



Community Share Offer 2017

Help fund a much needed barn to give
Sutton Community Farm space to flourish

Our optimal target is £103,390.

The minimum is £68,575 and the maximum is £137,150

Match funded. We have secured the support of the Booster Programme, which is funded by Power to Change and run by the Community Shares Unit. Under this programme up to £68,575 is available to match applications for shares from the public. This means that for every £1 invested by individuals up to £68,575, another £1 will be invested in shares by the Booster Programme.

Community Shares Standard Mark.

This share offer has been awarded the Community Shares Standard Mark, awarded by the Community Shares Unit to offers that meet national standards of good practice. For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to:

www.communityshares.org.uk

Launch date: 31st March 2017

End date: 26th May 2017

Minimum investment: £30

Maximum investment: £6,000





Sutton Community Farm

Sutton Community Farm is a not-for-profit Community Benefit Society registered under the Co-operative and Community Benefit Societies Act 2014 (registration number: 32202R). It was registered in 2013 using Model Rules (its governing document) developed by the Plunkett Foundation.

The farm is a community led, democratically owned social enterprise and by investing in this share offer you will become a Member of the Society.



Community Shares Booster Programme Involvement

We have secured the support of the Booster Programme, which is funded by Power to Change and run by the Community Shares Unit. Under this programme up to £68,575 is available to match applications for shares from the public. This means that for every £1 invested by individuals up to £68,575, another £1 will be invested in shares by the Booster Programme.

The match shares will be held by Co-operatives UK, a partner in the Community Shares Unit, and will be subject to the same terms and conditions as other Sutton Community Farm Members, except for its right to withdraw share capital, which will be restricted to a pro-rata amount.



What are community shares?

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



What is the Community Shares Standard Mark?

The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice. These standards ensure that:

- The offer document and application form are easy to understand
- You are provided with all the facts you need to make an informed decision
- The facts are supported by the annual accounts and/or business plan for the society
- Nothing in the documents is purposely incorrect, confusing or misleading Societies are asked to sign a Code of Practice requiring them, among other things, to give the public a right of complaint to the Community Shares Unit.

For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit visit: www.communityshares.org.uk.

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www.suttoncommunityfarm.org.uk

Please read this entire Community Share Offer Document together with our Business Plan and the Society Rules which are online at: bit.ly/SCF-community-shares before you apply to purchase community shares.



Invitation to Invest

Key Facts

Launch: 31st March 2017
End: 26th May 2017

Minimum investment: £30
Maximum investment: £6,000

Welcome to Sutton Community Farm’s second share offer. In this document we will lay out the terms for our exciting new share offer and invite you to invest and become a Member. Together we can secure the future of Sutton Community Farm and build a barn to give ourselves the space we need to flourish.

We’ve built our VegBox scheme from scratch and are now delivering to over 240 weekly customers. We’re growing fast. In the last 12 months alone our customer numbers have increased by approximately 50% as more and more local people hear about us and want to buy fresh vegetables from Sutton Community Farm. Our VegBox scheme is our route to financial sustainability. To support ourselves we need 400 customers. And to support 400 customers we desperately need more space for weighing, packing and storage. We’ve come a long way, but there’s still a lot of work to do.

Our share offer will raise money for a new barn that will:

- Accommodate our VegBox needs and enable us to grow to 400 customers.
- Allow us to host more school groups and provide dedicated space for educational activities.
- Enable us to offer more volunteering opportunities and bring more people to the farm to benefit from all that we do together.

We need a barn, and we need your help to build it. We can’t do it without you. We’re inviting you to take a stake in our farm’s future and invest in this share offer. As a Member you’ll get a say in how Sutton Community Farm is run too. We’re delighted that the funder Power to Change have provisionally agreed to match every £1 invested by you. Which means your money will go even further.

Owning Sutton Community Farm together means that we can secure the future and work together to make sure we have a thriving, welcoming space for everyone to enjoy for the years to come. We wouldn’t be where we are today without the support and participation of thousands of people in our community. We’re asking you to join with us and help take things to the next level on this wonderful journey that began in a muddy field seven years ago.

