

TYDDYN TEG BUSINESS PLAN

2023-2028

This document details the development that Tyddyn Teg will undertake from 2023-28, underpinning our Community Share Offer which will open in June 2023.

Table of Contents

1. Executive Summary	1
2. Introduction and Background	3
2.1 Scope and Purpose of Business Plan.....	3
2.2 Who we are	3
2.3.1 Legal structure.....	4
2.3.2 Governance arrangements	4
2.4 Plans for membership growth	6
2.5 Vision and mission statement	6
2.7 Objectives of the Society	7
2.8 Social and environmental impact	7
2.8.1 Achievements to date.....	7
2.8.2 The Community Solidarity Fund	9
2.8.3 Monitoring	9
3 Resources.....	11
3.1 Paid Staff.....	11
3.2 Trainees	13
3.3 Volunteers	13
3.4 National networks	13
3.5 Local networks.....	13
4 Current Business: Work done to date.....	14
4.1 Equipment and Infrastructure.....	14
4.1.1 The Loans for Enlightened Agriculture Program and Horticultural Development Scheme	14
4.1.2 Bara Teg	15
4.3 Retail Network Building.....	15
4.4 Home Delivery of Veg Bags.....	16
5 Capital Development.....	17
5.1 Summary of capital development works	17
5.2 Breakdown of capital costs	17
5.3 Capital funding: Community Shares.....	18
5.4 Impact on revenue streams	18

5.5 Marketing objectives.....	19
5.5.1 Business targets.....	19
5.5.2 Financing targets.....	20
5.5.3 The Open Share Offer.....	20
6 Finance.....	22
6.1 Historical financial performance.....	22
6.2 Summary of revenue finance.....	23
6.2.1 Income.....	23
6.2.2 Outgoings.....	26
6.3 Financial Forecasts.....	27
6.3.1 Cash flow Forecast.....	28
6.3.2 Income Statement Forecast.....	28
6.3.3 Balance Sheet Forecast.....	29
Appendices.....	30
Appendix 1 Worker-member Biographies.....	31
Appendix 2: Working Group Descriptions.....	33
Appendix 3: Tyddyn Teg Charter.....	35
Appendix 4 Financial Forecast.....	36
Appendix 5 PESTELE analysis.....	40
Appendix 6 SWOT Analysis and TOWS Matrix.....	42
Appendix 7 Site Details.....	44
Appendix 8 Previous Accounts.....	45
Appendix 9 SMART Marketing Plan.....	48
Appendix 10 Timeline.....	51

1. Executive Summary

Our Mission

Tyddyn Teg is an established agroecological vegetable farm in North West Wales. Our vision is a world where people and nature thrive because everyone has a relationship with the land, their food, and the people who produce it. Our mission is to build a vibrant and resilient local food and land culture in a way that is egalitarian, replicable and fun.

Who we are

Tyddyn Teg is a fourteen-member worker's co-operative. We were founded in 2015 and have grown steadily since then. Our diverse team of seven men and seven women includes young new-entrant farmers and people with many year's growing experience. We are now seeking to place the business permanently in community ownership through a community share issue. Day-to-day running of the business will continue to be done by the workers themselves, as we are immersed in the practicalities of our operation and are best placed to make operational decisions. However, ownership and ultimate control of the vision and mission of Tyddyn Teg will be shared with the community it serves.

What we do

The core activity of our business is growing vegetables, and selling these directly to consumers via our veg bag subscription scheme, on-site farm-shop (for scheme members and "drop-in" customers) and to other local businesses via our seasonal wholesale operation. As well as our own vegetables, our shop retails a range of other organic and local products such as fruit, dairy produce and staple dry goods, and fresh sourdough bread from our on-site artisan bakery.

We are mission-driven and want to see more farms like ours producing good food and caring for land and people. Whilst the core of our business remains growing and marketing vegetables in a way that is economically, socially and environmentally viable, a key part of what we do is also educating and inspiring others. We take on trainee growers and hold regular public events to do this, and have a strong presence in networks such as the Landworkers' Alliance and the Permaculture Association. The establishment of a "Community Solidarity Fund" will facilitate us doing even more to build food and land culture locally and abroad.

Financial performance and projections

Our turnover has exhibited consistent year-on-year growth, going from approximately £31,000 in 2015-2016 to £162,000 in 2021-2022 (provisional figures show £196,000 for 2022-2023). Our founding co-op members donated a lot of unpaid work to keep the business afloat in the early years. Since 2020-2021, we have taken the decision to pay ourselves for all work outside of our duties as company directors. The increase in our wage bill meant that the business entered a planned negative cash flow in 2020-2021, but recovered positive cash flow in 2021-2022.

Like turnover, our cash-flow has increased in all years apart from 2020-2021. Similarly, our net profit has been improving every year apart from 2020-2021, although has been and remains negative, as our retained earnings have not yet increased to the point at which they keep pace with capital depreciation. However, it should be stressed that the overall trend is of rapidly increasing turnover and steadily increasing net profit. We have good grounds to believe this will continue; we have made a lot of investment in our equipment and infrastructure in the last 12 months, and expect to begin seeing the benefits of this from Spring 2023 onwards. Our team has undergone significant expansion since 2020, and new and old members alike have been increasing their skills and work efficiency. We therefore predict ongoing increases in turnover and profitability and project that our bottom line will become positive by 2028 at the latest.

Opportunities

We have grown our veg bag scheme subscriber numbers from 60 to 172 largely by word of mouth; our production capacity was our limiting factor until recently. We believe that our land, equipment and team have the capacity to produce about 250 weekly veg bags with a lower reliance on bought-in vegetables (and therefore lower cost-of-sales) than at present. The Arfon area (which loosely corresponds to our delivery catchment) has a population of about 60,000 (ONS data) and few other producers offering a comparable product or service to ours, so we believe that we have plenty of scope to expand our turnover as well as our efficiency.

The Community Share Offer

We are currently running a community share offer (across two separate platforms - Crowdfunder and Ethex) to raise £400,000-£450,000 of investment in our business. We need this investment to repay two loans that we took out to purchase the farm and business as a going concern, and subsequently to upgrade some of the equipment and infrastructure. Our plan has always been to run a community share issue to raise this investment, partly as it is the most viable way to repay our start-up loans, and partly as we believe that our business is better owned by the community it serves. The higher investment target will top up the budget we have for an ongoing programme of infrastructure development work, although the lower figure is sufficient to clear our debts.

Shares will be issued as withdrawable shares: the shares are allocated to a named person or organisation and cannot be bought or sold; as such, they will not go up in value, but may go down if the assets of the company are worth less than the value of investments. However, shares will earn interest at 3% and can be withdrawn on a first-come-first-served after three years if cashflow allows. Although we anticipate that we may not have a positive bottom line until 2028, we intend to pay interest from year one. Liquidity for share withdrawals from year three onwards will be provided by an ongoing open share offer.

This business plan should be read in conjunction with our Share Offer Document, which provides more detail about the share offer.

2. Introduction and Background

2.1 Scope and Purpose of Business Plan

This document presents the development that Tyddyn Teg Co-operative will undertake from 2023-28, and the strategies that it will put in place to reach its targets: moving forward from a fledgeling business that has depended on the vision, commitment and generosity of its founders, pioneers and early investors to a stable and functional community owned co-operative that pays its workers a decent living and pays interest to its shareholders.

It is designed to be read in conjunction with our Share Offer Document which details our plans to raise £400,000-£450,000 in withdrawable shares in 2023, and explains how our share offer is structured. This document provides extra detail about our organisation and how it is run and our plans to grow our business as well as supporting evidence demonstrating our ability to meet our business and marketing targets.

In order to improve its workers' livelihoods and ensure the strength of its financial position to be able to pay interest to shareholders, Tyddyn Teg is planning on increasing and developing its:

- Productivity
- Markets
- Annual turnover
- Workers' wages
- Community involvement

This will be achievable thanks to the infrastructural works currently ongoing or recently completed on the farm, the skill and stability of our farming team, the development of our marketing strategies and our strong community engagement.

2.2 Who we are

Tyddyn Teg ("Fair Farm" in Welsh), is a regenerative vegetable farm run by a workers' co-operative, based between Llanrug and Bethel in Snowdonia, North Wales. The co-op was founded in 2015 when the farm was purchased from its previous owners, John and Pippa Evans, on a 'going concern' basis. Our team of 14 members takes pride in growing vegetables agro-ecologically, and in caring for our land and buildings in an environmentally and culturally sensitive way. We are a diverse team composed of seven women and seven men between the ages of 22 and 62. We are all driven by a love of food culture and by a commitment to face the challenges created by the environmental and climate emergencies. We have a strong sense of respect for our land, for one another and for our local community and we strive to connect land, food and people.

2.3.1 Legal structure

Tyddyn Teg is a co-operative society registered with the FCA under the Co-operative and Community Benefit Societies Act 2014 (FCA Mutuals Register No. 4707).

2.3.2 Governance arrangements

Tyddyn Teg is a co-operative society of 14 worker-members. Each worker is a director of the board, and each director is a worker contributing a minimum of 15 hours per week to the operation of the co-op's businesses. See Appendix 1 for worker biographies.

Executive decisions at Tyddyn Teg are made by consensus, which means that everyone needs to consent for major decisions to be taken. Operational decisions are managed sociocratically via our Working Group system, which means that directional decisions are taken by the whole co-op whereas implementation and operational power are devolved. See Appendix 2 for Working Group descriptions.

In order to keep our operation running smoothly, the co-operative runs via a number of different processes which enable our team to work together cohesively whilst respecting everyone's needs and views.

- **Policies**

As well as our primary rules, the co-op is governed by our secondary rules: a set of policies that each member agrees to respect by virtue of their membership of the co-op. These policies lay out our regulations and systems for keeping a healthy and safe workplace and a group culture that is understood and approved by everyone, whilst defining our shared values and vision. Our policies can be changed or improved as long as every worker agrees, and are always reviewed by the whole co-op at least once per year.

- **The Charter**

The co-op Charter is a new piece of governance that we have created to guarantee to Investor-members that the purposes of Tyddyn Teg as set out in this Business Plan and our Share Offer Document are respected and upheld by Worker-members. Unlike our Secondary Rules, the Charter cannot be amended without the permission of 75% of voting Investor-members at a General Meeting. See Appendix 3 for the full text of the Charter.

- **General Meetings**

General meetings are meetings of both Worker-members and Investor-members that take place at least once a year (the Annual General Meeting), where the performance of the co-op over the past year is reviewed and discussed, representatives are elected to the Community Solidarity group, and decisions are made about the application of any profits; as well as any other business that members want to discuss. In addition to the AGM, both Worker-members (25%) and Investor-members (10%) can request that a General Meeting takes place by delivering a signed note to the Secretary of the Co-op, and the co-op is obliged by law to call one within 6 weeks.

- **Co-op Meetings**

The directors meet once a month for a general co-op meeting which takes place in two parts: the first part is a board meeting, where we deal with all our executive decisions and governance matters. The second part is an operational meeting, where we deal with the practical issues regarding the management of the farm and community.

- **Working groups**

To ensure that decisions are translated into actions and to streamline our co-op meetings, operational power is devolved to Working Groups. Each working group is empowered to operate its part of the business, do its own procurement within agreed upon budget lines and hire its own sub-contractors as necessary. Working groups meet at least once every quarter although many meet weekly. See Appendix 2 for more details on our Working Groups and what they do.

- **Buddy System**

Instead of a hierarchical line management system, Tyddyn Teg co-op members and trainees manage each other via our 'Buddy System'. All workers are paired off with a 'buddy' who supports them in their professional development, management of workload and interpersonal relationships with colleagues. Buddies meet once a month for a 'check-in' or more frequently if necessary.

- **Roles and Responsibilities Annual Review**

In order to ensure that all operational responsibilities are covered by the team and that every Working Group has a chairperson (who ensures that meetings take place and minutes are made available to the whole co-op), we meet once a year during the winter to redefine each member's role, what responsibilities they will undertake, how many hours they will work weekly and which working groups they will be part of for the upcoming season. If gaps are identified then recruitment of new members is undertaken.

- **Human Relationships Team**

Our HR team exists to cover the gaps in our Buddy System, handling issues that members are not able to resolve amongst themselves, overseeing safeguarding and general wellbeing as well as ensuring that legal obligations are met.

- **Annual Decision-Making Training**

We recognise that running a co-op together and developing appropriate processes and policies is a skill-set that requires investment to support every member in participating as fully as possible. Thus, as well as in-house training for new members, each year we invest in at least one 'whole co-op training session' with an external facilitator to continuously develop our skills as a group and our communal understanding of what authentic power sharing is and how it can work for us.

2.4 Plans for membership growth

Worker Members:

We believe that our current team (14 members) is of an almost appropriate size to manage our existing businesses going forward, including our planned expansion in on-farm productivity. We envisage a small increase in operational hours from around 10,500 hours in 2022/23 (about 7.75 full-time equivalents) to around 11,400 hours by 2028 (8.4 full-time equivalents). The actual number of co-op members will depend on members' agreed-upon time commitments to the business, although we do have guidelines within our secondary rules to protect the efficiency of our operation by encouraging larger time-commitments, in particular from members of the growing team. We do not expect the team to exceed 16 worker-members.

Investor Members

Through our Share Offer, we hope to recruit between 100-4000 investor-members who will be the co-owners of Tyddyn Teg Co-operative, will receive interest on their investments from the profits generated by the business, will help hold the co-op to its agreed upon purposes as defined under the Charter (see Appendix 3) and can elect representatives to liaise between workers and investors and attend Board Meetings and to help manage the Community Solidarity Fund.

