Music Venue Properties

Initial Concept Business Plan

May 2022

Legal Status and Governance

Music Venue Properties (MVP)is a Community Benefit Society registered with the FCA on 5th July 2021 (registered number 8635). The society has charitable objects and has applied for recognition of its charitable status from HMRC. The registered office address is 5 Church Street, Wimbourne, BH21 1JH.

It was created under the auspices of the Music Venues Trust (MVT), a charitable incorporated organisation registered in England and Wales as the membership body providing services to and lobbying on behalf of the 900+ grassroots music venues who form its members.

MVP has three Founder Members, who are the Music Venues Trust as a body corporate, and the Chair and CEO of MVT. The Founding Board appointed by those members is:

Bonita McKinney
Music Industry Professional, specialising in event promotion, digital music distribution and event ticketing with 10+ years' experience. Co-chair of the Music Venue Trust board of trustees.

Hugh Rolo OBE
Founding Partner of the Community Shares Unit, Hugh, a former investment banker, has over 20 years' experience as an active social investor through Key Fund, Social Investment Business and the Community Shares Booster programme. He was awarded an OBE in 2021 for investment services.

Gabriella Smith
As a Chartered and Accredited Historic Building Surveyor, Gabriella has worked in the historic building industry for over 20 years, both in the public sector for the Government's Statutory advisor and in the private sector.

James Wright
Former live music promoter, booking agent and tour manager now working as a built heritage consultant specialising in planning applications for historic buildings.

Natasha Dos Passos
Finance professional with over 20 years of experience in financial management and transformation, notably at Universal Music as the Financial Controller of EMI Records. Now specialising in Sustainability, Governance, and Risk advisory for the SME sector. Natasha has a passion for sustainability and community, together with her finance and governance skills support her to champion grassroots projects. She is currently serving as a trustee at the London Gardens Trust to conserve and protect London's green spaces, and previously held the role of Non-Executive Director at Orpheus Sinfonia, a charity supporting musicians in the early stages of their classical music career.

Rhoda Dakar
Singer, songwriter, recording artist and music teacher (post-16), turned professional in 1980. Rhoda is the middle of three generations of songwriters/recording artists. Her father started out in small clubs in France when he lived there before WW2. When he had to come and live in the UK, with war

looming, he started to host club nights. Eventually he had his own club in London's West End during and for a while after the war. It was tiny but had a huge cultural impact and was frequented by the great and the good of the era, including Robert Kee and Lucien Freud.

Jeremy Mills
Chair of MVP. A legal Professional with over thirty years of experience advising individuals, businesses and charities.

Peter Cornforth
Real estate investment professional, specialising in urban asset management, and Chartered Surveyor, with over 30 years of experience in the sector, the last 10 in private equity investment and development. He has represented the real estate industry as an expert contributor to the Mayor of London's Night-time Economy Commission and sits on the Advisory Board at Sound Diplomacy. Non-exec roles include the new Goods Way venue at Kings Cross and The Rattle community of start-up inventors, artists, hackers and nerds looking to change the system. And, against many friends' better judgement, Peter has had an independent record label, recording studio and put on club nights around London.

Phyllis Belezos
25+ years' experience in the music industry working as a Music Booking Agent representing artists' live careers worldwide. Director/Owner of recently launched company which is a Booking Agency and Consultancy. Co-chair of the Music Venue Trust board of trustees.

Music Venues Trust and Parent Control
As the body which has formed the society and developed its plans, Music Venue Trust is the 'parent' of the society. It controls sufficient votes in the society to be able to either pass or block any resolution it wishes, except certain legally-mandated resolutions to do things like amalgamate with another society.

MVT appoints up to one-third of the Directors, and up to two-thirds of the Directors are elected by and from the members who invest in the society, and who also cast a minority of votes at the AGM on all resolutions (apart from the legally-mandated resolutions, where all members have one vote of equal weight). There is also provision for the Board to co-opt 2 Directors to bring additional expertise we feel we need to make our discussions and decisions better informed.

All of the Directors will resign at the first AGM of the society, due to be held sometime in the months leading up to 30th September 2022 in order that a new board can be elected with the confidence and legitimacy of being democratically elected by all our members. Existing Directors can stand for re-election, as can any member who can be nominated.

We hope that in addition to assisting setting our strategy that they provide more practical impact through supporting the venues who lease our venues and also using their engagement in supporting live music by providing market providing intelligence on suitable venues for acquisition.

Our Mission
The society has been formed to make a long-term decisive intervention to secure the future of the UK's grassroots music venues, by placing an ever-increasing number of them into the hands of a steward owner who will value the venues as spaces for music first, and as parts of a property portfolio second.

This will enable us to take long-term decisions for the good of the sector, including - topically - allowing our tenants to take rent holidays when they are closed for public health reasons - or enable venues to look at installing better air-conditioning and recycling facilities which require long-term alignment of owners with the time-horizons of funders and operators.

We will fund this expansion by a variety of means, from securing low-cost asset transfers from public bodies where possible, use of commercial mortgages and bond-type finance and future share issues.

Why we are needed

Music Venue Properties is an initiative by Music Venue Trust to protect, secure and improve GMVs, not just in the short term, but by tackling the underlying cause of their challenges. The UK has the potential to have the best grassroots circuit in the world, supporting new talent, investing in artists, investing in carbon neutral buildings, creating safe spaces, improving facilities like ventilation.

To achieve that, we need to make a fundamental change to the ownership of these buildings. During the Covid crisis we fought to #SaveOurVenues. Now we need to solve these problems permanently. We need to #OwnOurVenues.

The biggest threat facing music venues today is not the pandemic, or lockdowns, but ownership. Venues are under threat because the people who own the buildings in which music is played and enjoyed are committed more to profitability than supporting the sector. Unfair rent rises can make previously viable venues suddenly unsustainable, whilst venues in property hotspots fund themselves turfed out to make way for a conversion to flats. Short leases hamper those venues which want to raise funds to improve facilities and make the possibility of government support less likely compared to other creative arts. We have been created to provide an answer that puts the ownership of music venues in the hands of people who love live music as much as the people who watch it do.

Grassroots Music Venues (GMVs) are where we come together to sing, dance, celebrate, cry and feel a part of something bigger. These rooms create unique moments of magic, transforming everyday acts into nights where 'you just had to be there'. They are spaces that turn the ordinary extraordinary and capture moments that become folklore. Grassroots Music Venues matter to all of us, and the peril they face is something the whole of the music community needs to come together to protect.

Grassroots Music Venues are the starting gun of culture: they propel it forwards with the frenetic energy that courses through the soul of our live music community. They are run by mavericks for the love of live music; all slightly different and unique, but all working towards the singular goal of putting on cutting edge new music. They are the Research and Development labs of the £5.8 billion per annum UK Music Industry - a world leader in music and culture.

Despite this, 35% of these venues have closed in the last 20 years - a testament to the failure to truly appreciate their value. And then came the pandemic.

At the onset of the Covid-19 crisis, it was estimated that 83% of GMVs in the UK - 770 venues - faced permanent closure during the crisis. As a result of the work of Music Venue Trust less than 1% of venues permanently closed. However, the sector acquired over £90 million of new debt during the crisis, over 67% of it related to lease obligations. This ongoing fragile state is built on one single fact that underlies so many of the problems these venues face: 93% of Grassroots Music Venues are tenants, and on average, these operators have 18 months left on their tenancies.

The Covid-19 crisis did not create the challenge of ownership, it magnified it. If we want a genuinely protected and secure network of these venues to continue to fill our communities with music there is a solution: They need to be owned by the live music community.

