

Stretford Public Hall

Community Share Offer



Friends of
**Stretford
Public Hall**



**power to
change**



LOTTERY FUNDED



Community
Shares
STANDARD

This is your invitation to invest in your Stretford Public Hall and support the vision to transform the hall into a multi-purpose cultural venue, owned and managed by the community.



Friends of Stretford Public Hall Limited are registered with the Financial Conduct Authority (FCA) as a Charitable Community Benefit Society under the Co-operative and Community Benefit Society Act 2016. Registered in England No: 7220

Our rules are available to view at stretfordpublichall.org.uk

Registered Office: Stretford Public Hall, Chester Road, Stretford, Manchester M32 0LD

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! Risk Statement

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.

Our business plan is available on our website: stretfordpublichall.org.uk



Community Shares



Introduction

The purpose of the share offer is to raise the investment needed to bring the magnificent ballroom back into public use for a range of community and cultural activities.

The Share Offer:

**Opens: Saturday
4th February 2017**

**Closes: Friday
31st March 2017**

The Board of Directors of Friends of Stretford Public Hall may choose to extend the period of the share offer for a further four weeks, to 28th April 2017, if we have not reached any of our fundraising targets by this date.

Our Vision

This share offer will help to secure a viable future for Stretford Public Hall and support the development of a vibrant Stretford town centre that provides a diverse range of services and activities for the local community.



The investment sought for this share offer will enable us to renovate the ballroom to its former glory.

It will build on the ever expanding list of achievements we have had to date, including securing ownership of the hall for the community (which was backed by over 2,000 local supporters) and our subsequent work to develop plans and begin bringing the hall back into use.

If we are successful in reaching our target for the share offer, the ballroom refurbishment will create the largest cultural space in Stretford, and provide the Hall with the ability to host a wide range of events. It will also allow us to develop other sources of income such as sale of food and drink which will further support the future success of the business.

The current fire escapes and the structure of the floor means the ballroom can only host around 100 people at any one time. We also need to improve the windows so that we can reduce the amount of noise that can be heard outside of the building when music is amplified.

Without any investment, the ballroom's use is limited – it is currently not suitable for the cultural events the community would love to see return to the building.

Once renovated the ballroom will be able to accommodate up to 400 people. This will bring all sorts of exciting activities to Stretford. The ballroom will once again be appropriate for community gatherings, cultural events, weddings, private parties and conferences.

The ballroom refurbishment will enable us to generate significant income from the hire of the space as well as introduce our own programme of events in response to member and community needs.

Longer-term Development

The transformation of the ballroom is one phase of a wider restoration programme we have put in place for Stretford Public Hall. More detail relating to the development phases can be found in the Business Plan. Our longer-term development plans involve restoration of other parts of the building as well as introducing café / restaurant space and activation of the basement to provide more event space.

To support these ambitions, we are intending to launch an open share offer from April 2019 enabling new members to invest and some initial investors to withdraw their share capital, subject to the restrictions explained in the Your Investment section on pages 19 and 20.

Community Benefits

By investing in Stretford Public Hall, we believe it will bring the following benefits to the community:

- Protection and enhancement of an important heritage building and local landmark, ensuring that this at risk building remains an asset to the community and not an eyesore!
- Regeneration of Stretford Town Centre, by creating and supporting jobs, hosting local businesses and creatives, attracting visitors, bringing in new investment and providing evening activities and entertainment.
- The hall will create a place where money can be earned and spent for the good of our local economy.
- By combining a wide range of uses under one roof, we will provide a place for the community to come together. Helping Stretford to become a more cohesive and resilient community.
- Supporting and hosting local groups and activities, providing a means for local people to access a range of activities and services developed for and by the community. From zumba and yoga, debt advice and parenting classes, to theatre groups to band practice. There will be something for everyone.
- Services offered in the hall will provide opportunities for local people to engage in activities and enrich their lives locally. Whether that be through attending local arts events, music gigs or engaging in healthy activities like exercise classes. Stretford Public Hall seeks to offer opportunities that improve health and wellbeing and offer opportunities for learning and personal development. Our emphasis on arts and culture will provide a focus.

