

THE SPOTTED COW



Holbrook Community Society

Open share offer

www.holbrookcommunitysociety.co.uk

Holbrook Community Society is a Community Benefit Society registered with the FCA (registration number 7446)

ABOUT HOLBROOK Holbrook is a pretty hilltop village close to the edge of the Peak District National Park. It has lovely views over the Derbyshire countryside. Village history is steeped in Roman times, as evidenced by the finding of two Roman kilns discovered in the village in the 1960s, and the ancient Roman Portway which runs through Holbrook. Holbrook is ideal for exploring the Derbyshire area and is situated close to Belper which is a World Heritage site. Holbrook also has an industrial past; it has a heritage of stocking manufacture and there are many examples of stocking framework cottages in the village, one such cottage, which is a listed building is accessed through The Spotted Cow car park.

ABOUT THE PAST: the pub and café are housed in a building which dates back to 1604, it stands in the centre of the conservation area of Holbrook. The Spotted Cow was first listed as an ale house in the 1861 census then owned by James Sheldon, listed as “beer retailer and carpenter”, back when people ran a pub and had a job! The pub has been a focal point for village life for over 150 years. Unfortunately, the pub was closed by the Amber Valley Borough Council in 2014. It was bought by a property developer in February 2016 and August of that year a planning application was submitted to convert the pub into a residential dwelling. Local residents fought the planning application with a proposal to take the pub into community ownership. The refusal of the planning application in November 2016 gave the community a chance to bid on the pub and to safeguard its future.

ABOUT THE PURCHASE: The Spotted Cow was listed as an Asset of Community Value (ACV) in August 2016. We held public meetings and sent a questionnaire to every household in the village. The response was overwhelmingly positive and provided us with a mandate to try to create a community owned asset in the heart of the old village to incorporate the pub, a café, bed and breakfast and bid for the post office contract. We wanted to create a community facility owned by the village, run for the good of the village

and providing support to the whole community. The pub was bought for £275000 in April 2017, this was financed by individual investments totalling £193k; an investment of £100k from Big Society Capital through their Crowdmatch fund via the Crowdfunder platform; and a £125k loan from Cooperative & Community Finance: the surplus being used for the renovations. Big Society Capital invested on exactly the same terms as all other investors.

Renovation costs totalled £91k, this could have been so much more if it wasn't for the amazing volunteers who spent hours and hours painting, building, gardening and cleaning. For this money we completely renovated and refitted the premises.

WHAT IS A COMMUNITY SHARE OFFER? Community shares are a new way of raising investment capital from communities. Local people are encouraged to buy shares in the enterprise and become part-owners. As shareholders they are more likely to do everything they can to ensure the success of the business by becoming loyal customers, volunteers and supporters 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 shares offers are made by enterprises registered under the Co-operative and Community Benefit Societies Act 2014. This legal form provides limited liability status, just like company law. But unlike companies, shares in societies are non-speculative and democratic. Holbrook Community Society is a Community Benefit Society and was set up to purchase The Spotted Cow. This society was set up with support from The Plunkett Foundation when the owner notified Amber Valley Borough Council of his intention to sell The Spotted Cow. The founding members set up this Community Benefit Society and the Society is registered with the FCA (registration number 7446). If you buy shares you will become a member of the Society, with an equal vote regardless of your shareholding. Your involvement can be as much or as little as you wish. You can vote at Annual General Meetings, stand for election to the Board of Directors, volunteer skills for any refurbishment work or just give The Spotted Cow your custom.

WHAT IS IN IT FOR ME? This is not just about a pub; this is about preserving the history of our village and investing in the future of Holbrook. We want to ensure The Spotted Cow and The Spotted Calf are run for the good of the village, for us now and for future generations. This share offer is a once in a generation chance to safeguard our local services. This project was never just about saving The Spotted Cow; it is about saving our village post office too. We have submitted our business plan to The Post Office for the Local contract, to run from The Spotted Calf. Both businesses also help the local economy, jointly they provide 16 local jobs. Investing in these businesses is mainly about the social rewards rather than any financial gains (which will always be limited).