Our Plans

This is our pilot project to establish that this type of ownership can provide real long term benefits to artists, audiences and local communities, investing in grassroots music venues so they achieve their full potential. We have identified an initial group of venue operators with strong management structures that already reflect their communities, they just need the ability to do more.

The share issue we are undertaking is to raise the initial finance to prove the concept behind the society - that music venues are better owned by stewards than speculators.

In time we will deploy a variety of financial instruments to raise the capital we need, as well as benefiting from asset transfers and other below-market value acquisitions. Before this we need to demonstrate 'proof of concept'; that this is possible, and we are looking to the community of music lovers to show the faith in our mission to help kickstart us. We have bold plans to operate as something akin to a 'National Trust for Music Venues' but like the National Trust, long before it became a fixture, it was a punchy upstart putting the idea forward that the people who had hitherto owned beautiful and important buildings were not necessarily the best placed to steward them.

This share issue opportunity is about creating the circumstances where great venue operators have the security and confidence they need to create great venues. We are creating a benevolent landlord and operator relationship that doesn't just solve a short term noise or development issue; it will provide security for decades so that we can release meaningful investment into these properties and support incredible programming.

We've got a really simple formula for rents. We're not going to penalise venues for changes to the area in which they happen to be based, and our rents will be based on a straight-forward 6% of the sum we've spent buying their building.

The Pilot Venues

We have chosen 9 venues to start the journey, selected after detailed discussions with the MVT regional coordinators who are the link point with the 900+ members of the Music Venues Alliance. Those coordinators contacted venue operators to make them aware of the plans and based on the responses, compiled an initial list of 40 venues.

We explored financial viability within our model of the Rent to Value ratio, which left all those with a Rent To Value of over our 6% target - the operators of the pilot venues pay an average of 7.62% at present, prior to any rent reviews, whilst MVT data shows the average across the GMV sector is a staggering 12.9%.

We then approached the operators who wanted to be part of the programme, and found out where the landlord wanted to sell the venue and the purchase arrangements would be uncomplicated. We have had initial discussions with venue owners and established mutual understanding around valuations, and venue owners are happy for us to cite their venues in this share offer and await us going back to them with proofs of funds and which point we would hope and expect to move quickly to acquisition, but nothing is secured in writing as yet.

These GMVs are a vital part of our cultural and community heritage - they don't just put on gigs! They are community hubs, essential to the night-time economy, vital incubators of and investors in talent, they support education and employment all whilst showcasing a range of artforms. These are venues at the heart of their communities and we know what investment can do for the creative sector, employment and regeneration, and so we wanted venues which worked alongside local education providers, and support local and emerging talent, but are also part of the national touring circuit.

Finally, these venues are located in high deprivation areas where the direct community ownership model in which the venue operator also owns the venue is unlikely to be successful because the socio-economic profile of these areas means the communities would struggle to raise the money themselves.

Le Public Space, Newport
Le Public Space was born from the ashes of Le Pub. Established in 1992 as a grassroots music venue, Le Pub served the music community of Newport for 25 years, hosting bands including Skindred and Kids In Glass Houses. In 2017 LPS became a Community Benefit Society and used funds raised through a Community Share Offer to move to a larger property and set up a 120-capacity live room, a recording studio and vegan kitchen. The new premises are fully accessible (receiving a silver award from Attitude Is Everything) and are able to host workshops, classes and instrument tuition.

"The move and making our venue as amazing as it is has taken a lot of time, energy and money. The Music Venue Properties ownership scheme would give us the reassurance we need to continue improving what we do. Knowing the venue is owned and supported by people who understand what we do would mean the world to us and our community."

The Palladium, Bideford
The Palladium is a 150-capacity venue in Bideford, and the only Grassroots Music Venue in the North Devon area. The venue has been hosting music events for 25 years, with the current team taking the reins in 2017. After a series of improvements, the venue is now attracting more established touring artists from all over the world, and creating a new generation of music fans in North Devon. The Palladium also supports local musicians through jam nights, a practice room and a dedicated Sunday session for up and coming artists.

"Currently our rental arrangement with our landlord is on a rolling month to month contract. Having the security of a lease with a landlord who wants to support us in bringing live music to North Devon will make a huge difference."

The Hairy Dog, Derby
The Hairy Dog has been established for 9 years, expanding into a second building during this time to create a 500 capacity live room with a great stage, sound and lights. Even when there's no show on, the bar and the outdoor seating area remain open to the community seven nights a week. Firmly

established on the UK touring map, the programme is diverse, hosting artists from Grandmaster Flash to Slaves, from Darts To Cockney Rejects.

“At the moment we have two different landlords who don’t have an understanding of our central purpose. To have one landlord that not only understands the business, but is dedicated to keeping the Hairy Dog as a live music venue would be a massive asset.”

Sunbird Records, Darwen
In 2016, Sunbird Records opened a DIY live music venue in the heart of Darwen. This creative hub is nestled in the rolling hills of Lancashire, near Manchester. The label and its home have been built and shaped by a growing neo-tribe of like-minded individuals, with a collective drive to launch new alternative music and culture, into the industry. Originally a decommissioned bank, the venue features a basement bank vault that has been transformed into a cutting-edge recording studio. Sunbird Records is a space to craft and showcase pioneering musicianship and diversity.

“Having MVP as a landlord would also help us grow massively, our current landlord has no interest in anything to do with the venue apart from collecting the rent with no help being offered over the COVID restriction period either. Having MVP behind us as a landlord will allow us to explore new avenues of the business and also use their wealth of knowledge to help grow not only the venue but the cultural community as a whole”.

The Polar Bear, Hull
The Polar Bear has been a purveyor of alcoholic drinks since 1840, but Its reputation as a live music venue began in the late sixties (David Bowie is reputed to have performed an impromptu mime act there for local drinkers!) and it has been fundamental to Hull's live music scene ever since. In 2020 the operating company that ran The Polar Bear went into administration, but the team that had run the venue created a Community Interest Company with the sole purpose of running the venue in a sustainable and ethical manner. After raising £39,000 from the local Hull community and the KeyFund, they opened the doors on August 24th.

“We are absolutely delighted that MVP have selected The Bear as part of their campaign to buy and protect at-risk venues from around the country. The prospect of having a landlord that is committed to keeping live music venues alive is hugely appealing. We strive to run a business that supports live music and the local community whilst contributing as much as possible to the local economy; with the MVT as our landlord we are confident that we can achieve this. Together."

The Glad Cafe, Glasgow
The Glad Cafe is a social enterprise operating as a not-for-profit music venue, with a licensed cafe based on the south side of Glasgow. Established in August 2012 as a much needed vibrant, inclusive and energetic creative hub for the southside and warmly embraced by the local community, it soon spawned a number of creative ventures initiated by its customers and staff – a Glad Community Choir, a Writers’ Group, literary zine, language conversation groups, music festivals, and philosophy group amongst others.

“It would be a game changer for The Glad Cafe to have MVP as a supportive landlord who understands the challenges of running a music venue in a residential community.”

The Bunkhouse, Swansea
The Bunkhouse is an award winning music venue opened in 2018 by a team who collectively have over three decades of music industry experience. Quickly becoming a staple of the South Wales music scene, the 250 capacity venue constantly punches above its weight hosting over 300 gigs a year. Alongside this programme of events, The Bunkhouse also offers rehearsal space, tutoring, 1-2-1 advice with aspiring bands and promoters and a smaller second stage ideal for acoustic gigs, poetry, comedy and DJs.