Invest in Stretford's Future

Whether from Stretford, Old Trafford, Sale, Chorlton, Urmston, or further afield, we welcome investment from anyone who is inspired by our project and would like to engage with us to realise our vision.

We are passionate about Stretford, but we know it can be better. Improving local facilities, including access to community space, cultural activities and events, a greater range of eating and drinking establishments and a reason to visit or stay in Stretford in the evening are all things that we know people want both from our own consultation and the Stretford Master Planning consultation.

We hope that most of our investors will not only benefit from the project, but help us ensure it is a success. We see the role of investors and members as visitors, customers, volunteers, suppliers, performers, fundraisers and campaigners.





Friends of Stretford Public Hall

Friends of Stretford Public Hall was formed in 2014 to take on the ownership and running of Stretford Public Hall for the benefit of the community.

It is a charitable community benefit society that is democratically run by its members on a one-member one-vote basis. We have exclusively charitable objects and a charitable asset lock, preventing members from making a capital gain by selling or closing the business for a profit, so the Hall will never fall into private ownership.

Friends of Stretford Public Hall is run by a Board of Directors, elected each year by our members.



What is the Community Shares Booster Programme?

We have secured the support of the Booster Programme, which is funded by Power to Change and run by the Community Shares Unit. Under this programme up to £100,000 is available to match applications for shares from the public.

This means that for every pound invested by individuals, up to £100,000, another pound will be invested in match shares, so we only need £100,000 from the public to be sure of reaching our minimum target of £200,000.

The match shares will be held by Co-operatives UK, a partner in the Community Shares Unit, and will be subject to the same terms and conditions as other Stretford Public Hall members, except for its right to withdraw share capital, which will be restricted to a pro-rata amount.



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.

Investors can withdraw their investment, along with any interest accrued subject to the approval of the board. We anticipate authorising share withdrawals at a rate of 7% per year from 2021.

We are offering investors interest at 2% from 2018/19, which will be added to shareholder accounts.



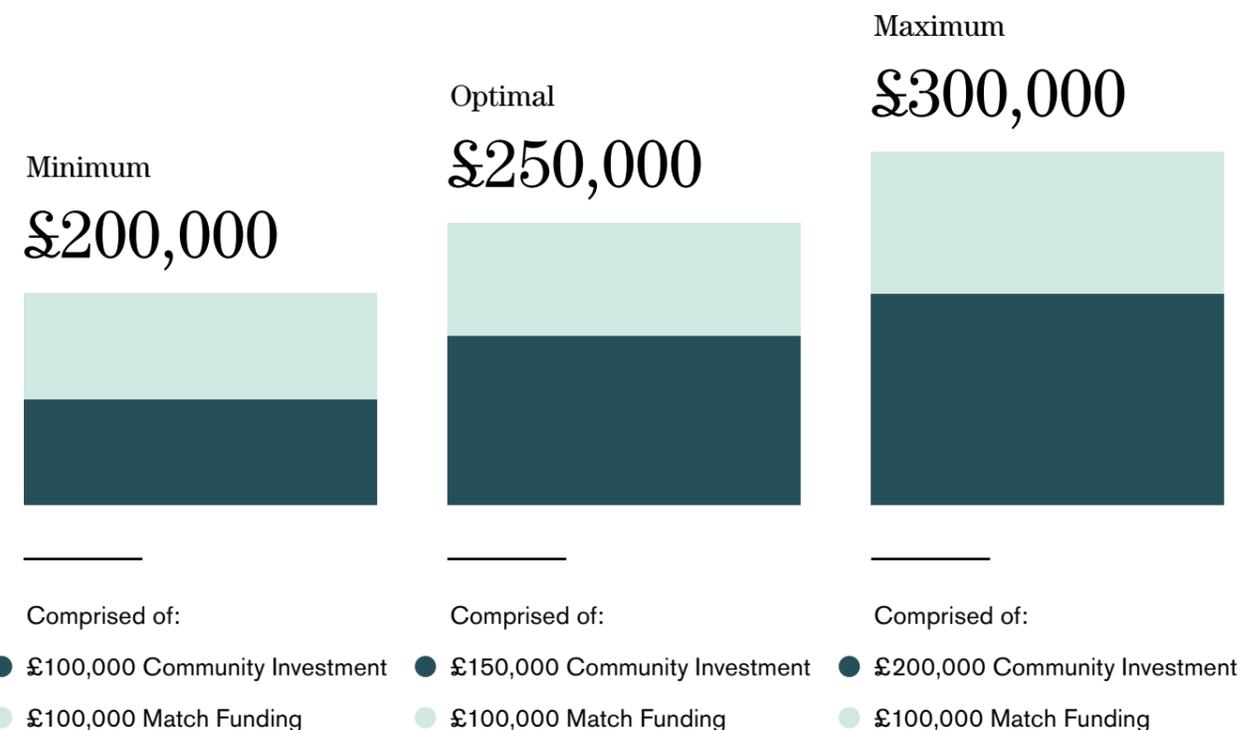
What is the Community Shares Standard Mark?

