

# SHARE OFFER

TO RAISE BETWEEN £210,000 AND £410,000

FOR THE COMMUNITY PURCHASE  
AND RESTORATION OF



## THE THOROLD ARMS

SHARE OFFER NOW EXTENDED  
INDEFINITELY BEYOND 14TH JULY 2018

Investing in community shares is a simple, direct and engaging way of supporting businesses that serve your community. Since 2009, 60,000 people have invested over £60m to support 250 community businesses in the UK. Community shares can save local shops and pubs, finance renewable energy schemes, transform community facilities, support local food growing, fund new football clubs, restore heritage buildings, and above all, build stronger, more vibrant, and independent communities. Interested? Please read on...

The Thorold Arms Public House in Marston, Lincolnshire is for sale. We can 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 local economy and sense of community.

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

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

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

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

The rural villages of Hougham and Marston, both recorded in the Domesday Book of 1086, are situated 6 miles north of Grantham in Lincolnshire less than 2 miles from the A1. The pub is believed 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. The pub, now called The Thorold Arms, closed in July 2015 and was registered as an asset of community value (ACV) in December 2015. In July 2016 an Essex based property speculator outbid the local community at auction and bought the pub. Planning applications to turn it into a house were rejected on 2 occasions in 2017. In February 2018 the developer finally agreed to sell the pub back to the community for £195,000. The project to acquire and reopen it as a community owned business has been reborn.



Image from 1998

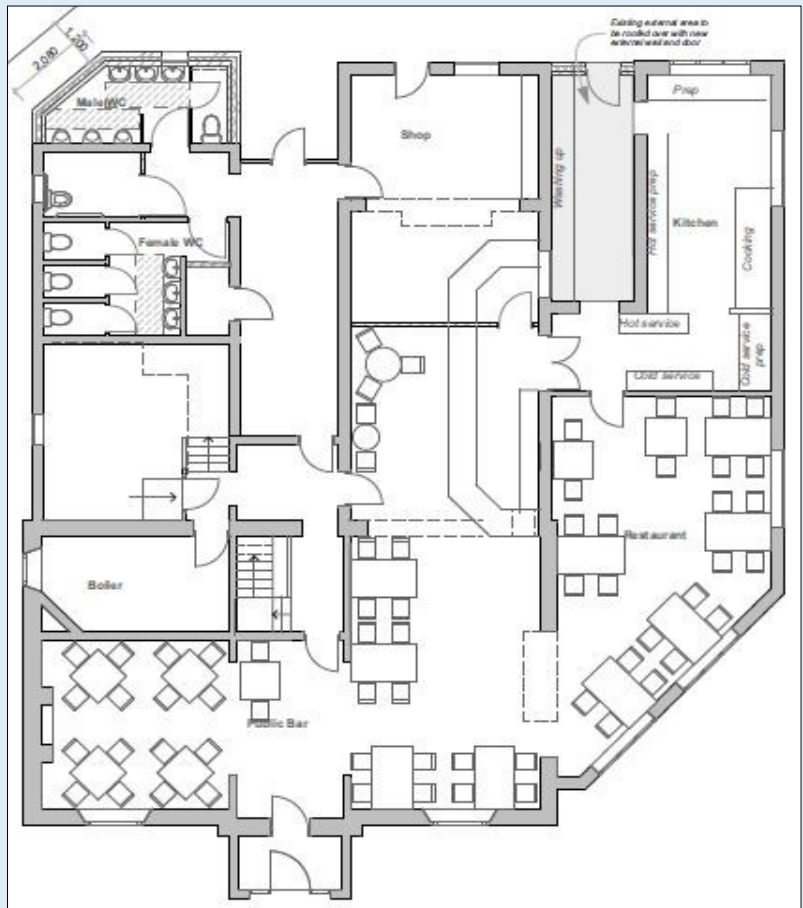
## THE VISION

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, B&B and café with reliable hours to make best provision of the facilities for locals and visitors alike.

Raising sufficient funds is crucial and will enable extensive renovations to take place. The re-designed ground floor will 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 to maximise the floor space. The area of the previous shop will be roughly doubled in size.

### ***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 supporting this proposal.

We plan to open the car park up for the use of school parents and anticipate that they will find the shop and café of value. There will be employment, volunteering and training opportunities that might particularly suit younger people or those who do

not have independent transportation. We will welcome Viking Way walkers and would also like to create facilities for visiting cyclists.

