



# BREAD FOR GOOD COMMUNITY BENEFIT SOCIETY LTD

(trading as SCOTLAND THE BREAD)

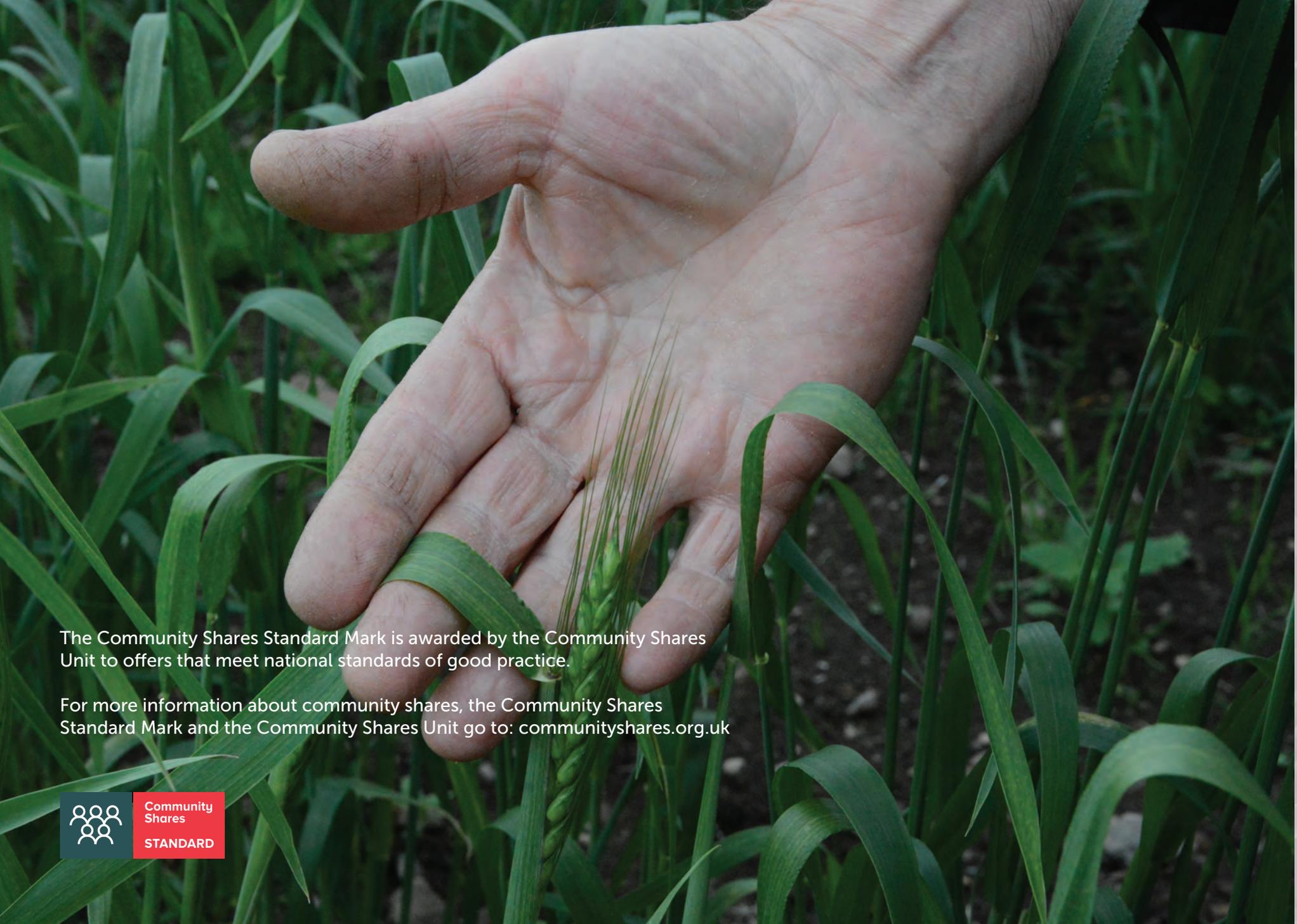


SCOTLAND  
THE **BREAD**

Home-grown bread for a healthy future

OFFER DOCUMENT FOR THE ISSUE OF  
SHARES TO A MAXIMUM VALUE OF £30,000

June 2016



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

For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to: [communityshares.org.uk](https://communityshares.org.uk)



# BREAD FOR GOOD

**Scotland The Bread** is a project to establish a Scottish flour and bread supply that is healthy, equitable, locally controlled and sustainable.

