



# THE HIVE LIVE COMMUNITY SHARE OFFER

Share Offer Opens: 9th May 2019

Closing Date: 31st May 2019

**Minimum Target: £150K**

(The committee can extend this deadline if we are close to achieving the minimum required)

**Maximum Target: £400K**

This is an opportunity to buy shares and become a shareholder of The Hive Live Limited, a Charitable Community Benefit Society (The Society) registered with the Financial Conduct Authority

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

Community  
Shares



Community  
Shares  
STANDARD

This share offer has been awarded the Community Shares Standard Mark, 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 <http://www.communityshares.org.uk>

## Why are we doing it?

This share offer has been developed to support the development of a community cultural venue for Winsford and The Weaver Valley. The venue will house facilities including a coffee bar, and a street food shack, professional stages, recording and rehearsing rooms, a project office and meeting spaces for student work experience as well as a courtyard with outdoor bar.

Our vision is to create a cultural focal point for Winsford which will act as a catalyst to re-ignite the economy and sense of community. Besides from hosting cultural events daily, from gigs and concerts to cinema, theatre, poetry, dance and exhibitions, the venue will be open 7 days a week as a vibrant social meeting place with a cafe bar and street food offering. The Hive has a unique model whereby mentors help students to stage events and run projects as work experience modules, the 1st floor of the venue will accommodate the spaces required to deliver these much needed opportunities to further young people's lives, alongside much needed affordable recording and rehearsal facilities and an internet radio station.

Bringing de bees into community ownership and will ensure the success and sustainability of the business by enabling the community to develop the facilities to meet their needs, rather than serving the financial demands of disinterested and distant owners. Community ownership will also ensure the business works alongside existing businesses rather than competing directly with them. The aim is to open The Hive as soon as possible on taking possession only carrying out essential refurbishment and redecoration of the bar area and the development of the first floor facilities for the students.

## Why should you invest?

If, like us, you feel that the life is going out of pubs, that large pub-owning companies and greedy property developers are destroying the hearts of our communities, this is your opportunity to make a difference. By investing in this community-owned venture you will be part of a growing group of people seeking to take back control over their local area. Pubs offer a safe place for people to drink, chat and socialize. de bees opened 21 years ago as a music/comedy venue and nightclub, for many years de bees was an extremely successful thriving venue regularly hosting profile bands such as The Levellers, Cage The Elephant and Catfish and the Bottlemen alongside comedians such as John Bishop, Alan Carr, Jason Manford and Russell Kane.

There then followed a long period of under investment by pub co owners which led to the venue reducing its programme of cultural activity and hours of opening to weekend nights in the main. Despite this de bees remains at the heart of and home to Winsford's thriving music scene, to this day the venue still regularly hosts local giants like The Luka State and Deja Vegade bees has helped launch many careers such as Tom Walker who GQ just called "Britain's breakthrough artist of 2019", in the article he remembers de bees as his first paid gig!! After an estate re evaluation de bees owners El Group have decided to put de bees up for disposal, the venue occupies a significant plot of land and as such on the open market would most likely be sold to property developers as has been the case with several other community venues in Winsford in recent years.

de bees is the last remaining purpose built entertainment venue in town so thankfully El Group has agreed to give the community a chance to save the venue by accepting the Hive's offer to purchase it into community ownership, but we only have a month to complete. If we are unsuccessful The Hive will lose the £5,000 deposit that secured the narrow window of opportunity and de bees will be closed and put on the open market. So far community ideas for the proposed Hive building's programme of activity include gigs, concerts, movie nights, comedy, dance, drama, literature, cultural workshops, craft fayres, bingo, gaming tournaments. The opportunity to let your hair down and dance into the early hours Friday and Saturday nights has long been a big feature of de bees, most of Winsford seems to have met their partners there over the years! If successful The Hive vows to still offer DJ's and dancing into the early hours but as after show parties in addition to a full programme of weekend activity. The big word back is that The Hive needs to be multi purpose; something for all ages and all tastes to be truly valuable and successful.

