



2022

Community Share Offer



SHARE OFFER DETAILS

We have set our minimum shareholding to encourage new members

OPENS: 20TH AUGUST 2022
CLOSES: 30TH NOVEMBER 2022*

TARGETS

MINIMUM TARGET £50000
OPTIMUM TARGET £100000

MINIMUM INVESTMENT

£10 IF LIVING IN TF POSTCODE
£50 IF LIVING ELSEWHERE

MAXIMUM INVESTMENT

MAXIMUM TARGET £143854 £27,500 LESS ANY AMOUNT ALREADY SUBSCRIBED
(INVESTMENTS OVER £100 CAN BE MADE WITH SOCIAL INVESTMENT TAX RELIEF [SITR])

NB ANY MONEY YOU INVEST IN COMMUNITY SHARES IS FULLY AT RISK. YOU COULD LOSE SOME OR ALL OF YOUR MONEY IF THE SOCIETY GETS INTO FINANCIAL DIFFICULTIES.

COMMUNITY SHARE OFFERS ARE EXEMPT FROM, OR OUTSIDE THE SCOPE OF, STATUTORY REGULATIONS THAT APPLY TO THE PUBLIC OFFER OF SHARES AND OTHER FINANCIAL PROMOTIONS. APPLICANTS HAVE NO RECOURSE TO THE FINANCIAL SERVICES COMPENSATION SCHEME, OR THE FINANCIAL OMBUDSMAN SERVICE.

YOU SHOULD ASK THE ADVICE OF AN INDEPENDENT FINANCIAL ADVISOR BEFORE PROCEEDING WITH YOUR APPLICATION AND BE AWARE THAT YOU MAY BE PUTTING YOUR CAPITAL AT RISK

* DIRECTORS RESERVE THE RIGHT TO EXTEND IF NECESSARY UP TO 6 MONTHS OR CLOSE EARLY IF TARGETS ARE REACHED

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OVERVIEW

This share offer document sets out the details for our Community Share Offer, which is looking to support the purchase of 1 Station Road, Wellington and the redevelopment of the upper two floors by The Clifton Community Arts Centre Ltd (CCAC) for the community and with the aim of raising the necessary capital to purchase the entire building and renovate non-public areas for use by the public and enable new income streams to secure the building's future for the community it serves.

What is Wellington Orbit?

We trade as a Community Arts Centre with the aim of providing arts and cultural facilities for the benefit of the community in a leased building. Our core activities at the moment are a 63 seat cinema and a community café carried out on the ground floor.

Our aspirations are to own the freehold of the building and redevelop the upper floors to enhance the facilities available to the community.

The current owner of the freehold has indicated that he would be prepared to sell the property to us at a price of £425,000 and we have an option to purchase at that price which expires on 30th November 2022.



Staff and volunteers celebrate on winning a 'High St Hero' community award.



What are Community Shares?

Community Share schemes are a great way of funding projects that benefit the community. They enable communities to invest in projects that matter to them and can be used to save local shops, sports clubs and pubs, and to transform community facilities.

The Community Shares Standard Mark is awarded by the Shares Standard Mark and the Community Shares Unit go to: Community Shares Unit to offers that meet national standards of good practice. For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to: www.communityshares.org.uk



How can we protect 1 Station Road for the community?

We believe a Community Share scheme will play a part in safeguarding our amazing community space for the future. It will also enable us to create a bigger and better community hub for all in Wellington and the wider borough. That's why we are going to launch a Community Share offer on 20th August 2022 .

Anyone can buy shares, become a member and enjoy a vote on important issues that involve CCAC at yearly meetings. It's one member, one vote, so you will have a say, no matter the size of your investment.

You don't have to invest your money forever. Investment withdrawals will be allowable once the financial security of CCAC is secured or you can keep your shares invested in CCAC for a longer period. A comprehensive set of terms and conditions are set out on page 24 and 25.

It should be noted that in the event that the minimum target is not reached, we will not proceed with this community share offer. Accordingly, share certificates will not be issued until the minimum target is reached. Once it is, shares will be allocated. If it is not, any money committed will be returned to the investors.

In this case, the directors would consider alternative funding methods.

What is the building's future?

Currently CCAC holds a leasehold interest on the building until 31st March 2030. The current rent is £20,000 per annum but from mid 2023 it will gradually increase and will average out at £45,000 per annum. It is a full tenant's repairing and insurance lease and no structural alterations may be made absent the landlord's agreement. The lease is "within the Act" which means CCAC have an automatic right of renewal and the landlord will permit us to sublet the whole or part of the building.

If we are successful in obtaining the freehold we will make a saving of £324k over the remaining term of the lease and at least £45k per annum thereafter. Obtaining the freehold will enable us to redevelop the building without seeking landlord's permission which could be withheld and this will enable us to create a community arts centre that fully meets the requirements of the community for arts and cultural facilities.

CCAC therefore see that there is an exciting window where with the support of a Community Share Scheme we can create a modern state of the art arts centre beyond anything ever seen in Wellington before.



Volunteers get into character for the hugely successful 'Harry Potter Thursdays'.



Special visitor arrives at Wellington Orbit for the premiere of 'No Time to Die'.

How will the community pay for it?

It's easier to apply for funding now and in the future if CCAC is owned by the community who demonstrate a demand for the facilities provided therein. Therefore, it can be done with a combination of grants, community shares and existing loans but no further debt.

Further details are provided in the Capital Investment section on page 11.

NB: Like any investment, any money you invest in community shares is fully at risk. You could lose some or all of your money if the society gets into financial difficulties.

Community share offers are exempt from, or outside the scope of, statutory regulations that apply to the public offer of shares and other financial promotions. Applicants have no recourse to the Financial Services Compensation Scheme, or the Financial Ombudsman Service.

ABOUT US

Since its inception in 2013, CCAC has incrementally developed in an area severely lacking in arts and cultural infrastructure within a community that includes some of the most deprived areas within the borough of Telford and Wrekin.

From a market stall and biannual film festivals using room hire, we now have a 63 seat cinema open seven days a week and a community café that engages around 50 volunteers whose lives have immeasurably improved through the increased confidence levels they have.

We have provided facilities on a limited basis being constrained by the disrepair of the upper floors which we are seeking to now redevelop.

Providing Support during the Covid Pandemic

A critical challenge to the business as it was on the point of growing from its opening was the enforced closing of the premises from mid March 2020 to early July 2020, November 2020 and January 2021 to May 2021. It is extremely difficult for business to support a community when the key location is forcibly closed and maintaining survival is a challenge in itself.

We were greatly aided by government support and particularly by the Cultural Recovery Fund and the Furlough scheme but that is not the full story as these funds in themselves would not be sufficient to meet all our expenses. However, we have maintained our level of reserves by capital injections that were planned to build up reserves for expansion and that has ensured that we remain in a good place to meet the expansion challenges we face.

