



LIONSHARE

COMMUNITY SHARES PROSPECTUS

Your chance to (co) own a craft brewery!



NEW LION BREWERY
INVEST NOW WWW.CROWDFUNDER.CO.UK/LIONSHARE

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Offer Summary

New Lion Brewery are undertaking a share issue to raise capital to develop their expanded brewery and venue space at Webbers Yard, Dartington.

Opening date: 28th September 2019

Closing date: 4th November 2019

The board of the society may choose to extend the period of the share offer by up to four weeks if they believe that by doing so they increase the chances of reaching the maximum target

- Minimum target to be raised: £35,000
- Optimum target to be raised: £215,000
- Maximum target to be raised: £330,000
- Minimum share subscription per person: £75
- Maximum share subscription per person: £40,000
- Maximum share subscription per organisation: £100,000
- Interest of 3% paid in cash or 4% paid in beer annually from March 2021 onwards
- Withdrawal aspiration of 10% withdrawal from March 2024 onwards

Community Shares



Community
Shares
STANDARD

WHAT ARE COMMUNITY SHARES?

Community shares are withdrawable shares that cannot be sold, traded or transferred between Members, unlike shares in a typical company. All Members are entitled to one vote – regardless of how many shares they hold.

Members will be paid interest on their shares if the Board believe it would be sensible to do so, and can also withdraw their shareholding, along with any interest accrued, again subject to the approval of the board.

COMMUNITY SHARES ARE FULLY AT RISK

You could lose some or all of the money you subscribe. You have no right to compensation from the Financial Services Compensation Scheme, nor any right of complaint to the Financial Ombudsman Service. Please don't invest any money you can't afford to lose.



The Vision

This prospectus is our invitation to you to become an owner of New Lion Brewery and to help us create one of the very first community-owned breweries in Britain.

For the last 5 years we have built a strong identity, one rooted in the community of Totnes and Dartington, its local entrepreneurs and its produce. We have won multiple awards, and are gaining a national recognition as brewers of something really rather remarkable. But if you've drunk our beers, you don't need us to tell you that. Now we are asking for your help to step up to the next level.

We've long outgrown our base on Station Road and so when the opportunity came up to move to Webber's Yard next to our friends at the Almond Thief Bakery, we couldn't turn that down. It's given us the space to dream, and to create something wonderful.

Pictured above: New Lion Brewery and Almond Thief staff and directors celebrating the launch of 'LionShare'

We dream of modelling a new approach to financially rewarding our investors, by paying you an interest return on your investment, either in cash or, more generously, in beer. We were inspired by the wonderful Handmade Bakery in Slaithwaite, Yorkshire, who pay investors with a 'bread bond'. As an investor there will be three ways you could claim your interest:

- In cash, paid annually, at 3%
- In beer, as and when you choose, at 4%
- Or, if you're feeling community-minded and want to help further our community impact, to forego your 3% interest and instead transfer it into a pot that will allow us to fund innovative community projects including the planting, throughout Dartington and Totnes, of trees and shrubs that will grow crops that we will use in brewing, such as chuckleberries, cherries, elderflowers, sweet chestnuts and more. If you choose this, we will keep you informed of projects and invite you to get involved too.

We dream of being a brewery that takes its responsibility to the planet very seriously, that aims to be a force for good. This crowdfunder will enable us, through the use of a combination of air source heat pumps, solar power and buying renewable energy, to hugely cut the carbon footprint of the brewing process. We want to reduce the distance our ingredients travel, and are committed to using local ingredients where possible, and to adding to the biodiversity of the land around the brewery. It will also enable us to move to canning, which has a lower carbon footprint than using glass bottles.

We dream of having a beautiful and expanded brewery which, when not being used to brew ever-more delicious and extraordinary beers, is a Brewery Tap, a music venue, a space for art classes and performance, and many more things that you will help us dream of.

We dream of becoming a business owned by its members, who help shape it, help it grow and deepen its roots into this place, help it become a real driver for good change in the local community, and help to tell the story of the economic regeneration of Totnes and Dartington to the world. Community ownership was our dream from day one, we are so thrilled to now be able to make it a reality by transforming into a Community Benefit Society.

We dream that perhaps, in 3 years, we might win a joint BBC Good Food Award with The Almond Thief, in recognition of our exploration of the symbioses that become possible when a bakery and a brewery co-exist under one roof. Beer made from surplus bread. Bread made with beer. Biscuits made using roasted spent grains from the brewery. All manner of remarkable things done with yeast. Beers and breads made using wheat from fields within a stone's throw of the building and under the same roof. Beers created using spontaneous fermentation using just the wild yeasts in the Dartington air, creating beers that could, literally, not be created anywhere else.

