



**AN INVITATION TO INVEST
IN THE ULTIMATE PICTURE PALACE
COMMUNITY CINEMA LIMITED**

TARGET: £312,575

LAUNCH DATE: 29 APRIL 2022 / CLOSING DATE: 1 JULY 2022

#OWNTHEUPP

TO INVEST VISIT: WWW.ETHEX.ORG.UK/INVEST/UPPCC



Community
Shares
STANDARD

AN INVITATION TO INVEST IN THE ULTIMATE PICTURE PALACE COMMUNITY CINEMA LIMITED

This community share offer invites you to invest in the Ultimate Picture Palace Community Cinema Limited (UPPCC), so that together we can buy the business operation, goodwill and fixed assets of the Ultimate Picture Palace (UPP Ltd).

KEY INFORMATION

Target: £312,575 | **Minimum:** £280,575 | **Maximum** is £366,575.

Launch date: 29 April 2022

Closing date: 1 July 2022

Price per share: £1

Minimum investment: £50 (a total of 50 shares)

Minimum investment: residents of OX1, OX3, OX4, and people under 30 years: £30 (a total of 30 shares)

Maximum investment: £20,000

Our intention is to pay our shareholders a return of 3% on their investment from year three of owning the business.

To invest visit: ethex.org.uk/invest/uppcc

Registered address:
112 Divinity Road, Oxford OX4 1LW
FCA number: 8133

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What is The Ultimate Picture Palace?

The Ultimate Picture Palace (UPP Ltd) is Oxford's oldest and only independent cinema. It is run in a listed building built in 1911 in the heart of the diverse and vibrant community of East Oxford.

What's happening?

The UPP Ltd is up for sale because when the previous owner died in 2018, she wanted it to be a community cinema, owned by everybody.

Who is going to buy the UPP?

We're a group of committed local UPP lovers with a range of professional skills including law, finance, marketing and fundraising. We have produced this document and have formed and registered a Community Benefit Society. We're offering shares for sale to raise money to buy the UPP Ltd for the community. If we succeed, the UPP Ltd will become the UPP Community Cinema Limited (UPPCC).

How can I get involved?

You can become one of the owners of the UPPCC by buying shares for as little as £50 (or £30 for locals and/or people under 30). You'll then have a say on how the cinema will be run. And you may earn interest on your shares from year 3.

Is the listed building for sale?

No, the building is leased from Oriel College. The money raised from shares is to buy the thriving business: its goodwill – intangible assets such as the name and the brand – and physical assets – such as the projectors, screens and seats.

What about the lease?

It's been agreed that UPPCC will take on the current 15 year lease. UPPCC will have the right to renew the lease when it ends, so the future is secure. (It's a full repairing and insuring lease).

How much money is needed?

We've agreed a purchase price with UPP Ltd. Our target is to raise £312,575 by selling shares. But the community will be able to buy the cinema business and its operations, its goodwill and assets, if we raise anywhere between £280,575 and £366,575. If we make our maximum target, we will be sure to invest money in improvements to the business and your experience of coming to the cinema.

What support has the UPP had?

Several key national and local bodies believe in the UPP, the current cinema operators, enough to support it. Over the last two years, it has had grants and funding, including support to recover from the effects of Covid, from the British Film Institute, the Cultural Recovery Fund/DCMS and Oxford City Council.



How will the cinema change?

The aims of the UPPCC Limited are to entertain, inspire and connect. Through community ownership the cinema will be an even more responsive part of its diverse community and attract new audiences with exciting programming and events. All the current staff, with skills and expertise in running an independent cinema, will be able to continue.

What next?

Read this Share Offer Document and have a look at our Business Plan. Then decide how many shares you want to buy in this exciting project to preserve our local independent cinema and help it thrive and grow.

Glossary

UPP Ltd	The Ultimate Picture Palace current business, which is up for sale
UPPCC Limited	The Ultimate Picture Palace Community Cinema Limited. This will be the name of the new business bought by the money raised by the sale of shares, assuming enough is raised
We	In this document 'we' refers both to a) the group of people who have put together this document and Business Plan, the current committee of the UPPCC, and b) the future UPPCC Limited, in setting out our hopes and plans for the cinema when it is in community ownership.
Our	'Our' refers to the current committee who produced this document, as above, but we've also used it to refer to our shared interests as residents and cinema-goers in the community of East Oxford.
Members/ members	If you buy shares, you will become a Shareholder Member (capital M) and have a vote. If you subscribe to the UPP's annual scheme, you are a subscriber member (small m), and you won't have a vote unless you also own shares. (We must make this distinction for technical reasons.)
UPP annual membership scheme	It is our intention to continue with the current UPP annual membership scheme, where, for an annual fee of up to £25, a subscriber can get discounts for screenings and refreshments. However, annual members will only become Shareholder Members if they buy shares in the UPPCC and thereby become Shareholders; they will then be eligible to vote at the UPPCC Annual Members Meeting.

VISIONS AND AIMS

Our Vision is

- ⚡ to be a leader in community cinema, with exceptional programming and a bold mission;
 - ⚡ to empower our community to determine the future of its neighbourhood cinema;
 - ⚡ to enable *all* local residents – families, young people, students, workers and community groups of Oxford – to be uplifted by a love of cinema.
-

Our Aims are

To bring the Ultimate Picture Palace ever closer to the heart of our community: to entertain, to inspire and to connect. Our aim is to ensure that the UPP continues to grow as a thriving part of our vibrant, diverse community, and through community ownership, to significantly expand the social value of the cinema.

- ⚡ **To entertain** with a diverse, thoughtful programme of films from the UK and around the world including new releases, classics, and undiscovered gems.
- ⚡ **To inspire** a life-long love of cinema for all, particularly young people, by shedding light on the ideas, stories, and production behind films with Q&As, festivals and other learning opportunities through links with local schools, colleges, and universities.
- ⚡ **To connect** individuals and communities by playing an essential role in social inclusion. We will do this by providing a safe, friendly space for people from all backgrounds to come on their own or with others and watch a film; providing volunteering opportunities; and links with local community groups.



INVITATION TO INVEST



Your local independent cinema needs you!

The Ultimate Picture Palace is a cherished part of the East Oxford community and now, more than ever, we need your help to support our local cinema.

The UPPCC's offer to purchase the cinema business, (its current operation, goodwill, and fixed assets), has been accepted, and now we need to raise the money to complete the sale. We invite you to become a Member of the Ultimate Picture Palace Community Cinema Limited.

By investing in the UPPCC you are investing in a community business which will be run for the local community, by the local community, and will provide a hugely important focus for community activity in Oxford.

Our share offer will raise money to:

- ⚡ purchase the business for the community, to ensure that the cinema stays open, remains independent, and truly belongs to the community;
- ⚡ make the cinema more accessible, provide better seating and make the audience experience more enjoyable;
- ⚡ ensure the UPPCC has the money not only to survive but to thrive for many years to come.

Invest now to share in the future of a cinema owned by the community and run for the community.

Please read this entire Community Share Offer Document together with our Business Plan and the Society Rules at uppcc.co.uk before you apply to purchase community shares at www.ethex.org.uk/invest/uppcc

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR CAREFUL ATTENTION.

It should be read in its entirety. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice.

You should be aware that, as an investor, you will not have access to the Financial Ombudsman Service (FOS) or the Financial Services Compensation Scheme (FSCS).

Nothing in this document constitutes investment, tax, legal or other advice by the UPPCC, its Management Committee or its advisers.

