

## Clynfyw Community Benefit Society *Community Share Offer.*

<https://www.clynfyw.co.uk/cbs>

***An opportunity to be part owner of a rural estate.***

Starting date: Initial launch aim- for Pledges-September 2021

Formal Opening of Share Scheme aim-1st February 2022?

Closing date: 31<sup>st</sup> May 2022

Target Raise: £750,000

**Interest paid: up to 4% (see caveats)**

### **What do we want to do and why?**

Clynfyw Farm is 395 acres in size (244 being agricultural land and 151 being woodland.) It has been an award winning pioneer of community focussed farm diversification for over thirty years.

Clynfyw Community Benefit Society has been established to run community share offers which we hope, over time, will enable the farm to become community owned, honouring its current uses, while focusing on progressive resilience endeavours, regenerative land usage so that it can be enjoyed as a secure community asset, benefiting more people in perpetuity.

***Please see our Introductory Film for more info: <https://youtu.be/yvmGxpqnJ9A>***

***If you are attracted to being a part owner, fill in the form and let's talk.***

### **What's so good about Clynfyw Farm?**

*Loads of things!*

Clynfyw has led the way in farm diversification, rural access and inclusion, sustainable living and community development for decades.

Ventures on the farm have won numerous awards, including the Queens Award for Enterprise (sustainable development) in 2004 and 2020, Wales Environmental Awards (sustainable tourism business) in 2004, Pembrokeshire Tourism's Best Access for the Disabled Visitor and Sustainable Tourism Awards 2013, and the Rural Business Awards Farm Diversification in 2020 and Leading Champions of Inclusive Community Empowerment- West Wales' in the 2021 Welsh Enterprise Awards.

Focussing on supporting people the most vulnerable people in the community, the reach has been far and long lasting. Over 100 vulnerable people benefit many times each week, living in supported tenancy on the farm, working on the enterprises, in the Kinora mental health recovery centre in Cardigan and the new Repair Cafe/Grwp Resilience Hub in Crymych.

Clynfyw Care Farm Community Interest Company has built up a viable business that has returned the people to the land through its residential care and the staff working with them. With a staff and volunteer team of nearly 50, it is a significant local employer, and, together with the participants, they run a range of rural enterprises, including a community apple-juice venture, charcoal production, free range ex-battery chickens, ASDAN accredited independent living training, a vermicomposting enterprise, and salvaging and repairing wheelchairs and mobility aids which are then rehoused in sub-Saharan Africa. Clynfyw has always had a wider vision, focussing on what is needed here, but spreading the ripples out into Wales and beyond, to benefit many others. (<https://youtube.com/watch?v=7hhuTljqBKs&feature=share>)

Clynfyw has been a fundraiser for local and international charities for years. Have a look at the website to read more (<https://www.clynfyw.co.uk>)

Pembrokeshire is seeing a surge in green endeavours. With a diverse community, social need, business and government initiatives have come together to form the Grwp Resilience network. Clynfyw is a founder member of the network and this share offer will contribute to the development of the network and the work of the affiliate members: <https://www.grwp.wales/>

When you become part of Clynfyw CBS, you become part of a network of resilience initiatives repairing our damaged society and world.

### **What are Community Shares?**

Community shares, also called withdrawable shares, are a unique form of share capital and can be only be issued by co-operatives and community benefit societies. Community shares cannot be sold, traded or transferred between Members, unlike shares in a typical company. They cannot increase their value but may decrease if the Society suffers financial losses.

### **What am I buying?**

The aim is to run a series of Share Offers in the years to come.

In this first stage you would be buying a share of Clynfyw CBS which would become the new owner and landlord of the Cottages where people live in supported tenancy; a complex of Victorian farm buildings comprising four cottages and numerous large stone buildings. Some of these already house a pottery, industrial kitchen, juicing room and office, while others are empty and ready for new uses. There is also the land and buildings used by the Care Farm; ten acres including the vegetable gardens, 250 tree apple orchard and pasture land.