### **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 coffee shop 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 pub and social hub will exist and be run for its customers, whether from our villages or further afield. We will listen to what our guests want to 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?**

A community share offer 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 while both 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 truly communal 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 can then be re-invested into activities and assets that benefit the community. We want to run it as an enterprise for the good of the area.

## **WHAT'S IN IT FOR ME?**

It depends on what you want! Maybe you just always fancied owning a bit of an English rural pub?

However this is not only about buying a pub. It is also 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 hub of the community 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 a village 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 a 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.

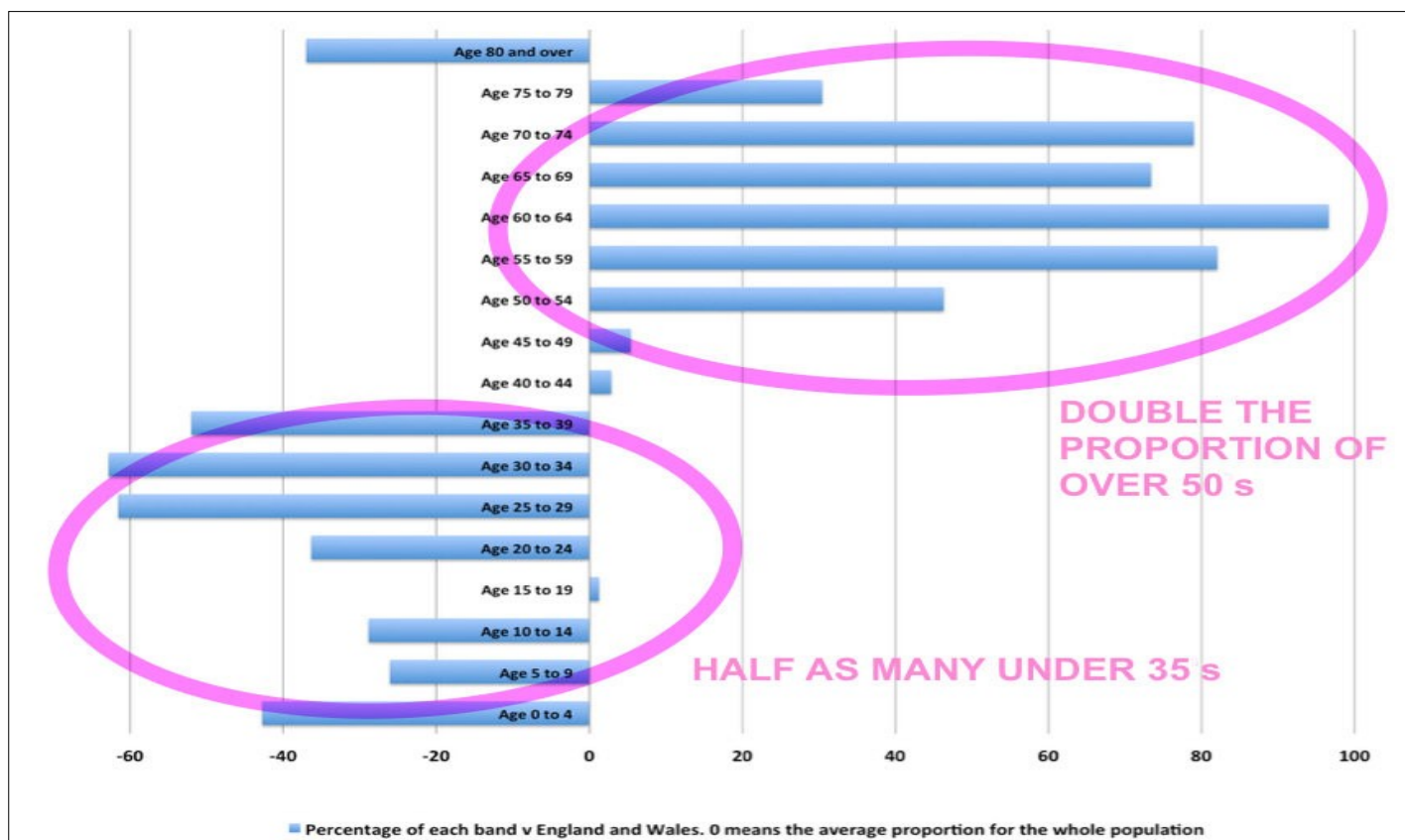
This graph on the next page shows how Marston and Hougham have twice as many people over 50 and half as many people under 35 as compared to the average population in England and Wales. So we need the pub to help reduce isolation in our older population and to make the area more desirable and attractive 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 do not increase 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 (up to 5%) 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 of 3 years. This ensures the business has an initial period of financial stability and is an HMRC requirement for their tax rebate schemes. Three months written notice is required and the management committee have a duty to control withdrawals. If there are insufficient funds or new investors to purchase the shares, withdrawal will be delayed.