This is your opportunity to help us make these dreams a reality. If you've tried our beers, then the idea that we can create amazing things from simple ingredients will not be news to you. We'd love you to join us on the journey to take this to another level.



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The Pride Of Totnes

OUR STORY SO FAR

The first commercially available pint from New Lion Brewery was poured on New Year's Eve 2013 following our initial showcase launch on 23 November 2013 (hence our 'Back since 2013' tag line). This venture sprung into being through the convergence of two groups who had been working independently towards establishing a brewery in Totnes.

Rob and Kathy Alexander, landlords at the Bay Horse Inn, had previously bought the building on South Street that had housed the original Lion Brewery, which was a major brewer in Totnes until 1921, and they felt it was time to bring the Lion back. Joining forces with another group with roots in the town's Transition Town movement, who had been exploring the role a brewery might play in the town's economic regeneration, they united around founding principles of sustainability, community, profitability and innovation. With the subsequent addition of some like-minded foundation investors, the New Lion Brewery was born...

Under the steady hand of our first Head Brewer, Matt Henney, New Lion rapidly developed a large following for our three core beers, Totnes Stout, Mane Event and particularly for our ever-popular Pandit. Our Friday and Saturday evening pop-up Taprooms have become increasingly popular, drawing drinkers from further and further afield. We have hosted gigs during the Sea Change Festival, a particular highlight being when Ryley Walker played to a packed brewery, an event for which we brewed a rye beer called 'Ryeley Walker'.

Our 'White Label Series', of short-run releases of more experimental beers have become an essential part of what we do, which also enable our brewers to keep experimenting and innovating. Highlights of the series so far include D.I.B.S., an occasional release created in association with the Devon Independent Bottle Shops (hence the name), who come in and help brew it.

Other standouts include our popular Chuckleberry Sour, brewed using chuckleberries from Dame Hannah's at Seale Hayne near Newton Abbot, our Ultimate Triumvirate (a saison made with cider yeast which is aged in wine barrels from the nearby Sharpham Vineyard), Local Hero, brewed with hops grown in and around Totnes by our Hop Club, and The Barrel Thief, a barley wine brewed using surplus bread from the Almond Thief. And we once made a stout flavoured with oyster mushrooms grown by local social enterprise 'GroCycle', using our spend grains, mixed with coffee grounds, as the growing medium. It's a beer people still talk about. We called it 'the Circular Economy in a glass'.

Every year on our birthday we release a new addition to our 'Cellar Series', a collection of stronger beers which, like wine, can be laid down for many years and which improve with age. Releases so far include a Russian Imperial Stout, a Quadrupel, a Barley Wine and, most recently, a Baltic Porter. Every year half of the bottles are released, so with time they become increasingly rare (and delicious).

We also do Community Brews, which honour or mark what we see as being particularly important developments in the town, so releases have included beers which draw attention to community campaigns, such as our Brimhay Beer, which brought together all the four local breweries in opposition to the redevelopment of Brimhay in Dartington, or our Totnes Pound IPA, brewed to mark the release of the new Totnes Pounds, or our Atmos Ale, in support of the Atmos Totnes project.

For us, every beer we create is an opportunity to tell a story about what our community is, and what it could become. Now under the calm hand of our new Head Brewer, Jac Ziegler, aided by Josh, Sam and Ed, we look forward to building on the dynamic foundations we have laid thus far.

Photo Credit: Kirsty Burge



About The Society

NEW LION BREWERY LIMITED

New Lion Brewery is the trading name of The New Lion Brewery Limited, a Community Benefit Society registered on 26th August 2019 under the Co-operative and Community Benefit Societies Act with the Financial Conduct Authority (registration number 8177).

The society was created by the conversion of the company which has run the brewery since 2013, Lion Craft Brewery Ltd, which was a company with the registration number 08461567.

The registered address is:
Unit 2, Webber's Yard, Dartington,
Devon TQ9 6JY.

