

# **Ultimate Picture Palace Community Cinema Limited**

## **Business Plan 2022 - 2032**



**April 2022**

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## Vision 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

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 for our community.

- **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.

## Executive Summary

This plan outlines the objectives for the UPPCC over the next ten years, the strategy we need to achieve those objectives, and the resources we will need to be successful.

### **Our objectives are to:**

- Purchase the current cinema business and run it as a commercially successful social enterprise for the benefit of the community
- Recover from the impacts of COVID-19 on the business by rebuilding our core audience
- Grow our audience and develop our services in line with our vision to secure the long-term sustainability of the cinema
- Develop our unique brand of rich and diverse film programming to delight audiences of all ages, identities and backgrounds
- Improve accessibility and make the audience experience more enjoyable, and thereby to maintain a competitive edge
- Expand and diversify audiences to represent our local community better

The UPPCC will use the money raised by the share offer to purchase the current cinema business for £170,00 for goodwill and £5,500 for fixed assets. The current staff of the cinema will be transferred on the same terms and conditions to the UPPCC. The UPPCC will use the balance of the money raised to improve patron accessibility and to make the audience experience more enjoyable. The building is Grade II listed and this comes with its challenges, but we have identified the following areas for immediate development, if sufficient funds are raised:

- Creation of an accessible toilet on site
- Development of easier access to the projection room through a flight of steps rather than the current ladder
- Investment in event technology (lighting, audio/visual recording and presenting) to improve hirer and Q&A functionality (NB: only if the share offer raises the maximum)
- Improvements to the ticket office, website and bar area
- Creation of raked seating in the auditorium to ensure the screen is completely visible to all our customers.

We believe that these will all support an improved customer experience, widen our accessibility particularly for people with disabilities, and thereby support increasing our audience numbers to ensure we remain competitive.

### **We will do this by:**

- **Improving our financial position:**
  - Raising capital through our community share offer and match-funding to purchase and run the cinema
  - Securing operational and capital grants from local and national institutions
  - Investing in accessibility and the audience experience as above

- Building an adequate level of working capital.
- **Growing our revenue:**
  - Increasing the number of public screenings offered weekly
  - Investing in new A/V (audio visual technology) to improve facilities and increase the number of private screenings (NB: only if the share offer raises the maximum)
  - Investing in marketing, including the box office system and the further development of our new website (launched Jan 2022)
  - Prioritising accessibility in all areas, as research shows that making cultural venues more accessible increases revenue
- **Strengthening our programming**
  - Screening a greater variety of films from the UK and around the world by working with partners including BFI Film Audience Network, festivals, cultural organisations, specialist groups, and filmmakers to bring the best independent films and film events to East Oxford
  - Developing new income streams such as a video-on-demand streaming service in partnership with film distributors
- **Investing in our team (staff, volunteers and management committee)**
  - Building skills and knowledge through specialist industry training
  - Fostering a culture that values staff well-being
- **Developing community outreach activities**
  - Working with established arts organisations in Oxford to help local young people who want to work in film.
  - Establishing productive relationships with schools, community groups and charities to meet our ambitious objectives for community engagement and audience development
  - Reviewing our recruitment process, continuing a programme of anti-racism training, and participating fully in the Oxford Cultural Anti-racism Alliance.

## The UPP Story

### History

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: <https://www.picturepalace.org.uk/>.

In recent years, the most recent owner, 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 networks 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 work to see if it could be turned into a community-owned business.

In the months following Becky's death, a small group of local residents came together to see whether the cinema could be helped to survive and thrive, and in particular, to test the enthusiasm for turning the cinema into a social enterprise for the benefit of local residents.

The local community was enthusiastic about this idea, so the current owners of the cinema (UPP Ltd) agreed to give preferred bidder status to a local social enterprise committed to trying to raise sufficient funds to purchase the business.

### **Ultimate Picture Palace Community Cinema Ltd**

The Ultimate Picture Place Community Cinema Ltd (UPPCC) was formed as a Community Benefit Society in 2019 with the intention of raising funds through a community share offer to purchase the business and operating the cinema for the benefit of the community.

A Community Benefit Society is a community owned, democratically managed social enterprise designed to empower communities to determine the future of their neighbourhood services. 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 the basis of one member, one vote. At the Annual Members Meeting (AMM), Members elect the Management Committee, can stand for election to the Management Committee (provided they are over the age of 18) and hold the Management Committee to account.

The Management Committee meets regularly and is responsible for the management of UPPCC Ltd. Management Committee members must at all times act in the best interest of the organisation and are required to declare any external interest that may be in conflict with their role on the Management Committee. UPPCC Ltd was registered with the Financial Conduct Authority (FCA) on 24 May 2019 under the Co-operative and Community Benefit Societies Act 2014, Registration Number: 8133.

More details about the UPPCC structure can be found in Appendix 1.

## Products and Services

The cinema has four core products:

- **Public screenings**
- **A refreshment bar for cinema goers**
- **Private screenings**
- **An annual membership scheme**

The main source of income for the UPPCC now and in the future is from ticket sales to cinema audiences, supplemented by sales of refreshments from the bar.

The current owners of the cinema, UPP Ltd, have achieved much in enriching the cultural life in Oxford. However, we want to do even more for our community. We have become a Community Benefit Society to help us achieve our vision for the cinema: community ownership benefits our community by entertaining, inspiring and connecting individuals through cinema.

### Public Screenings

UPP currently operates mostly as a second-run cinema, which means that most new releases in our programme are shown 4-6 weeks after release. It also regularly screens classics in a popular programme. Screenings make up 75% of revenue.

Over many years the UPP has cultivated an audience that expects and relishes our brand of programming: a mixture of the best new independent releases, quirky classics and special one-off events. Our monthly Classics Seasons are celebrated for including rarely shown and unusual choices, for example: silent films from Weimar Germany, the Soviet musical *Cossacks of the Kuban*, and classic Japanese cinema including Yasujiro Ozu's much loved Noriko Trilogy. UPPCC intends to build on the programming our audiences have come to expect and enjoy.

We will also continue to host Q&A screenings. Notable past events include documentary filmmaker Molly Dineen (*Being Blacker*), experimental filmmaker Andrew Kötting (*Lek and the Dogs*), and two sell-out screenings of *The Day Shall Come* with Chris Morris.

The cinema currently has 108 seats and one screen. There are approximately 875 screenings per year, and it operates at an average of 30% occupancy throughout the year. During the busy season (Oct – Mar) this is 40% and in quiet season (Apr – Sept) 25%, based on 2017-19 averages. This compares very well with the national standard occupancy rates for small cinemas which is 15%.

The cinema has weathered a number of significant challenges, which had impact on the audience numbers for 2018/19 and 2019/20:

- Considerable disruption following the illness and subsequent death of the owner. The appointment of a new Executive Director in September 2019 led to steadily increasing profits, particularly from increasing numbers of annual memberships and private screenings.



- An initial drop in attendances, and a subsequent bounce-back, following the opening of the Curzon cinema in Oxford in December 2017.
- Disruption due to COVID-19 and the multiple lockdowns during 2020 and early 2021. During this time the cinema was closed for a total of 11 months.

Between September and December 2020, the UPP sold 4,202 tickets, a 63% drop from the same period in the previous year, compared with a reduction nationally of c. 70%. This reduction in sales was compounded by social distancing restrictions which reduced seating capacity to about 25%, an average of 23 seats out of 108.

However, since reopening in May 2021 audiences returned in greater numbers. Ticket numbers are back to 85% of sales in 2019, partly thanks to several key films such as *The Father* and *Dune*. This is especially encouraging as until November 2021 the cinema was operating at c.50% capacity to preserve some social distancing.

### **Customer Demographics**

Research in 2018 revealed:

- 45% of customers attending were age 35-64
- 63% were female
- 11% identified themselves as having a disability
- 90% were white
- 15% were students
- 60% attend once a month
- 32% attend more than once a month

Since reopening after pandemic closures, we have observed an increase in the % of younger patrons. However, in recent months, since the lifting of COVID-19 restrictions in 2022, older patrons who were hesitant in returning last year, have been coming back.

### **Growth Objectives**

Short term: our first aim is to build back our usual audience numbers and ensure that older patrons and others more vulnerable to COVID feel that the cinema provides a safe and secure environment for them to see their favourite films. Our investment in marketing will support this; since the relaxation of COVID restrictions in early 2022, it is already beginning to happen.

Medium term: we plan to target new audiences and improve accessibility to grow audience numbers significantly. The UPP already achieves higher occupancy than comparable cinemas, but there is significant room for further sustainable growth.

Longer term: with the same capacity, we expect audience numbers to stabilize and growth to flatten. We have built such assumptions into our financial modelling.

We expect a significant amount of audience growth in the first two financial years of operations. We anticipate new demand driven by:

- marketing of the share offer
- improved customer experience as a result of capital projects

- increased number of screenings
- a general rebound from the impact of COVID-19

We see potential to grow our audience in the longer term by improving our marketing systems and investments and diversifying our offering to serve new audiences.

We plan to develop a new streaming service by investing in a ready-made digital streaming platform for film festivals and cinemas. This will be effective in marketing and in developing our audience; however, our research has shown that it is unlikely to have a material impact on revenue.

Below is a projection of expected audience growth, used to model our finances, showing contributing factors. Growth is from the baseline of FY2021-22.

TARGET share offer raise												
Demand driven by share offer marketing	3.0%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Investment in Marketing and Box office infrastructure	2.0%	1.7%	1.7%	1.0%	1.0%	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Organic growth	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Accessible toilets	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Admissions	30707	32396	33757	34499	35017	35542	35897	36256	36438	36620		
Occupancy	29.9%	31.6%	32.9%	33.6%	34.1%	34.6%	35.0%	35.3%	35.5%	35.7%		
Top Line Audience Growth	5.50%	4.20%	2.20%	1.50%	1.50%	1.00%	1.00%	0.50%	0.50%	0.50%		

Our projected audience numbers post-COVID-19 are based on the following assumptions:

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

## Achieving our Vision

### We seek to:

- Expand and diversify audiences to better represent our local community
- Prioritise accessibility across all our work
- Support training and upskilling for local young people aiming to work in the film exhibition and cultural sectors
- Establish productive relationships with schools, community groups and charities as part of our community outreach.

### We will also invest in our business to:

- make the cinema more accessible
- provide better seating arrangements
- further improve the experience of patrons
- improve our competitiveness.

In our 10 year financial models (below), we have developed three funding scenarios based on the results of our community share offer. These clearly indicate when we can deliver on commitments to improve the business through capital investments and deliver returns on share investments. We will continue to implement our community engagement plans after the share offer closes and ensure that those key aims we seek to deliver on in the longer

term can start to be implemented. Many of those shown above, do not require specific financial investments per se to be achieved, and we will begin to make headway on others through our capital improvements.