Our main impact for the first quarter of 2020 was the provision of food hampers and boxes of goodies to beleaguered staff at the local hospitals when the wards were under the severest of pressure. We were able to do this through a mixture of the repurposing of a National Lottery Community Fund grant, public donations and allocating our advertising and marketing budget. It also proved to be a more productive use of staff time than having them on furlough. Each hamper included a personal message of support from the public and were universally well received.

Our Mission:

to promote the arts, culture and community development and volunteering through the provision of facilities in Wellington and its environs.

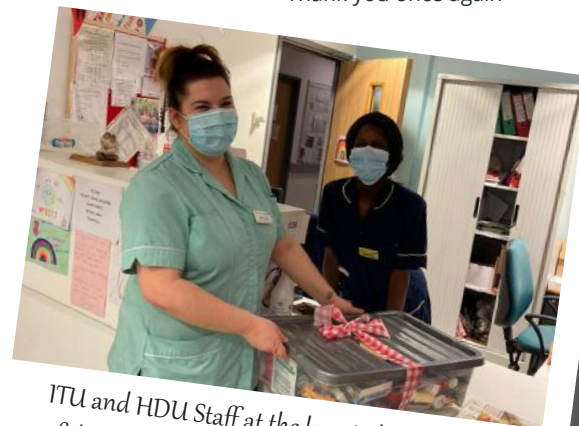
Our Vision:

to own a fully developed arts centre catering for all the demands the local community have for it and to be debt free and carrying reserves that can be deployed in enhancing the cultural experience in the borough outside the four corners of the building.

The feedback sent to us by a ward clerk says it all "Today the team here on ITU & HDU PRH, received your generous and very much appreciated goodies. Who would have thought that this time last year we find ourselves in the situation we are all now experiencing. The fact that you have all thought about us and taken the time and effort to show your love and support means such a lot. Its heart-warming to know that during such unprecedented times our community can come together and support each other.

We are all looking forward to the day that we can come and share a coffee and a cake and catch up with friends and loved ones and bring the children to see a film without the uncertainty and restrictions that come with the Covid pandemic.

Thank you once again"



ITU and HDU Staff at the hospital take delivery of the Wellington Orbit Hampers during Covid.

SOCIAL IMPACT

We have built on this since the relaxation of restrictions The reopening of cinemas from 17th May afforded to us a convenient tagline being "Back to the Future" although that was not the theme behind the film but as it was the end of lockdown which would hopefully never return it was the case that our futures were to return to what it was before the pandemic.

As such we booked the trilogy for three successive Saturdays. For the first, and with the help of the local Facebook group, Love Wellington, we were able to display a replica DeLorean car that was used in the film. This proved to be a huge boost to the town and drew many people into the town to be photographed with the car and we showed the first film to three sell outs on the day. We produced a special American menu with the help of DeLorean burgers prepared by a local butcher and achieved our best ever café takings (pre or post lockdown) on the day.

In relation to No Time to Die, apart from decorating the café, selling Bond cupcakes and special Orbit martinis we held special events on 30th September at 7 minutes past midnight with extra security offered for free by a volunteer (the first day we could screen the film) then red-carpet events at 7pm on 30th and 7pm on 2nd.

The early 30th September screening had a 58% occupancy, including the BBC Radio Shropshire movie buff. Dress code varied from DJs to PJs and we got some good press coverage for this screening.

But we are just not confined to forming social cohesion through film.



Rain didn't dampen the spirits for our 'No Time to Die' display in the town square.

We were fortunate to have been in receipt of a grant of £809.49 under the Envirogrant scheme run by Veola in connection with providing certain equipment for a Tuesday Toddlers Group. We ordered additional soft furnishings that was in sympathy with the dimensions of the cinema and we have been able to make use of the screen to show DVDs free of charge subject to paying a licence fee. We work in collaboration with the local church.

"The new soft play toys have completely changed the atmosphere. The kids thoroughly enjoy them and the parents feel more relaxed knowing that their kids can be kids in a safe environment".

(Nick Brooke, All Saints Church)



OUR LOCAL COMMUNITY

WELLINGTON IS PART OF THE BOROUGH OF TELFORD AND WREKIN WHICH HAS A POPULATION OF 179,000



The millenium clock dominates the square, where during summer months customers can eat outside and events are staged by WellingtonH2A and Wellington Orbit.



Since 1244, the town of Wellington has had its Market Charter. An event we celebrate each May where the Kings Messenger rides through town on horseback to make the proclamation



All Saints Church, our next door neighbour and benefactor to Wellington Orbit. The grounds are the backdrop to the popular Wellington Midsummer Fayre each June.

The borough as a whole is a mix of rural and urban. Wellington is located towards the northwest of the major population areas. The Town Centre of Telford which does not live up to its name of "centre" is within the southeast corner and not overly accessible to residents of Wellington and many people prefer to travel to neighbouring Shrewsbury instead.

There are three wards in the town of Wellington being College where the building is located that is in IMD (Index of Multiple Deprivation) 1 and Haygate and Arleston in IMD 2 while neighbouring Hadley and Leegomery is in IMD 1. In contrast Ercall is in IMD 9 and neighbouring Apley Castle and Shawbirch in IMD 10. There are historic reasons for these contrasts that should not be a reference point for the future.

In a post Covid world Wellington needs to reidentify itself to address the challenges of the future and not reflect on the past. It will always be a historic market town but needs to reengineer itself to include bespoke independent shops and a vibrant leisure centre to give local opportunities to all citizens and move those areas out of IMD 1 & 2 while exploiting environmental targets to reduce the carbon footprint through seeking retail and leisure opportunities from the distant Town Centre or even Shrewsbury.



Engaged Greenscape architects to undertake a feasibility study.

The building, which is not listed but a building of local interest in the Wellington Conservation Area, consists of 7964 sq ft being: -

Basement	1427 sq ft
Ground Floor	2666 sq ft
First Floor	2390 sq ft
Second Floor	1481 sq ft

In May 2019 CCAC completed the redevelopment of the ground floor installing a 63 seat independent cinema and running a community café that also doubles up as the cinema kiosk and booking office This is fully funded but CCAC held insufficient funds to redevelop the upper floors.

In March 2020 the funding landscape was radically altered by the Covid outbreak and the focus shifted from expansion to sustainability. With the easing of restrictions the funding landscape is returning to its traditional pattern and CCAC have reignited their ambition to develop the upper floors.

With this in mind we have engaged Greenscape architects to undertake a feasibility study and the drawings alongside show on a basis design what the upper floors could look like. It should also be borne in mind that the ultimate design could be more elaborate if funding allows.

The second step that CCAC have undertaken is to apply for and succeed in getting a grant from Social Investment Business to appoint a field researcher.

