



OWN OUR VENUES



Community Shares
STANDARD

OFFER SUMMARY

Music Venue Properties are undertaking a share issue to raise funds to **purchase 9 music venues** to give the operators using the venues the security of having a friendly landlord who understands the needs of the music venue sector.

OPENING DATE: 23/05/22 CLOSING DATE: 30/09/22

The board of the society may choose to extend the period of the share offer by up to **6 months** if they believe that by doing so they increase the chances of reaching the maximum target.

- **Minimum target to be raised: £2,500,000**
- **Optimum target to be raised: £3,500,000**
- **Maximum target to be raised: £10,000,000**
- **Recommended share subscription: £500**
- **Minimum share subscription: £200**
- **Minimum share subscription (u25s): £100**
- **Maximum share subscription: £100,000***
- **Interest of 3% targeted to be paid annually from year 2 onwards**
- **Withdrawal of capital targeted from year 5 onwards**

*A mechanism to invest more does exist. For details please email ownership@musicvenueustrust.com

Music Venue Properties 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** and it's assets can only ever be used for charitable purposes. The registered office address is
5 Church Street, Wimbourne, BH21 1JH.

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

www.musicvenueproperties.com

WHAT ARE COMMUNITY SHARES?

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

COMMUNITY SHARES ARE FULLY AT RISK

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

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



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For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to: <https://www.uk.coop/support-your-co-op/community-shares>

GRASSROOTS MUSIC VENUES

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.**



GMVs

In 2015 *Music Venue Trust* developed a definition of **Grassroots Music Venues** which is internationally recognised. It refers to a small to medium scale venue which has a model of operation focused on the development and presentation of new live music to audiences. This may be new artists or established artists testing new work, but the emphasis is on artist development and connection with audiences. Other activities such as a bar, catering, retail activity, or other artform presentation are ancillary to the focus on new music.
A full definition of a GMV is available at www.musicvenue trust.com

Key GMV stats:

21% of GMVs are not-for-profit organisations compared to 3% 5 years ago
231,379 performances hosting audiences of over 15 million people annually
Total gross turnover of £371 million, including £129 million in ticket sales
12,051 people have jobs in their local community within GMVs



*Fundamentally, landlords and venue operators do not share the same motivation. Venue operators want to plan for the future and invest in the venue - in sustainability, accessibility, diversity, artists and the venue itself, but venue owners are interested in the maximum return on investment - in an *MVT* survey less than 10% of operators said their landlord made contributions towards building insurance, and less than 15% contributed towards repairs; no venues had landlords that contributed to both.*

This 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.

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.

We need the people operating this vital pipeline of new talent to have resilience and sustainability, but in order for that to happen, those people need to have landlords who have their backs much more than have their bucks.

GRASSROOTS MUSIC VENUES

Owning our venues is the best way we can ensure that they can survive and thrive for the long-term.

Owning our venues will ensure they survive and thrive so that new experiences can be passed onto the next generation of live music lovers.

Owning our venues will ensure that they survive and thrive so that future artists and musicians can continue to create music that *excites, terrifies and confounds*.

This share offer document creates a way to do that which is simple and achievable. The ideas and methods in this document are not wild new concepts, they are established community ownership models **Music Venue Trust** wants to bring to the sector. Protecting venues by pursuing community ownership models creates venues which are more sustainable and resilient. By taking part in this share offer, you can play a direct role in protecting, securing and improving grassroots music, and you can have a stake in their future.

We know that **Grassroots Music Venues** can transform lives, let's make sure that they can carry on doing that, *for life*.

Let's #OwnOurVenues



MUSIC VENUE TRUST

Music Venue Trust is a UK registered charity which acts to protect, secure and improve **Grassroots Music Venues**. Created in 2014, we aim to secure the long-term future of iconic **Grassroots Music Venues** such as *Hull Adelphi, Exeter Cavern, Southampton Joiners, The 100 Club, Band on the Wall, Tunbridge Wells Forum* etc.

Prior to 2014 **Grassroots Music Venues (GMVs)** operated in isolation, rarely sharing information with other venues nor acting as a powerful lobby. **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.



Since 2014 Music Venue Trust has consistently taken a proactive role in supporting grassroots music venues through offering:

- tailored advice to venues
- networking opportunities
- business development
- sector specific research

The work has resulted in

- a greater awareness for the grassroots music venues sector in the UK and around the world
- a globally accepted definition of a **GMV**
- specific changes in national legislation, business rates policy and the national planning
- policy framework to provide greater protection for **GMVs**

Through our research, we have made the case that **GMVs** are the Research and Development labs of the **£5.8 billion per annum UK Music Industry**, which is a world leader in music and culture.

