



THE PROJECT PT
EMPOWERING WITH MOVEMENT

INVESTMENT OFFER FOR A 7% BOND FROM 2024-2030

theprojectpt.com
ajaye@theprojectPT.com
[@theprojectPT](https://twitter.com/theprojectPT)

The Project PT is a private company limited by shares with company number 12379965. Its registered address is 39 St Georges Manor, Mandelbrote Drive, Littlemore, Oxford, England, OX4 4TW.

Contents

We are proud of what we do	4
Summary of the terms of the bond offer	5
What we've achieved so far	7
Our 7-year vision	8
Our 5 promises	9
The Problem	10
Our Solution	12
Our social impact	13
Employee participation and satisfaction	19
The market opportunity	21
Our growth model	22
Our sources of income	22
Our marketing strategy	24
Our board of directors	25
Financial forecasts	28
Key risks associated with The Project PT	31
Contracts material to the bond offer	32
Frequently asked questions	33
Taxation	36
Ethex Innovative Finance ISA ('IFISA')	36
Bond Instrument	37





Risk warning

An investment in this Offer is not without risk and prospective investors should read through this Offer Document carefully. You may also wish to refer to both the Frequently Asked Questions section and the Risks and Mitigation section in this document.

An investment in this Offer will not be suitable for all recipients of this document and may expose an individual to a significant risk of losing all of the cash invested. Investing into this Offer is only for investors who understand these risks. Any losses from this investment are not eligible for compensation from the Financial Services Compensation Scheme (FSCS).

If you have any doubts about the suitability of investing in this Offer, you should seek advice from an appropriately qualified professional.

This Offer Document is the responsibility of The Project PT Ltd ("the Company") and its Directors and no other party named in this document. You should not apply for any Bonds except on the basis of the

information set out in (a) this Offer Document and b) the terms and conditions on ethex.org.uk.

This Offer Document is for use only by The Project PT Ltd and potential Applicants for the Bonds. The Project PT Ltd is not providing advice to any potential Applicant or to any other person as a recipient of this document or otherwise. You should consider taking appropriate financial and other advice before making any investment decision.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law of such jurisdictions. Ethex is a not-for-profit organisation operating an online platform for positive investments. Ethex is not required to be authorised by the Financial Conduct Authority in so far as it provides information on or

arranges deals in investments. This is because it is an Enterprise Scheme, which is exempt from regulation in arranging financial deals provided it is not acting for financial gain. This document has not been approved as a financial promotion under section 21 of the Financial Services and Markets Act 2000.

To the best of the knowledge and belief of the Directors of The Project PT (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

If you have a query about how to apply for this Offer, please visit ethex.org.uk or contact Ethex by email at help@ethex.org.uk. For general queries about this Offer, please contact The Project PT Ltd at ajaye@theprojectpt.com



We are proud of what we do

DEAR INVESTOR

The Project PT is a female owned business that we set up in 2018 with the aim of creating inclusive spaces that allow people to be empowered with movement and to have a positive experience with exercise. Between us we have over 30 years of experience working in the health & fitness sector. Our first gym on Oxford High Street was open from 2020 to 2021, and our current gym on Magdalen Road in East Oxford opened in January 2022.

So much of the focus around exercise is currently based upon how we look and too many exercise spaces feel exclusive. The Project PT is different. We aim to educate the community about the mental and physical benefits of exercise, to celebrate what our bodies can do and to create a supportive environment where people can enjoy exercising with others – where they can learn, lift, and laugh.

Alongside our gyms, we run social impact projects for the wider community. From 2019 to 2020, less than half of children in the UK met the recommended amount of sport and exercise per day, and this figure gets

worse when you adjust for socio-economic deprivation. Our projects aim to support vulnerable people who would not otherwise have the opportunity to access exercise and to experience the benefits of it. Many of our projects work with young people, providing them with courses to enjoy and learn about exercise whilst also gaining a qualification. In 2021 we began focussing our projects on those identifying as girls who are disengaged with physical activity and 10-17 year olds vulnerable to child criminal exploitation.

To support our gym and social impact projects we have created and own the rights to 6 CIMPSA-endorsed fitness qualifications, with 2 more qualifications in the pipeline. CIMSPA is the professional development body for the UK's sport and physical activity sector. These qualifications help us to provide meaningful programs for young people, to give our coaches opportunities to complete more CPD qualifications and to offer a further revenue stream to the business.

AJAYE AND ALEXA HUNN-PHILLIPS
MARCH 2024



The gym has had a huge positive impact on my mental health as I struggle quite a bit with anxiety/ depression. I focus solely on strength and boxing lessons and it's helping me realise my own potential and finding a positive way to channel my thoughts.



"YOUR ADVOCACY FOR OUR CHILDREN IS INSPIRATIONAL. YOU CREATE SPACES WHERE THEY CAN THRIVE AND EXPERIENCE GENUINE SUCCESS, ACHIEVED THROUGH THEIR OWN HARD WORK AND COMMITMENT TO THE PROJECT."



Enabled me to control my arthritis better through improved strength, flexibility plus very importantly, met some lovely people!



Summary of the terms of the bond offer

- The Project PT is looking to raise £350,000 in bonds to fund the opening of 2 or more new gyms and to expand our social impact programme. The offer is available on the Ethex platform.
- The Bonds offer 7% annual interest and are repayable in full after six years.
- The Bonds are eligible for the Innovative Finance ISA (IFISA), which means that interest may be tax free on investments up to £20,000 (please see page 35 for details).
- The minimum investment is £500. The maximum allowable investment is £100,000. This is to allow wider participation in the offer.
- The minimum amount to raise for the offer to proceed is £150,000. The maximum amount is £400,000.

The bond offer is Innovative Finance ISA (IFISA) eligible. Eligible investors can use their £20,000 a year ISA allowance to invest using and IFISA wrapper provided by ShareIn, the IFISA manager for Ethex, and receive their interest payments free of tax. Investing via an IFISA does not offer additional protection nor does it constitute endorsement by HMRC of the bond.

Before opting to invest in the Bond via the Ethex IFISA, investors should be aware that:

- 1) ISA eligibility does not guarantee returns or protect investors from losses.
- 2) The ISA wrapper may be lost if Ethex or ShareIn enter into a wind down process to cease operating their IFISA funds.
- 3) There is no guarantee that an investor will be able to transfer their ISA holdings to another ISA provider in such circumstances. Where it is possible, such transfers may involve costs to the investor (for which neither Ethex nor ShareIn bear responsibility).
- 4) If either of the parties involved in the investment winds down, returns (both capital and any interest or profit) to investors may be adversely impacted.

Luke's Journey

Luke is 13 years old and has been participating in our Life Chances programme since July 2022.

Luke has a very vulnerable family dynamic. When he first started coming to the sessions, he was extremely shy, refused to engage in sessions and didn't talk to anyone.

Over several weeks and with our encouragement he gradually started to integrate himself into the sessions. He began to communicate with the other young people and participate in more of the activities. Now he's keen to try new exercises,

loves to put his own spin on things and even helps and coaches the young people who are newer to the sessions.

Luke has completed his qualification and work experience with us and continues to use the skills he has learnt to act as a coach in the Life Chances sessions and further his own knowledge. It's incredible to see how much Luke has grown, not only with his skills and knowledge around training and lifting, but as a person, someone who is now so much more independent and confident.

Musa's Journey

Musa is 13 years old and has attended the Life Chances project for 7 months. He comes from a vulnerable background and lives in a challenging area of Oxford. He has multiple learning difficulties. Mainstream education is challenging for him.

When Musa started with us, he had very low self-confidence and lacked communication and social skills. He was very reliant on the staff that accompanied him to the sessions and did not want to engage with anyone else.

Now Musa is barely recognisable from the person who first walked through our door. His communication skills have come on leaps and bounds. He no longer relies on other staff members and is independent and sociable. He has hugely improved his knowledge of training and uses his own initiative to carry out the different tasks and activities during the sessions. He enjoys the sessions so much he now attends one of our other intervention courses of his own accord.



What we've achieved so far

IN THE LAST TWO YEARS WE HAVE CREATED OVER 5,347 HOURS OF SOCIAL IMPACT, BENEFITING OVER 1,000 VULNERABLE PEOPLE IN OXFORD'S LEAST ADVANTAGED COMMUNITIES. OUR WORK FOCUSES ON BUILDING PHYSICAL AND MENTAL HEALTH AND WELLBEING THROUGH TRAINING AND EDUCATION IN EXERCISING AND EATING A HEALTHY DIET:

- We worked with over 200 young people in danger of falling out of the education system, enabling them to use strength training as a vehicle to teach them about teamwork, communication, emotional regulation, discipline and coaching, providing them with work experience and qualifications.
- 47 housebound vulnerable adults have been referred to us by health services for personal training sessions.
- We have delivered over 2,000 free breakfasts to school children in need across Oxford.
- Our Momentum project has taught 150 year 7's that identify as female and who were disengaged from physical activity to skateboard and box.
- We consulted with over 200 females to understand the enablers and barriers to physical activity. This informed the design of the Momentum project.

AT THE SAME TIME THE COMMERCIAL SIDE OF OUR BUSINESS CONTINUES TO GROW:

- Our Magdalen Road gym now has over 240 members. The member retention rate across the last year was 94%. This compares to around 70% for most independent gyms, based on the Directors' 20 years of experience of working in the industry.
- We are in discussions with the local authority about a site for our second gym as well as exploring further site options.
- We have been profitable in every year since we were first founded.

The Company's 2023 Social Impact Report is available in the Company's profile on Ethex website in the Additional Documents section.

Our 7 year vision

WE'RE NOT JUST BUILDING A GYM, WE'RE BUILDING A MOVEMENT – A MOVEMENT THAT BELIEVES IN THE POWER OF FITNESS TO CHANGE LIVES AND COMMUNITIES.

ACROSS THE NEXT 7 YEARS WE WILL:

- Open up to three more gyms in and around Oxford.
- Through these gyms we will reach up to 2000 people, many of whom would not ordinarily be willing to join other gyms or to maintain a strength training programme.
- Expand our social impact programme to work with over 1000 people per year, offering qualifications, life skills and work experience.
- Develop our library of qualifications to include:
 - At least 10 qualifications for young people with high rates of non-school attendance or at risk of exclusion who struggle in a typical educational setting.
 - 8 CPD Qualifications for Coaches looking to advance their knowledge in areas not currently covered by other educational providers such as menopause, cancers and injury rehabilitation.
 - Level 2 & 3 qualifications in fitness allowing young people who complete our programmes to become fitness coaches and personal trainers.
- Offer employment and training opportunities for 50 fitness coaches, who would otherwise be self-employed, giving them employment stability, well paid roles and opportunities to develop their knowledge and to support people through fitness.
- Produce a blueprint for creating inclusive spaces. This blueprint will be shared with other gym owners with a view to improving inclusivity across the whole of the fitness industry.