## WILL IT WORK FINANCIALLY?

The main risk is that TTA fails to trade profitably. The Society recognises this and is under no illusions. However the business will be owned by the community and will be able to tailor itself to satisfy local demand creating long-term sustainability, and avoiding the success failure cycle associated with private owners building a business and selling it on.

Here we assume £410k is raised with £300k from shares, a £50k loan & matching £50k grant plus a further £10k grant or donations.

Financial modelling suggests weekly sales of £3,461 (pub), £779 (shop) and £270 (B&B) averaged over the first year. These net down to a small Y1 profit of £4.6k, which increases to £22.2k in Y2 allowing 3% interest to be paid to shareholders from Y3 onwards while still retaining a £10k surplus, incrementing to £11.6k Y4 & £13.2k in Y5.

## HOW DO I BUY SHARES?

You need to be over 16 years old to invest, but adults can buy shares for children, although children will not >

## HOW MUCH MONEY DO WE NEED TO RAISE?

We need £210,000 to buy the pub for £195,000 plus costs, immediate maintenance, security, insurance & a contingency. To open the pub a further £200,000 is required creating an upper target of £410,000.

## HOW DO WE GET IT AND WHAT IS IT FOR?

Ideally the share offer raises the full amount. However, possible extra sources of funds have been identified such as donations, crowd-funding, grants, loans and match funding and local business sponsorship or investment.

For credibility we need to buy the pub ourselves with as much left over as possible. Costs have been identified: 3 months working capital (£30,000) and stock (£26,500); furnishing (£5,500); kitchen equipment (£11,000); manager's flat (£18,000); B&B (£2,000); disabled toilets (£25,000); decoration (£1,000) assuming volunteer labour; modifications to bar, restaurant, kitchen and shop (£55,000); electrics, plumbing & heating (£8,000); plus an extra contingency. Some of this work can be phased.>>



>> It will be also be very important to create a quality flat upstairs, given that attracting a good management team will be crucial to realising “the dream”. So the current miserable accommodation will be reshaped, refitted and redecorated to create an inviting desirable home capable of accommodating a young family.

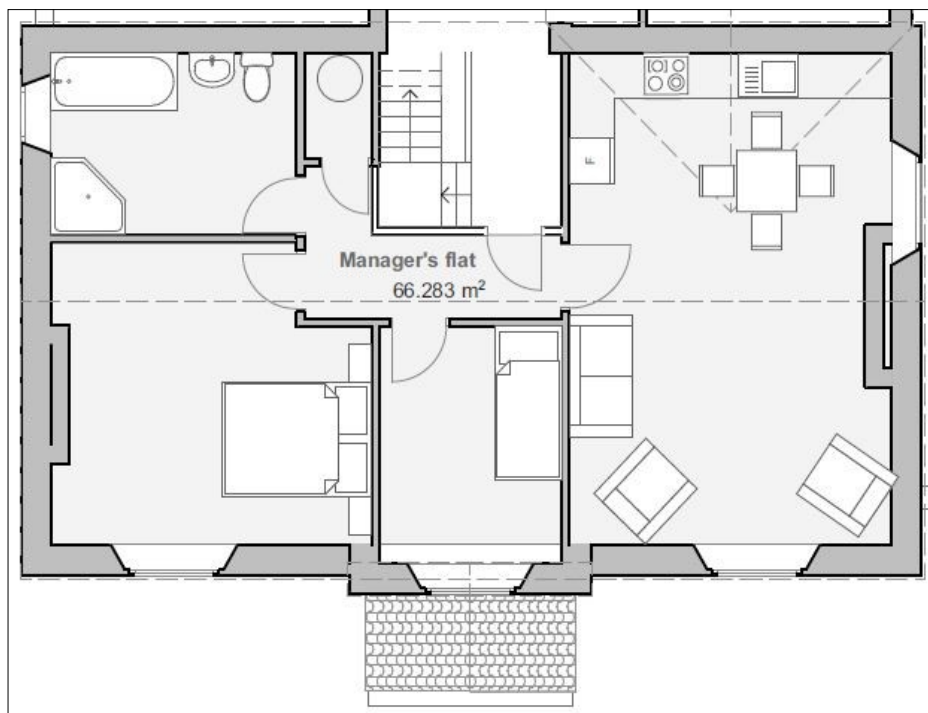
Two B&B rooms will remain.

