



Business Plan 2016

Community Channel is launching a community share offer, giving you the chance to become one of our owners.

By becoming a Community Benefit Society and selling community shares, we aim to raise a minimum of £300,000 to secure and grow our organisation.

“It is a hidden gem! More promotion of this channel is a must!”

“Please keep sharing the wonderful positive stories!”

“Always surprises me with some programme that I don't necessarily expect to interest me, so thanks for giving that for us lucky viewers!:-)”

“It makes me want to help.”



“I love the channel, it inspires and enriches, programmes remind that we are all ultimately the same no matter race or creed...it's inspired and helped me engage with people and the community after a period of isolation and illness.”

““It makes me feel humble, and that we all take too much for granted.”

“I love the channel. I wish I'd found it sooner.”

“To be inspired, to get involved and make it happen, I want to be involved and make a difference to my community and country.”

*“Seeing others helping others is infectious.
Helping others is a way of life for me.”*

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Why Communities love Community Channel

"The broadcast has had a positive effect on the confidence and self-esteem of the young people who participated. It enabled us to go on to develop a four-year programme of media projects to strengthen the voice of people in planning services."

It made us reflect on what we came from and have achieved, raised our public profile, which helps us sell what we do and get money to support our social community and environmental aims."

"We've used the footage at a number of supporter events."

"We increased our social media presence tremendously, bringing new audiences that we so much needed, to spread a positive image to the British public on the Romani identity and culture"

"Our films are about workers and communities and an oral history documentary gives them a voice which they otherwise wouldn't have. It raises their self-esteem and shows their efforts have importance."

"I've had many emails from viewers saying how my efforts have inspired them to get fit, especially at age over 50."

"Funders see that we are reaching wider audiences."

"Successful grant funding of a four year programme."

"Raising profile, recognition and prestige"

Greater community empowerment and ownership of renewable resources"

"Community Channel features amazing stories, we love the staff there and it suits the profile of our organization."

"Hearing that our film was going to be broadcast gave everyone involved a real boost."

We think it is a great idea and have promoted it amongst our volunteers and supporters. One highlight was enabling some of our beneficiaries to be involved in the filming which was a great experience for them."

"Befriending for older lonely and isolated people"

Why People love Community Channel

"It connects me with local communities, not only my own but others around the country and the world. It makes real human lives feel like they are connected to me, no matter how far, everyone counts, alone we are nothing, together we are something"

"I believe that even talking more about issues raised by the Community Channel is very positive."

"Mainstream media seems to recycle the same voices and the same stories, whereas Community Channel seems to seek out new voices or marginalised voices. The biggest thing I've found out is that there IS a variety of topics out there which can be found if you have more of a grassroots approach to programme making."

"I like the channel and find it much more personal and less commercial, than most"

"I will now always approach a charity or community organisation to find out more about an issue, before approaching politicians or using government statistics or press releases for information, which often don't tell the full story."

"To spread the awareness about mental health and the stigma that people live with. Through media this message can be conveyed to larger audience."

"I found information about charities I didn't know existed."

"More about what is really in our food, more about the food versus health connection, more about community activities, and so much more, the list goes on... thanks to Community Channel."

"I feel less isolated."

In a world of disconnection the Community Channel provides a connection to others and to community action, in a way no other media outlet has managed."

"Watching Community Channel encouraged me to do more voluntary work. I am also inspired to help give someone a home"

"I am talking to people in my local area re issues brought up in community channel and discussing what we can do for our community."

"I think giving people the opportunity to have their stories seen via a TV channel shouldn't be underestimated. Even with social media and other platforms programmes don't get interest from the press unless you have a broadcast slot. Then they are interested - so I think it has given me the chance to raise issues that wouldn't have been given that attention otherwise."

Executive Summary

We want to be known as **the platform that motivates people to do more in their lives and for the lives of others**

Community Channel **changes countless lives right across the U.K.**, for our viewers, our charities and for hundreds of people whose talent we've nurtured.

We create demonstrable social impact. First viewers learn and become inspired and then many go out and do more for their community. And the more you watch, the more you do to support your community.

We are at a crossroads and we want Community Channel's to become the first **people-owned TV channel for social impact**.

Communications charity Media Trust founded and has run the channel for sixteen years as a wholly-owned subsidiary, now the channel needs to fly the nest and become independent. We intend do this by converting the channel into a Community Benefit Society, and launching a community shares issue.

We will be **owned by the community, for the community** - independent, creatively renewed and **committed to being not-for-profit**.

We want to grow the channel over the next five years so it becomes self-financing, growing our advertising and sponsorship income and securing further grants alongside our community shares investment.

Investment in our Community Benefit Society will help us grow the channel. We want to make it a people-owned platform, by the people, for the people.

We want you – the people who love the channel and have faith that it is a force for good, to be great stewards for it. You can be our biggest advocates and help grow the channel on the ground through your passion and word of mouth. This plan is **exciting, bold and democratizing our media**.

Each year the media industry provides £3m-£4m in pro bono airtime, content and marketing support to ensure the channel keeps broadcasting. Our partners have pledged to maintain this support and in many cases increase it.

The channel now generates half of its annual budget through commercial and partner income and another £150k through grant-funded projects.

However we face a shortfall of £300k without which the channel will close.

We asked our partners what to do. The unanimous advice from charities and media companies is to keep growing the TV channel and ramp up our viewer engagement through digital and social media.

So we want to transform the channel.

We want to give voice to thousands of charities and communities and engage millions of UK viewers to take part in and do more for their communities.

We will continue to grow the TV audience and alongside this launch digital and social media offers that connect more closely to our loyal supporters and viewers, creating meaningful engagement and impact.

We plan to think wider than a TV channel, creating something that can be embodied on any platform in any media form. Through this repositioning we will create something with a unique remit, strong distribution channels across TV, online and mobile, mass reach, a team of long-time supporters from across the media industry, and a sustainable, income-generating model.

The opportunity is there to launch a reinvigorated Community Channel that can grow significantly over the next five years.

We will be trailblazers - the first people-owned TV brand for social impact

Sylvia's Story

The last two years have been difficult. Home bound and unemployed, Sylvia found comfort in watching Community Channel. Inspired by its programming, Sylvia says the channel has "turned the light on".

"I'm more inclined to listen to someone else's point of view, and I am being engaged by charities I may never have heard of before."

Watching Community Channel motivated Sylvia to volunteer with Greater Manchester Fire and Rescue Service. She has since completed 435 hours of service and gained employment as a Community Safety Advisor, helping vulnerable people improve fire safety in their homes.

"It's done so much for my confidence and well-being"

Sylvia now makes short films about disability, volunteers in the Girl Guides and is planning a long -distance cycle ride to raise funds for Cystic Fibrosis research.



Who We Are

Celebrating its fifteenth year of passionate and committed broadcasting, Community Channel is the U.K.'s only TV channel dedicated to highlighting stories from our communities, charities and the simply brilliant people making society better for us all.

The channel is warm, embracing, sometimes funny, often surprising and offers a window into recognizable lives across the UK.

It is available 24-hours across all the major TV platforms in 26 million UK homes, is streamed and available on-demand. TV accounts for 95% of our viewing and over 10 million unique viewers tuned in last year (BARB 3min+).

The channel is loved and valued both by its 10 million viewers and the many diverse communities, charities and filmmakers it supports. Communities and charities say we are driving awareness and support for their work, as well as giving them a voice.

Our viewers tell us they are being inspired to create real social impact. A million people a year now do more for others thanks to the channel. The media industry is hugely supportive, providing millions in pro bono support each year.

Why We're Needed

We know media can be a powerful force for change and the common good.

We believe that community action is initiated by passionate people with great ideas. People want stories that tell our lives and how we each of us can help create the good society. It's the personal, specific moments that inspire and resonate, sparking fresh ideas that have lasting relevance.

For Communities

There are over 160,000 charities in the UK and 500,000 community groups.

96% of charities have a turnover of under £1.5 million, the vast majority being small and medium-sized. As such most charities struggle to communicate effectively about their work, to the public who could be donor or volunteers, to the people they support and to potential funders.

This is because nearly half have no marketing or communications staff and little or no marketing budget. In the fragmenting and evolving media landscape it's also getting harder to keep up.

Over a third of British people are unaware of charities in their area and only 1 in 8 people can name two or more local charities.

With all the great work happening right across the UK, there's never been greater need for charities and communities to share their stories and get the message across that they spend their money well and create vital social impact.

For the Public

We know there is demand amongst the public for Community Channel and its programming - our viewers tell us this in our surveys and research work (see Community Channel's Impact section below).

The BBC ran audience analysis and identified an issue-led audience of 8 million people who are interested in the topics we cover, in addition to a bigger general audience who are content-led.

The Cabinet Office's regular *Community Life* survey in 2015 showed that volunteering levels were down (69% of people had volunteered at least once in

the last 12 months, compared to 2013-14 (74%)), a sense of neighbourhood belonging is lower than it used to be at around 30%, and monthly civic participation remains stuck at around 5%. There is room for improvement.

The Centre for Social Action's *Harnessing the Potential* paper identified the potential to harness the skill and passion of citizens, communities and businesses to help tackle long-standing challenges this country faces. This reinforces our findings from one of our competitions in which a third of its 10,000 voters said they were inspired to do more locally as a result of seeing positive stories about social impact.

Wayout TV

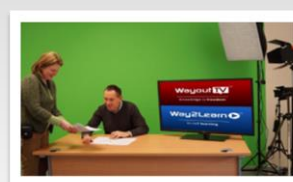
Wayout TV is available to offenders in a handful of prisons. It encourages offenders to upskill to improve their life chances.

Manager Jez Wright is a fan of Community Channel, its ethos and integrity, so he approached us for some programmes.

They have been a staple on Wayout TV ever since. At HMP Wayland, education uptake rates improved from 61% to over 90%, which Jez attributes largely to Community Channel content.

"Your content encouraged offenders to look again at the courses on offer to them with in-cell study or full time education classes, regardless of level, ability or disability."

Other prisons have requested the service, so Jez he hopes that Wayout TV will soon be helping more offenders turn their lives around.



