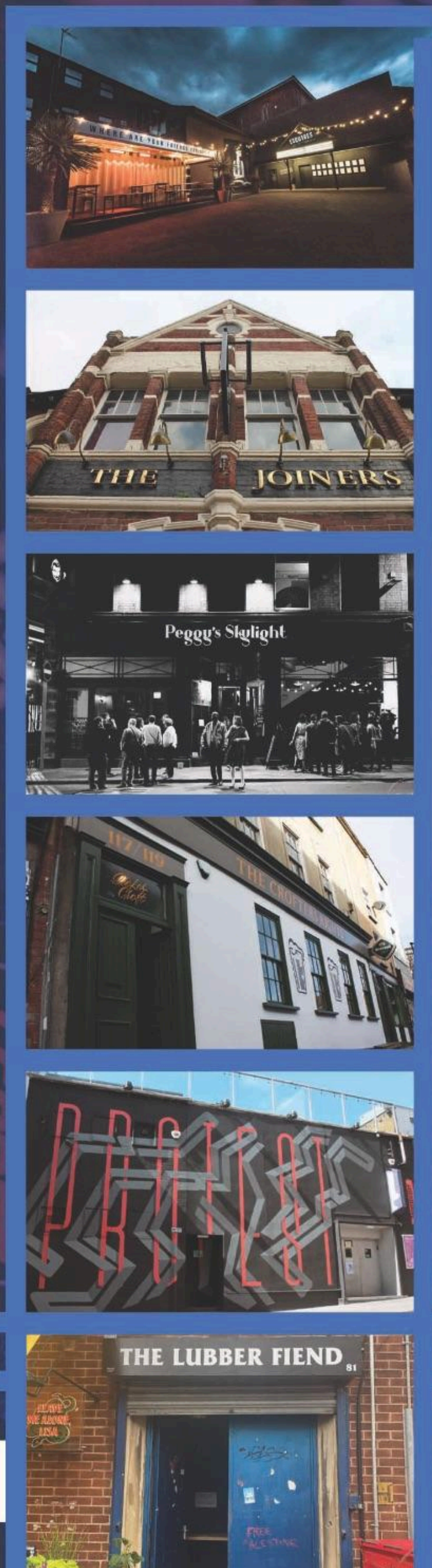
Own Our VENUES

MUSIC VENUE PROPERTIES

BUSINESS PLAN



Music Venue Properties 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.

Our Mission

Preserving and conserving grassroots music venues, supporting operators, fostering community partnerships, and nurturing emerging talent.

I. Preserve and conserve [Grassroots Music Venues (GMVs)]() by bringing them into community ownership.
II. Improve operator resiliency and create a sustainable GMV business model.
III. Encouraging the creation, benefit and promotion of GMVs

Key to our mission is the MVP 'cultural lease' which recognises the specific needs of music venue operators, and supports the long term sustainability of GMVs. In return, operators are expected to agree to cultural delivery commitments, including:

- Hosting 104+ live music events per year
- Becoming a member of the Music Venue Alliance
- Adhering to Music Venue Properties Best Practice

Most importantly the cultural lease provides tenant operators with long term security of 25 years of tenure, allowing them the space to properly plan for the future.

We fund this by a mix of capital: member equity in the form of community shares, grants and donations from public and private sources and commercial debt leveraged against our assets.

Why we are needed

In 2015 Music Venue Trust developed a definition of Grassroots Music Venues (GMVs) 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.musicvenuetrust.com.

In the UK

- 33% of GMVs are not-for-profit organisations compared to just 3% in 2014
- 162,092 events hosting audiences of over 19.4 million people annually
- Total gross turnover of £526 million, including £114 million in ticket sales
- 30,865 people employed within the sector

Yet, as everyone who loves music knows, they're under real threat. 35% of venues have closed in the last 20 years and in 2024 another 86 either closed or no longer operated as GMVs.

The Covid-19 crisis was a challenge and has been further intensified by the dual pressures of rising energy costs and declining household incomes but these merely amplified existing problems. There is a solution and you can help make a real change.

Music Venue Properties has shown in just 3 years that community ownership can secure and preserve venues permanently. This success has led us to identify new opportunities to purchase some of the UK's longest-running venues and launch our second share offer to secure these key cultural spaces.

The key threat to the sector is that of property ownership: Over 90% of Grassroots Music Venues are tenants.

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.

This issue of ownership underlies almost every other challenge that venues have faced during the last twenty years; gentrification, noise complaints, under investment, poor economic model, an inability to plan for the future and it also hampers solutions that will enable investment in the sector.

The growing discussion around a levy on arenas —who benefit from the vital work of grassroots spaces—is an encouraging step forward. This support could be transformative, but to truly maximize its impact, we also need landlords who share a passion for music. With many venues operating on short-term leases, ensuring that additional funding from a levy directly benefits the venues, rather than being absorbed by rent increases, will be key to creating lasting change.

The UK has the potential to have the best grassroots circuit in the world, supporting new talent, investing in carbon neutral buildings, creating safe spaces, improving facilities and creating permanent cultural and community centres. 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 but in order for that to happen, those people need to have landlords that support that vision.

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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 been recognised by HMRC as a charity for tax purposes. The registered office address is 5 Church Street, Wimborne, BH21 1JH.

Who runs MVP?
The society is governed by its members, who elect the board of Trustees and pass resolutions at General Meetings.

In addition to the Directors elected by members, up to 2 Directors are able to be nominated by the Music Venue Trust, the organisation which was instrumental in our founding. Currently one director serves in this capacity. The Directors have also co-opted 2 Directors to bring additional expertise we feel we needed to make our discussions and decisions better informed.

Music Venue Trust initially controlled a majority of votes at General Meetings and appointed one-third of the Directors board in recognition of its role in the foundation of the society, but as we have developed as an organisation, we have made the society now wholly and controlled by our members, exercised on a one-member, one vote basis.

Members are essential to the success of Music Venue Properties-not only by investing, but also by active participation in our governance and by notifying the Board about other Grassroots Music Venues that may be at risk.

As MVP grows, our aspirations are to increase member involvement so that the individuals who invest in and support our mission shape our future. This year we have created and held our first Members Forum where ten members, selected at random, are able to find out more about our current plans, ask questions and make suggestions. These meetings will now take place on a quarterly basis. Where possible we plan to use questionnaires to survey members to help inform the Boards decision making.

The MVP Board

Jeremy Mills (MVP Chair)
Chair of MVP. A legal Professional with over thirty years of experience advising individuals, businesses and charities. Jeremy, founder and director of Mills Keep is a solicitor and Notary Public, a member of the Society of Trust & Estate Practitioners and Charity Law Association. He has a number of charitable trusteeships and specialises in legal frameworks to support charity goals.

Natasha Dos Passos (Finance & Audit Committee Chair)
Natasha brings over 20 years of experience in strategic financial leadership, driving long-term value creation in senior roles spanning the media and fintech sectors. She is currently the Finance Director of a start-up record label and previously held management roles at EMI Records, several non-profits and various fintech start-ups. Specialising in sustainability, governance, and risk advisory for the SME sector. She is passionate about sustainability and community, using her skills to champion grassroots projects. Natasha has also contributed to the arts and heritage sectors through her involvement with charitable organisations, London Parks and Gardens and Orpheus Sinfonia.

Chris Prosser (Stakeholder Engagement & Impact Committee Co-Chair & MVT Appointed)
Chris started in the Music industry 30 years ago putting on bands at University. After 5 years managing bands he moved into the Live Music Industry, launching IQ Magazine and working to improve the reach of The International Live Music Conference (ILMC) . In 2014 Mark Davyd and Chris conceived Music Venue Trust as a result of a panel discussion at the ILMC. That year they launched with a dream of improving the landscape for Grassroots Music Venues. Throughout his career Grassroots emerging artists have been very close to his heart and when the opportunity came up to work on MVP it was an obvious move. Chris's skill set is within PR, Marketing, fundraising, strategic planning and project management

Francis Runacres MBE
Francis started his career at PricewaterhouseCoopers in 1982 spending most of his time there in the Corporate Recovery department specialising in helping organisations in the not for profit sector facing financial difficulties. Francis moved to the Arts Council in 2000 and helped design and run a number of major grant programmes including the Stabilisation Programme which provided funds and support to a significant number of arts organisations facing severe financial, governance and operational problems. He designed and ran the DCMS funded Cultural Recovery Fund loans programme that supported a number of the most significant cultural organisations in the country survive the COVID pandemic including the Royal Opera House, Historic Royal Palaces and English Heritage. He became the first Executive Director of Enterprise and Innovation at the Arts Council in 2017 with a brief to

help arts organisations become more entrepreneurial and to encourage the use of non grant finance in the sector.

