



## Business Plan 2017-22

*Last updated: February 2017*

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## I. Executive Summary

Sutton Community Farm (SCF) is a community-owned social enterprise. We started in 2010 in response to a community need, with the purpose to increase access to fresh, local, healthy food and provide a shared space for people to cultivate skills, get exercise and make friends. Since then the farm has become a thriving enterprise centred around its VegBox scheme as well as a recognised and valuable community asset. Our aim is to double VegBox customer numbers from 200 to 400 by 2019, and maintain this level in the years thereafter. We want to reduce dependence on fundraising and increase our social impact. We want to be a replicable model of small-scale, sustainable agriculture, offering our community a viable alternative to the industrial food system.

Table: SCF key figures to 31st March, 2022

Financial year	2015/16 Actual	2016/17 Target	2017/18 Target	2018/19 Target	2019/20 Target	2020/21 Target	2021/22 Target
Weekly customers	163	240	310	400	400	400	400
Customer growth rate	2%	47%	29%	29%	-	-	-
Turnover	£272,637	£326,216	£375,211	£435,786	£465,873	£472,009	£493,506
Net surplus	£7,424	(5,404)	£12,718	£17,742	£6,479	£8.135	£14,774
Average Customer Spend	£15.71	£17.00	£17.00	£17.00	£18.00	£18.00	£19.00
Volunteers (new sign-ins)	300	350	375	400	425	450	475
Volunteer hours	5,300	6,148	6,578	6,972	7,321	7,687	8,071

Our farm sits on a seven acre site, with views towards the skyline of central London, 12 miles away. Since 2010 staff and volunteers have converted the land from a disused field into London's most productive community farm, harvesting nearly 15 tonnes of produce in 2016. We built a shed (for VegBox packing, office space, storage and kitchen facilities), installed a container for tools and equipment, a walk-in fridge and erected six polytunnels. We plumbed in the water, wired up the electricity, put in a composting toilet and have vastly improved site maintenance. We built our VegBox scheme, volunteering programme and educational activities for the community all from scratch and today have a thriving enterprise that looks to an exciting and ambitious future.

SCF is an innovative community-owned organisation, with members of the community involved at every level in the operation and future development. We aim to have a strong social and environmental impact and sustain a viable financial model. Since our successful initial share offer in 2015/6, SCF has been owned by 141 individual Members. We are working towards a second share offer that will grow our membership and raise vital funds for assets and infrastructure to help us continue to thrive. The intention is to raise capital to build a barn, an essential investment to reach our targets. We propose to build a barn of twice the current usable space. Building will start in the latter half of 2017 and the expected opening date is the first half of 2018.

We want to further guarantee our future by securing a 15 year lease. Longer term we are looking to access glasshouses on our site that are currently used by our co-tenant, Chris Crow. With appropriate investment, they will be a hub for value-added production and leased space to small, local organic enterprises. Plans for this are at an early stage and require a separate investment plan.

## 2. Vision and Values

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Our vision is to increase access to fresh, healthy, sustainable food and provide a shared space for people to cultivate skills.

We've expanded this vision into five pillars:

1	Space and Community	To be a warmer, more welcoming and inclusive space for the community to improve their knowledge and skills in sustainable food production.
2	Local Food Supply	A productive growing rotation centred around an increasing VegBox customer base and production for wholesale, concentrating on high-value crops.
3	Enterprise and Diversification	Business activity that reduces our grant dependency to <15% in 2018/19.
4	Leadership	<ol style="list-style-type: none"><li>1. To be a leading example of peri-urban community farming and a voice that advocates for increased community farming on the edges of urban environments.</li><li>2. To be the leading voice for local, sustainable food production and consumption in Sutton.</li></ol>
5	Membership	To have an active membership of over 250 individuals in our community.

### Our Values

Values are important in underpinning our approach to work. We strive to be: transparent, professional, democratic, inclusive, passionate, collaborative, innovative, inspiring, fun, pragmatic, promote equality and demonstrate leadership.

We also take inspiration from the ethics of permaculture:

care for people ★ care for the planet ★ fairshare



### 3. Our Story and the Local Context

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#### A Potted History

We started SCF because we wanted to see more fresh, local food in our community. Following community consultation with residents in nearby Hackbridge, Anna Francis and Seeta Rajani from local environmental charity [BioRegional](#) started looking for land. With some help from the charity [EcoLocal](#), we found a patch of unused land and then invited people to come and help out. To read more about our history, please visit [our website](#).

The project developed slowly as we built up our skills, gathered equipment, raised funds and understood the land and our place in the community. A consortium of grant giving organisations enabled the farm to get started, funding capital investment, staffing and overheads (see [Appendix 2](#) for past and present funders). SCF has grown from strength-to strength, launching its VegBox scheme in 2011, successfully raising over £17,000 in 2013 through a [crowdfunding campaign](#), converting to a Community Benefit Society that same year, and truly establishing ourselves as a community business in 2015 by launching our first successful community share offer.

SCF has become an important asset in the local community, helping people to access and participate in a healthy, low-impact local food system. We operate a VegBox scheme that links with other local organic producers. More than just growing and distributing produce, we are a thriving space for social and educational activities, for children, adults and groups.

#### Global Context

A successful food system is one that delivers high well-being, social justice and environmental stewardship. Our current food system fails us on many counts. In brief it is:

- **Environmentally unsustainable:** degrading the environment and compromising our capacity to produce food in the future. Problems include soil erosion, loss of soil fertility, salination, unsustainable water extraction, over-fishing and the heavy reliance on fossil-fuels<sup>1</sup>.
- **Energy-intensive:** the UK food system uses roughly eight calories of energy to produce every one calorie of energy from food<sup>2</sup>.
- **Supports bad jobs:** the UK food system employs approximately 11% of the labour force, but most of them are in the least well-paid jobs, with salaries of less than half the UK average<sup>3</sup>.
- **Unequal:** all 17 million hectares of agricultural land is owned by about 0.25% of the UK population;
- **Volatile:** price spikes are hitting poor households the hardest.

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<sup>1</sup> For a useful overview, read: Foresight, *The Future of Food and Farming* (2011). The Government Office for Science, London.

<sup>2</sup> 2014, *Urgent recall: Our food system under review*. New Economics Foundation. Available at: [neweconomics.org](http://neweconomics.org)

<sup>3</sup> Ibid

We aim to demonstrate a replicable, viable model of a farm that is representative of the food system we want to see. This means:

- Having a neutral or positive environmental impact
- Growing diverse plant species
- Having short and simple supply chains
- Fostering a positive and thriving food culture and the highest levels of public health
- Using energy and other inputs as efficiently as possible
- Supporting good jobs
- Our assets are owned by our local community
- Making good food affordable

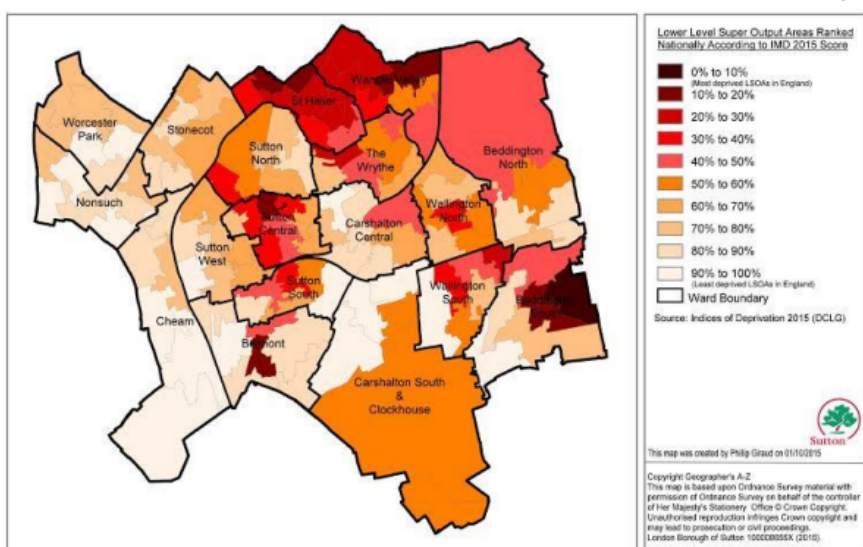
## Local Context

**About Sutton:** Sutton is one of the southernmost boroughs of London. It was once a collection of rural villages and there are some district centres in Sutton that maintain a “village-feel” such as Carshalton and Cheam. However, for the most part, it feels a part of London’s suburban sprawl.

It has a population of 198,000 (2014 estimates)<sup>4</sup> and extensive areas of low-density housing compared to the inner-London boroughs. Regarding ethnic diversity, Sutton is more like the England average than the London average, with around 71% of its residents from “White-British” backgrounds<sup>5</sup>. Population projections estimate that by 2022 Sutton’s population will increase by 14.3%.<sup>6</sup>

Sutton is not an especially deprived borough overall, however, there are areas of extreme wealth disparity and inequality. There are seven areas in Sutton that rank amongst the 20% most deprived in England. In 2015, for the first time Sutton had one area ranking in the 10% most deprived areas in England. In contrast there are 17 areas in the least deprived decile.<sup>7</sup> The map details areas in terms of the overall indices of multiple deprivation<sup>8</sup> and shows the wide variations in the borough.

Indices of Multiple Deprivation 2015, Lower Super Output Areas (LSOAs) by Nationally Ranked Deciles



<sup>4</sup> Sutton Joint Health and Wellbeing Strategy 2016-2021  
<https://modern.gov.sutton.gov.uk/documents/s46667/Sutton%20Joint%20Health%20and%20Wellbeing%20Strategy%20-%20Appendix%20A.pdf>

<sup>5</sup> 2014, *Sutton Borough Profile*. London’s poverty profile: [londonpovertyprofile.org.uk/indicators/boroughs/sutton](http://londonpovertyprofile.org.uk/indicators/boroughs/sutton)

<sup>6</sup> Data from JSNA Overview 2015 <http://data.sutton.gov.uk/resource/view?resourceId=555>

<sup>7</sup> Data from English Indices of deprivation 2015: A profile of Sutton published Sept, 2015  
<http://data.sutton.gov.uk/resource/view?resourceId=571>

<sup>8</sup> As above

**Food production:** this almost entirely happens on small scale plots: in back gardens and community allotments. There is no reliable data on the quantity of food production and how this has changed over the years. It's expected that local food growing provides a very small contribution to the overall consumption of food in the borough, however this should not be overlooked. Food growing is a popular pastime practiced by all ages and growing in popularity, particularly in schools.

**Agricultural land:** Sutton sits on the outer edges of London where there are large patches of greenbelt land. The total area of agricultural land in Sutton is 229 hectares and the largest portion of this is the 140 hectare Little Woodcote Estate, upon which SCF sits, owned by Surrey County Council. Over the last generation, there has been a steady decline in food production on this estate and today it is dominated by bedding plant nurseries and horse-keeping.

Sutton Council's Local and Sustainable Food aim is to create a borough where communities are involved in growing local produce – *“from leafy window boxes to a fully fledged community farm; where residents can walk to buy fresh, affordable produce, and have the skills to grow and prepare healthy sustainable meals.”*<sup>9</sup> SCF is making a large contribution to realising this vision.

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<sup>9</sup> Jan 2015, *Food Poverty Needs Assessment*. London Borough of Sutton.

## 4. Products and Services

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### 1. Production and Distribution

We use organic methods and our production is based on a six year rotation over seven acres of land, designed around the needs of our VegBox scheme and wholesale customers. There is an emphasis on higher value crops to support our financial viability. The growing plan is reviewed annually and shared publicly.

#### VegBox Scheme

Our VegBox scheme distributes our seasonal produce to the community. Customers order online and each week we deliver to homes and pick-up points. We also sell Fruit Boxes, mixed Fruit and VegBoxes plus various extras, such as eggs, honey and bread. As much as possible comes from our farm and we work with a network of local organic farms to supply the remaining. This means that our VegBox scheme growth is not limited by our production. Through the VegBox scheme, SCF has the future opportunity to offer a wider range of other local products, such as meat and dairy. These are not included in our financial models, but will be integrated if viable following feasibility analysis and market testing.

We currently offer 14 options:

VegBoxes	Fruit Boxes	Fruit & Veg Boxes
Small: £11.95 - £12.95*	Small: £7.25	Small: £14.25
Medium: £14.95 - £15.95*	Medium: £10.75	Medium: £18.25
Large: £17.95	Large: £15.25	Juicing: £13.00
Family: £20.45	Bumper: £23.95	Salad: £13.00

\* No potatoes option

The scheme charges a home delivery charge of £1.50 per household. Approximately 40% of our customers choose this option and the remaining collect from a pick-up point. Since July 2016 we have been charging customers £1 for delivery to a pick-up point. The cost of delivering to our customers is approximately 8% of retail sales. To charge for pick-up point deliveries as well as to our customers' homes was a strategic decision to reduce this significant outlay.

We aim to increase revenue from the VegBox scheme in the following ways:

- Increase customer numbers to 400 by March 2019 via our sales and marketing strategy, see below.
- Focus on customer service to improve on our 45% retention rate (we understand this to be significantly above average for the sector).
- Implement a yearly price review (September).
- Explore new products, to increase average customer spend (£16.00 as of September 2016)
- Increase the amount of farm grown produce in the VegBoxes.

## Wholesale

Wholesale activity is to the restaurant trade. Our clients include a number of high-end restaurants in central London including Browns Hotel, Hix Soho, Petersham Nurseries and the Chiltern Firehouse. We have a dedicated high-value salad production project that supplies these restaurants as well as our regular growing rotation. Our wholesale business is a boost for our trading activities rather than a focus, originally developed to create a market for surplus produce that the VegBox scheme cannot absorb. As customer numbers increase for the VegBox scheme we will decrease volumes sold at wholesale in favour of securing a better price through direct retail sales.

We aim to maintain revenue from our wholesale activities in the following ways:

- Maintain our existing customers and cautiously expand to include new restaurants that fit onto the delivery run. Volumes closely monitored to ensure that as much as possible is going into the VegBox scheme.
- Increase our expertise in growing high value, scarce salad leaves to become a recognised local specialist.

## 2. Community Work and Education

We find that food is able to bring people together in extraordinary ways and as such, SCF is a vehicle for a number of social benefits. This includes improving community cohesion, regeneration, healthy eating, education, integrating disadvantaged groups into mainstream society, and developing people's skills so that they are better able to get into paid employment. Our work includes:



**Community volunteering:** volunteers are at the heart of our farm and come to learn new skills, share knowledge, meet people and be inspired. We host regular volunteering sessions on Wednesdays, Thursdays and Saturdays.

Over the coming years we will:

- Host 132 volunteering sessions per year.
- Raise regular weekly volunteers to 30+ (2016); 40+ (2017); 45 +(2018).
- Ensure 60% of volunteers attend > six sessions.



**Apprenticeships and Sustainable Farming Assistants:** we run an 18 month paid farming apprenticeship as well as a voluntary farming assistant programme that gives volunteers a more structured, practical experience, learning the basic principles of organic farming over a period of six months. Over the coming years we will:

- Recruit one apprentice per year, paid at London Living Wage.
- Host up to six Sustainable Farming Assistants each year.
- Support those that complete these programmes with advice and assistance in finding other paid opportunities.



**Buddy Volunteering:** We run a Buddy Volunteering scheme to train the more experienced volunteers to help those that need extra support, for example, due to a learning or physical disability. Buddies also assist us in facilitating school visits, group volunteering sessions, informal farm tours and settling people into activities. This contributes to making the farm a welcoming and safe space. The training each



Buddy undergoes covers farm activities, safeguarding, communication and safety. Over the coming years we will:

- Train and activate six Buddy Volunteers in 2016; 8 (2017); 12 (2018).
- Continue and expand our partnership with Sutton's Orchard Hill College (special needs).



**Farm Start, our Food Growing Business Incubator:** this is a project that supports new entrants into food production by helping them test out their commercial food enterprise ideas with minimal risk. Over the coming years we will:

- Seek funding to continue this scheme.



