



KOMEDIA

KOMEDIA & THE COMMUNITY

*Share offer to create Bath's leading
community-owned live
entertainment venue*

October 2017



Community
Shares

STANDARD

AN INTRODUCTION FROM RICHARD DAWS, OWNER

Dear Friend,

In 2006, we discovered the old abandoned Beau Nash cinema and fell in love with it. We knew it was the right site to bring Komedia's delightful blend of popular and inclusive live entertainment to Bath, and we set about making it work. The venue had been neglected for years: the frontage was boarded up, paint was peeling, the seats were worn and the popcorn machines were still full of mouldy popcorn. The Grade II building, loved by generations of pleasure-seeking Bathonians, was quite literally falling apart.

We put a lot of time, money and effort into renovating it and, in November 2008, opened the doors of Komedia Bath to the people of the city for the first time. Since then, Komedia has grown into the city's premier midscale entertainment venue. Chances are that you've visited us at least once – seeing a brilliant band in an intimate setting, an up-and-coming comedian, a family show, or something surprising and unexpected.

Whether you're a performer, gig-goer, comedy connoisseur, or you just like to get downright funky on a Saturday night, you are part of the community that our future now depends on.

Because like many midscale entertainment venues, we face challenges – not least, the upkeep of a historic building. We can't rely forever on the goodwill of our founders. The time has come to be bold and decisive about Komedia's future. That's why we are launching a community share offer that will put the venue's future in the hands of the people of Bath – where it belongs.

If we reach our minimum target of £350,000, we will be able to:

- Recapitalise the business to secure its future.
- Invest in the historic venue.
- Expand our reach and make our events programme even more diverse and engaging.

Since opening, Komedia has put on thousands of shows, of all genres, for 3-year-olds to 93 year olds. We've brought award-winning comedy, music, film, cabaret and more to the city. We believe this makes Komedia a true community asset for everyone in Bath.

With the wrong owners, venues like ours too often become obsessed with short-term profit, at the expense of serving the broader community. With hundreds (or even thousands!) of engaged co-owners, we believe the business will thrive.

We want Komedia to keep us all laughing, dancing and discovering new acts and artists for generations to come. We want Komedia to remain at the heart of Bath's performing arts scene, supporting and nurturing the city's creative talent. We want this magnificent, historic building to remain a thriving, buzzing community asset for Bathonians of all ages and walks of life. Most of all, we want Komedia to keep playing its part in making Bath special – a vibrant, creative and attractive city.

If you love the venue and appreciate the role it plays in making Bath brilliant, why not become a co-owner? We genuinely believe the best is yet to come, and we hope you can join us in the ownership of this wonderful venue, in this fantastic city.

At a glance:

Minimum investment £250

Minimum target £350,000

Deadline: November 21st 2017

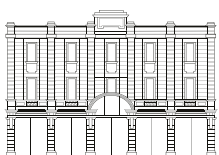
All donations welcome





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SHARE OFFER SUMMARY

Share offer opens: 09/10/2017

Minimum investment: £250

Maximum investment: £100,000

Minimum target: £350,000

Maximum target: £750,000

Deadline: 21/11/2017

(this can be extended by the Board by 21 days if they reasonably think doing so will enable the set targets of the share offer to be achieved).

This Offer document includes information about the proposals and the risks involved. The Business Plan on which it is based is available online at: www.komedia.co.uk/bath/shareoffer and contains more comprehensive financial projections and narrative. Our society rules are also available on our site.

KOMEDIA BATH COMMUNITY BENEFIT SOCIETY

Komedia Bath Community Benefit Society will be a community benefit society registered under the Co-operative and Community Benefit Societies Act with the Financial Conduct Authority.

The Society will be a democratic community-owned social enterprise and by investing in this share offer you will become a member of the society.

We will have an asset lock, preventing members from making a capital gain by selling or closing the business for a profit.

Komedia Bath is run by a Board of Directors, who will be elected each year by our Members.

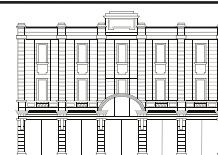
WHAT ARE COMMUNITY SHARES?

Unlike shares in a typical company, Community Shares are 'withdrawable' shares that cannot be sold, traded or transferred. All Members are entitled to one vote regardless of how many shares they hold.

WHAT IS THE COMMUNITY SHARES STANDARD MARK?

The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice. These standards ensure that:

- The offer document and application form are easy to understand.
- You are provided with all the facts you need to make an informed decision.
- The facts are supported by the business plan for the society.
- Nothing in the documents is purposely incorrect, confusing or misleading. Societies are asked to sign a Code of Practice requiring them, among other things, to give the public a right of complaint to the Community Shares Unit. For more information about Community Shares, the Community Shares Standard Mark and the Community Shares Unit please visit: www.communityshares.org.uk



OUR HISTORY

Since opening over a century ago, as the first cinema in the West of England, this historic venue has been at the cultural heart of the world heritage city of Bath and the surrounding region.

Rescued from years of dereliction in 2008 Komedia secured the tenancy of the much-loved Beau Nash venue from building owner BANES Council and brought it back to life with over 1 million pounds worth of private investment and support from Europe's leading sustainable bank. Triodos backed Komedia as part of their commitment to exclusively lending to organisations that deliver positive environmental, social and culture benefits.