Through our flagship networking event **Venues Day**, the first event of its kind to bring together **GMVs**, we have helped venues network, share ideas, and build a sense of shared community.

This progress marks a reversal in the sustained decline of the **GMV** sector immediately prior to our existence:

- Before **MVT** 35% of UK **GMVs** had closed in the last 20 years
- In 2016 we created the Emergency Response Service to combat this by providing quick, accessible and tailored advice to venues dealing with specific threats of closure
- In 2019 we dealt with 103 cases of venues needing specific support and advice



MUSIC VENUE TRUST

Our work has been crucial in reversing the two decades' worth of decline in the grassroots music venue sector and by **January 2020**, *for the first time in a decade*, **more GMVs were opening in the UK than closing**, indicating that the sector was beginning to stabilise.

When the COVID-19 pandemic started **83% of MVA Venue Members faced imminent permanent closure**. As of **30 November 2021 only 4 MVA member venues have closed their doors to live music on a permanent basis**. The support services **MVT** offered to venues during the Covid-19 crisis included assistance with applying to Culture Recovery Fund funding (in all nations), business support services, legal advice services, advice on tenant/landlord issues, networking events, and direct grant support.

KEY SUCCESSES FROM 2020-21:

Over £5 million was raised from artists, industry and public for GMVs through the #SaveOurVenues campaign

Pre Covid only 3% of venues had received public funding in the last 10 years - that figure is now 71% with over £70 million raised from Culture Recovery Funding for GMVs across England, Scotland and Wales

MVT helped venues to access over £65 million from government grant schemes (Retail, Hospitality and Leisure Grants, Restrictions Grants, Additional Restrictions Grants, Localism Grants, Discretionary Grants)

In partnership with The National Lottery, MVT has delivered a £2.2million programme of touring to re energise the GMV sector - #ReviveLive

This work has seen **Music Venue Trust** progress from a small charity to an established, internationally respected and much awarded organisation which is regularly consulted by the UK, Scottish and Welsh Governments.

MVT works closely with the people who run the nation's **GMVs** via membership of the **Music Venues Alliance**. There are **over 900** members of the **MVA** across towns, cities and rural areas of England, Scotland, Wales and Northern Ireland.



WHAT'S THE PROBLEM THE SOCIETY IS SOLVING?

Music Venue Properties has been created to be the landlord the UK Grassroots venues have been crying out for.

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**

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.

We're now calling on the people who value music to help us make this happen. We want *everyone* who loves music – people who go to gigs, who are in bands, who work in venues or the music industry, or people who just recognise that the global artists they listen to today began playing in **grassroots music venues**.



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

This share issue will raise the funds to buy as many of our pilot venues as we can afford.

We hope that once we have these venues secured, *we can prove this model works*, and start to borrow against these venues - and raise more capital from further share issues - to buy more venues.

Slowly, but surely, we aim to acquire a bigger and bigger portfolio of 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 6%**. 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.

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.**

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THE PILOT VENUES



LE PUBLIC SPACE, NEWPORT
BUNKHOUSE, SWANSEA
THE PALLADIUM, BIDEFORD
THE GLAD CAFE, GLASGOW
THE SNUG, ATHERTON

THE POLAR BEAR, HULL
SUNBIRD RECORDS, DARWEN
THE HAIRY DOG, DERBY
THE FERRET, PRESTON

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 the **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 **MVP** 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 GMV!"

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."*



The precise mix of venues we end up acquiring will depend on the sum we raise. We are not in position to disclose the ballpark figures we have discussed with owners for commercial reasons, but our starting point has been a desk-based valuations arrived at with the help of MJD Hughes Limited, who have experience in valuing leisure properties for community share issues.

Any formal agreement to purchase will be at a price based on an independent valuation

WHAT ARE COMMUNITY SHARES?



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

Unlike shares in companies, you'll not get a dividend nor are you able to sell them to someone else. Withdrawable shares work a lot more like a bank account, as you get your money back through withdrawing it from the society. However, the society can only give it back to you if we're doing well as a business (we have to have sufficient trading surpluses and ready cash to enable it to give you your investment back in legal terms).

Like a bank account, we can pay interest each year on the investment, which we hope to be 3% from the 2nd year after the investment. We will pay the interest to you every year via an addition to your share capital account (where it will compound) and be withdrawn in a lump sum at some point in the future.