## How much will it cost?

We have offered £250 000 plus VAT which we think is a fair price for de bees which has been accepted we will also need to raise sufficient to cover legal fees, administering the share offer, printing and publicity. Once we have bought the pub we will need money for setting up our business, essential repairs and renewals and running capital, this we estimate would amount to £15,000 on top of the purchase price, we also have planned a further £85,000 for short and medium term renovations. More detailed financial information is on page 7.

## Here is what we plan to do.

**Buy** de bees in Winsford and the adjoining land at a reasonable market value. This will ensure that any investment you make is as safe as it can be. Remember any investment can go down in value.

**Restructure** the way the business works. We believe that the best way of achieving our aims for The Hive is to buy it and operate de bees as a community venue. We have formed a co-operative which is able, through a share issue, purchase the venue for the town and members of the co-operative. A co-operative – The Hive Live Limited - has already been established as a legal entity to enable this to happen. Whilst the co-operative would shape the operation of the venue and program all events and activity, the bar and food concessions would be provided by CI (WV) Ltd a local employee owned co-operative. They would order the stock, employ the staff and deliver a quality service for visitors to The Hive. The co-operative can focus on making sure that The Hive provides what the community wants

**Refurbish** the pub; de bees has suffered underinvestment over the years – we want to make it look and feel loved again. We have a list of necessary improvements we want to make immediately, mostly cosmetic, but there are some underlying infrastructure issues that need attention. Additional renovations are planned to increase the trading area at the front of the building to increase the venue's attractiveness as a social meeting place. Further details are in the business plan.

## What are you investing in?

De bees in Winsford is a pub that has been serving food and drink for several decades. It serves the distinct community of Winsford which is a small Cheshire town with a long history 3 and its own distinct identity. But with the loss of many old landmark buildings and facilities and the change in population Winsford's cultural identity has suffered as has its image. The town centre has few shops of note and many empty units, the levels of aspiration are generally very low.

We believe we have put together a strong business case to show how a community owned pub in Winsford can be a success, by reflecting what the people of Winsford want from their pub. Whist we intend to pay interest on your investment of around 3% a year and there is tax relief available (see below) what you are really investing in is the future of Winsford. We, the people of Winsford, will have a venue as a cultural centre in the town for as long as we want one – because we will own it. The Hive will be a cultural venue to show off our creative community, an attractive social space for the community to meet up and celebrate and a project base for students to create events and festivals.

## **Why is de.bees being disposed of by property owners?**

de bees was once a thriving venue regularly hosting bands such as The Levellers, Cage The Elephant and Catfish and the Bottlemen alongside comedians such as John Bishop, Alan Carr, Jason Manford and Russel Kane attracting visitors from around Cheshire as well as serving the local community.

There then followed a long period of under investment which has meant the venue has deteriorated into little more than a late night club two nights a week appealing to a limited market which had the inevitable knock-on effect of it losing custom leading to further under investment over the years during which time only the Pub Co profited from the business.

The recent pubco reform legislation has led to the restructuring of the big pub co's like de bees owners EI Group who are moving towards direct or semi direct management of pubs. Given the venue's non traditional offering and requirement for specialist operators there was no appetite for self management so de bees was deemed to have greater value closed and sold for redevelopment. The board agreed its disposal in March 2019, although they have agreed off market sale to the community should we fail to raise sufficient funding the building will be closed and advertised on the open market.

We believe that community ownership, so that the day to day operation of the venue can be shaped by the community it serves, will secure the future of the venue to serve future generations of Winsford residents.

We have based our business plan on information we have received about previous usage in a typical week. In 2017 and 2018 de bees turned over approx £350K whilst opening just Friday and Sat nights.

In developing our plans we have received support from three organizations with extensive experience of community ownership of pubs – Co-operative and Mutual Solutions, the Plunkett Foundation and Pub Is The Hub.

With online polls via The Winsford Community Forum and a meetings throughout March and April 2019, local residents were given the opportunity to have their say as to what they would like the venue to be able to provide for them as a community. The aim of this was to create a focus for gathering and acting on suggestions for utilising the building. We've also met with local schools and colleges to discuss the Hive's mentoring programmes and events.