Our 5 promises

OUR AIM AS A COMPANY IS TO BUILD THE BUSINESS WHILE STAYING TRUE TO OUR CORE COMPANY VALUES. THESE VALUES COME IN THE FORM OF 5 PROMISES, WHICH WE STICK TO WHENEVER WE MAKE A DECISION:

1 We will always be inclusive

From creating lesson plans that avoid stereotypes to engaging with a broad cross section of our community, we will ensure our gyms don't isolate anyone and that everyone always feels welcome and seen.

2 We will always put social and environmental justice first

We promise to make sure that every day we are educating both ourselves and others, choosing the right suppliers for our events, and the right businesses to work with and voices to listen to.

3 We will always buy and pay at a fair price

We are committed to always paying above the Oxford Real Living Wage, purchasing at proportionate prices and being fair.

4 We will always buy locally and responsibly

Whether we are paying for coaches, equipment or marketing we will always source locally and ensure the business matches our ethos.

5 We will always be proud of everything we do

When we take a step back from any idea, event or session we are planning we will ask ourselves if we are proud of what we have created. If we're not, it will never make it past the drawing board.

The problem

A significant portion of the UK population falls short of meeting the daily recommended amount of physical activity. Sport England's Active Lives Adult Survey 2021-22 and Active Lives Children and Young People Survey 2022-23 reports, **36% of adults and 53% of children do not achieve the recommended levels of sports and physical exercise.** 26% of adults are now considered completely inactive.

Inactivity has been linked to a multitude of poor health conditions, such as cardiovascular and metabolic disease and an increased likelihood of trips and falls. Physical activity also plays a vital role in mental health by enhancing mood and reducing stress. The problem starts early in life. A study by Dr Anne Elliott of Middlesex University, has shown that exercise-averse individuals reported poor experiences of physical education (PE) in secondary school.

The impact of these early years creates a negative association with fitness, often distorting what it means to be active and fit. Instead of viewing it through the lens of health, fitness, and community, people often associate physical activity with exclusion and negative body connotations. This is highlighted by the fact that **70% of our current members reported having a negative experience with PE at school,** opting not to participate in any physical activity later in life because they associated fitness with weight loss alone.

These negative associations with fitness are often cross-generational. It has been shown that a parent's relationship with physical activity will influence their child's mentality around physical education, thereby creating a negative cycle. According to Activity Alliance (Power of PE: good school experiences have generational impact 2022), **35% of parents report having had negative PE experiences.**

Adolescent girls in particular face significant hurdles in attaining the necessary levels of physical activity. Youth Sport Trust report only **59% of girls say they enjoy secondary school PE lessons and activities compared to 83% of boys.**





As highlighted by L.A. Turnock (2021), many women perceive gyms as segregating areas by gender and creating an environment that constantly feels like being on display.

The situation is even more challenging in economically deprived areas. Only 44% of young people in these areas are active compared to 55% in more affluent areas.

Worryingly, there appears to be a correlation between school exclusion and future incarceration. According to the Prisoner Learning Alliance (2020), 47% of people who entered the prison system had no previous qualifications, and **42% of inmates had been expelled or permanently excluded from school.**

According to the Office for National Statistics, in April to June 2023 a concerning 11.6% or **790,000 individuals aged 16-24 in the UK were classified as NEET (Not in Education, Employment, or Training).** The implications of being NEET extend beyond mere statistics, as it is identified as a significant risk factor for Child Criminal Exploitation (CCE), particularly when coupled with a background of being raised in care. A report from HM Inspectorate of Prisons highlights that while only 1% of the overall child population is brought up in care, **a staggering 62% of the young population confined in youth offenders' institutes has a history of being raised in care.**

These statistics draw attention to the intricate relationship between educational and vocational disengagement and the vulnerability of young individuals to criminal exploitation. The findings underscore the urgency of addressing the underlying issues contributing to youth disengagement and the need for targeted interventions to prevent the progression from being NEET to involvement in criminal activities. Our intervention programs use physical activity as a vehicle to support young people vulnerable to CCE with the understanding that physical activity is well documented to also support young people's mental and physical health.

The challenges associated with physical inactivity, which are often rooted in early negative experiences with physical education, socioeconomic disparities, gender and cross-generational perceptions, call for a strategy to address these core issues that focuses on reframing perceptions around physical activity.

Our solution

We want to give children and adults an opportunity to create a new positive relationship with fitness by:

Creating gyms that have the non-gym goer in mind and that service the nervous member.

Creating a strong sense of community in coached gym sessions led by expert coaches.

Providing engaging sessions within priority less advantaged neighbourhoods for those at risk of becoming NEET (Not in Education, Employment or Training) or vulnerable to Child Criminal Exploitation.

Developing sport and movement sessions for those identifying as female, using the results from our Youth Voice research to create places females feel safe.

Our first priority as a company is to empower our team to provide safe spaces for all our customers and young people. To do this we offer our employees comprehensive training, focus on their wellbeing & growth and provide highly competitive remuneration packages. We understand that as a company our first responsibility is to support and empower our team, and by doing this we know they will maintain their passion and our customers will be happy.

Inclusivity is not just a marketing ploy for us. It is embedded into the fabric of our business. This is represented in our marketing, communications, the design of our gyms and the training of our team. We foster a welcoming environment for all. We make our gyms inclusive spaces that aren't just for the 'sporty ones' but are welcoming for anyone to step into and provide a safe space for people who have previously felt like sport or exercise was 'not for them'.

We understand the anxiety that joining a gym can bring to our customers. We make our gyms easy to join and provide a step-by-step guide to their first set of sessions with us. We pay close attention to their initial needs, starting them off with 1 to 1 sessions, and ensure that they are introduced to everyone at the gym. By the end of their first session our members understand that their personal needs will be met, that there's a space for them in the gym and they leave feeling empowered.

We provide a safe space for young people who have previously felt disenfranchised from education or sport. Our coaches are all trained to a high level in both sport and youth work and understand the needs of the young people. Each young person is welcomed into our space and given the opportunity to showcase their personal strengths. They are provided with a platform to become their best selves. To provide this platform we first meet their basic needs for food, drink and safety.

We look to build a rapport with all those engaging with us, whether they are part of our team or working with our members or with young people. We ensure that we always understand individual needs rather than putting people into boxes. We allow everybody to bring the same level of energy, to feel seen and to showcase their personal strengths. We use Maslow's hierarchy of needs to inform everything we create, recognising that we can't affect human behaviour without first meeting basic needs.



Our social impact

The Project PT has delivered 14 social impact programs across Oxfordshire, funded by local and national agencies on a not-for-profit basis. Inspired by Street Games and the Youth Endowment Fund, our work aims to enhance, through sport, the life chances of at-risk youth and those identifying as female not engaging in sport. Evidence shows **sports engagement improves youth health** (WHO Guidelines, 2020), **reduces truancy, boosts academic attainment** (EEF Toolkit, 2023), and **deters criminal behaviour** (YEF toolkit, 2023). We use a responsive monitoring system for feedback, ensuring our projects effectively impact young lives. A professional monitoring and evaluation framework is under development with board support, led by Aoife O'Higgins, Director of Evidence at Foundations: The What Works Centre for Children and Families.

The Project PT has 5 Core Programs developed with the above in mind. These are delivered across Oxfordshire with funding received from charities and government bodies and financially underpinned by the commercial side of our business. **Our commercial revenue directly supports ongoing overheads and provides gym space, equipment and transport for our social impact programmes.** Without this kind contribution and the understanding of our customers it would not be possible to run our social impact programs.

The Company's 2023 Social Impact Report is available in the Company's profile on Ethex website in the Additional Documents section.

Lift Youth

Total current participants: 122

The Lift Youth program is a transformative initiative that uses weightlifting to empower and uplift young individuals who may be vulnerable to Child Criminal Exploitation (CCE). By engaging in this program, participants not only develop physical strength but also acquire essential life skills crucial for personal growth and resilience. The program offers a comprehensive curriculum, endorsed by the Chartered Institute for the Management of Sport and Physical Activity (CIMPSA), ensuring that participants gain a recognised qualification. In addition to programmed weightlifting sessions, participants complete 30 hours of work experience, providing them with real-world exposure and enhancing their employability.

Beyond the physical aspects, the program focuses on building confidence, self-esteem, and other functional life skills. Participants leave the program with an understanding of their muscles, nutrition principles, and the ability to create personalised training programs. Importantly, they learn effective communication with clear instructions delivered in a compassionate manner, the importance of taking on instructions and the value of teamwork. The Lift Youth program is not just about building physical strength; it's about nurturing resilient, confident, and well-rounded individuals ready to face life's challenges.

LIFT Youth is backed by the Life Chances Project, a three-year initiative funded by DCMS, Sport England, and the Local Authority. It is actively engaging 101 young individuals this year. Notably, 43 participants have already achieved qualifications, while 16 have successfully completed their work experience. Operating from five Oxford schools, and including two sessions weekly in our gym, it facilitates both education and practical training. Additionally, LiFT Youth receives support from the Violence Reduction Unit, conducting two weekly programs at Blackbird Leys and The Oxford Academy, involving 21 young participants.





Strong Stance

Total current participants: 20

Our Strong Stance programme employs boxing as a powerful tool to engage with and support young individuals who may be vulnerable to Child Criminal Exploitation. Through our unique approach, we use boxing not only as a physical activity but also as a vehicle for personal development. In our program, young people learn essential communication skills, self-control and the appropriate use of force, fostering a sense of discipline and responsibility. We are proud to offer qualifications endorsed by CIMPSA (Chartered Institute for the Management of Sport and Physical Activity), ensuring the recognition and credibility of the skills acquired by our participants. Unlike traditional education systems, our qualifications are meticulously crafted with these young individuals in mind, recognising that conventional approaches may not cater to their specific needs. Beyond the formal qualifications, the practice of boxing brings about a myriad of additional benefits for these young people. It instils confidence, resilience, and a strong work ethic, helping them navigate the challenges they may face in their lives. The discipline required in boxing translates into improved focus, determination, and a heightened sense of self-worth, empowering these individuals to break free from negative cycles and build a brighter future for themselves.

Strong Stance is supported by the Violence Reduction Unit and Thames Valley Police. We are currently working alongside Oxford County Council's YJES (Youth Justice Exploitation Service) and youth workers to engage young people in the Blackbird Leys and Cowley area. The program has grown in popularity over the past 6 months and now has a core group of 20 young people who attend at Fusion Leisure Centre.

“It’s a privilege to be on the journey with these young people and provide a safe space for them to learn and grow.”

