

The Blue Room Community Pub

139 Church Street Community Pub Limited
Share Offer – March 2017



Registered Address: 19, 23 Church Street, Manchester, M4 1PY

Registered under the Co-operative and Community Benefit Societies Act 2014 - No. 7466

The Blue Room, 139 Church Street, Blackpool, Lancashire, FY1 3NU

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1 Introduction

You are invited to invest in a community based enterprise in order to raise sufficient funds to purchase the freehold of The Blue Room public house. Once secured, the society would aim to carry out renovations and re-open the pub. The pub is a highly valued and missed piece of Blackpool town centre's culture and community. Your investment will help to secure and safeguard its long term future.

This share prospectus:

- Explains about the society and the share offer
- How the share offer works
- Outlines the project and its benefits for members and the community
- Invites you to join us and make the vision reality

It is advised that you take into consideration the business plan and the details it contains before investing.

Projected Timetable

- February 17th – Offer submitted
- February 22nd – Offer accepted
- March 3rd – Permission granted to publicise the acceptance of the bid
- March 13th – Launch share offer
- April 10th – Share offer closes
- April 21st – Complete Purchase
- April / May – Make essential repairs
- May / June – Re-open the pub

2 What is the Blue Room Community Pub?

The 139 Church Street Community Pub Limited is a not-for-profit registered society.

The society uses the model rules provided by the [Plunkett Foundation](#), which has supported numerous community groups to take ownership of both urban and rural pubs.



In its rules is embedded the principle that if the Society has a surplus, this may be made available for distribution to other community or charitable projects and good causes, after providing for the present or future needs of the society and its members in the form of a dividend.

The society's first purpose is to raise sufficient funds, through the issuing of shares, to secure and safeguard the future of the building by acquiring, developing and reopening it primarily as a pub.

You can join the society to secure the pub by subscribing for Shares and becoming a Member.

What is a Community Benefit Society (CBS)?

The CBS is controlled by its members. Every member has one vote. All members will be provided with an Annual Report which sets out how the enterprise has developed its activities over the previous year and will include accounts. Members will also be invited to the Annual General Meeting at which the report will be presented and discussed. The rules of the Society also provide for a number of other ways in which the membership may hold the directors accountable for the running of the Society, including the calling of a special general meeting if this is required. The CBS members elect a Governing Board, which can also have appointees. Every member has the right not only to vote, but to put themselves forward for election.

The main differences between a community pub and a traditionally-owned pub are:

- Increased involvement of members in decision making
- A commitment to engage with local community and address local social needs, especially for the underprivileged
- Attraction of new sponsors and partners as CBS ownership is in line with forward thinking organisations keen to improve their corporate and social responsibility (CSR)
- New types of funding and grants available
- Potentially new and better relationships with strategic partners, both local and national
- Increased custom as members and locals feel more involved

Do community owned pubs work?

Quite simply - YES! Community ownership provides a real incentive for people to support their local and have a say in how its run. There are now almost 70 community owned pubs and they operate in both rural and urban areas. A key factor to the success of co-op and community owned pubs are their members. We believe that by investing in the share offer you too can play an integral part in the future of the pub and the building as a whole. We want members to be involved as much as possible. Through our shared passion and mix of skills we can come together as a group to make the venture a success that has a far reaching impact.

A community benefit society is run primarily for the benefit of the community at large, rather than just for members of the society. This means that it must have an overarching community purpose that reaches beyond its membership. An applicant enterprise must also have a special reason for being a community benefit society rather than a company, such as wanting to have democratic decision-making built into its structure. Although a community benefit society has the power to pay interest on members' share capital, it cannot distribute surpluses to members in the form of dividends. A community benefit society can opt to have a statutory asset lock, which has the same strength as the asset lock for a charity and for a community interest company. This type of asset lock is not currently available for co-operatives. *Source: www.communityshares.org.uk*

The 139 Church Street Community Pub Limited is a community benefit society with a statutory Asset Lock, therefore shares cannot increase in value, and in the event of the society being wound up, any residual assets will be transferred to another asset-locked body.