We should note that in all our current financial models (see below), we are forecasting developing significant reserves towards the end of the planning period from year 6 onwards. Given the uncertainty both of our share offer and market conditions 6 years from now, especially as we recover from the effects of the COVID-19 pandemic, we have erred on the side of caution and, at this time, not shown firm commitments for the use of those reserves. However, we believe that for these reasons it is prudent to move cautiously as there may be unexpected costs (e.g., continuing rises in inflation outstripping those in our model or additional unexpected capital expenditure). However, we are aware that as a Community Benefit Society, we should not be accruing significant reserves and, if we find ourselves in such a fortunate position in the future, it will be our firm intention to use any such surpluses to further improve the audience experience; to increase our competitive edge; and most importantly, to allow us to invest more significantly in community outreach programmes which are a core part of our co-operative vision.

We expect our community investors to hold us to account to deliver on our longer term aims if our share offer is successful.

### **Working with our Members**

UPPCC is a Community Benefit Society: a community-led, democratic social enterprise. As such, our Members as shareholders own and control the organisation (Appendix 1). Members will contribute to setting the strategic direction; they will elect the Management Committee who will work with staff to implement strategic decisions in accordance with our vision, using this Business Plan as a guide.

We are already engaging effectively with our community: we undertook an extensive survey to gauge support for becoming a Community Benefit Society (Appendix 2).

Our marketing, communications and community engagement strategy (Appendix 7) outlines the actions we will take as part of the initial share offer to promote, advertise and communicate with our local community and wider interested parties, and to offer them the chance to become shareholders and join us in this exciting venture.

If we are successful in raising the funds to purchase the UPP, we will have a ready-made, engaged base of Member shareholders who will have an interest in seeing the success of the project. Through our Annual General Meeting, Members will advise the Management Committee on the strategic direction to ensure that it remains both inclusive and competitive. We will establish a culture of open communications among Members to ensure that their ideas and thoughts for the running of their Society can shape and mould our plans.

Members will be encouraged to support the strategic and operational side of the business in many ways, for example:

- attending and actively participating in Annual Members' Meetings

- standing for election to the Management Committee. Elections will ensure that Members can make clear what they want from their Society
- supporting as a volunteer through the established scheme
- supporting other specific groups, projects or outreach programmes as planned by the Management Committee.

As we develop our wider engagement plans, we will liaise with our wider community stakeholders, especially local community groups, who we hope will be well represented as Members, local schools, and the two Universities. There are already strong and established community links with the wider community, local and national arts organisations and local businesses, and the impressive staff of the UPP Ltd who developed these will continue with UPPCC. We will foster a climate so that these links can flourish further, with additional links brought by our new Members.

### **Competitors**

- We are the only cinema in the city that regularly works with local organisations and festivals to host events
- We have a regular themed classics seasons supplemented by weekly event screenings (with Q&As) in partnership with local talent
- We are a second-run cinema
- UPP has more affordable ticket and refreshment prices; on average tickets are £3.50 cheaper and a cup of tea is £1.50 compared to £3.00 elsewhere.

The challenge of streaming: some films are now released straight to streaming services. However, the UPP is local and community-based, and regularly screens classic films, so we are less affected by the shift to streaming than first-run studio cinemas. We anticipate that people will want to gather socially after Covid restrictions are lifted, and we are well placed to be a local and sociable choice for cinephiles.

### **Refreshment bar**

The UPP bar offers local beers, wine, and other alcoholic drinks, along with local baked goods as well as a selection of sweets, very different from a typical concession at a chain cinema. Sales make up 18% of revenue.

### **Links with other local businesses**

*“75% of the UK population agrees that the cinema is an important contributor to local culture.” BFI Research and Statistics Department*

As a local independent business, the UPP is keen to work with other local independents, and Oxford has plenty of independent businesses worth supporting. We want to develop relationships with other businesses and enhance the cinema’s market exposure. The current UPP supports other local businesses either by stocking their products at the bar (e.g. G&D’s ice creams, Tap Social Brewery beers), or by offering discounts at other businesses (Big Society, Jojo’s Café Bar) for annual members. As a community business, we will seek to increase our range of locally produced food and drinks and increase collaboration.

### **Growth Objectives**

Refreshment bar revenue rises and falls in proportion to audience numbers. We expect revenue growth from the refreshment bar to mirror audience growth.

### **Private Screenings and Viewings**

The cinema can be hired for private screenings, corporate events, and lectures. Dependent on what the customer requires, the cinema handles everything from arranging the film licensing with distributors, delivery of the film, any audio-visual requirements for guest speakers etc. In the past the cinema has welcomed private screening customers for birthdays and wedding anniversaries, corporate events, and public fundraisers. Lectures typically book the cinema as a hall, with A/V support.

In FY2017-18, there were 19 private screenings, at an average price of £550. This makes up 3% of revenue. FY 2017-18 is the last full year for which we have private screenings revenue data, as bookings were paused following Becky's death, resumed in October 2019 but since limited due to COVID restrictions and its impact on the business.

	2017/18	2018/19	2019/20*	2021/22
Private Hire screening bookings	19	5	5	12

\*2020/21: the cinema was closed for most of 2020/21 due to COVID-19 restrictions. The only events held were 18 Crowdfunder events in support of the cinema, (which again showed the strong support the community has for UPP).

We have taken a cautious line on future projections, but we believe there is a potential market, as bookings when the UPP has had strong management have been healthy, e.g., in 2017/18 and 2021/22.

### **Growth Objectives**

Although private screenings are not our core purpose, such events do provide a useful way of increasing audience numbers and income at traditionally quieter times of the year. Our plan assumes that by 2024 such screenings will increase by at least 30% from the 2017/18 baseline. To support this growth, we plan to invest approximately £11,000 in upgrading our A/V capabilities to increase the number of private screenings (NB: only if the share offer raises the maximum).

### **Annual Membership Scheme**

The cinema will continue the popular annual membership scheme, which offers discounted tickets to screenings and many discounts at local businesses. There are currently around 800 annual members Subscribers of the UPP, contributing 6% of revenue in fees. Most are local Cowley Road and East Oxford residents, and our local base strengthens our work together with local businesses.

Please note that before the pandemic the cinema had an annual membership scheme made up of 1,500 members the majority of whom renewed their membership every year. However, due to the cinema closing during the pandemic, renewals are currently down because most members renew their membership in person annually when visiting the cinema.

Since Summer 2021 the cinema has also run a £5 film pass membership scheme designed to encourage young audiences to the cinema with low ticket prices. Membership of the £5 Film Pass Scheme is free and just for customers aged 15-25 (Annual membership costs around £25). Since the pass started, 1,200 young people have become members through this scheme so that young visitors increased from 14% in 2019 to 26% in 2021. We will continue a version of this scheme beyond 2022 when the initial funding for this trial ends, as it has been a very effective way to attract new audiences to the cinema.

### **Growth Objectives**

The majority of the cinema's annual members are aged over 45 (57.6%).

It is a priority for us to rebuild annual member numbers to the levels before the pandemic through targeted marketing to different sectors of our audience. Both schemes encourage our patrons to come to the UPP rather than other cinemas, and the annual scheme brings in revenue through subscriptions.

We expect membership numbers to grow as audience numbers grow over the next five years. There is potential for membership numbers to rise: currently 5% of attendees are annual members; we anticipate that this will increase to 10% by 2025.

## Marketing Strategy

We will develop the cinema's existing marketing and engagement activities to ensure that we continue to attract and develop our audience. The cinema currently uses a range of marketing tools to attract audiences, including digital and print media, such as:

- 4,000 monthly printed programme guides delivered to homes in East Oxford
- Website which currently attracts 175k visits per year
- Social media, including Facebook (3.9k followers), Twitter (2.8k followers), and Instagram (2.3k followers).
- Direct email newsletter: the weekend UPP newsletter goes out to 1,800 people per week
- Monthly posters designed by local artists circulated to local businesses

We will use these tools to build on the current customer base (800 UPP annual members, 1,100 £5 film pass members, 2,000 on the mailing list and 13,000 with Patron accounts (individuals who have set up online booking accounts). This is the simplest and most committed group to target. They are already actively engaged with the business and are willing to support us financially.

At the same time, we will implement our Community Engagement Strategy to broaden our customer base. We will welcome new audiences and groups to the cinema from a diverse range of communities by targeting local residential areas, community centres and student blocks with programmes, information and marketing materials to reach a wider audience than the cinema has sought to reach before.

Building on our in-depth knowledge of what marketing activity works for us, we will make rapid investment in marketing and publicity in the first few years of the business plan to ensure we are doing all we can to build up our audience numbers.

Current expenditure on marketing and publicity will rise from about £8,100 in 2019/20 and £9,200 in 2021/22 to just over £15,200 in 2022/23. Thereafter we propose to keep our marketing expenditure at about 4% of annual cinema income, i.e., at about £16,000 per annum.

We propose to develop marketing to retain our current audiences, to encourage old audiences who haven't yet returned to do so, and to build new audiences from groups that traditionally have not attended our cinema. We anticipate that this will increase the numbers of those engaging with our social media and digital platforms.

Our new website, launched Winter 2021, is central to this; we will develop it further. We will review and upgrade the current box office system and our software to allow us greater understanding of our customers. We will be able to track trends in booking and target specific audiences with campaigns for screenings and events of particular interest to them, using demographics and purchase history.

Our strategies for marketing, audience development, and programming will all work together to help the cinema meet our community, creative and business goals. Below we

list some of the specific opportunities to engage with different groups in our community which will be the first focus of these strategies.

### **Other Media**

Our programme listings will appear in local media such as Oxford Mail/Oxford Times, Daily Information, and student publications. We will explore how we can use local radio to disseminate information about screenings and special events.

### **Advertising**

We will make use of local advertising opportunities to help boost reach, and work with the local co-operative/charity sector for inclusion on their social media and websites, and with local government.

### **Festivals and Events**

The UPP is well known to organisers of local festivals and events, which often target specific populations under-represented at the cinema. We will build on and strengthen this tradition.



## Community Partnerships and Audience Development

Oxford has a significantly higher proportion of highly culturally engaged people than the national average (61% of the population compared with 26% in England). However, of Oxford's 26 wards, East Oxford represents 5 wards with the lowest penetration of cultural engagement (e.g. Blackbird Leys, 11%). Cowley has the 7th lowest cultural engagement with just 23%. *Data from The Audience Agency's report commissioned by Oxford City Council in September 2019 entitled Oxford City Council Citywide Audience Insight & Development research report.*

Our locality has the highest proportion in Oxford of residents who are from Global Majority communities, who experience multiple inequalities, and who have the lowest education attainment level. It is therefore a priority to widen engagement from marginalised audiences. [https://www.oxford.gov.uk/info/20131/population/459/oxfords\\_population](https://www.oxford.gov.uk/info/20131/population/459/oxfords_population)

We have analysed the cinema's current audiences, we have had conversations with local groups about the barriers people have in attending a cinema like ours, we know our locality and its opportunities very well, and we have studied research about groups who do not typically engage with cinema. From all of this, we have developed our priorities for audience development. Our goal is to grow sustainable committed audiences and to learn as an organisation how to adapt to make our cinema accessible, safe, and appealing to all.

