

the **BUFFALO**
FARM.co.uk

Founders Club

 **BUFFALO FARM**
MOZZARELLA
SOFT, SMOOTH & DELICIOUSLY SCOTTISH



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WELCOME TO THE BUFFALO FARM

I am proud to be the 6th generation of the Mitchell family to be farming in Fife, following in the footsteps of Robert Mitchell who began farming in the early 1800s.

The Buffalo Farm actually started as more of a side line project to produce something that was just a wee bit different at the local farmers markets.

However, customers loved the taste and quality of the meat so much that our simple side line couldn't keep up and so we developed it into its own business.

I am passionate about our animals and how they are looked after and fed – they are the heart and soul of our business, so they deserve the very best of care.

We now run three butchers shops, our own coffee shop and bistro as well as a busy event catering business and supplying a growing portfolio of restaurants and hotels.

But the obvious thing that has been missing has been Buffalo Mozzarella. It's always been part of the vision, but I knew I would need a fair bit of funding to become the first Scottish producer of this delicious and popular cheese.

The funny thing is that if I had a pound for every time we had been asked for Mozzarella, I would be able to do this out of my own pocket.



However, with everything else going on in the world, that has not been possible. Nevertheless, I believe the time is now right to make our Buffalo Mozzarella dream become a reality.

We could go to the banks and investment houses, and if truth be told, we still may have to. But I thought it would be so much better if we could work with our customers to make this happen – and share some of the rewards with you.

So, that is why we have created the Buffalo Farm Founders Club – a unique opportunity to be a part of creating something special in Scotland.

I hope you can see the potential and will join me and the team as we embark on our next great journey.

Thanks again for all your support

Steve

OUR AIM

The Buffalo Farm was established in **2005** by **Steve Mitchell** and now operates 3 butchers shops, a destination coffee shop and bistro and a successful event catering business, as well as supporting an ever expanding portfolio of trade clients including restaurants, hotels, farm shops and supermarkets.

We are going to use the money we raise through our **Founders Club** to build a Mozzarella manufacturing facility, together with slurry store and milking parlour.

We have already received a grant of **£576,263** from the FPMC scheme and we are looking to raise an additional **£800,000** through our Founders Club, which is a donation-based and rewards-based crowdfunding scheme.

We are looking to increase turnover from **£2.6 million** to in excess of **£4 million**, and we are forecasting stronger growth in profitability.

As part of the scheme, we will reward our Founders Club and Founders Executive Club Members with annual product vouchers.

The membership scheme comprises of the following 3 tiers:

Buffalo Farm Supporters Club – Get in with the bricks with a non-refundable donation of at least £100 and enjoy a host of benefits, as set out later in this brochure.

Buffalo Farm Founders Club – In exchange for a refundable joining fee of £1,000 per Founders Club membership (refundable at the end of the membership), enjoy a host of benefits (as set out later in this brochure) including an annual product voucher of £100 per Founders Club membership (issued annually in arrears and equal to 10% of each joining fee per annum).

Buffalo Farm Founders Executive Club – In exchange for a refundable joining fee of £10,000 per Founders Executive Club membership (refundable at the end of the membership), enjoy a host of benefits (as set out later in this brochure) including a monthly product voucher of £100 per Founders Executive Club membership (issued monthly in arrears and equal to 12% of each joining fee per annum).

Separately from the Membership Scheme, Steve is always happy to speak to prospective investors about the possibility of participating as a debt or equity investor in the Company. However, any such discussions do not form part of the Membership Scheme and would be conducted on a one-to-one basis, in compliance with applicable regulations.

How to Apply
Go to:

www.thebuffalofarm.co.uk
and apply online or download an application form

£800,000
TARGET TO BUILD
OUR MOZZARELLA PLANT

UP TO 12%
ANNUAL
REWARDS
BASED ON PLEDGE VALUE

CLUB MEMBERSHIPS FROM
£1000

AIM TO INCREASE
TURNOVER IN 3 YEARS

TO OVER
4M

WHY BUFFALO MOZZARELLA?

£79M

UK RETAIL MARKET
FOR MOZZARELLA

12%

YEAR ON YEAR GROWTH

ONE

COMPETITOR IN
UK PRODUCING
BUFFALO MOZZARELLA



We want to be the first Scottish Manufacturer of Buffalo Mozzarella

WHAT IS THE BUFFALO FARM MEMBERSHIP SCHEME?

We have created the Membership Scheme, comprising of the **Buffalo Farm Supporters Club**, the **Buffalo Farm Founders Club** and the **Buffalo Farm Founders Executive Club** to enable us to forge a closer relationship with our customers whilst at the same time using donations and joining fees to raise some of the capital required to build everything we need to produce our own Buffalo Mozzarella product and take the business to the next level.