**Education: schools and events:** as well as volunteering, we work with schools, run courses and events at the farm. This has included bread making, how to build a cob oven, introduction to permaculture weekends, pop-up dinners, cooking demonstrations and Harvest Festivals. Over the coming years we will:

- Strengthen our existing relationships with local schools.
- Host at least 15 school/young people's group visits per year.
- Be working with 20 schools by 2018.
- Seek funding to continue our after-school cook clubs (ie where we teach cooking to parents and children in areas of greatest need; funding ends for this 'Sutton People's Kitchen' project in October, 2016).
- Host at least two celebration events per year for our community.
- Explore running accredited horticultural courses.



**Team Challenge Days (paid volunteering):** we offer a unique day out for teams looking to escape the office, get mucky and reconnect with nature. We can accommodate groups of up to 50 volunteers with teams participating in activities that provide a meaningful benefit to the farm and local community. Over the coming years we will:

- Double the number of Team Challenge Days hosted each year by 2019.



**Community Pay-Back:** since our farm started, we've worked with the London Probation Service. We have weekly groups that mainly assist with site maintenance, as part of their community service hours. We will continue this partnership.

Our capacity to deliver these services is dependent on our income, leadership, team resourcing and volunteer capacity. Some of the community benefit services we provide, such as Team Challenge Days, school visits and venue hire, assist us with income and others require an investment of time and money. Our challenge is to create a healthy balance that achieves our mission and enables us to operate sustainably.

## 5. Key Benefits of our Product and Services

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### Tackling Local Social and Economic Issues

**Food poverty:** defined as “the inability to afford or access healthy food”, Sutton Council’s estimate is that 23% of the population are living with some degree of food poverty<sup>10</sup>. People living in food poverty eat a poor diet that lacks the right variety of nutrition. Poor diets are associated with many disabling health problems including diabetes, some cancers, coronary heart disease, increased falls and fractures in older people, low birth-weight and increased childhood morbidity and mortality. The issues are not only health-related, food poverty gives rise to social stigma, low self-esteem, bad behaviour and a breakdown of family bonds.

**Health and lifestyles:** Our diets are intrinsically linked to our health and the NHS estimate that diet related illness costs £6 billion per year. In Sutton, like elsewhere in the UK, the health statistics are a concern:<sup>11</sup>

- 33% of Sutton’s 10-11 year old children are overweight, 62% of adults are overweight or obese;
- 26% of adults are physically inactive;
- 82% of adults and 63% of children are not getting their ‘five-a-day’;
- Increased levels of cancer and cardiovascular disease.

### How Sutton Community Farm is Helping

**Benefits for volunteers:** Feedback surveys show that our activities provide a wide range of benefits, including improvements in self-esteem, confidence, practical skills and support into paid employment.

Our surveys show that on average volunteers rate their experience as 9/10, and that as a result of volunteering at the farm:

- 96% of people lead a healthier, happier lifestyle;
- 86% have more confidence in growing food;
- 100% developed new skills and 79% eat a healthier diet;
- 80% report improved self-esteem and/or confidence.

Volunteers benefit from a share of the harvest; two thirds of volunteers take produce home each week or every other time they visit; a third take produce home sometimes.

**Benefits for customers:** our customers are invited to participate in the farm, helping them have a closer connection with the food source. This might be through an event, cooking demonstration,

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<sup>10</sup>Jan 2015, *Food Poverty Needs Assessment*. London Borough of Sutton.  
<http://sustainablefoodcities.org/Portals/4/Documents/Sutton%20Food%20Poverty%20Report%20REPORT%20v4%20210115%20SO.pdf>

<sup>11</sup> Data from JSNA Overview 2015  
<http://data.sutton.gov.uk/resource/view?resourceId=555>

memberships, volunteering or farm tour. Our surveys tell us that customers gain satisfaction from our VegBox scheme, through the knowledge that they are supporting their local economy, the local community, and a more sustainable food system, while getting the freshest produce available.

## Environmental Benefits

**Low food waste:** our VegBox scheme allows us to minimise food waste as we grow to demand and only harvest what we need each week. We also include and celebrate the wonky shaped vegetables. This is in contrast to conventional shops which overstock their shelves and have higher aesthetic standards. Surplus vegetables are given to volunteers or donated to other socially minded projects.

**Organic:** organic production is better for the soil, less destructive for wildlife, has less fossil-fuel dependence and promotes biodiversity. Research has found that produce grown at SCF emits an average of 83% less GHGs compared to equivalent supermarket produce<sup>12</sup>.

**Local:** our produce is grown and sold locally, helping us minimise transport impacts.

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<sup>12</sup> Research conducted by Cranfield University. For details, visit: [suttoncommunityfarm.org.uk/projects/research](https://suttoncommunityfarm.org.uk/projects/research)

## 6. The Market for our Products and Services

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Our target audiences are diverse and often differ depending on which of our products or services we are focusing on.

### 1. Production and Distribution

#### VegBox Scheme

Market research has found that our customers have the following characteristics and demographics:

#### Who's Buying?

- **Gender and age:** based on our current customer base, the gender divide is approximately split 70% female, 30% male, which is also reflected in our FaceBook likes. Ages are varied and range from 22 to 80 years; the majority of our customer fall in the 35-55 age bracket.
- **Young professionals (mainly female).** Attracted by convenience, localism, quality and the ethical dimension of the produce and (to a lesser extent) the carbon savings. They like to feel they are doing 'the right thing'. Typically with incomes of £26,000 and upward.
- **Family households where a tradition of cooking is established.** Those that are cooking daily and are conscious of quality and taste. We find that couples who are starting a family are often attracted by our VegBoxes.

#### Why Choose Us?

- Convenience
- Quality
- Freshness
- Local provenance
- Health
- Doing the 'right thing'

#### How we Compare

Riverford and Abel & Cole are two national VegBox schemes that most people compare us against. We regularly compare our pricing, products and special offers against theirs and believe we are competitive. Abel & Cole are particularly strong in our area as their headquarters are in Wimbledon. We distinguish ourselves from these companies in our marketing, capitalising on our ultra-local, community-benefit selling points. We recognise that existing, rival VegBox customers are good prospects for us to convert to our product as they are already familiar with how VegBox schemes work and may be interested in supporting a local provider rather than a national one.

Our research is primarily from online comparison. It is difficult to conduct exact like-for-like comparison such as weight and variety as these are not disclosed. However, we are confident that our estimates are as accurate and as thorough as possible based on staff expertise and past industry experience.

## Wholesale

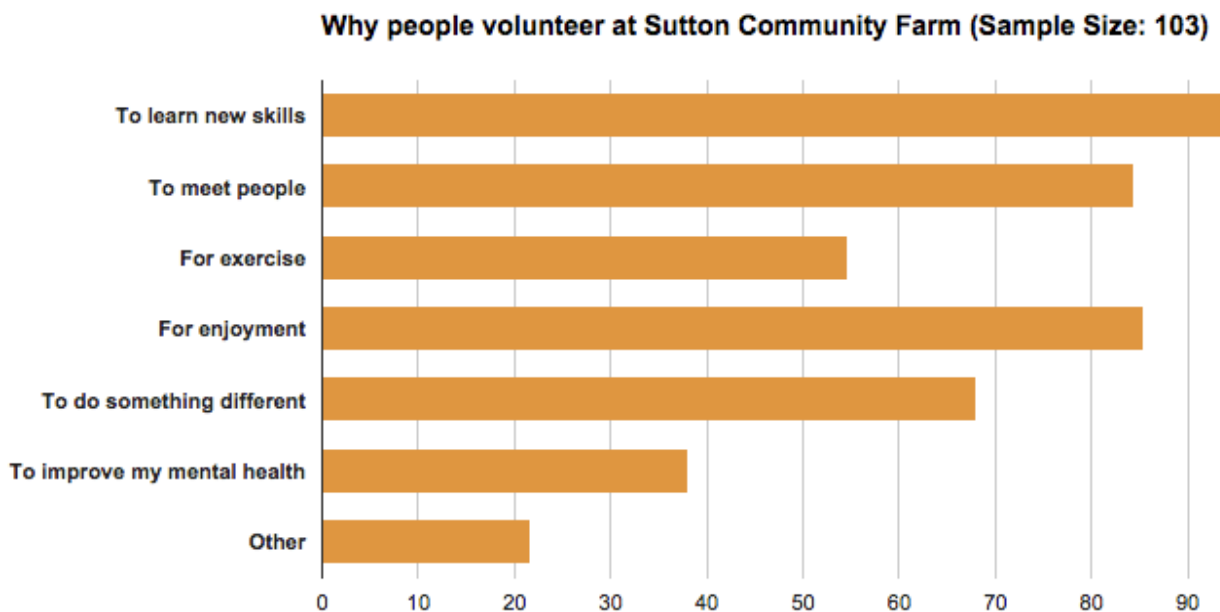
Our wholesale trading concentrates on restaurants in central London. These are higher-end restaurants that are prepared to pay for our product and support our ethos. The chefs are excited by the freshness and quality of our produce. The majority of our sales are salad and ‘unusual’ leaves. We tend to supply restaurants for six to eight months of the year, when we are at our most productive and we have surplus produce that the VegBox scheme cannot absorb. We therefore work with chefs that understand our small-scale methods of production and are willing to work with us despite the challenges.

We price ourselves in line with other small-scale organic suppliers, commanding a higher price where possible because of our unique offering: harvested hours before delivery, and supporting a community project.

## 2. Community Work and Education

### Community Volunteering

Our surveys show that people come to volunteer for a wide range of reasons. The predominant reasons are to learn new skills, meet people and for enjoyment. Over half of people also say they come for exercise and over one third say they come to improve their mental health.



*Figure: Why people volunteer at Sutton Community Farm. Sample size 103, x-axis is a percentage.*

**Demographic of our volunteers:** approximately 60% female, 40% male; a broad range of ages with the majority between 25-45. 42% are of working age and unemployed. 11% have a disability or health problem that limits their day-to-day activities.

## School visits

School visit activities vary depending on the season, weather and priorities. We offer the following options:

- **For primary years, a two hour introduction session:** this session includes a farm tour that engages pupils in the basics of food production, followed by an activity. Topics such as crop rotation, the plant lifecycle, soil health and seasonal eating will be covered.
- **For secondary years, a two or four hour session with lunch.** as described above.

Currently we do not have secure funding to deliver these activities. We ask for a per pupil contribution from the school of £6-£8.50. In terms of our financial forecasting these activities do not make a significant contribution. However, hosting school groups makes a vital contribution to our aim to be a 'warmer, more welcoming and inclusive space for the community to improve their knowledge and skills in sustainable food production.'

## Team Challenge Days (paid volunteering)

Our Team Challenge Days are usually for medium to large organisations that encourage employee volunteering as part of their corporate responsibility. For example, we have previously had teams from Coca-Cola, Google, Reed Business, Royal College of Nursing, AIG Insurance, Lloyds Bank, Sutton Council. These businesses are looking for something unique, with activities that are practical, enjoyable and encourage team work.

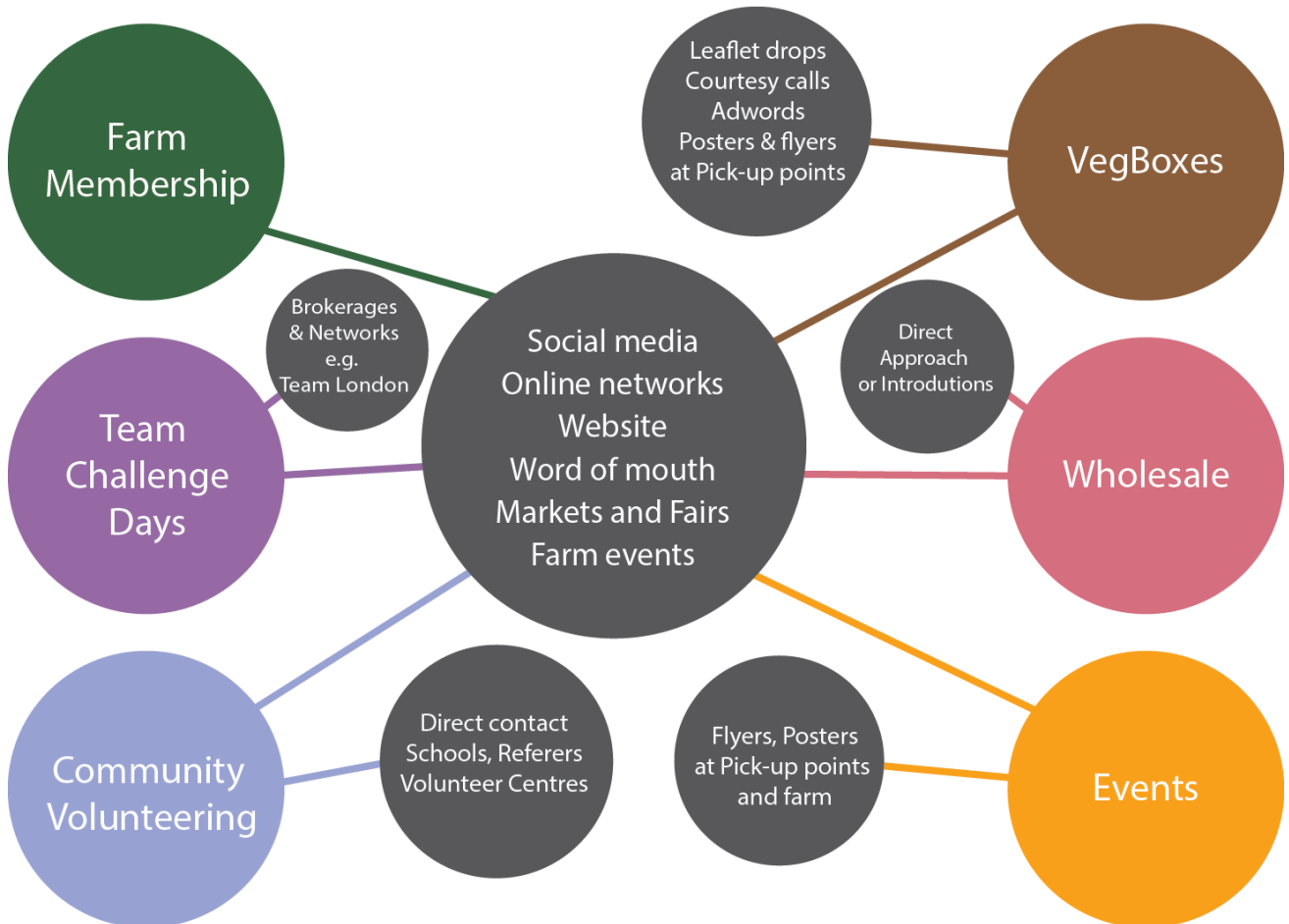
Team Challenge days have increased by 69% since 2013 (YTD 2016 figure) and we are experiencing strong levels of repeat business. We want to double the number of Team Challenge days we host by 2019.

We charge for Team Challenge days and this income supports our working capital. There is some flexibility in the costing depending on numbers and activity but generally we ask for £27 per head plus an extra charge if we are providing lunch.

## 7. Marketing Strategy

Each of our products and services are aimed towards different markets and there are different strategies on how we reach each type of customer. These are outlined in the graphic below.

**Marketing Channels: How we reach people and organisations**



### Key Principles

There is a common thread to much of our marketing and this is to communicate our story, vision and values. We find that when these are effectively communicated, people are excited and want to be part of it.

- **What do we communicate?**

- |   |   |
|---|---|
| ○ Community involvement and inclusivity | ○ Professionalism                             |
| ○ Quality and freshness                 | ○ Passion for healthy living, nutritious food |
| ○ Supporting local food producers       | ○ Education and knowledge sharing             |
| ○ Our uniqueness                        | ○ Ethical and deeply green                    |

Depending on the product/service being promoted, the marketing message will focus on different aspects e.g. restaurants care more about quality, cost and freshness; a local authority is more concerned about our professionalism; a volunteer may be more interested in the inclusivity,

education and environmental sustainability. A customer converting from another VegBox scheme sees the local angle as an important benefit, whereas those new to VegBox schemes may buy into a more generic message. Different aspects of our enterprise appeal to different types of customer. We monitor these customer profiles through surveys and questionnaires.

