

COMMUNITY SHARE OFFER SUMMARY

The **Powerful Community Benefit Society Limited** are undertaking a share issue to raise capital up to £600,000

Opening date Thursday 11 May 2023

Closing date Friday 7 July 2023

The board of the society may choose to extend the period of the share offer by up to 5 weeks if they believe that by doing so they increase the chances of reaching the maximum target.

- Minimum target to be raised: £520,000
- Optimum target to be raised: £600,000
- Maximum target to be raised: £750,000
- Minimum share subscription per person: £50
- Maximum share subscription per person: £100,000
- Interest of up to 4% paid annually (half in cash, half as new shares)
- Withdrawal of capital contingent on eventual sale of property

The *Powerful Community Benefit Society* is a Community Benefit Society registered under the *Co-operative and Community Benefit Societies Act* with the *Financial Conduct Authority* (MO46209). The registered address is 107 Lynmouth Road, London E17 8AG.

By subscribing for shares issued by the society in this share offer you will become a member of it thus and owner of the society and its assets along with other members. Our rules and other supporting documents are available on our website:-

power.film/PowerStationHQ and crowdfunder.co.uk/p/power-station-hq

What are Community Shares?

Community shares are withdrawable shares that cannot be sold, traded or transferred between Members, unlike shares in a typical company. All Members are entitled to one vote – regardless of how many shares they hold. Members can be paid interest on their shares if the Board believe it would be sensible to do so, and can also withdraw their shareholding, along with any interest accrued, again subject to the approval of the board.

Community shares are fully at risk. You could lose some or all of the money you subscribe. You have no right to compensation from the Financial Services Compensation Scheme, nor any right of complaint to the Financial Ombudsman Service. Please don't invest any money you can't afford to lose.

Who we are and what we do

This share issue is to help Optimistic Foundation CIC expand its activities building renewable Power Stations across the borough and the wider UK – moving from what should be the children’s room/ any spare table space at Hilary and Dan’s family home into a more usable production space on their street, Lynmouth Road in Walthamstow.

The space we want to acquire is a former dairy which has been used as an upstairs residential flat and artist space. The owner has left London and has put it on the market. It’s the last good space in the immediate area. Not only will it make a great production space for our community interest company, *Optimistic Foundation CIC* (with its growing team of six) to continue to develop our work, it will create vital artist and community spaces in a community with precious few available, and even fewer available at affordable rents.

We want to raise the money via *The Powerful Community Benefit Society* to buy the freehold and rent the space out to *Optimistic Foundation CIC*; the rents will be used to pay some interest to investors and cover costs, and build a surplus to help develop energy-related projects. In time, *Optimistic Foundation CIC* will seek to raise the funds to buy the property from the CBS, and when it does, we will be able to allow withdrawal of funds. We are targeting a 5 year window for this.

OPTIMISTIC FOUNDATION CIC (Community Interest Company)

- Is built from long term engagement with the contested sites of East London.
- Believes in the power of artists to help shape the dominant stories of our times.
- Empowers action through education and creativity and makes the space for this to thrive.
- Deploys a variety of cultural practices to argue for and create a more socially, economically and environmentally just world around us.
- Makes big issues accessible to wide audiences.
- Makes transformative action contagious in the midst of turmoil and uncertainty.

The CIC is led by artist and filmmaker *Hilary Powell* and *Dan Edelstyn*. Our core but multifaceted project is building a **POWER STATION** and involves a diverse team across community engagement, online movement and membership site building, art and film production and local and national partnerships and collaborations– from solar to food growing co-ops, community organisers, artists and economists – all imagining, growing and building thriving communities and world.



BANK JOB

We set up as a community interest company in 2018 as we worked to pull off a community heist in our **'Bank Job'** project. This involved an exploration and education around debt and economics made anarchic and accessible by setting up a rebel bank, printing our own money and exchanging it for sterling to support local foodbank, homeless kitchen, youth project and primary school and buy up and literally exploding £1.2M of predatory debt.

We occupied a former high street bank for a year and a half building it as a site of community empowerment, education and action led by art. The Bank employed and trained local people, had thousands of visitors, made the press multiple times and the *Bank Job* feature documentary film continues to travel and screen as a tool for community organising with *Debt Justice* and distributed by *Cinema Politica* and *Dartmouth Films*. www.bankjob.pictures

“ The rebel bank is indeed much more than a building. It's an intervention in social imagining that is just the beginning of greater, positive things to come.”