Each year, the Board will decide if they can afford to allow shares to be withdrawn, and if so, how much. The other way to get your money back is through new investor members joining and giving us their money in a separate share issue. We do plan to open up the share offer to new members but that won't be for a few years after this first share issue.

Community Shares are a powerful model which has been proven to work in securing large investments on a per-project basis. **Since 2010, over £220m has been raised**, at an average of around **£200,000** per project. It successfully melds large investments from high-net-worth individuals from smaller investments from 'ordinary' members of the public using a democratic and accountable structure.

It has been used in 3 venues already to raise funds for different projects (Le Public Space, Komedia Bath and Exchange Bristol). Sister Midnight Community Venues are in the middle of a share issue to buy a venue in Lewisham in SE London. The Forum in Darlington is also planning a share issue in 2022.



TARGETS

We've estimated the costs of acquiring all **9 venues** at around **£3.5M**. If we raise less than that (*but get more than our minimum target of £2.5M*) we can still buy venues, and the ones we end up buying will depend on how much has been raised and how discussions with vendors proceed. Because our model is scalable, if there is an appetite, we propose to allow up to **£10M** of investment in this share issue; as we have developed our plans, more and more venue owners have indicated to us they would be interested in discussing us buying their venue, so we know that if we have the capital, we can make further acquisitions

If we're not able to hit £2.5M from a mixture of grants and investments, then the board will decide whether to close the offer unsuccessfully and return funds, or whether it believes there is a viable pathway forward where fewer than 6 venues are purchased. Any revision of the minimum target will be advised to all investors and anyone who doesn't wish to invest on any new terms can have their funds returned.

If we're even more successful, we aim to take stock and close the share issue at **£10M** and evaluate our plans, but would take the details of all unsuccessful applicants for the open share issue which we would expect to launch relatively soon afterwards.

**We have been in discussion with a variety of charitable and public sector funders in the lead up to this share issue, and we're hopeful that some grants can be secured to contribute to our target, but we can't say yet how much with any confidence. Any grant finance raised will decrease the amount of capital that needs servicing and so means that investors likelihood of receiving interest be serviced
We don't plan to take on loan finance at this stage**

We've modelled more detailed figures in the business plan, available from the Crowdfunder website. Our purchase costs include stamp duty and professional fees, all of which will be capitalised on our balance sheet.

The costs of developing this share issue – professional advice, publicity and PR etc – have been funded by Music Venues Trust, and the only costs MVP will pay are the fees due to Crowdfunder.

FINANCIAL NARRATIVE

Our model is scalable, and based on the fundamental **6%** rent we charge. The more money we raise, the more venues we can buy, and the more venues we own, the more we will receive **6%** of the capital outlay spent purchasing the building. Our costs are around one-third of that, so we'd be banking around **4%** of the capital invested each year to be used to fund further development, and service capital repayments to investors from **year 5** onwards. 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. A more detailed financial model and notes can be found in the society's Business Plan, which can be downloaded from our Crowdfunder campaign page.

£2.5M raised, 6 venues

	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
INCOME	121,907	160,437	160,437	160,437	160,437	160,437	160,437	160,437	160,437
OVERHEADS	(60,402)	(43,752)	(44,292)	(44,808)	(45,324)	(45,876)	(46,440)	(47,004)	(47,544)
DEPRECIATION	(20,252)	(38,028)	(38,028)	(38,028)	(38,028)	(38,028)	(38,028)	(38,028)	(38,028)
NET PROFIT	41,253	78,657	78,117	77,601	77,085	76,533	75,969	75,405	74,865
INVESTOR INTEREST	0	(76,040)	(78,352)	(80,737)	(83,191)	(83,237)	(81,406)	(79,384)	(77,159)
RETAINED PROFIT	41,889	2,862	128	(2,658)	(5,510)	(6,075)	(4,837)	(3,412)	(1,766)
PROFIT AND LOSS ACCOUNT	41,889	44,751	44,879	42,221	36,711	30,636	25,799	22,387	20,621
CASH AT THE END OF YEAR	77,750	189,642	316,475	438,990	561,350	542,534	519,007	490,628	457,260