The Community Solidarity Fund

Investor members can choose to donate a proportion of the interest on their shares to this fund, which will be co-managed by Workers and Investors to deliver projects that strengthen local and global food sovereignty through increasing the accessibility of our vegetables, sharing knowledge about food growing, land management and other land-based skills and supporting land-based projects in the Global South. Investors can elect two representatives every year to work with our team and help manage and deliver these projects.

2.5 Vision and mission statement

Our vision is a world where people and nature thrive because everyone has a relationship with the land, their food, and the people who produce it.

Our mission is to build a vibrant and resilient local food and land culture in a way that is egalitarian, replicable and fun.

We are now inviting investors to share ownership of this vision with us, and to participate in our mission via our Community Share Offer

2.7 Objectives of the Society

The primary objectives of Tyddyn Teg Co-operative are:

1. to produce good food and sell it locally
2. to achieve ecological viability in our farming
3. to achieve economic viability for our business and pay our workers fairly
4. to operate with equality between members
5. to enhance local and global food sovereignty

2.8 Social and environmental impact

2.8.1 Achievements to date

It is strongly embedded in the ethos of Tyddyn Teg to care for our land and all of the life on it, and equally to support healthy and resilient people and communities. The following sections explain some of what we have already achieved in pursuit of these aims.

2.8.1.1 Environmental impact

Since founding in 2015, we have worked hard to develop and refine our farming strategies, carefully monitoring both productivity and soil health, which we feel are the primary indicators of the success and sustainability of our operation. We have made great progress in increasing our crop yields since taking on the farm, from an estimated £16,000 in wholesale value of crops harvested in 2016 to around £80,000 in 2021-22.

In Autumn 2022 we commissioned our first comprehensive programme of soil testing across many of the farm's growing areas. This testing identified some slight nutrient imbalances and deficiencies (notably slightly excess iron, and deficient sulphur, molybdenum and boron) which were probably inherent characteristics of our land when we bought it, but also very good levels of soil organic matter (over 11% in field soils and over 25% in intensive no-dig beds).

One takeaway from these findings is that we have the exciting possibility of increasing our crop health and productivity through correcting some trace element imbalances with permitted organic amendments. Another is that the agroecological management practices we are already doing (such as minimum tillage and extensive use of cover crops and fertility building leys) have already raised our soil organic matter levels (which can be taken as an indicator or soil health) to over 11%. Conventional agriculture treats 5% as a good benchmark to strive for.

We have planted about 4,000 trees on our land since 2015. The older plantings are now a vigorously growing young native-species woodland ("Coed Teg") which draws down more carbon every year. The more recent plantings have been as mixed-species hedges and shelterbelts which are establishing well, and will soon be providing wind-protection for our crops, as well as habitat for wildlife including the birds and insect predators we depend on for pest control.

We have committed in our Charter (Appendix 3) to refrain from removing any significant areas of hedgerow or woodland without consultation with our Investor-members. There is potential for further tree-planting and woodland creation as well as better management of existing woodlands that may be undertaken by our workers or groups we partner with in the future.

2.8.1.2 Social Impact

The primary social function and impact of Tyddyn Teg is to provide a source of healthy, fresh, locally and sustainably produced food to our customers at an accessible price, and to provide a decent livelihood and a pleasant and safe working environment to our team.

Since founding in 2015, we have almost tripled the number of households served by our Veg Scheme (from about 60 to 172), as well as expanding and diversifying our shop to provide a much better range of produce, as well as being a hub for other local producers to market their products.

We kept our business going throughout the pandemic, providing our community with a reliable source of fresh food, friendly service, a safe and well-managed shop and a home delivery service in a time of crisis.

We have kept our prices down during the cost of living crisis, forgoing wage rises for workers to ensure that our food remains affordable and accessible at a time when many people are financially stressed.

We have doubled the number of workers on our team (from 7 to 14), thus increasing the number of local livelihoods supported by our land. In addition, we have made enormous progress in developing our governance arrangements to ensure a safe and healthy workplace.

In addition to all this, we have worked hard to build relationships with our local community beyond those of a business and its customers, organising educational and social events (e.g. pop-up dinners, open days, apple pressing, pickling workshops etc.) and sponsoring the Bethel Under-9s football team. We are also currently hosting a local sustainable fibres group (Tecstiliau) to produce and process flax at our farm, and working with a local school to create a small educational garden for pupils with additional learning needs and host events for them.

Because we are in a first-language Welsh speaking area, we have invested in Welsh classes for our team and are working hard to up our game on bilingualism and Welsh language content on our signage and internet presence, as well as in our face-to-face interactions.

Looking beyond our immediate surroundings, together with our community we have raised thousands of pounds for land-based projects in the Global South and occasionally supported delegations to visit and work with them. We achieved this via a series of fundraising 'dinners at the farm' and our 'Justice Juice' project which we launched in 2022, where we donate the profits generated selling apple juice pressed at our Community Apple Day. These have the additional impact of bringing people together to share food, experience and stories.

We have also embedded ourselves within the regenerative farming network in the UK, participating in conferences and hosting some major events (including the Welsh Permaculture Convergence and Farm Hack). We are active members of the Land Workers Alliance, the Permaculture Association, the Organic Growers Alliance, Social Farms and

Gardens and Farming Connect. We have also formed relationships with several universities and hosted educational visits for student groups.

Perhaps most significantly of all in terms of increasing the momentum of the regenerative food movement, we have collaborated with other small farms in Wales to form a Training Network and have so far trained 16 people in practical regenerative horticulture, taking on 9 graduating trainees as co-op members for some time (many of these are still with us). Others of our trainees and former co-op members have started their own enterprises or secured jobs within the sector.

2.8.2 The Community Solidarity Fund

Through the creation of our Community Solidarity Fund which will be partially funded through donated share interest and partially through regular monthly donations that our customers choose to make, we plan to build on and strengthen what we are already doing to further the cause of local and global food sovereignty.

In particular, we would like to create a system for offering subsidised Veg Scheme membership to financially struggling families who would not otherwise be able to afford it, thus making good food more universally accessible.

This fund will also provide a budget for our continued efforts to hold a social and educational space for our community to enjoy, to improve access to and through our land, and to support inspiring land-based projects in the Global South that are at the forefront of responding and adapting to the climate and ecological emergencies.

This fund will be co-managed by Workers and elected representatives of Investors and is a fundamental component of our Community Share Offer, embedding community solidarity into the DNA of Tyddyn Teg.

2.8.3 Monitoring

We take the delivery of our primary objectives seriously and have already made great strides in achieving them in the years since we founded. After launching our Share Offer, we intend to make ourselves accountable to Investor-members via our Charter (see Appendix 3), reporting annually on our activities and progress and actively inviting feedback and suggestions from our Investor-members, as well as celebrating our successes.

The table below shows example activities and measurable outcomes that could be used to demonstrate whether or not we are meeting our objectives. These activities may differ over time depending on the skill-sets and priorities of the incumbent co-op members.

Table 1: Monitoring Matrix for Tyddyn Teg achievement of objectives

Objective	Activities	Measurable Outcomes	Achievements to date (2015-23)
To grow good food for our local community	Vegetable production on the farm Local sales	Harvest records Veg scheme membership Farm-shop sales Wholesale network	Wholesale value of own crops harvested up from £16,000 (2015/16) to £80,000 (2021/22) VS membership up from 60 to 172 Farm shop sales from 0 (2015/16) to £54,600 (2021/22)
To be ecologically viable	Regenerative farming practices Tree planting Nature stewardship	Soil health and testing On-farm biodiversity and agrobiodiversity Trees planted Woodland areas maintained	Base-line soil data established in 2022 4000 trees planted (3 acres of new woodland 10 acres of old woodland maintained
To be economically viable	Fair wages for workers Fair prices for consumers Making a profit/ breaking even	Annual accounts Payment of share interest	Positive cash-flow maintained since founding Worker numbers doubled and wages improved Turnover up from £30,873 (2015/16) to £162,205 (2021/22)
Equality between Workers	Co-operative governance Consensus decision making practices and training Flat pay structure	Meetings minutes Policies Accounts	Conversion to co-operative society Creation of Tyddyn Teg policies 4 whole co-op CDM trainings undertaken
Local and global food sovereignty	Sharing knowledge and skills Participating in networks Fundraising Promoting accessibility of the land Supporting local producers	Public events/ farm tours Training offered Funds raised Public access to land Membership of networks Network of local suppliers	Annual summer open day 16 graduate trainees Support to Palestinian Olive Tree campaign Support to Kenyan Peasants League Support to Habiba Community (Egypt) Footpath to Bethel opened 9 regular local suppliers enlisted 'Justice Juice' project started

3 Resources

3.1 Paid Staff

Our team of 14 working co-op members are a diverse bunch with an impressive array of skills and experience between them - see Appendix 1 for biographies.

All of our worker-members are directors of the co-operative and take part in the management of our business via our Consensus Decision Making system. As well as this, all workers have agreed-upon responsibilities to carry out the business of Tyddyn Teg in co-operation with their colleagues within the Working Group system.

Farming is a highly seasonal business and hours worked per week by each member can vary a great deal throughout the year. In general, labour requirements are much higher through the summer whilst many members of the team take the opportunity to travel or relax during winter months. At present the total hours worked per year by the whole team add up to about 7.75 full-time equivalents and we expect this to increase to 8.4 FTE by 2028.

Table 2: Roles and time commitments of current co-op team members

Name	Hours per week	Working Group Membership
Aglae Bindi	15-24	Glamping team (chair) Admin team Finance team Customer communications team Community shares team Social Impact team HR team Shop team
Tom Edwards	24-36	Growing team (Field Blocks) Deliveries team (Chair) Trees and firewood team
Charlotte Elvin	18-24	Growing team Bakery team Social Impact team Deliveries team
Tilly Fuller	24-30	Growing team (Polytunnels) Deliveries team Wholesale team HR team
Alice Gray	24-36	Growing team (Gardens) Finance team (Chair) Shop team Community Shares team (Chair) Social Impact team Training team
Charlotte Latter	15-18	Infrastructure team Glamping team Deliveries team Social Impact team Trees and firewood team

Aspen Lawrence	15-21	Customer Communications team Admin Team Social Impact team Wholesale team Finance team HR team
Bea Lupino	24-36	Growing team (polytunnels) Shop team (Chair) Finance team Social impact team (Chair) Wholesale team
Sally Mees	18-24	Growing team (Nursery) Infrastructure team Deliveries team Trees and firewood team
Arthur Miller	15-21	Infrastructure team (Chair) Deliveries team Customer communications team (marketing) Glamping team Trees and firewood team HR team
Franklin Scrase	15-21	Baking team (Chair) Trees and firewood team (Chair) Infrastructure team Glamping team Community Shares team
Jamie Stroud	18-30	Training team (Chair) Infrastructure team Trees and firewood team Finance team Community Shares team Growing team (Field blocks)
Alex Turner	24-30	Growing team (Gardens) Wholesale team Deliveries team
Simon White	24-36	Growing team (Chair, Field blocks) Finance team Shop team Training team HR Team Admin Team

The Working Group system ensures that several people are involved in all aspects of the running of Tyddyn Teg and thus if a member leaves, then it is easy to reassign their responsibilities to other co-op members and we do not have to find a direct or immediate replacement for them. Under our rules, members should give at least 6 months' notice of intention to leave the co-op and therefore this model of working gives us a great deal of resilience and plenty of opportunity to manage handovers and recruit new members as necessary. (See Appendix 2 for Working Group descriptions)

3.2 Trainees

We have been offering a residential traineeship program for 5 years since 2018. This program runs over the growing season (from April to October) each year and normally welcomes 3 to 5 trainee growers with aspirations to work professionally within the regenerative horticulture sector.

Trainees receive a weekly stipend as well as half a day a week of theoretical training from experienced members of our growing team. Since 2020 we have participated in the Land Workers' Alliance Resilient Green Spaces network to collaborate with other small farms in Wales on delivering a comprehensive training that is recognised by all members of the network, enhancing the employability of participants. Our trainees work hard to help us grow the fantastic quantity and quality of vegetables that we produce every year, filling an important requirement for seasonal labour on the farm.

Competition for places on our traineeship is quite fierce, with as many as 40 brilliant applicants coming forward each year to apply. We think that it is a rare opportunity for people to skill up as part of a vibrant and diverse team, developing their practical farming skills as well as their theoretical knowledge and putting graduating trainees in a great position to further their careers within the sector. It is also an amazing recruiting tool for Tyddyn Teg, as many of our trainees have moved on to become co-op members, building the capacity, resilience and flexibility of our team.

3.3 Volunteers

The farm runs monthly volunteer days, where members of the community who want to get their hands dirty and learn a bit about growing can join us for a day. We invite them to share our lunch and sometimes they leave the farm with a few vegetables in exchange for their toil. These events promote connection between ourselves and our customers and are great for getting big jobs done in a festive atmosphere!

3.4 National networks

We are active members of the Land Workers' Alliance, the Permaculture Association LAND Network, Social Farms and Gardens, the Organic Growers Alliance and Farming Connect. These networks do a fantastic job of promoting peer-to-peer knowledge and resource sharing within the regenerative farming community, as well as providing support such as funding for events and equipment and advertising opportunities within the network.

3.5 Local networks

We are proud to be part of a thriving community of regenerative businesses in North Wales, supporting each other via sharing markets, resources and knowledge. We have also built relationships with local educational institutions including schools and universities, hosting educational tours and organising work days as well as hosting research projects. One of our members, Charlotte Elvin, is the Land Workers' Alliance's North Wales event coordinator which also allows us to have a key role in our local network

4 Current Business: Work done to date

4.1 Equipment and Infrastructure

4.1.1 The Loans for Enlightened Agriculture Program and Horticultural Development Scheme

As explained in section 2.8 above, Tyddyn Teg has had significant social and environmental impacts since founding: expanding our production, markets, team, knowledge and networks to become the thriving community asset that we are today.

