



Stockwood

Community Benefit Society

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Dear Investors and supporters

Update: Stockwood social, financial and operational performance

We are writing to update you on our plans and progress, following our recent Annual General Meeting and as we launch a further and important phase of our share offer on Ethex.

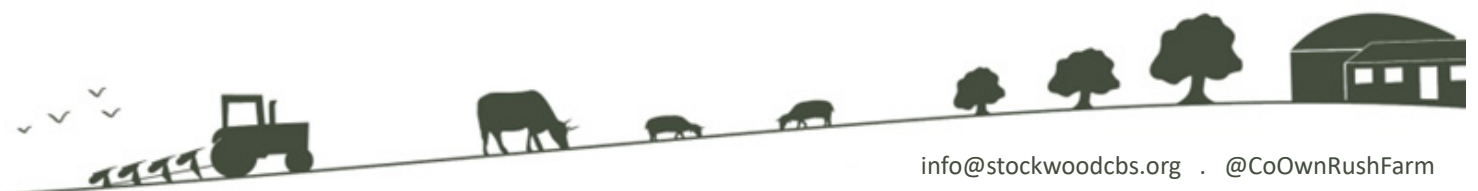
The current share offer is phase two of Stockwood CBS' overall target. In this tranche, we aim to raise £100,000 in investment, with further phases to follow.

Stockwood's operational performance has been very positive. With the business park fully let and the renewable energy generation performing well, total revenue grew by 11.5% last year (to 31 December 2023). The underlying business is really strong, and the assets owned by Stockwood remain able to cover and support the debt and share capital we have raised over the years.

Alongside the financial strength of Stockwood CBS, we continue to generate a strong social and environmental impact. During the past year, we have completed the first season of delivering Rush Farm veg boxes to the local community and school. Our accommodation business launched in the summer, and a series of successful foraging courses took place across the farmland and wood. In the wood we also have the lovely Wildings Play running for preschoolers. As well as these community-focused initiatives, we are continuing to welcome Wwoofers (organic farming volunteers) from around the world, to learn about our ongoing dedication to organic and biodynamic farming practices on our land, as well as veterinary students on placements. Again, this year, we delivered our orphan lambs to Willowdean where they spend their time as therapy lambs.

However, in financial terms, the amount of debt, and the interest cost of that debt, remain a burden and a drag on the financial performance of Stockwood and the ability to pay returns to investors.

Please note the offer document provided is the same as for the 2023 share offer. You can view the updated financial statement for Stockwood CBS [here](#).



Financial Summary from 2024 AGM on 6th July 2024

In November 2023 we agreed to refinance our mortgage with a Green Loan from CAF Bank; over a 5-year term, at a fixed rate of 7.6% (with no penalties for lump sum or early repayments). This includes an agreement that if the Bank of England base rate is reduced by 2% or more, we could end the fixed rate term early.

We closed the last phase of the share offer earlier this year raising just over £100,000. About half of this has come from existing members and we welcome 60 new members to the society bringing the total to 500 members.

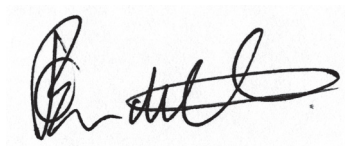
The money raised was used to pay down as much loan stock as we could. With further share offers in the pipeline, our main objective is to continue to pay down loan stock and the long-term senior debt (Green Loan) with CAF Bank. This will put Stockwood in a more sustainable position in the long-term and importantly mean that we can pay the bulk of our returns to community investors rather than the bank.

CAF Bank have strongly advised that we should not pay a return to community shareholders in 2024. They would like us to pay down more debt and bring in more community share capital. This is going to plan as there will be an estimated £48,000 of capital repayments during 2024 to further pay down the Green Loan.

Next steps

Stockwood is best able to generate positive social impact and deliver returns to investors, by being genuinely community owned. This is therefore our main objective; to replace debt with renewed community share investment to best serve our business, community and investors.

We hope you will support us on the journey to becoming 100% community owned.



Chris Burdett

Chief Executive Officer