- **How do we communicate?**

We use different media to make sure we are reaching out to a diverse audience. Social media, e-newsletters, blogs and emails are all important. We also use print media, face-to-face representation at fairs and markets, customer phone calls and host events at the farm. We leverage our membership of like-minded forums and networks to reach out to those in our sector.

### The Marketing Plan

The objectives of the Marketing Plan are focused on growing our VegBox scheme, as this is our main income generating activity:

Objective 1	Maintain / build loyalty of our existing customers; increase retention
Objective 2	Increase customer numbers to 400 by March, 2019
Objective 3	Reduce reliance on grant income to <15% of overall turnover by March, 2019
Objective 4	Maintain customer numbers at approximately 400 (2019-2022)

We know that customers find us through four main channels:

1. Word of mouth (21%)
2. Web search (18%)
3. Presence at markets and fairs (17%)
4. At an existing pick-up point (15%)

Our resources are focussed on these areas, with an emphasis on markets and fairs in the summertime, when the weather is good. We have a timeline and implementation plan, summarised below:

Objective	Actions / Targets
1. Maintain / build loyalty of our existing customers; increase retention	<ul style="list-style-type: none"> <li>● Customer service response rate within 48hrs of receiving query.</li> <li>● Publish VegBox recipe each week and informative blog twice a month (via email and social media).</li> <li>● Visit at least one pick-up point per month to maintain relationship with hosts and enhance customer base.</li> <li>● Maintain customer database.</li> <li>● Improve quality control and minimise mistakes to reduce complaint rate to &lt;1% of customers</li> </ul>



	<ul style="list-style-type: none"> <li>per week (1.5% per week as of February 2017).</li> <li>● Maintain 100% response rate on FaceBook.</li> <li>● Implement social media strategy (as finalised Sept 2016)</li> </ul>
2. Increase customer numbers to 400 by March, 2019	<ul style="list-style-type: none"> <li>● Attend / host three VegBox promotional events per month (markets, fairs, at pick-up points and the farm). Strategically chosen for greatest number of direct sales opportunities in target areas.</li> <li>● One day per month calling lapsed customers.</li> <li>● Open 1-2 new pick-up points per year in areas strategically chosen for demographics and proximity to current home deliveries.</li> <li>● Launch word of mouth campaign at least every six months, encouraging existing customers / members to introduce a friend.</li> <li>● Weekly VegBox team management meetings to monitor progress.</li> <li>● Achieve conversion rate of 20%+ new members from second share issues will become customers (12% did so during first share offer).</li> </ul>
3. Reduce reliance on grant income to <15% of overall turnover by March, 2019	<ul style="list-style-type: none"> <li>● Annual price review, and increase as appropriate.</li> <li>● Maintain and review delivery fees annually.</li> <li>● Protect margin at current levels.</li> <li>● Maintain average customer spend to not less than £16.50 per person.</li> <li>● Decrease produce brought in from third-parties and increase produce going into VegBoxes from the farm (diverting produce away from wholesale trade).</li> <li>● Increase product range to offer more products to existing customers (increase average spend).</li> </ul>
4. Maintain customer numbers at approximately 400 (2019-2022)	<ul style="list-style-type: none"> <li>● See actions outlined in 'Objective 1'.</li> <li>● Adequately resource VegBox scheme staff to continue to increase retention rate and recruit new customers.</li> </ul>

We actively follow strategies to promote our other products and services as follows:

**Wholesale:** We are looking to continue our relationships with restaurants in 2017-22 in order to maintain a route to market for our surplus and specialist produce. When seeking new customers, we will try direct approaches, seeking introductions as well as networks and networking events.

**Community Volunteering:** we do not target specific groups and aim to attract a wide audience of people to volunteer. We recruit for specific skill sets when required (social media, events, etc) and maintain a flexible and inclusive volunteer programme.

**Events:** hosting events at the farm are an important way of showcasing the farm and celebrating our successes and thanking volunteers, customers, members and staff. Events help with customer recruitment and retention as well as volunteer recruitment and retention.

**Team Challenge Days (paid volunteering):** as well as finding new organisations, we look to develop relationships that provide repeat business. Our strategy is based on business networking, relationship building and making the most of online networks and brokerages, such as Team London and Business In The Community. With businesses, we are looking to talk to senior managers or employees responsible for corporate responsibility.

**Farm Membership:** People can become members of Sutton Community Farm by purchasing community shares. We set our initial share offer at a level of £30 minimum investment to attract a wide membership, that doesn't exclude those on low-incomes. Our target is to have 250 members by 2019. Our community share offers have two aims:

1. Offering membership to the wider community to increase our local engagement and bring the advantages of our customers, employees, volunteers and supporters being co-owners;
2. To provide additional capital investment to allow us to grow and improve our benefit to the local community.

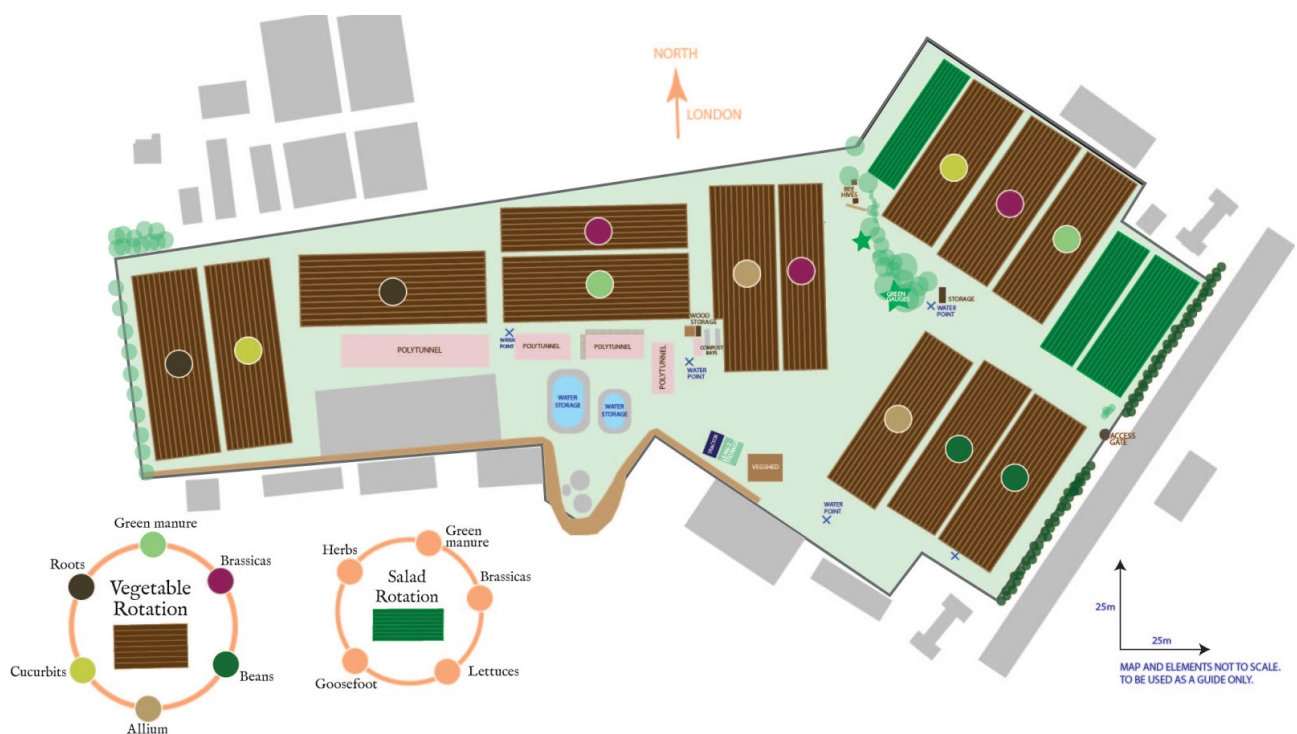
Our initial share offer opened in September, 2015 and closed in February, 2016. 141 individuals collectively invested £18,700 in the farm and became member shareowners. We are currently working with Power to Change and the Community Shares Unit to launch our second share offer in March, 2017. Please see our section on Community Shares below.

## 8. Operations

### 1. Land and Key Assets

**Our site and infrastructure:** SCF is based on 7.1 acre leased site with 14,000 m<sup>2</sup> acres of cultivated land and 500 m<sup>2</sup> of protected cropping. We are open to expanding into additional neighbouring sites to increase production if circumstances are favourable.

**Tenancy and ownership:** The land is owned by Surrey County Council and our Farm Business Tenancy is shared with Christopher Crow who uses the glasshouses on the site. The current lease started on 7th January 2013 and expires on 7th January 2019. We are currently re-negotiating our lease early to ensure long-term security and have received Heads of Terms for a 15 year tenancy. Progress is being made and Surrey County Council are favourable. The lease is currently £5,000 per annum (paid in full by SCF) and Christopher Crow provides a small donation towards his usage of the glasshouses. We understand that Christopher Crow is likely to exit before the end of the lease in January 2019. At this point SCF will become sole tenant of the land and rental payments will increase by 10% (the contribution that Christopher currently makes).



**Key Assets:** Grant funding and working capital has enabled SCF to set up the infrastructure needed to establish our operations. This includes:

- Site shed/office (the Veg Shed)
- Supplies of electricity and water to the site
- Composting toilet
- Vehicles (two delivery vans, a tractor plus trailer and rotavator)
- Shipping container and lean-to for storage
- Tractor shed
- Six polytunnels
- Equipment necessary for vegetable production (protective nets, Mypex sheets, irrigation equipment)

## Capital Investment Plan through Community Shares

The money from our initial share offer in 2015/6 enabled us to revamp our website ordering system, invest in some small items for the VegBox scheme, repair a polytunnel and enhance our working capital. We also piloted mushroom growing to explore them as a new crop for our VegBox scheme. The trial has been a success and we're now considering options for scaling up.

Our second share offer will be launched in March 2017 and we have been supported in the development of this through the [Community Shares Booster Programme](#), which is funded by Power to Change and run by the Community Shares Unit. We are in negotiations to secure equity investment through the Booster Programme, through which match funding is available.

We will use the share issue to build a barn that will enable us to comfortably operate at double our customer base. This will greatly expand our packing, storage and refrigeration space to manage the increased volume. This investment is a priority and is vital for the growth of our VegBox scheme. Building will start in the latter half of 2017 and the expected completion date is early 2018.

Our share offer has three targets ranging from the minimum amount needed to go ahead to a maximum that will allow us to build a structure of ideal size as well as comfortably cover all associated costs:

- Minimum amount: £68,575 to **upscale VegBox scheme** and take us to financial resilience.
- Optimum amount: £103,390 to **upscale VegBox scheme** and provide **flexible space** that we can manage in by rearranging throughout the week.
- Maximum amount: £137,150 to **upscale VegBox scheme** and provide **dedicated, fully fitted out** space for activities taking place throughout the week.

The costings and full capacity details are below:

	Minimum Target	Optimum Target	Maximum Target
<b>Dimensions</b>	3 bays = 126m <sup>2</sup>	4 bays = 167m <sup>2</sup>	5 bays = 209m <sup>2</sup>
<b>Capital (installed requirement inc insulation)</b>	£45,000	£66,000	£82,500
<b>Groundwork</b>	£15,000	£23,000	£28,500
<b>Professional Fees*</b>	£5,000	£5,000	£5,000
<b>Services (Utilities)</b>	-	£4,000	£4,000
<b>Fixtures &amp; Fittings</b>	-	-	£10,000
<b>Share Offer Platform Fees**</b>	£3,575	£5,390	£7,150
<b>TOTAL COST</b>	<b>£68,575</b>	<b>£103,390</b>	<b>£137,150</b>

\* Professional fees include: drawings, planning advisor / architect, structural engineer (for legal compliance, building regulations), planning permission fees.

\*\* Share offer platform fees to Crowdfunder and GoCardless for handling pledges and investment transactions.

Depending on the total amount raised the capacity of the new barn will enable us to achieve the following:

	<b>Minimum Target</b> 3 bays = 126m <sup>2</sup>	<b>Optimum Target</b> 4 bays = 167m <sup>2</sup>	<b>Maximum Target</b> 5 bays = 209m <sup>2</sup>
<b>What can we achieve?</b>			
Upscale VegBox scheme to 400 customers.	✓	✓	✓
Greater flexible space for increased volunteer activities / communal lunches / events.		✓	✓
Kitchen area to cater for communal lunches and events.		✓	✓
Dedicated space for volunteer activities throughout the week, enabling increase in opportunities.			✓
Dedicated classroom space to host more school groups and provide shelter for them in inclement weather.			✓
Dedicated indoor facilities to host greater numbers of local business employees on Team Challenge days.			✓
Cost of fixtures and fittings covered.			✓

Raising our maximum target of £137,150 will give us the required space to grow our VegBox scheme as well as ample room to accommodate more volunteering activities and host increased numbers of school groups, plus a greater number and variety of opportunities for our community.

A new barn is a keystone investment for SCF to reach our goal of financial resilience by 2019 and sustain our operations beyond. It will safeguard for the long-term the social benefits we are producing and enable us to increase them: more volunteering opportunities, more skills-building, more school visits, more community events, and stronger partnerships with local businesses. Full details of the offer can be found at [www.crowdfunder.co.uk](http://www.crowdfunder.co.uk).

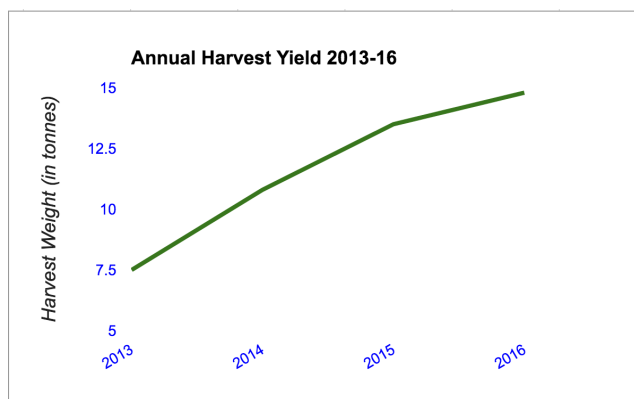
Costings for the planned build that are not covered by share offer monies raised will need to be covered by grant fundraising or taken from the Society's reserves (subject to Management Committee approval). We are currently seeking opportunities to apply to if we do not reach our target and need to 'top up' funds to purchase fixtures and fittings and pay for utility works. If we meet our maximum target of £137,150 then no additional fundraising is required. If we reach our minimum target £14,000 is required, and £10,000 is required if we reach our optimum target.

The farm is not reliant on the money raised from the share issue for its ongoing operations. There is no risk to the farm if we fail to raise the capital and the main impact would be a delay in achieving our plans and a scaling down of our ambitions.

## 2. Production

We keep the site as productive as possible, maximising the growing space and following a crop rotation that maintains soil fertility and minimises the spread of pests and diseases. Our cropping plan focuses on high value vegetables (salad and leafy greens) whilst also growing lower value ones to maintain the rotation, enable as much farm based produce to go into our VegBox scheme as possible and demonstrate to our community the wide variety of crops that grow in our climate.

Our polytunnels enable year-round production; with delicate crops in winter and a focus on tomatoes, cucumbers, aubergines and peppers in the summer. We estimate that produce from our polytunnels bring five times the value of our field scale production in cash terms. We increased our overall yield by 97% since 2013, harvesting 14.8 tonnes of produce in 2016. We aim to increase yield by a further 20% by 2022.



Our growing plan is revised annually in the winter to reflect customer demand and learning from the season's successes and challenges. It is shared publicly on our website for educational purposes.

**Organic status:** we support the principles of the Soil Association's Organic Certification scheme and use them as a basis for our growing techniques. We do not use chemical inputs and seek to work with nature, not against it to achieve sustainable levels of production. We work hard to protect and improve the health of our soil and take seriously our responsibility to be good custodians of our land. However, we do not hold certified Organic status. We have taken the decision that the costs involved are too high for the farm at this time. In addition, there has not been a significant demand from our customers. Instead we operate a transparency policy, welcoming customers to the farm to learn about our growing techniques.