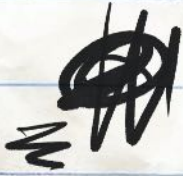
£3.5M raised, 9 venues

	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
INCOME	140,312	219,576	219,576	219,576	219,576	219,576	219,576	219,576	219,576
OVERHEADS	(76,434)	(52,932)	(53,472)	(53,988)	(54,504)	(55,056)	(55,620)	(56,184)	(56,724)
DEPRECIATION	(24,339)	(54,048)	(54,048)	(54,048)	(54,048)	(54,048)	(54,048)	(54,048)	(54,048)
NET PROFIT	39,539	112,596	112,056	111,540	111,024	110,472	109,908	109,344	108,804
INVESTOR INTEREST	1,127	(106,185)	(109,254)	(112,427)	(115,699)	(115,710)	(113,183)	(110,393)	(107,328)
RETAINED PROFIT	40,666	6,411	2,802	(887)	(4,675)	(5,238)	(3,275)	(1,049)	1,476
PROFIT AND LOSS ACCOUNT	40,666	47,077	49,879	48,992	44,317	39,079	35,804	34,755	36,231
CASH AT THE END OF YEAR	200,835	368,544	535,182	701,466	867,400	835,563	796,982	751,473	698,826

£10M raised, 31 venues

	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
INCOME	184,592	630,775	679,612	679,612	679,612	679,612	679,612	679,612	679,612
OVERHEADS	(143,052)	(136,971)	(118,620)	(119,136)	(119,676)	(120,252)	(120,840)	(121,428)	(121,968)
DEPRECIATION	(31,164)	(149,832)	(167,288)	(167,288)	(167,288)	(167,288)	(167,288)	(167,288)	(167,288)
NET PROFIT	10,376	343,972	393,704	393,188	392,648	392,072	391,484	390,896	390,356
INVESTOR INTEREST	0	(304,159)	(313,411)	(322,943)	(332,767)	(332,949)	(325,623)	(317,531)	(308,634)
RETAINED PROFIT	15,931	40,730	80,656	71,169	61,367	60,842	67,565	75,039	83,345
PROFIT AND LOSS ACCOUNT	15,931	56,661	137,317	208,486	269,853	330,695	398,260	473,299	556,644
CASH AT THE END OF YEAR	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

A more detailed financial model and notes can be found in the society's Business Plan, which can be downloaded from our Crowdfunder campaign page.



FUTURE PLANS

After raising the funds to buy as many of the pilot properties as we can, we'd look to undertake further capital raising to expand our asset base. That will likely involve a mixture of grants and direct transfer of assets to us because of our charitable non-for-profit status, further share issues as well commercial mortgages, provided we can secure interest rates at or lower than the rate we are offering investors in our shares.

So, we anticipate that over time, we will have a variety of fixed and /or floating charges placed on us, meaning that in the event of our insolvency, the society's debts could be significant at this stage, and repaying these debts would take priority over the payment of capital to members.

It will also mean that should we ever be in a position where revenues decline and we face a choice between mortgage payments we are legally obliged to make, and interest and withdrawal payments we would like to make, the former will always take priority

However, this should be set against the positive benefit of expanding our asset base, as we believe that the more properties we own in more cities, the greater resilience we will have as a business against the ebb and flow of the strength of the music scene in any one community. As a result, we will be better insulated from any potential insolvency events as a result.

WHAT DO INVESTORS GET?

Investors will get:

- 3% targeted interest on share capital paid from year 2**
- A vote at the AGM on important issues facing the society and for the Board of Directors**
- The chance to stand for and be elected to the Board of the society**
- The chance to get their money returned on a first-come-first-served basis if share capital is available for withdrawal from year 5 onwards (providing the society has sufficient retained surpluses or new share capital to allow withdrawal)**

We're planning to pay investors **3% per year** from the first year after investment, and enable people to start withdrawing their investment **after 5 years**, with us making around **10%** of total capital available in any year.

Both of these are contingent on the society's investments in **Grassroots Music Venues** realising certain revenues and expenditures staying within predictable levels and if these differ from our projections, may result in interest being lower or not paid at all.

Our ability to fund withdrawals is conditioned by the number of venues we control; if the society doesn't progress beyond the core 9 venues we seek to buy funded by this share offer, or isn't able to leverage grant finance as part of this initial phase, then our ability to enable investors to withdraw will be contingent on us moving to an open share issue to raise new capital, which can then be used to allow existing investors to exit.

WHO WILL RUN US?

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 minority of votes at the GM 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.

Members' involvement will primarily be focussed on participation in the society's formal governance, though we'd hope that as many will be committed music fans, they'll support the operators who lease their venues from us and help them pay our rents, as well as keep their ears to the ground and tip us off about potential venues we could add to our portfolio.