Clara Cullen (Stakeholder Engagement & Impact Co-Chair)
Previously a venue support manager at Music Venue Trust, Clara managed its Emergency Response Service supporting GMVs in crisis, overseeing the charity's advocacy work and the development of its training initiatives. She is also a regular speaker at music conferences, universities and for national press interviews. Currently service delivery manager at Help Musicians, Clara has also spent time working for Festival Republic supporting the programming at festivals such as Latitude and Reading & Leeds and as a promoter's representative in GMVs around London. Her journey into the music industry started after discovering Banquet Records and her local GMV, The Peel. Watching bands play in venues like The Peel, which closed permanently in 2014, sparked an intense interest in protecting venues so that communities do not lose access to these vital cultural spaces.

Peter Cornforth (Property Committee Chair)
Real estate investment professional, specialising in urban asset management, and chartered surveyor, with over 30 years of experience in the sector, the last ten in private equity investment and development. Peter has represented the real estate industry as an expert contributor to the Mayor of London's Night-time Economy Commission and is an investor/director at Lafayette, the 600 cap venue at King's Cross founded by Mumford's Ben Lovatt. He is a non-executive director at East London NHS Trust, DHSC's Community Health Partnerships £2.5bn health centre property investor, and an Investment Group advisor for TfL's commercial property portfolio.

Hugh Rolo OBE
After a successful stint in the City in the 1980s Hugh developed an interest in community development and worked in Bradford's Inner City Task Force helping to develop Carlisle Business Centre: a community anchor organisation in Manningham still in operation. Hugh spent 30 years in community development most of which have been with Locality which he has helped grow from a small 8-person organisation to one of England's leading Third Sector network organisations employing 50 staff serving over 1600 member "community anchor" organisations. After a succession of leadership roles within the DTA Hugh began to focus on Social Investment. He was a founder partner of Key Fund in 2001 and of Adventure Capital Fund – now Social Investment Business in 2003. Pioneering the use of blended finance for social investment (futurebuilders £220mn and Community builders £70mn –managed by SIB) mostly deployed for the development of community owned assets. Hugh progressed in 2007 to launch a research support programme for the DTA in partnership with Co-ops UK in what was to be known as the Community Shares market. Helping to establish the Community Shares Unit in 2011 and the Community Shares Booster Programme.

Osmaan Malik (Co-Opted Director)
Osmaan brings two decades of experience from influential roles in the City, most recently as Managing Director and Global Head of Real Estate for UBS. In this capacity, Osmaan was responsible for assessing numerous large property companies, gaining deep insights into the various stakeholders and their motivations. As a result, he is well-connected within the industry and possesses a sharp understanding of market dynamics and the factors driving landlords' decisions. Under Osmaan's leadership, he led his team at UBS to be ranked #1 across his competition for five straight years. His role involved making investment recommendations to investors; providing strategic advice to CEOs, CFOs, and other board members; building financial models to evaluate prospects; and valuing companies, their stocks, and assets. Osmaan's success in the City enabled him to acquire a beloved music venue - Ain’t Nothin’ But in Soho, London - at the onset of the pandemic. Although the venue was at risk of permanent closure, a successful Arts Council CRF application and strategic shifts in the business model allowed it to navigate that challenging period and continue to thrive today.

Support Staff

Dave Boyle (Society Secretary)
Dave is an expert in how societies like MVP operate, and also works to help them raise finance through community shares and advised us on our first share offer and this one. He supports the Board's decision-making processes so they have the information they need to exercise their responsibilities, as well as advising on corporate governance issues.

Matthew Otridge (COO)
Matt has over 20 years of experience in the live music industry as a promoter and venue owner / operator. He was one of the founders of Exchange in Bristol and spearheaded its transition to become a Community Benefit Society via a Community Share offer where £300k was raised through almost 400 members. Matt joined Music Venue Trust in 2020, where his role was to oversee the creation of the MVP project and assist venues looking to move to a not-for-profit model. Matt now works full time for MVP, but still continues to assist MVA venues with advice and has recently become a qualified community shares practitioner.
Matt works closely with the Board and each of the subcommittees to bring together the skills of the directors, overseeing all aspects of the running of Music Venue Properties. This includes everything from fundraising and finance, through to overseeing the conveyancing process and working closely with MVPs operators.

Chris Sherrington (Operations & Engagement Coordinator)
During a career spanning 25 years, Chris has founded and curated festivals, music venues, clubnights and exhibitions, as well as promoted gigs across the North of England. He joined Music Venue Trust in 2020 where his background in process mapping and improvement, alongside an understanding of the challenges faced by venue operators, has helped him deliver projects including the Pipeline Investment Fund and GMV Training whilst also researching and authoring policy representations to UK government as part of his policy and strategy support role.

Subcommittee Member Volunteers

Jon Gorrie (Accountant, Retired)
Will Robinson (Legal)
Gabriella Smith (Historic building surveyor)
Richard Aitchison (Chartered surveyor, retired)

Board committees

Our Board committees are where the Board does more of the nitty-gritty of supporting the team and it's here where we bring in expertise from our member base. Whilst members have the right in our governing rules to stand for the board, our preference is for people with an interest in supporting us to assist through the subcommittees so they can begin to understand the society better in the first instance before thinking about joining the Board.

Finance and Audit (F & A) subcommittee
Promote financial stewardship, providing transparency for stakeholders. Lead on MVP internal processes and policies, financial reporting and liaising with our auditors.

Members: *Natasha Dos Passos (Chair), Clara Cullen, Jon Gorrie (Accountant, retired)*, Osmaan Malik, Francis Runacres MBE & Hugh Rolo OBE*

Stakeholder Engagement & Impact subcommittee
Directs the overall marketing strategy, and engagement with MVP stakeholders. Lead committee for the members forum and considers the impact the organisation has on communities where we operate in and the wider sector.

Members: *Chris Prosser (Co-Chair), Clara Cullen (Co-Chair), Jeremy Mills & Natasha Dos Passos*

Property subcommittee
Supports the Board on matters of property investment and management, oversee the process for deploying funds in new acquisitions, related due diligence and operations compliance.

Members: *Peter Cornforth (Chair), Gabriella Smith* (Historic Building Surveyor), Will Robinson* (Legal) , Richard Aitchison* (Building Surveyor, retired) & Francis Runacres MBE*

*** Non-Board Members**

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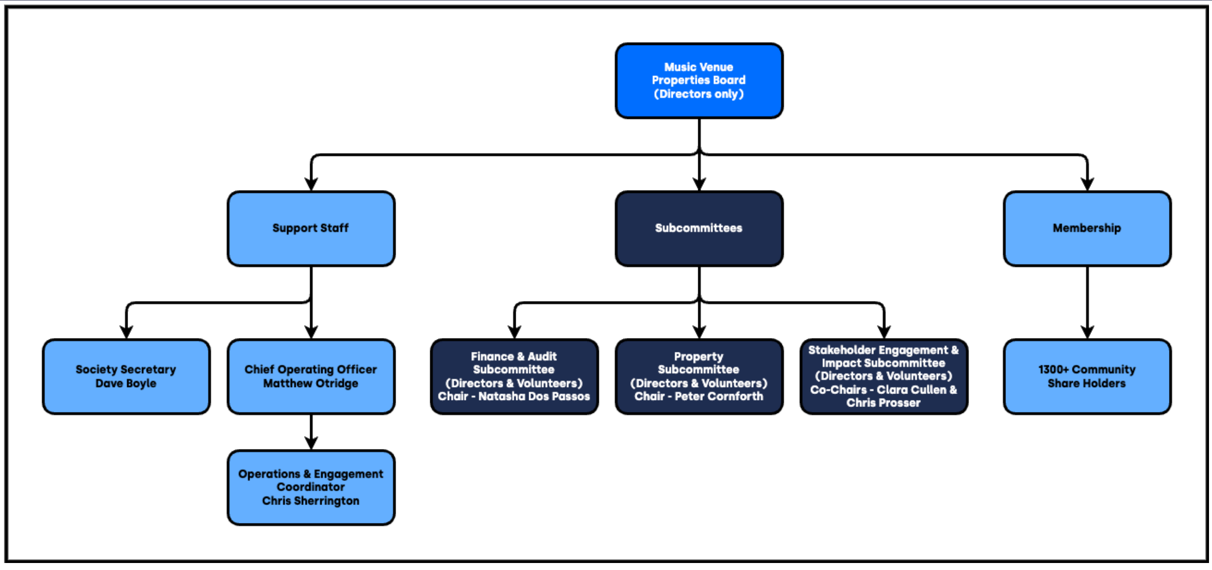
Operational Structure



The organisation is made up of a board of 8 directors, each with a role on 3 subcommittees, Finance & Audit, Property & Stakeholder Engagement & Impact.

