



# Local Food Links Limited

Supporting a better food future

An invitation to invest

The offer closes at 5.00pm on Friday 30th of May 2008

## An introduction to Local Food Links Limited

Everybody should be able to buy and eat the best quality foods.

But despite the rising interest in local, organic and fair trade produce, many people have difficulty accessing affordable food and drink.

Local Food Links Limited (Local Food Links) has been set up to make good food accessible and affordable in and around West Dorset.

### *At Local Food Links -*

We believe that children at school should be able to eat healthy snacks during the morning break-times....

We were not happy with proposals to supply primary schools with chilled ready meals made in London and re-heated in micro-waves....

We are looking at ways to supply affordable, high quality foods to the wider community.....

....so we developed a scheme supplying fruit and vegetables to local primary schools.

....so we are developing a local hot meal service with 8 primary schools in the Bridport area.

....so we are developing a Local Food Club, so that members will be able to pool their spending and gain cost savings from bulk purchasing.

Local Food Links Limited is a new "community-benefit" society, established with the support of West Dorset Food and Land Trust. Both organisations work from the Bridport Centre for Local Food.

The mission of Local Food Links is to provide a range of catering, distribution and retail services which supply high quality, affordable food to the local community of West Dorset.

## Our food policy

### *Taste:*

- The food which Local Food Links provides should above all taste good to the people eating it.
- Our members and "customers" will be involved in helping to define the food and design the menus we provide.
- We intend to run cookery workshops and tasting sessions with schools and the West Dorset Food and Land Trust, to help broaden people's food horizons.

### *Health:*

- The food which Local Food Links provides should have a positive impact on our customers' health and well-being.
- Local Food Links aims to provide food that is as fresh, unprocessed and nutritious as possible.





### **Environment:**

- Local Food Links will seek to minimise its environmental impact - in the sourcing and storage of ingredients, in the production of meals and in the distribution and serving of food.

### **Sourcing of ingredients:**

- Local Food Links will prioritise locally produced food (within a 40 mile radius of Bridport), sustainably produced food (including organic) and fair trade food.
- Local Food Links will source foods from further afield in the UK or overseas, but will always seek to minimise food miles, and wherever possible will seek appropriate substitutes produced nearer to West Dorset.
- The aim is to develop a sustainable local food system in West Dorset - one which is good for the environment and supports the local economy.

### **Provenance and traceability:**

- Local Food Links will seek to ensure that all foods/ingredients have clear “provenance”, and will seek at every opportunity to tell the “story” of the foods which it provides.
- Local Food Links will seek to support producers whose products have a positive impact on local landscapes such as grasslands.
- Local Food Links will work with Direct from Dorset and other accreditation bodies to ensure that claims made for provenance and traceability can be substantiated.

## **Our current products and services**

- **A fruit scheme** for key stage 2 children (7-11 year olds), which has supplied local, organic and fair trade produce to 6 primary schools.
- **A Local Food Club** offering members the chance to gain the benefits of bulk purchasing local and organic fruit, vegetables, dried goods and fair trade products.
- **A hot school meals service** for 8 local primaries. Meals are made at the Centre for Local Food in Bridport, and currently 1,000 meals per week are being purchased by children, staff and parents. Production and serving of the lunch is made possible through the support of volunteers and also young people undertaking vocational training at the Centre. By September 2008, the service aims to operate 5 days a week in all 8 schools.



## **A bit of history**

Local Food Links Limited was originally set up in 1999 by West Dorset Food and Land Trust, to run the Farmers' Markets in Bridport and Poundbury.

West Dorset Food and Land Trust (the Trust) is a registered charity, number 1073951, established in 1998, which has a national reputation for food education and training. It runs a vocational training programme in catering for local secondary school students, it is a registered centre for food safety training, and it has trained over 60 volunteers to run cookery workshops in schools and in the wider community.

Both organisations operate from the Bridport Centre for Local Food, which the Trust established in 2003. It is the first such Centre in the UK, offering a base for the activities of the Trust and Local Food Links, as well as workspace for a wide range of public and community sector organisations. At its heart is a training kitchen and a second commercial kitchen used to produce meals for schools.