Best wishes,

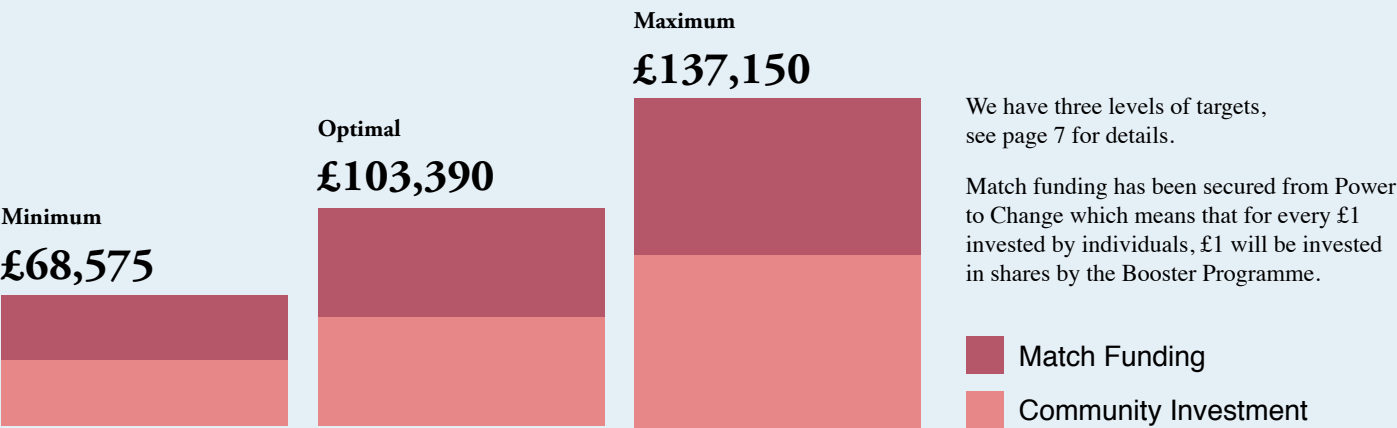


Charlotte Steel
General Manager



The aim of the share offer is to raise our optimal target of £103,390, though the minimum we are seeking is £68,575 and the maximum is £137,150.

Our Targets



Our Story

Our farm sits on a seven acre smallholding, 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 last year. 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, installed a composting toilet and have vastly improved our site. 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.

As an innovative community-owned organisation, we aim to have a strong social and environmental impact while balancing a viable financial model. Our community is involved at every level of the organisation and have a say in the development of our enterprise. Since our successful initial share offer in 2015/16, Sutton Community Farm is now owned by 141 Members.

Sutton Community Farm is an important asset in our community, helping people to access and participate in a healthy, low-impact, local food system. Our VegBox scheme links with other local Organic producers as well as providing a route to market for our own produce.