By subscribing for shares issued by the society in this share offer you will become a member and co-owner of the society and its assets. Our rules and other supporting documents are available on our website:

www.newlionbrewery.co.uk

robhopkins@newlionbrewery.co.uk

The Power of Collaboration

Since its inception, New Lion Brewery has sought to collaborate and partner as much as possible with local organisations and producers, as well as with other brewers of distinction. In our new home we will make this even more of a cornerstone of our approach. Collaborations thus far have included:

BREWERIES

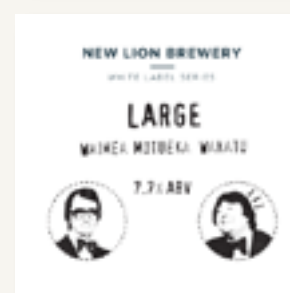
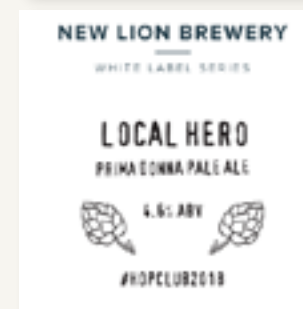
- Deya
- Wild Weather Ales
- Roam Brewing
- Totnes Brewing Co
- Barnaby's Brewhouse
- Bridgetown Brewery
- Tinker's Brewery (*home brewery*)

OTHER BUSINESSES AND ORGANISATIONS

- Find and Foster (*cider maker*)
- Sharpham Vineyard (*wine barrels*)
- Dame Hannah Trust (*who grew the chuckleberries for our 'Chuckleberry Sour'*)
- Generating Steam Heat (*local radio show and DJ night*)
- Devonshire Tea (*tea*)
- Littlestone Coffee Roasters (*coffee*)
- Grown in Totnes (*wheat and oats*)
- The Cove (*pub*)
- Maltings Taphouse (*pub*)
- The Almond Thief (*bread*)
- Wild and Curious (*foraged plants and wild fruits*)
- South Devon Chilli Farm (*peppers*)
- Vessel (*bottle shop*)
- Hops and Crafts (*bottle shop*)
- Ryley Walker (*musician*)
- British Sea Power (*band*)
- Teign Cellars (*pub*)
- Transition Town Totnes (*special beer to celebrate their 10th anniversary*)
- Black Bee Coombe (*honey*)
- GrowCycle (*mushrooms*)

PLANNED FUTURE COLLABS

- Schumacher College (*surplus bread*)
- Greta Cottage (*DJ*)
- Dark Farm (*local hop growers*)
- Woodman's Ales (*brewery*)
- Stannary (*brewery*)



Our Hop Club

As part of our commitment to working with our local community, in 2016 we started the New Lion Hop Club. It now has 70 members who grow Primadonna hops in their back gardens, allotments or on their balconies, and harvest them on the second Saturday in September and bring them into the brewery.

We then brew our very popular 'Local Hero' ale, every grower then being invited to an evening where we put a cask of it on, and everyone gets a couple of bottles. Our total harvest for 2018 was 15kg. We plan to expand the Hop Club in 2020. Here are some of our heroic growers bringing in the harvest, whether it's enough to half fill a teacup, or a large sack:



The Bigger Picture

We see what we do with our small but wonderful brewery as being part of a bigger story. In response to the deeply challenging and difficult times we live in, all over the world people are responding with imagination, creativity and determination, coming together to build new local economies which better meet the needs of local people.

They are seeking new ways to create work for local people, opportunities for people to invest into their own communities rather than into the banks that are responsible for so much of what's going wrong in the world, and creating spaces in which people can come together to socialise and connect.

In this context, when you invest in New Lion Brewery you can be sure that:

- We will never sell our beers through major supermarkets
- We will never be floated on the stock exchange
- Big decisions about the future of the Brewery will be made by you, the members, on a one-person, one-vote basis
- The New Lion Brewery can only ever be sold if the overwhelming majority of you, our owners, vote to make it so
- We will continue to celebrate Totnes and Dartington in all that we do
- We will always support our local innovators and entrepreneurs

INVEST NOW

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What's The Money For?

We've recently moved into new premises at Webber's Yard in Dartington village. The Almond Thief opened their unit in 2014, and their amazing bread, delicious pastries and thriving café have really put Dartington on the map as a place to go. It is often so packed that the queues reach out into the yard.

We're in the process of moving into the same building, and when we're all set up, the space will be designed so as to make it possible for us to co-host evening events where the Almond Thief serve food and we serve beer.

We want our new home to be sustainable, showing that the way in which we all need to live to manage our existence on the single planet we call home isn't something to be scared of, but something rather exciting. The more we raise, the more we can do.