We received a significant boost on this journey through the Real Farming Trust's Loans for Enlightened Agriculture Program (LEAP), which we were lucky enough to secure in 2021, as well as a small Horticultural Development Scheme (HDS) grant from the Welsh Government that we secured in 2022, augmenting our LEAP budget to create even greater impact.

The LEAP loan totalled £60,000, with a 2% set up fee, a 5% annual interest rate and a repayment period of 5 years with an initial 1 year 'holiday'. It will be repaid in full by July 2027. The HDS grant provided 40% funding towards capital investment programs that augment the productivity and resilience of small farm businesses. We were able to secure a total of £7,680 which allowed us to expand our aspirations with the LEAP funding.

Taken together, these two investment programs allowed us to upgrade our farming equipment and infrastructure, expand our protected cropping (polytunnel) area by 450 m² (an increase of 37% on what we started with), enhance our irrigation capability, build refrigerated and ambient veg storage facilities and upgrade and expand our shop. We completed the planned works in Spring 2023 (as this document goes to press) and are looking forward to reaping the benefits in the coming seasons!

Even now, the financial uplift since we started work on this upgrade program in 2020 has been very significant - from around £120,000 in 2019/20 to an estimated £196,000 in 2022/23 (the financial year is not complete at the time of writing).

Between the enhanced inventory of farm equipment and machinery that we now have and the skill, experience, energy and commitment of our team, we feel very confident that we can continue this upwards trend.

Currently our crop production is out-stripping our markets, and so the main limiting factor on our financial growth is not how much food we can grow but how much we can sell. Knowing this, we have invested more than ever before in brand development and visibility, as well as making plans for significant capital developments on our site to enhance customer experience and improve its functionality as a community farm and workers' co-op.

Table 3: Summary of LEAP/HDS spending, 2021-23

Item	Description	Budget
Set-up fee	2% on £60,000	£1,200
Veg store and packing area upgrades	Make big walk-in fridge for storing harvested vegetables, extend packing areas and put a door on the 'big barn'	£4,500
Shop upgrades	Extend and improve farm shop and buy new equipment	£5,800
Plant nursery upgrades	Re-skin plant nursery polytunnel and build climate-controlled benches	£2,000
Existing polytunnels upgrades	Re-skin small polytunnel, install windbreak and repair gable-ends	£1,500
New polytunnel	Put up a new 300m ² polytunnel	£11,500
No-dig conversion	Convert polytunnels and 'home field' to permanent no-dig beds	£5,000
Irrigation system upgrades	New header tank and 'auto-recoiling' sprinklers	£7,500
New farm equipment	An array of handy tractor implements, machines, power tools and hand-tools	£20,000
Labour	Consultants' advice, internal labour, administration and planning consents	£8,680
TOTAL		£67,680

4.1.2 Bara Teg

In Spring 2022, thanks to a £7,000 Directors Loan, we set up and opened an on-site artisan bakery and are now producing what we believe to be some of the best sourdough bread in the area, which we sell via our shop. This provides an additionality that attracts new customers and keeps them coming back for more every week, strengthening our retail operation as well as creating extra livelihoods for our team.

4.3 Retail Network Building

When Tyddyn Teg was founded in 2015, we were selling about 60-70 Veg Bags per week for 6-7 months of the year, with no significant additional business. We have now developed that to around 180 Veg Bags for 12 months a year, whilst also developing our on-site shop as a food hub, working with a fantastic network of local producers as well as our brilliant wholesaler Organic North; and building a local wholesale network of our own to absorb seasonal surpluses.

Our supplier network has been getting stronger over time, as the retail potential of our shop has grown, making it a significant outlet for the local suppliers we work with (currently about 10). This is good for them and good for us, as the access that people get to local produce increases footfall in the shop, we make a little bit of mark-up on the products, and local suppliers increase their sales.

Our wholesale network took a bit of a hit during the Covid-19 pandemic, as our business with caterers temporarily dried up. However, it is bouncing back well and we have been doing regular business with 2 local shops and 1 retreat centre as well as irregular business with a number of event caterers. In addition, several online 'Food Hubs' have been set up in the past couple of years allowing people to order online from an array of local suppliers and organising the delivery of these orders to people's homes or to collection points. We are now operating as one such collection point as well as selling Veg Bags and loose vegetables via the hubs. We expect this exciting new retail opportunity to develop over time as the hubs gain traction and popularity.

4.4 Home Delivery of Veg Bags

In 2020, in response to demand from vulnerable people sheltering from the pandemic, we rather hastily assembled a system for delivering Veg Bags to people's homes. This was originally run by ourselves and willing customers on a voluntary basis. However, demand for the service grew and in 2021 we formalised it into a paid-for service available to any customer within 10 miles of the farm for a monthly fee. We now deliver 50 Veg Bags a week in the local area and we expect that, by offering this service we should be able to more readily expand our market.

5 Capital Development

5.1 Summary of capital development works

In 2021, we took out a £320,000 loan from the Scrase family (the Scrase Development Fund) to enable Tyddyn Teg Co-operative to buy the farm that it operates (Tyddyn Berth) and to initiate an ambitious program of upgrades and renovations that will allow us to run better as a community farm and as a co-operative. The farmhouse and its curtilage, including a portion of an outbuilding known as the “Long Barn” were retained by the Scrase family (see *Site Details* in *Appendices*).

Works to be undertaken include separation of utilities and services from the farmhouse , as well as improvements to customer infrastructure and the renovation of the Long Barn to create a site office and an accessible toilet and shower in Tyddyn Teg’s portion. This program is still ongoing with approximately £75,000 of the budget remaining unspent, and is expected to be completed in 2023/24.

5.2 Breakdown of capital costs

Table 4: Scrase Development Fund (SDF) Budget Overview

Item	Description	Budget
Land Purchase	Purchase of Tyddyn Berth Farm excluding the land and buildings retained by the Scrase family	£178,000
Repayment of Directors Loans	The business was originally purchased as a ‘going concern’ with a Directors Loan	£48,000
Solicitors fees	Solicitors fees for land purchase and sales contracts	£1,700
Electricity system upgrades	New higher capacity electricity supply for running produce fridges and heated benches in the plant nursery	£18,000
Water system upgrades	Upgrading and separating the water supply for the farm and farmhouse	£3,500
Drive upgrade	Improving access to the farm shop from the road	£6,000
New farm yard behind barn	Creating storage space for farm machinery and freeing up space in the customer carpark	£5,500
New sewage system	Upgrading old system to cope with increased usage levels and allow installation of customer toilet by shop	£10,000
Barn upgrades	Put a roof on derelict Long Barn next to shop, install customer toilet and site office	£49,300
TOTAL		£320,000

5.3 Capital funding: Community Shares

It is our intention to convert the debt owed to our lenders (the Scrase family and the Real Farming Trust) into equity from our investors via a Community Share Offer which we will run from June to December 2023 on two fundraising platforms: Crowdfunder and Ethex. This will give us the opportunity to appeal to a diversity of potential investors from our existing network and customer base to ethical investors with an interest in promoting regenerative farming who are outside our current network.

Our intention is to raise £400,000-£450,000, an amount that will cover these debts and the cost of the Share Offer itself, as well as topping up our budgets for infrastructure works, which were prepared in 2020 ahead of securing the loans, and are now probably insufficient given the substantial increases in the price of building materials and services since then.

We are confident that we will be able to sustain interest payments on up to £450,000 of shares at the 3% we are offering our investors with the increased productivity created through the LEAP investment program (now completed) and the enhanced customer experience and engagement created through the Scrase Development Fund program (that will be completed in 2023/24).

Table 5: Summary of uses of share capital

Investment Program	Amount	What for?
Scrase Development Fund Loan (SDF)	£320,000	Land Purchase Infrastructure Upgrades
Loans For Enlightened Agriculture (LEAP) from the Real Farming Trust	£60,000	Farming equipment and infrastructure Shop upgrade/expansion Share Offer Launch
Cost of Community Share Raise (assuming we hit targets)	£27,378	Platform fees (Crowdfunder and Ethex)
Total	£407,378	
Contingency budget for building works	£42,622	Top-up to allow works to be done to higher spec and cover increase in costs due to inflation
Grand Total	£450,000	

5.4 Impact on revenue streams

We are confident that we have already laid the groundwork for an upsurge in productivity at Tyddyn Teg. Thanks to the LEAP loan and a small horticultural development grant from the Welsh Government that we secured in 2022, we have expanded our protected cropping area

by 36% compared to what we were managing in 2020 (with most of this extra space only becoming available for the 2023 growing season), upgraded our outdoor irrigation system to have higher capacity and thus allow us to more adequately meet the water requirements of our crops (which has been limiting productivity due to seasonal droughts) and upgraded our farming equipment to massively enhance the labour efficiency of our team and our ability to reduce crop competition from weeds in a timely manner. Taken together, these measures will ensure that we produce more vegetables than ever before.

In addition to this, we have expanded and diversified our shop, turning it into a fantastic local food hub that not only serves the retail needs of Tyddyn Teg but supports other local food enterprises in marketing their produce. We have also opened an onsite bakery that produces amazing bread and attracts even more customers to use our shop. We have already seen the turnover of the shop increase by about 45% over the past 2 years from around £48,000 in 2020/21 to around £78,000 in 2022/23. We think that we can increase this even more with additional efforts in marketing and through enhancing the customer experience via our capital investment program under the SDF.

Our plans for improving customer experience and access to the farm include improving the badly potholed driveway, increasing signage, upgrading the footpaths to the local villages, improving the car park and installing an accessible customer toilet. We believe that this will remove physical and psychological barriers that prevent people from becoming regular customers and thus increase footfall through the shop.

Our target total turnover for 2027/28 is £284,000, an uplift of around £84,000 on our estimated 2022/23 turnover. This figure provides for paying workers at least minimum wage for all hours worked, paying 3% interest on all shares from Year 1, covering depreciation of equipment and machinery and generating a small profit (around £2,500).

5.5 Marketing objectives

5.5.1 Business targets

Our primary marketing objectives over the next 5 years are:

- to increase Veg Scheme membership from 172 (current) to at least 250 members
- to increase sales to our wholesale network by 10% per year (from £8,500 to £13,500)
- to increase the turnover of our onsite shop by about 26% (from £78,000 to £105,500).

Our strategies for achieving this are:

- to increase our brand visibility locally through posters, flyers, t-shirts, presence at local events and markets, sponsorship of the local childrens' football team, radio and TV articles
- to enhance our social media presence through creating more frequent and engaging content and strategically posting it at key times to increase its visibility
- to implement a series of 'special offers' to encourage existing customers to refer a friend

- to encourage people to join the scheme at peak production time by offering the first month for half price
- to market ourselves to large local employment hubs (such as Bangor University, Ysbyty Gwynedd, Natural Resources Wales etc.) offering special deals on mass deliveries and the first month for half-price at peak production times
- to continue to improve our self-service shop and our website to make them more user-friendly for new customers and prospective scheme members
- to continue to build and strengthen our local networks and relationship with our customers through our social and educational events

5.5.2 Financing targets

Our primary financing objectives over the next 5 years are:

- To raise £400,000 to £450,000 in finance in 2023
- To repay the Scrase Development Fund Loan (£320,000) and the LEAP Loan (£60,000)
- To move to an Open Share Offer between 2025/26; creating a 'revolving door' mechanism allowing early investors to withdraw their shares
- To be in a position to fund about 5% a year of share withdrawals by 2026
- To pay 3% interest on all shares (as shares) from Year 1 (by September 2024).

Our strategies for achieving this are to:

- Run a Share Offer on the Crowdfunder platform with a minimum investment of £100 from June-September 2023, appealing to our existing networks to invest in Tyddyn Teg
- Run a Share Offer on the Ethex platform from September-December 2023 with a minimum investment of £500, appealing to ethical investors who are outside our current networks but support our mission to invest in Tyddyn Teg
- Move to an Open Share Offer by September 2026, creating a mechanism for early investors to withdraw their capital should they wish to and for financing future developments.
- To achieve or exceed our business targets (see above) to ensure we are in a position to pay interest.

5.5.3 The Open Share Offer

We are planning on paying interest on all shares from Year 1 because we believe that our investors deserve a reward for the use of their capital and because we want to get the Community Solidarity Fund (which is funded with donated interest) up and running as soon as possible. The Community Solidarity Fund is a key component of our Share Offer design, delivering on our ideological commitment to making regenerative food accessible to as many people as possible whilst furthering the sustainable farming and food sovereignty movement through knowledge sharing.

Interest will be paid annually as shares on a 'simple interest' basis at a rate proposed by the Board and confirmed at the AGM and will accrue to the share accounts of investors and be recorded on our share register and balance sheet. Interest donated to the CSF will be paid as cash into a separate bank account that we hold for that purpose and will provide a budget for activities in the upcoming year.

Due to the negative retained earnings we have accumulated through the set-up years of Tyddyn Teg (when we maintained a positive cash-flow but were unable to cover depreciation), and will accumulate through the project costs of executing the share offer and covering interest from an early stage, we will not be able to return share capital using the revenue generated by the business in the foreseeable future (the FCA prohibits the payment of share withdrawals using business revenue until such a time as the Society shows positive retained earnings).

Instead we are planning on launching an Open Share Offer within 3 years of the close of our 2023 share offer, attracting new investors and providing new capital to allow withdrawals by earlier investors. We think that due to our plans to expand the business and recruit new customers and our active participation in a number of regenerative farming and land management networks, we will have good access to people keen to support projects like ours and will therefore be able to recruit new investors with relative ease.