## 3. Sales and Distribution

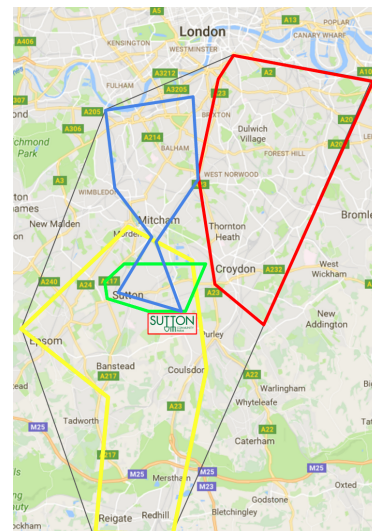
**VegBox service:** Orders are placed on our website and we aim for customers to have an experience that is easy, clear and reliable. There is a minimum order and customers set up a repeat direct debit for their payments, via the payment processor GoCardless.

**Suppliers:** Selection of our suppliers is based on proximity and environmental sustainability. This is outlined in our *Food Sourcing Policy*<sup>13</sup> and suppliers are listed on our website.

**Customer management:** all our customer queries are dealt with in person over the phone or email. All customers receive a weekly email which contains cooking tips, a recipe and news from the Farm.

<sup>13</sup> <http://suttoncommunityfarm.org.uk/farm-shop/our-food-sourcing-policy/>

**Deliveries for VegBoxes:** are split over two days and are made via van to customers' homes or to convenient pick-up points for customers. Home deliveries cost £1.50, and pickup points £1. Pick-up points are public locations such as a cafe, pub, or work spaces. A map of pick-up points is available at: [bit.ly/suttondeliveries](http://bit.ly/suttondeliveries). Our delivery area covers a 12-15 mile radius of the farm - shown on the right. We recognise that this is quite a wide range and poses some issues such as dealing with London traffic and the time involved in dropping VegBoxes at locations that are spread out. We monitor the impact of this on our cost of sales and are currently revising our delivery logistics and strategy. Our recent decision to charge for all deliveries reflects this.



We aim to open 3-6 more pick-up points over the next three years with a focus on those closer to the farm, in areas identified as having good potential. Our strategy in the past has been to respond to demand in opening new pick-up points, ie developing relationships with hosts that have approached us. We will continue to pursue this whilst maintaining a close eye on the costs involved and making sure that we have a minimum number of customers interested before opening any new pick-up point. In terms of home deliveries we will market ourselves around existing pick-up points and customer areas to maximise the efficiency of the existing delivery rounds.

At 400 customers our operations and logistics will need to expand along with our growth. We have set up our website ordering system, delivery runs, relationships with suppliers and customer service interface to be able to cope with this expansion.

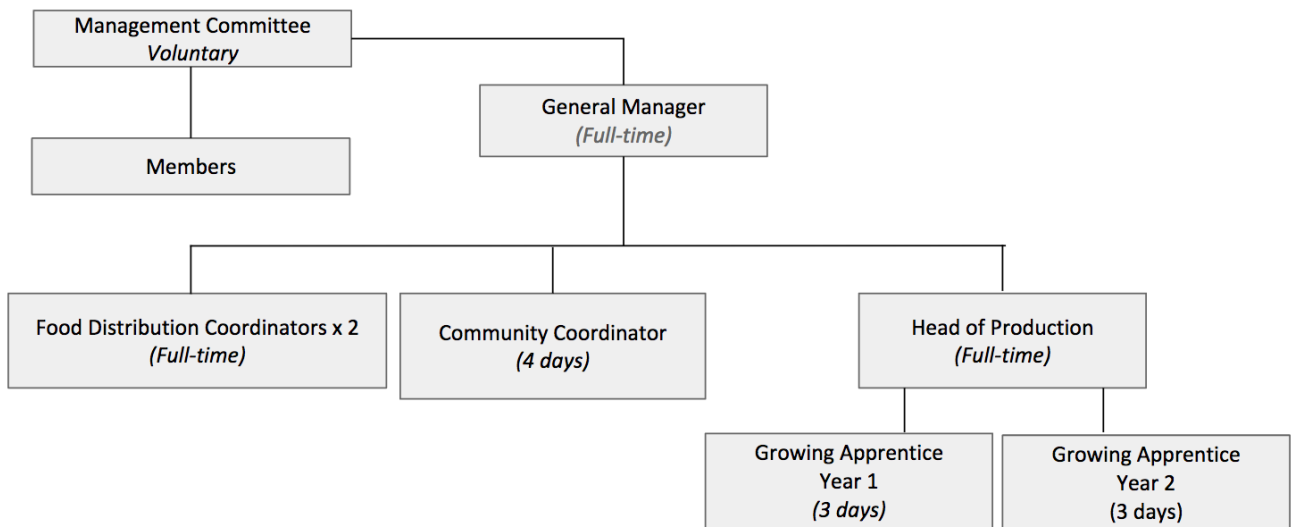
## 4. People

What makes SCF a success is the passion and enthusiasm of its supporters, volunteers and staff. Together, we hold a diverse range of interests, skills and knowledge. We seek to encourage and empower all people in our community to work together.

In the core team of paid employees, we have the following roles:

- **General Manager:** responsible for day-to-day management and business development, reporting regularly to the Management Committee on the activities of the farm.
- **Head of Production:** responsible for developing and implementing the farm production plan, leads on volunteer management and training apprentices.
- **Food Distribution Coordinators:** responsible for coordinating the VegBox scheme, distributing farm produce, sales and marketing.
- **Growing Apprentices:** responsible for conducting growing activities and supporting the farm's projects and development.
- **Community Coordinator:** (from April 2017) responsible for volunteer coordination, with particular emphasis on working with beneficiaries with special requirements.

Diagram: Our organisational structure



Please refer to [Appendix 2: Roles, Responsibilities and Membership of the Management Committee](#) for further information about the Management Committee. Please refer to our website for more information about staff members: [bit.ly/scf-people](http://bit.ly/scf-people)

We recognise that at 400 customers we may need to restructure roles within the organisation and recruit new staff members to cope with the increased volumes of customers and produce, and make sure that the quality of our product and service remains exemplary. We are focussing on our strategy this year to make sure we are well positioned for growth. Raising funds and building a barn is part of this.

Volunteers are vital to the success of the project. Our methods of production and distribution are deliberately 'people scale' to ensure that we can engage as many participants as possible in our project. We benefit from the assistance of around 60 regular volunteers without whom the farm could not function. As our operation grows our need for more volunteers will grow too. We will need to advertise volunteering opportunities more regularly and widely to ensure we have the support we need to serve 400 customers.



## 5. IT Strategy

The underlying principles for our IT infrastructure are:

- Use well proven “industry standard” products
- Support cloud computing
- Involve no bespoke elements
- Provide integration or interfaces with other elements where necessary
- Incorporate powerful and simple reporting capability
- Provide suitable training and ongoing support.

**Systems and software:** We use Google applications for our email and documents. Google Drive is a convenient and user friendly way to share documents easily and for free. Risks associated with using this system is that we are vulnerable to issues affecting Google’s servers and security systems.

We use Xero accounting software for our bookkeeping and accounts. This is a simple subscription service that enables us to maintain accurate records to be passed on to our accountants at the end of the financial year.

**Website:** Our website runs on a Wordpress platform and can be updated by staff members. We have a bespoke ordering system that was built and maintained by a local web developer. He remains on a monthly retainer to perform routine maintenance and repairs on the ordering system and website as required. Our website and ordering system are vital to ensure that our VegBox sales are maintained and grow. It is well positioned for our growth and can process 400 customers’ weekly orders without issue.

## 9. Legal Structure and Governance

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SCF is a registered society under the Co-operative and Community Benefit Societies Act 2014 (registration number: 32202R). This legal structure enables us to have Community Share Offers and supports our interests in being community-led, democratic, not-for-profit and existing for the benefit of the community.

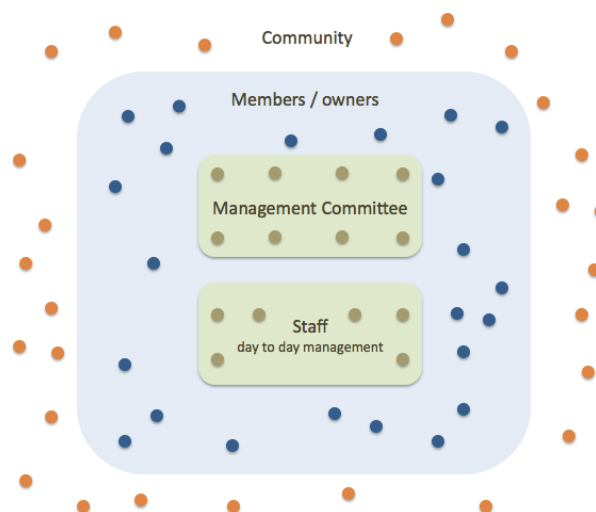
At an Annual Members' Meeting the farm membership elects a Management Committee, each representative serving for three years. Irrelevant of the number of shares held by any individual, it operates as 'one member, one vote'. This ensures that we operate democratically. Although the Management Committee may comprise of up to 12 persons, we aim for a committee comprising of seven members.

Each Member of the Management Committee has joint responsibility for the management and control of SCF and they meet every two months. Certain Members are given specific roles, as detailed in [Appendix 2](#). They must at all times act in the best interest of the organisation and are required to declare any external interest that may be in conflict with their role on the Management Committee.

**The Management Committee** makes sure the farm is running well and is doing what it was set up to do. This includes supporting the mission of the farm and performing these three main functions:

1. **Strategic direction:** where are we heading and are we following our mission?
2. **Oversight:** are we on track? Does the farm have the money it needs and is it being spent sensibly?
3. **Compliance:** is the farm legally and financially compliant? Are we following our Rules as a society? Are the Health and Safety regulations adequately implemented?

Staff at the farm are accountable to the Management Committee and are supported by many volunteers to achieve the organisational objectives. The diagram below helps explain this structure:



*Diagram outlining the structure of SCF. The outside dots represent the wider community that the farm benefits. The blue dots represent Members of the farm that share ownership.*

## Benefits of Membership

We have a membership of over 140 individuals. We regularly engage Members with project news, seeking their assistance and input. Each member is entitled to vote at the Annual Members' Meeting (AMM). Members are also entitled to request that a special meeting be convened.

Membership is open to anyone who:

- Is over 16 years of age (including corporate bodies and associations)
- Supports the Society's purpose
- Pays for the minimum number of shares (currently £30)
- Submits an application that is accepted by the Management Committee

Members own and control the organisation. At the AMM they elect the Management Committee, can stand for election to the Management Committee and can hold the Management Committee to account.

Members are also entitled to:

- **5% discount on VegBoxes for one year** (open to those investing in 2017 share offer only).
- **Invitation to Members' only events**, and a warm welcome to visit at other times.
- **Their name on our new barn in recognition of support.** Our new barn will help safeguard the future of the farm. We want to thank Members for their support by painting everyone's name on the wall of our new building.
- **Specific Member communications on a regular basis**, offering deeper engagement with the farm.
- **Have a say in what they'd like to happen:** A say in the governance of the farm via a vote at the AMM and the ability to put forward items for discussion, as well as being consulted on important issues on an adhoc basis.

Please see [Appendix 3](#) for more information on our Community Engagement Plan showing how we will work with existing Members and recruit potential future Members.

## Open Share Offer

Following our second share offer, which will launch and close in 2017, we aim to move to an open share offer. This will allow new Members to invest and join at any time and will not be time-restricted as previously the case. The key driver for moving to an open share offer is to recruit new Members to strengthen and grow our community ownership, not to raise significant capital. We expect to move to an open share offer from April 2019.

## 10. Financial Forecasts

### Previous Income and Expenditure

Income and expenditure from our previous annual accounts are summarised in Table 1, relating back to our first year of trading. These accounts demonstrate how we have build up a surplus, providing the organisation with some operating security. The Management Committee consider it prudent to aim to hold cash reserves, or cash equivalents, of approximately six months of operational costs. This is shown by the row 'Contingency Reserves' in the table below.

Table: Annual Accounts Summary: Income and Expenditure for previous and current years

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17*
<b>Gross Income</b>	81,416	196,175	248,293	215,242	272,637	326,216
<b>Expenditure</b>	70,685	197,437	189,280	206,423	265,033	331,620
<b>OPERATING PROFIT</b>	<b>10,731</b>	<b>(1,262)</b>	<b>59,013</b>	<b>8,819</b>	<b>7,604</b>	<b>(5,404)</b>
<b>Tax</b>	<b>2,150</b>	<b>(2,150)</b>	<b>10,247</b>	<b>1,988</b>	<b>180</b>	<b>-</b>
<b>RETAINED PROFIT/(LOSS)</b>	<b>8,581</b>	<b>888</b>	<b>48,766</b>	<b>6,831</b>	<b>7,424</b>	<b>(5,404)</b>
<b>Reserves</b>						
<b>Share Capital</b>	0	0	0	300	18,782	18,782
<b>Reserves</b>	8,514	9,402	7,579	14,401	21,834	16,430
<b>Contingency Reserves**</b>	-	-	50,589	50,589	50,589	50,589
<b>TOTAL RESERVES</b>	<b>8,514</b>	<b>9,402</b>	<b>58,168</b>	<b>65,290</b>	<b>91,205</b>	<b>85,801</b>

\* 2016/17 figures are the projected out-turn based on unaudited accounts at 31<sup>st</sup> December 2016

\*\* Contingency Reserves indicates the money we have put aside to cover any contingent liabilities should we need to close.

Full copies of our accounts are available on our website: <http://bit.ly/scf-accounts>

### Notes to Annual Accounts Summary Table

- VegBox sales contributed 49% to overall turnover in 2015/16 and 42% in 2014/15. Our projection is for 50% in 2016/17.
- The large increase in turnover of £114,759 from 2011/12 to 2012/13 was due to success in grant fundraising and growth of the VegBox scheme, following its initial launch in 2011.
- We are projecting a small loss in 2016/17 due to the timing of grant funding payments. We have been successful in securing grants in 2016/17 that will not be paid until 2017/18.
- In 2012/13 expenses were high as investments were made that year in infrastructure and assets to increase production (eg. farm machinery and equipment).
- Turnover in 2014/15 and 2015/16 was boosted by Sutton Council awarding a contract to deliver Sutton People's Kitchen, our healthy eating education and outreach programme. The contract awarded was £31,975 in Phase 1 and £91,600 in Phase 2. The Council is very happy with the project and consider it to be a success. Unfortunately due to budget cuts from central government a contract for Phase 3 is not possible at this time.
- Contingency Reserves indicates the money we have put aside to cover any contingent

liabilities should we need to close.

- The Management Committee consider it prudent to aim to hold cash reserves, or cash equivalents, of approximately six months of operational costs. It is estimated that it would take around six months to wind up operations, dispose of assets and remove infrastructure. This is why the cash level needs to be kept high in the business.

Figure: Projected Income breakdown for 2016/17

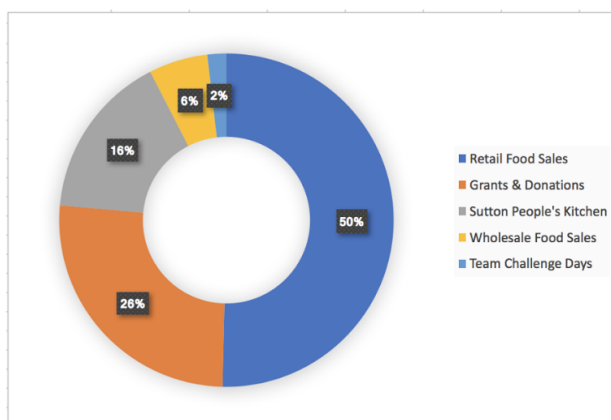
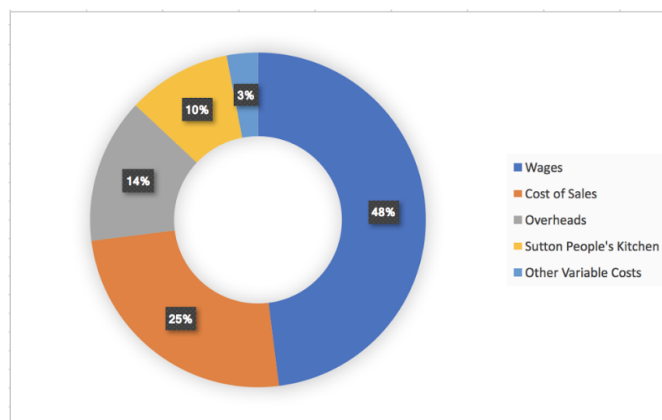


Figure: Projected Expenditure breakdown for 2016/17



## Financial Forecasts

Our Five Year Vision aims to reduce our grant dependency below 15%. At the time of writing (February 2017), these are the best available set of forecasts. These forecasts are monitored and updated regularly to ensure they are fully accurate and reflect planned developments in our revenue streams. The cash flow forecast is monitored by the Treasurer of the Management Committee in meetings with the General Manager on a monthly basis.

