

JAZZ.COOP NEWCASTLE

SHARE OFFER DOCUMENT



INVITATION TO INVEST IN A MUSIC VENUE/BAR THAT IS OWNED
AND RUN BY A COOPERATIVE COMMITTED TO LIVE MUSIC

CONTACT

GENERAL

Jazz.Coop is the trading name of Pink Lane Jazz Co-op Ltd, a registered society under the Co-operative and Community Benefit Societies Act 2014, reg no 31981R

Email: info@jazz.coop

Website: jazz.coop

Facebook: [@jazz.coop.uk](https://www.facebook.com/jazz.coop.uk)

Twitter: [@JazzCoopUK](https://twitter.com/JazzCoopUK)

MAIN TRADING PREMISES

The Globe
11 Railway Street
Newcastle upon Tyne
NE4 7AD

REGISTERED OFFICE (FOR POSTAL SHARE APPLICATIONS AND CORRESPONDENCE ONLY):

Pink Lane Jazz Co-op Ltd
71 Highbury
Newcastle upon Tyne
NE2 3LN

SHARE APPLICATIONS

FOR ONLINE SHARE APPLICATIONS

<http://jazz.coop/join-us-membership-form/>

FOR SPECIFIC ENQUIRIES ABOUT SHARE APPLICATIONS

membership@jazz.coop

WARNING

This share offer is exempt from regulation and therefore does not require authorisation by Financial Conduct Authority. If the business fails you have no right of complaint to the Financial Ombudsman or the Financial Services Compensation Scheme.

If you buy shares you must bear in mind that your investment is fully at risk. If the business fails you may lose some, or all of the money you have invested. You should carefully consider the risk factors identified in this document, and seek further professional advice if required.

SUMMARY

In 2014 something extraordinary happened in North East England. Some 200 people who love jazz and other music bought The Globe, an old pub in Newcastle, to create the UK's first bar/venue run by a cooperative committed to live music.

Three years on, The Globe hosts a wide range of music and dance five nights a week - jazz, blues, rock, reggae, punk, funk, folk, country and more. There's also a regular programme of courses, workshops and jam sessions. The Globe is a place where musicians can learn, develop and share their skills.

We've achieved a lot so far and now we're asking for more investment so we can build on our success.

As often happens with old buildings, the refurbishment cost more than we expected. Also we have twice had to deal with the practical and financial problems caused by our tenants leaving prematurely. As a result, in late 2016, the cooperative decided to take control of the running of the whole building. We have employed a manager and bought more equipment. Our overheads have increased but in the long term the business will be more sustainable.

All this has been done without any grant aid or public funding but we have had to borrow, which is expensive. We are seeking new investment so that we can build up our working capital and reduce our borrowing. This will make a big difference to The Globe and to the live music scene in Tyneside.

BUYING SHARES

You may invest any amount between £200 and £20,000. If you pay income tax you may be eligible for tax relief.

As an investor you will be a member of the cooperative and you can, if you wish, shape the way the business develops. You should regard your shares as a social/cultural investment rather than a financial speculation.

You can apply for shares and membership online by visiting jazz.coop/join-us-membership-form or you can apply by post using the form at the end of this document.

HOW THE COOPERATIVE WORKS

The Globe is owned by Jazz.Coop which is democratically controlled by its members. Any person (or organisation) that agrees with our objectives may apply to buy shares and become a member. The members elect a board of directors to oversee the running of the business and the employment of staff. The directors are volunteers and do not get paid a salary. There are also working groups of volunteers set up to do specific tasks such as running events, arranging courses, maintenance, administration and promotion.

JAZZ.COOP

WHY WE EXIST AND WHAT WE DO

Jazz.Coop is an independent cultural organisation set up to support the learning, performance and development of jazz, related music and the arts.

It is a community cooperative and the first of its kind to own a music venue where it puts on events, runs courses, and provides rehearsal space.

It has a subsidiary company set up specifically to help achieve the cooperative's charitable objectives.

OUR VISION

A healthy diverse community where all people can enjoy the benefits of engaging with jazz, related music and the arts as learners, performers and audiences.

OUR MISSION

Our mission is to make jazz, related music and the arts feel accessible to all by removing cultural and educational barriers and by creating a welcoming and inclusive environment for participation.

We work with local people, arts organisations and community groups who share our vision.

OUR PROGRESS

Jazz.Coop was set up in 2013 and immediately started to support the learning, performance and development of jazz by arranging gigs, jam sessions and training workshops at various venues in Newcastle and Gateshead.

It soon became clear that Jazz.Coop needed premises in order to deliver its objectives in a way that would be sustainable. In 2014, after a successful community share issue, it bought The Globe public house in Railway Street (NE4 7AD) and set about creating an inclusive welcoming music venue.

