

FARMECO COMMUNITY CARE LIMITED

May 2018

BUSINESS PLAN

Registered address:

Shackerdale Farm, Car Colston, Bingham,
Nottinghamshire,
NG13 8JB

Operating at:

Home Farm, off Lodge Lane, Screveton, Near Bingham,
Nottinghamshire,
NG13 8JL

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With support from
Plunkett Foundation

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EXECUTIVE SUMMARY

Established in 2017, Farmeco Community Care (Farmeco) Community Benefit Society (CBS) aims to develop a community enterprise based around the 4,500 edible woodland trees. Formed upon conversion of Farmeco Community Care Farm Ltd from a private limited company owned by shares, Farmeco will enable people to have hands-on experience of farming, woodland management and engagement with the rural community and local environment. We are doing this to enhance Farmeco engagement with community members as active participants in the development of the edible woodland business as an economic, environmental and health and wellbeing venture. This will also enhance better food production while increasing accessibility to fresh air, healthy and sustainable food supply and provision of a shared space where people will cultivate skills, get exercise and make friends. This process will benefit a wide range of stakeholders including, but not limited to Farmeco shareholders and their families, volunteers, local communities, our customers and partners.

Farmeco steering / management team and members will undertake most of the work supported by a team of volunteers, staff and professional consultants and contractors. The work will take place at the demarcated edible trees section and management office at Home Farm, off Lodge Lane, Screveton, Near Bingham, Nottinghamshire, NG13 8JL. This business plan is aimed at giving the management team, members, prospective members, funders, partners and other stakeholders an understanding of what Farmeco seeks to accomplish and how this will be achieved. This will also help Farmeco to recruit new members to become shareholders thereby increasing our human and financial resources. It will also help us to understand the strategy better, understand our strengths and weak points and develop the workforce in terms of volunteers and staff to meet Farmeco's aims and objects. As Farmeco was registered on 20 June 2017 this 3 years business plan will outline the actual operations during 2017 and projections to the end of financial Year 3, to March 2020.

1 THE ORGANISATION

1.1 Introduction

This business plan outlines the rationale for the edible woodland project launched by Farmeco Community Care (Farmeco), which was formed upon conversion of Farmeco Community Care Farm Ltd from a private limited company owned by shares to a community benefit society. It expounds on the environmental, social and economic case for the edible woodland and the opportunity therein and outlines ways in which Farmeco will reconnect people to food and farming while supporting education in agriculture and provide therapeutic support through green care. It explains how Farmeco will bring like-minded people together to create a sustainable environment through community engagement, education, and skills provision by working within the edible woodland project. It stipulates how a mixture of funding, investments, and income from sale of products and services will ensure Farmeco is sustainable. It is our belief that ecologically and financially sustainable farm offers healthy food and acts as a hub of well-being, education, training and employment.

1.2 About

Farmeco Community Care Limited, trading as Farmeco Community Care (Farmeco), was registered on 20 Jun 2017 under Co-operative and Community Benefit Societies Act 2014, registration number 7581. The registered address is Shackerdale Farm, Car Colston, Bingham, Nottinghamshire, NG13 8JB and operates at Home Farm, off Lodge Lane, Screveton, Near Bingham, Nottinghamshire, NG13 8JL.

1.3 Vision

Farmeco seeks to reconnect people to land and environment by being a hub around which seasonal activities and celebrations for the community can focus on. This is an opportunity for people to interact with rural farming life by demonstrating the abundant, diverse and non-chemical edible woodland food production which is nutritious and therefore beneficial to health and personal wellbeing. By using permaculture principles, the system will grow to be self-sustaining, increasing soil fertility, requiring low maintenance while producing a diverse range of outputs. We are working on becoming a high-profile project that has the potential to raise the status of Farmeco nationally as it will form part of a network of community owned and run farms, thereby facilitating exchange visits and eco-tourism.

1.4 Mission statement

Farmeco will establish an edible woodland project which is economically, environmentally, and socially sustainable and that improves the lives of the community.

1.5 Aims and objectives

Farmeco has six core aims each of which is met by accomplishing the specified objectives.

1.5.1 General

1. Widen involvement in agroforestry and environmental matters through:
 - a. Tree planting, pruning and management training and practical sessions
 - b. Volunteering and participation in the edible woodland activities
 - c. Increased rural tourism through wider rural engagement
2. Increase accessibility to healthier fresh food produce through:
 - a. Harvesting, storage and processing of fruits and nuts
 - b. Production and distribution of jams, juices, ciders and wines
 - c. Environmental drive to produce local food thereby reducing food miles
3. Development of an economically sustainable organisation through:
 - a. Profitable operations that support living wage and return on investment
 - b. Improved employability especially among young people
 - c. Encourage and stimulate entrepreneurial activity amongst young learners
 - d. Stimulate interest to encourage greater economic growth and co-operation

1.5.2 Charitable

1. Community capacity building through:
 - a. Life skills development, knowledge sharing and confidence building
 - b. Facilitating and encouraging volunteering and participation in Farmeco work
 - c. Increased employability and participation
2. Enhance community participation and engagement through:
 - a. Activities that encourage intergenerational and multi-ethnic participation
 - b. Pro-active support for engaging hard to reach and ageing communities
 - c. Shared ownership in the running of the local economy by the community

It is expected that the general and charitable objectives and aims will each account for 50% of the Farmeco work, costs and income in the foreseeable future. This will ensure a wide

range of people, many of who live in deprivation within inner cities, has appropriate access to the land, nature and farming.

1.6 Management

1.6.1 Membership

To join Farmeco, individuals are required to pay a minimum of £120 at first instance. This fee is made up of a non-refundable registration fee of £30, payable when prospective member completes the registration form and opt to become shareholders. This will continue every year as a compulsory annual subscription of £30/year after the first year. Subscriptions are non-withdrawable and help us to offer benefits to members. The second part is the £100 for the 100 shares minimum purchase offered to each member. The shares are offered at £1.00 each, with members required to purchase a minimum of 100 shares. The maximum number of shares members can purchase is currently 5,000 to prevent the society being dependent on a handful of large investors. This maximum number may change in future. Each member is entitled to one vote irrespective of their shareholding. Shares can fall in value but do not increase in value and members cannot make capital gains if the Farmeco is sold or closed.