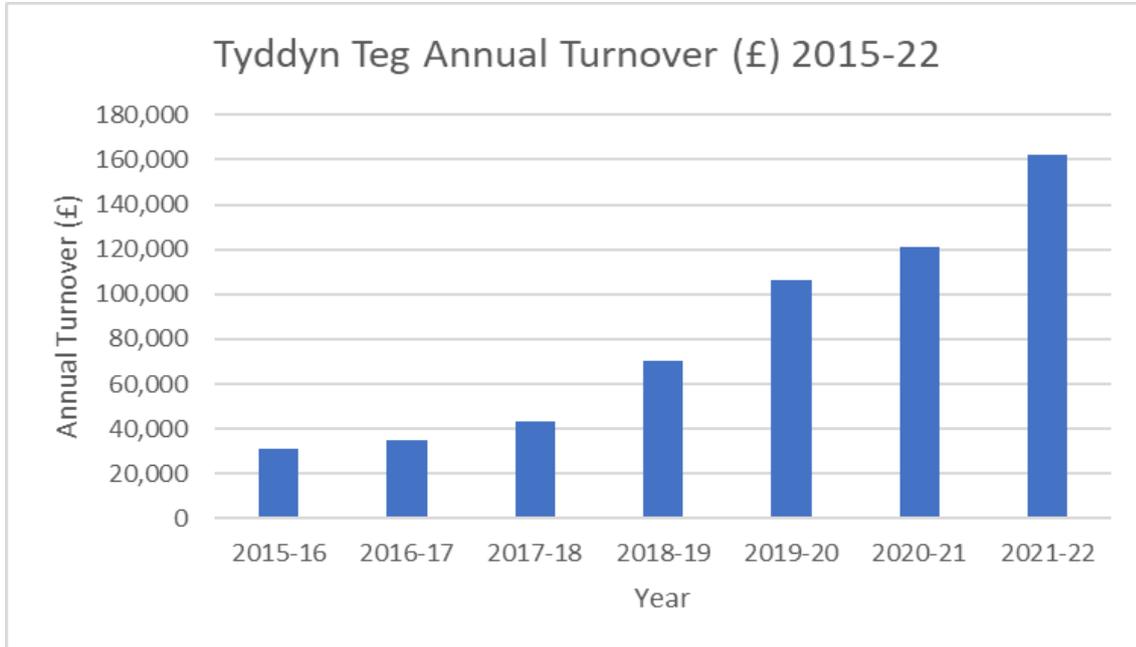
In order to ensure worker-member investment in operating and promoting the Open Share offer, we will make 10% of capital raised in this manner available to workers to distribute amongst themselves as a 'Success Fee', whereas at least 50% of the remainder will be made available to fund share withdrawals. If these are not taken up then the board may allocate the capital to reinvestment or reserves. We hope to be able to fund share withdrawals at around 5% (£20,000 per year) in this way by 2026/7.

In addition, interest that is paid as shares is accounted to be 'new capital' and will also be available to fund withdrawals at the discretion of the board. This will provide a healthy 'baseline' on which we can build with the Open Share Offer. The board will carefully review the 'capital needs' of the society before allowing any such withdrawals in order to ensure that we hold sufficient cash reserves to meet them. Reviewing capital needs may also lead to a recalculation of retained earnings (in case depreciation has been overstated), which may lead to us being able to also use business revenue to allow withdrawal of shares earlier than projected.

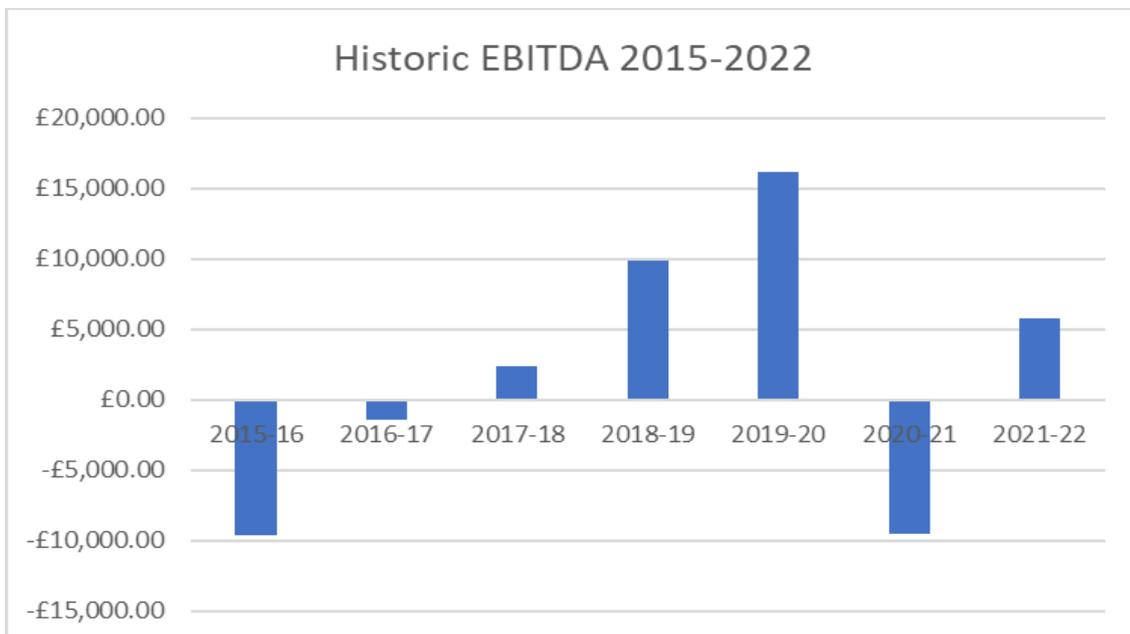
6 Finance

6.1 Historical financial performance

Since founding in 2015, Tyddyn Teg has grown its annual turnover from £30,873 in 2015/16 to £162,205 in 2021/22 and we are on course to turn over about £200,000 from 2022/23.



Whilst this is very encouraging, our profit margin has not grown at the same rate since we have expanded our team (from 7 people in 2015 to 14 people in 2023), and have been paying our staff better wages (a lot of worker time was donated in the early days).



*EBITDA stands for Earnings Before Interest, Tax, Depreciation and Amortisation

Prior to 2020-2021, founding co-op members had been doing significant amounts of unpaid work to keep the business afloat. The sudden drop in earnings before interest, tax, depreciation and amortisation (EBITDA) in 2020-2021 was due largely to the decision that all work beyond director's duties would be paid. The year-on-year growth in turnover and projected continued future growth was deemed strong enough to justify incurring losses for several years in order to ensure that the farm's team received a more tenable wage whilst the business became profitable.

EBIDTA from 2015-22 was £13,651; but this has been spent on developing other areas of the farm. Thus, we have not so far made enough money to cover depreciation of equipment and machinery.

Table 6: Historic profit and loss of Tyddyn Teg Co-operative 2015-22

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	TOTAL
Turnover	£30,873	£34,680	£43,241	£70,456	£106,095	£121,373	£162,205	£568,923
EBITDA*	£-9,645	£-1,481	£2,369	£9,860	£16,205	£-9,514	£5,767	£13,561
Interest	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£2,750	£2,750
Tax	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Depreciation	£7,790	£4,991	£4,086	£6,040	£5,710	£6,298	£10,697	£45,612
Amortisation	£0.00	£950	£950	£950	£950	£950	£950	£5,700
Profit/(loss)	£-17,435	£-7,422	£-2,667	£2,870	£9,545	£-16,762	£-8,630	£-40,501

*EBITDA stands for Earnings Before Interest, Tax, Depreciation and Amortisation

NB – detailed accounts for the three years prior to 2022 can be found in the appendices

However, we were able to borrow £60,000 from the Real Farming Trust in 2021. This has allowed us to carry out an ambitious program of upgrades to our production and retail equipment and facilities. We have only just finished implementing the upgrade program (including installing a new 300m² polytunnel and upgrading the capacity of our irrigation system) and will begin to see the full benefit of this investment from Spring 2023 onwards. Parts of the upgrade programme that were completed in 2021-2022 (including refurbishing and expanding our shop and cold-store) are partly responsible for the continued growth in our turnover, to approximately £196,000 in 2022-2023 (provisional figures).

6.2 Summary of revenue finance

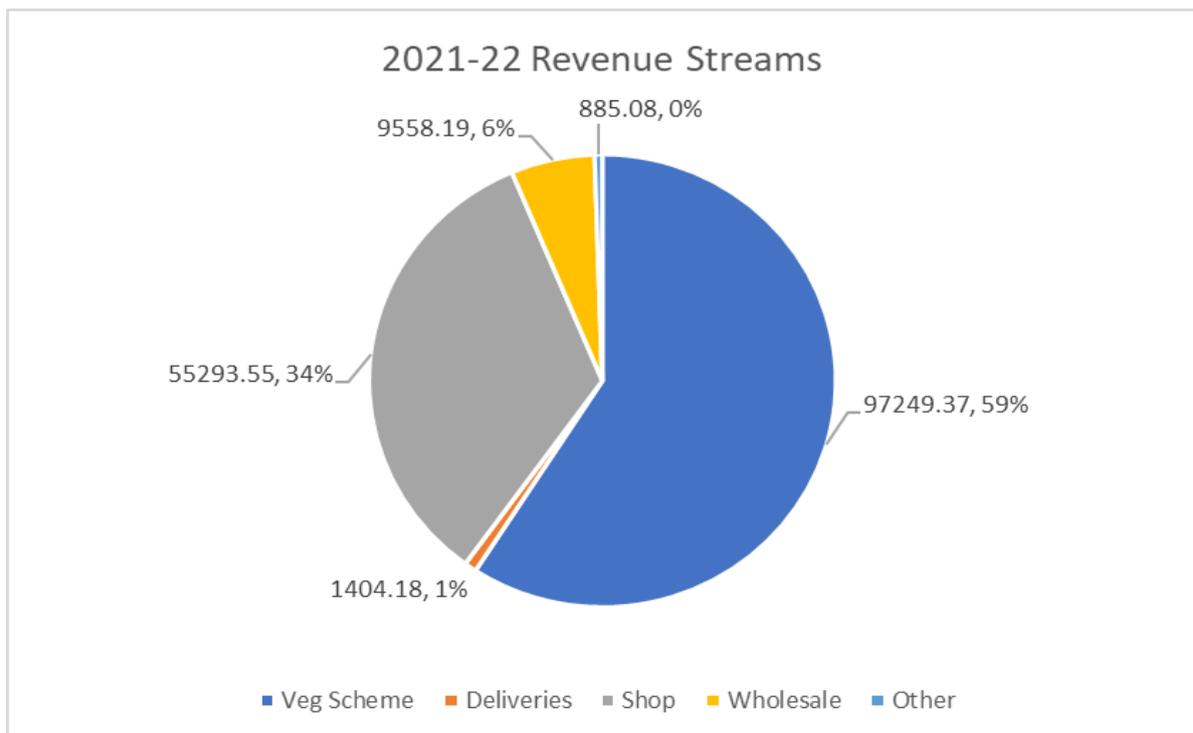
6.2.1 Income

Our income revenue is made up of 4 main streams:

- **The Veg Scheme:** Tyddyn Teg's flagship enterprise, selling veg by monthly subscription year-round. The Veg Scheme currently has 172 subscribers and we hope to increase this to 250 by 2028.
- **Veg Scheme Delivery:** we currently deliver approximately 50 Veg Bags per week (the rest are collected from the farm shop) and customers pay a supplement to cover the cost of packing and delivering bags. We expect delivery customers to increase in

proportion to increased subscribers to the Veg Scheme.

- **The Farm Shop:** an onsite self-service shop selling homegrown and imported vegetables, sourdough bread from our onsite bakery, fruit, canned food, refrigerated food and drink and dry goods. All produce sold in the shop is certified organic or from trusted uncertified local regenerative producers. We expect shop sales to increase in proportion to new veg scheme members collecting from the farm.
- **Wholesale:** during peak productivity (June-November) we sell veg to local businesses including shops, restaurants, retreat centres, caterers and several recently established food hubs. We expect our wholesale business to increase by 10% per year as we increase our production and the food-hubs increase their operations.



The Veg Scheme and Shop are by far the most significant of our revenue streams and most of our effort is focused on improving the volume of sales via these two outlets as well as decreasing the cost of sales. Both of these goals are to be achieved through growing more veg to sell to both existing and expanded markets.

At the moment, one of our most significant costs is that we buy in produce from our organic wholesaler (Organic North) and our network of local suppliers to ensure that our customers get a balanced and nutritious veg bag all year round, and that our shop offers an attractive diversity of fresh seasonal produce to supplement it with. The cost of this produce is significant, totalling £48,624 in 2021/22 or 30% of the total income made on Veg Scheme and Shop.