# Who are we?

We are The Hive Live Limited, A Community Benefit Society. There are five founding members who have planned the business, feeding back regularly to a larger Steering Committee.

They are:



## Chris Howarth (Chair)

A local resident who has recently retired from a senior corporate position and has time to commit to The Hive. Chris is a recording artist and music is his passion, he is also a successful investor and businessman and brings a wealth of experience and expertise to the board including his experience on the board of trustees of another local charity.



## Andrea Taylor (Treasurer)

is a Winsford resident who has strong and valued experience in the banking sector, as well as being an active member of the creative community as a talented performing musician at numerous venues.



## Alice Johnson

a lifelong resident of Winsford and a landlady of a local pub. Alice has a degree and a masters degree in art, is a practicing artist and runs a small gallery in The Red Lion pub where she also coordinates a programme of entertainment six days a week.



## Neil Walker (Secretary)

is a Winsford resident who has helped to direct operations at Hive events and festivals over the past 9 years and as a director of the company which serves the local community with experience of general business and financial matters.



## Martin Moseley

Resident in Weaver Valley, professional band and event promoter, festival organiser and hospitality specialist working in the industry for many years.



## Andy Kirwan

is a lifelong Winsford resident with 15 years' experience booking a programme of entertainment at de bees and for The Hive's community festivals, he has helped to build a thriving local music scene in Winsford encouraging and supporting young bands and artists with whom he has been a constant for 15 years. Experienced professional club and festival DJ for over 10 years. 15 year's experience designing flyers and posters for events and festivals.



## Martina Horrill

Resident of Winsford for most of her life Martina has volunteered for the Hive for the last 8 years leading on the organisation of the craft and maker markets which feature at Hive events



## Damon Horrill

has lived in Winsford for over 20 years, 25 years' experience in the operation of venues and pubs and has employed up to 100 local people consistently over the past 21 years. Won best Community Pub Operator in 2016 and 2018 at the prestigious Public Awards. Founding director of The Hive and lead organiser of up to four annual events/festivals for the last 9 years.



## Mark Curzon

A lifelong resident of Winsford and perhaps the most celebrated entertainer the town has ever known. Mark performs most days in one local venue or another but also happens to be a fantastic artist and filmmaker. He is a champion of Winsford and a keen mentor to young artists and filmmakers.

Presently positions on the Committee remain open to any shareholder member and will be again at subsequent elections at the Society's Annual General Meeting.

## Why invest in a Community Enterprise?

We spent a lot of time consulting with the community, with experts, with entrepreneurs and with top professionals before we chose the legal form that this organisation is going to take. The result was a Community Benefit Society.

We have also opted to Asset Lock the Society so that there is no incentive for any future shareholder members of the Society to sell off this valuable community asset. This means that it will, all the time it continues to trade profitably, remain a public house and asset to the community for ever. The members own the business and each member has one vote. You have not only a say in the running of the business but may also share in its fortunes. That doesn't mean you get to say how the pub is run day to day, but you are in control of the strategic direction of the Society.

You choose a team of Directors to oversee the management and the Directors will appoint a general manager. We don't want to communicate with you just once a year at an AGM - there will be regular newsletters, quarterly members meetings, a Facebook page and website. We want to know what you think about your pub. Being a Community Benefit Society ensures as wide an ownership as possible, so no big fish can come along and change the nature of the business, and it is, comparatively, a safe form of share investment, although of course as with any investment there is a risk.

Designed to be a longer term, interest-paying community investment, there is nevertheless the ability to withdraw your share capital from the Society if you want to free up your money after a period of time. For the first three years, the right to withdraw your shares is at the discretion of the Committee, but after that you can withdraw your shares on three months' notice. This form of Society also benefits from exemptions from some Financial Conduct Authority (FCA) regulation (in the shape of exemptions from the Financial Services and Markets Act 2000) and a number of aspects designed to make it attractive, quick and easy to invest for both the business and the share holders.