Shares are being issued to raise capital to pay for establishment and revenue costs as outlined in Note 4, Financial Analysis, to enable Farmeco to meet its aims and objectives. Members benefit from free accessibility to the edible woodland and other areas in the farm and free or discounted participation in the training and farm activities such tree planting, pruning, juice and cider making and other Farmeco products and services, as discussed in Note 2.1.

1.6.2 Steering group

This is made up of seven members namely:

1. **Angela Wathoni:** She is a Masters student at Nottingham Trent University doing a Master's degree in Finance with a passion for community engagement, social cohesion and business development. Given her vast experience in marketing and communication, Angela brings a wealth of business and financial analysis to make the community benefit society more viable and sustainable. She helps in day-to-day work in all areas of Farmeco including planting, pruning, processing the fruits, marketing and promotion.
2. **Ceri-Anne Joseph:** She is a qualified teacher and a specialist in Special Education Needs (SEN). As proprietor of Plant Magic and Animal Magic, Ceri Anne facilitates both

therapeutic and educational horticulture and animal care, based on the farm. Ceri Anne is regularly involved in the day to day running of Home Farm, utilising her passion for animal health and welfare as well as her extensive knowledge of general animal care. She assists Farmeco in various farm oriented activities, farm visits, pruning, harvesting and ensuring the farming activities are ran smoothly.

3. **David Rose:** He is the owner of the Home Farm who leases the land on which Farmeco is located. As a farmer, David brings a wealth of farming, crop processing and business experience together with relentless drive to create a sustainable environment for education and community spirit. He helps in all aspects of the farm activities including directing on recruitment of professionals and other support for training, planting and managing the edible woodland, produce processing, storage and office working space and all other facets necessary in making Farmeco functional and sustainable.
4. **Frank Kamau:** With many years of hands on experience and professional qualification in business, accounting and IT sectors, Frank helps in both accounting and treasurer roles coupled with day-day activities at the farm. He lives in Nottingham's inner-city areas and brings marketing, accounting, edible woodland management and fruit produce and management skills to the Farmeco. He also helps Farmeco in fundraising and finance management activities.
5. **Jason Hearse:** He is a local resident and an initial member of the group that formed Farmeco. He brings onboard business management and seasoned IT profession and skills. Using his farm and rural environment experience, passion for family and community engagement, Jason takes part in day-to-day activities in the operations of the group including planting and managing the edible woodland, fruits and activities, marketing and promotion of the Farmeco produce and activities.
6. **Jeff Moss:** As a local resident who was among the first people to formulate and establish Farmeco, Jeff brings a wealth of IT and business management knowhow to the group. He is a local resident whose insight for rural and farming environment has proven greatly important in the establishment and management of Farmeco. He currently helps in all areas of the edible woodland including organising and managing events and activities, planting and managing trees and supporting in the harvesting and processing of the fruits and marketing Farmeco, our produce and activities.
7. **Valentine Nkoyo:** Valentine brings onboard superb business and community management and engagement skills and competencies. As the CEO of Mojatu Foundation and a member of multiple community groups and organisations locally and beyond and as an active and highly respected member of BME community in Nottingham and beyond, Valentine helps Farmeco to recruit members, volunteers and

visitors. Living within the deprived inner city of Nottingham and working with highly isolated and disengaged groups in the city, Valentine promotes Farmeco as a place to visit and engage with in improving community health and wellbeing. She also helps create partnerships and links that help bring the city to the farm.

8. **Paul Green:** The coffee shop opened in November and has quickly built a strong reputation for coffee and food. The coffee shop attracts cycling groups and individuals mainly from a 25 miles radius as well as non-cyclist visitors. This is bringing in many people who were unaware of the site and cyclists are often returning quickly with family for visits. These visitors represent a great opportunity for potential marketing of Farmeco and its produce. Plans are in hand to increase the deli type sales space in the coffee shop which could be utilised to sell Farmeco juices and seeds. The owners of the coffee shop have strong sales and marketing backgrounds and are keen to sell the products to their clients in preference to mass produced drinks and juices. Sampling juices for example will lead to sales in many cases. The coffee shop is already attracting 100 – 200 visitors a weekend despite being winter, so represents a good opportunity to publicise the Farmeco project.

1.6.3 Management team and key members

1. Abdoulie Jah	Member – Helps with work in the farm
2. Angela Wathoni	Secretary / Admin
3. Ceri Anne	Project manager
4. Charles Dewa	Member – Helps with work in the farm
5. Daniel Ibinimion	Member – Helps with work in the farm
6. David Rose	Chairperson
7. Esther Amani	Member – Helps with work in the farm
8. Frank Kamau	Treasurer / Finance / Accounts
9. Jason Hearse	Member – Marketing, membership and other jobs
10. Jeff Moss	Member – Marketing, membership and other jobs
11. Kevin Price	Member – Promotion, marketing and other jobs
12. Penny Cooper	Member – Helps with work in the farm
13. Valentine Nkoyo	Vice Chairperson
14. Paul Green	Member – Marketing, membership and other jobs

After the first year, FCC will hire the following team members:

1. Business Manager
2. Project Director
3. Operations and Finance Manager
4. Marketing and Communications Manager

1.6.4 Community we serve

Farmeco serves two core and diverse communities in terms of their geographic, social and ethnic divides. The first group is the local community surrounding the farm and the rural areas within Nottinghamshire. The members of this first group live in and around Screveton village and the neighbouring villages and towns. They are predominantly local people with some links to farm and rural lifestyle and in need of expanding their links to the farm and rural environment, hands on participation in what is happening in their local area and with some knowledge of Home Farm and the community work happening in and around the village and the Farmeco. This group will often require little or no community support to get to the farm and individuals will often make their way to the farm either alone or with partners, friends or family.

