

'Our poor diet is not getting better and now spans generations...It is not down to individuals, nor retailers nor manufacturers alone to address this problem. Everyone has to shift their mindset and be willing to act differently... Condemning future generations to a population that is overweight and obese should not be the legacy of our generation. **We must change if we are to be a healthy and successful nation.**'

– Geoff Ogle, Chief Executive Officer, Food Standards Scotland *The Scottish diet: it needs to change* (February 2015)

Bread for Good

Community Benefit Society

Business Plan June 2016

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Summary

The Scottish diet needs to change. Nudges, recommendations and exhortations to citizens to make 'healthier choices' are useless if the underlying nutritional quality of basic foods is inadequate. **Bread for Good Community Benefit Society** wants to make things better – from the ground up.

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

This plan describes the Society's project – **Scotland The Bread**, a social enterprise to establish a Scottish flour and bread supply that is healthy, equitable, locally-controlled and sustainable.

Scotland The Bread

- **promotes health** by improving the nutritional quality of grain and flour;
- **protects the environment** and uses land sustainably in its methods of growing, processing and distribution;
- **supports local economies** by building skills, developing short, fairtrade supply chains and creating meaningful employment and volunteering opportunities;
- **builds capacity** and helps communities to achieve greater control over the management of their natural resources.

We are developing a suite of products and services, including a programme of wheat breeding, testing and research, a minimum nutritional standard for bread in Scotland, a certification system for nutrient-rich fairtrade Scottish grain and flour and a programme of high-quality training that will create meaningful employment in Scottish communities.

Bread for Good Community Benefit Society aims to raise £30,000 in community shares. Grants and loans of £40,000 will add to this initial capital. In five years, the Society expects to be turning over at least £133,000. The anticipated annual trading profit of over £17,000 will be re-invested in research to further improve the nutrient density and digestibility of locally-grown cereals and in the infrastructure of community bakeries that will help meet everyone's right to better bread and better health. **We are seeking a broad base of shareholders and subscribers to realise this vision.**

WARNING: Changing things from the ground up is inherently risky, so shareholders must be prepared for the possibility that they may lose some or all of the money they invest and that they are unlikely to be able to withdraw their share capital in the foreseeable future.

A Background

1 Problem

Scotland's food system is a paradox. Proclaimed by some as a 'land of food and drink' with booming exports of high-value specialities, the country is plagued by diet-related ill-health. Obesity and its attendant diseases are rife and will cost the country £3 bn by 2030. Food banks are a last resort. Nowhere is the mismatch between production and need so pronounced as in the grain chain. Scotland grew over a million tons of wheat in 2015, yet virtually none was used for bread. Less than 15% of the harvest would be enough to make all the country's bread. Meanwhile, the costs pile up. 60% of cereal farmers lost money in 2015 despite delivering record yields. Industrial scale production damages soils, pollutes watercourses and reduces biodiversity. The fig-leaf of 'sustainable intensification' cannot disguise the economic, environmental and social bankruptcy of this approach. To cap it all, wheat and bread produced in this way is less nutrient dense and digestible than ever.

On the face of it, Scotland doesn't lack the capacity to address this. It has world-class research facilities, a history of top quality plant breeding and innovative farmers. But they are all in thrall to a commodity production system, dominated by corporate agri-business and financial interests, which is as oblivious to the nutritional needs of citizens as it is to our pressing obligation to reduce carbon emissions from all human activity.

Confused by a food system that simultaneously stuffs and starves, some people have turned away from staples such as bread altogether, seeking solace in gluten-free options that are usually much more expensive than wheat products, and often less nutrient-dense.

It seems clear that if the aim is to nourish healthy people, joined-up system-wide change is needed.

2 Improving our daily bread

The Scotland The Bread project proposes simple yet profound solutions to problems that seem intractable when considered in isolation. It aims to develop more nutrient-dense grains and to help people turn them into bread in ways that enhance digestibility, addressing both over- and under-nutrition. It will act right across the food chain. Agro-ecological production, community-scale processing and participatory research will be aided by a broad collective effort involving soil scientists, plant-breeders, farmers, millers, bakers, retailers, public health nutritionists and catering providers. As a Community Benefit Society, Bread for Good will devise ways of rewarding farmers not for producing *more* but for nourishing people *better*. It will support communities with more skilful *jobs per loaf* as they turn better grain into bread that is so sustaining that people need less in order to feel satisfied.

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. Scotland The Bread addresses this market failure with an innovative social business, owned by the community and dedicated to its long-term wellbeing.

3 Time for Bread

The time is right for this venture. Farmers, already under pressure from commodity markets, are increasingly expected to 'green' their operations in return for public subsidy. NHS Scotland recommends the 'Eatwell Plate' dietary advice to *'try to choose wholegrain varieties when you can'* because *'wholegrain food contains more fibre than white or refined starchy food, and often more of other nutrients. We also digest wholegrain food more slowly so it can help us feel full for longer.'*¹ This recognition that we should expect (unrefined) cereal grains to supply nutrients and aid healthy digestion is welcome. It is supported by the flood of research revealing the role of the gut microbiota in physical and mental health and the benign influence of lactic acid bacteria, the long-neglected but crucial factor in extended bread fermentation.

This is about more than diets. The balance of power in the food system is beginning to change, as people relish the greater self-reliance that comes with making their own bread. Artisan and community-supported bakeries are reversing the long-term domination of the bread supply by a few industrial producers. Growing interest in heirloom varieties and ancient grains is part of a wider search for authenticity, quality and a way of being that is in tune with, and sustained by, the health of the biosphere.

4 Research and action

Scotland The Bread will help to deliver system change through engagement in two main arenas – grain/flour and community bakery training.

First, it is leveraging contemporary agrobiological research to select and develop grains that are nutrient-dense, adapted to Scottish conditions and resilient in the face of climatic shocks. The genetics of heritage Scottish grains and Nordic landraces provide a starting point for selections and crosses that derive their quality and efficacy from biological diversity rather than the distorting demands of high-input industrial agriculture.

An income will be earned from royalties on these grains and on the resulting flour and breads. Uniquely, Scotland The Bread grains will be sold with a guarantee of elevated nutrient content, informed by an inclusive and dynamic public conversation about what we should expect of our basic foods. Demand for the product will be broadly based, including home bakers and community bakeries. Following a convened round-table of the health services and public procurement directorates, Scotland The Bread flour will reach hospitals, care

¹ <http://www.healthscotland.com/uploads/documents/25114-Eatwell%20Leaflet.pdf>

homes and schools – the places, in other words, where it is most important that every mouthful is as nutritious as can be.

Secondly, Scotland The Bread will devise and deliver training in the skills required to turn improved local grains into tasty and nutritious products. This is not simply a question of training bakers in methods (such as long fermentation) that do not currently apply in industrial production. Innovative approaches and heightened skills are required to develop products that will both bring out the best in good Scottish grain and gain a real commercial following.

Balancing demand and supply in an emerging market based on the principles of fair trade and sound nutrition is a key part of Scotland The Bread's remit. Its pace of growth will be appropriate to the long-term aim of delivering public benefit.

B The Business

1 Concept

Scotland The Bread is an enterprise dedicated to the common good with three principal elements :

- agro-ecological cereal development, production and use
- community bakery training, skills development & capacity building
- an active community of participating shareholder members and supporters.

It uses the principle of participatory research (involving scientists, farmers, food processors and citizens) to develop a supply of improved grains, selected for traits that optimise human nutrition and environmental resilience, and grown according to agro-ecological best practice. By attending to soil biology, understanding the ecological functioning of cereal plants and building on existing research into mineral-dense varieties, populations and landraces, we are developing wheat that offers farmers the chance to produce better quality grain for people to eat and to be rewarded in proportion to that quality. This is the **supply side**.

