

# Community Share Offer ~ Share Prospectus

For the purchase of the Lowther Arms Pub, Mawbray, Cumbria

OFFER CLOSES when the maximum amount is reached.

Fundraising Targets:

**£250,000** Minimum. Maximum **£300,000**

Share investment minimum: £100 – maximum £30,000

If you are considering buying shares it is important you read the whole document



The Community Shares Standard Mark is awarded by the Community Shares Unit that meets national standards of good practice.

For more information about Community shares, the Standard Mark and the Unit go to: [www.communityshares.org.uk](http://www.communityshares.org.uk)

## SUMMARY

This public share offer is available to you, your family and friends, local groups, organisations, local businesses and other community supporters to invest in a once-in-a-generation chance to safeguard our pub at the heart of the community, the 'Lowther Arms'.

This is not just about buying a pub; it's about preserving the history and heritage of our village and investing in the future of the parish and its people. To create a Community pub, owned by the Community, run for the Community.

If we don't buy the pub now it is likely to be lost forever.

To buy, open, and transform the pub will cost a minimum of £250,000 and a maximum of £300,000. £250,000 will allow us to buy the pub and simply open it; £300,000 will allow us to transform it with all the extra facilities to ensure it is sustainable. We can raise the money by selling shares in the Lowther Arms Community Project Limited (a Community Benefit Society) – and everyone who buys a share becomes a Member of this 'Society' and will own a piece of the Lowther Arms. We are looking for people in the community for support – and relatives, friends, and others far and wide.

We have to raise a lot of money, so we're asking for a minimum shareholding of £100 (that's two £50 shares). Family and friends can get together to share the cost; and groups, organisations and business can also invest. However, no one shareholder or organisation can buy more than 600 shares (that's £30,000).

It may seem an impossible task but if 500 people (or groups of people) each paid £500, then the target can be reached!

This offer is available from 17 August 2020 until the maximum target is reached, whichever is sooner. The Management Committee reserve the right to extend the offer beyond this initial period if they believe doing so would be of benefit.

**Please invest to save the Lowther Arms but, before you do, it is very important you read this Share Offer document. It provides you with information about the share issue, the Society, and how the Lowther Arms will do business in future.**

*This offer is not covered by the Financial Services Compensation Scheme and investors have no recourse to an Ombudsman. You could lose some or all of the money you invest.*

You may also want to read the Business Plan and Society Rules. Please go to our website or contact us for details



## This is our Pub – The Lowther Arms

The earliest record of The Lowther Arms is in the 1847 Cumberland Directory and, apart from a few short breaks, the pub has traded ever since.



Landlord Tom Graham, Blacksmith. Late 1920's

The outside of the pub has changed little in decades, however, the inside was remodelled more recently.

The pub now has a conservatory and beer garden that lead to the car park at the rear, and then on to a small Registered caravan and campsite. The cosy bar has a welcoming open fire and there are two further areas, also used for dining (one in the conservatory).

The pub closed twice briefly not so long ago.

First, in 2004 when the landlady of 28 years, Elsie Pigg, died. The pub was closed for 18 months whilst a buyer was sought, and the village formed the 'The Mawbray Community Pub Initiative Ltd' to attempt a community buy-out.



The Lowther Arms, 2020

At the last minute, a private buyer was found, and everyone celebrated when local landlady, Dawn Lindsay, bought the pub and transformed it into a warm and welcoming traditional village tavern. Determined to make her pub the heart of the village, she asked the



Enjoying a night out. Late 1990's

locals what they wanted in a pub; served good pub grub and introduced live entertainment.

The caravan site flourished and was busy with tourers and campers, and the land was also used for community events like the summer BBQ and music festival.



Legendary landlady Elsie Pigg



Lowther Arms, Dec 2006

However, the pub came on the market again in 2013 when Dawn closed it, and a local couple, Jay and Morven

Anson, bought and re-opened a refurbished and re-named pub in June 2013. Now called 'The Lowther', it was re-branded as a 'Village Pub with Dining' and the village celebrated again!

However, as times changed, the landlords stopped serving food in mid-2018, and finally closed the pub in December that year.