### **Local Global Majority communities**

East Oxford, particularly Cowley Road, is renowned for its cultural and ethnic diversity. Nevertheless, a survey of the UPP's audience in 2018 showed that 90% of our customers identify as 'white'. Clearly, we must do more to encourage and support the historic lack of diversity of audiences from the Global Majority at the Ultimate Picture Palace, including:

- Growing our understanding of what barriers exist for local audiences from the Global Majority to visit the cinema, through partnering with local community groups and including them in our conversations and planning of events and programmes alongside national and local festivals
- Increasing our support for filmmakers, writers and actors from the Global Majority and setting targets for programming
- Championing education and understanding of white privilege through our programming and having a zero-tolerance approach to racism and discrimination.

### **D/deaf and disabled audiences**

The UPP currently programmes captioned screenings every other Tuesday and offers complimentary tickets for personal assistants. However much more can be done to improve facilities, communications, and programming so that the cinema is accessible to everyone.

- Listening to disabled people and those from the D/deaf community when planning facilities, events, and programmes
- Investing in disability equality training for marketing and front of house staff and volunteers
- Conducting an access audit of our cinema and processes to identify areas for improvement such as building accessible toilet facilities

- Setting targets for screening films made by disabled and/or D/deaf filmmakers, writers, and actors
- Programming relaxed screenings for adults and/or children who are neuroatypical, as well as dementia friendly screenings
- Socially distanced screenings.

### **16s to 25s: local school, college, and university students**

Oxford is a city with a large population of students; 25% of the total population attend either Oxford University or Oxford Brookes University but until 2020 they only accounted for 15% of all ticket sales at the UPP.

We were 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 learning. We will also:

- Work with school/college/university film studies groups and societies to programme student-specific events
- Run educational workshops including a Young Programmers Group to upskill the future generation of cinema professionals and to increase our understanding of what young people want from their community cinema.
- We will offer free/nominal fee daytime screenings for local primary and secondary schools, similar to the Into Film Festival which the cinema currently takes part in every year.

### **Children and families**

Cinemas can provide an affordable leisure option for families. They are regarded as safe, secure venues that foster independence among young people. Cinemas can be a vital social activity helping to combat loneliness for new parents and provide a sense of community.

Children and families are not particularly well catered for at present other than by the occasional animation or family film, because we have a single screen and restricted opening hours.

The cinema's fortnightly 'Baby Club' screenings are popular and generally well-attended, but our offer to families could be improved, e.g., by reintroducing Saturday afternoon Kids' Club screenings.

We have a number of schools in the vicinity. In the future we will contact and work with schools to nurture talent and future audiences

### **Older people**

Cinema has an important role in social inclusion, particularly for older adults who would otherwise have limited opportunities to watch films that interest them in an easily accessible and traditional environment. 22% of our current audience is aged 60+.

Since the pandemic older audiences have been the most hesitant to return, so as a community cinema, we will encourage this audience to return by scheduling extra matinee screenings, continuing with a limited number of socially distanced screenings, and promoting offers which would appeal to this audience, e.g., tea/coffee and cake deals for matinee screenings.

## Finance

### Financial Performance to April 2022 of the UPPCC

As noted above, the UPPCC was incorporated in 2019. Currently, the only Members of the UPPCC are the original founder members. The UPPCC will widen its membership through the share offer.

Accounts for 2019 and 2020 have been registered with the Financial Conduct Authority and can be found on the UPPCC website ([uppcc.co.uk](http://uppcc.co.uk)). Appendix 3 lists the grants which the UPPCC has received to help it establish a social enterprise. At the time of writing (April 2022) the UPPCC has a current cash position of £8.40.

As the UPPCC does not operate the cinema at the present time, it has worked closely with the current owners, UPP Ltd, to establish baselines and future financial and operational models in the sections which follow on which to base this business plan.

### Financial Performance to May 2021 of the UPP Ltd

The following table shows the profit and loss figures for UPP Ltd for the last six years.

Profit and Loss Account	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Turnover	289,867	288,224	293,074	233,410	199,398	51,750
Other Income (grants)					28,937	142,200
Cost of Sales	(112,227)	(113,917)	(111,400)	(94,150)	(74,909)	(17,954)
Gross Profit	177,640	174,307	181,674	139,260	124,489	33,796
Net profit/(loss) (pre-tax)	51,860	28,345	37,062	(-1,491)	22,528	31,120
Net profit/(loss) (post-tax)	41,388	18,761	27,431	(-1,718)	17,901	26,308

(The financial year for UPP runs from 1<sup>st</sup> June to 31<sup>st</sup> May).

UPP Ltd was profitable between 2015-18 when the previous owner was actively engaged in running the business. Annual pre-tax profits in those years averaged just over £39,000 on a turnover of c. £290,000. There was however a significant drop in both turnover and profit in 2018/19, as a result of the loss of direction and focused management when the owner became seriously ill, and a new competitor opened in Oxford. But even then, UPP managed to run at only a small loss. UPP Ltd hired a new Executive Director in late 2019, who made great progress in bringing the cinema back to profitability before the first COVID-19 lockdown from March. Despite being closed for 49 weeks since the start of the pandemic, the cinema has seen a return to 85% box office sales Jan-Mar 2022 compared to the same period in 2019.

UPP Ltd. 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 national sector funders such as BFI, Independent Cinema Office and IntoFilm for programming, training and outreach. These were competitive applications and success indicates that the fund awarding bodies see the UPP as an independent cinema worthy of support. UPPCC's forecast anticipates that with continued investment in staff members with fundraising skills the cinema will continue to

secure similar levels of grant funding in years 1-4 from such funds as: the BFI's Film Exhibition and Major Programme Funds, Screen Skills, and Oxford City Council.

Appendix 3 lists those grants which the UPP Ltd, the current cinema operator, has received in recent years.

## **Financial Forecasts for UPPCC**

### **Purchase and Valuation of the UPP Ltd Business by UPPCC**

The UPP Ltd and UPPCC agreed to commission three valuations by an independent valuer. These varied quite significantly over the past 2.5 years, due to the market uncertainty around COVID. However, a purchase price of £175,500 has been agreed. This includes all the assets and goodwill of UPP Ltd, plus an undertaking to transfer all current staff to the UPPCC Ltd on their current terms and conditions as required under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). This is the starting point for all the financial forecasts below.

These financial forecasts are based on the assumption that our Share Offer achieves its target of £312,575; our minimum target is £280,575, and the maximum is £366,575.

Our financial model (see Financial Forecasts below) 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 £280,575 at a minimum, and a maximum of £366,575
- Audience numbers: growth assumptions (by year), assuming we are able to make all the capital investments in our current plan
- Inflation rate assumed to be 5% pa in 2022/23, 3%pa in 2023/24, and thereafter 2%pa. Additionally we have allowed for a significantly higher cost increase for energy in the early years. If inflation continues to rise, this will need to be addressed pragmatically by examining places where savings can be made, and more income generated
- Interest will be payable to shareholders possibly from Year 3 onwards, subject to sufficient profit generated, and at the Management Committee's discretion. We have assumed an interest payment of 3%
- Share withdrawals will not be allowed until Year 7 at the earliest, and then only subject to sufficient retained profit being available, and at the Management Committee's discretion.
- A maximum 5% of shares could be withdrawn every year from 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
- UPP, 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.

Approximately £2,500 per annum has been budgeted to allow for ongoing repairs and maintenance.

### Profit and Loss Forecast

This forecast is based on achieving the **Target** share offer of £312,575.

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	- 9,308	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	- 25,323	- 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

### Target Share Offer: Key Points:

From the above table, it will be noted that the business is projected to make losses in its first two years of operation. These are largely due to investments:

- equipment in the bar
- accessible toilets
- a new projection room server.

From year 3, the finances are on secure footing into the future.

However, it seems clear that to ensure the sustainable viability of the cinema it must achieve:

- Significant early bounce back of audience numbers
- Continued growth in revenue for the next three years

We describe in this business plan those actions we are taking to achieve sustainable viability. Other key aspects that emerge from this analysis are:

- A high-profile marketing strategy must start as soon as possible to ensure that audience bounce-back is achieved and then steady growth in audience numbers in subsequent years
- Our initial share offer must raise enough funding both to weather the first few years of operations and to allow investment in marketing and capital improvements
- A well-researched and planned fundraising strategy to ensure the UPPCC team has adequate skills, resources, and contacts to meet annual grant funding targets.

## Balance Sheet Forecast

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
Intangible 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)		-	-	-	-	-	-				
<b>Total assets less total liabilities</b>	<b>312,575</b>	<b>256,425</b>	<b>242,103</b>	<b>239,913</b>	<b>254,811</b>	<b>273,967</b>	<b>303,533</b>	<b>329,483</b>	<b>353,675</b>	<b>387,314</b>	<b>424,510</b>
<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		-	-	-	-	-	-				
<b>Total capital &amp; reserves</b>	<b>312,575</b>	<b>256,425</b>	<b>242,103</b>	<b>239,913</b>	<b>254,811</b>	<b>273,967</b>	<b>303,533</b>	<b>329,483</b>	<b>353,675</b>	<b>387,314</b>	<b>424,510</b>

The balance sheet illustrates how there will be support for further investment in community and capital projects, such as the replacement of equipment, in the long term, as well as allowing for a substantial reserve to preserve the organisation against further unforeseen shocks.

## Cash Flow Forecast

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
<b><u>Income</u></b>										
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
<b>Total Income</b>	<b>712,580</b>	<b>422,455</b>	<b>463,073</b>	<b>472,616</b>	<b>496,503</b>	<b>511,155</b>	<b>545,250</b>	<b>551,126</b>	<b>583,642</b>	<b>587,554</b>
<b><u>Outgoings</u></b>										
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
<b>Total Outgoings</b>	<b>630,404</b>	<b>464,762</b>	<b>441,832</b>	<b>441,050</b>	<b>462,354</b>	<b>476,076</b>	<b>517,450</b>	<b>516,163</b>	<b>535,366</b>	<b>536,829</b>
<b>Cash flow for year</b>	<b>82,175</b>	<b>- 42,308</b>	<b>21,242</b>	<b>31,566</b>	<b>34,150</b>	<b>35,080</b>	<b>27,801</b>	<b>34,962</b>	<b>48,276</b>	<b>50,725</b>
<b>Closing balance</b>	<b>82,175</b>	<b>39,868</b>	<b>61,109</b>	<b>92,676</b>	<b>126,825</b>	<b>161,905</b>	<b>189,705</b>	<b>224,668</b>	<b>272,943</b>	<b>323,668</b>

Our financial modelling shows a robust long term cash flow position after an initial investment and stabilization period.

Please see Appendix 4 for our financial forecasts in the event that the share offer only reaches the minimum required amount, or alternatively reaches the maximum.

### Capitalisation Plan

To raise the capital needed to purchase the business, carry out improvements and secure working capital, UPPCC is launching a community share offer.

As a Community Benefit Society, UPPCC is able to issue community shares to Members. These are withdrawable shares that can, subject to certain conditions, be redeemed with the organisation that issued them. Each share that is issued has the value of £1 and does not increase in value. You become a Member by buying shares. Every Member has one vote at Members Meetings, no matter how many shares they hold.