> become TTA members until they are 16. Shares are sold at £50 each. The minimum investment is 1 share (£50) and the maximum 2000 (£100,000).

**Please invest wisely. Do not over extend your finances, but when deciding what is affordable for you please remember that to raise £300,000 it will take: 6,000 investors with 1 share each; 600 with 10 shares and only 60 with 100!**



To invest please follow the instructions and fill in the application form. At the end of the offer period you will be advised on the success of your application.



## WILL MY INVESTMENT GET TAX RELIEF?

We will be re-applying for either the Enterprise Investment Scheme (EIS) or Social Investment Tax Relief (SITR). During the previous share offer we were given preliminary approval by HMRC. So there is no

reason to suppose we won't be this time. If successful, your investment may qualify for 30% tax relief after TTA has been trading for a number of months. You should consider professional advice if this is an important factor in your decision. Search [www.gov.uk](http://www.gov.uk) for EIS or SITR for more information.

# 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.



## WHAT IF WE DON'T RAISE ENOUGH MONEY OR FAIL TO BUY THE PUB?

If total investment fails to reach the minimum target, we may be unable to buy the pub and, in this case, all monies will be refunded.

At this point the current owner would probably be able to reapply to develop the pub, garden and carpark into several houses ending our battle to save the pub and shop for ever.

## WHAT IF WE RAISE ENOUGH TO BUY THE PUB BUT NOT TO REFURBISH IT?

The pub would remain closed until further funds were secured to enable us to adequately refurbish and reopen.

We are talking to several enabling and advice organisations like the Plunkett Foundation, Pub is the Hub and Village SOS and we hope to access extra funds through loans and/or grants to enable refurbishment.

We have had talks with a number of funding bodies such as Power to Change, More than a Pub, LEADER, and the Community Shares Booster Programme. Under the latter scheme we can be considered for an additional share investment to match money already raised by investors. This money matches share for share up to a theoretical maximum of £100,000.

However obtaining this type of money is competitive, not guaranteed and takes time which will delay the project.

### PLEASE REMEMBER

**THE MORE THE SHARE OFFER RAISES, THE QUICKER THE PUB & SHOP WILL REOPEN.**



## 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.

[www.TheThoroldArms.co.uk](http://www.TheThoroldArms.co.uk)

## DOES COMMUNITY OWNERSHIP WORK?

There are more than 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, more information, useful documents and other sources are available online through the website.

## WHO ARE THE SOCIETY'S MANAGEMENT COMMITTEE?

The list follows. At the first AGM these members will stand down and can offer themselves for re-election along with any other TTA members who may want to serve. To contact please email: [marstonthoroldarms@yahoo.co.uk](mailto:marstonthoroldarms@yahoo.co.uk) or call an individual on their number.

**Sandra Allen (Secretary) 01400 251314** - joined ICI in 1986 as a post-doctoral researcher in human health. Over 23 years and many roles she gained experience in team leadership, project & facility management as well as marketing & strategic development. In 2009 she became a Consultant Toxicologist and joint Director with her husband of their own consultancy company. Book keeping is a new role! Sandra and her husband moved to Hougham in 2014 and are actively involved in a number of community events and projects.

**Mike Allen (Treasurer) 01400 251314** - over 40 years in IT, engaged in customer facing service & delivery and team management in a multinational manufacturer. After 30 years in corporate business Mike moved and became responsible for introducing and maintaining 500+ PCs and other technology in a large secondary school. In 2007 he became an independent IT consultant and is now also an author and marketer. Moving to Hougham in 2014 Mike joined the village hall committee and is responsible for heating and lighting.