By joining the Buffalo Farm Supporters Club, you are donating at least £100 towards our project, in exchange for the benefits described later in this brochure. By joining the Buffalo Farm Founders Club or the Buffalo Farm Founders Executive Club, you are pledging money in the form of your joining fee for the duration of your membership, which has an initial fixed term of 4 years. After the initial 4 year period, you can choose to resign from your membership and we will refund your money (as per our terms and conditions), or you can hold on to your membership and receive the same rewards for so long as the Membership Scheme continues.

We will have the right to terminate the Membership Scheme and refund joining fees at any time, however, we have no plans to do this at the moment as we look to create a strong business foundation and market presence.



SO, WHAT IS THE OFFER?

By becoming a member of the Supporters Club (which requires the payment of a non-refundable donation of at least £100), Supporters Club members will receive:

- A tile in the Company's new mozzarella factory with the member's name on it;
- A right to buy a pack of mozzarella from the first full production run;
- A tour of the Buffalo Farm (to be taken between May and September 2020);
- An invitation to the members' launch of the Company's mozzarella factory;
- A membership card entitling the member to additional benefits throughout the year.

By becoming a member of the Founders Club (which requires the payment of a refundable joining fee of £1,000 per Founders Club membership), Founders Club members will receive:

- A tile in the Company's new mozzarella factory with the member's name on it;
- A complimentary pack of mozzarella from the first full production run;
- A personal tour of the Buffalo Farm, with a guest;
- An invitation to the members' launch of the Company's mozzarella factory;
- A membership card entitling the member to additional benefits throughout the year.

- Product vouchers issued annually in arrears for the duration of the membership to an annual value equal to 10% of each joining fee (i.e., for each £1,000 joining fee paid, product vouchers with a retail value of £100 will be issued each year for the duration of the membership, with the first vouchers being issued on the first anniversary of becoming a member). The vouchers will be provided on account as Buffalo Farm Vouchers and can be redeemed in the farm shop, Bothy Coffee Shop or against the use of the Company's private catering services;
- A 20% discount on hiring the Bothy as an events venue (subject to availability); and
- A 20% discount on private catering (subject to availability)

The first 50 Founders Club applicants will be asked to name the Company's new milking buffaloes.

By becoming a Founders Executive Club member (which requires the payment of a refundable joining fee of £10,000 per Founders Executive Club membership), Founders Executive Club members will receive:

- A tile in the Company's new mozzarella factory with the member's name on it;
- A complimentary pack of mozzarella from the first full production run;
- A personal tour by Steve Mitchell of the Buffalo Farm and mozzarella factory, with a guest;
- An invitation to the members' launch of the Company's mozzarella factory;
- A membership card entitling the member to additional benefits throughout the year;
- Product vouchers issued monthly in arrears for the duration of the membership to an annual value equal to 12% of each joining fee (i.e., for each £10,000 joining fee paid, product vouchers with a retail value of £100 will be issued each month (equivalent to £1,200 per year) for the duration of the membership, with the first vouchers being issued 30 days after becoming a member). The vouchers will be provided on account as Buffalo Farm Vouchers and can be redeemed in the farm shop, Bothy Coffee Shop or against the use of the Company's private catering services;
- A 20% discount on hiring the Bothy as an events venue (subject to availability);
- A 20% discount on private catering (subject to availability); and
- The right to name one of the Company's new milking buffaloes.

HOW MUCH CAN I PLEDGE?

The minimum pledge to join the Buffalo Farm Supporters Club is **£100**. The Buffalo Farm Founders Club has a joining fee of **£1,000** and the Buffalo Farm Founders Executive Club has a joining fee of **£10,000**, however, you can subscribe to as many Club Memberships as you wish and receive the same fantastic rewards based on your total membership value.

Applications will be accepted on a first come, first served basis. And whilst our initial target is to raise **£800,000**, we will consider raising this threshold depending on the level of interest, to ensure we can accommodate as many customers as possible. We will also retain discretion to reduce this threshold, as long as the Mozzarella factory can be established.

FOUNDERS CLUB

Club Member Aggregate Joining Fee Paid	Value of Rewards Issued	Total value after 4 years
£1,000	£100	£1,400
£2,000	£200	£2,800
£5,000	£500	£7,000
£8,000	£800	£11,200

FOUNDERS EXECUTIVE CLUB

Club Member Aggregate Joining Fee Paid	Value of Rewards Issued	Total value after 4 years
£10,000	£1,200	£14,800
£20,000	£2,400	£29,600
£30,000	£3,600	£44,400
£40,000	£4,800	£59,200

OUR CREDENTIALS

In the last 12 months we set new records for the retail and wholesale side of our business, as well as firmly establishing the Bothy Coffee Shop as a key destination. Therefore, we believe it is the right time for The Buffalo Farm to take the initial steps to becoming the first Scottish producer of Buffalo Mozzarella.