Accuracy of information

The UPPCC Management Committee accepts responsibility for the information contained in this document. We have taken all reasonable care to ensure that the information contained in this document is in accordance with the facts and contains no omission likely to affect its substance.

INVITATION TO INVEST (CONTINUED)

What you need to know

- ⚡ We welcome investment from East Oxford residents, from the wider community in Oxford and from lovers of independent cinemas throughout the country, or indeed anywhere in the world. In short, there are no restrictions on anyone over the age of 16 becoming a Member.
- ⚡ Everyone who buys shares will be a Member of the UPPCC and will have one vote at the Annual Members Meeting. One Member, one vote, no matter how many shares you hold.
- ⚡ Each share costs £1. The minimum number of shares you can buy as an individual is 50, so the minimum investment is £50. The maximum individual investment is £20,000.
- ⚡ We want to make it as easy as possible for local residents and young people to invest therefore, if you are a resident of OX1, OX3 or OX4 postcodes or under the age of 30, your minimum investment is £30.
- ⚡ You may also apply as an organisation, or for joint ownership of shares, but only the named person will be entitled to a vote at the Annual Members Meeting.
- ⚡ You may hold shares on behalf of children.
- ⚡ Citizens of the United States and Canada are welcome to apply, but there is a paper application process only due to tax restrictions. To receive a paper application form, please get in touch directly with us at UPPCC.OX4@gmail.com
- ⚡ You can bequeath your community shares to friends and relatives, or to the Society on your death. You can amend these details at any point in the future by writing and giving clear instruction to the Society Secretary.
- ⚡ The Share Offer will be managed by Ethex, an ethical investing platform that supports and manages community share offers such as this one.
- ⚡ Share investments are a medium to long term investment. No withdrawals can be made until the seventh year of trading.
- ⚡ We welcome donations from individuals or organisations. If, having read this document, you would prefer simply to make a donation, please contact us directly at UPPCC.OX4@gmail.com, or call us on **07873 596846**.

INVITATION TO INVEST (CONTINUED)



Community Shares Standards Mark

The Community Shares Unit has awarded this share offer the Community Shares Standard Mark (communityshares.org.uk), which confirms that this share offer meets national standards of good practice:

- ✓ The offer document and application form are easy to understand
- ✓ You are provided with all the facts you need to make an informed decision
- ✓ The facts are supported by the annual accounts and business plan for the society
- ✓ Nothing in the documents is purposefully incorrect, confusing or misleading.

UPPCC has signed up to a code of practice which gives members of the public a right of complaint to the Community Shares Unit.

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

What are Community Shares?

As a Community Benefit Society, UPPCC can issue shares to Members. Community shares are withdrawable shares in the society, i.e., you can withdraw your initial investment and any interest that might have accrued but only if the organisation is in a financial position for you to do so. These shares are known as community shares because your primary return for holding shares is a social one, not driven by a desire for a financial return. The real (social) payback to becoming a Member is a thriving and vibrant cinema.

Community shares are not like ordinary shares, because:

- ✓ no matter how many shares a Member holds, they get only one vote. That means that no-one can buy a large number of shares and take control;
- ✓ shares are withdrawable, but not tradeable;
- ✓ community shares do not enjoy capital growth.

As this investment is withdrawable share capital it cannot be transferred, sold or given to anyone else, except on your death to someone you have nominated and told us about, up to the level of £5000 of investment (any investment above £5000 requires your beneficiary to be explicitly named in your will). For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to: communityshares.org.uk.

INVITATION TO INVEST (CONTINUED)

1. The benefits of becoming a shareholder

- ⚡ If you buy shares, you will become a Member of the Society and you will be eligible to vote at Annual Members Meetings. This gives you the opportunity to understand the Society's business plans, to shape its strategic direction and to support its aims of sound financial governance and long-term commercial success.
- ⚡ Members own and control the organisation. At the Annual Members Meeting, Members elect the Management Committee and, provided they are over 18, can stand for election to the Committee themselves, and can hold the Committee to account. They also decide the amount of interest to be paid, limits on share withdrawals, and how to reinvest any profits.
- ⚡ Interest will be paid annually starting at the end of the third year of the new society based on performance of the business. It is our aim to pay 3% interest on shares which have been held for 3 years, depending on the performance of the UPPCC. Interest will be paid gross to all UK residents and those Members who are liable to pay income tax will be responsible for declaring this income to HMRC. Non-UK residents will have tax deducted prior to payment.

2. Selling your shares

Shares cannot be traded as if this were a listed company. Members can request withdrawal of shares from the beginning of the 7th year after the closing date of the offer, when the cinema is trading profitably. Investment can normally be withdrawn subject to 3 months' notice to the Management Committee. It is the intention to make 5% of share capital available annually after the 7th year to cover share withdrawals depending upon the profitability of the business. Applications for withdrawals will be treated on a first come, first served basis or in accordance with the UPPCC's policy on share withdrawals. Please note that withdrawals are at the discretion of the Management Committee.

There may be an exception to this in cases of bankruptcy or death.

3. The risks to your investment

As a Registered Society under the Co-operatives and Community Benefit Societies Act 2014, the UPPCC is registered with, and regulated by, the Financial Conduct Authority (FCA). The share offer itself is not regulated by the FCA.

INVITATION TO INVEST (CONTINUED)



An investment in community shares is an at-risk investment in a trading business, not a loan or a deposit, and rates of return are not guaranteed. This investment should be considered as a medium-to-long term investment with a primarily social objective. Your shares may not be readily convertible to cash if you need to withdraw them.

NOTE: As this offer is unregulated, there is a risk that you could lose some or all of your investment. You have no right to compensation from the Financial Services Compensation Scheme, nor any right of complaint to the Financial Ombudsman Service.

4. Tax relief and your investment

We have received advance assurance for Social Investment Tax Relief (SITR) from HMRC. This means that individuals' shareholdings could qualify for tax relief from HMRC, currently set at 30%. We will send out the relevant forms to enable people to claim the tax relief after we have completed the share issue, but it is your responsibility to claim the tax relief from HMRC. Potential Members should take their own advice as to whether they are eligible for SITR tax relief. To qualify for SITR, the investor (or an associate) must not at any time between the date of incorporation of the Society and three years from the date of investment have been an employee, a partner, or a remunerated director of the UPPCC. The individual investor will not qualify for SITR on an amount for which they have already received EIS relief, SEIS.

5. Making a donation

We understand that some individuals or organisations, having read this document, might prefer simply to make a donation, rather than buy shares. If so, please contact us directly to discuss this in further detail: UPPCC.OX4@gmail.com. But please note that you will not have voting rights, nor will your donation be gift aided, as the UPPCC is not a charity.

OUR STORY

Part 1 | The cinema

In 1911, a magnificent building on Jeune Street opened as Oxford's first purpose-built cinema called the East Oxford Picture Palace. The next owner Horace Froude was called up to fight in WW1 in 1917. With no one to manage it the cinema closed and remained shut for decades.

In 1974 Bill Heine and Paolo Butcher decided to bring the cinema back to life, reopening The Penultimate Picture Palace in 1976 after a significant renovation. The cinema became notorious for wild late-night screenings, adventurous programming and a combative attitude towards censorship.

In early 1994 the cinema closed but in the summer of that same year the cinema was saved by squatters and renamed Section 6 Cinema. It became a cultural and political hub, showing free screenings for families as well as putting on live music and community events.