The subcommittees consist of directors (and member volunteers) who are industry professionals with relevant expertise and experience.

The organisation employs two part-time support staff including the Chief Operating Officer who work closely with the subcommittees, operators and external partners.

These roles combine expertise from various fields to support the governance and growth of Music Venue Properties. The organisation collaborates with partners and key stakeholders as needed, ensuring strategic goals are met through established operational policies and best governance practices.

Property Purchase - How we operate

At the heart of Music Venue Properties' mission lies the belief that long-term security for Grassroots Music Venues begins with ownership. Our approach to property acquisition is rooted in diligence, transparency, and purpose. Each venue we seek to purchase is carefully evaluated not just as a building, but as a cultural cornerstone - with its own community, legacy, and potential for impact. From the first enquiry to final board approval, we follow a structured process that prioritises sustainability, viability, and partnership with the operators who bring these spaces to life. This section outlines how we identify at-risk venues, assess their financial and cultural case, and ensure that every acquisition supports our broader goal: a national network of community-owned music venues, thriving under landlords who value music above profit.

Initiation

Working in collaboration with Music Venue Trust, MVP is notified of GMVs that are at risk of closing. Pre-Checks are carried out by MVP staff with some initial assistance from Music Venue Trust. These include:

- Is the venue for sale?
- Based on our knowledge, does the sale price seem reasonable / achievable?
- Is there a threat to the venue? Do we believe the threat to be significant?
- Does the operator feel as though the current rent is affordable?
- What would be the impact on the rent if MVP bought it at the price the vendor is asking for - Does the operator feel as though they could afford to pay this?
- Are they members of the Music Venue Alliance (an association of GMVs that MVT supports and advocates for).
- Is the vendor happy for us to announce our intentions publicly to try and buy the venue?

Once we have obtained answers to our enquiries, we will either move forward to the next stage, or keep the venue under consideration within our pipeline of potential acquisitions. We have included Esquires, Peggy's Skylight, The Croft, The Joiners, The Lubber Fiend, The Pipeline and The Sugarmill within our Share Offer as we believe they meet our qualifying criteria to move forward at this stage.

Post Share Offer we will assess each venue acquisition through a number of more comprehensive assessments that focus on the buildings and the people that run them.

Venue Evaluation Assessment

The first is the **Venue Evaluation Assessment**, this has been designed by directors with expertise in social lending, finance, governance and property. MVT are involved in some of the early work that takes place in this process, which allows MVP to take advantage of MVT's extensive network and expertise.

The VEA considers the following points and is overseen by the COO

Cultural Assessment of Venue and Region
Meets definition of Grassroots Music Venue
Regional Financial Assessment
Operator due diligence which includes business plan, financial projections and historical performance.

Once venues have been evaluated in these areas, the COO will review all the information and make a recommendation to the F & A Subcommittee. The F & A Subcommittee will review this recommendation, alongside the assessment itself and either decide to proceed to the next stage, ask for additional information or reject the recommendation because they deem the proposition unsuitable or too risky.

To date, three venues identified for purchase in this phase have been assessed and approved to move onto the next stage of the process. The other four venues entered our pipeline of potential acquisitions at a later date, and have therefore yet to be assessed.

Asset & Property Recommendation

Once the F & A Subcommittee approves the COO's recommendation, the Property Subcommittee will prepare an Asset & Property Recommendation (APR) for the Board to consider. The approval of the VEA will release a budget that allows the Property Subcommittee to carry out these enquiries.

During this phase an offer will be made to the vendor, but the timing of this will vary depending on the circumstances of the sale.

Before any money is spent the Chair of the Property Subcommittee, Peter Cornforth, a qualified chartered surveyor, visits the venue alongside COO, Matthew Otridge, a long term GMV operator. This allows the two of them to sense check the purchase by inspecting the property and meeting the operators. If there are some initial red flags that were not picked up in the VEA, then the proposition may be referred back to the F & A Subcommittee.

At this point we will examine the venue's Health & Safety (H&S) file and licenses, and will ask for the following:

- Electrical Installation Condition Report (EICR)
- Gas Safety Certification
- Asbestos Register / previous Asbestos Survey
- Fire Risk Assessment
- Health & Safety Risk Assessment
- Information on any known building issues or compliance issues, e.g.
- Premises License (including attached layout plans)
- Planning (to cross-check conditions), Noise, Environmental Health etc. etc.

MVP commissions a buildings survey through a trusted independent organisation, providing them with the information provided above. Where the buildings survey recommends follow up surveys, MVP will make further enquiries and where necessary instruct additional surveys (for example, a structural survey).

The Property Subcommittee will review the information provided by the operator alongside the building survey report(s) to consider any compliance breaches or gaps. MVP will discuss the results of this process with the venue operators to understand their views on compliance issues and how any necessary remedial works might affect their ability to operate the space. MVP may at this stage commission further reports / assessments if there are gaps in the building's H&S file. If it is considered at this stage that any work required to bring the building into an acceptable minimum standard of H&S compliance is economically unviable, then MVP will seek to:

i. (Re)negotiate a price adjustment with the vendor that takes these costs into account.
ii. Where this is not possible, discuss where the operators can make a suitable financial contribution towards these costs.
iii. Where that is not possible, abort the purchase.

In parallel to our work with the surveys, we will appoint an experienced, mission aligned, solicitor, who will work with MVP on a part pro bono basis, to carry out all of the legal work to ensure that the purchase is feasible from a legal and title perspective. It may be that we have to consider taking out insurance policies to mitigate any potential risks, for example we have previously taken out minor Title Insurance cover. We would expect any policies taken out to be coordinated through our solicitor or insurance broker. Depending on the cost of any additional legal work / insurance policies required, we will consider whether it's necessary to adjust to renegotiate or abort the purchase.

Board Approval

If the Property Subcommittee is satisfied with the results of our building and legal enquiries, they will turn this information into an Asset Plan & Recommendation document that will be shared with the board alongside the Venue Evaluation Assessment. In parallel to this process the F & A Subcommittee will update the financial projections related to the Venue Eligibility Assessment to ensure that the project remains feasible in light of any changes to the budget / operator's financial situation. The full board will then conclude on proceeding as recommended, providing an extra level of accountability. Should any matters arise at this stage, the Property Subcommittee will obtain additional information and resubmit its recommendation.

At this point consideration will be given to available funds, financial gearing, grant leverage and other deals that are in the pipeline. In a situation where the board finds itself with multiple propositions and not enough funds to complete them all, then the board will undertake and debate the results of a rankings process which takes into account, threat of closure, historical significance, community stakeholders and other criteria. In addition MVP will consider feedback from our members about which venues mean most to them.

Once the Board has approved the Asset Plan & Recommendation, our legal team and insurance broker will put the necessary insurances in place (including Buildings Insurance) and contracts will be exchanged. In the next few weeks we will ensure all of the rest of the finance is with our solicitor, and then complete.

