



Community-led food initiatives

Support and information for community groups and social enterprises setting up community-led food production and distribution initiatives



Local United – diffusing practical initiatives in response to climate change and peak oil

Local United brings together and supports community activists who are setting up social enterprises to address the challenges of peak oil and climate change. We aim to speed up the rate at which good ideas are adopted by community groups motivated to build low-carbon economies.

Initially eight 'diffusion packs' have been produced which offer practical suggestions for setting up initiatives in the following areas:

Energy Farms	Community-led Food Initiatives
Community-led Hydro Initiatives	Sustainable Community loan Fund
Community-led Wind power	Community-led Reuse of Resources
Energy Performance Energy Services Company	Community-led Transport Initiatives

NESTA provided funding for the development and dissemination of these information packs which have been written and reviewed by people with first-hand knowledge of the community and climate action sectors they work in. Often the authors will have been involved in the conception of the project idea and in many cases they would now be regarded as experts in their fields. Biographies will soon be available on our websites

All of these packs are intended as on-going 'works-in-progress'. We are hoping that other groups working in these areas will add in their experience. In time they will build into a comprehensive library of good practice case studies. They will become a source of inspiration to community groups. They will provide information on motivational projects which have been carried out by other community groups and they will act as a directional tool to help communities who are ready to take action, to do just that.

These packs are offered to groups who are interested in setting up social enterprises in these areas. They can be downloaded from the many partner websites.

Of course, any information provided is only as up to date as the day it goes to print. Many of the specific examples have worked so well because of the people involved, the skills they possess or the resources that were available to them. Thus these examples will predominantly serve as an inspirational call to arms. However, many of the packs contain useful 'how to' guides, copies of legal templates or list of regulations, all of which may be useful to community groups wishing to set out on their own project. All of the packs contain notes or links on where to find more help.

Feedback on these packs is continually being sought. Community groups who have used the packs to support their own projects are very welcome, and indeed are invited, to provide information on how useful the packs have been, what other information we should be providing or any other feedback which may help us to improve these in the future.

Local United is keen to work with other groups and organisations active in these areas who may be interested in offering the diffusion packs through their websites. We are also actively seeking funding to follow up these packs with a mentoring/buddying system which will provide additional support to emerging social enterprises.

Diffusion Pack for Community-Led Food Initiatives

Food growing projects seem to press buttons for a lot of people! They provide a sense of community, connection to the land, fun and exercise. They are also part of the answer to the challenges of climate change and peak oil.



photo © Michael Dannenberg www.foodimaging.co.uk

STRATEGY

This document provides a pack of information for community groups and social enterprises interested in setting up community-led food production and distribution projects, providing options on types of projects and links to food projects around the UK. Template business plans, membership documentation and detailed action plans are provided to help community groups set up and run their own local food projects. This pack also provides video links¹

Community Benefits & Culture

Current mainstream agricultural and food retail systems depend heavily on oil. This dependence starts at initial production methods (oil-based fertilisers and pesticides), through to distribution (supermarkets add thousands of travel miles to most foods) and lastly to retail outlets, which consume huge amounts of energy themselves and are often out of towns, requiring consumers to travel to buy their food.

As society is forced to reduce energy consumption and oil-dependence, there will be an increasing need for localised economies, where the basic requirements of society (such as food) are supplied as close as possible to the point of consumption. Strong local communities with experience of working together to meet their basic needs will be much better placed to thrive in an oil-poor world than societies relying on globalised production and distribution systems.

Community-led local food initiatives link consumers directly to the people who produce the food. They cut out 'middle-men' which gives a better economic deal to both the producer and the consumer. They increase the resilience of the food system locally by encouraging the production of food close to where it is consumed and by strengthening relationships between the producers and consumers.



Prerequisites

Food-growing projects can start very small. Groups of people can start to grow food together in their gardens, on an allotment patch or on bits of public land - see Incredible Edible Todmorden² and www.guerillagardening.org. For the more complex projects described below it is strongly recommended that community groups set up an organisation with limited liability such as a Community Interest Company³ or an Industrial and Provident Society⁴. Make sure you get professional support⁵ to help you choose the appropriate legal structure for your project.

Food-growing projects are likely to be based on rented land at least to start with. It is important to have a clear agreement⁶ with the landowner about the terms of the lease. This agreement will not only make it easier to secure funding, it will also help to avoid future misunderstandings. In the longer term community groups might be able to purchase land in trust⁷ for the community.

For projects which need to find professional growers and farmers there are several training programmes⁸ giving students practical skills and recognised qualifications.

In terms of capital costs, the Soil Association has listed 'Capital costs for setting up a new vegetable CSA'⁹

OPERATIONS AND SUPPORT

The Campaign for the Protection of Rural England offers a food mapping system¹⁰ to help people research and record their local food production and distribution networks. There are also many local food directories which will put you in touch with producers¹¹. Once you know what is already there you can start to plan what else you need!

Food production options for community groups:



photo © Michael Dannenberg
www.foodimaging.co.uk

Community Supported Agriculture (CSA) is a model of farming which cuts out the middle man so that the risks, rewards and responsibilities of farming are more evenly shared by the farmers and consumers than in current supermarket-dominated systems. There are several models of CSA – some led more by the farmer, others by a community of consumers.

Stroud Community Agriculture started in 2001 with a public meeting attended by 80 people. It is now a community co-op of nearly 200 households who pay an average of £37 per month to cover all the running costs of a 50 acre farm employing three full-time equivalent farmers who grow vegetables, fruit and meat for the support community. It is a 'triple bottom line sustainable' project. For more examples and lots of CSA resources see¹²

Communal allotments are a form of CSA which enable people to grow food together. This can be both more productive and more sociable than individual allotment growing¹³. OrganicLea has produced a paper on the legal situation on selling produce grown on allotments¹⁴. These projects can also involve communities in cooking and eating the food at the allotment¹⁵.



Land / garden share systems bring together people who have land with people who want to grow food. See Landshare as an example¹⁶

Food producer co-ops bring together small-scale producers to work collectively in producing and marketing their produce. These co-ops are increasingly set up as Community Interest Companies. See examples at footnote 17 below¹⁷

The Transition Network book 'Local Food – how to make it happen in your community' provides descriptions of a good collection of community food -growing projects¹⁸. Other networks are listed in the footnotes¹⁹.

Food distribution options for community groups:

Food consumer co-ops and food hubs collectively buy produce from producers and wholesalers to distribute among their members and/or to sell on to other consumers.

The Rural Regeneration Unit in Wales²⁰ has helped set up and support over 250 food co-ops whose customers access fresh fruit, salad and vegetables on a weekly basis at wholesale prices. Local produce is accessed as much as possible, quality and price permitting. Some farmers supply direct to the co-ops. The co-ops provide bags of fruit, vegetables or salad to customers at a fixed price. The supplier chooses the selection of fruit and vegetables according to what is in season and what offers best value for money that particular week. The supplier delivers the produce, in bulk, to the co-op. Customers order and pay in advance so there is no wastage. The co-op makes no profit and all the money taken goes directly to the supplier. Cash for the following week' veg bag is paid on delivery.

Some food hubs are set up as joint producer-consumer co-ops where both groups influence how the business is run. Some hubs are internet-based, others use shops or market stalls. Stroudco Food Hub²¹ uses a school hall as a drop-off and pick-up point for produce which is ordered on-line. Stroudco producers offer occasional events which involve the consumers in the food production process²²

In England food co-ops and other community run food outlets are supported by Sustain's Food Co-ops project²³ which is part of Making Local Food Work. This covers a wide range of different models for distributing food including buying clubs, stalls, bag and box schemes, markets, shops and mobile stores. The Sustain website²⁴ offers several case studies.

Market stalls and farmers' markets Country Markets²⁵ offer guidance for small scale producers wanting to sell to the public. FARMA²⁶ supports farmers' markets which can be run by a co-op of producers or as a stand-alone business.

Networking

There are strong networks of Community Supported Agriculture groups²⁷ and Food Hubs²⁸ which provide new groups with inspiration, ideas and support as well as helping to share best practice between existing projects. There is also a local food project mentoring programme.²⁹

Many Transition Towns³⁰ have established 'Food Groups' and have produced a useful reference guide³¹ for a wide range of food initiatives including practical set-up advice.

What contributes to the success of these projects?

These are some of the factors that seem to make these projects work. This is not a complete list (please add to it!³²) and these factors are not necessarily critical to the success of a project:

- Committed volunteer support to set up and run the project until it can start paying its way



- A willingness to take risks. This might include supporters lending money to get a project started or a grower starting work in the hope that there will be enough income to pay her in the future.
- Land which is fertile enough to grow the food and accessible enough for the community to get to it or for it to get to the community.
- Security of tenure of that land. This might mean a lease with flexibility of renewal or a community farm land trust to keep the land available for community food production in perpetuity.
- Engendering as wide a sense of community 'ownership' of the project as possible³³
- Having a clear vision for the project³⁴ and reviewing the vision regularly as the project evolves.



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www.foodimaging.co.uk

Managing community-led local food initiatives

Garden-share schemes can be quite simple to set up, but the setting up and running of some of these more complex projects (above) can involve communities in a huge amount of voluntary work. To prevent 'burnout' you need lots of people involved in the project from the beginning who feel a sense of 'ownership' of the project. You are also more likely to secure external funding if you can show a high level of community involvement. A good way to check whether there is enough local support for a local food project is to set up a public meeting early on in your planning process. The meeting can be run in a way that gets lots of people involved in planning, setting up and running the project. For a detailed example see 'the Story of CSA in Stroud'³⁵

To help new groups hit the ground running, this pack can be supplemented with business plans, cash flow forecasts, draft membership agreements and membership database systems that can be copied and adapted free of charge³⁶. Although these documents may be helpful it is strongly recommended that any new project goes back to basics in its business planning³⁷ and considers the questions posed in appendix F³⁸

Most community food projects are administered by a group of volunteers – ideally with a system to recruit new members onto this management group and allow longer-standing members to retire. To make sure that the wider community continue to feel involved in the future of the project, regular events can be organised to include a social element with discussion of business issues. The Soil Association offer a list of options for social events.³⁹

Financial planning

Appendices G to L provide detailed financial information on;

- a CSA project,
- a food hub and
- a communal allotment project.
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They are offered as examples. They might be useful as guidelines to help set up new social enterprises but they should not be used to predict the sustainability of any other projects because there are so many variables that need to be considered (see the Business Planning Template in appendix F).

Appendices G, H and I provide profit and loss, balance sheet and budget examples for a Community Supported Agriculture project.





photo © Michael Dannenberg
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Appendices J and K show the cashflow projection and set-up costs for a food distribution hub.

Appendix L shows the costs and contributions of a communal allotment project.

Funding food projects

An early decision in any project is whether to set it up using volunteer time or to apply for funding to pay people to set it up. Even if you have a volunteer fund-raiser the process of applying for funding can be very time-consuming and can take away the focus of a planning group at a crucial stage in its development. If the funding application is unsuccessful, the disappointment can set back the group at a critical time.