Nowadays The Globe hosts a wide range of music and dance five nights a week – jazz, blues, rock, reggae, punk, funk, folk, country and more. There's also a regular programme of courses, workshops and jam sessions. The Globe is a place where musicians can learn, develop and share their skills.

All this has been achieved without any grants or public funding.

OUR EDUCATION AND TRAINING

Supporting relevant education and training is one of our key objectives. It is well known that learning music can result in wider benefits including improved health and wellbeing. Also learning about jazz makes the music more accessible, resulting in wider enjoyment of it by more people.

Shortly after Jazz.Coop was set up we launched a programme of monthly jazz workshops in association with Sage Gateshead. This popular programme has run continuously since September 2013.

We have also been running a range of evening courses at The Globe since September 2014.

Hundreds of people have participated in Jazz.Coop's learning programmes and have further developed their skills in jam sessions and performances at The Globe.

We believe that the relatively informal nature of our courses and workshops and the relaxed environment of The Globe makes the learning we offer more accessible to people who might be daunted by more mainstream music education.

OUR IMPACT

Jazz.Coop has already had a small but beneficial impact on the cultural landscape of Tyneside. Its innovative approach has also received national recognition and some other community-based music groups have sort to replicate the model.

The impact of our learning programmes on individuals is particular and profound. It can include better health and wellbeing, reduced stress and isolation, improved concentration and memory. Our courses and workshops can also be stepping stones to greater engagement with music and the arts.

YOUR INVESTMENT

Jazz.Coop is the trading name of Pink Lane Jazz Co-op Ltd, a registered society under the Co-operative and Community Benefit Societies Act 2014, reg no 31981R

We are inviting you to buy shares in the society. Shares are valued at £1 and the minimum investment is £200. You may invest any amount (up to £20,000); you do not have to buy shares in multiples of £200.

MEMBERSHIP

All shareholders will automatically become members of Jazz.Coop. As a member you will be able to take part in the running of the cooperative if you wish. You will be able to attend meetings, make suggestions, vote on proposals, elect board members and do all kinds of voluntary activity. Or you may decide that you just want to support the project with your investment and you are happy to let others make the decisions. It's up to you. If you'd like to be actively involved in the operation of the cooperative you will get plenty of encouragement and support – co-ops thrive on the participation of their members.

In a cooperative all decisions are made on the basis of one member one vote. The rules of Pink Lane Jazz Co-op can be downloaded from our website

http://jazz.coop/wp-content/uploads/2014/04/PinkLaneJazzCoop_rules2.pdf

Members/shareholders may also receive other benefits as agreed by the cooperative (eg advance notice of special events, discounts for certain tickets, etc).

INTEREST

Jazz.Coop is aiming to pay interest to its shareholders in the future when the profitability of the business allows it. On current projections the cooperative is not planning to pay interest to investors before 2020.

Investors will be able to apply to withdraw their shares after three years, subject to three months' notice, at the discretion of the board.

The board must at all times seek to protect the financial stability of the cooperative and consequently it has the right to refuse requests for the withdrawal of shares. We will seek to build up a reserve fund in the future to deal with requests for withdrawal. We follow normal practice for a cooperative and set a limit of 10% of total share capital to be withdrawn each year.

It is important for investors to understand that the value of their shares will not increase. The only financial benefit for members will be from any interest that is paid. We intend that this interest will be competitive and will be linked to the profitability of the business.

TAX RELIEF

Shares in Pink Lane Jazz Co-op qualify for tax relief under the Enterprise Investment Scheme, a government scheme that provides a range of reliefs for investors who subscribe for qualifying shares in qualifying companies. Under this relief an individual can reduce their income tax liability by up to 30% of the amount invested. The shares must be held for at least three years from the date of issue. If you want to apply for this tax relief, then please say so in the share application form.

We do not offer tax advice or planning and you should take appropriate advice before proceeding.

SOCIAL/CULTURAL INVESTMENT

Although we intend to pay interest on shares, and your investment may attract tax relief, you should view the buying of shares in Jazz.Coop primarily as a social and cultural investment that aims to make a fundamental difference to the future of jazz and live music in the North East. You will not be able to withdraw your shares for at least three years and you will have to give three months' notice of withdrawal. Although the board of directors will implement prudent management policies there is always the risk that you could lose some or all of your share capital.

A SUCCESSFUL INVESTMENT MODEL

Community share issues have been used very effectively to raise investment for community-owned facilities, renewable energy projects and supporter-owned sports clubs. There are more than 50 cooperatively owned pubs in the UK, and the number is growing.

FREQUENTLY ASKED QUESTIONS ABOUT COMMUNITY SHARES

WHY SHOULD I BECOME A SHAREHOLDER?