The second group is the people living in Nottingham City, mainly in the inner city and often from the black and ethnic minority background. This group, which constitute the new and emerging communities are mainly characterised by high levels of disengagement, isolation, deprivation and limited, if any, rural and environment engagement. Unlike the first group who will be attracted by their previous experience and interest in Home Farm and related areas, members of this group will be attracted by curiosity and interest to engage with rural British life. Their recruitment and engagement will be based on both individual and groups, such as community groups and organisation membership, who will facilitate the transport and engagement with Farmeco. In these early stages, and based on our current experience, these groups require support in transport, translation, food and engagement with the farm.

Both groups are and will however be served in a similar way with members engaging with the farm in all activities Farmeco undertakes, being offered the farm and edible woodland produce and services to enjoy and being encouraged to identify ways they can best use and benefit from the Farmeco's products and services. In addition to becoming members of Farmeco, these communities will be encouraged to bring their members to participate in the farm activities and events, use Farmeco for their personal and family events, support

their schools and other service users to come and have outings and outdoor activities in the farm among other things. These groups will come together to help make a positive contribution through Farmeco through deeper engagement in neighbourhoods and by encouraging better involvement of different people with Farmeco thereby increasing our opportunities for growth and sustainability.

1.6.5 Business support

Farmeco support will come in multiple forms. The members will perform most of the initial roles before we start recruiting volunteers and staff members. In some cases, professional support will be acquired through a variety of membership, pro-bono and paid service provision. Finance support will come from cash and assets transferred from Farmeco Ltd, members' joining fee and share capital, grants and other funding applied for and income generated from sale of products and services. Members will help in the recruitment of more members and partners. Farmeco will approach organisations such as Plunkett Foundation and other groups and professional bodies for specific support such as managing share offer and marketing strategies. Woodland Trust, The Countryside Agency, LEAF and other similar groups will be approached for support in the management of the edible woodland and environment in the farm. Links with education institutions, community groups and private businesses will be harnessed to improve our marketing, promotion and volunteer recruitment processes. We will work in partnership with local organisations, communities, statutory bodies, schools and educational institutions in meeting the membership recruitment and Farmeco's service provision goals.

1.6.6 Land ownership

Farmeco has signed a renewable 10 years lease agreement with Home Farm. However, discussions and business case will be analysed to explore advantages or otherwise of acquiring the land covered by the edible woodland from the farmer within the first 10 years of the project. This will help improve the farm succession and solve some land access issues.

1.7 Stakeholders

1. Members: Farmeco shareholders who also take part in running of Farmeco
2. Volunteers / Staff: Responsible for running and managing Farmeco activities
3. Customers: Buyers and users of Farmeco products and services (Note 2.1)
4. Suppliers: Providers of all inputs in the project
5. Partners: Individuals and organisations Farmeco works with (Note 3.4)

1.7.1 Interaction with stakeholders

Farmeco will interact with the stakeholders through a variety of models and approaches:

1. Regularly updated website
2. Social media and emails
3. Regular newsletters (Proposed monthly from January 2018)
4. Regular meetings (Proposed monthly)
5. Community events in the farm
6. External events and activities such as Flintham Ploughing matches

1.8 SWOT analysis

1.8.1 Strengths

1. Deep experience in farming and ecology, including multiple awards and recognition of Farmeco for over ten years
2. Passionate community spirit among members and target groups
3. Guaranteed availability and accessibility to land with affordable rentals
4. Legitimacy from project support by Woodland Trust
5. Long history of Farmeco links to local communities and groups
6. Multiple opportunities to market the project and bring in shareholders, visitors, product buyers etc.
7. Aligned with co-operative movement values and principles
8. Networking with local, national and international organisations
9. Strong multi-media communications campaign
10. Empowered communities can change the world
11. Governance and policies based on community benefit society
12. Clearly stipulated financial structure with effective financial planning, monitoring and reporting systems
13. Key performance indicators well outlined and easy to use

1.8.2 Weaknesses

1. Limited experience in running a social enterprise
Mitigation: Experienced manager and board members being recruited
2. Low experience in fruit tree management
Mitigation: Woodland Trust and training experts will be supporting FCC
3. Few members available to offer time

Mitigation: Staff to be hired and groups have confirmed provision of volunteers

4. Communications strategy currently in early stages

Mitigation: We have hired a team to support all our media work and activities including preparing monthly reports to monitor and analyse the progress and success of our communication strategies.

5. Possible large outlay of capital to establish the project

Mitigation: Woodland Trust has offered us free trees and further grants to plant and manage the woodland at the earlier stages thereby reducing capital outlay required.

6. Little understanding of the best ways to undertake the architectural landscaping for most effective return on investment and engagement of our target population

Mitigation: We have recruited members who will partner with us in understanding how to make the architectural work successful

7. Challenge and expense in obtaining grant income

Mitigation: Get volunteer expertise to help with grant applications

8. Funds are exhausted

Mitigation: Expand the funding, volunteer and partnership schemes to support the project

9. Withdrawable shares may be withdrawn

Mitigation: We will endeavour to maintain good relationships and reporting with members

10. Governance demands can overwhelm small executive team

Mitigation: We are developing and will be launching a systematic and a stream-lined reporting approach

1.8.3 Opportunities

1. Need to develop sustainable community cohesion
2. Good opportunity to access prospective shareholders as many people seek to use their money to make a difference and do social and environmental good and to gain happiness and opportunities to unwind and enjoy themselves.
3. Social integration problems requiring innovative approaches
4. Need for skills development and on educating people on ecology
5. Corporate Social Responsibility including carbon offsetting
6. National demand for new and community based and led mental health approaches
7. Need for alternative support and participation programs for disabled people
8. Existing café, events centre and other socially focused businesses at Farmeco

9. To create a partnership with the Woodland Trust, in a period when trees are so important to society
10. Engagement with existing members for repeat investment
11. Diversification of investments
12. Consulting and working with new partners interested in the type of work FCC is undertaking

1.8.4 Threats

1. Multiple fruit suppliers in the local and wider area
Mitigation: Looking for specific buyers from communities interested in local produce and better marketing strategies
2. Leisure providers in the local area
Mitigation: Offer creative products and services and target groups such as new and emerging communities who are often secluded from the existing leisure providers
3. New entrants into the market including competitive and complementary products, services and activities
Mitigation: Offer quality services and products and extensive marketing to make our products and services unique and attractive
4. Lack of investment in current projects as no share offer deadline
Mitigation: Focus on project story, FCC potential and widen the marketing and promotion area and longer term
5. Impact of uncertainty in Brexit process and future impact of leaving EU
Mitigation: Opportunity to establish a new approach to land use in the UK
6. Target fundraising audience not responding to communications
Mitigation: Evaluate performance via KPIs and take immediate steps to redress shortfalls against target
7. Withdrawable shares may be withdrawn
Mitigation: Postpone withdrawal of shares while continually promoting community shares to new investors. FCC can also hold reserves against future withdrawals.
8. Absence of new members, donors and related income
Mitigation: Undertake extensive and effective promotion

All the details about the rules and guidelines that govern Farmeco are outlined in our constitution which is available at www.farmeco.co.uk/rules.

