

SHARE OFFER

FOR THE COMMUNITY PURCHASE OF **THE THOROLD ARMS**



LAUNCH DATE: 23rd APRIL 2016

CLOSING DATE: ~~31st MAY 2016~~

The Thorold Arms Public House in Marston is for sale. We have the opportunity to buy it and create a community owned asset in the heart of the village. A community hub that will incorporate a pub, café, shop, accommodation and be a meeting place for social activities.

Our aim is to secure the sustainability of the business for the future, create a focal point for village life in Hougham and Marston, boosting the villages' economy and sense of community.

**BY BUYING SHARES YOU CAN HELP SECURE THE FUTURE OF
VILLAGE LIFE IN HOUGHAM AND MARSTON**

**Share Offer
Extended**

**Offer has HMRC
pre-approval for
SITR and/or EIS**

**If you are considering buying shares, it is important that
you carefully read the whole of this document.**

The Thorold Arms Community Benefit Society Limited (TTA) is the trading name of the legal entity and is registered under the Co-operative and Community Benefit Societies Act 2014. Its registration was approved by the Financial Conduct Authority on 11th March 2016 registered Number 7295.

Due care has been taken in preparing this document which has been approved by the management committee who vouch that the information it contains is true and complete to the best of their knowledge and belief.

Before deciding to invest, please consider seeking independent financial or legal advice.

BACKGROUND AND A BIT OF HISTORY

The rural villages of Hougham and Marston are situated six miles north of Grantham in Lincolnshire less than 2 miles from the A1. Both villages are mentioned in the Domesday Book in 1086. There were a large number of farms and smallholdings, and many of these were tenants of the Thorold family or the Church. We believe the pub to have been in existence since the early 1800s when it was probably a farm that brewed and sold beer. It is noted in the census of 1841.

Prince Charles opened the shop in 2007. Unfortunately the pub and shop were closed by the receivers in 2015. Marston Parish Council nominated the property as an Asset of Community Value. SKDC registered it on Christmas Eve 2015. In the meantime, villagers turned out in force to a public meeting in November, voting overwhelmingly in favour of an initiative to acquire the property for the community and reopen as a pub and shop.



WILL A PUB AND SHOP REALLY HAVE AN IMPACT ON HOUSE PRICES?

We understand that the lack of a pub has reduced house prices in the villages by at least 10%. Taking the average price as £350,000 this means the pub closing down has already cost house owners at least £35,000.

Rupert Fisher, a Savills Director based in Lincoln, told us:

"I can confirm that having a shop or a pub in a village does make a difference to the saleability of property within that village.

If I had a pound for every time a new buyer registered with us and stated "I want to be in a village with a pub or shop" I could have retired already. Village communities are coming back and it is very difficult to build a community without a central focal point like a pub.