“This will help guarantee The Bunkhouse can be used to its full potential as a GMV for generations to come. Our current landlord is keen to work with MVP and wants to secure the future of the business, but has also been open that if it doesn't happen then it would need to be sold to a property developer. Swansea can’t afford to lose another grassroots music venue!”

The Snug, Atherton
The Snug is an 80-capacity grassroots music venue/coffee shop developed on the site of an old bakery in Atherton, Greater Manchester. Established in 2015 with the ethos of creating a safe and welcoming community hub that has music in its very DNA. Since The Snug is the only GMV in the area, giving new and emerging artists opportunities to hone their crafts so they can progress is at the heart of what the venue does. In championing new original music, The Snug attracts audiences of all ages from all over the Northwest and beyond to our little deprived satellite town in Manchester, providing much-needed cultural events and employment in the creative arts.

"Having MVP as our landlord will give us the long-term security, we need to continue our vital work. The current landlord wishes to sell the site which risks it being purchased by people with no interest in the arts and developing the site for residential properties. To have a landlord and partner we know has our interests at heart will mean we can push our limits further and explore new ways of bringing much-needed culture to our town"

The Ferret, Preston
Housed in a centuries-old mill building, The Ferret has been a 200-capacity live music venue since 2006 when it first opened as The Mad Ferret. Since then, The Ferret (as it became known in 2014) has played host to thousands of live musicians, with hundreds performing every year - past visitors include IDLES, Ed Sheeran, Catfish & The Bottlemen, Buzzcocks & A Certain Ratio. Surviving when other Preston venues have fallen by the wayside, The Ferret has recently seen investment in a new stage and sound system - attracting some of the most exciting names in touring live music including Bob Vylan, Billy Nomates & The Orielles in the last 12 months. As well as the big names, The Ferret is the regular haunt of the local music community - with new bands & artists learning their craft on its stage, at open mic nights - both acoustic and MC-led, at open decks events for budding DJs, and as support acts for touring artists. Students from the neighbouring University of Central Lancashire run regular live music sessions and have the opportunity to shadow The Ferret’s sound engineering team, learning on the job. Local promoters are given chance to host their own events, and previous

members of The Ferret team have gone on to work nationally & internationally on live music promotion and production.

"The Ferret's commitment to alternative culture in the City of Preston is unparalleled. We see it as our duty to champion new music, and to bring to Preston the kinds of artists that would rarely, if ever, be seen around these parts. Having the support of MVP as our landlord would give us the security and confidence to invest even more in grassroots music and create something truly special in our city."

Operational Structure

Over the past eight years Music Venue Trust has built up a network of team of experts in the form of employees and consultants. The organisation is well known and well connected to highly skilled individuals in many different fields. In the first instance MVP will subcontract the relevant personnel and skills needed through MVT. Over time MVP will build its own team, calling upon connections from both MVT and its directors in the recruitment phase.

Leadership - Mark Davyd (MVT CEO and Founder, co-opted to MVP)
Acquisitions - MVT has extensive knowledge of the GMV network and its operators
Managing / building the portfolio - Peter Cornforth (Board member)
Financial Management - Natasha dos Passos (Board member)
Valuations - MJD Hughes
Building Management - James Wright / Gabriella Smith (Board member)
Legal/Compliance - Jeremy Mills (Board member)
Planning - James Wright
Fundraising - Lucy Stone (co-opted from MVT)
Press / PR - Velocity Media/ Republic / Toni Coe-Brooker (co-opted from MVT)
Project Management - Matthew Otridge (co-opted from MVT)

In the pilot phase the skills and time provided by the individuals co-opted from MVT will be financed and underwritten in full by MVT. The MVP board will meet regularly, and will be able to monitor progress made.

Once proof of concept has been established and the society moves into the next phase of fundraising and acquisitions, MVT and MVP will re-examine the existing relationship alongside the society rules. Once proof of concept is established, the MVP will consider whether they would seek to establish a management contract between MVT and MVP, or go in a different direction and employ their own set of staff.

The Share Offer Campaign

The UK has millions of music fans, and thousands of people who work in it, from record company interns through to multi-millionaire global artists. We know that over 80,000 people were connected enough to venues they care about to donate to them during the pandemic, as part of a collective campaign to support venues during the pandemic lockdown, and as we are using the same Crowdfunder system we used to raise those donations, we're confident a big number of them will be motivated to take action. We've also priced the share issue carefully to enable people under 25 to be able to invest by lowering the minimum investment needed by them.

Our plan to engage with these people has already begun. We have trailed the launch of the share issues in a variety of industry fora and received a very warm response, and begun discussing investments and donations from a variety of private and public bodies.

We plan to launch the share issue on May 23rd with press coverage anticipated to promote the launch in a variety of national newspapers. These will be followed up with more intensive work within the specialist music and venue industry press, and broadening the campaign to include broadcast media, as well as an active online presence via the MVT's long-established channels.

We will email all 8,000 donors to the covid-19 related fundraising MVT undertook during the lockdown period to invite them to deepen their commitment to music venues.

We will be a featured presence at the Co-operatives UK Congress on June 18th where we hope to garner some high-profile support from the wider Co-operative movement.

Financial Plans

Capital Requirement and sources

We are targeting a minimum of £2.5M in this initial capital raising campaign, with an optimum target of £3.5M. Because of the nature of the business model, if the share offer were to be so successful that we could accept more capital than the optimum, then we would bank that capital and move to go beyond the initial 9 venues at a more advanced pace than we have estimated in this first phase.

The valuations of the properties have been arrived at by desktop valuations carried out by MJD Hughes Ltd (who specialise in valuing pubs and other social spaces for the community-owned sector), whilst some individual valuations were higher or lower than the landlord's asking price, across the portfolio of the venues the difference was negligible. We are not in position to disclose these valuations for commercial reasons. Ultimately full surveys of the venues will be carried out before purchasing, and if necessary, we will look to renegotiate the prices if necessary.

Planned sources of capital include:

- Community Share Capital - MVP plans to have an open community share offer.
- Loans – After the first phase involving community shares, grants and donations, MVP will explore looking at finance from ethical lenders who are interested in the social impact of this project. We are not planning to take on any loan finance that will require payments of above 3% APR.
- Grants - MVT employs Lucy Stone as a fundraising consultant as part of it's team that has helped raise over £3million for MVT over the past 4 years. In the past two years Lucy has helped 412 GMVs raise over £70million in grant applications. MVP is already in discussions with Arts Council England, DCMS, Creative Scotland and Creative Wales around bespoke funding to support this project. We will also support MVP venues in writing grant applications that will help finance the cost of renovations and repairs. In the past 4 years 179 GMVs have received such grants with MVT support.
- Donations - MVT has received over £4million via donations in the past 3 years. The music industry has many high-net-worth organisations and individuals that are actively looking to support projects of this scale.

We have had positive discussions with grant funders and remain optimistic that some of our target will be provided by them, but at the time of this offer launching, nothing had been confirmed as yet.

In addition, MVP will be working with Local Councils to explore the possibilities of Community Asset Transfers, where bringing in these properties to our portfolio on long term leases will bring in rent income without the usual outgoings that attach to other acquisitions.

Projected Finances
Modelling the likely future developments of the business requires identifying key variable that might change. In truth, the most important variable is the ease or otherwise with which this initial finance raising campaign succeeds: if we demonstrate that there is an appetite to subscribe to capital to enable us to grow our estate, we expect to have a steady stream of venues that will be suitable to be transferred whose owners will contact us looking to begin discussions.