Almost a decade later and Komedia has grown to become Bath's premier independent entertainment venue. It brings a diverse programme of award-winning comedy, music, film, cabaret and more to the city each year, including shows for 3 year olds to 93 year olds. We've won The Bath Life Culture Award and Chortle Award for Best Comedy Venue in the West of England and Wales a record five times since opening. Following on from a partnership with River Cottage, Komedia has continued with a local, seasonal and freshly cooked food offer and annually achieves the highest standard of accreditation from the Soil Association.

Continued investment in equipment has kept Komedia operating at the highest industry standards and the venue has been able to integrate effectively with many of the Bath-based festivals to offer a wide programme including spoken word, kids' events, theatre and cabaret along with new and exciting live TV studio capabilities.

In nine years close to three-quarters of a million customers have experienced live events up close and personal, ranging from The Magic Flute to Public Image Limited, Brainiac to Seth Lakeman. Komedia has seen artists such as Laura Marlin, Romesh Ranganathan, Gabrielle Aplin, Greg Davis and Katherine Ryan grow through the venue, while the Banff Film Festival, Rick Stein, Ross Noble, Sandi Toksvig, Russell Howard and many many others have played to sell-out houses.





OUR VISION FOR THE FUTURE

Our vision is for a mid-scale venue run by dedicated staff overseen by a board made up of industry experts and committed local people, that continues to deliver a popular, inclusive and broad programme to the people of Bath.

We want to remain at the heart of Bath's performing arts scene, supporting and nurturing the city's creative talent.

Most of all, we want Komedia Bath to keep playing its part in making Bath special - a vibrant, creative and attractive city.

OUR OBJECTIVES

- We want the magnificent, historic building to remain a thriving, buzzing community asset for Bathonians of all ages and walks of life.
- We want to continue to offer shows of all genres that appeal to ages 3 to 93.

- Not compromise on the artistic integrity of the programming.
- Continue to attract major talent whilst nurturing emerging talent

Alongside the CBS objectives we have these aims:

- Form long term partnerships with the various Bath festivals, BANES and Bath Spa University.
- Partner with Bath and West Community Energy to create a plan to generate electricity and lower the energy use impact of the venue.

* TO INVEST PLEASE VISIT:
[CROWDFUNDER.CO.UK/KOMEDIABATH/](https://www.crowdfunder.co.uk/komediabath/)

Venue of the Future: A live Streaming TV Studio

At the end of 2016 the Komedia Directors identified the potential that could be unlocked at the Komedia Bath venue by installing a Black Magic Live TV Studio system. The industry leading equipment allows the venue to vision mix live HD and 4k video recordings of live shows with the Midas digital audio desk able to facilitate multi track sound recordings. The venue truly has the potential to be a unique Live Streaming TV studio. Sample recordings can be viewed on: <https://vimeopro.com/user16584338/komedia-live-venue-recordings> Password: Komedia To be conservative no income for this venue development is reflected in the business plan.



OUR TARGET

We are aiming to secure an investment of between £350,000 and £750,000 through the sale of Community Shares. We aim to do this through the Community Share Offer open until the 21st November. This window of investment can be extended by the Board by 21 days if they reasonably think doing so will enable the set targets of the share offer to be achieved.

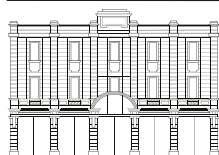
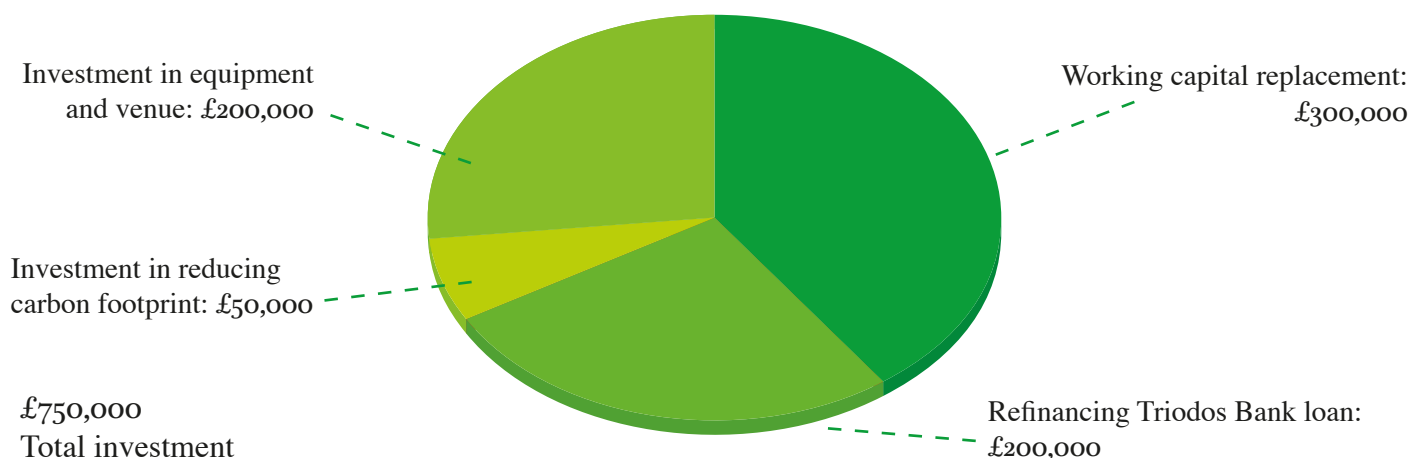
Through recapitalising the business we aim to improve the quality of the venue, improve our marketing reach to increase sales and increase the number and diversity of events on offer to the local community.