The Buffalo Farm has an established wholesale customer base with over **120 clients** including supermarkets, restaurants, bars, hotels and universities. The diversity of our customers range from local farm shops to Kensington Palace.



We have also worked in conjunction with Lidl on two projects to sell in excess of **80,000 Buffalo Burgers**, demonstrating our ability to deliver major contracts. Such has been the success of the relationship that we have already received a note of interest from Lidl's Buying team to purchase our Buffalo Mozzarella.

When it comes to product development and quality, we have a proud track record in producing award winning products. We have picked up numerous awards including Great Taste Awards, Craft Butchers Awards, Scottish Pork Sausage Champion and have been winners in the **Best Meat Category at the Scottish Food & Drink Excellence Awards**.

We are delighted to see that the six figure investment in our fantastic Bothy Coffee Shop, which opened in July 2018, is already paying dividends. It is now a key revenue generator for our business and continues to go from strength to strength, complementing our farm shop perfectly.

We have also been incredibly successful in creating a memorable brand story from our day to day interactions with customers, our community focus and our ongoing marketing activities.

We are very proud to have built an extensive and loyal customer base which is demonstrated in our Facebook following of over **43,000+ fans**.

In addition, we also have over **7000 followers** on our Bothy Facebook page and over **5000 Instagram followers**.

Steve's appearances on TV programmes have undoubtedly helped The Buffalo Farm's profile to reach a national audience; past appearances include **Gordon Ramsay's "The F Word"**, **Paul Hollywood's "Pies and Puds"**, **"Landward"** and **"Countryfile"**.

Most recently, Steve appeared on the very popular BBC documentary series **"This Farming Life"** which was estimated to reach an audience in excess of **2 million viewers** and generated a significant increase in business.

THE KEY REVENUE GENERATORS IN THE BUFFALO FARM



The Farm Team

Farming is at the very heart of our business, utilising 530 acres of grassland where our herd of 100 breeding Buffalo roam, and approximately 60 acres of arable ground for growing grain to feed the animals over the winter.



The Butchery Team

In addition to butchering all our own meat, our fantastic team of butchers also provide an outsourced butchery service to a number of local farms and farm shops.



The Catering Team

Our incredible catering team can be seen across the UK from music festivals and sports events to farm shows and community events. We also offer private catering facilities for local clubs, businesses as well as a growing number of weddings.



The Retail Team

In addition to our flagship store at Boglily Steadings, we also have full butchery counters at Blacketyside Farm in Leven and Craigie's Farm just outside Edinburgh. Serving thousands of customers every week, our retail outlets will become the core part of our Buffalo Moggarella distribution.



The Wholesale Team

We work with an ever growing number of wholesale clients across Scotland who appreciate the quality of our products, including over 120 hotels, bars, restaurants and universities.



The Bothy Team

Our fantastic Bothy Coffee Shop is receiving fantastic feedback with our local coffee, our home baked cakes and our exclusive menu, featuring our own products.

WHAT WE WANT TO DO WITH YOUR MONEY

We want to build a dedicated mozzarella production facility capable of producing up to **520,000kg of mozzarella** per annum, a milking parlour to house 100 buffaloes, and sheds to house the buffaloes during winter months.

We are also looking to increase our existing herd of buffaloes to meet the anticipated demand.

We have secured a new site, perfectly located just outside of Kirkcaldy, which will not only provide us with the space required but is also surrounded by amazing pastures for the animals as well as being close to key transport links.

Outline plans have already been developed and they look superb. We have gone out to market to get preliminary costs based on the current proposals and are working to a strong budget.

We have appointed Jim Ritchie to design and specify the equipment and layout of the production facility. Jim has extensive experience in mozzarella production, having managed several cow's milk facilities across the UK and has overseen numerous major developments and new builds.

With Jim's expert knowledge, we believe we can create a facility which delivers the superior levels of quality the Buffalo Farm's products are renowned for, whilst meeting demand in the short term as well as providing the capacity to grow.

We anticipate the total cost to be just under £2 million and we have already secured a grant through the Food Processing, Marketing and Co-operation Scheme, together with additional support from the bank.



THE BUFFALO MOZZARELLA FACTORY IN NUMBERS

Up to
16 NEW
Jobs

Milking Parlour to Produce
270,000
litres of milk per annum

Total Production Capacity
520 tonnes
of Mozzarella

Producing
4.1M
125g Packs

Potential Revenue
£6.6M

INDICATIVE SUMMARY OF COSTS FOR BUFFALO FARM MOZZARELLA PROJECT

Item	Total Cost
Mozzarella Factory	£1,424,077
Buffalo Sheds & Parlour	£375,000
60 x Milking Heifers	£135,000
Total	£1,934,077
Grant Funding	£576,263
Other Funding	£1,357,814

HOW WILL WE MANAGE YOUR MONEY?