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

- The offer document and application form are easy to understand
- You are provided with all the facts you need to make an informed decision
- The facts are supported by the annual accounts and/or business plan for the society
- Nothing in the documents is purposely incorrect, confusing or misleading Societies are asked to sign a Code of Practice requiring them, among other things, to give the public a right of complaint to the Community Shares Unit.

For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to: www.communityshares.org.uk

Our Targets



Overall Fundraising Targets and Match Funding

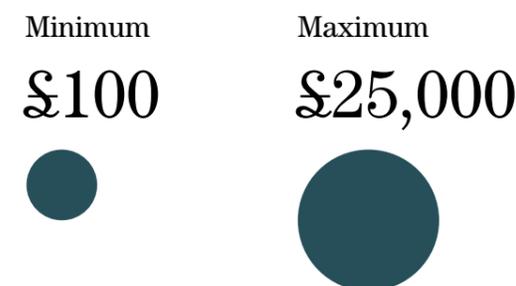
We have secured match funding of £100,000 for this Community Share Offer, which means for every pound raised by the community we will receive a pound from the charitable trust Power to Change up to £100,000. Therefore if we receive a minimum investment of £100,000 from the community, we will reach our minimum target and have plans to move forward with the project.

Our optimum target is to raise £150,000 from the community, which with the match funding will provide £250,000 which is the ideal level of investment for transforming the ballroom.

We also have proposals for an enhanced scheme but will cap the offer at £200,000 from the community, which alongside securing the match funding would raise £300,000.

Minimum and Maximum Investments

The minimum that individuals can invest in this share offer is £100. The maximum that any individual can invest is £25,000 – equivalent to 10% of the optimum level of investment to be raised through this share offer. Individuals can invest any amount between £100 and £25,000. Organisations may invest above this limit, please contact us for further information.

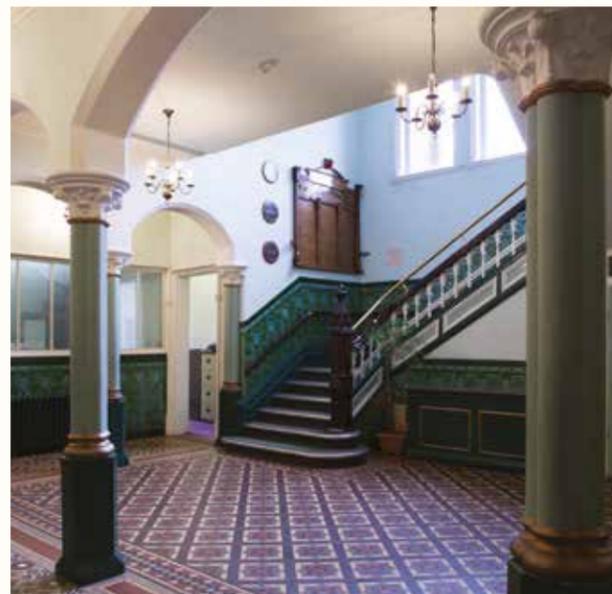


Our track record

Although in many ways we are at the beginning of our journey, as an organisation and group of local residents we have already achieved a great deal since first coming together in 2013 in response to the proposed disposal of Stretford Public Hall.