The owners are seeking planning permission to convert the pub into a domestic dwelling and the community has come together to save the pub

Former landlady Elsie Pigg played darts for Cumbria and was a Cumbrian champion, as witnessed by the display of trophies in the bar.



Outside the pub, 2020

The pub sported a pool team, and a dominoes team – a group of older farmers who met on Saturday nights. There were also two darts teams (ladies and gents). On darts nights, the Ladies team had to make their own sandwiches whereas Elsie would make pie and peas for the Gents team

### What is a Community Share offer?

Community shares are a way of raising investment capital from communities.

Locals are encouraged to buy shares in the enterprise and become part-owners and, as shareholders, they are more likely to do everything they can to ensure the success of the business by becoming loyal customers, volunteers and supported of the enterprise.

Community shares have been used to finance shops, pubs, community buildings, local food schemes, football clubs and even renewable energy initiatives. Most Community share offers are made by enterprises registered under the Cooperative and Community Benefit Societies Act 2014. This legal form provides limited liability status, just like company law. However, unlike companies, shares in these Societies are non-speculative, but democratic.

The Lowther Arms Community Project Limited (LACPL) has been set up to purchase the Lowther Arms on behalf of the community of Mawbray and the Parish of Holme St Cuthbert. So, if you buy shares in the LACPL you will become a Member of the Society, with an equal vote regardless of your shareholding amount.

Your involvement can be as much or as little as you wish. You can vote at Member Meetings, stand for election to the Management Committee, volunteer skills for any refurbishment or additional services at the pub, help run community events or activities, or just give the Lowther Arms your custom.

### What's in it for me?

This is not just about buying a pub; it's about preserving the history and heritage of our Parish and investing in the future of Mawbray and its people: to create a Community pub, owned by the Community, run for the Community.

You would own a piece of the Lowther Arms and have a say in how it is run. If you invest £500 or more, after three years we aim to pay you interest of 3% as compensation for the use of your money.

**A summary of the financial forecasts is overleaf, and there's more detail in the Business Plan**

### How much money do we need to raise?

We have set a minimum target of £250,000 and a maximum of £300,000. £250,000 will allow us to purchase the pub, cover associated costs and simply open it. £300,000 will allow us to transform the pub into a warm and welcoming venue with additional community facilities like a café, shop and revitalised caravan site, whose income streams are essential for success.

### How do I buy shares?

You need to be over 18 years to invest. Shares cost £50 each with a minimum investment of £100. You can buy as many as you want up to 600 shares (£30,000 in value). You can buy:

- as an individual
- as a group or syndicate of friends
- shares as a present for someone else
- as a business, organisation or other body

Please fill in the application form at the back of this document or at [www.thelowtherarms.co.uk](http://www.thelowtherarms.co.uk). If we meet our target, we will issue share certificates; if not, we'll refund your money.

### What guarantees do I have when buying shares?

This is a long-term investment for the benefit of the community. Community shares do not change in value and cannot be traded.

We expect to be able to pay interest after three years and the Society – you, the Members – can decide to allow Members to 'cash in' their shares (known as withdrawing). In effect, the Society buys back the shares at face value.

We may be able to pay higher interest on long-term investments.

In the unlikely event of the Society being wound up, shareholders would get back no more than the value of their investment, even if the Society's assets (the building and land, mainly) are worth more than the share capital. Any excess (after paying any debts) must be transferred to another community organisation having similar community benefit aims. This is known as an asset lock which prevents any private gain if the Society dissolves. Similarly, shareholders have no liability beyond the value of the shares they buy- that's the very most you could lose.

### Can I sell my shares?

No, shares cannot be sold or transferred; but we will ask investors, in the event of their death, to nominate someone else to inherit their shares.

As explained above, we expect to allow share 'withdrawals' after three years. This is to guarantee the business an initial period of financial stability. The LACPL Management Committee will decide how many shares can be cashed in and have the right to refuse or suspend withdrawals if there is insufficient liquidity in the business.



