



Hulme Community Garden Centre Business Plan 2019



Table of Contents

| | |
|---|----|
| 1. EXECUTIVE SUMMARY | 2 |
| 2. INTRODUCTION AND BACKGROUND | 3 |
| 3. RESOURCES | 8 |
| 4. CURRENT BUSINESS | 11 |
| 5. PHASE 1 – DEVELOPMENT OF CURRENT SITE..... | 14 |
| 6. FINANCE | 26 |
| APPENDICES | 33 |

1. Executive Summary

The Hulme Community Garden Centre (HCGC) Business Plan, completed in January 2018 and updated in April 2019, is the culmination of planning by the staff, Board and wider community since 2014. Drawing on internal skills and external business support, HCGC has produced three key documents that are referenced in the Business Plan.

1. The Forecast Social Return On Investment report;
2. A Strategic Review, highlighting the main areas of development required for sustainability and growth;
3. A Restructure Business Case, which shaped the staffing structure HCGC needs to adopt, in order to achieve strategic goals.

A cross cutting theme through these three documents is a strong need to evidence the social value of the work at HCGC. This includes monitoring and evaluating the services, consultation with service users, and disseminating the evidence and publicising social value to funders, customers and the community.

Together the actions and evidence in the Business Plan will allow HCGC to address its key aspirations, outlined in the Strategic Review 2015 and to reach the Visionary Goal:

‘To be seen as an exemplar for a Social Enterprise and be ultimately financially independent’

The key aspirations have been identified as:

- To further develop HCGC and make it financially more stable so that it produces surpluses and builds reserves
- To ensure that the core values and culture remain embedded in the business as it grows
- To create an organisation that achieves its current goals and future strategic plans and is positioned in the future to adapt to directional choices

In 2019 the main goal is a capital investment in site development to enable sales and services to expand, and therefore to improve resources to further our vision. A strengthened Board, consultant advisor support and a newly expanded membership will work alongside staff and volunteers to carry out the plan.

2. Introduction and Background

2.1 Scope and Purpose of Business Plan

HCGC is a community garden centre with broad objectives and outcomes (outlined in [sections 2.5 – 2.7](#)) for a charity with a current turnover of around £300,000 per annum and employing nine staff. The centre confidently delivers outcomes for beneficiaries whilst trading within its primary purpose.

The business strategy since 2014 has been to become less dependent on grants. In 2014, almost 40% of income was from grants, compared to less than 25% in 2018. From 2014 to 2018 income generation has increased overall by over 60%, this is largely generated through trading and contracts. To continue this move towards financial sustainability HCGC have identified a need to significantly grow traded income in order to break even, and increase free reserves.

In order to increase revenue, HCGC have identified limits to growth and market opportunity through the lack of warm, functional indoor space. Therefore there is a large capital funding requirement to create a larger indoor area, which will provide increased sales space, a warm space for volunteers, an improved production area, and offices for staff. This new build will increase visibility of HCGC from the street, improve the visitor experience and accessibility, and create space for an improved cafe offer with indoor seating.

The business plan covers proposed capital expansion plans to commence in 2019 with the major works being completed in 2020.

2.2 Who we are

The heritage of HCGC goes back to the 1980's when the district of Hulme had a strong element of alternative living, cooperation, ecology and environmental activism, which lives on today. The district was a pioneer of Housing Association expansion and provided other social services to the city of Manchester - such as services for those suffering from addiction and disadvantage - all underpinned by its tolerant and open-minded community.

In the late 90's the community was in need of inspiration, re-invigoration and most importantly a hub where community activities could be stimulated and the area's passion for nature and environment could be re-ignited. That vision was mobilised by three local residents who in 1998 set out to create a public green space from an area of scrubland, and to encourage healthy living through gardening and sustainable food growing. The 'community garden' was very much a legacy of Hulme's regeneration, and today it allows the district to remain at the forefront of pioneering solutions to the challenges faced by the residents of Manchester and of wider society, from mental health through social inclusion to climate change.

Work on the community garden site began in 1999, underpinned by the donation of time and materials that embodies the spirit of volunteering which remains the bedrock of the Centre today. HCGC opened its gates to the public on April 4th 2000 and has been developing ever since. The site has recently expanded to incorporate development of a disused car park, doubling the site size to almost 2 acres. The site incorporates a small garden centre and a thriving community garden which provides vital green space for all to enjoy, relax in, learn from and be part of. A wide range of beneficiaries engage: adults with disabilities and mental health issues; families with young children; school and university students; and mainstream volunteers who help develop, maintain and manage the gardens.

HCGC currently delivers activities under 3 broad headings:

- **Plants** – a garden centre providing garden plants and specifically edibles with a dedication to organic and peat-free principles where possible.
- **People** – an on-site activity programme running daily with sessions geared towards differing abilities and needs in order to provide meaningful opportunities to the widest range of beneficiaries and be responsive to need.
- **Green Project Design** – supporting and enabling residents, businesses, schools and community groups to design and build innovative green spaces across Greater Manchester.

The key aspect of all our work is to ensure a supportive environment, increase social interaction and reconnect people with nature. Our underlying values are Plants, People and Passion.

2.3 Governance

2.3.1 Legal structure

HCGC is an Exempt Charitable Community Benefit Society (Society No. IP28958R) and subscribes to international Co-operative Values and Principles meaning that values such as democracy, openness and fairness are fundamental, as is support for education, concern for others, and working for the good of the community as a whole.

2.3.2 Governance arrangements

HCGC is led by a Board of seven who are elected at the AGM and provide strategic direction and support. A new structure was introduced in 2019 to address the previous bottom-heavy model, where there was a gap at Management level, with all management responsibilities focusing through the Centre Manager, which was an unsustainable workload for one role. In the amended structure, all staff are managed by the Business Manager, with Sales Manager and Centre Manager also contributing to the management of HCGC (see below).

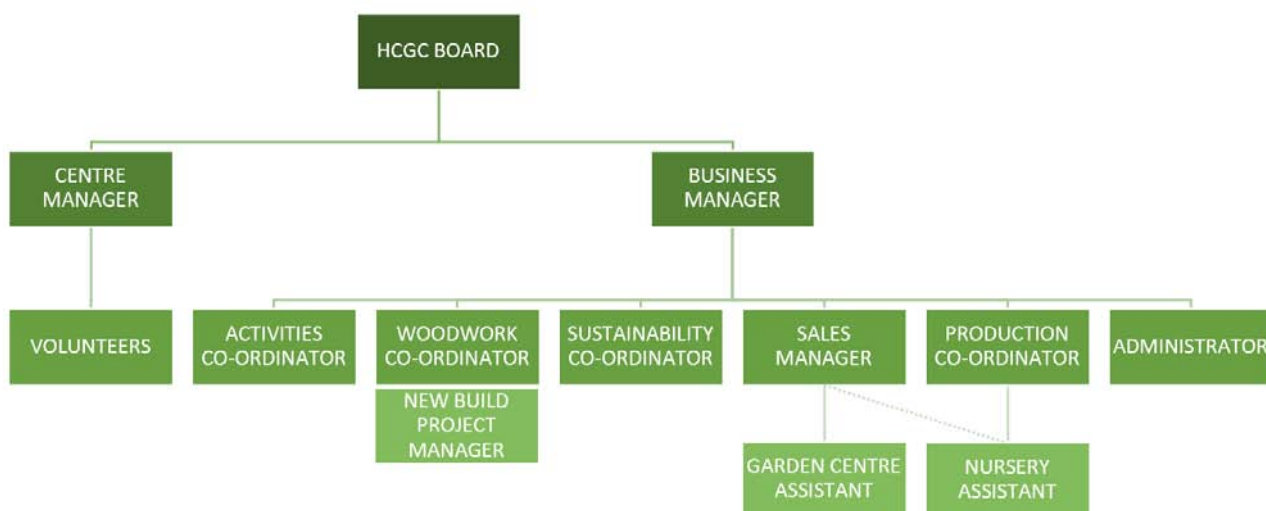


Diagram 1: Staffing structure introduced in April 2019

2.4 Plans for membership growth

During 2017 we began to grow our membership through a number of initiatives and this continued during 2018. Our current membership sits at 78 (referred to as 'membership shares'), with a target of 300 additional members to join through the Share Offer.

- Board representation: there are seven Board Members, with five living in the immediate area and one working in Hulme (for a social landlord). There are still skills gaps on the Board and targeted recruitment is required.
- All staff are members.
- General membership: we currently have membership shares of around 78 members drawn from our volunteers, service users and carers.

HCGC has ambitions to increase community involvement in its activities and increase its impact as an example to other communities who would like to undertake similar projects. The principle means by which HCGC plans to increase membership is through a community Share Offer aimed at investor members (referred to as 'investor shares'). A Community Share Offer will be launched with the aim of selling investor shares (nominal value of £1, minimum shareholding of £100 for interest payment) to current members, the local community and our wider supporters in order to raise the capital to undertake our capital improvements. We aim to raise between £130,000 and £200,000 in shares. Shares will be withdrawable, non-transferable and subject to a 3.5% annual interest where prudent. For a full outline of this, please see the Share Offer document.

2.5 Vision statement

Our Vision – We believe in a world with healthy and happy communities, where people are valued, connected to nature and their local economy. By growing together we are naturally better!

2.6 Mission statement

Our Mission - Hulme Community Garden Centre is a vibrant garden centre and safe, accessible green space that:

- Sells ethically and sustainably sourced plants and environmentally friendly home and garden products.
- Improves health and wellbeing by providing opportunities for volunteering and nature-based activities and a refuge for wildlife in the heart of the city.
- Is an inspiring community anchor supporting and nurturing our sustainable local economy.
- Utilises in-house expertise to plan and fulfil community and private projects.

'We are a garden centre with a difference, that makes a difference'

2.7 Objects of HCGC

For the benefit of the Communities of Greater Manchester:

- a) To advance education in gardening, conservation, food growing and nutrition;
- b) To advance education and vocational training in horticulture and the operation and management of a garden centre, particularly among people and communities experiencing disadvantage, exclusion or some other charitable need;
- c) To provide recreation and leisure facilities in the interests of social welfare, improved health and wellbeing, through the provision of a community garden and activities in horticulture;
- d) The advancement of citizenship and community development through the support of communities to develop their own community garden projects;
- e) To support the local community to develop sustainable social enterprise through the provision of resources and support.

2.8 Social impact

see also Appendix 7 HCGC Theory of Change

HCGC offers a variety of opportunities and its beneficiaries are wide ranging:

- People experiencing long term unemployment
- People living in poverty and/or financial exclusion
- People with addiction issues
- People with learning disabilities
- People with mental health needs
- People with physical disabilities or sensory impairments
- Voluntary carers
- Older People

A Social Return On Investment evaluation (2015) suggested that **every £1 invested in HCGC could return up to £6 to society** in the form of social, economic and environmental outcomes. This includes health and wellbeing, training and skills as well as environmental and retail behaviours.

The Theory of Change for beneficiaries reveals medium to longer-term impacts arising through participation in activities around:

- Opportunities for the local economy and environment
- Improved access to training, employment and volunteering
- Improved health, happiness and confidence

Other than direct beneficiaries, there are a large number of indirect beneficiaries including shoppers, groups and businesses who hire venue space, and the community who access our regular free family events.

Numbers of volunteers and hours logged are reported quarterly to Manchester City Council (who provide annual grant funding through their Our Manchester programme). In 2018 we worked with between 60 and 100 individual volunteers each quarter who consistently gave their time, logging an average combined total

Hulme Community Garden Centre – Business Plan 2019

of 260 days at HCGC. This is the equivalent of 4 full time staff members which obviously makes a huge contribution to the running of the Centre. The majority of volunteers contact us directly through the website, in the shop or by referral from a support agency. Around 25% of the volunteers experience mental health distress and the majority report poor wellbeing in general. We also engage with 6 high schools to provide work experience placements for Year 10 students and accommodate an increasing number of short- and medium-term placements. These are students from Manchester Metropolitan, Salford and Manchester Universities (generally Social Care, Education/Early Years Studies and Occupational Therapy) and work placement providers such as Manchester Young Lives, Motiv8Mcr and The Prince's Trust. We also have occasional internships from overseas on a longer-term basis.

We report on the numbers of service users (those with additional support needs) and each quarter engage with around 20 individuals and the same number of support workers/carers. We work with Sign Health, Breakthrough UK, Manchester Deaf Centre, Bridge College and others to provide places in twice weekly sessions based on woodworking or gardening. It is estimated that 85% of service users in this group have mental health issues.