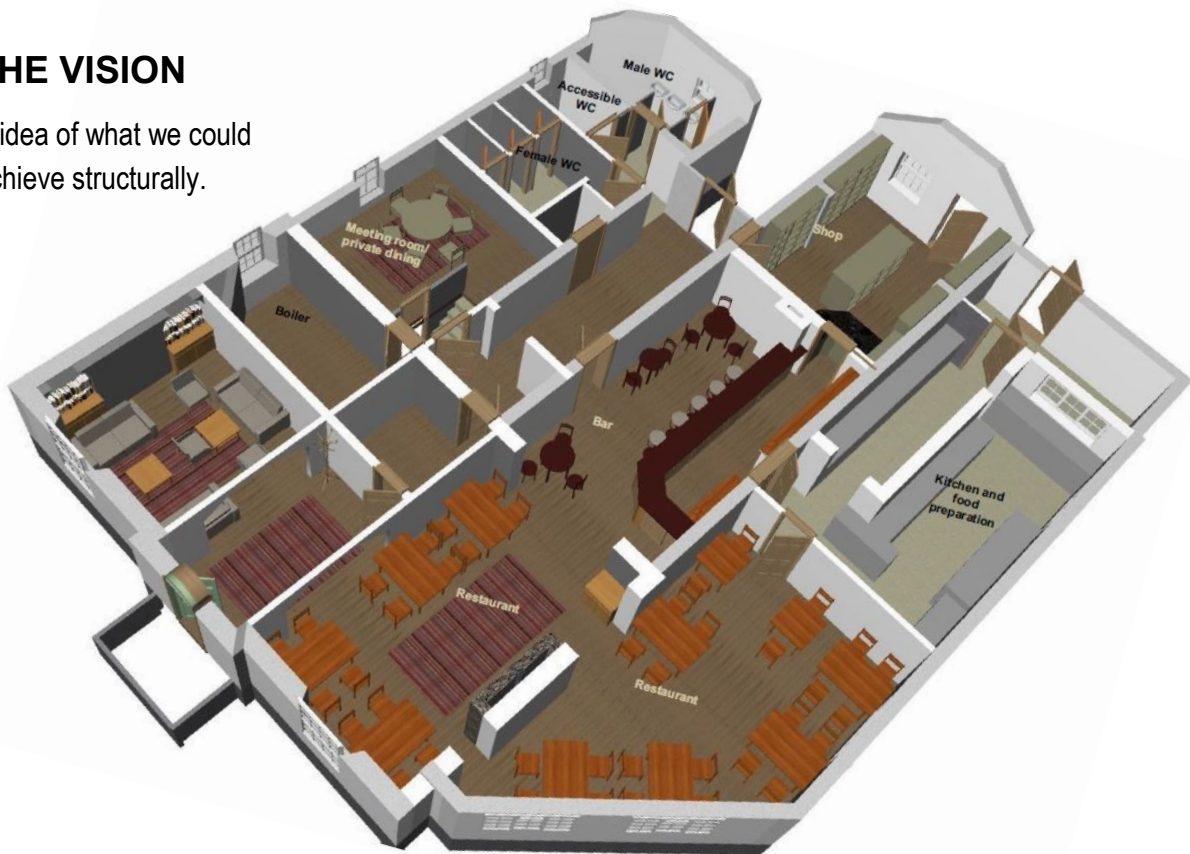
In today's hectic world, buyers would prefer to live in a village with facilities than without, the ability to be able to walk to these things is increasingly important.

Last year we sold an immaculate barn conversion in Boothby Graffoe (a village with no pub) and the price per square foot achieved was £141. In the neighbouring village of Coleby (with a pub) we have just achieved £217 per square foot."

In this example the house in a village with a pub was worth over 50% more than one without. How much would you invest to get a gain of at least 10% of the value of your house?

THE VISION

A idea of what we could achieve structurally.



The vision is to create a warm, welcoming, community hub for our two villages. A place where neighbours and friends can meet and our rural villages can come together. We aim to re-open as a country pub, village shop and café with reliable hours to make best provision of the facilities for locals and visitors alike.

The re-designed ground floor is intended to be inviting, attractive and accessible to all. The bar will be moved and positioned at the building's heart. The interior will be opened up and extended to maximise the floor space whilst retaining a cosy log burner.

Old and Young, Cyclists and Walkers

We know that the demographics of our villages indicate that we have a relatively elderly population, yet the property of course also sits opposite the school. We will ensure improved access and the comfort of less physically able visitors with dedicated

disabled toilet facilities and the updated layout.

Social and age-related isolation has a wide-ranging effect on health and wellbeing. It is vital that the residents of our villages have somewhere to meet, chat and socialise with one another in a comfortable environment and without it costing the earth. The risk of isolation and loneliness to our neighbours can be greatly reduced by support for this proposal.

We plan to open the car park up for the use of school parents and hope that they find the shop and café useful. There will be employment, voluntary and training opportunities that might particularly suit our younger population or those who do not have independent transportation. We will welcome Viking Way walkers and would like to create facilities for visiting cyclists also.