In 2014, we:

- Registered Stretford Public Hall as an Asset of Community Value (April 2014)
- Registered as a Company Limited by Guarantee in September 2014
- Launched a petition gathering over 2000 signatories supporting our proposals to stop the hall being sold
- Undertook public consultation receiving over 380 responses demonstrating overwhelming support
- Received over 50 expressions of interest from service providers and prospective users
- Hosted two successful open days attracting approximately 1060 local community members
- Hosted the first of several fundraising events
- Secured grants totalling £79,000 from Social Investment Business to pay for pre-feasibility, and detailed feasibility works to develop an outline business plan, undertake surveys, and pay for professional architect, legal and project management fees.
- Raised £3,100 from local donations
- Coordinated an effective media campaign
- Submitted our bid proposal in response to the councils call for Expressions of Interest, August 2014



In 2015, we:

- Secured a further £42,000 in grants to develop our project and plans for refurbishment
- Successfully secured commitment from the local authority to transfer Stretford Public Hall to us
- Converted to a Charitable Community Benefit Society
- Carried out essential repairs and decorated parts of the building
- Accepted our first tenants into the building in December including the Parliamentary Office, local artists and a handful of small businesses
- Supported the development of two new community led groups



In 2016, we:

- Achieved conditional Change-of-Use Planning Approval to allow for community and office based accommodation
- Acted as a temporary filming set/production studio of a feature film to secure further income
- Hosted our first events in the hall including Trafford College Craft Festival and Stretford Arts Collective Exhibition
- Secured a development grant and pledge of equity match funding from Power to Change through the Community Shares Booster Programme
- Launched our membership scheme, attracting over 150 members
- Held our first Annual General Meeting in the Hall, with over 50 members attending
- Secured £20,000 from the Architectural Heritage Fund and Heritage Lottery Fund to finalise the scope and scale of the restoration work



Governance

The Friends of Stretford Public Hall Board bring a wealth of relevant experience and expertise to the organisation. Each has a long track record of working in Stretford in a wide range of relevant sectors. They are all volunteers and are on the Board in a personal capacity:



Aleesha Coupland
Treasurer

Aleesha is a qualified accounting technician and is currently working as a finance officer for a local further education college.

After moving to Stretford a few years ago she is committed to getting involved with local community initiatives. Aleesha brings many years' experience in her previous role of treasurer for a community project based in the city centre.



Anton Shultz

Anton is currently employed as the Social Investment Manager for One Manchester. He has extensive experience in supporting community and social enterprise on a consultancy basis, including seven years' experience working for Locality supporting community asset projects.

He is a qualified business advisor with a background in environmental science and community-led regeneration. Anton was a Stretford resident until a couple of years ago and now lives in Urmston.



Junaid Patel

Junaid Patel originally qualified as a medical physicist working at Christie Hospital, Manchester. He went on to become a chartered civil engineer working for leading engineering consultancies. He provides voluntary engineering advice to a variety of organisations from local groups to the leading UK's music festival.

Junaid has been advising on a range of building related issues over the past year and has been involved in organising some of the early repairs to the hall.



Laura Sayles
Secretary

Laura previously worked in Executive Business Administration for 10 years working in locations across the globe and for a wide range of firms. As a qualified PRINCE2 Practitioner, she now works for a global FMCG company that are based in Trafford in Project Management, specialising in employee engagement and capability building.

Laura brings to the board a breadth of knowledge and key business skills including event/project management, policy and process implementation, coordinating meetings and team building.



Annoushka Deighton
Chair

Annoushka is a successful self-employed acupuncturist. She previously worked for 10 years in Manchester City Council as a Homeless Caseworker, making legal decisions, and a front-line worker in Homeless Families Support.

She is highly motivated, a good communicator, organiser and very passionate about the potential of Stretford Public Hall.



Heather Garlick

A Stretford girl born and bred, Heather is one of the local publicans and hopes to be able to transfer her experience working with local administration to benefit the hall.

She will be advising the board on attaining an alcohol licence and acting as designated premises supervisor.