It may be better to focus the initial excitement of the group on growing the food and/or setting up the distribution system. Once the project is established you will have a clearer idea of what you need money for and a stronger case to apply for funding. If you do decide you need external funding you

might want to consider a community ownership scheme⁴⁰. Otherwise there are some suggestions for funders below⁴¹. Bear in mind that many funders prefer to fund start-up projects or projects that are starting a new initiative so you may need to spot significant new beginnings within your project if you decide to apply for funding after you are already set up.

Skills needed for community food projects

A common mistake with these projects is to under-estimate the level of skill required to grow food successfully. Particularly with larger projects such as a CSA, there is a need not only for farming and horticultural knowledge but also the skill required to produce and execute a cropping plan that ensures a steady supply of vegetables rather than gluts and gaps. For some training options see this footnote⁴²

As with any high-involvement community project there is a need for volunteer management, consensus building and conflict management skills. Other skills include fund-raising, financial management, website development, customer service (managing membership lists, ensuring smooth joining procedures, dealing with complaints, etc.) and administration skills. Free business support is available to community food enterprises in England and Scotland until June 2012 from Specialist Enterprise Support at Making Local Food Work⁴³.

Marketing

Community-led local food initiatives are very newsworthy and can be very successful in receiving free editorial space in local newspapers and newsletters. However, probably the two most effective marketing techniques are personal recommendation and face-to-face meetings with people at community events where new members can be signed up with special promotions such as free membership for a limited period or offering free produce to new joiners. For more marketing ideas see the Soil Association CSA Action Manual⁴⁴

Administration and IT

Unless you get start-up funding, all the administration of your project will be done by volunteers. To help you get started, this pack can be supplemented by some administrative documents⁴⁵ that you can adapt to suit your needs. If you



decide to set up an internet-based food hub using the Stroudco model, all the IT and administration systems are being offered free of charge⁴⁶.

Once your project is more established you may want to consider which of the administrative jobs is crucial to the long-term success of the project and start to budget for these as paid roles.



photo © Michael Dannenberg
www.foodimaging.co.uk



Endnotes

(all appendices can be downloaded from the website)

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- ¹ A video of Stroud Community Agriculture is at <http://www.stroudcommunityagriculture.org/video.php> and a video of Stroudco Food Hub is at <http://www.youtube.com/watch?v=AJyYH8OJoww>
- ² See www.incredible-edible-todmorden.co.uk
- ³ See appendix A – Memorandum and Articles for Stroudco Community Interest Company but make sure that you get professional advice on the appropriate structure to suit the current and future needs of your project. Start with www.makinglocalfoodwork.co.uk/about/gs/Legal.cfm
- ⁴ See appendix B – Memorandum and Articles for Stroud Community Agriculture Ltd but make sure that you get professional advice on the appropriate structure to suit the current and future needs of your project. Start with www.makinglocalfoodwork.co.uk/about/gs/Legal.cfm
- ⁵ See Co-operatives UK publication; ‘Simply Legal - structures for social enterprises’ at http://offline.cooperatives-uk.coop/live/dynamic/publicationview.asp?pub_id=92C2810A-0FA6-49B8-9756-A91BF8604E02 and see also ‘Legal and Organisational Structures for Local Food Initiatives’ at www.makinglocalfoodwork.co.uk/about/gs/Legal.cfm
- ⁶ Farm Business Tenancies provide a standard legal agreement but if the landowner is part of the community group you might also want a simpler agreement - see appendix C for an example agreement
- ⁷ Community Farm Land Trusts secure land in perpetuity for the community to grow food. See www.communitylandtrusts.org.uk/?pid=31
- ⁸ Duchy College’s Certificate in Sustainable Horticulture at www.cornwall.ac.uk/duchy and the Soil Association Organic Apprenticeship scheme at <http://www.soilassociation.org/Takeaction/Learning/Apprenticeshipscheme/tabid/240/Default.aspx>
- ⁹ See <http://www.soilassociation.org/LinkClick.aspx?fileticket=dZgO7AcOew4%3d&tabid=204>
- ¹⁰ See www.makinglocalfoodwork.co.uk/about/fwm/involved.cfm
- ¹¹ Many of these are focussed on a small geographical area. A national listing is at www.bigbarn.org.uk
- ¹² www.soilassociation.org/Takeaction/Getinvolvedlocally/Communitysupportedagriculture
- ¹³ Stroud LETS allotment case study at <http://www.soilassociation.org/LinkClick.aspx?fileticket=N5Kcce%2fmhZA%3d&tabid=224>
- ¹⁴ See ‘Selling Allotment Produce’ available from www.organiclea.org.uk
- ¹⁵ For an example of this see Whitehawk Community Food Project in Brighton at www.thefoodproject.org.uk
- ¹⁶ Landshare www.landshare.net
- ¹⁷ For examples of food producers’ co-ops see this report on several co-ops in Wales www.adventa.org.uk/uploads/publications/22.pdf and this feasibility study for Argyll Food Producers www.cdscotland.co.uk/cds-argyll_food
- ¹⁸ Local Food – How to make it happen in your community’ by Tamzin Pinkerton and Rob Hopkins ISBN 978-1-900322-43-0
- ¹⁹ Other networks include the Permaculture Association www.permaculture.org.uk and the Allotments Regeneration Initiative <http://farmgarden.org.uk/ari/> run by the Federation of City Farms and Community Gardens
- ²⁰ <http://ruralregeneration.org.uk/case.php?PHPSESSID=e4c4ddd53d00357680b914d70489131d>
- ²¹ Stroudco food hub is offering all its systems free to community groups who would like to copy it. A case study is available at www.stroudco.org.uk/how-it-works
- ²² A photo gallery of some of the Stroudco events is at <http://www.stroudco.org.uk/gallery>
- ²³ Sustain’s food co-ops and buying groups network at www.sustainweb.org/foodcoops
- ²⁴ Sustain’s food co-ops and buying groups network at www.sustainweb.org/foodcoops
- ²⁵ Country Markets Ltd enables individual producers to sell their home-made, home-grown and hand-crafted items locally and co-operatively, directly to the public. See appendix G or www.country-markets.co.uk
- ²⁶ The National Farmers’ and Retail Markets Association (FARMA) www.farma.org.uk
- ²⁷ Soil Association CSA network at www.soilassociation.org/Takeaction/Getinvolvedlocally/Communitysupportedagriculture
- ²⁸ Sustain’s food co-ops and buying groups network at www.sustainweb.org/foodcoops
- ²⁹ The Plunkett Skillshare programme offers mentoring help to local food projects: www.makinglocalfoodwork.co.uk/about/es/Skillshare.cfm
- ³⁰ See www.transitionnetwork.org
- ³¹ See <http://transitionculture.org/shop/local-food-how-to-make-it-happen-in-your-community/>
- ³² Please contact Nick Weir nick.weir@localfood.org.uk or 01453 840037 with any suggestions for additions or improvements to this pack
- ³³ ‘The story of CSA in Stroud’ tells how one successful CSA started with a lot of community support. It is at www.stroudcommunityagriculture.org/CSA_story_in_Stroud.pdf
- ³⁴ Appendices D and E show the vision statements for Stroud Community Agriculture and Stroudco Food Hub
- ³⁵ ‘The story of CSA in Stroud’ tells how one successful CSA started with a lot of community support. It is at www.stroudcommunityagriculture.org/CSA_story_in_Stroud.pdf



³⁶ Contact Nick Weir on 01453 840037 or nick.weir@localfood.org.uk for business plans, membership agreements and membership database systems from both Stroud Community Agriculture (a CSA project) and Stroudco Food Hub

³⁷ See the 'Social Business Tool Box' at <http://www.makinglocalfoodwork.co.uk/about/toolbox/Toolbox.cfm>

³⁸ Appendix F is a Business Planning Template with questions to be considered by a project's management group.

³⁹ www.soilassociation.org/Takeaction/Getinvolvedlocally/Communitysupportedagriculture

⁴⁰ For an example of community financing see 'The story of CSA in Stroud' at it from www.stroudcommunityagriculture.org/CSA_story_in_Stroud.pdf. Also see www.communityshares.org.uk and item 10 on www.makinglocalfoodwork.co.uk/about/toolbox/Toolbox.cfm

⁴¹ Options for outside funding for local food projects are listed on www.fundingcentral.org.uk

⁴² Duchy College's Certificate in Sustainable Horticulture at www.cornwall.ac.uk/duchy and the Soil Association Organic Apprenticeship scheme at

<http://www.soilassociation.org/Takeaction/Learning/Apprenticeshipscheme/tabid/240/Default.aspx>

⁴³ see http://www.makinglocalfoodwork.co.uk/about/Enterprise_Support.cfm

⁴⁴ The Soil Association's CSA action manual offers marketing ideas and can be downloaded from

<http://www.soilassociation.org/Takeaction/Getinvolvedlocally/Communitysupportedagriculture/Resources/tabid/204/Default.aspx>

⁴⁵ Contact Nick Weir on 01453 840037 or nick.weir@localfood.org.uk for business plans, membership agreements and membership database systems from both Stroud Community Agriculture (a CSA project) and Stroudco Food Hub

⁴⁶ Stroudco food hub is offering all its systems free to community groups who would like to copy it. A case study of the food hub is at www.stroudco.org.uk/how-it-works To register to download the website system please email info@stroudco.org.uk

⁴⁶ Duchy College's Certificate in Sustainable Horticulture at www.cornwall.ac.uk/duchy and the Soil Association Organic Apprenticeship scheme at

<http://www.soilassociation.org/Takeaction/Learning/Apprenticeshipscheme/tabid/240/Default.aspx>

⁴⁶ see http://www.makinglocalfoodwork.co.uk/about/Enterprise_Support.cfm

⁴⁶ The Soil Association's CSA action manual offers marketing ideas and can be downloaded from

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⁴⁶ Contact Nick Weir on 01453 840037 or nick.weir@localfood.org.uk for business plans, membership agreements and membership database systems from both Stroud Community Agriculture (a CSA project) and Stroudco Food Hub

⁴⁶ Stroudco food hub is offering all its systems free to community groups who would like to copy it. A case study of the food hub is at www.stroudco.org.uk/how-it-works To register to download the website system please email info@stroudco.org.uk



Appendix A – Memorandum and Articles for Stroudco Community Interest Company

The Companies Acts 1985 and 2006

**COMPANY LIMITED BY GUARANTEE
and not having a share capital**

Memorandum of Association

of

Stroudco Community Interest Company

1 COMMUNITY INTEREST COMPANY

The Company is to be a community interest company.

2 NAME

The Company's name is **Stroudco** Community Interest Company".

3 REGISTERED OFFICE

The Company's registered office will be in [England and Wales]

4 OBJECTS

The Company's object is to carry on activities which benefit the community and in particular (without limitation) to provide local food and related activities to people in Stroud and other places beyond.

5 POWERS

The Company has the power to do anything which is incidental or conducive to the furtherance of its object.

6 LIMITED LIABILITY

The liability of the Members is limited.

7 GUARANTEE

Every Member of the Company undertakes to contribute a sum not exceeding £1 to the assets of the Company if it is wound up during his, her or its membership or within one year afterwards:

- (a) for payment of the debts and liabilities of the Company contracted before he, she or it ceased to be a Member;
- (b) for the costs, charges and expenses of winding up; and
- (c) for the adjustment of the rights of the contributories among themselves.

