

# Hazelhurst Community Supported Agriculture Share Offer



You are invited to participate in an exciting community enterprise that aims to reconnect Sheffield people with where their food comes from.

Hazelhurst Community Supported Agriculture (CSA) provides an opportunity to help fund a local, not-for-profit organisation. It aims to grow and sell organic vegetables to local communities and businesses and engage with the wider community through events and volunteering opportunities. The CSA is based in the Moss Valley, 4 miles south of Sheffield city centre. The CSA is looking to raise finance to fund its activities by inviting people to purchase shares in the CSA. Shares will not entitle their holder to any dividend, but buying them would help to fund the CSA's activities, and in time a modest return on the shares may be paid in the form of interest.

**Amount sought** £30,000

**Launch Date** 2<sup>nd</sup> February 2012

**Closure Date** 30<sup>th</sup> April 2012

**Minimum investment** £50



Hazelhurst Community Supported Agriculture Ltd is a community benefit society registered with Co-operatives UK, the national trade body for co-operatives (Coop UK No. Haz211375) and is registered as an industrial and provident society under the Industrial and Provident Societies Act 1965 (registered No. 30994R).

## About Hazelhurst CSA

Hazelhurst CSA will provide a direct link between the production and consumption of food. It aims to create a mutually supportive relationship between local growers and the diverse range of local communities. Helping to finance Hazelhurst CSA enables you to be part of creating an economically stable, low-carbon, sustainably managed land that will grow high quality organic produce at competitive prices. Additionally you will be helping to build the resilience of the local economy.

Local people, volunteers and the wider community can gain hands-on experience about how to grow their own organic food, acquire new skills and share their own skills with the project through community activities, courses, volunteering opportunities and events.



## What will Hazelhurst CSA do?

Hazelhurst CSA will rent 5000 square metres of farmland which are part of 12 acres officially 'under conversion' to organic status. Allowing for this conversion period, our produce will be classified as organic from 15th March 2013 and as 'Soil Association organic in conversion' prior to that date. It will:

- **grow quality organic vegetables.** This will be for sale locally at a reasonable price allowing individuals and families on lower incomes to access local organic food;
- **consider running a vegetable box scheme for members.** If we decide to provide vegetable boxes we expect to fill around 25 boxes per week in 2012 building this up to around 40 boxes over the following 5 years;
- **sell to wholesale customers.** Market research suggests that increasingly restaurant chefs, cookery schools, event managers and retail outlets want to source locally-grown fresh organic produce as a selling point for their customers.

Income and expenditure forecasts for Hazelhurst CSA can be found in the Business Plan available at [www.hazelhurst.coop](http://www.hazelhurst.coop). They are based upon local expert advice, market research and a review of similar businesses with direct knowledge of the markets that Hazelhurst will be dealing with. The land has 3 particular advantages from the outset:

- we have been looking after and improving this piece of land for the last 2 years;
- the land is south-facing and has produced very good crops already this year;
- the landlord who also owns the surrounding 12 acres of land is a member of the Co-op and is
- committed to our aims and objectives.

The future aspirations for the CSA include establishing an education programme, running a volunteering programme, hosting events on the land, and other projects suggested and agreed by Hazelhurst CSA membership.

## Why is the CSA seeking to raise capital?

Hazelhurst CSA needs to raise the capital to start this business and ensure it operates successfully in the first few years and to be in a position to develop in line with the ambitions contained in its Business Plan. It aims to raise £30,000 which will be used to pay for start-up costs including the wage of a part-time grower, rent, seeds, insurance, marketing, and equipment.

## The benefits of helping to finance the CSA

By purchasing shares in the CSA you:

- will become a co-owner of a community benefit society;
- will know that your money is assisting a project aspiring to high social and environmental standards;
- may get interest on the shares you purchase if you have held shares for 5 years or more (see 'Nature of the share scheme' on the next page).

## How to purchase shares

Complete the share application form on the last page and send it with your payment to the address given. If you are not already a member please add £1 to cover membership of Hazelhurst CSA.



## Nature of the share scheme

This scheme is not like investing in a for-profit enterprise. Should you choose to purchase shares in the CSA, you should not expect to share in any of the CSA's profits or expect to make any financial gains as a result of increases in the value of your shares. The terms which the Management Committee has approved for the shares are as follows:

1. The value of the shares is £1.
2. The shares can only be bought and held by members of Hazelhurst Community Supported Agriculture Limited who are 16 years of age or over or are a corporate body or firm.
3. No voting rights attach to the shares but you will have voting rights once you become a member.
4. Shares may not be sold or transferred.
5. The minimum purchase of shares is £50 and the maximum is £5,000.
6. Unless extended by the Management Committee, this offer is open from 2nd February 2012 to 30th April 2012.
7. No dividend shall be paid on the shares. Interest not exceeding 2% per annum above clearing bank base rate may be paid on the shares with effect from the fifth anniversary of the date of issue of the shares (but not for any period before that date) subject to the following conditions:
  - 7.1. Any payment of interest must be from trading surpluses and is at the discretion of the Management Committee having regard to the long term interests of Hazelhurst Community Supported Agriculture Limited, the need to maintain prudent reserves and the society's primary commitment to community benefit;
  - 7.2. The Management Committee may, having regard to the principles set out in the preceding sub-paragraph, pay no interest or interest at a rate lower than 2% per annum above clearing bank base rate.
8. The shares are withdrawable (unless the Management Committee determines otherwise) on 180 days' notice with effect from the third anniversary of their date of issue subject to the following conditions:
  - 8.1. Applications to withdraw shares will be made on a form to be approved by the Management Committee. The form will set out the timetable and procedure to be adopted by the Management Committee in deciding whether to permit withdrawals and in deciding where necessary which withdrawals to permit;
  - 8.2. All withdrawals will be at the discretion of the Management Committee having regard to the long term interests of Hazelhurst Community Supported Agriculture Limited, the need to maintain prudent reserves and the society's primary commitment to community benefit;
  - 8.3. The Management Committee will not permit more than 10% of the total value of the shares issued to be redeemed in any financial year.
9. On the solvent dissolution or winding up of Hazelhurst Community Supported Agriculture Limited, holders of the shares will have no financial entitlement beyond payment of outstanding interest approved by the Management Committee and repayment of paid-up share capital.

You should consider this as an opportunity to invest financially in the Sheffield community with the expectation of a social rather than a financial reward.



## **Risk factors for Hazelhurst CSA**

The Management Committee has carefully considered the threats to this project. As a result of this analysis, the primary risk factors identified are:

- a fall in sales as a result of worsening economic factors affecting local income and employment levels;
- increased competition from similar local enterprises (of which there are currently very few);
- loss of productivity due to the effect of sustained adverse weather;
- loss of productivity due to staff changes (as a result of loss of expertise).

Hazelhurst Management Committee will attempt to minimise these and other risks where they are within its control.

## **Caution**

Any trading activity is vulnerable to changing or unanticipated risk. The CSA share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations; this means you have no right of complaint to an ombudsman.

A community benefit society is registered with but not authorised by the Financial Services Authority and therefore the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme. The whole of the money you pay for shares will be at risk (although you will not incur a liability beyond this amount).

Please consider any purchase of shares carefully in the context of the complete share offer document and related information and seek independent advice if needed.

## **Further information**

- A summary of the Business Plan and the Rules of the CSA are available on our website: [www.hazelhurst.coop](http://www.hazelhurst.coop)
- To talk to someone about any aspect of the share offer contact Joan Miller on 0114 2498613.



# Share Application Form

## Hazelhurst Community Supported Agriculture Ltd

All applications must be met in British Pounds Sterling via a current UK bank account. Please complete this form in **black ink** and **block capitals** and return it to: The Secretary, Hazelhurst CSA, 8 Walden Road, S2 3PJ.

### Share offer 2<sup>nd</sup> February 2012 to 30<sup>th</sup> April 2012

**Name :** .....

**Full address:** .....

.....**Postcode:** .....**Phone number:** .....

**E-mail address:**.....

- Value of shares (at £1 per share) you wish to purchase (e.g. £500).....(min. £50, max. £5,000)
- Are you a member of Hazelhurst CSA? .....Yes/no. If no add £1 to cover membership fee.
- If paying by cheque, make it payable to ‘Hazelhurst CSA’, write your name and full address on the reverse and send it with this form. I enclose a cheque to the value of:  
£ .....
- If paying directly into our account, our bank details are: The Co-operative bank, PO Box 250, Skelmersdale, WN8 6WT. Account name: Hazelhurst CSA Co-op, Sort code 08-92-99, Account no. 65422571. Please use “share” and your name as the payment reference.  
I have made a bank transfer to the above account to the value of:  
£.....

Acknowledgement will be made by e-mail (or post) within 10 working days of receipt. Your share certificate will be issued in May 2012 after the closing date of the share offer.

### Your Agreement:

- I am aged 16 or over and reside in the UK.
- I have read and agree to be bound by the terms and conditions included in the share offer document and the Rules of Hazelhurst CSA (available at [www.hazelhurst.coop](http://www.hazelhurst.coop)).
- I understand that the Management Committee may reject my application and is not required to inform me of its reasons.
- The data I provide on this form will be stored within a computerised database and will only be used for the purposes of Hazelhurst CSA and will not be disclosed to a third party.
- It is a term of this offer that to ensure compliance with Money Laundering legislation 2003, Hazelhurst CSA may require verification of identity from any person seeking to invest.

### SIGNED

**Name** (please print in block capitals): .....

**Signature:**.....**Date:**.....

### For office use:

Date payment received: ..... Cheque number (if applicable): .....

Payment acknowledgement sent: .....Entered on database: .....

Date cheque banked: ..... Cheque clearance date: ..... Share certificate issued & posted:.....