Mindful of the Society objects of providing arts and cultural facilities for the benefit of the community CCAC recognises that they are not working from a blank sheet of paper or living in a cultural desert bereft of all arts and cultural facilities. The easy thing is to explain what an arts and cultural facility is. The important issue is that whatever the ultimate utilisation is that use must benefit the community. It would be remiss if the community felt that there were adequate facilities in Wellington in one area already or that there was no particular demand for a particular type of facility and the opportunity is lost just because the board of directors thought they knew what the community want and will want but didn't.

This is a project that should benefit the community for years and needs to be future proofed which means CCAC need to listen to what the community will want not only at the current time but try to anticipate future trends and usage.

THE BUILDING

Originally part of a hotel that was compulsorily purchased in the 1840's to make way for the railway the building was substantially renovated in 1901 to provide a trading office for the predecessor bank of HSBC and was bought in 1918 by the old Midland Bank together with the adjoining WH Smith shop which was merged into the bank in the late 1960's/early 1970's.

It was a high street branch for around 115 years before its closure in 2016. It consists of a basement, ground floor and two upper floors. CCAC entered into a short lease in May 2018 which they have extended to 2030. The landlord has indicated a willingness to sell the property and an option has been entered into binding the landlord to sell the property for £425k to CCAC if the option is exercised before 30th November 2022.

LONG TERM PLANS

The immediate plan will be to gauge the interest for the utilisation of the space from the findings of the field researcher and then to evaluate the actual income trends.

Pending this, the provisional assessment would be that on the first floor Rooms 6 & 7 where a partition wall will be removed will become a performing arts studio while Rooms 1 & 2 where similarly a partition will be removed will house cafe overflow and include exhibition space. The remaining rooms are likely to be either rooms held on long term lets or at room hire rates. The mix will be informed initially by field research but ultimately by actual demand.

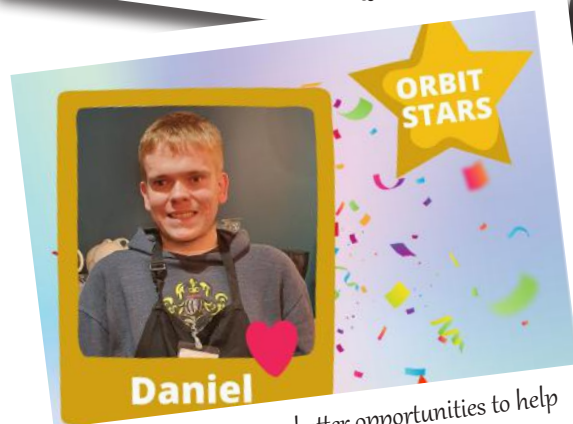
Depending on the available budget and structural assessments it could be hoped that cash flow could be maximised by the removal of some of the dividing walls to be replaced by removable partitions so that room sizes may be varied.

It will also be necessary to install a lift which would ideally go to the top floor so that the facility will be accessible to all. The precise location of this needs to be determined.

Besides configurations issues, CCAC are planning that the twin effect of increased income and reduced expenditure will have the effect of enabling sufficient reserves to be built up which will exceed the cash amount that will be required to meet an acceptable reserves policy. In effect, CCAC themselves will become grantors within the borough to support the wider arts and cultural activities that would be carried on in the borough but outside the four walls of the building.



Making best use of the space we have. Adding flexibility to grow the customer offer.



Daniel
Bigger space means better opportunities to help deliver what the community want.



Hollywood Producer of cult film Donnie Darko, Chris Ball, with local media students.

CAPITAL INVESTMENT

We are setting minimum, optimum and maximum targets because of inherent uncertainties which will not be resolved at the time of launch but should be during the offer period.

On 3rd August 2022, Telford and Wrekin Council submitted a bid of £1,438,540 to the Department for Levelling Up, Housing and Communities within the Wellington Constituency Levelling Up Fund. (LUF).

The LUF is a national fund and includes within its aims: -

- focusing on supporting high priority and high impact projects that will make a visible positive difference to local areas.
- regenerating key leisure and retail sites and improving their security, in order to encourage new businesses and public services to locate there
- helping communities transform derelict, vacant or poorly used sites into vibrant commercial and community hubs that local people can be proud of.
- upgrading and creating new cultural and creative spaces including inter alia, film/TV facilities,
- new, upgraded, or protected community hubs, spaces or assets (and associated green spaces) e.g., village halls, community centres:

If successful, CCAC will receive an award that will enable them to purchase the building and redevelop the upper floors. However, there is a requirement that the recipient must provide 10% matched funding.



Director Ray Hughes interviewed for TV News during phase one building development.

Community shares make up part of the total capital required together with the remainder of the funds coming from other sources as demonstrated below. The offer therefore enables the release of further matched funding beyond the LUF award.

Income	Target	Target	Target
Community Shares	50000	100000	143854
LUF Award	1294686	1294686	1294686
Other Match Funding*	93854	43854	
Total	1438540	1438540	1438540

The table below shows how the money will be used at each share offer target level:

Expenditure	Target	Target	Target
Building Purchase	425000	425000	425000
Redevelopment	1013540	1013540	1013540
Total	1438540	1438540	1438540

*Other match funding includes Community Shares Booster programme and offers by other investors.

Accordingly, the target will depend not only on the extent of the matched funding required but the success of the bid.

It should be stressed that the submission has been made within the context of a competitive process and CCAC cannot guarantee that the submission will result in an award and as such CCAC have had to make contingencies.

CAPITAL INVESTMENT (CONT)

In relation to the redevelopment expenditure, this is based upon estimates provided by the contractor we used on the first phase and internal experts within TWC. It comprises the work required in relation to installing a lift and associated work on the surrounds, It also incorporates estimates for such things as M&E (mechanical and electrical engineering), structural remediation, floor upgrades, fire safety work and has inflation provisions and contingencies.

At present we have negotiated with the landlord a call option to buy the property for a sale price of £425k. That option will expire on 30th November 2022 and the directors consider that it is overwhelmingly in the interests of CCAC that this option is exercised. We have obtained a professional valuation that supports a current open market value that would be slightly higher than the option price. It is then undeniable that with redevelopment planned and the regeneration to the Market Square that is anticipated the property prospectively will be worth far more with the inclusion of tenant's trade fixtures that will be difficult if not impractical to dismantle and reinstate and the enhanced goodwill in the location occasioned by the regeneration.

It is also the case that freehold ownership will enable CCAC to carry out its preferred structural alterations that a landlord may be reluctant to accept as cramping alternative residential commercial usage in a case of insolvency.

Our alternative would be to fund the building through a commercial mortgage. We have already been in contact with social investors who have confirmed through very detailed checks their willingness to advance bridging finance if the circumstances demands it and we would then be looking to convert this into a mortgage and fund the rest of the acquisition through our own funds including the share offer.