WHAT WE WOULD SPEND IT ON

To realise our ambition to secure the financial security of the organisation, The table below outlines how we would use the investment to realise our

ambition to secure the financial security of the organisation.

Investment requirement	Utilisation
STAGE 1 Working capital replacement: Pay off overdrafts and outstanding debts	£300,000
STAGE 2 The board will evaluate which project or projects to take forward in the light of the sums raised and the impact of each change in the light of the external environment in which the business operates and the impact of each project on the sustainability of the business. Investment in venue development, marketing initiatives and capital expenditure including: reducing carbon footprint of the building, potential redevelopment of the Saw Close entrance and building frontage, new marketing activities to drive sales, capital expenditure on artist facilities and equipment	£250,000
STAGE 3 Replacing Triodos long-term lending, enabling cash reserve to build up for a dilapidation fund to maintain and refurbish the listed buildings in Year 6 onwards as the original refurbishment ages.	£200,000
Total	£750,000





INVESTING IN KOMEDIA

By investing in the next stage of Komedia Bath's history you are providing long-term security not just for this historic venue but also for the arts community who use it.

We encourage you to use our secure online payment platform at crowdfunder.co.uk/komediabath where you can use a credit or debit card to invest. Crowdfunder will collect the funds when we reach our minimum target.

If we don't reach that target, then no funds will be taken from you. Funds will be subject to fees for using the platform and for using the Stripe credit card system, which will be 6.4% of the investment total.

When the decision is made to draw funds down, you will receive an email from Crowdfunder informing you that the money will be drawn down from your account within the next seven days.

You can also invest by sending a cheque with an application form (available from our website) but we urge you to use Crowdfunder because if we are successful in getting approval from Big Society Capital, they will match the Big Society Capital amount only against investments made on Crowdfunder.

The minimum investment per individual is £250 and the maximum £100,000. You can invest any amount between these figures.

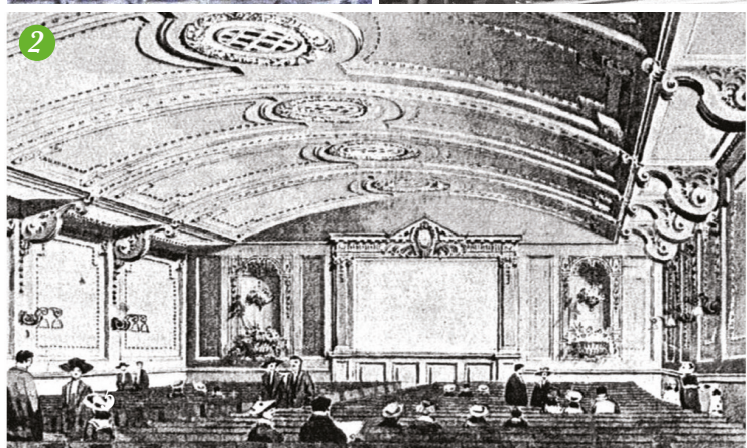
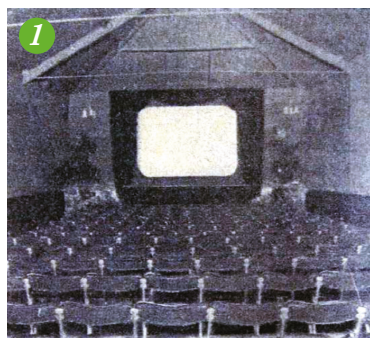
The share offer will run for six weeks from the 9th October unless the maximum is reached earlier, in which case the offer will close. If the minimum target is not met, the Board may decide to extend the offer for up to a maximum of a further three weeks. Following this, if the minimum is still not met we will not draw down the pledges or continue with the conversion using community shares at this time.

WHO CAN INVEST?

We can accept applications for investment from individuals over the age of 16, and also from companies and organisations or smaller groups of people who pool together to buy shares.

Anyone buying shares on behalf of a group of people or an organisation must specify a person over 16 to act as their nominee and be listed in the share register on behalf of that group. Organisations and groups should keep us updated of any change to their details.

Shares can also be bought as a gift, but someone who has been bought shares as a gift, must confirm they wish to join the society. If they don't confirm that within a reasonable time, we'll take the share investment as a donation made by you to the Community Benefit Society.



(1) The venue 1910
(known as the
Electric Theatre)

(2) Venue interior
1921

(3) Punters queue
to watch Gandhi
1983 (then the
ABC cinema)

(4) Present day





The decision on whether or not to accept an application for membership is entirely at the discretion of the elected Board of Directors.

REWARDS AND INCENTIVES

Komedia Bath Ltd will be a Community Benefit Society, so every member will have one vote (regardless of how much they invest) on decisions affecting the running of the organisation. That gives you the right to:

- Attend AGM's and other members' meetings and have your say on the running of the organisation.
- Elect the Board of Directors at the AGM's.
- Stand for election to the Board.
- Our intention is to credit investors' share accounts with 1% per year from Year 1, rising to 3% by the second year and thereafter. We also hope to allow withdrawals after three years, but this is dependent on us running a permanent open share offer in the society.
- Up to 30% of your investment back from the taxman provided we are eligible for Social Investment Tax Relief.

This incentive will be made available on a first come first served basis up to the maximum we are able to offer by law on the date of investment (which at the time of writing is the equivalent of 344,000 euros, but is expected to rise to £1.5 million when the 2017 Budget becomes law).