After three valuations, a purchase price of £175,500 was agreed to buy the UPP Ltd. The purchase price is made up of £170K for goodwill and £5,500 for the fixed assets and includes an undertaking to transfer all current staff to the UPPCC Ltd on their current terms and conditions as required under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE).



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.

We have set our share offer to account for the purchase price, capital improvements and working capital required to execute this business plan. Funding raised in the share offer will be used as illustrated in the table below. We have carried out a broad sensitivity analysis and set out three alternative scenarios depending on the amount we raise from the share offer: Minimum £280,575, Target £312,575, and Maximum, £366,575.

We believe £280,575 is the minimum we need to raise to purchase and run the current cinema business, and the ideal maximum target of £366,575 would enable us to invest quickly in significantly improving the cinema's facilities, such as installing raked seating, accessible toilets and other improvements. Our Target share offer objective is £312,575, which would allow us to purchase and operate the business and would provide sufficient funds to invest in accessible toilets and some associated improvements in the near future.

<b>Capital funding</b>			
	MINIMUM	TARGET	MAXIMUM
<b>Funding requirements</b>			
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
<b>Total funding required</b>	<b>280,575</b>	<b>312,575</b>	<b>366,575</b>

<b>Start-up costs</b>			
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
	<b>52,575</b>	<b>53,075</b>	<b>54,075</b>

As illustrated in the table above, if we only raise the minimum required capital from our share offer, what we can achieve in the first few years of operation will be limited while we concentrate on increasing revenue and building up cash reserves. We are nonetheless confident that the business will be viable if we reach this minimum level.

Raising our **target figure of £312,575** will allow us to make rapid progress on implementing our business objectives and specific initiatives by providing the funds for capital investments.

Reaching our maximum target would allow us to implement further improvements to the business in year 2 designed to improve the audience experience and our competitiveness which would also help us better reach our target audience and revenue figures. In particular this will allow us to install raked seating to improve screen visibility for all. We will prioritise any other improvements to the business based on criteria such as how quickly these will help us achieve our wider business objectives (including social impact) and which will help generate sustained income.

### **Investment from the Community**

Before going ahead with any share offer, we needed to be confident that potential investors were excited by the idea of community ownership, and were willing to back it by buying shares, to help us meet a substantial target.

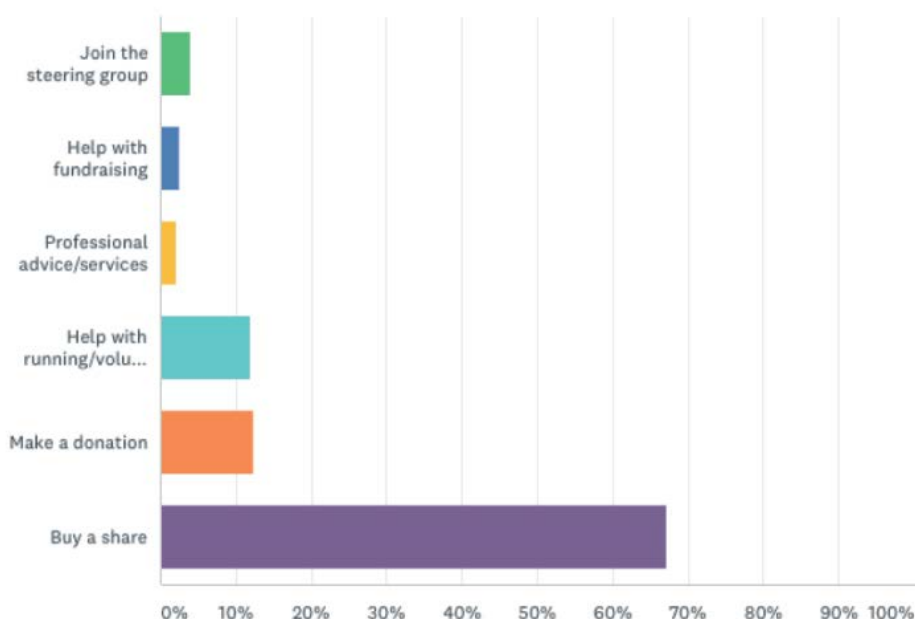
In early 2019, we ran an on-line community consultation exercise. In total the survey received 474 responses to the following question.

	Yes	No
<i>Do you think it would be good to turn the UPP into a community-owned business?</i>	465 (98.1%)	9 (1.9%)

It was also clear that there was a lot of enthusiasm for supporting a community run business in a variety of ways.

Of the 474 respondents to this question, the majority (67.2%) indicated that they would support the venture by purchasing shares, and a further 12.3% stated that they would also like to help financially by making a donation. 57 (11.9%) individuals expressed an interest in helping run/volunteering at the cinema should it become a community-owned business, and 19 (3.9%) said that they would be interested in joining the steering group. 12 respondents (2.5%) said that they would be willing to help with fundraising activities and ten (2.1%) would be happy to offer professional advice/services. (Fig 1)

Figure 1



Of the 318 individuals who stated that they would be interested in buying shares, 48.1% are already UPP annual members.

From the results, it was clear that support for the cinema extended well beyond the current supporters, which was very encouraging. However, the current supporters are a highly productive group to target when looking to secure pledges for purchasing shares. They not only represented the most actively engaged group in this survey: – only 1.7% of UPP annual members stated that they would not be willing to purchase shares. Full results are shown in appendix 3.

We presented the results of the survey at a community event at the cinema in May 2019. To a packed, standing room only audience of a wide section of the community, there was overwhelming enthusiasm to proceed with trying to raise the funds necessary to turn the cinema into a community-owned democratic business. We have proceeded on the basis of that enthusiasm and early commitment to see the cinema not just survive but thrive. Further proof came earlier in 2020, when a crowdfunding appeal was made to support the cinema during the first COVID-19 lockdown. A truly unexpected £57,000 was raised in just a few days, showing the depth and breadth of support the cinema has with the community. This keen support has continued since then with 5% of customers choosing to add small donations to their orders to help the cinema's recovery; £2,000 has been donated since June 2021.

### **Social investment Tax Relief (SITR)**

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 SISR on an amount for which they have already received EIS relief, SEIS relief or Community Investment Tax Relief. More information on SISR can be found at <https://www.gov.uk/guidance/venture-capital-schemes-apply-to-use-social-investment-tax-relief>

### **Investment from Community Organisations**

We have been supported in the development of this business plan and the associated share offer through the Booster Programme funded by Power to Change and run by the Community Shares Unit.

We have applied for investment from the Community Shares Booster Programme ([communitysharesbooster.org.uk](http://communitysharesbooster.org.uk)). Under this programme, up to £50,000 is available to match applications for shares from the community, providing we reach our minimum target of £280,575. This figure includes their investment. The match shares will be held by **Co-operatives UK**, a partner in the Community Shares Unit, that 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. We have also received a Social Investment Business grant to support our set-up activities.

### **Investment from Social Investors**

The terms of the share offer have been set to appeal to socially conscious investors while also ensuring the financial stability of the organisation. This broadens our potential investors beyond Oxford and will make it more likely for us to reach our share offer target. Specific details of the investment parameters are in the Share Offer Document.

## Marketing, Communications, and Engagement Plan

The purpose of this plan is to set out the communications strategy and marketing activity that will be undertaken by UPPCC Ltd to support a Community Share Offer. Appendix 7 sets out the plan in full.

## Operations

### **Staffing**

The UPP is a small business, relying on the skills and enthusiasm of some really dedicated people. Currently there are 7 members of staff, 3.8 full-time equivalent, supported by 25 volunteers.

### **Volunteers**

It is worth noting that the UPP has relied heavily in the past on an outstanding cadre of volunteers who have generously given their time and energy in helping to run the UPP. As far as we are aware, this is unique to local cinemas in Oxford. The UPPCC will build on this existing level of community support, and we believe that the new community ownership of the cinema will further motivate volunteers to help look after and support their community's cinema, ensure a steady supply and indeed, a further growth in numbers of volunteers for the future.

The UPPCC has given an undertaking to the UPP Ltd that all current staff will be offered employment on the same terms and conditions that they currently enjoy as required under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE).

New staff will be appointed to increase capacity as resources permit. In the first two years of operation, we will appoint staff to make sure we can achieve our aims of increasing our audience and implementing our marketing plans.

### **The Lease**

The UPPCC is not buying the property. The freehold of the land and building is owned by Oriel College, one of the constituent colleges of the University of Oxford. Oriel has granted a 15 year lease of the building to the UPP Ltd and the UPP will be transferring that lease to the UPPCC. The lease will have the full protection of the 1954 Landlord and Tenant Act which importantly grants to the UPPCC the right to request a renewal at the end of the 15-year term.

This 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 repairs over the next 15 years. We have taken this into account in our financial modelling.

### **Assets**

The UPP Ltd has fixed assets of c. £5,000 at current Net Book Value. This has been included within the purchase price of the cinema, and upon sale the UPPCC will take ownership of these assets. In our future financial model, we have made estimates for depreciation and replacement or upgrading of these assets and for other currently identifiable capital expenditure that we will incur.

**Other: Contracts for Services**

The UPP Ltd has several contracts for services with its suppliers, e.g., insurance. We have agreed that upon purchase of the cinema, the UPPCC will novate these, secure new contracts with these suppliers, or find suitable alternatives.

**Winding Up the Society**

If we do not raise the minimum target of £280,575 from our share offer, we will not be able to proceed with the purchase. In that case we will return all payments already made for shares. The UPP Ltd may then be sold and lost to the community.

We hope our share offer will be successful. However, if for some reason the business were to fail at some point in the future, the Society would need to be wound up. In that case we would follow the procedures outlined in the Rules of the Society and the financial procedures from appropriate financial regulatory authorities. In these circumstances the Management Committee will take decisions within these parameters. Any remaining assets will be disposed of and the resulting funds used to pay existing creditors as a priority. In such circumstances, shareholders should not expect to have their investment returned.

The organisation has an asset lock: 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 organisations cannot be transferred except to another organisation whose assets are similarly protected.

This means that the assets of the Society are protected, so that they cannot be cashed in, nor can the organisation be demutualised.

## Risks/Threats

We have undertaken an analysis of the cinema's strengths and business opportunities. We have identified a number of key risks such as a significant fall in audience numbers and hence income due to closure of the cinema, as happened March 2020, and we know that the absolute priority is to have a rebound in audience numbers in the first 2 years to get the business back into the black.