Training people to make products with the improved grains attends to the **demand side**. Scotland The Bread will teach and support bakers (old and new) to provide for their community using recipes and methods that bring out the best in the new flour.

The 'best' involves more than micronutrients. Eating engages all our senses. Just as the smell, taste and texture of food are central to our enjoyment, and sense of satisfaction from it, so the context in which bread is eaten affects its meaning and acceptability as food. When we know where it has come from, its sale or use becomes more than the mere exchange of goods for cash or the delivery of a lowest-cost 'service'. Therefore, just as we favour local and

community-scale distribution, we will also develop new collaborations in health and public procurement to ensure that everyone — including older people, children, those looked after and ‘catered for’ in our hospitals, schools, prisons and care homes — will benefit. Our measure of success will be how reliably we pass on nourishment, from the soil to the slice, and fulfil the human right to sufficient, nutritious food, eaten and enjoyed with dignity.

We will introduce a radically new way of producing fine wholemeal flour, using innovative technology that decentralises flour production while conserving nutrients that are wastefully discarded in conventional systems. On-demand milling of nutrient-rich bread flour in low-energy, bakery-scale mills costing no more than a dough mixer can bring farmers and bakers into closer collaboration. The identity, ‘personality’ and attributes of Scotland The Bread grains processed in this way constitute a compelling ‘story’ that will re-connect citizens to a vital food source. A brand whose ownership and control is dispersed and transparent is better protected against imitation or co-option.

Fairtrade relationships will be facilitated between participating farmers and existing or proposed community-supported bakeries and other end-users. These emerging examples of food sovereignty will help the development of a trusted brand that is committed to social justice in the food system. Further training income will be generated from experiential learning in agro-forestry, cereal growing and sourdough baking and facilitated team training aimed especially at groups working in food action, policy and public health.

2 Structure

Bread for Good is constituted as a Community Benefit Society because such a structure perfectly embodies its aim – to benefit the community. It is inspired by a vision of ecological public health in which the best possible bread is enjoyed by everyone without harming the biosphere on which continued human life depends.

The Society is overseen by a founding board of trustees (see Appendix 2) who will be confirmed or replaced by direct elections (one vote per shareholder irrespective of the size of shareholding) at the first Annual General Meeting during 2017. Active participation by the members (shareholders) will be encouraged, especially in using and advocating for the improved grains. Members of the public who do not wish to buy shares will be able to become supporters by paying an annual subscription which will entitle them to a newsletter and priority information about events, developments and products.

Relationship with Bread Matters Ltd

The idea for Scotland The Bread and much of its initial development has come from the owners of Bread Matters Ltd, Andrew Whitley and Veronica Burke. They intend to gift all the intellectual property in Scotland The Bread, the Baking for Community training course assets and the Fungal Network web resource (www.fungalnetwork.com) to the Community Benefit Society for no

consideration. An IP audit is being undertaken (with support from Scottish Enterprise) to clarify the resources being transferred.

Thereafter, Bread Matters will continue to be closely involved. The financial plan (Appendices 1 & 2) provides for two and a half days of management time to be supplied by Andrew Whitley and Veronica Burke (shown in 'Establishment'), though they are likely to contribute significant extra effort without remuneration. The cereal trials will continue to be hosted on Bread Matters' land without charge unless external project funding is forthcoming.

The Bread for Good Community Benefit Society board (on which Andrew Whitley and Veronica Burke are in a minority) will monitor any potential conflicts of interest in these arrangements. A formal contract between Bread for Good Community Benefit Society and Bread Matters Ltd will govern the relationship and protect the interests of the Society's shareholders.

3 Products and services

Bread for Good Community Benefit Society will earn income from its Scotland The Bread project under two main headings – grains and training.

Grains

Research by Bread Matters Ltd and its collaborators over the past three years has demonstrated the feasibility of growing mineral-dense varieties of wheat in Scotland that can be made into nutritious, digestible and great-tasting bread. Income will be earned on existing and future supplies of suitable wheat (and other grains) grown to the project's standards and bearing the Bread for Good trade mark (under development and to be registered with the Intellectual Property Office). This income will be mainly from royalties on grain used for seed or milling, on milled flour and on appropriately-fermented bread products.

Licence or royalty income is bound to grow slowly in the early years, particularly because it will be important to synchronise supply and demand as far as possible. A more immediate source of income – and a practical demonstration of the project's validity – will be provided by sales of freshly-milled wholemeal flour.

Building on Bread Matters Ltd's successful sale of sourdough starters derived from Russian rye (more than 15,000 have been sold in two and a half years), Scotland The Bread will profit from a parallel product made with named varieties of Scottish heritage wheat. Since sourdough fermentation produces the most nutritious bread and will therefore be recommended practice in the Bread for Good certification mark, marketing a starter that will help people get the best out of the project's grain and flour is entirely appropriate.

Income from these grain-related sources is predicted to grow from just under £5,000 in year one to over £44,000 in year five. Thereafter, it should provide an

increasing source of revenue as the acreage of improved Scottish wheat steadily grows.

Certification

Although no provision for it has been made in the current plan and associated projections, certification of grain, flour and bread has the potential to earn significant income for the Society in years to come. Our initial investment in creating what we believe will be the world's first grain-flour-bread certification scheme based on human-centred nutrient density and digestibility will be significant – and may require additional charitable funding. However, if we can continue to leverage the expertise in several Scottish research institutions (see 'Partners' below) to develop robust evidence-based methodologies, we will create a tool for public health improvement that may elicit interest well beyond Scotland as other communities struggle to feed themselves healthily and sustainably in future.

It is with considerations such as these in mind that we have taken care to distinguish between the Scotland The Bread project and the Society's trade mark 'Bread for Good' which can be applied to qualifying goods and services without geographical connotations.

Training

Demand for more nutritious, digestible and tasty grain, flour and bread cannot be assumed to grow automatically, even if national trends are showing a marked shift away from white sliced industrial loaves and towards healthier options. Scotland The Bread's training activities are therefore critical to the long-term success of the project.

Bread Matters Ltd has devised and run the UK's most authoritative courses in artisan baking since 2003 and has trained more than 2,000 people in the techniques of bread making with organic grains, long fermentation and no synthetic additives. Veronica Burke and Andrew Whitley created the first ever training course in community-supported baking, called **Baking for Community**, in 2008. This intensive course, which will be Scotland The Bread's flagship programme, combines technical baking with the commercial and financial knowledge needed to start or develop a successful community-supported bakery.

Other training courses such as Soil to Sourdough and Together We Rise build on Bread Matters' successful application of experiential learning methods to the potent role of natural fermentation and real bread making in ecological public health.

The income from all forms of training is predicted to grow from £22,000 in year one to £95,000 in year five.

Location

The Society will operate from Macbiehill Farmhouse, Lamancha, West Linton (Bread Matters Ltd' premises) until such time as income and the scale of operations make a move desirable and affordable. Bread Matters has a barn with ample space for the proposed mill (which is very small) and associated grain storage. Once the concept of freshly-milled wholemeal flour is proved, the mill, with its associated operation, will move, either to a farmer-supporter with appropriate facilities, or to a collaborating community enterprise (e.g. Penicuik Storehouse). Office space will initially be provided by Bread Matters Ltd in order to keep initial costs down, but it is expected that separate facilities will be rented in the Edinburgh area as the business grows.

Other products & services

As a benefit society owned by its members, Bread for Good aims to build an active community of interest. This will include supporters who are not shareholders but who will pay an annual subscription. These subscriptions, and surpluses on associated activities, are projected to yield an income of £7,500 by year five.

Social investment grant and loan funding is required until member subscriptions and the volume of grain and flour traded are sufficient to make the business self-sustaining, with a modest operating surplus returned to support further research and community engagement.