2 PRODUCTS AND SERVICES

2.1 Introduction

Farmeco products and services entail development and management of the edible woodland, a community orientated environmental education, training and social inclusion project which has the potential to involve many residents, particularly those from socially deprived and minority sectors. The six products and services aimed at making Farmeco sustainable in economic, environmental and social fronts are:

1. Edible woodland and wellbeing space
2. Fruits and nuts produce
3. Processed produce: Jams, juice, wine, and cider
4. Community cohesion, volunteering and farm visits
5. Training and skills development
6. Goats and sheep

2.1.1 Edible woodland and wellbeing area

The edible woodland area is 6.8 hectares (16.8 acres) and will have a total of 4,500 trees and shrubs which will serve as a food production and recreation grounds. See Figure 1 for design map and Table 1 for a species list. It consists of 30 different species of tree and shrub of which:

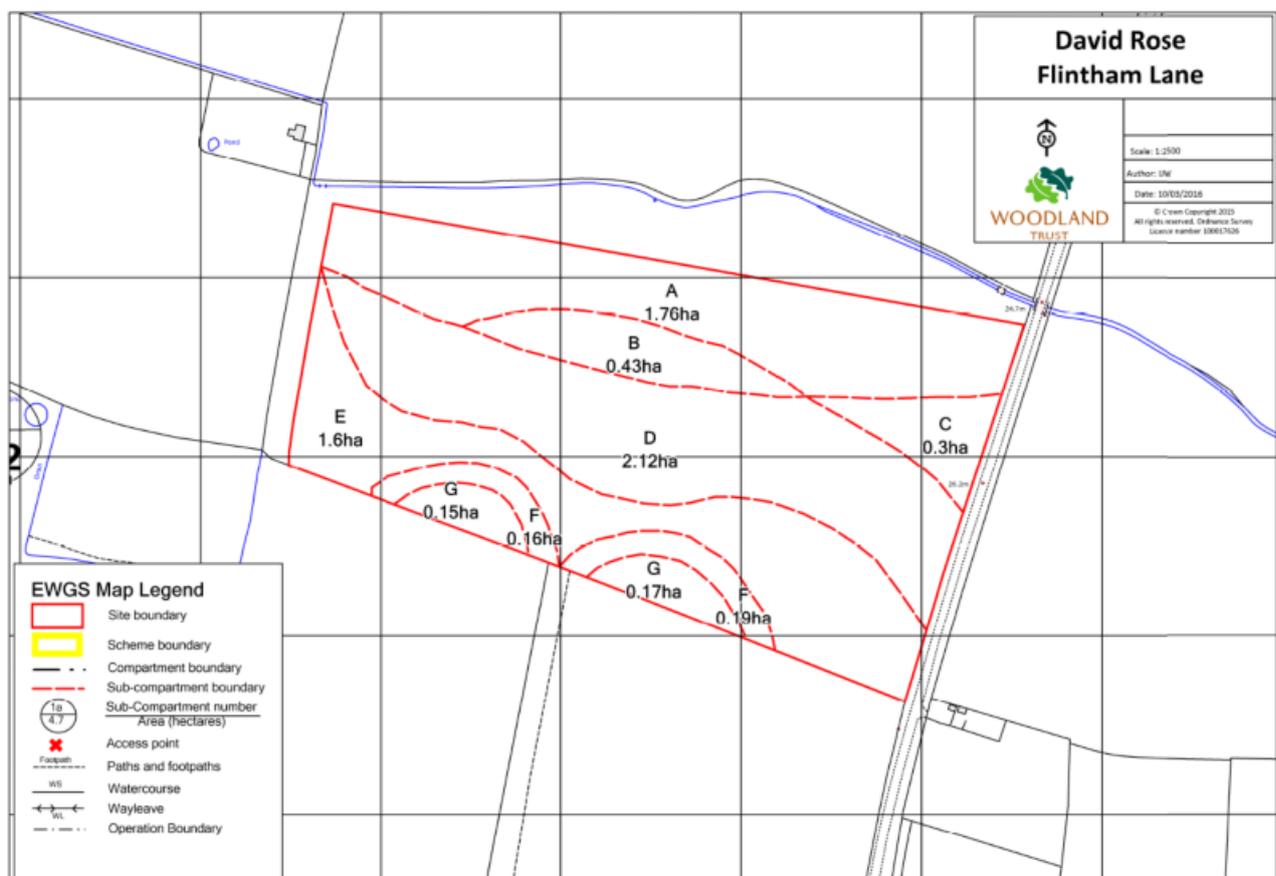
1. Over 90% of species have edible parts;
2. 15 are native species sourced from native stock;
3. 15 are cultivated trees and shrubs sourced from the UK; and
4. Four species fix nitrogen.

There is need to explore opportunities for carbon offsetting to see if this could be offered as an income generating opportunity for Farmeco. The edible woodland will be made attractive, tranquil, inviting and accommodating through landscaping to establish footpaths, sitting benches, gazebos and shelters (themed huts). These will serve as harvesting and fruit collection stations and offer secluded meditation and retreat sections that attract a wide range of visitors and participants to the farm. It will offer accessibility and participation programs for community groups, disabled people and increased opportunities for corporate bodies seeking to engage further with the community through fun and happy times.