Post Completion

After purchasing the building, the tenant operator will sign a new bespoke lease agreement with Music Venue Property. The Cultural Lease has removed many of the clauses designed to give commercial landlords an advantage, but includes cultural delivery commitments, including the following clauses:

- The tenant operator must commit to hosting 104+ live music events per year
- The tenant operator music be a member of the Music Venue Alliance
- The tenant operator must agree to adhere to Music Venue Properties Best Practice (appendix vii)

Most importantly the cultural lease provides tenant operators with long term security of 25 years of tenure.

The property will be managed by a Property Management Company who will work with Music Venue Properties on a part pro bono basis. MVP are currently working with Tandem LLP, who have been appointed in line with MVP's financial management policy. MVP staff undertake quarterly tenant meetings and present the property subcommittee (and in turn the MVP Board) with an update at each subcommittee (taking on board any feedback from Tandem) to consider any potential issues.

Separately, MVP and their legal team will seek to put in place any agreed legal charges on the acquisition.

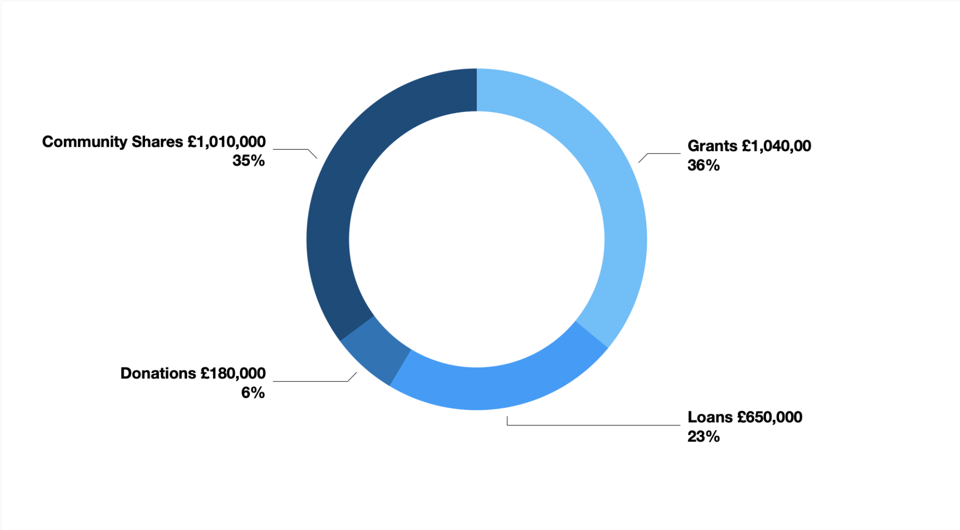
This structured approach ensures a transparent, financially viable, and legally sound venue acquisition process.

Financial Plans

Capital Requirement and sources

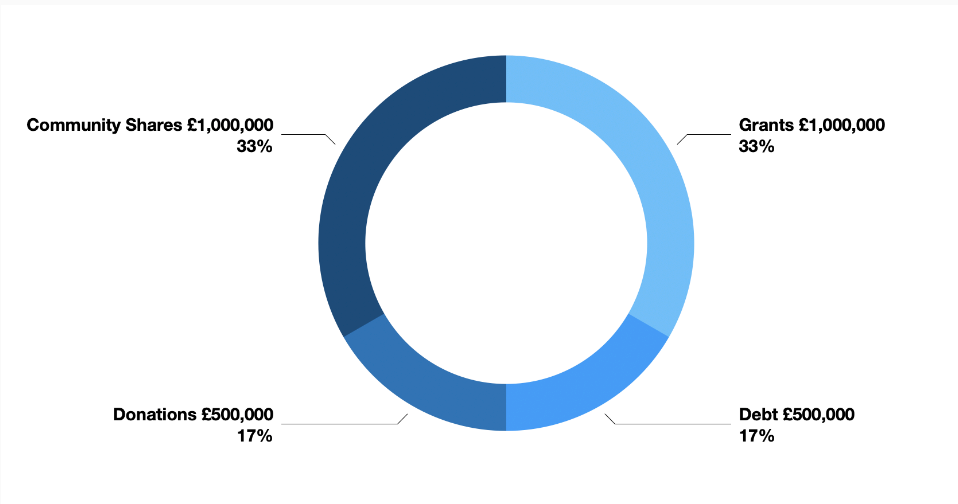
Our first investment drive secured around £2.88m in capital - £1.01m from community shares, £1.04m in grants, £180k in donations and the remainder in debt. We currently have a cash position of £250,000 built from revenues from venue operators and proceeds from the initial share issue.

Phase1 - Capital sources to date (£2.88m)



These figures include £306k in grant funding and £150k in loan finance. These amounts are confirmed but have yet to be drawn down. As legal agreements are in place with reputable organisations, we have chosen to recognise these funds at the point they were signed.

Phase 2 - Projected (£3.0M)



This next phase will aim to raise a minimum of £3m using a similar mix. We believe this will allow us to purchase the seven venues discussed in our Share Offer Document, namely Esquires, Lubber Fiend, Peggy's Skylight, The Croft, The Pipeline, The Joiners and The Sugarmill.

Projected Finances

Unlike many businesses using community shares, our model is fundamentally scalable; all other things being equal, adding more capital increases our revenues proportionately and therefore allows us to meet our financial commitments.

The key factors that impact that model are the rate at which we can secure grants and donations to augment our capital resources, as the more 'free' money we can deploy, the more reliable and dependable our projections for servicing our capital become.

We have assumed that we will receive £1m in Community Shares, £500k in Loan Finance, £500k in Donations and £1m in Grant Finance.

(NB These amounts are carried through to our financial projections in addition to the YE 2025 funds outlined in the "Capital requirements & sources section" and a further £100k in Community Shares which is to be received as part of an ongoing agreement with Music Venue Trust).

This assumption is informed by our experience to date, where share capital leveraged the same amount in grant funding. Whilst some of the grant fund projects that contributed to the existing grants received have ceased, the board is confident that new funds will replace these and based on our experience, we will be able to access these funds. New initiatives such as the grassroots music levy , as well as other welcome developments, such as Coldplay donating 10% of their touring profits to support Music Venue Trust, who have indicated that they plan to use some of this money to help fund MVP's activities, are positive signals that MVP can achieve, and may exceed, the level of grant and donation finance projected.

We expect all of the money raised to go where it matters: into the venues themselves. But buying a building comes with costs—surveys, valuations, legal fees, and sometimes, dead ends. Not every lead becomes a deal. The total costs of these 7 venues would be in the region of £3 million so in the event we don't hit our target from all sources, we'd make our choice based on a variety of factors, such as the 'real' condition of the building after a full survey or the ability of the owners to move at the pace we want to. We anticipate the majority of our running costs will be covered by a combination of our rental income and existing society funds.

Underpinning assumptions

10 Year Model - Our ten year financial model is based on 2 years results and 8 years of projections. The first year is based on March year end 2024 filed accounts, the second year is based on the latest March year end 2025 management accounts. A copy of the Charity Statement Of Financial Activities that accompanies the P&L, Business Plan & Cashflow is available by request - please email info@musicvenueproperties.com and we will send you a copy.

Venue Purchases – The model assumes purchase of the seven venues discussed in our Share Offer Document, namely Esquires, Lubber Fiend, Peggy's Skylight, The Croft, The Pipeline, The Joiners and The Sugarmill. At this stage the valuations are desktop valuations and fit our financial model in terms of the rental yield they provide. In some cases we have agreed an indicative price with the vendor. We are not in position to disclose these figures for commercial reasons. Ultimately full surveys of the venues are carried out before purchasing, and as with any other commercial property purchase prices are negotiated subject to survey and contract. The projections also assume that once we have purchased these seven venues, that no additional properties are purchased.

Revenue

Funding Mix -Financial projections are based on the funding mix shown above (page 16) . where we also provide a chart showing our funding mix to date, to help illustrate why we believe this is an achievable and realistic funding mix. The main difference is that we expect more donations, this is based on an assumption that MVP will be a recipient (via Music Venue Trust) of the arena ticket levy.