It is the case that the annual servicing of a commercial mortgage will currently be less than our rental outlay and in future years will be even greater as our rent is planned to rise. The effect of

getting money from the LUF is that we enjoy the dual benefits of having no rent or property debt outlay while the income from the redevelopment will not be needed to service the annual expenditure above. It also removes the requirement to meet banking covenants.

If the LUF fails either in its entirety or partially CCAC are of the view that the prime aim of obtaining the freehold must be pursued as this highest interest in land is the most persuasive to grantors and we will be pursuing other grant opportunities in conjunction with a war chest augmented by the maximum share offer amount. In this connection, we believe in the failure of the bid there remains the ability to secure funding under the New Towns Deal Fund although the scale of the development work may be reduced, scaled down or deferred.



Hollywood Producer of cult film Donnie Darko, Chris Ball, with local media students.

FINANCIAL INFORMATION

Trading History

Although CCAC has been registered since 2013 it is only since 2018 that the accounts contain any relevance to our current trading activities. In earlier years we were essentially in fund raising mode. CCAC has an accounting period ending 31st December and as a charity account under the Charities Statement of Recommended Practice (SORP). The headline results are in the tables on this page.

This has demonstrated growth from inception (despite the impact of the pandemic) which can only increase through the offer. The profit and loss figures reflect the fact that no dividends or interest are paid on the shares and at present there is a policy of suspending withdrawals of share capital until the financial security of the Society is guaranteed.

The accounts can be seen in more detail at www.wellingtonorbit.co.uk/accounts

The Society is recognised by HMRC as a charity and is therefore exempted from Corporation Tax.

No year could be considered normal. We commenced redevelopment in 2018 and only started trading in May 2019. The figures for 2020 and 2021 have been distorted by Covid and a large donation in 2020 to reduce current liabilities to acceptable levels while much of the increase in share capital in 2021 was made under S1TR and is more akin to a gift as the subscriber is not looking for early redemption.

Income and Expenditure Account	2018	2019	2020	2021
Sales	18653	192670	301943	150824
Cost of Sales	(1992)	(11915)	(32648)	(38797)
Gross Profit	16571	180755	269295	112027
Overheads	(16608)	(148522)	(165690)	(153009)
Operating Profit	(137)	32233	103605	(40982)
Interest	-	(1212)	(7268)	(6010)
Profit/(Loss)	(137)	31021	96337	(46992)

Balance Sheet	2018	2019	2020	2021
Tangible Assets	5928	10889	9923	9104
Intangible Assets	83628	538747	494146	488027
Current Assets	158841	48576	69246	78300
Current Liabilities	(140571)	(128547)	(17769)	(20563)
Net Current & Fixed Assets	107826	468745	555546	554868
Long Term Liabilities	(60236)	(364612)	(343382)	(341541)
Net Assets	47590	105063	212164	213327
Share Capital	39345	65797	76561	124716
Profit and Loss	8245	39266	135603	88611
Total Equity	47590	105063	212164	213327

FINANCIAL INFORMATION (CONT)

Revenues	2022	2023	2024	2025	2026
<i>Film & Screenings Income (Admissions only)</i>	101,131	162,097	168,198	188,579	195,679
<i>Café & Bar Income</i>	73,809	94,616	107,034	109,328	112,330
<i>Other Income</i>	9,150	52,000	42,450	42,450	42,450
<i>Revenue Grants</i>	40,800	10,000	10,000		
<i>Room Income</i>		23,283	46,567	46,567	46,567
<i>Total</i>	224,890	341,996	374,249	386,924	397,026
Operating costs					
<i>Film and Screenings Expenses</i>	(42,475)	(68,081)	(70,643)	(79,203)	(82,185)
<i>Film Booker</i>	(5,407)	(5,515)	(5,625)	(5,738)	(5,853)
<i>Film Delivery</i>	(2,781)	(2,837)	(2,893)	(2,951)	(3,010)
<i>Music License</i>	(695)	(1,446)	(2,318)	(2,405)	(2,697)
<i>Café & Bar Expenses</i>	(33,214)	(42,577)	(48,165)	(49,198)	(50,549)
<i>Total</i>	(84,572)	(120,456)	(129,645)	(139,495)	(144,293)
Overheads					
<i>Rent</i>	(11,667)	0	0	0	0
<i>Wages</i>	(100,000)	(103,970)	(106,049)	(108,170)	(110,334)
<i>Salary On Costs (at 4%)</i>	(4,000)	(4,080)	(4,162)	(4,245)	(4,330)
<i>Consultancy</i>	(14,900)	(15,900)	(9,900)	(9,900)	(10,395)
<i>Insurance</i>	(5,101)	(5,152)	(5,667)	(5,780)	(5,896)
<i>Utilities</i>	(10,500)	(11,257)	(12,316)	(12,562)	(12,813)
<i>Repairs and Renewals</i>	(8,141)	(8,222)	(8,304)	(9,135)	(9,318)
<i>Audit</i>	(2,250)	(2,350)	(4,121)	(4,162)	(4,204)
<i>Telephone</i>	(3,433)	(4,866)	(4,866)	(4,866)	(4,866)
<i>Printing & Stationery</i>	(2,061)	(2,081)	(2,102)	(2,123)	(2,144)
<i>Advertising</i>	(1,030)	(1,041)	(1,051)	(1,062)	(1,072)
<i>Cleaning</i>	(2,000)	(3,000)	(4,000)	(4,080)	(4,162)
<i>Jacro Charges on internet sales transactions</i>	(6,560)	(9,627)	(10,321)	(11,172)	(11,550)
<i>Other Expenses</i>	(1,500.00)	(1,530.00)	(1,560.60)	(1,591.81)	(1,623.65)
<i>Depreciation</i>	50,874	(4,816)	-4950	-5089	-5234
<i>Total</i>	(122,268)	(177,891)	(179,370)	(183,938)	(187,941)
<i>EBITDA</i>	18,050	43,649	65,234	63,491	64,792

Financial Projections

The table above shows our financial projections for the years ending 31st December 2022 to 31st December 2027 by way of profit and loss accounts and balance sheets. They are based upon an award under the LUF that with the matched funding covers the major expenditure on acquiring the freehold and the upper floor redevelopment. The fixed assets represent costs after the LUF award.

These project a healthy cash position going forward where we would

have to give serious consideration to our cash reserves position. Building on our experience of the Covid outbreak and the likelihood of government support in extreme circumstances we feel that we should never need to carry cash reserves of more than nine months of overhead expenditure and that we should apply any surpluses to supporting the wider cultural activities within the borough.

In this connection we are not contemplating any withdrawals of share capital beyond the minimum £10 shareholding on the basis that members are happy for their money to stay in the Society but if the financial circumstances permit it we will consider requests.

