£403,925
Bridging loan	£35,000		
New Equity	£150,000	£50,000	
<b>Total Inflow</b>	<b>£341,614</b>	<b>£334,180</b>	<b>£479,765</b>
<b>Out flow</b>			
Maker network expansion	-£36,800	-£53,315	-£92,966
Office Equipments	-£5,000	-£5,000	-£5,000
Investment in Assets	-£30,000	-£10,000	-£15,000
Stock Build up	-£43,000	-£10,000	-£30,000
Personnel Cost	-£77,458	-£161,361	-£185,958
Overheads	-£86,981	-£78,376	-£106,657
Virgin Loan repayment	-£5,805	-£4,338	£0
Bridging Loan repayment	£0	-£35,000	£0
Directors Loan repayment	£0	£0	-£2,436
BYCMAD Loan repayment	£0	-£6,168	-£6,168
Social Core Investors	-£5,000	£0	-£5,000
Share Interest	£0	-£4,816	-£8,421
<b>Total Outflow</b>	<b>-£290,045</b>	<b>-£368,373</b>	<b>-£457,606</b>
<b>Net forecast Cashflow</b>	<b>£51,569</b>	<b>-£34,193</b>	<b>£22,159</b>
<b>Closing Balance</b>	<b>£57,976</b>	<b>£23,783</b>	<b>£45,942</b>

# Balance Sheet

	ACTUAL		FORECAST	
	Jun 2019	June 2020	June 2021	June 2022
<b>Fixed Assets</b>				
Office Equipment	£3,106	£8,106	£13,106	£18,106
Plant & Machinery	£640	£30,640	£40,640	£55,640
Less Accumulated Depreciation	-£2,515	-£6,138	-£13,279	-£22,349
<b>Total Fixed Assets</b>	<b>£1,231</b>	<b>£32,608</b>	<b>£40,467</b>	<b>£51,397</b>
<b>Current Assets</b>				
Cash at bank and in hand	£6,407	£57,967	£23,783	£45,942
Related Parties	£73,225	£66,841	£70,066	£79,020
Stock	£65,000	£108,000	£118,000	£148,000
Accounts Receivable	£13,164	£46,550	£78,370	£133,705
<b>Total Current Assets</b>	<b>£157,796</b>	<b>£279,368</b>	<b>£290,219</b>	<b>£406,567</b>
Prepayments	£310	£1,000	£1,000	£1,000
<b>Creditors: amounts falling due within one year</b>				
Accounts Payable	£12,268	£18,506	£14,967	£22,922
Bridging Loan	£6,500	£35,000	£0	£0
Deferred Revenue/Other grants	£1,767	£0	£0	£0
Advance sales/Teachers' trip to India	£8,707	£15,000	£20,000	£30,000
Social Core Investors Loan	£39,313	£34,313	£34,313	£29,313
Interest due on Investors loan	£923	£1,775	£1,775	£1,775
Virgin Start Up Loan	£5,805	£4,338	£0	£0
NIC & PAYE Payable	£18	£3,474	£4,626	£5,119
Provision for Corporation Tax	£3,487	£0	£0	£12,339
Wages Payable/Payroll	£424	£13,897	£18,503	£20,474
<b>Total Creditors: amounts falling due within one year</b>	<b>£79,213</b>	<b>£126,303</b>	<b>£94,184</b>	<b>£121,942</b>
<b>Net Current Assets (Liabilities)</b>	<b>£78,893</b>	<b>£154,065</b>	<b>£197,035</b>	<b>£285,625</b>
<b>Total Assets less Current Liabilities</b>	<b>£80,125</b>	<b>£186,673</b>	<b>£237,502</b>	<b>£337,022</b>

# Balance Sheet

	ACTUAL		FORECAST	
	Jun 2019	June 2020	June 2021	June 2022
<b>Creditors: amounts falling due after more than one year</b>				
Directors' Loan Account	£14,594	£14,594	£14,594	£12,887
BYCMAD	£37,023	£37,023	£32,706	£28,173
Social Core Investors Loan	£13,648	£13,648	£13,648	£13,648
Virgin Start Up Loan	£4,338	£0	£0	£0
<b>Total Creditors: amounts falling due after more than one year</b>	<b>£69,603</b>	<b>£65,265</b>	<b>£60,948</b>	<b>£54,709</b>
<b>Net Assets</b>	<b>£10,522</b>	<b>£121,408</b>	<b>£176,554</b>	<b>£282,313</b>
<b>Capital and Reserves</b>				
Capital	£100	£160,522	£210,522	£210,522
Current Year Earnings	£17,984	-£39,115	£5,146	£105,759
Retained Earnings	-£7,562	£0	-£39,115	-£33,968
<b>Total Capital and Reserves</b>	<b>£10,522</b>	<b>£121,408</b>	<b>£176,554</b>	<b>£282,313</b>



*Roja Maker Group Nilgiris Hills, Tamil Nadu, India*



## About our share offer

This is a community share issue, which is a much snappier name for what they are legally-speaking: 'withdrawable shares in a community benefit society'.