*The Lowther Arms, winter 2010*

### What happens if we don't raise enough money?

If we don't reach the minimum of £250,000, we have three options:

1. We will consider drawing down the Plunkett Foundation/Key Fund Grant and Loan package (up to £80,000) to bridge any gap. However, we would prefer not to take out a loan because of the burden of repayments over seven years.
2. We access other funding streams – for example the Community Shares Booster (run by Power to Change and Co-operatives UK) which may contribute towards our target through an investment in shares that will be held by Co-ops UK on the same terms as all other investors' shares, Crowdfunding, and/or
3. We could extend the period of the share offer; or
4. We close it and refund everyone's money

Of course, if we are not able to buy the Lowther Arms, we will probably disband the Society.

### What happens if our bid is unsuccessful?

It is possible but unlikely that the owners do not wish to sell the pub to us, but they have already said they are happy to sell to our community project!

We will obviously take time to negotiate and, if there is no sale within four months of the money being raised we will call a meeting of all Members of LACPL and vote whether to extend the deadline or return all of the investment money in its entirety. At this point, people will also have the option of withdrawing their investment.

If someone else buys the pub and it is no longer on the market to us, we will refund all monies.

### What are my risks if the purchase goes ahead?

You do need to know the risks of this share offer. In the event that the business fails, it may be placed into liquidation, in which case a liquidator would be appointed to realise the assets and distribute them to creditors.

Effectively, this would mean selling the freehold of the Lowther Arms and the creditors would be paid from the proceeds. After the payment of creditors and the costs of the liquidator, the surplus would be returned to the Members. Your liability as a Member is limited to the value of your shares. You cannot lose any more than the value of your shares.

### Is it a good business proposition?

We are confident that it is. We have drawn up business models and forecasts with the help of experts in Community pubs. These detailed forecasts are in the Business Plan, but the key aspects are:

- £250,000 will ensure we can buy the building, pay associated expenses and open the pub.
- £300,000 will allow us to carry out works to transform the pub to get the essential additional enterprises up and running (café, shop, campsite) – which will bring in the vital income streams to ensure the pub business is viable.

- We will agree a fair and affordable rent with skilled and experienced tenants who will operate the core pub food and drink business.
- Volunteers will staff the café, shop and campsite, subject to agreement with the tenants.
- We – the Society – will receive rent from around £4,000 in Year 1, to £12,000 in Year 3, subject to negotiation with the tenant.
- If costs are strictly controlled, we estimate the Society will maintain cash reserves of around £20,000 a year enabling us to reinvest in the pub and pay 3% interest to shareholders after Year 3.
- We estimate the Society's cumulative cashflow of around £20,000 at the end of Year 3 will also allow Members to 'withdraw' shares.

From the market research we have carried out, there is evidence that our vision has struck a chord with the wider community: 86% said they would use the pub on a regular basis; with many saying they would contribute funds. These findings have been supported and validated by face-to-face discussions and meetings.

There is a growing market for community pubs and evidence that if the community is invested in the project, they will make more effort to use the pub and contribute to its success. In the UK, there have been over 85 pubs taken over by community co-operatives, reinvigorating pubs that were once struggling businesses. None of the pubs have since closed.

However, all commercial activities carry risk and any share investment is not a loan or a deposit, and the rates of return are not guaranteed.

However, we passionately believe this is the only realistic way to save the Lowther Arms for the future. The owners are willing sellers and happy to sell to our community group so we can create a community pub and business that will benefit everyone.

If this is a success, it will create an invaluable community asset and help the local economy. If we fail, your investment is in a valuable 'the bricks and mortar' freehold of a property which can be sold to pay you back.

It is important to note that since 2004 not one community owned pub has closed down.



## Who are the people organising this?

The individuals organising this share offer are a group of local people who believe passionately in preserving the Lowther Arms and creating a Community pub. These people are members of the Lowther Arms Management Committee and, collectively, there is a wealth of business and community experience within the group. We also have support from the Plunkett Foundation under their 'More Than A Pub' government-funded scheme; we have been assigned expert advisers to help us complete our Business Plan and Share Offer and received a bursary to help with legal and project costs.