Grants – Grants received to date are conditional on building purchases, meaning conditions of the grants are met and enable MVP to draw down the funds immediately. The funds are recognised in the Profit and Loss. Future grants in the model are recognised on the same basis. Grants that support operational expenditure are deferred until the expenditure is incurred.

Expenditure

Budget Setting – We have modelled our expenditure based on our knowledge of the sector and from our own experience during our first two years of trading. Each subcommittee manages different elements of the budget, which is agreed at the start of each financial year and signed off by the board. This allows greater oversight, and has ultimately resulted in year end March 2025 overheads coming in under our expected budget. We expect some of our overheads, such as staffing and property management costs, to increase as our property portfolio expands and we have built contingencies into the budget to allow us to manage unforeseen situations.

Expenditure Increase - We have modelled an expenditure inflation increase of 7.5% (2025), 5% (2026), and 2% from then on.

Admin Costs

These include:

Office Costs - Presently, our office is fully remote with staff and directors travelling as required to our venues and to view potential purchases. MVP employees are currently able to work from Music Venue Trust offices in London if required, and we have access to various spaces in London for in person Director meetings that take place twice a year.

Accountancy & Audit - After consulting with our members at the last AGM we plan to appoint an Auditor for the current financial year.

Consulting - As part of our commitment to robust governance, the board proactively allocates a dedicated budget to engage specialist expertise as required. This ensures well-informed decision-making and supports the Society’s long-term success.

Other Admin Costs - These include HR, subscriptions, and non-property related insurance.

Member Costs

These include member events and costs associated with communicating with our members.

Operating Costs

These include:

Salaries - MVP has a small team of employees who are able to rely on an active and experienced Board, alongside volunteer subcommittee members and paid consultants when required. We have modelled an increase to employment hours (and therefore salaries) following a successful Share Offer to help manage the work required to expand and manage our growing portfolio. We have modelled a 5% increase per year.

Other Operating Costs - These include travel, bank fees, accommodation, IT, print and stationary.

Marketing Costs - Marketing costs encompass investments in public relations, social media, and design services. These efforts enhance our brand visibility and engagement.

Financing Costs **-** This amount is primarily the Crowdfunder platform fees associated with running a Share Offer. This drops significantly following year end 2026 as the projections do not assume that we will be running another Share Offer. This figure also includes the Figurative loan finance fees, which are amortized over life of loan.

Property Costs

Surveys / Legal Costs / Initial Repairs - These costs are capitalised within our projections. We are assuming at this stage that no purchases are aborted, but if they were these costs would be moved into the P&L.

Property Management fees - These costs ensure that our properties remain fully compliant with all relevant health and safety and other regulations, particularly those involving the general public, thereby safeguarding our assets and reputation.

Cyclical Venue Maintenance - Our operators agree to full repairing leases and MVP works with them to apply for capital grants to carry out this work. These capital grants and cyclical maintenance costs are not contained within our financial projections as we'd expect them to be neutral. We have allowed for an agreed annual maintenance fee per venue which forms part of the Cultural Lease.

Stamp Duty Land Tax - MVP has been recognised by HMRC as a charity for tax purposes and is exempt from paying SDLT.

VAT – MVP is VAT registered, to date MVP has not been required to pay VAT on any property purchase, as this is undertaken on the VAT-exempt transfer of going concern basis.

Voids - A void provision rate of 5% is included for the 2025-26 year. The board believes that the challenge facing the industry is finding venues and not finding operators to use them.

Our relationship with the Music Venue Alliance (MVA) through the MVT and our connectedness to the wider sector means that MVP can manage end-of-tenancies to minimise voids.

Rates - We have not budgeted for paying Business Rates, as this will be the responsibility of our tenants. Charities which own empty property are not liable to rates for that property so long as it appears that the property will next be used for charitable purposes.

EBITDA

Interest Income on cash surpluses - We have modelled this at 5% (2025), 3.5% (2026), 3% (2027), 2.5% (2028) and 2% from then on.

Figurative Loan - MVP has two £500k tranches at 4.5%, at seven year repayments. The capital repayment for the first tranche occurs on a month to month basis, the second tranche is expected to be on interest only terms with the capital repayment due at the end of seven years. Loan finance fees are amortized over the life of the loan.

Other Assumptions

Tax - MVP has been recognised by HMRC as a charity for tax purposes, so we have not included corporation tax.

Depreciation - MVP Properties are used to achieve our charitable objectives, our estate is depreciated on the basis of an 80/20 split between buildings and land, with buildings depreciating at 2% per year and land holding its value.

Reserves Policy - we are seeking to build reserves to cover 3 - 6 months of our regular running costs.

Property Sale - MVP is currently in the process of selling the non venue part of the Moss Mill property (which houses The Ferret) in Preston. This sale has progressed and is noted to take place in June 2025. For the avoidance of doubt, MVP will retain ownership of The Ferret.

The model shows that it's still possible to pay 4% interest to investors from the 2nd year after investment and make 5% of total share capital available for withdrawals from the 5th year after investment. Within the model we have assumed that interest payments will be paid as new share capital. The Board is currently in the process of developing a policy on interest, and reserves the right to pay interest directly to members via Bank Transfer each year.

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. 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 are continually updating our financial projections for the Board to review.

If we were to raise less money then we hope, we would expect to buy less venues and generate less rent. However, our current expenditure figures are based on the costs of running 7 new venues (and 12 in total), and would therefore also be lower. The key figures that the MVP Board will also consider ahead of each new property acquisition is the rental yield and the capital mix for that purchase, and in particular how they relate to one another. Financial projections are updated regularly, and Directors will always receive a specific update ahead of being asked whether to proceed to exchange of contracts, allowing the Board the opportunity to understand the financial implications of expanding MVP’s property portfolio.

PROFIT & LOSS

	Actuals		Forecast							
	Yr 1	Yr 2	Yr 3	Yr4	Yr5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Item	**Mar-24**	**Mar-25**	**Mar-26**	**Mar-27**	**Mar-28**	**Mar-29**	**Mar-30**	**Mar-31**	**Mar-32**	**Mar-33**
Revenue										
Donations	4,496	40,300	500,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Grants (Excl Restricted Reserves)	83,500	609,154	1,215,845	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Other	-	-	-	-	-	-	-	-	-	-
Rental Income	2,195	45,173	167,810	355,580	367,080	375,240	383,400	391,800	400,440	409,200
Total Revenue	90,191	694,627	1,883,655	505,580	517,080	525,240	533,400	541,800	550,440	559,200
Expenditure										
Operational										
Admin Costs	21,072	6,628	33,667	34,345	32,748	33,408	34,082	34,768	35,468	36,181
Member Costs	1,116	5,703	6,815	6,954	7,096	7,240	7,388	7,538	7,690	7,845
Operating Costs	27,638	42,617	75,293	103,644	110,470	117,693	125,344	132,446	140,010	148,068
Marketing Costs	11,552	11,707	13,860	14,138	14,422	14,712	15,008	15,310	15,619	15,933
Financing (loans and platform fees)	49,405	2,908	52,679	8,784	8,892	9,002	9,114	9,228	7,344	6,391
Total Operating	110,783	69,562	182,314	167,865	173,628	182,055	190,935	199,290	206,131	214,418
Property related										
Venue Maintenance costs	-	3,078	28,375	28,943	29,521	30,112	30,714	31,328	31,955	32,594
Venue Legals	-	-	3,150	-	-	-	-	-	-	-
Venue Survey	2,000	500	-	-	-	-	-	-	-	-
Venue Insurance	506	605	-	-	-	-	-	-	-	-
Property Management	-	1,200	4,190	7,566	9,000	10,440	11,880	13,320	14,760	16,200
Void Provision	-	-	8,394	17,785	18,360	18,768	19,176	19,596	20,028	20,460
%Void Provision to rent			5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Depreciation	743	19,299	47,722	86,282	86,364	86,364	86,364	86,364	86,364	86,364
Total Properly related	3,249	24,682	91,831	140,576	143,245	145,684	148,134	150,608	153,107	155,618
Total Expenditure	114,032	94,244	274,145	308,440	316,873	327,739	339,069	349,898	359,238	370,036
EBIT *(before interest and tax)*	-23,841	600,383	1,609,510	197,140	200,207	197,501	194,331	191,902	191,202	189,164
Interest income	22,322	31,467	28,113	8,592	13,690	15,620	19,438	22,561	25,856	32,562
			-	-	-	-	-	-	-	-
Interest paid	-	19,500	33,542	38,062	34,944	31,682	28,275	24,708	22,500	7,500
Shareholder interest	-	-	39,553	42,838	70,511	93,111	98,942	105,010	110,486	114,988
Net Profit/(Loss)	-1,519	612,350	1,564,528	124,831	108,442	88,328	86,552	84,745	84,072	99,238