We have developed various financial models covering a variety of scenarios, including varying the amount of loan and grants were are able to pull in to expand our portfolio. However, for this share issue, we wanted to demonstrate what we predict would happen in the scenario where we achieve our minimum target of £2.5M, our optimum target of £3.5M and our maximum target of £10M.

In the minimum scenario we have assumed purchasing 6 properties. It would be the decision of MVP board to evaluate which properties would not be bought. The projections suggest MVP may need to charge slightly higher rent to operators to remain viable but a similar profile to the base line model.

In the Maximum Profile this enables us to use the extra funds to purchase additional properties. In our modelling with an average property on exact same basis as baseline, it enables MVP to buy 31 properties in total. The exact additional Purchases would be modelled and approved by the MVP Board. The projection suggest that MVP will be able to keep additional reserves. Appropriate additional costs are included to manage the greater number of properties.

Underpinning assumptions
Overheads – these include a small amount of staffing costs, expenses, accountancy/audit costs, & IT Website. These are fixed through the period and we have included a small amount of inflation at 2%. Any major costs such as refurbishment or improvement of properties would be brought forward to the board as a self-funded project and thus not included in this proof of concept.

Tax - as we have exclusive charitable objects, we have not included corporation tax; we have applied to HMRC for charity recognition.

Stamp Duty Land Tax - have modelled paying SDLT on all purchases, but this – and other acquisition costs and fees - are all capitalised on the balance sheet, and group together under 'Purchase of freeholds' in the cashflow.

VAT – we have not included a calculation on property VAT as details of the VAT status of prospective venues are unknown at this stage. Should we buy any property subject to VAT, we would register for VAT and reclaim that so the effect is likely to be short term on cash only for which there are sufficient funds.

Depreciation - as we will be using the properties to achieve our charitable objects, we will depreciate our estate on the basis of an 80/20 split between buildings and land, with buildings depreciating at 2% per year and land holding its value. This expense will reduce our annual surplus, but we still project to make a surplus to enable the society to return capital to investors. As in reality, we expect our estate value to increase, we will periodically review the value of each property every 3-5 years, and the difference between the book value at that time and the revalued property will be added to the revaluation reserve on our balance sheet.

Voids - we have estimated a void rate of around 3% per year which kicks in when we acquire 20 properties. We believe that the challenge facing the industry is finding venues, not finding operators to use them. We believe our relationship with existing venues and our connectedness to the wider sector means that we can manage end-of-tenancies to minimise voids.

Grants – these are capitalised to restricted reserves as they are solely for the purpose of purchasing property and thus do not appear in the profit and loss sheets.

Rates - we have budgeted for not paying business rates as we will only be liable when the property is empty, and as noted above, we anticipate a minimal period of non-occupancy across our estate.

Reserves Policy - we are seeking to build reserves to cover 6 months of our regular running costs.

These models show that it's still possible to pay 3% interest to investors from year 2, but in the first two scenarios we would only be able to make 5% of total capital available for withdrawals from year 5, assuming we move to an open share issue where our 3% interest rate makes us a solid and safe investment which would be attractive to people in and around the music industry. In the third model, we are able to make capital repayments out of cash reserves due to our net positive value being much stronger, in addition to proceeds from new share capital received from an open offer.

We have always considered Music Venue Properties a long-term project that wouldn't be limited to one share offer, and we plan to explore raising capital through funding applications, donations, ethical loans and future community share offers and have modelled various scenarios that reflect these possibilities.

In reality, there are a host of possible outcomes, where we move to acquire more properties through a variable mixture of equity, debt and grants. However, these alternatives will only progress on the following basis:

1) Any debt finances will only be taken out where the cost of capital is the same as or better than the community share issue, so the same 3% return will remain regardless so the fundamental return aspirations for investors will be the same.

2) Any grant finance will only lessen the amount of capital being serviced, so there will be more rental income servicing less capital, in which case the business' finances are strengthened, freeing up more cash to either increase the rate at which capital can be withdrawn, but likelier to be used to build reserves.

All of these models show that if we can secure loan finance at the low and fixed rates we believe we can, it is possible to continue to purchase venues and to make 10% of total community share investment capital available five years after it is invested. If we can't attract loan finance at this level it will try to raise finance solely through Community Shares. If we can't raise the required amount of community shares, we will remodel at the higher interest rate and the proposed debt will be put to the members before accepting.

MUSIC VENUE TRUST - PROPERTIES

1 - Proof of concept Alternate Scenario Minimum CS funded with repayment of CS - £2.5m Share Issue

PROFIT AND LOSS ACCOUNT

	Year 1 Mar-23	Year 2 Mar-24	Year 3 Mar-25	Year 4 Mar-26	Year 5 Mar-27	Year 6 Mar-28	Year 7 Mar-29	Year 8 Mar-30	Year 9 Mar-31	Year 10 Mar-32
Revenue										
Non-Taxable Donations	23,000	0	0	0	0	0	0	0	0	0
Grants	0	0	0	0	0	0	0	0	0	0
Rental Income	98,907	160,437	160,437	160,437	160,437	160,437	160,437	160,437	160,437	160,437
Other	0	0	0	0	0	0	0	0	0	0
Total Revenue	121,907	160,437	160,437	160,437	160,437	160,437	160,437	160,437	160,437	160,437
Costs										
Salaries	-13,130	-16,164	-16,488	-16,812	-17,148	-17,496	-17,856	-18,216	-18,564	-18,936
Expenses	-12,500	-20,196	-20,244	-20,280	-20,316	-20,352	-20,400	-20,436	-20,472	-20,520
ICT & Website	-700	-864	-888	-912	-924	-948	-960	-984	-996	-1,032
Legal and Professional	-34,072	-6,528	-6,672	-6,804	-6,936	-7,080	-7,224	-7,368	-7,512	-7,668
Depreciation	-20,252	-38,028	-38,028	-38,028	-38,028	-38,028	-38,028	-38,028	-38,028	-38,028
Other	0	0	0	0	0	0	0	0	0	0
	-80,654	-81,780	-82,320	-82,836	-83,352	-83,904	-84,468	-85,032	-85,572	-86,184
Net Profit	**41,253**	**78,657**	**78,117**	**77,601**	**77,085**	**76,533**	**75,969**	**75,405**	**74,865**	**74,253**
Net Interest	636	-75,795	-77,989	-80,259	-82,595	-82,608	-80,806	-78,817	-76,631	-74,235
Dividend/Payouts	0	0	0	0	0	0	0	0	0	0
Taxation	0	0	0	0	0	0	0	0	0	0
Retained Profit	**41,889**	**2,862**	**128**	**-2,658**	**-5,510**	**-6,075**	**-4,837**	**-3,412**	**-1,766**	**18**

Net Interest Analysis										
Interest Received	*636*	*245*	*363*	*478*	*596*	*629*	*600*	*567*	*528*	*484*
Interest Paid to Shareholders	*0*	*-76,040*	*-78,352*	*-80,737*	*-83,191*	*-83,237*	*-81,406*	*-79,384*	*-77,159*	*-74,719*
Interest Paid on Overdraft/Loans	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Interest Paid on Mortgages	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
	636	*-75,795*	*-77,989*	*-80,259*	*-82,595*	*-82,608*	*-80,806*	*-78,817*	*-76,631*	*-74,235*
	...	...	...	...	...	...	...	...	...	...