We want everyone who joins the **Buffalo Farm Founders Club** to have complete peace of mind that 100% of the monies raised will be ring-fenced and only ever used for making our Buffalo Mozzarella dream become a reality.

That is why we have set up a separate bank account and appointed two independent trustees who will oversee any withdrawals and deposits and ensure they are within the original plan and budget.

If we don't achieve our target to the extent that means we cannot proceed with the project, we will refund every penny to everyone who asked to join.

We have drawn up a detailed cost plan and will work closely with the contractor and our project team to ensure we adhere to the agreed costs and the cost schedule.

We will also provide Founder Club members with ongoing updates as to how the project is progressing.

If you have any queries, please drop me an email to founders@thebuffalofarm.co.uk

Once funding is secured, this will enable the outline designs for the site to be finalised and submitted for Planning Authority and Building Control approvals. We have already had significant work carried out in this area and we are confident we can fast track the construction process, however the timeline may change depending on weather, trades and other factors out with our control.

- ✓ Finalise design plans for site – 1 month depending on finance achieved
- ✓ Approvals and re-tender works – 2- 3 months
- ✓ Mobilisation and Construction – 3-4 months
- ✓ Commissioning – 1 month
- ✓ **Overall time from decision to production = 8 months**

WHAT WE CAN ACHIEVE WITH BUFFALO MOZZARELLA

Buffalo Milk offers a fantastic range of benefits but it is its ability to produce delicious, creamy Buffalo Mozzarella which we are most interested in.

Our research shows there is an incredible market in the UK for mozzarella and a real lack of supply from UK based farms, with most products being imported. We want to become the first Scottish producer of authentic Buffalo Mozzarella.

We have had incredible support from our friends at Macroom Buffalo in Ireland who have helped us to put together a plan which is realistic and achievable, from farming through to production and pricing.

OUR BUFFALO FARM MOZZARELLA

We will be producing delicious balls of Buffalo Mozzarella sold in 125g packs to meet the current expectations of the market. We have created our brand and will be looking at developing this through to packaging and point of sale material in the near future.

With supermarket retail prices ranging from £16 per kilo to £22 per kilo, we have developed a cost strategy which enables us to meet their target margins whilst delivering a very healthy margin for ourselves.

OUR PLAN

Our initial plan is to begin distributing through our own client base and network of farm shop clients to ensure we can maximise margin whilst getting up to full production capacity. We already have notes of interest from a number of major retailers and we expect to roll this out to these customers towards the end of Year 1.

SALES & MARKETING

We have worked hard over the last 14 years to create a strong brand and fantastic customer base who have shown great loyalty to the business.

We plan to build on the connections we have built with TV production companies as well as national, trade and local press to gain the market awareness of our new venture and exciting products.

We are currently looking to create 2 separate brands to differentiate our product through major retailers and our own network. This will enable us to maximise sales whilst retaining margins.

We work closely with a local marketing consultancy which enables us to deliver superb coverage and direct marketing communications without the overhead of doing everything inhouse.



“If I had a pound for every time someone asked me if we did Buffalo Milk and Buffalo Mozzarella I would be a very rich man”



MEET STEVE MITCHELL – MANAGING DIRECTOR & BIG CHEESE

Steve has been the driving force behind the Buffalo Farm's success since he established the business in 2005, creating numerous revenue streams to build strong foundations for the business.

His focus on quality and customer service has been instrumental in creating strong relationships with clients, suppliers and key influencers in the food industry, not to mention numerous business and food excellence awards.

Steve has also become a much-loved media personality with the Buffalo Farm's story being documented on 2 series of the award winning "This Farming Life", as well as appearances on Gordon Ramsay's "The F Word", Paul Hollywood's "Pies and Puds" and alongside Nick Nairn on "Landward".

His determination to become the first Scottish farm to produce Buffalo Mozzarella is unrelenting and he has created the vision and assembled the project team to ensure he can make it happen.



MEET JIM RITCHIE – OUR HEAD CHEESEMAKER

With over 36 years in the dairy farming and manufacturing industry, Jim has unrivalled experience in mozzarella production and is the ideal person to support Steve in delivering his vision.

Jim has been manufacturing cow based mozzarella for over 25 years and has been responsible for setting up a number of factories, some of which can list Dominos Pizzeria and Pizzeria Hut as their customers, producing over 160 tonnes of mozzarella per week.

Jim is already on board and is overseeing the design of the manufacturing facility as well as developing recipes and training plans to ensure we hit the ground running.

FOUNDERS CLUB QUESTIONS & ANSWERS

Q: HOW MUCH CAN I PLEDGE?