HOW DO I BUY SHARES? You need to be over 18 years to invest. Shares are £1 each with a minimum investment of £250. We would prefer you to buy in batches of 250 shares up to a maximum of £50,000. Please fill in the application form at the back of the prospectus and follow the instructions.

WHAT GUARANTEES DO I HAVE WHEN BUYING SHARES? This is a long-term investment for the benefit of the community. Shares cannot go up in value. Therefore if you wish to withdraw shares at any point they can only be withdrawn at face 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 have their original investment returned. 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. 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 of 3%. Interest is paid gross and is taxable. You will be responsible for declaring this income to HMRC.

TAX RELIEF?

Social Investment Tax Relief (SITR) is a government scheme to give investors a financial incentive to invest in social ventures. It works by giving a series of tax reliefs; the most notable in this instance is that an individual whose shareholding qualifies can expect to claim income tax relief at a rate of 30% (provided Shares are held for over 3 years). There are various qualifying criteria for both the relevant entity (in this case Holbrook Community Society) and the individual.

WHAT ARE MY RISKS? 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 who would realise the assets and distribute them to creditors. Effectively, this would mean selling the freehold of The Spotted Cow (on the basis that the pub would be the main asset at the relevant point) and the creditors would be paid from the proceeds. After the payment of the creditors and the costs of the liquidator, then 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. The issue of withdrawable shares, which are not transferable to anyone else but the Society, exempts this document from the requirements of an approved prospectus for the public issue of Company shares. Any money you pay for shares is not safeguarded by any depositor protection or dispute resolution scheme. In particular, you will have no right of complaint to the Financial Ombudsman Service nor any access or entitlement to the Financial Services Compensation Scheme.

CAN I SELL MY SHARES? Shares cannot be sold or transferred to another person, although investors are invited to nominate a person who will inherit their shares in the event of their death. Shares can, however be withdrawn after an initial period of three years. This time period is to ensure the business is guaranteed an initial period of financial stability. After this time you can get your money back, with three months' notice, if you want to cash-in your shares. The directors do have the right to refuse or suspend withdrawals if there is insufficient liquidity in the business and withdrawals are expected to be capped at 10% per year.

HOW IS THE BUSINESS MANAGED? The Society is managed by a management committee of up to 13 members of the Society. They will be accountable to the membership and will report to them via Members Meetings and an AGM. After the first year, all the management committee members will stand down and may be re-elected or replaced by new members.

The Society employs staff to undertake the day to day management of the café. This leaves the management committee to decide on the overall direction of the community hub and they meet regularly to monitor the growth of the business.

We contract out the pub and restaurant to a tenant. The attraction for the tenant is that we support them by keeping the lease payments as low as possible and they benefit directly the more profitable the business is, therefore having every incentive to ensure that this part of the business thrives and grows.

HOW WILL WE USE THE SHARE CAPITAL? This share offer is an opportunity for you to support the continued development of The Spotted Cow and Calf and the local community. Share income will be used in accordance with the Rules of the Society and in line with the business plan, including to fund developments and alterations to the premises and to tackle ongoing repairs. The scope of the work undertaken is dependent on the funds raised.

IS IT A GOOD BUSINESS PROPOSITION? The Society is projected to make a profit from the first year and our cash position is expected to be secure. The accounts from the first three months of trading are available upon request.

Based on the record of The Spotted Cow and Calf so far we believe that this is a good business proposition. However, all commercial activities carry risk and any subscription for Shares is not a loan or a deposit and the rates of return are not guaranteed. We believe this community venture is the best way to safeguard the pub and the post office for the future.

WHO ARE THE MANAGEMENT COMMITTEE OF HOLBROOK COMMUNITY SOCIETY?: Collectively, there is a wealth of business, legal, financial and community experience within the Committee.

Jan Bradshaw

I have lived in Holbrook, on Pond Road, for nearly 40 years and love our village. I was devastated when I learnt that the Spotted Cow was to be partially demolished and become part of a housing development, so I am delighted to have been a member of the present committee working towards re-establishing this iconic pub as an integral part of our village life.

As part of the committee I have worked on soft furnishings, reupholstering the restaurant area chairs and benches and helping with painting and decorating. I also produced and presented the findings of the original village questionnaire.