- All investors get a 10% discount card redeemable in the Arts Café and which entitles you to special member offers and discounted ticket throughout the year.

OTHER REWARDS AND INCENTIVES



Invest: £250-£500:

Komedia goody bag & 2 free Krater comedy club balcony tickets redeemable in 2018.



Invest: £501 - £1,000:

Komedia goody bag & 4 free VIP tickets redeemable 2018.



Investments of between £1,001 - £100,000

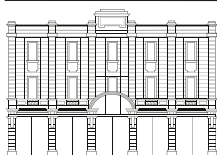
will also include a Komedia goody bag, VIP tickets redeemable between 2018-2020 as well as a selection of tailored benefits - please get in touch to discuss.

We are also accepting donations of £25 - £249. All donations come with thanks in the form of a 10% discount card redeemable in the Arts Café, open Tuesday – Saturday for coffee and lunch. Throughout the year donors also receive special offers and discounted ticket offers which are only available to discount card holders.

TAX BREAKS

We have applied for a tax break called Social Investment Tax Relief (SITR), which if granted will enable UK income tax payers to reclaim in their tax return up to 30% of what they have invested back.

We are confident that we are eligible for SITR and are awaiting written confirmation from HMRC, so check our website and the Crowdfunder page for more information.





If we are eligible, then investors whose money is used on eligible purposes will be able to claim 30% of what they have invested, so if that was £500, you'd be able to reduce your tax bill for this financial year by £150.

A condition of tax relief being granted is that we use the investment for eligible purposes, but these are due to change once changes proposed by the government come into force. If the investment is made before the changes come into force, and the changes are not backdated to the start of the current tax year, then we would hope to be able to offer tax relief to those individuals investing the first £285,000 of capital (the precise figure depends on the exchange rate with the Euro on the day of investment).

However, if the changes come into force and before the investment is made and/or backdate to the start of the tax year, tax relief would only be available on money which was invested into the business directly. As a result, if we are eligible for tax relief, it will be available for as much money as we have left over from the total raised less the funds used to pay off existing debts. If we raise £350,000, then this will be around £50,000, and if we raised £500,000, this will be around £200,000. Tax relief will be offered to people on the basis of whomever pledged to invest earliest in the offer.

Individuals might not be eligible due to their personal circumstances. If you're relying on tax breaks when choosing how much to invest, we recommend that you seek professional advice first.

The existing shareholders will not be allocated any of the available £285,000 SITR. It will be allocated solely to new investors.

Note: Any financial return and/or recovery of your investment is entirely contingent on the performance of Komedia Bath Ltd.

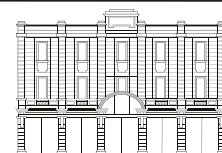
This offer is not protected by the Financial Services Compensation Scheme. Investors have no recourse to an ombudsman and you could lose some or all of the money you invest.

In the event of the society's being dissolved or wound up, anyone owed money by the society would be paid first from the proceeds of selling the society's assets.

If after paying all those debts there was money left over, you would get back your initial investment (plus any interest due). If there wasn't enough to pay you back in full, you'd get an amount of the remainder proportional to the size of your investment.

Should there be any surplus after this point, members will choose where that goes to (it can't be paid to investors under the rules of community benefit societies). As an 'asset-locked' society, these rules are in place permanently and can't ever be changed.

*** TO INVEST PLEASE VISIT:
CROWDFUNDER.CO.UK/KOMEDIABATH/**





FAQs

WHAT ARE COMMUNITY SHARES?

Community Shares (also called ‘withdrawable shares’) are ideally suited to community-focused organisations looking to own and operate a business like Komedia Bath.

If you buy our Community Shares, you can’t be paid dividends, as these are paid out of profits, and as a Community Benefit Society all our profits must be reinvested into Komedia Bath CBS.

However, we can pay you interest for allowing us to use your investment. Our intention is to pay investors 1% per year from Year 1, rising to 3% by the second year and thereafter. However, this will be dependent upon having sufficient funds from trading surpluses.

We also hope to allow withdrawals after three years, but this is dependent on us running a permanent open share offer in the society and any matched investment up to £100,000 from Big Society Capital being repaid first.

HOW DO I GET MY INVESTMENT BACK?

For everyone to get interest on their shares and/or get their money back we must ensure the venue is sustainable.

As we have historic losses on our balance sheet, until these have been paid back by the business through profitable trading, we shan’t be able to use our own funds to repay shareholders due to current FCA rules.

However, we do plan to pay a competitive rate of interest of 3% by the second year under community ownership, and we will then move to an ‘open share offer’ which means anyone can become an investor in Komedia, and it’s this new investment that will enable us to let existing shareholders

leave, provided we are also generating a surplus at the same time as attracting new investors.

The more successful we are at generating surpluses to pay interest and the more successful we are at making being an owner something that’s exciting and worth being, then the more capital we will attract in future, and the more we will be able to allow members to withdraw.

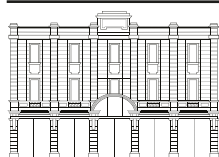
Once our open share offer is up and running, the amount of new capital we raise will be the biggest factor affecting how much we can make available for withdrawal, and each year, the Board will review the finances, taking into account what things might need doing around the building and other investment to improve the business. If there is any capital left over, they will contact members to let them know that a certain sum is available to withdraw, and applications for withdrawal will be honoured on a first-come first basis. We’re very keen to meet shareholders’ wishes, but the decision on whether any withdrawal can be made is at the discretion of the Board of Directors.