Community shares are a form of investment that offer both social and financial returns to investors. They have been widely used by UK communities to raise funds to save pubs, sports clubs and arts venues, as well as to set up new business ventures such as wind farms, solar panels and even a whisky distillery.

Unlike shares in companies, you'll not get a dividend nor are you able to sell them to someone else. Withdrawable shares work a lot more like a bank account, as you get your money back through withdrawing it from the society. However, the society can only give it back to you if we're doing well as a business (we have to have sufficient trading surpluses and ready cash to enable it to give you your investment back in legal terms).

Like a bank account, we pay interest each year on the investment, which we plan to be 3% minimum in year 2, rising to 4% in year 3 and thereafter. Interest rates can be revised downwards in light of trading circumstances, but cannot rise in the event of better-than-projected circumstances, and must never be at a level greater than that required to secure investment.

We will pay the interest to you directly every year or you can choose to leave the interest with us to be withdrawn in a lump sum when you withdraw your initial investment at some point in the future. We will start calculating interest due from the date we start trading, so the first interest payment might only relate to a part of a year.

Each year, the Board will decide how much interest to pay, whether they can afford to allow shares to be withdrawn, and if so, how many. If we aren't doing well financially, we can suspend the right to withdraw shares until such time as we've turned a corner. Our projections lead us to be confident we can allow between 5%-10% of total capital to be available for withdrawal but no-one will be able to withdraw for the first three years as a condition of this offer being eligible for tax relief.

The other way to get your money back is through new investor members joining and giving us their money in a separate share issue. The other way to get your money back is through new investor members joining and giving us their money. Shares will continue to be available from the Secret Pillow website and we plan a further big marketed push to raise significant new capital in a few years.

Either way, the best way to get your money back is to continue to support our business and crucially, persuade other people to support us too. That's the real secret of community ownership – we make the rewards of our success something we can share with the people who matter the most to us.

We won't have external shareholders or lenders looking to take a cut of our success, and instead will be ploughing the fruits of that success back into the society.

## Who runs the Business?

The Founders of the society are the people who have been running Secret Project since it was formed. As the founding Directors they will serve until a meeting of all members is held by April 2020, enabling a Board to be elected with the confidence and legitimacy of being democratically elected by all our members.

Existing Directors can stand for re-election, as can any member who can be nominated. Voting in elections, like all votes in the society, is on a one-member, one-vote basis, so regardless of how much you invest, every member is united in their ability to influence what we do.

Whilst the Board are legally empowered by our rules to make decisions on behalf of the business, members also have the opportunity to set our strategy at our General Meetings. We have one Annual General Meeting each year, but the Board may call more meetings to get members' views, and 10% of our members may also call a special meeting at any time.

And, because we're going to have owners all over the world, the primary way we'll communicate with you all will be online, and that's also going to be the main way we conduct our governance, so our meetings will be things you participate in online, rather than attend in person.

## The Founding Board are...

### Fritha Mason

Fritha is the creative entrepreneur behind the Secret Pillow Project. During her 13-year career in the voluntary and not for profit sector she has worked in organisations in the UK and abroad, including Save the Children. Following her time there, she was CEO of Adventure Ashram, a small, grass roots charity raising funds and giving them away to projects in India for 7 years. From her experience in the charity sector, she knew the challenges that mothers face not having the confidence or the resources to enable their children to thrive. She created Secret Pillow in order to work with women as partners in business rather than beneficiaries.

The journey of taking Secret Project from its pilot project in 2013 to where it is today has been exciting and transformational. Discovering that she could use the skills she learnt as a fundraiser to run crowdfunding campaigns was huge, and Secret Projects would not be where it is today without the crowd created through numerous crowdfunding campaigns. She believes with the leadership team in place Secret Projects has a bright future, one which she is dedicated to for many years to come.



### Nirmala Rani - Director of Secret Projects India

Nirmala has been in the development sector for over 22 years with a strong commitment to serving marginalised communities. Her expertise include large-scale fund-raising events and partnerships with multi-national corporate and allied institutions. Nirmala works on research and development of the programme model while working towards building partnerships and networks that would further the mission of Secret Projects.