Why We Are Unique

Each year over 800 charities and underserved communities secure much-needed profile and coverage at no cost to them – many securing the oxygen of public awareness they could not access elsewhere.

This in turn has driven clear social impact amongst our TV audience of 10 million annual viewers and wider audiences in the tens of millions.

"I simply love the Community Channel!"

Like public broadcasters we aim to *Inform, Educate and Entertain* – but to this we add *Change* – we are the only channel that exists to drive social impact.

We can do so thanks so the amazing support of the media industry who contribute £3m-£4m in pro bono bandwidth, content and marketing support each year, along with grant funders, commercial partners and our owners – you!

“I see the world differently now. I have made many new friends in the last year of volunteering, and seeing them makes the world a brighter place.

I have encouraged others to do more by watching Community Channel and getting involved in local projects, and they have had a positive effect on their lives and others.”

Charity Case Study: Mary's Meals

Community Channel broadcast Child 31 from Mary's Meals, a charity in Scotland who raise funds to provide school meals for the urgently hungry in Africa. Soon after its first airing they received an email from a young woman keen to help:

“The joy at finding a charity that does such amazing work has truly moved me. I am a single mum (unwaged) but would like to do anything I can to volunteer for your organisation. Mostly I would like to thank you for giving me the faith that just one person can make such a huge difference in this world, and for inspiring me to make changes in my life to support others - a lifelong dream”

Mary's Meals describes itself as relying on lots of little acts of love, performed by those inspired to make a difference.

“There has been definite impact from the exposure on the Community Channel . Community Channel is inspiring people to become involved and help — long may that continue!”
Jane Hamilton, Mary's Meals



The Difference We Make

There is no other channel that exists solely to showcase the social good and for mobilise the public to take up in social action. Simply **no other channel changes lives like Community Channel.**

“Keep up the good work. TV is an excellent medium for allowing people to make a difference.”

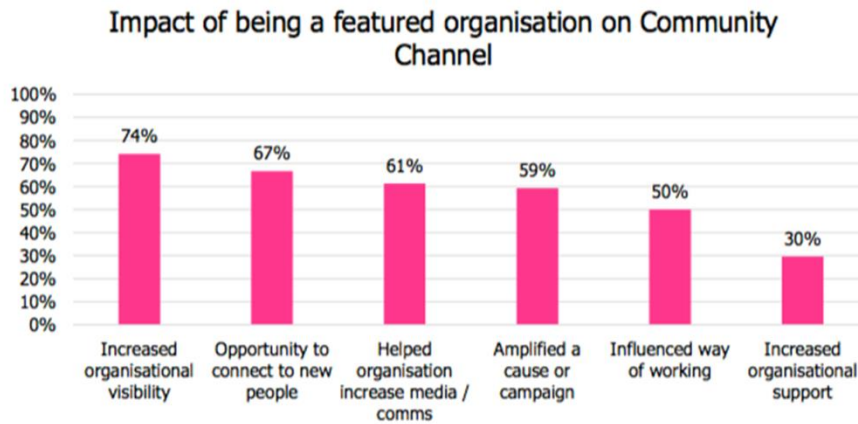
Community Channel has a positive impact across all its viewers (based on 800 people surveyed). Almost all viewers learn more (89%), most talk to others about what they watch (80%), and more than two-thirds change their views (70%). Nearly half of all viewers are more inspired to do more for their community (48%) and over one in four viewers (22%) got involved directly with a topic they saw on Community Channel.

Half of this last group tell us that they are now volunteering – **that's a million people now doing more for others thanks to the Community Channel.**

This is at a cost of well under 10p per viewer for the entire year. We keep costs so low as we are gifted airspace and discounts to fees from platform operators like Sky, Virgin and Arqiva.

It's thanks to their generosity and support for our social mission that we are on air, and benefit from other support from partners including free content,

advertising spaces and expertise that industry leaders volunteer their time to give. We know we have a loyal viewership of around a million viewers and our viewers are community-minded, mainstream and engaged – millions of people in living in terraces, suburbs and towns.



Charities report the benefits of being showcased on Community Channel – 74% report increased organisational visibility, 67% say it provide an opportunity to connect to new people, 61% say it helps drive their communications, 59% say it amplifies their campaigns, 50% say it influences their way of working and 30% report increased organisational support – that is increased volunteering and donations. In the last three years we have helped increase this support for hundreds of charities.

“Great people, great channel aims, always happy to work together.”

Business Opportunity

There is demand to keep growing the channel running from viewers, charities and the media. TV viewing remains resilient (see Market Context section below) and digital platforms offer great opportunities to increase our reach, develop new sources of income and create greater impact.

The channel is growing

Over the last five years Community Channel has grown its annual audience from four million to over 10 million unique viewers, plus tens of thousands more online and on-demand. The channel’s viewers are everyday people who make up the backbone of the UK - community-minded, mainstream, evenly split across men and women and spread across the UK. In the last five years we have trained, filmed, showcased and resourced nearly 4,000 charities, and the channel has tripled its advertising, sponsorship and partnership income to over £300,000 annually.

We have valuable channel slots in a vibrant market

There is high demand for channel slots on Freeview, a platform with no new capacity and one we have been on since launch. Likewise our slots on Sky and Virgin are valuable and sit amongst some great factual channels in a very

competitive field. We secured these slots years ago when the multichannel TV market was still relatively nascent and would not be able to secure them now. It's our prominence on these platforms that gives us access to our audiences.

The channel unlocks media pro bono support

No other channel brings together the media industry's expertise and support like Community Channel. If the channel closes it will be lost for good. The media industry is committing £20m in pro bono support for the next five years.

Plans for Growth

We have developed a financial and strategic plan that builds our sustainable income from advertising, partnerships, grant funding and through community shares. These plans to grow our audience, income and impact have been developed in consultation with the broadcast and digital media industries.

Our priorities are to:

- **Grow TV:** Ensure this unique TV channel continues to grow its audience and impact, increases its income and engages people across the UK.
- **Grow Digital:** Investing in online and mobile - including launching new responsive websites, a new video offer, new distribution partnerships with leading catch-up services and potentially launching a social good newswire - further increasing audience engagement and social action
- **Grow Income:** Developing new income streams from digital advertising, new grant partners, becoming a talent incubator for diverse and underserved communities and young people along with acting as training nursery slope for the wider broadcast/digital media industry
- **Strengthen our partnerships:** Strengthening our partnerships across the media industry, charity partners, funders and sponsors
- **Redesign the brand:** During the first year we will rebuild the brand from the ground up, refreshing it for the multi-platform and multi-device world



Do Something Brilliant

Community Shares – How it Works

Why become a people-owned channel?

For fifteen years we have been owned and operated by communications charity Media Trust and have given much-needed profile and coverage to thousands of communities and charities.

Instead, the Community Channel will now be owned by the people - in communities stretching across the four nations of the UK. The channel will be closer to the people it serves, accountable to the community and dedicated to fulfilling our goal of mobilising the UK into doing more in the community for themselves and for others.

Every shareholder will have an equal vote on things like electing representatives to the board of directors, making the channel more democratic and reflective of the interests of our community of owners.

We'll also be registering the Channel as a charity, and so all our profits will be reinvested in achieving the aims of the channel and serving our members.

How will the funding be used?

This share capital will help cover our costs while we build our team, develop new digital platforms and grow our audiences, income and impact across TV, digital and social platforms. It will enable us to grow our existing income and launch new income streams that will sustain us in the long-term.

We believe this will transform us as a channel into something much bigger – with a role to play in people's lives across platforms and devices, reaching passionate people in homes across the U.K. See our *Plans for Growth* section above and the more detailed *Strategy* section below for how we're going to do this.

How much investment is being raised?

The minimum we will raise is £300,000. We will only take the money from you if and when we achieve our target or above - any less than that, and we don't believe it's worth carrying these plans forward, and the channel will close.

There is no maximum and we have a target of £500,000 to enable us to invest in the new roles and platforms we believe are critical to building a Community Channel fit for the future. The Board will accept all subscribed amounts above the minimum sum.

What happens if we overfund?

Our minimum target is the amount we need in order to keep Community Channel operating as it stands today. If we raise more, then we can start looking at employing the three additional staff and investing in digital platforms, content and marketing that will drive the channel's future growth. The more money we raise, the more work we can do, for longer.

What happens if the CBS and other elements aren't approved?

We are in the process of applying to the FCA to convert the company into a Community Benefit Society. All the advice we have received leads us to be very hopeful the FCA will approve this, but in the interests of full transparency we wanted to make this clear to you.

If the CBS registration is not accepted then we will need to assess the viability of the channel in its current form as we cannot issue shares until it is. However, in this event, no funds would be drawn down and no investment would be made, so your interests would be protected.

Once we have been registered by the FCA, we will then apply to HMRC to register the CBS as a charitable Community Benefit Society. This registration may take some months (though it could be sooner) and it is not guaranteed (though like the registration of the CBS, we are confident on the basis of the advice we have taken and received). We will operate according to our charitable objects ahead of the registration, but will not benefit from charitable status. If charitable status is declined then we will operate as a non-charitable CBS, with the negative financial effect of this (e.g. business rates).

We will also be applying for Social Investment Tax Relief (SITR) on the investment but again this is not guaranteed, but we would be confident that should be registered by HMRC as a charity, this investment will be eligible. However, if this is not granted then you will not be able to claim this tax relief on their investment.

How do I buy shares?

We are using the UK's leading crowdfunding platform, Crowdfunder to sell the shares online and track progress towards our target. Please visit Crowdfunder.co.uk to buy your community shares.

The share offer will be open for four weeks. Once the offer closes, no more shares can be bought and money will be drawn down from investors' bank accounts.

Who can buy shares?

Shareholders must be people aged 16 or over or companies and organisations. You can buy shares wherever you live in the world through the crowdfunding platform we are using, as long as you have either a credit or debit card, or a UK bank account.

When can I buy shares?

The offer opens on Wednesday 1st June 2016 and closes on Thursday 30th June 2016 at 6pm. The board reserves the right to extend this offer if they believe doing so will be beneficial to the society.