	2022	2023	2024	2025	2026
Fixed Assets					
<i>Tangible Fixed Assets</i>	992691	972411	953431	934751	915871
<i>Intangible Assets</i>	8290	7548	6872	6257	5697
<i>Total</i>	1000981	979959	960303	941008	921568
Current Assets					
<i>Stock</i>	4000	4000	4000	4000	4000
<i>Debtors</i>	17000	17000	17000	17000	17000
<i>Investors</i>	310	310	310	310	310
<i>Cash at Hand and Bank</i>	31818	21360	23947	50492	110178
<i>Total</i>	53128	42670	45257	71802	131488
Liabilities					
<i>Creditors < 1 year</i>	21000	21000	21000	21000	21000
<i>Total</i>	21000	21000	21000	21000	21000
Net Current Assets					
<i>Total</i>	32128	21670	24257	50802	110488
Total Assets less Current Liabilities					
<i>Total</i>	1033109	1001629	984560	991810	1032056
Liabilities					
<i>Creditors > 1 year</i>	645700	570571	488268	464527	452481
<i>Total</i>	645700	570571	488268	464527	452481
Net Assets					
<i>Total</i>	387409	431058	496292	527283	579575
Called Up Share Capital					
<i>Total</i>	236566	236566	236566	204066	191566
Revaluation Reserve					
<i>Total</i>	44182	44182	44182	44182	44182
Profit and Loss Reserves					
<i>Total</i>	106661	150310	215544	279035	343827
<i>Total</i>	387409	431058	496292	527283	579575

Assumptions

The principle assumptions made are as follows: -

-Cinema Sales - we have compared our historic footfall against national trends since the start of the pandemic and our current figures suggest we are 40% ahead of national trends. It is then projected that 2022 will be 70% of the pre-pandemic footfall and then returning in 2023 to the pre pandemic norm. We have then assumed that we are therefore running at 70% of potential and then increased our 2023 figures proportionally. In addition, working on the experience of a local comparator which showed year on year organic growth of 2.3% from start up for the following eight years we have done a further uplift and done an additional 1.5% to reflect the anticipated annual population growth in the borough.

-Café sales - we are anticipating a 50% uplift in sales to cover the additional space upstairs, refreshments associated with the performing arts studio including parent pick up and associated with room hire (including birthday parties) and lets. We are factoring in a Gross Profit Rate of 55% which could be higher depending on the product mix.

-Wages are index linked at an average of 2% per annum on the basis that the current inflation is a short term phenomenon. There is a provision for £2000 additional cleaning but we feel that more effective use of duty manager time can cover the additional time to administer the upper floor. We will be seeking to cover the volunteer co-ordinator wages through revenue grants up to 2025 and then hold sufficient profits to cover this internally.

-Interest - we have put in a protective provision to cover a potential bridging loan. We are anticipating that the Resonance loan of £100,000 to facilitate the funding for the ground floor will be repayable by Gift Aid donations. All other Sitr loans will be repaid provided the investor requests so. We have been advised that lenders will be happy to convert £46k of loans into shares and others may follow. The intention is to be debt free by 2026.

-We have factored in increases of 10% for insurance, 10% for repairs and 15% for utilities while several other debits remain static reflecting the fact that the building is not currently been utilised to its full capacity.

-We are anticipating that we will have an annual increase in fixed asset additions not covered by grants of £2k per annum after redevelopment subject to a provision of £60k for new seating and projection equipment which we anticipate coming to the end of its useful economic life in 2030.

-We are working on the basis that the upper floor redevelopment will conclude after the end of the second quarter of 2023. The next subsection covers potential income from the utilisation of the upper floor space.

Upper Floor Utilisation

Ultimately we will be guided by the findings of the field researcher and the size of our budget. Pending this, we have made assumptions that there will be minimal structural alterations confined to those outlined above.

The table below shows our provisional calculations and the earnings before interest, tax, depreciation and amortisation (EBITDA) subsequent to redevelopment.

	2023	2024	2025	2026	2027	2028	2029	2030
<i>Income</i>	35170	70141	71753	71753	75709	75709	75709	77321
<i>Cost of Sales</i>	4352	8704	9430	9430	10156	10156	10156	10881
<i>Wages</i>	5000	10000	10200	10404	10612	10824	11040	11261
<i>Wage On Cost</i>	200	400	408	416	424	432	441	450
<i>Insurance</i>	500	1000	1020	1040	1061	1082	1104	1125
<i>Utilities</i>	788	1575	1606	1638	1671	1704	1738	1773
<i>Repairs</i>			416	831	848	865	882	900
<i>Cleaning</i>	1000	2000	2040	2080	2122	2165	2208	2252
<i>Miscellaneous</i>	750	1500	1530	1561	1591	1622	1656	1689
<i>EBITDA</i>	22580	44961	45102	44351	47222	46855	46481	46987

The key assumptions are that: -

-Artwork commission will double

-The Performing Arts Studio will be used for just under 50% of its available time

-4 Rooms will be used for fixed lets with rent averaging out at £155 per annum per square metre which is the rate for a comparator.

-5 Rooms will be available for room hire and we have restricted to 10-15% occupancy which could be considerably understated.

The aim is to ensure that we are future proofed to meet future challenges and demands that could be very different in the post Covid world, that we don't replicate areas where there is already adequate provision, that what we have is compliant with the Building Regulations and that we complete thorough due diligence checks to ensure we have no collection compliance issues. This is covered further in Section on Risk.

STRUCTURE

We are a Community Benefit Society (CBS)

On 17th October 2013 Community Benefit Society (CBS) was registered under the Co-operative and Community Benefit Societies Act 2014 with the Financial Conduct Authority (FCA). The FCA states that 'the conduct of a community benefit society's business must be entirely for the benefit of the community'. Any surplus made in the future will remain within the society to further develop its community benefit.

Society Rules

All CBSs must have rules and CCAC referred to a set of pre-approved society model rules developed by Co-operatives UK, the umbrella body for co-operatives and community benefit societies in the UK.

This model has been followed subject to the following exceptions.

They were revised on 22/07/2016 to update statutory references. Rule 9 amended for Bank of England base rate. Rule 94 amended so no interest on shares. On 14/07/2020 Rule 38 added Rule 38 that "or alternatively, if so agreed by the Society in general meeting, notices of general meetings may be displayed conspicuously at the registered office and in all other places of business of the Society to which Members have access" Rule 81 was amended to give the chairman a casting vote. Rule 52 was changed to say "A resolution put to the vote at a general meeting shall be decided by a show of hands together with votes by proxy unless a paper ballot is demanded in accordance with these Rules. A declaration by the chairperson that a resolution has on a show of hands been carried or lost with an entry to that effect recorded in the minutes of the general meeting shall be conclusive evidence of the result. Proportions or numbers of votes in favour for or against need not be recorded

The rules include a provision to issue a form of shares to members known as withdrawable share capital, which is unique to society law. Withdrawable share capital, also known as Community Shares, can be withdrawn from the Society by the member, subject to terms and conditions. The liability of its members is limited to the value of their shareholding, and the value of members' community shares will never go up but may go down. At such future time that the asset value is restored by profitable trading, the shares can be restored to their original nominal value.