MUSIC VENUE PROPERTIES

CASHFLOW

B/fwd

160,351

Cash flows from / (used by) operating activities										
Net Income	-1,519	612,350	1,564,528	124,831	108,442	88,328	86,552	84,745	84,072	99,238
Add back Void provision	0	0	8,394	17,785	18,360	18,768	19,176	19,596	20,028	20,460
Add back depreciation	743	19,299	87,275	129,120	156,875	179,475	185,306	191,374	196,850	201,352
Add back Loan capitilization	0	2,000	3,429	3,429	3,429	3,429	3,429	3,429	1,429	357
Working Capital										
Change in Accounts Receivable	-2,634	-6,149	-12,647	-8,480	-680	-680	-680	-700	-720	-730
Change in Other WC Assets	-71,188	36,839	17,012	1	0	0	0	0	0	0
Grants	0	0	0	0	0	0	0	0	0	0
Change in Accounts Payable	29,338	896	-25,897	-32	-33	-33	-34	-35	-35	-36
Change in Other WC Liabilities	-6,010	48,355	-32,987	12,626	129	49	46	85	158	141
Cash flows from / (used by) operating activities	**-51,269**	**713,590**	**1,609,107**	**279,281**	**286,521**	**289,335**	**293,794**	**298,494**	**301,781**	**320,782**
Acqusition of long term assets	-126,271	-1,816,932	-3,185,800	-1,500	0	0	0	0	0	0
Capital improvements	0	-26,690	-210,277	-40,000	0	0	0	0	0	0
Cash flows from / (used by) investing activities	**-126,271**	**-1,843,622**	**-3,396,077**	**-41,500**	**0**	**0**	**0**	**0**	**0**	**0**
Change in Equity	961,016	20,900	1,100,000	50,000	50,000	-6,945	-59,265	-61,679	-121,884	-126,850
Change in Debt	0	500,000	652,000	0	0	0	0	0	0	0
Loan repayment	0	-58,516	-64,859	-67,839	-70,957	-74,219	-77,626	-81,193	-4,791	-652,000
Loan Financing	-10,000	-3,996	-10,000	0	0	0	0	0	0	0
Cash flows from (used by) financing activities	**951,016**	**458,388**	**1,677,141**	**-17,839**	**-20,957**	**-81,164**	**-136,891**	**-142,872**	**-126,675**	**-778,850**
Opening Bank Balance	160,351	933,827	262,144	152,393	372,296	637,860	846,031	1,002,935	1,158,557	1,333,663
Net Cash Flow	773,476	-671,644	-109,829	219,942	265,564	208,172	156,904	155,622	175,106	-458,068
Closing bank Balance	933,827	262,144	152,393	372,296	637,860	846,031	1,002,935	1,158,557	1,333,663	875,595

MUSIC VENUE PROPERTIES

BALANCE SHEET

Fixed Assets										
Venue Freeholds	100,000	1,807,047	4,902,047	4,902,047	4,902,047	4,902,047	4,902,047	4,902,047	4,902,047	4,902,047
Capital Improvements	0	26,690	236,967	276,967	276,967	276,967	276,967	276,967	276,967	276,967
Other items capitalised	26,271	136,156	226,956	228,456	228,456	228,456	228,456	228,456	228,456	228,456
Less Accumulated Depreciation	-743	-19,299	-68,507	-154,789	-241,153	-327,517	-413,881	-500,245	-586,609	-672,973
	125,528	1,950,594	5,297,463	5,252,681	5,166,317	5,079,953	4,993,589	4,907,225	4,820,861	4,734,497
Current Assets										
Cash at Bank	933,827	262,144	152,354	372,296	637,860	846,031	1,002,935	1,158,557	1,333,663	875,595
Grants received	0	0	0	0	0	0	0	0	0	0
Trade Debtors	2,634	8,783	21,430	29,910	30,590	31,270	31,950	32,650	33,370	34,100
Other Debtors	71,188	34,348	17,336	17,335	17,335	17,335	17,335	17,335	17,335	17,335
	1,007,649	305,275	191,120	419,541	685,785	894,636	1,052,220	1,208,542	1,384,368	927,030
Current Liabilities										
Short Term Loans										
Trade Creditors	29,338	30,234	4,337	4,305	4,272	4,239	4,204	4,170	4,134	4,098
Taxation Creditors	-7,407	-4,350	-8,069	4,472	4,601	4,649	4,695	4,780	4,938	5,079
Void Provision	0	0	8,394	26,179	44,539	63,307	82,483	102,079	122,107	142,567
Other Creditors	1,375	46,672	17,405	17,491	17,491	17,491	17,491	17,491	17,491	17,491
	23,306	72,557	22,067	52,446	70,902	89,685	108,873	128,520	148,670	169,235
Net Current Assets	**984,343**	**232,718**	**169,053**	**367,094**	**614,883**	**804,951**	**943,347**	**1,080,022**	**1,235,698**	**757,795**
Fixed Assets less net Current Assets	**1,109,871**	**2,183,312**	**5,466,516**	**5,619,775**	**5,781,200**	**5,884,904**	**5,936,935**	**5,987,247**	**6,056,559**	**5,492,292**
Long Term Liabilities										
Long Term Loans	0	0	652,000	652,000	652,000	652,000	652,000	652,000	652,000	0
Donated Restricted Reserves		0	0	0	0	0	0	0	0	0
Mortgages	0	442,188	376,625	308,786	237,829	163,610	85,984	4,791	0	0
Finance Fees amortisation	-10,000	-11,996	-18,567	-15,139	-11,710	-8,282	-4,853	-1,425	4	361
Net Assets	**1,119,871**	**1,753,121**	**4,456,459**	**4,674,128**	**4,903,081**	**5,077,576**	**5,203,805**	**5,331,880**	**5,404,555**	**5,491,931**
Financed By: -										
Share Capital	991,016	1,011,916	2,151,470	2,244,308	2,364,819	2,450,986	2,490,663	2,533,993	2,522,596	2,510,733
Revaluation Reserve (Restricted)	743	743	0	0	0	0	0	0	0	0
Unrestricted Reserves - B/fwd	104,630	78,612	162,104	106,487	213,554	297,857	364,545	431,127	497,205	563,543
Unrestricted Reserves - YTD	-26,019	83,492	-55,617	107,067	84,303	66,688	66,582	66,078	66,338	83,546
Designated Reserves - B/fwd	25,000	49,500	578,358	2,198,503	2,216,267	2,240,405	2,262,045	2,282,015	2,300,682	2,318,417
Designated Reserves - YTD	24,500	528,858	1,620,145	17,764	24,139	21,640	19,970	18,667	17,735	15,692
	1,119,871	**1,753,121**	**4,456,459**	**4,674,129**	**4,903,081**	**5,077,576**	**5,203,805**	**5,331,881**	**5,404,555**	**5,491,931**
Properties Held	1	5	12	12	12	12	12	12	12	12