A: The minimum donation as a Supporters Club member is £100 and you can pledge as much as you like above this. The joining fee for Founders Club members is £1,000 for one membership and the joining fee for Founders Executive Club members is £10,000 for one membership. However, multiple memberships may be purchased. Applications will be accepted on a first-come, first-served basis.

Q: WHO CAN BECOME A MEMBER OF THE MEMBERSHIP SCHEME?

A: To become a member, you must be over 18 and reside in the UK.

Q: CAN I CHANGE MY MIND?

A: Yes of course. We will offer a 14 day “cooling off” period in case you change your mind, no questions asked. Simply send us an email withdrawing your application to founders@thebuffalofarm.co.uk

Q: WHAT BENEFITS DO I RECEIVE AS A MEMBER?

A: The benefits depend on which tier of Membership you acquire and are set out in this document and in the Membership Scheme rules which are attached as an appendix to this brochure.

Q: IS THE MEMBERSHIP TRANSFERABLE?

A: Memberships are only transferable with the consent of the Company, on a case-by-case basis and at the discretion of the Company. Any reward paid in product vouchers will be applied to the account of the Member only.

Q: CAN I GET A REFUND OF MY MONEY BEFORE THE END OF THE INITIAL TERM?

A: Unfortunately not. The Buffalo Farm Founders Club and Founders Executive Club memberships are issued on an initial four-year term and are non-transferable. The Buffalo Farm reserves the right to refund all or part of the membership value at any time, subject to affordability and cashflow.

Q: WHAT HAPPENS AT THE END OF THE 4 YEAR INITIAL TERM?

A: At the end of the 4 year initial term, you will have the right to a refund of your membership in exchange for the initial value from the Buffalo Farm or you can choose to continue the membership and receive the agreed benefits that it offers. The specific rules, timings and conditions for any such refund are set out in the Membership Scheme rules attached as an appendix to this brochure. Should you want a refund of your membership, please contact us via email on founders@thebuffalofarm.co.uk in the first instance. We will then send you a form to complete and return.

The Buffalo Farm reserves the right to refund all or part of the membership value at any time.

Q: DO I NEED TO DISCUSS THE BUFFALO FARM MEMBERSHIP SCHEME WITH A FINANCIAL ADVISOR BEFORE PARTICIPATING?

A: Yes. We strongly recommend that you seek the advice of an independent financial advisor or other competent advisor before participating, particularly if you are in any doubt as to the nature of terms of the Membership Scheme.

Q: DOES PARTICIPATING IN THE MEMBERSHIP SCHEME MEAN THAT I HAVE SHARES IN THE COMPANY?

A: No, the Supporters Club is a donation-based crowdfunding scheme and the Founders Club and Founders Executive Club memberships are rewards-based crowdfunding schemes. No ownership arises from participation in the Membership Scheme and no shares or other securities are issued.

Q: WHAT HAPPENS TO MY MEMBERSHIP IF I DIE?

A: Your membership would form part of your estate and would initially be held by the executors or administrators of your estate. The membership could then be transferred to the intended beneficiary by sending us the completed membership transfer document.

Q: I WOULD LIKE TO PARTICIPATE – WHAT DO I DO NOW?

A: That is fantastic. You can purchase memberships online. Head to www.thebuffalofarm.co.uk/buffalo-farm-mozzarella and click on the link to buy online. Alternatively, you can download an application form to fill in. Simply complete the form and send it to the Buffalo Farm along with the required payment by cheque or payable via BACS.



FINANCIAL PERFORMANCE

In early 2016, my ambition was to increase our turnover and the number of outlets that our fantastic customers could purchase our fabulous produce from. As the business has grown, we have invested heavily in our team at Boglily and our service offering, which has positively contributed to our 2019 performance.

Every pound generated by the Buffalo Farm has been reinvested into the business, and in 2018 we created The Bothy! The Bothy has been incredibly successful, but it has taught us a great deal about creating and developing a new revenue stream - skills that will be useful in the weeks and months ahead. The Bothy now contributes positively to the business and again, is one of the reasons for our improved financial performance in 2019. With continual development, I believe The Bothy will be a valuable revenue stream for the business for many years to come.

The results for 2019 have been fantastic so far, and it is largely down to us focussing on what we do best whilst ensuring we capitalise on the mozzarella manufacturing opportunity. There will be challenges to come, but we have a fantastic team, so I am very confident we can handle whatever manufacturing mozzarella will throw at us.

We are expecting our business to grow in the next twelve months and once the factory is complete, the business begins to generate significant returns.

We project to generate sufficient cash to allow for a full redemption of the founders club pledges in year 4, whilst generating sufficient cash for us to grow and continue to deliver on our aim of providing excellent client service and value for money.