We, the subscribers to this Memorandum, wish to form a Company pursuant to this Memorandum.

Names, Addresses and Signatures of Subscribers

- | | Guarantee |
|---------------------------------|-----------|
| 1. Signature: | £1 |
| Name: | |
| Address: | |
| Date: | |
| Witness to the above signature: | |
| Signature: | |
| Name: | |
| Address: | |
| 2. Signature: | £1 |
| Name: | |
| Address: | |
| Date: | |
| Witness to the above signature: | |
| Signature: | |
| Name: | |
| Address: | |
-

The Companies Acts 1985 and 2006

Company Limited by Guarantee and not having a share capital

Articles of Association

of

Stroudco Community Interest Company

1 DEFINITIONS

In these Articles the following terms shall have the following meanings.

Term	Meaning
“The Companies Acts”	the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force;
“2004 Act”	the Companies (Audit, Investigations and Community Enterprise) Act 2004
“address”	in relation to electronic communications, includes any number or address used for the purposes of such communications
“Articles”	the Company’s Articles of Association
“Asset Locked Body”	a community interest company, a Charity, Scottish Charity, Northern Ireland Charity or a body established outside the United Kingdom) that is equivalent to any of those persons
“Chair”	the meaning given in article 16
“Charity”	(except in the phrases “Scottish Charity” and “Northern Ireland Charity”) the meaning given by Section 96 of the

Charities Act 1993

“clear days”	in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect
“Company”	[<i>insert name</i>] Community Interest Company
“Director”	a Director of the Company, including any person occupying the position of Director, by whatever name called
“Directors’ functions”	the meaning given in article 4(1)
“electronic communication”	the meaning given in the Electronic Communications Act 2000
“in writing”	written printed or transmitted writing including by electronic communication
“majority decision”	the meaning given in article 11
“Members”	the members of the Company as defined in the 1985 Act
“Memorandum”	the Company’s Memorandum of Association
“Northern Ireland Charity”	a charity within the meaning of the Charities Act (Northern Ireland) 1964
“Regulations”	the Community Interest Company Regulations 2005
“Regulator”	the Regulator of Community Interest Companies
“relevant quorum”	the meaning given in article 15(1)
“remuneration”	any reasonable payment or benefit received, or to be received, by a Director or employee of the Company in consideration for that Director’s or employee’s services to the Company, and any arrangement in connection with the payment of a pension, allowance or gratuity to or in respect of any person who is to be, is, or has been a Director or employee of the Company or any of its

predecessors in business

- “Scottish Charity”** A body entered in the Scottish Charity Register
- “Secretary”** the individual appointed as Company Secretary under article 33
- “subsidiary”** the meaning given in section 736 of the Companies Act 1985
- “unanimous decision”** the meaning given in article 10.

2 INTERPRETATION

(1) Unless the context requires otherwise, words or expressions defined in:

- (a) the Companies Acts,
- (b) the 2004 Act, or
- (c) the Regulations,

have the same meaning in the Articles.

(2) Without prejudice to the generality of paragraph (1):

- (a) **“community”** is to be construed in accordance with section 35 of the 2004 Act and Part 2 of the Regulations;
- (b) **“financial year”** has the meaning given in section 223 of the 1985 Act; and
- (c) **“transfer”** includes every description of disposition, payment, release or distribution and the creation or extinction of an estate or interest in, or right over, any property, or, in Scotland, a right, title or interest in or over any property.

(3) Unless the context requires otherwise, all references to legislative provisions are to the legislation concerned as amended, repealed, re-enacted or replaced and in force from time to time.

(4) Unless the context requires otherwise, words in the singular include the plural and words in the plural include the singular.

(5) All headings and explanatory notes are included for convenience only: they do not form part of the Articles, and shall not be used in the interpretation of the Articles.

1 PART TWO: ASSET LOCK

3 TRANSFER OF ASSETS

- (1) The Company shall not transfer any of its assets other than for full consideration.
- (2) Provided the condition specified in paragraph (3) is satisfied, paragraph (1) shall not apply to:
 - (a) the transfer of assets to any Asset Locked Body specified in the Memorandum or Articles for the purposes of this article or (with the consent of the Regulator) to any other Asset Locked Body; and
 - (b) the transfer of assets made for the benefit of the community other than by way of a transfer of assets to an Asset Locked Body.
- (3) The condition is that the transfer of assets must comply with any restrictions on the transfer of assets for less than full consideration which may be set out elsewhere in the Memorandum or the Articles.
- (4) If:
 - (a) the Company is wound up under the Insolvency Act 1986; and
 - (b) all its liabilities have been satisfied,then any residual assets shall be given or transferred to the specified Asset Locked Body specified in the Memorandum and Articles for the purposes of this article.
- (5) For the purposes of this article, the following Asset Locked Body is specified as a potential recipient of the Company's assets under paragraphs (2) and (4).

Name: Stroud Common Wealth

PART THREE: DIRECTORS' FUNCTIONS

4 DIRECTORS' GENERAL AUTHORITY TO MANAGE THE COMPANY

(1) The Directors' functions are:

- (a) to manage the Company's business; and
- (b) to exercise all the powers of the Company for any purpose connected with the Company's business.

(2) The Directors may delegate their functions in accordance with the Articles.

5 LIMITS ON DIRECTORS' FUNCTIONS

(1) The Members may, by special resolution:

- (a) alter the scope of the Directors' functions; or
- (b) require the Directors to act in a specified manner.

(2) No special resolution passed under paragraph (2) shall have retrospective effect.

6 DIRECTORS' GENERAL AUTHORITY TO DELEGATE FUNCTIONS

(1) Subject to the Articles, the Directors may delegate any of their functions to any person they think fit.

(2) The Directors must not delegate to any person who is not a Director any decision connected with:

- (a) the taking of decisions by Directors; or
- (b) the appointment of a Director or the termination of a Director's appointment.

(3) Any delegation under paragraph (1) may authorise further delegation of the Directors' functions by any person to whom they are delegated.

7 COMMITTEES OF DIRECTORS

(1) Two or more Directors are a "committee" if the Directors have:

- (a) delegated any of the Directors' functions to them; and
- (b) indicated that they should act together in relation to that function.

(2) The provisions of the Articles about how the Directors take decisions shall apply, as far as possible, to the taking of decisions by committees.

2 PART FOUR: DECISION-MAKING BY DIRECTORS

8 SCOPE OF RULES

- (1) References in the Articles to decisions of Directors are to decisions of Directors which are connected with their functions.
- (2) Except where the Articles expressly provide otherwise, provisions of the Articles about how the Directors take decisions do not apply:
 - (a) when the Company only has one Director; or
 - (b) to decisions delegated to a single Director.

9 DIRECTORS TO TAKE DECISIONS COLLECTIVELY

Where possible decisions will be taken by seeking consensus and hearing all directors' views. By consensus is meant a situation where all members participating in the meeting are in agreement on an issue, or where those not in agreement agree not to maintain an objection. In the event of consensus not being possible the matter shall be decided by a majority of votes, each board member participating in the meeting having the right to one vote.

A decision has been made if

- (a) every Director has been made aware of a matter to be decided by the Directors;
- (b) all the Directors who indicate that they wish to discuss or vote on the matter have had a reasonable opportunity to communicate their views on it to each other; and
- (c) All of those Directors agree to a particular conclusion on that matter at a meeting of Directors.

If not possible then

Any decision which the Directors take must be either a unanimous decision or a majority decision.

10 UNANIMOUS DECISIONS

- (1) The Directors take a unanimous decision when they all indicate to each other that they share a common view on a matter.
- (2) A unanimous decision need not be taken at a meeting of Directors, or involve any discussion between Directors.

11 MAJORITY DECISIONS

- (1) The Directors take a majority decision if:
 - (a) every Director has been made aware of a matter to be decided by the Directors;
 - (b) all the Directors who indicate that they wish to discuss or vote on the matter have had a reasonable opportunity to communicate their views on it to each other; and
 - (c) a majority of those Directors vote in favour of a particular conclusion on that matter at a meeting of Directors.
- (2) Paragraph (1)(a) does not require communication with any Director with whom it is not practicable to communicate, having regard to the urgency and importance of the matter to be decided.
- (3) If at least 2 directors or 10 members want a decision to be taken by the whole membership, a discussion and vote will be arranged by directors for all members.

12 MEETINGS OF DIRECTORS

- (1) Any Director may call a meeting of Directors.
- (2) Every Director must be given 5 clear days notice of a meeting of Directors, in writing or by electronic means.
- (3) Paragraph (2) does not require notice to be given:
 - (a) to Directors to whom it is not practicable to give notice, having regard to the urgency and importance of the matters to be decided, or who have waived their entitlement to notice.
- (4) Directors participating in a meeting of Directors:
 - (a) must participate at the same time, but may be in different places; and
 - (b) may communicate with each other by any means.
- (c) If a decision cannot be taken by consensus then
- (5) Subject to article 9, questions arising at a meeting of Directors shall be decided by a majority of votes: in the case of an equality of votes, the Chair shall have a second or casting vote.
- (6) A Director may appoint an alternate director to attend and vote on his/her behalf at meetings of the Directors, provided that an alternate directors does not attend more than two Directors meetings in any one year in his/her capacity as alternate director. The provisions of this sub-

article shall not preclude a Director receiving notice of and attending a Directors meeting in his/her capacity as a director of the Company and a Director who is an alternate director shall be entitled in the absence of his/her appointer to a separate vote on behalf of his/her appointer in addition to his/her own vote.

- (7) Except as provided by paragraphs (5) and (6), in all proceedings of Directors each Director must not have more than one vote.

13 CONFLICTS OF INTEREST

- (1) In this article, a “relevant interest” is:

- (a) any interest which a Director has in; or
- (b) any duty which a Director owes to a person other than the Company in respect of, an actual or proposed transaction or arrangement with the Company.

- (2) For the purposes of paragraph (1)(a), a Director shall be deemed to have an interest in a transaction or arrangement if:

- (a) the Director or any partner or other close relative of the Director has an actual or potential financial interest in that transaction or arrangement;
- (b) any person specified in paragraph (2)(a) is a partner in a firm or limited partnership, or a director of or a substantial shareholder in any Company, which has an actual or potential commercial interest in that transaction or arrangement; or
- (c) any other person who is deemed to be connected with that Director for the purposes of section 317 of the 1985 Act has a personal interest in that transaction or arrangement.

- (3) Subject to paragraph (8)(b), a Director who has a relevant interest must disclose the nature and extent of that interest to the other Directors in writing or by electronic means.

- (4) Subject to paragraphs (5) and (6), when the Directors take a majority decision on any matter relating to a transaction or arrangement in which a Director has a relevant interest:

- (a) no Director who has such a relevant interest may vote on that matter; and
- (b) for the purposes of determining whether a relevant quorum is present, or whether a majority decision has been taken in relation to that matter, such a Director’s participation in the decision-making process shall be ignored.