POWER STATION

POWER STATION was built out of our return in early 2020 to a small terrace house to complete the film edit (Premiered at *Hot Docs*, nominated for *Grierson* and *BIFA Awards*) and write the book of the **Bank Job** project that having the 'rebel bank' made possible. Subsequent rapid lockdown and development of mutual aid networks here prompted us to ask what could we do to tackle the combined climate/energy/economic crises from our home place?

We looked to all we'd learnt from the Bank Job and thinkers such as Kate Raworth (*Doughnut Economics*), Ann Pettifor (*Case for the Green New Deal*) and Ashley Dawson (*People's Power: Reclaiming the Energy Commons*) and the phrase 'every building a power station' prompted us to act.



Could we turn one street into a **POWER STATION** – a template and challenge of solar and retrofit measures on the hotch potch that is this London street?

Since that moment we have been building a **POWER STATION** as a 'show and do' project operating from our home as meeting space, site of activism, art and making, sleeping on the rooftop and moving out into very short term local public spaces to spread the word.



We employ local people, we work with an ecosystem of other local organisations, we film everything as we go and share toolkits for action in a growing **POWER** membership site so others can share in and learn from the process. We create spectacles of sustenance that further the intricate web of connections that build the resilient streets and communities we need.

www.power.film

Why we are launching this community share offer

As the **POWER STATION** grows the need for space grows—to meet, to plan, to make and to organise together. The owner of this building is seeking a quick cash sale—and it could very easily go to a developer who will seek to maximise profit and exit fast. But this community needs a space to meet and to think. Securing this building will empower our community interest company to grow and become a vital community space.

There is an urgent opportunity to secure this in the middle of this street at the centre of this story of one street as a provocation for 'street by street' action on renewable and community power.

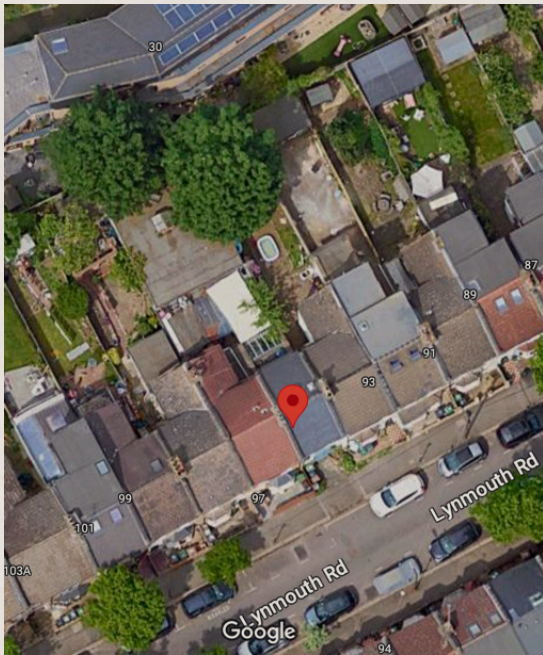
We know from our recent expansion of the **POWER STATION** working with the local council and *Repowering London* that multiple community spaces are 'set for redevelopment' and all the organisations we work with from refugee story club '*Stories and Supper*' to foodbanks are homeless or precarious.

Space shouldn't be a luxury—it is a necessity for the work of change, particularly when that work involves artistic production and an invitation into education and debate through thinking through making.

A SPACE FOR ACTION

At the moment we have wheelbarrows of compost, printing machines and a team of 6 coming in and out of our terrace house on the street where this is all based. A chance has come up for a site on this street that would not only be production base but locus of community action and organising reaching out from the local and becoming a hub of knowledge exchange and hosting residencies and workshops.

A former dairy and garage turned art studios is on the market this month with a valuation price of £520,000. 95a Lynmouth Road would become the POWER STATION HQ- housing demonstration of solar panels and retrofit, action workshops, organising space (growing community meals), art production space and knowledge bank.



TIME AND MONEY

If the owner accepts an offer at this price of £520,000 there are then the costs of conveyance (£2000+vat), stamp duty land tax (approx. £17,000) land registry fee (£295), third party search fees (£700) alongside the costs of running a share offer from professional fees to platform fees. We are looking to raise £600,000.

Raising £750,000 would mean we could ensure an immediate reserve for building works and maintenance – adding solar panels and retrofit measures. It would also kick start the planned community fund that the Powerful Community Benefit Society will run putting small pots of finance into advancing further greening and retrofit measures on the street.

If we don't raise the full amount it will be hard to convince the owner to sell to us as money talks in this situation and speed matters.

The current owner wants a quick sale and won't agree a deal to allow time. We have to move fast and after an initial mailout to our community and positive response we decided to go for it and launch a community share offer.