Below are our financial forecasts 2017-22. Separate figures have been drawn up to reflect the three share offer targets for capital investment in 2017:

Table: Projected Income and Expenditure 2017-22 (£68,575 raised from share offer)

	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Gross Income</b>	375,211	435,786	465,873	472,009	493,506
<b>Expenditure</b>	363,169	414,980	459,019	462,986	476,188
<b>OPERATING PROFIT</b>	<b>12,042</b>	<b>20,806</b>	<b>6,853</b>	<b>9,023</b>	<b>17,318</b>
<b>Tax</b>	<b>1,328</b>	<b>4,161</b>	<b>1,371</b>	<b>1,805</b>	<b>3,464</b>
<b>RETAINED PROFIT/(LOSS)</b>	<b>10,715</b>	<b>16,645</b>	<b>5,482</b>	<b>7,218</b>	<b>13,855</b>
<b>Reserves</b>					
<b>Share Capital</b>	87,357	87,357	89,104	89,930	87,141
<b>Reserves</b>	27,144	34,379	29,861	27,079	30,934
<b>Contingency Reserves</b>	50,589	60,000	70,000	80,000	90,000
<b>TOTAL RESERVES</b>	<b>165,090</b>	<b>181,736</b>	<b>188,965</b>	<b>197,009</b>	<b>208,075</b>

Table: Projected Income and Expenditure 2017-22 (£103,390 raised from share offer)

	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Gross Income</b>	375,211	435,786	465,873	472,009	493,506
<b>Expenditure</b>	366,796	416,753	460,182	464,178	477,413
<b>OPERATING PROFIT</b>	<b>8,415</b>	<b>19,033</b>	<b>5,691</b>	<b>7,832</b>	<b>16,094</b>
<b>Tax</b>	<b>602</b>	<b>3,807</b>	<b>1,138</b>	<b>1,566</b>	<b>3,219</b>
<b>RETAINED PROFIT/(LOSS)</b>	<b>7,813</b>	<b>15,226</b>	<b>4,553</b>	<b>6,265</b>	<b>12,875</b>
<b>Reserves</b>					
<b>Share Capital</b>	122,172	122,172	124,615	126,144	122,227
<b>Reserves</b>	24,242	30,058	24,611	20,876	23,751
<b>Contingency Reserves</b>	50,589	60,000	70,000	80,000	90,000
<b>TOTAL RESERVES</b>	<b>197,003</b>	<b>212,230</b>	<b>219,226</b>	<b>227,020</b>	<b>235,979</b>

Table: Projected Income and Expenditure 2017-22 (£137,150 raised from share offer)

	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Gross Income</b>	375,211	436,748	467,373	473,759	495,506
<b>Expenditure</b>	370,281	417,968	463,192	466,998	480,063
<b>OPERATING PROFIT</b>	<b>4,930</b>	<b>18,780</b>	<b>4,180</b>	<b>6,761</b>	<b>15,443</b>
<b>Tax</b>	<b>0</b>	<b>2,675</b>	<b>836</b>	<b>1,352</b>	<b>3,089</b>
<b>RETAINED PROFIT/(LOSS)</b>	<b>4,930</b>	<b>16,105</b>	<b>3,344</b>	<b>5,409</b>	<b>12,355</b>
<b>Reserves</b>					
<b>Share Capital</b>	155,932	155,932	159,051	161,261	156,249
<b>Reserves</b>	21,360	23,124	16,468	11,877	14,231
<b>Contingency Reserves</b>	50,589	60,000	70,000	80,000	90,000
<b>TOTAL RESERVES</b>	<b>227,881</b>	<b>239,056</b>	<b>245,518</b>	<b>253,138</b>	<b>260,480</b>

Please see [Appendix 4](#) for detailed versions of these forecasts.

#### Notes to Financial Forecasts Table

- Income forecasts for the VegBox scheme increase significantly (26% on average to 2019 when we hit 400 customers). The growth assumptions are in line with our sales and marketing strategy and assume 240 customers by March 2017, 310 customers by March 2018, and 400 customers by March 2019. These targets are ambitious but achievable. The current customer base is 230. The site will be at optimum usage for 400 VegBoxes and therefore we do not intend to continue to increase the number of boxes beyond this.
- In the 2016/17 financial year our funding target was higher than an average year. This is

because although we had success in fundraising in previous years we were not successful in raising enough core funding to support revenue costs. Instead the majority of funding was restricted to capital projects and projects that require increased staff capacity. We have been able to weather this with our reserves, and will retain a sustainable cash flow and comfortable level of reserves, providing we are successful in meeting our fundraising targets for 2016/17. At the time of writing (February 2017) we are 90% through the financial year and 80% of the funding target has been met. Our strategy in 2016/17 has been to focus exclusively on fundraising for core revenue costs and we have hired a part-time consultant fundraiser to assist. Post-2019 we will continue to raise 5-15% of our income through grants for specific projects.

- Income from wholesale vegetable sales is predicted to fall to reflect that, as customer numbers rise, more vegetables will be sold at retail through the VegBox scheme rather than at wholesale to restaurants. We will prioritise the use of our produce in the VegBoxes over wholesale customers.
- Use of surplus: we are a non-profit organisation and any surplus generated must be invested back into the organisation. We are forecasting a surplus in future financial years in order to help build a safe level of reserves as an organisation and pay interest to our Members. We recognise that the surplus forecasts are ambitious. They rest upon the VegBox scheme growth assumptions and success in fundraising activities.
- We have assumed an inflationary increase of 2% until 2021/22 after which we have assumed an inflationary increase of 3%.
- We have assumed a 5% withdrawal of eligible Members' shares from 2020/21
- Interest will be paid on Members' shares at 2% from April 2019.
- We have assumed that we will be liable for lease payments in full in all our projections.
- The legal costs and the cost of raising finance are listed as expenditure on the profit and loss account in the financial projections. The cost of purchase, refurbishment / refit and associated professional fees for the barn are capitalised and show as a fixed asset on the balance sheet.
- Contingency Reserves indicates the money we have put aside to cover any contingent liabilities should we need to close.
- The Management Committee consider it prudent to aim to hold cash reserves, or cash equivalents, of approximately six months of operational costs. It is estimated that it would take around six months to wind up operations, dispose of assets and remove infrastructure. This is why the cash level needs to be kept high in the business.

## Monitoring: Key Performance Indicators

The General Manager, staff and Management Committee closely monitor the following Key Performance Indicators (KPIs):

Weekly	Monthly	Bi-monthly	Annually
<p><b><i>VegBox staff and General Manager</i></b></p> <ul style="list-style-type: none"> <li>● Customer numbers</li> <li>● Customer recruitment and retention rate</li> <li>● Average spend per customer</li> <li>● Product sales</li> <li>● Gross and net income</li> </ul>	<p><b><i>General Manager</i></b></p> <ul style="list-style-type: none"> <li>● Cost of sales (especially cost of delivery)</li> <li>● Overheads and budget</li> </ul> <p><b><i>General Manager and Treasurer</i></b></p> <ul style="list-style-type: none"> <li>● Cash flow</li> </ul>	<p><b><i>Management Committee</i></b></p> <ul style="list-style-type: none"> <li>● Management accounts against budget and forecast</li> </ul>	<p><b><i>Management Committee and Members</i></b></p> <ul style="list-style-type: none"> <li>● Budget approved</li> <li>● Annual accounts approved</li> <li>● Reserves statement reviewed</li> </ul>



## Appendix I. Risks Register

Risk	Type of risk	Actions to reduce risk
Poor yields due to unexpected weather events and/or poor management → SCF does not achieve income forecasts	Financial	<ul style="list-style-type: none"> <li>● Maintain cash reserves to weather these events.</li> <li>● Ensure workload is well managed and volunteers and groups are coordinated to support the workload.</li> <li>● Practice a good crop rotation to increase soil fertility.</li> <li>● Use polytunnels to reduce impacts of severe weather events.</li> </ul>
Difficulty achieving VegBox sales targets → SCF does not achieve income forecasts	Financial	<ul style="list-style-type: none"> <li>● Ensure there is a restructuring plan to implement if the farm faces economic difficulties - cut costs in order for the organisation to survive.</li> <li>● To recruit customers: follow sales and marketing strategy, adequately resource customer recruitment, track KPIs.</li> <li>● To retain customers: emphasis on great customer service, quality control and communication with customers.</li> </ul>
Volume of produce from farm varies through the year, creating potential for cash flow difficulties	Financial	Seasonality is recognised in our budget forecasting and the farm aims to build up reserves to manage any problems resulting from fluctuations through the year.
Dependency on funding leading to financial difficulties if unsuccessful with fundraising	Financial	<ul style="list-style-type: none"> <li>● The General Manager will resource his/her time carefully between seeking grant funding to support core costs and expanding existing and new revenue streams with a low-risk approach.</li> <li>● Bi-monthly meetings between Treasurer and GM to monitor cash flow. Financial scrutiny of Management Committee at bi-monthly meetings.</li> </ul>
Increasing VegBox pricing leads to significant loss in customers → reduced cash flow	Financial	<ul style="list-style-type: none"> <li>● Prices will be kept in line with other major VegBox schemes e.g. Abel &amp; Cole, Riverford</li> <li>● Price elasticity analysis will determine how many customers we need to lose before it has a negative financial impact on cash flow. This will be kept within reasonable expectations.</li> <li>● The price change will be communicated carefully and a grace period will give people time to transfer to the new products.</li> </ul>
The leaseholding (land) is not secure post-2019	Operational	<ul style="list-style-type: none"> <li>● SCF continues engagement with Surrey County Council to establish a strong relationship.</li> <li>● Continue to ensure strong support for the farm across the community and within local and central government. Recognising, monitoring and promoting the farm's value</li> </ul>

		<p>beyond financial measures.</p> <ul style="list-style-type: none"> <li>● SCF is seeking a lease renewal of 15 years, initial documentation has been received and negotiation phase with Surrey has begun.</li> </ul>
Some of the labour is provided by informal volunteers, some of whom require extra support from staff.	HR	<ul style="list-style-type: none"> <li>● Recognise the staff's capacity for supporting volunteers and create the right balance so that production work is achieved to achieve income forecasts.</li> <li>● Maintain our Buddy Volunteering programme that trains experienced volunteers to have the confidence and empowerment to support the volunteers that need extra support.</li> </ul>
Our products and services not competing with local supermarket prices, meaning our product is considered too expensive for the local community → poor sales and reduced income	Financial and Reputational	<ul style="list-style-type: none"> <li>● Build relationships with organisations and networks that can assist in making our produce more available to lower-income households. For example, Sutton Housing Partnership offering discounts, businesses supporting Office Veg Clubs, accepting Healthy Start Vouchers.</li> <li>● Raise awareness about how food expenditure compares with other lifestyle-choice expenditures such as consumer goods, leisure and running a car.</li> </ul>
Farm's are dangerous places and the risk of accidents are high → Risk of human injury	Reputation, Financial	<ul style="list-style-type: none"> <li>● Prevention through risk assessment and strong health and safety policy, resulting in necessary management actions such as training, guidance, signage and awareness.</li> <li>● Emergency First Aid Training for all staff (completed in 2016).</li> <li>● Insurance policy managed and updated annually to ensure appropriate cover.</li> </ul>
Staff sickness, absence or turnover.	HR	<ul style="list-style-type: none"> <li>● General Manager will oversee recruitment if necessary and can cover in the short term.</li> <li>● Regular management support through staff reviews and informal check-ins during interim periods to keep up staff morale and motivation and address issues as they may arise.</li> </ul>
The website and ordering system was built and is maintained by a local web developer who operates as a freelancer → risk of IT difficulties as he is our sole support provider.	Operational	<ul style="list-style-type: none"> <li>● Our website runs on a simple Wordpress platform and can be updated by several staff members.</li> <li>● Our web developer remains on a monthly retainer to perform routine maintenance and repairs on the ordering system and website as required.</li> <li>● Our ordering system was built using code that can easily be understood and maintained by another developer.</li> <li>● Contract in place to ensure security of ownership of our system.</li> </ul>
Number of volunteers, fall and/or the quality of their experience at the farm does not meet expectations. Risk	Operational	<ul style="list-style-type: none"> <li>● Maintain a high profile via our social media presence and advertise volunteer opportunities at markets, events and on our website.</li> <li>● Keep an open channel of dialogue between staff and</li> </ul>

to ability to complete all necessary jobs.		<p>volunteers for ongoing feedback of their experience on site.</p> <ul style="list-style-type: none"> <li>• Weekly staff meetings address issues arising that have been raised by volunteers.</li> </ul>
Number of corporate Team Challenge days, school visits fall - loss of income.	Financial	<ul style="list-style-type: none"> <li>• The General Manager continues to develop relationships with local schools, corporates and other like-minded organisations, and seek feedback so that offering can be improved.</li> <li>• Maintain a high profile via our social media presence and advertise opportunities at markets, events and on our website.</li> </ul>
Planning Permission for new barn is not received.	Operational	<ul style="list-style-type: none"> <li>• Pre-planning advice application has been submitted and site visit completed, report received.</li> <li>• SCF has sought advice widely on building design to ensure compliance with all regulation and planning stipulations.</li> </ul>
Build for new barn not completed/too disruptive	Operational	<ul style="list-style-type: none"> <li>• Planning phase is subject to rigorous scrutiny and approval by Management Committee.</li> <li>• Multiple quotes obtained for comparison and to ensure that budgeting is as accurate as possible.</li> <li>• Project management priority is to maintain the least disruption possible during build phase.</li> </ul>
Insufficient funds raised for barn build to proceed	Financial	<ul style="list-style-type: none"> <li>• Share offer minimum target has been set at realistic levels and approved by Management Committee.</li> <li>• Community Engagement Plan in place to secure investment.</li> </ul>

For further risks management, please refer to our Health & Safety and Risk Assessment.

## Appendix 2: Roles, Responsibilities and Membership of the Management Committee

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The following roles on the Management Committee are required by the Rules of the Society.

**Chairperson:** The Chair takes a leadership role on the board. Key duties include:

- Ensuring meetings are run competently;
- Ensuring discussion and decision-making is democratic and everyone is able to participate fully in meetings;
- Holding the casting vote in the event of split decision;
- Preparing agendas for the meeting (in consultation with the General Manager);
- Ensuring relevant matters are discussed and appropriate decisions made;
- Chairing meetings and ensuring the Annual Members' Meetings are carried out according to the constitution.

**Treasurer:** The Management Committee has a duty to ensure the farm is taking appropriate financial decisions and financial monitoring. While the day-to-day finances are managed by the employees, the Treasurer has strong financial experience and is able to have oversight of the activity. Key duties include:

- Helping advising the committee on financial matters, both positive and negative;
- Controlling and accounting for the organisation's finances
- Having familiarity and oversight of the bookkeeping;
- Working with staff to prepare the Financial Report for the Annual Members' Meeting.