Annual General Meeting held in the Cinema for the first time in 2022.



Telford College media students ready for their end of year show.

The rules include a Statutory Asset Lock which restricts the use of the society's assets and the way the society deals with them to those purposes set out in the society's constitution. In particular:

- The only payments that can be made to members are to the value of their withdrawable share capital or interest on that withdrawable share capital.
- The residual assets of the Society on winding up cannot be transferred except to another organisation whose assets are similarly protected.

The Society is a community-led, democratic organisation that operates on the principle of one-member-one-vote regardless of their shareholding. Membership is open to anyone over the age of 16. The Directors, at their discretion, approve applications for membership from anyone who also applies for the required minimum number of shares. Each member then has one vote to exercise at General Meetings, including the Annual General Meeting. Members own and control the Society, exercising their ownership rights by electing members on to the Board. Members can stand for election onto the Board. The Rules also provide for several other ways in which the membership may hold the Board accountable for the running of the Society, including calling a General Meeting if required. Corporate bodies and associations who support our objectives can also become members, and such entities and associations must nominate a named individual to represent them at General Meetings.

A copy of the Rules of the Society can be downloaded from our website www.wellingtonorbit.co.uk/shareoffer in the documents section.

Membership

The directors at the time became the initial members of the society, and since then we have gained around 800 members and we are hoping to attract many new members through our share offer.

As a community-led organisation, members are encouraged to participate in the society in many ways including being customers, champions for the organisation and active members at General Meetings. All Members agree to participate in general meetings and take an active interest in the operation and development of the Society and its business. Members have a duty to respect the confidential nature of the business decisions of the Society.

Members of the Society are invited to Annual General Meetings and additionally Extraordinary General Meetings as required. Our Rules and Annual Accounts will be available to all members and on the Society's website.

Most of our members are also customers and our rules provide that members can actively participate in the running of the Society as little or as much as they like. This extends to members actively engaged as volunteers or sitting on various volunteer sub groups covering core activities such as film, marketing, finance and redevelopment.

The Board

The Board is responsible for managing the affairs of the Society on behalf of the membership and to report back to the membership at General Meetings in the same way as the Board of Directors is responsible for managing the affairs of a limited company.

The Board is elected by and from the membership on a three-year retirement cycle, additionally the Board may co-opt up to two external independent Directors, who need not be members, for specific skills and experience. These co-opted places are appointed and removed by the Board and are for a fixed time period, which should be reviewed annually.

BOARD MEMBERS

The Board of CCAC is a voluntary board and the directors receive no fees or salary for being a director.



Phillip Morris-Jones MBE

Starting with one car in 1965, Phil built up and expanded the Company Philjo Motors Ltd to include coaches and self-drive vehicles which he sold in 1992 with a purpose built building, 40 staff and 80 vehicles. Phil has been the founder, member, chairman or president of numerous local charitable and community organisations and has been mayor of Wellington on four occasions. In 2008 he was awarded the MBE for community services.

Fiona has worked for over 60 years in theatre arts and television media and is a founder member of the Board. In her formative years she undertook training in ballet, modern dance and drama and was involved in the West London dance and amateur theatre scene. Locally, Fiona teaches LAMDA (London Academy of Music & Dramatic Art) syllabus examinations, is an Equity member as a Theatre Director, and continues to work as a freelance in theatre and television directing professional and non-professional actors and dancers.



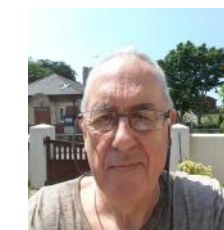
Fiona Hunter



Anne Beresford

Anne grew up in Wellington, where she has fond memories of seeing Fantasia at The Clifton and Dr Doolittle at The Grand Cinema. She is an independent producer working in film and television. She is a graduate of Bristol University and in 2011 she was selected for membership of the prestigious Ateliers du Cinéma Européen. She was for many years a director of arts space "The Wapping Project" and now chairs the Steering Group for Camden Music Hub.

Bill gained 15 years professional experience in senior roles in theatre, working for both the Royal Shakespeare Company and the Royal Opera House as well as in London's West End. He is a former Technical Director of the ICC, NIA and Symphony Hall in Birmingham where he was closely involved in the final design, installations and commissioning of all three venues. He was latterly part of the NEC Group's specialist international consultancy division, advising on major public venue projects



Bill Graham



Andy Smith

Starting his marketing business over 20 years ago, Andy has been delivering marketing solutions to businesses nationally and internationally from his Telford base. In 2013, he started a new venture, which attracted investment and has quickly become the leading business in its sector with more than 40 locations in the UK & Northern Ireland. Andy is married with two grown-up children, a motorcycle and a love for local life.

Ray retired in 2013 from HM Revenue & Customs after 37 years' service. His last three appointments were as District Inspector in Oswestry, in Special Compliance Office undertaking high risk investigation work and finally in the Large Business Section in Birmingham as a Customer Relationship Manager being the prime point of contact and leading a team of specialists across the whole raft of taxes for initially major businesses in the Chemicals Healthcare and Pharmaceutical Sector and latterly in the Utilities Sector.



Ray Hughes



Liam McClelland

Liam joined the Orbit as a volunteer back in 2019 and since then has devoted a lot of his time to the Orbit with marketing as well supporting the running of the cafe and cinema. He has taken on a great deal of the responsibility for the Orbit's digital marketing and continues to deliver high-quality graphic design and video production. Outside of Orbit, Liam works full-time as a Software Engineer at Capgemini.

Graduating from the University of Cambridge with a Law degree, Rebekah qualified as a Solicitor in 2003 and practiced Commercial Property law. Upon moving to Hebden Bridge in 2009 she studied for a Masters in Culture, Creativity and Entrepreneurship at University of Leeds Most recently Rebekah managed Hebden Bridge Picture House for nine years, honing her skills in project management, development work and the production of creative programmes and events.



Rebekah Fozard

BOARD RESPONSIBILITIES

The Board are responsible for:

- Developing and launching the share offer to raise the capital to purchase and renovate the building
- Monitoring and managing the Society's financial affairs for the benefit of the community
- Overseeing the day-to-day operations and managing the relationship between the Society, its members and employees and the community
- Ensuring that the Society complies with all applicable regulations
- Encouraging further community activities, as appropriate

Conflict of Interest

Members of the CCAC Board must at all times act in the best interest of the organisation and are required to declare any external interest that maybe in conflict of their role. At present a potential conflict of interest is that currently Phil Morris-Jones is a councillor with Wellington Town Council who use our services and Liam McClelland is also an employee of CCAC doing on average paid Duty Manager work of around 7 hours a week besides volunteering in the cafe. The issue is managed carefully by both parties to insure that there is no involvement in discussions such as in the latter case remuneration

Staff

CCAC has developed a small, dedicated team currently made up of eleven (one full time and ten part time) to provide the day-to-day operations of the centre including the running of the café, cinema and providing input into policies and strategy.