A more general risk analysis was undertaken prior to the pandemic, which helped us shape this Business Plan. Appendix 5 shows the results of this wider analysis considering our Strengths and Opportunities in light of potential threats and risks to the business. Although this is a time of significant change in the film industry, we believe that the UPPCC is well placed to continue to thrive in a changing market for the foreseeable future. Key risks and proposed mitigations are summarised in the table below:

Risk	Mitigation	Risk rating (High-Medium – Low) Impact (High – Medium – Low)
COVID-19	<p>The COVID-19 pandemic brought about complete closure of the cinema for 29 of 2020 and for 20 weeks in 2021. In 2020, during the short period when the cinema was open, to maintain social distancing, capacity was reduced to 25% and other hygiene measures were brought in to make the cinema COVID-19 secure. In 2021, when the cinema was open, it was operating at 35% capacity until August, increasing to 60% until November.</p> <p>Several scenarios have been considered:</p> <ul style="list-style-type: none"> <li>- Full reopening of the cinema from Spring 2022:</li> <li>- At the time of writing, all COVID-19 restrictions have been formally lifted; most of the population has been fully vaccinated; and we assume that life will be returning to normality by Spring/ Summer 2022.</li> <li>- Will the current Government support be maintained? (A: this business plan is premised on the basis that the cinema will reopen fully in Spring 2022, albeit some socially-distanced showings will continue to be held for more vulnerable customers.)</li> <li>- What happens if we have another serious outbreak next winter and we have other lockdowns? (A: the cinema will take all necessary hygiene precautions to stay COVID-19 secure. However, if another outbreak occurs this might entail closure of the cinema and furlough of staff again. However, the</li> </ul>	<p>Risk: Medium Impact: Medium</p>



	<p>anticipation is that with a high proportion of the population vaccinated, the risks and impact in future years will be lower.)</p> <ul style="list-style-type: none"> <li>- Will the cinema be able to completely open to full capacity again? (A: we believe that this will be possible from about Spring 2022. We propose to continue holding some more socially distanced showings to encourage vulnerable customers to attend. Other mitigating measures that could be considered would be to increase further the number of screenings available to ensure that audience numbers remain at a viable level)</li> <li>- We will ensure that we continue to follow full government and local health and safety advice.</li> </ul>	
Other Public Health Emergencies	<p>Other public health emergencies such as a food poisoning outbreak might necessitate the closure of the cinema. We will continue to follow full government and local health and safety advice. We will also continue to ensure that our staff and volunteers are fully trained in hand hygiene etc. to help prevent the spread of any diseases.</p> <p>We will explore what insurance we can put in place which might cover such closures in future.</p>	<p>Risk: Low Impact: Medium</p>
New Media	<p>All cinemas are facing challenges from new forms of individual entertainment (e.g., streaming services). We believe that our proposed investments to improve the audience experience will allow us to continue to increase market share. We also believe that our customers enjoy the shared experience which only seeing a film in a cinema can offer and will want to support <i>their</i> cinema in increasing numbers. We will also continue to run a programme of films which are difficult to see elsewhere as part of our programming strategy and audience development plans.</p>	<p>Risk – Medium Impact – High</p>
Share offer fails to hit target	<p>Our survey and initial ‘pledges’ showed an enthusiasm and a willingness to invest in the community. If the UPPCC cannot reach the target, investors will have their funds returned and the UPP Ltd may then sell the cinema business on the commercial market</p>	<p>Risk – Medium Impact – High</p>
Business underperforms	<p>Our projections are made on a solid basis, drawing on eight years of recent experience at the UPP Ltd by the previous owners. Challenges weathered include coping with economic downturn, the rise of new film platforms, and competitors. We have a range of new products on offer, including additional screenings and renewed focus on other</p>	<p>Risk – Medium Impact – High</p>

	<p>income-generating ventures such as private screenings and extra staff time to make these happen. A sum of approximately £16,000 per annum (4% of turnover) is included in our plan for marketing and advertising to ensure that under-performance does not happen. We also have plans to improve patron experience to keep our customer numbers increasing.</p> <p>In the extreme situation that the cinema cannot be run successfully as a going concern and is forced to close, the UPPCC will 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.</p>	
Outgoings higher than expected	<p>The business was run profitably for a number of years, with no major outgoings beyond its control, prior to the impact of the COVID-19 pandemic. This business plan is designed to stabilise the finances by improving the audience experience and thereby increasing audience numbers and maintaining competitiveness. These have been detailed in our financial modelling scenarios.</p> <ul style="list-style-type: none"> <li>• Our latest financial projections take account of recent inflation forecasts (in particular energy costs). If inflation continues to rise, this will need to be addressed pragmatically by examining places where savings can be made and more income generated.</li> </ul>	Risk – Medium Impact – High
Lease is not renewed	<p>The lease runs for 15 years. The lease is a business lease protected by the Landlord &amp; Tenant Act 1954. The landlord may seek termination of the lease (forfeiture) if the covenants under the lease are not performed by the cinema. Those covenants are primarily the payment of the rent and the covenant to keep the building in a reasonable state of repair.</p> <p>The risk of early termination is nil provided those covenants are performed. The affordability of the rent has been accounted for in the business plan. The condition of the property has been assessed as satisfactory by a recent structural survey.</p> <p>At the end of the 15 years the cinema has the right to obtain a new long lease . The risk of non-renewal is low as the Landlords can only object if</p>	Risk – Low Impact - High

	<p>they have a genuine intention to demolish and reconstruct the building and vacant possession is required in order to do this. The College have evinced no plans to do this and as the building has listed status, we consider the risk as negligible.</p>	
Future Calls for Capital	<p>If the business either underperforms, or if there is an unexpected need to call on capital, first we will adjust the current financial model and modify expenditure to meet the contingencies. The cinema does carry insurance in case of unexpected events (eg flooding) and, as noted above we have factored in normal annual maintenance and decoration costs.</p> <p>We are responsible for building maintenance and repairs in our lease. 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.</p> <p>Our financial models call for significant capital expenditure earlier rather than later in the 10 year plan, depending on how successful our share offer is. This will support our wider business aims of improving the customer experience and improving competitiveness.</p>	Risk – Medium Impact - Medium
Key personnel leave or are otherwise incapacitated	<p>The UPP Ltd is a small business, relying on the skills and enthusiasm of some really dedicated people. The UPPCC has given an undertaking to the UPP Ltd that all current staff will be invited to join the UPPCC on the same terms and conditions as required under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). However, we plan to increase staffing; we believe existing staff will support this move as a positive change and opportunity. We are aware that posts in the creative industries are increasingly difficult to fill after COVID-19 because many people have left the industry and because of the high cost of living in Oxford. Nevertheless we are confident that the unique opportunity to work in a community-owned cinema will be attractive and we will be able to find good people to fill any post, because the UPPCC will be able to pay more in line with Oxford Living Wage.</p> <p>What happens if key staff become incapacitated with a serious case of COVID-19 or other reason and are out of action for months? The current</p>	Risk – Medium Impact – High

	cinema has contingency plans for coverage if a member of staff gets ill, with COVID-19 or anything else. These normal arrangements will still be in operation.	
Demand from Members to withdraw capital	Members will not be able to request withdrawal of their shares until the 7 <sup>th</sup> year of UPPCC Ltd 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.	Risk – Low Impact - Medium
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 below) will continue its work in order to see the cinema through the first stages of community ownership. All the current board 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>	Risk - Low Impact - Medium
Members of the Society don't engage with the running of the cinema	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 will not be complacent and we will pursue an active Member engagement strategy to encourage Members to come forward and support us in a range of ways outlined in this plan.	Risk - Low Impact - High

## APPENDICES

### Appendix 1 The Ultimate Picture Palace Community Cinema (UPPCC)

UPPCC was registered as a Community Benefit Society with the Financial Conduct Authority in 2019, with the intention to buy the business of the UPP Ltd for the community. UPPCC is a democratic social enterprise. Our aspiration is for it to be a social enterprise with a large base of shareholders. This structure is a community-led organisation to own and manage UPPCC and to take it into the future.

The future of the cinema is in the hands of its Members from the local community, the very people who can be trusted to look after it in the best possible way.

Members own and control the organisation. At the Annual Members Meeting, Members elect the Management Committee, 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.

The Management Committee is responsible for the overall direction of UPPCC for the benefit of the community, but not the day-to-day running. Committee members must at all times 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 of the Management Committee must be aged 18 and over).

Membership is open to individuals over the age of 16, corporate bodies and associations who support our objectives and is based on a one-Member, one-vote basis, irrespective of size of shareholding. Membership is subject to a minimum shareholding of £30 for under 30s and OX1, OX3, OX4 residents, or £50 for anyone else outside these two groups. As a Member you can hold any number of shares between this £30 minimum and the maximum shareholding of £20,000 in multiples of £1.

The organisation has an asset lock: 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 organisations cannot be transferred except to another organisation whose assets are similarly protected.

This means that the assets of the Society are protected, so that they cannot be cashed in, nor can the organisation be demutualised.

The Rules of UPPCC Ltd are available on our website, [uppcc.co.uk](http://uppcc.co.uk). Our accounts for the last two years are available on the FCA website. (<https://mutuals.fca.org.uk/Search/Society/30387>)

Our members will set the strategic direction and 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 to achieve our strategic aims. The Management Committee will

also ensure that the cinema continues to operate in a manner conducive to its aims and objectives and meets all legal and financial obligations in a timely and cost-effective manner.

The Management Committee will consist of between 3 and 12 people, who will be elected by and from the Members. Up to a quarter of the committee can be co-opted to bring in specialist skills or knowledge.

The current Management Committee (see below) will continue its work in order to see the cinema through the first stages of community ownership. All the current board members will then stand down at the next Annual Members Meeting of the Society, to be held shortly after the sale is completed 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. Members of the Management Committee do not receive any remuneration.

### **The current Management Committee**

**Gabriel Brodetsky:** Membership Secretary (and previously Treasurer) of the Beckley & Area CBS which 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.

**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.

**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 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.

**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.

**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 of 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 member:**

**Carl Petrokofsky:** a part-time consultant in public health, having worked for the NHS and Department of Health for over 40 years and as 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.

#### **Advisers**

**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 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 Southeast, part of the BFI Film Audience Network.

**Veze 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 Veze 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. Veze 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.

**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 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.**



## Appendix 2 – Community Consultation: What our Community Thinks

### **In the past**

Over the past eight years, UPP customers have proved their loyalty by continuing to come to shows, while volunteers have dedicated their spare time to helping the business thrive. But people have also showed their willingness to dip into their pockets to help their cinema, during a Kickstarter campaign to fund new seating.

In 2015 the old seats were falling apart, but new ones were beyond the cinema's budget, so they turned to their customers for the £6,000 needed. An impressive 230 backers contributed amounts ranging from £5 to £270 (more than 60 giving £60 each) raising £9,431 in total, 57% above the target.

### **For the future**

Past support is encouraging, but the UPPCC had to check that people were excited by the idea of community ownership, and were willing to back it by buying shares, to help us meet a substantial target.

In early 2019 we ran a consultation exercise of those who live in the local community and those who support, work at and value the UPP. We printed 6,000 postcards which included a link to the survey. These were displayed on-site and distributed residually door-to-door in East Oxford. The survey was also included on our website, and in our weekly e-newsletter (5k subscribers). The survey was live between Wednesday 20th February and Thursday 18th April 2019.