Sophie, Lead Social Project Co-ordinator

Momentum

Total current participants: 150

To inform this programme, we undertook research in Oxford to help understand why so many secondary school girls stop participating in sport, how barriers can be overcome and what products or services we might create that will appeal to them. We carried out a survey at Active Oxfordshire School Games and then went into four schools to conduct workshops on three different sports - boxing, weightlifting and skateboarding. We also held focus groups to discuss what they enjoyed about the workshops and to better understand their feeling towards sport and physical activity. Most young people in these groups were those who don't currently engage with PE and sport, so the research allowed us to gain insight into potential barriers. The findings were developed into Momentum, a follow-on programme to improve girls' participation in sport funded by Active Oxfordshire.

Momentum empowers 150 young females a year through skateboarding, boxing, and weightlifting. Partnering with 5 schools, it addresses disengagement from physical activity among girls. The girls who participate have been identified by their schools as not participating in physical activity. The initiative breaks gender norms, provides safe spaces, and fosters lasting connections with sports.

Through encouragement and creating a supportive and inclusive environment Momentum helps teenage girls to participate in sport ordinarily dominated by the male peers. Momentum introduces girls to local sports facilities, helping them to form friendships and to join a supportive community. Family involvement is vital for a holistic approach to nurturing a passion for sports.

The coaching philosophy prioritizes cultivating love for sports over skills development. Emphasising mutual support and teamwork enhances sportsmanship, promoting individual excellence and collective thriving. Momentum uses social media to create an online community, encouraging participants to share experiences and fostering a sense of belonging beyond physical engagement. Ultimately, the program aims to instil a lasting love of sports, promoting a healthier and more active lifestyle.





Move Together

Total participants: 100 over the last 18 months

Move Together, a collaborative program between ourselves and Oxford County Council, is dedicated to supporting individuals vulnerable to trips and falls, as well as those suffering from long-term illnesses or injuries. Our initiative focuses on providing personalised in-home training sessions, with each participant benefiting from a series of six sessions. Following this initial phase, individuals are seamlessly directed to additional exercise opportunities or can choose to enrol in further sessions. Our team comprises expert coaches

who possess a deep understanding of working with this specific demographic. Through carefully tailored sessions, we create a supportive environment that empowers participants to challenge their current physical and mental abilities. This holistic approach not only fosters physical well-being but also has positive ripple effects on mental health, relationships, and overall quality of life. Move Together aims to make a meaningful impact by promoting resilience, strength, and holistic well-being among our participants.



Katie's Story

Our coach and Gym Manager Jess has been working with a variety of different clients through our Move Together programme, partnered with Oxfordshire City Council. One is an 88 year old female who we will call Katie.

When Jess first met Katie, she wasn't confident on her feet and wouldn't go out for walks or drive her own car. We also found that Katie could only climb the stairs with her right leg leading as the left leg wasn't strong enough. After the first session, Katie and Jess agreed on goals they could work towards over the next 5 sessions including improving balance, strength and confidence in walking.

When Jess returned for the second session, Katie had been out in her car twice and was able to climb to the top of her staircase using both legs without difficulty. Katie said that Jess had given her the confidence to complete these tasks.

Over the next 5 sessions, Jess and Katie worked on exercises to develop core strength, single leg movements and shoulder strength. If Katie felt well enough, they went out for a short walk and then worked on strength and coordination. At the end of the 6 sessions, Katie's confidence had improved dramatically. She began to go out walking alone and was able to go up and downstairs in her house.

Our Holiday Camps

We are dedicated to creating inclusive holiday camps that extend across school breaks. These camps serve as a valuable opportunity for young individuals who may have been overlooked in the past, particularly those hailing from low socioeconomic backgrounds or with special educational needs (SEN), to try new activities in a safe and inclusive environment. Participants gain access to a professional gym and theatre space and are invited to participate in activities such as dance, boxing, lifting, T-shirt design and much more. The week ends with a performance at Pegasus Theatre in Oxford for the young people to showcase what they've learnt. Our team of coaches are well-versed in trauma-informed practices and are adept at working with neurodiverse youth. We take pride in offering fully funded spaces for those in need, ensuring that financial constraints do not hinder participation. Simultaneously, parents and carers who are able to contribute financially to support the sustainability of these camps. This inclusive approach facilitates a diverse and enriching environment, where young people from various backgrounds can socialize, fostering a sense of community. Our holiday camps go beyond the conventional, incorporating sports and activities not typically accessible to all, thereby creating a unique space that encourages kindness, creativity, and curiosity among participants.

Our gym members

Over the last year we've seen our gym community grow and grow to 240 and many of our members have told us how being part of the gym has positively affected their lives.

Some came to us with pain or injuries and are now able to move and live pain free. Others have benefited from the huge impact exercise has had on their mental health. It's been wonderful to hear their stories and be on that journey with them.

"I BECOME MORE CONFIDENT IN MYSELF AND HOW STRONG I AM! AFTER EVERY SESSION I AM HAPPY AND JOYFUL, IT ALSO HELPED ME TO BECOME MORE BALANCED AND CHANGED MY MINDSET ABOUT SPORT, GYM AND IN GENERAL PHYSICAL ACTIVITY."



Employee participation and satisfaction

We are proud that all of our team receive at least the Oxford Living Wage.

It's really important to us that working at The Project PT contributes to our employees' health and happiness. We understand and appreciate the passion and hard work our team produce on a daily basis while working. This is why we created ProjectPT+ our extensive Employee Benefits & Perks Package, supporting them all to develop, remain healthy and have a great work life balance.

PROJECTPT+ INCLUDES:

- £150 Budget to spend on their personal health and wellbeing.
- Free Membership for them and a loved one.
- Birthdays off for them and a significant other.
- Free access to all our kids and holiday camps for their children.
- Quarterly team days out. These are a great opportunity to get to know each other outside of a work environment.
- We give each team member and a significant other their birthdays off work and provide an extra day of annual leave for each year of service up to five years.
- One extra day annual leave per year they have worked with us.



THE TEAM IS SO FRIENDLY, SUPPORTIVE AND INCLUSIVE, ALLOWING ME TO BE MY AUTHENTIC SELF AT WORK. MANAGEMENT TRULY WANT THE BEST FOR EACH MEMBER OF STAFF AND MAKE SURE YOU ARE ENJOYING WHAT YOU ARE DOING AND CONTINUOUSLY LOOKING FOR WAYS TO HELP AND SUPPORT YOU TO GROW.





We provide all our team members with plenty of training opportunities throughout the year. These include mentoring and coaching from another team member, qualification courses, training from external coaches and providing resources for our team to learn about new topics.

We have bi-weekly team meetings to give us all a chance to hear about each other's weeks, learn more about the different projects going on, talk about the direction of the Company and learn lots about lifting and coaching!

We carry out Growth & Support Reviews with each staff member every 3 months. This gives us a chance to check in with every team member on how they feel in their role, and to work with them to make sure they are getting the most out of their job, both maximising what they enjoy and best utilising their skill set.

We worked hard to support our team. Our staff turnover is 7.8% compared to 15% the UK average.

What do you enjoy about working at The Project PT?

“People, the projects, the flexibility and the freedom to work, the gym itself, the space to grow and learn new things. Being able to lead and contribute to create a positive impact in other people's lives. Being able to become better and have a great balance between work and personal life.”

The market opportunity

About 56% of UK adults exercise regularly compared to 77% in Germany, 65% in Spain and 63% in France.

17% of UK residents (over 10 million people) are members of a fitness centre or own a gym membership.

During the 12 months to March 2023 the value of the gym market increased by 11.5%.

Four companies - Pure Gym, The Gym Group, Energie Fitness and Xercise4Less - control 78% of the market.

The Project PT considers that the size and culture of the larger gym companies mean that they are less able to create customer centric experiences, understand the local community or offer high social value. And they have little interest in using their skills and resources to benefit less advantaged communities.

At the same time, public bodies and charities working in less advantaged communities often lack access to professional expertise and coaches that are regularly engaged in physical training work, as well as access to high quality facilities.

This gives The Project PT a unique market opportunity with both our for profit and not for profit work contributing to our vision and mission.



Our growth model

NEW SITES

Our East Oxford gym is now very close to capacity. Over the next three years we will open up to **three new gyms in and around Oxford**. Areas under consideration for new gyms within Oxford are Headington, Grandpont, Abingdon, Kidlington and Summertown.

We have developed a set of essential criteria for choosing new sites. All sites must:

- Have floor space of 1300-2500 square feet.
- Have community spaces such as schools, doctors, coffee shops, community halls located within a 5-minute walk of the site.
- Have a large footfall, i.e. not be located where people don't walk.
- Be located on the ground floor or have a large ground floor entrance.
- Already have a present market of socially conscious customers, independent businesses or social enterprises thriving in the area.
- Have a large residential area within a 15-minute walk of the site.

Sites with lower residential densities can be considered if there's a large number of employees coming to the area daily. Sites not within a residential area will also be considered if the space could be made a destination and could provide incubator space for other businesses that would bring their own footfall, such as cafes, barbers and so on. These businesses would also be expected to offer work experience opportunities for the young people The Project PT works with.

Our sources of income

Our gym income comes from our gym members, in the form of a monthly subscription, which ranges from **£14.50 to £170.00 a month**, depending on the number of sessions a month a member wishes to attend. The **price per session ranges from £10 to £15** depending on the volume purchased.

A number of our members ask for personal training and we introduce our coaches to these clients. We share the income from this 50-50 with our coaches, in addition to the living wage they receive for their other work. This income is expected to grow significantly alongside new memberships as we open further gyms.

Our social impact work is currently funded by Oxfordshire County Council, Oxford City Council, the Department for Culture Media and Sport, Active Oxfordshire, Sport England, Oxfordshire Youth and Public Health. We have active contracts with these organisations and will seek renewals or new contracts as these expire. Full details of current contracts are given in the "Contracts material to the Bond Offer" section on page 32 of this document. Given that these contracts are funded on a full cost recovery basis, they do not contribute to the profits of the Company, and the Company's cash flow will not be substantially affected if they are not renewed.

We have recently acquired the rights to issue qualifications to individuals completing our training courses. We can award these to individuals under our grants programme and in return receive government grant income on a payment-by-results basis. We can also charge fees for these qualifications to private members.

Our marketing strategy



OUR GYM CUSTOMERS:

- Work from home or locally.
- Have household income above £50k.
- Are consciously minded, in that they consider the social and environmental impacts of their behaviour choices.
- Live within 15 mins walk of the gym.
- Are 24-60 years old.

WE ATTRACT NEW MEMBERS VIA:

- Intensive local marketing in the 3 months prior to opening.
- Referrals and word of mouth.
- Door to door sales.
- Targeted social media, press coverage and guerrilla marketing.
- Outdoor street signs.