	6 months to 30 June 2019 £'000	Year to 31 December 2018 £'000	Year to 31 December 2017 £'000	Year to 31 December 2016 £'000
Turnover	1,442	2,632	2,233	2,082
Gross profit	645	810	673	663
Gross profit %	45%	31%	30%	32%
Earnings before interest, tax, depreciation and amortisation	120	(16)	63	62
Capital Investment	76	263	411	92
Burgers sold	320,000	420,000	280,000	230,000
Steak Pies sold	64,000	93,000	73,000	64,000
Employees	50	32	32	21

FINANCIAL FORECASTS

	Year to 30 June 2020 £'000 projected	Year to 30 June 2021 £'000 projected	Year to 30 June 2022 £'000 projected	Year to 30 June 2023 £'000 projected	Year to 30 June 2024 £'000 projected
Turnover	3,029	3,828	3,977	4,096	4,211
Net cash generated	343	528	571	561	(160)

The company's accountants and tax advisors are EQ Accountants LLP, Glenrothes.

CAN YOU HELP? AND A MASSIVE THANK YOU

Thank you for taking the time to read this document. I hope you've found it interesting.

I have understood the importance of our customers since I attended my first farmers market selling our buffalo meat – granted at that time, I could have counted them on one hand; well, maybe two.

And even now, I love getting out to speak to our customers, whether it's in our shop, catering at Murrayfield Stadium, helping with goat cuddling sessions or getting out to speak to our wholesale customers.

And they are continually telling me how much they want me to start making Buffalo Mozzarella. We have had so much support from our customers over the years, however, this project has taken things to a whole new level.

That is why I want to share the journey with our customers, enabling you to get involved and ultimately enjoy a few benefits along the way.

We also have a few surprises planned for those people who participate in our Membership Scheme and help us to make it happen.

I hope you can see the enormous potential to create something special here in Scotland – who knows, maybe we can start exporting our Buffalo Mozzarella back across Europe.

With your help and support, anything is possible.

So, I just want to say a massive thank you for all your support and for reading this brochure. It is very much appreciated.

Steve

How to Apply
Go to:

www.thebuffalofarm.co.uk

and apply online or download an application form

LEGAL NOTICES

This brochure has been issued by **The Buffalo Farm Limited** (the “Company”) in connection with its proposed Membership Scheme.

Participation in the Membership Scheme is subject to the rules of the Membership Scheme, as set out in the appendix to this brochure (the “Rules”). The Rules should be read in full. Whilst the Company has sought to accurately summarise the Rules in this brochure, this brochure is not a substitute for reading the Rules in full.

If you are in any doubt about the action you should take or the contents of this document, you should contact your solicitor, accountant or other professional advisor who specialises in advising on donation-based and rewards-based crowdfunding schemes. Before applying for participation in the Membership Scheme you should make sure that you fully understand the risks involved and you should determine whether participation is suitable for you. In the event that the Company becomes insolvent you may lose some or all of your joining fees (noting that donations from Supporters Club members are non-refundable in any event).

The information in this brochure may be subject to further verification and amendment. This brochure does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities in the Company in any jurisdiction nor shall it, or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with or act as any inducement to enter into, any contract therefor.

The information in this brochure has been provided by the Company.

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To the extent this document includes “forward looking statements” (which include all statements other than statements of historical facts, including, without limitation, those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could”, “projected” or similar expressions or negatives thereof), such forward looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward looking statements. Any such forward looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. Any such forward looking statements are expressions of opinion as at the date of this document only. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained in this document to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by applicable law.

This brochure is not considered to be a financial promotion for the purposes of section 21 of the Financial Services and Markets Act 2000 on the basis that it does not relate to investment activity. Instead it relates to a membership scheme which is being made available on the terms set out in this brochure. Accordingly this document has not been approved as a financial promotion. This document does not constitute a prospectus.