How much do shares cost?

Shares have a nominal face value of £50 each and are offered with a minimum investment of £50, while the maximum is £100,000.

We are applying for Social Investment Tax Relief (SITR), which, if we're successful, will mean that for every £100 you invest, you can claim £30 of tax relief. If we are successful, the precise amount of investment that we can offer this to is capped according to a formula determined by the EU. At the start of the offer, this is around £260,000 but if it is available, tax relief will be on a first-come first-serve basis up to a total of the equivalent of 344,000 Euros on the day the shares are issued.

What do I get?

Most importantly, you get to be an owner of a channel that inspires good, and the first social investor and owner of a TV channel in the UK ever. Your ownership guarantees that we'll always be focussed on our mission to drive social impact as you'll be the only people who can change that.

You'll have the right to elect four of the board of directors who'll oversee Community Channel alongside the other board members drawn from the media industry, charity and Media Trust.

Regardless of how much is invested, every person who becomes an owner gets one vote, for as long as Community Channel exists.

Owner Benefits

Along with investing in an organisation dedicated to social good, and the potential tax relief of SITR, we are offering these rewards to investors:

Tier	Shares	Price	Reward
THE MEMBER	1	£50	You join the owners club with exclusive newsletter, and have our huge thanks for your support and belief in the channel. All shareholders become part of this owner's club with newsletter, competitions, special events and the online Wall of Fame
THE FASHIONISTA	2	£100	You get a limited-edition T-shirt emblazoned with Community Channel and our campaign message
THE SECRET AGENT	5	£250	You will receive a secret gift goodie bag (sounds mysterious!)
THE SOCIALISER	10	£500	You will be invited to the exclusive channel relaunch party in a fabulous venue
THE PROMOTER	15	£750	You will be named and thanked in our 'thank you' promo, broadcast daily on the channel
THE VOICE	20	£1k	You will be invited to voice a series or season promotion on the channel, or programme announcements. You will also be in the first group invited to the Channel's Online Audience Panel. This panel will receive surveys to test new ideas and let us know what you want more of.
THE TV STAR	50	£2.5k	You can be filmed and feature in a 3-minute My Brilliant Moment film about your life and/or organisation. It will broadcast on the channel you will need to travel to London to be filmed for this. You will also be offered presenting opportunities on the channel's future programmes.
THE PROGRAMMER	100	£5k	You can have a 30' programme shown five times on the channel to showcase your favourite cause. Programmes must be 20-22 minutes and produced by your charity or organisation to broadcast standards, and subject to the channel's ultimate editorial decision as per Ofcom code.
THE ADVISOR	200	£10k	You will be invited to join our Advisory Group and become an advisor for the channel (subject to approval). The group meets three times a year for two hour meetings in London.

THE FOUNDER	400	£20k	<p>You will be invited in to Community Channel's to Meet the Team, and have a day behind the scenes at the channel or on a location shoot.</p> <p>You can also be the exclusive supporter/sponsor of month-long season of programmes on the channel (a season broadcasts weeknights on the channel 9pm-11pm), subject to broadcast and sponsorship rules (Ofcom, ASA).</p>
THE LEGEND	1000	£50k	<p>You can be the sole guest curator of a major season on the channel, advising on programming, scheduling and marketing aspects of the season. This is subject to the channel team retaining ultimate editorial control per the Ofcom code.</p> <p>You will also be invited to the annual Chairman's lunch with the channel team, channel directors and high-profile guests.</p>

In addition, all investors will get a monthly news update letting you know we're up to, and how you can help play your part in boosting the channel. We'll also use that to gather feedback on upcoming plans and projects.

What are community shares?

Community Channel is applying to become a Community Benefit Society, serving the charities it supports and the public who want to support media that motivates people to change society for the better. Societies are different to companies, and their shares – called Community Shares – work differently to 'traditional' investment.

They still give you the opportunity to share in the success of the organisation you've invested in, and you get a say in the way the enterprise is run but the similarity ends there.

Firstly, community shares are one member, one vote, not one share, one vote, so your voice isn't tied to how wealthy you are. Secondly, shares can't be sold on to someone else, and can only ever be transferred to someone else on your death.

Should we have the financial resources to allow it, we can allow you to get your money back in the future – called 'withdrawal' but only if it would be prudent to do so considering all the other things the channel's Board have to consider.

If we're as successful as we hope, you benefit from us being the engine for social impact you want us to be, and make it likelier that we can get your money back to you in time, and as our viewers and supporters have a key role in helping us make that happen, investors have a big incentive to stay involved and engaged, rather than only being interested in getting a profit.

We think that balance – social impact before financial benefit - is a perfect fit with our values.

Can I make any money?

This is primarily a 'social investment', giving you the opportunity to support and have ownership of something you believe in.

However, you may be able to gain a financial return on your investment in the future, if the organisation is in a sufficiently profitable position. If we make a

profit, surplus will first go towards increasing our impact. We will do everything in our power to make a real impact for the values that our community shares.

Can I get my money back?

These are withdrawable shares. That means that the board can allow people to take their money out at a small rate each year, if finances allow.

We won't consider this for at least the first three years as the focus will be reinvestment to make the channel sustainable. But after then we have the ability to enable investors to get their money back at a small rate.

This will only be at a set rate agreed by the board, which is likely to be in the region of 5% of the total issued capital each year but could be lower in the event of overfunding as more investors will dilute the pot of funds we will have to enable withdrawals.

Withdrawals can only happen if Community Channel is generating sufficient surpluses to allow this, so the single biggest factor in whether you can withdraw your money is how successful Community Channel is.

You should only ever invest what you can afford to be without and should not rely on getting your money back through withdrawals.

Can I sell my shares to someone else?

No. Shares can only be transferred to someone else upon death; outside of that time, shares can only be withdrawn in accordance with the terms set down by the board.

What's the worst that can happen?

There are no guarantees in any line of business. The worst that can happen is that you lose the money you have invested in the event of Community Channel failing to grow its audiences and income in future to be sustainable. Under those circumstances, the value of shares can fall, and can be lost in the event of the business needing to be wound up.

You won't be liable for any more money in any event, but the money you have invested will be lost. You have no right to compensation from the Financial Services Compensation Scheme or recourse to an ombudsman because Community Benefit Societies are exempt from the regulations governing public share offers.

For more detail of how we plan to use the capital we raise, how we expect to generate income, and the costs we expect to incur, please keep reading this business plan. Please note that our financial forecast is a projection only and will be reviewed and adapted as we bring in new expertise to our team, test our strategies and respond to the changes and challenges of the media environment.

How will Community Channel be governed?

Community Channel will be converted into a Community Benefit Society with a new Board of Directors. As the Society will be applying to be registered as

a Charity, we will be creating a wholly-owned trading subsidiary for the activities we do which - however beneficial - aren't charitable.

We are accountable to our members, democratically, with members having appropriate oversight of our activity. In addition, as a broadcaster licenced and regulated by Ofcom, we are legally-bound to ensure our editorial independence from external influences.

In normal circumstances, every shareholder has one vote, but any resolution to amend the Society's objects or any other matter that impacts directly on its obligations under broadcast regulations must be proposed by the Board.

The Board will be made up of three directors elected by and from the new shareholders, up to two directors nominated by Media Trust, up to four directors from the media industries to provide practical support, up to one director from a UK charity and up to three directors (who must be shareholders), appointed by co-option. Co-opted directors are to be selected by the Board for their particular skills and/or experience.

We will also establish a new Company Limited by Share subsidiary for trading activity that falls outside of the Society's charitable remit – namely things like TV and digital advertising and sponsorship.

We also intend to set up an agreement between Community Channel and Media Trust to set out how the two organisations can continue to collaborate, from project-based work to working with the media industry.

We believe this model of governance flows directly from the values that drive Community Channel and will ensure these values are at the heart of the channel now and throughout its future.

How much involvement do shareholders have?

As a shareholder you will help steward and steer the future of the channel.

This will primarily be through

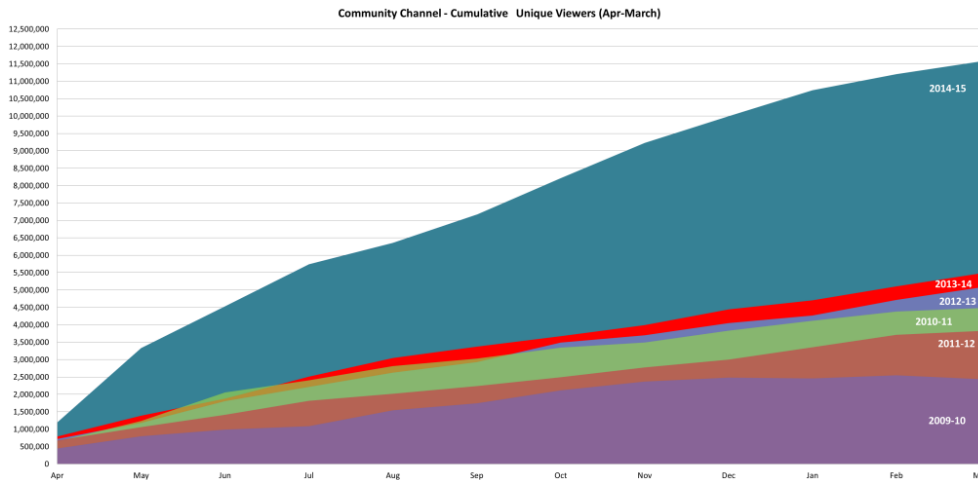
- Automatically joining our shareholders club, receiving regular e-newsletters on the channel's activity and progress
- Electing representatives to the Board, which we plan to do through a nominations/selection process organised over email with online voting.
- We will open an online audience panel for shareholders and viewers
- Receiving and commenting on annual reports updating on progress
- Otherwise supporting the channel by watching, becoming vital members of our online and social media channels and telling your family and friends about the channel

We do not expect shareholders to get involved in decisions on a weekly basis at working level - that could be too much of a commitment for many shareholders.