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. Until then, the founding board will be running things. **They are:**

NAME: **Bonita McKinney** (*MVT Appointee*)

PROFESSIONAL EXPERTISE:

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.



WHY MVP?

Having sat on the board of Trustees of MVT for 2 years, I have seen what a huge negative impact landlords can have on the sustainability of our grassroots music venues. I am passionate about ensuring our GMVs are owned by landlords who understand the music industry and share in the same motivations. Purchasing venues through community shares is an inspired idea, which I support wholeheartedly.

WHO WILL RUN US?

NAME: Hugh Rolo OBE

PROFESSIONAL EXPERTISE:

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.



WHY MVP?

I am delighted to be involved with Music Venue Properties because I believe that some things are too important to be left to the vicissitudes of the market: amongst them great independent music venues clearly belong. I am a passionate believer in the power of Community Share capital - a truly radical form of investment where investors give up the prospect of capital gain to secure a wider public good and believe that this form of investment capital has an important role to play in a more sustainable future. I am excited to bring my experience of social investment to Music Venue Properties.



NAME: Gabriella Smith

PROFESSIONAL EXPERTISE:

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.



WHY MVP?

I am completely passionate about historic buildings. I am keen to help Music Venue Trust with my experience and knowledge of conserving and restoring the historic venues to secure their sustainable future not just for our benefit, but also that of our future generations.

WHO WILL RUN US?



NAME: James Wright

PROFESSIONAL EXPERTISE:

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



WHY MVP?

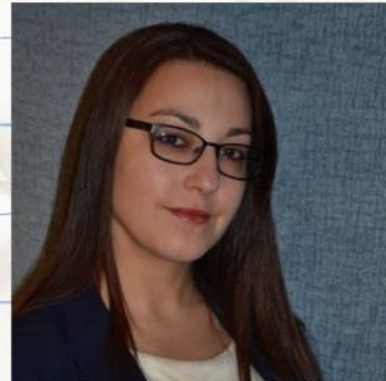
Independent grassroots venues are an essential part of the musical lifeblood. Without these training grounds for emerging talent there will be no future acts capable of headlining big clubs, theatres, arenas, stadiums or festivals. The road to recognition begins with these vitally important cultural assets. Music Venue Properties will hopefully become a strong bastion which will encourage both local and touring bands to keep aspiring towards success.

NAME: Natasha Dos Passos

PROFESSIONAL EXPERTISE:

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.



WHY MVP?

I am particularly interested in roles where I can add tangible value, evidenced by the introduction of governance and risk frameworks that promote strategy and resilience. As the Governance and Risk Advisor at Profit Impact, I support SMEs in embedding sustainability and realising their true value, not limited to solely the financial value, but including community and environmental value. I welcome the opportunity to contribute my experience to the board of MVP and forge a sustainable route to secure the future of our grassroots music venues.



WHO WILL RUN US?



NAME: Rhoda Dakar

PROFESSIONAL EXPERTISE:

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.



WHY MVP?

I started going to gigs in 1973 and eventually found my way to the small West End clubs where innovation abounded. I saw Glam, Soul, Punk and the evening after I left school, I spent at the Blitz with many who went on to form that particular genre. I became fascinated by the resurgent Mod scene but was finally drawn to what is now known as the Ska scene. I joined a band and we played small clubs to learn our craft. I am very grateful to be playing in one or two of those clubs more than forty years later. I say one or two, because many have disappeared. If Music Venue Properties had existed before, perhaps that would not have been the case. As the latest generation, my son is now out and about in the UK and Europe playing in small clubs. They really are the lifeline of our business. Without them, we don't get to practice, to hone our craft. When I go to Europe and see their model for grassroots music venues, it really pains me to see good people here work so hard with practically no support or appreciation from government that they are crucibles of new and influential artforms.



NAME: Jeremy Mills (MVT Appointee)

PROFESSIONAL EXPERTISE:

Legal Professional with over thirty years of experience advising individuals, businesses and charities.



WHY MVP?

I was involved in the creation of MVT for which the work of MVP is a natural consequence.

WHO WILL RUN US?



NAME: Peter Cornforth



PROFESSIONAL EXPERTISE:

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.

WHY MVP?

As a music nut I am passionate about a secure future for the UK's grassroots circuit so jumped at the chance to be a part of the new MVP initiative and give something back for the thousands of hours of pleasure grassroots music has given me.



NAME: Phyllis Belezos (*MVT Appointee*)



PROFESSIONAL EXPERTISE:

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.

WHY MVP?