The rent paid by the tenants and from the Care Farm provides a secure income that enables share holders to receive generous interest on their shares leaving a surplus for community investment too, while events run on the farm by the CBS will generate additional income for wider benefit. (See the Business Plan for more details of initial plans for the future-link.)

Stage Two will be to expand on existing Resilience work, developing a centre where people can stay on the farm for a break or play a part in the fast-moving zero carbon social and economic revival. We could run apprenticeships for people interested in the full care farm experience, or shorter stays with courses around community resilience, regenerative farming, rural micro-enterprises and sustainability from local practitioners. You, as a shareholder/owner, will have a say in the direction we take.

Later stages may see more farmland and woodland offered for purchase to the CBS which will enable more community growing and progressive forms of land management in the years to come. All stages will be sensitivity managed, taking into account community need, cultural sensitivity and the ever changing world we live in.

Everyone involved at Clynfyw already has the permissive right to access the paths criss-crossing the 395 acres of adjacent farm and woodland. Timber from the adjoining woods is used to heat the Clynfyw Cottages, whole the vegetable garden supplies visitors and residents with a valuable part of their diet. The woodland and orchard supply the charcoal and apple juicing enterprises, and the some of the waste (along with horse manure) feeds the vermiculture. We've made a start, but there is more to do. Your investment and involvement will enable the next steps in Clynfyw's evolution.

## **What do I get for being a shareholder?**

Each community share comes with a beautifully presented share certificate and for the first year you will receive a free subscription to our quarterly newsletter. These shares are completely non-profit making and cannot be sold on or transferred (unless stated so in a Will) – you are investing in the future.

The maximum investment from any one person is £10,000, and no matter how much anyone has put in, all investors hold only one vote regardless of the volume of shares. This means the society remains completely democratic.

As a Member you will have the right to nominate yourself to join our Board of Directors. This provides a further opportunity for you to share your skills and experience to help move Clynfyw CBS forward.

We consult with our members on our strategy, our focus and our future. Being a member provides you with a say in how the CBS evolves, whether it is here on the farm, or wider more progressive resilience endeavours locally.

We also hold an annual special Members' BBQ. This is a free event held to provide an informal space to meet other members, discuss progress with staff and share stories in addition to the annual general meeting.

**We strongly recommend that you read our Society Rules before purchasing a share in the CBS.**

## **How Secure? Can I get my money back on demand?**

Nothing in this world is guaranteed, but buying a property is said to be one of the most secure investments. Your money would be secured against the property so, if sold, you would be most likely to get it all back. (see webpage for more details relating to security on investment: <https://www.clynfyw.co.uk/cbs/> )

*HOWEVER we hope never to sell!*

We want Clynfyw Farm to remain your community asset for generations to come,--a stable point in an unstable world and a hub of increased resilience against the challenges to come. The people living at Clynfyw will have a voting share attached to their tenancy (with no financial return) to ensure they have a say in the future of their homes. Their, and the community security is paramount. You cannot demand the farm is sold if you need your investment back. The CBS aims to have a list of people waiting to buy a share, and we plan to set aside part of the surpluses each year so we can buy back shares that people want to sell. None the less, we ask you NOT to INVEST if you expect to need your cash back urgently.

## **And the likely return?**

We are aiming to offer three levels of return: A Benefactor Rate of 0% interest for those who do not presently need a return, a Supporter Rate of 2% and a Standard Rate of 4%, meaning the maximum return on investment is 4%, however if you would rather receive a lower interest rate that is an option too. This would create increased surpluses to help develop upon the plans we make as a Society.

To give you 4% we would have to sell shares equal to the entire value of the place, or to find grant funding to make up the difference. It is valued at £750,000. The figures below relate to all investors asking for a 4% return, though we understand many may take less so giving an increase surplus each year.

As we have additional Stages planned, we intend to seek grant funding to run alongside the CSO. With a grant, there would be a reduction in the amount we need to repay each year, so increasing the surplus for community ventures, while it could also help us raise additional funds towards Stage Two (the Resilience

Centre) in the same Share Offer as Stage One. But at this stage (1<sup>st</sup> September 2021) we have no funding secured.