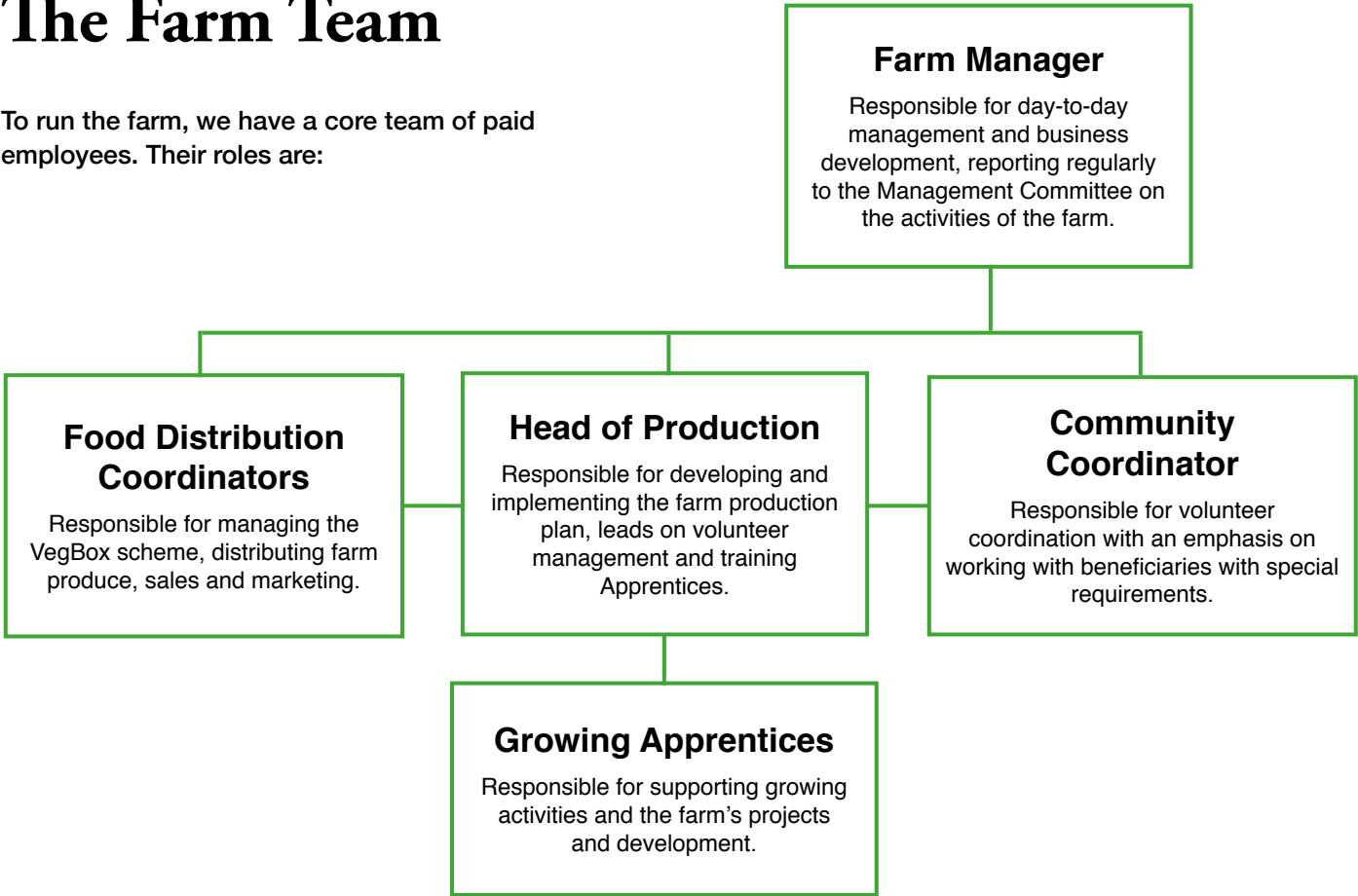
As we grow food, we invite people to join in: from teenagers to those in their seventies. As well as our regular cohort of volunteers, we have visits from school groups, special needs colleges, probation services and businesses from across London. Our educational work is centred around food production, cooking and healthy lifestyles. We also engage with people off the farm, taking our activities into schools and the local community.

People come to the farm for many reasons; some for the social interaction, some for well-being and health, some to feel part of a community, and some perhaps for the weekly hearty soup lunch, served around a crowded table of volunteers and staff! Whatever the reason it always feels like a friendly and purposeful experience, and it is great to see everyone on the farm in all weathers and seasons.



The Farm Team

To run the farm, we have a core team of paid employees. Their roles are:



Benefits of Being a Member

Members are 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.
- ★ **Your name on our new Veg Shed** in recognition of support. 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.
- ★ **Member communications** on a regular basis, offering deeper engagement with the farm.
- ★ **Have a say in what you'd like to happen:** A say in the governance of the farm via a vote at the Annual Members' Meeting and the ability to put forward items for discussion, as well as being consulted on important issues on an adhoc basis.