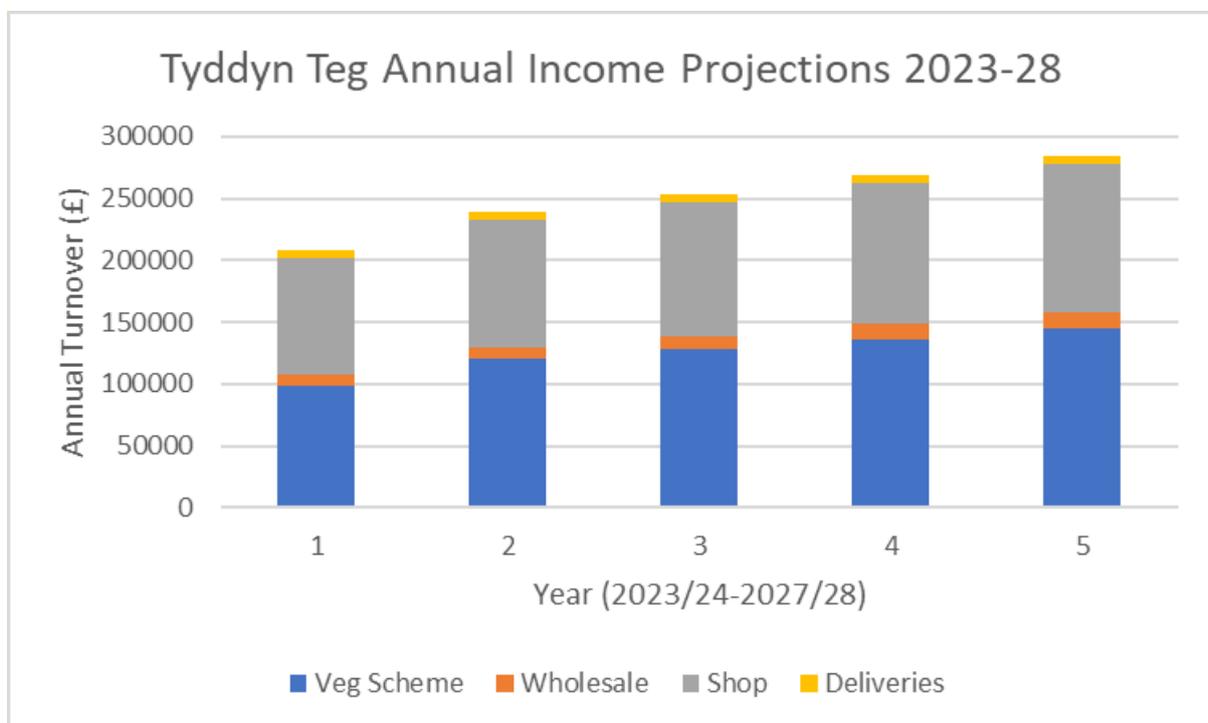
We intend to reduce this cost to 20% by 2028 by replacing some of this bought in produce (which we already have a market for) with our own, homegrown produce which we will be able to generate due to expanded polytunnel space (providing for an uplift in year-round cropping)

and better outdoor irrigation equipment that will increase the yield per square metre of a number of our storage crops and decrease our risk from untimely droughts.

We also aim to expand our markets, increasing the number of Veg Scheme members from 172 (current) to 250 by 2028, thus increasing our volume of sales on the Veg Scheme by 42% and creating a related uplift in Farm Shop sales as people collecting their Veg Bag purchase supplementary items. Historically, we have raised our Scheme membership numbers from around 60 in 2015/16 to 172 today and thus this goal seems realistic, in particular since we now offer home deliveries.

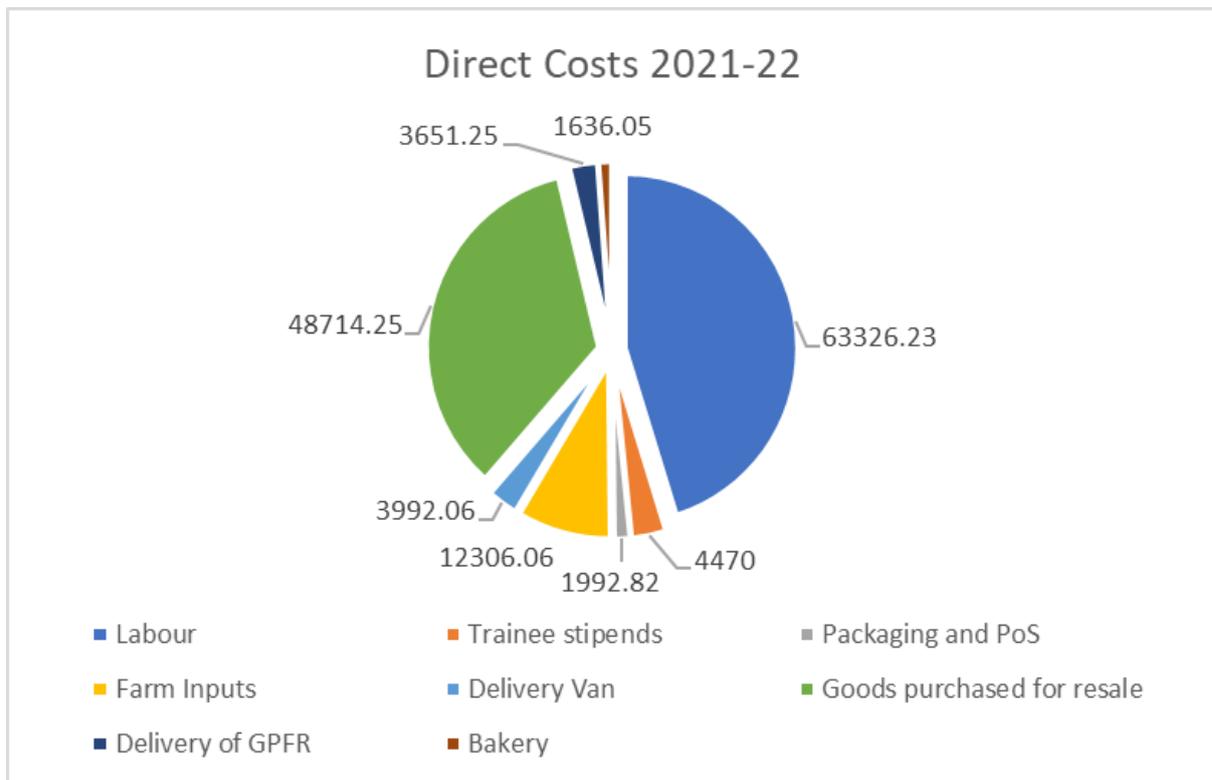
In a similar way, we expect to increase our wholesale market by diversifying the produce available at any time (growing smaller, more frequent runs of popular veg independent of what we are growing for the Scheme) so that we are selling more veg to existing wholesale customers as well as seeking new markets and partnerships to sell more veg in general. As previously mentioned, several Food Hubs offering online ordering have been set up locally in the last year, and we expect that our business with them will increase as they grow.

Taken altogether, we expect these measures should see our annual turnover grow by a further £84,000 to £284,000 by 2028. Given our past financial performance, we believe that this is a modest and achievable goal that we may well be able to surpass.



6.2.2 Outgoings

Our operational outgoings for 2021-22 excluding reinvestment and debt service totalled £161,021 of which £140,081 was in Direct Costs and £20,933 was in Overheads.



Of our Direct Costs, Labour is the most significant. We expect this to increase as we raise staff wages and slightly increase the number of hours worked on the farm as we increase our productivity. We estimate that by 2028, we will be paying out around £121,500 per year in wages: an increase of £58,200 on 2021-22, funded by a £122,000 increase in turnover (from about £162,000 to £284,000).

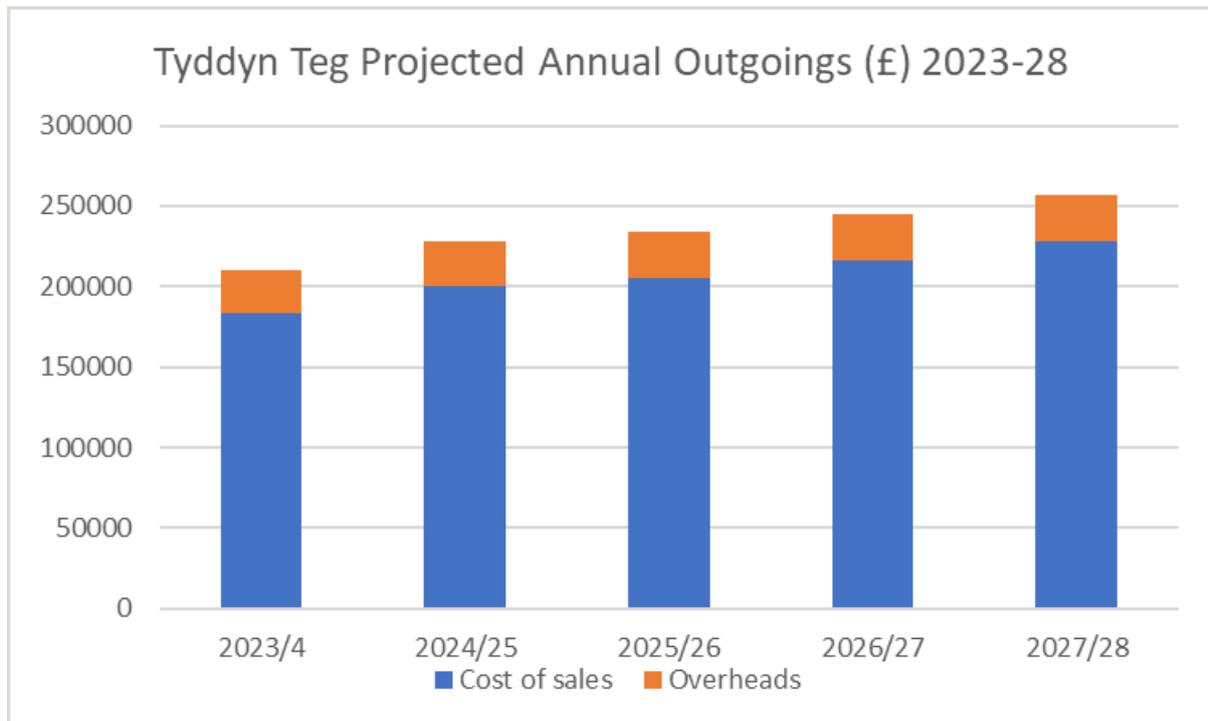
As explained above, we hope to decrease the cost of 'Goods Purchased for Resale' as a proportion of income made on the Veg Scheme and Shop, which, if we hit our business targets, will still see it increase by £10,000 to around £58,000 per year by 2028.

We expect the cost of Farm Inputs to increase somewhat as a consequence of expanded production. However, since a lot of the production uplift in outdoor cropping is to do with getting better yields from similar areas of crops and numbers of seeds (i.e. the potatoes and carrots will be bigger and fewer plants will die), we think that a modest uplift of around £3,400 per year to about £17,200 in 2028 will cover it.

Taken altogether, we think our Direct Costs in 2028 will not exceed £228,000 out of an income of £284,000, giving a gross surplus of about £56,420.

Our overheads are made up out of sundry expenses related to services and utilities, subscriptions, professional fees and site maintenance and totalled about £21,000 in 2021-22. We expect these to increase in line with inflation to around £29,000 by 2028, yielding an

Operating Profit of £27,236 and a Net Profit of about £1850, taking into account non-cash expenses.



This is in line with our mission, which is to operate an environmentally and economically sustainable business, treat our workers well and pay decent interest to our investors as well being a community asset. It is not our intention to gradually 'buy back' the farm from the investors, since our Charter between worker-members and investor-members offers important protections on the purposes and objectives of Tyddyn Teg Co-op and the uses of the land which we would like to keep in place. Instead, we will operate an Open Share offer to make capital available for withdrawal, focusing on offering a good interest rate to attract new investors. The aim is to have Tyddyn Teg as a Community Farm owned by the community in perpetuity.

6.3 Financial Forecasts

Our business development programs as detailed above will allow us to grow more crops, increase our markets and decrease the cost of sales on our veg scheme and farm shop by reducing our reliance on bought-in vegetables. Additionally, the skill of our team and efficiency of our work has been increasing every year, and will continue to do so for some time yet as we continue to learn and refine our protocols, so we expect our turnover and net profit to increase substantially in the next 5 years. This will take us to a situation of full profitability: paying workers properly, paying share interest and covering depreciation of equipment. We have deliberately made our targets quite modest, and we may well be able to achieve them faster than projected and will certainly try to do so.

NB - detailed forecasts can be found in Appendix 4

6.3.1 Cash flow Forecast

Tyddyn Teg currently holds significant cash reserves (in the region of £70,000) due to unspent loan money earmarked for site development in line with our contractual obligations under the Scrase Development Fund Loan that allowed us to purchase the farm. We expect to deliver on these within the next 12 months, investing around £87,000 in infrastructure projects as well as around £44,500 in non-recoverable project costs.

Our intention is to raise £400,000 in shares in 2023 to help cover these expenses as well as paying off the SDF loan (£320,000) and part of the LEAP Loan (£13,587 per year until 2027/28). Assuming we meet our modest business targets for the year, we should close with around £26,500 in the bank: a comfortable buffer.

Since the generous terms of the SDF loan do not call for repayment in full before December 2027, we have a great deal of flexibility within these parameters. If we do not reach our share offer target, we will pay off less of the loan and try again later.

We intend to pay 3% interest on all shares from Year 1, and it will be paid in shares that accrue to people's share accounts every year, steadily increasing the total amount that they can eventually withdraw.

All interest that is donated to the Community Solidarity Fund will be paid as cash into a bank account that we hold for that purpose to provide the budget for activities over the upcoming year.

Our financial year runs from June 1st to May 31st: deliberately taking the lowest point in the year, at the end of the agricultural "Hungry Gap" after the highest requirement for bought in veg and all the expenses and high labour requirements of the main planting season have been accounted for and before peak production of vegetables. Thus our closing balance each year is very probably the lowest it will be.

Table 7: Cash Flow Projections

Year	2023-24	2024-25	2025-26	2026-27	2027-28
NET Operating Cash flow	-£46,778	£11,585	£20,168	£23,583	£27,214
NET Investment Cash flow	-£86,948	£0	£0	£0	£0
NET Financing Cash flow	£74,093	-£13,587	-£13,587	-£13,587	-£1,132
NET Cash Flow	-£59,633	-£2,003	£6,581	£9,995	£26,082
Opening Cash Balance	£86,127	£26,494	£24,491	£31,072	£21,067
Closing Cash Balance	£26,494	£24,491	£31,072	£41,067	£67,149

6.3.2 Income Statement Forecast

Our intentions are to increase the number of subscribers on our Veg Scheme from 172 to 250, to market ourselves more widely, increasing footfall to our shop and to increase our wholesale market by 10% per year; whilst simultaneously reducing the proportion of bought-in veg on our veg scheme and in our shop, replacing it with our own produce.