Unlike large scale investments this is very local; it's likely you will know most of the other investors. The way the Society is set up means that no one person or investor can take control, nor can anyone make money from selling shares, they all have a fixed value and can only be sold back to the Society.

Any profits that the Society makes can either be put back into the business of the Society or shared amongst members. This decision will be up to the members.

## Financial Information

### Capital

Shares £250k @ 3% interest from 2020

The minimum target of £150K from community shares is required to secure the purchase of de bees from owners El Group but would not be sufficient to carry out planned renovation works from the off. We have applied for investment from the Community Shares Booster Programme, which is funded by Power to Change and run by the Community Shares Unit. Under this programme, up to £100,000 is available to match applications for shares from the public. The Hive Live Limited is in negotiations to secure an equity investment from the Booster Programme for this offer.

If successful, it would mean that for every pound invested by individuals (up to £100,000) another pound will be invested in matched shares so we could reach the ultimate target of £250K Ideally we will reach £150K with this crowd fund and be successful with our bid with Share Booster for the additional £100K in order that we have the necessary budgets available for renovation works to be progressed immediately, otherwise further funding will be sought and works completed at a later date. Should we over exceed the target and raise £400K with this share release we will not need grants and social investment funding and other projects elsewhere will benefit accordingly.

Loan of £100 k @ 6.25% interest

Grants £50K non repayable

### Purchase Price

£250k plus VAT

### Initial Repair/refurb (Planned for June)

£15k based on the full survey

### Short term renovations (Planned for July)

£55K

### Medium term renovations /investment (planned for October)

£30K

### Sales/Income

- 30% of the turnover of the bars and food concession.

There will be an 'open book' arrangement. CI (WV) Ltd operates an on-line accounting system and the Treasurer (or other nominated person by the Society) will be given an access to be able to check on income which passes through the tills. In 2017 and 2018 de bees turned over approx £350K whilst opening just Friday and Sat nights giving a revenue share of £105K It has been agreed that the minimum revenue share will be £100K. Cornerstone Inns will pay the revenue share to the Society no later than the 7 th day of the month following a month's end.

### - Ticket revenue, box office, event revenues, grants Forecast

£175 - £250K pa

### - Room facility hire/fees Forecast

£15K -£25K pa

	2019 -2020	2020 - 2021	2021 - 2022
Projected Income	£371,700	£344,965	£363,310
Projected Expenditure	£371,595	£305,710	£305,893
Pre-tax Profit/(Loss)	£105	£39,255	£57,417

## Marketing

The marketing plan for The Hive is based on three fundamental aims:

- To increase the number of customers using the facilities  
(building the customer base)
- To increase the frequency with which customers use the facilities  
(building customer loyalty)
- To increase the value of each visit made  
(building customer value)

The target market segments that we hope to attract through the marketing proposals are:

- Local people, including families, young people, older people, school parents - both from Winsford and The Weaver Valley area in Cheshire.

To enable the committee to gain a full understanding of what facilities the local community required in The Hive, a series of well attended events were held to encourage the community to put forward their ideas of what facilities they wanted in The Hive. As a result, many varied proposals were put forward. The proposals were then sorted by most popular and it is these most popular ideas that will be considered for viability and sustainability during the initial months of opening.

Ideas not considered suitable or viable at the initial stage may be considered for inclusion at a later date i.e. stage 2.

Proposed methods for achieving the marketing objectives in the early days of operation of the business are outlined below. The marketing plan will be updated regularly in conjunction with the management team as the business grows and develops.

### **(Seed) Enterprise Investment Scheme**

As long as you are a UK taxpayer, you are eligible for tax relief on your investment subject to HMRC rules on eligibility, as long as you leave your shares in the Society for at least three years. We have applied for advance assurance from HM Revenue and Customs (HMRC) that the shares in The Hive are eligible for tax relief under the Seed Enterprise Investment Scheme (SEIS) and the Enterprise Investment Scheme (EIS) which are both government-backed schemes designed to encourage investment in smaller enterprises. Community-managed pubs like The Hive are eligible for this tax relief.