Lisa Heanley

Lisa is a qualified secondary art teacher and has initiated numerous community projects in Stretford. With so many links in the local area she excels at getting people motivated and involved in Stretford Public Hall.

As a teacher she has organised many events such as exhibitions, trips, fundraising and social events. She helped to successfully campaign against the closure of Stretford Sure Start, and then began a popular parent-led playgroup at the site.



Daniel Williamson

Dan has been heavily involved with the project since its inception, developing the business plan and managing the pre-feasibility phase.

He is the festival director of Didsbury Arts Festival and has over 17 years experience in arts management and leading on community-facing events.

Our Financial Position

We are due to produce accounts to the FCA for our first reporting year since registering, covering the period to 31st March 2017. At this point we can provide a profit and loss statement for the eight months ended 30th November 2016.

Friends of Stretford Public Hall began trading in September 2014. Since then we have been trading profitably and consistently maintaining positive cash reserves. During the period to November 2016, we have raised a total of £194,000.

The majority of this has been in the form of grants (66%), but with the majority of the remainder coming from our trading operations and fundraising events. As of the 30th November 2016 our accumulated profit was just over £40,000. Although at 30th November 2016 our closing balance is £46,658, the opening balance used in the financial forecasts is estimated to be £25,000.

This lower figure is assumed as we have committed funds for urgent capital repairs and consultancy fees which will be incurred in the near future.

The following table shows profit and loss for the first eight months of our first financial year.

Turnover	
Earned Income	28,562.53
Grants and donations	26,632.95
Interest income	2.24
Other revenue	125
Total turnover	55,322.72
Expenditure	
Admin support	167.60
Advertising & marketing	2,432
Audit & accountancy fees	592
Cleaning & cleaning supplies	1,050.96
Consulting & professional fees	10,797
Electricity	3,704.15
Gas	2,231.82
General expenses	1,159.64
Insurance	6,799.23
Repairs & maintenance	10,273.61
Subscriptions	150
Telephone & internet	578.78
Water	1,028.79
Total Expenditure	40,965.58
Operating profit	14,357.14

Our Business Model

Friends of Stretford Public Hall will run the Hall in a sustainable way, but as a charitable organisation owned by the community, it will always use any profits to ensure the Hall continues to act as a wonderful building for the community.

This means that there must be a balance of activities between commercial and, where possible, subsidised community use.

The following trading activities have been or are being established in response to demand from the community. These activities will provide us with a diverse range of income that we believe will enable us to establish ourselves as a viable community enterprise in our first few years of operation. It is these activities that have informed our cash flow forecasts provided.

1. Artist studio hire
2. Co-working space
3. Office space
4. Community room hire
5. Ballroom events (large events ranging from community use, through to music, theatre, and private functions such as weddings and conferences)
6. Food and beverage sales
7. Community projects

The first three of these activities are already established and we have a proven demand which has informed our projections.

Community room hire is a relatively new activity for us having only recently obtained planning permission but we have large demand, and we are very confident in our conservative projections for income.

Activities relating to Ballroom events and food and beverage sales will only be possible on completion of the proposed works to be funded by this share issue. Initially we intend to hire the hall out as a space, and work with a number of partners including wedding

planners and event promoters. Longer term, as we develop our own capacity we anticipate playing a more direct role in developing and managing events, and a more comprehensive range of service offers.

Please refer to our business plan for more detail on these other proposed activities and the various assumptions we have made in developing our cash flow forecasts.

Ownership of the Building

Friends of Stretford Public Hall owns the freehold of the hall and adjacent car park. There are a number of restrictions and conditions imposed in our contract with Trafford Council during the bidding process which are detailed in the Business Plan.

A key contractual arrangement is that we are required to have undertaken some refurbishment and bring the building back into use by the end of 2017. If this is not achieved, then the council will have the right to buy back the property for the purchase price. Similarly should FOSPH run into financial difficulty i.e. insolvency, bankruptcy, then the council can equally utilise its Buy Back Option.

We have received assurances from Trafford Council that both the work undertaken to date and the investment associated with the share offer means that the council will not utilise its Buy Back Option.