I would like the opportunity of continuing to support the shareholders of this exciting venture, with particular focus on the café and bed and breakfast, as I have enjoyed being involved in interviewing the staff and setting up the practices and procedures for this part of the business.

Before retiring I taught for 45 years and was a member of the middle management team for the last 15 years of my career, so I have extensive management skills. I also have a wealth of local knowledge which will prove useful as we extend the business.

Simon Bullas

I have supported this project from the beginning and have been a part of the team making decisions so far. I offer a balanced and realistic view of the way forward which will enhance the community and make the most of our lovely pub. I designed and landscaped the gardens during the renovation work, and led a small team to creating the lovely outside space people have enjoyed all summer. I've also helped Sean with a lot of the stonework, inside and outside. I built the log store at the back of the pub and am in the process of building some compost bins so that the pub and cafe can review its waste management system. This will save costly trade waste bills and help generate free organic matter for the gardens.

Ellis Dawson

I have lived in and around Holbrook for three years with my girlfriend Charlotte. We bought our first house on Belper Road in Bargate just over 12 months ago. I love the area and spend most of my spare time walking our Border Collie Donnie.

I have a technical background and am Head of Product for a £40m turnover software business for my day job. In the current project I host and maintain The Holbrook Community Society, The Spotted Cow and The Spotted Calf websites and manage online questionnaires. I built the till and card system within the café at low cost, produce financial reporting and other data analysis and am generally capable of advising on all aspects of strategic reporting and technology.

Going forwards I would be looking to ensure that the Calf and Cow meet the needs of Holbrook and its visitors through continuous analysis of sales patterns and customer feedback ensuring that the venture stays successful and maintains an agility to change with the needs of the community when required. Providing tenants, AGMs and the committee with relevant data to make informed decisions.

Alongside this, continuing to maintain and grow our online presence and advising on technology matters

Carolyn Holton

Having recently retired from my job as a School Business Officer at Stanley Common Primary School, I would welcome the opportunity to now be more involved in the Holbrook village community and would like to be considered for election to the Holbrook Community Society,

Based in Kent before moving to Derbyshire in 1992, my career since 1976 has been predominately secretarial based both in finance and sales and marketing. For ten years I was also Parish Clerk for Quarndon Parish Council and for sixteen years Clerk to Governors at Stanley Common Primary School.

I am thoroughly enjoying being a volunteer at The Spotted Calf, I currently volunteer for one or two shifts per week.

Andrew Howard

Previously I and my partner Wendy Freeman lived in Belper for 6 years and have now lived in the village in The Nook also for 6 years. We both enjoy living in the village and have recently taken delivery of four Chickens. I have been a CAMRA member for over 20 years and support local character Pubs that have Real Ale. I have worked for my present employer for over 28 years and have an Engineering background, but have been an Aerospace Buyer for 26 years having an annual spend of £26 million. The current Supply Chain Unit (SCU) I work in has an annual spend of £1 Billion. I am proud to say that I am one of the 225 shareholders of the Spotted Cow & the Spotted Calf and support the Holbrook Community Society. During the restoration I committed my time and did a lot of the Painting upstairs and around the Bar area I also helped clear the back of the Pub Garden. I support the democratic values and the right of each member to vote and elect a Committee. Looking to the future I want to make sure both the Pub and the Café are profitable and successful and that they will continue to offer our Village and the wider community the very best in good service, food and drink. My future vision is that the Pub could Brew its own Beer via a Micro-Brewery and have a mention in the Good Beer Guide. I would also like to see the Pub have more character complete with a young inspiring Chef to take the Pub Food to the next Gastro level using locally fresh produce

Christian Limb

I am currently a contractor in business and test analysis. My present contract is with Rolls Royce and I have worked with numerous national and multinational firms: The Post Office, Royal Mail, Experian, NHS Supply Chain, British Gas and also for a number of smaller firms.

I have supported Stephanie every step of the way in this process. I led negotiations with the owner to make the purchase. I have done many of the behind the scenes tasks like dealing with HMRC for the VAT arrangements; with the VOA regarding the business rates and council tax; all of the utility companies getting heat, light and water back into the building.