### Lowther Arms Management Committee

**Chris Atkinson – Chair** (Chair) I've lived here nearly 20 years and I'm Head of Standards and Best Practice at the Soil Association. I grew up in a farming family and have a degree in Agricultural Science and MSc in Agricultural Engineering. Following several years in agricultural research and practical farming, I became an independent agricultural consultant. I worked regularly for Scottish Organic Producers Association in inspection, certification, research, and education before joining the Soil Association in 2007.

**Craig Tunstall** I've lived in Mawbray for almost 20 years. I am a retired builder, having run my own building business for over 20 years. I have specialist knowledge of working with heritage and National Trust properties and now renovate old fairground rides. I am also the maintenance man for my wife's Children's Day Nursery.

**Diane Byers** I've lived in Mawbray nine years and it's important to retain the pub as a focal point in the village where residents and villagers of all ages can feel free to meet and integrate socially alongside visitors to the area. I'm a Senior Teaching Assistant at the local village school and have worked with Cumbria County Council for 13 years. I have a financial background, a Diploma in Business Studies, and have been self-employed. I'm married with a son who works for a local authority and a daughter who attends the village school. I'm Chair of the Play Park Committee (the play park outside the pub) and a Governor of the local school. I enjoy walking, gardening, and creative activities both at home and with the school.

**Vivienne Coleman** (Secretary) I live in Goodyhills and would love to see an open pub in the village again. A Research Scientist (PhD Satellite Remote Sensing), I now run my own business as artist and writer. After early challenges and learning failures, I made up for it as a mature student with a BSc in Economics & Development Studies; MSc in Land & Water Mgt, and Diploma in Mgt Studies. I worked throughout my studies, and later jobs included Fire Brigade Media Officer & Statistician, University Careers Information Officer, Technical Editor, and Local Government Policy Officer. I learnt a lot about business in early jobs as accounts clerk, hospital receptionist, manager of a small printing firm, VDU inputter, and office temp. I love my dogs and motorbikes, gardening, DIY & solving puzzles.

**Allyson Tunstall** I've lived in Mawbray for almost 20 years and enjoy village life as I was brought up on a farm. I have run a very successful private day nursery in Maryport for 28 years employing nine staff, so understand the demands of business life.

**David Jeffries – Website and IT** Aged 52, I live in West Cumbria with my (TV Journalist) wife and two teenage stepchildren. Over 25 years in Marketing, Digital Media, Broadcasting, Advertising, Computer Graphics/Game and Web/Online. Started companies internationally (employed over 50 people in four business, annual turnover several £million pounds). Writer, freelance animator and graphic designer, senior 3D artist for ITV. One strength is recognising opportunities, being able to make the most of them, and releasing potential. Accomplished networker; entrepreneur with mix of experience and skills applicable to most Start-up and SME's; offer an energetic and pragmatic approach to business development. Successful record in coaching and mentoring business colleagues and graduates as well as setting up and running businesses.

**Gary Byers** I was born in Mawbray, am the fourth generation, so have strong family links to the area. I am Operations Manager at the Port of Workington and have been with Cumbria County Council for 13 years. I'm married with a stepson and daughter. A keen gardener and vintage machinery enthusiast, I have many plant operative skills and a vast knowledge of machinery and engineering procedures. Also, a loyal supporter of the pub through the last three ownerships.

**Annette Gibbons OBE.** I have lived in Mawbray for 35 years and been involved with the buyout of The Lowther Arms from the start. I studied Home Economics and travelled in my twenties, working as a tour guide at Victoria Falls, southern Africa and, on my return to the UK, I trained to teach. I started my own cookery school, fine dining club and food safari business and have worked in hospitality for over 25 years. I've written two cookery books on seasonal Cumbrian food and presented 4 series of *Home Grown* on ITV Border. For over 20 years, I organised the 'Mawbray Entertainers' and produced the village's annual pantomime.

**Jo Leeds – Social Media** I am a teacher with a former legal background who is used to communicating with people from all walks of life. I have an inquisitive mind, tend to think outside the box and I am handy with a paint brush

#### **Dave Talosi (Todd)**

I worked in the manufacturing industry most of my working life (Case International Harvesters and Bridon Wire). I packed in two years ago and moved to Mawbray after buying a house here the year before. At the moment I do any gardening work plus any odd jobs for people. I also grow and sell vegetables. Having the pub in the village was one of the reasons we chose Mawbray as we felt that if it's got a pub it will have a good community spirit.