4 Five year goals and financial plan

Appendix 1 contains 5-year financial projections supported by detailed assumptions on all sources of capital, income and associated costs. The initial capital will be provided by a community engagement campaign to raise £30,000 in shares. The Society is participating in the Just Growth programme (a consortium of The Esmée Fairbairn Foundation [EFF], Funding Enlightened Agriculture [FEA] and Community & Cooperative Finance [CCF]). On successfully raising £20,000 in shares, Bread for Good Community Benefit Society will be eligible for a grant of £20,000 from EFF and a loan of £20,000 from CCF. Thus, within the first few months of launching, the Society will have £60,000 to £70,000 to begin its work.

The aim of our plan is to build a business that is self-financing and generating a profit of £14,795 in its fifth year. By that time,

- ★ **500** tonnes a year of verified nutrient-dense wheat will be grown on Scottish organic farms and community spaces, supplying, if just **half of it** is milled into flour,
 - **15** community bakeries & hundreds of home bakers, making at least
 - **540,000** loaves a year, which will nourish more than
 - **13,800** people with all the bread they need

- ★ **100** people will be trained in baking for community each year
- ★ **185** shareholders will own the Community Benefit Society (investing an average of £200 each)
- ★ **250** membership subscriptions will be paid each year.

Bread for Good Community Benefit Society will be a recognised collaborator in innovative wheat selection and breeding and will contribute to Scottish and UK policy initiatives on nutrition and public health. Above all, it will have become a movement to democratise control of, and access to, healthy bread produced from home-grown grains, with the benefits spread fairly across society.

One of the most innovative features of Scotland The Bread is that no grain, flour or bread will bear the Bread for Good mark of approval unless it meets the required minimum standard of nutrient density. This means that each consignment of grain and the various grades of flour milled from it will require testing for a range of minerals (and, in time, other nutrients). Provision has been made within the financial projections for some of the required testing. But it is important that any declared analyses are both robust and meaningful in the light of our developing understanding of human nutrition and metabolism. Additional research funding will be needed to guide and validate Scotland The Bread's commitment to develop the most nutrient-dense and digestible grains and grain products possible within the constraints of a changing climate. One of the tasks of the Development Assistant to be employed from year one will be to assist in bringing in such funding.

5 Partners

A large group of people has helped Scotland The Bread get to this point. Significant assistance has been, and is being, provided as follows.

Wheat cropping

Sourcing 13 accessions of 19th century Scottish wheat varieties from gene banks round the world – Andrew Forbes (Brockwell Bake Association, London) and Dr Mike Ambrose (John Innes Centre, Norwich)

Bulking up these accessions into usable quantities 2012-15 – Angus McDowall (Mungoswells Farm, East Lothian), Hugh Grierson (Newmiln Farm, Perthshire), Prof Christine Watson and colleagues (Scotland's Rural University College, at the Craibstone Estate, Aberdeen). Over 10 tonnes of Scottish heritage wheat (varieties: Rouge d'Ecosse, Golden Drop, Hunters) was harvested by Angus McDowall in 2015.

Testing and evaluation

Testing 13 original accessions for minerals and trace elements, plus DNA fingerprinting and evaluation in relation to existing databases of nutrient composition – Prof Derek Stewart and Dr Luke Ramsay of the James Hutton Institute, Invergowrie.

General project support

Pete Ritchie (Nourish Scotland), Jocelyn Warwick (organic farmer and inspector), Dr Cesar Revoredo-Giha (SRUC), Prof David Atkinson (former vice-principal of the Scottish Agricultural College) – and many others.

Scotland The Bread is actively engaged with the following organisations:

The James Hutton Institute

Heriot-Watt University, Edinburgh

The Rowett Institute of Nutrition & Health, Aberdeen

The Organic Research Centre, Elm Farm, Berkshire

The Royal Botanic Garden, Edinburgh

Nourish Scotland

The Real Farming Trust

The Real Bread Campaign (Sustain)

+ researchers and organisations in Denmark & Sweden

6 Social & Environmental Impact

Scotland The Bread aims to benefit communities across Scotland by developing a grain, flour and bread supply chain that advances health, is environmentally sustainable and enhances local economies.

Its activities and impact are economic, social and environmental. The integration of all three components can be defined as 'agro-ecology' (at its simplest, farming and producing food in a way that creates other social and environmental goods).

Our members need to know that their investment is verifiably working for the public good and we need to understand the actual outcomes and impact of the work.

We have clearly identified the intended impact in designing each activity, product and service. During 2016 we are collaborating with the Centre for Agroecology, Water and Resilience (CAWR) in Coventry University, which specialises in participatory action research, to co-produce a toolkit of indicators to measure and assess our impact in areas such as:

Social Capital where the evidence will include:

- collaboration with local farmers, millers and bakers;
- inclusive involvement in growing heritage grains for action research;
- collaboration between scientists in leading institutions to identify traits in wheats that inform a selection and breeding programme;
- training, support and network development enabling community-supported bakeries to thrive;
- inter-disciplinary work with crop-scientists, public health, agriculture and food producers.

Community resilience where the evidence will include:

- citizen participation in research through our Soil to Slice community growing project;
- the creation of real, meaningful employment in community-scale artisan baking;
- greater capacity and skills base of new and existing community bakers to use slow fermentation techniques that maintain the nutritional integrity of the wheat/flour in bread production;
- balancing and scaling up both demand and supply of Scotland The Bread grain and flour (a sustainable economic trading model for the Community Benefit Society).

Food democracy, food sovereignty and social justice where the evidence will include:

- a growing number and increasing involvement of membership in the Community Benefit Society;
- fairer rewards for local farmers growing nourishing food for people;
- better access to nutritious bread for those with diet-related ill-health, including those with least access and choice in their daily diet; older people, children, those looked after and 'catered for' in our hospitals, schools, prisons and care homes.

7 SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> Concept addresses real need Fits with Scottish public health priorities (e.g. FSS Corporate Strategy Outcome 3, Good Food Nation vision etc) First variety tests showed better mineral content. 10 tonnes from crop 2015 is available (awaiting testing) Good links with scientists/research (UK, Europe, USA) Numerous collaborations (e.g. Slow Food Scotland, Borders Food Network, Oxford Real Farming Conference) Track record of bakery product development and artisan bakery training Leaders in value of fermentation/sourdough STB wheat quality requires skilful bakers, thus plays to strengths of artisan bakery sector 'Story' already attracts media interest BM database of 5000+ followers, @BreadMatters 3750+, @scotlandbread 800+ BM Facebook 900+ BM online shop (courses and equipment) over 15 years experience 	<p>Weaknesses</p> <ul style="list-style-type: none"> Slow speed of wheat variety introduction/ improvement More in-depth and nutritionally relevant testing of grains requires additional funding Reliance on sufficient growth in the capacity of, and funding for, the community enterprise sector Perceived bread making quality of existing STB wheat varieties (but see Strengths) Over-dependence on founders' knowledge and energy
<p>Opportunities</p> <ul style="list-style-type: none"> Growing market for 'heritage' grains, local food and Real Bread Proliferation of community bakeries & micro mills – potential users of grain & flour Agroecology emerging as truly sustainable farming option Emergence of extensive community business support initiatives (e.g. First port [Scotland], Power to Change [England]) Certification scheme could be marketed in other countries Research funding for health/environment programs (Wellcome/Rowntree etc) Emerging Scottish Food Coalition, proposing Food Farming and Health Act Stated support from Minister of Food and Rural Affairs 	<p>Threats</p> <ul style="list-style-type: none"> Regulatory issues in commercialising new varieties/landraces Risk of bunt and mycotoxins in wheats unless carefully cleaned Farmer reluctance to embrace fairtrade model STB varieties/landraces do not perform agronomically (yield & quality) Bad weather affects Scottish harvest generally Duplication (and public misunderstanding) of STB flour sources (i.e. own and third party) Potential difficulty in protecting IP, leading to passing-off, undermining of the brand and/or co-option

C The Market

1 Customers

Grain and flour

Scotland The Bread's 'customers' are better thought of as (to borrow from Slow Food) 'co-producers'. They range from farmers bulking up and growing selected varieties of wheat and bakers turning the resulting flour into real bread using an approved method, to eaters of bread made with the flour. Some of those eaters will also be bakers; some will enjoy the bread thanks to the purchasing decisions of enlightened caterers or providers.