Day and Night

Our plans anticipate that the building will be used throughout the day and

evening hours. Clubs, societies and other initiatives might use the café as a meeting place earlier in the day with more traditional pub and restaurant use later on.

A friendly welcome and great service with a smile will encourage repeat custom. The pub and café will sell food and drink that is appetising, enticing and good value for money. The shop will stock essentials and will, wherever possible, stock local produce and support local businesses and individuals. The combination of value and service will ensure the long-term viability of the project.

What do you want it to be?

Most importantly, this will be your pub and your social hub. You must tell your us what you want. Let your imagination run wild and help us create a focal point for our villages that thrives and is protected for everyone's use for the foreseeable future.

WHAT IS A COMMUNITY SHARE OFFER?

It provides the opportunity for people and businesses to buy into the community where the motivation and payback is more social than financial. It helps to ensure a truly local enterprise, accountable to the community whilst serving and benefitting it.

The Thorold Arms Community Benefit Society Limited (TTA) has been set up to purchase and revitalise The Thorold Arms.

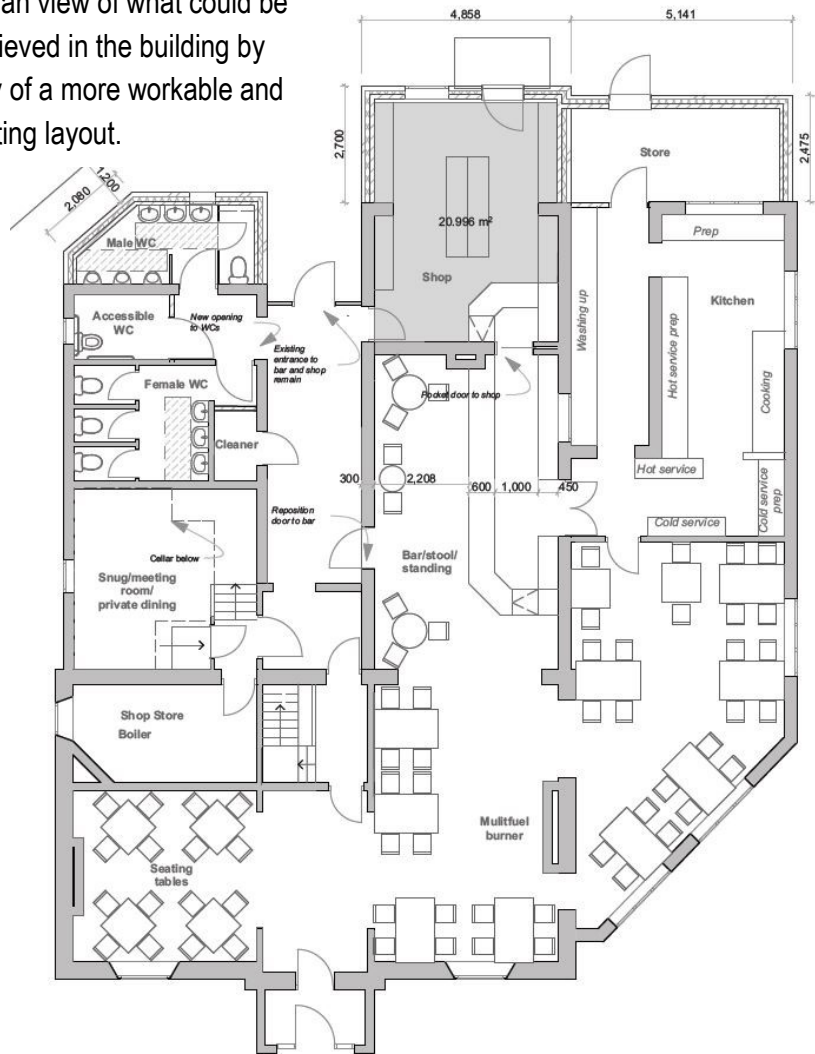
The shares you buy will make you a Member of the Society, with an equal vote regardless of your shareholding. Your involvement thereafter can be as much or as little as you wish. You can vote at the Annual General Meeting, stand for election to the management committee, volunteer skills for the refurbishment and ongoing activities or just make use of the community hub. We would like to encourage as many members of the Community as possible to volunteer their time, now and in the future to make this a true community venture.