Community Channel's History

Community Channel launched in 2000 and has been owned and run by leading communication charity the Media Trust. Since launch, Community Channel has grown from a two-hour channel on Sky to being available 24-hours a day on the main UK TV platforms, including Freeview, Sky, Virgin and freesat.

We offer around 90% of our programmes on-demand through the channel website, YouTube and VOD partners such as BT TV.



Over the past five years we have grown the channel audience from four million to well over 10 million unique viewers each year, we launched on five new platforms including freesat, BBC iPlayer and TV Player, improved our programming and have trained, filmed, showcased and resourced nearly four thousand charities. We've done all this with a staff team of less than a dozen people and lots of amazing volunteers.

Thanks to the vision and support of our media partners and grant funders including Big Lottery Fund, Esmée Fairbairn Foundation, Arts Council England, City Bridge Trust and Camelot, we have been able to significantly grow our reach, viewership, engagement and social impact. Grant funders will continue to play a crucial role in the channel's future, alongside you, our new owners.

Recently we have delivered our three-year *Do Something Brilliant* campaign for Big Lottery Fund, exceeding some of our targets by up to five times.

London360 is now in its tenth season and has changed the lives of hundreds of young Londoners.

Our *Real Food Revolution* season brought together over thirty food charities, increasing their skills through workshops, showcasing their work through new TV series and changing public opinion about food habits through broadcast, digital and press activity.

Our *Brilliant Arts* project offers much-needed support to amazing participatory arts groups along with the production of the six-part *Wonderland* series.

Community Channel's Impact

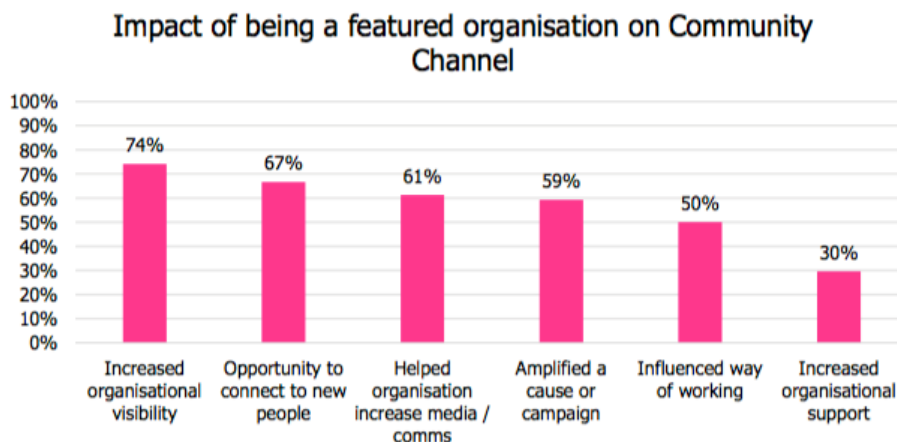
Community Channel has supported thousands of charities and communities, providing a showcase to a national audience that raises their visibility and increases tangible support for their good works.

It drives demonstrable social impact. First viewers learn, then some share, then some change attitudes, then some become inspired, then some do more, either generally or specifically based on what they've seen. And the more you watch, the more you do to support your community.

Each year around 850 communities and charities secure much-needed profile and coverage at no cost to them – many securing the oxygen of public awareness they could not access elsewhere. This in turn has driven clear social impact amongst our viewership and wider audiences in the tens of millions.

Impact for Charities

Community Channel delivers impact for the hundreds of organisations it profiles each year – increasing their visibility, accessing new audiences and increasing support (fundraising and volunteers), as shown by the graph below:



Charities report the benefits of being showcased on Community Channel – 74% report increased organisational visibility, 67% say it provide an opportunity to connect to new people, 61% say it helps drive their communications, 59% say it amplifies their campaigns, 50% say it influences their way of working and 30% report increased organisational support – that is increased volunteering and donations. In the last three years we have helped increase this support for hundreds of charities.

“I think the Community Channel is a wonderful platform to work in partnership with charities and individuals to help breathe life into issues or campaigns helping to raise their profiles. It gives both the opportunity to drive the agenda rather than the all too often negative spin that is portrayed by the media. We would love to repeat the experience in the future.”

Community Stories: Forget Me Not

Community Channel broadcast *Forget Me Not*, a documentary about Jamie Graham's battle with Alzheimer's set against his 25-mile row down the Thames to raise funds for research.

"The responses we've had have been incredible: people have written to the family, have donated and have expressed their astonishment about the facts about Alzheimer's. For some it's helped them if they have Alzheimer's in the family - for others it's educated them."

The Evening Standard covered it and narrator Dan Stevens, Alzheimer's Research and the PM / No. 10 tweeted about it.

"Without Community Channel it would not have had a platform in the UK. This would have been sad for Jamie in his battle to make himself heard and to get people to take notice of the Alzheimer's crisis."

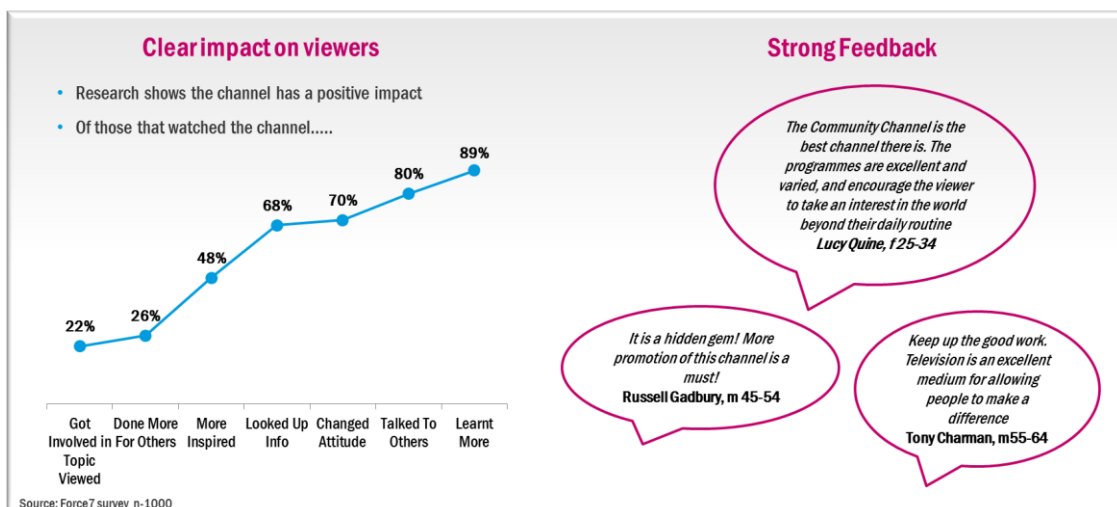
Jo Rogers, Producer/Director - *Forget Me Not*



Impact for Viewers

We have an annual audience of over ten millions unique viewers, nearly one in five of all TV viewers in the UK. We have a loyal viewership of a million viewers who watch several times each week. Our viewers are community-minded, mainstream and engaged – millions of everyday people living in terraces, suburbs and towns right across the UK. Our viewers are representatively spread across the UK's nations and are evenly split between men and women.

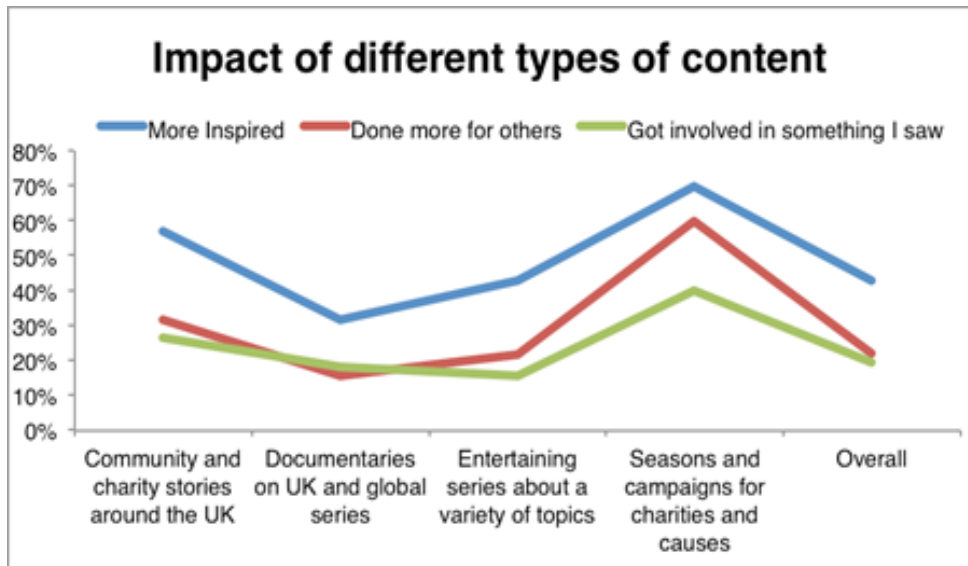
We get this data from BARB audience measurement and consumer surveys which are integrated with BARB. We have online analytics for our websites and social media. On some projects we are able to appoint external evaluators who research our impact for the charities we support and on our audiences. For example, all the charity and viewer statistics and quotations in this plan have been taken from our work with an evaluation agency over the last three years.



The graph shows that across all types of viewers, Community Channel has a positive impact. Almost all viewers learn more (89%), most talk to others about what they watch (80%), and more than two-thirds look up more information

(68%) and change their views (70%). Nearly half of all viewers are more inspired to do more for others, their community and the environment (48%) and over one in four viewers turns this into new behaviour (26%). Over one in five viewers get involved in something they've specifically seen on Community Channel (22%).

Viewers love our unique programming – 64% saying the thing they like most are the programmes they won't find anywhere else.