Table 1: Edible Woodland Areas Descriptions and Species List

Area	Description	Species list
A	Predominantly cultivars of <i>Castanea sativa</i> / sweet chestnut developed for nut production. High canopy.	Sweet chestnut, Wild cherry, Elm, Small leaved lime
B	Stand of <i>Juglans regia</i> / walnut cultivars developed for nut production. Largest trees, light demanding.	Walnut, Heartnut
C	Stand of <i>Pyrus</i> /pears. Separated trees in D due to larger size.	Pear
D	Low density area of fruit trees and nitrogen fixers.	Apple, Cherry, Plum, Black locust, Hazel, Sea buckthorn, Raspberry
E	Higher density planting of predominantly native and small edibles. Also includes <i>Corylus</i> / hazel cultivars.	Elder, Rowan, Crab apple, Damson, Medlar, Hazel, hawthorn, Dog rose, Wild service tree, Whitebeam, Broom. <i>Elaeagnus umbellata</i>
F	Tender trees which require sheltered microclimate.	Almond, Mulberry, Apricot, Siberian pea tree, Quince
G	Fruit bushes.	Currants, Gooseberry, Raspberry

Figure 1: Edible woodland area



The different species of trees and shrubs will yield crops to a varying degree with high yields expected from apples, cobnuts, sweet chestnuts and plums. Several less traditional cultivated trees such as almond, mulberry, apricot and quince are included in small

numbers and are expected to have modest yields of high value crops. These species also allow for innovation and experimentation with crops which might become more viable as the climate changes.

The native species such as elder, wild cherry and elm have a lower yield and unconventional markets but, nonetheless, will be of interest to the foraging and wild food market. Such species also bring the value of diversity, soil health and pest control as well as the opportunity to take a second look at our native wild foods.

The Edible Woodland at Home Farm has been designed to:

1. Provide each species with its individual needs – this may include lesser or greater degrees of shelter, soil drainage and competition/density;
2. Maximise the amount of sunlight which reaches the most productive species to ensure high yields;
3. Be easily managed – grouping trees together to make maintenance work more efficient;
4. Provide grazing – the density allows for grazing over the long term as well as the short term, areas can easily be temporarily fenced to exclude livestock when necessary; and
5. Be a social space – the creation of microclimates and grouping of trees creates areas for congregating, features of interest and a varied environment for learning and enjoyment.

With provision of guards and good pasture the area will serve as an income earner by supporting grazing ground for sheep and an area for people to work, train, visit and enjoy themselves. In addition to the crop, the edible woodland will have recreation and sitting areas aimed at improving their quality of life, thereby encouraging tourism, walkers and volunteering. The area will act as an attraction and an operation unit where training sessions, visitors' experience, and production of fruits and nuts will be accomplished. The area is designed to enable a wide range of people to participate in the agroforestry and environmental work through education and practical working space. It will also offer health and wellbeing opportunities and space including retreats, exercise, walking and therapeutic sessions. Specific groups such as schools, education institutions, residential care homes, special education institutions, nursing homes, mental health groups and judiciary and rehabilitation departments will be encouraged to participate in fee payment models.

2.1.2 Fruits and nuts

In keeping with sustainable development and good practice, fruits and nuts produce from the edible woodland will be sold, mainly locally, to Farmeco members, visitors, local communities and specifically marketed for their environmental and health impact. These will be sold at both wholesale and retail levels.

2.1.3 Jams, juices, wines and cider

We will use the fruits and nuts to make juices, wine, cider, and other products which will be sold to members, visitors, local communities and specifically marketed for their environmental and health impact.

2.1.4 Community cohesion

Working with individuals and in partnership with community groups, education institutions and other organisations, Farmeco will encourage volunteering, visitors, tourism and participation of community groups in events at the farm to enhance social cohesion and community integration. The Farmeco project will re-engage people with food production while activities such as pruning and harvesting by hand presents the opportunity for engagement as an excellent opportunity for community engagement and extending the involvement of the Community Care initiatives. Services from volunteers will help reduce overall costs while income generated from visitors and community events will help sustain the Farmeco. Free and discounted community cohesion events will also be held aimed at encouraging individuals and communities to work and live together harmoniously. Community cohesion and integration days and events such as tree planting and pruning sessions, juice making sessions, nature trail walks, farmer for the day, open farm, regular community events throughout the year (based around many themes – bonfire, Christmas, Easter, harvest) and health and wellbeing sessions will be organised towards this goal.

2.1.5 Courses and training services

We will offer multiple short courses teaching attendees a wide range of skills ranging from planting through maintenance to propagation, managing a woodland, plant husbandry, agroforestry, pruning, juice, wine and cider making and marketing. Other courses will include cultivating, processing and selling fruit products, confidence building all aimed at giving the attendees increased opportunities of sustainable employment. These will be coupled with a wide range of countryside and social skills and provision of opportunities for volunteering and hands on experience. Farmeco will also link the training programs

with apprenticeship schemes with local colleges in agriculture, agroforestry, environmental studies, rural business among others. Farmeco provides the opportunity for learning amongst the farming and wider community through workshops, work parties, courses and gatherings. It acts as a demonstration of what is possible, an inspiration for change and a setting for learning specific skills for a wide range of people. Other courses will be developed depending on the demand and needs of our stakeholders.

2.1.6 Goats and sheep

There are currently 30 goats and 200 sheep on the farm, of which 6 goats and 6 sheep are owned by Farmeco. These will serve as visitor's attraction and for training and therapy purposes, while others are sold for meat. Though not anticipated to be a major income earner, they are expected to act as a major form of land and environment management and an attraction that encourages visitors to come to the farm.

2.1.7 Camping and glamping

Farmeco will offer camping options to members of the community who are 'outdoors' people who may wish to camp over a weekend. This will go hand in hand with the training courses that will be offered and would make an attractive weekend break coupled with volunteering or paying to attend courses / activities. In the long term a 'glamping' pod area would be provided as an income source and give people the chance to immerse themselves in the project for a weekend or short working break / course. This will be linked to the cycling market by the coffee shop and also attract cyclists for a dual break of spending time on course or volunteer work coupled with a day on a guided cycle ride around the farm.