SHARE ISSUE TARGET	MINIMUM £35,000	OPTIMUM £215,000	MAXIMUM £330,000
REFURBISHMENT			
Mezzanine floor	£12,000	£12,000	£12,000
Resin floor	£10,000	£10,000	£10,000
Drainage gullies	£2,000	£2,000	£2,000
Painting and decorating	-	£2,000	£2,000
Plumbing, electric, lighting	£2,000	£4,000	£4,000
New bar	-	£5,000	£5,000
Seating and tables	-	£4,000	£4,000
Interior design and branding	-	£4,500	£4,500
	£26,000	£43,500	£43,500
EQUIPMENT			
New fermenters	-	14,000	21,000
Labelling machine and bottle filler (or canning)	-	6,400	6,400
New pipework and hoses	£2,300	£2,300	£2,300
Solar panels	-	12,000	12,000
	£2,300	£34,700	£41,700
Additional Staff		£27,500	£55,000
IT	£2,000	£2,000	£2,000
Outstanding Debt Repayment		£100,000	£170,140
	£30,300	£207,700	£312,340

Rewards for Investors

Not that you need any encouragement, but we are offering a number of rewards to investors to show our thanks to you for getting involved and being part of this journey.

In order to save on the carbon impacts of sending things long distance, the physical gifts will only be available to investors within the UK (although if coming from further afield, you're always welcome to come and pick them up!):

INVEST OVER £75 AND... thank you for believing in us! We will invite you to our grand opening night and buy you a free pint.

INVEST OVER £250 AND... we'll give you a special once-off LionShare glass, all of the above, and 3 pints when we open, and a 'LionShare Hero' t-shirt, and one year's membership of the Brewery which gets you 10% off everything.

INVEST OVER £500 AND... you'll get all of the above, plus Social Investment Tax Relief on any amount you invest from here up to £100,000, of 30%. So whatever you invest, you'll be able to claim back 30% of it on your tax bill (see 'SITR' below).

INVEST OVER £1,500 AND... we'll give you all of the above plus the opportunity to have your name, or the name of a loved one, on a bespoke 'LionShare Heroes' section on the front of our new bar, on a handmade clay tile.

INVEST OVER £2,500 AND... all of the above, plus you can dedicate a handmade bench or table, made by our nearby LandWorks, a charity that works to rehabilitate prisoners through land-based activities, which will be a permanent feature in our Tap Room. The name of your choice will be beautifully burnt onto the wood.

INVEST OVER £5,000 AND... all of the above, plus the opportunity to name one of the beers that will be on the bar at our star-studded launch night, as well as helping to design your perfect beer and to pour the first pint, and a lifetime membership of the Brewery.

INVEST OVER £10,000 AND... you'll get all of the above, plus our undying love, plus a guaranteed place in local history for having enabled something so wonderful. But only one vote. That bit's really important.

Meet the Team

DIRECTORS



Rob Hopkins *

is the award-winning co-founder of the Transition Network, about which he regularly lectures and writes. He represents the bigger picture of economic regeneration and has authored many popular books about local resilience. Rob and the Transition Network were among NESTA and The Observer's list of 'Britain's 50 New Radicals'. His forward thinking brings a sense of the local community and REconomy (and his taste in beer isn't bad, either). He just published a new book called 'From What Is to What If'.



Mat Henney

has been a part of New Lion Brewery from the very first pint, joining as the First Head Brewer he helped to shape the Brewery's beers, brand and culture. With the support of New Lion Brewery Mat completed the gruelling Master Brewer qualification in 2018 and now puts that to good use offering technical support to Brewers in the South. Mat is a serial collector of beer and records, and recently swapped rugby for the more serene pastime of free diving which he undertakes when not chasing his young son William along the beach.



Josh Howe *

lives in New York, but manages most of the Brewery's financial affairs from there. He has a long background in software development and has worked for the last 13 years in financial services, specifically in investment accounting and systems integration. In his own time, he enjoys tinkering with electronics, "sailing the stupid boat I own with a friend", playing tennis, training his new puppy, and participating in the NYC/East Coast craft beer scene.

The current board will be in place until the first AGM as a community-owned brewery which will be sometime in late 2020.

At that point, any member can stand for the board in elections all members have one vote in, regardless of how much they have invested. We're embarrassed at the fact that the board is a bunch of middle-aged white men we really hope the elections will enable us to have the kind of board we want in order to be representative of our community.