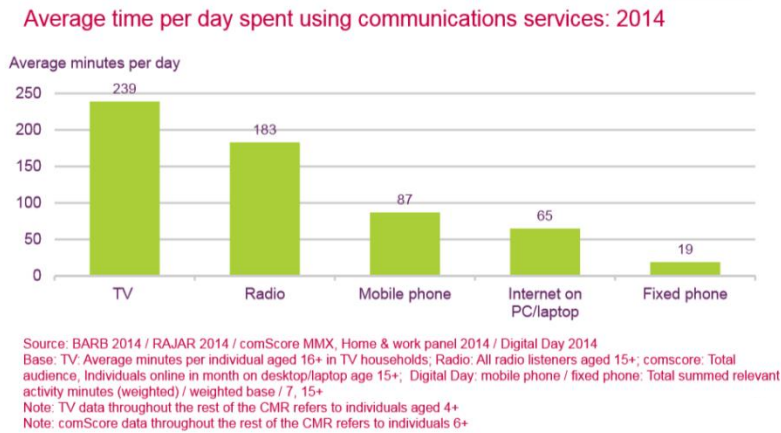
This shows the different impact of the channel on viewers who they watch particular kinds of content the most. It shows that seasons and campaigns for charities and causes are associated with the highest levels of inspiration and action in doing more for others, followed by community stories from the UK. This is as expected given that the content in these shows is local and actionable.



Last Fan Standing

Market Context

Broadcast television remains the mothership of Community Channel and indeed most TV channel groups. Live TV still accounts for the vast majority of overall TV viewing and TV still far exceeds time spent on online and mobile viewing.



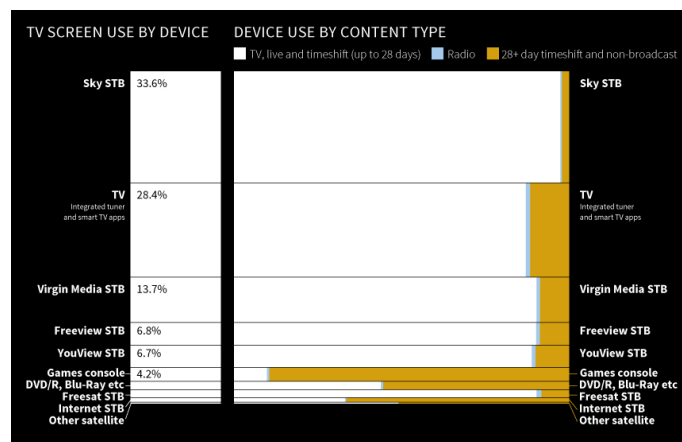
TV advertising is growing, remaining resilient compared to print media, and digital media consumption is growing across screens. Subscription On-Demand services such as Netflix, Amazon and Now TV are growing strongly and in a quarter of all UK homes, and BARB report that services such as Netflix, Amazon and Now TV appear to be complementing rather than replacing traditional TV.

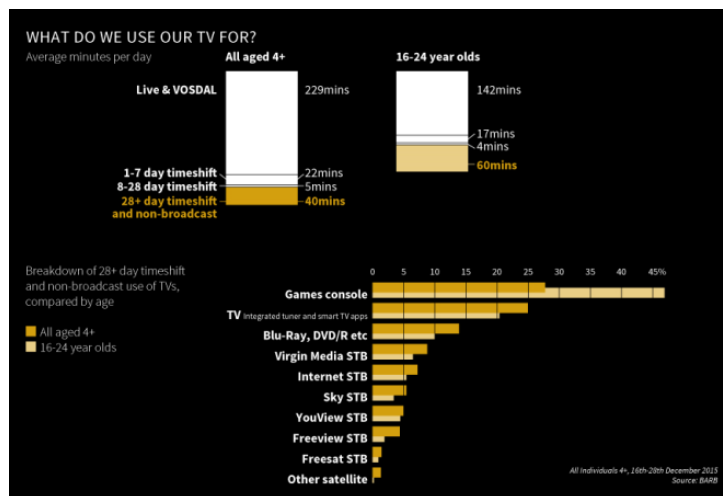
TV isn't dying and reports of its impending death for the last ten years have not been realised. TV remains vibrant and alongside this digital platforms and new social media platforms offer opportunity to build engagement and impact.

BARB research

Use of TV screens

BARB's recent annual *Viewing Report 2016* looks at what people use TVs for when not watching conventional telly and found that live (linear) and time-shifted TV continues to dominate use of the TV screen (watching live or catch-up for just under seven out of every eight hours when using their TV sets) but there are a myriad of other uses. That's 86% of TV screen time being devoted to watching TV programmes within four weeks of their appearance in a broadcast schedule.





This leaves an average of just over 40 minutes a day (14%) when the TV screen is being used for other activities. The bar chart shows games and Blu-Ray/DVD dominating, with a combined 42% and miscellaneous viewing related to mainstream platform operators - archived PVR programming, box-set viewing and pay-per-view movies. Some of this will be accessing TV apps - Netflix and Amazon Video.

Catch-Up Services

BARB also reported on catch-up services such as All 4, BBC iPlayer, ITV Hub, Sky Go and UKTV Play. Tablets and personal computers – rather than mobile – dominate viewing. Some analysts have been predicting that growth in TV player viewing was going to be driven by people watching on their phones during rush hour but there's little evidence here to suggest that's actually happening.

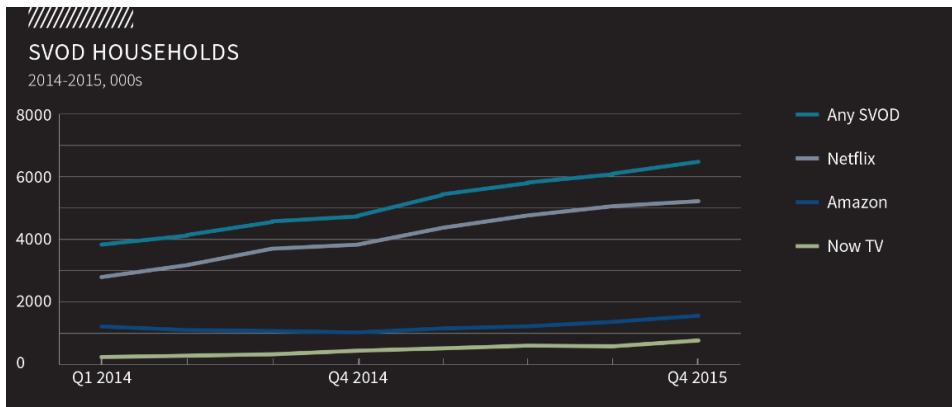
Only 12% of viewing actually takes place on a smartphone, while less than 10% of viewing takes place between 6 and 10 in the morning. While there's more viewing during the afternoon rush hour, the steady growth in viewing levels throughout the day is more in keeping with traditional TV viewing patterns.

Towards the end of 2015, viewing via TV player apps hit a high point of **855 million minutes** during one week. Putting this in context, people spent a grand total of **95.2 billion minutes** watching TV programmes on a television set during that same week. www.barb.co.uk/trendspotting/analysis/annual-viewing-report/

Subscription Video-On-Demand

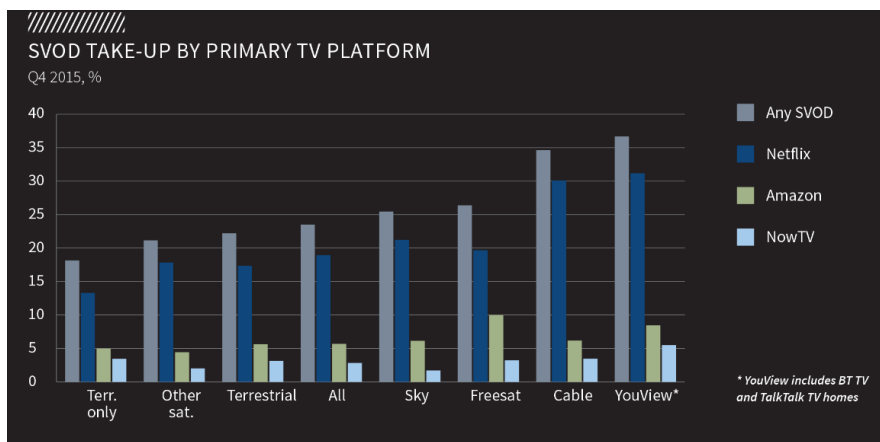
24% of UK households claim to subscribe to one of the three main SVOD suppliers - Netflix, Amazon Video or Sky's Now TV in Q4 2015, compared to 14% in Q1 2014. Amazon Video and Now TV are seeing growth though Netflix continues to dominate.

Findings from the *Establishment Survey* show that SVOD appears to be complementing rather than replacing traditional linear TV.



SVOD appeals to households who already consume a great deal of TV. 55% of SVOD households are large (three or more occupants) compared with 35% of the overall household population. SVOD homes also skew younger and more up-market than the average: 40% of the occupants of SVOD homes are aged 24 or under, compared to 30% in the population as a whole; 64% of SVOD homes have an ABC1 social grade, compared to the national average of 51%.

Netflix and Amazon Video homes are significantly more likely to be cable or Sky subscription homes than average; this is not true for Now TV, which is marketed at terrestrial viewers. Penetration in cable and YouView homes is particularly high because of the deals Virgin Media, BT and TalkTalk have made with Netflix. One factor is the lower broadband take-up rate in terrestrial households. Broadband take-up in YouView, Sky and cable households is over 90%, while in terrestrial-only homes it is only 71%. Homes need broadband to use SVOD.



It is less a competitor to Sky Movies than a companion - SVOD penetration goes up from 35% in cable homes to 43% within cable homes that already have a Sky Movies subscription. SVOD homes are not swapping out their traditional TV for SVOD - they are using SVOD services to get even more of what they already have.

SVOD services are significantly more popular in larger households with children. However, this does not support the commonly expressed view that a generation of young people has more or less abandoned traditional TV in favour of binge viewing on Netflix. And for all the hype that children are glued to Netflix, the

reality is that only three in ten children live in a household that subscribes to this service. www.barb.co.uk/tv-landscape-reports/netflix-taking-over

OFCOM report

Communications Market 2015 (August)

This twelfth annual report analyses the trends in media consumption, device ownership and the economics of the media industries, its key points were:

Television and audio-visual

- The UK TV industry generated £13.2bn in revenue in 2014, an increase of 3.1% year on year.
- Over 90% (92%) watch TV each week, down slightly from 93% in 2013.
- Among adults, the TV is the device people say they would miss the most, cited by close to four in ten (37%).
- Over half (56%) of UK homes had a TV connected to the internet, either via a set-top box or a smart TV, by the end of 2014.