Volunteers

As part of the local community CCAC has been blessed with the support of a group of around 50 volunteers to support in the running of the building. These roles are as diverse as helping in the kitchen and servery, being cinema ushers, helping with the parents' and toddlers' group, general administration and helping with the maintenance of the outdoor space.

The contribution of our volunteers is never unrecognised or undervalued and the reserves CCAC are as much a reflection of the gift of their time as anything else.

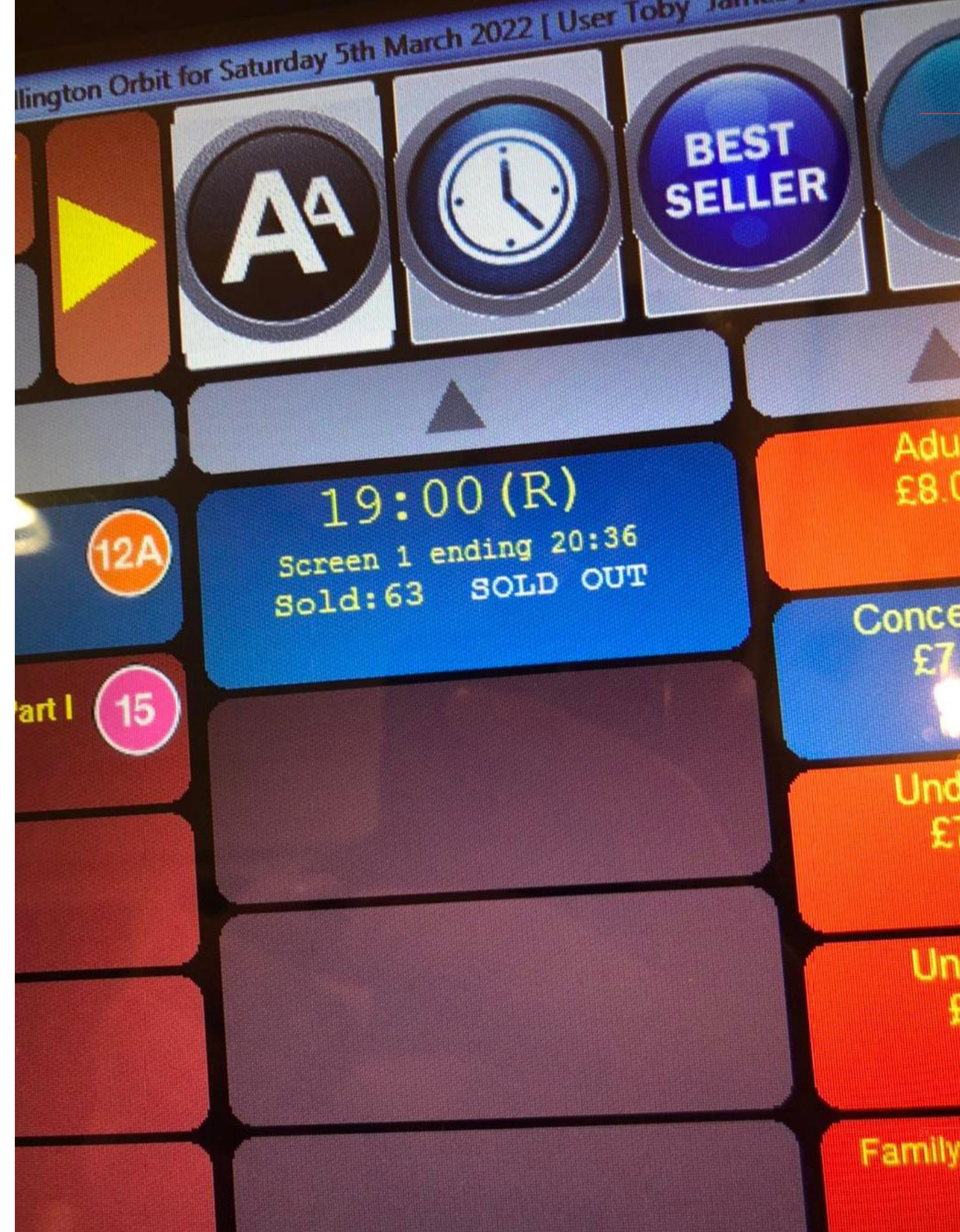
A comment from one of our customers reflects the appreciation of one of our longest serving volunteers, Dan

"When I first met Daniel he was very quiet and shy now he has come out of his shell and he is a lovely young man he is very pleasant and goes out of his way to help we are now on first name basis and he always comes over for a chat well done Daniel"

Member Engagement and Development

We know how valuable this centre is to those that use the space from the early days when we held film festivals through room hire and promoted the project through a market stall.

The share offer will go a long way to completing the journey from an initial brainstorming session in November 2012.



RISK

In our published accounts we identified the following risks as at 31st December 2021.

Risk	Mitigation
The Society will be unable to generate sufficient funds to develop the whole building	Extension of lease obtained to reassure investors. Share campaign to attract further share capital. Creation of Restricted Reserves to earmark funds for redevelopment. Active research of funding opportunities
There will be insufficient unrestricted reserves &/or cash to pay back existing loans	Business plan projections to build up cash reserves. Deferred repayment schedule to assist in business development
The Society will be unable to obtain grants	Preparation of robust and realistic business plans, publication of comprehensive accounts showing sound financial management, clear vision, evidence of need and demonstrable community engagement.
The Society will become insolvent	Build up of unrestricted reserves, buffer of rent deposit
The Society will not be able to attract sufficient volunteers	Support, encouragement and recognition of existing volunteers, sourcing of volunteers from a wide area of outlets. Engagement of volunteer co-ordinator.
The Society will lose its charitable status or be affected by other tax and legislative changes	Monitoring all activities to ensure they are within the rules, liaising with national bodies who lobby government on legislative changes and anomalies.
The Society will have no building after the lease expires	Plans in place to try to acquire the freehold.
The Society will suffer business interruption	Full insurance to cover risks. Re-modelled cash reserves policy building on the impact of the Coronavirus pandemic. Fully researched and costed Cultural Recovery Fund bids and keeping an eye open for other Covid relief measures

These are refined by the share offer and specific additions and amendments are set out below