***Our idea is simple — to grow more nutritious wheat and bake it properly close to home.***

Bread made with skill and attention from wholesome grains should take its rightful place on the table as a nourishing staple food, enjoyed by everyone and contributing to our wellbeing and economy.

**Scotland The Bread** began in 2012 as a collaborative project linking plant breeders, farmers, millers, bakers, nutritionists and citizens. Working with scientists in leading institutions, we are researching heritage Scottish and Nordic wheats to find nutrient-rich varieties that do well in local conditions. At the same time, we are stimulating a market for the improved grains by building capacity in community-scale, artisan bread-making.

**Bread For Good Community Benefit Society** was formed in April 2016 to bring the project into community ownership and increase the scale of its activities for the common good. Trading under the name 'Scotland The Bread', this innovative social business is setting a whole new agenda for cereal research and public health.

Working together, we'll change the entire system for the better: fair deals for local farmers growing nourishing food for people, fewer damaging food miles, more nutrition in every slice of bread and more jobs per loaf as we skill up community bakers to bring out the best in our local grains.

Bread For Good Community Benefit Society Ltd is launching a share issue to raise £30,000 for working capital by the end of July 2016. We aim to break even within four years and thereafter to plough all profits back into bringing better bread within the reach of every community. Anyone aged five and over can be a member. The minimum investment is 100 £1 shares, with a maximum investment of £3,000. Each shareholder has one vote.

**With collaborators across the UK and beyond, Scotland The Bread is part of a movement to democratise control of, and access to, healthy bread produced from home-grown grains, with the benefits shared fairly across society.**

## BECOME A SHAREHOLDER

As much of what we are proposing to do breaks new ground, this should be considered a high risk investment. The primary incentive for this investment is a social return in advancing the objectives of the Society.

Becoming a shareholder means that you can be actively involved in Bread For Good, take part in electing the Board of Directors, cast your vote at AGMs (one member one vote) and receive annual reports.

The first year's subscription to the newsletter is also included in your membership.

You will be among the first to know about research developments, events and information — and have privileged access to the online shop for certified grains and freshly milled flour.

You can apply for shares using the paper form enclosed, by visiting our website at [www.scotlandthebread.org](http://www.scotlandthebread.org) or via the Microgenius website at [www.microgenius.org.uk](http://www.microgenius.org.uk)



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# A GROWING PROBLEM

66% of Scots are overweight or obese and by 2030 the cost of obesity is predicted to be £3 million per year.

More than a million tonnes of wheat was grown in Scotland during 2015. That's enough to make all the bread we consumed seven times over, but it wasn't used for that. Instead, we rely on imported grain, and the carbon footprint of this basic food increases as giant mills, bakeries and supermarkets truck food needlessly up and down the country.

The wheat varieties used to make today's bread almost always have smaller amounts of the nutrients needed for health than in the past. Research suggests that they also have more of the proteins that are toxic to people with gluten sensitivity.

In spite of delivering record yields with intensive and highly 'efficient' methods, 60% of UK cereal farmers lost money in 2015. Commodity markets, of which grain is the oldest, are failing. They produce too much of the wrong stuff.

Seemingly low prices mask the high long-term cost of depleted soils, wasted resources and malnourished people. This results in profit for a few, while our health and environment suffer.

## A HEALTHY SOLUTION

Our solution is to grow better grains, bake them well in the neighbourhood and make sure that everyone gets fair shares.