In September 1994 the cinema was awarded Grade-II Listed status by Historic England for being a building of special architectural and historical interest. Then, in 1997 Saied (a former employee of the PPP) and Zaid Marham reopened the cinema under a new name, The Ultimate Picture Palace. Saied continued the tradition of screening alternative and obscure films that could not be found elsewhere.

A full and fascinating documentary history of the cinema, 'The Ultimate Survivor' by Phillip Hinds can be found at: picturepalace.org.uk.

In recent years the late Becky Hallsmith cemented the cinema as a landmark in our community. Becky worked to reflect and support her community, bringing in new audiences, creating a viable business, making it an important hub for local people and groups, and using local suppliers wherever possible. Loyal patrons showed their love for the cinema by dipping into their pockets during a Kickstarter campaign in 2015 to crowdfund for new seating, and the active network of volunteers provide a range of services to the cinema at each screening.

Today the cinema is firmly established as a thriving part of Cowley Road's vibrant cultural community.

When Becky died in September 2018, in her letter of wishes, she asked that friends of the cinema turn it into a community-owned business.

A small group came together to see whether the cinema could be helped to survive and thrive, and to test the enthusiasm for turning the cinema into a social enterprise for the benefit of local residents.

OUR STORY (CONTINUED)



Following an enthusiastic response to this idea from the local community, the current owners of the cinema (UPP Ltd) agreed to give preferred bidder status to the UPPCC which is committed to carrying on the work of the cinema, if sufficient funds could be found to purchase the business.



OUR STORY (CONTINUED)

Part 2 | The Community Benefit Society

The Ultimate Picture Palace Community Cinema Limited (UPPCC) was formed as a Community Benefit Society in 2019 with the intention of operating the cinema business for the benefit of the community by raising funds through a community share offer to purchase the current operation, goodwill, and fixed assets of the business.

A Community Benefit Society is a community owned, democratically managed social enterprise. Membership is open to individuals over the age of 16, corporate bodies, and associations who support the objectives. Members own and control the organisation democratically on a one Member, one vote basis.

At the Annual Members Meeting (AMM), Members elect the Management Committee, hold the Management Committee to account and, provided they are over 18, can stand for election to the Management Committee. They also decide the amount of interest to be paid, limits in share withdrawals and how to reinvest any profits.

The organisation has an asset lock, that is, the ability to use or deal with its assets only for the benefit of the community. In particular:

- ⚡ The only payments that can be made to Members are the value of withdrawable share capital, and interest on withdrawable share capital.
- ⚡ The assets of the organisation cannot be transferred except to another organisation whose assets are similarly protected.

At the Annual Members Meeting (AMM), Members elect the Management Committee, hold the Management Committee to account and, provided they are over 18, can stand for election to the Management Committee. They also decide the amount of interest to be paid, limits in share withdrawals and how to reinvest any profits.

This means that the assets of the Society are protected, so they cannot be cashed in, nor can the organisation be changed from ownership by its Members to a different kind of ownership (demutualised). We have received grant funding, all of which will have been spent according to the terms of the grants by the share launch.

Right now, we have the four Founder Members who set up UPPCC and they have appointed the first Management Committee. At the end of May 2021 UPPCC had £5,829 in the bank, this is from grants we have received to develop the share offer. Loans to the value of £5,000 have been made to UPPCC, these will be converted into shares upon a successful share offer. This figure is included in our financial projections.

The Rules of UPPCC, the Business Plan and our accounts for the last two years are available on our website, uppcc.co.uk.

OUR STORY (CONTINUED)



Becky Hallsmith
Owner of the UPP 2011-2018



WHY A SHARE OFFER?



If this share offer is successful, the UPPCC will be run as a profitable, thriving, independent business owned by the community, maintaining and building on the benefits it brings to its neighbourhood and beyond. The cinema is a haven for film lovers and a priceless community resource, and Members will be helping to keep it independent, unique and a part of the community.

What changes can audiences expect to see?

As a community-owned cinema, UPPCC Limited will:

1. develop and expand its audience;
2. support and be supported by the local community;
3. invest in capital projects to ensure our cinema is accessible to all;
4. increase the number and variety of screenings.

1. Audience Development

Growing new audiences is vital if we are to realise our goal of becoming a community cinema and establish the committed, film-loving audiences of the future.

We will improve the experience of coming to the cinema and this will help us grow our audience. We plan to:

- ⚡ invest in capital projects such as disabled toilets;
- ⚡ develop new products such as birthday party packages;
- ⚡ introduce a video-on-demand service on our website;
- ⚡ invest in our marketing and improve community outreach.

Research has shown that community-owned businesses are better at retaining customers. People will choose to come to the cinema they have a stake in over and above our competitors. We also expect that audiences for arts and culture will rebound following the pandemic.

We have identified four priorities for audience development, using what we know about current audiences and about the locality:

WHY A SHARE OFFER (CONTINUED)



- ⚡ **16 to 25 year olds:** The UPP Ltd was part of a nationwide, BFI-funded youth membership scheme from 2021 which allowed us to offer 16-25 year olds £5 tickets for all films (£5 Film Pass). The result was a 12% box office increase from this age group. We will build on this success and continue to programme a diverse range of films that are relevant to this age group including cult classics and event screenings with live music, themed bar offers and discounts. We plan to develop a Young Programmers Group in partnership with local schools and youth groups to upskill the future generation of cinema professionals and enrich our understanding of what young people want from their community cinema.
- ⚡ **Local Global Majority communities:** we aim to increase our support for filmmakers, writers and actors from the Global Majority through our programming. We will partner with local community groups to grow our understanding of the barriers that exist for local audiences from the Global Majority to visit the cinema, and we will continue our work to become an actively anti-racist organisation.
- ⚡ **D/deaf and disabled audiences:** we will improve facilities, communications, and staff training so that attending the cinema can be accessible to everyone. We will increase the number of relaxed and subtitled screenings, and increase the number of films we show which are by D/deaf and disabled filmmakers, writers and actors.
- ⚡ **Children and families:** we will improve and expand our programming offer for children and families by resuming the Saturday Kids' Club and increasing the Baby Club screenings.



WHY A SHARE OFFER? (CONTINUED)

2. A commitment to our local community

As Oxford's only community cinema, we will be in a privileged position to support local organisations of all sizes. This will include helping schools, community groups, colleges, universities, cultural organisations, charities and businesses to put on their film exhibition events so that the stories that are important to them can have a platform at their neighbourhood cinema.

Further, by securing the cinema's future we will contribute to the local economy and culture. The UPPCC will be a top quality destination for entertainment in Oxford, and this will benefit local residents and businesses.

Member shareholders will form a vital part of the running of the cinema. Members will be committed to the success of the business because they have a financial investment and because they share an interest in this beloved community asset.

We want our Members to feel truly a part of the cinema community. Through our Annual Members Meeting, Members will have the opportunity to assist the Management Committee in making strategic decisions, with a particular focus on ensuring the business remains inclusive, competitive and run by and for the community it serves. We will establish a culture of open communications among Members to ensure that their ideas and thoughts for the running of their Society are heard and actioned.

Members will be able to get more involved in the business in several different ways. These include, but are not limited to:

- ⚡ attending and actively participating in Annual Members Meetings, including voting on key decisions;
- ⚡ standing for election to the Management Committee, if over 18. If voted into a Management Committee position, a Member will attend regular board meetings and provide support to and oversight of the staff;
- ⚡ supporting the business as a volunteer steward or bar attendant;
- ⚡ supporting other projects and/or outreach programmes as planned by the Management Committee.