Income will be generated at various stages in the passage from seed to slice, in part by royalties or license payments and in part by direct sales of freshly-milled flour using innovative technology that is new to the UK. This latter part of the sales mix is an important 'pump-primer'. It will enable Society members and supporters, as well as a wider public, to enjoy at first-hand the advantages of locally-grown, nutritious and unusually tasty flour. Scotland The Bread's expertise in handling softer, lower gluten grain (strictly without additives and processing aids) will be communicated in the form of helpful recipes and baking methods, engaging with users in a way that explains both *why* the grains are so good (for people's digestive systems as much as the biosphere) and *how* to get the best out of them. We will engage with those who decide what goes onto the 'public plate', so that our message and our flour will reach 'customers' who have no direct say in the quality of the bread they eat and who will be better served when every mouthful is as good as it can possibly be.

Having a means of processing grain freshly into a uniquely fine wholemeal flour will enable Scotland The Bread to work with artisan and community bakers to develop products that are technically feasible and that meet high nutritional standards while appealing to public taste.

No other organisation is certifying grain, flour and bread with a verified nutrient analysis of each batch, based on a research programme that aims to increase grain nutrient density over time. We are already using the latest tools of molecular biology (for example, DNA fingerprinting performed by the James Hutton Institute) to understand the qualities and value of landrace varieties and evolutionary wheat populations. This methodology and certification system will be an important asset of Bread for Good Community Benefit Society, with the potential to earn income beyond Scotland as other countries recognise the public health importance of emerging alternative agroecological food systems.

Training

Teaching individuals and groups to start & develop successful community-supported bakeries is a major part of the Society's purposes and will be an important income stream, especially in the early years while the supply of

certified grain and flour builds up. Scotland The Bread inherits the concept of CSB – ‘community-supported baking’ – that was first conceived by Bread Matters Ltd in 2008 as a logical follow-on from CSA, i.e. community-supported agriculture. The concept and the course have attracted participants from several countries.

Through its connection with Bread Matters, Scotland The Bread will be the market leader in authoritative training in this field, offering a portfolio of unsurpassed artisan baking knowledge (especially using natural fermentation) and a track record in award-winning organic product development. The experience gained over 25 years in starting and growing a nationally successful business is now being deployed in supporting community-based bread making enterprises.

Bread Matters pioneered (in the early 2000s) an innovative fusion of bread making and team development to create bespoke short courses for groups and organisations, known as **Together We Rise**. This training forms part of the intellectual property being gifted to Bread for Good Community Benefit Society by Bread Matters Ltd. It will use the outdoor environment as well as the bread making school to provide an immersive, reflective experience for teams and cross-disciplinary groups. With programmes crafted to meet a client group’s particular challenges, the service will be aimed primarily at those working in food action, policy and public health and may be of interest to a much wider social and business sector.

2 Competition

Scotland The Bread’s work in developing more nutrient-dense Scottish bread grains is genuinely innovative (commercial grains are currently measured for nutrients only when destined for *animal* feed) and therefore the challenge comes not from competitors doing exactly the same thing but from the need to ensure that supply and demand grow at more or less the same pace. This is best achieved through transparency and communication between all parties.

Scotland The Bread is the leader in its field and will collaborate with potential users of improved grains (e.g. Breadshare Community Bakery in Edinburgh and Penicuik Storehouse) and deliverers of relevant high-quality training so that everyone works together to overcome the real competition, i.e. from vested interests locked in to a food supply system that is failing to serve the public good.

3 Pricing

Grain and flour

Heritage grains from organic farms are unquestionably a niche product in the current market. One example (Lammas Fayre) of a range of flours milled from ancient grains and sold online trades at £3.06/kg, compared to £1.30/kg for the market-leading biodynamic wholemeal flour from Shipton Mill. It would be understandable were Scotland The Bread to position its grain at the upper end

of this spectrum, especially since the wheat varieties chosen for their nutrient density do not necessarily yield as heavily as modern hybrids. However, Scotland The Bread's pricing will reflect its unconventional but principled engagement with the market.

First, central to the project's purposes is the desire to make better flour and bread accessible to people on the basis of need, not income level. This cannot mean selling grain and flour below cost, but it does call for imaginative pricing strategies that keep the final product affordable, for example by reducing the number of stages between grower and user. Secondly, we want to develop a new way of rewarding farmers for producing **less** but **better** grain, to the benefit of soils and citizens alike. This will require pricing arrangements that pay producers on the basis of **people nourished, rather than tonnes of crop, per hectare**. Put simply, fairtrade principles together with community-supported stockholding mechanisms, will set a price for the new grains that will deliver stability and transparency. It may be that the end price to users of Scotland The Bread flour (and the bread made with it) will exceed the cheapest supermarket offerings, especially when the world market is over-supplied. But there is plenty of room between the current price of organic wheat at about £230/tonne – i.e. 23 pence per kilo – and the retail prices of flour illustrated above. And if open-book accounting on a fairtrade basis does result in the community of users paying an above-rock-bottom price for their more nutrient-dense flour, this can be 'marketed' with a truthful reckoning of benefits, including sustainable livelihoods for farmers, long-term care for soils, reduced waste, benefit to the local economy and better health for all.

Royalties

A key assumption underlying Scotland The Bread's business model is the generation of income by licensing grain (and the flour and bread made from it) that meets minimum standards of nutrient density. In the long run (after the first five years, all being well), this income source will exceed earnings from training (and direct sale of flour etc). Initial pricing assumptions (royalties of £10/tonne for milling grain, 7p/kg on milled flour and 1% of turnover for bread) are aimed at covering most of the cost of basic nutritional analysis, which will be the key marketable benefit for participants in the system. As a Community Benefit Society, the organisation will stress the importance of the licensing arrangements as a means of funding a process of grain improvement in which the entire community has a stake.

Training

The pricing of the various training courses and activities outlined in the business plan is based closely on what has been achieved by Bread Matters Ltd. In that sense, there should be no surprises. An element of uncertainty comes from how easily we will be able to recruit the number of attendees envisaged, at the full level of fees, since many of those starting community and social enterprises will require some funding support. Given the importance of training

income in the first years, and the urgent need for a joined-up approach across the food and drink sector, a key task of the Society's paid employees will be to recruit sufficient course participants and, at the same time, to develop new collaborations with agencies and funders. The latter might include, for example, (in Scotland) Skills Development Scotland, Inspiring Scotland, Firstport and UnLtd, (in England) Power to Change and Location, and (across the UK) the Plunkett Foundation and Cooperatives UK.