In January 2007, Local Food Links Limited became an independent organisation, registered as an Industrial and Provident Society for Community Benefit. It is a non-profit distributing, common ownership organisation, and membership is open to individuals and organisations.

The society aims:

“To improve the physical, social and economic infrastructure in West Dorset”;

“To advance education”; and

“To develop new or existing services to the local community that contribute to the local economy.”

The society is incorporated with limited liability for the benefit of the community under the Industrial & Provident Societies Act 1965, and is registered with the Financial Services Authority. Such organisations must:

- Undertake some form of industry, trade or business which is in the interests of the community.
- Benefit people other than, or in addition to, its own members.
- Be democratically controlled by its members.



## Investment needs

Local Food Links Limited is seeking investment to develop the new hot meals service. The society has received grant funding from a number of organisations:

- Co-operative Action Foundation
- Dorset County Council
- Esmee Fairbairn Foundation
- Dorset LEADER+ programme (Chalk and Cheese)

Members of Local Food Links Limited can provide finance to support the development of the organisation. Local Food Links offers public-spirited people and organisations “the opportunity to contribute financially to the community, with the expectation of a social dividend, rather than personal financial reward.”

Members can contribute financially by purchasing shares in the society. Each share has a nominal value of £1.

For this share offer, the minimum shareholding is £100, but members can purchase further shares up to a maximum of £20,000. The society may only use its property and profits to promote its objects. The society will not pay members any dividend, bonus or other share in profits, but it may pay interest on shares.

Funds raised from members may be used for:

- Working capital (to bridge the gap between payment for costs such as ingredients, staff and fuel, and income from sales of food).
- Purchase of catering equipment.
- Energy efficiency measures and renewable energy equipment.

### Tax relief

HM Revenue & Customs has given us advanced assurance that if a member purchases shares over the value of £500 (up to a maximum of £20,000), then the member will be eligible for Enterprise Investment Scheme tax relief. Shares must be held for at least 5 years, and 20 % of the value of the investment can be used as an “income tax reducer” in the year that the shares are purchased.

### Risk factors

Local Food Links is a limited liability organisation, and the Member’s liability is limited to the value of their share holding. However, you may wish to speak to an Independent Financial Advisor before you become a member and purchase shares, and you are advised to read the “small print” at the back of this prospectus.

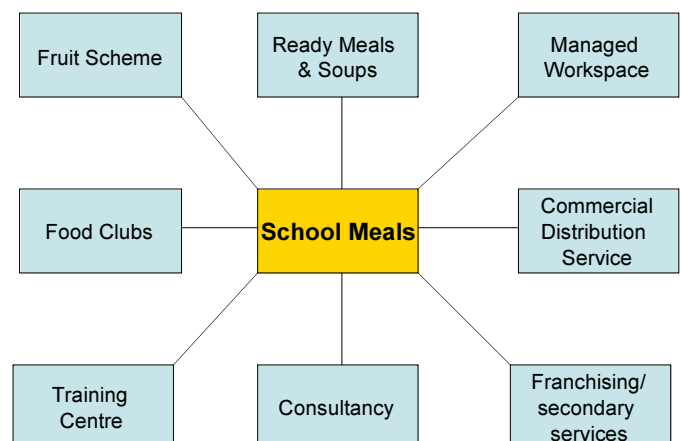
Your shares in Local Food Links should be considered to be a social investment, rather than one which should produce a financial return.

## Future plans

Local Food Links will seek to develop a range of new products and services, including:

- Selling ready meals and soups to individuals and the retail/catering trade.
- Seeking public sector catering contracts.
- Setting up a training centre for school cooks and lunchtime supervisors.

Future services linked to the School Meals foundation may include: -



Local Food Links is always seeking ways to reduce costs and minimise its environmental “footprint”. We are currently exploring the feasibility of a Combined Heat and Power plant at the Centre for Local Food, which would generate sufficient power to operate the kitchen as well as produce heat for the building and for pre-heating water. There is also the potential to purchase an electric vehicle, which could be charged up over night.

In addition, Local Food Links is currently exploring the feasibility of a new Local Food Centre, which would provide a future base for production and distribution, as well as managed workspace to rent to other food and drink businesses.