**Secretary:** The Secretary will support various administrative activities. These may include:

- Convening meetings and booking rooms;
- Preparing agendas for meetings (in consultation with the Chairperson and staff);
- Taking the minutes of meetings;
- Ensuring back-up information is available at meetings where required

## Members of the Management Committee

### Mark Gordon (Chair)

Mark is an award-winning entrepreneur, international marketer and consultant. He has held senior positions with some of Europe's most respected corporates. Mark's work with Feather Down Farms has given him hands-on experience of running an operation from top-to-bottom and of winning awards from Mumsnet and other social media in the process. In 2015 Mark took up the role as Director of Communications and Partnerships at Power to Change, the independent trust endowed with £150 million from the Big Lottery Fund to support community business.



Mark joined the Management Committee in February, 2015. In accordance with the Rules, as an elected member, Mark's term of office ends at the conclusion of his third AMM in 2018.

At present a potential conflict of interest exists in that the Chair holds a position as Director of

Communications and Partnerships at Power to Change. This issue is managed carefully by both parties to ensure no conflict occurs. In particular, the Chair will not vote in respect of any matter related to the funder's dealings with Sutton Community Farm, and he has had no input into applications made for support from Power to Change.

### **Robert Spain (Treasurer)**

Robert joined the Management Committee in January, 2016. He is a chartered accountant (ACA) who qualified in practice, specialising in charities audits and accounts preparation. He is also a qualified risk manager (PRM). Since 2007 he has worked for international banks, focusing on treasury finance and corporate real estate. His interest in the farm stems from years of living in urban areas, without outside space to cultivate. It is a pleasure for him to be involved with an enterprise providing such a social and environmental benefit.



In accordance with the Rules, as an elected member, Robert's term of office ends at the conclusion of his third AMM in 2019.

### **Diane Harris (Secretary)**

Diane joined the Management Committee in February, 2015, bringing with her strong legal and governance expertise. Diane is a qualified solicitor and since 2005 has been Chief Operating Officer for the Private Infrastructure Development Group, a US\$400m international aid programme, providing financing to infrastructure projects in developing countries.



Diane has experience advising on company and commercial issues, including companies, LLPs, not-for-profits, trusts, funds, SME financing, grant and loan administration, corporate governance and company law. Diane lives in Sutton and has been buying her vegetables from the farm since 2014. She strongly supports community farming and local sourcing of food.

In accordance with the Rules, as an elected member, Diane's term of office ends at the conclusion of her third AMM in 2018.

### **Charlotte Steel (General Manager, Elected Member)**

Charlotte has been involved at the farm for four and a half years, starting as a volunteer in April, 2012 and joining the staff team that September. Until December, 2015 her responsibilities included volunteer management, group facilitation, vegetable production and financial administration. Her role evolved along with the needs of the organisation and she has applied her skills accordingly. Over the last four years she has built up intimate knowledge of the farm operations putting her in a good position to take over as General Manager from January 2016.



Prior to joining Sutton Community Farm she spent three years as an Investment Analyst working in environmental finance, helping to make decisions about clean technology investments. She has a Masters degree in Leadership for Sustainable Development with Forum for the Future and a BSc in International Relations from the London School of Economics.

Charlotte joined the Management Committee in September, 2015. In accordance with the Rules, as an elected member, Charlotte's term of office ends at the conclusion of her third AMM in 2019.

### **Samuel Smith (Elected Member, previous General Manager)**

Sam has been involved with the farm since its beginnings in 2010. From 2012-2015, he was the General Manager and helped the farm to transition into a community-owned enterprise. Sam lives in Sutton and is a passionate VegBox customer. Before the farm, he worked as a Sustainability Consultant for local charity, BioRegional, delivering various projects in the community (2008-2012). Following this, he went to Kenya to help establish a successful renewable energy company. Sam currently works as a sustainability advisor, specialising in food and the circular economy.



In accordance with the Rules, as an elected member, Sam's term of office ends at the conclusion of his third AMM in 2018.

### **Joris Gunawardena (Elected Member)**

Joris has been the Head of Production at the farm since 2012. He has always been passionate about food and has worked in the industry for 15 years. He has managed small-scale vegetable production on farms for the last eight years.



Joris has proven experience in successfully facilitating groups, mentoring apprentices and trainees and helping volunteers become confident with food growing. He is also an experienced chef and runs cooking demonstrations for volunteers and customers. He is passionate about seeing the proliferation of small farms in the UK - bringing vegetable production back into the heart of communities.

Joris joined the Management Committee in June 2016. In accordance with the Rules, as an elected member, Joris' term of office ends at the conclusion of his third AMM in 2019.

### **Judy Groome (Elected Member)**

Judy is a shareholder, customer, volunteer and fervent supporter of Sutton Community Farm and was elected as a Member of the Management Committee at the AMM in 2016. As a regular volunteer she is a member of the VegBox packing team and also regularly supports our stall at the Wallington Farmers' Market and other venues. Judy lives locally and loves the idea that we have a local farm that supports all the principles of growing vegetables for the community in an ethical, organic way.



Judy's background is in education rather than business (she is a retired Assistant Headteacher). Her experience in management and the fact that she is on the Governing body of a local school, gives her the experience needed to support the farm on the Management Committee.

Judy joined the Management Committee in August 2016. In accordance with the Rules, as an elected member, Judy's term of office ends at the conclusion of her third AMM in 2019.

## Appendix 3: Community Engagement Plan

### Sutton Community Farm Second Share Offer Community Engagement Plan

#### 1. Target Community

Community Group	Relationship to Sutton Community Farm	Approx. numbers	Existing Members?
VegBox scheme customers	Value the product and service we provide. May never have been to the farm.	240 households	40 (17%)
Volunteers and visitors	Have benefited from, and value the farm as a community asset. Are regular participants or one-off visitors.	1,000 individuals	32 (3%)
Existing Members	Engaged in the idea of community support and ownership. Greater depth of awareness of the farm and its opportunities / challenges.	150	N/A
Previous crowdfund donors	Engaged in the idea of community support familiar with the way that crowdfunding campaigns work.	251	Unknown
Participants on corporate Team Challenge Days	Have visited the farm and may be good contacts to reach corporate sponsorship opportunities.	500	Unknown
Social media followers	Engage with the farm via Twitter and FaceBook. Enjoy our posts and support us online.	2,625 followers	Unknown
Local population of Sutton	Support for community enterprise in the borough of Sutton. May have little prior awareness of the farm.	198,000	92 (0.05%)
National community food sector	Support for community food growing projects through networks, trade bodies, etc nationwide. May have little prior awareness of the farm.	650 Member organisations	Unknown
Wholesale customers	Restaurants that buy our vegetables. They value the quality of our produce and have access to a broad customer base of diners.	10 restaurants	0
Social investors	Broader social investment sector. May not have particular connection with community food, but are supporters of alternative investment models.	Unknown	Unknown

#### 2. Outline Share Offer Engagement Plan

We have created a sub-committee of our Management Committee for Communication, Public

Relations and Marketing for the share offer. This comprises of the Chair, Mark Gordon (who has extensive skills, knowledge and experience in this area), Judy Groome (a local resident, volunteer and customer), and the General Manager, Charlotte Steel (responsible for plan implementation). This sub-committee has met prior to launch and will meet during the share offer to ensure that everything is on track.

The share offer launch date is **31st March**. We will host an event to officially launch the community share offer at the farm on **8th April**.

In the first week of the share offer we will focus on communicating with existing Members, offering them a first opportunity to invest. We will then open out our engagement to our wider target communities as detailed in the table below.

<b>Method of Engagement</b>	<b>Target Community</b>
Launch event – open day at the farm to officially open share offer.	<ul style="list-style-type: none"> <li>· VegBox scheme customers</li> <li>· Volunteers and visitors</li> <li>· Existing Members</li> <li>· Local population of Sutton</li> </ul>
Social media campaign – regular updates and reminders of our community share offer.	<ul style="list-style-type: none"> <li>· VegBox scheme customers</li> <li>· Social media followers</li> <li>· National community food sector</li> </ul>
Promotion in VegBox customer and Member communications – regular updates and reminders, plus encouraging them to promote us via word of mouth.	<ul style="list-style-type: none"> <li>· VegBox scheme customers</li> <li>· Existing Members</li> </ul>
Local press coverage – Sutton Guardian, local radio covering the story of our share offer.	<ul style="list-style-type: none"> <li>· Local population of Sutton</li> </ul>
Events – dining events promoting our share offer, hosted by the chefs we work with in central London.	<ul style="list-style-type: none"> <li>· Wholesale customers</li> </ul>
Incentives – discounted VegBox offer, T-shirt, farm experiences?	<ul style="list-style-type: none"> <li>· VegBox scheme customers</li> <li>· Volunteers and visitors</li> <li>· Existing Members</li> <li>· Social media followers</li> </ul>
Film – communicating our share offer, background story and why it's so important to us.	<ul style="list-style-type: none"> <li>· Social media followers</li> <li>· VegBox scheme customers</li> <li>· Volunteers and visitors</li> <li>· Existing Members</li> <li>· National community food sector</li> </ul>
Wider press coverage – in trade mags and via networks and newsletters, work on national newspapers. Share offer document inside relevant publications, eg Jellied Eel (London), Organic Growers Alliance mag (national).	<ul style="list-style-type: none"> <li>· National community food sector</li> </ul>



Leverage support of Booster Programme – promotion via CSU and Power to Change plus others.	<ul style="list-style-type: none"> <li>· Social investors</li> <li>· National community food sector</li> </ul>
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Feedback from our initial share offer found that our communications were confusing to prospective Members. The concept of community share Membership was difficult for staff to articulate and this is a major area for improvement second time around. We intend to focus on promoting the idea of community shares as a Membership, rather than investment, opportunity.

Membership offers the following benefits:

- **5% discount on VegBoxes for one year** (open to those investing in 2017 share offer only).
- **Enjoy the farm:** Invitation to Members’ only events, and a warm welcome to visit at other times.
- **Recognition of support; your name on our new Veg Shed.** Our new Veg Shed will help safeguard the future of the farm. We want to thank Members for their support by painting everyone’s name on the wall of our new building.
- **Know what’s happening:** Deeper engagement with your farm – specific Member communications on a regular basis.
- **Have a say in what you’d like to happen:** A say in the governance of your farm via a vote at the Annual Members’ Meeting (AMM) and the ability to put forward items for discussion, as well as being consulted on important issues on an adhoc basis.
- **Directly shape what’s happening:** The opportunity to stand for election to the Management Committee.
- **Help us to thrive:** our new Veg Shed will help safeguard the future of the farm, taking us to financial resilience by enabling us to confidently grow our VegBox scheme and support increased numbers of volunteers and visitors.

When considering taking part in the share offer prospective Members must understand that this is an investment in our community, intended to create a secure and lasting asset for us all. It is intended to create an ever more thriving and sustainable community, and increased access to local food and food growing activities. It is not a conventional investment with an expectation of high and direct financial returns.

### 3. Evidence of Community Support

Our first share offer ran from September 2015 to February 2016. We raised over £18,500 from 141 individuals who became Members. This undoubtedly provides evidence of support for our objects and purpose. Following full post-analysis of this initial share offer we believe that we have a big opportunity to learn from, and build upon the experience first time round. We are returning to our community with a new offer, renewed vigour and a more comprehensive strategy for attracting new Members and investment.

### 4. Membership of the Society

We have given a great deal of time and discussion to the subject of inclusiveness for Members of the society. In doing so we have taken into account and recognise the likely ability of our community to invest. Our stakeholders and beneficiaries range from unemployed people to retirees, from students to home-owning professionals.

With this in mind we have decided to make the share offering in Sutton Community Farm both an attractive and accessible proposition to the whole community. The average investment in our first share offer was £114.

Shares will be priced at £1 with a minimum purchase of 30 shares per person totaling £30. The maximum ceiling for an individual share purchase will be £6,000. Irrespective of how many shares are bought by an individual, that person will only have one vote at the AMM. These terms apply for organisations wishing to invest as well as individuals (except in the case of the Community Shares Unit match investment that may exceed £6,000).

## **5. Communication with Members Post-Share Offer**

We will communicate regularly with our Members via a quarterly 'letter from the Management Committee'. This will provide an update on farm activities from a governance level perspective giving them an insight that is not presented via our public communications.

We commit to hosting one event per year specifically for Members. The event shall be a celebration of community ownership on the farm and will be held each summer.

We will also send communications to our Members on an adhoc basis. Members will receive full communications in advance of the AMM as determined by the Rules of the Society.

## **6. Share Application Channels**

Whilst we have chosen to market the share offer through the previously mentioned channels we have decided to use Crowdfunder to handle the share purchases and share register. This integration of share purchases into one body will simplify the operation. We will also be able to promote credibility by achieving the Standard Mark, a quality assurance kitemark for share offers awarded by the Community Shares Unit.

Although Crowdfunder make a charge for the service, as do their card payment partners, we believe this is worth it in return for the creation and management of the share register, legal compliance and transparency. Crowdfunder also offer marketing opportunities via their platform.

We will accept paper applications and cheque payments. An application form is made available as part of the Share Offer Document.

## **7. Strategies for Improving the Society through Membership and Stakeholder Engagement**

We need to run Sutton Community Farm as a competitive business. As a community business it will be essential to keep our Members and stakeholders aware of this too. Our main channel for this will be feedback via surveys for our customers, volunteers and Members. We can only run a continuous improvement policy if we know what our customers think and say about us.

It will be the responsibility of staff and the Management Committee to implement changes required to continue delivering a competitive business offering.

## **Appendix: Engagement Materials Required**

- Share offer document
- Promotional film
- Flyer – summary of share offer document
- Promo imagery – for publication on website, social media, shares platform, etc.