3. Resources

3.1 Paid Staff

| Job Title | Hrs p/w | Role description |
|---|---------|---|
| Centre Manager | 24.5 | To ensure that HCGC achieves its current goals and future plans, whilst retaining its core values and cultures, providing ongoing community engagement and increasing social value through grant funded and commissioned services and the maintenance of partnerships and sector relationships. |
| Business Manager | 14 | To ensure that HCGC achieves its current goals and future plans by providing customer and audience engagement, and maximising revenue generation and development potential, both on and off site, to ensure financial stability. |
| Sales Manager | 35 | <p>To work with the Management Team, taking responsibility for the duties assigned to meet the needs of the business, and work in conjunction with the Co-ordinator Teams to plan, deliver and evaluate day to day activities.</p> <p>To maximise sales through the Garden Centre to the public, oversee sales analysis and be responsible for banking.</p> <p>To demonstrate the highest standards of customer service and care, and actively promote and market the activities of HCGC.</p> |
| Activities Co-ordinator | 21 | <p>To work with the Management Team taking responsibility for the duties assigned to meet the needs of the business, and work in conjunction with the Co-ordinator Teams to plan, deliver and evaluate day to day activities including gardening sessions and family focussed activities.</p> <p>To supervise and support volunteers and service users, and to actively engage the community, both on site and off site.</p> <p>To demonstrate the highest standards of customer service and care and actively promote and market the activities of HCGC.</p> |
| Activities (Woodwork) Co-ordinator | 7 | As above but as regards The Shed wood working project. |
| Production Co-ordinator | 24.5 | <p>To work with the Management Team taking responsibility for the duties assigned to meet the needs of the business, and work in conjunction with the Co-ordinator Teams to plan, deliver and evaluate day to day activities.</p> <p>To maximise production in the Garden Centre and responsible for servicing of business-to-business orders.</p> <p>To demonstrate the highest standards of customer service and care and actively promote and market the activities of HCGC.</p> |

| | | |
|--|----|--|
| Sustainability and Education Co-ordinator | 21 | <p>To work with the Management Team taking responsibility for the duties assigned to meet the needs of the business, and work in conjunction with the Co-ordinator Teams to plan, deliver and evaluate day to day activities with a focus on gardening and education.</p> <p>To ensure that environmental and ethical standards are set and maintained throughout HCGC.</p> <p>To demonstrate the highest standards of customer service and care, and to actively promote and market the activities of HCGC.</p> |
| Administrator | 35 | To provide support with administrative tasks throughout HCGC and to lead on book keeping. |
| Nursery Assistant | 30 | To provide support to the Sales and Production Co-ordinators and volunteers. |
| Garden Centre Assistant | 35 | To provide support to the Sales and Production Co-ordinators specifically regarding shop and reception duties. |

3.2 Volunteers

HCGC operates a year-round structured volunteering programme and has around 100 volunteers on the books at any given time. Volunteers are an integral part of the team and allow the Centre to open seven days a week with the current staff team. Volunteers are given a thorough induction, which demonstrates the flexible and responsive nature of the programme and supports learning new skills, building confidence, meeting new people and spending time outdoors.

A wide choice of options are offered. All volunteers begin by working closely with our Co-ordinators, usually working as a team. Jobs are displayed clearly in the shop and at the start of each session a Co-ordinator will delegate tasks for that day. Once volunteers have found their feet, built up skills and demonstrated commitment, there are options to progress to more independent volunteering.

We have a wide range of volunteering roles on offer, from helping to produce plants for sale, to woodland management, to serving customers in our shop. These are explained with simple role descriptions under the following headings:

- Site development and maintenance
- Community garden volunteer
- Garden centre assistant
- Front of house assistant
- Production/nursery assistant
- Enterprise assistant
- Sessional support assistant
- Education assistant

A year-round programme is offered with structured sessions every day of the week and independent volunteering at all times. The weekly timetable of activities is shown below.

| Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | Sunday |
|--|---|---|---|--|--|---|
| 10.30 - 12.30 NURSERY VOLUNTEERING Producing organic plants to sell | 10.15-12.15 THE SHED Learn and share practical woodworking skills | 10.30-12.30 GENERAL VOLUNTEERING Team work in the garden, sales area and off site ALL DAY Busy Bees session for small corporate groups BOOKING REQUIRED | 11-12 GARDEN EXPLORERS Drop in garden-based toddler session (£3) | 10.30-12.30 GROW & LEARN Hands on horticultural session 10.30-12 GARDEN CREW Supported gardening session (£3) | 10.30-12.30 GENERAL VOLUNTEERING Team work in the garden, sales area and off site | 10.30-12.30 GENERAL VOLUNTEERING Team work in the garden, sales area and off site 12-3 Second Sunday Crafternoon (2nd Sun of each month FREE) |
| Free communal lunch | | | | | | |
| 1.30-3.30 GROW & LEARN Hands on horticultural session | 1.30-3pm WOOD CREW Supported woodworking session (£3) | 1.30-3.30 GENERAL VOLUNTEERING Team work in the garden, sales area and off site | 12.45 - 2.15 NATURE SCHOOL for home educated children aged 5-12 (£5) BOOKING REQUIRED | 1.30-3pm GARDENING FOR WELLBEING Quiet session using gardening as therapy | 1.30-3.30 GENERAL VOLUNTEERING Team work in the garden, sales area and off site | 1.30-3.30 GENERAL VOLUNTEERING Team work in the garden, sales area and off site |

3.3 Other information

HCGC holds a 20-year lease on the site, starting in 2015, with a peppercorn rent. In 2019 this was upgraded in line with Manchester City Council's Community Lease.

HCGC buildings mostly comprise of temporary structures such as shipping containers and a portacabin. The centre also owns a small LPG (Liquefied Petroleum Gas) delivery van. The only permanent structure currently on the site is an eco-classroom made of straw bales and built by volunteers in 2009.

4. Current Business

4.1 Current business activities

HCGC has four main strands of business activity. These are:

1. **People Activities**, which encompass:
 - **Volunteering** - a volunteering (non-fee-paying) programme running daily with sessions geared towards differing abilities and needs.
 - **Wellbeing services** - supported (sometimes fee-paying) sessions for those with more complex health and educational needs.
 - **Education and training** – provision of a variety of courses and workshops around growing and using food. From curriculum-based school workshops to themed weekend workshops for adults and families.
2. **Garden centre** - providing garden plants with a dedication to organic and peat free principles. A small indoor shop stocks chemical free sundries and houseplants along with locally made gifts and toiletries. The outdoor sales area sells perennials and seasonal edible plants. Edibles produced on site are certified by the Vegan Organic Network as Stock Free and Organic.
3. **Green Project Design and Build** - working across Greater Manchester on a variety of projects such as community allotments, school gardens and community gardens and, increasingly, with the private sector. Support ranges from 'design and build' garden projects to guided workshops.
4. **Facilities Hire** - a growth area for HCGC hiring out the eco-classroom, garden polytunnel, yurt or whole site to a range of clients to host meetings, parties and even festivals.

4.2 Limits to growth

Business planning at HCGC has been ongoing under the current management since 2014 and has been supported by external consultants through EU funding, SIBS grants (incl. Big Potential) and the Power to Change Trade Up Programme. Operational plans are updated every January and there have been additional periods of intense consultation and review all of which have focussed on a strategy of increasing traded income (which is always supported by primary purpose activities) and decreasing reliance on grant funding. The key opportunities are to:

- **Develop relationships with existing key commercial customers**, to build on these relationships and identify potential to increase sales through Green Project Design and Build. Current clients include One Manchester, University of Manchester, Manchester Metropolitan University, Mayfield Manchester, Projekts Mcr skatepark and Britannia Basin.
- **Exploring market opportunities** particularly within GM Housing Associations, Local Authorities (GMCA), Universities, Colleges, Schools, Museums, Galleries, Hospitals (NHS and Private), Care Sector, Facilities Management Contractors.
- **Alignment of interests with 3rd Sector Organisations and Community Groups** linked to opportunity and potential new sales. For example: delivery partnerships with Britannia Basin Community Forum and Trafford Centenary Garden are ongoing and the creation of The Green Health Alliance (a consortium of like-minded providers) has resulted in exciting new contracts within the Mayfield Development.

- **Identification of potential opportunities** in new markets, particularly Grounds Maintenance and Landscaping Works which has resulted in the creation of a new project, The Shed, and three maintenance contracts within the city centre – this will expand in 2019.

Despite significant progress being made in terms of staffing restructure, increased marketing and stronger governance the limits created by physical infrastructure have not been addressed. At present there is only a polytunnel to take breaks in and a tiny caravan serves as a kitchen; the site has an outdoor compost toilet and no running hot water and the shop and staff offices are currently housed in an old portacabin which is not fit for purpose. The site also requires a new mains electric connection to address the issue of overload on the current system and an upgrade to communications and IT.

The main limits to growth are:

1. Lack of warm indoor space, preventing year-round use by volunteers and service users, especially those with additional needs.
2. Lack of sales space preventing maximum footfall and turnover.
3. Poor design of entrance and lack of shop frontage creating a barrier to access.
4. Insufficient production area to allow an increase in stock produced on site and providing a greater profit margin as well as opportunities for volunteering and training.

The current set up does not sustain an efficient workplace, and there is a dire need for additional space in order to offer services that are currently beyond centre capabilities. A comprehensive consultation process has been carried out since 2014 with centre users, volunteers and the wider community to identify gaps in provision that the new site development could tackle. These views have then been built into the site masterplan and drawn up by URBED architects. The new infrastructure will need to fulfil a variety of purposes, in order to provide a more complete service for the community and to create a more cohesive space within which to do this.

The key functions that the building must provide are:

1. Free internet access, particularly important for those volunteers who do not have home computers.
2. Large, accessible doors that allow the building to open out onto the Centre.
3. A large community notice board with space for fliers and leaflets. This could become a hub for local information regarding events, volunteering and job opportunities, and courses and classes. There currently is nowhere in Hulme that provides this service on a day to day basis.
4. An inspirational shopping area with house plants and crafts made by HCGC and local artists. This is key to expanding the range of gardening essentials on offer such as tools, fertilisers and soil improvers following peat free, organic and vegan practices.
5. Office space for up to 10 staff.
6. A volunteer space – warm and comfortable with brewing-up facilities and lockers.
7. Space for a cafe to serve our staff, our volunteers and the wider public.
8. Additional accessible toilet facilities.

Plans were first submitted for a new building on the HCGC site around 6 years ago and approved. A bid was then worked up to the Clean Cities funding programme but eventually the programme was pulled by Manchester City Council and no funding was received.

Hulme Community Garden Centre – Business Plan 2019

With new infrastructure in place HCGC will have significantly improved indoor provision for staff, volunteers and service users along with an increased sales area. These improvements will allow for:

1. An increase in both range and volume of products available to the public, through increased retail space.
2. An increase in existing wellbeing service delivery, especially during winter months, and the development of new services to reflect developments in health provision through DevoManc, the devolution of health care in Manchester – a significant opportunity.
3. Development of new mini enterprises within HCGC due to increased staff accommodation.
4. A welcoming shop front on the main road increasing foot fall and allowing for street side advertising and promotion.
5. Improvements to the polytunnels and increase in space for plant production.

5. Phase 1 – Development of Current site

5.1 Summary of capital development works

The plan for the 2019 development draws on all the consultation work carried out over the last four years to address the needs identified. It will create a bigger shop, functional office space, new toilets, warm hub for volunteers and an improved cafe.

The new main entrance will be on Old Birley Street, opposite Ormsgill Street, creating greater visibility of HCGC from the street. Visitors will descend from street level to a foyer doorway, which will lead into the new reception area and shop. The plan revolves around nine, forty-foot converted shipping containers, which will be craned onto site and hooked up to services.

In preparation, services will be added to and improved across the site including: a new electricity connection; local sewage connection; water supply and drainage; and subsurface routing of cables and pipes.

Eight of the shipping containers will be joined and will create a double-width and -height space housing a larger shop, staff offices with storage, and a volunteer hub with lockers, seating and an accessible kitchen. The second storey will provide usable office and meeting space; this will be accessed via stairs from the shop. An additional container will house the improved café. The containers are arranged in a horseshoe shape to create a covered courtyard space for additional café seating and shop space.

The toilet facilities will be greatly improved, with the current compost toilet being converted to an accessible, flushing toilet with hot water for hand washing, along with a baby change area. A single container will provide two additional flushing toilets. All three of these will be connected to local services.