At the same time, we will increase worker wages, abolishing the practice of worker-members volunteering time to carry out Director duties which has kept the business afloat since founding. We expect the farming business to become fully profitable by 2028 if not before, and we also intend to launch an eco-tourism business (which we have separate financing for) in 2023/24, which will add even greater security to our profit-margin.

Table 8: Summary income forecast 2023-28

Year	2023/24	2024/25	2025/26	2026/27	2027/28
Turnover	£208,711	£239,224	£253,844	£268,841	£284,235
Cost of Sales	-£183,162	-£200,121	-£205,603	-£216,624	-£227,815
Gross Profit	£25,549	£39,103	£48,241	£52,217	£56,420
Overheads	-£26,962	-£27,502	-£28,052	-£28,613	-£29,185
Project Costs (non-recoverable)	-£44,531	£0	£0	£0	£0
EBITDA	-£45,944	£11,601	£20,189	£23,604	£27,236
Non-cash expenses	-£38,512	-£36,409	-£28,788	-£33,200	-£25,393
Profit/(loss)	-£84,459	-£24,808	-£8,600	-£9,597	£1,843

6.3.3 Balance Sheet Forecast

According to FCA rules, a society is considered to be insolvent and should cease trading if its negative reserves exceed its total share capital. Our balance sheet projections show that there is very little danger of this happening to us any time soon, thus Tyddyn Teg is in negligible danger of being wound up due to insolvency in the foreseeable future.

Under the rules of our Charter, Tyddyn Teg workers cannot benefit from the residual profit of winding the society up voluntarily or sell the land without the permission of investor members thus this is also an unlikely scenario even if land prices were to spike.

Table 9: Summary Balance Sheet Forecast 2023-28 (assuming interest paid as shares)

Year	2023/24	2024/25	2025/26	2026/27	2028/29
Intangible assets	2,850	1,900	950	0	0
Fixed Assets	302,564	280,035	264,887	245,068	232,088
Net Current Assets	14,310	11,715	17,675	19,735	26,967
Long-term liabilities	-33,412	-19,785	-5,517	-3,292	-2,194
Net Worth	286,312	273,864	277,995	281,511	296,860
<i>made up of:</i>					
<i>Retained earnings</i>	<i>-125,688</i>	<i>-150,496</i>	<i>-159,096</i>	<i>-168,692</i>	<i>-166,849</i>
<i>Community shares</i>	<i>412,000</i>	<i>424,360</i>	<i>437,091</i>	<i>450,204</i>	<i>463,710</i>

Whilst our balance sheet shows our net worth to be less than the total value of share capital, this does not account for any uplift in the value of our land and property since purchase, which we think is already significant and will only increase in the future due to the improvements we will make. It was sold to us for a very 'friendly' price and our plans for development are ambitious.

In the unlikely event that the worst-case scenario was to happen and the society had to be wound up, we feel optimistic that the vast majority if not all share capital could be returned. In the event of residual profit being generated from a sale, under our rules this would be distributed to a venture with similar aims to Tyddyn Teg as geographically close as possible to us in consultation with all members.

Tyddyn Teg is an organisation that is worth far more than the sum of its parts, delivering environmental and social benefits that address some of the greatest challenges facing our communities in these times. It is in the vanguard of community supported regenerative agriculture enterprises in the UK and through the execution of this plan will become part of a proactive, community-owned movement for an abundant and resilient future.



Appendices

Appendix 1 Worker-member Biographies

Franklin Scrase: With a PhD in soil science and a background in management and community development, Franklin is our talented in-house baker as well as a visionary founding member of the co-op. As well as being the brains behind much of the development and direction of Tyddyn Teg, Franklin is also a key player on the infrastructure team, helping to roll out the gradual upgrade of our tracks, drains and buildings.

Alice Gray: With a BSc in Ecology and an MPhil in Soil Science Alice is a registered Permaculture Educator with the UK Permaculture Association with 10 years experience as a practitioner and consultant in the Middle East before she got involved with helping to found Tyddyn Teg. She manages our intensive no-dig vegetable garden as well as helping to deliver our traineeship and mastermind our investment programs.

Simon White: After playing a key role in founding Stepney City Farm in East London and developing the project for 7 years, Simon moved to Tyddyn Teg to expand his horizons and grow food regeneratively at scale. He is now co-manager of our field crops as well as taking a leading role in delivering our traineeship, running our payroll and keeping our finances in order.

Sally Mees: As the manager of our plant nursery, Sally is the main reason we have any crops to plant out! She handles the production of seedlings for all areas of the farm as well as helping to harvest, pack and deliver our veg. She also jumps in to support the growing team during the busiest farming times.

Aglae Bindi: With a background in creative projects, Aglae has worked with film and theatre crews in the past with a particular interest in nature films, which led her smoothly into working on a co-operative farm. She manages our accounts as well as having a key role in customer communications. She is currently developing our new glamping business!

Jamie Stroud: With a degree in ecology and a PhD in plant pathology and plant breeding, plus a background in nature conservation and land management, Jamie primarily works as part of our infrastructure team, as well as co-managing our field crops. He is the farm's mechanic and bodger. He also contributes to business and financial planning.

Bea Lupino: After completing our 2020 farm traineeship, Bea has become a powerhouse of our farming and retail teams, co-managing the polytunnels and the farm shop as well as ordering stock and keeping accounts. She also enjoys organising educational farm tours and activities for children.

Arthur Miller: With a background in political science, ecology and forestry, Arthur is a key member of our infrastructure team, managing the woodlands and hedgerows as well as all manner of building projects. He also helps with marketing and delivering our produce. He is passionate about the natural world and all it has to offer for humans to play with!

Charlotte Latter: Charlotte joined Teg in October 2021 as part of our infrastructure, deliveries and social events team. She enjoys the varied nature of her role, much of which involves driving the mini digger, but also includes more creative aspects such as painting and installing our new farm shop signs,

and making the stained glass windows for the shop. She is also one of our friendly Thursday delivery drivers!

Tom Edwards: With a Msc in Global environment, politics and society, Tom is passionate about building a sustainable food network in Wales. After completing our 2021 traineeship, he is now co-managing the field blocks and growing many of the storage crops we have on the farm. He also coordinates the delivery team and is one of our delivery drivers.

Tilly Fuller: After completing our 2021 traineeship, Tilly is now co-managing our highly productive polytunnels. Her experience in social prescribing and public health drove her interest in Tyddyn Teg and growing. She is passionate about being able to do a practical and thoughtful job with a great bunch of people.

Aspen Lawrence: With a background in social media and marketing, Aspen's role largely covers Tyddyn Teg's admin, accounts, and online presence. Having studied zoology and conservation at university, he is passionate about Tyddyn Teg's mission to grow food sustainably in harmony with local wildlife.

Alex Turner: After completing our 2022 traineeship, Alex is now co-managing our intensive no-dig vegetable garden and has ambitions to start producing and selling flowers from the farm! He will also help manage our wholesale business in 2023, taking orders and harvesting and delivering veg for restaurants and shops.

Charlotte Elvin: Charlotte was a Teg trainee in 2022 and became a co-op member in Spring 2023 to support Franklin in running and developing the the Bara Teg bakery as well as supporting the Growing Team in the polytunnels and fields and joining the Deliveries team to distribute veg in the trusty Teg Van. Charlotte's interest in Social Farming has led her to take the lead on developing an educational garden at Tyddyn Teg with Ysgol Brynrefail this year.

Appendix 2: Working Group Descriptions

Working Group	Terms and Reference
Growing Team	<p>The growing team is separated into 4 sub-groups:</p> <ul style="list-style-type: none"> - The Nursery: we have a 150m² propagation house where all plugs and plants used on the farm are produced on underheated and ambient benches. Around 75% of our crops are grown from plugs with the rest being direct-sown. Our nursery team sow and manage all these seedlings as well as grafting some crops for higher productivity. - The Polytunnels: We have around 1680 m² under plastic, providing a protected cropping area that allows us to produce leafy greens year-round as well as summer fruiting crops. Our tunnel team manages a high-turnover system (up to 8 crops per year) that produces 40-50% by value of our vegetables. - The Home Field: We have around 2500m² of permanent no-dig beds that we manage bio-intensively to produce 2-4 crops per year. Our home field team focuses on producing high maintenance or frequently harvested crops as well as late over-wintering rounds that are inconvenient to do in the Field Blocks. - The Field Blocks: We have around 11,000m² of land that we use to produce storage and field crops in an extensive cropping system. This land is managed under a minimum tillage system with a 7-year crop rotation with 2 years in fertility building green manures. Our field team manages this land as sensitively as possible with the help of our growing inventory of farm machinery. <p>The growing team meets up every Monday morning to determine a plan of action for the week ahead and to determine which crops are ready for harvest for all markets. All teams keep meticulous crop records and are responsible for crop planning in their area.</p>
Shop team	<ul style="list-style-type: none"> - Shop cleaning and turnover - Ordering stock from our wholesaler - Working with our network of local suppliers - Pricing - Shop management and stocking - Interior design and organisation of the shop
Deliveries team	<ul style="list-style-type: none"> - Administration and communication with delivery customers and delivery route planning - Packing of veg bags - Delivery of veg bags
Wholesale team	<ul style="list-style-type: none"> - Liaising with wholesale network regarding available veg. - Taking orders - Harvesting and packing orders - Delivering orders
Community Shares team	<ul style="list-style-type: none"> - Design and develop the Share Offer and supporting documents - Design and implement the Share Offer campaign - Keep shareholder records and issue certificates - Pay interest to shareholders and manage communications - Run the Open Share Offer
Human Relationships team	<ul style="list-style-type: none"> - Ensuring our legal responsibilities as an employer are met - Ensuring employment contracts are up to date

	<ul style="list-style-type: none"> - Mediating disputes and grievances as necessary (back-up to Buddy System) - Enforcement of policies where necessary (following complaints) - Enlistment of external mediators where necessary - Training new members and trainees on our policies and systems - Dismissals (following application of processes/policies)
Glamping	<ul style="list-style-type: none"> - Developing a 'glamping' sub-business - Creating associated infrastructure (internal labour/contractors) - Operating the new business when it is set up
Finance	<ul style="list-style-type: none"> - Keeping financial records (Xero/ Bank Account) - Financial projections and modelling - Budgeting - Monthly financial audits - Liaising with professional accountant - Preparing and submitting VAT returns - Preparing and submitting our Annual Return
Customer communications team	<ul style="list-style-type: none"> - Answer customers questions through phone, emails or social media - Social media posts and development - Inform customers of announcements, changes and events via emails and social media - Keep customer list and mailing list
Social Impact	<ul style="list-style-type: none"> - Marketing - Organising events on the farm - Attending events outside the farm - Organising school and university visits
Bakery team	<ul style="list-style-type: none"> - Operate and maintain the bakery - Produce bread for the farm shop - Procurement of inputs and materials - Record keeping
Training team	<ul style="list-style-type: none"> - Organising the recruitment of trainees - Liaison with LWA trainee coordinators - Coordinating and delivering theoretical training sessions - Managing trainees doing practical work on the farm - Ensuring the trainee's inclusion in community life and well-being
Infrastructure team	<ul style="list-style-type: none"> - Maintenance and development of the physical infrastructure of the farm (buildings, trackways, pipelines etc.) - Managing budgets - Planning and budgeting for new developments
Trees and firewood team	<ul style="list-style-type: none"> - Planning and delivering the planting, maintenance and management of trees, hedgerows, shelterbelts and woodlands, including monitoring the safety of existing trees. - Ensuring the Co-op has a supply of seasoned firewood, by processing of felled timber and purchasing firewood as necessary.
Admin	<ul style="list-style-type: none"> - keeping of top of registers and co-op members records - Co-operative secretarial jobs

Appendix 3: Tyddyn Teg Charter

When we formed Tyddyn Teg in 2015, we had a vision of a farm which was integrated into the local economy and was co-operatively run by inspired people with a shared and equal stake in its success and sustainability. We would produce good, healthy food for people who were located within 10 miles or so of the farm itself.

We had a vision of a farm in tune with its surroundings, where sustainability was paramount, and our impact on the land and landscape was as minimal as possible. We had a vision of using regenerative farming methods with no toxic chemicals introduced into the land and no negative impact on wildlife habitats.

We had a vision of a community farm that was a welcoming place for folk to get to know the people and the land that produces their food; and of participating actively in local and global networks of land-based projects to be part of a thriving movement for people and the planet.

We remain deeply committed to this vision, but in seeking your investment, we invite you to share ownership of the vision with us.

So, from this day June 26th 2023 forward, the vision that animates the co-operative is no longer the sole property of the workers, and whilst only workers can propose a change to it, that change can only be agreed by the combined weight of the workers on the farm and you, our wider community of investor members.

We have broken down the content of this charter into why we exist – the goals we seek to achieve – and what this charter prevents us from doing in order to achieve those goals.

What we want to achieve

- *Produce plenty of good food for the community and market it locally*
- *Look after our land and all the life on it, caring for old woodlands and hedgerows and planting new ones*
- *Protect and enhance our soil*
- *Make a decent living for ourselves whilst sharing power and responsibility equitably between workers*
- *Share our knowledge and skills to build a stronger regenerative food movement*

What we will not do in working to achieve these goals:

- *Use toxic agrochemicals to grow food*
- *Fail to produce food*
- *Close our land to the public*
- *Destroy woodlands or hedgerows*
- *Sell any part of our land or buildings without the permission of investors (66% agreeing with at least 33% voting) unless such a sale were required to pay any debts owed by the co-operative*
- *Borrow funds greater than 20% of the last recorded asset value of our land and buildings*
- *Distribute any residual profits generated by the sale of land or buildings to workers*

This text above can only be amended by a proposal submitted by Worker Members and approved by a vote in which 75% of all workers vote in favour, and 75% of those investors voting approve it too.