Membership is open to individuals over the age of 16, corporate bodies, and associations who support our objectives and is on a one Member, one vote basis irrespective of shareholding.

Membership is subject to a minimum shareholding set at £30 although as a Member you can hold any value of shares between £30 and the maximum shareholding of £6,000. Shares have a nominal value of £1.



Why a Share Offer?

We want to grow our community business to make ourselves more sustainable. We want to increase the number of VegBox customers each week from 240 today to 400 by 2019.

Achieving this will enable us to sustain the majority of our running costs from trading, freeing us from a high level of grant dependency. Once our core costs are covered we can increase the number of volunteering opportunities we offer, the number of schools that visit and deliver more benefits in our community.

In order for the VegBox scheme to grow, we desperately need more inside space. Currently the Veg Shed is an office, a classroom, a storeroom, a rest room and a place where we have communal lunches. On Wednesdays and Thursdays it is predominantly a weighing and packing area. Our total available indoor space for all of these activities is little more than a large garden shed! At present we also use the outside area for VegBox packing and preparation, but in bad weather this is either uncomfortable or just impossible.

A community consultation was conducted in September / October 2016 that engaged with Members, staff, customers and volunteers. The results show overwhelmingly that the need for more indoor space is the most pressing challenge facing the farm. Our share offer has been designed in direct response to what our community has told us.

Our first share offer

The money from our initial share offer enabled us to revamp our website ordering system, invest in small items for the VegBox scheme, repair a polytunnel that was damaged during 2016's Storm Katie and enhance our working capital.

It has also enabled us to pilot a mushroom growing operation. Since October, we've collected used coffee grounds from a cafe to grow oyster mushrooms. It's been a steep learning curve and now we've mastered the process, we're ready to scale up.

How the Share Offer Money Will Help us

We have three targets ranging from the minimum needed to go ahead to a maximum that will allow us to build a barn of ideal size and comfortably cover all associated costs. The projected costings and full capacity details are below:

	<u>Minimum</u>	<u>Optimum</u>	<u>Maximum</u>
	Target: £68,575 To upscale VegBox scheme + take us to financial resilience.	Target: £103,390 To upscale VegBox scheme + provide flexible space that we can manage in by rearranging throughout the week.	Target: £137,150 To upscale VegBox scheme + provide dedicated, fully fitted-out space for activities taking place throughout the week.
Dimensions	3 bays = 126m²	4 bays = 167m²	5 bays = 209m²
Capital works	£45,000	£66,000	£82,500
Groundwork	£15,000	£23,000	£28,500
Professional fees*	£5,000	£5,000	£5,000
Services (utilities)	-	£4,000	£4,000
Fixtures & fittings	-	-	£10,000
Share offer platform fees**	£3,575	£5,390	£7,150
Total	£68,575	£103,390	£137,150

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

** Fees to Crowdfunder are 5% + VAT of funds invested via the platform plus 0.5% for payments made via Direct Debit through GoCardless. Investors will make this payment, and the Society will receive the funds less these charges. The investor's capital account with the Society will reflect the sums they have paid before charges.

Building a Barn

The intention is to build a barn of twice the current usable space, using a standard design. Building will start in the latter half of 2017 and the expected completion date is early 2018.

Raising our maximum target of £137,150 will give us the space we need to grow our VegBox scheme as well as accommodate volunteering activities and a dedicated area for school groups. We will be able to host a greater number and variety of participation opportunities for our community. Our minimum target of £68,575 will allow us to grow our VegBox scheme only, and our optimum target of £103,390 will enable us to do this and provide flexible space that we can manage by rearranging things throughout the week.

To build a barn we need three things: an extension to our current lease, the go-ahead from our landlord and planning permission. As the land is owned by Surrey County Council, the lease and landlord go-ahead comes from them, and the planning permission from Sutton Council. We are making good progress on all fronts and are confident that permissions will be forthcoming.