Overall the new layout will provide HCGC with vastly improved facilities to expand production, sales and services.

Timescale for the build, including connection to new services, will take between 8 and 14 months dependant on whether the amount of capital raised allows for a wholly external contractor-led build or relies on increased volunteer labour. Once major works have been completed, HCGC will host a public launch of the new facilities.

5.2 Key points

Visibility: the project will create a sustainable building that draws on the historic use of shipping containers on site.

Land ownership/Planning: planning permission was approved in March 2019 with the planner commenting that they had been overwhelmed with letters of support from the community and did not receive a single objection. The lease from Manchester City Council runs 20 years from 2015.

Sustainability: HCGC has a sound track record in income generation and demonstrates a healthy mix of income streams: commercial sales, off site services, service user fees and grant funding. The new building will enable commercial sales to increase significantly and will allow for the offer of expanded and improved services using the new resources.

Community Involvement and Behaviour Change: the very principles which HCGC operates on will run throughout the redevelopment, by involving the community from the very start and with ongoing opportunities for hands-on involvement. Behaviour change is best activated from being involved in a

project and seeing for oneself how a person can impact on the environment...being involved in the build and the wider Centre will be a life-changing experience for many HCGC participants.

Equality of Opportunity and Inclusion: The project will include a wide range of volunteers which will reflect the current profile: a range of ages and around 30% of people with a disability or mental health problem. HCGC operate an open access policy and do targeted recruitment in many areas.

Value for Money: The project represents incredible value for money. The build costs are kept low by using shipping containers and largely existing staff and volunteer time. An initial estimate values volunteer time at £15,000 over the period including design, planning and actual build – this is likely to rise. Physical material costs are kept to a minimum by actively following our guiding principle of reduce, reuse and recycle.

Deliverability and timescales: the project is already well advanced. The design principles have been set through consultation and will be finalised with the container provider. Some works have already been completed with grants already received. Below is an outline timescale of the build process that will shift as we tender, select and agree with the Principal Contractor.

| | |
|--------------------------------------|---|
| January 2019 | Planning permission submitted. |
| January 2019 | Annual staff planning to discuss stage operations. |
| February 2019 | New polytunnel installed and existing polytunnel reskinned. Create new sales area and preparation for delivery of containers. |
| 19 March 2019 | Planning permission received. |
| April - May 2019 | Preparation for new services underway. |
| 1 July - 31 July 2019 | Community Share Offer launched and run. Possibility to extend. |
| September 2019 | Groundworks begin. |
| November 2019 - February 2020 | Containers arrive on site, internal fit-out complete |
| February - March 2020 | External cladding fitted/portacabin removed and expanded sales area created. |
| March – May 2020 | Shop and offices move. |
| Easter weekend 2020 | Relaunch with public event and celebration of 20 th birthday. |

5.3 Breakdown of capital costs

To realise this expansion, HCGC has developed two scenarios for the build as capital costs will be sourced from a mixture of equity, loan finance and grants.

Scenario 1: If we raise our maximum amount, the work will be carried out in its entirety by external contractors.

Scenario 2: If we do not raise our maximum amount, any amount we raise under our maximum will mean that work will be carried out by volunteers until we reach our minimum.

The below tables give details of both scenarios:

Scenario 1 - £200,000 of Community Shares

| Already completed | Cost Excl VAT |
|-------------------------|------------------|
| Garden Poly reskin | £825.12 |
| Cold tunnel Poly reskin | £825.12 |
| Hot tunnel reskin | £0.00 |
| New polytunnel | £3,027.24 |
| Total | £4,677.48 |

| Main works | Cost Excl VAT |
|--|--|
| Admin & infrastructure costs around planning and comms upgrade | £13,618.00 |
| Preparatory works around services | £10,100.00 |
| Groundworks | £35,500.00 |
| New toilets (cost and installation) | £5,000.00 |
| Container build (includes fit-out for second option) | £130,000.00 |
| Fit-out materials | Included in above container build figure |
| Costs ancillary to fit-out | £15,250.00 |
| Booster business planning and Share Offer consultancy | £8,200 |
| Crowdfunder fees (Public@5%, Booster@2%) | £7,000.00 |
| Solar Panels | £4,000.00 |
| Contingency@20% | £42,693.60 |
| Total | £271,361.60 |

Scenario 2 - £130,000 of Community Shares

| Already completed | Cost Excl VAT |
|-------------------------|------------------|
| Garden Poly reskin | £825.12 |
| Cold tunnel Poly reskin | £825.12 |
| Hot tunnel reskin | £0.00 |
| New polytunnel | £3,027.24 |
| Total | £4,677.48 |

| Main works | Cost Excl VAT |
|--|--------------------|
| Admin & infrastructure costs around planning and comms upgrade | £10,618.00 |
| Preparatory works around services | £8,450.00 |
| Groundworks | £11,700.00 |
| New toilets (cost and installation) | £3,000.00 |
| Container build (includes fit-out for second option) | £67,000.00 |
| Fit-out materials | £20,000.00 |
| Costs ancillary to fit-out | £15,250.00 |
| Booster business planning and Share Offer consultancy | £8,200.00 |
| Crowdfunder fees (Public@5%, Booster@2%) | £4,550.00 |
| Solar Panels | £4,000.00 |
| Contingency@20% | £28,003.60 |
| Total | £180,771.60 |

5.4 Capital funding

Scenario 1 - £200,000 raised through Community Shares

| Finance | Amount |
|---|--------------------|
| Community share issue | £100,000.00 |
| Matched investment from Booster programme | £100,000.00 |
| Grant from Booster programme | £8,200.00 |
| Loan from Co-op Foundation | £50,000.00 |
| NHS Wellbeing Grant | £5,000.00 |
| One Manchester Catalyst Fund - Grant | £5,000.00 |
| University Construction Community Fund | £1,000.00 |
| 10:10 Climate Action | £4,000.00 |
| Total finance | £273,200.00 |

Scenario 2 - £130,000 raised through Community Shares

| Finance | Amount |
|---|--------------------|
| Community share issue | £65,000.00 |
| Matched investment from Booster programme | £65,000.00 |
| Grant from Booster programme | £8,200.00 |
| Loan from Co-op Foundation | £50,000.00 |
| NHS Wellbeing Grant | £5,000.00 |
| One Manchester Catalyst Fund - Grant | £5,000.00 |
| University Construction Community Fund | £1,000.00 |
| 10:10 Climate Action | £4,000.00 |
| Total finance | £203,200.00 |

In the scenario of our minimum raise (scenario 2 above), we will raise £20,000 more than we have budgeted to spend. This is because we will be doing a large part of the works ourselves and so we are giving ourselves an extra cash buffer on top of the 20% contingency. This is to provide us with security against delays to our improved turnover and Gross Profit Margin.

The majority of the funding will be from a Community Share Offer run through Crowdfunder. This will raise between a minimum of £65,000 and a maximum of £100,000. This capital will be matched, £ for £, on equal terms by the Community Share Booster panel, doubling our raise to between £130,000 and £200,000.

There is also a loan agreed with the Co-op Foundation of £50,000. HCGC plans to draw this down in July 2019. This loan is repayable over 5 years at zero % interest with the first year having a repayment holiday and the following years repaid at £10,000 a year. This loan also came with a grant of £26,000 paid over 2 years.

We have secured grant funding to pay for some of the capital spend. The NHS Wellbeing Grant is to pay for architect's fees, and the One Manchester and University Construction fund all contributed toward the Phase 1 work. The solar panels will be provided via a 10:10 Climate Action Grant (equivalent to £4,000).

In addition to the above, VAT will be incurred on the project. We are proposing to manage the additional VAT spend by staggering the build so that we receive the VAT back on our original Capital Spend before spending the next phase. See below for our planned phased spend for the £200k raise.

Spend to December 2019

| | |
|--|--------------------|
| Container build (includes fit-out for second option) | £80,000.00 |
| Admin & infrastructure costs around planning and comms upgrade | £6,809.00 |
| Preparatory works around services | £10,100.00 |
| Groundworks | £35,500.00 |
| Booster business planning and Share Offer consultancy | £8,200.00 |
| <u>Crowdfunder</u> fees (Public@5%, Booster@2%) | £7,000.00 |
| Total | £147,609.00 |

Spend to March 2020

| | |
|--|-------------------|
| Container build (includes fit-out for second option) | £50,000.00 |
| Costs ancillary to <u>fit-out</u> | £15,250.00 |
| Total | £65,250.00 |

Spend to June 2020

| | |
|--|-------------------|
| Admin & infrastructure costs around planning and comms upgrade | £6,809.00 |
| Solar Panels | £4,000.00 |
| New toilets (cost and installation) | £5,000.00 |
| Contingency@20% | £42,693.60 |
| Total | £58,502.60 |

In this scenario we would receive back: £26,481 by January 2020; £13,050 by April 2020; and £13,749 in July 2020.

5.5 Impact on revenue streams

By undertaking this capital expansion, the primary benefit for revenue generation will be an increased shop space, increasing the range of products available for sale, and as a result increasing revenue for the enterprise department. Reorganising the sales area, in addition to the recent reskinning of the polytunnels, will allow a greater level of internal production to take place which in turn means a greater surplus can be generated. Including a warm space for volunteers and indoor space for activities will allow expansion of HCGC's charitable objectives by providing a much more welcoming environment for service users and visitors.

The proposed capital works creates two new income streams through rental of offices to other social enterprises and rental income from a cafe. The cafe will be put out to tender and managed by a separate non-profit-making organisation but it will both provide a small rental income stream and increase footfall to the Centre, driving up sales. We have several expressions of interest from organisations wishing to rent office space at HCGC including The Orchard Project and The School of Architecture for Children. Please see additional information on driving revenue streams in section 5.6.3 of this document.

5.6 Marketing

5.6.1 Current Situation/External Landscape

Nationally there is a need for communities to come together to find ways to ensure they can make the transition to the low-carbon economy, re-localising demand and becoming more self-sufficient to weather future economic and environmental shocks. Scientists and governments are agreed that ways must be found to lower carbon emissions, as witnessed by the Paris climate talks in 2015.

Individuals often feel powerless to make changes when faced with government inaction and the power of big corporations, but communities have shown that, when they come together, people can make big changes in their local communities.

Through education and practical experience, HCGC are transmitting essential skills to give people confidence to lower their impact on the environment, and do so without sacrificing the important things in life, such as fun, family and friendships.

5.6.2 Competitor Analysis

As HCGC operates in many markets, there is currently no direct competitor with the mix of products and services that it offers. Therefore, we have looked at key products and services offered by HCGC in order to assess areas of strengths and weaknesses of competitors and how HCGC can improve (shown in the table overleaf).

Potential competition with other Greater Manchester community growing projects has been mitigated against by active involvement in the Green Health Alliance – a co-operative consortium of the VCSE sector in Greater Manchester delivering health and wellbeing services through community growing and horticulture.