Appendix 4 Financial Forecasts

Profit and Loss Forecast

	23/24	24/25	25/26	26/27	27/28
Turnover					
Vea Scheme	98765	119788	127897	136239	144811
Wholesale	8510	9548	10713	12020	13486
Shop	94951	103273	108559	113849	119148
Deliveries	6485	6615	6675	6733	6789
Total Sales	208711	239224	253844	268841	284235
Less Cost of Sales					
Vea Scheme	-13570	-13464	-11178	-11907	-12657
Shop	-42941	-43997	-43132	-44633	-46120
Tea Operatina Labour	-84859	-98931	-106303	-113824	-121494
Trainee stipends	-7681	-7834	-7991	-8151	-8314
Packaging and PoS	-3358	-3425	-3494	-3564	-3635
Farm Inputs	-13765	-15142	-15830	-16518	-17207
Delivery Van	-4153	-4236	-4321	-4408	-4496
Delivery of GPFR	-3799	-3875	-3952	-4031	-4112
Bakery	-9036	-9216	-9401	-9589	-9780
Total Cost of Sales	-183162	-200121	-205603	-216624	-227815
Gross Profit	25549	39103	48241	52217	56420
Less Overheads					
Electricity	-10382	-10590	-10801	-11017	-11238
Yard and Tractor Maintenance	-3255	-3320	-3386	-3454	-3523
Insurance	-3148	-3210	-3275	-3340	-3407
Health and Safety	-62	-63	-65	-66	-67
Training (staff)	-755	-770	-785	-801	-817
Marketing	-1003	-1023	-1043	-1064	-1085
Subscriptions	-926	-945	-964	-983	-1003
Office supplies	-607	-619	-631	-644	-657
Phone/internet	-61	-62	-64	-65	-66
Professional fees	-1994	-2034	-2074	-2116	-2158
Infrastructure maintenance	-4281	-4366	-4454	-4543	-4634
Misc	-490	-500	-510	-520	-530
Total Overheads	-26962	-27502	-28052	-28613	-29185

Less Project Costs					
Project Labour	-16451				
Cost of Community Share Raise	-28080				
Total Project Costs	-44531	0	0	0	0
EBITDA	(45.944)	11.601	20.189	23.604	27.236
Less Depreciation	(24.412)	(22.530)	(15.148)	(19.819)	(12.979)
Less Amortisation	(950)	(950)	(950)	(950)	-
Less Share Interest	(12.000)	(12.360)	(12.731)	(13.113)	(13.506)
Less Loan Interest	(2.247)	(1.667)	(1.057)	(416)	(5)
Plus Grant Income	1.097	1.097	1.097	1.097	1.097
Profit Before Tax	(84.456)	(24.808)	(8.600)	(9.597)	1.843
Less Tax	-	-	-	-	-
Net Profit	(84.456)	(24.808)	(8.600)	(9.597)	1.843

Cash flow forecast

	23/24	24/25	25/26	26/27	27/28
Operating Cash Flows					
Net Profit	(84,456)	(24,808)	(8,600)	(9,597)	1,843
Add back non cash expenses					
depreciation	24,412	22,530	15,148	19,819	12,979
amortisation	950	950	950	950	-
share interest	12,000	12,360	12,731	13,113	13,506
loan interest	2,247	1,667	1,057	416	5
(Less Non-cash Income)					
Grant Income	(1,097)	(1,097)	(1,097)	(1,097)	(1,097)
(Less Non expense cash out)					
Plus VAT collected on Sales	1,297	1,323	1,335	1,347	1,358
Less VAT paid on Purchases	(22,023)	(4,726)	(4,821)	(4,917)	(5,016)
Plus/ (Less) VAT Repaid/ (Paid)	19,892	3,387	3,465	3,550	3,636
NET Operating Cash Flows	(46,778)	11,585	20,168	23,583	27,214
Investment Cash Flows					
Property, Plant & Equipment	(86,948)				
Net Investment Cash Flows	(86,948)	-	-	-	-
Financing Cash Flows					
Receiving Share Investment	400,000				
Paying Back SDF loan	(320,000)				
Paying Interest on SDF loan	-	-	-	-	-
Paying Leap Loan	(13,587)	(13,587)	(13,587)	(13,587)	(1,132)
Receiving Grant	7,681				
Net Financing Cash Flows	74,093	(13,587)	(13,587)	(13,587)	(1,132)
Net Cash Flows	(59,633)	(2,003)	6,581	9,995	26,082
Opening Cash Balance	86,127	26,494	24,491	31,072	41,067
Closing Cash Balance	26,494	24,491	31,072	41,067	67,149

Balance Sheet Forecast

	23/24	24/25	25/26	26/27	27/28
Intangible Assets	2,850	1,900	950	-	-
Fixed Assets	302,564	280,035	264,887	245,068	232,088
Current Assets					
Cash at Bank	26,494	24,491	31,072	41,067	67,149
Less Current Liabilities					
VAT Owed	834	851	872	893	914
Corporation Tax	-	-	-	-	-
Loans Due this year	(11,921)	(12,530)	(13,171)	(1,128)	0
Community Share Interest Owed	-	-	-	-	-
Accrued Income realised this year	(1,097)	(1,097)	(1,097)	(1,097)	(1,097)
Net Current Assets	14,310	11,715	17,675	39,735	66,967
Total Assets Less Current Liabilities	319,725	293,649	283,512	284,803	299,055
Less Long Term Liabilities					
Loans	(26,829)	(14,299)	(1,128)	0	-
Accrued Income	(6,583)	(5,486)	(4,389)	(3,292)	(2,194)
Net Worth	286,312	273,864	277,995	281,511	296,860
made up of					
Retained Earnings	(125,688)	(150,496)	(159,096)	(168,692)	(166,849)
Community Shares	412,000	424,360	437,091	450,204	463,710

Appendix 5 PESTELE analysis

Political	<ol style="list-style-type: none"> 1. Government policies and regulations: Changes in agricultural policies and regulations can impact the farming industry, including subsidies, grants, and environmental standards. 2. Political stability: Political stability in the region can create a favourable environment for the farm's operations and long-term planning. 3. Non-hierarchical organisation and community binding: The co-operative's non-hierarchical structure and its binding to the local community and investors through a charter reflect the farm's engagement with local stakeholders, and has the potential to influence relationships with local authorities and political support for its initiatives.
Economic	<ol style="list-style-type: none"> 1. Market conditions: Economic factors such as inflation, interest rates, and consumer spending can influence the demand for premium agricultural products and impact the farm's profitability. 2. Economic downturns: Economic recessions or downturns can affect consumer spending on non-essential items, potentially impacting the farm's revenue. However local food will probably remain attractive in such a climate.
Socio-cultural	<ol style="list-style-type: none"> 1. Increasing demand for sustainable products: The growing awareness and preference for locally produced and environmentally sustainable agricultural products present opportunities for the farm's offerings. 2. Community engagement: The farm's strong community support and engagement can enhance its reputation and attract investors who align with the farm's values during the open share offer.
Technological	<ol style="list-style-type: none"> 1. Advances in farming technology: The installation of a new polytunnel and acquisition of additional equipment indicate the farm's commitment to utilising modern farming techniques, improving productivity, and crop quality. Several team members come from science and technology backgrounds and keep up an informed interest in the field. 2. Infrastructure development: The farm's plans to enhance accessibility for customers and improve its farmyard for separating the customer and machinery access demonstrate its investment in efficiency and customer satisfaction.
Environmental	<ol style="list-style-type: none"> 1. Regenerative farming and pesticide ban: The farm's adoption of regenerative farming practices and the ban on the usage of pesticides and other dangerous chemicals highlight its commitment to sustainable and environmentally friendly agricultural practices, providing a competitive edge and enhancing its environmental reputation.

	<ol style="list-style-type: none"> 2. Climate change and weather conditions: The farm's decision to preserve a wide area of wild land contributes to habitat conservation and biodiversity preservation, helping mitigate the impact of climate change. 3. Tree planting initiatives: The farm's tree planting efforts contribute to carbon sequestration, improving air quality, and promoting environmental sustainability.
Legal	<ol style="list-style-type: none"> 1. Share repayment legalities: The co-operative is bound by legal issues that prevent share repayments as long as the retained earnings of the farm are not showing positive results. This ensures compliance with legal obligations and financial stability, prioritising the farm's long-term viability, but is a threat for potential investors. This is why we are launching an open share offer and are making sure that we are diversifying our activities. 2. Land and property regulations: some farm developments might be subject to planning permission 3. Loan agreement clauses: The loan agreement with The Scrase family trust includes specific clauses that necessitate infrastructure development by the end of 2025.
Ethical	<ol style="list-style-type: none"> 1. Access to land and community ownership: The co-operative's charter and open share offer provide the local community with an opportunity to own shares in the farm, fostering a sense of ownership, and enabling better access to land. This concept supports the idea of food sovereignty, where the local community has control over their own food production and promotes a stronger sense of community engagement and empowerment. 2. Ethical sourcing and fair trade: The co-operative's commitment to equality and diversity within its team reflects its dedication to fair treatment and equal opportunities for all members, aligning with ethical sourcing and fair trade principles. 3. Workers' rights and equal treatment: Treating all members equally, regardless of gender, demonstrates the co-operative's adherence to ethical standards, promoting a positive work environment and upholding workers' rights. 4. Social impact through the community charity fund: The allocation of funds to subsidise scheme boxes for families with low incomes and organise community events showcases the co-operative's dedication to social welfare and community development.

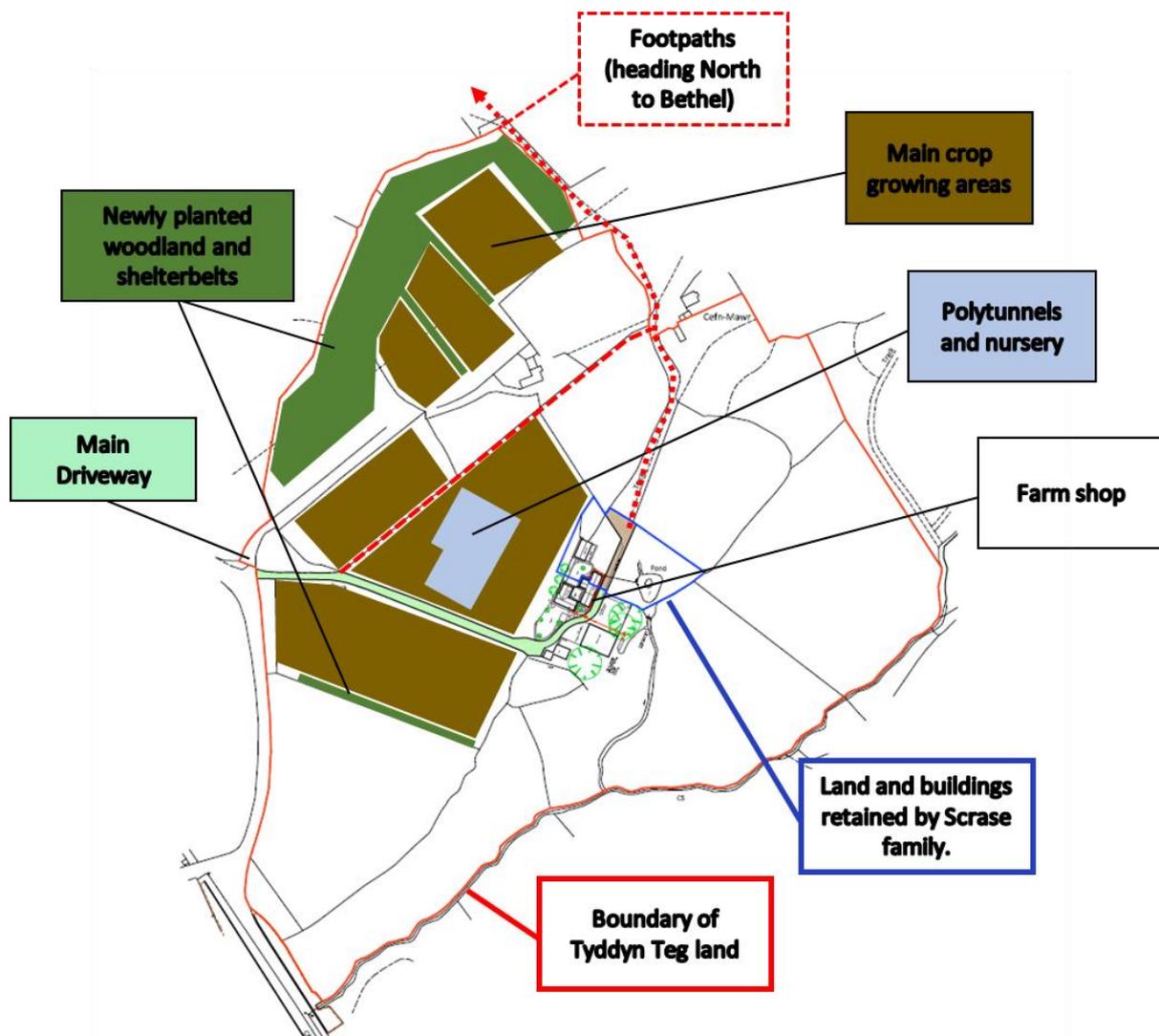
Appendix 6 SWOT Analysis and TOWS Matrix

<p>SWOT analysis and TOWS matrix of Tyddyn Teg's Community Share Offer</p>	<p>Strengths:</p> <ol style="list-style-type: none"> 1. Successful expansion and development of the farm's marketing strategies, indicating growth potential. 2. Co-operative team growth and strengthening of its governance. 3. Strong community support and engagement, fostering a loyal customer base. 4. Diversification of produce range and potential for business diversification. 5. Technological advancements, such as the installation of a new polytunnel and acquisition of additional equipment. 6. Reinvestment of share proceeds into communal infrastructure and accessibility. 7. Commitment to diversity and equality within the co-operative team. 8. Allocation of community share offer's interest to fund a community charity fund. 	<p>Weaknesses:</p> <ol style="list-style-type: none"> 1. Low profit margin due to the nature of vegetable farming, which may affect the speed of share repayment. 2. Risk of not generating enough retained earnings to pay back shares for several decades. 3. Debt from purchasing the farm land and infrastructure work. 4. Potential difficulty in paying interest on shares. 5. Reliance on the farm's operation for share repayment. 6. Challenges with obtaining planning permission for infrastructure development. 7. Fulfilment of loan agreement clauses related to infrastructure development.
<p>Opportunities:</p> <ol style="list-style-type: none"> 1. Growing demand for locally produced and sustainable agricultural products. 2. Potential for business diversification to enhance profitability. 3. Expansion of the customer base through marketing strategies and diversification of produce range. 4. Availability of grants or funding for infrastructure improvements. 	<p>SO strategies:</p> <ol style="list-style-type: none"> 1. Our expansion and marketing strategies will be pursued during the open share offer to attract new investors. 2. There is a growing demand for sustainable agricultural products and the farm's offerings attract customers interested in environmentally friendly growing. 3. The community charity fund is a unique opportunity to not only invest funds in Tyddyn Teg but also in its local community. 	<p>WO strategies:</p> <ol style="list-style-type: none"> 1. Our shop will keep improving and offering a diversity of local and organic products which strengthen the overall sustainable economy of the region, and develop the farm's reputation. 2. Our marketing strategy has evolved considerably and our team's growth allows us to have improved our production, which means we are ready and able to appeal to more customers. 3. Our community solidarity fund will enhance the farm's reputation and attract socially responsible investors in our open share offer.