2.2 Unique Selling Points (USPs)

Our core USPs in establishing and running Farmeco are;

1. Low cost route to being involved in an ecologically minded social enterprise.
2. Space where people can enjoy, unwind and have fun.
3. Opportunity to break down social barriers and bring together diverse communities to achieve social cohesion and mental wellbeing.
4. Opportunity to educate the wider community on the importance of farming and ecology.
5. Easily accessible safe countryside environment.

2.3 Specific regular activities

To ensure that Farmeco products and services are consistently produced and efficiently availed, there will be regular events and activities including regular community events throughout the year based around many themes. These include special occasions such as Bonfire, Halloween night, Christmas, Open farm day and Farm festivals. There will also be seasonal activities such as planting and pruning which will take place in winter/spring while others like pruning, harvesting, lambing, making juices and jams which will be over winter, autumn, summer and spring. Specific courses such as term time activities for local schools.

2.4 Membership benefits

Every member (investor) will benefit from the following:

1. You will have an equal say as every other investor. Under the law governing Community Benefit Societies, regardless of how much you invest, everyone has one vote. This fits our ethos perfectly, because all investors will be equal with everyone else in their desire for our community to prosper, regardless of how much we can afford to invest.
2. You will be a member and co-owner of Farmeco and will get a stake in key decision-making such as electing the management committee and resolutions to be adopted at the AGM.
3. You will be invited to special social events throughout the year, barbecues, clay pigeon shoots, bonfire, Christmas party, speaker evenings, days out to look at other sites and free access to the walks and space unlike non-members.
4. You will enjoy discounted or free healthy foods, ecological space for social, health and wellbeing, land access and active role in making better and stronger connections and connects people to the farm.
5. After three years, decisions about offering interest and withdrawals will be made by the Committee at the time. Should they be possible, withdrawals will be allowed on a first come first served basis. Members will be required to give three months' notice of their request to withdraw capital. We will not release more than 10% of the total share capital per annum.

More details about membership and shareholding are in the share offer brochure which can be requested from Farmeco or available online at www.farmeco.co.uk/shares2018.

2.5 Membership liability

The membership is based in investment (shares bought) which should be considered as an opportunity to contribute financially to the farm with the expectation of a social dividend rather than a financial reward. This is a medium to long term investment. As such, it is most attractive to people who share our values, rather than those who want an immediate return. This ensures that those who own Farmeco will invest on long term basis.

The value of shares in the Farmeco cannot increase beyond the nominal value of £1. Shares cannot be sold and may be withdrawn by members who have held them for a minimum period of five years or such other period as the Management Committee decides. Farmeco business cannot be sold for the benefit of its member shareholders and if it ceases to trade and has surplus assets at that time, members will have their investment returned to them and any surplus beyond that shall be applied to further the objects for which Farmeco was established.

Shares are not transferable except in cases of death or bankruptcy. Share capital may be withdrawn by selling the shares back to Farmeco after a minimum of five years from the then purchase date. After five years decisions about offering interest and withdrawals will be made by the Committee at the time. Should they be possible, withdrawals will be allowed on a first come first served basis. Members will be required to give three months' notice of their request to withdraw capital. We will not release more than 10% of the total share capital per annum.

- You may withdraw some or all your shares after the minimum period provided;
- Notice of three months is given;
- Trading surplus or fresh share capital allows this financially;
- The Board does not refuse the request as it is legally allowed to do so. This will be based on protecting the long-term interest of the society and the community values.

2.6 Risks and caution

As with any investment the ultimate risk is if the farm fails. In this case you would lose all your invested money. In that unlikely event you would have no right to compensation from the Financial Services Compensation Scheme. Your personal liability in all circumstances is limited to the value of your shares. We have identified the key risks in our Business Plan, section 1.8.2 and 1.8.4 and what we will do to reduce these risks. This is an investment in the 20 acres Farmeco Community Farm area.

2.7 Operating plan

The steering group (Note 1.6.2) and the management team (Note 1.6.3) will organise and manage all activities including day to day operations, planting, harvesting, marketing and promotion. The responsibilities will be allocated as outlined in the two notes. Their work will be supported by a team of regular volunteers and when necessary, staff and specialists will be hired. Caffe Velo Verde will help in the retail marketing of some of the products such as juices while social media and Farmeco newsletter will be used to reach more people and communities online.

3 MARKETING STRATEGY

The marketing strategy will be based on the process and methods as follows:

The Process

1. Deepen engagement with existing members so they reinvest and spread the word
2. Engage with and develop relationships with potential members
3. Reach out to increasing numbers of connected interest groups
4. Direct the public to easily-accessible information, including share offers online and/or in print.
5. Inform, educate and inspire the public to invest and participate
6. Communicate FCC's proven results in supporting community into sustainable farming
7. Promoting key messages

Methods

1. Print materials
2. Online on FCC website
3. Social Media
4. Press Releases
5. Public speaking
6. Conferences
7. Community events

3.1 Knowledge

Members, local communities, groups and institutions forms the major markets for Farmeco products and services. Having been developed on the back of Farmeco Ltd and coupled with the one-year experience when we have run the planting and managing of the edible woodland, interest for community engagement and the juice pressing and selling processes, we have found a huge demand exists in the range of products and services we are offering. From the demand by individual community members and the responses by the participants in the community events and activities coupled with the purchase of the juices and interest in visiting and engaging with the farm, Farmeco has identified a growing market which can better be served once we refine our operations and service provision processes.

3.2 Research

We have undertaken both researches with individuals and community groups who visit, volunteer and buy products and services in the farm and have used secondary research in making these research conclusions. Specific primary researches such as community cohesion, volunteering, farm events, and goat meat have happened for over three years while training programs, juices production and selling of juices and other produce has only happened once or twice in 2017. The findings show that demand for individual and group activities outstrip our capacity to supply and sustain the service provision and thus we will be looking at getting a better structured volunteering team to manage and coordinate these activities. The desire by people in the city to engage with the farm has proven overwhelmingly positive with over 97% of over 200 respondents saying they are interested and would love to engage more with the farm and take part in the volunteering activities and in different jobs at the farm. However, the problems with transport, refreshments and coordination have been cited as major hindrances, which will need to be addressed for Farmeco to make the best of its products and services.