I set up and now co administer all of the social media sites. I also organise the design work and printing for promotional literature.

I run the B&B side of the business at present. I act as host, deal with bookings, organise the cleaning rota and the laundry rota. I also manage maintenance issues in the room. We are currently at about 80% occupancy in the guest room and have excellent feedback on Airbnb.

Stephanie Limb

My background is in teaching but I have discovered that my heart lies in community projects! Since I gathered the signatures of 21 people and got The Spotted Cow listed as an ACV back in August 2016, The Spotted Cow has taken over my life. I registered Holbrook Community Society with the FCA in November 2016 and the last year has been a rollercoaster, every day bringing a new challenge.

Phase one was fighting the planning application for change of use.

The next phase was writing the share offer and raising the money, which also involved fulfilling all of the criteria to get match funding from Big Society Capital.

Securing a bank loan to renovate the premises was also an involved process and I had to develop new skills.

The final phase before opening was managing the renovation and ensuring everything was done on budget and on time, which was also a huge challenge.

I particularly enjoyed the renovation phase- there was a real camaraderie and so many people invested love, time and skills into this building. The Spotted Cow is not just a building to me, it symbolises a sense of community and belonging and I love watching people enjoy socialising here.

In the next phase, I am focussed on getting The Post Office Local contract and helping to oversee the management of the cafe. I am also currently pursuing grant applications to make improvements to the cafe to help it to flourish.

I am still 100% committed to this project and believe even more passionately than before in the ethos of a community owned facility that aids social cohesion. The venture must remain

viable and financially profitable to be sustainable but the real profits are the social benefits that the café and pub can bring to Holbrook.

I think there is plenty of room for improvement with both The Spotted Cow and Calf. I am keen that the direction is decided by the community and that everyone's views are listened to. I have always believed strongly in the democracy of one member one vote and think key decisions should be made by all members of the Society. We have a beautiful pub and cafe, which are open and trading but this is an evolving model and I'd like to see this hub getting better and better with your help.

Stuart MacArthur

I've lived in Holbrook, opposite the Spotted Cow, for over 40 years and have frequented the pub in its previous incarnations, some good, some bad! Like many others, I was horrified when plans were lodged to demolish part of the Spotted, convert it to a house and build in the car park. The centre of the village would have died and an iconic building at the heart of a conservation area destroyed. I drew up the petition objecting to the plans and Vernon Hunt placed it in the village store.

Over the years I have renovated four houses in the village and have a broad range of abilities and knowledge in building and maintenance.

Prior to retirement I ran an Electrical Contracting company in Ripley employing 14 people specialising in both domestic and commercial heating installations, solar PV and other general electrical work. I took over this business at the bottom of the recession and turned it round to profitability without making anyone redundant. My background is in Electrical Engineering, I have worked in research and project managed the world's first commercially operating magnetic levitation minitram system at Birmingham Airport. Following this I managed other major projects and was technical director for a store fitting company specialising in total refurbishment of department stores all of which had licensed cafe/restaurant facilities.

Strict financial control is important, no business will survive unless it makes a profit, a community venture is no different.

I offer the new committee my business & practical knowledge to ensure the project proceeds in a professional, business like & profitable direction.

Sean O'Hanlon

When alerted to the danger of losing the Spotted to developers, I became a passionate devotee of saving this iconic pub and social core at the heart of the old village, active in the early negotiations to persuade the developer to rethink, sell or reduce the development, then actively campaigning with the team to address the councillors in the chamber, win a stay of development and then invest time and money into the successful publicity campaign.

I co-purchased the now familiar Penny the Cow, organising her mysterious appearances throughout the village in the Winter, (drawing local press campaign publicity) while sustaining an active role in the emerging action committee.