Telecoms and networks

- Almost four in five households now have fixed broadband and around one in three of those are superfast lines delivering broadband speeds of 30Mbit/s or above.
- By May 2015, 83% of UK premises were able to receive superfast broadband.
- There are 23.6m 4G subscriptions in the UK, 28% of mobile subscriptions, compared to just 3% (2.7m) at the end of 2013.

Internet and web-based content

- Over half of UK households (54%) now have a tablet,
- Internet users aged 16 and above spent over 20 hours and 30 minutes online each week in 2014.
- Almost eight in ten households now have fixed broadband access at home - an increase of 5 percentage points since 2014.
- More than seven in ten online adults have a social networking profile.

For the full report, data and charts visit Ofcom's website at www.ofcom.org.uk

Eurodata

Eurodata recently reported on TV and online viewing trends across 19 countries, which shows live viewing still accounting for 93% of all TV viewing, with on-demand at 7%. Online video is a daily activity for over half of adults.

The key points in their April 2016 report were:

- TV viewing is holding steady on 2015 at three hours and 14 minutes daily viewing (average across 19 countries), representing 93% of viewing
- On-demand and viewing on other devices adds 7% – 16min daily
- 62% of adults watch online video each day

Channel Vision

Our ethos is to **inspire and mobilize**, and **turn content into action**.

Our **key success measure** is not reach, income or audience but **social impact**.

We will reinvigorate the channel through a mix of eye-catching and entertaining programmes that inspire viewers to do more where they are. We want to turn our passions into social good, empowering people to realise that we can all do more for others.

We know that the networked world is coming closer together. Content and digital communications are more and more about collaboration and co-creation. Social media provides instant feedback to shows, headlines and the topics of the day. YouTubers develop content with their communities. We own projects collectively and have a stake in each other's success.

As such we will devote time to redeveloping our editorial point of view from the ground up, and through this our brand character and tone that will drive everything from the series we broadcast to social content and communications.

Our content will inspire through emotional connection rather than preaching. This content will be celebratory, optimistic, light-hearted and vibrant, and where we produce it the content will be created by a team working across all platforms.

The TV channel is the current mothership for the proposition and we will be getting serious about digital, syndication, referral paths and new revenue streams. We need to focus on talent, brand and charity partnerships, with its marketing plan focusing on owned and earned media over paid media.

Our audience may be united by behavior and attitude rather than demographic. Our TV output will appeal to both men and women, with a bias towards women as they are more likely to take up local social action. Across digital and social platform our approach will be different. Rather than target an audience demographic we will grow an attitudinal community of people who care about social impact.

Broadcast Content

The channel's content strategy is based on:

- Programming that's eye-catching, unexpected, funny and daring
- A window into unseen lives, representing the amazing diversity of the U.K.'s communities and people.
- A move towards fewer, bigger series and strands
- Focus on areas we know our viewers love, such as health, wellbeing, food, relationships, hobbies and true-life stories

Programming is based around real-life stories with main genres including:

- Factual entertainment series covering health /wellbeing, food, relationships, nature, hobbies/passions and heritage.

- Documentaries from new UK filmmakers and feature-length global docs
- Magazine series profiling communities and charities

Community Channel broadcasts around 30 hours of new programmes each month, some produced in-house, some co-produced with filmmakers or with rights granted to us charities and filmmakers, with the rest from media partners and distributors.

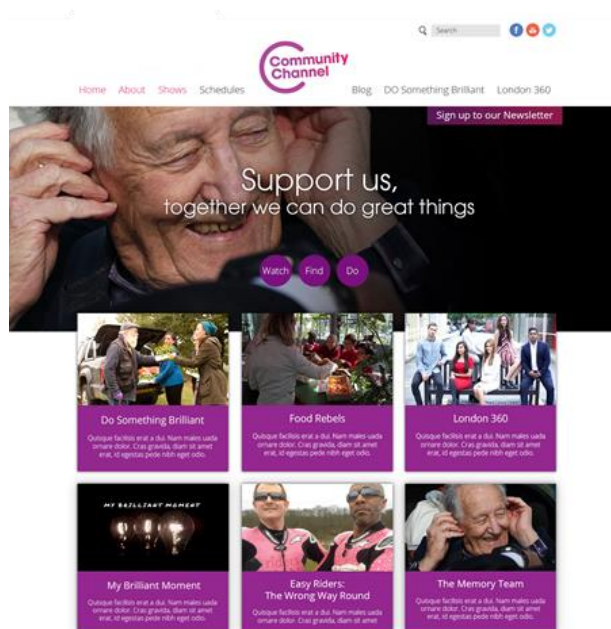
Over the next 12-18 months we will:

- Secure one or two major long-running series each year that viewers love
- Simplify the schedules with fewer, longer series and strands.
- Develop our in-house series and co-produce 3-4 series annually
- Ramp up the series we secure from our media partners
- Relaunch blocks and doc strands that bring together single topics or films

Digital Media

We are developing a new website thanks to the support of a branding and design agency. Our new site will be device-responsive and mobile-first. It will have a clearer proposition built around content areas of *Shows*, *Schedules*, *Latest* and *Do*. Social media plugins will be more prominent and drive engagement.

- *Shows*: Profiling our top series with catch-up VOD and programme info
- *Schedules*: Channel listings (the most popular section of the current site)
- *Latest*: Channel news including highlights, campaigns and partnerships
- *Do*: Brilliant thing for people to do



New website design (mock-up of top section)

The underlying ethos of the site is around *Watch, Find, Do* – watch some great programmes, find out more, then do something where you are!

Social Media

Social Media partnerships with Facebook, Instagram, Twitter and YouTube will grow visibility, audience reach and brand engagement, driving traffic back into our digital and broadcast channels.

We will actively target and engage with a younger audience through social media channels, from our female-skewing fanbase on Facebook to millennials on nascent platforms.

Improving performance

- Communications planning (including brand news and content marketing strategy) and alignment with audience platform usage
- Relevancy and shareability of website content and social posts
- Optimisation of website content for social sharing
- Revision of objectives associated with social media activity, including a review of platform relevancy against marketing objectives, and platform penetration within the target audience

Content

Alongside TV programme times we will deliver the following key areas of communications:

- Campaign awareness
- Fundraising updates
- Brand news

These will be through

- Real Life Stories. These drive the greatest engagement for us, similar TV channels and charities, so we will focus on these.
- Images and videos
- Hashtags and user mentions that drive exposure on Instagram
- Stills from TV programmes

Platforms

We need to go where our target audiences are – namely Facebook and YouTube in the first instance, followed by Twitter a secondary priority and then the rapidly-growing Instagram. So we will develop platforms in the following priority order:

- Facebook
- YouTube
- Twitter
- Instagram

Growing audience

- Some paid social advertising to generate clicks to profile pages and/ or the website.
- Remarketing to website visitors via social media networks
- Perform keyword research for Google and YouTube
- Optimise video tags and descriptions for keyword search
- All social assets, profiles and the website will be cross-linked.

Increasing engagement

- All social media posts will have a quality, attractive image.
- Strong, clear calls to action to engage with the brand in each post
- A link for the audience to click – the channel site or to video
- Optimised web pages for sharing and that direct users to perform an action

We will use these channels to track engagement metrics and demographics to better understand the topics people are passionate about, and the content they love and share.

Social media will be a lead driver of audience engagement outside the UK as we gear up for the launch of our global video platform and seek strong VOD growth in Year 2 onwards.

Social Impact

We have developed a robust and respected framework for evaluating the impact our work, on many of our projects implemented by research agencies we contract to independently collect data and assess our delivery.

Our Theory of Change is built upon agreed definitions of social action and we have statistically-robust data demonstrating how we drive social change.

We have demonstrated this wide-ranging and in-depth impact through a structured framework of research tools and tactics including numerous data sources and analytics, surveys, interviews and case studies.

These surveys and interviews with public viewers and contributing organisations include our first ever large-scale survey with 800 Community Channel viewers.

We will continue to develop our evaluation systems for the channel, evolving our Theory of Change model so that we learn more about our charities and viewers, and can deliver a channel that creates the greatest impact it can.



Wonderland

Nurturing Talent

Community Channel has nurtured new talent throughout its lifetime. It's in our DNA to find the best and freshest new talent and give them a chance to shine.

This ranges from hundreds of first-time filmmakers we have showcased, who have created films about their local areas or topics close to their heart, to hundreds of young people we have trained and mentored both behind the camera and in front.

Dozens of the people who cut their teeth on the channel have gone into careers in the media across TV, print, radio and digital, from presenting to producing.

We are committed to supporting fresh talent and young people from diverse and underrepresented communities. The U.K.s media industry does not reflect the people who make up U.K's society, on screen, in production and in programme development.

We will train the next generation of media talent, a nursery slope of on-the-job training and real world experience. Our experience with London360 is that 'training by doing' accelerates our reporters' experience and expertise, creates valuable broadcast credits across TV and radio, and helps over 80% of them secure jobs in the media.



London360 Series 10

Dozens of volunteers have worked on Community Channel's channel and programme teams in the last few years, many going on to become staff members and then on to build careers in the media. Hundreds of new filmmakers have secured their first broadcast slots, with care and guidance on broadcast delivery, through Community Channel.

Marketing and Communications

Community Shares campaign

Our Community shares campaign will address three target audiences, our loyal viewers, our friends in the media industry (many of whom got their first opportunities through the channel) and the charities we have supported.