WHAT ARE THE CHANCES OF GETTING MY MONEY BACK?

The ability of the members to withdraw their investment will relate to a number of factors including 1) how successful the ongoing share offer is in raising new share capital investment and 2) how profitable the organisation is over time.

As part of this open share offer we have applied for a match funding investment of £100,000 from a government created finance provider called ‘Big Society Capital’ who would invest in the share offer alongside the ordinary investors in the share offer. If we are successful, as a condition of accepting the investment, we have to prioritise their share capital as first in the queue for withdrawal.

If the open share offer creates investment that is greater than the requirement to allow withdrawals to Big Society Capital then the Board could consider allowing withdrawals from other members. Equally in time, once negative reserves are covered, withdrawals could be sanctioned by the Board from profits made by the society.





WHAT IF YOUR PROJECTIONS FOR INCREASING INCOME AREN'T MET?

We are projecting some modest increases in sales over the next five years as the community increases its attendance and usage of the venue. If these income targets aren't met in Years 1 and 2, and ongoing, we do have the option of not paying interest on shares which would impact on the success of the open share offer we will run and so delay withdrawability.

IS THIS A GOOD BUSINESS PROPOSITION?

We expect and will require the business to be profitable in the sense of making sure that income exceeds expenditure each year and that we can meet our commitments to our members and the community.

We have nine years' experience of operating from the building and are also drawing on successful projects up and down the country which have used community shares as a way to get communities to work together to achieve shared aims.

We believe we have the right management team in place, and so will be able to provide the experience that will keep people coming back. We will have a relationship with Komedia Central who will ensure we remain on the circuit for bookings and acts to keep people coming back. We believe we only need the boost from community ownership, which we have seen succeed time and time again from other businesses across the country.

HOW WILL KOMEDIA BATH RELATE TO THE OTHER KOMEDIA IN BRIGHTON?

Komedia Bath is and will remain an independent body. It is currently linked through having the same shareholders as the Komedia in Brighton, but after the share issue that will change as the investors in this share offer become the owners of Komedia Bath and the current shareholders' ownership is diluted.

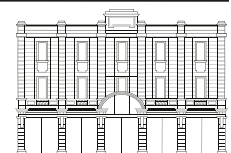
To give the Bath community-owned venue the best chance of success, Komedia will continue to provide the brand name, services and key senior personnel to the Community Benefit Society on an arm's length commercial agreement.

To take away the umbilical cord from the mothership of the Brighton company, a new service company, Komedia Central, will be created. This company will license the use of the Komedia brand, on a peppercorn fee basis, together with providing a comprehensive suite of venue management services and personnel charged at a rate of 3% of turnover. These services will include providing strategic direction on the board and to the venue's senior managers, financial management, technical direction and HR Services, together with the development of ground-breaking TV studio facilities. The arrangement with Komedia Bath gives Komedia Central the right to appoint 1/3 of the Board of Directors of the society as long as the agreement is in place. Richard Daws is the major shareholder of Komedia Central and will serve in this capacity as one of the named Directors appointed by Komedia Central.

WHO IS BEHIND THIS PROJECT? DO THEY HAVE A PERSONAL INTEREST?

The current Board consists of the original investors in the venue who care passionately about our mission, and some new people who have been brought on to help us transition into being a Community Benefit Society. The founding investors have historically lent money to the company. They will retain the current Director's Loan agreements that are recorded as long-term liabilities.

Under the terms of the loan agreements, the loans will be repaid over a 8-9 year term and they are foregoing any interest. The founding investors will also reduce the value of their shareholding in Komedia Bath to the legal maximum allowed for withdrawable shares and will receive nothing from this share offer in respect of their shareholdings - this is an invitation to join the ownership and management of Komedia Bath alongside them on a one-member one vote basis, not a buyout of them and their shareholding.





Loans have also been made to the company by the Komedia venue in Brighton. As part of the transition into a Community Benefit Society, the current shareholders have agreed to write off £230,000 so Bath does not have to repay it.

CAN THE VALUE OF THE SHARES INCREASE?

The shares can have interest paid on them, but cannot increase in value. They can be reduced in value on the advice of our auditors.

CAN I SELL MY SHARES

No.

CAN I PASS MY SHARES ON TO MY FAMILY?

Shares can only be passed on to family in the event of the death of the investor. Each individual can nominate a beneficiary but must notify us. The shares will be passed onto the society itself if an investor dies without nominating anyone.

WHAT IF YOU RAISE LESS THAN £750,000?

If we hit our minimum target of £350,000 but fall short of the maximum, then we will look at the various projects we have lined up for investment. Some will go on the back burner, but others more critical to the business (or with a greater impact on profitability) might be funded by some form of debt, which would in turn reduce the chances of being able to support paying interest to investors.

WHAT IF YOU RAISE MORE THAN £750,000?

The share offer will close if we reach our maximum target. People who express an interest in investing in Komedia Bath but are unable to do so will be kept informed if and when we move to an open share offer.

IF I INVEST, DO I TAKE ON ANY OTHER LIABILITY?

No, your liability is limited to the value of your investment.



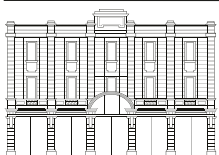
*** TO INVEST PLEASE VISIT:
CROWDFUNDER.CO.UK/KOMEDIABATH/**

WHO ARE WE AND WHAT IS THE PROCESS TO CONVERT INTO A COMMUNITY BENEFITS SOCIETY

Komedia Bath is currently a Limited company, but if the share offer reaches the minimum target, it will be converting to a Community Benefit Society. The current directors - Richard Daws, Colin Granger and Marina Granger - will be replaced by a new board outlined in this document in which only Richard will carry on.