4 **Members and supporters**

Bread for Good Community Benefit Society aims to raise £30,000 in shares. Shareholders will be '**Members**' of the Society. As well as providing initial capital, members will be both advocates of the Society's goods and services and, in many cases, customers. The minimum shareholding will be £100 and will confer the following responsibilities and benefits:

- active engagement with the Society and its work
- electing the board, casting votes at AGMs (one member one vote) and receiving annual reports
- one year's subscription to the Newsletter
- first access to newly developed varieties of grain and flour
- privileged direct online access to certified grains and freshly-milled flour

Supporters will be invited to subscribe £25 per year (£40 for families), in return for which they will benefit from:

- a quarterly newsletter
- the chance to join a participatory plant breeding network
- invitations to farms to see grain breeding, selection and growing trials
- privileged access to newly developed varieties of grain and flour
- privileged direct online access to certified grains and freshly-milled flour
- privileged access to research findings on the agroecological and nutritional benefits of STB grains
- information and recipes for getting the best out of the new Scottish grains

D **Management**

1 **Key People**

Scotland The Bread is led by Veronica Burke and Andrew Whitley.

Veronica has over 30 years experience in family law and social work, latterly as an expert witness and editor of two professional journals. For the past five years she has developed within Bread Matters a nourishing platform for community engagement which will be embodied in Scotland The Bread. She was the first chair of Breadshare Community Interest Company (2011-12).

Andrew is a leader of the artisan baking revival in the UK. He founded the organic Village Bakery in the 1970s and is author of the seminal *Bread Matters* (Fourth Estate 2006/2009) and the best-selling *DO Sourdough* (Do Book Company 2014). He has an MSc in Food Policy from City University London and is credited with 'changing the way we think about bread' (BBC Food & Farming Awards). A former vice-chair of the Soil Association and co-founder of the Real Bread Campaign, he teaches, writes and campaigns for good food as a universal right. On the agroforestry project at Macbiehill he grows and evaluates a wide range of cereals to make bread that nourishes people reliably in an uncertain world.

Salaried staff will be limited, at the outset, to a part-time Development Assistant with general administrative duties (including funding applications) and a part-time Direct Sales Assistant who will handle flour and online sales.

Scotland The Bread is a project of Bread for Good Community Benefit Society whose governance is overseen by a board of trustees. The names and brief details of the founding board are given in Appendix 2. A new board will be elected at the first Annual General Meeting of the Society in 2017.

Scotland The Bread is assisted by a wide group of voluntary collaborators, including cereal scientists, farmers, food policy activists, land workers, students and community bakers.

2 Financial Management

Accounting

Day-to-day sales, purchases, banking and management accounts will be handled on a dedicated version of a robust computerised system (AccountEdge Pro from Mamut Software). Professional accountancy and audit services will be provided by the respected Edinburgh firm of Jeffrey Crawford & Co.

Gift Aid & VAT

The Community Benefit Society is applying for charitable status under Scottish law. If the application is approved, the Society will be able to reclaim Gift Aid on appropriate donations. No provision for such receipts has been included in the financial projections (Appendix 1) but a favourable outcome would clearly strengthen the Society's cash flow and balance sheet.

Charitable status would permit exemption from VAT. However, advice will be sought on the advisability of voluntary registration so that input tax on services and goods can be reclaimed. For simplicity, VAT has not been shown in the financial projections, as it is in any case unlikely that the Society would build up a significant VAT creditor or debtor position.

Shareholder 'churn'

No interest will be paid on members' shares and no withdrawals will be permitted in the first four years, except in cases of death or severe distress and always at the discretion of the trustees. Thereafter, some shareholder churn can be expected, but it is anticipated that, over time, sufficient new members will be recruited to replace any leavers.

Licences

A significant element of the Society's grain-related income will come from royalties or licences on wheat varieties, mixtures and landraces developed for enhanced nutrient content. This will require a certification system akin to those governing organic farming and food processing under EU Council Regulation (EC) No 834/2007. Scotland The Bread will define the principles and criteria for its own system and will approach the Soil Association and Organic Farmers & Growers, both experienced in administering similar systems across various sectors, for help in developing our scheme.

Advice has been sought from trade mark attorneys Lawrie IP (Glasgow) and applications for two trade marks are envisaged: one (in conjunction with a graphic device) for **Bread for Good** Community Benefit Society, to be used on formal communications and as a certification mark on grain, flour and bread that meets the required standards; the second for **Scotland The Bread**, to be used on all communications, presentations and packaging pertaining to this project. The registration of separate trade marks will enable the Society to earn income in future from licensing appropriate nutrient-dense grain-flour-bread chains in countries other than Scotland.

Although it is important for the Society simultaneously to protect its intellectual property in what is a highly innovative project and to generate funds for further research in the public interest, it is also the case that the Society is committed to the widest possible dissemination of improved grains and the knowledge of how to use them for the greatest good of the community.

Capital expenditure

The main items listed in the schedule of capital expenditure and depreciation in Appendix 2 are a grain thresher (already acquired with crowdfunded resources in 2015), the small flour mill and a seed cleaner. These items have a long working life and will not need to be replaced in the first five years. Replacement of computers has been provided for after three years. A general provision has been made for smaller items of research and training-related equipment, details of which will become evident once the project is under way.

3 Risk analysis

The following is an analysis of the main risks to which the Society is likely to be exposed and the steps necessary to deal with them.

Risk	Impact	Likelihood	Mitigation
DEVELOPMENT			
Less than £20,000 share capital by end of July (the sum required to release Just Growth grant and loan)	High	Medium-low	Scale up marketing campaign with support of all relevant agencies and organisations. Extend deadline to August 2016. If grant and loan not received, scale back plans to fit cash available
Fewer subscribers and lower direct flour sales than expected	Medium	Medium-low	Concerted social and other media publicity to raise awareness. Consider price promotion on flour
FINANCE			
Lack of shares/donations in general	High	Low	Scale up marketing and control costs pro tem
Inability to meet obligations (going concern basis)	High	Low	Regular management accounts scrutiny by board. Pre-emptive cost reduction as required
OPERATIONS			
Data loss	Medium	Low	Systematic back-ups of computer-held data from the start
Logistics (flour sales) complicated and costly	Medium	Low	Adjust model and/or pricing. Consider outsourcing operations
Office space hard to find/inconvenient/costly	Medium	Medium	More/less working from home. Find suitable office space in sister organisation
Certification/licensing system hard to establish, poor uptake	High	Low-medium	Scale down scope. Seek assistance from Social Enterprise community
Courses undersubscribed	High	Low	Prioritise course marketing. Engage with e.g. Skills Development Scotland
HUMAN RESOURCES			
Under-staffing/over-dependence on Veronica Burke and Andrew Whitley	High	Low	Support from board and partner organisations
Failure to find suitable staff	High	Low	Revise development timetable. Canvass widely among collaborating organisations & networks
GOVERNANCE			

Board weakness	High	Low-medium	Recruit/replace. Implement induction and facilitated training
Conflicts of interest (between Bread Matters and STB)	Medium	Medium	Consult external arbitrator if board unable to resolve
Charity assets not adequately safeguarded	Medium	Low	Airdrie Savings Bank low risk. Bank balance unlikely to exceed Asset Protection limit of £75k in first five years.
EXTERNAL RELATIONS			
Resistance from NFU or Craft Bakers	Medium	Low	Explain our purposes and seek common ground without abandoning principles

The biggest risk to this plan is if social investment and grant funding are slow to materialise. A significant shortfall would not prevent the launch of the CBS but it would delay its development at all levels.

If only £20,000 is raised in shares, capital expenditure and some operating costs will be delayed appropriately. In practice, this will mean that Andrew Whitley and Veronica Burke will continue to work, to a greater or lesser extent, on an unpaid voluntary basis – as has been the case for the past three years while the plan for the Society has been developed. If less than £20,000 is raised, all share capital in the initial offer will be returned and the Society will either be wound up or will operate on a shoestring with purely voluntary labour until other funds are secured to enable it to implement its plans.

The business is obviously very dependent on the skills and energy of Veronica Burke and Andrew Whitley and would be at risk if either or both were unable to work, particularly at the beginning. However, the Community Benefit Society structure has been chosen precisely because it shares guidance and delivery among a group of members, led by a board with the competence to take appropriate action if key people are indisposed. It will have an involved membership and will communicate with and seek support from it.