As an established business the UPP Ltd and its impressive and highly qualified staff have excellent networks with local community groups, schools, the two universities, local and national arts organisations, and local and national businesses. But as a business which is also a Community Benefit Society, we must look to make new community links. We will do this by utilising the connections our Members have with their communities, to ensure that our programming, audiences and Membership base truly reflect the community we serve. We will engage with new stakeholders so that these new links can flourish.

WHY A SHARE OFFER? (CONTINUED)



3. Improvements to ensure our cinema is accessible to all

Through the money raised by the share offer, we commit to invest in the business to improve accessibility and to make the audience experience more enjoyable. The building is Grade II Listed and this comes with its challenges, but if we raise sufficient funds, we will:

- ⚡ create an accessible toilet on site;
- ⚡ provide easier access to the projection room through a flight of steps rather than the current ladder;
- ⚡ improve the ticket office, bar area and website;
- ⚡ invest in event technology (lighting, audio/visual recording and presenting) to improve facilities for hirers and Q&As (NB: only if the share offer raises the maximum);
- ⚡ create raked seating in the auditorium to ensure the screen is completely visible to all our customers. (NB: only if the share offer raises the maximum).

4. Number of screenings

We want to expand the number of screenings per week so that we can provide a greater variety of films in our public programme. The UPP Ltd. increased the number of screenings per week in 2020 to allow for social distancing. We want to continue at this level, including keeping the extra matinees and adding new late-night screenings.

THE NUTS AND BOLTS

The minimum amount needed is £280,575. This amount will enable us to purchase the current operation, goodwill and fixed assets outright and make a significant start on meeting our community-focussed objectives. It will not, however, allow us to make many other planned improvements to enhance the customer experience.

The target amount is £312,575. This will allow the UPPCC to purchase the current operation, goodwill, and fixed assets outright and help achieve our vision of a vibrant community cinema. It will also provide sufficient working capital to make building improvements as listed above. All of this will make your cinema visit even better.

The maximum amount is £366,575. This will, in addition to the improvements noted above, also provide funds to improve the raking of the seating and invest in event technology, so that everyone has a better view of the screen.

Capital funding

	MINIMUM	TARGET	MAXIMUM
Funding requirements			
Purchase of business	175,500	175,500	175,500
Start-up costs	52,575	53,075	54,075
Cash reqt Day 1	40,000	40,000	40,000
	268,075	268,575	269,575
Planned capital investments	12,500	44,000	97,000
Total funding required	280,575	312,575	366,575

Start-up costs

Legal fees for purchase of UPP Ltd	4,000	4,000	4,000
Project Management	5,375	5,375	5,375
Consultancy (Cooperative Futures)	3,300	3,300	3,300
Lease Deposit	10,000	10,000	10,000
Valuation	500	500	500
Ethex fees	10,500	11,000	12,000
Marketing	6,000	6,000	6,000
Website development	9,500	9,500	9,500
Contingency	3,400	3,400	3,400
	52,575	53,075	54,075

THE NUTS AND BOLTS (CONTINUED)



After three valuations, a purchase price of £175,500 was agreed to buy the UPP Ltd. which is made up of £170,000 goodwill and £5,500 fixed assets. This price also ensures we can keep the current team of talented and experienced staff.

How long is the share offer open?

The initial share offer will be open for 9 weeks during which we are confident cinema-loving investors will help us reach at least our minimum target of £280,575. However, if we do not reach this target by 1 July, the Management Committee has the right to extend the deadline for a further three months in order to save this vital community asset. If after this extension we do not make at least our minimum target, we will not be able to proceed with the purchase, and we will return all payments already made for shares. If the campaign fails in achieving its aim, then the cinema will be sold on the open market. Another buyer may not decide to keep the cinema independent or may decide not to keep it open as a cinema at all.

If we reach the maximum of £366,575 before the share offer end date of 1 July, then the scheme will be closed early.

Opportunities to raise further share capital and recruit new Members may be provided by an open share offer at a later date.



FINANCES

1. The Finances of UPP Ltd

The cinema has continued to show films and remain open for business (Covid-19 permitting) since the death of its owner. Its revenue comes from ticket sales, refreshments at the bar, annual membership fees and private screenings.

The UPP Ltd., the current operator, has had grants from national bodies. In the last two years it has been awarded £144,531 from The British Film Institute and DCMS Cultural Recovery Fund. Such decisive and generous grants from the UK's leading film funder confirms the UPP Ltd's value both locally and nationally.

A further £17,000 has been awarded in the last year by BFI and IntoFilm for programming, marketing and outreach. These were competitive applications and success indicates that the fund awarding bodies see the UPP as resilient and sustainable, an independent cinema worthy of support. UPPCC's forecast anticipates that will continue to secure similar levels of grant funding in years 1-4. For more details, please see the Business Plan online at uppcc.co.uk.

2. Profits and Losses

This table shows profit and loss figures for UPP Ltd for the last five years.

Profit and Loss Account	2016-17	2017-18	2018-19	2019-20	2020-21
Turnover	288,224	293,074	233,410	199,398	51,750
Other Income (grants)				28,937 142,200	
Cost of Sales	(113,917)	(111,400)	(94,150)	(74,909)	(17,954)
Gross Profit	174,307	181,674	139,260	124,489	33,796
Net profit/(loss) (pre-tax)	28,345	37,062	(-1,491)	22,528	31,120
Net profit/(loss) (post-tax)	18,761	27,431	(-1,718)	17,901	26,308

If you wish to refer to previous years' accounts, please use the Companies House website:

find-and-update.company-information.service.gov.uk/company/06917902/filing-history

3. UPPCC and the Future

Our financial model covers the first 10 years of the proposed community business. We have made an informed judgement about the future operating environment and the finance we require to run the business. However, the Management Committee, advised by the Shareholders, will if necessary adjust the plans and priorities in light of circumstances.

This financial model is built on some key assumptions:

- ⚡ The community shares offer will be successful. We need to raise between £280,575 and £366,575.
- ⚡ Audience numbers: growth assumptions (by year) for the Target share offer:

	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
	Year 1	Year 2	Year 3	Year 4	Year 5
Admissions	30707	32396	33757	34499	35017
Occupancy	29.9%	31.6%	32.9%	33.6%	34.1%
Top Line Audience Growth	5.50%	4.20%	2.20%	1.50%	1.50%

	FY2027-28	FY2028-29	FY2029-30	FY2030-31	FY2031-32
	Year 6	Year 7	Year 8	Year 9	Year 10
Admissions	35542	35897	36256	36438	36620
Occupancy	34.6%	35.0%	35.3%	35.5%	35.7%
Top Line Audience Growth	1.00%	1.00%	0.50%	0.50%	0.50%

Our projected audience numbers following the pandemic are based on these assumptions:

- ⚡ The legal and social distancing restrictions lifted in spring 2022 will not be reimposed.
- ⚡ Consumer confidence is boosted, given high vaccination rates and the fact that restrictions are lifted, and customers are happy to return to the cinema.