Capacity of New Barn

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

What we can achieve	Minimum target 3 bays = 126m²	Optimum target 4 bays = 167m²	Maximum target 5 bays = 209m²
Upscale VegBox scheme to 400 customers	✓	✓	✓
Greater flexible space for increased volunteer activities, communal lunches and 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.			✓

Trading History

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

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

**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 above.

Notes to the accounts:

- VegBox sales contributed 49% to overall turnover in 2015/16, 42% in 2014/15 and are projected to be 50% in 2016/17.
- There was increase in turnover in 2013/14 due to success in grant fundraising and growth of the VegBox scheme, following its initial launch in 2011. This enabled us to build up some reserves as core costs (such as salaries) were covered by the grants.
- 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.
- 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 was £31,975 in Phase 1 and £91,600 in Phase 2.
- 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.

Copies of the full audited accounts can be found on our website: bit.ly/scf-accounts



View from the farm of the London skyline

Our Governance

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

The Management Committee

The Management Committee is collectively responsible for the management of Sutton Community Farm and they meet every two months. The Committee has delegated to the General Manager responsibility for day-to-day management of the Society’s business.

Members shall not vote in respect of any matter in which they, or their spouse or partner, have a personal financial or other material interest. This is in accordance with the Rules of the Society.

Statutory Asset Lock

The farm has a statutory asset lock. This restricts the ability of the organisation to use or deal with its assets other than for the benefit of the community. In particular:

- The only payments that can be made to Members are the value of withdrawable share capital or interest on withdrawable share capital.
- The assets of the organisation cannot be transferred except to another organisation whose assets are similarly protected.

This means that the assets of the Society are protected from being cashed in or the organisation being demutualised.

Management Committee Investments

Existing investment by the Management Committee totals £825. The Members of the Management Committee are intending to make additional investment in the new share offer.

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. 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.



Judy Groome
Elected Member

Judy is a shareholder, customer, volunteer and fervent supporter of Sutton Community Farm and was elected to the Management Committee at the AMM in August 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.



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 joined the Management Committee in June 2016.



Charlotte Steel
*General Manager,
Elected Member*

Charlotte has been involved at the farm since April 2012, starting as a volunteer and joining the staff team that September. Over the 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. Charlotte joined the Management Committee in September 2015.



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).



Samuel Smith
Elected Member

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. He has been on the Management Committee since September 2013.



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\$1bn international aid programme, providing financing to infrastructure projects in developing countries.

Conflicts of interest

Members of the Management Committee 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.

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

Financial Projections

With the increased sales of VegBoxes to 400 by 2019 our projected financial performance is detailed in the tables below. These show the three scenarios depending on the amount raised through the share offer:

If we raise **£68,575** the projections are:

	2017/18	2018/19	2019/20	2020/21	2021/22
Gross Income	375,211	435,786	465,873	472,009	493,506
Expenditure	363,169	414,980	459,019	462,986	476,188
GROSS PROFIT	12,042	20,806	6,853	9,023	17,318
Tax	1,328	4,161	1,371	1,805	3,464
RETAINED PROFIT/(LOSS)	10,715	16,645	5,482	7,218	13,855
Reserves					
Share Capital	87,357	87,357	89,104	89,930	87,141
Reserves	27,144	34,379	29,861	27,079	30,934
Contingency Reserves**	50,589	60,000	70,000	80,000	90,000
TOTAL RESERVES	8,514	9,402	58,168	65,290	91,205

If we raise **£103,390** the projections are:

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

If we raise **£137,150** the projections are:

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

Assumptions

- The number of VegBoxes will increase to 400 by 2019.
- 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.
- We will prioritise the use of our produce in the VegBoxes over wholesale customers.
- We will continue to raise 5-15% of our income through grants for specific projects.
- 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 shares from 2020/21
- Interest will be paid on 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 fixed assets 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.