The business will depend for about half its income on selling baking training. Bread Matters has been a leader in this field for many years. Since 2003, Bread Matters has delivered 35-50 days of specialist bakery training per year. Even in year five of this plan, Scotland The Bread will be delivering only 55 days across all formats. Given the growing demand experienced by Bread Matters and the larger target market open to the Community Benefit Society, this rate of training income growth seems a reasonable assumption.

There is, however, a potential risk to the Scotland The Bread business model in that those people who most want and need CSB training cannot always fund themselves. This risk will be mitigated as far as possible by partnership working with agencies such as Skills Development Scotland, the Plunkett Foundation,

community development organisations and Development Trusts as well as funders.

There are some regulatory issues over plant breeding, especially as the EU is currently discussing a major amendment to the seed regulations. However, temporary permission has been gained to commercialise wheat populations and mixtures, and there is growing pressure within member states (especially among small farmer groups) to reconcile plant breeding law with the pressing need to respond to climate disruption by diversifying our genetic resources.

Any new venture, especially when working for wide societal benefit, carries risks. But Scotland The Bread has two great advantages. It is led by people with a long track record in artisan baking, product development and skills training. And it is an idea whose time has come. When the notion of feeding ourselves reliably well from the balanced and bounteous countryside around us is proposed, people immediately 'get it'. What could be more natural and worthy of support?

E Appendices

1. 5-year P&L, Balance Sheet, Cash Flow
2. Founding board members

'Humanity can be stewarded successfully through the 21st century by addressing the unacceptable inequities in health and wealth within the environmental limits of the Earth, but this will require the generation of new knowledge, implementation of wise policies, decisive action, and inspirational leadership.'

Lancet Commissions on Planetary Health, November 2015

Appendix 1: Financial Projections

Bread for Good Community Benefit Society

Projected Profit and Loss Account

	Year 1	Year 2	Year 3	Year 4	Year 5
INCOME					
Sales	28,765	54,500	72,125	98,825	133,250
Cost of Sales	18,413	34,525	45,688	59,550	78,310
GROSS PROFIT	10,353	19,975	26,438	39,275	54,940
Grants & donations	36,536	5,000	5,000	5,000	5,000
Subscriptions & member services income	1,500	3,000	4,500	6,000	7,500
TOTAL INCOME	48,389	27,975	35,938	50,275	67,440
EXPENDITURE					
Salaries	13,400	14,078	14,360	14,647	14,940
Establishment	18,345	15,260	16,025	16,546	17,072
Marketing & communications (inc membership)	4,000	3,500	4,000	4,500	5,000
Administration	3,101	2,750	3,000	3,500	4,000
Finance (inc accountancy)	3,000	2,750	3,250	3,750	4,250
TOTAL EXPENDITURE	41,846	38,338	40,635	42,942	45,261
EBITDA	6,542	-10,363	-4,697	7,333	22,179
Loan Interest	1,542	1,282	984	662	314
Corporation Tax	0	0	0	0	0
Depreciation	3,820	4,320	4,320	4,320	4,320
NET PROFIT / LOSS	1,181	-15,965	-10,001	2,351	17,545

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Bread for Good Community Benefit Society

Balance Sheet

		Year 1	Year 2	Year 3	Year 4	Year 5
Fixed assets						
Tangible						
At cost	£	18,036 £	20,036 £	22,036 £	25,036 £	27,036
Less depreciation	£	(3,820) £	(8,140) £	(12,460) £	(16,780) £	(21,100)
Net fixed assets	£	14,216 £	11,896 £	9,576 £	8,256 £	5,936
Current assets						
Cash at bank	£	40,454 £	24,777 £	14,379 £	14,746 £	27,560
TOTAL	£	40,454 £	24,777 £	14,379 £	14,746 £	27,560
Current liabilities						
Loans due in less than one year	£	4,033 £	4,717 £	5,303 £	6,051 £	1,199
TOTAL	£	4,033 £	4,717 £	5,303 £	6,051 £	1,199
Net current assets/liabilities	£	36,421 £	20,060 £	9,075 £	8,695 £	26,361
Long-term liabilities						
Loans due in more than one year	£	19,457 £	14,740 £	9,437 £	3,385 £	2,187
Total assets/liabilities	£	31,181 £	17,216 £	9,215 £	13,566 £	30,110
FUNDED BY						
Members' shares	£	30,000 £	32,000 £	34,000 £	36,000 £	35,000
Profit & loss account	£	1,181 £	(14,784) £	(24,785) £	(22,434) £	(4,890)
TOTAL	£	31,181 £	17,216 £	9,215 £	13,566 £	30,110

Note For the purposes of these projections, it is assumed that the following accounts have no significant bearing and are therefore not shown: Stock, Creditors, Debtors, Accruals, Prepayments

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Bread for Good Community Benefit Society

Cash Flow Year 1

	Q1	Q2	Q3	Q4	Year Total
INCOME					
Agroecological research, development and supply chain					
Royalties on certified STB grain for seed	7.5	15	22.5	30	75
Licence fees on certified STB grain for milling	5	10	15	20	50
Licence fees on STB flour	7	14	21	28	70
Licence fees on STB bread and baked products	2	4	6	8	20
Basic certification fee (farmers and processors, i.e. millers and bakers)	50	100	150	200	500
Direct sales of grain and flour mainly to home bakers	375	750	1,125	1,500	3,750
Royalties on STB sourdough starters	50	100	150	200	500
Total production-related sales	497	993	1,490	1,986	4,965
Market development, training & consultancy					
Community Baking Courses		3,200	3,200	3,200	9,600
From Seed to Sourdough		1,667	1,667	1,667	5,000
Introduction to Community-supported Baking		1,067	1,067	1,067	3,200
Together We Rise team training				6,000	6,000
Total training & market development income	0	5,933	5,933	11,933	23,800
Total sales (for A-Team loan repayment calculation)					28,765
Membership subscriptions, donations & services income					
Membership subscriptions		417	417	417	1,250
Donations		3,333	3,333	3,333	10,000
Events and member services income			125	125	250
Total membership subscriptions, donations & services income	0	3,750	3,875	3,875	11,500
Shares, loans, grants					
Community Shares	15,000	15,000			30,000
Loans	6,000	20,000			26,000
Crowdfunding and grants	6,536			20,000	26,536
Total shares, loans, grants	27,536	35,000	0	20,000	82,536
TOTAL INCOME	28,033	45,676	11,298	37,794	122,801
EXPENDITURE					
Capital Expenditure (research and office equipment)	12,936	5,100			18,036
Loan Repayments – A Team (payable in Q1 of year following)					
Loan Repayments – Just Growth (Cooperative & Community Finance)		821	836	853	2,510
Loan interest (Just Growth) as per schedule supplied by CCF	390	400	384	367	1,542
Cost of cereals R&D, sales & supply chain development	1,278	1,278	1,278	1,278	5,113
Community bakery training costs		4,433	4,433	4,433	13,300
Salaries (inc pension contributions)	3,350	3,350	3,350	3,350	13,400
Establishment	4,586	4,586	4,586	4,586	18,345
Marketing & Communications	1,000	1,000	1,000	1,000	4,000
Administration	775	775	775	775	3,101
Finance	250	250	250	250	1,000
Accountancy		1,000		1,000	2,000
TOTAL EXPENDITURE	24,566	22,994	16,894	17,894	82,347
NET CASH INFLOW/ OUTFLOW	3,467	22,683	-5,596	19,901	40,454
OPENING BALANCE		3,467	26,149	20,553	
CLOSING BALANCE	3,467	26,149	20,553	40,454	