<ul style="list-style-type: none"> 5. Positive social impact through the community charity fund. 6. Changes in government policies and regulations affecting agricultural practices and subsidies. 		<ul style="list-style-type: none"> 4. The current political climate recognises the need to adapt our farming techniques to something more sustainable, which might help the farm's future potential to grow and open the opportunity for us to have more financial support in the future.
<p>Threats:</p> <ul style="list-style-type: none"> 1. Market competition from other farms and supermarkets. 2. Volatility in vegetable prices. 3. Economic downturns impacting consumer spending on premium produce. 4. Potential challenges in obtaining planning permission for infrastructure development. 5. Fulfilment of loan agreement clauses related to infrastructure development. 	<p>ST strategies:</p> <ul style="list-style-type: none"> 1. The farm can tackle the market competition as it is unique in its regenerative farming practices, community support, and commitment to social impact. 2. Our business is becoming more diverse and able to face up to economic downturns, and is answering the needs that are arising from the current crises we are facing (food sovereignty and local economic growth). 3. Our community engagement allows us to develop a strong and positive relationship with local authorities and the local community. 	<p>WT strategies:</p> <ul style="list-style-type: none"> 1. Our financial team has been reviewing its tools and strategies this year, and we are in a strong position to make informed financial decisions and to keep on top of the demands of the share offer. 2. Open Share Offer strategy 3. Our involvement with the Land Workers Alliance allows us to stay informed of the political changes happening in the agricultural sphere and to seek potential subsidies or support programs to mitigate our financial risks. 4. Our loan agreement does not put us under major time pressure to fulfil all its clauses, and we have left ourselves enough leeway to realistically achieve our aims.

Appendix 7 Site Details

Tyddyn Berth Farm, on which Tyddyn Teg operates, is a 31 acre (12.5 Ha) smallholding. The majority of the land and buildings were purchased by Tyddyn Teg from the Scrase family in 2021, with the Scrases retaining the farmhouse, surrounding land, and a portion of the Long Barn (outlined in blue in the site plan below). The main crop growing areas cover about 10 acres including headlands and paths. We have planted approximately 4000 trees as 3.25 acres of new woodland and shelter-belts. The remainder of the site is mostly a mixture of scrub, wet woodland, and rough grassland. These areas are less suitable for crop production but support an abundance of wildlife, and are managed accordingly. The site is crossed by footpaths to Bethel (our neighbouring village) which we have begun to re-open following years of historical neglect and overgrowth.



Appendix 8 Previous Accounts

Detailed Income and Expenditure Account for the Year Ended 30th June 2020	
Turnover	£
Sales	103,729
Events	1,221
Contract work	1,145
<i>Total</i>	106,095
Cost of sales	
Goods purchased for resale	23,592
Fertilizers & seeds	5,567
Packaging	1,121
Event expenses	4
Delivery costs	2,751
Sub contractors	31,109
<i>Total</i>	67,144
GROSS SURPLUS	38,951
Other income	
Sundry receipts	2,652
Government grants	275
<i>Total</i>	2,927
<i>Total GROSS SURPLUS</i>	41,878
Expenditure	
Insurance	1,820
Light and heat	1,717
Post and stationery	262
Advertising	4
Travelling	192
Motor expenses	143
Subsistence costs	10,248
Training	-
Repairs and renewals	6,602
Household and cleaning	713
Sundry expenses	1,252
Accountancy	450
Professional fees	520
Legal fees	1,750
<i>Total</i>	25,673
<i>Total GROSS SURPLUS</i>	16,205
Depreciation	
Goodwill	950
Improvements to property	422
Plant and machinery	4,531
Fixtures and fittings	6,660
NET SURPLUS	9,545

Tyddyn Teg Cyf Detailed Income & Expenditure Account for the Period Ended 31st May 2021	
	£
Turnover	
Sales	121,373
Contract work	63
<i>Total</i>	121,436
Cost of sales	
Goods purchased for resale	40,377
Fertilizers & seeds	8,843
Packaging	1,119
Delivery costs	4,036
Farm consumables	1,145
Sub contractors	37,726
<i>Total</i>	93,246
GROSS SURPLUS	28,190
Sundry receipts	75
Expenditure	
Wages	2,297
Insurance	1,304
Light and heat	7,454
Telephone	18
Post and stationery	168
Advertising	38
Travelling	32
Motor expenses	528
Subsistence costs	10,799
Repairs and renewals	8,864
Household and cleaning	1,196
Sundry expenses	1,098
Accountancy	650
Bank charges	48
Professional fees	3,333
<i>Total</i>	37,827
Depreciation	
Goodwill	950
Equipment , fixtures & fittings 6,298	6,298
<i>Total</i>	7,248
Net (deficit)	(16,810)

Tyddyn Teg Cyf Detailed Income & Expenditure Account for the Year Ended 31st May 2022	
	£
Turnover	
Sales	162,205
Contract work	-
<i>Total</i>	162,205
Cost of sales	
Goods purchased for resale	47,510
Fertilisers & seeds	6,940
Packaging	1,805
Delivery costs	3,282
Farm consumables	780
Bakery purchases	2,968
Sub contractors	70,227
<i>Total</i>	70,227
GROSS SURPLUS	28,693
Sundry receipts	12,204
Expenditure	
Wages	4,470
Rates & water	77
Insurance	1,341
Light and heat	1,925
Telephone	35
Post and stationery	930
Advertising	854
Travelling	383
Motor expenses	1,025
Subsistence costs	5,319
Training costs	455
Repairs and renewals	13,163
Household and cleaning	2,099
Sundry expenses	334
Accountancy	850
Bank charges	-
Loan interest	2,750
Professional fees	1,871
<i>Total</i>	37,881
Depreciation	
Goodwill	950
Equipment , fixtures & fittings	10,697
<i>Total</i>	11,647
Net (deficit)	(8,631)

Appendix 9 SMART Marketing Plan

Tyddyn Teg Business Marketing Plan:

1. Increase brand visibility through posters, community events, and staff branding:
 - Specific: Increase brand visibility by distributing posters in key places, attending community events, and ensuring staff wear branded T-shirts.
 - Measurable: Evaluate the number of posters distributed, frequency of participation in community events, and consistent staff branding.
 - Achievable: Distribute posters in key locations such as cafés, actively participate in all community events, and ensure all staff wear branded T-shirts.
 - Relevant: Increasing brand visibility can attract potential customers and create awareness within the local community.
 - Time-bound: Continuously distribute posters, participate in community events, and enforce staff branding throughout the 5-year marketing campaign.

2. Enhance social media strategies:
 - Specific: Improve social media strategies to reach a wider audience and maximise engagement.
 - Measurable: Monitor social media metrics such as follower growth, post reach, and engagement rates.
 - Achievable: Utilise more popular times to make social media posts and create compelling content to increase audience engagement.
 - Relevant: Social media is an effective platform to reach and engage with potential customers.
 - Time-bound: Consistently implement improved social media strategies throughout the 5-year marketing campaign, as well as create new media to keep our platforms vibrant.

3. Increase customer referrals through the "recommend a friend" program:
 - Specific: Increase the number of customer referrals by implementing the "recommend a friend" program each spring for the next 5 years.
 - Measurable: Track the number of referrals generated through the program annually and aim for a cumulative increase in referrals over the 5-year period.
 - Achievable: Encourage existing customers to refer their friends by offering £5 off their monthly price on their and their friend's box using our shop board, social media and emails.
 - Relevant: Leveraging customer referrals can attract new customers and contribute to the overall customer growth.
 - Time-bound: Implement the "recommend a friend" program each spring for the next 5 years.

4. Attract new customers during the summer season:
 - Specific: Acquire new customers during the summer season by offering their first box at half price if they join.
 - Measurable: Track the number of new customers who sign up during the summer season.
 - Achievable: Promote the special offer and encourage potential customers to join the scheme during the summer period, using our shop board, social media and posters.
 - Relevant: Attracting new customers during the summer season can contribute to overall customer growth and increase revenue.
 - Time-bound: Offer the first box at half price during the summer season for the next 5 years if the scheme proves successful.

5. Market to major employment hubs in the area
 - Specific: Create delivery hubs with large employers, offering special deals on mass deliveries and the first month for half-price at peak production times
 - Measurable: Track number of customers signed up and customer retention figures
 - Achievable: Send out emails to contacts at major employment hubs to circulate on internal channels and put up posters in staff canteens.
 - Relevant: Delivery of multiple veg bags to a single location within our existing delivery route is time efficient and we can afford to waive delivery fees
 - Time-bound: We will trial this approach in June 2023 and see if it works.

Tyddyn Teg Community Share Offer Marketing Plan:

Stage 1: Crowdfunder Campaign (June 2023 - August 2023):

1. Specific: Successfully run a campaign on the Crowdfunder platform to raise funds for the community share offer within a 3-month timeframe.
2. Measurable: Set a specific fundraising goal and track the progress of funds raised throughout the campaign period.
3. Achievable: Utilise the Crowdfunder platform and engage the local community, friends, and family to create awareness and encourage investment, through in-house and out-of-the farm events, as well as through social media. Allocate a budget for these promotional activities.
4. Relevant: The Crowdfunder campaign targets the local community and close network, fostering a sense of ownership and support for the farm.
5. Time-bound: Run the Crowdfunder campaign for 3 months, from June 2023 to August 2023.

Stage 2: Ethex Launch (September 2023 - December 2023):

1. Specific: Successfully launch the share offer on Ethex to attract investors from outside the local network who are aligned with the farm's ethics and potential.
2. Measurable: Track the number of investors attracted through Ethex and monitor the progress of investments made during the campaign period.

3. Achievable: Utilise online marketing strategies, including a professional introductory video, regular updates on Ethex and social media platforms, to engage potential investors.
4. Relevant: The Ethex launch expands the reach of the share offer to a wider investor base interested in socially responsible investments.
5. Time-bound: Run the Ethex campaign for 3 months, from September 2023 to November 2023.

Stage 3: Open Share Offer (Launched in the next 3 years):

1. Specific: Promote the open share offer through various marketing channels to attract investors ongoingly.
2. Measurable: Track the number of investors attracted and investments made quarterly, helping us to decide whether more marketing is needed or not. Explore the possibility of subcontracting a professional PR agent.
3. Achievable: Utilise a combination of online and offline marketing strategies, such as regular social media posts, local advertisements, attendance at community events, and in-house events, to create visibility and attract investors.
4. Relevant: The open share offer provides an ongoing opportunity for investors to support the farm's growth and become co-owners.
5. Time-bound: Conduct the open share offer campaign for as long as foreseeable, continuously promoting the opportunity for investors to participate. The open share-offer will have yearly reviews to assess performance and its financial viability.

Appendix 10 Timeline

Project	June 2023	July 2023	August 2023	September 2023	October 2023	November 2023	December 2023	January 2024	February 2024	March 2024
Crowdfunding Launch	Active	Active	Active							
Ethex Launch				Active	Active	Active				
Community Share Offer Campaign:										
Creation of media material	Active	Active								
Social Media Campaign	Active	Active	Active	Active	Active	Active				
Community Events	Active	Active	Active							
Scheme Increase Marketing strategy:										
Marketing through big employers	Active	Active								
Half Price First Box Offer	Active	Active	Active							
Social Media and Community events	Active	Active	Active	Active	Active	Active				
Infrastructure works and Developments										
Farm Track	Active	Active	Active							
Farm Yard	Active	Active	Active	Active						
Irrigation System Upgrade	Active	Active								
Dedicated Electricity Supply to Farm		Active	Active							
Dedicated Water Supply to Farm			Active	Active						
New Sewage Treatment Plant			Active	Active						
Long Barn Renovation - First Fix		Active	Active	Active	Active	Active				
Long Barn Renovation - Second Fix							Active	Active	Active	Active