**Rob and Josh are Founding Directors who will remain as Directors for 5 years before they have to stand for re-election.*

BREWERY TEAM



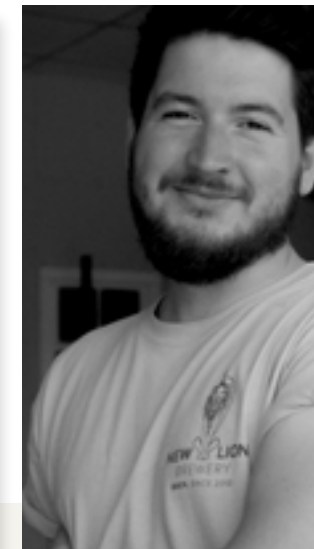
Jacek Ziegler

is Head Brewer at New Lion Brewery. He has been passionate about beer for almost two decades. His university degree in food technology helped a lot in getting into brewing science. Working with former Head Brewer Mat Henney and benefiting from his experience was a massive step forward. He is always focused on the quality of the beers he produces and keen to explore the unknown.



Martin 'Ed' Edmunds

is our 'no-nonsense' accounts manager. If you order beer you'll probably end up speaking to Ed. In the rest of his life he works at Earthwrights and is one of the driving forces behind the Generating Steam Heat radio show and DJ nights. He takes no prisoners.



Sam Jones

is the latest edition to the team and joined us eager to learn to brew in a developing and excellent craft brewery (that's us). He formerly worked at the Cove Craft Beer Bar at Hope Cove.



Josh Pitts

joined New Lion in August 2016 after spending 2 and a half years in a craft beer bar in Newton Abbot. There he grew a real passion towards craft beer and decided to expand that by joining us here to create some of our own. When not at work he spends time with his wife, Cat and daughter, Evie, is often on the beach surfing or in the woods cycling.

Community Shares In Detail

This is a community share issue, which is a much snappier name for what they are legally-described as ‘withdrawable shares in a community benefit society’. Unlike shares in companies, you’ll not get a dividend nor will you be able to sell them to someone else.

We pay interest on shares annually starting in the second year after the investment and each year, the Board will decide how much interest to pay.

Interest is capped in our rules to the maximum required to enable us to attract the capital. We intend for it to be 3% in cash or 4% in beer, but this could be lower (and possibly not offered at all) if trading isn’t as strong.

You can get your money back by asking to withdraw it (hence withdrawable shares). Each year, the Board will let every member know how much money is available to enable withdrawals and will ask who wants their money back. We’ll allow withdrawals on a pro-rata basis, so if there was £10,000 available to withdraw and we received requests totalling £50,000, everyone would get 20% of what they had requested.

Interest can be funded before tax as a cost to the business, but the board can only fund withdrawals out of either post-tax surpluses so how well we trade is the single most important factor behind whether we can offer a return of and on the capital you invest. (We can also fund withdrawals from new investment from existing or new members, but we don’t plan on doing that for a few years).

So, the best way to get your money back is to continue to support the brewery and crucially, persuade other people to support us too. That’s the real secret of co-operative ownership – we make the rewards of our success something we can share with the people who matter the most to us.

Community Shares Standard Mark



Community
Shares
STANDARD

- The Community Shares Standard Mark is awarded by the Community Shares Unit. To receive Standard Mark a society must comply with eight nationally recognized Community Shares Standards of good practice. For further details see www.communityshares.org.uk/standards.
- Any money you invest in community shares is fully at risk, and that you could lose some or all your money if the society gets into financial difficulties.
- Community share offers are exempt from, or outside the scope of, statutory regulations that apply to the public offer of shares and other financial promotions. Applicants have no recourse to the Financial Services Compensation Scheme, or the Financial Ombudsman Service.
- However, you do have the right of complaint to the Community Shares Unit if the share offer has been awarded the Standard Mark. The Community Shares Unit will investigate all complaints and participating societies have agreed to act upon the decisions of the Unit, according to a process laid out in the code of practice for societies.
- Further details about the Community Shares Unit, the Community Shares Standard Mark, the code of practice and the complaints procedure can be obtained from www.communityshares.org.uk

SITR

TAX RELIEF

This share offer has Advance Assurance from HMRC that it qualifies for Social Investment Tax Relief. That means investors will be able to claim the following tax relief on the value of their investment:

- 30% of their income tax liability for the current or previous tax year (you choose which one to claim it against)
- 30% relief of Capital Gains Tax due on other investments which are used to invest into the share issue
- So, if you invested £500, you would be eligible to reduce your tax bill by £150. If you used a capital gain to make the investment, you’d also reduce your capital gain tax liability on it from £140 to £98, giving a combined tax benefit of £192, equivalent to 38% of the investment value.