- (5) Paragraph (4) does not apply:

- (a) if the Director’s interest cannot reasonably be regarded as giving rise to any real possibility of a conflict between the interests of the Director and the Company; or

- (b) if the Director's interest only arises because the Director has given, or has been given, a guarantee, security or indemnity in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries.
- (6) The Members may by ordinary resolution decide to disapply paragraph (4), either in relation to majority decisions generally or in relation to a particular decision.
- (7) Subject to the Companies Acts, if a Director complies with paragraph (3):
 - (a) that Director:
 - (i) may be a party to, or otherwise interested in, the transaction or arrangement in which that Director has a relevant interest; and
 - (ii) shall not, by reason of being a Director, be accountable to the Company for any benefit derived from that transaction or arrangement; and
 - (b) the transaction or arrangement in which that Director has a relevant interest shall not be liable to be treated as void as a result of that interest.
- (8) For the purposes of paragraph (3):
 - (a) a general notice given to the Directors that a Director is to be regarded as having a specified interest in any transaction or arrangement shall be deemed to be a disclosure that the Director has an interest in any such transaction or arrangement of the nature and extent so specified; and
 - (b) any interest of which a Director has no knowledge, and could not reasonably be expected to have knowledge, shall be disregarded.

14 RECORDS TO BE KEPT

- (1) The Directors are responsible for ensuring that the Company keeps a record in writing, of:
 - (a) Every consensus unanimous or majority decision taken by the Directors; and
 - (b) every declaration by a Director of an interest in an actual or proposed transaction with the Company.
- (2) Any record kept under paragraph (1) must be kept:
 - (a) for at least ten years from the date of the decision or declaration recorded in it;
 - (b) together with other such records; and
 - (c) in such a way that it is easy to distinguish such records from the Company's other records.

15 SPECIFIED NUMBER OF DIRECTORS FOR MAJORITY DECISIONS

(1) Subject to paragraph (2), no majority decision shall be taken at a meeting of Directors unless at least half of them participate in the meeting and are entitled to vote on the matter on which a majority decision is to be taken.

(2) If the Company has one or more Directors but the total number of Directors is less than the relevant quorum, a meeting of Directors may take a majority decision :

(a) to appoint further directors: or

16(b) that will enable the Members to appoint further Directors. CHAIRING OF MEETINGS OF DIRECTORS

(1) The Directors shall choose one of their number to chair their meetings. Each Director shall be appointed at the beginning of each Directors' meeting and the position of chair shall rotate amongst Directors in alphabetical order of their surname. The Chair of the Directors meetings shall also act as a chair of General Meetings.

(2) If the person appointed under paragraph (1) is for any reason unable or unwilling to chair a particular meeting, the Directors shall appoint another Director to chair that process.

(3) A Director appointed under this article shall be known as the Chair for as long as such appointment lasts. This will be for the duration of one meeting (of directors or members), and the chair will rotate amongst board members by alphabetical order of their surname.

17 DIRECTORS' DISCRETION TO MAKE FURTHER RULES

(1) Subject to the Articles, the Directors may make any rule which they think fit about how they take decisions.

(2) The Directors must ensure that any rule they make about how they take decisions is communicated to all persons who are Directors while that rule remains in force.

18 DEFECT IN APPOINTMENT

(1) This article applies if:

(a) a decision is taken by the Directors, or a committee of the Directors, or a person acting as a Director; and

(b) it is subsequently discovered that a person who, acting as a Director, took, or participated in taking, that decision:

(i) was not validly appointed as a Director;

(ii) had ceased to hold office as a Director at the time of the decision;

- (iii) was not entitled to take that decision; or
- (iv) should, in consequence of a conflict of interests, not have voted in the process by which that decision was taken.

(2) Where this article applies:

- (a) the discovery of any defect of the kind specified in paragraph (1)(b) shall not invalidate any decision which has been taken by, or with the participation of, the person in relation to whom that defect existed; and
- (b) any such decision shall be as valid as if no such defect existed in relation to any person who took it or participated in taking it.

PART FIVE: DIRECTORS' APPOINTMENT AND TERMS OF SERVICE

19 MINIMUM NUMBER OF DIRECTORS

The number of Directors shall not be less than [four] and not more than 12

20 ELIGIBILITY TO BE A DIRECTOR

(1) A person shall not be a Director unless that person:

- (a) is a Member and (if that person is an individual) is willing to serve as a Director and has attained the age of 18 years; and
- (b) is elected or appointed as a Director in accordance with the Articles.

(2) No person shall be elected or appointed as a Director in circumstances which, if that person had already been a Director, would have resulted in that person ceasing to be a Director under the Articles.

21 METHODS OF APPOINTING DIRECTORS

(1) The first Directors shall be the persons named in the Form 10 upon incorporation.

(2) One director will be appointed from the paid staff team.

(3) Thereafter, Directors may be appointed:

by ordinary resolution of the Members, each member holding one vote only on the proposal of Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles as the maximum number of Directors and that

- (a) no more than half of the number of directors at any one time are consumer members
 - (b) no more than half of the number of Directors at any one time are producer members.
- People who hold both types of membership may only be elected as producer members.
The Company shall adopt procedures to ensure that the Company has an equal number of Directors appointed from each of the categories in paragraph 2.

- (4) No powers to appoint Directors may be given to persons who are not Members which immediately after their exercise could result in the majority of the Directors having been appointed by persons who are not Members.

22 ELECTION OF DIRECTORS AT GENERAL MEETINGS

- (1) A person who wishes to be considered for election or re-election as a Director at a general meeting shall give notice to the Secretary at least twenty clear days before the date appointed for the meeting.
- (2) At least ten but not more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person who is eligible for election or re-election as Director and has given notice under paragraph (1) (each such person being, for the purposes of this article, a “candidate”).
- (3) Every notice given under paragraphs (1) and (2) shall state those particulars which would be required to be included in the Company’s register of Directors if the person to which the notice relates were to be elected a Director.
- (4) Subject to paragraph (5), the question whether each such person is to be elected as a Director shall be decided by a separate ordinary resolution of the Members at the general meeting.
- (5) If fewer than the minimum number of Directors are elected at a general meeting, or if directors resign or retire before an AGM making the board too small, or if the board has uneven numbers of producer and consumer members, the Directors shall appoint further Directors to fill any vacancy and retain a board of half producers and half consumers. Those board members not appointed by a general meeting must stand for election or resign at the next AGM.

23 TERMINATION OF DIRECTORS’ APPOINTMENT

- (1) A person shall cease to be a Director if:
 - (a) that person ceases to be a Member;
 - (b) that person ceases to be a Director by virtue of any provision of the Companies Acts or is prohibited by law from being a Director;

- (c) any notice to the Company that that person is resigning or retiring from office as Director takes effect (except that where such resignation or retirement would otherwise lead to the Company having fewer than two Directors, it shall not take effect until sufficient replacement Directors have been appointed);
- (d) the Members pass an ordinary resolution removing that person from office;
- (e) a contract under which that person is appointed as a Director of, or personally performs services for, the Company or any of its subsidiaries terminates, and the Directors decide that that person should cease to be a Director;
- (f) the Directors decide, at a meeting of Directors, that that person should be removed from office, but such a decision shall not be taken unless the person in question has been given:
 - (i) at least fourteen clear days' notice in writing of the proposal to remove that person from office, specifying the circumstances alleged to justify removal from office; and
 - (ii) a reasonable opportunity of being heard by, or of making representations in writing to, the Directors.
- (iii) Directors may only remove a maximum of two people from the board in a 12 month period without referring the matter to a General Meeting.

No powers to remove directors may be given to persons who are not Members which immediately after their exercise could result in either:

A) the majority of the remaining directors having been appointed by persons who are not members : or

B) the number of directors removed during the financial year of the company by persons who are not members exceeding the number of the remaining directors

But this shall not prevent a director from appointing or subsequently removing an alternate director if permitted to do so by the articles.

(g)

24 DIRECTORS' REMUNERATION AND OTHER TERMS OF SERVICE

- (1) Subject to the Companies Acts, and the Articles, the Company satisfying the community interest test, and any resolution passed under paragraph (2), the Members may decide the terms (including as to remuneration) on which a Director is to perform Directors' functions, or otherwise perform any service for the Company or any of its subsidiaries. Directors may not set rates of pay for themselves, this must be done by members and pay will not exceed a reasonable going rate for the work performed.

- (2) The Members may by ordinary resolution limit or otherwise specify the remuneration to which any Director may be entitled, either generally or in particular cases.

25 DIRECTORS' EXPENSES

The Company may meet all reasonable expenses which the Directors properly incur in connection with:

- (a) the exercise of their functions; or
- (b) the performance of any other duty which they owe to, or service which they perform for, the Company or any of its subsidiaries.
- (c) The members will set the policy defining what 'reasonable' expenses include .

PART SIX: MEMBERS

26 APPOINTMENT OF MEMBERS

- (1) The subscribers to the Memorandum are the first Members of the Company.
- (2) Such other persons as agree to become Members of the Company, whose names are entered in the register of Members, and who are admitted to membership in accordance with the Articles, shall be Members of the Company.
- (3) No person shall be admitted as a Member of the Company unless he, she or it is approved by the Directors.
- (4) Every person who wishes to become a Member shall execute and deliver to the Company an application for membership in such form (and containing such information) as the Directors require.
- (5) There will be two types of membership, producer members and consumer members. One person may hold both types of membership but will only hold one vote.

27 TRANSFER AND TERMINATION OF MEMBERSHIP

- (1) Membership is not transferable to anyone else.
- (2) Membership is terminated if:
 - (a) the Member dies or ceases to exist;
 - (b) the Members pass an ordinary resolution expelling the Member; or
- (b)

- (c) (c) the member has not adhered the terms of their written membership agreement
 - (d) (d) otherwise in accordance with the Articles.
- (3) No resolution shall be passed under paragraph (2) unless the Member has been given:
- (a) at least fourteen clear days' notice in writing that it is proposed to expel him, her or it, specifying the circumstances alleged to justify expulsion; and
 - (b) a reasonable opportunity of being heard by or of making written representations to the Members passing the ordinary resolution.

PART SEVEN: GENERAL MEETINGS (MEETINGS OF MEMBERS)

28 GENERAL MEETINGS

- (1) The Directors may decide to call a general meeting at any time.
- (2) The Directors shall call a general meeting on receiving a requisition to that effect in accordance with the Companies Acts.

29 NOTICE

- (1) Notice of general meetings shall be given to every Member, the Directors and the Company's auditors (if any).
- (2) All general meetings shall be called by at least 14 clear days' notice in writing or by electronic means.
- (3) Every notice calling a general meeting shall specify:
 - (a) the place, date and time of the meeting; and
 - (b) the general nature of the business to be transacted.
- (4) If a special resolution is to be proposed, the notice shall contain a statement to that effect and set out the text of the special resolution.

30 QUORUM

- (1) No business shall be transacted at any meeting unless a quorum is present.
- (2) The quorum for a general meeting shall be **[10]** persons present who are entitled to vote on the business to be transacted, each person being a Member, a proxy for a Member or a duly appointed representative of a corporate Member.

- (3) If a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall stand adjourned for a minimum of seven days until such time as the Directors determine.