# Appendix 4: Detailed Financial Forecasts

## Projected Income and Expenditure 2017-22 (£68,575 raised from share offer)

SCF financial projections £68,575 shares										
Sutton Community Farm										
Analysis Data	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022				
<b>Inflation</b>							3.0%	3.0%	3.0%	3.0%
<b>PROFIT &amp; LOSS</b>										
<b>Income</b>										
Retail Food Sales	177,546	237,943	312,347	374,400	374,400	395,200	407,056	419,268	431,846	444,801
Wholesale Veg Sales	19,453	18,000	15,750	16,223	16,709	17,210	17,727	18,259	18,806	19,371
Retail delivery	3,738	17,496	22,967	26,000	31,200	31,200	32,136	33,100	34,093	35,116
Education	2,283	252	252	250	300	300	309	318	328	338
Paid Volunteering	29,371	8,004	8,496	9,000	9,400	9,600	9,888	10,185	10,490	10,805
Misc	8	0	0	0	0	0	0	0	0	0
Disposals of fixed assets	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
<b>Non trade income</b>	0	0	0	0	0	0	0	0	0	0
Grants	77,049	91,512	73,971	40,000	40,000	39,996	41,196	42,432	43,705	45,016
Donations	16,768	2,004	2,004	0	0	0	0	0	0	0
<b>Total Income</b>	<b>326,216</b>	<b>375,211</b>	<b>435,786</b>	<b>465,873</b>	<b>472,009</b>	<b>493,506</b>	<b>508,312</b>	<b>523,561</b>	<b>539,268</b>	<b>555,446</b>
<b>Cost of Sales</b>										
Retail Food Sales	75,526	99,113	136,297	168,308	168,268	178,428	183,781	189,294	194,973	200,822
Packaging	5,713	4,899	6,798	7,904	8,112	8,320	8,570	8,827	9,091	9,364
Retail Delivery	5,773	18,196	23,885	27,040	27,040	27,040	27,851	28,687	29,547	30,434
Refunds	79	240	240	300	300	360	371	382	393	405
	0	0	0	0	0	0	0	0	0	0
Non-VegBag cost of sales/wholesale de	2,748	2,352	2,424	2,424	2,496	2,496	2,571	2,648	2,727	2,809
Seeds & Growing Inputs	3,498	5,400	6,000	6,180	6,360	6,552	6,749	6,951	7,160	7,374
<b>Total Cost of Sales</b>	<b>93,337</b>	<b>130,199</b>	<b>175,644</b>	<b>212,156</b>	<b>212,576</b>	<b>223,196</b>	<b>229,892</b>	<b>236,788</b>	<b>243,892</b>	<b>251,209</b>
<b>Gross Profit</b>	<b>232,878</b>	<b>245,012</b>	<b>260,142</b>	<b>253,717</b>	<b>259,433</b>	<b>270,311</b>	<b>278,420</b>	<b>286,773</b>	<b>295,376</b>	<b>304,237</b>
<b>Production Overheads</b>										
Equipment	1,205	1,896	1,934	1,992	2,052	2,113	2,177	2,242	2,309	2,378
Machinery Running Costs	690	1,836	1,873	1,929	1,987	2,046	2,108	2,171	2,236	2,303
Repairs and Irrigation	1,536	1,800	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214
Site Improvements	2,451	4,200	2,200	2,266	2,332	2,489	2,563	2,640	2,719	2,801
Water	2,770	2,958	3,018	3,109	3,202	3,298	3,397	3,499	3,604	3,712
Miscellaneous	500	3,060	3,121	3,215	3,311	3,411	3,513	3,618	3,727	3,839
	0	0	0	0	0	0	0	0	0	0
<b>Central Overheads</b>										
Loan Interest Charges										
Interest Paid to Members	0	0	0	1,747	1,765	1,798	1,743	1,656	1,573	1,494
Sales & Marketing	2,246	3,000	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379
Job Advertising	24	96	98	101	104	107	110	114	117	120
Events	23,888	1,100	1,100	1,150	1,260	1,320	1,360	1,400	1,442	1,486
Staff wages including NI & Pension	171,752	166,285	175,407	181,612	185,213	189,188	194,864	200,710	206,731	212,933
Electricity and Gas	1,458	1,836	1,872	1,928	1,984	2,044	2,105	2,168	2,233	2,300
Premises-rent	4,071	5,100	6,096	6,096	6,096	6,279	6,467	6,661	6,861	7,067
Premises-rates	0	0	0	0	0	0	0	0	0	0
Insurance	4,774	4,917	4,986	5,136	5,243	5,409	5,571	5,738	5,910	6,087
Communications	366	372	379	391	403	415	427	440	453	467
Website Des & Maint	959	2,484	2,534	2,610	2,688	2,769	2,852	2,937	3,025	3,116
Travel	127	276	288	297	306	315	324	334	344	354
Refreshments	1,187	1,200	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476
Stationery and Printing	30	180	184	189	195	201	207	213	219	226
Other Sundry Costs	729	900	924	952	980	1,010	1,040	1,071	1,103	1,136
Volunteer travel and subsistence	30	120	120	124	127	131	135	139	143	148
Subscriptions	356	645	645	646	646	646	665	685	706	727
Other office costs	609	816	832	857	883	909	937	965	994	1,024
Training	397	1,020	1,040	1,072	1,104	1,137	1,171	1,206	1,242	1,280
Consultancy and legal fees	11,600	5,000	2,100	2,163	2,228	2,295	2,364	2,434	2,508	2,583
Payroll administration	(2,341)	516	528	544	560	577	594	612	630	649
Audit and Accountancy	1,280	1,380	1,520	1,600	1,680	1,750	1,803	1,857	1,912	1,970
Bank Charges and Interest	1,849	6,127	3,351	3,351	3,351	3,351	3,452	3,555	3,662	3,772
Vehicle running costs	1,624	2,280	2,326	2,395	2,467	635	654	674	694	715
Depreciation	2,115	11,570	11,860	10,125	8,696	7,517	7,517	0	0	0
<b>Total Overheads</b>	<b>238,283</b>	<b>232,970</b>	<b>239,336</b>	<b>246,864</b>	<b>250,411</b>	<b>252,992</b>	<b>260,247</b>	<b>260,173</b>	<b>267,846</b>	<b>275,756</b>
<b>Pre-tax Net Profit</b>	<b>(5,404)</b>	<b>12,042</b>	<b>20,806</b>	<b>6,853</b>	<b>9,023</b>	<b>17,318</b>	<b>18,173</b>	<b>26,599</b>	<b>27,530</b>	<b>28,481</b>
Corporation Tax	0	1,328	4,161	1,371	1,805	3,464	3,635	5,320	5,506	5,696
Profit Share	0	0	0	0	0	0	0	0	0	0
<b>Retained Profit</b>	<b>(5,404)</b>	<b>10,715</b>	<b>16,645</b>	<b>5,482</b>	<b>7,218</b>	<b>13,855</b>	<b>14,538</b>	<b>21,279</b>	<b>22,024</b>	<b>22,785</b>
<b>Cumulative Retained Profit</b>	<b>67,019</b>	<b>77,733</b>	<b>94,379</b>	<b>99,861</b>	<b>107,079</b>	<b>120,934</b>	<b>135,472</b>	<b>156,752</b>	<b>178,775</b>	<b>201,560</b>
Cash available for debt service	(1,051)	26,612	38,667	24,905	25,849	33,189	34,185	35,211	36,267	37,355

SCF financial projections £68,575 shares

<b>BALANCE SHEET</b>		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
		2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022				
<b>Fixed Assets</b>											
	Brought Forward	24,700	33,160	100,591	98,730	88,606	79,909	72,393	64,876	57,359	49,843
	Purchases	10,575	79,000	10,000	0	0	0	0	0	0	0
	Depreciation	(2,115)	(11,570)	(11,860)	(10,125)	(8,696)	(7,517)	(7,517)	(7,517)	(7,517)	(7,517)
	Disposals	0	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>33,160</b>	<b>100,591</b>	<b>98,730</b>	<b>88,606</b>	<b>79,909</b>	<b>72,393</b>	<b>64,876</b>	<b>57,359</b>	<b>49,843</b>	<b>42,326</b>
<b>Current Assets</b>											
	Bank	103,303	100,536	105,272	130,062	140,834	157,654	175,523	201,865	227,659	254,415
	Debtors	2,000	20,000	3,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500
	Stock	3,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
	Stock for sale	0	0	0	0	0	0	0	0	0	0
	Stock raw material	0	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>108,303</b>	<b>125,536</b>	<b>113,272</b>	<b>137,562</b>	<b>148,334</b>	<b>165,154</b>	<b>183,023</b>	<b>209,365</b>	<b>235,159</b>	<b>261,915</b>
<b>Current Liabilities</b>											
	Trade Creditors	1,500	30,000	1,800	1,500	5,000	1,500	1,500	1,500	1,500	1,500
	Money held for others	(150)	1,000	150	100	100	100	100	100	100	100
	Short-term loans	0	0	0	0	0	0	0	0	0	0
	VAT	0	0	0	0	0	0	0	0	0	0
	PAYE	3,425	3,709	4,155	4,232	4,329	4,408	4,408	4,408	4,408	4,408
	Grants received not spent	50,887	25,000	20,000	30,000	20,000	20,000	20,000	20,000	20,000	20,000
	Corporation Tax	0	1,328	4,161	1,371	1,805	3,464	3,635	5,320	5,506	5,696
	Member Profit Share	0	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>55,662</b>	<b>61,036</b>	<b>30,266</b>	<b>37,203</b>	<b>31,234</b>	<b>29,471</b>	<b>29,642</b>	<b>31,327</b>	<b>31,513</b>	<b>31,704</b>
<b>Net Current Assets</b>		<b>52,641</b>	<b>64,500</b>	<b>83,005</b>	<b>100,360</b>	<b>117,100</b>	<b>135,683</b>	<b>153,380</b>	<b>178,037</b>	<b>203,645</b>	<b>230,211</b>
<b>Long-term Liabilities</b>											
	Supporter Loans	0	0	0	0	0	0	0	0	0	0
	Commercial Loans	0	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Asset Value</b>		<b>85,801</b>	<b>165,090</b>	<b>181,736</b>	<b>188,965</b>	<b>197,009</b>	<b>208,075</b>	<b>218,256</b>	<b>235,397</b>	<b>253,488</b>	<b>272,538</b>
<b>Sources of Finance</b>											
	Members Shareholding	18,782	87,357	87,357	89,104	89,930	87,141	82,784	78,645	74,713	70,977
	Accumulated PaL	72,423	67,019	77,733	94,379	99,861	107,079	120,934	135,472	156,752	178,775
	This Year PaL	(5,404)	10,715	16,645	5,482	7,218	13,855	14,538	21,279	22,024	22,785
<b>Total</b>		<b>85,801</b>	<b>165,090</b>	<b>181,736</b>	<b>188,965</b>	<b>197,009</b>	<b>208,075</b>	<b>218,256</b>	<b>235,397</b>	<b>253,488</b>	<b>272,538</b>

Projected Income and Expenditure 2017-22 (£103,390 raised from share offer)

SCF financial projections £103,390 shares

Sutton Community Farm									
Analysis Data	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022			
<b>Inflation</b>							3.0%	3.0%	3.0%
<b>PROFIT &amp; LOSS</b>									
<b>Income</b>									
Retail Food Sales	177,546	237,943	312,347	374,400	374,400	395,200	407,056	419,268	431,846
Wholesale Veg Sales	19,453	18,000	15,750	16,223	16,709	17,210	17,727	18,259	18,806
Retail delivery	3,738	17,496	22,967	26,000	31,200	31,200	32,136	33,100	34,093
Education	2,283	252	252	250	300	300	309	318	328
Paid Volunteering	29,371	8,004	8,496	9,000	9,400	9,600	9,888	10,185	10,490
Misc	8	0	0	0	0	0	0	0	0
Disposals of fixed assets	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Non trade income</b>	0	0	0	0	0	0	0	0	0
Grants	77,049	91,512	73,971	40,000	40,000	39,996	41,196	42,432	43,705
Donations	16,768	2,004	2,004	0	0	0	0	0	0
<b>Total Income</b>	<b>326,216</b>	<b>375,211</b>	<b>435,786</b>	<b>465,873</b>	<b>472,009</b>	<b>493,506</b>	<b>508,312</b>	<b>523,561</b>	<b>539,268</b>
<b>Cost of Sales</b>									
Retail Food Sales	75,526	99,113	136,297	168,308	168,268	178,428	183,781	189,294	194,973
Packaging	5,713	4,899	6,798	7,904	8,112	8,320	8,570	8,827	9,091
Retail Delivery	5,773	18,196	23,885	27,040	27,040	27,040	27,851	28,687	29,547
Refunds	79	240	240	300	300	360	371	382	393
	0	0	0	0	0	0	0	0	0
Non-Veg Bag cost of sales/wholesale del	2,748	2,352	2,424	2,424	2,496	2,496	2,571	2,648	2,727
Seeds & Growing Inputs	3,498	5,400	6,000	6,180	6,360	6,552	6,749	6,951	7,160
<b>Total Cost of Sales</b>	<b>93,337</b>	<b>130,199</b>	<b>175,644</b>	<b>212,156</b>	<b>212,576</b>	<b>223,196</b>	<b>229,892</b>	<b>236,788</b>	<b>243,892</b>
<b>Gross Profit</b>	<b>232,878</b>	<b>245,012</b>	<b>260,142</b>	<b>253,717</b>	<b>259,433</b>	<b>270,311</b>	<b>278,420</b>	<b>286,773</b>	<b>295,376</b>
<b>Production Overheads</b>									
Equipment	1,205	1,896	1,934	1,992	2,052	2,113	2,177	2,242	2,309
Machinery Running Costs	690	1,836	1,873	1,929	1,987	2,046	2,108	2,171	2,236
Repairs and Irrigation	1,536	1,800	1,800	1,854	1,910	1,967	2,026	2,087	2,149
Site Improvements	2,451	4,200	2,200	2,266	2,332	2,489	2,563	2,640	2,719
Water	2,770	2,958	3,018	3,109	3,202	3,298	3,397	3,499	3,604
Miscellaneous	500	3,060	3,121	3,215	3,311	3,411	3,513	3,618	3,727
	0	0	0	0	0	0	0	0	0
<b>Central Overheads</b>									
Loan Interest Charges									
Interest Paid to Members	0	0	0	2,443	2,468	2,515	2,445	2,322	2,206
Sales & Marketing	2,246	3,000	6,000	6,180	6,365	6,556	6,753	6,956	7,164
Job Advertising	24	96	98	101	104	107	110	114	117
Events	23,888	1,100	1,100	1,150	1,260	1,320	1,360	1,400	1,442
Staff wages including NI & Pension	171,752	166,285	175,407	181,612	185,213	189,188	194,864	200,710	206,731
Electricity and Gas	1,458	1,836	1,872	1,928	1,984	2,044	2,105	2,168	2,233
Premises-rent	4,071	5,100	6,096	6,096	6,096	6,279	6,467	6,661	6,861
Premises-rates	0	0	0	0	0	0	0	0	0
Insurance	4,774	4,917	4,986	5,136	5,243	5,409	5,571	5,738	5,910
Communications	366	372	379	391	403	415	427	440	453
Website Des & Maint	959	2,484	2,534	2,610	2,688	2,769	2,852	2,937	3,025
Travel	127	276	288	297	306	315	324	334	344
Refreshments	1,187	1,200	1,200	1,236	1,273	1,311	1,351	1,391	1,433
Stationery and Printing	30	180	184	189	195	201	207	213	219
Other Sundry Costs	729	900	924	952	980	1,010	1,040	1,071	1,103
Volunteer travel and subsistence	30	120	120	124	127	131	135	139	143
Subscriptions	356	645	645	646	646	646	665	685	706
Other office costs	609	816	832	857	883	909	937	965	994
Training	397	1,020	1,040	1,072	1,104	1,137	1,171	1,206	1,242
Consultancy and legal fees	11,600	5,000	2,100	2,163	2,228	2,295	2,364	2,434	2,508
Payroll administration	(2,341)	516	528	544	560	577	594	612	630
Audit and Accountancy	1,280	1,380	1,520	1,600	1,680	1,750	1,803	1,857	1,912
Bank Charges and Interest	1,849	7,942	3,351	3,351	3,351	3,351	3,452	3,555	3,662
Vehicle running costs	1,624	2,280	2,326	2,395	2,467	2,541	2,616	2,693	2,771
Depreciation	2,115	13,382	13,634	10,591	9,184	8,024	8,024	0	0
<b>Total Overheads</b>	<b>238,283</b>	<b>236,597</b>	<b>241,109</b>	<b>248,026</b>	<b>251,602</b>	<b>254,217</b>	<b>261,456</b>	<b>260,840</b>	<b>268,479</b>
<b>Pre-tax Net Profit</b>	<b>(5,404)</b>	<b>8,415</b>	<b>19,033</b>	<b>5,691</b>	<b>7,832</b>	<b>16,094</b>	<b>16,964</b>	<b>25,933</b>	<b>26,896</b>
Corporation Tax	0	602	3,807	1,138	1,566	3,219	3,393	5,187	5,379
Profit Share	0	0	0	0	0	0	0	0	0
<b>Retained Profit</b>	<b>(5,404)</b>	<b>7,813</b>	<b>15,226</b>	<b>4,553</b>	<b>6,265</b>	<b>12,875</b>	<b>13,571</b>	<b>20,746</b>	<b>21,517</b>
<b>Cumulative Retained Profit</b>	<b>67,019</b>	<b>74,831</b>	<b>90,058</b>	<b>94,611</b>	<b>100,876</b>	<b>113,751</b>	<b>127,322</b>	<b>148,068</b>	<b>169,585</b>
Cash available for debt service	(1,051)	24,797	38,667	24,905	25,849	33,189	34,185	35,211	36,267