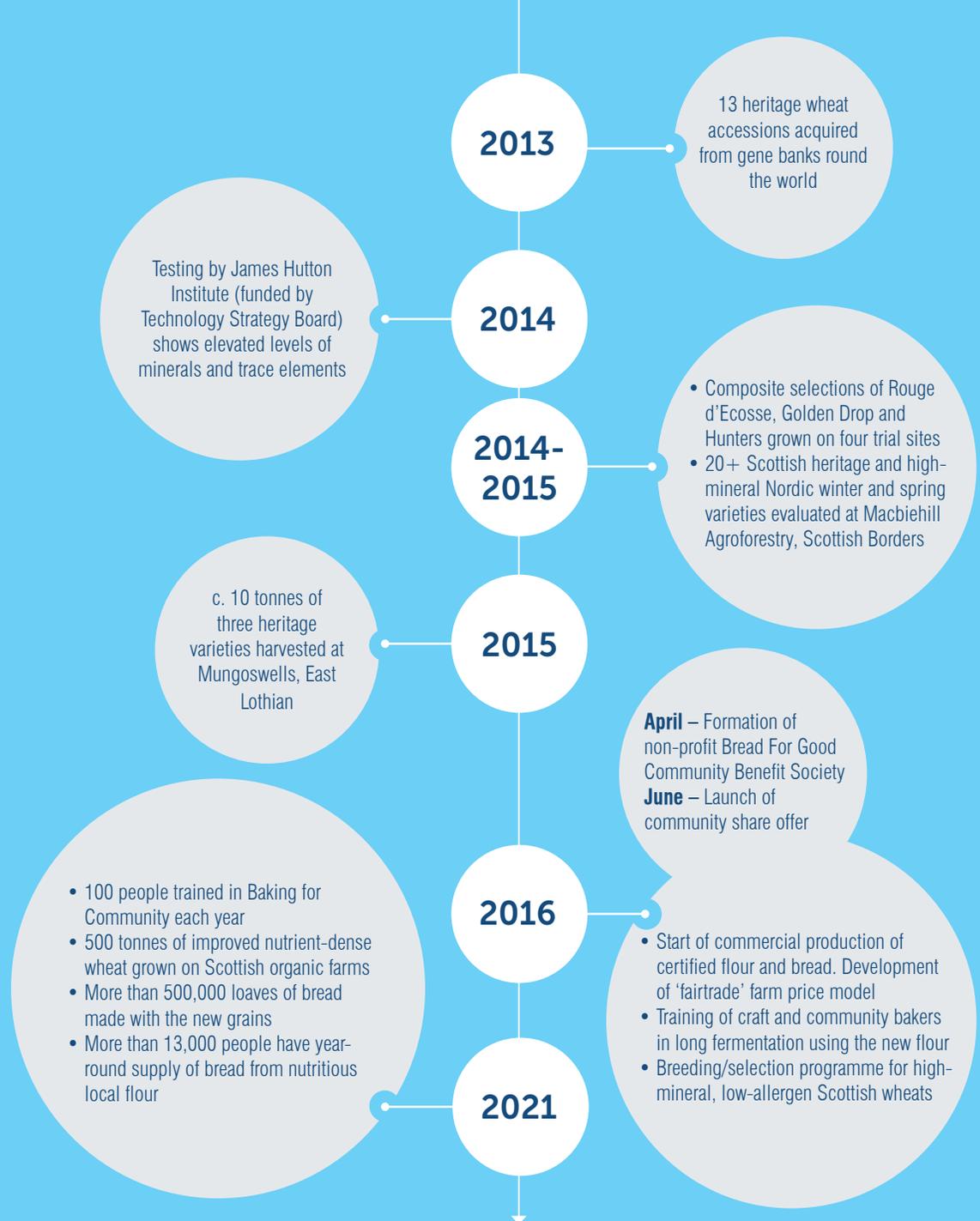
We've already rescued Scottish wheat varieties that have above-average nutrients in them. They taste great, too. Working with leading Scottish research institutions and similar agroecological projects in England and Scandinavia, we're bringing on new varieties.

A key task is to set new standards for the nutritional density and digestibility of Scottish wheat, flour and bread.

At the same time, we are stimulating a market for the new grains by building capacity and developing skills in community-scale, artisan baking.

It's not an impossible challenge. If only about one in twenty of those currently unemployed in Scotland were to train as craft bakers, small bakeries could supply everyone – with bread made from good, home-grown grain.

# TIME LINE



# HOW WILL WE DO IT?

The Society's activities for the first five years include:

**Research and testing** We've started the hunt for resilient, mineral-rich wheats, sourcing rare grains and growing them on while using the cutting-edge expertise of Scottish molecular scientists to tell us exactly how nutritious they are. Testing will be funded in part from licence fees and royalties, with additional grant support.

**Creating a licensing system** for a new grain, flour and bread supply chain, based on nutritional benefit and sustainable growing/production methods. It will be run in conjunction with farmers, millers and bakers, a number of whom are already participating in the project.

**Direct sales of new grain and flour** to home and community bakers. Fresh, wholemeal flour will be ground from Scottish heritage wheat. We will trial a radically new way of producing wholemeal flour, using innovative milling technology that decentralises flour production while conserving nutrients that are wastefully discarded in conventional systems. Our expertise in handling softer, lower-gluten grain (without additives and processing aids) will be communicated in recipes, techniques and baking methods that explain both why the grains are so good (for the digestion as much as the biosphere) and how to get the best out of them.

**Community baking courses** Building the capacity of community bakeries and social enterprises is central to ensuring wide access to more nutritious bread and developing a market for our grains and flour. We will enable bakers to develop products that bring out the best in Scottish grains and gain a significant commercial following. This will support the development of real jobs, short supply chains and local economic vibrancy.

The first-ever training course in community-supported baking was created by Bread Matters in 2008. Combining technical baking skills with the commercial and financial knowledge needed to operate a successful community enterprise, the Baking for Community courses, advice and mentoring services will be our flagship programme.