31 CONDUCT OF BUSINESS – GENERAL

- (1) The Chair shall preside as chair of the general meeting. In the Chair's absence, the Members shall appoint some other Director, or (if no Director willing to preside is present) Member to preside.
- (2) The chair:
 - (a) may adjourn the meeting from time to time and from place to place, with the consent of a meeting at which a quorum is present; and
 - (b) shall do so if so directed by the meeting or in accordance with the Articles.
- (3) No business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place.
- (4) When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- (5) Except as required by law, all decisions of the Members at a general meeting shall be made by ordinary resolution.

32 VOTING PROCEDURES

- (1) Every Member who is an individual present in person or by proxy, and every corporate Member present by proxy or by its duly authorised representative, shall have one vote.
- (2) Members' votes will be weighted so that half the votes are held by producer members and half by consumer members. (For example if 100 consumer members vote and 20 producer members, each producer vote will score 5 points and each consumer vote will score 1 point). Votes will be weighted in this fashion for any matter except election of directors, where every vote scores one point.
- (3) Where one person is both a consumer and a producer member, they will hold one vote, scored as a producer.
- (4) A person who is not a Member shall not have any right to vote at a general meeting of the Company (except as the proxy or (in the case of a corporate Member) duly authorised representative of a Member).

(5) Paragraphs (1) and (5) are without prejudice to any right to vote on a resolution affecting the rights attached to a class of the Company's debentures.

(6) A declaration by the chair that a resolution has been:

- (a) carried;
- (b) carried unanimously, or by a particular majority;
- (c) lost; or
- (d) agreed by consensus
- (e) not carried by a particular majority, and

an entry to that effect in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

(7) The proceedings at any general meeting shall not be invalidated by reason of any accidental informality or irregularity (including with regard to the giving of notice) or any want of qualification in any of the persons present or voting.

(8) No objection shall be raised to the qualification of any voter except at the general meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chair whose decision shall be final and binding.

33 MINUTES

(1) The Directors shall cause minutes to be made and kept in writing of all proceedings at general meetings of the Company.

(2) Any such minute, if signed by the chair of the meeting, or by the chair of the next succeeding general meeting, shall be sufficient evidence of the proceedings.

PART EIGHT: MISCELLANEOUS

34 COMPANY SECRETARY

(1) Subject to the provisions of the Companies Acts, the Directors shall appoint an individual to act as Company Secretary for such term and at such remuneration and upon such other conditions as they may think fit.

(2) The Directors may decide to remove a person from the office of Secretary at any time.

35 COMPANY SEAL

(1) This article applies if the Company has a seal (the “common seal”).

(2) The common seal shall only be applied to a document if its use on that document has been authorised by a decision of the Directors.

(3) If the common seal is applied to a document, the document shall be:

- (a) signed by an authorised person; and
- (b) countersigned by another authorised person.

(4) For the purposes of this article, an authorised person is:

- (a) any Director;
- (b) the Secretary; or
- (c) any person authorised by the Directors for the purpose of signing and countersigning documents to which the common seal is applied.

36 ACCOUNTS AND REPORTS

(1) The Directors shall comply with the requirements of the Companies Acts and any other applicable law as to keeping financial records, the audit or examinations of accounts and the preparation and transmission to the Registrar of Companies of annual reports and accounts.

(2) Subject to paragraph (3), the Company’s statutory books and accounting records shall be open to inspection by the Members during usual business hours.

(3) The Company may in general meeting impose reasonable restrictions as to the time at which and the manner in which the statutory books and accounting records of the Company may be inspected by Members.

37 NOTICES

(1) Except where the Articles provide otherwise, any notice to be given to or by any person under the Articles shall be in writing to an address for the time being notified for that purpose to the person giving the notice.

(2) The Company may give any notice to any person under the Articles:

- (a) in person;

- (b) by sending it by post in a prepaid envelope addressed to that person at that person's registered address, or by leaving it at that address;
 - (c) by fax or by electronic communication to an address provided for that purpose; or
 - (d) by posting it on a website, where the recipient has been notified of such posting in a manner agreed by that person.
- (3) A person present at any meeting shall be deemed to have received notice of the meeting and, where requisite, of the purpose for which it was called.
- (4) Proof that:
- (a) an envelope containing a notice was properly addressed, prepaid and posted; or
 - (b) that an electronic communication or fax has been transmitted to the correct address or number,
- shall be conclusive evidence that the notice was given.
- (5) A notice shall, unless the contrary is proved, be deemed to be given:
- (a) at the expiration of 48 hours after the envelope containing it was posted; or
 - (b) in the case of a notice contained in an electronic communication or fax, at the expiration of 48 hours after the time it was transmitted.

38 INDEMNITY

- (1) Subject to the Companies Acts, a Director shall be indemnified out of the Company's assets against any expenses which that Director incurs:
- (a) in defending civil proceedings in relation to the affairs of the Company (unless judgement is given against the Director and the judgement is final);
 - (b) in defending criminal proceedings in relation to the affairs of the Company (unless the Director is convicted and the conviction is final);
 - (c) in connection with any application for relief from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company (unless the Court refused to grant the Director relief, and the refusal is final).
- (2) Judgement, conviction or refusal of relief becomes final if the period for bringing an appeal or any further appeal has ended and any appeal brought is determined, abandoned or otherwise ceases to have effect.

(3) This article is without prejudice to any other indemnity to which a Director may be entitled.

39 ALTERATION OF THIS DOCUMENT :

This document may only be altered by a meeting of members where votes or abstentions are received from at least 50% of members, who are present or send email, proxy or postal votes, or by a board meeting where no more than one person is opposed to the alterations.

Appendix B – Memorandum and Articles for Stroud Community Agriculture Ltd

Rules of

Stroud Community Agriculture Ltd

(Registered under the Industrial and Provident Societies Acts 1965-1978)

NAME

1. The name of the Society (referred to in these Rules as "the Co-operative") shall be
Stroud Community Agriculture Ltd.

OBJECTS

2. The objects of the Co-operative shall be to carry on any trade, business or service as principals or agents which may seem to the Co-operative to be conducive to its interests generally, and to the interests of the community the co-operative is established to serve.

POWERS

3. The Co-operative shall have power to do all things necessary or expedient for the fulfilment of its objects and in particular:
 - (a) to establish and contribute to pension or superannuation schemes for any persons who are or have been employed by the Co-operative and their dependants;
 - (b) to make gifts to ex-employees of the Co-operative or their dependants in cases of hardship;
 - (c) to make gifts and donations for social or charitable purposes.

REGISTERED OFFICE

4. The Registered Office of the Co-operative shall be at:
Stroud Social Enterprise Centre, 48c High Street, Stroud, GL5 1AN.

MEMBERSHIP

5. The Committee may admit to membership any person or corporate body, or the nominee of any unincorporated organisation or firm, who or which is living, working or active within the community served by the Co-operative, and who or which has agreed to pay to the Co-operative any subscription or other sum due in respect of membership.
6. Applications for membership shall be in such form as the Committee may from time to time direct and shall contain an application for at least one share in the Co-operative.
7. The Co-operative shall keep at its registered office a register of members in which the Secretary shall enter the following particulars:
 - (a) the name and address of every member;
 - (b) a statement of the number of shares held by each member and that £1 has been paid, on each share;
 - (c) a statement of other property, whether in loans or otherwise, held by each member;
 - (d) the date on which each member's name was entered in the register as a member and the date on which any member ceased to be a member;

- (e) the names and addresses of the Committee members and officers of the Co-operative, of the offices held by them respectively, and the dates on which they assumed and vacated office.
8. A copy of these Rules and any amendments made to them shall be given free of charge to every member upon admission to membership and shall be provided to any other person on demand and on payment of the statutory fee chargeable for the time being in force.

SHARE CAPITAL

9. (a) The shares of the Co-operative shall be par shares of the nominal value of £1.00. Every member shall hold no less than one share in the Co-operative and no more than the maximum permitted by law.
- (b) Shares shall be withdrawable only in accordance with the provisions of these Rules.
- (c) The Committee shall allot to members upon their admission the shares for which they have applied, and shall allot from time to time any share or shares subsequently applied for. Shares shall normally be paid for in full upon allotment, but the Committee may at its discretion permit a member to defer payment provided that at least one share is paid for in full.
- (d) During any period when the total number of members of the Co-operative exceeds ten the Committee shall seek to ensure that no one member holds more than twenty per cent of the total shares issued by the Co-operative and may direct any member to withdraw shares to maintain this ceiling on individual shareholding.

WITHDRAWAL OF SHARE CAPITAL

10. Subject to clauses (c) and (d) below, shares may be withdrawn by members upon giving thirteen weeks' notice to the Co-operative, provided that:
- (a) All withdrawals shall be paid in the order in which the notices were received by the Co-operative.
- (b) The Committee may waive any notice required for a withdrawal and may direct payment to be made without notice or on such shorter notice as they consider fit.
- (c) Except by consent of the Committee not more than one-tenth of the issued share capital at 1st January in each year, including all sums under notice of withdrawal at that date, shall be withdrawable during the ensuing year.
- (d) The right to withdraw may be suspended by the Committee either wholly or partially and either indefinitely or for a fixed period. The suspension shall extend and apply to all notices of withdrawal which have been received and remain unpaid at the time the resolution suspending the right to withdraw is passed by the Committee. Where the suspension is for a fixed period, such period may be extended from time to time by the Committee.
- (e) During any period when the right of withdrawal has been suspended under clause (d), the shares of a deceased member may, at the discretion of the Committee, be withdrawn by her/his personal representative upon giving such notice as the Committee may require and subject, as regards the amount payable on withdrawal, to such deduction as the Committee may from time to time decide.
- (f) Except where otherwise provided in these Rules, the amount to be paid to a member on withdrawal shall be the amount credited on the share or shares to be withdrawn.
- (g) Any share withdrawn in accordance with this Rule shall be cancelled and, except as provided for in section 57 of the Act, any amount remaining unpaid on such share shall cease to be due to the Co-operative.

LIEN ON SHARES

11. The Co-operative shall have a lien on the shares of a member for any debt due to it by the member and may set off any sum standing to the member's credit including any loan money, interest and dividends in or towards the payment of such debt.

CESSATION OF MEMBERSHIP

12. A member shall cease to be a member if s/he or it:
- (a) ceases to qualify for membership under the provisions of Rule 5; or
 - (b) is wound up or goes into liquidation (if a corporate body) or is the nominee of an unincorporated organisation or firm which is wound up or goes into liquidation; or
 - (c) is the nominee of an unincorporated organisation or firm which removes or replaces her/him as its nominee.
- If a member is required to withdraw from membership under this Rule and the right to withdraw shares has been suspended, then the nominal value of her/his/its share capital shall be converted into loan stock upon such terms as may be agreed between the Committee and the member, provided that such agreement shall require the repayment of the loan within a period not exceeding three years.
13. A member may withdraw from the Co-operative by withdrawing all her/his/its shares in the Co-operative in accordance with Rules 10 and 11. In the event that the right to withdraw has been suspended a member may withdraw by surrendering all her/his/its shares to the Co-operative. Upon such surrender the Committee may at their discretion pay to the withdrawing member any amount not exceeding the nominal value of the shares surrendered.
14. (a) A member may be expelled for conduct prejudicial to the Co-operative by a resolution carried by a majority of at least two-thirds of those members voting at a Special General Meeting of the Co-operative of which due notice has been given, provided that the grounds for expulsion have been specified in the notices calling the meeting and that the member whose expulsion is to be considered shall be given the opportunity to state her/his/its case to the meeting. If on due notice having been served the member fails to attend the meeting the meeting may proceed in the member's absence.
- (b) An expelled member shall be paid the nominal value of shares held by her/him/it at the date of the expulsion or, if at the time there is in force a suspension of the right to withdraw share capital, then the value of the shares shall be converted into loan stock on such terms as may be agreed between the member and the Committee, provided that such agreement shall require the repayment of the loan within a period not exceeding three years.
- (c) No member expelled from membership shall be re-admitted except by a resolution carried by a majority of at least two-thirds of members voting at a General Meeting of which due notice has been given.