A COMMUNITY ASSET

Buying the building in this way means it really is an asset of community value owned by and for the community not only locally but nationally as the **POWER STATION** grows and reaches out. It solves a real problem of space for a growing *Community Interest Company* dedicated to this street and how we can make this a beacon and meeting point for further street by street action locally and across the country. It builds on its history of providing artist studio space and brings a vision of community empowerment and resilience to the street.

From our very first mailout people have expressed their love for and need for spaces like this to persist and resist.

“ Yes I’m in. My great grandparents grew up on your street and I grew up in Walthamstow so I feel I already have a connection and have great admiration for the work you do.

“ This space is a ‘jewel’ in our street and we should try and maintain it any way we can.

“ I don’t live in London anymore but think that keeping artists spaces in the community is vital

“ Quite frankly I ‘m up for anything that keeps spaces for the community rather than developers

“ You and your street are an inspiration. The property would be a wonderful community hub.

In the **POWER STATION** project we argue that big changes can happen fast and we look to history for this – from the building of the *National Grid* to the *Welfare State*. We talk to people on the street that remember the coming of electricity and explore this heritage in relation to the energy transition needed now. This site is part of the fabric of this street and needs protecting and nurturing as a space that can host and trigger new possibilities for these endless rows of Victorian terraces. Artists are often consigned to or choose sites on the edges in industrial estates, but, informed by our time in a high street bank, we believe that by being really embedded in a place and community we can have more sustained impact and build new social and imagination infrastructures.

The place isn’t big but it is enough to hold this, to enable it to blossom and grow without diverting from the core mission of the **POWER STATION** through the need to house multiple revenue making activities.

Outline plan for the space



THE ENTRANCE WAY AND GROUND FLOOR FRONT AREA

(rough measurement tbc 360sqft) will become community action space with basic kitchen facilities to house:-

- Hosting visiting groups/exchanges with other communities sharing knowledge.
- Workshops /community meetings– sharing knowledge from solar/retrofit workshops to monthly 'potluck community meals and film screenings..
- Bookable space for other organisations needing regular meeting space e.g. Stories and Supper refugee story club.
- Exhibition space. Evolving display of the history of energy in the area and the street including a model of the street to share and collectively plan alongside maps of the area. Curated programme of exhibitions on themes of community power.
- Organised reading area/knowledge library – building on its beginnings at the Bank where we housed a library of core texts on economic/social justice. Expanding the **POWER STATION**'s online book club and talks offers to in person events.
- Front entrance area - lockers to house tool/equipment library for street projects. Potential to become local food growing coop and surplus food distribution scheme street drop off/collection point.

This is a small revenue stream generator for example modest booking fees for external community bookings.

Most share offers and business plans for spaces take time. We don't have that. We know the basic vision—a **POWER STATION HQ**, space for community organising and shared action and education with a clear focus on arts and culture leading and connecting work for social/economic/climate justice.



BACK YARD

(approx. 486sqft) and largest studio (total area approx. 770sqft but including subdivided and rentable side studios)

This is POWER's practical production space. It will house printmaking equipment from riso printer to foil blocker. It will host all the making involved in the project as it develops with plans for chimney pot ceramics and experimental material workshops. The space benefits from double doors to kerb for easy movement of equipment and public access for open house events sharing the processes (as seen in recent outings to street facing spaces printing the 'greenback' currency and in our previous location at the 'rebel bank.')

The yard will be available for workshops and plans developing for a local youth project to build rain garden planter systems for the street – a locus of practical production and thinking through making.



3 x smaller studios surround this (area tbc no current plan views available) – these can be rented out to local artists at fair rates contributing to the shareholder's interest payments and building costs.



UPSTAIRS

A small space accessed by stairs near the front door (approx 143sqft) space to house the **POWER STATION** production offices. This includes editing facilities for all filmmaking team and live broadcasting to members. This has an adjoining small space with toilet/bathroom (approx. 42sqft).



On the second level there is a small loft space (approx 110sqft) that can become a place for visiting artists/organisers in residence and workshops leaders and guests. This will be modelled on the emerging *Museum of Care* network of spaces coming out of the *David Graeber Institute* and will be a rolling programme of visits and residencies. Again this needs time to develop once the site is secured.

The site is ready to move in for these needs but plans include retrofit measures and solar panels, the possibility of housing a community battery for the street and adaptations to ensure spaces are secure and the residency space can be accessed separately.

How do Community Shares in work?

This is a community share issue, which is a much snappier name for what they are legally-speaking: 'withdrawable shares in a Community Benefit Society.'