Table showing key information for identified competitor organisations

| Organisation | Location | Distance from HCGC | Competing area | Description | Strengths of organisation | Weaknesses of organisation | How can we improve? |
|------------------------|---------------|--------------------|------------------|---|--|---|--|
| ASDA | Hulme | 0.5 miles | Plant/shop sales | British supermarket. Low cost herbs, a small range of house plants and some gardening equipment for sale. | Low cost items, one stop shop for all household goods. | Not organic products, much more commercial shopping experience, not the reason people go there, no expert advice on hand. | Talk about why it is worth paying more for our products in store and online. |
| B&Q | Cheetham Hill | 4.5 miles | Plant/shop sales | Multinational DIY and home improvement retailing company. Offers wide range of gardening products. | Reasonably priced, wide range of products. Best reached by car, good online 'how to' guides, good IT infrastructure. | Poor e-commerce ratings, people prefer eco-friendly products. | Potential to blog 'how to guides' on eco-gardening practices. |
| Chorlton Plant Nursery | Chorlton | 2.5 miles | Plant/shop sales | Over 600 varieties of herbaceous perennials, shrubs, alpine, heathers, bulbs, climbers, roses, conifers, and cottage garden plants. | Friendly, helpful and expert advice, seasonal range. Grow 90% onsite, online tips offered, workshops, good online description. | Low online following, closed Mondays and Tuesdays. Different in that they are a nursery, not a community centre. | Add online content and link to local organisations. |
| Northern Flower | City Centre | 1.7 miles | Plant/shop sales | Potting shed-style boutique store with out-of-the-ordinary pot plants, flowers, bouquets and gifts. | Located in the city centre and offer a bespoke service, good store front display. | More of a florist, different offering to HCGC. | Improve the street entrance to HCGC, co-promote each other's services. |
| <u>Niamos</u> | Hulme | 0.1 miles | Facilities Hire | Community building with studios and theatre space to hire. | Local for Hulme residents, good ethos. | Future on the space isn't secured. | Good community building through events. |

| Organisation | Location | Distance from HCGC | Competing area | Description | Strengths of organisation | Weaknesses of organisation | How can we improve? |
|----------------------------|---------------|--------------------|----------------------|--|--|--|--|
| Z-Arts | Hulme | 0.3 miles | Facilities Hire | Theatre and arts venue with a variety of spaces. | Good online images and descriptions, catering available, toilets. | No outdoor space. | Improve descriptions online. |
| Coffee Cranks | Whalley Range | 1.2 miles | Facilities Hire | Café co-op in Alexandra Park, small space for hire. | Variety of natural and organic food, located in a large park, family friendly, low cost, toilets. | Closed on Mondays. | Improve and promote catering options, better images. |
| RNCM | Oxford Rd | 0.7 miles | Facilities Hire | Music college offering new, accessible space with musicians available. | Live music, catering, professional venue hire team, good facilities. | No outdoor space, feels less personal. | Make connections with interesting suppliers, e.g. musicians, create a smooth booking system. |
| Patch of the Planet | Warrington | 15 miles | Green Project Design | Garden design and maintenance in harmony with nature. | Personal profiles, great online reviews, strong images, show process of design to implementation well, permaculture. | Rely on individuals rather than organisation, more house gardens than corporate. | Learn from website content showing process. |
| David Keegan Garden Design | City centre | 1.7 miles | Green Project Design | Award winning garden designer. | Awards, strong design aesthetic, naturalistic planting. | Out of date blog content. | Promote HCGC permaculture principles. |

5.6.3 Marketing Objectives

Enterprise:

- Increase outdoor sales by 15% per annum until 2022 from when they will increase by 10% per annum.
- To drive up the Gross Profit Margin on outdoor sales from 44.6% to 60.27% by 2021. This will bring it in line with the expected industry standard.
- Increase indoor sales by 75% over two years and thereafter by 10% per annum.

Improved shop, café and toilet facilities will allow HCGC to market itself as a destination. An urban oasis where people can meet, chat, get back to nature and take a piece of it home with them. Increased visibility from the street will organically increase footfall to HCGC from those passing by.

HCGC has big plans to improve how it interacts with its customers. We want to give the customer our full attention and have consistently had staff onsite to provide expert advice. In addition, from April 2019 we have been trialling a dedicated front of house staff member to meet and greet and deal with customer enquiries and sales. From talking to our customers, we know this has increased customer satisfaction, and from our sales figures, we know it has had a remarkably positive impact on actual sales. We will take this learning forward with us into the new build to provide a consistently positive front of house experience.

Increased indoor sales space means the seasonality of HCGC shifts, making us a year-round destination. This is something we will increasingly focus on in our marketing. In 2018, the Nursery team expanded the range of shop items and houseplants, including the recent successful addition of eco-cleaning/bathroom products/refills. Indoor sales have massively increased as a result. Along with increased product range, this increase in sales is attributed to the large number of new build properties in the area with limited space. Alongside an increase in shop stock, HCGC will run training courses in balcony and indoor gardening in order to target the rapidly expanding number of people who live in apartments. The new and reskinned polytunnels allow for increased onsite production of the plants for sale, therefore increasing profit margins on indoor and outdoor products.

As well as improving the in-person experience, HCGC will increase visibility and online experience by improving its social media presence, beginning with the Crowdfunder campaign. Aiming to continue 3 posts per day on Facebook, Twitter and Instagram, timed to hit key moments of the day with high traffic. HCGC will continue to respond quickly to online comments and feedback and will begin to gather and promote user-generated content. By requesting TripAdvisor and Google reviews from visitors we plan to promote HCGC as a great place to visit in Manchester.

HCGC will improve its visibility with the local community and a, previously untargeted, City Centre audience of 20,000 homes through regular press releases to local media outlets and poster/leaflet campaigns for upcoming activities and events. Family activities are already on offer, but the range will be expanded and promoted more regularly.

Facilities Hire:

- Increase existing on site hire by 25% in the first year and thereafter by 10% per annum.
- To create a new income of £6,000 a year as office hire to be thereafter increased by inflation. This is based on a £500 a month rental of an open plan upstairs office to a local non-profit. We have already been approached by two organisations who are keen to be based at HCGC.

Facilities Hire is another area with targeted growth. Visitor feedback has shown that the current business is limited by having only one composting toilet. By adding two additional toilets, making them flushable and adding baby changing, we will improve feasibility of, and feedback from, facilities hire. Following the build, a targeted marketing campaign to local and affiliated organisations will take place, along with the aim of joining the Unique Venues of Manchester listing site.

5.6.4 Customer Segmentation (existing customers)

We have segmented our customer base as follows:

1. Existing highly engaged (members and supporters)
2. Local people (Hulme)
3. Manchester People (wider catchment, such as City Centre, Chorlton etc)
4. Local enterprise
5. Schools
6. Wider VCSE sector
7. Permaculture movement
8. Students
9. Allotment holders

Some segments access services across several areas and there is a large potential to increase cross-promotion and cross-selling.

5.6.5 Current Pricing Strategy

The below table shows pricing differentiated by functional area:

| Service Area | Strategy | Price |
|---|--|---|
| Garden Centre (Retail and wholesale - split) | Market based | |
| On-site Horticultural Sessions | Market based, but market intelligence on competition is sparse. Volunteering is free but subsidises HCGC as free labour. Low price/High Quality offer. | <ul style="list-style-type: none"> • Health and wellbeing sessions – grant funded • Supported Sessions - £3 • Nature School £50 for 10 weeks • Parent and Toddler Group £3 per child per session <p>Perception that this is <u>cheap</u> and prices could increase.</p> |
| Training and Education | Cost and Market based | <ul style="list-style-type: none"> • Staff time charged at £50 per hour • School trips charged at £85 per hour • Onsite workshops - £25 per hour per staff member plus planning and prep time. • One day course £350 for 12 people. • Off-site workshops/courses – £50 per hour plus planning and prep time. |
| Off-site Contracting | Cost and market based | Individually priced - some concession for non-profit and mark up for corporates. |
| Facilities Hire | None | <ul style="list-style-type: none"> • Strawbale classroom £25/hour • £1/head for refreshments • Polytunnel £70 for 3-hour session for parties • £25/ additional hour • £50/h out of hours (includes staff) • Garden hire – POA (Typically >£1K) |

6. Finance

6.1 Historical Financial Performance

In the three financial years to December 2016, HCGC made a cumulative deficit of £67,330 in the process reducing reliance on grant funding from 38% in 2014 to 19% in 2018. A reduction in grants available to the third sector generally, coupled with a higher staffing level which was expected to be part funded through grants and therefore not reduced when funding ended, resulted in expenditure being greater than income in each of the three years and a deficit arising.

Since 2016 there was a much greater emphasis on earned income. Our sales turnover rose by 23% in 2016, 9% in 2017 and 14% in 2018. This however has not matched the drop in grants and we need to grow more. The staff team maintain an approach of ensuring projects undertaken fall into HCGCs charitable objectives whilst also having income potential.

The unaudited accounts for 2018 show a continued loss based on the surplus from our trading still not matching the decrease in grant funding. This is why we need to undertake a large step change in our turnover, gross profit margin and our share capital. This business plan shows our total funds increasing to the same level as they were in 2014 by the end of 2019 and the unrestricted funds reaching that level by 2022.

| | Statutory Accounts 31 December 2014 £ | Statutory Accounts 31 December 2015 £ | Statutory Accounts 31 December 2016 £ | Statutory Accounts 31 December 2017 £ | Accounts 31 December 2018* £ |
|------------------------|---|---|---|---|---------------------------------------|
| Income (earned) | 133,901 | 159,140 | 195,559 | 214,294 | 243,640 |
| Income (grant) | 83,105 | 90,173 | 72,519 | 73,569 | 56,533 |
| Income (other) | 58 | 22 | - | - | 2,912 |
| Total income | 217,064 | 249,355 | 268,118 | 287,863 | 303,085 |
| Total expenditure | 240,007 | 287,672 | 276,188 | 293,887 | 314,069 |
| Surplus/Deficit | (22,943) | (38,317) | (8,070) | (6,024) | (10,984) |
| Current Assets | 79,509 | 56,499 | 56,184 | 89,132 | 42,570 |
| Current Liabilities | (31,341) | (32,447) | (33,393) | (63,127) | (12,145) |
| Fixed Assets | 54,325 | 43,260 | 34,559 | 26,304 | 29,980 |
| Share capital | 7 | 7 | 7 | 44 | 78 |
| Unrestricted Funds | 102,486 | 66,359 | 58,289 | 52,265 | 46,129 |
| Total Funds | 102,493 | 66,366 | 58,296 | 52,309 | 46,207 |
| Grant income | 38% | 36% | 27% | 26% | 19% |
| Earned income | 62% | 64% | 73% | 74% | 80% |

*Figures are extracted from accounting system and have been reconciled but not audited. We are currently awaiting our accountants to finalise the VAT for the year and so there will be some adjustments to these figures.

6.2 Current Year Financial Performance

This year our financial performance to date has been significantly stronger than last year. January to March are our weakest times of the year and we have done better than we usually do during that period. April 2019 saw the biggest April turnover on record and this gives us confidence in the marketing plan for the new building. We have provided equivalent surplus for last year below.

| | January 2019 * | February 2019 | March 2019 | April 2019 |
|--|-----------------|----------------|----------------|----------------|
| Income (earned) | 5,213 | 11,757 | 23,714 | 29,899 |
| Income (grant) | 3,000 | 16,000 | 3,000 | 3,000 |
| Income (other) | 25 | 151 | 156 | 105 |
| Total income | 8,238 | 27,907 | 24,787 | 33,004 |
| Total expenditure | (16,912) | (23,352) | (36,384) | (32,792) |
| Surplus/Deficit | (8,675) | 4,556 | (9,514) | 212 |
| Grant income | 37% | 58% | 12% | 9% |
| Earned income | 63% | 42% | 88% | 91% |
| 2018 Comparison Surplus/Deficit | (29,524) | (8,006) | 2,450 | (5,245) |

* We are closed for 3 weeks in January

6.3 Summary of Revenue Finance

We have divided our revenue streams into three areas: Activities, Training and Education; Facilities Hire; and Enterprise.

Activities/ Training and Education includes Home Education Group, Toddler Groups, Supported Well Being and Other (including working with schools). Historically this revenue stream has attracted some grant funding and doesn't have an associated Cost of Sales. In 2018 this generated a total income of £60,591 made up of sales of £26,715 and grants of £33,876. We have predicted that the sales, excluding other, will increase by 5% a year. In 2019 we have secured grants of £7,500 and we are not predicting any more grants after that. Based on this our predicted income for Activities/ Training and Education are as follows.

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------|---------------|---------------|---------------|---------------|---------------|
| Grants | 7,500 | | | | |
| Sales Other | 15,892 | 15,892 | 15,892 | 15,892 | 15,892 |
| Home Education | 1,985 | 2,084 | 2,188 | 2,407 | 2,528 |
| Toddlers | 1,508 | 1,583 | 1,663 | 1,746 | 1,833 |
| Wellbeing | 2,084 | 2,188 | 2,298 | 2,412 | 2,533 |
| Total | 28,969 | 21,748 | 22,041 | 22,458 | 22,786 |

Facilities Hire has historically consisted of hiring out HCGC for events, meetings and parties. It has also no associated cost of sales and has brought in a small income. We are predicting a 25% increase for the next two years. We will also have the new office and cafe hire. In the scenario of our maximum raise (Scenario 1 in [section 5.3](#)), these will come online in 2020 and in the minimum raise scenario (Scenario 2 in [section 5.3](#)) these will be delayed until 2022 for the new offices and 2021 for the cafe.