Cash Flow

1 - Proof of concept Alternate Scenario Minimum CS funded with repayment of CS - £2.5m Share Issue

		Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32
Income											
Share Issues		2,500,000	0	0	0	0	0	0	0	0	0
Donations		23,000	0	0	0	0	0	0	0	0	0
Grants		0	0	0	0	0	0	0	0	0	0
Rental Income		123,085	160,437	160,437	160,437	160,437	160,437	160,437	160,437	160,437	160,437
Mortgage Received		0	0	0	0	0	0	0	0	0	0
Long Term Loans Received		0	0	0	0	0	0	0	0	0	0
Short Term Loans Received		0	0	0	0	0	0	0	0	0	0
Interest Received		636	245	363	478	596	629	600	567	528	484
Sale of Freeholds		0	0	0	0	0	0	0	0	0	0
Total Income		2,646,721	160,682	160,800	160,915	161,033	161,066	161,037	161,004	160,965	160,921
Payments Out											
Purchase of Freeholds		-2,394,250	0	0	0	0	0	0	0	0	0
Overhead Payments		-55,562	-42,974	-44,197	-44,716	-45,232	-45,772	-46,346	-46,900	-47,451	-48,049
Item 3		0	0	0	0	0	0	0	0	0	0
Capital Repayments		0	0	0	0	0	-140,916	-145,297	-149,820	-154,490	-159,312
Long Term Loans Paid Back		0	0	0	0	0	0	0	0	0	0
Short Term Loans Paid Back		0	0	0	0	0	0	0	0	0	0
Mortgage Payments (Excl Interest)		0	0	0	0	0	0	0	0	0	0
Interest Paid (incl Mortgage Interest)		0	0	0	0	0	0	0	0	0	0
Dividends Paid		0	0	0	0	0	0	0	0	0	0
Taxes Paid		0	0	0	0	0	0	0	0	0	0
		-2,449,812	-42,974	-44,197	-44,716	-45,232	-186,688	-191,643	-196,720	-201,941	-207,361
Net Movement		**196,909**	**117,708**	**116,603**	**116,199**	**115,801**	**-25,622**	**-30,606**	**-35,716**	**-40,976**	**-46,440**
Opening Balance	*0*	*0*	*196,909*	*314,617*	*431,220*	*547,419*	*663,220*	*637,598*	*606,992*	*571,276*	*530,300*
Closing Balance		**196,909**	**314,617**	**431,220**	**547,419**	**663,220**	**637,598**	**606,992**	**571,276**	**530,300**	**483,860**
Average Cash Position in year		*651,187*	*255,583*	*372,464*	*488,817*	*604,776*	*626,346*	*597,449*	*563,480*	*524,304*	*479,737*
Lowest Cash Position in year		*0*	*203,511*	*320,720*	*437,233*	*553,355*	*558,819*	*528,549*	*493,154*	*452,506*	*406,420*
Cash Reserve Target in Year		*10,722*	*30,201*	*21,876*	*22,146*	*22,404*	*163,578*	*168,235*	*173,040*	*177,992*	*183,084*
Number of Months Fail Cash Targets		*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*

Balance Sheet

1 - Proof of concept Alternate Scenario Minimum CS funded with repayment of CS - £2.5m Share Issue

	Opening Apr-22	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32
Properties Purchased in Year		6	0	0	0	0	0	0	0	0	0
Properties Held at Year End	**0**	**6**	**6**	**6**	**6**	**6**	**6**	**6**	**6**	**6**	**6**
Fixed Assets											
Venue Freeholds	0	2,394,250	2,394,250	2,394,250	2,394,250	2,394,250	2,394,250	2,394,250	2,394,250	2,394,250	2,394,250
Other items	0	0	0	0	0	0	0	0	0	0	0
	0	**2,394,250**	**2,394,250**	**2,394,250**	**2,394,250**	**2,394,250**	**2,394,250**	**2,394,250**	**2,394,250**	**2,394,250**	**2,394,250**
Current Assets											
Cash at Bank	*0*	*196,909*	*314,617*	*431,220*	*547,419*	*663,220*	*637,598*	*606,992*	*571,276*	*530,300*	*483,860*
Trade Debtors	0	16,118	16,118	16,118	16,118	16,118	16,118	16,118	16,118	16,118	16,118
Other Debtors	0	0	0	0	0	0	0	0	0	0	0
	0	213,027	330,735	447,338	563,537	679,338	653,716	623,110	587,394	546,418	499,978
Current Liabilities											
Short Term Loans	0	0	0	0	0	0	0	0	0	0	0
Trade Creditors	0	-4,840	-5,618	-5,713	-5,805	-5,897	-6,001	-6,095	-6,199	-6,292	-6,399
Taxation Creditors	0	0	0	0	0	0	0	0	0	0	0
Other Creditors	0	-40,296	-40,296	-40,296	-40,296	-40,296	-40,296	-40,296	-40,296	-40,296	-40,296
	0	-45,136	-45,914	-46,009	-46,101	-46,193	-46,297	-46,391	-46,495	-46,588	-46,695
Net Current Assets	**0**	**167,891**	**284,821**	**401,329**	**517,436**	**633,145**	**607,419**	**576,719**	**540,899**	**499,830**	**453,283**
Fixed Assets less net Current Assets	0	2,562,141	2,679,071	2,795,579	2,911,686	3,027,395	3,001,669	2,970,969	2,935,149	2,894,080	2,847,533
Long Term Liabilities											
Long Term Loans	0	0	0	0	0	0	0	0	0	0	0
Mortgages	0	0	0	0	0	0	0	0	0	0	0
Net Assets	**0**	**2,562,141**	**2,679,071**	**2,795,579**	**2,911,686**	**3,027,395**	**3,001,669**	**2,970,969**	**2,935,149**	**2,894,080**	**2,847,533**
Financed By: -											
Share Capital	0	2,500,000	2,576,040	2,654,392	2,735,129	2,818,320	2,760,641	2,696,750	2,626,314	2,548,983	2,464,390
Donated Restricted Reserves	0	0	0	0	0	0	0	0	0	0	0
Revaluation Reserve (Restricted)	0	20,252	58,280	96,308	134,336	172,364	210,392	248,420	286,448	324,476	362,504
Reserves - B/fwd	0	0	41,889	44,751	44,879	42,221	36,711	30,636	25,799	22,387	20,621
Reserves - YTD	0	41,889	2,862	128	-2,658	-5,510	-6,075	-4,837	-3,412	-1,766	18
	0	**2,562,141**	**2,679,071**	**2,795,579**	**2,911,686**	**3,027,395**	**3,001,669**	**2,970,969**	**2,935,149**	**2,894,080**	**2,847,533**
	....	....	....	....	....	....	....	....	....	....	....
Designated Funds		2,373,998	2,335,970	2,297,942	2,259,914	2,221,886	2,183,858	2,145,830	2,107,802	2,069,774	2,031,746
Free Reserves		188,143	343,101	497,637	651,772	805,509	817,811	825,139	827,347	824,306	815,787