Risk	Mitigation
We do not meet our community share targets	Other additional grant or debt funding options could be explored to fund additional capital required for the purchase.
Lottery match funding is not secured to minimum-level	Other grant schemes are available and could be explored to gain additional funding required.
Building renovations reveal structural issues within the building that need further capital investment to repair	Collaborative working of all stakeholders to resolve before they become issues that can't be sorted at reasonable cost.
Funding is only secured to minimum amount	Alternative revenue streams can be explored and further grant funding secured or the redevelopment scaled down to budget
Change of management associated with the change in capital structure on the staff	Good communication with staff throughout the process – informing them of developments and impacts upon them as soon as appropriate.
Change of management associated with the change in capital structure on the operations	Bringing new people into role, with crossover with existing management to ensure continuity in provision and appropriate skilling up of team members.
Sales income targets are not reached	Regular tracking of management accounts vs budgets, reduce cost of sales, reduce withdrawals, reduce share interest payable
Failure to get a contractor	Early approaches and robust payment plans to ensure their confidence
Delays or interruption in the building programme	Early contract negotiation. Clear instruction to the contractors, getting the design finalised
Redeveloping something the community does not want	Enhanced awareness through field researcher
Failure to attract occupants	Awareness through field researcher and active marketing campaigns
Getting the mix between room hire and room lets right	Enhanced awareness through field researcher
Defaulting hirers/tenants	Robust due diligence and rent deposits
Purchasing needless trade/tenant's fixtures	Only purchase fixtures where there is an indisputable business case to do so. Require off site storage where appropriate

TERMS & CONDITIONS

Community shares

These shares are known as community shares because your primary return for holding shares is a social one and NOT driven by an overarching desire for a financial return. The real (social) payback to becoming a member is to ensure a thriving, sustainable community-owned business is established, benefiting all members community.

Type of Shares Issued

The value of each share issued is £1.
The shares are not transferable, except in case of death or bankruptcy. They are withdrawable shares.

Who can apply?

Applications are open to individuals over 16 years old. It is possible to nominate another person to receive shares or donate them to them.
An association, corporate body or firm may apply and must authorise a named representative.
The minimum investment for an individual living in the Telford post code area is £10.
For all other individuals and corporate Members the minimum investment is £50.
The maximum investment of withdrawable shares set by law is £100,000 but the maximum subscription in the share offer will be £27,500 less any shares previously subscribed.

Interest Payments & Social Investment Tax Relief

CCAC's rules do not provide for the payment of interest. Investors will be able to claim Social Investment Tax Relief (SITR) on any subscription in excess of £100. This will enable them to get 30% tax relief on their subscription which means that once shares are withdrawn that 30% represents the return on the investment. The shares have to be held for three years to be entitled to the relief. CCAC have obtained advanced assurance from HMRC

that the shares will qualify for relief and do not anticipate that circumstances will change to alter that but an investor should obtain their own legal advice and CCAC can not be held responsible for the accuracy or completeness of the information in this paragraph and accordingly neither the Society or the Board shall not be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in this paragraph or in any future communication in relation to SITR.

Your attention is also drawn to the withdrawal of shares below.

Withdrawal of shares

Applications are made in line with our Withdrawal Policy. In exceptional circumstances, the Board of Directors may, at its discretion, waive the notice required for a withdrawal. The Board of Directors has the discretion to suspend withdrawal of shares, if circumstances dictate. At present that discretion is being exercised until such time as the financial security of the Society is secured. We would however anticipate that in accordance with our projections CCAC will be carrying substantial cash reserves by 2026, which would permit withdrawals after this time. However, no withdrawals are shown in the forecasts that form part of this offer.

Shares on Death of a member

On the death of a member, their personal representatives can apply for withdrawal of the shares. The Directors will prioritise the withdrawal of shares relating to those Members who have died. Alternatively, Shares can be inherited in accordance with the terms of the Member's will or under the rules of intestacy, subject to Board approval of the new member who shall hold the shares.

Reduction in Share Value

If the society's auditors or independent qualified accountants

find that the society's assets are insufficient to meet its liabilities to creditors and shareholders, the Board of Directors may decide to reduce the value of the society's shares for the purposes of withdrawal of shares. This means that the value of members' shares would be reduced accordingly. At such future time that the asset value is restored by profitable trading, the shares can be restored to their original nominal value.

Shares on Dissolution

On the solvent dissolution or winding up of CCAC, holders of the shares will have no financial entitlement beyond repayment of paid-up share capital. Any remaining funds must be transferred to another asset locked organisation with similar objects.

Community Shares Booster Programme Involvement

We have 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. We are now in negotiations to secure equity investment through the Booster Programme, through which up to £25,000 of match funding is available. But without individuals investing in this share offer we will not be able to access that match funding. The match shares will be held by Co-operatives UK, a partner in the Community Shares Unit, and will be subject to the same terms and conditions as other members, except for its right to withdraw share capital, which will be restricted to a pro-rata amount.

Timeframe

Offer opens on 20/08/2022 and closes on 30th November 2022. Directors reserve the right to extend the share offer so it is open for a total of six months from launch, should the minimum not be reached by the initial offer closing date.

What happens if?

If we reach the maximum of £143,854 share capital the offer will be closed early.

If we reach the minimum target of £50,000 the Directors reserve the right to extend the share offer to be open for a total of six months from launch, to raise further share capital towards the maximum target. If during this extension, we reach the maximum target the share offer will be closed.

If at the end of the six-month maximum timeframe from launch, we have not reached the minimum share target the share offer will be closed and all monies returned.

Any grant finance that CCAC is successful in applying for during the share offer timeframe will reduce the finance required and this will be announced at an appropriate time.



HOW TO INVEST

Our share offer document can be found in the documents section of our website www.wellingtonorbit.co.uk/shareoffer with instructions on how to make payment. The document can be posted to us at The Clifton Community Arts Centre Ltd, 1 Station Road, Wellington, Telford, TF1 1BY marked for the attention of Ray Hughes, Financial Director or handed in to us at The Wellington Orbit or sent electronically to us at info@wellingtonorbit.co.uk marked for the attention of Ray Hughes.

For those investors seeking Sitr CCAC will contact HMRC to get authority to issue a Compliance Certificate and will write to the investor with the certificate upon receipt.

Data Protection and Anti-money Laundering Checks

By applying for shares in CCAC, you agree that the data provided by you will be stored on an electronic database. This data will be used for CCAC purposes only. The data will not be disclosed to any third party other than required by any statutory duty. All data will be stored in compliance with current data protection legislation. Our Privacy Policy is available on our website

Risks and Rights

Any money you invest in community shares is fully at risk. You could lose some or all of your money if the society gets into financial difficulties.

Community share offers are exempt from, or outside the scope of, statutory regulations that apply to the public offer of shares and other financial promotions. Applicants have no recourse to the Financial Services Compensation Scheme, or the Financial Ombudsman Service.

You should ask the advice of an independent financial advisor before proceeding with your application and be aware that you may be putting your capital at risk.

Further Information

Please read this entire Community Share Offer document together with our business plan, previous years' annual accounts and the society's rules which are available on our website www.wellingtonorbit.co.uk in the documents section.