Maximum Raise Scenario:

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------|--------------|---------------|---------------|---------------|---------------|
| Venue Hire | 8,344 | 9,178 | 10,096 | 11,106 | 12,216 |
| New Office | | 6,000 | 6,120 | 6,242 | 6,367 |
| Cafe | | 900 | 1,200 | 1,200 | 1,200 |
| Total | 8,344 | 16,078 | 17,416 | 18,548 | 19,784 |

Minimum Raise Scenario:

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------|--------------|--------------|---------------|---------------|---------------|
| Venue Hire | 8,344 | 9,178 | 10,096 | 11,106 | 12,216 |
| New Office | | | | 6,000 | 6,120 |
| Cafe | | | 900 | 1,200 | 1,200 |
| Total | 8,344 | 9,178 | 10,966 | 18,006 | 19,236 |

Enterprise consists of the Garden Centre, both indoor and outdoor sales, as well as design and build work off site. The Garden Centre has an associated costs of sales with the current Gross Profit Margin (GPM) of indoor sales being 28% and outdoor sales being 44.5%. So HCGC covers its costs but it doesn't provide enough of a surplus to cover its overheads. As outlined in [Section 5.6.3](#), we have identified how to drive up both our turnover and profit margins. There is a predicted time difference in the increases, dependent

upon the level of raise, whether we raise the maximum or less than the maximum through the share offer. In the scenario of our maximum raise the increase in turnover and GPM starts in 2020, whereas with the minimum raise this is pushed back to 2021.

Maximum Raise Scenario:

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------------|----------------|----------------|----------------|----------------|----------------|
| Indoor | 34,091 | 42,614 | 63,921 | 70,314 | 77,345 |
| Outdoor | 152,833 | 175,758 | 202,121 | 222,333 | 244,567 |
| Non-Garden Centre | 11,733 | 11,733 | 11,733 | 11,733 | 11,733 |
| Total | 198,657 | 230,105 | 277,776 | 304,380 | 333,645 |

Minimum Raise Scenario:

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------------|----------------|----------------|----------------|----------------|----------------|
| Indoor | 34,091 | 35,796 | 44,745 | 67,117 | 73,829 |
| Outdoor | 152,833 | 160,474 | 184,546 | 203,000 | 223,300 |
| Non-Garden Centre | 11,733 | 11,733 | 11,733 | 11,733 | 11,733 |
| Total | 198,657 | 208,003 | 241,024 | 281,851 | 308,862 |

We have also identified and secured grants in 2019, 2020 and 2021. These total £44,167, £42,000 and £25,000 respectively. We also predict continuing our Consultation work which brings in £24k a year.

These income streams have not been enough to cover HCGC's historic overheads, but with the new income streams, predicted increase in turnover and improved GPM, we predict that the income streams will cover HCGC's overheads from this year onwards.

We are predicting that overheads will continue at the current level apart from inflation which we have based at 2%. The only new overhead will be depreciation from the new assets, which we have based at 10% per annum.

6.4 Financial Forecasts

Included in [Appendix 3](#) is a five year forecast which includes a statement of financial activities, statement of financial position and statement of cash flows.

In [Appendix 3](#) these are included for both the minimum and maximum raise scenarios, however here we have just included the maximum raise scenario for simplicity.

6.4.1 Statement of Financial Activities Forecast

| Income | | | | | |
|--------------------------|----------------|----------------|----------------|----------------|----------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 |
| | £ | £ | £ | £ | £ |
| Activities and Education | 28,969 | 21,748 | 22,041 | 22,458 | 22,786 |
| Facilities Hire | 8,344 | 16,078 | 17,416 | 18,548 | 19,784 |
| Enterprise | 198,657 | 230,105 | 277,776 | 304,380 | 333,645 |
| Grants/consultation | 70,906 | 68,739 | 51,739 | 26,739 | 26,739 |
| Total | 306,876 | 336,670 | 368,971 | 372,125 | 402,953 |
| Expenditure | | | | | |
| Costs of Sales | 101,661 | 107,493 | 121,852 | 134,037 | 147,441 |
| Wages and Salaries | 150,141 | 153,144 | 156,207 | 159,331 | 162,518 |
| Other Overheads | 35,949 | 36,668 | 37,401 | 38,149 | 38,912 |
| Depreciation | 8,592 | 22,160 | 22,160 | 22,160 | 14,030 |
| Share Interest | | | | 7,000 | 6,545 |
| Net Profit | 10,533 | 17,205 | 31,351 | 11,448 | 33,508 |

This table shows that our predicted income comfortably covers our existing overheads, as well as both the extra depreciation of our new assets and to pay the predicted interest on our share capital.

The drop in surplus in 2022 is expected, as this will be the first year that we are predicting being totally grant free. Our predictions show we will still make a comfortable surplus in that year. We are also predicting that our surplus will recover in 2023 to the same levels, continuing at that level without grants.

6.4.2 Balance Sheet Forecast

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------------|----------------|----------------|----------------|----------------|----------------|
| | £ | £ | £ | £ | £ |
| Fixed Assets | 168,997 | 280,834 | 258,674 | 244,644 | 230,842 |
| Current Assets | 161,859 | 61,544 | 102,482 | 110,131 | 131,621 |
| Current Liabilities | (24,116) | (24,683) | (24,609) | (24,150) | (24,057) |
| Long Term Liabilities | (50,000) | (43,750) | (31,250) | (18,750) | (6,250) |
| Total | 256,740 | 273,945 | 305,297 | 311,875 | 332,156 |
| Retained Earnings | 56,662 | 73,867 | 105,219 | 124,797 | 158,533 |
| Members Shares | 200,078 | 200,078 | 200,078 | 187,078 | 173,623 |

The capital spend will increase fixed assets to £280,834 by 2020. These assets will then depreciate over their economic life reducing to £230,842 in 2023.

With a return to generating a surplus for each of the next five financial years, the current assets, primarily bank balances held, will increase to £131,621 by 2023. There will be sufficient cash generated each year to repay the Co-op Foundation loan over the next five years and to provide liquidity for predicted share withdrawal.

Current liabilities are expected to stay constant over the five years, this is because our improved despite increased bills our cashflow will be healthier and so we will be able to pay our suppliers earlier. As a seasonal business the majority of creditors are settled prior to the financial year end with HMRC being the largest creditor each year as a result of VATable sales in the last quarter.

The retained earnings will increase to their pre-2014 levels by 2021. This will then allow us to fund share withdrawal at the rate predicted.

We aim to allow share withdrawal from year 3. This is consistent with our forecasting and budgets We have budgeted to allow 5% of the original share capital (up to £10,000 for the £200,000 target raise) to be withdrawn each year. The Board may, at their sole discretion, suspend the right to withdraw either wholly or partially, and either indefinitely or for a fixed period.

6.4.3 Cash Flow Forecast

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------------|----------------|----------------|---------------|---------------|----------------|
| | £ | £ | £ | £ | £ |
| Opening Cash Balance | 15,195 | 145,081 | 43,016 | 82,954 | 89,603 |
| Operational Cashflow | 56,594 | 64,982 | 52,438 | 39,149 | 53,739 |
| Investment Cashflow | (174,091) | (160,797) | - | - | - |
| Finance Cashflow | 247,384 | (6,250) | (12,500) | (32,500) | (32,500) |
| Closing Cash Balance | 145,081 | 43,016 | 82,954 | 89,603 | 110,843 |

Our cashflow forecasts shows that we will have enough cash to deliver our capital spend and provide a comfortable working capital cushion. Once the capital works are delivered our operating cashflow comfortable covers our finance repayment.

Appendices

Appendix 1: Biographies of Board Members

Chair: Richard Lockwood

Having been involved from HCGC's inception, Richard has been Chair ever since, helping to keep it on its original but evolving mission. He came from a background of tenant activism, and had worked in Tenant Participation during Hulme City Challenge [regeneration] before working (paid and unpaid) in the local VCS: he has been Treasurer at Aquarius Community Centre since 2009, and has worked as the Development Worker for Wesley Community Furniture since 2001.

Treasurer: Mike Simpson

Group Head of Growth with One Manchester, a housing association working in central and east Manchester, currently leading on the development and delivery of One Manchester's growth strategy, including the build and acquisition of homes, business development and partnership and investment, focused on Manchester and Greater Manchester. Previously spent 22 years with Manchester City Council working in housing management, homelessness and supported housing, regeneration and housing strategy.

Secretary: Colin Rowan

Graduated from Manchester University with a degree in Politics and Modern History and edited the fabled Hulme Pig Newspaper for several years. Previously Director of Hulme Regeneration - the overseeing body for the Hulme re-development. Currently tenant of the Housing Co-op - Homes For Change and employed by Community Printshop, MARC The Printers for the last 16 years. Colin is also a professional Storyteller, part time entomologist and photographer.

Vice Chair: Theresa Macaulay

With 12 years previous experience in business, charity and property management, Theresa joined the HCGC Board in July 2018. Currently working as Exhibitions Project Manager at the Science and Industry Museum she brings with her an enthusiasm to improve the staff, volunteer and visitor experience at HCGC.

Board Member: Agnieszka Katniak

Aggi (Agnieszka) Katniak has 20 years of experience in manufacturing and service organisations across multiple industries. Her broad range of skills include quality, environment, health and safety management, process improvement, information security, business continuity, project management, risk management and corporate social responsibility. Her objective is to develop integrated end-to-end processes which fulfil all requirements and are also efficient. Aggi works as a Quality Advisor in the rail sector and also runs her own management consultancy. When not working Aggi loves travelling and discovering new places.

Board Member: Melanie Rawlinson

Mel (Melanie) Rawlinson has ten years' experience in HR, having worked across a wide variety of areas of people management and development and holding a Master's degree in the subject. Having more recently moved into people data analytics and social research, she combines skills and knowledge of recruitment, reward, people management and organisation-level culture change and engagement with a fierce drive for evidence-based action. Her current role is in HM Revenue and Customs developing insight which informs activity to improve the employee (and, by extension, customer) experience. When not

working, she reads (a lot), tinkers with programming, and is growing her gardening knowledge with help from her green-fingered family.

Board Member: Paul Darnborough

Paul has been a Solicitor for over 30 years' experience, entering the legal profession to help people. He is a trained advocate with skills inside and outside the court room. Paul uses his legal skills and experience in a significant and positive way to help HCGC.

Appendix 2: Key Personnel

Business Manager: Gian

Gianetta Grainger has recently joined the team at HCGC. She brings over 20 years of experience at Strategic Management level, with an extensive portfolio of profiled campaigns and successful programmes and projects, including senior roles in the Environment Sector and Cultural Arts Industries. Locally, she worked as Interim Director at Z-Arts, managing it through a strategic programme of stabilisation and growth. She shares a commitment to ethical and sustainable solutions, with a special interest in social cohesion and best environmental practices.

Centre Manager: Rachel

Rachel brings over 25 years' experience in the voluntary sector to HCGC: starting her career working on City Farms and then moving into freelance consultancy she brings a wide range of skills and knowledge. In her freelance capacity she has advised a range of organisations on strategy, business planning, funding and finance – facilitating team days and acting as a mentor along the way. She has worked as an advisor and assessor for several BIG Lottery funding programmes, supporting over 100 groups, and delivers training on effective fundraising for small groups.

Sales Manager: Tim

Tim is RHS (Royal Horticultural Society) Level 2 qualified, with over 10 years' of commercial growing and garden centre work.

Sustainability Co-ordinator: Kath

Kath is RHS level 2 qualified, with Award in Education and Training PTTLs, City and Guilds qualification in biological surveying, and Permaculture design certificate, and is currently studying Diploma in Permaculture design. She brings 8 years' of commercial growing experience and over 15 years' food growing experience to the Centre.

Production Co-ordinator: Karen

Karen has RHS general and advanced certificates, and Level 3 Award in Education and Training PTT She brings over 15 years' of commercial growing and garden centre experience and over 25 years' of growing and gardening experience to the Centre.

Activities Co-ordinator posts x 2: currently filled by sessional workers with relevant experience and skills.

Supported by:

Administrator (Business Administration Level 2 and 3 passed)

Nursery Assistant

Garden Centre Assistant.