A COMMUNITY ASSET

The Thorold Arms is registered as an Asset of Community Value. The community now needs to buy it to protect it for the future and to enable it to become an asset for everyone to enjoy in the long term.

It is only truly a community asset if it can generate a profit that then can be re-invested into activities that benefit the community. We want to run it as an enterprise for the good of the area.

A plan view of what could be achieved in the building by way of a more workable and inviting layout.



WHAT'S IN IT FOR ME?

It depends on what you want!

This is not just about buying a pub, it is about helping to sustain a community. There is limited financial reward. This is about investing in the future of the community and ensuring that the community hub is run for the good of everyone.

It might be daytime social contact, the convenience and lifestyle benefits of walking to a shop rather than driving, a B&B for relatives to stay close by at Christmas, a coffee and a cake after you've walked the dog or dropped the kids off at school.

Somewhere you're recognised as a local and an investor, the warm feeling of having really helped the

community!

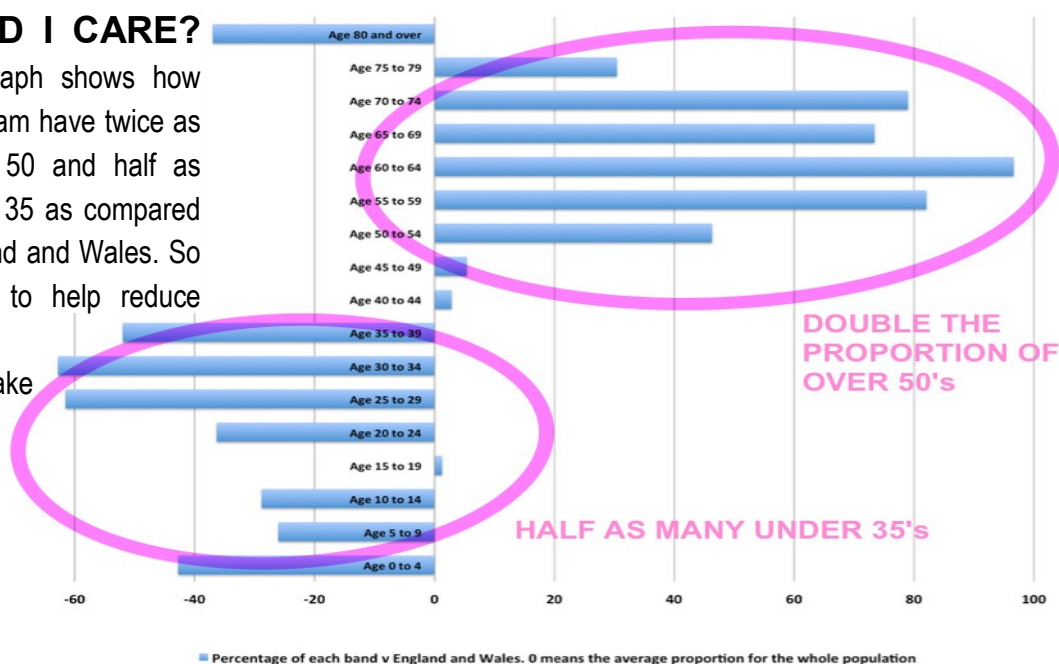
WHY SHOULD I CARE?

The social contact from having the pub open would be a great improvement to our quality of life. It's all too easy to be isolated in the villages and, as we have an ageing population, with many residents living by themselves, having a shop, café and pub would make a real difference.

Whether popping out for a pint of milk, meeting friends for a coffee or pub lunch or to going to a quiz night there should be something for everyone. There is recent research that shows that social isolation in older age has as bad an effect on health as smoking 15 cigarettes a day.