### How will you raise the grant funding?

There is no guarantee we will be successful, but once we are able to demonstrate community support, we will approach charitable foundations to canvas their support and seek grant funding.

There is now an opportunity to draw down match-funding of up to £250,000 from the Government scheme known as Community Ownership Fund.

<https://www.gov.uk/government/publications/community-ownership-fund/community-ownership-fund> The fund has a window closing in December June 2021 and it is our aim to apply and raise funds matched against pledges linked to the Clynfyw Share Offer. The more pledges we have will help us demonstrate the involvement and commitment of the wider community to our plans. If successful, this grant would effectively double the value of every share pledged!

In addition, there are the following funds we are looking into:

- The Community Asset Development Fund (up to £150,000 new window opening soon)
- Communities Facilities Programme (up to £250,000)
- We have spoken to officers from Pembrokeshire County Council’s Enhancing Pembrokeshire Grant who are encouraging about our plans, so long as we can demonstrate the project is strategic, can be used to help other groups and benefits the wider community. They have given grants of over £100,000, while others are a few thousand. 5% of what we are aiming for (£37,500) is plausible.

### 4%? Prove its viable!

Have a look at the figures!

With rent from the tenants currently living at Clynfyw, and from the care farm, the CBS will have a basic annual income of over £70,000 with running costs of almost £35,000 and a surplus of £33,465. 4% of £750,000 is £30,000, with the reserve used to buy back shares when requested or being invested in local community resilience schemes. With the option for shareholders to receive less than 4% return, the surpluses are potentially higher, meaning there will be increased surpluses for investment.

Our hope is that some of the purchase price can be sourced through non-repayable grants, (which would increase the ‘surplus’ for use on local resilience based project), but the figures below are based on 0% grants, and 100% Community Shares to demonstrate viability of the project.

	Historic	Historic	Estimated	Projection	Projection
	2018/19	2019/20	2020/21 (covid year)	2021/22	2022/23
Income	65,377	68,171	57,786	80,000	82,800
Expenditure	37,584	34,706	40,654	40,000	41,500
Surplus	<b>27,793</b>	<b>32,777</b>	<b>17,132</b>	<b>£40,000</b>	<b>£41,300</b>
<b>4% return on £750,000 worth of shares</b>	£30,000	£30,000	£30,000	£30,000	£30,000
Surplus after paying share return				£10,000	£11,300

### Figures explained:

Figures for 2018/9 and 2019/20 are taken from the existing Clynfyw Countryside Centre accounts (who are the current landlords).

Figures for 2020/21 are estimated (year end 1<sup>st</sup> April) and are reduced due to the lock-downs.

Figures for 2021/22 include:

1. A 2% increase on the rent for people living in the cottages in supported tenancy; the first increase in five years.
2. An additional two tenants moving into Clynfyw providing increased security of income meaning there are ten people living full time at Clynfyw.
3. The introduction of a commercial rent from the Care Farm activities (£200/week= £10,400).

### *Income*

By the 1<sup>st</sup> April 2022 there will be ten people living in supported tenancy in four cottages here at Clynfyw, each of whom currently pay £95/week plus £25/week for utilities. This will bring in an income of for the £49,400 rent and £13,000 for the utilities.

Events and Activities run by the new CBS, plus the use of the industrial kitchen will bring in an additional will also bring in an income of £10,000pa, (see Business Plan.)

Where from	Tenancy rent	Utilities	Care Farm rent	CBS Events/activities	Total
How much	£49,400	£13,000	£10,400	£10,000	<b>£82,800</b>

### *Expenditure*

Where from	Heating/light	Rates	Cleaning	Repairs/renovations	Insurance/accountants	Fuel costs	Admin	Others	Total
How much	£9,955	£2,193	£1,995	£6,482	£5,258	£7,269	£5,200	£3,148	<b>£41,500</b>

Future projection for years 2024-2026 below based on increases in tenancy rent and utility payments by 2%, in Care Farm rent by 5% and in expenditure by 2% per year. Any grants secured will also add to the positive side of the balance sheet.