However, in the event that the society does get into financial difficulty, the restrictions and conditions of the contract with Trafford Council is likely to make it harder to recover shareholder funds invested in the building.

Capital Requirement

We have a requirement for capital investment to realise our ambitions for the hall. The table below indicates how we would spend the share capital raised according to our minimum, optimum and maximum targets.

Requirement	Minimum	Optimum	Maximum
Construction Costs	166,600	166,600	166,600
Service Installation	20,000	20,000	20,000
Professional Fees (Architect and QS)	3,700	3,700	3,700
Contingency	18,000	18,000	18,000
VAT	41,660	41,660	50,000
Fixed Equipment (PA, Lighting)	-	-	10,000
Furniture	-	-	17,500
Working Capital / Staffing	-	-	14,200
Total Capital	249,960	249,960	300,000

Summary of Costs

If we reach our optimum target, the majority of the investment (75%) will be spent on the fabric of the building. The cost information was put together through commissioning a Lead Designer and Architect (Loop Systems Ltd) who identified and costed the required works we would need to undertake to realise our aspirations in the hall. More detailed information about the works can be found in Appendix 3 of the business plan.

The remaining costs are to pay for additional professional fees that cannot be funded from existing grants, as well as putting in place contingency, in line with good practice for construction projects.

We have also factored in paying for all the potential VAT costs associated with the construction work as a worst-case scenario. However, there is good chance we will not have to pay the VAT costs based on relief's available for construction work for charitable buildings which we will be able to apply for at the point of contracting the construction work. The VAT status of the organisation is explained in more detail in the business plan.

Financial Forecast

Our financial forecasts are set out in some detail in our business plan. We have projected stable income with regards to the areas we are already trading in (office rental, artist studios and co-working space).

We have assumed modest income from community use and hall hire in the first year after we complete the essential works to bring the hall into use.

From 2019 we anticipate increased income from the hall on the basis that we expect to be able to offer a broader range of uses as a result of planning and licensing consents we are working towards.

We are projecting a small trading surplus, which will be achieved by keeping our overheads low. The figures in our business plan illustrate that our revenues will increase over the next five years as a result of the increase in trading activity from the refurbished ballroom. We expect to generate a modest operating profit year-on-year, allowing the organisation to meet its commitment to pay limited interest on the shares and facilitate withdrawals, based primarily on moving to an open offer.



Alternative Scenarios

We have put in place arrangements should we fail to reach our optimum target, or if we exceed expectations and raise additional capital up to our maximum.

If we only reach our minimum share target, the Board will need to decide to alter the initial refurbishment plans, or seek to raise finance from an alternative source. Options to scale down the refurbishment costs could include:

- Alternative noise mitigation measures i.e. limiters on PA the system rather than full window refurbishment
- A less extensive overhaul of sanitary accommodation

This decision will be made with consideration to the business impacts, risk to investors, as well as the availability and affordability of alternative sources of finance. The financial model used in the minimum scenario assumes that the scheme would go ahead in full supported by a £50,000 loan from a social lender over five years at a rate of 8%, with a one-year repayment holiday.

Under this scenario, our model indicates that we will still have a viable operating model, but our profit margins and reserves will be under greater pressure therefore putting the business under more stress, and exposing investors to more risk. Withdrawals may be more restricted under this scenario.

If we exceed our optimum target, we will continue to accept additional investment of up to £50,000. This additional investment will enable our capital project to go beyond essential structural and service improvements to include equipping and furnishing of the hall to make it more appealing as a cultural and arts venue. We have estimated that this additional investment could increase income from the hall by about 7% per year. Additional investment would primarily go towards PA, lighting equipment and furniture.

Your Investment

By investing in this community share offer you are becoming a member with an equal say in how Stretford Public Hall is run.

Type of 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.

Your community shares are withdrawable subject to restrictions. The board reserves the right to suspend withdrawals at any time if they believe it is in the organisations best interests to do so.

This is to prevent the organisation allowing too many withdrawals and facing cash flow problems that may put it at risk. We anticipate withholding withdrawals for the first three years while we become established.

From April 2021 we expect to be able to allow withdrawals at a rate of about 7% per year.