Secondary market researches were carried out on both wholesale and retail markets for the fruit and nuts. Though the results showed a major demand with about 80% going to wholesale and 20% to retail, there is need for further research as the trees and shrubs mature to ensure the demand is consistent and that the timings are right. Evidence also showed a very high demand for freshly pressed juices by both communities and business, locally and in Nottingham city. Our work in community cohesion is also supported by wide variety of researches that show community disengagement and lack of integration are a major contributor for poor health among deprived communities. With nearly 76% of the inner-city communities having no opportunity to engage with farms and countryside and the great interest to do a 'days' work' in the field, the demand for Farmeco services have a ready market to serve. We also found that these inner-city communities and the isolated rural groups coupled with the increasing population that is interested in environment and healthy living, there is a clear understanding stat about deprivation, need for engagement and the health benefits of voluntary farming work.

Further researches are proposed for 2018 which will include at least eight visits to other community co-operatives to see how they are run and managed in respect to the six core products and services that Farmeco is offering. This will lead to a marketing and operations strategy report which will be published in the summer of 2018 to be integrated into this business plan. A budget for marketing and staff/volunteers will be identified and the steering

group and management team will take part in these visits and in developing reports and action plans from such visits. A list of farms to be visited will be created and visits done on an ongoing basis. The hope is to have members visit at least five farms by the end of 2018.

3.3 Options

Farmeco will adopt a variety of approaches in its marketing strategy. First, existing networks and partners will be informed of our products and services and encouraged to share the message with their friends and neighbours thereby forming the first major group of our customers. Secondly, wider groups, organisations and individuals will be reached through these local networks, organisations such as Woodland Trust, Community café on the farm, Farmeco website, Farmeco newsletter, social media and local statutory bodies and groups. We will also approach similar groups and engage with local media, social media to expand people's understanding and knowledge of our work and our group. This approach will include partnerships where groups provide free labour and support to Farmeco undertake the activities such as tree planting, management, sales and marketing and other farm activities. Our members will also act as ambassadors in their work with groups and individuals so as to initiate interest in Farmeco products and services hence increasing our reach and marketing activities.

Media products such as videos, photos, blogs, podcasts and promotion of awards and achievements by Farmeco and activities in the farm will be used to attract and retain markets, investments and volunteers. These will be used in helping Farmeco to launch crowdfunding and membership drives aimed at creating long term links with the edible woodland so that the participants are able to engage on an ongoing basis and to make the project sustainable. This will include having a marketing campaign to get groups and individuals to help improve the look and feel of the edible woodland area such as creating benches, foot paths, fruit collection units, gazebos and establishment of a community driven juice, cider, nuts and training unit. The sponsors and partners who will be recognised through naming, adoption and other options that will encourage visitors to the edible woodland area increasing farm engagement, creating a buzz for volunteers and visitors and improving relationships among community members. Known networks, such as Mojatu and Caffè Velo Verde have been instrumental in marketing apple juice, volunteering and community cohesion. Additionally, social media will be a key point of marketing our produce to the larger community. We are also working on a re-branding approach and improvement of our online presence, such as the launch of our new website, www.farmeco.co.uk,

implementing our social media presence and publishing our marketing materials. We will also add testimonial and members experiences to the website and marketing materials.

These activities will attract people to come and volunteer or be involved in 'outdoors' activities including possible wish to camp over a weekend. We will thus explore opportunities for establishing a basic camping facility for an attractive weekend break coupled with volunteering or paying to attend courses / activities. Longer term a 'glamping' pod area will also be developed as a potential income source and give people the chance to immerse themselves in the project for a weekend or short working breaks and courses. This could be linked to the cycling market by the Eco Café and attract cyclists for a dual break of spending time on course or volunteer work coupled with a day on a guided cycle ride around the area.

Web sales of juices and seeds could be worth looking at too. With visitors to the Eco Café going into hundreds a month there is the chance for marketing to them and they can order online and either collect or have delivered the products. There are a couple of local well-established farmers markets – West Bridgford is a popular and regular market which would lend itself to having a Farmeco stall on a regular basis and have the dual benefit of marketing and publicising the project as well as selling products.

We will develop a marketing strategy based on telling the story of the farm, promoting community shares and encouraging investment in land and the rural economy. This will entail telling video and other forms of stories on each of our projects and the overall aims and vision of FCC. This is based on the understanding that the public feels empowered for change when connecting and investing in community-owned eco-friendly farms and creating a better world. Stories are the secret reservoir of values for individual and communities. The stories will inspire, enthuse, connect and educate regarding land and community investments with a call-to-action to subscribe to our newsletter, volunteering, donations, farm share offer and other activities in the FCC.

3.4 Partnerships

Farmeco will continue to enhance the power of productive partnerships as a marketing strategy through current and prospective partners based on the roles they will play:

3.4.1 Current Partners

1. Woodland Trust: As the main providers of trees and guards, their recommendation, endorsement and purchase of Farmeco products and services will go a long way in

- expanding and sustaining our market share. Their continuous interest will also enable Farmeco to keep abreast with the management of the edible woodland area.
2. Planet Magic / Animal Magic: They are devoted to discovering and promoting the physical and mental benefits of gardening and animal assisted therapies and will support Farmeco with individual and group visits and engagement with the edible woodland. This will be through general and tailor-made visits where visitors will be supported to participate in and engage with Farmeco activities.
 3. Mojatu Foundation: This city based charity that works with new and emerging communities from the deprived and 'hard-to-reach' groups will work with Farmeco in recruiting shareholders, volunteers and visitors. They will also partner with Farmeco in implementing community events and all aspects of production, distribution, marketing and consumption of Farmeco products and services.
 4. Fruitscape: This experienced fruits and nuts products and services management organisation will act as a core edible woodland management training partner.
 5. Caffe Velo Verde: This coffee shop opened in November and has quickly built a strong reputation for coffee and food. The coffee shop attracts cycling groups and individuals mainly from a 25 miles radius as well as non-cyclist visitors. This is bringing in many people who were unaware of the site and cyclists are often returning quickly with family for visits. These visitors represent a great opportunity for potential marketing of Farmeco and its produce. Plans are in hand to increase the deli type sales space in the coffee shop which could be utilised to sell Farmeco juices and seeds. The owners of the coffee shop have strong sales and marketing backgrounds and are keen to sell the products to their clients in preference to mass produced drinks and juices. Sampling juices for example will lead to sales in many cases. The coffee shop is already attracting 100 – 200 visitors a weekend despite being winter, so represents a good opportunity to publicise the Farmeco project