As well as joining the extraordinary community mass clearance and skip filling, once the successful purchase was won, I have been involved in restoring, renovating, building, rebuilding, designing and creating a range of internal and external features, many with other team members as follows; fitted new secure locks to all entrances, renovated the rotted entrance portico and the main side window, rebuilt the derelict sections of front entrance stone walls, designed and built a set of circular stone steps to open up the popular top lawn, built access steps to the rear garden area, paved the wall edging at the entrance to Well Yard, designed and located the popular 'snug' partitions to create intimate, cosy spaces, participated in the internal fireplace restoration including sourcing and assisting the fitting of the new main fireplace and hearth, and the restoration of the small fireplace, assisted with saving and restoring the main beam in the beer snug, fitted the mini bar partition, sourced the externally purchased furniture with the furniture team, sourced and co-fitted the hop bines for decoration, co-built the external log store, and sourced or painted the advertising banners, as well as other incidental team work on a daily basis as problems emerged.

I continue to participate in ensuring that the devoted work and achievements of the community team, and the aspirations of the community for a lively social hub are fulfilled. I believe that we should expect the development of varied menus of high quality home-cooked foods, real ales, quality café products, excellent service and a developing programme of varied and popular social activities. We need a responsive, creative management team which continues to build on existing achievements, with a progressive development model, through investment, creativity and the determination to provide the best for the community and the shareholders.

Paul Searson

I was born in Holbrook 61 years ago and although I have only ever lived in the village for a short period of time during those years I have never ventured far away and currently live just along the road in Bargate. I have always had strong links with Holbrook and for the last twenty five years I have been the relief sub-postmaster, covering for Linda's holidays and also working regularly on Mondays each week. I have also been involved with the Holbrook Village Magazine from the very early days and am currently responsible for the invoicing of advertisers as well as being on the Editorial Team.

I have always spent a lot of time in Holbrook and all the pubs have given me much pleasure over the years. It was therefore a cause of sadness to me to see The ' Spotted ' close a few years ago after a downturn in its fortunes. When I heard that plans were afoot to save this famous old hostelry and bring it back to its former glory I knew that I had to become involved in some way. I attended the initial meetings and was present at the Planning Hearing when the Holbrook Community Society was given the go ahead to try and secure the future of the pub. I am particularly keen that the village does not lose its Post Office and feel passionately that this important facility must be transferred to be incorporated in the cafe area.

I have been a member of the Steering Group from the outset and feel a sense of pride in all that we have achieved to date. We know this is just the start and that there is a lot of hard work ahead of us if this venture is going to be a long term success..

My involvement so far has included helping to clear the outside areas of overgrown weeds, bushes and assorted rubbish so that the garden could be turned into the beautiful area it is

now. I helped with the internal painting of both the pub and the cafe and did a lot of the wood varnishing in the pub. I also helped with other projects such as the laying of the plinth in the snug fireplace and the construction of the steps to the side of the pub and generally lending a hand where it was needed.

Along with Jan and Hilary, I was involved in interviewing and appointing the members of staff for the cafe and we feel that we managed to get a good team together. I have also taken on the responsibility of the cafe volunteer rota and liaising with the volunteers which on the whole seems to be working well. I have also written a couple of articles in the Holbrook Village Magazine aimed at keeping everyone in the community informed on the progress of the venture and also our ambitions and plans for the future.

Elizabeth Swift

I recently moved to live in the beautiful village of Holbrook. I used to live in the area as a child and left Duffield when I was 18 years old to begin nursing in Chesterfield. I lived there for 35 years and brought up my 3 children, who are now adults.

I didn't know anyone in Holbrook and the surrounding area when I bought a share in The Spotted Cow project. I felt it was a fantastic thing to keep the village connected by having a central hub for people to meet and generating business by using local products.

I am a hard-working, caring person and when the call went out for help to renovate the pub, even though I work full time and do extra hours, I spent as much time as I could helping the team to restore the pub. I donated some stone from my garden (which looked like a grave stone, Sean assured me it wasn't) and this has been used for part of the hearthstone.

During the renovation I met and made some lovely friends and very quickly felt a part of Holbrook. I was made to feel very welcomed and got to know a lot of people in a short time which helped me settle into the village.

I live in my little cottage on Mellors lane with my dog Bailey, Cat Alfonso (Alfie) and I have just cared for two sick hedgehogs. I've released them, so please watch out on the roads at night.

Since the café opened I have volunteered in The Spotted Calf and love making the special coffees, food, serving and chatting to our customers.