### Supporting Documents

For further information and support for your investment decision, please go to [www.thelowtherarms.co.uk](http://www.thelowtherarms.co.uk) where you can read and download:

- Business Plan
- LACPL Rules
- Investing in Community Shares (from the Community Shares Unit <http://communityshares.org.uk>)

# Application Procedure

Please ensure you have read the Share Prospectus and Application Procedure, then print and complete the appropriate section of the attached Application Form and return (either scan and email, or post to the address below).

- By completing an Application Form the applicant offers to subscribe, on the Terms and Conditions contained in the Share Offer document, for the value of shares specified, or such lesser number as may be accepted.
- Applicants must be 18 years of age or over and may be required to provide additional evidence of identity to comply with Money Laundering requirements.
- An application may be made as an individual, as a group/syndicate, a business, organisation, or other incorporated or unincorporated body. An application may also be made to buy shares as a gift for someone else.
- Once an application has been submitted and approved it cannot be withdrawn.
- Multiple subscriptions will be admitted providing they do not result in a Member owning more than the maximum 600 shares allowed (value £30,000).
- Applicants can pay for shares by electronic bank transfer (to Lloyds Bank), or cheque:

## EITHER

- **Make an electronic bank transfer** from your online bank account (*with your name as the reference*) to 'Lowther Arms Community Project', Lloyds Bank, Sort Code 30-90-09. Account 54461460

then either (a) **scan and email the completed Application Form to [lacp2019@outlook.com](mailto:lacp2019@outlook.com)** or:  
(b) **take/post the completed Application Form to the address below**

## OR

- **Write out a cheque** for the necessary amount made payable to 'Lowther Arms Community Project' **and take/post with the completed application form to:**

- LACPL SHARE OFFER
  - Goodyhills Farm
    - Mawbray
    - Maryport
  - Cumbria, CA15 6QX
  -
- Email: [lacp2019@outlook.com](mailto:lacp2019@outlook.com)

Please note that:

- All funds will be held in a Lloyds Bank account in the name of Lowther Arms Community Project, separate from any other financial activities, until the share offer is complete.
- Applications on incomplete or inaccurate Applications Forms may not be accepted.
- Results of the Share offer will be published on the above website and all applicants will be informed by email (or tel or post if requested)
- If the share offer is oversubscribed / or LACPL is unable to offer any or all of the shares applied for, LACPL will refund the applicant (the whole or the difference)
- An applicant who receives Shares agrees to be bound by the Rules of the Lowther Arms Community Project Limited. These are available on the above website

This offer closes when the maximum amount is reached.  
The Management Committee reserves the right to extend this offer.

# APPLICATION FORM

To become a Member of, and investor in, the Lowther Arms Community Project Ltd (LACPL)

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## Are you applying:

1. For yourself, as an individual? [Go to Section 1](#)
  2. On behalf of a group or syndicate of up to 10 people? [Go to Section 2](#)
  3. On behalf of a business, organisation, or other incorporated or unincorporated body? [Go to Section 3](#)
  4. To buy shares as a gift for someone else? [Go to Section 4](#)
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## Section 1 - INDIVIDUAL

I wish to become an individual Member of LACPL. In accordance with the Rules of the Society, I apply for Shares to the value of £ ..... (multiples of £50; minimum £100, maximum £30,000)

First Name: ..... Last name .....

Address: ..... Postcode .....

Email: ..... Phone No .....

I confirm that I am 18 years or older. I have read the Share Offer document and understand and accept the terms of the Share Offer and Rules of LACPL. I consent to LACPL sending me, at the email address given above, formal notices or documents (or links to the Society's website) and information relating to the purchase and opening of the Lowther Arms.

- Payment** (choose one)  I have paid via electronic bank transfer (Lloyds. Sort Code 30 90 09. a/c 54461460) and put my name as the reference.
- I enclose a cheque made payable to 'Lowther Arms Community Project'

Signed ..... Date .....

Data Protection: The data provided by you will be stored on a hard copy and an electronic database. The data will be used for the Lowther Arms Community Project Ltd purposes and will not be disclosed to any third party.