MUSIC VENUE TRUST - PROPERTIES

1 - Proof of concept fully CS funded with repayment of CS - £3.5mn Share Issue

PROFIT AND LOSS ACCOUNT

	Year 1 Mar-23	Year 2 Mar-24	Year 3 Mar-25	Year 4 Mar-26	Year 5 Mar-27	Year 6 Mar-28	Year 7 Mar-29	Year 8 Mar-30	Year 9 Mar-31	Year 10 Mar-32
Revenue										
Non-Taxable Donations	23,000	0	0	0	0	0	0	0	0	0
Grants	0	0	0	0	0	0	0	0	0	0
Rental Income	117,312	219,576	219,576	219,576	219,576	219,576	219,576	219,576	219,576	219,576
Other	0	0	0	0	0	0	0	0	0	0
Total Revenue	140,312	219,576	219,576	219,576	219,576	219,576	219,576	219,576	219,576	219,576
Costs										
Salaries	-13,130	-16,164	-16,488	-16,812	-17,148	-17,496	-17,856	-18,216	-18,564	-18,936
Expenses	-15,750	-29,376	-29,424	-29,460	-29,496	-29,532	-29,580	-29,616	-29,652	-29,700
ICT & Website	-700	-864	-888	-912	-924	-948	-960	-984	-996	-1,032
Legal and Professional	-46,854	-6,528	-6,672	-6,804	-6,936	-7,080	-7,224	-7,368	-7,512	-7,668
Depreciation	-24,339	-54,048	-54,048	-54,048	-54,048	-54,048	-54,048	-54,048	-54,048	-54,048
Other	0	0	0	0	0	0	0	0	0	0
	-100,773	-106,980	-107,520	-108,036	-108,552	-109,104	-109,668	-110,232	-110,772	-111,384
Net Profit	**39,539**	**112,596**	**112,056**	**111,540**	**111,024**	**110,472**	**109,908**	**109,344**	**108,804**	**108,192**
Net Interest	1,127	-106,185	-109,254	-112,427	-115,699	-115,710	-113,183	-110,393	-107,328	-103,973
Dividend/Payouts	0	0	0	0	0	0	0	0	0	0
Taxation	0	0	0	0	0	0	0	0	0	0
Retained Profit	**40,666**	**6,411**	**2,802**	**-887**	**-4,675**	**-5,238**	**-3,275**	**-1,049**	**1,476**	**4,219**

Net Interest Analysis										
Interest Received	*1,127*	*272*	*439*	*604*	*770*	*822*	*785*	*743*	*693*	*636*
Interest Paid to Shareholders	*0*	*-106,457*	*-109,693*	*-113,031*	*-116,469*	*-116,532*	*-113,968*	*-111,136*	*-108,021*	*-104,609*
Interest Paid on Overdraft/Loans	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Interest Paid on Mortgages	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
	1,127	*-106,185*	*-109,254*	*-112,427*	*-115,699*	*-115,710*	*-113,183*	*-110,393*	*-107,328*	*-103,973*
	...	...	...	...	...	...	...	...	...	...

Cash Flow

1 - Proof of concept fully CS funded with repayment of CS - £3.5mn Share Issue

		Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32
Income											
Share Issues		3,500,000	0	0	0	0	0	0	0	0	0
Donations		23,000	0	0	0	0	0	0	0	0	0
Grants		0	0	0	0	0	0	0	0	0	0
Rental Income		150,402	219,576	219,576	219,576	219,576	219,576	219,576	219,576	219,576	219,576
Mortgage Received		0	0	0	0	0	0	0	0	0	0
Long Term Loans Received		0	0	0	0	0	0	0	0	0	0
Short Term Loans Received		0	0	0	0	0	0	0	0	0	0
Interest Received		1,127	272	439	604	770	822	785	743	693	636
Sale of Freeholds		0	0	0	0	0	0	0	0	0	0
Total Income		3,674,529	219,848	220,015	220,180	220,346	220,398	220,361	220,319	220,269	220,212
Payments Out											
Purchase of Freeholds		-3,402,850	0	0	0	0	0	0	0	0	0
Overhead Payments		-70,844	-52,139	-53,377	-53,896	-54,412	-54,952	-55,526	-56,080	-56,631	-57,229
Item 3		0	0	0	0	0	0	0	0	0	0
Capital Repayments		0	0	0	0	0	-197,283	-203,416	-209,748	-216,285	-223,036
Long Term Loans Paid Back		0	0	0	0	0	0	0	0	0	0
Short Term Loans Paid Back		0	0	0	0	0	0	0	0	0	0
Mortgage Payments (Excl Interest)		0	0	0	0	0	0	0	0	0	0
Interest Paid (incl Mortgage Interest)		0	0	0	0	0	0	0	0	0	0
Dividends Paid		0	0	0	0	0	0	0	0	0	0
Taxes Paid		0	0	0	0	0	0	0	0	0	0
		-3,473,694	-52,139	-53,377	-53,896	-54,412	-252,235	-258,942	-265,828	-272,916	-280,265
Net Movement		**200,835**	**167,709**	**166,638**	**166,284**	**165,934**	**-31,837**	**-38,581**	**-45,509**	**-52,647**	**-60,053**
Opening Balance	*0*	*0*	*200,835*	*368,544*	*535,182*	*701,466*	*867,400*	*835,563*	*796,982*	*751,473*	*698,826*
Closing Balance		**200,835**	**368,544**	**535,182**	**701,466**	**867,400**	**835,563**	**796,982**	**751,473**	**698,826**	**638,773**
Average Cash Position in year		*1,143,797*	*285,120*	*452,014*	*618,429*	*784,498*	*818,640*	*782,358*	*739,202*	*688,983*	*631,452*
Lowest Cash Position in year		*0*	*211,144*	*378,343*	*544,895*	*711,105*	*723,631*	*685,392*	*640,208*	*587,896*	*528,206*
Cash Reserve Target in Year		*14,872*	*38,217*	*26,466*	*26,736*	*26,994*	*224,535*	*230,944*	*237,558*	*244,377*	*251,398*
Number of Months Fail Cash Targets		*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*

Balance Sheet

1 - Proof of concept fully CS funded with repayment of CS - £3.5mn Share Issue

	Opening Apr-22	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32
Properties Purchased in Year		9	0	0	0	0	0	0	0	0	0
Properties Held at Year End	**0**	**9**	**9**	**9**	**9**	**9**	**9**	**9**	**9**	**9**	**9**
Fixed Assets											
Venue Freeholds	0	3,402,850	3,402,850	3,402,850	3,402,850	3,402,850	3,402,850	3,402,850	3,402,850	3,402,850	3,402,850
Other items	0	0	0	0	0	0	0	0	0	0	0
	0	**3,402,850**	**3,402,850**	**3,402,850**	**3,402,850**	**3,402,850**	**3,402,850**	**3,402,850**	**3,402,850**	**3,402,850**	**3,402,850**
Current Assets											
Cash at Bank	*0*	*200,835*	*368,544*	*535,182*	*701,466*	*867,400*	*835,563*	*796,982*	*751,473*	*698,826*	*638,773*
Trade Debtors	0	22,060	22,060	22,060	22,060	22,060	22,060	22,060	22,060	22,060	22,060
Other Debtors	0	0	0	0	0	0	0	0	0	0	0
	0	222,895	390,604	557,242	723,526	889,460	857,623	819,042	773,533	720,886	660,833
Current Liabilities											
Short Term Loans	0	0	0	0	0	0	0	0	0	0	0
Trade Creditors	0	-5,590	-6,383	-6,478	-6,570	-6,662	-6,766	-6,860	-6,964	-7,057	-7,164
Taxation Creditors	0	0	0	0	0	0	0	0	0	0	0
Other Creditors	0	-55,150	-55,150	-55,150	-55,150	-55,150	-55,150	-55,150	-55,150	-55,150	-55,150
	0	-60,740	-61,533	-61,628	-61,720	-61,812	-61,916	-62,010	-62,114	-62,207	-62,314
Net Current Assets	**0**	**162,155**	**329,071**	**495,614**	**661,806**	**827,648**	**795,707**	**757,032**	**711,419**	**658,679**	**598,519**
Fixed Assets less net Current Assets	0	3,565,005	3,731,921	3,898,464	4,064,656	4,230,498	4,198,557	4,159,882	4,114,269	4,061,529	4,001,369
Long Term Liabilities											
Long Term Loans	0	0	0	0	0	0	0	0	0	0	0
Mortgages	0	0	0	0	0	0	0	0	0	0	0
Net Assets	**0**	**3,565,005**	**3,731,921**	**3,898,464**	**4,064,656**	**4,230,498**	**4,198,557**	**4,159,882**	**4,114,269**	**4,061,529**	**4,001,369**
Financed By: -											
Share Capital	0	3,500,000	3,606,457	3,716,150	3,829,181	3,945,650	3,864,899	3,775,451	3,676,839	3,568,575	3,450,148
Donated Restricted Reserves	0	0	0	0	0	0	0	0	0	0	0
Revaluation Reserve (Restricted)	0	24,339	78,387	132,435	186,483	240,531	294,579	348,627	402,675	456,723	510,771
Reserves - B/fwd	0	0	40,666	47,077	49,879	48,992	44,317	39,079	35,804	34,755	36,231
Reserves - YTD	0	40,666	6,411	2,802	-887	-4,675	-5,238	-3,275	-1,049	1,476	4,219
	0	**3,565,005**	**3,731,921**	**3,898,464**	**4,064,656**	**4,230,498**	**4,198,557**	**4,159,882**	**4,114,269**	**4,061,529**	**4,001,369**
	….	….	….	….	….	….	….	….	….	….	….
Designated Funds		3,378,511	3,324,463	3,270,415	3,216,367	3,162,319	3,108,271	3,054,223	3,000,175	2,946,127	2,892,079
Free Reserves		186,494	407,458	628,049	848,289	1,068,179	1,090,286	1,105,659	1,114,094	1,115,402	1,109,290