Other assumptions built into our financial model include:

- ✓ Inflation rate assumed to be 5% in Year 1, 3% in Year 2 and thereafter 2% per annum. Energy cost inflation assumed to be significantly higher. Interest will be payable to shareholders possibly from Year 3 onwards, subject to sufficient profit being generated, and at the Management Committee's discretion. We have assumed an interest payment of 3%. Interest will be paid gross to all UK residents and those Members who are liable to pay income tax will be responsible for declaring this income to HMRC. Non-UK residents will have tax deducted prior to payment.
- ✓ Share withdrawals will not be allowed until the start of Year 7 at the earliest, and then only subject to sufficient retained profit being available, and at the Management Committee's discretion.
- ✓ Up to 5% of shares can be withdrawn every year from the start of year 7.
- ✓ The business will be VAT registered and able to reclaim VAT on purchases.
- ✓ All figures are exclusive of VAT.
- ✓ 100% business rate relief assumed to continue for the full ten-year period covered by this plan.
- ✓ Goodwill amortised to zero on straight line basis over 20 years.
- ✓ Approximately £2,500 per annum has been budgeted to allow for ongoing repairs and maintenance throughout the course of the lease.

The following projections are based on the assumption that the share offer raises £312,575, which is our target amount.



Profit & loss (Target)

	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029-30	FY2030-31	FY2031-32
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Sales revenue	325,004	342,879	376,728	384,680	413,753	425,963	454,375	459,271	486,368	489,628
Total cost of sales	125,150	130,028	141,042	129,320	132,120	134,802	137,697	140,409	143,396	146,199
Gross profit	199,853	212,851	235,685	255,360	281,633	291,161	316,679	318,863	342,972	343,429
Overhead costs	254,253	222,159	222,829	225,417	236,356	237,104	241,521	246,142	259,929	257,197
Share interest	-	-	9,377	9,377	9,377	9,377	8,908	8,463	8,040	7,638
	254,253	222,159	232,206	234,794	245,733	246,482	250,430	254,605	267,969	264,834
Operating profit	- 54,400	-9308	3,480	20,566	35,900	44,680	66,249	64,257	75,003	78,595
Depreciation	3,250	7,515	8,169	8,169	8,244	6,614	6,634	7,561	7,561	7,631
Amortisation of goodwill	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Net profit-	- 66,150	-25,232	- 13,189	3,897	19,156	29,566	51,115	48,197	58,942	62,464
Cum net profit	- 66,150	-91,472	-104,662	- 100,764	- 81,608	- 52,042	- 927	47,270	106,212	168,676
Capital grants, gifts received	-	-	-	-	-					
Arts Council grants etc	10,000	11,000	11,000	11,000						
Donations made										
Corporation tax	-	-	-	-	-	-	9,536	9,157	11,199	11,868
Profit transferred to reserves	- 56,150	- 14,323	- 2,189	14,897	19,156	29,566	41,579	39,039	47,743	50,596

FINANCES (CONTINUED)

These projections have been produced with the help of the Executive Director of the UPP Ltd. They should be read in conjunction with the more detailed data in the Business Plan, available on the UPPCC website uppc.co.uk and the Ethex website www.ethex.org.uk/invest/uppc

Please note:

- ⚡ There is an anticipated loss in Years 1 and 2 as the start-up changes and costs are introduced, and some substantial investments are made to improve the cinema.
- ⚡ These projections have assumed that there is funding available to maintain and improve the business to increase the customer base, develop outreach work and improve communications and marketing.
- ⚡ Revenue will continue to be generated through a mixture of selling tickets for screenings, the annual membership scheme, private screenings and bar revenues.
- ⚡ Expenditure will be maintained on staffing, cinema programmes, bar stock, sales and marketing, premises and utilities.
- ⚡ The UPP Ltd., the current operator, raised £17,000 in grant funding from BFI and IntoFilm in the last year. We are confident that for the next four years we will be able to secure a similar level of funding from these sources. If we are unable to do so we will have to reduce some aspects of our community outreach activities.



Cash flow (Target)

	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029-30	FY2030-31	FY2031-32
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>Income</i>										
Community shares	312,575									
Grants and gifts	10,000	11,000	11,000	11,000	-	-	-	-	-	-
Ticket sales	248,856	262,543	293,683	300,144	327,699	338,538	365,556	369,212	395,046	397,021
Private hire	7,260	7,659	7,828	7,945	8,064	8,145	8,226	8,268	8,309	8,351
Bar sales	44,613	47,067	49,044	50,024	51,025	52,045	53,086	54,148	55,231	56,336
Gift vouchers	4,035	4,257	4,350	4,416	4,482	4,527	4,572	4,595	4,618	4,641
UPP membership	20,240	21,353	21,823	22,150	22,483	22,707	22,934	23,049	23,164	23,280
VAT	65,001	68,576	75,346	76,936	82,751	85,193	90,875	91,854	97,274	97,926
Total Income	712,580	422,455	463,073	472,616	496,503	511,155	545,250	551,126	583,642	587,554
<i>Outgoings</i>										
Purchase of UPP business	175,500									
Cost of sales	125,150	130,028	141,042	129,320	132,120	134,802	137,697	140,409	143,396	146,199
CBS start-up costs	43,575									
Staffing costs	125,514	125,888	125,889	128,407	130,975	133,594	136,266	138,992	141,771	144,607
Finance and governance	16,558	18,239	18,875	19,253	19,638	20,031	20,431	20,840	21,257	21,682
Premises	47,021	49,557	52,340	53,387	54,455	55,544	56,655	57,788	58,944	60,123
Operational	2,063	2,125	2,167	2,210	2,255	2,300	2,346	2,393	2,441	2,489
Sales & marketing	15,252	16,091	17,647	19,234	20,688	21,298	22,719	22,964	24,318	24,481
Community programme costs	2,730	2,812	2,868	2,926	2,984	3,044	3,105	3,167	3,230	3,295
Budgeted one-off expenses	1,540	7,448	3,042		5,362	1,294			7,969	520
Planned capital investments	10,500	44,000	2,615		1,750	9,600	12,815	4,845	1,000	2,200
Members' interest				9,377	9,377	9,377	9,377	8,908	8,463	8,040
Share capital withdrawals		-	-	-			15,629	14,847	14,105	13,400
Corporation tax			-	-			9,536	9,157	11,199	11,868
VAT	32,658	32,670	34,893	32,626	33,515	34,073	34,785	35,466	36,477	36,956
Net VAT to HMRC	32,343	35,905	40,452	44,310	49,236	51,119	56,090	56,388	60,797	60,970
Total Outgoings	630,404	464,762	441,832	441,050	462,354	476,076	517,450	516,163	535,366	536,829
Cash flow for year	82,175	-42,308	21,242	31,566	34,150	35,080	27,801	34,962	48,276	50,725
Closing balance	82,175	39,868	61,109	92,676	126,825	161,905	189,705	224,668	272,943	323,668

Balance sheet (Target)

		FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029-30	FY2030-31	FY2031-32
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Tangible fixed assets	5,500	12,750	49,235	43,681	35,513	29,019	32,005	38,186	35,471	28,910	23,480
tangible assets (ie goodwill)	170,000	161,500	153,000	144,500	136,000	127,500	119,000	110,500	102,000	93,500	85,000
	175,500	174,250	202,235	188,181	171,513	156,519	151,005	148,686	137,471	122,410	108,480
Net current assets (working capital)	137,075	82,175	39,868	61,109	92,676	126,825	161,905	189,705	224,668	272,943	323,668
Short term liabilities		-	-	9,377	9,377	9,377	9,377	8,908	8,463	8,040	7,638
Long term liabilities (loans)		-	-	-	-	-	-				
Total assets less total liabilities	312,575	256,425	242,103	239,913	254,811	273,967	303,533	329,483	353,675	387,314	424,510
<i>represented by:</i>											
Share capital	312,575	312,575	312,575	312,575	312,575	312,575	312,575	296,946	282,099	267,994	254,594
Reserves (retained profit)		- 56,150	- 70,472	- 72,662	- 57,764	- 38,608	- 9,042	32,537	71,577	119,320	169,916
Revenue grant		-									
Capital grants		-	-	-	-	-	-				
Total capital & reserves	312,575	256,425	242,103	239,913	254,811	273,967	303,533	329,483	353,675	387,314	424,510