In order to benefit from the relief, you must be a UK income and/or capital gains tax payer with tax due to pay equal or greater than the amount of relief you’re seeking.

We would be likely to apply for the tax relief certificates in December and so each investor should get them in the current tax year, but the tax relief will be able to be given to which year you choose from either the year the investment was made, or the previous tax year.

If you pay tax via PAYE, you send the certificate to the tax office that process your employer’s payroll tax collection, and if you do self-assessment, you claim the relief when completing your tax return (unless you want to backdate it for a tax year you’ve already filed a return for, in which case you have to contact HMRC directly).

We cannot give tax advice, and can only vouch that the investment is a valid investment for tax relief. Anyone considering investing with tax relief in mind should contact a financial advisor to establish whether they themselves would be eligible.



Finances

CURRENT POSITION

In the last financial year (01/07/2018- 30/06/2019) New Lion Brewery made a loss of £8,334 on a turnover of £185,265, after a small profit the previous year.

The set-up of New Lion Brewery was funded through Director's Loans. The total value of the Director's Loans to the company stood at £220,134, owed to Josh Howe. £100,000 of this was converted into withdrawal shares in the society owned by Josh. If we hit our optimum or above, some of the cash raised will be used to repay some of these Director's loans, with the remainder repaid when trading surpluses allow. These loans have, and will remain interest-free.

The company holds no other debt.

Future Finances

We have made four-year financial forecasts for each of the three share offer scenarios (Target, Maximum and Minimum).

SCENARIO 1: TARGET SHARE ISSUE - £215,000

The business objective underpinning this share issue is to make New Lion Brewery a profitable high quality, low volume craft brewery that plays an active part in a regenerative local economy.

Revenue growth will be achieved in two main ways:

1. Increasing production from 70,000 litres to 100,000 litres per year by year 4 (2022/23);
2. Increasing the percentage of retail sales made direct to our beer lovers, currently 25% by volume, to 50% of sales by volume by Year 4.

Our beer will be available at the same outlets as now, and trade sales volume will remain steady throughout the business plan. The increased production volumes will be matched by increased direct retail sales through our membership program and improved tap room and event space. Focusing on retail sales means we will build a closer relationship with our customers, offering them great value for our innovative beers, while also achieving a higher margin than is possible from trade sales.

Headlines

- Return to profit in Year 3 (2021/22)
- Pay interest on shares of 1%* years for Years 1 and 2
- Pay interest on shares of 3%* years from Year 3
- Able to enable withdrawal (like buying back from you) 15% of shares per year from Year 4 (2022/23)
- Debt-free by Year 5 (2023/24)
- Percent interest if received in cash. A greater percentage will be offered payable in beer.

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PROFIT AND LOSS FORECAST

	YEAR 1 1/7/19 - 30/6/20	YEAR 2 1/7/20 - 30/6/21	YEAR 3 1/7/21 - 30/6/22	YEAR 4 1/7/22 - 30/6/23
Trading income	£204,357	£251,166	£303,526	£358,204
Cost of sales	-£92,342	-£110,013	-£129,219	-£149,067
Gross profit	£112,015	£141,153	£174,307	£209,137
Overheads	£165,964	£158,493	£162,532	165,783
Operating Profit	-£53,949	-£17,340	£11,775	£43,354
Financing costs	-£3,000	-£9,450	-£9,644	-£9,843
NET PROFIT	-£56,949	-£26,790	£2,131	£33,512

CASH FLOW FORECAST

	YEAR 1 1/7/19 - 30/6/20	YEAR 2 1/7/20 - 30/6/21	YEAR 3 1/7/21 - 30/6/22	YEAR 4 1/7/22 - 30/6/23
Opening cash	£0	£10,491	£4,857	£28,673
Net cash flow from operating activities	-£36,309	-£5,634	£23,816	£55,739
Loan repayments	-£90,000	-	-	-
Share Investments	£215,000	-	-	-
Capital expenditure	-£78,200	-	-	-
CLOSING CASH AND BANK BALANCE	£10,491	£4,857	£28,673	£84,412

THE FINANCIAL FORECASTS INCLUDE THE FOLLOWING ASSUMPTIONS:

- Annual cost inflation of 2.5%
- Annual salary rise of 3%
- Annual training budget of 1% of salaries
- Pension costs of 3% of salaries

SCENARIO 2: MAXIMUM SHARE OFFER - £330,000

Reaching the maximum limit of the share offer of £330,000 would mean that, in addition to reaching the target amount, we will immediately pay-off existing debt, employ another full-time member of staff and purchase an additional fermenter. We will have increased capacity to brew a greater variety of craft beers, additional skills to promote our products and build customer relationships, as well as have a stronger balance sheet.