Appendix 1 - Risk Registers

Main Board Risk Register

	Risk	Likelihood (1-3)	Impact (1-3)	Combined (1-9)	Description	Mitigations
Finance	Funding Risk	2	3	6	Risk of failure to financial model if there is an over reliance on loan finance and community shares or that MVP fails to secure a sustainable funding mix, and particularly enough grant finance, to cover purchases leading to inability to purchase venues.	1. MVP to carry out due diligence prior to applying for grant finance to ensure applications comprehensively meet the grant criteria 2. Horizon scanning to ensure MVP is aware of all relevant grant schemes. 3. Business continuity plan to set out fall-back process if grant is not secured.
Sector	Venue Pipeline	1	3	3	There is a risk that MVP is unable to source suitable venues to purchase leading to lack of progress with MVP's aims, or that MVP is not made aware of venues available for purchase.	1. Raise awareness of MVP's work with members of the MVA 2. Share information about minimum criteria for applications 3. Create a pipeline of venues working towards achieving suitability
Reputation	Venue operator risks	1	2	2	There is a risk that there is a shift in venue operating risks to MVP. MVPs mission and profile compared to previous landlords (eg on H&S, HR issues, EDI, sustainability etc). Venue mismanagement can be a risk to MVP's reputation and ambition to be a good landlord.	1. VEA - interview with COO/Property Sub C on VEA assess operator on their reputation on running venues and suitability to work with MVP 2. Property management company to report on general H&S risks 3. Quarterly meetings and advice on best practice from MVP / MVT to operators 4. Impact report on how we measure and define being a good landlord
Finance	Unable to finance capital repairs	1	3	3	There is a risk that both MVP and its operators do not have the reserves, and fail to obtain capital grant finance to cover major repairs, leading to temporary or permanent venue closures. Operators sign a full repairing lease, a situation may arise where continued safe use of the venue requires finance that the operators do not have, and that MVP may also have insufficient reserves to carry out the work.	1. Quarterly operator meetings, encouraging venues where possible to use reserves. 2. Regular inspection and reporting by Management Agent (to identify likely repairs ahead of schedule) 3. Operator support via MVT around Crowdfunding for repairs 4. Draft major repairs process including initial analysis from key stakeholders (insurance, quantity surveyors, managing agent, MVT, operator, legal advisors). 5. Horizon scanning to ensure MVP is aware of all relevant capital grant funding 6. Effective due diligence through initial building surveys and initial cap-ex budget, ensuring essential repairs are carried out at the time of purchase. 7. Sell venue to try and recoup capital outlay
Influenc e	MVT / MVP relationship	1	1	1	There is a risk that there is overlap and confusion about the respective roles of MVT and MVP in promoting GMVs more widely. Risk that we are perceived one and the same organisation. An individual or organisation seeking to invest in MVP's mission may mistakenly donate to MVT instead.	1. Increase MVP's public profile 2. MoU to manage relationship with MVT to resolve mistakes when notified
Market	Market value of property portfolio	1	2	2	Socio-economic changes in the local area, wider property market crash, problems with property title.	1. MVP long term strategy is to retain property for the forseeable future to ensure sustainable rent for tenants. Dependant on funding mix. 2. Quarterly operator meetings and property management checks to ensure there is no reaseon to sell property. 3. Ensure an advantageous funding mix that helps cushion the blow of assets losing value.
People	Loss of key people	1	3	3	MVP is a lean organisation and loss of key staff and directors would have a significant impact to opertations.	1. Regular appraisals / one to ones with staff, quarterly. 2. Put in place succession planning / processes to support operations. 3. Regular review of resourcing requirements, with staff & committee chairs (quarterly).

MUSIC VENUE PROPERTIES

Finance & Audit Risk Register

	Risk	Likelihood	Impact	Combined (1-	Description	Mitigations
Finance	MVP has insufficient reserves	2	3	6	There is a risk unrestricted reserves are not kept at a sufficient level to safeguard financial viability and mitigate risks should they crystalyse.	1. Reserves policy 2. Review of reserves as part of regular financial reporting process. 3. Financial Model and Business plan review by F&A and Board.
Legal	There is a risk MVP does not comply or fully understand regulatory and good practice requirements eg of FCA, Co-operative and Community Benefit Societies Act 2014, community shares, Charities SORP etc	1	3	3	Lack of skills or suffcient resourcing lead to oversights and risk of non-compliance in running a CBS, including legal requirments on managing staff.	1. MVP has good relationships with COOPs and good advisors. i.e. Dave Boyle now society secretary 2. Board skills matrix under regular review to ensure the Board has good mix of skills to be able to identify and mitigate compliance risk alongside advisors. 3. HR Policies and relevant insurances 4. Contractor management best pracitice i.e. IR35 5. Financial controls policy 6. Anti-fraud policy 7. Resource planning
Reputation	There is a risk donations or income are accepted from unethical donors	1	3	3	Open MVP to reputational damage and withrawal of support from key stakeholders.	1. Policy in place for the Board to carefully examine substantial income sources on a case by case basis. i.e. Donations Acceptance policy
Operational	There is a risk systems of internal financial control are weak due to small team, lack of time etc.	1	3	3	There are insufficient processes to safeguard MVP assets. Includes policies that are incomplete, not appropriately updated, understood, may result in risks not being reported to the Board, leading to inaction and risk to the governanace and operations of MVP.	1. Policies are reviewed annualy by the F&A committee and reported to the board. 2. Live Policy Tracker for monitoring the creation and annual review of policies. 3. CooP membership to ensure up to date with best practice for CBS organisations 4. External Audit, now appointed, can provide additional assurance on internal controls.
Reputation	Risk involving conflicts of interest, hospitality and gifts, bribery, whistleblowing.	1	3	3	The risk that there are insufficent processes to identify risk involving conflicts of interest, hospitality and gifts, bribery, whistleblowing.	1. Induction of Directors and volunteers to explain conflicts of interest, hospitality and gifts, bribery, whistleblowing. 2. Active registers for to record conflicts of interest and hospitatlity and gifts 3. Anti-Fraud Policy
Operational	Directors' capability and capacity, and Board effectiveness	2	2	4	MVP effectiveness reduced by declining board efficiency	1. Periodic board assessment, Recruitment, board induction, skill mix assessment.
Operational	IT/GDPR/cyber	2	2	4	Risk tha MVP website / Data protection policy is not legally compliant. Risk to members data privacy breaches, or Cyber attack.	1. Cyber & IT security plan (in progress) 2. Privacy Policy (in progress)
Legal	Compliance on Grant or other funding conditions	2	2	4	Risk that grant (or other) funds will be withdrawn due to non-compliace of grant or other reporting conditions required by MVP to retain funds.	1. Majority of grants are on condition of purchase, i.e. conditions are met straight away, and Grant / Finance givers are notified that conditions have been met. i.e. ACE - Documents uploaded to a portal, COF - regular meeting as required. COO Funding paper provides update to F&A and the Board on communications with Grants (and other finance) stakeholders at every committee meeting. Processes exist for timely board partcipation if required. 2. Grants and other finance not related to purchases, conditions document is shared with F&A and subsequently the Board, COO updates internal calendar with reporting requirements deadlines with a view to report these via the F&A before submission.

MUSIC VENUE PROPERTIES

Stakeholder Engagement & Impact Risk Register

	Risk	Likelihood	Impact	Combined (1-	Description	Mitigations
Reputation	There is a risk that MVP venues and activity does not raise awareness or profile of GMVs	1	3	3	Stakeholders don't understand the social impact provided by GMVs and MVP, resulting in a lack of support which may lead to closure.	1. Regular monitoring of our Impact Report 2. SE&I recommend to the board stategy of engagement for each stakeholder group with the marketing strategy / plan 3. Expanding reach on marketing campaigns
Reputation	There is a risk that members don't understand MVP.	1	2	2	Members don't understand MVP is doing or how it works and their expectations eg on share income are not met. Risk is small (OM)	1. Regular mailouts and social media presence 2. Encourage participation at AGM 3. SE&I to engage with members - part of their marketing strategy / plan 4. Members Forum 5. Community Shares Policy to be communicated regularly
Reputation	There is a risk MVP does not effectively manage key stakeholders.	1	3	3	Lack of engagement or ineffective management of key stakeholders such as Cooperatives UK, MVP partners, grant organisations, local authorities, national government, etc.	1. Board via SE&I committee correctly identifies stakeholders via Stakeholder map 2.SE&I recommend to the board stategy of engagement for each stakeholder group with the marketing strategy / plan 3. Regular reports or updates to the board on engagement and measurement outcomes