In all our financial modelling, we are forecasting the development of significant reserves towards the end of the planning period, which is from year 6 onwards. The modelling does not yet show how we will spend this additional money. However, at this stage we have been cautious, to enable us to plan how it is spent nearer the time, when market conditions, inflation, unexpected capital costs and the long terms effects of the pandemic on the cultural sector are clearer. However, we are aware that as a Community Benefit Society, we should not be accruing such significant reserves and, if we find ourselves in the position of achieving this level by year 6, we will ensure it is spent in line with the Society's vision and aims: in improving the audience experience; increasing our competitive edge; and most importantly, investing in community outreach programmes.

4. Building and lease

The building is owned by Oriel College, one of the constituent colleges of the University of Oxford. The UPPCC will be acquiring a 15-year lease with rights to renewal.

5. Repairs and future development of the site

The lease is a full repairing lease. Therefore repairs, such as the roof and exterior decoration, fall to the cinema management to make good. From the range of estimates for repairs given in a recent structural report, we have agreed a figure of £2,500 per annum as a reasonable amount to set aside for future repairs over the next 15 years. We have taken this into account in our financial modelling.

What financial support do we already have?

The UPPCC has received a £15,000 Reach grant from Social Investment Business to support the preparation of this community share offer and for our business and marketing development.

We have taken professional advice from Co-operative Futures, accountants, lawyers and surveyors, run financial projections and worked closely with the Executive Director of The UPP Ltd. on monthly income and expenditure.

Community Shares Booster Programme

We have been supported in the business development of this share offer by an award of £10,000 from the Booster Programme of Co-operatives UK, which is funded by the charity Power to Change and run by the Community Shares Unit.

FINANCES (CONTINUED)

We have applied for investment from the Community Shares Booster Programme (communitysharesbooster.org.uk). Under this programme, up to £50,000 is available to match applications for shares from the public. If successful, it would mean that for every pound invested by individuals up to £50,000, another pound will be invested in matched shares. We will communicate the outcome of this application online.

The matched shares will be held by Co-operatives UK, a partner in the Community Shares Unit, and will be subject to the same terms and conditions as other UPPCC Members, except for its right to withdraw share capital, which will be restricted to a pro-rata amount.



The UPPCC is run by a Management Committee which is responsible for the overall direction for the benefit of the community, but not the day-to-day running. Management Committee members must always act in the best interest of the organisation and are required to declare any external interest that may be, or be seen to be, in conflict with their role.

Members will elect the Management Committee who will work with staff to implement the actions needed to realise the strategic direction of the Society in accordance with our vision. The Committee will prepare a business plan and monitor its implementation as our guide to achieving our aims. The Management Committee will also ensure that the cinema continues to operate in a manner conducive to its aims and objectives meeting all legal and financial obligations in a timely and cost-effective manner.

The Management Committee will consist of between 3 and 12 people who are 18 years and over and elected by and from the Members. Up to a quarter of the committee can be co-opted to bring in specialist skills or knowledge. We will work to make sure that the Management Committee is as representative of the community as possible.

The current Management Committee (see below) will continue its work to see the cinema through the first stages of community ownership. All the current Committee members will then stand down at the end of the next Annual Members Meeting of the Society. This will be held shortly after the share offer closes to enable the election of a new Committee that will be democratically chosen by Members. Existing Committee members can stand for re-election, but any other Member can stand for election to the Committee too. The current members of the Management Committee are intending to invest in UPPCC through this share offer. Members of the Management Committee do not receive any remuneration.

The current Management Committee

Gabriel Brodetsky: Secretary of the Beckley & Area CBS (that bought The Abingdon Arms for the community) and an adviser working with the Plunkett Foundation, Gabriel has key skills in governance and management of Community Benefit Societies. Now a retired management consultant, he is also skilled in business management, financial planning and organisation change management.

Mark Evans (Treasurer): a retired secondary-school teacher and head of department, with an earlier training in accountancy, Mark has skills in communications, human resources, monitoring and evaluation, training provision and finance.

WHO WE ARE (CONTINUED)

John McNulty: a retired solicitor, John was a partner in a London law firm for 13 years and a consultant in Oxford for 20 years. He has skills in property law issues, employment law and running a small business.

Pat O'Shea (Vice chair): a former secondary headteacher, inspector and teacher-trainer, Pat's skills are in leadership, monitoring and evaluation, strategic planning, professional development and the management of change.

Iain Sinclair: a telecommunications and IT management professional, with decades of experience in Marketing, IT and Project Management. His first full time job was managing a two-screen cinema, where he learned how to make popcorn, got his projectionist's ticket, and watched many, many movies.

Clare Stimpson: a marketing and communications professional with over 10 years' experience working in the charity arts sector. She previously worked at the Ultimate Picture Palace Limited as Marketing and Events Manager and is currently Head of Digital and Communications at Modern Art Oxford. Her skills include communications, marketing, media and PR, strategic planning and community engagement.

Margaret Wolf (Chair): a retired headteacher and school improvement adviser, Margaret has skills in governance, human resources, management, policy implementation and monitoring and evaluation.

Paul Wolf (Secretary): a former voluntary and public sector manager and charity trustee, including the Cowley Road Carnival, Paul has skills in networking and has expertise in community development, charity governance and partnership building.

We pay tribute to **Jon Bliss**, 1951-2022, who was a member of this committee and who made an enormous and greatly valued contribution.

Co-opted members:

Carl Petrokofsky: a part-time consultant in public health, having worked for the NHS and Department of Health for over 40 years and as a Visiting Professor at the University of the West of England. Carl has skills in policy development and implementation, managing strategic change, and management of large programmes.

WHO WE ARE (CONTINUED)



Advisers:

Vez Hoper: Worked in London as Head of Press at a major independent record label, commissioned music videos and co-produced a world-renowned regular event Antenna at the BFI. On returning to Oxford, Vez founded arts club Irregular Folks, which included Arts Council funding for its yearly festival, ran the PR and Crowdfunder campaign for local music venue The Cellar. Vez continues to run Irregular Folks and is Events, Marketing and Social Media Manager for The Covered Market.

Jo Human: worked in film and TV for 17 years before running a large retail business in London with her husband where she was in charge of press, marketing and customer relations. Jo has skills in communications, project and event planning and management, fundraising and research.

Tom Jowett: an Oxford Brookes History graduate with nearly ten years of experience working in marketing and communication for the arts sector. He previously worked in the Press & Marketing office at the Ashmolean Museum before becoming Marketing and Events Manager at The Ultimate Picture Palace in 2016.

Micaela Tuckwell (UPP Ltd. Executive Director): an arts leader and fundraiser. She joined the UPP in September 2019 from her previous post as Director of Cowley Road Carnival. Her skills include arts management, audience development and cultural sector fundraising. She is currently on the advisory board of Film Hub South East, part of the BFI Film Audience Network.