Under this scenario the headlines from the forecasts, with the additional expenditures, are similar to the target headlines above: Return to profit in Year 3; interest on shares of 1% for the first two years and 3% from Year 3 onwards; Ability to buy back 10% of shares per year from Year 4.

SCENARIO 3: MINIMUM SHARE OFFER - £35,000

Reaching only the minimum for the share offer will largely mean business as usual – continuing current levels of production, mainly of our existing core beers. We will have sufficient funds to renovate the new premises in Dartington, but not to create and operate a regular bar and event space. In short, it will keep New Lion Brewery up and running, but will not reaching its full potential of an exciting and innovative craft brewery.

In this scenario we forecast becoming profitable in Year 2 (2020/21), able to pay interest on shares from Year 1, and with the ability to buy-back 15% of shares per year from Year 2 (provided you haven't received tax relief; year 4 if you have). However profit levels would remain low, making it hard for New Lion to develop further, nor to financially support the community in a significant way.



Governance

The ultimate decision-making authority in the co-operative is the General Meeting of all members, but on day-to-day issues, decisions are made by the Board.

The founder members of the brewery will remain as Directors for the first 5 years, and they'll be joined by people elected by and from the investors in this share offer (ie, you!) at the first AGM of the society, due to be held by the end of February 2021.

At the AGMs, you'll be able to help us set the strategy for the business, bringing your perspective of people who love our beer (and other beer!) to bear on our decision-making, up to an including standing for and being elected to our board of Directors. We'll also be communicating with you regularly for your views from ideas for new brews through to ideas for partnerships and how we can improve the experience for customers at the brewery. Investors will also have an incentive to help us grow the business by recommending us to their friends, or letting us know where there might be new sales opportunities for our beers since the better we do as a brewery, the more likely we will be to enable investors to get paid their regular interest and get their money back over time.

Risks

As a trading business already, we've proven that the brewery can brew great beer and has a passionate following. We've already made quite a few mistakes that all start-up businesses makes, and we've survived them and come out the other side more knowledgeable. We also know the UK market for craft beer is going through the roof, so it's a good time to be taking these steps to grow the business.

So, the risks for us in the future we see as primarily flowing from the new site not being as popular as we hope. We don't think this is likely for three reasons. Firstly, craft breweries across the UK are opening up on industrial estates and showing that people will travel from pretty far to come and visit them. You don't need a town centre location to make a site work. Secondly, the Almond Thief are showing that Webber's Yard is a good base for their bakery and the location doesn't put people off. Finally, if it turns out we're wrong, all we have is a lease we pay rent on; the equipment we'll buy to be able to be open to the public more can be sold on and we're just left in a bigger brewing space which we need anyway to meet the demand we know if there for our beer.

Then, the other risk is that actually, our expectation of the likely demand for our beer is greater than it really is and obviously, that wouldn't be great for the business. But everything tells us this is really the case. We deliver beer ourselves to our main customers in the local area and they tell us what people think of our beer and how much more of it they could sell if we could brew it. We host nights at Station Road where people can't stop telling us how much they love our beer, and have been doing so for years. Ultimately we think you know it yourself, or else you wouldn't be reading this.

FAQ

How can I invest?

To invest go to www.crowdfunder.co.uk/lionshare where you can invest using a credit or debit card.

Money will be taken from you by the site, and will be held until the share offer closes successfully, where it will be passed to us, or if the share issue does not succeed, then all money will be returned to you, usually within one week of the offer closing.

Who can invest?

Anyone over the age of 16 can invest (but only people aged 18 or above can serve as directors).

What is the minimum and maximum investment?

The minimum investment is £75. The maximum is £40,000 (£100,000 for organisations).

Can I sell my shares?

No. This investment is in withdrawable share capital which cannot be transferred, sold or given to anyone else.

Can organisations and businesses subscribe for Community Shares?

Yes. A representative of that organisation will need to become a member of the society as nominee for their organisation/business.