A CBS is a business owned and controlled by its members which works to achieve a particular mission. Our CBS is **The Powerful Community Benefit Society**.

Members control it on a one-member, one-vote basis, which is different from a company, where the more shares you own, the more power you have.

We're not legally able to distribute profits as our surplus must be reinvested in achieving our goals. Investors instead can be paid interest on an annual basis as a thank-you for the use of their capital to help us grow. Investors can also withdraw their funds provided the business has sufficient retained earnings (or has had new capital invested recently which we can use to enable existing investors to exit).

We hope that we can pay interest of up to 4% each year (or 2% above Bank of England base rate, whichever is higher) and we will pay the interest to you every year. Half will be paid as a cash transfer, and half will be paid as new shares which will compound each year.

Each year, the Board will decide exactly how much interest to pay, how much to reinvest in the business and how much to pay out to further our community impact.

That interest and the original investment will only be able to be returned in the event that the building is sold.

Optimistic Foundation will have a permanent option to buy the property at any time during their lease, and the price is pegged to ensure that in that event, after costs and taxes have been paid, every investor in this share issue will be able to get back their original investment and any interest that has been paid as new shares. That might be something that happens after 2 years, or it might be 10 years, or might not happen at all during the initial lease. We are targeting 5 years and as our not-for-profit company has grown over the last year, we believe that's very doable. Our turnover for this most recent year has been £380,000 – but as we write this the accounts are not complete. We are happy to send these by application once they are complete. Though growing quickly, it's unlikely that our company will secure a mortgage on the property and certainly not at a speed to rival a cash rich developer. That's why we are turning to our community initially.

Each year from the rent we will also create a reserve of £5,000 for maintenance, and Optimistic Foundation CIC Ltd will be responsible for all council tax, business rates and energy.

NB – because the timetable for this share issue has been driven by the vendor putting the property on the market, we've not been able to do everything we really wanted to do before launching it. In particular, we've not undertaken a survey of the property in advance, and so this will be done as part of the purchase process if we make an offer and its accepted. As a result, we haven't been able to get accurate refurbishment costs etc, and so all the financial elements of this offer – beyond the core purchase price – are estimates at this stage.

What do investors get?

- 4 % interest on share capital
- A vote at the AGM on important issues facing the society and for the Board of Directors.
- The chance to stand for and be elected to the Board of Directors

We're also very keen to develop a range of member offers but due to the speed with which we've had to launch this share issue, it's not been possible to finalise all these – we're thinking of things like discounts on staying in the residency space and artworks produced by the Optimistic Foundation CIC. We'll be in touch when we've made progress on these!

How are we run?

The Powerful Community Benefit Society was set up in 2020 as the planned vehicle for our Street Solar project. As this project developed it was not needed, as we were forced to go a different route for domestic household rooftops and ended up running a direct crowdfunder for the capital costs of the first wave of residential solar going up on this street in June. However, we have kept it open and as it has potential to become the vehicle for further solar, and as a society is perfectly placed to undertake this share issue.

The society will be the Landlord of the building, which will have a long lease with the Optimistic Foundation CIC.

The lease will include: a buy-out clause for the building which Optimistic Foundation CIC can exercise at any point, with the price fixed to ensure that after sale, the society can allow withdrawal of all capital to investors in this share issue, along with any interest accrued; Rent will be pegged at a level that enables the society to meet its obligations to deliver community benefit and honour commitments made to investors in this share issue; Optimistic Foundation will be liable for all repairs and upkeep on the property; The lease is not re-assignable by Optimistic Foundation CIC; should they cease trading or otherwise become insolvent, the lease

immediately is voided and returned to the society. Any re-assignment to a new entity must secure the consent of members; Conversely, the society cannot use the property as security against any borrowings without the consent of both Optimistic Foundation CIC and a vote of members.

The society's plans for further energy generation might involve further share issues; if this were the case, the members of the society would be invited to make some changes to the society's rules that enabled us to better ringfence their investments to support this project, and subsequent share issues supporting energy generation.

Until the society's Directors have been able to develop those future plans, the society's activities will be limited to ensuring that Optimistic Foundation is doing what it is obliged to do under the lease, and making sure payments to investors are being made. The Board of Directors will meet on a half-yearly basis to review this, and a report will be given to the members at the Annual General Meeting.

Each year, one Director will resign and nominations opened from amongst members to fill that position (the resigning Director will always be eligible to serve another term) and should there be more than one candidate, an election will be held at the AGM.