Future years	2023/4	2024/5	2025/6	2026/7
Tenancy rent	£52,000	£53,040	£54,100	£55,182
Utilities	£13,684	£14,404	£15,162	£15,920
Care Farm rent	£10,947	£11,523	£12,130	£12,736
CBS Events and Activities	£12,000	£14,500	£16,000	£22,000
<b>Total income</b>	<b>£86,631</b>	<b>£93,467</b>	<b>£97,392</b>	<b>£105,838</b>
Expenditure	£42,346	£43,211	£44,093	£45,286
Surplus	£44,285	£50,256	£53,299	£60,552
<b>After 4% interest payment (£30,000)</b>	<b>£14,285</b>	<b>£20,256</b>	<b>£23,299</b>	<b>£30,552</b>

### **Are there any ways of offering additional income?**

We are always looking for ways to bring in additional income, and we always welcome constructive suggestions, especially from Shareholders!

In the past Clynfyw Care Farm has run events raising funds for our own specific projects or for other local and international causes. From now on these will be run under the CBS umbrella, managed by a

new team of paid staff and volunteers. This will bring an income to the CBS which in its turn will benefit the wider community.

With Stage Two (possibly) creating additional accommodation space on site we would be able to run residential courses, while before then we could run courses, working with our community to provide accommodation locally. Both offer benefits to Clynfyw and the wider community as a whole.

We are also in discussion with Egni Coop (<https://egni.coop/>), who ‘develop rooftop solar energy projects in Wales, generating clean energy, enabling our sites to take action on climate change and be more financially stable.’ The Big Barn roof could make an ideal site for a large array, improving our environmental impact, and also having a positive impact on the finances.

### **How much is a share?**

Unless you live locally a share is £250. If you live within Dyfed (Pembrokeshire, Ceredigion and Carmarthenshire) it is £100. Of course your return and perks on investment will be proportionate to the sum (i.e. 4% on each £1.00 invested), and your voting rights will be one vote per investor, not by the sum invested. We welcome investors buying shares in instalments if that is easier, and you can buy them with friends, family, or as part of a group if you’d rather. Shareholders need to be aged sixteen or over, but you can purchase for children and act on their behalf until they reach that age. This scheme helps secure the future of generations to come.

Once we have achieved 10% of our target (£75,000) we will hold a banquet to thank our ‘Pioneer Investors’! And we will have another when we reach 50% (£375,000), and a third when we reach the target sum. So why not get in early and enjoy the benefits of involvement even before we reach the goal. At £100/share, we could have 7,500 investors. Wouldn’t you like to be one of the first!

People living at Clynfyw will automatically have a ‘Tenants Voting Share’ to enable them to vote on decisions and shape the future. This share will have no monetary value and will not receive a dividend. If they leave Clynfyw they will automatically lose this vote too.

### **You will have influence and power:**

As owners, we have a say in what happens to our asset, we can shape its future within the purposes of the CBS (Community Benefit Society) (<https://www.clynfyw.co.uk/cbs/>) which have been written to provide stability and security for the people living here and the Care Farm endeavours, but which carry the flexibility to cope with needs in the future. We could not choose to undermine these purposes, e.g. we could not asset strip it, sell out to Big Biotech or set up a firing range.

By buying shares in Clynfyw CBS you would have a say in the next stages of Clynfyw’s evolution. You would co-own an historic asset, and influence the transformation that ripples out from it, bringing benefit to the wider community. (<https://www.grwp.wales/projects-3>)

Maybe you will be buying shares for your children or grandchildren? This project is all about the future, helping secure the work and develop wider community resilience. An investment in Clynfyw is an investment for the generations to come.

### **What are the risks?**

There is a solid business model behind this plan, but there are always risks associated with investments. You will be buying shares in a solid, tangible asset, the value of which is unlikely to go down, but

please don't invest more than you can afford to lose.

As with any investment there is risk involved. should Clynfyw CBS get into financial difficulties:

- We may have to suspend your rights to withdraw shares
- You may lose some or all the money you pay for your shares

If Clynfyw CBS is wound up, its assets will first be used to meet its liabilities; next to repay members for their shares; finally any surplus remaining will be passed on to a charity, society of other asset-locked body serving the community of north Pembrokeshire.