Structure

The board will be responsible for day-to-day management issues, and for the performance of staff. They will also order supplies as required, according to agreed guidelines set by the Pub sub-committee. A Pub sub-committee will liaise closely with the board, sorting out issues as they arise and owning responsibility for wages, NI, etc. as well as paying bills. We expect meetings of the sub-committee (including the manager) to take place at least monthly. The board will work with the sub-committee to make strategic decisions, such as the theme of the Pub.

3 Background

The pub opened in 1881 and had been at the epicentre of the area of town most frequented by Blackpool locals, until multiple recent closures and re-openings, closing for the last time in 2015. A historically significant building, now listed as an Asset of Community Value, the local football club was famously founded at a meeting of St John's School old boys within the pub in 1887.

In recent years, the pub has been run by landlords on a leasehold basis, with Enterprise Inns retaining possession of the freehold, which has placed restrictions on the range of beers and types of facilities that the building can make available to the community. Now, for the first time in many years, the building is available to buy on a freehold basis, representing an excellent opportunity for the local community to take ownership of it and see it run in a manner most suited to their needs.

As well as providing all the standard and expected features of a pub, the building also housed practice rooms, recording facilities and a stage, which were used by both up and coming local musicians, and performers coming into town specifically to play at the venue. It was a hub of the live music scene, which has suffered in its absence.

As a group, we felt it important to protect the building and the pub against the prospect of demolition, or being redeveloped into shops or apartments. As such, working with the invaluable support of the Blackpool Civic Trust, we were able to successfully apply to Blackpool Council and have the building declared as an Asset of Community Value in September 2016.

Following on from this, a public meeting was called in the Raikes Hall on November 18th 2016, which was well attended, and the first discussion (outside of the board) of the prospect of community ownership took place. This was a lively, productive meeting, with excellent offers of both financial and practical assistance, including professionals offering their services for free, purely due to their love of the pub and their desire to see it re-opened.

What quickly became apparent was the depth of public support and goodwill towards the project from those who love and miss the pub - not only from younger residents, and the local creative community of all ages, but from the town's elder statesmen, including councillors, and offers of support from the local MP. There is great desire to see the pub not only returned to its former status, but enhanced; with the prospect of hosting its own brewing facilities, featuring other local breweries at the pumps, and providing performance and exhibition space to local artists of all kinds - as well as valued meeting space for local charities and community groups.

With the support of Plunkett, who have seen the value and potential for success in our project and have approved us for their 'More than a Pub' initiative, we are now at the stage where we are ready to open the doors to those people who wish to be directly involved in this project - to take ownership of the pub for themselves, and to have a say in how its run and what takes place within its walls. The area around the Blue Room - shops, takeaways and even other pubs - have suffered in its absence, sadly even leading to closure for a few. This is about more than just the reopening of a pub, it's about the regeneration of what was once a thriving part of the town, and it needs your involvement to make it happen.

This is not about us on the board taking ownership of the pub and running it for you. This is about you, as a town, doing what a lot of people think you can't, and taking possession of a community asset yourselves. We need members; we need your voices, we need your support, and we need you to be every bit as involved as we have been so far. Yes, we do want your money - but we also want you!

Time is short, and this opportunity may never come again. If you have ever cared about the Blue Room, wish for its return....now is the time to take action.

4 Our Mission

Our mission is to:

- *To raise sufficient funds to purchase the building and reopen the pub.*
- *To reach out to promote the pub as a community hub that brings benefit to the local area*

We will operate a viable community owned public-house on a sustainable commercial basis, using all surplus monies to fund community services and facilities that don't currently exist in the town.

This means that funding will be self-generated and reliance on the local council will be reduced. This helps everybody and boosts the opportunity for all residents to shape the future of our town and be part of a unique community concept that 'trail-blazes' true social interaction.

In 2011 the Government introduced the concept of 'Big Society', to break down the barriers that prevent local people getting things done that suit their communities; to support social enterprises and unleash entrepreneurial spirit.