Full details of the financial projections can be found in Appendix 4 of the Business Plan available on our website: bit.ly/SCF_Business_Plan

Future Capital Developments

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 funding opportunities to apply to if we do not reach our target. This will ‘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 (for fixtures, fittings and utility works), and £10,000 is required if we reach our optimum target (for fixtures and fittings only).

As part of our negotiations on the extension of the lease we will be taking on an additional piece of land that has hitherto been occupied by a co-tenant who contributes a share towards the rental payments. On this additional land there are a number of glasshouses which require investment to either bring them into use or to demolish and replace them with more functional structures. It is not currently in our plans to use the additional land for the short to medium term, so we would not expect to need to raise the investment in the next five to seven years. We believe that we will be able to access grant funding or social investment finance to cover the investment needed at that time.

We understand that our co-tenant is likely to exit before the end of the current lease in January 2019. At this point Sutton Community Farm will become sole tenant of the land and rental payments will increase by 10% (the contribution that the co-tenant currently makes). This has been factored into our projections.



Key risks for the share offer

Is my investment eligible for tax relief?

Investment in Sutton Community Farm is not eligible for Enterprise Investment Scheme, Seed Enterprise Investment Scheme tax relief, or Social Investment Tax Relief but we recognise that each investors’ tax position is different and we would urge investors to take independent advice on their own tax position. As an organisation we do not pay tax on any interest paid, each shareholder should take advice on any personal taxation that may be payable.

What happens when I die?

We will provide a specific nominee form when your share certificate is issued to bequeath your community shares to friends and relatives, or to bequeath your community shares to the Society on your death. You can amend these details at any point in the future by writing and giving clear instruction to the Secretary. Community shares are withdrawable shares but in the event of the death or bankruptcy of a Member the value of your community shares may be transferred but your membership rights are not transferred.

Financial risk

If you are considering buying community shares in the Society, it is important that you consider the risks carefully before you decide to invest. Make sure you can afford to be without the money you will pay for the community shares. If you are in any doubt about information in this document, you should seek advice from an independent financial adviser authorised by the Financial Conduct Authority.

This investment should be considered as medium to long term and if your circumstances change, withdrawal of your community shares is at the discretion of the Management Committee. The value of your community shares will never go up but the value may go down and there is a risk that you may lose all the money you have paid for your community shares.

These shares are known as community shares because your primary return for holding shares is a social one and NOT driven by an overarching desire for a financial return. The real (social) payback to becoming a Member is to ensure a thriving, sustainable community owned farm and supporting a new approach to farming that is sustainable, resilient and benefits people as well as planet.

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

Regulatory information

Sutton Community Farm Limited is a Community Benefit Society and, in offering withdrawable shares, it is exempt from the requirement to be regulated under the Financial Services and Markets Act 2000 (FSMA). Accordingly, this Community Share Offer Document is not required to be approved as a share offering by the Financial Conduct Authority, nor has it been. You will not be entitled to claim compensation from the Financial Services Compensation Scheme or dispute resolution scheme and investors have no right to complain to the Financial Ombudsman Service.

Rules of the Society

Our Rules can be downloaded here: bit.ly/SCF-Rules

What happens if we don’t make the target by the deadline?

If we do not meet the minimum target of £68,575 we will not accept any applications for community shares and all money will be returned to applicants. Money pledged via the Crowdfunder platform will not be drawn and cheques for paper applications will not be cashed.

If we haven’t reached the optimum target amount of £103,390 by 26th May the Management Committee reserve the right to extend the deadline for a further two months.

If we raise a sum in-between £68,575 and our £103,390 target amount then we will build a three bay barn and use any remaining money on fixtures and fittings. If we reach the maximum of £137,150 before the share offer end date of 26th May then the scheme will be closed early.

Sutton Community Farm commits to only spending funds to cover professional assistance and Crowdfunder fees from the community shares raised and accepted into the Society until full permissions are gained for the barn. If permissions are not granted then all monies remaining after these costs will be returned to the investors.