If a member dies their personal representative can apply for withdrawal of the share capital. Return of share capital under this provision will be prioritised by the Board over any other return of members' capital. We encourage prospective members to view their investment as a long-term commitment to the project; a one-off investment to generate a long-term financial benefit to yourself and a chance to help provide the West Wales community something to be proud of.

Shareholders should be prepared to tie up their capital for a number of years. Share capital cannot be withdrawn for the first three years of investment and thereafter only at the Directors' discretion. Directors reserve the right to refuse an application for withdrawal of investment to protect the stability of the society's financial position.

Clynfyw CBS is registered as a society with The Financial Conduct Authority (FCA), but the sale of community shares is not regulated by the FCA. Like many investments, community shares are at risk and you could lose some or all of the money you invest. Community shares are not covered by the Financial Services Compensation Scheme, nor is there any right of complaint to the Financial Ombudsman Service. If you are considering investing a significant amount then you may wish to seek independent financial advice before doing so.

### **You will be welcomed:**

You will be welcome to visit your asset, and we hope to provide you with accommodation here in Stage Two of the CSO.

We arrange regular community coffee mornings, usually with an estate tour offered, and a talk from Grwp Affiliates. Outside COVID times these talks were monthly. You'd be welcome at these, and maybe you'd like to give a talk about some other endeavour in which you are involved. If you are an artist, perhaps Clynfyw could be a suitable venue for your show or performance? If you have a birthday coming up, an anniversary or if you simply want to celebrate with a picnic, where better!

As a Share Holder, you would also be able to purchase certain products (including the apple juice, vermicompost and charcoal made on the farm) at a discounted rate.

### ***Can I visit any time?***

Visitors are welcome to the main site with prior agreement. If you would like to visit, get in touch first to arrange a time so that you are made welcome. You are welcome to walk the outside paths with your friends without disturbing any organised activities.

There are many Clynfyw related videos on our YouTube Chanel

([https://www.youtube.com/results?search\\_query=clynfyw](https://www.youtube.com/results?search_query=clynfyw)) including a video tour. We intend to run Covid-compliant tours as soon as we can, and we intend to hold a celebratory banquet once we have 10% of our target, at 50% and when we reach the full amount. We will seek star guests as speakers. If

you are in the first 10%, expect an invitation. If you would like to speak, please let us know!

## **Frequently Asked Questions:**

### **How can I invest?**

We are running this share offer through the Ethex website (<https://www.ethex.org.uk/>), which means anyone with a credit or debit card inside or outside the UK can invest. Funds you pledge to invest will be taken from you as soon as you agree to become an investor, but will be held by Ethex's payment provider and only released to us if the offer meets its minimum target by the deadline for the offer closing.

If you cannot use Ethex, there is an application form at the end of this document. We can accept cheques payable to Clynyfw CBS or payments made through our own website or direct to our bank account.

### **What will happen to the money?**

Funds invested via Ethex will be released to us soon after either the share offer closes, provided we have hit the minimum target. Cheques will be banked after this point, whilst bank transfers will go direct into our account. All funds received will count towards our £750,000 target.

### **What is the minimum and maximum investment?**

The minimum shareholding is £100. The maximum investment is £10,000.

### **Who can invest?**

Anyone over the age of 16 can invest (but only people aged 18 or above can serve as directors). If you would like to purchase shares for children under the age of 16, then they need to be held on an adults behalf until they reach 16, at which point the share will become theirs in their own right. We can provide special 'child friendly' certificates for younger members (please contact our office for further information on 01239 841236).

### ***Can organisations and businesses subscribe for Community Shares?***

Yes. A representative of that organisation will need to become a nominee member of the society on behalf of their organisation/ business. If the organisation or business is legally incorporated, the shareholding remains the property of the organisation/ business and any withdrawal would be paid to the organisation or business.

If the organisation of business is not legally incorporated (eg, a small sports club or a sole trader business) then the shares are the legal property of the named individual who completes the form and any withdrawal would go to the named individual, and it would be a matter for the organisation and the named individual to resolve how this was handled by them.