The Localism Act was also introduced, giving new powers to community groups such as ours - including the right to have the pub declared an Asset of Community Value.

Whether it's a band wanting somewhere to play, a darts team looking for a home, an artist looking for somewhere to exhibit, or a charity looking for somewhere to host a public or private meeting - regardless of age, creed or culture - we want to provide a space for you. Our association with local organisations and groups is vital to the stability and success of this venture.

We aim to be an exemplar group realising that this type of project can be repeated throughout the UK and our advice and knowledge may well be called upon by other community groups attempting similar ventures. We want this project to be so successful that it inspires other community interest groups to take the initiative, and take control of their own buildings and facilities.

A thriving, successful Blue Room will provide economic stimulus to the local area, and give people who live outside the town centre area a reason to come into town for entertainment and socialising.

Primarily, however, our first duty is to re-open the pub and return it to the people who will benefit from it most - you, the community.

5 Financial Information

Please see the Business plan for Profit / Loss and Cash flow forecast

6 Benefits to the Community

Our belief is that the pub and the site it occupies are vital amenities for the town and that the best interest of the community will be served by acquiring it through a Community Benefits Society.

Once the pub has been purchased at market value, stage one will be to get the doors open and get people back in there to meet, drink and be merry. Stage two is the repair and improvement of the building. The venue is in need of some essential repair work, as has been evidenced by the survey that the board has had performed on the building. These repairs will be accounted for in the fundraising process, and will be carried out before the venue re-opens.

As mentioned elsewhere in this document, the society has plans for the renovation of the building, in keeping with the existing styles and 'feeling' of the venue. The society intend to introduce a microbrewery, updated recording facilities and rehearsal rooms for bands and musicians, and a multi-purpose "performance space" - a room that can be used for music or theatre performance, art exhibitions, or community meetings. This space will be provided free of charge to eligible charities.

An experienced manager will be recruited to run the pub. The society's vision for the venue is a "wet" pub, with emphasis on excellent beer and a friendly atmosphere. Although we will serve basic pub food/bar snacks as would be expected, the society believes that there are alternative facilities for good food in the surrounding area, and that the introduction of a full dining menu would not be consistent with the traditions or ambitions of the Blue Room. The manager will be accountable to board and their conduct will be monitored by monthly meetings.

It is hoped to establish an increasing number of community services and facilities on the site, which may in due course provide drop-in centres, coffee and breakfast facilities for parents dropping off children at the neighbouring school, internet café etc.

This purchase would have many benefits, including:

- Providing a Social Hub where people can meet their existing friends, make new friends, enjoy a selection of food and beverages, use the internet, borrow and swap books and much more, although some of these are projects for the future. See Appendix B – Services for a comprehensive list of proposed events, services and facilities
- Improving the fabric and amenities of the building, including function room on the first floor of the building
- In due course providing a permanent home for other community projects within the community
- Helping to sustain property prices in the town
- Investment of any surplus back into community projects

This represents a fantastic opportunity for the town to continue to strengthen the vibrancy and sustainability of our community. But unless we secure the pub now, the opportunity to foster these developments on a site in the centre of the town may be lost forever.

7 Directors

The board may consist of not less than 4 or more than 9 Members. The current board is made up of 5 people who believe that it is vital to secure the future of the pub for the community.

They are: Gareth Wright (Chair), Rob Hill (Secretary), Graham Moore, Iain Brownbridge and David Moore.

Annually, the board will provide all Members with a report which will set out audited financial statements and a report of the Society's activities during the previous financial year.

Please see the business plan for further details of the society and the board.

8 Community Share Issue

A Community Share Offer provides the opportunity for local people and businesses to buy into the community where the motivation and payback is more social than financial. It helps to ensure a truly local enterprise, accountable to the community whilst serving and benefiting it.

The shares you buy will give you membership of 139 Church Street Community Pub Limited, registered as a Community Benefit Society with the Financial Conduct Authority (FCA) on 22 December 2016 (registration number 7466 CBS).