Property Risk Register

	Risk	Likelihood (1-3)	Impact (1-3)	Combined (1-9)	Description	Mitigations
Reputation	There is a risk that MVP fails to improve operator practices in areas such as financial resiliency, sustainability, diversity and accessibility.	2	2	4	The day to day challenges of operating a venue, and the capacity and willingness of operators to change practices, makes sustained improvements across the board challenging. There are also MVP contraints in ability to push for and support improvements. This results in MVP's impact reporting being weak, compromising its ability to fundraise. (Note - This risk does not assume operators are unable to pay their rent)	1. MVP Cultural lease 2. Quarterly meetings with operators to work on resilience (i.e. building reserves, accessing grants, property management, EDI and accessibility) 3. MVT Member Resources 4. Articulating the impact of saving these venues, and what they already achieved - even if sustained improvements are not made.
Reputation	There is a risk that venues will not adhere to their commitments under the cultural lease leading to reputational damage and financial impact for MVP.	2	2	4	The operator might fail to comply with requirements re provision of live music, repair obligations, subletting, reporting etc and this could damage MVP's reputation making it harder to achieve MVP objectives.	1. Cultural Lease 2. User-friendly guide to the cultural lease for operators and compliance planning tool to be completed by operator and shared with MVP 3. Relationship building with operator and regular documented MVP quarterly operator reviews. 4. Where all fails, MVP can threaten eviction, and where necessary evict tenants
Finance	There is a risk that MVP Operators face financial difficulties leading to them no longer being able to afford to pay rent.	2	3	6		1. Ongoing reporting by operators and support from MVP to identify early warning signs of financial distress 2. Relationship building with operators to encourage open dialogue about operator's financial performance 3. Reporting from Property Management Agent is required under our contract with them, non-payment of rent must be immediately notified to MVP 4. MVT Emergency Response Service 5. MVP will be working closely with the operators to ensure that they are taking advantage of all the support that is available to them. 6. As the portfolio grows, MVP may be able to broker deals on behalf of venues that sit within their portfolio to help bring down operating costs. 7. Where all else fails, MVP can replace look to replace tenant, and when that is not possible, sell the building.
Buildings	There is a risk that an Operator is no longer able to continue operating at the venue leading to an empty property.	1	3	3	MVP will continue to work very closely with MVT, and MVT is the representative body of Music Venue Alliance, a group of over 840 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. Operators may have to surrender their leases through non-payment of rent and / or insolvency. Alternatively operators may choose to exercise a break clause contained within the Cultural Lease.	1. Relationship building with the operator via quarterly meetings and regular meetings to facilitate conversations about future plans for the GMV 2. Develop Operator Succession Plan (alongside MVT) to encourage organisations to be less reliant on one or two key individuals. 3. Continue to work closely with MVT to create a Pipeline of MVA members who would be interested in moving or expanding its operations to an MVP venue. 4. MVP business continuity plan detailing process to be followed should an operator leave the venue 5. VEA- Business plan Succession planning

	Risk	Likelihood (1-3)	Impact (1-3)	Combined (1-9)	Description	Mitigations
Buildings	There is a risk that MVP is faced with unexpected large liability relating to a H&S issue or repair for properties it has purchased.	1	3	3	Although the terms of the Cultural Lease places the full responsibility of repairs onto the tenant, if a H&S issue or repair emerges, the venue operator may not have sufficient funds to undertake the necessary works.	1. Ensure lease is clearly drafted to ensure operators understand their obligations in relation to repairs. 2. Due diligence stage requires buildings survey (and where necessary follow up surveys). Ensure terms of appointment of surveyor includes appropriate insurance levels and highest level of assurance by surveyor (warranties & indemnities) 3. Ensure contract with Property Management Agent requires regular inspections of the property and regular reporting of findings, including nil returns. 4. Quarterly operator meetings 5. MVP to hold appropriate buildings insurance 6. Prepare a user-friendly emergency response pack giving guidance to operators for what to do in a variety of situations (who to contact/notify). 7. Reserves policy 8. Where unexpected repairs are carried out consider rent renegotiation to reflect the investment
Buildings	Risk that MVP due diligence is weak.	2	3	6	There is a risk MVP due diligence on venues does not identify key purchase risks or that these are passed over in order to progress portfolio.	1.Due diligence during Venue Evaluation Assessment includes thorough analysis, challenge and review of the operator's business plan 2. Due diligence goes through various stages, COO VEA Draft, VEA independent governance / financial assessment of operator, F&A Sub C review of VEA, Board approval of VEA, Property Sub C APR create and review, Final approval of VEA / APR. This is to allow plenty of opportunites to identify risks so the Board where necessary can mitagate or acknowledge them. 3. Board to review financials for each property to uncover lessons learnt - done through the COO/F&A Sub C Finance update. 4. Seek external assurance on process?
Buildings	There is a risk major and cyclical repair of properties is not carried out due to lack of a sinking fund, grant funding or ambiguity of responsibiilty between MVP and tenants.	1	2	2		1. Cultural lease to set out clearly defined roles and responsibilities for Operator and MVP 2. Regular inspection and reporting by Property Management Agent to MVP on operator's compliance with the lease 3. Appropriate insurance in place for operator and MVP 4. User-friendly guide to the cultural lease and compliance planning tool to be provided by (MVP/Lewis Silkin) completed by operator and shared with MVP
Legal	There is a risk MVP does not maintain appropriate and up to date records/register relating to property ownership, due dilligence, lease, insurance and risk management and these are monitored and complied with by MVP and tenant.	1	3	3		1. Cultural lease to set out clearly defined roles and responsibilities for Operator and MVP 2. Regular inspection and reporting by Property Management Agent to MVP on operator's compliance with the lease 3. Property register kept under review by PSC
Legal	Tenant H&S and related	1	3	3	Tenant H&S - asbestos, fire, slips and trips, Confined spaces, manual handing electrical, damage to employees hearing and gas safety etc. If a customer injures themselves at an MVP-owned property they might bring legal proceedings against the operator which in turn could lead to the operator adding MVP as co-defendant or bringing a follow on claim.	1. As above - Need a health and safety policy. 2. Take on external advice from Property Management Company and reports from regular monitoring.
Finance	Tenants are not financial solvent or Bankrupt	1	1	1	Identity and credit checks on tenants	1. Identity checks to be carried out by Property Management Agent / signing of lease (verify original identity document) 2. Business solvency to be identified by initial independent financial assessment (part of VEA) 3. Credit check to be carried out on business name

MUSIC VENUE PROPERTIES

Appendix 2 - The Share Offer Campaign

Our members were consulted on this approach at the most recent AGM and were extremely supportive of our plans. They will be invited to invest ahead of the general public.

To date MVP has raised £1,011,500 in Community Shares from over 1300 members, the vast majority of which was raised in the first Share Offer campaign between May 2022 and April 2023.

This campaign was managed by Music Venue Trust, who also engaged Republic Media and Velocity Media to handle PR elements. The campaign itself received a lot of media attention, launching with an announcement from The Glad Cafe on BBC Breakfast and received notable support from well known individuals and organisations such as Ed Sheeran, Steve Lamacq, Andy Burnham and Frank Turner. The share offer subsequently received coverage from ITV, NME, Rolling Stone, The Independent, The Evening Standard and STV.

Since the last campaign MVT's platform has grown, its social media presence is much larger due to press coverage around issues including the Ticketing levy on Arenas.

MVP has engaged MVT to lead on the campaign again, and will also be using Republic Media and Velocity Media as we aim to replicate, and build upon, the success of the first Share Offer campaign.

Whilst both MVT and MVP understand the value of all GMVs to their communities, we also acknowledge that there are some venues that are considered iconic, having been a part of the touring circuit for decades. There are a number of venues that fit this description within this Share Offer, and we expect the press coverage to be bigger than our first share offer. We also believe that MVT will be able to leverage support from world renown artists who previously played these venues to help expand the reach of our campaign.

It is also worth noting that the venues we have identified in this second Share Offer are on the whole in cities with larger populations, and on average, have much larger online media presence than the venues in the first Share Offer. The venues will all be working hard to promote the campaign through their emailing list and social media platforms.

MVP will also engage its 1300 members via its Members Forum to help promote the 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 by keeping the minimum investment amount low, especially to enable the younger people who are such a mainstay of the grassroots music audience.

We plan to launch our campaign at The Great Escape Festival in Brighton on May 15th 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 MVT's long-established channels, and MVP's growing platform.