Under the SEIS, the first £150,000 raised by the share issue will attract tax relief at 50% of the sum invested. So, provided you are a UK taxpayer, you will be able to recover up to one half of the amount you invest from HMRC in the year after The Hive starts trading, i.e. when the society starts earning revenue.

After £150,000 has been raised, further investment in shares in The Hive will attract EIS tax relief of 30% of the sum invested. **The actual amount of tax relief you can claim will depend on your personal tax circumstances.**

For example, Bethan decides to invest £10,000 in the tax year 2015-16 (6 April 2015 to 5 April 2016) in SEIS qualifying shares. The SEIS relief available is £5,000 (50% of £10,000). Her tax liability for the year before SEIS relief is £7,500 which she can reduce to £2,500 (£7,500 less £5,000) as a result of her investment.

Remember applications for tax relief are made to HMRC by you, the investor, not by The Hive, and so we cannot give any guarantees. HMRC's information site, [www.hmrc.gov.uk/seedeis/](http://www.hmrc.gov.uk/seedeis/) explains the application procedures but, if you are unsure, please seek professional advice

## Risk Factors

There are a number of risks involved in this investment

- The capital is not raised. The community purchase does not go ahead and all monies are returned in full to people who have bought shares.
- A catastrophic failure of the business. de bees/The Hive would be sold and the money from the sale used to refund shareholders as far as possible. Assuming people have claimed EIS tax relief, so long as the venue was sold for at least £250k people should get all their money back. However, we cannot hide from the fact that this is an 'at risk' investment and people might lose some or all of their money
- The relationship with CI (WV) Ltd doesn't work out or the company collapses, this is unlikely as CI (WV) Ltd has shared objectives and is a community owned business already running successful pubs but the Society would look to take on the host and other staff and trade as a directly managed venue or more likely find a suitable alternative partner/ tenant give the specialist operational expertise required.
- A major repair not picked up in the survey becomes apparent in a few years' time. We would then have a trading track record on which to raise finance. If the repair was unaffordable, then we would close the business and seek to sell the building.

## How the Share Offer works

If we have convinced you to invest this is what you need to do. Complete the application form in the share offer document and send it back to the contact address. When you submit the form you will have agreed to buy shares in The Hive Live Limited.

It would be easier if you could enclose a cheque as it will save us having to ask for the money later. All cheques will be held securely or banked in an account we have set up for this purpose. If for any reason the purchase does not go ahead we will return your money to you in full.

## Important legal information

We have a legal obligation to be very clear to you how the share process works and a moral obligation to be true to the twin aims of safeguarding The Hive for the community and safeguarding your money, **SO DON'T SKIP THIS PART!**