WE OFFER MEMBERS:

- 50% off membership for the first 3 months when a gym first opens.
- The opportunity to pause membership, such as for holidays.
- 2 free sessions on their birthday.
- 2 free sessions on successfully referring a new member.

Our Board of Directors

The Project PT has a board of 7 directors, 5 of which are non-executive. The two executive directors, Ajaye and Alexa Hunn-Phillips, oversee the team of nine coaches, trainers and managers running The Project PT day-to-day. Ajaye and Alexa are part of a senior management team of four, including a business development manager responsible for onboarding of new members and human resources, and a gym cluster manager responsible for ensuring the smooth running of the current and any new gyms, alongside coaching responsibilities.

The Directors



AJAYE HUNN-PHILLIPS

(She\her)

EXECUTIVE DIRECTOR AND CO-FOUNDER

Ajaye is the driving force behind The Project PT. She has over 20 years' experience in the fitness industry and has worked for Express Gym, Fitness First, Pure Gym, The Gym Group and Buzz Gym, spanning a multitude of operational and marketing roles. She is a fully qualified personal trainer, cross fit coach, Olympic weightlifting coach, tutor and sports therapist. She has also worked as both Head of Sales and Head of People for Oxford-based social enterprise Tap Social Movement, which employs ex-prisoners with a view to reducing re-offending.

Alongside Ajaye's career in the fitness industry, she spent over ten years volunteering in youth work, using sport as a medium to connect with young people.

Ajaye is also the Vice Chair of the Learning Skills Advocacy Board. The board was set up to address the skills shortage in the leisure and fitness industry, funded by CIMPSA and Sport England.

Ajaye is the CEO of The Project PT, overseeing all elements of the business on a weekly basis. She has lived experience of leading a team through ambitious growth plans, alongside extensive industry experience.

Ajaye says: *"The Project PT is a dream come true, marrying my two passions of youth justice and fitness. The reception we have received so far in both the youth justice sector and our gym on Magdalen Road has been mind-blowing. The comments we receive on our clear purpose and company culture are the best feedback we can receive."*

ALEXA HUNN-PHILLIPS (She\her) EXECUTIVE DIRECTOR AND CO-FOUNDER

Alexa grew up in London playing football in the streets, dodging cars while trying to beat her current kick up record. She went on to play football professionally, first for Charlton Athletic, and then for England. She was part of the Charlton team that won the FA Women's Cup Final in 2005. In November 2022, Alexa was recognized by The Football Association as one of the England national team's legacy players, and as the 150th women's player to be capped by England. Alongside Alexa's career in sport, which in those days was not well paid, she worked in schools and other educational settings supporting young people with neurodiversity.

Alexa is Fitness Director for The Project PT, leading on both our qualifications company and fitness team.

Alexa says: *"I have been a personal trainer for 10 years. I enjoy every session, whether geared towards strength, rehab or sports specific training. I get a real buzz from being part of our clients' and team's fitness journey. My training ethos is to learn, lift and laugh! I love watching the sense of achievement people experience as they become stronger, fitter and healthier and how this then transcends into their day to day lives."*



MITCH OLIVER (She\her) CHAIR



As Global Vice-President of Brand & Purpose Director at Mars Incorporated, a Trustee of Pro Bono Economics and the former Vice Chair of Stonewall, Mitch is an experienced board member of both large commercial organisations and not-for-profits. Mitch's passion is in building brands at the intersection between "for profit" and "for good".

She is a proud feminist and loves that Project PT has female founders. She lives locally and discovered the gym 3 years ago as a 50-year-old woman recovering from breast cancer. She has found that her Project

PT membership has enriched her connections with her local community.

Mitch says: *"At Project PT I have felt welcome, I have found a community and I have benefited hugely from the physical and mental strength that comes from taking control of my wellbeing. I hope that through working together we can extend that feeling to so many others, who might not think that the gym is a place for them."*

LAURA HODGSON (She\her) NON-EXECUTIVE DIRECTOR

Laura is Managing Associate & Innovation Lawyer at Linklaters LLP, having previously spent 13 years with Norton Rose Fulbright. She has also acted as Chair for the InterLaw Diversity Forum, alongside other voluntary roles.



Laura says: *"I am hoping to bring some insights and skills from my experience of governance, strategy and business to the board. I live on Magdalen Road and am very lucky to have the gym so close to hand. What I love is that however you're feeling and no matter how much you grumble about heading off to a class you will always come back happier, fitter and having laughed a lot!"*

ABHI LAKHINA (He\him) NON-EXECUTIVE DIRECTOR

Abhi is currently the Managing Director and founder of recruitment Company LoveRecruitment, which specialises in fitness and leisure recruitment across the UK. Abhi's looks to ensure that the Project PT attracts and acquires the best talent on the market. For Abhi, talent attraction means defining the organisation's unique Employee Value Proposition (EVP), creating a unique story around it, and then supporting this with an effective recruitment process.

Abhi says *"I have always been super passionate about the role physical activity plays in local communities and society as a whole and am proud to help support the sector through my knowledge of candidate attraction and talent acquisition strategies. I firmly believe we need the best people in the country to work in our sector to get, in the words of UK Active, "more people, more active, more often".*



AOIFE O'HIGGINS (She\her) NON-EXECUTIVE DIRECTOR

Aoife is Director of Evidence at Foundations, the What Works Centre for Children and Families. Foundations generates and champions actionable evidence that improves services to support vulnerable children and families. She leads Foundations' ambitious portfolio of evidence generation projects, which

include evaluations of Family Group Conferencing, Domestic Abuse programmes, and multi-agency models of practice. Foundations' projects are driven by rigour in design and delivery, as well as by the stories and experiences of those who receive and deliver social work interventions, including children and young people with care experience, their families, carers and the professionals supporting them.

Aoife Says: *"I have been a passionate member of Project PT since August 2022. I never thought I'd find a gym that I would stick with, that I would become so much stronger and healthier and that I'd make so many new friends. On top of that Project PT does incredible evidence based social impact work for young people in Oxford. I feel so privileged to be part of this project!"*

ELIZABETH 'BIZ' MOLWAY (She\her) NON-EXECUTIVE DIRECTOR

Biz is Director of Intellectual Property & Patent Attorney at Evox Therapeutics. She describes herself as a science nerd turned patent attorney and has a love of working in small start-ups and innovation in general.

Biz says: *"Having experienced the benefits of The Project PT both in terms of the local community and the health benefits I jumped at the chance to become more involved in this fantastic concept which will undoubtedly positively impact many more lives. I hope I can provide an analytical eye*

to support areas of innovation and advise on intellectual property assets from the very start of The Project PT expansion phase. However, I'm also looking forward to being thrown into any and all kinds of tasks as that is the joy of start-ups!"



Financial forecasts:

profit and loss

The Company's financial year runs from 1st January to 31st December.

The income and profitability of The Project PT and its subsidiary Social Justice Movement CIC are forecast to grow with the opening of new gyms, generating the funds to repay the Bonds in 2030.

	Actual				Projected								
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Income:													
Gym memberships	£21,751	£40,711	£114,723	£188,206	£283,300	£476,384	£701,471	£788,590	£813,482	£813,482	£813,482	£813,482	£813,482
Social impact projects	£0	£31,446	£56,921	£99,652	£114,340	£114,340	£114,340	£114,340	£114,340	£114,340	£114,340	£114,340	£114,340
Personal training	£0	£24,801	£27,653	£14,026	£41,250	£71,875	£108,750	£112,500	£112,500	£112,500	£112,500	£112,500	£112,500
Qualification provision	£0	£0	£0	£0	£4,000	£8,000	£12,000	£16,000	£20,000	£24,000	£28,000	£32,000	£36,000
Total Income	£21,751	£96,958	£199,337	£301,884	£442,890	£670,599	£936,561	£1,031,430	£1,060,322	£1,064,322	£1,068,322	£1,072,322	£1,076,322
Cost of sales	£4,023	£34,613	£93,895	£127,273	£210,085	£325,012	£402,395	£409,427	£412,240	£412,240	£412,240	£412,240	£412,240
Gross profit	£17,728	£62,345	£105,442	£174,611	£232,804	£345,587	£534,166	£622,003	£648,082	£652,082	£656,082	£660,082	£664,082
Overheads	£4,857	£38,724	£87,124	£108,434	£232,409	£334,716	£366,232	£366,232	£366,232	£366,232	£366,232	£366,232	£366,232
Finance costs	£0	£19	£119	£233	£29,137	£24,544	£24,500	£24,500	£24,500	£24,500	£24,500	£0	£0
Depreciation	£2,501	£10,328	£15,434	£18,154	£29,668	£40,668	£40,668	£40,668	£5,251	£0	£0	£0	£0
Net profit	£10,370	£13,274	£2,765	£47,790	(£58,409)	(£54,340)	£102,766	£190,603	£252,099	£261,349	£265,349	£293,849	£297,849
Taxation	£70	£0	£0	£5,957	£0	£0	£25,692	£47,651	£63,025	£65,337	£66,337	£73,462	£74,462
Profit after tax	£10,300	£13,274	£2,765	£41,833	(£58,409)	(£54,340)	£77,075	£142,952	£189,074	£196,012	£199,012	£220,387	£223,387

Financial forecasts:

balance sheet

As of 31st December	Actual 2020	2021	2022	2023	Projected 2024	2025	2026	2027	2028	2029	2030	2031	2032
Fixed assets after depreciation	£10,003	£38,812	£48,907	£46,922	£72,254	£86,586	£45,919	£5,251	£0	£0	£0	£0	£0
Debtors	£1,918	£27,470	£40,864	£34,570	£34,570	£34,570	£34,570	£34,570	£34,570	£34,570	£34,570	£34,570	£34,570
Cash	£22,215	£24,137	£5,178	£46,707	£309,269	£237,126	£354,869	£538,489	£732,813	£928,826	£777,838	£998,225	£1,221,612
Current assets	£24,133	£51,607	£46,042	£81,277	£343,839	£271,696	£389,439	£573,059	£767,383	£963,396	£812,408	£1,032,795	£1,256,182
Creditors less than one year	(£6,336)	(£56,645)	(£85,184)	(£61,798)	(£58,102)	(£54,631)	(£54,631)	(£54,631)	(£54,631)	(£54,631)	(£54,631)	(£54,631)	(£54,631)
Net current assets	£17,797	(£5,038)	(£39,142)	£19,479	£285,737	£217,065	£334,808	£518,428	£712,752	£908,764	£757,776	£978,163	£1,201,551
Creditors more than one year	(£17,400)	(£14,100)	(£9,431)	(£10,034)	(£360,034)	(£360,034)	(£360,034)	(£360,034)	(£360,034)	(£360,034)	(£10,034)	(£10,034)	(£10,034)
Net assets	£10,400	£19,674	£334	£56,367	(£2,042)	(£56,382)	£20,692	£163,644	£352,718	£548,730	£747,742	£968,129	£1,191,517
Called up share capital	£100	£100	£100	£14,300	£14,300	£14,300	£14,300	£14,300	£14,300	£14,300	£14,300	£14,300	£14,300
P&L reserve	£10,300	£19,574	£234	£42,067	(£16,342)	(£70,682)	£6,392	£149,344	£338,418	£534,430	£733,442	£953,829	£1,177,217
Total equity	£10,400	£19,674	£334	£56,367	(£2,042)	(£56,382)	£20,692	£163,644	£352,718	£548,730	£747,742	£968,129	£1,191,517