It is important that as many people as possible take part in this venture and help to raise the funds needed to manage, maintain and improve The Globe. It's not just about money. Having lots of shareholders/members will usually strengthen a cooperative organisation because they contribute to the business as customers, volunteers and supporters.

WHO WILL BENEFIT FROM THIS VENTURE?

Anyone who wants to play, learn or listen to live music, including jazz and related genres, in Newcastle.

WHO ARE THE PEOPLE ORGANISING THIS?

This share offer has been planned and developed by the board of Jazz.Coop. The members of the board collectively have a wealth of commercial and financial experience and they have received advice from various professionals and specialists. The members of the board do not have a personal interest in this project beyond the amount they have invested themselves and will receive no remuneration.

ARE THERE ANY RESTRICTIONS TO BECOMING A MEMBER?

Members must be 16 or over. Membership is open to any person (or organisation) that supports the objectives of the cooperative.

WHAT'S THE DIFFERENCE BETWEEN BEING A MEMBER AND A SHAREHOLDER?

In practice there is no difference. Anyone who buys at least 200 x £1 shares automatically becomes a member of the cooperative.

WHAT VOTING RIGHTS DO I HAVE AS A SHAREHOLDER?

All members have one vote, regardless of how many shares they have. Members will have the right to attend any General Meeting and to take part in the election of the members of the board, by both proposing and voting.

WHAT IS MY LIABILITY SHOULD I INVEST?

Your liability is limited to the value of your shares.

HOW MUCH CAN I INVEST?

You can invest any amount between £200 and £20,000 in shares. If you want to invest more than £20,000 in the project, please contact us for an individual discussion. You must bear in mind that your investment is fully at risk. If the business fails you may lose some, or all of the money you have invested. You should carefully consider the risk factors identified in this document, and seek further professional advice if required.

CAN I INVEST LESS THAN £200?

Every member of the cooperative must hold at least the minimum shareholding. If it would be difficult for you to invest £200 at once you can buy tranches of shares less than the minimum shareholding as long as you reach £200 within 12 months of your first investment (if you don't manage to raise £200 the money you have invested will be returned to you). If you want to do this please contact us for an individual discussion.

Also we will accept applications for joint shareholdings from couples or other small groups of individuals, please contact us for an individual discussion.

WILL MY SHARES INCREASE IN VALUE?

Your shares cannot increase in value above their original share price (£1). This applies to all cooperatives. However in some circumstances the share value can fall (eg, if liabilities exceed assets and the business fails).

CAN I SELL MY SHARES ON?

No. You cannot sell your shares to someone else. The only way to recover their value is to apply to withdraw your shares, and this will be at the entire discretion and prior approval of the board.

WHAT HAPPENS TO MY SHARES WHEN I DIE?

Under current legislation you have the right to nominate any other person or persons to whom shares can be transferred at the time of death.

HOW CAN I GET MY MONEY BACK WHEN I NEED IT?

You must apply to the board to withdraw some or all of your shares. To enable the business to build up sufficient reserves, investors are expected to retain their shares for many years. The directors are unlikely to authorise the withdrawal of shares in less than three years from the date of purchase.

WILL MY SHARES ATTRACT INTEREST?

Yes, the cooperative will endeavour to pay interest when the business is profitable and the members agree it is prudent. You should regard your investment primarily as a social and cultural investment rather than a purely financial investment.

HOW WILL THE INTEREST BE DETERMINED?

Each year the board of directors will decide what interest rate should be paid on share capital based on trading results. Interest will be credited to your share account and be subject to the same period of withdrawal as all share capital, ie three months. The board may waive the notice required for a withdrawal and may direct that payment be made without notice or on a shorter notice. Interest requested to be withdrawn is paid direct to your bank account gross and is taxable. It is your responsibility to declare these earnings to HMRC.

MORE ABOUT PINK LANE JAZZ CO-OP

BACKGROUND

Pink Lane Jazz Co-op was formed in early 2013 by a group of local residents, jazz lovers, musicians, poets and others who were inspired by Keith Crombie and the Jazz Cafe he set up and ran for many years until his untimely death on 29 December 2012.

CO-OPERATIVE SOCIETY

Pink Lane Jazz Co-op Ltd was registered as a Co-operative Society on 5 March 2013 (registered number 31981 R)

OBJECTIVES

The objectives of Pink Lane Jazz Co-op Ltd are to carry on the business as a cooperative and to carry on any other business, trade or service and in particular to:

- Continue the commitment to live jazz, poetry, dance and related arts established by the Newcastle Jazz Cafe in Pink Lane from 1991 to 2012.
- Support the rehearsal, performance, promotion and development of jazz, poetry, dance and related arts.
- Support relevant education and training.
- Provide services and facilities for appropriate use by members and the community.
- Manage venues to help to deliver these objectives.