I feel in the future there are lots of things we could introduce by continuing to make this project a true community hub, reaching out to the local people and beyond.

I know it is a business and we will have to balance the books but I feel there are things that we could do to reach out to the vulnerable people in our area especially as the bad weather is nearly upon us. I feel it is important to bring people together and reach out to those who are not able to leave their homes. I feel it is important to liaise with other organisations like the Friendship group to see what Holbrook Community Society can offer. I know it's early days yet for us and it takes time to establish but I feel it's just the start of a central village hub that's not just a profit-making business but one that gives back into the local community and beyond.

Hannah Wilson

I have been practicing law for nine years and have been a qualified solicitor for over eight years. In July 2017 I was called to the Bar and now practise as a barrister. I have practised in all areas of family law but my expertise is in child protection, particularly for Local Authorities in the interests of safeguarding children. I do have experience of business and property law as part of my legal practice and have many contacts in the profession.

I am one of the Founding Members of the Society and therefore am one of the official signatories.

During this project I helped in the early negotiations with Ian McNair and I was part of the team who presented our case and won at Amber Valley Planning Board.

During the renovations I took an active role, particularly demolishing superfluous walls! I did a lot of painting and helped with the interior design by choosing the lighting. With Lizzie, I sourced the light fittings which hopefully give the pub a lovely ambience.

I continue to serve the community by giving free legal advice and helping to guide the pub and café going forward.

Lizzie Woodward

Up until 2012 I worked within the business division of a high street bank. I spent 10 years there working with local SMEs and alongside the banks' credit and securities divisions requiring me to liaise with solicitors, accountants and surveyors. I am also a partner of a local beef farm and have been for the past 15 years. I am involved with all aspects from cattle handling to book keeping. I have lived in Holbrook for the past six years and hope to live here for many more

I have been on the committee since the very start and am one of the four founding members of the Society, registered with the FCA. I set up the business bank account when we began raising the money. I met Ian Rothwell, our account manager at Cooperative and Community Finance with Stephanie and helped us to get the loan finance secured.

I also helped to find a bookkeeper and tax accountant for the Society and I meet regularly with him to monitor the financial performance of the Society. I collect the time sheets each month, liaise with payroll and pay the staff wages.

Application Form for purchase of shares in Holbrook Community Society Ltd

For use by individual applicants

Shares cost £1 each, minimum 250; maximum 50,000 -This maximum includes any existing shares held in the Society. Applicants must be 18 or over

I wish to become a member of Holbrook Community Society Limited in accordance with the Rules, or

I wish to buy additional shares in Holbrook Community Society Limited in accordance with the Rules, I already have £ shares. Share certificate no.

Full name

Telephone

Address

Post Code:

Email address:

Date of birth:

Agreement

- I have read the Share Offer Document, including risk factors.
- I wish to become a member of Holbrook Community Society Limited.
- I agree to be bound by the Terms and Conditions included in the Share Offer Document and the Rules of Holbrook Community Society Limited.
- I understand that the Management Committee of Holbrook Community Society Limited may reject my/our application, and are not obliged to tell us why it has been rejected.
- I consent to receiving formal notices by email and links to formal documents on Holbrook Community Society Limited's website.

Signature

Date

Method of payment

I have enclosed a cheque, made payable to 'Holbrook Community Society Ltd'

Data protection and money laundering

The data provided by you on this form will be stored within a computerised database. This data will be used only for Holbrook Community Society Limited purposes and will not be disclosed to any third party. It is a condition of the offer that to ensure compliance with the Money Laundering Regulations 2003, Holbrook Community Society Limited may at its absolute discretion require verification of identity of any person seeking to invest.

Notices by email and documents on our website

To reduce our administrative costs, we would like to be able to send you formal notices by email and refer you (by email) to documents posted on our website. By signing this form, you are consenting to receiving such notices by email and accessing documents through our website.

Please send your completed application form to: Holbrook Community Society Limited, The Spotted Calf, Town Street, Holbrook, DE560TA

holbrookcommunitysociety@gmail.com

www.holbrookcommunitysociety.co.uk