Jo White: the Executive Director of Co-operative Futures. Jo has assisted with the development of the business plan and the share offer.

Conflict of interest

Paul and Margaret Wolf's children are beneficiaries of Becky Hallsmith's will. Their daughter is also an Executor of the will and a director of UPP Ltd. Consequently, Paul and Margaret have not been involved in the negotiations for the purchase of the current operation, goodwill, and fixed assets of UPP Ltd.

We have a Register of Interests and all Committee members have declared their current interests. Committee members are asked to inform the Chair of any new potential conflicts of interest, and it is a standing agenda item at all Management Committee meetings.

KEY RISKS FOR OUR SHARE OFFER

For more details, please see our Business Plan at uppcc.co.uk.

Risk	Mitigation	Risk rating (High-Medium - Low) Impact (High - Medium - Low)
COVID-19	<ul style="list-style-type: none"> ⚡ The COVID-19 pandemic brought about complete closure of the cinema for several months; the cinema was open with much reduced capacity for many more ⚡ We have assumed that life is gradually returning to normal and that the cinema will remain open from spring 2022, with some socially-distanced showings for more vulnerable customers ⚡ If there is another serious outbreak in winter 2022 with more lockdowns: the cinema will take all necessary hygiene precautions. But with most people vaccinated, the risks and impact in future years should be much lower ⚡ We will ensure that we continue to follow full government and local health and safety advice 	<p>Risk: Medium</p> <p>Impact: Medium</p>
Other public health emergencies	<p>Other emergencies such as a food poisoning outbreak might mean the cinema has to close temporarily. We will:</p> <ul style="list-style-type: none"> ⚡ Continue to follow full government and local health and safety advice ⚡ Ensure that our staff and volunteers are fully trained ⚡ Explore insurance options to cover such closures in future 	<p>Risk: Low</p> <p>Impact: Medium</p>
New media	<p>All cinemas face challenges from new media such as streaming services. We believe we will grow our audiences because:</p> <ul style="list-style-type: none"> ⚡ We will invest to improve the cinema ⚡ Our customers enjoy the shared experience of seeing a film in a cinema ⚡ Our customers will want to support <i>their</i> community-owned cinema more than ever ⚡ We will show films which are difficult to see elsewhere 	<p>Risk - Medium</p> <p>Impact - High</p>

KEY RISKS FOR OUR SHARE OFFER (CONTINUED)



Risk	Mitigation	Risk rating (High-Medium - Low) Impact (High - Medium - Low)
Share offer fails to hit target	Our survey and initial 'pledges' showed an enthusiasm and a willingness to invest in the community. If we can't reach the target, investors will have their funds returned and the cinema will be sold on the commercial market.	Risk - Medium Impact - High
Business underperforms	<ul style="list-style-type: none"> ⚡ Our projections are based on eight years' experience at the UPP Ltd ⚡ The UPP has weathered challenges before: an economic downturn, new film platforms, and competitors ⚡ We have new products on offer e.g., additional screenings and private screenings, with extra staff time ⚡ £16,000 per annum is allocated for marketing and advertising to guard against under-performance ⚡ If despite all this, the cinema is not successful and is forced to close, the UPPCC will aim to sell the business on the commercial market. Once any liabilities have been discharged, any remaining assets will be passed to one or more community organisations that support the objects of the UPPCC and have a similar restriction on the distribution of their assets. 	Risk - Medium Impact - High
Outgoings higher than expected	<ul style="list-style-type: none"> ⚡ Before the pandemic, the cinema ran profitably with no major setbacks ⚡ Our Business Plan and financial models demonstrate how we will stabilise the finances ⚡ We have taken account of recent forecasts for inflation, including energy costs 	Risk - Medium Impact - High
Lease is not renewed	<ul style="list-style-type: none"> ⚡ The lease runs for 15 years. There is no risk that the lease will be terminated early if we pay the rent and keep up repairs ⚡ The cost of the rent is built into our Business Plan ⚡ We have had a structural survey to confirm the building is in good condition ⚡ After 15 years we have the right to renew the lease 	Risk - Low Impact - High

KEY RISKS FOR OUR SHARE OFFER (CONTINUED)

Risk	Mitigation	Risk rating (High-Medium – Low) Impact (High – Medium – Low)
Future Calls for Capital	<ul style="list-style-type: none"> Our model can be adjusted to meet many different contingencies We are responsible for building maintenance and repairs. £2,500 per annum is allocated for repairs for the next 15 years If we raise enough money, capital expenditure will be higher earlier in our plan to make going to the cinema even better and make us more competitive 	<p>Risk – Medium Impact - Medium</p>
Key personnel leave or are otherwise incapacitated	<ul style="list-style-type: none"> The UPP Ltd is a small business, relying on the skills and enthusiasm of some really dedicated people All current staff will be invited to join the UPPCC on the same terms and conditions under - Transfer of Undertakings (Protection of Employments) regulations We plan to increase staffing; we believe we will be able to find good people to fill any post, because the UPPCC plans to pay more in line with Oxford Living Wage The cinema has contingency plans for coverage if a member of staff gets ill, with COVID-19 or anything else 	<p>Risk – Medium Impact – High</p>
Demand from Members to withdraw capital	<ul style="list-style-type: none"> Members will not be able to request withdrawal of their shares until year 7 of UPPCC Limited trading as a new business Our financial modelling assumes a level of share withdrawals that we are advised is reasonable for a CBS such as ours. In practice we will only be able to accept withdrawal requests if our financial performance can support them without jeopardising the business Our intention is to respond positively to share withdrawal requests as far as possible, however the Management Committee does have the right to suspend withdrawals 	<p>Risk – Low Impact - Medium</p>

KEY RISKS FOR OUR SHARE OFFER (CONTINUED)



Risk	Mitigation	Risk rating (High-Medium - Low) Impact (High - Medium - Low)
Key members of the Management Committee leave	<p>⚡ The work of the current Committee and its procedures have been documented in detail; there is a good 'audit' trail for new members of the Committee to provide continuity if key members of the Management Committee leave</p> <p>⚡ The current Management Committee (see above) will continue its work in order to see the cinema through the first stages of community ownership. All the current Committee members will then stand down at the first Annual Members Meeting of the Society, to be held shortly after the sale is completed. A new Committee will be democratically elected by Members. Existing Committee members can stand for re-election, but any other Member can stand for election to the Committee too</p>	<p>Risk - Low</p> <p>Impact - Medium</p>
Members of the Society don't engage with the running of the cinema	<p>We believe Members will want to show support for <i>their</i> cinema in increasing numbers. We believe it will not be difficult to achieve a thriving society led by its Members, because there is a history of local customers supporting the cinema through crowdfunding and volunteering. We also had strong local support for becoming a Community Benefit Society. We have an active Member engagement strategy to encourage Members to come forward and support us in a range of ways outlined in this plan.</p>	<p>Risk - Low</p> <p>Impact - High</p>

HOW TO BUY SHARES

Ethex is the receiving agent for the UPPCC Community Share Offer, which means that investors wishing to make an investment in the UPPCC can do so via Ethex's website, [**ethex.org.uk/invest/uppcc**](https://ethex.org.uk/invest/uppcc)

Ethex is an Oxford-based not-for-profit positive investment and savings platform. Their aim is to make Positive Investing easy, so that you can invest directly in leading social businesses with the lowest charges possible. You can find out more about Ethex through their website www.ethex.org.uk.