Bread for Good Community Benefit Society

Cash Flow Year 2

INCOME	Q1	Q2	Q3	Q4	Year Total
Agroecological research, development and supply chain					
Royalties on certified STB grain for seed	22.5	45	67.5	90	225
Licence fees on certified STB grain for milling	15	30	45	60	150
Licence fees on STB flour	17.5	35	52.5	70	175
Licence fees on STB bread and baked products	5	10	15	20	50
Basic certification fee (farmers and processors, i.e. millers and bakers)	100	200	300	400	1,000
Direct sales of grain and flour mainly to home bakers	750	1,500	2,250	3,000	7,500
Royalties on STB sourdough starters	100	200	300	400	1,000
Total production-related sales	1,010	2,020	3,030	4,040	10,100
Market development, training & consultancy					
Community Baking Courses	4,800	4,800	4,800	4,800	19,200
From Seed to Sourdough	2,500	2,500	2,500	2,500	10,000
Introduction to Community-supported Baking	800	800	800	800	3,200
Together We Rise team training		6,000		6,000	12,000
Total training & market development income	8,100	14,100	8,100	14,100	44,400
Total sales (for A-Team loan repayment calculation)					54,500
Membership subscriptions, donations & services income					
Membership subscriptions	625	625	625	625	2,500
Donations	1,250	1,250	1,250	1,250	5,000
Events and member services income	125	125	125	125	500
Total membership subscriptions, donations & services income	2,000	2,000	2,000	2,000	8,000
Shares, loans, grants					
Community Shares	500	500	500	500	2,000
Loans					0
Crowdfunding and grants					0
Total shares, loans, grants	500	500	500	500	2,000
TOTAL INCOME	11,610	18,620	13,630	20,640	64,500
EXPENDITURE					
Capital Expenditure (research and office equipment)	500	500	500	500	2,000
Loan Repayments – A Team (payable in Q1 of year following)	431				431
Loan Repayments – Just Growth (Cooperative & Community Finance)	882	888	906	925	3,601
Loan interest (Just Growth) as per schedule supplied by CCF	339	332	314	296	1,282
Cost of cereals R&D, sales & supply chain development	2,456	2,456	2,456	2,456	9,825
Community bakery training costs	6,175	6,175	6,175	6,175	24,700
Salaries (inc pension contributions)	3,520	3,520	3,520	3,520	14,078
Establishment	3,815	3,815	3,815	3,815	15,260
Marketing & Communications	875	875	875	875	3,500
Administration	688	688	688	688	2,750
Finance	313	313	313	313	1,250
Accountancy				1,500	1,500
TOTAL EXPENDITURE	19,993	19,562	19,562	21,062	80,178
NET CASH INFLOW/ OUTFLOW	-8,383	-942	-5,932	-422	-15,678
OPENING BALANCE	40,454	32,071	31,130	25,198	
CLOSING BALANCE	32,071	31,130	25,198	24,777	

Bread for Good Community Benefit Society

Cash Flow Year 3

INCOME	Q1	Q2	Q3	Q4	Year Total
Agroecological research, development and supply chain					
Royalties on certified STB grain for seed	90	180	270	360	900
Licence fees on certified STB grain for milling	45	90	135	180	450
Licence fees on STB flour	52.5	105	157.5	210	525
Licence fees on STB bread and baked products	15	30	45	60	150
Basic certification fee (farmers and processors, i.e. millers and bakers)	175	350	525	700	1,750
Direct sales of grain and flour mainly to home bakers	1,125	2,250	3,375	4,500	11,250
Royalties on STB sourdough starters	150	300	450	600	1,500
Total production-related sales	1,653	3,305	4,958	6,610	16,525
Market development, training & consultancy					
Community Baking Courses	7,200	7,200	7,200	7,200	28,800
From Seed to Sourdough	2,500	2,500	2,500	2,500	10,000
Introduction to Community-supported Baking	1,200	1,200	1,200	1,200	4,800
Together We Rise team training		6,000		6,000	12,000
Total training & market development income	10,900	16,900	10,900	16,900	55,600
Total sales (for A-Team loan repayment calculation)					72,125
Membership subscriptions, donations & services income					
Membership subscriptions	938	938	938	938	3,750
Donations	1,250	1,250	1,250	1,250	5,000
Events and member services income	188	188	188	188	750
Total membership subscriptions, donations & services income	2,375	2,375	2,375	2,375	9,500
Shares, loans, grants					
Community Shares	500	500	500	500	2,000
Loans					0
Crowdfunding and grants					0
Total shares, loans, grants	500	500	500	500	2,000
TOTAL INCOME	15,428	23,080	18,733	26,385	83,625
EXPENDITURE					
Capital Expenditure (research and office equipment)	500	500	500	500	2,000
Loan Repayments – A Team (payable in Q1 of year following)	818				818
Loan Repayments – Just Growth (Cooperative & Community Finance)	952	963	982	1,002	3,899
Loan interest (Just Growth) as per schedule supplied by CCF	268	258	239	219	984
Cost of cereals R&D, sales & supply chain development	3,584	3,584	3,584	3,584	14,338
Community bakery training costs	7,838	7,838	7,838	7,838	31,350
Salaries (inc pension contributions)	3,590	3,590	3,590	3,590	14,360
Establishment	4,006	4,006	4,006	4,006	16,025
Marketing & Communications	1,000	1,000	1,000	1,000	4,000
Administration	750	750	750	750	3,000
Finance	375	375	375	375	1,500
Accountancy				1,750	1,750
TOTAL EXPENDITURE	23,681	22,864	22,864	24,614	94,023
NET CASH INFLOW/ OUTFLOW	-8,254	216	-4,131	1,771	-10,398
OPENING BALANCE	24,777	16,523	16,739	12,608	
CLOSING BALANCE	16,523	16,739	12,608	14,379	

Bread for Good Community Benefit Society

Cash Flow Year 4					
INCOME	Q1	Q2	Q3	Q4	Year Total
Agroecological research, development and supply chain					
Royalties on certified STB grain for seed	270	540	810	1,080	2,700
Licence fees on certified STB grain for milling	180	360	540	720	1,800
Licence fees on STB flour	157.5	315	472.5	630	1,575
Licence fees on STB bread and baked products	45	90	135	180	450
Basic certification fee (farmers and processors, i.e. millers and bakers)	250	500	750	1,000	2,500
Direct sales of grain and flour mainly to home bakers	1,500	3,000	4,500	6,000	15,000
Royalties on STB sourdough starters	200	400	600	800	2,000
Total production-related sales	2,603	5,205	7,808	10,410	26,025
Market development, training & consultancy					
Community Baking Courses	9,600	9,600	9,600	9,600	38,400
From Seed to Sourdough	2,500	2,500	2,500	2,500	10,000
Introduction to Community-supported Baking	1,600	1,600	1,600	1,600	6,400
Together We Rise team training		6,000	6,000	6,000	18,000
Total training & market development income	13,700	19,700	19,700	19,700	72,800
Total sales (for A-Team loan repayment calculation)					98,825
Membership subscriptions, donations & services income					
Membership subscriptions	1,250	1,250	1,250	1,250	5,000
Donations	1,250	1,250	1,250	1,250	5,000
Events and member services income	250	250	250	250	1,000
Total membership subscriptions, donations & services income	2,750	2,750	2,750	2,750	11,000
Shares, loans, grants					
Community Shares received	500	500	500	500	2,000
Community Shares repaid	0	0	0	0	0
Loans					0
Crowdfunding and grants					0
Total shares, loans, grants	500	500	500	500	2,000
TOTAL INCOME	19,553	28,155	30,758	33,360	111,825
EXPENDITURE					
Capital Expenditure (research and office equipment)	750	750	750	750	3,000
Loan Repayments – A Team (payable in Q1 of year following)	1,082				1,082
Loan Repayments – Just Growth (Cooperative & Community Finance)	1,029	1,043	1,064	1,086	4,221
Loan interest (Just Growth) as per schedule supplied by CCF	192	178	157	135	662
Cost of cereals R&D, sales & supply chain development	4,913	4,913	4,913	4,913	19,650
Community bakery training costs	9,975	9,975	9,975	9,975	39,900
Salaries (inc pension contributions)	3,662	3,662	3,662	3,662	14,647
Establishment	4,136	4,136	4,136	4,136	16,546
Marketing & Communications	1,125	1,125	1,125	1,125	4,500
Administration	875	875	875	875	3,500
Finance	438	438	438	438	1,750
Accountancy				2,000	2,000
TOTAL EXPENDITURE	28,176	27,094	27,094	29,094	111,457
NET CASH INFLOW/ OUTFLOW	-8,623	1,061	3,664	4,266	368
OPENING BALANCE	14,379	5,755	6,817	10,480	
CLOSING BALANCE	5,755	6,817	10,480	14,746	