**Mel Ellerington 07788 583223** - has lived in Hougham since 2017 after nearly 20 years in London. She has over 15 years of experience in the property industry as an Executive Assistant and possesses excellent project management, communication and organisational skills, as well as being proficient in IT and social media applications. Melanie and her husband are keen to get the pub up and running to regain its position as community hub and social focal point for the surrounding villages.

**Rob Morley 07917 095696** - has been a Marston resident since 2008 and an active member of the Parish Council for the last 3 years. He is currently a sole trader at RWM Plumbing (since 2008). He previously spent 27 years in the Catering industry in a variety of different establishments from Michelin rated restaurants to running a small country pub with his wife.

**Steve Richards 07879 445544** - moved to Marston in 2004 when he relocated to Lincolnshire to run Interflora, the UK wide network of independent florists. He has had a 30+ year career working with leading consumer businesses, selling both products and services. Starting working life as a retailer with M&S in the late 70's, his multi-channel and direct marketing experience dates back to his work as global MD of Manchester United Merchandising Ltd in the 90's. Currently the Chairman of several private equity backed businesses, Steve recently sat on the committee of The Big Lottery Fund and was the 'lead' for the Village SOS programme as well as part of the group that funded the major grants to the community development trusts, Power to Change and Big Local.

**Stuart Vickers 01400 250912** - has lived in Marston for 30 years and has served on the Parish Council, Village Hall Committee and Parochial Council. Stuart is a Chartered Surveyor and Building Engineer with 30 years' experience of Local Government working for several district and city Authorities. For the past 8 years he has run his own surveying business covering all of England and Wales. He has seen many changes in The Thorold Arms and hopes now to help bring the pub back as a "go to place" for locals and visitors alike. His experience and contacts in the industry will be invaluable when renovations finally begin.

**Tim Found (Vice Chairman) 07812 598665** - moved to Marston in time for the last Pumpkin Club held at The Thorold Arms (2014). He is a barrister with a decade's experience of civil litigation, mainly in injury law but with some exposure to contract disputes and more general matters. Like most barristers, he is self employed and one of 40 barristers in chambers in London. He jointly employs 10 staff, is on the management committee & undertakes a joint IT role overseeing IT and telephony. He has only been a customer in the pub trade but worked in a commercial kitchen for around 10 weeks in his youth. He hopes that the community will be able to purchase and re-open The Thorold Arms in time for this year's Pumpkin Club.

**Kevin O'Sullivan 07836 232938** - trained as a setting out engineer aged 18 and then worked for a major Groundwork contractor in Surrey for 20 years. He was promoted to Contracts Manager and then Construction Director, jobs that involved managing 180 operatives in a business with a turnover of £25 million per annum. He then started his own Groundworks and Bricklaying Company. After 5 years he wound down the Groundworks and concentrated on Brickwork, employing 50 people, with a turnover £1 million per annum. He retired in 2014 and moved to Marston in 2016.

**Ian Tyler (Chairman) 07710 978668** - moved with his family to Marston in 2012. He has worked in various industries including oil exploration and IT. Now working from home in e-commerce and managing a small family business, he misses both the pub and shop and was prime-mover in getting the property registered at SKDC as an Asset of Community Value. This involved calling the first public meeting in the village hall to raise local awareness and to recruit a committee to run the "Save The Thorold Arms" campaign. He also set up the website. Ian brings to the table over 40 years of expertise in the pub industry from the customer side of the bar!

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

**We all suspected it but our conversation with Rupert Fisher, a Savills Director in Lincoln, confirms:**

## **A PUB AND SHOP HAVE A DIRECT IMPACT ON HOUSE PRICES**

We understand that the pub closure has slowed house sales and reduced prices in Marston & Hougham by at least 10%. Taking an average price as £350,000 this has already cost house owners £35,000 each.

Rupert (in 2016) 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.***

***[Recently] 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 Rupert's example the house with a local pub was worth 50% more than the one without. If you are a local house owner, how much would you invest to gain at least 10% on the value of your house?



**Community  
Shares  
STANDARD**

The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice. For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit please go to their website at: [communityshares.org.uk](http://communityshares.org.uk).



## TERMS & CONDITIONS AND LEGAL STATEMENT

The Thorold Arms Community Benefit Society Limited (TTA) 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.

TTA has the right to extend or 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](http://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 pages 6 & 7 of this document.

Many thanks to:

Marston Parish Council, the Plunkett Foundation, Pub is the Hub and Village SOS for their support and advice.