# Investment information for the issue of shares

This document details and contains an invitation to subscribe for shares in Local Food Links Limited. It is important and requires your detailed attention. If you require any advice you should consult with a bank manager, solicitor, accountant, stockbroker or other independent financial adviser authorised under the Financial Services Act 1986.

Centre for Local Food, Unit 17, Saint Michael's Trading Estate, Bridport, Dorset DT6 3RR

## Investment Information

**Please read this section carefully - it sets out the details of becoming a member investor. Membership is open to individuals, corporate bodies, voluntary organisations and public sector investors.**

### Legal Information

This document is issued by Local Food Links Limited, registered number 30173R, as an Industrial & Provident Society incorporated in England and Wales on the 23rd January 2007 under the Industrial & Provident Societies Act 1965. Local Food Links Limited is a society for the benefit of the community.

### Shareholdings

The minimum shareholding, which you can apply for under this prospectus, is £100 and the maximum is £20,000, except for other industrial and provident societies, which have no limit on their investment.

Larger sums can be placed to Local Food Links Limited as donations, grants or loans. Please contact the Chief Executive Officer for further information.

The directors have obtained confirmation from HM Revenue and Customs that, in principle, the shares in this society are capable of complying with the terms of the Enterprise Investment Scheme. The directors intend to conduct the business of the Society to enable shareholders to apply for tax relief under the Enterprise Investment Scheme (where applicable).

To comply with the requirements of HM Revenue and Customs for the Enterprise Investment Scheme, the rules of the Society require shareholders to hold their shares for a minimum term of 5 years. Shareholders cannot withdraw their shares during the first 5 years for which they hold them. Where the Society has started to trade (with a trade relevant for the purposes of the Enterprise Investment Scheme), the 5 years will only begin to run when the society does begin that trade.

Please note that the directors have no discretion to waive or reduce the normal notice period during those first 5 years.

Please note that the Society and its directors do not guarantee that any particular investment in the Society will be eligible for tax relief under the Enterprise Investment Scheme. This is an issue upon which individual potential investors should seek their own advice.

All applications are subject to the terms set out in the Rules of Local Food Links Limited. There is only one class of ordinary withdrawable share. The shares are not transferable. Subject to the five year holding period the shares are withdrawable on 180 days' notice. In the case of joint investments all concerned must agree to a withdrawal. Shares will be repaid at the original price (subject to the comments hereafter). The Directors of Local Food Links Limited have the right to change the notice period for withdrawals, or to suspend withdrawals, but they do not presently intend to do so other than in exceptional circumstances.

The Directors have the right to write down the value of shares, if the liabilities of Local Food Links Limited (and its share capital) should exceed the value of its assets. Shareholders who then withdraw their shares will only receive the written down value of their shares.

In the event of Local Food Links Limited ceasing to trade, shareholders will be re-paid up to a maximum of £1 for every £1 share owned, once all creditors have been repaid in full. Please see the "risk factors section" that follows.

### Nomination option

In the event of the death of a shareholder, the repaid value of the shares will normally be added to the estate for Probate purposes. You may (if you so wish) elect to nominate a recipient for the value of the shares (but only up to £5,000) and thus (under current legislation) remove the value of the shares (up to £5,000) from your estate for probate purposes (but not capital tax purposes).

### Voting

Each member has one vote regardless of the size and value of their shareholding. It is proposed that investor members will be kept informed of Local Food Links Limited's services and developments through an occasional newsletter, the annual reports and the Annual General Meeting.

### Dividends

Provision is made in the Rules for paying interest on the share capital at such rate or rates as may be determined by the board of directors from time to time. It is, however, the society's current intention to provide an opportunity for public-spirited people and organisations to contribute financially to the community with the expectation of a "social dividend" rather than personal or corporate reward. The directors do not expect to pay dividends or interest at this present time.

### Risk Factors

The main risks that the directors have identified are:

- That Local Food Links Limited does not continue to maintain sufficient capital funds to support its activities.
- That Local Food Links Limited does not continue to generate sufficient income needed to contribute towards running costs.
- That Local Food Links Limited does not maintain its current record of raising grants and other funding to cover running costs not covered by other income.
- That Local Food Links Limited's other activities materially fall short of the budgeted contributions.

The directors will seek to protect against these risks by the exercise of prudent management policies.