1. Shares are priced nominally at £1. The minimum investment is £20 with a maximum investment of £25,000 for an individual or company. Any amount between £20 and £25,000 may be invested.
2. Shareholder members must be at least 16, and must pay for their shares in full at the time of application.
3. Shares are non-transferable. Shares may be withdrawn from the Society after a minimum of three years, subject to terms listed below (see item 7).
4. Nominal share value cannot increase. However the value may fall if liabilities exceed assets e.g. if the business fails. Your investment is fully at risk, before investing you should read the risk factors section of this document above.
5. Your personal liability in all circumstances is restricted to the value of your shares.
6. We are allowed to pay interest on share provided the business' profits allow it. Our aim is to pay at a minimum of 3% interest, but our first priority is to refurbish The Hive. Any payment of interest on shares is dependent on the Society making a profit and is also subject to the approval of the shareholder members.
7. After the minimum three years, you may withdraw your share capital from the Society provided notice of three months is given in writing and the Committee do not block the request for any reason, as they are entitled, legally, to do. (This would be the case, for example, if there was a sudden rush of people wanting to withdraw share capital). The Committee does not expect to use this power as evidence from elsewhere is that new members come forward to replace departing members, keeping the level of shares roughly constant.
8. Before shares are issued all monies will be held in safekeeping in an account in the name of The Hive Live Limited until the Society's founder members are clear that the minimum amount has been reached to make the purchase viable. Should this not occur, your money will be returned in full. You will be informed online at [www.thehivelive.org](http://www.thehivelive.org), by email and by leaflets in the town of the status of the share offer and subsequent bid.
9. Once you are issued with your shares you will become a shareholder member of the Society and will be entitled to full voting rights at general meetings and to stand as a director of the society. If your shareholding drops below the minimum amount, you will lose this right. All shareholder members have one vote irrespective of shareholding.
10. In the event of the death or bankruptcy of the member, the value of their shares goes to their estate. Membership is not transferable.
11. The Society has a statutory asset lock designed to safeguard The Hive for the future meaning that if the Society is dissolved, then once shares and other liabilities are paid, residual assets cannot be distributed amongst the shareholder members but must be used to benefit the community of Winsford.
12. The Hive Live Limited is registered with the Financial Conduct Authority. However, special rules apply to Co-operative and Community Benefit Societies and you have no right of complaint to an ombudsman. See [www.fsa.gov.uk/doing/small\\_firms/msr/societies](http://www.fsa.gov.uk/doing/small_firms/msr/societies) for full details. As with any share offer you would be well advised to seek independent financial advice before investing.
13. This community share offer closes on 31st May 2019. However, if the target sum has not been received by that date, but we are very close, the Committee reserves the right to extend the share offer – rather than lose The Hive.
14. The Society rules and a copy of our business plan are to be found online at [www.thehivelive.org](http://www.thehivelive.org)
15. Due care has been taken in the preparing of this document, a process which has been overseen by the directors, who can vouch that the information it contains is in accordance with the facts and that there are no omissions likely to affect its import.

## How to invest

There are two ways to buy shares:

1. Online via Crowdfunder
2. Offline by filling out an application form and making a payment via cheque to The Hive

### ONLINE:

We have set up our Crowdfunder page, where you can use a credit or debit card to invest on the project. The page will open for investment on 10 May 2019, and will remain open for two months or for whatever additional period of time that SouthGen may need to achieve its targets.

You will need to provide your personal details and, if you are buying shares for someone else, you will also need to give their details.

If you are buying shares as a syndicate, business or some other group, you should provide the details of one person who is the nominated member for us to contact with information about your group investment. Your investment will be debited from your account once you've submitted your investment amount, along with a small fee, and held securely by Crowdfunder's payment processor until the share offer closes.

Crowdfunder will only draw down the funds if we reach at least our minimum target. If we do not reach our minimum target, your money will be returned to your bank account. If our share offer is successful in meeting its target by the time the page closes,

The Hive will then contact you to ask for details of a nominated individual to whom you can transfer your shares in the event of death.

Please see Crowdfunder's terms and conditions for more details.

Investors must be over the age of 16.

# Share Purchase Form

Alternatively to make a payment offline please complete the form below and return with your cheque by 27-5-2019 to the following address

**The Hive.**  
c/o The Red Lion 1 Wharton Rd Winsford  
Cheshire CW7 3AA

Or transfer funds by BACS to The Hive

Account - 90688622 Sort Code - 20-24-09  
(using your name as reference)

Name .....

Full address including post code .....

.....

Registered number (if an organization)

.....

e-mail address.....

Phone number.....

Bank Account Details – where interest payments will be made

Account Name.....

Sort code..... Account number.....

Number of shares you wish to acquire (minimum £20 maximum £25,000)

.....

Shares cost £1 each.

Value of the shares purchased.....

Please make cheques payable to The Hive

By investing I agree to my name, address, phone number, email address (where applicable), amount invested and number of shares allocated to me being held on a computer database. The amounts or sums invested by individual members will be confidential.

I understand that this information will be used for the purpose of maintaining a register of members as required by the rules of the Society and will not be passed to third parties.

Signed: ..... Date: .....

on a hard copy and an electronic database. The data will be used for d purposes and will not be disclosed to any third party.