GENERAL MEETINGS

15. An Annual General Meeting shall be held within six months of the close of the financial year of the Co-operative, the business of which shall comprise:
- (a) The receipt of the accounts and balance sheet and of the reports of the Committee and auditor (if any);
 - (b) The appointment of an auditor, subject to Rule 54 (b);
 - (c) The election of Committee members (or the announcement of the results of the election if held previously by ballot);
 - (d) The application of profits;
 - (e) The transaction of any other business included in the notice convening the meeting.

16. In addition to the Annual General Meeting, Ordinary General Meetings shall be held at approximately quarterly intervals or at such other level of frequency as may be decided from time to time by the Co-operative in General Meeting.
17. A Special General Meeting shall be convened either upon an order of the Committee or at the request of three members of the Co-operative or ten per cent of the membership, whichever is the greater.
18. A General Meeting shall be convened by at least fourteen days' notice unless all members of the Co-operative agree to hold a General Meeting with shorter notice. Notices of meetings shall either be given to members personally or posted to them at their registered address or alternatively, if so agreed by the Co-operative in General Meeting, notices of General Meetings may be displayed conspicuously at the registered office and in all other places of business of the Co-operative to which members have access. Notices shall specify the time, date and place at which the meeting is to be held and, in the case of an Annual or a Special General Meeting, details of the business which is to be transacted at that meeting. An Annual or a Special General Meeting shall not transact any business other than that specified in the notices calling the meeting.
19. A notice sent by post to a member's registered address shall be deemed to have been duly served forty-eight hours after its posting. The accidental omission to send any notice to or the non-receipt of any notice by any member shall not invalidate the proceedings at the meeting.
20. If the Co-operative has appointed an auditor in accordance with Rule 54 (a) they shall be entitled to attend General Meetings of the Co-operative and to receive all notices of and communications relating to any General Meeting which any member of the Co-operative is entitled to receive. The auditor shall be entitled to be heard at any meeting on any part of the business of the meeting which is of proper concern to an auditor.

PROCEEDINGS AT GENERAL MEETINGS

21. A corporate body which is a member of the Co-operative shall appoint a representative who shall during the continuance of her/his appointment be entitled to exercise in any General Meeting of the Co-operative all such rights and powers as the member organisation would exercise if it were an individual person. The Co-operative shall require such notification of an organisation's appointed representative as the Committee may from time to time decide.
22. No person shall be entitled to vote on any question at a General Meeting other than an individual member of the Co-operative or the duly appointed representative of a corporate body which is a member.
23. Every member shall hold one vote only on each question to be decided. Except where otherwise specified by these Rules or by the Act, questions shall be resolved by a simple majority of votes cast.
24. No business shall be transacted at a General Meeting unless a quorum is present in person. Unless and until otherwise decided by the Co-operative in General Meeting, a quorum shall be one tenth of the members of the Co-operative or five members, whichever is the greater.
25. If within half an hour after the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned until a day between seven and fourteen days after the date set for the original meeting, and all members shall be given such notice as is practicable. If at such an adjourned meeting a quorum is not present within half an hour after the time set for the meeting, then the members present shall constitute a quorum.

26. The Chairperson of the Co-operative shall preside at every General Meeting. In the event of her/his absence or unwillingness to act, the members present shall choose one of their number to be Chairperson of the meeting.
27. The Chairperson may with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for twenty-one days or more, notice of the adjourned meeting shall be given as in the case of the original meeting; otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
28. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a secret ballot is, before or on the declaration of the result of the show of hands, demanded by at least three members present. Unless a secret ballot be so demanded, a declaration by the Chairperson that a resolution has on a show of hands been carried or lost with an entry to that effect in the book containing the minutes of the proceedings of the Co-operative shall be conclusive evidence of the fact without proof of the number or proportions of the votes recorded in favour or against such resolution.
29. If a secret ballot is duly demanded it shall be taken in such a manner as the Chairperson directs, provided that no member shall have more than one vote, and the result of the ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded.
30. The demand for a secret ballot shall not prevent the continuance of a meeting for the transaction of any other business than the question upon which a ballot has been demanded. The demand for a secret ballot may be withdrawn.
31. In the case of an equality of votes, whether on a show of hands or on a ballot, the Chairperson shall not have a second or casting vote and the resolution shall be deemed to be lost.
32. The Co-operative may invite other persons who are not members to attend General Meetings, with or without speaking rights and without voting rights.

AMENDMENTS TO RULES

33. Any of these Rules may be rescinded or amended or a new Rule made by a vote of three quarters of those members of the Co-operative voting at a Special General Meeting of which fourteen clear days' prior notice has been given, such notice to include details of the change(s) to be proposed at that meeting. No amendment of Rules is valid until registered by the Financial Services Authority.

COMMITTEE OF MANAGEMENT

34. The Co-operative shall have a Committee comprising not less than three and not more than fifteen persons. The initial Committee members from incorporation until the first Annual General Meeting shall be appointed by the founder members of the Co-operative.
35. A Committee member shall, subject to Rule 42 below, hold office until the end of the next Annual General Meeting following her/his election. Retiring members shall be eligible for re-election at the Annual General Meeting at which they retire.

36. New Committee members shall be elected in accordance with such procedures as may be adopted by the Co-operative from time to time, provided that only members of the Co-operative and representatives of organisations which are members may stand for election to, or nominate persons to stand for election to the Committee.
37. The Committee may at any time co-opt any member of the Co-operative or the representative of an organisation which is a member to fill a casual vacancy in the Committee, provided that at no time shall more than one-third of the members of the Committee be co-opted members. A casual vacancy shall be deemed to exist if the number of Committee members should drop below the minimum prescribed in these Rules or below the number elected at the preceding Annual General Meeting.
38. In the event that the size of the Committee should drop below the minimum number of members prescribed in these Rules, the members of the Committee may act to increase their number or to call a General Meeting of the Co-operative, but for no other purpose.
39. A Committee member shall declare an interest in any contract or matter in which s/he has a personal material or financial interest, whether directly or indirectly, and shall not vote in respect of such contract or matter except where that interest is shared with a majority of the other members of the Committee.
40. Committee members shall only be entitled to fees or remuneration for services actually rendered to the Co-operative, whether as employees or otherwise.
41. Committee members may be paid all reasonable and proper expenses incurred by them in attending and returning from meetings of the Committee or General Meetings of the Co-operative or in connection with the business of the Co-operative.
42. The office of Committee member shall be immediately vacated if s/he:
 - (a) resigns her/his office in writing to the Co-operative; or
 - (b) ceases to be a member of the Co-operative for any reason whatsoever (or is the representative of a corporate body which ceases to be a member); or
 - (c) is removed from office by a majority vote of the Co-operative at a Special General Meeting, the notices for which specified that the question of the Committee member's removal was to be considered; or
 - (d) in the opinion of a majority of the Committee, fails to declare her/his interest in any contract as referred to in Rule 39; or
 - (e) is absent from three successive meetings of the Committee during a continuous period of twelve months without special leave of absence from the Committee and they decide that s/he has by reason of such absence vacated office; or
 - (f) becomes bankrupt or, in the opinion of a majority of the Committee, incapable on medical or psychological grounds of carrying out the functions of a Committee member.

HONORARY OFFICERS

43. Members of the Committee shall elect a Chairperson, Secretary and Treasurer of the Co-operative from amongst their own number. Any honorary officer so appointed may be removed or replaced by a majority vote of the Committee at any time, or by a majority vote of the members at a Special General Meeting the notices for which specified that the matter was to be raised.

POWERS AND DUTIES OF THE COMMITTEE

44. The business of the Co-operative shall be managed by the Committee who may pay all expenses of the formation of the Co-operative as they think fit and may exercise all such

powers of the Co-operative as may be exercised and done by the Co-operative and as are not by statute or by these Rules required to be exercised or done by the Co-operative in General Meeting, provided that any arrangement involving the disposal or mortgaging or charging (as security for debt) of assets equivalent in value to one-third or more of the total value of the last published balance sheet of the Co-operative must be ratified by a Special General Meeting before such arrangement is entered into.

45. No regulation made by the Co-operative in General Meeting shall invalidate any prior act of the Committee which would have been valid had that regulation not been made.
46. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Co-operative shall be signed, drawn, accepted, endorsed, or otherwise executed in such manner as the Committee shall from time to time direct.
47. Without prejudice to its general powers, the Committee may exercise all the powers of the Co-operative to borrow money and to mortgage or charge its undertaking and property or any part of it and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Co-operative or of any third party.

PROCEEDINGS AT COMMITTEE MEETINGS

48. The Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The Secretary shall at the request of two or more Committee members summon a meeting of the Committee at any reasonable time by giving all Committee members reasonable notice of the date, time and venue for the meeting and the general nature of the business to be considered.
49. The quorum necessary for the transaction of business at a Committee meeting shall be one half of the members of the Committee, provided that no meeting shall be quorate if one half or more of those present are co-opted Committee members.
50. At every Committee meeting the Chairperson of the Co-operative shall preside, but in the event of her/his absence or unwillingness to act the members present shall choose one of their number to be Chairperson of the meeting.
51. The Committee shall cause proper minutes to be made of all the proceedings of the Co-operative, of the Committee and of any sub-committees. All such minutes shall be open to inspection by any member of Committee at all reasonable times.
52. Questions arising at Committee meetings shall be decided by a majority of votes of those present. In the event of a tied vote the Chairperson shall not have a second or casting vote and the resolution shall be deemed to be lost.

BORROWING

53.
 - (a) The Co-operative shall have power to borrow money from its members and others for the purposes of the Co-operative providing that the amount outstanding at any one time shall not exceed £10,000,000.
 - (b) The Co-operative shall have power to mortgage or charge any of its property, including the assets and undertakings of the Co-operative, present and future, and to issue loan stock, debentures and other securities for money borrowed or for the performance of any contracts of the Co-operative or its customers or persons or corporations having dealings with the Co-operative.
 - (c) The rate of interest on money borrowed, except on money borrowed by way of bank loan or overdraft or from a finance house or on mortgage from a Building Society or Local

Authority shall not exceed 6½% per year or 3% above the base lending rate of the Co-operative's bankers at the commencement of the loan, whichever is the higher.

(d) The Co-operative may receive from any persons donations or loans free of interest towards its work but shall not receive money on deposit.