MUSIC VENUE TRUST - PROPERTIES

1 - Proof of concept Alternate Scenario Maximum CS funded with repayment of CS - £10.0m Share Issue

PROFIT AND LOSS ACCOUNT

	Year 1 Mar-23	Year 2 Mar-24	Year 3 Mar-25	Year 4 Mar-26	Year 5 Mar-27	Year 6 Mar-28	Year 7 Mar-29	Year 8 Mar-30	Year 9 Mar-31	Year 10 Mar-32
Revenue										
Non-Taxable Donations	23,000	0	0	0	0	0	0	0	0	0
Grants	0	0	0	0	0	0	0	0	0	0
Rental Income	161,592	630,775	679,612	679,612	679,612	679,612	679,612	679,612	679,612	679,612
Other	0	0	0	0	0	0	0	0	0	0
Total Revenue	184,592	630,775	679,612	679,612	679,612	679,612	679,612	679,612	679,612	679,612
Costs										
Salaries	-13,235	-17,028	-17,376	-17,700	-18,060	-18,432	-18,816	-19,200	-19,548	-19,944
Expenses	-21,750	-86,751	-93,684	-93,720	-93,756	-93,792	-93,840	-93,876	-93,912	-93,960
ICT & Website	-700	-864	-888	-912	-924	-948	-960	-984	-996	-1,032
Legal and Professional	-107,367	-32,328	-6,672	-6,804	-6,936	-7,080	-7,224	-7,368	-7,512	-7,668
Depreciation	-31,164	-149,832	-167,288	-167,288	-167,288	-167,288	-167,288	-167,288	-167,288	-167,288
Other	0	0	0	0	0	0	0	0	0	0
	-174,216	-286,803	-285,908	-286,424	-286,964	-287,540	-288,128	-288,716	-289,256	-289,892
Net Profit	**10,376**	**343,972**	**393,704**	**393,188**	**392,648**	**392,072**	**391,484**	**390,896**	**390,356**	**389,720**
Net Interest	5,555	-303,242	-313,048	-322,019	-331,281	-331,230	-323,919	-315,857	-307,011	-297,328
Dividend/Payouts	0	0	0	0	0	0	0	0	0	0
Taxation	0	0	0	0	0	0	0	0	0	0
Retained Profit	**15,931**	**40,730**	**80,656**	**71,169**	**61,367**	**60,842**	**67,565**	**75,039**	**83,345**	**92,392**

Net Interest Analysis										
Interest Received	*5,555*	*917*	*363*	*924*	*1,486*	*1,719*	*1,704*	*1,674*	*1,623*	*1,554*
Interest Paid to Shareholders	*0*	*-304,159*	*-313,411*	*-322,943*	*-332,767*	*-332,949*	*-325,623*	*-317,531*	*-308,634*	*-298,882*
Interest Paid on Overdraft/Loans	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Interest Paid on Mortgages	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
	5,555	*-303,242*	*-313,048*	*-322,019*	*-331,281*	*-331,230*	*-323,919*	*-315,857*	*-307,011*	*-297,328*
	...	...	...	...	...	...	...	...	...	...

Cash Flow

1 - Proof of concept Alternate Scenario Maximum CS funded with repayment of CS - £10.0m Share Issue

		Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32
Income											
Share Issues		10,000,000	0	0	0	0	0	0	0	0	0
Donations		23,000	0	0	0	0	0	0	0	0	0
Grants		0	0	0	0	0	0	0	0	0	0
Rental Income		244,237	650,549	679,612	679,612	679,612	679,612	679,612	679,612	679,612	679,612
Mortgage Received		0	0	0	0	0	0	0	0	0	0
Long Term Loans Received		0	0	0	0	0	0	0	0	0	0
Short Term Loans Received		0	0	0	0	0	0	0	0	0	0
Interest Received		5,555	917	363	924	1,486	1,719	1,704	1,674	1,623	1,554
Sale of Freeholds		0	0	0	0	0	0	0	0	0	0
Total Income		10,272,792	651,466	679,975	680,536	681,098	681,331	681,316	681,286	681,235	681,166
Payments Out											
Purchase of Freeholds		-6,458,353	-4,074,004	0	0	0	0	0	0	0	0
Overhead Payments		-135,212	-133,073	-118,525	-119,044	-119,584	-120,148	-120,746	-121,324	-121,875	-122,497
Item 3		0	0	0	0	0	0	0	0	0	0
Capital Repayments		0	0	0	0	0	-563,664	-581,188	-599,278	-617,957	-637,246
Long Term Loans Paid Back		0	0	0	0	0	0	0	0	0	0
Short Term Loans Paid Back		0	0	0	0	0	0	0	0	0	0
Mortgage Payments (Excl Interest)		0	0	0	0	0	0	0	0	0	0
Interest Paid (incl Mortgage Interest)		0	0	0	0	0	0	0	0	0	0
Dividends Paid		0	0	0	0	0	0	0	0	0	0
Taxes Paid		0	0	0	0	0	0	0	0	0	0
		-6,593,565	-4,207,077	-118,525	-119,044	-119,584	-683,812	-701,934	-720,602	-739,832	-759,743
Net Movement		**3,679,227**	**-3,555,611**	**561,450**	**561,492**	**561,514**	**-2,481**	**-20,618**	**-39,316**	**-58,597**	**-78,577**
Opening Balance	*0*	*0*	*3,679,227*	*123,616*	*685,066*	*1,246,558*	*1,808,072*	*1,805,591*	*1,784,973*	*1,745,657*	*1,687,060*
Closing Balance		**3,679,227**	**123,616**	**685,066**	**1,246,558**	**1,808,072**	**1,805,591**	**1,784,973**	**1,745,657**	**1,687,060**	**1,608,483**
Average Cash Position in year		*5,860,634*	*621,034*	*409,431*	*970,873*	*1,532,352*	*1,717,949*	*1,703,428*	*1,670,393*	*1,618,272*	*1,546,416*
Lowest Cash Position in year		*0*	*98,445*	*162,630*	*724,027*	*1,285,477*	*1,432,476*	*1,412,202*	*1,373,223*	*1,314,963*	*1,236,774*
Cash Reserve Target in Year		*36,927*	*71,526*	*68,486*	*59,310*	*59,568*	*623,502*	*641,314*	*659,698*	*678,671*	*698,230*
Number of Months Fail Cash Targets		*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*