Investing in Local Food Links Limited should be seen as a social and not a financial investment. Local Food Links Limited does not guarantee a safe haven for your money - nor do we offer any return on your investment.

Local Food Links Limited is permitted to pay interest on your shares - but:

- By law we cannot offer a generous interest rate
- In reality we are unlikely to pay interest to our shareholders for several years
- You should not expect to receive any interest on your shares

The value of your shares will not increase. You cannot sell your shares. You may be able to withdraw your shares (on 180 days' notice).







However (if you withdraw your shares) Local Food Links Limited will not repay more than you originally paid for your shares.

The value of your shares may fall. In some circumstances we may be compelled to write down the value of your shares. Should you then wish to withdraw your shares you should expect to receive only their written down value.

You may lose the value of your shares. As an industrial and provident society, Local Food Links Limited does not need to be authorised by the FSA to take deposits by issuing these withdrawable shares. So, the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme.

Our shares are not "investments" for the purposes of the Financial Services Act 1986. So you do not have the level of protection that you might otherwise be offered by the Act. In particular, this document does not need approval (and has not been approved) by an "approved person" under Section 57 of the Financial Services Act 1986.

This document is not regulated by the Public Offers of Securities Regulations 1995. Those regulations do not apply because the shares in Local Food Links Limited are not "securities" for the purpose of these regulations.

Should Local Food Links Limited get into financial difficulties:

- We may have to suspend your rights to withdraw your shares
- We may have to write down the value of your shares
- You may lose all the money you pay for your shares

Can you afford to be without the money you pay for these shares? If not, do not buy them.

If you are in any doubt about the information contained in this document you should consult an Independent Financial Adviser authorised under the Financial Services Act 1986.

The documents that are available for your inspection are as follows:

- The Rules of Local Food Links Limited

You may inspect these, during normal business hours at Centre for Local Food, Unit 17, Saint Michael's Trading Estate, Bridport, Dorset DT6 3RR.

### **Social Investment**

Investing in Local Food Links Limited should be seen as a social investment, not a financial investment. Your money will fund a public-spirited not-for profit organisation.

## **Terms and Conditions for applying for Shares**

### **Your Application**

You cannot withdraw your application for shares after we receive your application form.

We do not have to accept your application for shares. We may decide not to issue shares to you. Or we may decide to issue to you fewer shares than you apply for. We do not have to give any reason for our decision.

Your application must be considered for approval at the next convenient Board of Directors meeting and these normally take place four times per year, and therefore you should not expect an immediate response.

### **Your Payment**

We will acknowledge receipt of your cheque and application. We may cash your cheque as soon as we receive it. But until we issue shares to you, we will keep your money in a separate account. We will hold that money on trust for you until we issue shares to you.

We will return it to you (within seven days of the Board of Directors meeting at which we consider your application) if we decide not to issue shares to you. If we decide to issue to you fewer shares than you apply for, we will return the balance to you (within seven days of that Board of Directors meeting).

The money will belong to us (and we no longer hold it on trust for you) as soon as we issue shares to you (to the extent that we take it as payment for shares).

We will not pay you interest on any money we return to you.

### **Your promises to us.**

You promise that:

1. Your cheque will be honoured on presentation.
2. You, as an individual, are at least 16 years of age.
3. You have authority to sign the application form (if you are signing it for another person). You will show us evidence of your authority if we ask to see it.
4. You will supply us with proof of your identity and address, if we ask for it. We may need this to comply with the Money Laundering Regulations 2003. We may have to hold back your shares until we see this.
5. You are a British citizen and resident in the United Kingdom.

### **Demutualisation - protection from "carpet-baggers"**

You may not benefit financially from your shares if we convert, or transfer our business or are wound up. The only financial benefits you may receive from your shares are:

1. The possibility of interest (at a low rate)
2. The possibility of the return of the money you pay for your shares

Should any greater financial benefit come into your hands, it will belong to West Dorset Food and Land Trust (Registered Charity number 1073951). You are to hold the benefit on trust for that charity.

To secure that (and your obligations under Rule 14.2 of our Rules) you appoint as your attorney the person holding office (from time to time) as our Secretary. That appointment is irrevocable. Your attorney has power to sign - on your behalf - an undertaking for which we may ask in accordance with Rule 14.3.