Assumptions to the forecast

The Company's forecasts have been closely scrutinised. Three scenarios – expected, optimistic and pessimistic - were developed in order to determine the robustness of the model and the expected was forecast used here. The key assumptions in the forecast are:

- The Company will sign leases on a second gym in July 2024 and a third in July 2025.
- Assumptions for these gyms are based on the experience of the Magdalen Road gym:
 - Renovation will take three months.
 - Membership will be 100 on opening and will rise to 200 in 12 months and 250 in 24 months and thereafter.
 - Rent on the new gyms will be 10% higher than the current gym.
 - Coaches will offer 50 hours personal training a month per gym on opening, 100 hours after 12 months and 125 hours after 24 months and thereafter.
- The Company will award 20 private qualifications a year at £200 each in 2024, rising by 20 a year but with a maximum of 200 a year.
- Staffing and overhead levels will increase in proportion to the number of gyms.
- Income generated for social impact work will remain at the same level as in 2023 with staffing levels also remaining the same.
- Bond issue costs will total £30,000.
- Bonds will be issued in June 24 and repaid in June 2030, with bond interest paid every June from 2025 to 2030.



Key risks associated with The Project PT

An investment in this Bond Offer carries risks and you may lose up to, but not more than, the value of your investment. The Directors have developed a risk register together with a process for assessing and mitigating risk. The Directors believe the following to be the key risks for Bondholders, however the list is not exclusive:

Risk	Mitigation
That the Company underperforms in that its new centres open later, cost more to renovate and/or do not achieve the membership levels assumed.	The Company has created and has scrutinised a more pessimistic version of the forecasts in which it only opens one new centre in January 2025; membership and the number of personal training sessions and qualifications awarded build more slowly and fall 10% short of forecast; and where senior management capacity is increased by 25%. In this scenario the Company can still afford to pay the specified annual interest on the bonds and to repay them in 2030.
Change in central or local government policy or funding	Given the urgent need to address the UK's health and obesity crisis, the Company does not foresee an end to income to undertake our work in less advantaged communities. However, should this happen, this would not impact significantly on the Company's profitability as the work is undertaken on a not-for-profit basis.
One of the founders falls sick and is unable to work	The two founders are able to cover for each other.
A participant sustains an injury from training	We have recently appointed a healthy and safety consultancy and are using their software to strengthen our practices. We also have insurance cover in place.
A safeguarding issue arises with one or more of the children we do training work with	We have stringent processes in place and provide training to all our staff. Our practices have been audited by the River Learning Academy Trust, which runs 27 schools in Oxfordshire. We have a dedicated staff Safeguarding Lead, and all staff are national level 2 safeguard trained.
Failure to acquire a site	We have several sites in the pipeline and are not relying on one single opportunity
A larger competitor opens a gym nearby	We consider our offering unique. Having a competitor nearby could even be an advantage as it would attract more customers to the area. There is already another gym within 0.6 miles of our Magdalen Road gym and this has not stopped us acquiring new members.

Contracts material to the bond offer

The Company has the following contracts or other material arrangements in place:

- A 10 year lease for the Magdalen Road Gym at a rent of £24,000 a year until 2031.
- A lease with one month's notice for a storage warehouse at a rent of £4,000 a year.
- A hire purchase agreement for the purchase of gym equipment at a cost of £579 a month for 5 years from January 22
- An agreement with the Department of Culture, Media and Sport to provide social benefit through physical activity at a value of £85,000 a year for 3 years expiring in July 2024
- An agreement with Thames Valley Police Violence Reduction Unit to provide intervention sessions at a value of £12,987 expiring in March 2024
- An agreement with Thames Valley Police Violence Reduction Unit to provide intervention sessions at a value of £18,511 expiring in September 2024
- An agreement with Oxford City Council to provide in-house PT Sessions at a value of £1,000 per month expiring in March 2026
- An agreement with Active Oxfordshire to provide Boxing and Skating Sessions to Girls at a value of £12,800 expiring in October 2026
- An agreement with Public Health at a value of £10,000 expiring in March 25
- An agreement with Ethex to undertake the share offer for a fee of £5,000 plus 4% of the amount raised.
- An agreement with Ethex to manage the Company's bondholder register for a fee of £750 per annum.

The Company also wholly owns Social Justice Movement CIC (company number 14547066) which was incorporated on 19th December 2022 with Ajaye and Alexa Hunn-Phillips as directors. The CIC receives a small amount of the funding for our social impact work and then contracts the Company to undertake it. 100% of funding received by the CIC is passed on to the Company. The CIC itself does not undertake any trading activity. Any running costs incurred by the CIC such as the cost of producing annual accounts are paid for by the Company.



Frequently asked questions

HOW CAN I INVEST IN THE BOND OFFER?

You can invest via Ethex at www.ethex.org.uk/invest/the-project-pt. If you have a query about how to apply, please visit www.ethex.org.uk/help or contact Ethex by email at help@ethex.org.uk.

CAN ANYONE INVEST?

Applicants must be over 18 years of age. However, anyone over 18 may also invest on behalf of a person under 18 years old by nominating them at the end of the Ethex online order process. Once the Offer closes, the shares will be held in the name of the applicant (as first named member on the share register) on behalf of the person under 18 years old until such time as the named member instructs Ethex otherwise. On notification, Ethex will action the transfer of shares into the sole name of the nominated individuals.

If you are a citizen or resident of the United States of America or Canada, Ethex cannot accept your investment for regulatory reasons. This also applies to UK dual-nationals of these countries.

UK registered Companies and other corporate bodies are able to invest in the Offer. Companies registered abroad cannot.

WHAT TYPE OF INVESTMENT AM I MAKING?

You are investing in The Project PT, a private company limited by shares. You are making a bond investment in the Company. This is a form of loan with a fixed annual interest rate of 7%. The amount you invest will be repaid 6 years from the date the bonds are issued after the close of the offer, on 30th June 2030.

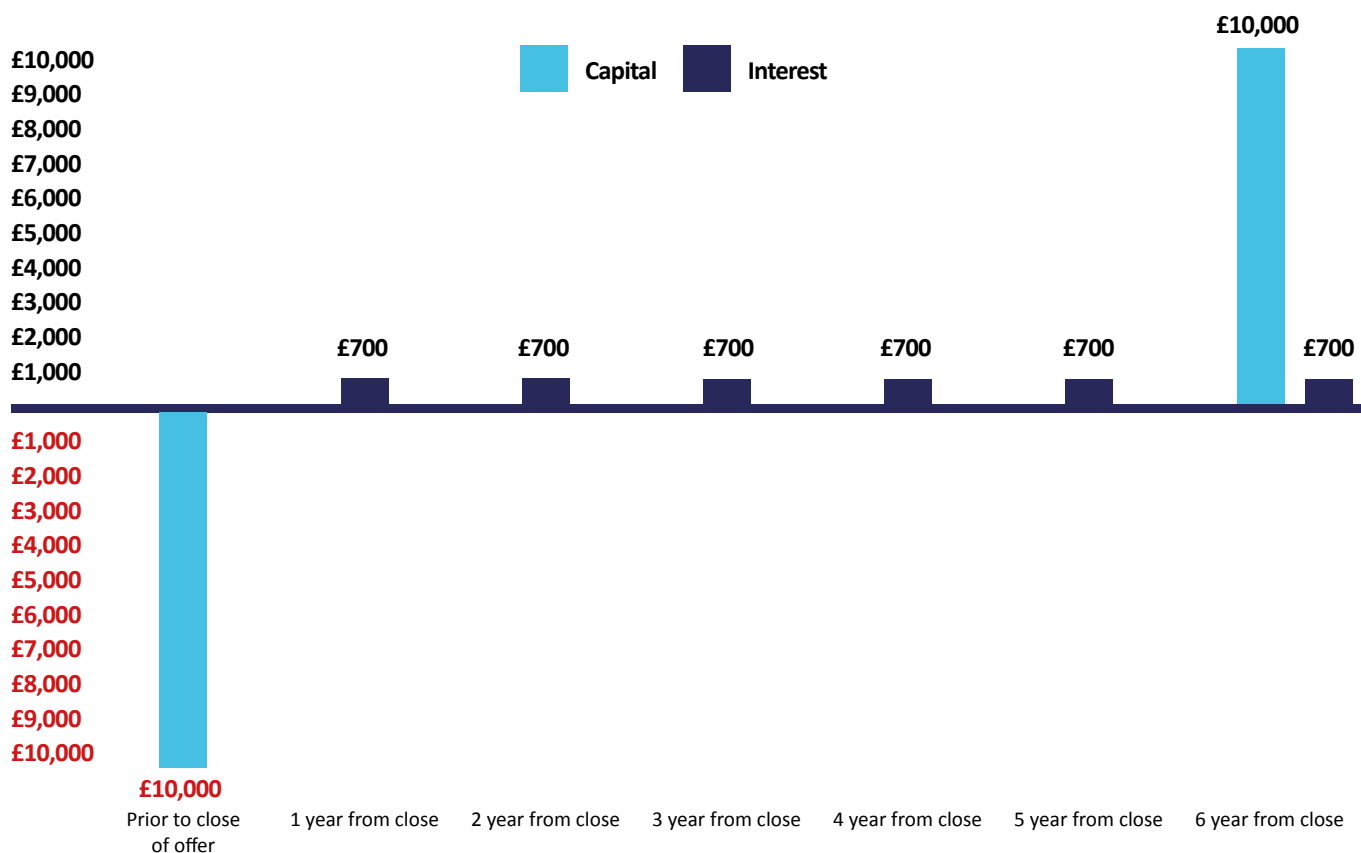
WHAT ARE THE RISKS TO THE INVESTMENT?

Investing in the Bonds is not the same as depositing money in a bank account as capital is at risk and an Investor may not get back the full amount that they invested. The Bonds are not covered by the Financial Services Compensation Scheme and in the event of the Company being unable to pay either the capital or interest payments an investor will not be entitled to make a claim against the scheme.

The Company has put in place plans for growth that it believes will allow for interest and bond repayments, but even so it is not certain that the Company will have sufficient funds to pay interest or repay the Bonds on their due date. If this does prove to be the case, the Company intends to repay the bonds either by taking out a bank loan or by undertaking a further bond issue.