Bread for Good Community Benefit Society

Cash Flow Year 5

	Q1	Q2	Q3	Q4	Year Total
INCOME					
Agroecological research, development and supply chain					
Royalties on certified STB grain for seed	675	1,350	2,025	2,700	6,750
Licence fees on certified STB grain for milling	540	1,080	1,620	2,160	5,400
Licence fees on STB flour	630	1,260	1,890	2,520	6,300
Licence fees on STB bread and baked products	180	360	540	720	1,800
Basic certification fee (farmers and processors, i.e. millers and bakers)	375	750	1,125	1,500	3,750
Direct sales of grain and flour mainly to home bakers	1,800	3,600	5,400	7,200	18,000
Royalties on STB sourdough starters	225	450	675	900	2,250
Total production-related sales	4,425	8,850	13,275	17,700	44,250
Market development, training & consultancy					
Community Baking Courses	12,000	12,000	12,000	12,000	48,000
From Seed to Sourdough	3,750	3,750	3,750	3,750	15,000
Introduction to Community-supported Baking	2,000	2,000	2,000	2,000	8,000
Together We Rise team training		6,000	6,000	6,000	18,000
Total training & market development income	17,750	23,750	23,750	23,750	89,000
Total sales (for A-Team loan repayment calculation)					133,250
Membership subscriptions, donations & services income					
Membership subscriptions	1,563	1,563	1,563	1,563	6,250
Donations	1,250	1,250	1,250	1,250	5,000
Events and member services income	313	313	313	313	1,250
Total membership subscriptions, donations & services income	3,125	3,125	3,125	3,125	12,500
Shares, loans, grants					
Community Shares received	500	500	500	500	2,000
Community Shares repaid	-750	-750	-750	-750	-3,000
Loans					0
Crowdfunding and grants					0
Net shares, loans, grants	-250	-250	-250	-250	-1,000
TOTAL INCOME	25,050	35,475	39,900	44,325	144,750
EXPENDITURE					
Capital Expenditure (research and office equipment)	500	500	500	500	2,000
Loan Repayments – A Team (payable in Q1 of year following)	1,482				1,482
Loan Repayments – Just Growth (Cooperative & Community Finance)	1,110	1,130	1,153	1,176	4,569
Loan interest (Just Growth) as per schedule supplied by CCF	111	91	68	45	314
Cost of cereals R&D, sales & supply chain development	6,515	6,515	6,515	6,515	26,060
Community bakery training costs	13,063	13,063	13,063	13,063	52,250
Salaries (inc pension contributions)	3,735	3,735	3,735	3,735	14,940
Establishment	4,268	4,268	4,268	4,268	17,072
Marketing & Communications	1,250	1,250	1,250	1,250	5,000
Administration	1,000	1,000	1,000	1,000	4,000
Finance	500	500	500	500	2,000
Accountancy				2,250	2,250
TOTAL EXPENDITURE	33,533	32,051	32,051	34,301	131,937
NET CASH INFLOW/ OUTFLOW	-8,483	3,424	7,849	10,024	12,813
OPENING BALANCE	14,746	6,263	9,687	17,536	
CLOSING BALANCE	6,263	9,687	17,536	27,560	

Appendix 2: Bread for Good Community Benefit Society Board Members

Here are brief biographies of the founding board members of the Society.

Veronica Burke (honorary company secretary) is a director of Bread Matters, responsible for Baking for Community training, and was a co-founder of Breadshare Bakery CIC. During her previous career in family law she started a family mediation service and developed inter-disciplinary training in dispute resolution, children's rights and welfare advocacy. Training and participation programmes such as 'Sourdough Exchange' and 'Soil to Slice' demonstrate her creative engagement with young people and an imaginative take on food sovereignty, embodied in the call to 'grow your own loaf'.

Dr Clare Fennell is former business manager at Nourish Scotland, where she helped to build a staffed organisation and played a key role in developing training programmes for new entrants to sustainable farming and food leaders of the future. Clare's sense of the need for fairness in the world, and interest in micro-organisms (she trained as a cell biologist), originally centred on researching malaria. A love of good food and of working at the roots of things led her to work for a period as an artisan baker at the Steamie Bakehouse in Dunfermline and, later, to helping bring the very first seedlings of Scotland The Bread wheat to their trial growing plots. Clare is currently developing an organic smallholding in Moray.

Théo Laffargue has been making bread since he arrived in Stirling as a student in 2011. His involvement with the emerging Scotland the Bread project began with the first 'Sourdough Exchange' in 2013 and 'Baking for Community' training in 2014. With support from Firstport and Bread Matters, Théo recently co-founded Riverside Bakery CIC in Stirling. Committed to creating a sustainable enterprise with real social and environmental benefits, he runs bread making workshops, bakes for community events and collaborates with other emerging community-supported bakeries. He is an active member of Nourish Scotland's Food Leadership programme and Forth Environment Link.

Chelsea Marshall is a research fellow at the Centre for Children's Rights, Queen's University Belfast, working on the rights of children and young people to participate in public decision-making. Her background is in social justice, human rights advocacy and rights-based approaches to community-development. Chelsea became more involved in food justice and community access to food after moving to Edinburgh in 2015, supporting Nourish Scotland's right to food campaign, volunteering with the community-owned greengrocer Dig-In Bruntsfield, and helping with the autumn harvest and threshing of Scotland the Bread trial grains.

Marie-Louise Risgaard is a director of the Skaertoft family-run, organic and biodynamic farm and mill on the isle of Als in southern Denmark. A stone mill, established in 2004, is an essential part of creating the connection from field to table, with full traceability and uncompromised product quality. Marie-Louise holds an MSc in Agronomy with a specialisation in organic farming systems. She teaches the Skaertoft Bread Classes and is involved in social media, product development and design, marketing and sales as well as baking for the local community and the Skaertoft Friday bread sales.

Caroline Rye is a communications manager and Chair of Slow Food Edinburgh. She has extensive experience in project management, stakeholder management and communications. Caroline has been involved with numerous community food projects and social enterprises including the community benefit society, Dig-In Bruntsfield, where she led the marketing and communications for the successful share issue. She is also a graduate of the renowned Ballymaloe Cookery School in Ireland.

Andrew Whitley (honorary chair) is director of Bread Matters Ltd and a leader of the artisan baking revival, having founded the organic Village Bakery in the 1970s. He is author of the seminal *Bread Matters* and the best-selling *DO Sourdough*. He has an MSc in Food Policy from City University London and is credited with '*changing the way we think about bread*' (BBC Food & Farming Awards). He co-founded the Real Bread Campaign and is a former vice-chair of the Soil Association. On the agroforestry project at Macbiehill he trials a wide range of cereals in a quest for the best possible bread.