Our ability to allow share withdrawals will depend on two factors:

- The financial performance of the organisation
- Interest from new investors in a second ‘open offer’

As the organisation grows and the hall becomes well known and used for a wide range of activities it has the potential to generate a surplus. These funds can be used for share withdrawals and for reinvesting back into the organisation to help us meet our social objectives in the future.

From 2019, we intend to open up the opportunity for local investors once again on an ongoing basis. We have estimated that we will attract an additional £5,000 of investment every year from 2019.

All investors share accounts will be credited with interest at a rate of 2% per year from 2018/19, unless they wish to forgo interest payments. This will not normally be paid out an annual basis but credited to your account and added to the balance that you can withdraw at an appropriate time.

Democratic Rights of Membership

Stretford Public Hall is a charitable community benefit society. This is a democratic structure which provides all members – however much or however little they have invested – with an equal say in the running of the organisation. This contrasts with a typical company structure, where voting power is linked to the level of investment.

Benefits of being part of this democratic structure include:

- The right to attend the Annual General Meeting (AGM) and other key members meetings to have your say
- The right to elect the Board at the AGM
- The right to stand for election to the Board
- The right to be informed of our progress through members’ communications and have the ability to input into our ongoing plans to develop Stretford Public Hall.

Eligibility for Membership

All investors must meet our criteria for membership, details of which are set out in our rules. Individuals aged 16 or over, and organisations that support our objectives are entitled to join and invest subject to the approval of our directors. Organisations must first appoint a representative to exercise their membership right.

Purchasing Your Shares

If you are NOT already a member

The easiest way to purchase shares is online by visiting www.stretfordpublichall.org.uk/communityshareoffer

Otherwise you can complete an application form available online and at Stretford Public Hall, Chester Road, M32 0LG.

If you are already a member

We will send you a unique link where you will be able to purchase your shares, taking into account your existing £10 membership fee.

This membership fee will be converted to community shares when you invest. For example, if you wish to purchase the minimum £100 of community shares, then you only need to make a payment for £90 via the link that will be provided.

Treatment of Funds

All shareholder funds will be held in a separate bank account in the name of society, thus protecting applicants’ money from any liabilities associated with our day-to-day financial activities.

Should the share offer complete successfully, the funds will be transferred to our primary account but still subject to our financial controls in which they will be given their own account code and segregation of duties will ensure that funds are monitored and kept separate from day-to-day activities. If the share offer is unsuccessful, all monies will be returned in full.

Purchasing by Instalments

We are offering members the option of purchasing their shares in four monthly instalments through our website. Simply select that you wish to pay instalments on the online application and the funds will be automatically taken from your account each month.

Should you fail to pay your instalments and not meet the minimum investment amount of £100 over the four-month period, all monies will be refunded.

Shares As Gifts

It is possible to purchase shares as gifts via the website. You will be required to provide the age and contact details of the gift recipient on the online application form. If the gift recipient is over 16 years of age, Friends of Stretford Public Hall will contact your gift recipient once the share offer has completed to confirm that they are eligible and agree to become a member, before the shares are issued.

If the share offer does not meet its minimum investment target, or the gift recipient is not eligible nor willing to become a member, then the purchaser will be refunded.

If the gift recipient is below 16 years of age, then the purchaser will be required to nominate the gift recipient as their beneficiary. On the day the gift recipient becomes eligible for membership, Friends of Stretford Public Hall will contact both the purchaser and the recipient for consent that the shares can be withdrawn by the purchaser and reinvested by the gift recipient. From this point, the shares will be in the name of the gift recipient.

If the share offer is under subscribed

In the event that we do not reach our minimum target by 28th April 2017, we will not proceed with our community share offer. No shares will be allocated and any money committed by our investors will be returned.

We anticipate that money would be returned within one week of the closure date for those which invested online and within one month for those who invested by cheque.

If the share offer is over subscribed

The share offer will close if we reach our maximum target. People who express an interest in investing in Stretford Public Hall but are unable to do so will be kept informed of our intentions with regards to future share offers. It is our intention to move to an open share offer in 2019.



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