We will be promoting the campaign through:

- Crowdfunder
- Community Channel on TV, online and newsletters
- Social media audiences across Facebook, Twitter, G+ and LinkedIn
- Pro bono media from our partners such as TV promo spaces, online video, print media and social media
- PR coverage including charity and media trade outlets and consumer press, plus potentially spokespeople on radio and TV
- Activity across our corporate partners, funders and charity partners

We approached a sample set of channel supporters to test demand for shares issue:

- **Viewers:** Between five and six million of our viewers are 'supporters' of the channel scoring it 8 or more out of 10. From these 1 million to 2.5 million viewers are open to donating to the channel, and between half a million and 1.5 million would be open to giving through a one-off donation (50%) or through a supporters' programme (44%)
- **Charities:** Community Channel has supported over four thousand charities in the last five years through training, newswire, production and cross-promotion. Many are keen to support the channel's future.
- **Media Industry and Filmmakers:** Community Channel has supported hundreds of filmmakers, nurturing many and providing a unique broadcast outlet. Many of them are passionate about the channel. We also work media professionals across the industry and many want to give something back.

Marketing and Communications Activity

Community Channel's audience is unique – with viewers representing every-day, mainstream people across the UK, in city terraces, suburbs and towns, the people engaged in their community. This is a unique way of talking about a channel in the media landscape – nobody else occupies this space.

Target audience

Our current key audience demographic segments are:

- Adults 35-54, 54-65, even gender split
- Broadly in line with TV averages

- Representative viewing across the UK nations
- Viewers are mainstream and mid-market - over-indexing with city terraces, small towns and suburbs
- Online our website and YouTube skew slightly younger and more male, our Facebook page is heavily female-skewing.

We will grow the TV audience and develop an attitudinal approach to audience targeting across online and social media platforms.

Branding

We will reposition Community Channel as the home of content for good in the UK and undertake a brand audit and review to identify what our viewers want from the channel along with potentially a new brand identity that will be launched in late 2016 or spring 2017.

Marketing channels

Ongoing marketing activity will be through a mix of:

- Owned media: Community Channel on TV, its website, newsletters, competitions and social media
- Earned and partner media: PR coverage and media / charity partner digital marketing
- In Kind Support: Media partner support for campaigns on TV, print and digital
- Paid media: One or two small, paid and targeted digital campaigns

PR will also use awareness days/months, charity campaigns, anniversaries and national events as news hooks to secure coverage, and feed into social media activity around 'buzz' opportunities.

The PR team will promote monthly channel highlights and create releases to announce new partnerships, platform launches and events, when relevant and beneficial.

Strategy

Grow TV

We tripled audiences over the last five years and we believe TV is still an effective means to engage a mass audience at relatively low cost – last year our 10 million viewers watched for 20 minutes on average each session, at a cost of less than 10p per viewer for the entire year.

We can grow this audience further but more importantly get viewers to watch for longer and more frequently. This will drive up our engagement, revenue and impact.

To diversify commercial income beyond ad revenue we are increasingly focussing on funded seasons and strands with partners, sponsors, such as Esmee Fairbairn's grant of £75k for a community food season.

We have pledges of support for content, marketing and cross-promotional support from the media industry, across public broadcasters, channel groups and leading digital publishers such as YouTube and Facebook.

The free-to-air TV channel will become a driver into our digital platforms as grow our global online and mobile audiences.

Grow Digital

Community Shares investment will enable us to grow our digital platforms, increasing reach engagement and impact:

Website

We are developing a new website thanks to the support of a design agency. Our new site will be device-responsive and mobile-first. It will have a clearer proposition built around content areas of *Shows*, *Schedules*, *Latest* and *Do*. Social media content will be more prominent and drive engagement.

Video Hosting

We will explore creating our own hosted VOD service for online, mobile and tablet. This will enable us to own our brand online, direct audiences to our own platforms, monetise content effectively and build audiences like never before.

We are in talks with video platform providers who have the technology stack to make this happen. Some providers enable syndication to partner websites and platforms, and have audience-building tools that identify what content works for which audiences in which territories.

This new VOD service will require transcoding and metadata, asset storage, access to a Content Distribution Network, CMS, frontend, integration with ad networks (with a provider and to agreed formats such as VAST), geo-blocking and analytics. No live-streaming is planned for launch, though it could be included in later stages. It may require integration with the new channel website's Drupal CMS.

We will have around 2000 videos at launch, with about 80% of those videos being TV programs of 20 minutes or longer, around 600 hours of content in total. Around half will be available to UK audiences only, with the other half available globally. We plan to add around 20 hours of new content each month.

It will carry advertising provided by an ad sales company such as Doubleclick for Publishers or Spot X, in a deal we will negotiate separately to our TV ad sales.

We have estimated costs for building this new platform and they are factored into the budget. There will be ongoing managed service costs for this hub.

If we secure the funding it will be possible to specify, develop and launch this service in a few months, with launch planned for the start of Year 2 (April 2017).

Distribution and Syndication

Community Channel will use a model of widespread syndication to access wider audiences and become a brand fit for the 21st Century. We will create impact by becoming available wherever and wherever people want to access our content.

Content Partnerships

We are keen to secure content distribution partnerships that ensure our content is seen by wider audiences from household-name catch-up services to major VOD platforms. We are in talks with some partners about signing some landmark content agreement and hope to announce them in late 2016.

Our content on these carefully-curated and trusted platforms opens up our great stories to bigger, loyal, targetable audiences.

OTT / TV Anywhere

Our linear distribution in the UK covers all TV platforms. However we have a huge gap in making the channel available streamed via IPTV and on-demand through TV platforms and their multi-device app services.

We want to work with partners to deliver a TV Anywhere service – for example making catch-up available on Freeview Play, YouView and freesat Freetime, and catch-up on TV, mobile and tablet through pay TV platforms including Sky Anytime and Virgin Tivo. There is also potential to reach global audiences through consumer electronics manufacturers via TV app stores, games consoles and mobile devices.

We have discussed this with some of the platforms. However, presently the costs are prohibitive unless we are significantly overfunded. If so, we will develop a service based around the three areas of *Watch*, *Find* and *Do* so it aligns with and is an extension of our website.

Social Video

If we can resource the development and delivery of video, we innovate in social video on rapidly-growing platforms such as with Facebook (short form, potentially live), Snapchat (vertical/stories), and develop our partnership with YouTube to include premiere and 360 content.

Grow Income

We will new income streams from digital advertising, new grant partners, becoming a talent incubator for diverse and underserved communities and young people along with acting as training nursery slope for the wider broadcast/digital media industry

Digital

Our plans include launching a new, simplified website that will offer essential information about the channel – its schedule, programmes, latest news and ways audiences can engage.

This will be a low-maintenance site so that our efforts can focus on building our communities where people acre across social media platforms (Facebook, Twitter, G+ and potentially Instagram, Snapchat, WhatsApp and wherever audiences are over the next few years).

We will also develop a Community Channel-branded video offer for our on-demand programming and potentially a live feed of the channel. We will do this by white-labelling a video platform (hosting, CDN, analytics), integrating it with an advertising network such as Doubleclick for Publishers or Spot X and developing a look and feel for the service. Through this new video platform we will distribute and syndicate content to online, mobile and tablet viewers around the world.

Lottery

We are exploring the opportunities to become a small scale operator of a lottery operating licence from the Gambling Commission. It is likely that we will appoint an External Lottery Manager to operate the service on our behalf, with Community Channel receiving net proceeds from ticket sales (minus the management fee and money for good causes).

There are significant implications regarding Community Channel's role as a lottery operator and liabilities involved, however we believe this could be a strong new income stream for the channel and other charities.

Strengthen Partnerships

Strengthening our partnerships across the media industry, charity partners, funders and sponsors:

- **Media Industry:** We will work closely with our partners to develop the channel as a cross-platform brand for social good. This will include extending our pro bono, promotional and editorial relationships, and identifying new campaigns we can partner on or develop jointly.
- **Communities and Charities:** We will work ever-closer with small, medium and large communities and charities across the UK. We have supported thousands of groups to date but are still not addressing 95%+ of the organisations out there. As the channel that exists to showcase their good works, we will develop new relationship, partnership and data marketing models so that we reach more of them, hear from more of them, and support more of them than ever before.

- **Funders:** We have proven models that build the capacity, reach, and support for charities, communities and beneficiary groups through our unique mix of content, platforms, communications and impact measurement. We know that bringing together groups of charities, NGOs and communities around single topics makes everyone's voice louder.
- **Sponsors:** We know many companies are looking to be better corporate citizens, be closer to their customers and deliver more social value in the goods or services they provide. We will work with potential sponsors to develop packages of support that promote the groups they support, whether by topic, specific charity or customer group. We will work with leading media agencies to hone our offer so that we build value together with sponsor brands.

Redesign the brand

During the first year we will rebuild the brand from the ground up, refreshing it for the multi-platform and multi-device world, reaching into every UK home.

We will do this in consultation with branding and creative experts and you, our new owners.



Food Rebels

Income

One of our ambitions these last few years has been to move towards a sustainable funding model. We have increased our commercial income from £100k to £300k-£400k over the last three years and now funds over half the channel through this income and our media partner contributions.

Grant funding of other series and projects contributes to programming costs and some overhead costs too.

The media industry also contributes a further £4m of pro bono value each year through donated carriage and content.

Despite good progress on channel income and some match-funding, we need community shares investment along with new income streams to become viable.

We will increase TV viewing through stronger branding, content, prominence and partner support. This will in turn grow advertising and sponsorship.

Along with this we are focussing on growing our core income base and diversifying into new services that will expand reach and increase income, from digital advertising to running our own lottery.



Easy Riders: The Wrong Way Round

Media Industry Support

The UK broadcasting industry has supported Community Channel for nearly 16 years with donated bandwidth, content, expertise, promotion and marketing.

In recent years this has been worth an average of £4m a year, largely driven by broadcast capacity and EPG slots gifted from Arqiva, Sky, Virgin and freesat.

The wider group of partners providing this support include major broadcasters, digital publishers, print publishers and platform operators.

We have secured renewed and in many cases increased commitments of support. If the channel closes then this support will be lost forever.

Community Channel launched at the start of the multi-channel era, when there was less competition amongst TV channels. If we tried to create Community Channel now it would never get off the drawing board. If you want a channel devoted to social impact, you need to support the one that exists right now.

We want to ensure that the ongoing pledged contributions are not lost to our communities, charities and citizens. Television still has enormous reach and impact in our society. We believe that our structure and model provides the solution to ensuring continuity for this unique resource.