In total the survey received about 490 responses to the following questions:

*Q1. What is your current Involvement with the UPP?*

- Of the 484 respondents to this question: 240 (49.6%) are UPP Members; 63 (13%) are regular visitors; 155 (32%) are occasional visitors; five (1%) are volunteers; and 21 (4.3%) described themselves as having a 'general interest' in the cinema.

*Q2. Do you think it would be good to turn the UPP into a community-owned business?*

- Of the 474 respondents to this question, an overwhelming majority is in favour of turning the cinema into a community-owned business. 465 (98.1%) answered 'YES', whereas only nine (1.9%) answered 'NO'.

*Q3. Why do you think this?*

- Many reasons were given as to why people like the idea of turning the UPP into a community business. Most people expressed their wish for the business to retain its independence, and many also stated that the cinema already has a 'community' feel. Many respondents also mentioned that it should be explored as per Becky's wishes.

A few examples of responses:

- "Protect the cinema as an asset to the community and involve the community in its running."
- "I think it would strengthen the already strong sense of pride and ownership we feel."

- “It is such a valuable asset to the community and I’m sure lots of people would like to engage more with it. It would be a great loss if it ever closed.”
- “It would strengthen the diverse community spirit of this area and ensure the future of our local cinema.”
- “For everyone who is passionate about the space and film to have a stake in it and keep it alive and vibrant. To also keep its unique identity as an alternative to mainstream cinemas for the love of film in a beautiful, intimate space.”
- “It would motivate the community to support activities and spread the word. It would also tie the community together and embed the relationship between the people who work there and the viewers.”

*Q4. If this happen, how, if at all would you like to be involved?*

- Of the 479 respondents to this question, the majority (67.2%) have indicated that they would support the venture by purchasing a share, and a further 12.3% stated that they would also like to help financially by making a donation.
- 57 (11.9%) individuals expressed an interest in helping run/volunteering at the cinema if it becomes a community-owned business, and 19 (3.9%) said that they would be interested in joining the steering group. Twelve respondents (2.5%) said that they would be willing to help with fundraising activities and ten (2.1%) would be happy to offer professional advice/services.
- Of the 318 individuals who stated that they would be interested in buying a share, 48.1% are UPP Members.

*Q5. If you were to buy shares, how much might you be willing to invest?*

- The most single popular answer to this question was the £50-£100 bracket (34.1%). This was followed by the £100-£500 option (27.7%) and £10-£50 (25.4%).
- Nine individuals (1.9%) stated that they would buy shares of £1000+, whereas 14 (2.9%) said that they wouldn’t be interested in buying any shares.
- Results from the 237 UPP Members who answered this question closely matches the overall trend, with the most popular option being £50-£100 (36.7%) followed by £100-£500 (30.4%) and £10-£50 (21.9%).

*Q6. What in your opinion makes the UPP important for the community?*

- It is evident from the responses to this question that the UPP has a special place in the hearts of its customers.
- 36.9% mention the importance of the cinema being a local business which they appreciate being on their doorstep. 33.2% state that the cinema’s independence is of great importance to them. 20.1% specifically mention the friendly atmosphere while another 16.6% mention the cinema’s history and the building itself.
- 16.6% of respondents used this question as a chance to praise the cinema’s current approach to programming. Many appreciate the variety of films that we show as well as our tradition of selecting small independent/foreign language films over mainstream blockbusters.

**Summary**

This survey proves that there is plenty of goodwill among the community for the current business and a real thirst from customers to keep the cinema open. Overwhelmingly, respondents said that they would be in favour of the UPP becoming a community-owned business.

It is also clear from these results that the UPP members will be the most beneficial group to target when looking to secure pledges for purchasing shares. They not only represented the most actively engaged group for this survey, but they are also the group most likely to support the project financially; nearly all UPP members stated that they would be willing to purchase shares.

## Appendix 3 – Grants Income Received to Date

The UPPCC has been supported in the business development of this share offer through the Booster Programme, which is funded by Power to Change and run by the Community Shares Unit. The UPPCC was awarded £10,000 from the Community Shares Booster Programme to cover the initial expenses involved with setting up the share offer: getting investment ready and launching the offer.

We have also been supported in our business and marketing development by Reach grant from Social Business Investment £15,000.

**In summary, the UPPCC has received:**

<b>Community Shares Booster Programme</b>	<b>£10,000</b>
<b>Reach Grant from Social Business Investment</b>	<b>£15,000</b>
<b>Total</b>	<b>£25,000</b>

**The current cinema owners, UPP Ltd have also received significant grant funding recently:**

### **Covid Recovery Grants Received by UPP Ltd since 2020**

Job Retention Scheme ( <i>HMRC</i> )	£31,700
Business Interruption, Discretionary Leisure Grants ( <i>Oxford City Council</i> )	£42,500
Covid-19 Resilience Grant ( <i>National Lottery through BFI Film Audience Network</i> )	£12,700
BFI Safety Grant ( <i>DCMS funds administered by BFI</i> )	£7,700
Culture Recovery Fund Round 1 + 2 ( <i>DCMS funds administered by BFI</i> )	£53,300
Culture Recovery Fund Round 3 ( <i>DCMS funds administered by BFI</i> )	£70,800
Bounce Back Grant ( <i>Oxford City Council</i> )	£5,400
<b>Total</b>	<b>£224,100</b>

### **Project Grants Received by UPP Ltd since 2020**

Film Exhibition Fund 2020-21 ( <i>National Lottery, BFI and Independent Cinema Office</i> )	£5,800
BFI FAN New Release Scheme ( <i>National Lottery through BFI Film Audience Network</i> )	£1,200
BFI Major Programme Grant ( <i>National Lottery, Film Hub Midlands and BFI</i> )	£4,000
Young Audience Generation Scheme ( <i>National Lottery and Film London</i> )	£5,000
Young Audience Generation Scheme ( <i>Into Film</i> )	£1,000
<b>Total</b>	<b>£17,000</b>

## Appendix 4 – Detailed Financial Forecasts

Our financial modelling included some broad sensitivity analysis on the feasible upper and lower limits to the share offer. For reference, here are the Profit & Loss, Cash Flow and Balance Sheets for these two scenarios.

### Minimum Share Offer Raise

£280,575 raised via the community share offer, no investment in accessible toilets or raked seating.

### Profit & Loss

Profit & loss (Minimum)	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	375,083	383,000	411,936	424,089	452,367	457,240	484,207	487,453
Total cost of sales	125,150	130,724	141,472	141,374	144,202	147,086	150,027	153,028	156,088	159,210
Gross profit	199,853	212,155	233,611	241,625	267,734	277,003	302,339	304,212	328,119	328,243
Overhead costs	253,753	222,159	222,829	225,333	236,265	237,011	241,421	246,041	259,821	257,088
Share interest	-	-	8,417	8,417	8,417	8,417	7,996	7,597	7,217	6,856
	253,753	222,159	231,246	233,750	244,682	245,428	249,417	253,637	267,038	263,944
Operating profit	- 53,900	- 10,004	2,365	7,876	23,052	31,575	52,922	50,575	61,081	64,299
Depreciation	3,000	5,390	5,794	5,794	5,869	4,489	4,259	5,186	5,186	5,256
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	- 65,400	- 23,894	- 11,928	- 6,418	8,683	18,586	40,163	36,889	47,395	50,544
Cum net profit	- 65,400	- 89,294	- 101,222	- 107,640	- 98,957	- 80,371	- 40,208	- 3,319	44,077	94,621
Capital grants, gifts received	-	-	-	-	-	-	-	-	-	-
Arts Council grants etc	10,000	11,000	11,000	11,000	-	-	-	-	-	-
Donations made	-	-	-	-	-	-	-	-	-	-
Corporation tax	-	-	-	-	-	-	-	6,378	9,005	9,603
Profit transferred to reserves	- 55,400	- 12,894	- 928	4,582	8,683	18,586	40,163	30,511	38,390	40,940

### Balance Sheet

Balance sheet (Minimum)		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	12,000	19,110	14,931	9,138	4,019	7,630	15,186	14,846	9,660	5,105
Intangible 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	173,500	172,110	159,431	145,138	131,519	126,630	125,686	116,846	103,160	90,105
Net current assets (working capital)	105,075	51,675	40,171	60,339	79,214	101,516	124,991	151,649	177,273	216,308	257,915
Short term liabilities	-	-	-	8,417	8,417	8,417	8,417	7,996	7,597	7,217	6,856
Long term liabilities (loans)	-	-	-	-	-	-	-	-	-	-	-
Total assets less total liabilities	280,575	225,175	212,281	211,353	215,935	224,618	243,204	269,338	286,522	312,251	341,164
represented by:											
Share capital	280,575	280,575	280,575	280,575	280,575	280,575	280,575	266,546	253,219	240,558	228,530
Reserves (retained profit)	-	- 55,400	- 68,294	- 69,222	- 64,640	- 55,957	- 37,371	2,792	33,303	71,693	112,634
Revenue grant	-	-	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-	-	-
Total capital & reserves	280,575	225,175	212,281	211,353	215,935	224,618	243,204	269,338	286,522	312,251	341,164

## Cash Flow

Cash flow (Minimum)	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
<b>Income</b>										
Community shares	280,575									
Grants and Gifts	10,000	11,000	11,000	11,000	-	-	-	-	-	-
Ticket sales	248,856	262,543	292,274	298,704	326,127	336,914	363,802	367,440	393,150	395,116
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	48,808	49,784	50,780	51,796	52,832	53,888	54,966	56,065
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	75,017	76,600	82,387	84,818	90,473	91,448	96,841	97,491
<b>Total income</b>	<b>680,580</b>	<b>422,455</b>	<b>461,100</b>	<b>470,599</b>	<b>494,323</b>	<b>508,906</b>	<b>542,840</b>	<b>548,688</b>	<b>581,049</b>	<b>584,944</b>
<b>Outgoings</b>										
Purchase of UPP business	175,500									
Cost of sales	125,150	130,724	141,472	141,374	144,202	147,086	150,027	153,028	156,088	159,210
CBS start-up costs	43,075									
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	19,150	20,597	21,204	22,618	22,862	24,210	24,373
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 investments	9,500	12,500	1,615		750	8,100	11,815	4,845	-	700
Members' interest			-	8,417	8,417	8,417	8,417	7,996	7,597	7,217
Share capital withdrawals				-	-	-	14,029	13,327	12,661	12,028
Corporation tax					-	-	-	6,378	9,005	9,603
VAT	32,643	32,810	34,979	35,035	35,928	36,527	37,248	37,987	39,012	39,555
Net VAT to HMRC	32,358	35,766	40,037	41,565	46,459	48,290	53,225	53,461	57,829	57,936
<b>Total Outgoings</b>	<b>628,904</b>	<b>433,959</b>	<b>440,932</b>	<b>451,724</b>	<b>472,021</b>	<b>485,431</b>	<b>516,183</b>	<b>523,064</b>	<b>542,014</b>	<b>543,336</b>
<b>Cash flow for year</b>	<b>51,675</b>	<b>- 11,504</b>	<b>20,168</b>	<b>18,876</b>	<b>22,302</b>	<b>23,475</b>	<b>26,657</b>	<b>25,624</b>	<b>39,035</b>	<b>41,607</b>
<b>Closing balance</b>	<b>51,675</b>	<b>40,171</b>	<b>60,339</b>	<b>79,214</b>	<b>101,516</b>	<b>124,991</b>	<b>151,649</b>	<b>177,273</b>	<b>216,308</b>	<b>257,915</b>

## Maximum Share Offer Raise

£366,575 raised via the community share offer. Investment in accessible toilets and raked seating in year 2.