Balance Sheet

1 - Proof of concept Alternate Scenario Maximum CS funded with repayment of CS - £10.0m Share Issue

	Opening Apr-22	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32
Properties Purchased in Year		18	12	0	0	0	0	0	0	0	0
Properties Held at Year End	**0**	**18**	**30**	**30**	**30**	**30**	**30**	**30**	**30**	**30**	**30**
Fixed Assets											
Venue Freeholds	0	6,458,353	10,532,357	10,532,357	10,532,357	10,532,357	10,532,357	10,532,357	10,532,357	10,532,357	10,532,357
Other items	0	0	0	0	0	0	0	0	0	0	0
	0	**6,458,353**	**10,532,357**	**10,532,357**	**10,532,357**	**10,532,357**	**10,532,357**	**10,532,357**	**10,532,357**	**10,532,357**	**10,532,357**
Current Assets											
Cash at Bank	*0*	*3,679,227*	*123,616*	*685,066*	*1,246,558*	*1,808,072*	*1,805,591*	*1,784,973*	*1,745,657*	*1,687,060*	*1,608,483*
Trade Debtors	0	55,096	68,278	68,278	68,278	68,278	68,278	68,278	68,278	68,278	68,278
Other Debtors	0	0	0	0	0	0	0	0	0	0	0
	0	3,734,323	191,894	753,344	1,314,836	1,876,350	1,873,869	1,853,251	1,813,935	1,755,338	1,676,761
Current Liabilities											
Short Term Loans	0	0	0	0	0	0	0	0	0	0	0
Trade Creditors	0	-7,840	-11,738	-11,833	-11,925	-12,017	-12,121	-12,215	-12,319	-12,412	-12,519
Taxation Creditors	0	0	0	0	0	0	0	0	0	0	0
Other Creditors	0	-137,741	-170,697	-170,697	-170,697	-170,697	-170,697	-170,697	-170,697	-170,697	-170,697
	0	-145,581	-182,435	-182,530	-182,622	-182,714	-182,818	-182,912	-183,016	-183,109	-183,216
Net Current Assets	**0**	**3,588,742**	**9,459**	**570,814**	**1,132,214**	**1,693,636**	**1,691,051**	**1,670,339**	**1,630,919**	**1,572,229**	**1,493,545**
Fixed Assets less net Current Assets	0	10,047,095	10,541,816	11,103,171	11,664,571	12,225,993	12,223,408	12,202,696	12,163,276	12,104,586	12,025,902
Long Term Liabilities											
Long Term Loans	0	0	0	0	0	0	0	0	0	0	0
Mortgages	0	0	0	0	0	0	0	0	0	0	0
Net Assets	**0**	**10,047,095**	**10,541,816**	**11,103,171**	**11,664,571**	**12,225,993**	**12,223,408**	**12,202,696**	**12,163,276**	**12,104,586**	**12,025,902**
Financed By: -											
Share Capital	0	10,000,000	10,304,159	10,617,570	10,940,513	11,273,280	11,042,565	10,787,000	10,505,253	10,195,930	9,857,566
Donated Restricted Reserves	0	0	0	0	0	0	0	0	0	0	0
Revaluation Reserve (Restricted)	0	31,164	180,996	348,284	515,572	682,860	850,148	1,017,436	1,184,724	1,352,012	1,519,300
Reserves - B/fwd	0	0	15,931	56,661	137,317	208,486	269,853	330,695	398,260	473,299	556,644
Reserves - YTD	0	15,931	40,730	80,656	71,169	61,367	60,842	67,565	75,039	83,345	92,392
	0	**10,047,095**	**10,541,816**	**11,103,171**	**11,664,571**	**12,225,993**	**12,223,408**	**12,202,696**	**12,163,276**	**12,104,586**	**12,025,902**
	….	….	….	….	….	….	….	….	….	….	….
Designated Funds		6,427,189	10,351,361	10,184,073	10,016,785	9,849,497	9,682,209	9,514,921	9,347,633	9,180,345	9,013,057
Free Reserves		3,619,906	190,455	919,098	1,647,786	2,376,496	2,541,199	2,687,775	2,815,643	2,924,241	3,012,845

Risk Matrix

Risk	Likelihood (1-3)	Impact (1-3)	Combined (1-9)	Mitigation
MVP is unable to source venues to purchase	1	3	3	There are over 900 venues in the MVA. Our surveys indicate that 93% of these venues have a commercial landlord. Music Venue Trust was created to make a long-term systemic change to GMVs to improve their resilience, their ability to invest, and their function as hubs of creativity and community. The issue of ownership underlies almost every other challenge that GMVs have faced during the last twenty years; gentrification, noise complaints, under investment, poor economic model and an inability to plan for the future. In the time MVT has existed only a small handful of venues have been able to raise the capital to purchase their own venues, and post COVID bank requirements mean this is unlikely to change. In short, the number of venues who would wish to have MVP as their landlord far exceeds the number of venues we project our ability to purchase in all projected financial scenarios.
Operators face financial difficulties and can no longer afford to pay rent.	3	1	3	MVP and MVT will be working closely with the operators to ensure that they are taking advantage of all the support that is available to them. We will be encouraging venues to reincorporate as a not for profit entity to take advantage of tax incentives to make their businesses more sustainable. MVP will be able to broker deals on behalf of venues that sit within their portfolio to help bring down operating costs.
Operators cease operating and properties are void	3	1	3	MVT is the representative body of Music Venue Alliance, a group of over 900 GMVs. MVT have previously used this extensive knowledge and contact base to help find replacement operators for venues in the past. If an operator was to fail within the MVP venue portfolio, then MVT are ultimately better placed than any other organisation to help find a replacement.

Unexpected large repair bills.	1	2	2	We'd expect to have the venues themselves be responsible for minor maintenance and would look to secure grant funding wherever possible for the major repairs and renovations that are necessary every few decades. If we are unable to secure this funding, the responsibility would ultimately lie with the tenant venue, but MVP would help identify finance options for the venue.
Failure to secure grant finance to cover purchases	2	2	4	MVT have an excellent track record so expect to be able to source grants, especially since MVP is a charity, and the growing trend of operators to become non-profits. However, if MVP are unable to secure grants (or donations of properties) to add to its estate, the model still works, but time horizons for withdrawal would likely be lengthened.
Failure to cover grant finance to cover major repairs	2	2	4	MVT have an excellent track record so expect to be able to source grants, especially since MVP is a charity, and the growing trend of operators to become non-profits. However, if MVP are unable to secure grants to cover major repairs, the board would have a choice as to whether the reserves could safely be used to fund repairs, or whether the lack of visibility of a funding source would lead to the sale of the venue. As the venue being sold would likely have an alternative use (eg residential) we would expect to recover our capital outlay at least.
Society is not able to secure charity status	1	2	2	We do not anticipate this because we have registered the society with what we believe are exclusively charitable objects which have been chosen after advice from legal professionals and which mirror the objects of MVT, which already has secured charitable status. In the event of HMRC refusing to award this, then we would not need to charge Depreciation on the Properties under FRS 102, as they are not held for a charitable status. So whilst there would be corporation tax due, the depreciation charge would no longer be needed. As these two sums are similar the effect on the Profit and Loss account would not be material.