Summary

	Previous	Year 1	Year 2	Year 3	Year 4	Year 5
Community Channel	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
Broadcast Support	4,514,750	3,014,750	3,022,787	3,031,227	4,107,587	4,116,891
Content Support	120,000	182,000	220,200	242,220	266,442	293,086
Marketing Support	170,500	301,750	314,338	327,554	341,432	356,004
Total Pro Bono	4,805,250	3,498,500	3,557,325	3,601,001	4,715,461	4,765,981
Total Pro Bono Y1-Y5						20,138,268

After an exceptional FY15-16 in which there was unexpected additional Freeview capacity available for us on a short-term basis, we forecast that pro bono support for the channel will be an average of £3.5-£4m per annum and £20 million in total across the next five years.



She Was There For Me

Our Team

Board of Directors

The Board of Directors will represent industry leaders from across charity, community and media organisations, each bringing expertise in subject matter areas across programming, marketing, finance and legal.

Four board seats are reserved for nominated representatives from our Community Shares investors.

Core Team

The core team will be made up of:

Channel Director	Oversight of the channel, including editorial direction, securing ongoing media and charity partnerships, negotiation with suppliers, development and delivery of grant-funded projects and reporting to the Board
Channel Manager	Seasons and programme scheduling of Community Channel, including scheduling strategy, events, on-air planning, highlights and listings. Oversight of acquisitions and scheduling roles
Acquisitions Manager	Acquiring content from leading broadcasters, communities, charities, filmmakers and distributors for seasons and regular programming, rights and business affairs, Ofcom compliance and content delivery
Presentation Scheduler	Presentation scheduling for the channel for daily schedules, promo and on-air elements, advertising, reporting broadcast logs to Ofcom, BARB and music bodies
Series Producer	Production of in-house commissioned series, including sourcing and producing community features, scripting and filming, offline editing and production compliance
Head of Post Production	Editor for in-house programming and oversight of post-production workflows and resources for broadcast delivery including presentation, broadcast standards and material delivery to partner platforms
Editor	Media encoding, technical compliance, promo creation, some offline/online editing as required, delivery of materials and logs to playout, on-demand partners and online

Future Roles

Should the campaign hit its target then we will look to recruit three new roles to help grow the channel's global digital audience and its funding partnerships:

Head of Partnerships A new role leading grant funding partnerships, charity partnerships and commercial sponsorship. Also responsible for reporting and evaluation of grant-funded projects and any other partner reporting

Head of Marketing and Digital A new senior marketing and digital role. Marketing activity and brand development, partner marketing. PR and audience engagement. Digital platform development and delivery including supplier management and ongoing oversight of website content and digital marketing.

Digital Producer Creation and implementation of web products and content on the channel website, social media channels and running on-demand channels such as YouTube. Production of regular digital content including e-newsletters, online content, competition creative and delivery, delivery of campaign collateral for pro bono and paid marketing

If the Community Shares offer is overfunded we will look into additional roles in acquisitions, digital and partnerships to increase our ability to source great programmes, increase reach and engage people on digital platforms and increase our capacity for charity and funder partnerships.



Do Something Brilliant

Financial Projections

Financial view						
	Previous (15/16)	Year 1 (16/17)	Year 2 (17/18)	Year 3 (18/19)	Year 4 (19/20)	Year 5 (20/21)
Income						
Advertising & Partnerships	297,552	310,504	518,104	629,704	710,750	803,570
Grants	384,354	268,000	657,500	528,000	396,900	416,745
Contra	140,333	82,000	83,640	85,313	87,019	88,759
Total Income	822,239	660,504	1,259,244	1,243,017	1,194,669	1,309,074
Direct Costs (Broadcast/Grants)						
	419,855	574,397	807,122	675,050	580,508	579,985
Indirect Costs (Staff/Overheads)						
	363,175	440,380	545,207	559,973	575,182	590,847
Total Costs	783,030	1,014,777	1,352,329	1,235,023	1,155,690	1,170,832
Net Profit / (Loss)	39,209	- 354,273	- 93,085	7,994	38,979	138,242
Reserves						
Investment Capital	0	450,000	0	0	0	0
Brought forward at year start		39,209	134,936	41,851	49,845	88,824
Balance	39,209	134,936	41,851	49,845	88,824	227,066

Financial Narrative

Costs

It currently costs **c.£800k** a year to run the channel with the current staff and resources in place

To build a platform fit for the future as an independent Community Benefit society we require additional investment in the form of:

- Three new heads to generate grant income, improve marketing and lead digital activity (cost of c.£110k a year plus NI, pensions and overheads)
- The development a video platform that takes our content to global audiences (investment of £30k-£70k per year from Year 2)

Should the Community Shares campaign raise the target amount, the annual budget will rise to £1.014k in Year 1.

It rises to £1.087m in Year 2 as new platforms, grants and income streams launch. The budget drops after Years 3 onwards.

Income

We intend to grow advertising and partnership income along with growth in grant funding and new income streams (digital advertising and operating a lottery)

- Within this improved advertising generates an additional £545k across the five years, as do sponsorship (£100k) and paid partnerships (£218k)
- Grant partnerships grow strongly over the five years
- Contra income remains steady, forecast to be £428k over the five years

New Income Streams

We will generate **£536k** from new revenue streams over the next five years, driven by two new heads and new digital platforms

- Our new global VOD platform could generate £316k in digital advertising revenues of over the five years, commencing in Year 2
- A new Lottery operated by the channel through an External Lottery Manager could generate £220k over the five years, commencing in Year 2

Community Shares investment

Community shares need to raise **£500k** to help us bridge the gap to profitability in Years 1 to 3, and we need at least £300k to fund the next year of operation

If the share issue raises less than £500k then the budget will be adjusted accordingly

This is a third of FC United's share issue, in line with Hastings Pier first share issue, and double the amount raised by Positive News and Sheffield local TV channel

If the shares issue raises less than this total then we will reduce investment in new staff, content, marketing and new digital platforms

Reaching profitability

In the model above the Community Shares investment will start midway through Year One

- Year 1 will see recruitment of new staff, development of new positioning, securing improved content and preparatory work on the video platform and lottery
- Year 2 is the first full year of operation, including launch of the global video platform and channel lottery
- Years 2 and 3 are critical for the channel to get to breakeven/surplus, through improved viewing, new platforms and securing new partners and sponsors
- Years 4 and 5 show the channel becoming self-financing and growing non-broadcast revenues including digital and partnerships

Community Shares Financial Model

	Previous	Year 1	Year 2	Year 3	Year 4	Year 5
Community Channel	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
Income						
Total Grant Income	384,354	268,000	657,500	528,000	396,900	416,745
Total Advertising & Partnerships	297,552	310,504	518,104	629,704	710,750	803,570
Total Contra	140,333	82,000	83,640	85,313	87,019	88,759
Total Income	822,239	660,504	1,259,244	1,243,017	1,194,669	1,309,074
Expenditure						
Total Broadcast Costs	343,345	357,297	364,897	369,660	374,531	355,459
Total Content & Marketing Costs	32,000	153,000	154,750	98,750	42,000	54,000
Total Digital Costs	0	0	70,500	32,400	33,000	33,000
Total Grants and Contract Costs	44,510	64,100	216,975	174,240	130,977	137,526
Staff Costs						
Total Salary Costs	272,179	260,474	300,730	308,161	315,816	323,700
Total New Staff Salary Costs	0	71,991	121,177	124,813	128,557	132,414
Total Staff Costs and Overheads	363,175	440,380	545,207	559,973	575,182	590,847
Total Expenditure	783,030	481,980	609,273	625,961	643,150	660,854
Summary						
Income	822,239	660,504	1,259,244	1,243,017	1,194,669	1,309,074
Direct Costs	419,855	574,397	807,122	675,050	580,508	579,985
Profit Before Staff and Overheads	402,384	86,107	452,122	567,967	614,161	729,089
Indirect Costs	363,175	440,380	545,207	559,973	575,182	590,847
Total Costs	783,030	1,014,777	1,352,329	1,235,023	1,155,690	1,170,832
Net Profit / (Loss)	39,209	-354,273	-93,085	7,994	38,979	138,242
Reserves						
Brought Forward	0	0	0	0	0	0
Community Shares - £500k gross, £450k net	0	450,000	0	0	0	0
Net Profit / (Loss) for the Year		-354,273	-93,085	7,994	38,979	138,242
Balance	0	95,727	-93,085	7,994	38,979	138,242
Cashflow	39,209	134,936	41,851	49,845	88,824	227,066

Assumptions

- £450k net raised from Community Shares
- New grants includes any future work with current grant partners as well as new funders
- 3 additional heads
- Improved content from partners
- Improved marketing from partners
- Increase in content and marketing spend
- Digital spend includes website updates and a new video platform
- VOD platform launches Y2 and spurs growth in Y3+
- Lottery launches Y2 and spurs growth in Y3+

Our Pledge

We know media can change lives

We know great content and causes can motivate people into creating change

We will create the spark that mobilises personal and social change

We do this to improve people's lives and to strengthen the fabric of our society

We want to build a better society and make our communities stronger

We don't care who you are or what you do - we just care about what you can do

Anyone who wants to pursue this passion can join us

Everyone should feel like they belong

Everyone can make a difference

We want to build a community for our mission

We want everyone in the UK to know about us

Everyone should know someone who has made a change thanks to us

Together, let's change our communities for the better



Happy Birthday Community Channel

Get involved!

You can help spread the word about the channel and our Community Shares campaign. A good starting point is to engage with us across our media channels including:

- Sign up to the newsletter on our website www.communitychannel.org
- Subscribe on YouTube: www.youtube.com/user/CommunityChannelTV
- Like us on Facebook: www.facebook.com/CommunityChannelTV
- Follow us on Twitter: <https://twitter.com/ComChanTV>
- Follow us on LinkedIn: www.linkedin.com/company/community-channel



The Memory Team

Contact Us

For more information or discuss investment please call us on 020 7871 5600 or email us at shares@communitychannel.org.

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Food Rebels