WHAT WILL MY RETURN ON INVESTMENT BE?

The chart below shows the timing of a £10,000 investment, the return on which would total £14,200.



WILL THE COMPANY BE PAYING DIVIDENDS TO SHAREHOLDERS BEFORE THE BONDS ARE REPAYED?

No dividend payments will be made for at least 2 years. After that, dividend payments will not be considered if there is less than 3 months reserves in the business plus a further £60,000 a year for

each year or a total of £360,000 across 6 years to cover bond repayments.

ARE THERE ANY TAX BENEFITS WITH MY INVESTMENT?

Investors should read the section on Taxation on page 36 of this document.

HOW WILL MY RETURN ON INVESTMENT BE PAID?

Interest payments will be made to Bondholders every 30th June from 2025 to 2030. Capital will be repaid in full on 30th June 2030. Full details of Bondholders will be held by Ethex as part of its Registry Service. Payments will by default go to the Ethex Wallet, but investors have the option to send them directly to their bank account, in which case payments will be made to Bondholders by BACS using the bank details provided.

WHAT IF I WANT MY MONEY BACK EARLY?

The Bonds have a fixed repayment date and investors will have no ability to require The Project PT to repay their capital before the repayment date.

Although the Bonds are transferable, they will not be listed on a recognised investment exchange. This means that if you wish to sell the Bonds there is no established mechanism to find a buyer, nor any guarantee of the price that the buyer might be willing to pay. The Project PT may assist you in selling your Bonds, such as by holding a list of interested investors once the offer closes, but cannot guarantee to find you a buyer.

In the event of the death of a Bondholder or in other exceptional circumstances such as critical illness, The Project PT may repay an individual Bondholder early, together with any accrued interest due. However, such early repayment will be at the Company's sole discretion and is subject to sufficient cash being available.

WHAT HAPPENS IF THE BOND OFFER FAILS TO REACH ITS TARGET?

The bond offer will proceed if the minimum target of £150,000 is reached. If the minimum target is not reached the full amount of your investment will be returned to you.

HOW WILL I KNOW HOW THE COMPANY IS PERFORMING?

You will receive quarterly reports on the performance of the company.

WHAT IS THE BOND INSTRUMENT?

The Bond Instrument included in this document, on pages 37-48, is a contract between The Project PT and its Bondholders. It sets out the terms of the Bond and what happens should The Project PT go into liquidation. Bondholders also have the right to call a meeting with the Company at any time, should 20 Bondholders or those holding at least 10% of the bonds wish to do so. Should the need for such a meeting arise Ethex will assist with the process. However, the powers of the Bondholders over the Company are limited to those described in Section 12 of the Bond Instrument.

WHAT IF THE COMPANY GOES BUST?

The Bonds will be an unsecured debt of the Company and are not guaranteed. In the event of the Company entering a formal insolvency process, Bondholders will rank equally with other unsecured creditors of the Charity and behind secured creditors and may not recover their full investment.

ARE THERE FURTHER TERMS AND CONDITIONS I SHOULD BE AWARE OF?

The complete set of rules governing the company is set out in its Articles. The company has adopted “Model” articles of association which are the standard default articles a company can use, as prescribed by the Companies Act 2006. These are available on the Documents section of The Project PT bond offer on the Ethex website. Or you can contact help@ethex.org.uk at any time.



Taxation

The Personal Savings Allowance and Starting Rate for Savings currently in effect enables savers to receive an amount of savings income tax-free, based on the individuals' own tax circumstances. The Company will still need to pay interest after the deduction of basic rate income tax and you will need to contact HMRC in order to reclaim any over-paid tax. If you submit an annual tax return, the reclaim can be made then.

There are three circumstances where interest on the Bonds may be paid without the deduction of UK tax. These are where:

1. The investment is held in an Ethex Innovative Finance ISA (IFISA). See below for more details.
2. The Bondholder is: (a) a company resident in the United Kingdom; or (b) a company which carries on a trade in the United Kingdom through a permanent establishment and includes the interest in calculating its United Kingdom taxable profits; or (c) a partnership, each member of which is a company as referred to in (a) or (b) above.
3. the Company has been notified by HMRC that interest need not be withheld under the provisions of an applicable double taxation treaty with another country. If interest is paid after deduction of United Kingdom income tax, Bondholders who are not resident in the United Kingdom may still be able to recover all or part of the tax deducted if there is an appropriate provision in the relevant double tax treaty.

Ethex Innovative Finance ISA ('IFISA')

The Bonds are eligible to be held in an Ethex IFISA, which means Bond interest payments can be received tax-free. Investors will be given the option of opening an IFISA as part of the online application process. The Project PT's bonds can only be held in an Ethex IFISA, and it is only possible to subscribe to one IFISA per tax year.

For the tax years 2023-24 and 2024-25 you can subscribe up to £20,000 in an ISA. Contributions to an IFISA count towards your overall ISA contribution limit. To be eligible for the 2023-24 tax year you will need to make your investment on or prior to April 5th 2024.

For a higher rate 40% taxpayer, holding a bond paying 7.0% in an ISA is the equivalent of investing in a bond paying 11.67% outside of an ISA wrapper. For a basic rate 20% taxpayer, holding a bond paying 7% in an ISA is the equivalent of investing in a bond paying 8.25% outside of an ISA wrapper. This does not take into account the personal savings allowance of £1,000 for basic rate taxpayers and £500 for higher rate taxpayers.

Bond Instrument

THIS INSTRUMENT is made by way of **Deed Poll on 5th March 2024**

BY

THE PROJECT PT a private company limited by shares incorporated and registered in England with company number 12379965 whose registered address is at 39 St Georges Manor, Mandelbrote Drive, Littlemore, Oxford, England, OX4 4TW. (the Company).

BACKGROUND

The Company has, by resolution of its board of directors passed on 29th November 2023, resolved to create up to a maximum nominal amount of £400,000 7.0% Unsecured Bonds 2030 of £1 each, to be constituted in the manner set out below.

TERMS OF BOND INSTRUMENT

1 Definitions and Interpretation

1.1 The definitions and rules of interpretation in this clause apply in this instrument.

Applicants means each person who applies for the Bonds via the Website

Bondholder means each person for the time being entered in the Register as a holder of any Bonds.

Bonds means up to £400,000 7% Bonds 2030 of £1 each constituted by this instrument or, as the case may be, the amount of such bonds for the time being issued and outstanding.

Business Day means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

Default Interest Rate means 9% per annum (compromising the Interest Rate plus 2%).

Directors means the board of directors of the Company for the time being.

Event of Default means any of those events specified in clause 11.

Final Repayment Date means the fifth anniversary of the Issue Date

Financial Statements means the financial statements of the Company.

Insolvency Event means any of the following:

- a) the Company stops or suspends payment of any of its debts, or is unable to, or admits its inability to, pay its debts as they fall due;
- b) a moratorium is declared in respect of any indebtedness of the Company;
- c) any action, proceedings, procedure or step is taken for:
 - (i) the suspension of payments, a moratorium of any Indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Company; or
 - (ii) the composition, compromise, assignment or arrangement with any creditor; or
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or any of its assets;
- d) the Company commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors with a view to rescheduling any of its indebtedness (because of actual or anticipated financial difficulties and for the avoidance of doubt this shall not prevent the Company from entering into such arrangements in the normal commercial operations of its business).

Interest Payment Date means the anniversary of the Issue Date in each calendar year up to and including the Final Repayment Date, with the first payment falling in 2025.

Interest Rate means 7% per annum.

Issue Date means the date on which a Bond is issued to a Bondholder which can be, in relation to the relevant Bonds, up to 28 days following the date on which (i) the Minimum Raise is reached and (ii) the Offer closes.

Minimum Raise means £150,000.

Offer means the offer contained in the Offer Document.

Offer Document means the document describing the offer of Bonds published by the Company on or about the date of this instrument.

Register means the register of Bondholders kept and maintained by or on behalf of the Company in accordance with clause 10.

Registrar means Ethex Investment Club Ltd of The Old Music Hall, 106-108 Cowley Road, Oxford OX4 1JE registered with the company number 7432030.

Repayment Date means the 6th anniversary of the Issue Date.

Security means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

Social Impact Report means the annual report produced by the Company detailing its social impact.

Special Resolution means a resolution passed at a meeting of the Bondholders duly convened and held in accordance with the provisions of this instrument and carried by a majority consisting of not less than 75% of the persons voting at such meeting

on a show of hands or, if a poll is demanded, by a majority consisting of not less than 75% of the votes given on such poll.

Stretch Target means £400,000.

Website means the website at www.ethex.org.uk, or such other replacement service as duly notified to the Bondholders from time to time by the Registrar.

2 Amount of Bonds

The principal amount of the Bonds is limited to £400,000.

3 Description of Bonds

The Bonds shall be known as 7% Unsecured Bonds 2029 of £1 each and shall be issued in integral multiples of £1 by the Company.

4 Status of Bonds

The Bonds when issued shall rank pari passu equally and rateably without discrimination or preference among themselves and as an unsecured obligation of the Company.

5 Issue of Bonds

5.1 Subject to the remaining provisions of this clause, Applicants who apply in accordance with the terms set out on the Website and in the Offer Document shall be issued their Bonds on the relevant Issue Date and interest on those Bonds shall accrue from that date.

5.2 On the relevant Issue Date Applicants' subscription amounts shall be automatically transferred by the Registrar into the bank account specified by the Company.

5.3 If the Offer raises more than the Stretch Target, the Applicant that takes the total amount raised over the Stretch Target will be reduced by the amount required to reach the Stretch Target.

5.4 If the Stretch Target is not reached when the Offer closes, provided that the Minimum Raise is reached, all investor applications received up to the date the Offer is closed will be allocated in full.

5.5 If the Offer has not reached the Minimum Raise by the time the Offer closes, no Bonds will be issued and all subscription amounts will be returned by the Registrar to the relevant Applicants as soon as possible after that date.

5.6 The amount of investment by any individual Bondholder must be a minimum of £500

5.7 The Directors reserve the right to choose not to issue Bonds to any individual investor at their own discretion.

6 Payments – General

6.1 Where any payment to a Bondholder, whether of principal or interest, is due in accordance with the terms of this instrument it shall be paid by the Company within 10 Business Days of the relevant Interest Payment Date or Final Repayment Date.

6.2 All payments of principal, interest or other moneys to be made by the Company shall be made after any deductions or withholdings for or on account of any present or future taxes required to be deducted or withheld from such payments.

6.3 No repayment or prepayment of any part of any Bonds shall result in the issue of a new certificate to the relevant Bondholder.