Risk	Type of risk	Actions to reduce risk
The leaseholding (land) is not secure post-2019 or is delayed	Operational	<ul style="list-style-type: none">SCF continues engagement with Surrey County Council to establish a strong relationship.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 beyond financial measures.SCF is seeking a lease renewal of 15 years, initial documentation has been received and negotiation phase with Surrey has begun.
Planning permission not received	Operational	<ul style="list-style-type: none">Pre-planning advice application has been submitted and site visit completed, report received.SCF has sought advice widely on building design to ensure compliance with all regulation and planning stipulations.
Build not completed/too disruptive/runs over budget	Operational	<ul style="list-style-type: none">Planning phase is subject to rigorous scrutiny and approval by Management Committee.Multiple quotes obtained for comparison and to ensure that budgeting is as accurate as possible.Project management priority is to maintain the least disruption possible during build phase and to ensure the project keeps to timescale and budget.Project will be managed by the General Manager and Head of Production jointly.Preference to use provider that can complete design and build phase. Gives cost certainty on complete package.Share offer minimum target has been set at realistic levels and approved by Management Committee.Community Engagement Plan in place to secure investment.
Insufficient funds raised for build to proceed	Financial	<ul style="list-style-type: none">Share offer minimum target has been set at realistic levels and approved by Management Committee.Community Engagement Plan in place to secure investment.
Difficulty achieving VegBox sales targets, resulting in SCF not achieving income forecasts	Financial	<ul style="list-style-type: none">Ensure there is a restructuring plan to implement if the farm faces economic difficulties - cut costs in order for the organisation to survive.To recruit customers: follow sales and marketing strategy, adequately resource customer recruitment, track KPIs.To retain customers: emphasis on great customer service, quality control and communication with customers.

A detailed risk register can be found on p.31 of the Business Plan available here: bit.ly/SCF_Business_Plan



Terms of the Share Offer

The words ‘community shares’, do not have any legal meaning and the rights of investors buying community shares in Sutton Community Farm Limited are those set out in this part of the offer document and by the Rules of Sutton Community Farm Limited. The community shares on offer are withdrawable shares issued by the Management Committee as permitted by the Rules of the Society.

Withdrawable shares can, subject to certain conditions, be ‘cashed in’ with the organisation that issued them, in this case in Sutton Community Farm Limited. These shares are not transferable, which means they cannot be sold to a third party. Applications are open to anyone over 16 years old.

1. Type of Shares Issued

- 1.1. The value of each share issued is £1.
- 1.2. The shares are not transferable, except in case of death or bankruptcy
- 1.3. Any individual, group, corporate body or firm owning the minimum number of shares required for membership is a Member of the Society. Each Member has one vote at General Meetings of the Society.

2. Maximum and Minimum Investments

- 2.1. Except for the investment by the Community Shares Unit the minimum investment is £30 and the maximum is £6,000 for individual and corporate Members.

3. Interest Payments

The Society aims to pay interest of 2% per annum on the shares subject to the following conditions:

- 3.1 Any payment of interest must be made from trading surpluses and is at the discretion of The Management Committee having regard to the long term interests of Sutton Community Farm Limited, the need to maintain prudent reserves, the Society’s primary commitment to community benefit, and the interests of shareholders.
- 3.2 The Management Committee may, having regard to the principles set out in 3.1, pay no interest or interest at a rate lower than the 2% per annum target.
- 3.3 In exceptional circumstances and having regard for the principles set out in paragraph 3.1, the Management Committee may increase the target interest rate.

- 3.4 After the close of the Society’s financial year (31st March), The Management Committee will allocate a fund for payment of share interest. The funds allocated for interest payments will be from income in the previous year, and will be dependent on performance in that year.
- 3.5 The Society does not expect to be able to pay interest until after the financial year ending 31st March 2019.
- 3.6 Interest will be credited to Members’ share accounts, and be subject to the same period of withdrawal as all share capital, unless a Member reaches the maximum permissible shareholding, in which case the excess balance will be paid.
- 3.7 Members have the right to waive their interest payments in which case the interest will pass to Sutton Community Farm. For those Members that waive interest, they will have the option to reinstate interest payments once a year on April 1st.
- 3.8 For Members that claim interest, they have the option to waive these interest payments on the same date stated in 3.7.
- 3.9 It is the responsibility of the shareholder to inform Sutton Community Farm of a change in address or bank details so that interest payments can be made.