AUDITORS

54. (a) Subject to clause (b) below, the Co-operative shall appoint in each financial year an auditor qualified under section 7 of the Friendly and Industrial and Provident Societies Act 1968 to audit the Co-operative's accounts and balance sheet for the year.
- (b) The Co-operative shall (subject to Rule 54 (c)) be exempt from the obligation to appoint a qualified auditor if during the preceding financial year it met such criteria regarding low levels of income and/or expenditure or other factors as to qualify it for statutory exemption from the need to appoint qualified auditors.
- (c) The members of the Co-operative shall in general meeting vote every year to allow the Co-operative to apply the audit exemption. Such a resolution shall be deemed to have been passed if less than 20 per cent of the total number of votes cast are against the resolution and less than ten per cent of the members of the co-operative cast their votes against the resolution.
- (d) None of the following persons shall be appointed as auditor of the Co-operative:
- an officer or employee of the Co-operative;
 - a person who is a partner or employee of or who employs an officer of the Co-operative.
- (e) The first appointment of an auditor shall be made within three months of the registration of the Co-operative and shall be made by the Committee if no General Meeting is held within that time. The Committee may appoint an auditor to fill a casual vacancy occurring between General Meetings. Except as specified in these cases, every appointment of an auditor shall be made by a resolution of a General Meeting of the Co-operative.
- (f) An auditor for the preceding financial year shall be re-appointed as auditor of the Co-operative for the current financial year unless:
- (i) a resolution has been passed at a General Meeting appointing someone else as auditor or providing expressly that s/he shall not be re-appointed; or
 - (ii) s/he has given notice in writing to the Co-operative of her/his unwillingness to be re-appointed; or
 - (iii) s/he is ineligible for appointment as auditor of the Co-operative for the current financial year; or
 - (iv) s/he has ceased to act as auditor of the Co-operative by reason of incapacity.
- (g) Any resolution of a General Meeting of the Co-operative either to remove an auditor from office or to appoint another person as auditor shall not be effective unless notice of the proposed resolution has been given to the Co-operative at least twenty-eight days prior to the meeting at which the resolution is to be considered. At least fourteen days' notice of such resolution must then be given to members of the Co-operative in the manner prescribed in Rule 18 and in writing to the auditors.

ANNUAL RETURN

55. Every year and within the period prescribed by statute, the Secretary shall send to the Financial Services Authority the annual return, in the form prescribed by the Financial Services Authority, relating to its affairs for the period required by the Act to be included in the return together with:
- (a) a copy of the report of the auditor on the Co-operative's accounts for the period included in the return or a copy of such other report (if any) as is required by statute for such period, and;

- (b) a copy of each balance sheet made during that period and of the report (if any) of the auditor or other appropriate person as required by statute on that balance sheet.
56. The Co-operative shall on demand supply free of charge to any member, or to any person with an interest in the funds of the Co-operative, a copy of the latest annual return together with a copy of the auditor's report on the accounts and balance sheet contained in the return.
57. The Co-operative shall at all times keep a copy of the latest balance sheet of the Co-operative together with a copy of the corresponding auditor's report hung up in a conspicuous place at the registered office.

PROCEEDINGS ON DEATH OR BANKRUPTCY OF A MEMBER

58. (a) Upon a claim being made by the personal representative of a deceased member or the trustee in bankruptcy of a bankrupt member to any property in the Co-operative belonging to the deceased or bankrupt member, the Co-operative shall transfer or pay such property to which the personal representative or trustee in bankruptcy has become entitled as the personal representative or trustee in bankruptcy may direct them.
- (b) A member may in accordance with the Act nominate any individual or individuals to whom any of her/his property in the Co-operative at the time of her/his death shall be transferred, but such nomination shall only be valid to the extent of the amount for the time being allowed in the Act. On receiving a satisfactory proof of death of a member who has made a nomination the Co-operative shall, in accordance with the Act, either transfer or pay the full value of the property comprised in the nomination to the person entitled thereunder.

APPLICATION OF PROFITS

59. The profits of the Co-operative shall be applied as follows in such proportions and in such manner as may be decided by the Co-operative at the Annual General Meeting:
- (a) first, to a general reserve for the continuation and development of the Co-operative;
 - (b) secondly, in paying dividends on issued share capital at a rate not exceeding 10 per cent;
 - (c) thirdly, in making payments for social or charitable purposes within the community served by the Co-operative.

SEAL

60. The Co-operative shall have a seal kept in the custody of the Secretary and used only by the authority of the Committee. Sealing shall be attested by the signature of two Committee members or of one Committee member and the Secretary for the time being.

INVESTMENT OF FUNDS

61. The Co-operative may invest any part of its funds in the manner set out in Section 31 of the Industrial and Provident Societies Act 1965.

REGULATIONS

62. The Co-operative in General Meeting or the Committee may from time to time make, adopt and amend such regulations in the form of bye-laws, standing orders, secondary rules or otherwise as they may think fit for the management, conduct and regulation of the affairs of the Co-operative and the proceedings and powers of the Committee and sub-committees. No regulation shall be made which is inconsistent with these Rules or the Act. All members of the Co-operative and the Committee shall be bound by such regulations whether or not they have received a copy of them.

DISSOLUTION

63. The Co-operative may be dissolved by the consent of three quarters of the members by their signatures to an instrument of dissolution, or by winding up in a manner provided by the Act. If on the winding up or dissolution of the Co-operative any of its assets remain to be disposed of after its liabilities are satisfied and the repayment at par value of share capital and any loan stock held by members and former members and any dividends due to members, these assets shall not be distributed among the members, but shall be transferred instead to some other non-profit, co-operative or charitable body or bodies subject to at least the same degree of restriction on the distribution of surpluses and assets as is imposed on this Co-operative by virtue of these Rules, as may be decided by the members at the time of or prior to the dissolution.

DISPUTES

64. In the event of a dispute between the Co-operative or its Committee and a member of the Co-operative or a former member, such dispute shall be referred to an independent arbitrator whose appointment is acceptable to both parties to the dispute. The decision of such an arbitrator shall be binding. In the event that a dispute cannot, for whatever reason, be concluded by reference to an arbitrator, the matter may be referred to the County Court (or in Scotland, to the Sheriff).

INTERPRETATIONS

65. In these Rules, "the Act" refers to the Industrial & Provident Societies Acts 1965 to 1978 or any Act or Acts amending or in substitution for them for the time being in force.

Signatures of Founder Members

1. Mark Ashley Harrison
 2. Jade Lisa Balford
 3. Bernard Elwin Jaryan

Full Names in BLOCK CAPITALS (no initials)

MARK ASHLEY HARRISON
 JADE LISA BALFORD
 BERNARD ELMWIN JARYAN
 MARK ASHLEY HARRISON

Secretary: Mark Ashley Harrison- CO-OPERATIVES^{UK} 1996 (amended 2002) -

Appendix C – sample agreement between a community group and a landowner

Community Farm agreement

Agreement made between:

{Landowners name} and {name} Farm Community

Date:

Purpose

1. *The purpose of this agreement is to make it clear what we are both giving and getting. It says who is responsible for what. It says what we are aiming for. We hope the agreement will support a partnership based on co-operation, trust and goodwill.*
2. *This agreement is secure for three years. It will be reviewed every year.*

Definitions

3. *{name}: The legal structure to be known as {name}*
4. *{landowners name}: The land owners of {name} Farm*

Overview

5. *Land covered by the agreement: (Annex A)*
6. *Resources covered by the agreement (Annex B)*

Finances

7. *Details of rent are covered in Annex C*

Mediation

8. *Disputes will be mediated through the process shown in Annex D*

ANNEX A

Land	Responsibilities of {name}	Responsibilities of {name}
Grassland	Be clear about how much land is offered and where it is	
	Charge rent at the agreed rate (see Annex C)	Pay the agreed rent on the land by the agreed date (see Annex C)
	Provide access to the land	Use the land to grow vegetables and raise livestock to organic standards
	Agree a rotation plan so that the exact area of land being used by SSFC might change as part of the rotation	Agree a rotation plan so that the exact area of land being used by SSFC might change as part of the rotation
Woodland	Be clear about how much land is offered and where it is	
	Charge rent at the agreed rate (see Annex C)	Pay the agreed rent on the land (see Annex C)
	Provide access to the woodland and specify how SSFC members can use the woodland	Use the woodland responsibly
Projects and activities	To consult with SSFC before running projects and activities	To give access to the land for projects and other activities
	To only allow projects that have nominal impact on the productivity of the land – Except with agreement of SSFC	

ANNEX B

Resources	Responsibilities of {name}	Responsibilities of {name}
Specific details of <ul style="list-style-type: none"> - farm machinery - livestock - polytunnels - buildings 	Specify details of what is offered. Be open to the possibility of SSFC buying some or all of these things in the future	Maintain all these things to a high standard Pay an agreed rent (see Annex D) based on the understanding that ownership of these things remains with Paul/Sarah. Work towards raising the money to buy these things.

ANNEX C

Finances

Grassland/veg. land rent: £? per year per acre payable on ?date

Woodland rent: £? per year per acre payable on ?date

Live and dead stock rent: £? per year per acre payable on ?date

ANNEX D

Mediation

Appendix D – Vision statement for Stroud Community Agriculture

SCA provides a link between people and farming. It does this by providing an opportunity for people to support and benefit from farm projects in various ways;

- by paying towards the costs of running farm projects,
- by receiving a share of the freshly harvested, organic and biodynamic produce
- by volunteering time to help with farm work and other work linked to the running of SCA,
- by setting up and attending events linked to the farm,
- or just by being interested in SCA.

SCA aims to provide as many people as possible in the Stroud area with opportunities to make these direct links with farming and food.

SCA aims to;

- Pay the people who work on the farm a fair wage
- Develop a rich variety of crops, livestock and other projects that meet the needs of the farm and the people who support the farm
- Provide opportunities for as many people as possible to make connections to the farm in whatever ways work for them.
- Manage the farm in a way that is sensitive to the environment, wildlife and ecological system that the farm is part of
- Encourage other, similar projects to set up

Appendix E – Vision statement for Stroudco Food Hub

Stroudco food hub is a not-for-profit, democratic social enterprise. It provides local people with a new way of linking with local producers to buy good food and drink at prices that are fair for both consumers and producers. It also makes a meaningful connection between consumers and farms and other local places producing food and drink. This connection provides everyone involved with control, understanding, awareness, education, social links, nourishment and fun.

Aims

In providing local produce to local people, Stroudco food hub aims to:

- Increase access to and availability of local products for all
- Work towards environmental benefit and reduce use of fossil fuels
- Reduce food miles
- Support farms which practice good animal welfare
- Increase social, environmental and economic sustainability
- Enable community building and develop food culture
- Strengthen local capacity in the Stroud area
- Provide practical experience and learning for members, including farm experience
- Enable people to understand how food is produced and supplied
- Encourage sharing and co-operation - and consensus seeking
- Enable people to work together democratically to be responsible for and participate in their food system
- Reduce trading through global companies by providing a local alternative
- Increase understanding of and support for the local economy and build supportive links between producers and consumers
- Co-operate with similar enterprises
- Be transparent in all its affairs
- Work on fair terms and fair prices for consumers and producers
- Provide experiences that will enable new ways of thinking, new knowledge, new skills and new ways of working for all participants.
- Enable a more capable community.