6.4 Any payments of capital or interest by the Company shall be made via the Registrar.

7 Repayment of Capital

7.1 On the Final Repayment Date, the Company shall redeem the outstanding principal amount of the Bonds together with all accrued but unpaid interest.

7.2 The Company may at its absolute discretion, at any time following the death, critical illness or other exceptional circumstances of any Bondholder, redeem

the whole or part of the Bonds held by such Bondholder.

7.3 Any repayments made under this clause 7 shall reduce the amount of principal outstanding in respect of the Bonds.

7.4 Any redemption of the Bonds under this clause shall be made, together with accrued and unpaid interest (less any tax required by law to be deducted or withheld from such payment) accrued on the relevant Bonds up to (and including) the date of such repayment by the Company.

8 Payment of interest

8.1 Until the Bonds are repaid, interest on the principal amount of the Bonds outstanding from time to time shall accrue at the Interest Rate and shall be payable annually on each Interest Payment Date.

8.2 The Company shall pay accrued interest due to persons who were registered as Bondholders at the close of business on each Interest Payment Date in cash in arrears to the Registrar.

8.3 If the Company fails to pay any interest or the principal amount on any Bond when such amount is due, interest shall accrue at the Default Interest Rate on the unpaid amount from the due date until the date of payment.

8.4 Interest shall be calculated on the basis of the actual number of days elapsed in the relevant period and a 365 day year.

8.5 Interest on any Bonds repaid by the Company in accordance with this instrument shall cease to accrue as from the date of such repayment.

8.6 For the avoidance of doubt, the Company's failure to pay interest on an Interest Payment Date shall not be an Event of Default.

9 Certificates

9.1 The Company shall ensure that each certificate for Bonds shall:

- 9.1.1** bear a denoting number;
- 9.1.2** be issued electronically to a Bondholder to download from the Website

9.2 Each Bondholder shall be entitled access to a copy of the certificate for the Bonds registered in his name which shall be available to the Bondholder on the Website.

9.3 When a Bondholder transfers or redeems part only of his Bonds, other than as a result of repayments of capital, the old certificate shall be cancelled and a new certificate for the balance of such Bonds shall be issued without charge and shall be emailed to the Bondholder at the email address held by the Registrar.

10 Register

10.1 Each Bondholder acknowledges to the Company that the Registrar will maintain an electronic Register which shall contain the following details:

- 10.1.1** the names and addresses including email addresses of the Bondholders for the time being;
- 10.1.2** the principal amount of the Bonds held by each Bondholder;
- 10.1.3** the date of issue of each Bond; and
- 10.1.4** all transfers and changes of ownership of the Bonds.

10.2 Subject to the Registrar properly and accurately maintaining such a register, the Company shall recognise as absolute owner the registered holder of any Bonds. Neither the Company nor the Registrar shall (except as ordered by a court of competent jurisdiction) be bound to take notice or see to the execution of any trust (whether express, implied or constructive) to which any Bonds may be subject. The receipt of the registered holder for the principal payable in respect of such Bonds and for the interest from time to time accruing due in respect of such Bonds or for any other moneys payable in respect of such Bonds shall be a good discharge by the Company notwithstanding any notice it or the Registrar may have (whether express or otherwise) of the right, title, interest or claim of any other person to or in such Bonds, interest or moneys. Neither the Company nor the Registrar shall be bound to enter any notice of any express, implied or constructive trust on the Register in respect of any Bonds.

10.3 Neither the Company nor the Registrar shall be bound to register more than one person as the holder of any Bonds.

10.4 A change of address or other details can be made by any Bondholder through the Ethex Website. A change of name by any Bondholder shall be notified to the Company and the Registrar through the Website or via email to registry@ethex.org.uk.

10.5 No person may be registered as a holder of Bonds (including on a transfer of Bonds) unless they are registered on the Website.

10.6 Each of the Company and the Bondholders acknowledges and accepts that the Registrar shall act as agent for the Bondholders and facilitator in respect of the Bonds.

11 Default

11.1 The following are Events of Default:

11.1.1 Non-payment: the Company fails to pay in cash in cleared funds, interest within 10 Business Days of each Interest Payment Date or capital within 10 Business Days of the Final Repayment Date.

11.1.2 Insolvency: the Company enters into an Insolvency Event and such position has not been remedied within 20 Business Days of the commencement of that Insolvency Event.

11.1.3 Winding-up: the Company takes any corporate action or other steps are taken or legal or other proceedings are started for its winding-up, dissolution or re-organisation (other than for the purposes of a members' voluntary liquidation, or a bona fide, solvent scheme of reconstruction or amalgamation) or for the appointment of a receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or of all or a substantial proportion of its assets.

11.1.4 Analogous proceedings: Anything analogous to or having a substantially similar effect to any of the events specified in clause 11.1.2 to clause 11.1.3 inclusive shall occur under the laws of any applicable jurisdiction;

11.1.5 Charge enforceable: any mortgage or charge on or over the assets of the Company is enforced.

11.1.6 Cessation of business: the Company ceases to substantially carry on its business.

11.1.7 Illegality: it is or becomes or will become unlawful for the Company to perform or comply with any of its material obligations under this instrument, or any such material obligation is not or ceases to be a legal, valid and binding obligation of the Company under this instrument.

11.2 No Event of Default shall occur where the failure to make the payment is caused solely by an administrative error or failure by a third party acting on the instructions of the Company where such administrative error or failure has been remedied within 10 Business Days of first receipt by the Company of notice of that administrative error or failure.

11.3 No Event of Default shall occur under clause 11.1.1 where the breach of undertaking has been remedied within 10 Business Days of first receipt by the Company of notice of that breach.

12 Acceleration

If, at any time and for any reason, any Event of Default has occurred, the Bondholders may by Special Resolution at any time while such Event of Default remains unremedied and has not been waived by a Special Resolution, direct that the principal amount of all Bonds, all unpaid accrued interest and any other sum then payable on such Bonds shall become due and payable immediately. If the Bondholders give such a direction under this clause, then the principal amount of all Bonds, all unpaid accrued interest and any other sum then payable on such Bonds (in each case less any applicable taxes) shall be immediately due and payable by the Company and the Company shall immediately pay or repay such amounts to the Bondholders.

13 Meetings of Bondholders

The provisions for meetings of the Bondholders set out in Schedule 3 shall

be deemed to be incorporated in this instrument and shall be binding on the Company and the Bondholders and on all persons claiming through or under them respectively.

14 Transfer of Bonds

14.1 The Bonds are transferable by instrument in writing in the usual common form (or in such other form as the Registrar may approve) in amounts and multiples of £500. There shall not be included in any instrument of transfer any Bonds other than the Bonds constituted by this instrument.

14.2 Every instrument of transfer shall be duly signed by or on behalf of the transferor and the transferor shall be deemed to remain the owner of the Bonds to be transferred until the transferee's name is entered in the Register in respect of such Bonds.

14.3 Every instrument of transfer shall be left for registration with the Registrar, together with such other evidence as the Registrar may require to prove the title of the transferor or his right to transfer the Bonds and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so. All instruments of transfer which are registered shall be retained by the Registrar.

14.4 No fee shall be charged by the Company for the registration of any transfer or for the registration of any confirmation, probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any Bonds.

15 Transmission of Bonds

15.1 The executors or administrators of a deceased Bondholder (not being one of several joint registered holders) and in the case of the death of one or more of several joint registered holders the survivor or survivors of such joint registered holders, shall be the only person(s) recognised by the Company or the Registrar as having any title to such Bonds.

15.2 Any person who becomes entitled to any of the Bonds as a result of the

death or bankruptcy of any Bondholder, or of any other event giving rise to the transmission of such Bonds by operation of law may, upon producing such evidence of the entitlement or capacity in respect of which he proposes to act or of his title as the Company or the Registrar shall think sufficient, be registered himself as the holder of such Bonds or, may transfer such Bonds.

16 Reporting

The Company shall send to the Registrar (who will make the same available to Bondholders on the Ethex Website) in each year until the Final Repayment Date a copy of its Financial Statements and Social Impact Report within 9 months after the end of the Company's financial year.

17 Enforcement

17.1 From and after the date of this instrument and so long as any amount is payable by the Company in respect of the Bonds, the Company undertakes that it shall duly perform and observe the obligations on its part contained in this instrument.

17.2 The Bonds shall be held subject to and with the benefit of the provisions of this instrument, and the schedules (all of which shall be deemed to be incorporated in this instrument). All such provisions shall be binding on the Company and the Bondholders and all persons claiming through or under them respectively and shall endure for the benefit of all Bondholders.

17.3 A person who is not a party to this instrument shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this instrument.

18 Modification

The provisions of this instrument and the rights of the Bondholders may from time to time be modified, abrogated or compromised with the consent of the Company and the sanction of a Special Resolution.

19 Notice to Bondholders

19.1 Any notice or other document may be given or sent to any Bondholder by sending the same by email to the email address of the Bondholder as currently held by the Registrar. Notice may be given to the persons entitled to any Bonds as a result of the death or bankruptcy of any Bondholder by giving notice in the manner in which it would have been given if the death or bankruptcy had not occurred.

19.2 Accidental failure to send a notice or other document to every Bondholder shall not invalidate that notice of any relevant meeting or resolution.

20 Notice to the Company

Any notice or other document may be given or sent to the Company either by sending the same by post in a prepaid, first-class letter addressed to the Company at its registered office address from time to time (or such other address that the Company notifies to the Bondholders in writing).

21 Governing law and jurisdiction

21.1 This instrument and the Bonds and any dispute or claim arising out of or in connection with any of them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales.

21.2 The courts of England and Wales shall have non-exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this instrument or any Bond or their subject matter or formation (including non-contractual disputes or claims).

This instrument has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule 1 form of bond certificate

Created and issued pursuant to a resolution of the board of directors of the Company passed on 26.01.24.

THIS IS TO CERTIFY THAT [NAME OF BONDHOLDER] is the registered holder of £[AMOUNT] (subject to repayment or prepayment in accordance with the instrument) of the 7.25% Unsecured Bonds 2030 constituted by an instrument entered into by the Company on xx 2024 (the Instrument). Such Bonds are issued with the benefit of and subject to the provisions contained in the Instrument.

This Certificate must be surrendered before any transfer, whether of the whole or any part of the Bonds comprised in it, can be registered or any new certificate issued in exchange.

The Bonds and any dispute or claim arising out of or in connection with any of them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales.

The courts of England and Wales shall have non-exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the Bonds or their subject matter or formation (including non-contractual disputes or claims).

