



# FC UNITED OF MANCHESTER



People invested because they wanted to be part of something that will influence and change lives in North Manchester.

Andy Walsh, General Manager, FC United of Manchester



## Problem

Moston in North Manchester is one of the most deprived areas of the UK. Income, employment, health, crime and education outcomes are in the bottom 10% when compared to the rest of the country.

## Solution

FC United of Manchester serves the community with projects including youth work, school holiday play schemes and adult education. Previously without a ground, the club used social investment to build a new stadium, enabling them to play home matches and provide a permanent base for their community outreach work.

## Revenue Model

Investors will be repaid through income generated by the club, such as membership fees, match day revenue, merchandise and season ticket sales.

## Impact

FC United of Manchester's community work engages with approximately 2,000 people each year, developing the skills and enhancing the life chances of children, young people and vulnerable adults across North Manchester.



### Invested

£270,000 through Social Investment Tax Relief



### Cost of capital

2% (optional)



### Turnover

£1 million+



### Duration of investment

4 years

## Organisational form

Co-operative and Community Benefit Society

## Investors

19 individual investors

## Other key organisations

Co-operatives UK

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# SOCIAL INVESTMENT TAX RELIEF

Social Investment Tax Relief (SITR) is a new tax relief designed to encourage individuals to support charities and social enterprises and help them access new sources of finance. Individuals making an eligible investment can deduct 30% of the cost of their investment from their income tax liability.

## Eligibility

The maximum investment into an individual organisation is approximately £280,000 over three years.

Individual investors can invest up to £1million and can invest in multiple social enterprises per year. This relief is set on a par with the Enterprise Investment Scheme (EIS).

In the 2014 Autumn Statement, the Government announced its intention for this limit to increase to £5million per year and £15million in total per organisation, subject to EU state aid clearance. The Government also intends to provide for social venture capital trusts in the near future.

## Why investors are using SITR

I had heard about social impact investing but didn't know how I could get involved. The introduction of SITR meant I could make a social impact investment through a tax efficient structure. With the help of my financial planners, I was able to deploy capital into this innovative investment product which is addressing a cause that seems to me really worthwhile.

**Mike Davies, Private Investor**

## Key terms

### What organisations can benefit?

|                            |   |
|----------------------------|---|
| Charity                    | ✓ |
| Community Interest Company | ✓ |
| Community Benefit Society  | ✓ |

### Accessible to

|                                   |   |
|-----------------------------------|---|
| Institutional investors           | ✗ |
| Professional individual investors | ✓ |
| Retail investors                  | ✓ |

### Tax incentives

|                                   |   |
|-----------------------------------|---|
| Income Tax Relief (30%)           | ✓ |
| Capital Gains Tax Deferral Relief | ✓ |
| Capital Gains Tax Disposal Relief | ✓ |

### Product types

|                    |   |
|--------------------|---|
| Unsecured loan     | ✓ |
| Equity             | ✓ |
| Quasi-equity       | ✓ |
| Social Impact Bond | ✓ |

### Investment method

|              |   |
|--------------|---|
| Direct       | ✓ |
| Nominee fund | ✓ |

[www.bigsocietycapital.com/SITR](http://www.bigsocietycapital.com/SITR)

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