Appendix 3: Financial Forecasts

Hulme Community Garden Centre

Statement of Financial Activities

Based on £130,000 Share Capital Raise

| Activities/Training and Education | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|---------------|---------------|---------------|---------------|---------------|
| Grants | 7,500 | | | | |
| Sales Other | 15,892 | 15,892 | 15,892 | 15,892 | 15,892 |
| Sales Home Education | 1,985 | 2,084 | 2,188 | 2,407 | 2,528 |
| Sales Toddlers | 1,508 | 1,583 | 1,663 | 1,746 | 1,833 |
| Sales Funded Wellbeing | 2,084 | 2,188 | 2,298 | 2,412 | 2,533 |
| Total Department income | 28,969 | 21,749 | 22,040 | 22,458 | 22,786 |

| Facilities Hire | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------------------|--------------|--------------|---------------|---------------|---------------|
| Venue Hire | 8,344 | 9,178 | 10,096 | 11,106 | 12,216 |
| New Office Hire | - | | - | 6,000 | 6,120 |
| Rental Income from Café | | | 900 | 900 | 900 |
| Total Department income | 8,344 | 9,178 | 10,996 | 18,006 | 19,236 |

| Enterprise | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
| Sales Indoor | 34,091 | 35,796 | 44,745 | 67,117 | 73,829 |
| Sales Outdoor | 152,833 | 160,474 | 184,546 | 203,000 | 223,300 |
| Non Garden Centre Sales | 11,733 | 11,733 | 11,733 | 11,733 | 11,733 |
| Total Sales | 198,657 | 208,003 | 241,024 | 281,851 | 308,862 |

| Core | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---------------|---------------|---------------|---------------|---------------|
| Donations | 2,436 | 2,436 | 2,436 | 2,436 | 2,436 |
| Grants already received released to P&L | - | | | | |
| Grants already received released to P&L | 44,167 | 42,000 | 25,000 | - | - |
| Consultation | 24,303 | 24,303 | 24,303 | 24,303 | 24,303 |
| Other | - | - | - | - | - |
| Total Department income | 70,906 | 68,739 | 51,739 | 26,739 | 26,739 |

| | | | | | |
|---------------------|----------------|----------------|----------------|----------------|----------------|
| Total Income | 306,876 | 307,668 | 325,799 | 349,053 | 377,623 |
|---------------------|----------------|----------------|----------------|----------------|----------------|

| | | | | | |
|-----------------------|--------|--------|--------|--------|--------|
| Cost of Sales Indoor | 21,382 | 23,267 | 29,084 | 43,626 | 47,989 |
| Cost of Sales Outdoor | 80,279 | 72,855 | 73,320 | 80,652 | 88,717 |

| Overheads | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------|---------------|--------------|---------------|---------------|---------------|
| Wages and Salaries | 150,141 | 153,144 | 156,207 | 159,331 | 162,518 |
| Total other overheads | 35,949 | 36,668 | 37,401 | 38,149 | 38,912 |
| Depreciation of Existing Assets | 8,358 | 8,358 | 8,358 | 228 | - |
| Depreciation of Phase 1 Assets | 234 | 234 | 234 | 234 | 234 |
| Depreciation of New Assets | - | 9,039 | 9,039 | 9,039 | 9,039 |
| Interest on Loan | - | - | - | - | - |
| Interest on Loanstock | - | - | - | - | - |
| Interest on Share Capital | - | - | - | 4,550 | 4,254 |
| Net Profit/Loss | 10,533 | 4,104 | 12,157 | 13,244 | 25,961 |
| GPM Indoors | 37.28% | 35.00% | 35.00% | 35.00% | 35.00% |
| GPM Outdoors | 47.47% | 54.60% | 60.27% | 60.27% | 60.27% |

Hulme Community Garden Centre
Statement of Financial Activities
Based on £200,000 Share Capital Raise

| Activities/Training and Education | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|---------------|---------------|---------------|---------------|---------------|
| Grants | 7,500 | | | | |
| Sales Other | 15,892 | 15,892 | 15,892 | 15,892 | 15,892 |
| Sales Home Education | 1,985 | 2,084 | 2,188 | 2,407 | 2,528 |
| Sales Toddlers | 1,508 | 1,583 | 1,663 | 1,746 | 1,833 |
| Sales Funded Wellbeing | 2,084 | 2,188 | 2,298 | 2,412 | 2,533 |
| Total Department income | 28,969 | 21,748 | 22,041 | 22,458 | 22,786 |

| Facilities Hire | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------------------|--------------|---------------|---------------|---------------|---------------|
| Venue Hire | 8,344 | 9,178 | 10,096 | 11,106 | 12,216 |
| New Office Hire | - | 6,000 | 6,120 | 6,242 | 6,367 |
| Rental Income from Café | - | 900 | 1,200 | 1,200 | 1,200 |
| Total Department income | 8,344 | 16,078 | 17,416 | 18,548 | 19,784 |

| Enterprise | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
| Sales Indoor | 34,091 | 42,614 | 63,921 | 70,314 | 77,345 |
| Sales Outdoor | 152,833 | 175,758 | 202,121 | 222,333 | 244,567 |
| Non Garden Centre Sales | 11,733 | 11,733 | 11,733 | 11,733 | 11,733 |
| Total Sales | 198,657 | 230,105 | 277,776 | 304,380 | 333,645 |

| Core | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---------------|---------------|---------------|---------------|---------------|
| Donations | 2,436 | 2,436 | 2,436 | 2,436 | 2,436 |
| Grants already received released to P&L | - | | | | |
| Grants already received released to P&L | 44,167 | 42,000 | 25,000 | - | - |
| Consultation | 24,303 | 24,303 | 24,303 | 24,303 | 24,303 |
| Other | - | - | - | - | - |
| Total Department income | 70,906 | 68,739 | 51,739 | 26,739 | 26,739 |

| | | | | | |
|-----------------------|----------------|----------------|----------------|----------------|----------------|
| Total Income | 306,876 | 336,670 | 368,971 | 372,125 | 402,953 |
| Cost of Sales Indoor | 21,382 | 27,699 | 41,549 | 45,704 | 50,274 |
| Cost of Sales Outdoor | 80,279 | 79,794 | 80,303 | 88,333 | 97,166 |

| Overheads | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Wages and Salaries | 150,141 | 153,144 | 156,207 | 159,331 | 162,518 |
| Total other overheads | 35,949 | 36,668 | 37,401 | 38,149 | 38,912 |
| Depreciation of Existing Assets | 8,358 | 8,358 | 8,358 | 228 | - |
| Depreciation of Phase 1 Assets | 234 | 234 | 234 | 234 | 234 |
| Depreciation of New Assets | - | 13,568 | 13,568 | 13,568 | 13,568 |
| Interest on Loan | - | - | - | - | - |
| Interest on Loanstock | - | - | - | - | - |
| Interest on Share Capital | - | - | - | 7,000 | 6,545 |
| Net Profit/Loss | 10,533 | 17,205 | 31,352 | 19,578 | 33,736 |
| GPM Indoors | 37.28% | 35.00% | 35.00% | 35.00% | 35.00% |
| GPM Outdoors | 47.47% | 54.60% | 60.27% | 60.27% | 60.27% |

Hulme Community Garden Centre
Statement of Financial Position
Based on £130,000 Share Capital Raise

| Fixed Assets | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------|----------------|----------------|----------------|----------------|----------------|
| Existing | 16,944 | 8,586 | 228 | - | - |
| Phase 1 | 4,444 | 4,210 | 3,976 | 3,742 | 3,508 |
| Phase 2 | 93,518 | 171,733 | 162,694 | 153,656 | 144,617 |
| Total Fixed Assets | 114,906 | 184,529 | 166,898 | 157,398 | 148,125 |

| Current Assets | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------------|----------------|---------------|---------------|---------------|----------------|
| Cash | 129,172 | 55,838 | 71,864 | 72,465 | 86,079 |
| Accounts Receivable | 6,098 | 6,348 | 6,598 | 6,848 | 7,098 |
| Stock | 10,680 | 12,180 | 12,930 | 13,680 | 13,680 |
| Prepayments | - | - | - | - | - |
| Total Current Assets | 145,950 | 74,365 | 91,392 | 92,993 | 106,857 |

| Current Liabilities | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Accounts Payable | 8,032 | 7,532 | 7,032 | 6,532 | 6,032 |
| Money Held for GHA | - | - | - | - | - |
| Unused Grants | | | | | |
| Payroll Expenses | 5,001 | 5,001 | 5,001 | 5,001 | 5,001 |
| Accruals and Prepayments | 7,711 | 7,711 | 7,711 | 7,711 | 7,711 |
| VAT owed to HMRC | 3,373 | 4,058 | 4,297 | 4,603 | 4,980 |
| Total Current Liabilities | 24,116 | 24,300 | 24,039 | 23,846 | 23,723 |

| Long Term Liabilities | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------------------|---------------|---------------|---------------|---------------|--------------|
| Co-op Foundation Loan | 50,000 | 43,750 | 31,250 | 18,750 | 6,250 |
| Loan Stock | - | - | - | - | - |
| Total Long Term Liabilities | 50,000 | 43,750 | 31,250 | 18,750 | 6,250 |

| | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| Net Worth of Hulme Community Garden Centre | 186,740 | 190,844 | 203,001 | 207,794 | 225,010 |
|---|----------------|----------------|----------------|----------------|----------------|

| Made up of | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Profit Brought Forward | 46,129 | 56,662 | 60,766 | 72,923 | 86,166 |
| Restricted Funds | | | | | |
| Profit in Year | 10,533 | 4,104 | 12,157 | 13,244 | 25,961 |
| Membership Shares | 78 | 78 | 78 | 78 | 78 |
| Withdrawable Shares | 130,000 | 130,000 | 130,000 | 121,550 | 112,804 |

Hulme Community Garden Centre
Statement of Financial Position
Based on £200,000 Share Capital Raise

| Fixed Assets | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------|----------------|----------------|----------------|----------------|----------------|
| Existing | 16,944 | 8,586 | 228 | - | - |
| Phase 1 | 4,444 | 4,210 | 3,976 | 3,742 | 3,508 |
| Phase 2 | 147,609 | 268,038 | 254,470 | 240,902 | 227,334 |
| Total Fixed Assets | 168,997 | 280,834 | 258,674 | 244,644 | 230,842 |

| Current Assets | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------------|----------------|---------------|----------------|----------------|----------------|
| Cash | 145,081 | 43,016 | 82,954 | 89,603 | 110,843 |
| Accounts Receivable | 6,098 | 6,348 | 6,598 | 6,848 | 7,098 |
| Stock | 10,680 | 12,180 | 12,930 | 13,680 | 13,680 |
| Prepayments | - | - | - | - | - |
| Total Current Assets | 161,859 | 61,544 | 102,482 | 110,131 | 131,621 |

| Current Liabilities | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Accounts Payable | 8,032 | 7,532 | 7,032 | 6,532 | 6,032 |
| Money Held for GHA | - | - | - | - | - |
| Unused Grants | | | | | |
| Payroll Expenses | 5,001 | 5,001 | 5,001 | 5,001 | 5,001 |
| Accruals and Prepayments | 7,711 | 7,711 | 7,711 | 7,711 | 7,711 |
| VAT owed to HMRC | 3,373 | 4,440 | 4,866 | 4,908 | 5,314 |
| Total Current Liabilities | 24,116 | 24,683 | 24,609 | 24,150 | 24,057 |

| Long Term Liabilities | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------------------|---------------|---------------|---------------|---------------|--------------|
| Co-op Foundation Loan | 50,000 | 43,750 | 31,250 | 18,750 | 6,250 |
| Loan Stock | - | - | - | - | - |
| Total Long Term Liabilities | 50,000 | 43,750 | 31,250 | 18,750 | 6,250 |

| | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| Net Worth of Hulme Community Garden Centre | 256,740 | 273,945 | 305,297 | 311,875 | 332,156 |
|---|----------------|----------------|----------------|----------------|----------------|

| Made up of | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Profit Brought Forward | 46,129 | 56,662 | 73,867 | 105,219 | 124,797 |
| Restricted Funds | | | | | |
| Profit in Year | 10,533 | 17,205 | 31,352 | 19,578 | 33,736 |
| Membership Shares | 78 | 78 | 78 | 78 | 78 |
| Withdrawable Shares | 200,000 | 200,000 | 200,000 | 187,000 | 173,545 |