Biographies of the Current Directors

Hilary Powell is an artist and co director of Optimistic Foundation CIC Ltd. She is committed to ambitious, socially engaged art practice. After a PhD in Cultural Studies at Goldsmiths. Powell completed a post doctoral AHRC Fellowship in the Creative and Performing Arts at the Bartlett, UCL and was Leverhulme 'Alchemist in Residence' with UCL Chemistry. She shares her work widely with academic institutions and arts and community organisations, most recently as visiting tutor in Visual Communication at RCA. She is currently part of the GLA Civic Futures Fellowship. She's codirected two feature documentaries (Vodka Empire on Netflix and Bank Job, funded by the BFI)

Dan Edelstyn is an experienced documentary film director and producer with a background making short documentaries for broadcasters and TV adverts before going into feature length documentaries with his partner, Hilary. Their first feature doc "How to Re-Establish a Vodka Empire" mixed filmmaking in with social enterprise – and this formula has been honed and refined through Bank Job (2020) and now Power Station – where the film documents action and helps to unleash impact on ever increasing scales. As a social entrepreneur, Dan is fascinated in building impact at scale, and Power Station is seen as a template for action across the UK, teaching communities how to come together and build the change we need.

Tilo Guenter is an associate at Niall McLaughlin Architects with over 20 years of experience in architecture. Since joining the practice in 2006 he has led many of their major housing, higher education, cultural, private residential and masterplan projects. Tilo is also involved in the practice's sustainability, legal and insurance working groups. Tilo sits on the board of the company and advises on the architectural retrofit ideas. He lives on Lynmouth Road.

Questions about the share issue....

How can I invest?

We are running this share offer through the Crowdfunder website. When you click to invest, you will make a payment which Crowdfunder will hold until the project is successful and they will then pass the money to us. If the project does not raise its minimum target by the end of the project, Crowdfunder will return funds to you within one week of the deadline passing.

What is the minimum and maximum investment?

Shares are £1 each. The minimum investment is £50. The maximum is £100,000.
Who can invest?

Anyone over the age of 16 can invest (but only people aged 18 or above can serve as directors).

Can organisations and businesses subscribe for Community Shares?

Yes. A representative of that organisation will need to become a member of the society as nominee for their organisation/business.

Can people club together to buy shares?

Yes, but as with organisations, you'll have to nominate a member of your group to be the named shareholder in our share register.

What if the society isn't financially successful enough to survive?

If we did become insolvent, the ability of investors to recoup the funds they have invested would depend on firstly the value we (or the appointed insolvency practitioners) could get for the assets of the society and secondly, the value of our debts at that point. In the event of our insolvency or orderly winding-up, the proceeds from the sale of those assets and our cash would firstly pay off all our creditors, and if there were any funds left at that point, would be used to pay back shareholders as much of their investment as they have outstanding as possible, on a pro-rata basis. As we are a society with a statutory asset lock, any surplus left after paying off creditors and then shareholders will be distributed to other organisations working locally with similar goals and with an asset lock, and this cannot be changed.

What happens if I didn't get all my investment back?

Although we are registered as a society with The Financial Conduct Authority (FCA), the sale of withdrawable shares in the society is not regulated by the FCA. Like many investments, these community shares are at risk and you could lose some or all of the money you invest. Unlike deposits with high street banks, community shares are not covered by the Financial Services Compensation Scheme, nor is there any right of complaint to the Financial Ombudsman Service. If you are considering investing a significant amount then you may wish to seek independent financial advice before doing so.

Can my investment be gift aided?

No, because we aren't a charity.

Can I sell my shares?

No. This investment is in withdrawable share capital which cannot be transferred, sold or given to anyone else, except on your death. If you have invested £5,000 or less, you can tell us in advance who you want to transfer your investment upon your death, and we can transfer it without waiting for your executors to act. If you do not nominate anyone, or you invest above £5,000, then the Board will rely on the instructions given by your executors.

Can shares increase in value?

Shares cannot rise in value, so there will never be a capital gain. They may be reduced in value if our auditors instruct us to do so if they believe that the value of our assets has fallen.

Will I get a Share Certificate?

Everyone who invests will receive a specially-designed community share certificate.

What will you do with my personal details and data?

Your personal details as submitted on the application form will be held by the society and used in accordance with the provisions of the rules and of the 2014 Co-operative and Community Benefit Societies Act. Only members can inspect the members' register and view members' names and addresses (but not how much they have invested) but the society will not share, sell or provide my details to any other individual or organisation and will ensure compliance with the GDPR regulation in accordance with its responsibility as a data controller.