



the community farm

Community Share Offer

You are invited to invest in a community enterprise that reconnects you with where your food comes from.

The Community Farm provides an exciting opportunity to invest in a not-for-profit organisation that is growing organic vegetables, operating a vegetable box scheme, selling to wholesale customers and putting people back in touch with the land.

Community involvement and sustainability will be at the heart of The Community Farm. As well as growing produce for local consumption, there will be events, courses and volunteering opportunities, enabling members and the wider community to get involved in the Farm according to their interests and needs.

Launch Date 1st November 2010

Closure Date 31st January 2011

Amount sought £170,000

Minimum investment £50

Maximum investment £20,000

*any amount in between may be invested



The Community Farm is a Community Benefit Society incorporated under the Industrial and Provident Societies Act 1965. Registered with the Financial Services Authority. Registered No. 31018 R

The Community Farm Ethos

The Community Farm will provide a direct link between the production and consumption of food. It aims to create a mutually supportive relationship between local farmers, growers and the diverse range of local communities in the surrounding area. It will create an economically stable, sustainably managed farm operation, that will grow high quality organic produce at competitive prices and will offer members opportunities for active participation in what will be, essentially, their farm.

Located in the Chew Valley, with 22 acres of farmland already under cultivation, the Farm will grow organic vegetables and fruit, run a vegetable box scheme and a wholesale operation. Through community activities, courses, volunteering opportunities and events, it will enable local people to have access to a working farm. They will gain knowledge about how to grow their own food, take responsibility for their own food purchases, gain hands-on experience, acquire new skills and share their own skills with the project.

Investors in the Community Farm will be contributing to the sustainability and resilience of the local economy, and to the development of a self-sustaining, low-carbon food and farming system.



What will The Community Farm do?

The Community Farm ("the Farm") is a new and exciting Community Supported Agriculture scheme for the Bristol, Bath and Chew Valley areas. This Farm has two particular advantages from the outset.

- It has an agreement for a ten year Farm Business Tenancy*. This provides important security in relation to the Farm's land.
- The Better Food Company ("BFC") has agreed in principle to sell its growing operation, its vegetable box scheme with its customer base, and its wholesale business to the Farm (together, "the Business").

There are a number of aspects to what the Farm will do:

Growing quality organic vegetables and fruit The Farm will take over the growing operation at the 22 acres currently in cultivation. There is the option to expand to 50 acres by taking on land adjacent to the existing site and opportunities have been identified to grow beyond that locally if the demand is there.

Running a vegetable box scheme The Farm will take over the box scheme operated by BFC which currently has around 300 customers. The Business Plan* sets out our intention to expand this to 400 customers after one year of operation and 500 after two years.

Selling to wholesale customers This will be a combination of the existing customers of BFC and BFC itself, which now runs two shops in Bristol. The future aspirations for the Farm include the following:

- Establishing an education programme, beginning with courses in horticulture and cookery
- Running a volunteering programme at the Farm
- Hosting events at the Farm
- Establishing livestock enterprises at the Farm
- Further developments as agreed by the Farm's membership. These may, for example, include developing a farm shop, cafe, meeting facilities, community play area or crèche.

These are ambitious plans, but we are encouraged by the fact that we are taking over a viable business and not starting from scratch, and by the quality, experience and commitment of the people involved in this project. It will not be necessary to implement all these plans for the Farm to be a sustainable business continuing at current levels of operations. The plans will be implemented as and when funds allow and in consultation with investors and members.

Income and expenditure forecasts for the business of the Farm can be found in the Business Plan. They are based upon the experience of those with direct knowledge of the markets that the Farm will be dealing with. This knowledge will continue to be available to the board, along with the hands-on experience of staff transferring from BFC.

Who is behind The Community Farm? The current members of the Board, all in a voluntary capacity are:

Phil Houghton - founder of The Better Food Company with 25 years' experience of retailing, wholesaling, growing and delivering organic food with a commitment to sustainability and community throughout.

Luke Hasell - an experienced project manager who inherited a farming enterprise in 2003 and now manages 500 acres and The Story Group Ltd., which specialise in providing organic food direct to the public.

Angela Raffle - a Public Health doctor in the National Health Service and the University of Bristol, a founder member of Sustainable Redland and a director of Transition Bristol.

Ben Raskin - an experienced organic grower and currently Horticultural Advisor for the Soil Association where he is responsible for technical advice, support and representation for organic growers as well as running the Organic Apprenticeship Scheme.

Melanie Taylor - the General Manager of the Better Food Company with 20 years' experience working in the food industry, as a chef, a catering manager and in food retail.

Geraldine Hill-Male - a teacher and senior manager in a local secondary school responsible for staffing, management, fund raising, governance and policy development who has been actively involved with organic food and its principles for many years.

David Hunter - a partner at Bevan Brittan solicitors in Bristol and a director of the Ethical Property Foundation and of Self Help Community Housing Association.

Lesley Kinsley - a fundraiser who has recently started to mentor small charities in effective fundraising. Strategic Development Manager experienced in securing government and lottery grants.