As soon as we hit our minimum fundraising target (or we believe we are about to) the board of Komedia Bath Limited will convert the company into a Community Benefit Society.

We will not draw down any investment until both the offer has closed, and the society is registered with the FCA. We would seek to have completed the conversion process and be in position to draw down funds by no later than 3 months after the date the offer has closed (but we would expect to have everything in place well before then) and the offer to subscribe shares in Komedia Bath is conditional upon it being registered as a society under the Cooperative and Community Benefit Societies Act 2014 within 3 months of the close of the offer.



PROPOSED SOCIETY BOARD MEMBERS



* RICHARD DAWS

Founder and Managing Director

Richard became involved with Komedia in 2001. Previously, while a student at Leeds Polytechnic, he co-founded Victoria Real, an innovative production company which subsequently became one of the UK's fastest growing private companies, winning a string of industry awards for many TV and online projects including the launch of the first online supermarket in the UK, and the industry-shaping interactive broadcasting on Big Brother (C4) with Richard personally winning an Emmy Award in 1998 for Outstanding Editing (on the HBO film Stomp Out Loud). In 2000 the Victoria Real founders partnered with the Guardian Media Group and eventually sold the company to international production giant Endemol.

At Komedia Richard has been the driving force behind the Komedia Bath venue, while also setting up and running Komedia Entertainment, a sister production company that has made long-term investments in the development of artists and writers. Most notably the company has supported the development of leading character comedian Count Arthur Strong and has produced over 70 half-hours of broadcast comedy for BBC1, 2 and 3, CBBC and BBC Radio 4.

Richard moved from Brighton to the South West with his family in 2007, where he became inspired by community led projects through his decade long immersion in a parent led school in Totnes.

* LIZ MCOWAT

Society Secretary

Passionate about securing long-term solutions for the arts, Liz is a Chartered Accountant who has overseen the finances of the Komedia group since 2010.

After qualifying, Liz gained a mass of experience working for organisations in several sectors including advertising and marketing, support services, hospitality and training and charities working her way up to Finance Director.



Liz has been a volunteer business advisor to multiple arts organisations and a Trustee at Windsor Arts Centre.

* THOMAS 'DRUM' STEVENSON

Technical Director



Drum is a member of the senior management team involved in all aspects of the company. He is fully immersed in all the technical aspects of the Bath venue and responsible for Komedia Entertainment's online and released comedy content.

Drum has worked for nearly 40 years in the theatre and music businesses, having cut his teeth in the early 80s working with several pop bands before making the lateral move into theatre and cabaret. For the last 10 years, he has been running Bath-based Astar Artes, an umbrella group incorporating a music management company, live event co-ordinator, publishing house and record label with attached recording studio. In a past life Drum built and sold an IT Support Business and subsequently qualifies to oversee all the technical requirements of the venue. He lives (and works) on his certified organic smallholding with his family, a plethora of pets and a tractor called Badger.





*** ELEANOR HOUSEHOLD**
Marketing and Development Director

Eleanor joined Komedia in April 2017 bringing strong project management skills and marketing experience to the team. Her role is to focus on developing the Community Benefit Society bid and the restructuring of the marketing and sales department.

With over 20 years' experience in entertainment, event and marketing including Head of Marketing for Iford Arts, Studio Manager at Real World Studios and a strong freelance client list, she has an all-consuming love of live performance and feels passionately about keeping the entertainment offer alive in Bath.



*** DAVE BOYLE**
Advisor to the Board of Directors



Dave is one of the UK's leading experts in community shares and community benefit societies, and has been advising the Komedia Bath team on this share issue.

He formerly worked in football helping football fans, and was at the first-ever meeting of the Bath City Supporters Trust.

He is a Community Shares Unit licensed practitioner and has helped more than 25 organisations raise over £5,000,000. Most recently he has helped New Internationalist magazine to raise £700,000, and Hastings Pier raise £800,000 and become the first ever charity to raise share capital in this way.

**THE BOARD WILL MANAGE AND
OVERSEE THE WORK OF THE STAFF
TEAM:**

*** ADRIAN BOREHAM**
Venue Manager

Adrian joined Komedia Bath in 2016 bringing a wealth of venue management experience with him. He is an extremely pro-active and hands on manager and has already made many positive changes to the operational day to day running of the venue.

Adrian was previously Conference and Events Manager at the University of Bristol and before that managed the Food and Beverage Department at the University of Bath and Students Union. He has also worked for various companies and venues in Bristol and Bath in a freelance capacity and as a result, has excellent connections with the city of Bath and the surrounding area.

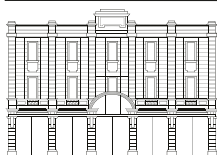


*** MARC RUSSELL**
Head Chef



Marc joined the Komedia Bath team in 2016. Committed to the use of fresh, seasonal produce he has successfully built on the venue's stunning food offer, continuing to secure many awards and accolades including the coveted Gold Soil Association accreditation and most recently Highly Commended in the Bath Good Food Awards 2017.

Marc has 10 years under his belt working with a host of talented chefs and relishes the challenges of venue catering.



* ERICA PEASE

Box Office and Sales Manager

Erica is stepping into the new and exciting role of Box Office and Sales Manager.