Hulme Community Garden Centre
Statement of Cash Flows
Based on £130,000 Share Capital Raise

| Operating Cash Flow | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Operating Profit | 10,533 | 4,104 | 12,157 | 13,244 | 25,961 |
| Add in depreciation | 8,592 | 17,630 | 17,630 | 9,500 | 9,272 |
| Subtract Grants Already received | 0 | | | | |
| Add in interest | 0 | 0 | 0 | 4,550 | 4,254 |
| Changes in A/P | - 6,166 | - 500 | - 500 | - 500 | - 500 |
| Changes in A/R | 10,598 | - 250 | - 250 | - 250 | - 250 |
| Changes in Stock | 0 | - 1,500 | - 750 | - 750 | 0 |
| Normal VAT | 6,555 | 685 | 239 | 307 | 377 |
| VAT on Capital Spend | 16,154 | 17,451 | | | |
| Net Operating Cash Flow | 46,266 | 37,620 | 28,526 | 26,101 | 39,114 |

| Investment Cash Flow | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------|------------------|------------------|-------------|-------------|-------------|
| Purchases | (109,672) | (104,704) | | | |
| Net Investment Cash Flow | (109,672) | (104,704) | 0 | 0 | 0 |

| Financing Cash Flow | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------------------------|----------------|----------------|-----------------|-----------------|-----------------|
| Loan finance in | 50,000 | | | | |
| Loan finance repaid (inc Interest) | 0 | (6,250) | (12,500) | (12,500) | (12,500) |
| Share finance In | 130,000 | | | | |
| Share finance repaid (inc interest) | 0 | 0 | 0 | (13,000) | (13,000) |
| Subtract Money Paid to GHA | (2,616) | | | | |
| Net Finance Cash Flow | 177,384 | (6,250) | (12,500) | (25,500) | (25,500) |

| | | | | | |
|----------------------|----------------|-----------------|---------------|------------|---------------|
| Net Cash Flow | 113,978 | (73,335) | 16,026 | 601 | 13,614 |
|----------------------|----------------|-----------------|---------------|------------|---------------|

| | | | | | |
|----------------------|---------|---------|--------|--------|--------|
| Opening Cash Balance | 15,195 | 129,172 | 55,838 | 71,864 | 72,465 |
| Closing Cash Balance | 129,172 | 55,838 | 71,864 | 72,465 | 86,079 |

Hulme Community Garden Centre
Statement of Cash Flows
Based on £200,000 Share Capital Raise

| Operating Cash Flow | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Operating Profit | 10,533 | 17,205 | 31,352 | 19,578 | 33,736 |
| Add in depreciation | 8,592 | 22,160 | 22,160 | 14,030 | 13,802 |
| Subtract Grants Already received | - | - | - | - | - |
| Add in interest | - | - | - | 7,000 | 6,545 |
| Changes in A/P | (6,166) | (500) | (500) | (500) | (500) |
| Changes in A/R | 10,598 | (250) | (250) | (250) | (250) |
| Changes in Stock | - | (1,500) | (750) | (750) | - |
| Normal VAT | 6,555 | 1,067 | 426 | 42 | 407 |
| VAT on Capital Spend | 26,482 | 26,799 | | | |
| Net Operating Cash Flow | 56,594 | 64,982 | 52,438 | 39,149 | 53,739 |

| Investment Cash Flow | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------|------------------|------------------|-------------|-------------|-------------|
| Purchases | (174,091) | (160,797) | | | |
| Net Investment Cash Flow | (174,091) | (160,797) | 0 | 0 | 0 |

| Financing Cash Flow | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------------------------|----------------|----------------|-----------------|-----------------|-----------------|
| Loan finance in | 50,000 | | | | |
| Loan finance repaid (inc Interest) | - | (6,250) | (12,500) | (12,500) | (12,500) |
| Share finance In | 200,000 | | | | |
| Share finance repaid (inc interest) | 0 | 0 | 0 | (20,000) | (20,000) |
| Subtract Money Paid to GHA | (2,616) | | | | |
| Net Finance Cash Flow | 247,384 | (6,250) | (12,500) | (32,500) | (32,500) |

| | | | | | |
|----------------------|----------------|------------------|---------------|--------------|---------------|
| Net Cash Flow | 129,887 | (102,065) | 39,938 | 6,649 | 21,239 |
|----------------------|----------------|------------------|---------------|--------------|---------------|

| | | | | | |
|----------------------|---------|---------|--------|--------|---------|
| Opening Cash Balance | 15,195 | 145,081 | 43,016 | 82,954 | 89,603 |
| Closing Cash Balance | 145,081 | 43,016 | 82,954 | 89,603 | 110,843 |

Appendix 4: PESTLE analysis

Environmental scanning – PESTLE Analysis

The following table provides an analysis of the environment in which HCGC will be operating based on Political, Economic, Social, Technological, Legal and Environmental issues.

| Political | Economic |
|--|---|
| <p>The grants environment looks set to continue to be tough.</p> <p>Supportive environment for both community business and community/social investment.</p> <p>GM Mayor supportive of Green Infrastructure.</p> <p>Social Value Act.</p> | <p>Austerity is likely to continue to reduce people's disposable income.</p> <p>In a recession many people look for ways to save money and we can provide training to help them.</p> <p>Potential investment coming into Manchester through new building and expansion – links to CSR/ Social Value obligation.</p> |
| Social | Technological |
| <p>HCGC is a free visitor attraction amongst many expensive alternatives.</p> <p>Evidence of increased social isolation in Greater Manchester.</p> | <p>Interest in permaculture and low-carbon living as a response to both climate change and economic change.</p> <p>Increasingly digitised business management systems.</p> |
| Legal | Environmental |
| <p>Possible increases in living wage and pension contribution.</p> <p>Supportive environment.</p> | <p>Risk of development in Hulme encroaching on HCGC.</p> <p>Poor air quality in Manchester.</p> <p>Global climate change.</p> <p>Decreasing biodiversity globally and locally.</p> |

Appendix 5: SWOT Analysis

The following table contains an analysis of HCGC's strengths and weaknesses and the opportunities and threats to the Centre. This draws on the outcomes of the PESTLE analysis, particularly to inform the opportunities and threats section:

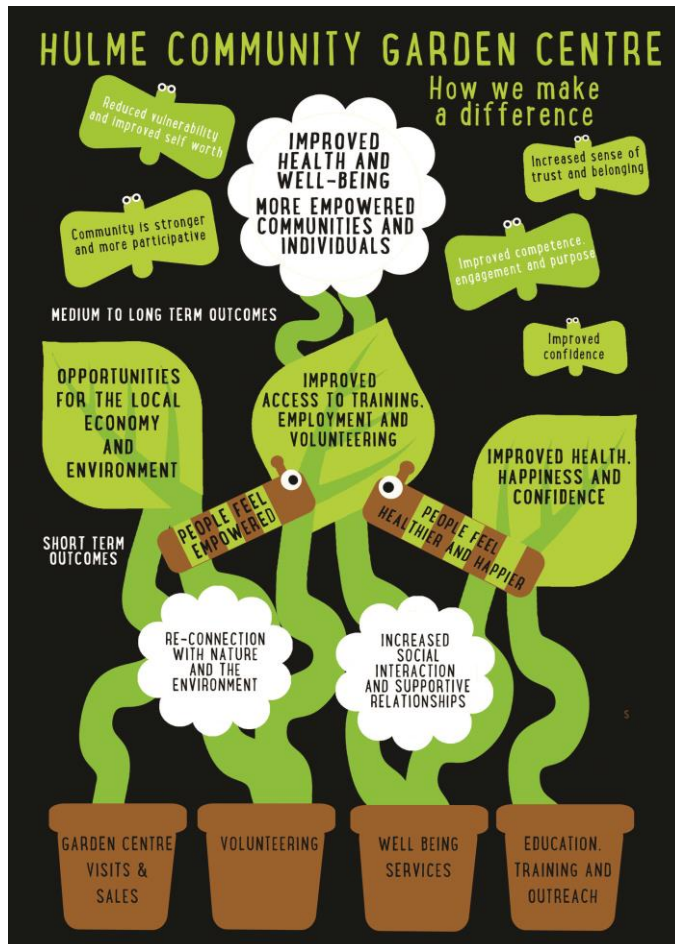
| Strengths | Weaknesses |
|--|--|
| <p>Good reputation and track record.</p> <p>Committed and knowledgeable staff.</p> <p>Fully engaged Board.</p> <p>Sales increasing year on year to offset reduced grants.</p> <p>Excellent relationships with long term funders incl. Manchester City Council and Co-op Foundation.</p> <p>Strong relationships with local housing providers and businesses.</p> <p>Involvement with local community sector groups and forums.</p> <p>Strong working links with Manchester Metropolitan University and the University of Manchester.</p> | <p>Capacity of staff to engage with strategic work due to time constraints.</p> <p>Economic vulnerability due to moving away from grant reliance – impact of seasonal income/cashflow issues.</p> <p>Lack of EPOS (Electronic Point of Sale) system.</p> |
| Opportunities | Threats |
| <p>HCGC is part of the Green Health Alliance – enables partnership working.</p> <p>Supportive environment around social investment and community enterprise in general.</p> <p>Rapid development of surrounding area – businesses and housing.</p> <p>Opportunities to increase cross-selling.</p> <p>Growth in membership and use of social finance.</p> <p>Although we are an environmental organisation, the world climate is changing rapidly. However, we are seeking ways to mitigate against climate change, and indeed believe that demand for information on natural ways of living will increase as climate impacts and understanding of climate change increase. Our site has been designed using permaculture principles, which work with nature and allow for adaptation to future environmental changes.</p> | <p>Local development.</p> <p>Weather - sales depend on good weather.</p> <p>Pressure on Manchester City Council to sell off assets.</p> |

Appendix 6: Risk Analysis

| Risk | Mitigation |
|--|--|
| Lack of strategic steer from Board. | <ul style="list-style-type: none"> • New Board Members recruited 2017 AGM and ongoing. • Membership increased and skills base diversified. • Consultancy support accessed through Big Potential and freelance business advisors - ongoing. |
| Capacity of staff to engage with strategic work due to time constraints. | <ul style="list-style-type: none"> • Monthly reporting on operational activities is linked to strategic aims. • Annual planning is carried out in line with the strategic aims and an operational plan is devised to support the business plan. • Sessional workers are available to cover operations when contracted staff need additional planning time for projects. |
| Poor co-ordination of products and services across HCGC. | <ul style="list-style-type: none"> • Cost centres/business areas introduced in 2017 and being refined. • Cross-working and coordination focussed through Marketing Plan. • Ongoing staff development around organisational Theory of Change. |
| Site security, especially during build. | <ul style="list-style-type: none"> • Good relationship with neighbours and local Board Members/volunteers. • Good relationship with Neighbourhood Team. • Good relationship with Greater Manchester Police. |
| Manchester City Council forced to sell off assets. | <ul style="list-style-type: none"> • Good relationships with local members, councillors and council officers. • Good relationships with local stakeholders. |

Appendix 7: Theory of Social Change

This theory of change has been developed from the existing social impact and governance related materials available at the time of writing (Early 2017) and draws principally on the report: Development of a Monitoring and Evaluation framework and a Forecast SROI for HCGC and to support the Growing Health network By: Prof. Paul Courtney, Countryside and Community Research Institute (CCRI), University of Gloucestershire. The work above develops a SROI methodology based on a Theory of Change model and provides an holistic overview of the social impact from an individuals beneficiary's point of view. This work refines that Theory of Change model by:



1. basing it on the organisation's developing Vision and Mission, rather than “gateways to change”;
2. separating out the various activities (and their functional areas – equivalent to the flowerpots in the image to the left) to allow better mapping to the marketing plan; and again
3. Mapping the SROI outcomes to outcomes more in line with those of the separate functional areas
4. The addition of an additional fifth functional area – social enterprise incubation activities (which includes facilities hire).

This work forms part of a larger programme of support being delivered by Co-op Culture as part of investment readiness support being provided through the Big Potential Breakthrough programme.

Mapping of SROI outcomes

The CCRI/SROI work defined 3 impacts:

- Opportunities for the local economy and environment
- Improved access to training, employment and volunteering
- Improved health, happiness and confidence

And 12 measurable outcomes:

1. Buying locally and avoiding shopping in superstores
2. Caring for the environment and reducing impact on it
3. Doing anything set mind to
4. Volunteering or getting involved in community
5. Making a difference in life
6. Having skills to help at work or in training
7. Listening to others and including them
8. Being bothered by feeling on edge or having trouble concentrating
9. Feeling close to people in local area
10. Trying something even if chance it might not work
11. Feeling generally healthy and having good energy levels
12. Feeling happy

We suggest that these outcomes be reworded to better reflect the change that would actually be measured.

We also suggest that there be some additional outcomes to better reflect the 5th functional area around social enterprise incubation, that is one of the main focusses of this Big Potential Work.

This revised list would be:

1. Increase in local and sustainable consumption
2. Greater awareness of the environment and reducing impact on it
3. Increase in personal positive outlook
4. Greater involvement in local community
5. Improved life opportunities
6. Greater skills and employability
7. Improved social skills

8. Improved concentration
9. Feeling part of local community
10. Increased confidence
11. Improved health
12. Improved feeling of well-being
13. Additional outcome: More resilient local enterprises
14. Additional outcome: More resilient local economy

Draft Vision

We believe in a world with healthy and happy communities, where people are valued, connected to nature and their local economy.