## SCF financial projections £103,390 shares

<b>BALANCE SHEET</b>		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9
		2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022			
<b>Fixed Assets</b>										
	Brought Forward	24,700	33,160	127,778	124,144	113,554	104,369	96,346	88,322	80,298
	Purchases	10,575	108,000	10,000	0	0	0	0	0	0
	Depreciation	(2,115)	(13,382)	(13,634)	(10,591)	(9,184)	(8,024)	(8,024)	(8,024)	(8,024)
	Disposals	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>33,160</b>	<b>127,778</b>	<b>124,144</b>	<b>113,554</b>	<b>104,369</b>	<b>96,346</b>	<b>88,322</b>	<b>80,298</b>	<b>72,274</b>
<b>Current Assets</b>										
	Bank	103,303	109,536	109,997	135,143	146,146	161,358	177,016	201,774	225,992
	Debtors	2,000	20,000	3,000	2,500	2,500	2,500	2,500	2,500	2,500
	Stock	3,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
	Stock for sale	0	0	0	0	0	0	0	0	0
	Stock raw material	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>108,303</b>	<b>134,536</b>	<b>117,997</b>	<b>142,643</b>	<b>153,646</b>	<b>168,858</b>	<b>184,516</b>	<b>209,274</b>	<b>233,492</b>
<b>Current Liabilities</b>										
	Trade Creditors	1,500	35,000	1,800	1,500	5,000	1,500	1,500	1,500	1,500
	Money held for others	(150)	1,000	150	100	100	100	100	100	100
	Short-term loans	0	0	0	0	0	0	0	0	0
	VAT	0	0	0	0	0	0	0	0	0
	PAYE	3,425	3,709	4,155	4,232	4,329	4,408	4,408	4,408	4,408
	Grants received not spent	50,887	25,000	20,000	30,000	20,000	20,000	20,000	20,000	20,000
	Corporation Tax	0	602	3,807	1,138	1,566	3,219	3,393	5,187	5,379
	Member Profit Share	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>55,662</b>	<b>65,311</b>	<b>29,911</b>	<b>36,970</b>	<b>30,995</b>	<b>29,226</b>	<b>29,400</b>	<b>31,194</b>	<b>31,387</b>
<b>Net Current Assets</b>		<b>52,641</b>	<b>69,225</b>	<b>88,086</b>	<b>105,672</b>	<b>122,651</b>	<b>139,632</b>	<b>155,115</b>	<b>178,080</b>	<b>202,105</b>
<b>Long-term Liabilities</b>										
	Supporter Loans	0	0	0	0	0	0	0	0	0
	Commercial Loans	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Asset Value</b>		<b>85,801</b>	<b>197,003</b>	<b>212,230</b>	<b>219,226</b>	<b>227,020</b>	<b>235,978</b>	<b>243,437</b>	<b>258,378</b>	<b>274,379</b>
<b>Sources of Finance</b>										
	Members Shareholding	18,782	122,172	122,172	124,615	126,144	122,227	116,115	110,310	104,794
	Accumulated PaL	72,423	67,019	74,831	90,058	94,611	100,876	113,751	127,322	148,068
	This Year PaL	(5,404)	7,813	15,226	4,553	6,265	12,875	13,571	20,746	21,517
<b>Total</b>		<b>85,801</b>	<b>197,003</b>	<b>212,230</b>	<b>219,226</b>	<b>227,020</b>	<b>235,978</b>	<b>243,437</b>	<b>258,378</b>	<b>274,379</b>

Projected Income and Expenditure 2017-22 (£137,150 raised from share offer)

SCF financial projections £137,150 shares										
Sutton Community Farm										
Analysis Data	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022				
<b>Inflation</b>							3.0%	3.0%	3.0%	3.0%
<b>PROFIT &amp; LOSS</b>										
<b>Income</b>										
Retail Food Sales	177,546	237,943	312,347	374,400	374,400	395,200	407,056	419,268	431,846	444,801
Wholesale Veg Sales	19,453	18,000	15,750	16,223	16,709	17,210	17,727	18,259	18,806	19,371
Retail delivery	3,738	17,496	22,967	26,000	31,200	31,200	32,136	33,100	34,093	35,116
Education	2,283	252	630	1,000	1,200	1,500	1,545	1,591	1,639	1,688
Paid Volunteering	29,371	8,004	9,080	9,750	10,250	10,400	10,712	11,033	11,364	11,705
Misc	8	0	0	0	0	0	0	0	0	0
Disposals of fixed assets	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
<b>Non trade income</b>	0	0	0	0	0	0	0	0	0	0
Grants	77,049	91,512	73,971	40,000	40,000	39,996	41,196	42,432	43,705	45,016
Donations	16,768	2,004	2,004	0	0	0	0	0	0	0
<b>Total Income</b>	<b>326,216</b>	<b>375,211</b>	<b>436,748</b>	<b>467,373</b>	<b>473,759</b>	<b>495,506</b>	<b>510,372</b>	<b>525,683</b>	<b>541,453</b>	<b>557,697</b>
<b>Cost of Sales</b>										
Retail Food Sales	75,526	99,113	136,297	168,308	168,268	178,428	183,781	189,294	194,973	200,822
Packaging	5,713	4,899	6,798	7,904	8,112	8,320	8,570	8,827	9,091	9,364
Retail Delivery	5,773	18,196	23,885	27,040	27,040	27,040	27,851	28,687	29,547	30,343
Refunds	79	240	240	300	300	360	371	382	393	405
	0	0	0	0	0	0	0	0	0	0
Non-VegBag cost of sales/wholesale delivery	2,748	2,352	2,424	2,424	2,496	2,496	2,571	2,648	2,727	2,809
Seeds & Growing Inputs	3,498	5,400	6,000	6,180	6,360	6,552	6,749	6,951	7,160	7,374
<b>Total Cost of Sales</b>	<b>93,337</b>	<b>130,199</b>	<b>175,644</b>	<b>212,156</b>	<b>212,576</b>	<b>223,196</b>	<b>229,892</b>	<b>236,788</b>	<b>243,892</b>	<b>251,209</b>
<b>Gross Profit</b>	<b>232,878</b>	<b>245,012</b>	<b>261,104</b>	<b>255,217</b>	<b>261,183</b>	<b>272,311</b>	<b>280,480</b>	<b>288,894</b>	<b>297,561</b>	<b>306,488</b>
<b>Production Overheads</b>										
Equipment	1,205	1,896	1,934	1,992	2,052	2,113	2,177	2,242	2,309	2,378
Machinery Running Costs	690	1,836	1,873	1,929	1,987	2,046	2,108	2,171	2,236	2,303
Repairs and Irrigation	1,536	1,800	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214
Site Improvements	2,451	4,200	2,200	2,266	2,332	2,489	2,563	2,640	2,719	2,801
Water	2,770	2,958	3,018	3,109	3,202	3,298	3,397	3,499	3,604	3,712
Miscellaneous	500	3,060	3,121	3,215	3,311	3,411	3,513	3,618	3,727	3,839
<b>Central Overheads</b>										
Loan Interest Charges										
Interest Paid to Members	0	0	0	3,119	3,150	3,211	3,125	2,969	2,820	2,679
Sales & Marketing	2,246	3,000	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379
Job Advertising	24	96	98	101	104	107	110	114	117	120
Events	23,888	1,100	1,100	1,150	1,260	1,320	1,360	1,400	1,442	1,486
Staff wages including NI & Pension	171,752	166,285	175,407	181,612	185,213	189,188	194,864	200,710	206,731	212,933
Electricity and Gas	1,458	1,836	1,872	1,928	1,984	2,044	2,105	2,168	2,233	2,300
Premises-rent	4,071	5,100	6,096	6,096	6,096	6,279	6,467	6,661	6,861	7,067
Premises-rates	0	0	0	0	0	0	0	0	0	0
Insurance	4,774	4,917	4,986	5,136	5,243	5,409	5,571	5,738	5,910	6,087
Communications	366	372	379	391	403	415	427	440	453	467
Website Des & Maint	959	2,484	2,534	2,610	2,688	2,769	2,852	2,937	3,025	3,116
Travel	127	276	288	297	306	315	324	334	344	354
Refreshments	1,187	1,200	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476
Stationery and Printing	30	180	184	189	195	201	207	213	219	226
Other Sundry Costs	729	900	924	952	980	1,010	1,040	1,071	1,103	1,136
Volunteer travel and subsistence	30	120	120	124	127	131	135	139	143	148
Subscriptions	356	645	645	646	646	646	665	685	706	727
Other office costs	609	816	832	857	883	909	937	965	994	1,024
Training	397	1,020	1,040	1,072	1,104	1,137	1,171	1,206	1,242	1,280
Consultancy and legal fees	11,600	5,000	2,100	2,163	2,228	2,295	2,364	2,434	2,508	2,583
Payroll administration	(2,341)	516	528	544	560	577	594	612	630	649
Audit and Accountancy	1,280	1,380	1,520	1,600	1,680	1,750	1,803	1,857	1,912	1,970
Bank Charges and Interest	1,849	10,052	3,351	3,351	3,351	3,351	3,452	3,555	3,662	3,772
Vehicle running costs	1,624	2,280	2,326	2,395	2,467	635	654	674	694	715
Depreciation	2,115	14,757	14,849	12,926	11,323	9,979	9,979	0	0	0
<b>Total Overheads</b>	<b>238,283</b>	<b>240,082</b>	<b>242,324</b>	<b>251,037</b>	<b>254,422</b>	<b>256,867</b>	<b>264,092</b>	<b>261,486</b>	<b>269,093</b>	<b>276,941</b>
<b>Pre-tax Net Profit</b>	<b>(5,404)</b>	<b>4,930</b>	<b>18,780</b>	<b>4,180</b>	<b>6,761</b>	<b>15,443</b>	<b>16,388</b>	<b>27,408</b>	<b>28,468</b>	<b>29,547</b>
Corporation Tax	0	0	2,675	836	1,352	3,089	3,278	5,482	5,694	5,909
Profit Share	0	0	0	0	0	0	0	0	0	0
<b>Retained Profit</b>	<b>(5,404)</b>	<b>4,930</b>	<b>16,105</b>	<b>3,344</b>	<b>5,409</b>	<b>12,355</b>	<b>13,111</b>	<b>21,926</b>	<b>22,774</b>	<b>23,638</b>
<b>Cumulative Retained Profit</b>	<b>67,019</b>	<b>71,949</b>	<b>88,054</b>	<b>91,398</b>	<b>96,807</b>	<b>109,161</b>	<b>122,272</b>	<b>144,198</b>	<b>166,972</b>	<b>190,610</b>
Cash available for debt service	(1,051)	22,687	39,629	26,405	27,599	35,189	36,245	37,332	38,452	39,606

SCF financial projections £137,150 shares

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
<b>BALANCE SHEET</b>										
	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>				
<b>Fixed Assets</b>										
Brought Forward	24,700	33,160	148,403	143,554	130,628	119,305	109,327	99,348	89,369	79,390
Purchases	10,575	130,000	10,000	0	0	0	0	0	0	0
Depreciation	(2,115)	(14,757)	(14,849)	(12,926)	(11,323)	(9,979)	(9,979)	(9,979)	(9,979)	(9,979)
Disposals	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>33,160</b>	<b>148,403</b>	<b>143,554</b>	<b>130,628</b>	<b>119,305</b>	<b>109,327</b>	<b>99,348</b>	<b>89,369</b>	<b>79,390</b>	<b>69,411</b>
<b>Current Assets</b>										
Bank	103,303	119,186	121,211	148,988	162,044	177,680	193,145	219,833	245,747	272,882
Debtors	2,000	20,000	3,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Stock	3,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Stock for sale	0	0	0	0	0	0	0	0	0	0
Stock raw material	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>108,303</b>	<b>144,186</b>	<b>129,211</b>	<b>156,488</b>	<b>169,544</b>	<b>185,180</b>	<b>200,645</b>	<b>227,333</b>	<b>253,247</b>	<b>280,382</b>
<b>Current Liabilities</b>										
Trade Creditors	1,500	35,000	1,800	1,500	5,000	1,500	1,500	1,500	1,500	1,500
Money held for others	(150)	1,000	150	100	100	100	100	100	100	100
Short-term loans	0	0	0	0	0	0	0	0	0	0
VAT	0	0	0	0	0	0	0	0	0	0
PAYE	3,425	3,709	4,155	4,232	4,329	4,408	4,408	4,408	4,408	4,408
Grants received not spent	50,887	25,000	20,000	30,000	20,000	20,000	20,000	20,000	20,000	20,000
Corporation Tax	0	0	2,675	836	1,352	3,089	3,278	5,482	5,694	5,909
Member Profit Share	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>55,662</b>	<b>64,709</b>	<b>28,780</b>	<b>36,668</b>	<b>30,781</b>	<b>29,096</b>	<b>29,285</b>	<b>31,489</b>	<b>31,701</b>	<b>31,917</b>
<b>Net Current Assets</b>	<b>52,641</b>	<b>79,478</b>	<b>100,431</b>	<b>119,820</b>	<b>138,763</b>	<b>156,083</b>	<b>171,360</b>	<b>195,844</b>	<b>221,546</b>	<b>248,465</b>
<b>Long-term Liabilities</b>										
Supporter Loans	0	0	0	0	0	0	0	0	0	0
Commercial Loans	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Asset Value</b>	<b>85,801</b>	<b>227,881</b>	<b>243,986</b>	<b>250,448</b>	<b>258,068</b>	<b>265,410</b>	<b>270,708</b>	<b>285,213</b>	<b>300,936</b>	<b>317,876</b>
<b>Sources of Finance</b>										
Members Shareholding	18,782	155,932	155,932	159,051	161,261	156,249	148,436	141,014	133,964	127,266
Accumulated PaL	72,423	67,019	67,019	83,124	86,468	91,877	104,231	117,342	139,268	162,043
This Year PaL	(5,404)	4,930	16,105	3,344	5,409	12,355	13,111	21,926	22,774	23,638
<b>Total</b>	<b>85,801</b>	<b>227,881</b>	<b>239,056</b>	<b>245,518</b>	<b>253,138</b>	<b>260,480</b>	<b>265,778</b>	<b>280,283</b>	<b>296,006</b>	<b>312,946</b>



## Appendix 5: Acknowledgements

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Over the years, Sutton Community Farm has been grateful to receive support from a number of people and organisations. We would like to thank them for their support in helping create a vibrant, beautiful farm that has become a vital resource for the community.



The Mayor of London Team London programme supported the launch of our Buddy Volunteering programme, helping increase the number of volunteers we can support at the farm (2014-16).



The Tudor Trust helps smaller, community-led groups which are supporting people at the margins of society. Support from the Tudor Trust has provided a vital contribution towards managing our volunteer programme in 2014-15.



Growing Livelihoods is an initiative from the Carnegie Trust and Plunkett Foundation to test and promote new opportunities in smaller-scale food growing for those new to the sector. This supported the launch of our FarmStart pilot project.



The London Community Foundation helped us facilitate community volunteering days at the farm.



Co-operative Membership Community Fund kindly awarded some capital funding towards a small polytunnel, tables and other kitchen equipment.



Sutton Community Fund is a local fund that supports projects that benefit Sutton residents and meet the Council's priorities. Their contribution helped us to build a compost toilet in 2015, and an outdoor kitchen in 2012-13.



Big Lottery's [Local Food](#) programme provided vital funds to help start the farm in 2012-14. The fund contributed towards a range of activities from healthy eating sessions, improving local food procurement and setting up the farm.



The Naturesave Trust: Naturesave is an insurance provider that has strong ethical and environmental standards. The Naturesave Trust contributed towards farm equipment in 2013.



Ernest Cook Trust helped us to establish an accredited apprenticeship scheme in 2013-14.



Big Potential helped us to transition to a community owned enterprise. Funding strengthened our governance and enabled us to launch our first share offer in 2015. We were also able to invest in our VegBox scheme, improving systems and tackling operational challenges to position ourselves for growth.



Veolia Environmental Trust supported improvements to habitats and biodiversity on the farm in 2013.



City Bridge Trust are supporting us to deliver our volunteering programme, Buddy Volunteering and educational activities (2016-2019). The Trust are also supporting us to grow our VegBox scheme and prepare ourselves for social investment opportunities through the Stepping Stones fund (2017-2018).



The Community Shares Booster Programme will enable us to launch a second community share offer in 2017. Monies raised will be match funded and we are benefitting from grant support to help us with preparations for the share issue.



The James Trust will enable us to expand and enhance our work with people in our community you have learning difficulties.



The Elizabeth Creak Charitable Trust are supporting our Apprenticeship programme in 2017.



Postcode Local Trust is helping to improve biodiversity on our site 2016-2017.



Greggs Foundation is supporting our composting project, helping to get vulnerable adults more empowered and involved on site.



Growing Together is helping with advice to help secure our land and lease for the future.