Appendix F - Business Planning Template

Business plan template

Please think through all the questions below. There are a lot of questions here. You might want to divide the sections up with 2-3 of you working on each section. However section one probably needs all of you involved.

Make some notes on each point. Also note down any questions you have. Please send me your notes and questions to nick.weir@localfood.org.uk as far in advance of our meeting as possible to give me time to respond and plan how we can work towards finalising the business plan.

Thanks

Nick

Tel: 01453 840037

1 : Basic Information

- a) Name of the organisation.
- b) A description of where the idea to set up the group came from, the identity of the founders, a summary of the business model, and why its founders believe it will work.
- c) What stage are you up to?
- d) What is the organisation for? What is your 'mission statement'?
- e) What do you hope to achieve? What is your vision?
- f) What are your principles? What is important to you?
- g) What are your objectives? How will you achieve your vision?
- h) What money or other resources do you need?

2 : People Involved

- a) Names, abilities, qualifications, experience of people currently involved and those likely to be involved in the future.
- b) How will your business be managed? What will the management structure be?
- c) Describe the jobs involved in running your business and the skills required. Include written job descriptions for paid staff and volunteers.
- d) Complete the skills audit then consider what training is needed?
- e) What risks are involved in running the business? How will you manage these risks?
- f) How will you involve the members in managing the business? How will you keep them informed?

3 : What you are offering

- a) Describe in detail what you are offering to consumers
- b) What research have you done?
- c) Do you plan to develop your offering in the future? If so how will it change?
- d) How well does your offering fit the market?

4 : Marketing

- a) Consumer households: location, age, spending habits and buying power.
- b) What are the trends in the market?
- c) Who are your target households?
- d) How many consumer households will you need?
- e) Who are your main competitors?
- f) What other businesses could complement your offering?
- g) How will you price the offering? Will you offer shares and/or sell like a shop?
- h) How do your prices compare to your competitors?
- i) How will you prevent or deal with complaints?
- j) The Soil Association website has some useful tips for marketing a CSA. See <http://www.slideshare.net/robg/a-doable-marketing-plan-for-your-csa>

5 : Production / Delivering your service

- a) Land and premises needed, their layout and their suitability for what you are offering
- b) Machinery, equipment, fixtures and tools required. See the Soil Association's 'Capital costs for setting up a new vegetable CSA' at: <http://www.soilassociation.org/LinkClick.aspx?fileticket=dZgO7AcOew4%3d&tabid=204>
- c) Will you work with other local businesses? How will this work?

6 : Legal Issues

- a) Legal status of the business or organisation. What is it now? Does this need to change? If so, how?
- b) Are there any licences, permits or agreements needed?
- c) What are the leases on land and premises?
- d) Ownership of assets.
- e) What agreements does the project have with consumers, landowners and farmers? These need to be in writing and included as an appendix to the plan.

7 : Financial Issues

- a) Prices and basic costs.
- b) Budgets or projections of your costs including labour, materials and overheads
- c) Cash-flow forecasts; When will you break-even? When will you start to be profitable?
- d) How profitable is the business? What will you do with any profits?
- e) Consider tax issues. You may want to consider setting up mutual tax status
- f) Project monthly cash-flow forecasts for the first three years
- g) Project profit-and-loss accounts for the first three years
- h) Produce an opening balance sheet and projected balance sheets for the next two years
- i) How much money will you need - grant, loan or overdraft?

8 : Other Information

- a) Research findings, other information,
- b) CVs of key people involved
- c) Publicity materials or photographs
- d) Land and premises plans/layout

Appendix G – Profit and Loss Account for a Community Supported Agriculture project made up of 190 paying members supporting a 50-acre farming employing 3 full-time-equivalent farmers

Stroud Community Agriculture Limited

**Profit and Loss Account
for the Year Ended 31 December 2008**

	Notes	31.12.08 £	31.12.07 £
TURNOVER		97,648	80,090
Cost of sales		<u>77,567</u>	<u>58,383</u>
GROSS PROFIT		20,081	21,707
Administrative expenses		<u>18,472</u>	<u>17,639</u>
		1,609	4,068
Other operating income		<u>-</u>	<u>4,500</u>
OPERATING PROFIT	2	1,609	8,568
Interest receivable and similar income		<u>355</u>	<u>385</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,964	8,953
Tax on profit on ordinary activities	3	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>1,964</u></u>	<u><u>8,953</u></u>

The notes form part of these financial statements

**Appendix H – Balance sheet for a Community Supported
Agriculture project made up of 190 paying members supporting
a 50-acre farming employing 3 full-time-equivalent farmers.**

Stroud Community Agriculture Limited

**Balance Sheet
31 December 2008**

	Notes	31.12.08		31.12.07	
		£	£	£	£
FIXED ASSETS					
Tangible assets	4		12,430		13,361
CURRENT ASSETS					
Stocks		4,470		5,350	
Debtors	5	335		150	
Cash at bank		14,597		11,333	
		<u>19,402</u>		<u>16,833</u>	
CREDITORS					
Amounts falling due within one year	6	<u>3,917</u>		<u>4,243</u>	
NET CURRENT ASSETS			<u>15,485</u>		<u>12,590</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>27,915</u>		<u>25,951</u>
RESERVES					
Profit and loss account	7		<u>27,915</u>		<u>25,951</u>
			<u>27,915</u>		<u>25,951</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2008.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2008 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

Appendix I – Budget for a Community Supported Agriculture project made up of 190 paying members supporting a 50-acre farming employing 3 full-time-equivalent farmers.

STROUD COMMUNITY AGRICULTURE – BUDGET FOR 2009

2009		Jan – Mar	Apr- June	Jul- Sept	Oct- Dec	Totals
		£	£	£	£	£
INCOME						
All members pay	£2 per month	1200	1200	1300	1300	5000
Veg share members	also pay £33/month	16000	16500	17000	17700	67200
	bursary	250	250	250	250	1000
	other income	550	550	550	550	2200
sales	veg wholesale	0	200	1000	800	2000
	beef	2000	3000	3000	3000	11000
	pork	0	1600	1600	1600	4800
	shop	1700	1700	1800	1800	7000
TOTAL INCOME		21700	25000	26500	27000	100200
OUTFLOWS						
admin	admin farm	-50	-50	-50	-50	-200
	admin SCA	-500	-150	-150	-150	-950
beef	butcher beef	-2200	-1650	-2200	-550	-6600
	sundry	-50	-350	-50	-50	-500
cost of sales	shop	-1300	-1300	-1350	-1350	-5300
	veg	-3000	-3000	-1500	-1500	-9000
employment	admin labour	-350	-350	-350	-350	-1400
	casual					0
	labour farm	-2800	-2800	-2800	-2800	-11200
	labour cow	-940	-470	-470	-940	-2820
	labour pig	-470	-470	-470	-470	-1880
	labour veg	-7200	-10430	-10430	-10430	-38490
	labour totals	13.5 days	17 days	17 days	17 days	

STROUD COMMUNITY AGRICULTURE - BUDGET FOR 2009

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2009		Jan- Mar	Apr- June	Jul- Sept	Oct- Dec	Totals	
		£	£	£	£		£
Farm	certification	0	0	-500	0		-500
	contractors	0	-900	-800	0		-1700
	electricity	-200	-200	-200	-200		-800
	fuel / repair	-500	-500	-500	-500		-2000
	insurance	0	-150	-400	-1300		-1850
	rent	0	-525	0	-1075		-1600
	straw	-800	0	0	-200		-1000
	vet	-300	-300	-300	-300		-1200
	water	0	-300	0	-900		-1200
	sundry	-400	-300	-300	-300		-1300
Pig	butcher pigs	0	-660	-640	-650		-1950
	feed pig	-200	-600	-600	-600		-2000
	sundry	-50	-50	-50	-50		-200
Training	training	0	0	0	0		0
Transport	transport	-600	-600	-600	-600		-2400
Veg	compost	-200	-50	-50	0		-300
	seeds	-1100	-300	-500	-100		-2000
	sundry	-300	-300	-300	-300		-1200
TOTAL OUTFLOW		-23510	-26755	-25560	-25715		- 101540
	TOTAL P/L	-1810	-1755	940	1285		-1340
	RUNNING TOTAL		-3565	-2625	-1340		

Appendix J – Cashflow projection for Stroudco Food Hub.

Annual income

Consumer membership

200 consumers

£24 annual membership fee

Total

£4,800

Producer membership

18 producers

each with this average annual turnover through the food club

£4,000 and giving this percentage of their co-op turnover to be retained by food club

8%

Total

£5,760

Total annual income

£10,560

Average monthly spend per household is

£30.00

Annual costs

Food Hub manager 1.7 days per week at £10 per hour £6,500

ongoing IT & website costs £500

Rental of space (provided free of charge by school) £0

Electricity for fridge and freezer £50

Office costs £200

Marketing £500

Insurance £260

Accountant & bookkeeper £1,308

Depreciation of equipment £200

Waste disposal £63

Total annual costs £9,581

Appendix K – Set up costs for Stroudco Food Hub showing (in red) the option for setting up a hub without external funding

	y1	y2	y3	
CAPITAL				Essential costs
Shed	£5,465			£250
Scales	£250			
Trolleys	£88			
canvas bags	£425			
Freezer	£669			£200
insulated carrier bags, freezer blocks, collapsable boxes	£356			£356
banners, posters, credit union set-up, library books	£465			
computer and wireless printer	£494			
accounting software	£755			
Total capital	£8,967			£806
REVENUE				
CIC set up and annual returns	£35	£15	£15	£65
Manager @ £10 per hour	£6,500	£6,825	£7,166	
recruitment of manager	£500			
Book keeper	£200	£210	£220	
Bursary fund for members on a low income	£41	£6		
Website development and IT support	£3,600	£1,600	£1,600	
Insurance	£268	£281	£295	£844
Accountant	£800	£840	£882	
Staff travel	£30	£20	£20	
Waste disposal	£200	£252	£265	
Advertising	£216	£100	£105	
Leaflet	£800	£500	£0	
Logo	£400	£0	£0	
Electricity	£50	£53	£55	£158
Telephone	£100	£105	£110	£315
Stationery	£200	£100	£105	
Postage	£30	£32	£33	
Social Enterprise Centre membership	£24	£24	£24	
Depreciation of equipment	£204	£214	£225	£143
Contingency	£2,300	£1,100	£1,100	
Total revenue	£16,498	£12,277	£12,220	£1,525
Total capital and revenue	£25,465	£17,714	£17,259	£2,331

Appendix L – Costs and contributions to Stroud Communal Allotment group

Proposed budget for 2010

Shortfall from 2009 £35

Regular expenses for 2010

Strimmer petrol £15

Petrol for manure run £10

seeds and compost materials £151

Additional seed budget £20

Rock dust £13

Rent £37

Enviromesh £18

Contingency £30

sub total **£295**

Special expenses for 2010

Wheelbarrow £35

Eco - creosote £10

sub total **£45**

Total expenses **£375**

Average annual contribution if 7 households pay £54

Average annual contribution if 6 households pay £62