**New courses** will include a one-day *Introduction to Community-Supported Baking*, a four-day farm-based residential experience *From Seed to Sourdough* and bespoke team development with expert facilitators, typically over two days, *Together We Rise*.





***'Thank you very much for such an enjoyable, educational, and inspirational Baking for Community course.'***

*James Doig 2014*

***'We derived such benefit from our two days of training...We're now actively looking for a more permanent home which we can equip properly, having just secured funding for another year.'***

*High Rise Bakers (Bridging The Gap Charity, Glasgow)  
March 2016*

# A SUSTAINABLE BUSINESS

Innovative and collaborative work on the development of a more nutritious grain, flour and bread supply chain has been pioneered by Bread Matters Ltd. That knowledge and experience is being given to this new venture.

Scotland The Bread has already benefited from a 'soft' loan of £6,000 from the A Team Foundation, matched by a successful crowdfunding campaign through Buzzbnk, which raised £6,536 from 118 supporters.

If the community share offer is successful in raising at least £20,000, then the business will also be entitled to apply for a matching grant of £20,000 and a loan of £20,000 under Just Growth, a programme created by Co-operative and Community Finance, the Esmée Fairbairn Foundation and Funding Enlightened Agriculture to support community-based food and farming projects.

The aim of our plan is to build a business that is self-financing and generating a profit of £17,544 in its fifth year.

## FINANCIAL PROJECTIONS

	Year 1 £	Year 2 £	Year 3 £	Year 4 £	Year 5 £
Sales	28,765	54,500	72,125	98,825	133,250
Cost of sales	18,413	36,525	45,688	59,550	78,310
Gross profit	10,353	19,975	26,438	39,275	54,940
Supporter subscriptions	1,500	3,000	4,500	6,000	7,500
Grants, donations, misc	36,536	5,000	5,000	5,000	5,000
Total income	48,389	27,975	35,938	50,275	67,440
Management/salaries	31,745	29,338	30,385	31,193	32,012
Marketing/communications	4,000	3,500	4,000	4,500	5,000
Other overheads	11,463	11,102	11,554	12,232	12,884
Net profit/(loss)	1,181	-15,965	-10,001	2,350	17,544

A full business plan is available upon request. Please email [info@scotlandthebread.org](mailto:info@scotlandthebread.org) for a copy.

## COMMUNITY BENEFIT SOCIETY STRUCTURE

**B**read For Good Community Benefit Society Ltd (trading as Scotland The Bread) is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014, registration number RS007315.

The Society is overseen by a founding Board of Directors who will be confirmed or replaced by direct elections at the first Annual General Meeting, to be held during 2017. Any shareholder aged 16 or above may be nominated for election to the Board and every shareholder is entitled to cast a vote in that election.

Andrew Whitley and Veronica Burke are two of seven directors on the founding board. Their company Bread Matters will initially be contracted to manage many of the activities while independent capacity is built up so that they can eventually step back. In addition, some of the trading activity of Bread Matters, including its community baking training courses, will be transferred to Scotland The Bread, thus ensuring that the new venture has an income stream from the start.

Every shareholder will have one vote as a member of the Society, whatever the size of his or her investment. The Society is owned by its members; its rules (available at [www.scotlandthebread.org](http://www.scotlandthebread.org)) have been drawn up with the intention of seeking charitable status, so there is no possibility that its resources can be diverted for private benefit.

The Society will encourage active participation by the shareholders, whether they are farmers, millers, bakers, researchers or citizens who want to use improved grains and champion a healthier, fairer way to nourish ourselves with bread.

## ABOUT THE SHARES

- » Each share is £1. The minimum investment is one hundred shares.
- » The maximum investment is set at £3,000 to avoid over-dependence on any one investor. Donations are also welcome.
- » Each member will have one vote, irrespective of the number of shares held.
- » Application for shares must be made to the Board of Directors and must be paid in full on application.
- » No interest is likely to be paid on shares in the first five years. A small rate of interest may be payable after this time, at the discretion of the Board of Directors.
- » It is possible that investors may be able to set 50% of the cost of their shares against tax under the terms of the government's Seed Enterprise Investment Scheme. However, this depends on confirmation by HMRC that this is a qualifying trade for which advance assurance can be provided.
- » The closure date for the share issue is midnight on 31 July 2016, but may be extended by the Board at its discretion. If the minimum target of £20,000 is not reached, then all monies will be returned in full.
- » In the event of the share issue being over-subscribed, the Board reserves the right to reduce the allotment of shares from those applied for under some equitable formula.
- » The value of shares of a deceased shareholder may be transferred to another person in accordance with his/her wishes.
- » This is a long-term investment. Shares cannot be sold. Having regard to the long-term interests of the Society and the need to maintain prudent reserves, it is unlikely that the Board will allow withdrawal of shares in the foreseeable future.
- » Anyone from the age of five can own shares and become a member, but shares can only be withdrawn once the member reaches the age of 16.
- » The value of shares cannot increase beyond their nominal value of £1. However, their value may fall if the Society makes a loss, and shares will only be repaid at the value shown in the balance sheet at that time.