WHY SHOULD I CARE?

(continued) This graph shows how Marston and Hougham have twice as many people over 50 and half as many people under 35 as compared to the rest of England and Wales. So we need the pub to help reduce isolation in our older population and to make the area more desirable and attractive to all ages.



HOW DOES THE SHARE ISSUE WORK AND WHAT GUARANTEES DO I HAVE WHEN BUYING SHARES?

This is a long-term investment for the benefit of the community. Shares cannot go up in value. In the event of having to wind up the Society, should the value of the Society's assets exceed the value of the share capital, the shareholders will still only get back their original investment.

Any excess value would be transferred to another community organisation having similar community benefit aims. This is known as an asset lock and is to prevent private gain if the organisation dissolves.

If the asset value was lower than the share capital, shareholders would receive back less than their original investment.

However, as the shares are issued

by a corporate body, shareholders have no liability beyond the value of the shares they buy.

When the business is in profit, the Society aims to pay interest on the shares at a rate to be recommended by the management committee and voted on at the AGM. Interest is paid gross and is taxable. Shareholders will be responsible for declaring this to HMRC.

CAN I SELL MY SHARES?

Shares can only be sold back to TTA after a lock-in period of 3 years. This ensures the business an initial period of financial stability and is an HMRC requirement for the tax rebate schemes. Three months written notice is required and the management committee have a duty to control withdrawals if there are insufficient new investors to purchase the shares, so as not to jeopardise the business.

WILL IT WORK FINANCIALLY?

A principal risk to the TTA investor

is that the business fails to trade profitably. The Society recognises this and is under no illusion as to the challenges and the inherent risks involved.

However the business will be owned by the shareholders, not a national pub company or a private owner, and will be run for the benefit of the community and visitors alike. If the business is responsive to customer requirements it will encourage their patronage.

Our aim is to buy the pub with little or no debt – that's why we need as much investment as possible.

Without the burden of a large loan & the need to generate large profits, it will be much more financially viable.

Some of the daytime staff costs will be filled by volunteers, giving locals a chance to have the social contact that will come from working there as well as reducing the wage bill.

The aim is for long-term sustainable success so we are not dependent on a new owner every few years.

HOW MUCH MONEY DO WE NEED TO RAISE?

The minimum target to raise with the share offer is £250,000. The maximum is £500,000 and the share offer closes at that point.

HOW DO I BUY SHARES?

You need to be over 16 years old to invest, but you can buy shares for children. Shares will be sold at £50 each. The minimum investment is 1 share (£50) and the maximum 2,000 (£100,000).

Fill in the application form and follow the instructions. At the end of the offer period you will be advised on whether your application has been successful.

WILL MY INVESTMENT QUALIFY FOR TAX RELIEF?

We will be applying to enter either the Enterprise Investment Scheme (EIS) or for Social Investment Tax Relief (SITR). If successful your investment may qualify for 30% tax relief. You should consider professional advice if this is an important factor in your decision. Search www.gov.uk for EIS or SITR for more information.

WHAT HAPPENS IF WE DON'T HIT THE MINIMUM TARGET OR FAIL TO BUY THE PUB?

If investment fails to reach the minimum target by the end of the

share offer period, or if we fail to buy the pub, all monies will be refunded.

WHAT HAPPENS IF THE SHARE OFFER RAISES ENOUGH TO BUY THE PUB BUT NOT ENOUGH TO REFURBISH IT?

The minimum target is set at a threshold that we expect to be sufficient to buy and carry out essential repairs and refurbishment.

We expect to be able to access additional funds to continue the refurbishment from loans and/or grants.

The more capital the share offer raises, the more of the planned refurbishment can take place to transform the property.

THIS IS NOT ONLY ABOUT BUYING A PUB. IT'S ABOUT HELPING TO SUSTAIN A COMMUNITY.

WHAT ARE MY RISKS IF THE PURCHASE GOES AHEAD?