## Profit & Loss

Profit & loss (Maximum)	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029-30	FY2030-31	FY2031-32
(MAX)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Sales revenue</b>	325,004	342,879	387,261	401,826	435,856	450,516	480,713	485,881	514,681	518,107
<b>Total cost of sales</b>	125,150	130,028	141,042	129,923	132,782	135,497	138,419	141,142	144,156	146,971
<b>Gross profit</b>	<b>199,853</b>	<b>212,851</b>	<b>246,218</b>	<b>271,903</b>	<b>303,074</b>	<b>315,019</b>	<b>342,294</b>	<b>344,739</b>	<b>370,525</b>	<b>371,136</b>
<b>Overhead costs</b>	255,253	222,159	222,829	226,274	237,461	238,332	242,838	247,473	261,345	258,620
Share interest	-	-	10,997	10,997	10,997	10,997	10,447	9,925	9,429	8,957
	255,253	222,159	233,826	237,271	248,458	249,329	253,286	257,398	270,774	267,578
<b>Operating profit</b>	<b>- 55,400</b>	<b>- 9,308</b>	12,392	34,632	54,616	65,690	89,009	87,341	99,751	103,558
Depreciation	3,250	12,990	13,644	13,644	13,719	12,339	12,109	13,036	13,036	13,106
Amortisation of goodwill	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
<b>Net profit</b>	<b>- 67,150</b>	<b>- 30,798</b>	<b>- 9,751</b>	12,488	32,397	44,851	68,400	65,805	78,216	81,953
Cum net profit	- 67,150	- 97,947	- 107,699	- 95,211	- 62,814	- 17,963	50,437	116,243	194,458	276,411
Capital grants, gifts received	-	-	-	-	-	-				
Arts Council grants etc	10,000	11,000	11,000	11,000						
Donations made										
Corporation tax	-	-	-	-	-	5,109	12,996	12,503	14,861	15,571
<b>Profit transferred to reserves</b>	<b>- 57,150</b>	<b>- 19,798</b>	1,249	23,488	32,397	39,742	55,404	53,302	63,355	66,382

## Balance Sheet

Balance sheet (Maximum)		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	96,760	85,731	72,088	60,119	57,380	58,086	49,896	37,860	31,955
Intangible 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	249,760	230,231	208,088	187,619	176,380	168,586	151,896	131,360	116,955
Net current assets (working capital)	191,075	135,175	39,868	60,645	106,277	159,142	210,123	254,992	307,573	374,921	439,994
Short term liabilities		-	-	10,997	10,997	10,997	10,997	10,447	9,925	9,429	8,957
Long term liabilities (loans)		-	-	-	-	-	-				
<b>Total assets less total liabilities</b>	<b>366,575</b>	<b>309,425</b>	<b>289,628</b>	<b>290,876</b>	<b>314,364</b>	<b>346,761</b>	<b>386,503</b>	<b>423,579</b>	<b>459,469</b>	<b>506,282</b>	<b>556,949</b>
<i>represented by:</i>											
Share capital	366,575	366,575	366,575	366,575	366,575	366,575	366,575	348,246	330,834	314,292	298,578
Reserves (retained profit)		- 57,150	- 76,947	- 75,699	- 52,211	- 19,814	19,928	75,332	128,635	191,989	258,371
Revenue grant		-									
Capital grants		-	-	-	-	-	-				
<b>Total capital &amp; reserves</b>	<b>366,575</b>	<b>309,425</b>	<b>289,628</b>	<b>290,876</b>	<b>314,364</b>	<b>346,761</b>	<b>386,503</b>	<b>423,579</b>	<b>459,469</b>	<b>506,282</b>	<b>556,949</b>

## Cash Flow

Cash flow (Maximum)	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
<b><u>Income</u></b>										
Community shares	366,575									
Grants and Gifts	10,000	11,000	11,000	11,000	-	-	-	-	-	-
Ticket sales	248,856	262,543	302,139	314,828	347,118	360,366	389,126	393,017	420,517	422,620
Private hire	7,260	7,659	7,981	8,181	8,344	8,428	8,512	8,554	8,597	8,640
Bar sales	44,613	47,067	50,456	51,465	52,494	53,544	54,615	55,707	56,821	57,958
Gift vouchers	4,035	4,257	4,435	4,546	4,637	4,684	4,731	4,754	4,778	4,802
UPP membership	20,240	21,353	22,250	22,806	23,262	23,495	23,730	23,849	23,968	24,088
VAT	65,001	68,576	77,452	80,365	87,171	90,103	96,143	97,176	102,936	103,621
<b>Total Income</b>	<b>766,580</b>	<b>422,455</b>	<b>475,713</b>	<b>493,191</b>	<b>523,027</b>	<b>540,619</b>	<b>576,855</b>	<b>583,057</b>	<b>617,617</b>	<b>621,728</b>
<b><u>Outgoings</u></b>										
Purchase of UPP business	175,500									
Cost of sales	125,150	130,028	141,042	129,923	132,782	135,497	138,419	141,142	144,156	146,971
CBS start-up costs	44,575									
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	20,091	21,793	22,526	24,036	24,294	25,734	25,905
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 investments	10,500	97,000	2,615		1,750	9,600	12,815	4,845	1,000	7,200
Members' interest			10,997	10,997	10,997	10,997	10,447	9,925	9,429	8,957
Share capital withdrawals				-	-	-	18,329	17,412	16,542	15,715
Corporation tax					-	5,109	12,996	12,503	14,861	15,571
VAT	32,688	32,670	34,893	32,773	33,680	34,249	34,969	35,653	36,672	37,153
Net VAT to HMRC	32,313	35,905	42,559	47,592	53,491	55,854	61,174	61,524	66,265	66,469
<b>Total Outgoings</b>	<b>631,404</b>	<b>517,762</b>	<b>454,935</b>	<b>447,560</b>	<b>470,161</b>	<b>489,638</b>	<b>531,987</b>	<b>530,477</b>	<b>550,269</b>	<b>556,655</b>
<b>Cash flow for year</b>	<b>135,175</b>	<b>- 95,308</b>	<b>20,777</b>	<b>45,632</b>	<b>52,866</b>	<b>50,981</b>	<b>44,869</b>	<b>52,581</b>	<b>67,348</b>	<b>65,073</b>
<b>Closing balance</b>	<b>135,175</b>	<b>39,868</b>	<b>60,645</b>	<b>106,277</b>	<b>159,142</b>	<b>210,123</b>	<b>254,992</b>	<b>307,573</b>	<b>374,921</b>	<b>439,994</b>

## Appendix 5 – SWOT Analysis

### Strengths/ Weakness/ Opportunities/ Threats (SWOT) Analysis

#### Strengths

- A good reputation for showing a mix of alternative and mainstream movies
- Strong sense of loyalty and affection in various sections of the community
- Wide base of local customers who have supported the cinema for many years
- Excellent location in the centre of East Oxford, close to local restaurants and bars and near the city centre, with good access
- Cinema space that has been gradually upgraded over past eight years
- Experienced staff and keen volunteers with genuine enthusiasm for film
- No competition in the immediate vicinity at the moment

#### Weaknesses

- Main audiences do not come from a wide section of the community
- Relatively few students attend, given the number of students in the area
- Cinema screen and sound system not on a par with the bigger venues
- Listed building means structural changes are limited e.g. toilet access
- The food offer is more limited than other cinemas

#### Opportunities

- To increase private screening and community events usage, e.g. for gigs, schools events, lectures, weddings
- To strengthen customer bases including students, ethnic communities, families, interest groups
- To reinvigorate a cinema that has had many incarnations in its lifetime

#### Threats

- Unexpected repair, rental, equipment or upgrade costs
- Unexpected rent increase
- Wider economic environment – reduction in customers' disposable income
- Decrease in demand due to external factors, new technology or changing trends
- Recruitment issues for small business where staff and volunteers are key
- Public health emergencies causing closure of the cinema (e.g. COVID-19)



## Appendix 6 – Data Protection

### **Data Protection**

The UPPCC aims to fulfill its obligations under the Data Protection Act 1998 to the fullest extent. UPPCC will use and process personal data only for the purposes of the Society. We will keep personal information that we hold secure, and will:

- inform people as to the purposes for which information is kept only use it for the purposes for which it is gathered
- only collect adequate and relevant data
- not keep it longer than necessary
- all reasonable attempts will be made to ensure that personal data is accurate and up to date and only kept for as long as it fulfils the purpose for which it is kept.

## Appendix 7 – Marketing, Communications and Engagement Plan

### **The Ultimate Picture Palace Community Cinema Community Share Offer Campaign Marketing, Communications, and Engagement Plan**

The purpose of this plan is to set out the communications strategy and marketing activity that will be undertaken by The Ultimate Picture Palace Community Cinema to support a Community Share Offer due to be launched in April 2022.

#### **Target**

- To raise £312,575 for the purchase of The Ultimate Picture Palace Ltd.

#### **Key Aims**

- To raise the amount required to purchase the business
- To raise the profile of The Ultimate Picture Palace Community Cinema (UPPCC)
- To create a Shareholder Member base that is representative of our diverse community

#### **Target audiences**

- **Current customers of the Ultimate Picture Palace cinema:** people who already actively support the current business and want it to stay open. Includes around 800 UPP annual members across a wide range of ages, but mainly skewed towards 45+. There are also 1,200 '£5 film pass members who are all aged 15-25.
- **East Oxford residents:** locals who appreciate and enjoy having an historic and, importantly, independent cinema on their doorstep. OX1, OX3, OX4 residents will be able to invest a smaller minimum amount (£30 instead of £50) to become Shareholder Members. This is the core audience that the cinema serves and will bring expertise and governance to the running of the Ultimate Picture Palace Community Cinema (UPPCC) in the future.
- **Oxfordshire “Culture Vultures”:** people throughout the county who attend cinema, theatre, live music, museums, art galleries, etc. and want to see cultural venues thrive in their area. Oxford has a significantly higher proportion of highly culturally engaged people (61% of the population compared with 26% in England, according to The Audience Agency’s report, commissioned by Oxford City Council in 2019.)
- **National film/cinema enthusiasts:** film lovers around the country who are actively engaged with film exhibition activities such as attending film festivals, and members of other cinemas who understand the importance of keeping cinema alive in the UK. This includes people who work in the film and cinema industry (film producers and directors, British Film Institute staff and patrons, Independent Cinema Office, etc.) and special interest/genre-specific groups (Cinema Under the Stairs, Oxford Horror Club, Documentary Festivals)
- **Oxford University and Oxford Brookes University:** staff and students who work at the city’s two world-class universities who see the cinema as an important part of the city’s cultural lifestyle and heritage. Especially focused upon Film Studies staff/students, film societies, arts and humanities departments, notable alumni, etc. The UPPCC will extend

working relationships with both Universities, so we expect that this group will be actively engaged with the campaign and future programming initiatives.