### **Miscellaneous**

The law of England applies to these terms.

The courts of England and Wales have non-exclusive jurisdiction.

You will be bound by our rules (as may be amended from time to time) if we issue shares to you.

### **The registered office for Local Food Links Limited is:**

Centre for Local Food, Unit 17, Saint Michael's Trading Estate, Bridport, Dorset DT6 3RR

## **Advisers and Bankers**

**Solicitors:** Lester Aldridge, Allyn House, Carlton Crescent, Southampton SO15 2EU.

**Bankers:** Unity Trust Bank, Nine Brindleyplace, Birmingham B1 2HB.





**This offer opens on Monday 30th July 2007 at 9.00am and closes on Friday 30th May 2008 at 5.00pm**

*Share certificates for successful applicants will be dispatched within 10 days of the Board Meeting following receipt of your application.*

## How to invest

To become a member requires the purchase of shares. Each share costs £1. Each shareholding member has one vote, regardless of the size of their shareholding.

For this share offer, the minimum shareholding is £100. The maximum permissible shareholding is £20,000. Applications must be received at the office of Local Food Links Limited no later than 5.00pm on Friday 30th May 2008.

### Application form

I/We wish to become a member of Local Food Links Limited in accordance with the rules, & apply for:

£100  £500  other £

of shares, and enclose payment for that amount (cheques payable to Local Food Links Limited).

### Name and address

For joint applications, all applicants (up to 4 persons) must sign (please photocopy this form if there are more than 2 joint applicants).

First name(s) in full		
Last name		
Address		
Telephone		
E-mail		

Joint applications

### Nomination form

If you wish to nominate a person to whom you wish your shares to be transferred to on your death, please tick the box and complete a "Nominee Appointment Form".

### Agreement

I am at least 16 years old.



I agree to be bound by the Terms and Conditions included in the attached prospectus and the Rules of Local Food Links Limited.

I understand that the Society's Board may reject my application and does not have to tell me why it has been rejected.

### Data protection & money laundering

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

### Signed as a deed

Please sign here 		
A witness to your signature must sign here 		
Date		



## How to invest

## Corporate Applicants

To become a corporate member requires the purchase of shares. Each share costs £1. Each shareholding member has one vote, regardless of the size of their shareholding.

For this share offer, the minimum shareholding is £100. The maximum permissible shareholding is £20,000. Applications must be received at the office of Local Food Links Limited no later than 5.00pm on Friday 30th May 2008.

### Application form

I/We wish to become a member of Local Food Links Limited in accordance with the rules, & apply for:

£100  £500  other £

of shares, and enclose payment for that amount (cheques payable to Local Food Links Limited).

### Official name and correspondence address

Full Official Name	
Address for correspondence	
Registered number	
Contact name	
Telephone	
E-mail	

### Agreement

We agree to be bound by the Terms and Conditions included in the attached prospectus and the Rules of Local Food Links Limited.

We understand that the Society's Board may reject our application and does not have to tell us why it has been rejected.

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### Signed as a deed

Director	
Director / Secretary	
For and on behalf of	
Date	



## Nominee Appointment Form

This form should **only** be completed if you wish to nominate a person to receive your shares on your death.

YOUR FULL NAME:

YOUR ADDRESS:  
(We will use this address  
when we write to you)

You can nominate a person to whom you wish your shares to be transferred on your death. We will respect those wishes (so far as the law and our Rules permit).

If you are a joint holder and you do not wish your holding to pass to the other joint shareholder(s) then you must complete this form. You may nominate a person to whom you wish your joint shareholding to be transferred on your death.

Please name your choice of nominee below.

YOUR NOMINEE'S  
FULL NAME:

YOUR NOMINEE'S  
ADDRESS:

I understand that it may not be possible for Local Food Links Limited (the Society) to action this request and I and my heirs will not hold the Society responsible for its actions.

I understand that these instructions can only be revoked or amended by my giving clear written instructions to the Secretary of the Society at the registered office.

I understand that trustees will need to be appointed if my nominee is under 16 years of age.

Signed as a deed.  
Please sign here

A witness to your signature  
must sign here

DATE