By working together we are Naturally Better!

Draft Mission

Hulme Community Garden Centre is a vibrant garden centre and safe, accessible green space that:

- ***Sells ethically and sustainably sourced plants and environmentally friendly home and garden products.***
- ***Improves health and well-being by providing opportunities for volunteering and nature-based activities and a refuge for wildlife in the heart of the city.***
- ***Is an inspiring community anchor supporting and nurturing our sustainable local economy.***
- ***‘We are a garden centre with a difference, that makes a difference’***

The Objects of the Society shall be:

For the benefit of the Communities of Greater Manchester

- a) To advance education in gardening, conservation, food growing and nutrition;
- b) To advance education and vocational training in horticulture and the operation and management of a garden centre; particularly among unemployed people seeking employment due to mental health needs or some other charitable need;
- c) To provide recreation and leisure facilities in the interests of social welfare, improved health and well-being, through the provision of a community garden and activities in horticulture.
- d) The advancement of citizenship and community development through the support of communities to develop their own community garden projects.

Hulme Community Garden Centre Overall Theory of Change 2017 – taken from SROI

| | | | | |
|--|--|---|--|---|
| Vision: We believe in a world with healthy and happy communities, where people are valued, connected to nature and their local economy. By working together we are Naturally Better! | Activities contributing to social impact: 1. Garden centre sales and visitors 2. Volunteering and wellbeing 3. Training and Education 4. Outreach 5. SE incubation | Outputs: Sales Volunteers Courses Workshops Visitors Members | Short term outcomes: 1. Increase in local and sustainable consumption 3. Increase in personal positive outlook 6. Greater skills and employability 7. Improved social skills 8. Improved concentration 9. Feeling part of local community 10. Increased confidence 12. Improved feeling of well-being 13. Additional outcome: More resilient local enterprises 14. Additional outcome: More resilient local economy | Long term outcomes: 2. Greater awareness of the environment and reducing impact on it 4. Greater involvement in local community 5. Improved life opportunities 11. Improved health 14. Additional outcome: More resilient local economy |
| Mission: Hulme Community Garden Centre is a vibrant garden centre and safe, accessible green space that: • Sells ethically and sustainably sourced plants and environmentally friendly home and garden products. • Improves health and well-being by providing opportunities for volunteering and nature-based activities and a refuge for wildlife in the heart of the city. • Is an inspiring community anchor supporting and nurturing our sustainable local economy. • 'We are a garden centre with a difference, that makes a difference' | | Indicators: See individual ToCs | Indicators: See individual ToCs | Indicators: See individual ToCs |

HCGC Theory of Change 2017 – Garden Centre

| | | | | |
|--|--|--|---|--|
| Vision: We believe in a world with healthy and happy communities, where people are valued, connected to nature and their local economy. By working together we are Naturally Better! | Activities contributing to social impact: Garden centre visits and sales | Outputs: Sales and growing of ecologically sound plants and related products with a dedication to organic and peat free principles where possible. | Short term outcomes: Buying locally and avoiding shopping in superstores Contribution to all other HCGC outcomes | Medium - Long term outcomes: Caring for the environment and reducing impact on it Contribution to all other HCGC outcomes |
| Mission: Hulme Community Garden Centre is a vibrant garden centre and safe, accessible green space that: • Sells ethically and sustainably sourced plants and environmentally friendly home and garden products. • Improves health and well-being by providing opportunities for volunteering and nature-based activities and a refuge for wildlife in the heart of the city. • Is an inspiring community anchor supporting and nurturing our sustainable local economy. • 'We are a garden centre with a difference, that makes a difference' | | Indicators: Sales figures Footfall Spend per visit %age of home grown products | Indicators: Feedback from customers Successful introduction of more sustainable product lines | Indicators: Feedback from customers |

HCGC Theory of Change 2017 – On-site Services (Volunteering)

| | | | | |
|--|---|--|--|---|
| Vision: We believe in a world with healthy and happy communities, where people are valued, connected to nature and their local economy. By working together we are Naturally Better! | Activities contributing to social impact: Volunteering Links to other activities: Well-being services Education training and outreach Social Enterprise Incubator services Garden centre visits and sales | Outputs: Volunteer opportunities – physical and social activities with opportunity for some responsibility | Short term outcomes: 3. Increase in personal positive outlook 7. Improved social skills 8. Improved concentration 9. Feeling part of local community 10. Increased confidence 11. Improved health 12. Improved feeling of well-being | Medium - Long term outcomes: 4. Greater involvement in local community 5. Improved life opportunities 6. Greater skills and employability |
| Mission: Hulme Community Garden Centre is a vibrant garden centre and safe, accessible green space that: • Sells ethically and sustainably sourced plants and environmentally friendly home and garden products. • Improves health and well-being by providing opportunities for volunteering and nature-based activities and a refuge for wildlife in the heart of the city. • Is an inspiring community anchor supporting and nurturing our sustainable local economy. • 'We are a garden centre with a difference, that makes a difference' | | Indicators: Number of volunteers engaged Retention of volunteers Volunteer hours | Indicators: Survey of volunteers and carer(s) Observation of volunteer | Indicators: Moving into employment or training |

HCGC Theory of Change 2017 – On-site Services (Well-being services)

| | | | | |
|--|---|--|-----------------------------|----------------------------|
| Vision: We believe in a world with healthy and happy communities, where people are valued, connected to nature and their local economy. By working together we are Naturally Better! | Activities contributing to social impact: Well-being services supported (sometimes fee-paying) sessions for those with more complex health and educational needs. | Outputs: | Short term outcomes: | Long term outcomes: |
| Mission: Hulme Community Garden Centre is a vibrant garden centre and safe, accessible green space that: • Sells ethically and sustainably sourced plants and environmentally friendly home and garden products. • Improves health and well-being by providing opportunities for volunteering and nature-based activities and a refuge for wildlife in the heart of the city. • Is an inspiring community anchor supporting and nurturing our sustainable local economy. • 'We are a garden centre with a difference, that makes a difference' | | Indicators: No. of sessions No. of people engaged | Indicators: | Indicators: |

HCGC Theory of Change 2017 – Education and Training

| Vision: | Activities contributing to social impact: | Outputs: | Short term outcomes: | Long term outcomes: |
|--|---|--|--|---|
| <p>We believe in a world with healthy and happy communities, where people are valued, connected to nature and their local economy.</p> <p>By working together we are Naturally Better!</p> | <p>Education and training - provision of a variety of courses and workshops around growing and using food, from curriculum based school workshops through themed weekend workshops for adults to bespoke workshops. Training is also offered on other aspects of community gardening such as permaculture, bushcraft, natural learning, fundraising and community involvement, as well as certified training through the AQA programme.</p> | <p>Workshops</p> | <p>All outcomes covered</p> <ol style="list-style-type: none"> 1. Increase in local and sustainable consumption 2. Greater awareness of the environment and reducing impact on it 3. Increase in personal positive outlook 4. Greater involvement in local community 5. Improved life opportunities 6. Greater skills and employability 7. Improved social skills 8. Improved concentration 9. Feeling part of local community 10. Increased confidence | <ol style="list-style-type: none"> 11. Improved health 12. Improved feeling of well-being 13. Additional outcome: More resilient local enterprises 14. Additional outcome: More resilient local economy |
| <p>Mission:</p> <p>Hulme Community Garden Centre is a vibrant garden centre and safe, accessible green space that:</p> <ul style="list-style-type: none"> • Sells ethically and sustainably sourced plants and environmentally friendly home and garden products. • Improves health and well-being by providing opportunities for volunteering and nature-based activities and a refuge for wildlife in the heart of the city. • Is an inspiring community anchor supporting and nurturing our | | <p>Indicators:</p> <p>No. of workshops</p> <p>No. of trainees</p> <p>Qualifications</p> | <p>Indicators:</p> <p>Trainee feedback</p> <p>AQA results</p> <p>PDC's</p> <p>Repeat/returning learner - progression</p> | <p>Indicators:</p> <p>Trainee feedback</p> <p>Progression to more/advanced training courses and employment.</p> |






| | | | | |
|---|--|--|--|--|
| sustainable local economy. | | | | |
| • 'We are a garden centre with a difference, that makes a difference' | | | | |

HCGC Theory of Change 2017 –Off-site Services

| Vision: | Activities contributing to social impact: | Outputs: | Short term outcomes: | Long term outcomes: |
|---|--|--|---|---|
| <p>We believe in a world with healthy and happy communities, where people are valued, connected to nature and their local economy.</p> <p>By working together we are Naturally Better!</p> | <p>Outreach - working across Greater Manchester on a variety of projects such as community allotments, school gardens, corporate spaces, universities and colleges and community gardens. Support ranges from 'design and build' garden projects to guided workshops. A new project is developing a garden maintenance services as well as training apprentices and volunteers with work related skills.</p> | <p>Site specific projects (mostly off-site)</p> <p>Lifeskills training of apprentices.</p> | <ol style="list-style-type: none"> 1. Increase in local and sustainable consumption 4. Greater involvement in local community 5. Improved life opportunities 6. Greater skills and employability 10. Increased confidence 3. Increase in personal positive outlook 4. Greater involvement in local community 5. Improved life opportunities 6. Greater skills and employability 7. Improved social skills 8. Improved concentration 9. Feeling part of local community 10. Increased confidence 11. Improved health 12. Improved feeling of well-being | <ol style="list-style-type: none"> 2. Greater awareness of the environment and reducing impact on it 13. Additional outcome: More resilient local enterprises 14. Additional outcome: More resilient local economy |
| <p>Mission:</p> <p>Hulme Community Garden Centre is a vibrant garden centre and safe, accessible green space that:</p> <ul style="list-style-type: none"> • Sells ethically and sustainably sourced plants and environmentally friendly home and garden products. | | <p>Indicators:</p> <p>Successful projects</p> | <p>Indicators:</p> <p>Locally produced, recycled and/or sustainable input into projects – plants, materials etc.</p> | <p>Indicators:</p> <p>Engagement/follow up with client(s)</p> |

| | | | |
|---|--|--|---|
| <ul style="list-style-type: none"> Improves health and well-being by providing opportunities for volunteering and nature-based activities and a refuge for wildlife in the heart of the city. Is an inspiring community anchor supporting and nurturing our sustainable local economy. 'We are a garden centre with a difference, that makes a difference' | Partnership working Apprenticeships | No. of apprenticeships Increased capacity/skills of apprentices | Spin out enterprise (involving apprentices) Progression of apprentices |
|---|--|--|---|

HCGC Theory of Change 2017 – Facilities hire (inc. social enterprise incubation)

| Vision: | Activities contributing to social impact: | Outputs: | Short term outcomes: | Long term outcomes: |
|--|---|---|---|---|
| <p>We believe in a world with healthy and happy communities, where people are valued, connected to nature and their local economy.</p> <p>By working together we are Naturally Better!</p>  | <p>Provision of space and services (inc. catering) to ancillary on-site enterprise to create a supportive sustainable enterprise environment.</p> <p>Provision of workshop space or site for temporary events</p>  |  <p>Tenants</p> <p>Site rental</p> <p>Room rental</p> <p>Cafe</p> <p>Parties</p> |  <p>1. Buying locally and avoiding shopping in superstores</p> <p>2. Caring for the environment and reducing impact on it</p> <p>4. Volunteering or getting involved in community</p> <p>12. Feeling happy</p> <p>13. Additional outcome: More resilient local enterprises</p> |  <p>9. Feeling part of local community</p> <p>14. Additional outcome: More resilient local economy</p> |
| Mission: | | Indicators: | Indicators: | Indicators: |
| <p>Hulme Community Garden Centre is a vibrant garden centre and safe, accessible green space that:</p> <ul style="list-style-type: none"> Sells ethically and sustainably sourced plants and environmentally friendly home and garden products. | | <p>No. of tenants</p> <p>No. of rentals/repeat</p> | <p>Success of on-site enterprise</p> | <p>Success of local economy – links between HCGC and wider local economy (HCGC as anchor)</p> |

| | | | |
|---|--|--|--|
| <ul style="list-style-type: none"> Improves health and well-being by providing opportunities for volunteering and nature-based activities and a refuge for wildlife in the heart of the city. Is an inspiring community anchor supporting and nurturing our sustainable local economy. 'We are a garden centre with a difference, that makes a difference' | bookings Enterprises engaged Feedback from hirers of facilities (happy sheet) | | |
|---|--|--|--|