Signed by The Project PT

Schedule 2

rules of interpretation

1 Any reference in this instrument to:

1.1 the assets of any person shall be construed as a reference to all or any part of its business, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital;

1.2 an encumbrance shall be construed as a reference to a mortgage, charge, assignment, pledge, lien (save as arising in the ordinary course of business), hypothecation, trust arrangement for the purpose of and having a similar effect to the granting of security, or other security interest of any kind;

1.3 indebtedness shall be construed as a reference to any actual obligation for the payment or repayment of money, whether as principal or as surety and whether present or future or contingent;

1.4 this instrument or to any other instrument, agreement or document shall, unless the context otherwise requires, be construed as reference to this instrument or such other instrument, agreement or document as the same may from time to time be amended, varied or, supplemented, in each case, in accordance with its terms;

1.5 a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's personal representatives, successors and permitted assigns;

1.6 repayment includes redemption and vice versa and the words repay, redeem, repayable, redeemed and repaid shall be construed accordingly;

1.7 tax shall be construed so as to include any present and future tax, levy, impost, deduction, withholding, duty or other charge of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);

1.8 the winding-up, dissolution or administration of a person shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such person is incorporated or of any jurisdiction in which such person carries on business; and

1.9 £ denotes the lawful currency of the United Kingdom.

2 References to any statute or statutory provision:

2.1.1 shall be construed as a reference to it as it is in force as at the date of this instrument; and

2.1.2 shall include all subordinate legislation made as at the date of this instrument under that statute or statutory provision.

3 In construing this instrument general words introduced by the word other shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words followed by the word including shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

4 All the provisions of this instrument are severable and distinct from one another and the illegality, invalidity or unenforceability of any provision of this instrument under the law of any jurisdiction shall not affect its validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

1.1 References to the Bonds include references to all and/or any of the Bonds.

5 Clause, Schedule and paragraph headings shall not affect the interpretation of this instrument.

6 References to clauses and Schedules are to the clauses of and Schedules to this instrument and references to paragraphs are to paragraphs of the relevant Schedule.

7 The Schedules form part of this instrument and shall have effect as if set out in full in the body of this instrument. Any reference to this instrument includes the Schedules.

2 1.9 Any reference to writing or written includes email but not fax.

Schedule 3

provisions for meetings of bondholders

1 Calling of meetings

1.1 A meeting of the Bondholders may be called by:

1.1.1 the Company; or

1.1.2 the Company at the request of any registered holder of not less than 10% of the Bonds for the time being outstanding; or

1.1.3 the Company at the request of any 20 registered holders of the Bonds for the time being outstanding.

1.2 The Company shall determine the place and time that any meeting of the Bondholders shall be held.

1.3 Any meeting of the Bondholders requested by a Bondholder or Bondholders together under paragraph 1.1 above shall only be convened by the Company if and to the extent such meeting is expressly provided for under this instrument.

1.4 The Company may make whatever arrangements they consider appropriate to enable those attending a meeting of the Bondholders to exercise their rights to speak or vote at it (including, for the avoidance of doubt, electronic arrangements). This shall include, at the discretion of the Company, arrangements for any Bondholders to exercise their rights to vote in advance of any meeting or to vote by proxy.

2 Notice of meetings

At least 14 clear days' notice specifying the place, day and hour of the meeting shall be given by the person convening the meeting to the Bondholders in the manner provided in Schedule 3. Any such notice shall specify the general nature of the business to be transacted at the meeting thereby convened but, except in the case of a resolution to be proposed as a Special Resolution, it shall not be necessary to specify the terms of any resolutions to be proposed. The omission to give notice to any Bondholder shall not invalidate any resolution passed at any such meeting.

3 Chair of meetings

A person nominated by the Company shall be entitled to take the Chair at any such meeting and if no such nomination is made, or if at any meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting, the Bondholders present shall choose one of their number to be Chair. The Directors and the secretary and legal advisers of the Company and any other person authorised in that behalf by the Directors may attend at any such meeting.

4 Quorum at meetings

At any such meeting convened for any purpose, other than the passing of a Special Resolution, a person or persons holding or representing by proxy, or

advanced votes representing, 10% in nominal value of the Bonds for the time being outstanding shall form a quorum for the transaction of business. At any meeting convened for the purpose of passing a Special Resolution, persons (at least two in number) holding or representing by proxy, or advanced votes representing, a clear majority in nominal value of the Bonds for the time being outstanding shall form a quorum. No business (other than the choosing of a Chair) shall be transacted at any meeting unless the requisite quorum is present at the commencement of the meeting.

5 Absence of quorum

If within 30 minutes from the time appointed for any meeting of the Bondholders a quorum is not present the meeting shall, if convened upon the requisition of the Bondholders, be dissolved. In any other case it shall stand adjourned to such day and time (being not less than 14 days and not more than 42 days thereafter) and to such place as may be appointed by the Chair and at such adjourned meeting three Bondholders present in person or by proxy and entitled to vote, or at least three Bondholders entitled to vote having submitted advanced votes, whatever the principal amount of the Bonds held by them, shall form a quorum.

6 Adjournment of meetings

The Chair may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place. No business shall be transacted at any adjourned meeting other than business that might lawfully have been transacted at the meeting from which the adjournment took place.

7 Notice of adjourned meetings

Notice of any adjourned meeting at which a Special Resolution is to be submitted shall be given in the manner provided for in this instrument. Such notice shall state that three Bondholders present in person or by proxy and entitled to vote, or at least three Bondholders entitled to vote having submitted advanced votes, at the adjourned meeting whatever the principal amount of the Bonds held by them shall form a quorum.

8 Resolution on show of hands

Every question submitted to a meeting of Bondholders shall be decided in the first instance by a show of hands, which for the avoidance of doubt shall include any votes by proxy or any advanced votes. In case of an equality of votes the Chair shall not have a casting vote.

9 Demand for poll

At any meeting of Bondholders, unless a poll is demanded by the Chair or by one or more Bondholders present in person or by proxy before or on the declaration of the result of the show of hands, a declaration by the Chair that a resolution has been carried or carried by a particular majority or lost or not carried by any particular majority shall be conclusive evidence of the fact. The demand for a poll may be withdrawn.

10 Manner of taking poll

If at any such meeting a poll is so demanded, subject to paragraph 11, it shall be taken in such manner as the Chair may direct. The result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

11 Time for taking poll

Any poll demanded at any such meeting shall be taken at the meeting without adjournment. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

12 Persons entitled to vote

The registered holders of any of the Bonds shall be entitled to vote in respect thereof either in person, by proxy or by submitting votes in advance.

13 Instrument appointing proxy

Every instrument appointing a proxy shall be in writing, signed (or otherwise authorised electronically) by the appointor or his attorney or, in the case of a corporation, signed by its attorney or a duly authorised officer and shall be in such form as the Directors may approve. Such instrument of proxy shall, unless the contrary is stated thereon, be valid both for an adjournment of the meeting and for the meeting to which it relates and need not be witnessed. A person appointed to act as a proxy need not be a Bondholder.

14 Deposit of instrument appointing proxy

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified or official copy register of such power or authority shall be deposited with the Company at the address where the Register is maintained for the time being (as referred to in clause 10.1 of this instrument) or at such other place as may be specified in the notice convening the meeting before the time appointed for holding the meeting or adjourned meeting or the taking of a poll at which the person named in such instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of proxy or of the authority under which the instrument of proxy is given or transfer of the Bonds in respect of which it is given unless previous intimation in writing of such death, revocation or transfer shall have been received by the Company at the address where the Register is maintained for the time being. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution.

15 Advanced votes

Bondholders may vote in advance of a meeting by submitting advanced votes in the form and in accordance with instructions confirmed by the Company before the meeting.

16 Votes

On a show of hands every Bondholder who being an individual is present in person or by proxy or who has submitted an advanced vote or being a corporation is present by a representative (not being himself a Bondholder) or by proxy or who has submitted an advanced vote shall have one vote (provided that a proxy appointed by more than one member should only have one vote or, where the proxy has been instructed by one or more of those members to vote for the resolution and by one or more other of those members to vote against it, such proxy shall have one vote for and one vote against the resolution).

On a poll every Bondholder shall have one vote for every £1 in nominal amount of the Bonds of which he is the holder.

A Bondholder (or a proxy or representative of a Bondholder or a Bondholder having submitted an advanced vote) entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

17 Power of meetings of Bondholders

17.1 In addition to any other powers it may have, a meeting of the Bondholders may, by Special Resolution:

17.1.1 sanction any compromise or arrangement proposed to be made between the Company and the Bondholders;

17.1.2 sanction any abrogation, modification or compromise or any arrangement in respect of the rights of the Bondholders against the Company or its property whether such rights shall arise under this instrument or otherwise;

17.1.3 sanction any scheme for the reconstruction of the Company or for the amalgamation of the Company with any other company;

17.1.4 sanction any scheme or proposal for the sale or exchange of the Bonds for, or the conversion of the Bonds into, cash or shares, stock, debentures, debenture stock or other obligations or securities of the Company or any other

company formed or to be formed, and for the appointment of a person with power on behalf of the Bondholders to execute an instrument of transfer of the Bonds held by them in favour of the person to or with whom the Bonds are to be sold or exchanged (as the case may be);

17.1.5 assent to any modification or abrogation of the provisions contained in this instrument that shall be proposed by the Company and authorise the Company to execute an instrument supplemental to this instrument embodying any such modification or abrogation; and

17.1.6 give any authority or sanction which under the provisions of this instrument is required to be given by Special Resolution.

17.2 No resolution that would increase any obligation of the Company under this instrument or postpone the due date for payment of any principal or interest in respect of any Bond without the consent of the Company shall be effective.

18 Special Resolution binding on all Bondholders

A Special Resolution, passed at a meeting of Bondholders duly convened and held in accordance with the provisions of this schedule, shall be binding on all the Bondholders whether or not present at such meeting and each of the Bondholders shall be bound to give effect to such Special Resolution accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances justify the passing of such Special Resolution.

19 Resolutions in writing

A resolution in writing signed by the holders of at least 75% in nominal value of the Bonds for the time being outstanding who are for the time being entitled to receive notice of meetings in accordance with the provisions contained in this instrument shall for all purposes be as valid and effectual as a Special Resolution. Such resolution in writing may be contained in one document or in several documents in like form each signed by one or more of the Bondholders.

A resolution in writing may be proposed by the Company, any registered holders of not less than 10% of the Bonds for the time being outstanding, or any 20 registered holders of the Bonds for the time being outstanding.

A resolution in writing proposed but not passed within 56 days of its circulation shall lapse.

20 Minutes of meetings

Minutes of all resolutions and proceedings at every such meeting of the Bondholders shall be made and duly entered in books to be from time to time provided for that purpose by the Company. Any minutes which purport to be signed by the Chair of the meeting at which such resolutions were passed or proceedings held or by the Chair of the next succeeding meeting of the Bondholders shall be conclusive evidence of the matters contained in such minutes. Unless the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly convened and held and all resolutions passed at such meetings to have been duly passed.