The Buffalo Farm Limited

SUPPORTERS CLUB, FOUNDERS CLUB and FOUNDERS EXECUTIVE CLUB

MEMBERSHIP RULES & REGULATIONS

1. Introduction to The Buffalo Farm Limited and its Membership Scheme

- 1.1 The Buffalo Farm Limited (the “Company”) is a Scottish private limited company. It was incorporated on 10 December 2004 and has its registered office at Boglily Farm Steading, Boglily Road, Kirkcaldy, Fife, KY2 5XY.
- 1.2 The Company has now created a membership scheme structured into 3 tiers of participation, as described in paragraph 1.5 below (the “Membership Scheme”). These rules and regulations (the “Rules”) are the rules and regulations of the Membership Scheme and set out the terms and conditions under which participation in the Membership Scheme will be offered and administered.
- 1.3 The purpose of the Membership Scheme is to create a stronger link between the Company and its customers, providing customers (and others) who wish to become members with membership benefits (as referred to in these Rules) whilst also generating funding for the Company via the payment of membership fees. The membership fees are intended to be used to support the working capital of the Company and to help facilitate the creation of a new buffalo mozzarella production facility.
- 1.4 The Membership Scheme is subject to a minimum threshold of members who have paid at least £800,000 of membership fees in aggregate (or such other figure as the Board of the Company may determine in its sole discretion from time to time) (the “Minimum Threshold”). Unless the Board of the Company determines otherwise from time to time, there is no maximum number of members. Until the Minimum Threshold is achieved, all membership subscriptions will be held in a segregated account and won’t be used by the Company. If the Minimum Threshold is not achieved by 31 December 2019 (or such other date as the Board of the Company may determine in its sole discretion from time to time) (the “Target Launch Date”) then all membership subscriptions received by the Company will be returned to the relevant applicants and no memberships will be issued. If the Minimum Threshold is achieved by the Target Launch Date, the Membership Scheme will formally commence. For the avoidance of doubt, the Company shall be entitled to continue to market and accept memberships after the Target Launch Date.
- 1.5 The 3 tiers of Membership Scheme participation (each a “Membership”) are as follows:
- 1.5.1 Supporters Club: comprises a Supporters Club membership in exchange for a donation of at least £100. The donation is non-refundable (subject to the Minimum Threshold being achieved by the Target Launch Date). Supporters Club members will receive:
- (a) A tile in the Company’s new mozzarella factory with the member’s name on it;
 - (b) A right to buy a pack of mozzarella from the first full production run;
 - (c) A tour of the Buffalo Farm (to be taken between May and September 2020);
 - (d) An invitation to the members’ launch of the Company’s mozzarella factory;
 - (e) A membership card entitling the member to additional benefits throughout the year, as determined by the Board of the Company.

1.5.2 Founders Club: comprises a Founders Club membership in exchange for a joining fee of £1,000 per Founders Club membership. The joining fee is refundable on cessation of the membership, subject to the remainder of these Rules. Founders Club members will receive:

- (a) A tile in the Company's new mozzarella factory with the member's name on it;
- (b) A complimentary pack of mozzarella from the first full production run;
- (c) A personal tour of the Buffalo Farm, with a guest;
- (d) An invitation to the members' launch of the Company's mozzarella factory;
- (e) A membership card entitling the member to additional benefits throughout the year, as determined by the Board of the Company;
- (f) Product vouchers issued annually in arrears for the duration of the membership to an annual value equal to 10% of each joining fee (i.e., for each £1,000 joining fee paid, product vouchers with a retail value of £100 will be issued each year for the duration of the membership, with the first vouchers being issued on the first anniversary of becoming a member). The vouchers will be provided on account as Buffalo Farm Vouchers and can be redeemed in the farm shop, Bothy Coffee Shop or against the use of the Company's private catering services; and
- (g) A 20% discount on hiring the Bothy as an events venue (subject to availability).

1.5.3 Founders Executive Club: comprises a Founders Executive Club membership in exchange for a joining fee of £10,000 per Founders Executive Club membership. The joining fee is refundable on cessation of the membership, subject to the remainder of these Rules. Founders Executive Club members will receive:

- (a) A tile in the Company's new mozzarella factory with the member's name on it;
- (b) A complimentary pack of mozzarella from the first full production run;
- (c) A personal tour by Steve Mitchell of the Buffalo Farm and mozzarella factory, with a guest;
- (d) An invitation to the members' launch of the Company's mozzarella factory;
- (e) A membership card entitling the member to additional benefits throughout the year, as determined by the Board of the Company;
- (f) Product vouchers issued monthly in arrears for the duration of the membership to an annual value equal to 12% of each joining fee (i.e., for each £10,000 joining fee paid, product vouchers with a retail value of £100 will be issued each month (equivalent to £1,200 per year) for the duration of the membership, with the first vouchers being issued 30 days after becoming a member). The vouchers will be provided on account as Buffalo Farm Vouchers and can be redeemed in the farm shop, Bothy Coffee Shop or against the use of the Company's private catering services;

- (g) A 20% discount on hiring the Bothy as an events venue (subject to availability); and
- (h) The right to name one of the Company's new milking buffaloes.

1.6 The first 50 Founders Club applicants, and all Founders Executive Club applicants, will be asked to name the Company's new milking buffaloes.

2. Status of the Membership Scheme

2.1 With effect from the achievement of the Minimum Threshold, the Membership Scheme shall comprise a contractual arrangement between the Company and the participants in the Membership Scheme. Participation in the Membership Scheme does not comprise any ownership or investment relationship with the Company and no participant will be entitled to shares or other securities in the Company by virtue of participating in the Membership Scheme. Each joining fee paid by a Founders Club or Founders Executive Club member is considered an unsecured and contingent obligation of the Company (contingent on the Membership Scheme or the Membership in question being terminated). Joining fees and donations are not protected from loss by the Financial Services Compensation Scheme.