### Banke Ajayi - Secret Projects Director of Finance and Operations

Banke joined Secret Projects in 2017 after a career that has spanned retail logistics, insurance and manufacturing, working in the for-profit and not-for profit sectors. She has held responsibility for setting targets for national companies with over 350 branches with a combined annual turnover of circa £500 million and been CEO of a social sector organisation that brought together agencies to work together in the interest of children from disadvantaged backgrounds.

She has a BSc degree in Accountancy and qualified as a chartered management accountant (ACMA) from London School of Accountancy in 1984. She is a member of the Chartered Institute of Management Accountant UK (CIMA) and a member of the Chartered Global Management Accountant (CGMA).



### Ailsa Vincent

Ailsa has been part of Secret Projects from the beginning and is focussed on business development. She has offered constant support, advice and encouragement drawing on her own experience as a Headmistress in charge of growth pupil numbers in schools and through setting up a retail brand from scratch in the UK and Europe (and is also Fritha's mum!).



# Questions about the share issue....

## How can I invest?

We are running this share offer through the Crowdfunder website. So, go to [www.crowdfunder.co.uk/secretprojectsjoinus](http://www.crowdfunder.co.uk/secretprojectsjoinus) and when you click to invest, Crowdfunder will deduct the payment from you. They will hold the funds until the share offer is successful, and pass it to us or return the money to you in the event of the share offer not being successful.

## What is the minimum and maximum investment?

Shares cost £10 each, and the minimum is 5 shares (£50) and the maximum is 1,500 (£15,000).

## Who can invest?

Anyone can invest. An individual, a legally-registered organisation, or an unincorporated association or group of people.

For legally-registered organisations, a representative of that organisation will need to become a member of the society as nominee for their organisation/business.

For all other organisations and groups, you can jointly name up to three people to be the named shareholders in our share register, and all three can turn up and speak at meetings but only one can vote. If the joint shareholders can't agree who should be able to vote, then the first named person will receive the vote and the same first-named shareholder will receive interest payments.

Withdrawal requests on behalf of joint shareholders must be signed by all the joint shareholders.

## How does it work with buying shares on behalf of children?

Shares you buy will be held in your child's name (or that of any other under-18 year-old you choose) until their 18th birthday, at which point we will write to them for them to formally accept the conditions of membership (this is because legally, minors cannot give binding consent to contracts until they are 18). Anyone who chooses this level of reward will be contacted shortly after the share issue has closed to request the details of the child you have bought shares on behalf of for our share register.

## What if the society isn't financially successful enough to survive?

The first thing to say is that shareholders would not be liable for any more money if this ever happens. If we did become insolvent, the ability of investors to recoup the funds they have invested would depend on firstly the value we (or the appointed insolvency practitioners) could get for the assets of the society and secondly, the value of our debts at that point.

In the event of our insolvency or orderly winding-up, the proceeds from the sale of those assets and our cash would firstly pay off all our creditors, and if there were any funds left at that point, would be used to pay back shareholders as much of their investment as they have outstanding as possible, on a pro-rata basis.

As we are a society with a statutory asset lock, should there be any surplus after returning funds to investors this would have to be given to another organisation with similar aims and a similar asset lock. This cannot be changed by members and is enforced by law.

## What happens if I didn't get all my investment back?

Although we are registered as a society with The Financial Conduct Authority (FCA), the sale of withdrawable shares in the society is not regulated by the FCA. Like many investments, these 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 my investment be gift aided?

No, because we aren't a charity.

## 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 £5000 of investment (any investment above £5000 requires your beneficiary to be explicitly named in your will).

## 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. All children that are named investors will have a Young Person's Investor Pack emailed to the person who bought the shares for them.

## What will we vote on?

We will vote in new Directors, approving the annual accounts and auditors' reports, votes on changing the rules of the organisation (eg to be able to undertake new initiatives to drive our mission to empower) and any other items placed on the agenda of the AGM by either the Board or requested by members. The agenda for the meeting and a description of what we will be voting on will be sent out with the invitation to participate in the meeting.

## Do my children have to vote?

No - they don't have to vote but they do have a right to do so. The only members who attend the online AGM will be able to vote, and all members who are children or young people will be invited to join the AGM. Alternatively, they can choose somebody else to vote in their place such as their parents or guardian, and this proxy does not need to be a shareholder.

## 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 GDPR regulation in accordance with its responsibility as a data controller.

## Can Directors of Secret Projects Community Benefit Society be paid?

The Society can pay Directors a fair market rate for services provided, but the policy governing what Directors can be paid for and how much needs to be approved by members first.



Aishwarya, Indian Influencer,



Maker Padma and Fiona, Sales Lead, India



Secret Leader, Heather Findlay