Your involvement can be as much or as little as you choose, and you will have the same voting rights as every other shareholder, regardless of how much you invest. You can vote at Annual General Meetings, stand for election to the Board of Directors, inspect the share register of the society, volunteer skills for the refurbishment or just give the pub / society your custom and support.

The society requires funds of £230,000 to secure the purchase and undertake the redevelopment and renovation of the pub. Realistically, this may not be completely funded through share capital and therefore loans and grants may be required. The society has the potential to access a grant through the governments 'More than a pub' initiative and a preferred loan provider through The Plunkett Foundation.

In order to carry out essential repairs, purchase stock and set-up accounts with suppliers we envisage we would require £20,000 - £30,000.

The Share Offer is a "one member, one vote" system, with a minimum investment of £100, and a maximum of £20,000 per individual or business. Regardless of the size of the initial investment, each member will be entitled to an equal vote in all matters called upon by the board. Any member is eligible to stand for nomination to the board.

Initially, subscriptions to the share offer will remain open until full funding is achieved, be that via share investment, loans, grants or other fundraising. Periodically, as business needs dictate, further investment opportunities may become available in the future.

Should a member choose to do so, they can continue to invest on an open-ended basis after the investment period has ended.

Potential Risks

The Society wants to be fully open and transparent to its potential investors about the risks as well as the benefits of investment in community shares. Shareholders have no liability beyond the value of the shares they buy.

Co-operatives UK recommend that it is good practice to make the following points explicit:

- Financial Services Compensation Scheme, which applies to bank accounts, does not apply to your share account.
- As a member and shareholder of the society you will own the society and The Blue Room pub. If the Society is unable to meet its debts and other liabilities, you could, in principle, lose some or all of your investment held in shares.
- This share offer is exempt from regulation and therefore does not require authorisation from the Financial Conduct Authority (formerly the FSA).
- Your investment in your share account is withdrawable without penalty at the discretion of the Board under the Society's rules.

The Financial Ombudsman Service does not apply to your share account or your relationship with the Society, but any dispute may be the subject of arbitration as set out in the Society rules.

What happens if it doesn't work out?

The moratorium period for the ACV ended on February 6th and due to this we have already made a bid for the building in order to enter into negotiations.

After Feb 6th, the seller is entitled to consider bids from all and because of this there is no guarantee that we shall be successful in or negotiations. If for any reason we are unsuccessful in our efforts to raise the necessary funds to purchase the building or the seller accepts a bid from another party, we would look to reimburse all investors.

In the unexpected event of the business failing, we would be committed to reimbursing shareholders in full. The premises would be put up for sale and, once sold, the proceeds used to reimburse investors. Obviously the level of reimbursement is dependent on sale price. Generally, property prices retain their value, but it is important to point out at that this is a risk you are taking when you invest. Any profit over and above the reimbursement to shareholders would be used to pay interest to investors, and then to benefit the community. Your liability is limited to the amount you have invested. The share value cannot increase; you can only accrue annual interest on your investment once the business is profitable.

Benefits

- Provides an affordable scheme for all members of the community to invest in the pub and therefore in their community.
- Provides an income to society during the purchasing and redevelopment phase of the project.
- Is attractive to financial institutions providing loans to finance the project, as it demonstrates community support and community investment in society.

The following conditions will apply:

1. Shareholders must be aged 16 or over.
2. Shares cannot be transferred except on death or bankruptcy.
3. The value of shares cannot increase, but their value may fall should the business fail
4. or its liabilities exceed its assets.
5. The investor will commit to investing in society as a one off-payment of not less than £100, and not more than £20,000.
6. The investor will become a member of the society immediately after their investment has been processed and received.
7. All monies raised by the community share-offer will be held in a separate bank account. These monies will only be used for the purpose of purchasing the building and paying for associated expenses, including repairs. Control of that account will be limited to three nominated committee members. Any such expenditure will be completely transparent and you will be able to see the results of your investment. In the event that we are unsuccessful with this purchase, the monies you have invested will be returned to you, less any unavoidable costs and expenses incurred (such as professional fees).
8. All memberships will be administered by the board of the society
9. No interest will be awarded to Members until after the first 3 years of trading are complete and will then be at the discretion of the board.
10. Members will not be able to withdraw share capital until after the first 3 years of trading is complete, and then only at the discretion of the board.
11. Members must provide at least 3 months written notice for withdrawal of shares, on the Share Withdrawal Form.
12. No more than 10% of the total share capital can be withdrawn in any one year following the 3rd year of trading. Requests to withdraw investments will be considered by the board in the order the requests were received.
13. Any compensation awarded will be limited to a maximum of 2% above the Co- operative Bank Base Rate.
14. On solvent dissolution or winding-up of society, holders of shares will have no financial entitlement beyond payment of outstanding interest by the Board and repayment of any paid up share capital.
15. Although 139 Church Street Community Pub Limited is registered as a society with The Financial Conduct Authority (FCA), the sale of community shares is not regulated by the FCA. Like many investments, 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.

9 Contact / Social Media

For all questions or queries, please send us an email rather than a message through social media. This will allow us to respond as quickly as possible.

Email: theblueroombpl@gmail.com

Facebook: www.facebook.com/theblueroombpl

Twitter: www.twitter.com/TheBlueRoomBP



theblueroombpl

10 Application for Shares

Each share is valued at £100. Minimum Investment is £100. You can buy in batches of 100. Maximum investment is £20,000. Shareholders must be aged 16 or over. By investing you are applying for Society membership.

Crowdfunder - www.crowdfunder.co.uk

The online crowdfunding platform is used by many of the community pubs looking to raise funds. Payment can be made by debit or credit card. Please be aware that this site does incur us fees. We are happy to cover these fees, but by paying directly into our account or by sending a cheque, we will not be liable for fees on your investment.

Contact Details

Full name:

Address:

Postcode:..... Date of Birth: Email:.....

Telephone:..... Mobile:.....

I agree to the terms of this share offer as set out in the prospectus and to the rules of the society: (Please refer to the website or request a copy)

Signed: Date:

Payment by Cheque

To invest via cheque or bank transfer, complete and return this form to the 139 Church Street Community Pub Limited, c/o 32 Ellerbeck Road, Cleveleys, FY5 1DH

Bank Transfer

Acceptance / Receipt will be notified by email. If you can use your Name as a reference, this will allow us to match investments to funds received.

Sort Code 23-69-72 Account Number 02041659

I, as signed above, wish to buy the following number of shares: (Please tick a box)

£100	£200	£300	£400	£500	£1000	£1500	£2000	£5000	£10,000	£20,000	Other (100's)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text" value="£"/>

I have enclosed a CHEQUE: Please make cheques payable to 139 Church Street Community Pub Ltd

I have paid by CROWDFUNDER: Please visit www.crowdfunder.co.uk

I would like to claim tax relief on my share purchase.

Nomination of shares on your death

You can nominate a person aged 16 or over to whom you wish your shares to be transferred on your death. The 139 Church Street Community Pub Ltd. will respect your wish in so far as the law and our rules permit.

Personal details of your nominee

Full name:.....

Address: Postcode:.....

I understand that it may not be possible for The 139 Church Street Community Pub Ltd. to action this request and I and my heirs will not hold the Society responsible for its actions. I understand that these instructions can only be revoked or amended by giving my clear written instructions to the Society at its registered office.

Signed as a Deed:..... Date:.....

Print name:.....

Signature of witness:..... Date:.....

Data protection and money laundering

The data provided by you on this form will be stored within a computerised database. This data will be used only for The 139 Church Street Community Pub Ltd. purposes and will not be disclosed to any third party. It is a condition of the offer that to ensure compliance with the Money Laundering Regulations 2003, The 139 Church Street Community Pub Ltd may at its absolute discretion require verification of identity of any person seeking to invest.