### ***Can people club together to buy shares?***

Yes, but as with organisations, you'll have to nominate a member of your group to be the named shareholder in our share register.



### **Are my shares at risk?**

Although Clynfyw CBS is registered as a society with The Financial Conduct Authority (FCA), the sale of community shares is not regulated by the FCA. Like many investments, community shares are at risk and you could lose some or all of the money you invest. Unlike deposits with high street banks, community shares are not covered by the Financial Services Compensation Scheme, nor is there any right of complaint to the Financial Ombudsman Service. If you are considering investing a significant amount then you may wish to seek independent financial advice before doing so.

As the Society confers limited liability, the most you could lose due to business failure would be your original investment. As this offer is unregulated, you have no right to complain to the Financial Ombudsman or to compensation.

### **What if Clynfyw CBS fails?**

If the Society ever runs into financial difficulty, it is possible that not all of the original investment could be repaid to shareholders. We believe there no serious prospect of insolvency. Clynfyw CBS is developing with a robust business model which has been trading successfully for many years and has a healthy balance sheet. In the unlikely event of this happening, the ability of investors to recoup the funds they have invested would depend on firstly the value we could realise for the assets of the Society and secondly, the value of our debts at that point. Any surplus after paying any debt owed by the Society would be used to enable shareholders to have their capital returned, and any surplus left after that would have to be spent on charitable activity in the community.

### **Can my investment be gift aided?**

No. At this stage Clynfyw CBS is not a charity so is not eligible for gift aid. This may change at some point, but not at present.

### **Can I sell my shares?**

No. This investment is in withdrawable share capital which cannot be transferred, sold or given to anyone else, except on your death to someone you have nominated and told us about.

### **Can I withdraw my share capital?**

In accordance with Rule 26, share withdrawals may be authorised at discretion of the Board, subject to twelve months' notice and the financial performance and available funds. However, unless withdrawals are significant in amount we aim to repay shares within two months.

### **What will you do with my personal details and data?**

Your personal details as submitted on the application form will be held by the society and used in accordance with the provisions of the rules and of the 2014 Co-operative and Community Benefit Societies Act. The society will not share, sell or provide my details to any other individual or organisation and will ensure compliance with the European GDPR regulation in accordance with its responsibility as a data controller.

### **Do my shares give me voting rights?**

Yes, they do. One member one vote. Everyone has an equal voice, regardless of the size of their investment.

### **Will I receive interest from my shares?**

Yes. Up to a maximum of 4%, although you may choose to receive a lower interest rate leaving increased surpluses to go towards the aims of the Society.

### **Am I entitled to any discounts or financial rewards?**

No. We are not allowed to offer Members special discounts that are not available to the whole community. We will however, keep you up to date with progress, events and activities at the farm, so quite often you will be the first to know!

### **I am interested, How do I visit? Where do I express my interest? Do I have to pay now?**

If you are interested in Clynfyw, we are interested in you. Please complete the short form (please ask for this) and then it would be great to meet, whether on the phone, by zoom or before long on the turf. Buying makes you part of our community even if you live in Australia, Kenya, South Africa or Russia and plan to visit once a decade or even never at all.

Once we have an accord, you will pay into a holding account. If for any reason the transfer of ownership does not go through your money will be returned. There will be a legal agreement to this effect. The first purchases can be returned within six months if their owner changes their mind, or if their circumstances change.

### **Finally**

The Clynfyw Community is looking forward to meeting their new comrades in the next stage of our evolution. We hope you would like to be one of them. If so, please make a pledge here: <https://www.clynfyw.co.uk/cbs/>



**SCAN ME**

There are huge challenges facing us at this time, but crisis brings out the good as well as bad. It creates new solutions through desperation. The potential is all before us.

**This is currently a work in progress and will evolve over the months to come. If you would like to express your interest, and maybe even make a pledge to become a shareholder, please let us know via email: [ClynfywCBS@gmail.com](mailto:ClynfywCBS@gmail.com)**

***Thank you!***