The Society wants to be fully open and transparent to its potential investors about the risks as well as the benefits of investment in community shares. It is important to understand the following:

- As a member and shareholder of the Thorold Arms Community Benefit Society Limited you will own the Society and The Thorold Arms pub. If the Society is unable to meet its debts and other liabilities, you could, in principle, lose some or all of your investment held in shares.
- The Financial Services Compensation Scheme, which applies to bank accounts, does not apply to your investment, which is exempt from regulation and therefore does not require authorisation from the Financial Conduct Authority.
- Your investment in your share account is withdrawable without penalty at the discretion of the management committee under the Society's rules.
- Your investment in your share account may receive interest but does not enjoy any capital growth.
- The Financial Ombudsman Service does not apply to your share account or your relationship with the Society, but any dispute may be the subject of arbitration as set out in the Society's rules.

OUR TRACK RECORD

The Thorold Arms Community Benefit Society Limited was registered in March 2016 with the objective of creating a community hub for the villages by purchasing the Thorold Arms, and our enthusiasm remains undimmed.

We recognise that enthusiasm alone is not sufficient and that the Society does not have a track record of running such a business. Therefore the Society will appoint a

management couple to run the business on its behalf. They will be responsible for the day-to-day running of the business, overseen by the management committee who will set the overall direction.

DOES COMMUNITY OWNERSHIP WORK?

There are over 330 community owned shops in England and over 40 pubs – so far as we know, none have closed once they have passed into community ownership.

The story so far, and other community pub and shop information is available on the website:

www.TheThoroldArms.co.uk

**ULTIMATELY THE
SUCCESS OF THIS
BUSINESS WILL BE
DOWN TO US AS A
COMMUNITY**



WHO ARE THE SOCIETY'S MANAGEMENT COMMITTEE?

At the first AGM these members will stand down and can offer themselves for re-election along with any other members who may want to serve on the management committee.

Please email: marstonthoroldarms@yahoo.co.uk and say who you want to contact and it will get to them.

Ian Tyler (Chairman)	07710 978668
Tim Found (Vice Chairman)	07812 598665
Rob Morley	07917 095696
Mike Allen (Treasurer)	01400 251314
Stuart Vickers	01400 250912
Steve Richards	07879 445544
Sandra Allen (Secretary)	01400 251314

TERMS & CONDITIONS AND LEGAL STATEMENT

The Thorold Arms Community Benefit Society Limited will acknowledge receipt of your subscription monies and application form and may cash your cheque as soon as it is received. TTA will hold your money on trust for you until the management committee have considered your application. Once the shares are issued to you, the money will belong to TTA .

You cannot withdraw your application for shares after your application form has been received. The management committee do not have to accept your application for shares. They may decide not to issue shares to you or allocate fewer shares than you applied for. They do not have to give any reasons for their decision, but will consider applications in the order in which they are received and are likely to accept those who have applied first, so the earlier the application, the more likely it is to be successful.

TTA will not pay you interest on any money it returns to you, or on the money you send us to buy your shares, before we issue the shares. Interest will only ever be paid with trading profit.

The management committee have the right to reopen share applications at any time after the published closing date.

Shares bought for children will not confer membership of the Society or voting rights until they reach the age of 16.

This offer and any agreement entered into for the subscription of shares in TTA is governed by the rules of the Society.

Please visit the website for more information: www.TheThoroldArms.co.uk. There you will find a number of downloadable documents associated with this project including: the Society Registration and Rules; the Business Plan; Your Questions Answered; the Vision Statement; the Questionnaire Results; this document; the Share Application Form and much more. Please note that, although we have taken all possible care in preparing these documents, only this Share Offer prospectus and the Society Rules are intended to be legally binding. The other documents are for information only and neither they nor their contents should be relied upon in reaching your decision to invest.

If you have any questions please contact any one of the Society's management committee. Their contact details are on page 7 of this document.

Many thanks to Marston Parish Council and the Plunkett Foundation for their support.