MVP is important as we see the urgent need to help venue managers get the support in keeping beloved grassroots venues as part of each local community. With MVP it will give them the freedom to keep that intact and work to continue to give music lovers a place to go and developing artists the platforms needed to succeed.



QUESTIONS ABOUT THE SHARE ISSUE...

HOW CAN I INVEST?

We are running this share offer through the **Crowdfunder** website. **Crowdfunder** will take payment immediately using a credit or debit card and will hold the funding until the project is either successful and they will pass the money to us, or unsuccessful in which case they will give you your money back.

WHAT IS THE MINIMUM AND MAXIMUM INVESTMENT?

Shares cost **£100** each. The minimum investment is **2 shares (£200)** and the maximum is **1,000 shares (£100,000)**.
If you are under 25 you can purchase just one share (£100)

WHO CAN INVEST?

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

CAN ORGANISATIONS AND BUSINESSES SUBSCRIBE FOR COMMUNITY SHARES?

Yes. A representative of that organisation will need to become a member of the society as a nominee for their organisation/business, and that person should be named when buying your shares on Crowdfunder. You should also contact **MVP** directly via ownership@musicvenueproperties.com to advise us of the name of the business or organisation.

CAN PEOPLE CLUB TOGETHER TO BUY SHARES, SUCH AS BANDS?

Yes but, as with organisations, you'll have to nominate a member of your group to be the named shareholder in our share register, and that person should be named when buying your shares on Crowdfunder. You should also contact **MVP** directly via ownership@musicvenueproperties.com to advise us of the name of group, or band etc.

WHAT IF THE SOCIETY ISN'T FINANCIALLY SUCCESSFUL ENOUGH TO SURVIVE?

If we did become insolvent, the ability of investors to recoup the funds they have invested would depend, firstly, on the value we (*or the appointed insolvency practitioners*) could get for the assets of the society and secondly, the value of our debts at that point.

In the event of our insolvency or orderly winding-up, the proceeds from the sale of those assets and our cash would pay off all our creditors. If there were any funds left at that point, they would be used to pay shareholders back as much of their investment as they have outstanding as possible, on a pro-rata basis. As we are a charity, should there be any surplus after returning funds to investors this would have to be given to another charity or to enable charitable objectives to be delivered. This cannot be changed by members and is enforced by law.

WHAT HAPPENS IF I DON'T GET ALL MY INVESTMENT BACK?

Although we are registered as a society with **The Financial Conduct Authority (FCA)**, the sale of withdrawable shares in the society is not regulated by the **FCA**. Like many investments, these community shares are at risk and you could lose some or all of the money you invest.

Unlike deposits with high street banks, community shares are not covered by the **Financial Services Compensation Scheme**, nor is there any right of complaint to the **Financial Ombudsman Service**. If you are considering investing a significant amount then you may wish to seek independent financial advice before doing so.

QUESTIONS ABOUT THE SHARE ISSUE...

IS IT POSSIBLE TO SEE THE FINANCIAL PROJECTIONS FOR THIS SHARE OFFER?

Our business plan is available on the Crowdfunder website, which contains detailed financial projections.

CAN MY INVESTMENT BE GIFT AIDED?

Yes, but in order for this to happen, you have to tell us to cancel your investment and treat it as a donation. Please note that donors will not be eligible for membership of the society.

CAN I SELL MY SHARES?

No. This investment is in withdrawable share capital which cannot be transferred, sold or given to anyone else, except on your death. You can tell us in advance who you wish to transfer your investment upon your death, and we can transfer the first **£5,000** of your investment to them; any investment above **£5,000** requires your beneficiary to be explicitly named in your will. If you do not nominate anyone, then the Board will rely on the instructions given by your executors.

Please note also that as the society is not deemed by **HMRC** to be engaged in business for profit, shares bequeathed in the event of your death will not be eligible for business relief from Inheritance Tax.

CAN SHARES INCREASE IN VALUE?

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

WILL I GET A SHARE CERTIFICATE?

Everyone who invests will receive a community share certificate.

WHAT WILL YOU DO WITH MY PERSONAL DETAILS AND DATA?

Your personal details as submitted on the application form will be held by the society and used in accordance with the provisions of the rules and of the **2014 Co-operative and Community Benefit Societies Act**.

Only members can inspect the members' register and view members' names and addresses (but not how much they have invested) but the society will not share, sell or provide my details to any other individual or organisation and will ensure compliance with the **GPDR** regulation in accordance with its responsibility as a data controller.



OWN OUR VENUES



www.musicvenueproperties.com