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## Section 2 – GROUP / SYNDICATE

I wish to become the Individual Member of LACPL as the representative of up to nine others. In accordance with the Rules of the Society, I apply for Shares to the value of £ ..... (multiples of £50; minimum £100, maximum £30,000)

First Name: ..... Last name .....

Address: ..... Postcode .....

Email: ..... Phone No .....

I confirm that I am 18 years or older. I have read the Share Offer document and understand and accept the terms of the Share Offer and Rules of LACPL. I consent to LACPL sending me, at the email address given above, formal notices or documents (or links to the Society's website) and information relating to the purchase and opening of the Lowther Arms.

The name of the other people in my group/syndicate are (maximum nine others)

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- Payment** (choose one)  I have paid via electronic bank transfer (Lloyds. Sort Code 30 90 09. a/c 54461460) and put my name as the reference
- I enclose a cheque made payable to 'Lowther Arms Community Project'

Signed ..... Date .....

Data Protection: The data provided by you will be stored on a hard copy and an electronic database. The data will be used for the Lowther Arms Community Project Ltd purposes and will not be disclosed to any third party.

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### Section 3 – BUSINESS, ORGANISATION, OR OTHER INCORPORATED OR UNINCORPORATED BODY

We wish to become a Member of LACPL. In accordance with the Rules of the Society, we apply for Shares to the value of £ ..... (multiples of £50; minimum £100, maximum £30,000)

Organisation ..... Company Registration Number.....  
Incorporated/Unincorporated (delete as appropriate)

First Name: ..... Last name .....

Address: ..... Postcode .....

Email: ..... Phone No .....

I understand that, as a representative of an incorporated or a nominee of an unincorporated organisation (whichever is appropriate), LACPL will require confirmation in writing of my appointment in due course.

I confirm that I am 18 years or older. I have read the Share Offer document and on behalf of my organisation, understand and accept the terms of the Share Offer and Rules of LACPL. I consent to LACPL sending me, at the email address given above, formal notices or documents (or links to the Society's website) and information relating to the purchase and opening of the Lowther Arms.

**Payment** (choose one)  I have paid via electronic bank transfer (Lloyds. Sort Code 30 90 09. a/c 54461460) and put my name as the reference  
 I enclose a cheque made payable to 'Lowther Arms Community Project'

Signed ..... Date .....

Data Protection: The data provided by you will be stored on a hard copy and an electronic database. The data will be used for the Lowther Arms Community Project Ltd purposes and will not be disclosed to any third party.

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### Section 4 - BUYING SHARES as a GIFT FOR SOMEONE ELSE

I am applying for shares to give as a gift to one or more people. I will provide the giftee's details to LACPL before they issue Share Certificates (LACPL will ask you for the details when the offer closes). In accordance with the Rules of the Society, I apply for Shares to the value of £ ..... (multiples of £50; minimum £100, maximum £30,000)

My details are:

First Name: ..... Last name .....

Address: ..... Postcode .....

Email: ..... Phone No .....

I confirm that I am 18 years or older. I have read the Share Offer document and understand and accept the terms of the Share Offer and Rules of LACPL. I consent to LACPL sending me, at the email address given above, formal notices or documents (or links to the Society's website) and information relating to the purchase and opening of the Lowther Arms.

**Payment** (choose one)  I have paid via electronic bank transfer (Lloyds. Sort Code 30 90 09. a/c 54461460) and put my name as the reference  
 I enclose a cheque made payable to 'Lowther Arms Community Project'

Signed ..... Date .....

Data Protection: The data provided by you will be stored on a hard copy and an electronic database. The data will be used for the Lowther Arms Community Project Ltd purposes and will not be disclosed to any third party.



Be part of our journey

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



The Lowther Arms Community Project Limited is a Community Benefit Society registered with the FCA under the Co-operative and Community Benefit Societies Act 2014, Registration No 8149. A member of the Plunkett Foundation.  
[www.thelowtherarms.co.uk](http://www.thelowtherarms.co.uk) Registered Office: Goodyhills Farm, Mawbray < Maryport, Cumbria, CA15 6QX Tel 01900 881441