For this role she will be bringing her considerable marketing and box office know-how to this newly identified role, her focus is to increase box office revenue, identify new channels and ensure the smooth running of the department.

Before starting at Komedia in 2012 she worked for Bath Festivals and the Tate.



* ELLIE ROGERS

Marketing and Communications Manager



Recently promoted from Press and Marketing Officer to Marketing and Communications Manager, Ellie brings expertise, enthusiasm and new ideas to the role. With strong communication skills and highly competent multi-channel and media capability she has transformed the marketing and communications for Komedia Bath.

After completing her English degree at the University of Oxford, Ellie worked across local and national media (newspapers, magazines, online and social); first as a writer, and then focusing on both client and consumer-facing marketing and communications.

* LUCY SPRINGTHORPE

Deputy Venue Manager

Lucy has been a highly-valued member of the Komedia team since the venue opened in 2008.

Her dedication to the venue and talent for artist and agent liaison has seen her climb the ladder from a member of the bar staff team to the Venue Manager right hand.

Affectionately referred to as 'The Oracle' by fellow members of the team she is the common thread that has run throughout the story of Komedia Bath so far, and likewise, will play a crucial part in the next exciting chapter.



* DANIEL TAYLOR

Technical Manager



The newest addition to the Komedia Bath team and bringing over 20 years of experience with him, Daniel joined as Technical Manager in August 2017.

Daniel has a Masters Degree in Stage and Events Management and an undergraduate degree in Sound Design and Advance Lighting Technologies. He has toured extensively taking shows to over 200 venues.

He is thrilled to bring all his experience to Komedia Bath.



OUR FINANCIAL POSITION

We have been trading since 13th November 2008 and our most recent Annual Reports and Accounts are available at www.komedia.co.uk/bath/shareoffer

Our revenue primarily comes from ticket, food and drink sales. We also hire the venue to promoters and private parties/meetings. The venue management for hires are provided by our own staff.

The last five years historical trading figures are in the table below, followed by the forecast trading for the next five years.

HISTORIC TRADING RESULTS:

Profit and Loss	2012-13	2013-14	2014-15	2015-16	2016-17 Draft
Trading income	£1,126,073	£1,233,868	£1,190,091	£1,240,526	£1,283,393
Cost of sales	£692,200	£775,305	£780,371	£818,865	£836,071
Gross profit	£433,873	£458,563	£409,720	£421,661	£447,322
Overheads	£395,641	£411,580	£397,427	£441,152	£445,847
Profit/Loss (EBITDA)	£38,232	£46,983	£12,293	£19,491	£1,475
Depreciation	£54,987	£52,033	£54,403	£52,009	£58,024
Financing costs	£11,143	£15,613	£16,848	£20,994	£15,872
Net Profit/Loss	£27,898	£20,663	£58,958	£92,494	£72,421

Opening at the time of the global financial downturn meant the business took longer than expected to build up and ran up trading losses of £800,000 in the first four years (with £300,000 lost in the first year, including start-up costs of around £100,000).

Almost 50% of these early year losses were exacerbated by the charges for operating leases for the initial fittings needed by the venue. This totalled £375,000 over the first three years of operation, and was caused by the overrun of the refurbishment requiring hiring of equipment we now own. Annual rent and rateable value for business rates were considerably higher in this period and have since been reduced.

Once these costs are stripped back, the underlying trading of the venue has gradually improved year on year with a corner turned in 2013 where business was covering its cash overheads as turnover hit £1.2m, with some very strong hires coming through.

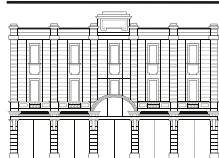
Unfortunately a change in key venue management shortly after this point reversed this momentum, resulting in a

drop in turnover and margin at the same time as increased wages and security costs also hit the venue.

Whilst income has increased over the years, gross margins have reduced due to changes in the mix of events. This is partly due to performers fees increasing as the number of low margin co-produced music events has increased. This mix has not been balanced with increases in the higher margin attendance at our own shows. This has had a knock-on effect to overheads with rent, which is linked to sales, increasing.

The newly restructured team are demonstrating they are heading back in the right direction with a focus to recover lost margins, increase sales and the number of events to cover fixed overheads.

Restructuring the team in 2016, and investing in a full-time venue manager and additional sales and marketing resources has started the push on sales for our own shows, particularly for the Christmas period, increases in private hires and events, building on local relationships and recovering lost margins.



TRADING FORECAST FOR THE NEXT FIVE YEARS:

This forecast has been based on our knowledge of our current trading position and discussion with our users. We have been modest in our assumptions about the possible increase sales. If our projections of increased income are not realised we will have to look at replacing some of the subsidised events with more commercial ones.

The forecast for the next five years is given in the table below. The model is based on last year's trading performance. The projected increases in sales and profits are based on the following key assumptions:

- 50 additional customers at Krater, our comedy night, per week (this is already starting to happen, with average attendance up by 20 over the summer months).
- Growth in attendance for our Friday club night - started this year, we aim to build this in the same way as the successful Saturday club night.
- Increase in hire fee income (we are targeting the equivalent of 10 additional full hires during the year, i.e. less than one a month).
- Business rates reduced by 80% from 2018-19 as a result of CBS conversion.
- Utility and IT costs reduced with leased line installation and reduced carbon footprint.