# THE SECURITY OF YOUR SHARES

A Community Benefit Society is registered with, but not authorised by, the Financial Conduct Authority. Therefore the money you pay for your shares is not safeguarded by any depositor protection or dispute resolution scheme.

The share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations, which means you have no right of complaint to the Financial Ombudsman. Your shares are fully at risk and you should therefore be prepared to lose part or the whole value of your investment.

## THE PURPOSES OF BREAD FOR GOOD

The Rules of Bread For Good Community Benefit Society Ltd state that our purposes are:

To benefit communities across Scotland through participatory research and action to promote a grain, flour and bread supply chain that

- advances health by improving the nutritional quality of grain;
- advances environmental protection and sustainable land use in its methods of growing, processing and distribution;
- advances community development by supporting local economies (including the creation of meaningful employment and volunteering opportunities);
- advances citizenship by building the capacity of communities to achieve greater control over the management of their natural resources;

and in so doing to advance education and awareness about the need for a more sustainable and equitable food system that guarantees the human right to sufficient, nutritious food.

These purposes comply with the 'public benefit' test set out by the Office of the Scottish Charity Regulator (OSCR) and we intend to apply for charitable status. If we succeed, this will bring additional advantages, such as the ability to apply for certain grants and to claim Gift Aid on donations. The share offer and the viability of the business plan do not in any way depend on charitable status being granted.

## WHO WE ARE

This offer document has been prepared by the Directors of Bread For Good Community Benefit Society Ltd in their individual capacity (organisations named below are for identification purposes only), and to the best of our knowledge all the information in it is correct.

**Veronica Burke** is a director of Bread Matters, responsible for its Baking for Community training, and was a co-founder of Breadshare Bakery CIC. Programmes such as Sourdough Exchange and Soil to Slice demonstrate her creative engagement with communities and her imaginative take on food sovereignty.

**Dr Clare Fennell** trained as a cell biologist, researching malaria. She has worked as an artisan baker and is former business manager at Nourish Scotland, where she helped to build a staffed organisation and to develop training programmes for new farmers and food leaders. Clare is currently developing an organic smallholding in Moray.

**Théo Laffargue** has participated in Bread Matters training and grain trials since 2013. He recently co-founded Riverside Bakery CIC in Stirling. An active member of Nourish Scotland's Food Leadership programme and of Forth Environment Link, Théo also runs bread-making workshops.

**Dr Chelsea Marshall** is a children's rights researcher with a background in human rights and social justice. Since

moving to Edinburgh in 2015, she has become involved in issues of food justice and community access to food through Nourish Scotland and Dig-In Bruntsfield.

**Marie-Louise Risgaard** (MSc Agronomy) is a director of the Skaertoft family-run, organic and biodynamic farm and mill in southern Denmark. She teaches bread-making and is involved in product development and design, marketing and sales.

**Caroline Rye** is a communications manager and the chair of Slow Food Edinburgh. She led the marketing and communications campaign for the successful Dig-In Bruntsfield community share issue in Edinburgh.

**Andrew Whitley** (MSc Food Policy) is director of Bread Matters and a leader of the artisan baking revival. He founded the organic Village Bakery in the 1970s and co-founded the Real Bread Campaign in 2008. Author of *Bread Matters* and *DO Sourdough*, he is credited with 'changing the way we think about bread'.



# GET INVOLVED

1. Buy shares before 31 July 2016.
2. Give shares to someone else. (Anyone over the age of five can be a member and we'll use different materials to communicate with our youngest members)
3. Contact us about growing heritage grains.
4. Enrol on a course and join a growing community of bakers making Bread For Good.
5. Talk to us about your own community or social enterprise development.
6. Become a **supporter** by paying an annual subscription – receive our newsletter and be the first to know about events, developments and products, including the new grain and flour, as soon as they are available.
7. Bring your team or group for a tailored training programme.

## CONTACT US

**Bread For Good Community Benefit Society Ltd**

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WITH HIGH RISE  
COMMUNITY  
BAKERS FROM  
THE GORBALS,  
GLASGOW