Ethex will receive monies from potential investors into a segregated client account, providing peace of mind. They will then hold the funds until the share offer closes on 1 July 2022 when the funds are transferred to the UPPCC. Ethex's fee for doing this work is £5,000, plus 2% of the money raised. (The Management Committee reserves the right to extend the closing date if undersubscribed.)

Online

Ethex would prefer you to apply online.

Online applications can be submitted at www.ethex.org.uk/invest/uppcc.

To read a handy how-to guide about how to use the Ethex platform please visit uppcc.co.uk or uppccinema.com/owntheupp.

By hand

Paper applications, which can be found in this document, may be delivered to Ethex, The Old Music Hall, 106 - 108 Cowley Road, Oxford OX4 1JE.

Ethex will acknowledge safe receipt. If you are including a cheque with your application form, please make it payable to Ethex Investment Club Ltd. It is essential that you include an email address on a paper application if you wish to pay by BACS, so that Ethex can make contact with you.

By post

Application forms with cheques made payable to Ethex Investment Club Ltd can also be sent by post to Ethex, The Old Music Hall, 106 - 108 Cowley Road, Oxford OX4 1JE. Ethex will acknowledge any applications made by post.

HOW TO BUY SHARES (CONTINUED)



United States or Canadian Citizens

If you have United States or Canadian nationality, there is a paper application process, so please get in touch directly with the UPPCC at UPPCC.OX4@gmail.com to receive more details.

Additional Information

You may also apply for joint ownership of shares. All parties to the joint application must be eligible for Membership, and one of the applicants must act as the nominee representing the interests of the joint applicants. Joint applicants are treated as one Member with one vote.

Organisations can apply for Membership. A Member which is an organisation must appoint a representative to attend Members Meetings on its behalf, and otherwise to take part in the affairs of the Society. Such appointment shall be made in writing, signed on behalf of the governing body of the corporate body.

Members must be at least 16 years of age. You have the option of holding shares on behalf of someone who is under 16. Following that person's 16th birthday, they may become a Member of the Society and those shares can be passed on to them.

Applications for all of the above can be completed online at www.ethex.org.uk/invest/uppcc

If you would like to hold shares on behalf of children, this option is included in Ethex's online process or, complete the *Holding shares on behalf of children* form at the end of this document.

You can nominate a person to whom you wish your community shares to be transferred on your death up to the value of £5,000. This option is included in Ethex's online process or complete *Nominations of Shares on Death* at the end of this document.



APPLICATION FORM

For ease of administration both we and Ethex would prefer you to apply online.

Ultimate Picture Palace Community Cinema Community Shares

I wish to become a Member of UPPCC Limited in accordance with the Rules and apply for shares to the value of: £_____

I enclose a cheque for this amount, made payable to ‘Ethex Investment Club Ltd.’

You can also make a BACS payment. If you wish to do this, please tick the box at the end of this form and be sure to fill in your email address. The minimum shareholding is £50 (or £30 for OX1, OX3 and OX4 residents and under 30) and the maximum is £20,000. The deadline for this round of investment in our share offer is 1 July 2022.

For more than two joint applicants, please print this form again:

	Applicant	Joint Applicant
First name		
Surname		
Date of birth		
Address		
If here for less than 3 years please give previous address		
Town/City		
Postcode		
Telephone		
Email		

Note: In the case of joint applications, only the first named person will be entitled to vote at an Annual Members Meeting. If you wish to change that at any time please inform UPPCC Limited in writing.

APPLICATION FORM (CONTINUED)



If you are applying for shares on behalf of an organisation, please supply the following additional information. Please note, this form must be signed by a Director of your organisation.

Full official company name	
Registered company number	
Name of signatory	
Position in organisation	

Agreement

- I have read the Share Offer document and Business Plan, including the risk factors pertaining to this offer
- I wish to become a Member of the UPPCC
- I agree to be bound by the Terms & Conditions included in this Share Offer document, and by the Rules of the UPPCC, which can be viewed at www.uppcc.co.uk
- I consent to receiving formal notices by email
- I understand that the Board of Directors of UPPCC Limited may reject my application and are not obliged to tell me why it has been rejected.

Tick this box if you are interested in taking up Social Investment Tax Relief, this is subject to HMRC approval.

	Applicant	Joint Applicant
Signature		
Print name		
Date		

Please send your completed application form and payment (cheques made payable to 'Ethex Investment Club Ltd.') to: **Ethex, The Old Music Hall, 106-108 Cowley Road, Oxford, OX4 1JE**

I wish to pay by BACS

If you wish to hold shares on behalf of children, please complete the form overleaf and return it with your application to the address above. Please note, this is available as part of Ethex's online process and *must be done at the time of purchasing the shares.*

Data protection and money laundering

The data provided by you on this form will be stored within a computerised database. This data will be used only for Ethex and UPPCC Limited purposes and will not be disclosed to any third party. It is a condition of the offer that to ensure compliance with the Money Laundering Regulations 2008, Ethex and UPPCC Limited may at its absolute discretion require verification of the identity of any person seeking to invest.

Notices by email

To reduce our administrative costs, we would like to send our Members formal notices by email and refer you (by email) to documents posted on our website. If you are unable to receive communications via email, please let us know by ticking this box

We provide our Members with regular updates on screenings and other activities of the UPPCC by email. If you wish to receive these, please tick this box. You can also unsubscribe from these emails at any time.

If you have any queries about your application, please call or email Ethex: **01865 403304** or help@ethex.org.uk

APPLICATION FORM (CONTINUED)

Holding shares on Behalf of Children and Nominations of Shares on Death

You can choose to

- **Hold shares on behalf of children and/or**
- **Nominate a person to whom you wish your shares to be transferred on your death**

Both of these options are included in the Ethex online process. You can choose to fill in the application form included in this document and the relevant sections of this form below and send both forms in together with your cheque made payable to **Ethex Investment Club Ltd.**

Please fill in a separate form for each child for whom shares are being held.

Holding Shares on Behalf of Children

If you wish to hold shares on behalf of someone who is under 16, please fill in that person's details below.

Child's full name	
Address	
Town /City	
Postcode	
Date of birth	

APPLICATION FORM (CONTINUED)



Nominations of Shares on Your Death

You can nominate a person aged 16 or over to whom you wish your shares to be transferred on your death. Trustees will need to be appointed for a nominee under 16 years old. The UPPCC Ltd will respect your wish insofar as the law and our Rules permit. If you are a joint shareholder, your holding will pass to the other joint shareholder(s) on your death unless you complete the form below. The maximum amount of any transfer is £5,000.

I wish to nominate a person to whom I wish my shares to be transferred on my death

Nominee's full name	
Address	
Town /City	
Postcode	
Telephone	
Email	

Agreement

I understand that it may not be possible for the UPPCC to action this request. I understand that these instructions can only be revoked or amended by my giving clear written instructions to the Secretary of the UPPCC at its Registered Office. I understand that trustees will need to be appointed if my nominee is under 16 years of age.

Signed as a deed

	Applicant	Witness
Signature		
Print name		
Date		

Please send the completed application form, plus cheque if applicable to:

Ethex, The Old Music Hall, 106-108 Cowley Road, Oxford, OX4 1JE before 1 July 2022.



#OWNTHEUPP

TO INVEST VISIT: WWW.ETHEX.ORG.UK/INVEST/UPPCC



Community
Shares
STANDARD