- **Students and young professionals:** those who have active social lives and see cinema as a part of this. Those in this group are able to invest a smaller minimum amount (£30 instead of £50) to become Shareholder Members. This lower investment threshold allows this group to invest in a community venture for the very first time.
- **Families and schools:** targeting local schools to promote the share offer to staff, who see the cinema as an important venue for education and want to participate with the UPPCC in the future, and young families who use the cinema as a place to entertain their children, including parents who attend the cinema's Baby Club screenings.
- **Local Global Majority communities:** it is a major aim of the UPPCC to diversify cinema audiences, so we will actively encourage OX4's Global Majority communities to participate in the campaign, become Shareholder Members, and help us enact that change at committee level.
- **Oxfordshire LGBTQ+ groups:** groups and societies around the county who enjoy attending the cinema and want to collaborate on programming and events linked to increasing LGBTQ+ representation at the cinema.
- **Local film organisations:** Oxford societies and businesses dedicated to the love of film. Target for help with finance and support with marketing the share offer. Examples include: Oxford Brookes Film Studies Department, Magdalen College Film Society, Film Oxford, ScreenTalk Oxford, Oxford International Film Society, Oxford Brookes Documentary Society, etc.
- **Local businesses:** The cinema is already supported and championed by many local, independent businesses. We will utilise good relationships with these businesses to help promote (and take part in) the share offer. This will be an excellent source of both finance and marketing support.
- **Local history groups** – history/heritage societies and groups for people who appreciate having a cultural venue with over 100 years of history located in East Oxford, e.g. Oxford Preservation Trust.
- **Celebrity endorsements:** The power of influencers cannot be denied and, as part of the engagement of national and international film lovers, we will reach out to key players who have either come from Oxford, visited the UPP, or shown an interest in community and independent cinema:
- **Local councillors, politicians, and community leaders:** local councillors have expressed interest and enthusiasm in the cinema becoming a community-owned business. Public support from local authorities and political figures helps spread the message of how the campaign and aims of the UPPCC benefit their constituents.
- **Independent/community business enthusiasts:** individuals on Ethex's mailing lists who have expressed an interest in and/or have a track record for investing in community share offers.

## Key messages

### 1. Threat of closure

One of the most impactful messages of this campaign is that, without investment from the community, The Ultimate Picture Palace will close, perhaps indefinitely. The Ultimate Picture Palace Ltd is currently under temporary ownership of the executors of the estate of

Becky Hallsmith (the previous owner, who died in 2018). With no permanent ownership structure currently in place, the business is up for sale. If the community does not purchase the UPP, the business will be listed for sale on the open market. This would place the future of the cinema in a precarious position. There are no guarantees that another buyer would want to continue running the site as before and Oxford could lose its last independent cinema.

## **2. The value of independent cinema**

The Ultimate Picture Palace is the only independent cinema in Oxford. Why is that important? The UPP is cherished by the community for being totally different to the other cinemas in the city. The UPP shows films that you won't see at commercial cinema chains, prioritising independent releases over mainstream blockbusters. Being independent, the cinema is able to react quickly and flexibly to latest trends and local feedback. The outcome is a much more personable experience for all involved. Independent businesses bring uniqueness and vibrancy to their communities. That is why it is important that the UPP remains independent, and this share offer gives us the chance ensure it does.

## **3. Historic Significance**

The Ultimate Picture Palace was established 110 years ago, so it is one of the oldest cinemas in the UK. It has a long and colourful history which is celebrated and cherished. Oxford is a city steeped in historical significance and renowned for its remarkable architecture and esteemed cultural institutions. The Ultimate Picture Palace is undoubtedly part of Oxford's rich history and that is worth saving.

## **4. Our vital role in the community**

This campaign points towards exciting times for the cinema. The share offer gives the community a unique opportunity to be part of positive change for the future of the business. The UPPCC will become more than just a local cinema, it will become a cinema owned by the community which is run for the benefit of the community. Money will be invested into making improvements on-site; the UPPCC is committed to working even closer with local schools, independent businesses, and Oxford's Global Majority communities; and most importantly, community shareholders will vote on the direction of the business. The share offer makes the link between the cinema and the community even stronger than it already is. This is something that has never been more crucial to the fabric of how we rebuild our lives and our communities in need of cultural rebirth post-Covid 19.

## **Marketing**

### **Share Offer Document**

- This is the main sales pitch for potential Shareholder Members to get involved and invest in our vision. The document outlines the mechanics of the share offer as well as presenting the vision of the UPPCC. Attractively designed, bright and eye catching, using simple and concise text.

### **Video**

- Main campaign video in one-minute and max. 2-minute versions relaying the core messages and including a call to action to get involved, spread the word, and purchase shares. Hosted on the UPPCC website, the UPP website, and as a trailer to play before

every screening on-site during the campaign. Information consistent with the Share Offer Document.

- Vox pops with customers and notable supporters used on social media throughout the campaign.

### **Digital**

- Prominence on the UPPCC and UPP websites. An attractively designed banner image on the homepage linking directly to the investment platform.
- Banner visible on every film booking page.
- Regular content on the UPP's News and Blog section.
- Campaign video linked on the homepage
- Downloadable PDF of the Share Offer document easily accessible on both UPPCC and UPP websites.

### **Print**

- Posters: A4 & A3 single sided, colour.
- Flyers: A6/A5, colour, double sided, eye catching side, quick reference bullet-pointed reverse.
- Screen printed version of Success poster.

### **E-newsletter**

- Informing 5.7k weekly subscribers about important updates regarding the launch, the ongoing campaign, and key milestones ("one week left", etc.).

### **Social media**

- The Ultimate Picture Palace social media channels currently have 3.6k Likes on Facebook, 2.8k Twitter followers, and 2.3k followers on Instagram.
- Weekly posts on each channel linking to the share offer using the campaign hashtag. Sharing videos, lots of attractive images, featuring quotes from key supporters.
- Substantial budget for social media advertising with targeted audience marketing.

### **Poster and flyer distribution network**

- UPP's on-site poster and flier inserts.
- A3 posters for shops, cafes, bars, art centres, community spaces, libraries, etc.
- A6/A5 flyers handed out to queues at UPP, clubs, or place in bars, film studies courses, other local businesses, with bills at restaurants.
- Flyers and posters given out at UPPCC events: launch, pop ups, talks etc.
- Call to action for people to take posters to put up in their windows at home or download and print their own.
- Daily Information Inserts around the city.

### **Venue Comms**

- The façade of the cinema will feature prominent, eye-catching 'quad posters', up-lighting changed to campaign colours at night, plus a large information board facing Cowley Road so that passers-by can read about the share launch
- Before each film audiences will watch a trailer about the campaign
- On the Back Wall, an artist-designed interactive mural will invite audience members and anyone who visits the cinema during the campaign period to add their "Wish For The Community Cinema" to the wall.

## **Events & Partnerships**

### **Pre-Launch Events**

- Major Investor Reception – invitation-only drinks reception + screening, working closely with UPPCC advisors Jo Human and Micaela Tuckwell who are working on securing early pledges from large-scale investors. Following this event, the advisors will follow up with guests on a 1:1 basis to secure pledges.
- Public events are saved for the launch to deliver extra impact.
- Press events and meetings in the week leading up to the launch day to secure interviews and wide-scale coverage.

### **Launch Event**

- After work/early evening at the UPP. Free drinks and/or snacks available for attendees. Live music inside the cinema.
- Every seat with a share offer document; also handed out to people standing.
- Unveil the campaign video, made available for sharing via social media.
- Public talk followed by a free screening of a film.

### **During Campaign Events**

- Targeted screenings and information events for: Annual Members, £5 Film Pass Holders, families
- Regular matinee/early evening information sessions with coffee/tea and a chance to hear about the share offer
- Pop up screenings around the city.
- Mystery weekend screenings with introductory speakers.
- Talks/presentations in general at film clubs, schools, Skeptics in the Pub, Local History society etc.
- Stalls at markets/car boots/farmers markets/vintage fairs etc.
- Attendance at other people's events, e.g. Indie Oxford, etc.
- Pub Quiz at The Star Pub: questions set by local film organisations, including Cinema Under the Stairs, Film Oxford, Magdalen Film Society, Oxford Brookes Documentary Film Club. Free tickets for prizes.
- Celebrity talks and live music events in the cinema.
- Free/cheap screenings for specific target audiences with introduction from UPP Committee members.

### **Campaign Result Event at the UPP**

- Public “Thank You” event, open to the public.
- A special event for investors.

### **Partnerships for events and reciprocal marketing**

- Local arts organisations, including: Oxford University Museums, Modern Art Oxford, Arts at the Old Fire Station, Creation Theatre, Fusion Arts, The North Wall, The Story Museum, Oxford Contemporary Music, Oxford Playhouse, Pegasus Theatre, OVADA, Oxford New Theatre, Jam Factory, etc.
- Local suppliers and businesses, including: East Oxford Farmers Market, Independent Oxford, Tap Social Brewery, Big Society, Big Scary Monsters Social Club, G&Ds, The Oxford Blue, Truck Music Store, The Star, Port Mahon, Rusty Bicycle, The Missing Bean, TOAD, etc.

- Festivals and Organisations the current UPP works with including: Science Oxford, Oxford Pride, Oxford International Women's Festival, Oxford International Film Festival, Oxford Festival of the Arts, Oxford Green Week, Oxford Comedy Festival, Cinema Under the Stairs, etc.
- Cooperative and charity sector, including Plunkett Foundation, Co-operative Futures, Locality, Co-operatives UK.

## **Press**

Electronic press kit available in Google drive for easy access for journalists, including press release, hi-res images, Share Offer document, campaign artwork.

## **PR stories and potential angles**

- The plight of small independent cinemas, UPP the only one in Oxford, also one of the oldest in the UK. The cinema's impact on the community, past, present and future.
- A great visual, personal story looking at various old small indie cinemas that have been renovated/restored include Rex (Berkhamsted), Rio Dalston, others.
- Story based on "First Times" with the UPP (customers sharing stories).

## **Types of press to target**

- Print Press (The Guardian, The Times, The Telegraph, The Oxford Mail/Times).
- Radio (BBC Radio Oxford, JackFM)
- TV (BBC South Today, That's Oxfordshire TV)
- Specialist Film and Cinema press (Screen Daily, Little White Lies, etc.)
- Journalists with an interest in independent business
- Financial press (Ethex press contacts)
- Arts Sector press

## **Extensive photo resource for press**

- Official Press Shoot (hi-res and low-res jpg, full colour, apart from history shots, portrait and landscape options)
- UPPCC team members outside of cinema and/or holding up poster/sign
- Archive photography from the cinema's 100-year history

*N.B. these shots will be used on social media too*