The conditions set out in the 2016 share issue have not changed with respect to interest payments.

4. Withdrawal of Shares

The shares from this share offer may be withdrawn with effect from March 2022, subject to the following conditions:

- 4.1 After the close of the Society’s financial year (31st March), The Management Committee will allocate a fund for withdrawal of shares over the following year, this will be done after the allocation of funds for interest payments. The funds allocated for withdrawal will be from income in the previous year, and will be dependent on performance in that year.
- 4.2 Applications to withdraw shares must be made on a Withdrawal Form. All withdrawals require three months’ notice and shall be paid in the order in which applications are received by the Society until the maximum total withdrawal allocated for the year has been reached, at which point no further withdrawal payments shall be made. The level is set by The Management Committee, who reserve the right to refuse withdrawals in order to ensure the effective management of finances.

- 4.3 All withdrawals must be funded from trading surpluses and are at the discretion of The Management Committee having regard to the long term interests of Sutton Community Farm, the need to maintain prudent reserves and the Society’s primary commitment to community benefit.
- 4.4 In exceptional circumstances, The Management Committee may, at its discretion, waive the notice required for a withdrawal.
- 4.5 Interest will not be payable on any shares withdrawn before the end of the financial year.
- 4.6 If insufficient capital is withdrawn, The Management Committee reserve the right to return capital at their discretion.
- 4.7 The Management Committee has the discretion to suspend withdrawal of shares if circumstances dictate.

The conditions set out in the 2015 share issue have not changed and withdrawals can be requested from March 2021.

4. Reduction in Share Value

If the Society’s auditors or independent qualified accountants find that the Society’s assets are insufficient to meet its liabilities to creditors and shareholders, The Management Committee may decide to reduce the value of the society’s shares for the purposes of withdrawal of shares. This means that the value of investors’ shares would be reduced accordingly.

5. Dissolution

On the solvent dissolution or winding up of Sutton Community Farm, holders of the shares will have no financial entitlement beyond payment of outstanding interest approved by The Management Committee and repayment of paid-up share capital. Any remaining funds must be used for community benefit.

The Rules of Sutton Community Farm Limited lay out the rights of Members and the Society in full. Our Rules can be downloaded here: bit.ly/SCF-Rules

Community Share Applications

Community share applications will be handled by Crowdfunder, a not-for-profit online platform that promotes and manages positive investment administration.

Payment may be made online (through GoCardless) or by cheque though on line payments are preferred in view of convenience and the lower cost administration.

Applications can be submitted online by going to our website: bit.ly/SCF-community-shares (which will take you to the relevant Crowdfunder website page) or directly to www.crowdfunder.co.uk/sutton-community-farm-shares and look for our share offer

Alternatively paper applications with cheques may be submitted by post directly to Sutton Community Farm, 40a Telegraph Track, Wallington, London, SM6 0SH. Please make cheques payable to: Sutton Community Farm

Sutton Community Farm Limited will not cash any cheques or draw down monies from the Crowdfunder platform until Members of the Management Committee have considered your application, which will be after the offer closes. If the share issue fails to reach the minimum target of £68,575 the issue will be deemed to have been unsuccessful and your money will be returned to you. You will be advised as to whether your application has been accepted and the date on which your membership becomes effective.

In the event of your application not being accepted your money will be returned to you in full (within 28 days of the Management Committee meeting at which they consider your application). If they decide to issue fewer community shares to you than you have applied for, then they will return the balance to you within the same time period.



Sutton Community Farm
 40a Telegraph Track
 Little Woodcode Estate
 Wallington
 SM6 0SH
www.suttoncommunityfarm.org.uk

SUTTON
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