Why is The Community Farm seeking Investment?

The Farm needs to raise the capital to acquire the Business from BFC as a going concern (at a value that has been independently reviewed) along with the assets and equipment to enable the Farm to continue to operate successfully and to be in a position to develop in line with the ambitions contained in its Business Plan*.

We aim to raise £170,000 initially. This will be invested as follows:

£100,000	To buy the assets and goodwill of the Business from BFC. Values of individual elements of the Business have been independently assessed by relevant experts and accounts and forecasts relating to the Business have been reviewed by Harwood Lane Accountants.
£30,000	For capital requirements in the first two years of operation.
£40,000	For buildings renovation and adaptation to deliver future aims set out in the Business Plan.

What are the Benefits of Investing in The Community Farm?

By investing in this project:

- You will become a co-owner of the community benefit society that is The Community Farm
- You will be entitled to one vote at general meetings of the members of the Farm (regardless of the amount you invest)
- You will enjoy free access to the Harvest Festival and Open Days at the farm
- You will have opportunities to take part in Community Farmer Days
- You will receive newsletters with seasonal information
- You can be confident your money is invested in a project supporting social and environmental objectives. These will be reported on in the Annual Report
- You may be entitled to interest on your investment, at the discretion of the Board, if you invest £500 or more.

Targets and Contingencies

Following the closure of this share offer on 31st January 2011, the Farm will identify the amount raised and proceed as follows:

- If more than £170,000 has been raised, the Farm shall complete the transfer of the Business from BFC, continue to run it as a going concern and look to apply any surplus to accelerating appropriate elements of the Business Plan.
- If less than £170,000 but more than £100,000 has been raised, the Farm shall complete the transfer of the Business from BFC and continue to run it as a going concern. The Farm shall seek to raise additional funds subsequently to enable it to deliver the aspirations contained in the Business Plan.
- If less than £100,000 but more than £55,000 has been raised, the Farm shall purchase the growing operation, vegetable box scheme and wholesale business from BFC and borrow the assets from them until it is able to purchase those assets from BFC.
- If less than £55,000 is raised, the transfer of the Business will not proceed. All those who have invested will be reimbursed in entirety and the share offer shall be deemed to be unsuccessful.



How to Invest

The share offer is open between 1st November 2010 and 31st January 2011. The minimum investment is £50 and the maximum investment is £20,000 and any amount in between may be invested. A share application form* is attached. This needs to be completed and sent, with a cheque payable to The Community Farm Limited, to the registered office at Herons Green Farm, Compton Martin, Bristol BS40 6NL by the closing date.

You are investing in The Community Farm Limited which was registered with the Financial Services Authority on 30th July 2010 (registered No. 31018 R). The governing document of the Farm, the Rules*, contains details of members' rights and the management and constitution of the Farm.

Nature of the Investment

This is a long term investment. It is unlike investment in a for profit enterprise where the investor seeks to share in profits through dividends and make capital gains from an increase in the value of shares held which are freely marketable. The value of shares in the Farm cannot increase beyond the nominal value of £1 and may be reduced if liabilities exceed assets.

Shares cannot be sold. The only way to recover the sum initially invested (or any reduced value) is to give 180 days' notice of withdrawal to the Farm. This cannot take effect until 3 years have elapsed from the date of issue of the shares or from the date the Farm begins trading (whichever is the later). Withdrawal will be at the discretion of the directors who will judge if the Farm is trading profitably and has adequate cash reserves to fund withdrawal.

The Farm business cannot be sold for the benefit of its member shareholders. The Farm will have the discretion to pay interest on shares (where a member's investment is £500 or greater) but it cannot be assumed such a discretion will be exercised.

This investment should be considered as an opportunity to contribute financially to the community with the expectation of a social dividend rather than just a financial reward.

Risk Factors for The Community Farm

The board has conducted an analysis which sets out the strengths and opportunities, weaknesses and threats. Through this a number of risk factors were identified. The main ones are:

- If economic factors (e.g. recession, inflation) affect income and employment for local people then sales of organic vegetables could fall
- Increased competition from similar enterprises that might seek to set up in the locality
- The impact of sustained adverse weather on the growing operation
- Inability to secure funds to support future developments
- Losing customers in the transfer from BFC to the Farm
- Changes in personnel leading to loss of expertise

The Community Farm board will endeavour to minimise these risks wherever possible whilst recognising that some of them will be out of their control.

Caution

Any trading activity is vulnerable to changing or unanticipated risk. The Community Farm share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations; this means you have no right of complaint to an ombudsman. A community benefit society is registered with but not authorised by the Financial Services Authority and therefore the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme. The whole of your investment will be at risk (although you will not incur a liability beyond your investment). Please consider it carefully in the context of the complete share offer document and related information and, if needed, seek independent advice.

Further Information

* Copies of the Business Plan, the Rules, the Farm Business Tenancy and Application Form can be accessed via our website: www.thecommunityfarm.co.uk