Can people club together to buy shares?

Yes, but as with organisations, you'll have to nominate a member of your group to be the named shareholder in our share register.

Will I get a Share Certificate?

Everyone who invests will receive a community share certificate.

What about when I die?

You can leave your shares to someone named in your will. If your investment is less than £5,000, you don't have to name them in your will as long as you have told us who you wish them to go to, but if it's over £5,000, the recipient has to be someone named in your will.

Will the Brewery own the site at Webber's Yard?

No. We'll be leasing our space in the building from the site owners, Shinner's Bridge Partnership, who bought it from the Dartington Hall estate earlier this year. The original plans were for Dartington Hall Estate to renovate the Yard ready for the Brewery and other new businesses but they cancelled those plans at short notice, but after we'd given notice to our current landlords at the building on Station Road. In order to keep the project moving, a Director of the brewery, Rob Hopkins, provided some of the finance for the Partnership to buy the building, alongside his wife and the other partners (who are the owners of the Almond Thief and Forest and Co.). The rent the Brewery pays is a fair market rent.

Who are the debts owed to?

The initial capital to grow the brewery was invested by Ann Monroe and her son Josh Howe, who lent us the money because they were as passionate about the brewery as everyone else, but were lucky enough to be a little bit more able to support us. As things stand, they're owed £220,000 but those are 'soft loans' for which there's no interest paid on them, and no date by which they need to be paid off. £100,000 of the debt will be turned into community shares alongside everyone else, and depending on how successful this share offer is, a further £90,000 might be paid off if we get more than our optimum target of £215,000. Anything left as debt will be repaid as the business starts to grow over the next few years.

What if the society isn't financially successful enough to survive?

If we did become insolvent, the ability of investors to recoup the funds they have invested would depend on firstly the value we (or the appointed insolvency practitioners) could get for the assets of the society and secondly, the value of our debts at that point.

In the event of our insolvency or orderly winding-up, the proceeds from the sale of those assets and our cash would firstly pay off all our creditors, and if there were any funds left at that point, would be used to pay back shareholders as much of their investment as they have outstanding as possible, on a pro-rata basis.

As we are a society with a statutory asset lock, should there be any surplus after returning funds to investors this would have to be given to another organisation with similar aims and a similar asset lock. This cannot be changed by members and is enforced by statute law.

What happens if I didn't get all my investment back?

Although we are registered as a society with The Financial Conduct Authority (FCA), the sale of withdrawable shares in the society is not regulated by the FCA. Like many investments, these community shares are at risk and you could lose some or all of the money you invest.

Unlike deposits with high street banks, community shares are not covered by the Financial Services Compensation Scheme, nor is there any right of complaint to the Financial Ombudsman Service. If you are considering investing a significant amount then you may wish to seek independent financial advice before doing so.

Investors who have claimed tax relief would also eligible to claim loss relief against their tax liability for the difference between what they invested less any tax relief already claimed and what was returned to them.

What will you do with my personal details and data?

Your personal details as submitted on the application form will be held by the society and used in accordance with the provisions of the rules and of the 2014 Co-operative and Community Benefit Societies Act. Only members can inspect the members' register and view members' names and addresses (but not how much they have invested) but the society will not share, sell or provide my details to any other individual or organisation and will ensure compliance with the GDPR regulation in accordance with its responsibility as a data controller.

Can shares increase in value?

Shares cannot rise in value, so there will never be a capital gain. They may be reduced in value if our auditors instruct us to do so if they believe that the value of our assets has fallen.

Can my investment be gift aided?

No, because we aren't a charity.

Our Awards

We brew great beers. Don't take our word for it. Here are the awards we've won over the last few years.



SMOKESTACK LIGHTNING
6.8% ABV

SIBA

2018 Bronze. Regional - SW
2017 Gold. Regional - SW

FRUIT SOUR 5.5% ABV

SIBA

2019 Gold. Regional - SW

TOTNES STOUT 4.4% ABV

SIBA

2019 Gold. Regional - SW
2017 Gold. National
2016 Gold. Regional - SW

Food & Drink Devon

2018 Gold
2017 Silver
2016 Silver

MANE EVENT 3.8% ABV

Food & Drink Devon

2018 Silver
2017 Silver
2016 Gold

PANDIT 4.9% ABV

SIBA

2018 Gold. Regional - SW
2017 Silver. National
2017 Gold. Regional - SW

Food & Drink Devon

2017 Silver
2016 Silver