MEMBERS AND BOARD

There are over 200 members of the cooperative.

The cooperative is managed by a board of directors who are appointed by the membership. The current board of directors comprises:

- Tom Adams
- Keith Barrett
- Derek Heather
- David Herbert
- Sheila Herrick
- Michael Howard (secretary)
- Harry Husaini
- Debra Milne (co-chair)
- David Parker (co-chair)
- Joan Parker (treasurer)
- Kevin Wright

MORE ABOUT THE GLOBE

GENERAL DESCRIPTION

The Globe is a two-storey purpose-built public house of traditional brick construction with a rendered façade. It has a pitched timber-framed roof with slate covering. On the ground floor there is a large bar area, kitchen, and lift (installed in 2014). Upstairs there is a good size smaller bar with access to a large roof terrace, male and female toilets and an accessible toilet, and a store room. There is also a two-room cellar.

The Globe is located on the western edge of Newcastle city centre in a commercial/industrial area, and is a 12-15 minute walk from Central Station. It is very near the MetroRadio Arena.

LICENCE

The Globe is licensed to sell alcohol to the following times

Sunday, Monday, Tuesday, Wednesday	midnight
Thursday	2am
Friday, Saturday	3am

DIRECTORS' DECLARATION

Due care has been taken in preparing this offer document, a process which has been overseen by the directors of Pink Lane Jazz Co-op Ltd, who can vouch that the information it contains is in accordance with the facts and that there are no omissions likely to affect its import.

This share offer is exempt from regulation and therefore does not require authorisation by Financial Conduct Authority. If the business fails you have no right of complaint to the Financial Ombudsman or the Financial Services Compensation Scheme.

ADVISERS

SOLICITOR

Peter Ross and Co (solicitors)
2 Jasmine Villas, Front Street, Whickham, Newcastle upon Tyne NE16 4JH

ACCOUNTANT

Nichol Goodwill Brown Ltd (chartered accountants)
112 Whitley Road, Whitley Bay NE26 2NE

SURVEYOR

DL Mole (chartered surveyors)
173 Trevor Terrace, North Shields NE30 2AX

COMMUNITY SHARE ISSUE SPECIALIST

Dave Hollings
Co-operative and Mutual Solutions Ltd
Anthorne House, Harbour Business Park, 1 Irish Street, Maryport CA15 8AD

BUSINESS PLAN EXAMINER

Ian Rothwell
Co-operative & Community Finance
Brunswick Court, Brunswick Square, Bristol BS2 8PE

APPLYING FOR SHARES

We will accept investments from individuals, corporate bodies and nominees of unincorporated bodies, firms or partnerships. We will also accept applications for joint shareholdings from couples or other small groups of individuals. Individual investors must have reached the age of 16.

You may apply for shares online or by post.

APPLY ONLINE

You may apply for shares and make your investment online using a credit/debit card or PayPal account by visiting

<http://jazz.coop/join-us-membership-form/>

APPLY BY POST

Please complete the form on the next page and post it with a cheque (or date of bank transfer) to the following address:

The Secretary

Pink Lane Jazz Co-op Ltd

71 Highbury

Newcastle upon Tyne

NE2 3LN

POSTAL APPLICATION FORM

Please complete this form and post it with a cheque (or date of bank transfer) to
The Secretary, Pink Lane Jazz Co-op Ltd, 71 Highbury, Newcastle upon Tyne NE2 3LN

YOUR DETAILS

Name.....

Full address including postcode.....

.....

.....

Email..... Telephone.....

NUMBER OF SHARES YOU WISH TO ACQUIRE

Shares cost £1 each. The minimum shareholding is 200, and the maximum is 20,000.

Total value of the shares you wish to purchase

Please tick if appropriate

I wish to apply for tax relief under the Enterprise Investment Scheme.

PAYING FOR YOUR SHARES

You can pay for your shares in two ways. Please tick which applies.

I enclose a cheque with this application form. **Please make cheques payable to Pink Lane Jazz Co-op Ltd.**

I have made a payment to your bank account (account number 65719226, sort code 08-92-99).
Please include your name as the reference. Please insert date of transfer here

AGREEMENT TO RECORD DATA

By investing I agree to my name, address, phone number, email address (where applicable), amount invested and number of shares allocated to me being held on a computer database. I understand that this information will be used for the purpose of maintaining a register of members as required by the rules of the co-operative, for posting of notices regarding the activities of Pink Lane Jazz Co-op Ltd and will not be passed to third parties.

Signed:

Date:

The names of the members of Pink Lane Jazz Co-op Ltd will be published. The amounts of sums invested by individual members will be confidential.

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www.jazz.coop