Financing costs increase in Year 2 due to the change in gearing as £275,000 of bank debt at a higher rate of interest is converted into a £950,000 share capital investment at interest of 3% pa. Should the organisation be in a position to borrow the additional £750,000, the financing costs would be considerably higher.

BALANCE SHEET

Supported by our bank, Triodos, and the directors, the organisation's balance sheet has historically shown net liabilities. Pre-conversion we are expecting the balance sheet to show net liabilities of £740,000. With the £230,000 loan write off (Note 4) this will reduce to £510,000, and should we raise the full target of £750,000 it will be in a net asset position of £200,000 post-conversion. The full target of £750,000 includes £200,000 allocated to repay the Triodos long term loan which is guaranteed by the lease on the building at 22-23 Westgate Street. Repayment of the loan will help future cash flow and release funds to pay interest on the investments and enable a cash reserve to build up for a dilapidation fund to maintain and refurbish the listed buildings in Year 6 onwards as the original refurbishment ages.

Should the £750,000 target not be raised, the loan will continue in line with the existing agreement. If £550,000 is raised, the balance sheet will be in a net neutral position. With future profitable trading, there is the opportunity for the assets of the organisation to increase, which will be helped by the repayment of existing loans.

Raising the minimum of £350,000 will leave net liabilities of £200,000, which would primarily be represented by the Triodos long term loan and/or current directors loan.

The ability of the organisation to meet its liabilities will be contingent on the ongoing operation of the organisation. The continuing support of the bank and current directors would be key in this scenario. Given the current support of the bank and the support of the directors for community ownership this is a viable option.

Profit and Loss Forecast	Year 1	Year 2	Year 3	Year 4	Year 5
Trading income	£1,408,155	£1,516,441	£1,566,934	£1,613,942	£1,667,361
Cost of sales	-£861,672	-£905,122	-£931,969	-£959,928	-£988,726
Gross profit	£546,483	£611,319	£634,965	£654,014	£678,635
Overheads	-£468,537	-£505,942	-£523,249	-£535,434	-£548,392
Profit/Loss (EBITDA)	£77,946	£105,377	£111,716	£118,580	£130,243
Depreciation	-£61,384	-£62,910	-£68,738	-£73,867	-£81,031
Financing costs	-£13,075	-£31,644	-£29,750	-£29,750	-£29,750
Net Profit/Loss	£3,487	£10,823	£13,228	£14,963	£19,462

The effect of the transition to a Community Benefit Society on the balance sheet of the organisation is shown in the table below. This assumes funds of £750,000 are raised.

Balance Sheet	pre conversion	Year 1	Year 2	Year 3	Year 4	Year 5
Net fixed assets (1)	£595,630	£554,246	£571,336	£582,598	£548,731	£507,700
Current assets:						
Stock & Debtors	£71,492	£71,492	£71,492	£71,492	£71,492	£71,492
Cash & bank (6)	£17,862	£231,190	£188,923	£154,889	£167,720	£192,212
Total current assets	£89,354	£302,682	£260,415	£226,381	£239,212	£263,704
Liabilities:						
Bank overdraft (2)	£75,000	-	-	-	-	-
Bank loans (2)	£180,394	-	-	-	-	-
Trade & other creditors (2)	£468,196	£296,765	£296,765	£296,765	£296,765	£296,765
VAT & PAYE (2)	£144,954	£71,069	£71,069	£71,069	£71,069	£71,069
Directors loan (3)	£324,061	£294,061	£258,061	£222,061	£186,061	£150,061
Komedia loan write off (4)	£230,378	-	-	-	-	-
	£1,422,983	£661,895	£625,895	£589,895	£553,895	£517,895
Net liabilities/assets	-£737,999	£195,033	£205,856	£219,084	£234,048	£253,509
Share capital & reserves (5)	-£737,999	£195,033	£205,856	£219,084	£234,048	£253,509

(1) Investment in Venue Development and Equipment (net of depreciation charge) including primarily in years 2 and 3: New tables and chairs; Improving Carbon footprint of Building; Potential redevelopment of Saw Close entrance and frontage; Developing venue dressing rooms and artist facilities; Kitchen and technical equipment Capital Expenditure.

(2) Working capital is reduced, along with overdraft and the bank loan being repaid.

(3) Existing directors non-interest bearing loan agreements repaid over 8-9 years.

(4) Loans have been made to the company by the Komedia venue in Brighton. As part of the transition into a Community Benefit Society, the current shareholders have agreed to write off £230,000 of these loans so that the new Komedia Bath CBS does not have to repay them.

(5) The current shareholders are converting their existing shareholding and investment in the company into Community Benefit Shares which will sit alongside investors on a one member one vote basis.

(6) The cash balance that has built up as a result of repaying the long term loan is used to build up a dilapidation fund to cover the maintenance and refurbishment costs in Year 6 onwards which will increase considerably as the original listed building refurbishment will be over 15 years old at this point.

The building at 22-23 Westgate Street is leased from the BANES on an institutional lease.

Our estimated net liabilities at 30 June 2017 were £738,000, with the business being supported by the current shareholders and Triodos bank.

More information on our financial forecast and historical trading is available in the business plan. Should you require further information - please get in touch to ask!



CONTACT DETAILS

www.komedia.co.uk/bath/shareoffer

www.crowdfunder.co.uk/komediabath/

(01225) 489 070

Twitter: @KomediaBath

Facebook: facebook.com/komediabath

Our Share Offer has attained The Community Shares Standard Mark, which is awarded by the 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:
communityshares.org.uk