2.2 For regulatory purposes, the Membership Scheme is considered to be a "donation-based crowdfunding arrangement" as regards the Supporters Club and a "rewards-based crowdfunding arrangement" as regards the Founders Club and Founders Executive Club. The Membership Scheme is not intended to be an equity or debt crowdfunding arrangement, or any other arrangement which is regulated by the Financial Conduct Authority (the "FCA"). The Company shall be entitled to make such amendments to the Membership Scheme as may be required from time to time to ensure the Membership Scheme remains an unregulated scheme for the purposes of the FCA.

3. Duration of Memberships

3.1 The Membership Scheme has a minimum duration of 4 years, commencing on the date on which the Minimum Threshold is achieved (the "Initial Period"). After the Initial Period the Membership Scheme will continue unless and until terminated by the Company.

3.2 Notwithstanding paragraph 3.1, the Company shall be entitled to terminate the Membership Scheme at any time by giving Members at least 6 months' prior written notice of the termination of the Membership Scheme.

3.3 Individual members will be entitled to resign from their Membership by giving the Company at least 6 months' prior written notice, provided that any such notice is not effective if it is provided during the Initial Period (unless the Company agrees otherwise, on a case-by-case basis and in its sole discretion).

3.4 Subject to the Minimum Threshold being achieved by the Target Launch Date, all donations paid by Supporters Club members are non-refundable.

3.5 Where the Membership Scheme is terminated by the Company, joining fees paid by Founders Club and Founders Executive Club are refundable on the cessation of the Membership Scheme. For the avoidance of doubt, all entitlements to discounts and product vouchers pursuant to paragraph 1.5 above shall terminate with effect from the cessation of the Membership Scheme. No credit shall be given for accrued but unissued or unredeemed vouchers, unless the Company determines otherwise in its sole discretion and on a case-by-case basis.

- 3.6 Where a Membership is terminated by a Founders Club or a Founders Executive Club member pursuant to paragraph 3.3 above, the joining fees paid by the member in question are refundable to the member in question on the cessation of their Membership, subject at all times to the cashflow of the Company. If the Company considers (acting reasonably and in good faith) that it has insufficient cashflow to refund a joining fee pursuant to this paragraph 3.6, it shall be entitled to suspend the refund until the Company considers (acting reasonably and in good faith) that it has sufficient cashflow to refund the joining fee in question[and shall in the interim increase the amount of the product vouchers to an amount equal to 12% per annum of the joining fee in the case of a Founders Club member and 15% per annum of the joining fee in the case of a Founders Executive Club member]. For the avoidance of doubt, all entitlements to discounts and product vouchers pursuant to paragraph 1.5 above shall terminate with effect from the repayment of the joining fee in question. No credit shall be given for accrued but unissued or unredeemed vouchers, unless the Company determines otherwise in its sole discretion and on a case-by-case basis.
- 3.7 Notwithstanding any other Rule, in the event of the insolvency or cessation of the Company the Membership Scheme shall be automatically terminated and all joining fees then outstanding shall be repayable as unsecured obligations of the Company. For the avoidance of doubt, no personal guarantees or other undertakings are given in relation to joining fees which are not refunded for any reason.
- 3.8 In the case of death of a member, the Membership in question may pass to the member's spouse or to the member's estate or to the member's children. If the member's spouse or children do not want to become members of the Membership Scheme, the Membership in question will be resigned in accordance with these Rules but waiving the prohibition on resigning within the Initial Period.
- 3.9 A Membership may be suspended or terminated by the Company if, in the sole judgment of the Company, the member's conduct was improper or likely to endanger the welfare, safety, harmony or good reputation of the Company, other members of the Membership Scheme or the Company's staff or livestock. Where a member's rights or access are restricted or suspended from time to time pursuant to this paragraph 3.9, such member shall not be entitled to any repayment or refund or other compensation.
- 4. General**
- 4.1 Memberships are not transferable (save with the prior written consent of the Company on a case-by-case basis and at the sole discretion of the Company).
- 4.2 The Rules may be amended from time to time at the discretion of the Company, provided that no change shall be made to the benefits set out in paragraph 1 or the refund of joining fees pursuant to paragraph 3 unless such amendment is required for regulatory purposes or to comply with applicable law or regulation.
- 4.3 The Company makes no representation about the tax and other consequences of becoming a member and receiving rewards. Members are responsible for obtaining their own professional advice.
- 4.4 The Rules, the Membership Scheme and any dispute arising in relation thereto are governed by Scots law and the Company and each member hereby submit to the exclusive jurisdiction of the Scottish Courts.



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