3.4.2 Prospective partners

Within the course of the next three years, we will explore partnership opportunities with organisations that will act as suppliers and recipients of our products and services including provision of volunteers, visitors, support groups and trainees. They will also be involved in organising and implementing activities at Farmeco. These groups, some of which we are already in conversations with include Groundwork Nottingham, Nottingham Trent University, University of Nottingham, Derby College, Refugee Forum, Sustain, LEAF, Nuffield Foundation, Screveton Parish Council, MIND, Rural Community Action Nottinghamshire (RCAN), Mencap, and Flintham Community Shop. We will also develop

a list of partners from local schools and colleges, Nottinghamshire Primary Care Trust, Job Centre Plus, Community Voluntary Services (Rushcliffe, Newark and Sherwood and Nottingham), Business Clubs (Newark, Rushcliffe, Nottingham), Wildlife Trust, YMCA, Scouts and Guides, Nottinghamshire Police, Nottinghamshire County Council (various departments), Nottingham City Council (various departments), Transition Group (Newark, Bingham, Nottingham), Nursing and Care Homes and Youth and young people groups. Partnerships will be developed further with enhanced networking and managing of relationships.

3.5 Major markets

Our core markets are structured by the products and services we are offering:

1. Edible woodland, community cohesion and training services: Visitors, volunteers and trainees will be the core target. The market will be education institutions, corporates, community groups, education institutions, health and wellbeing groups, religious organisations among others who will be willing to pay or contribute in cash or kind. Our ongoing volunteers and participation for 2017/18 season shows an ongoing interest for 2018/2019 and future programs.
2. Fruits, nuts and juices: Organisations and individuals that consider health eating and locally sourced foods with limited carbon footing. The target groups will mainly be farm visitors, hotels, specialised shops, nursing homes, schools and individuals. We will explore to have wholesale at about 80% and the 20% sold locally via the Café Verde, visitors, members and other networks and contacts.
3. Shareholders: With a target of 100 members each £100 and £30 membership fee thereby having £13,000 from members contribution by the end of 2018, we will use our existing networks to recruit members and get shareholders. The details of shareholder recruitment are outlined in the Community Share Offer documents – See online @ www.farmeco.co.uk/shares2018

4 FINANCIAL ANALYSIS

4.1 Establishment costs

Table 2: Establishment costs

Item and details	Cash	Total
Feasibility study & research		
Research, other farm visits & research centre planning programme	£150.00	
Survey, Business plan write-up and other research costs	£1250.00	£1,400.00
Edible woodland costs		
Grass seed for the whole field	£1,300.00	
Safety checks / Health & Safety / Public use	£355.00	
Trees planting and management work (Including partners support)	£5,500.00	
Trees for planting including netting (paid for by the woodland trust)	£45,000.00	
Land preparation (Including thinning, 100KG Bone meal etc)	£3,180.00	£55,335.00
Capital costs		
Equipment hire	£1,500.00	
Fixtures & Fittings including fences	£3,000.00	
Land rent (@ £100 per acre per calendar year)	£1,600.00	
Architectural plans & Construction costs (footpaths, sheds, benches etc)	£4,250.00	
Workwear and Tools (Wellington Boots, Gloves, Hi-Vis – 10 sets)	£1,783.00	
Equipment & machinery purchase (Fruit juice maker & comps)	£4,250.00	£16,308.00
Marketing & Promotion		
Leaflets & posters design and print (2017/2018 planting session)	£1,257.00	
Community meetings, outreach recruitment and engagement activities	£1,350.00	
Social media, marketing and promotion - Including videos & Newsletter	£2,850.00	
Website development + Hosting, domain name, contents & maintenance	£789.00	
Members information leaflet (design and printing - 2017/2028)	£96.00	
2500 copies - 16-page Share Offer Document (design, print & distribution)	£503.00	
Letterheads and compliment slips (Design and print 5000 copies)	£122.00	£6,967.00
Staff and volunteer costs (Gross including taxes)		
Woodland management, animal husbandry & group visits	£2,000.00	
Recruitment, promotion and community participation (Sales & Marketing)	£1,500.00	
Administrative support & Membership management	£2,500.00	
Volunteers (stipend & refreshments for the year)	£1,380.00	
Primary planting labour (27 days) & volunteers training	£3,000.00	
Expert Pruning (@£1100 per year) & volunteers training	£1,100.00	
Summer/Autumn maintenance @ £9.00 per hour for 4 days	£2,846.40	
Community Development Worker @3 hrs per week for 8 Months	£3,840.00	
Training (50 people - Juicing, plant, pruning etc including certificates)	£650.00	£18,816.40
Professional costs		
Incorporation costs	£650.00	
Accountant, Audit & Review (Ash Accounting - year end accounts)	£750.00	£1,400.00
Other Costs		
Admin costs (Postage, printing, phones, insurance etc)	£2,023.00	
Members engagement and recruitment costs	£785.00	
Insurance	£350.00	
Community sustainable development and other training programs	£1,174.00	£4,332.00
Goats and Sheep		
Stock purchase (6 goats and 6 sheep)	£1,200.00	
Animal feed	£500.00	£1,700.00
Total		£103,678.40

4.1.1 Establishment notes

The following notes explain contents in Table 2:

1. The feasibility study & research costs cover the period since 2016 when Farmeco Community Care Farm Ltd launched the edible woodland project, which includes the business plan and other feasibility and survey costs. These costs though incurred before conversion, the payments were made after conversion happened.
2. £45,000 of the edible woodland costs are covered by support in kind provided by the Woodland Trust who paid for the trees and some of the land preparation and planting costs. £1,600 of the edible woodland costs have been covered by partners. See Table 3 for more details.
3. Capital costs represent confirmed grants totalling £1,783 from GAIN Diaspora and Mojatu Foundation for workwear and tools.
4. The marketing and promotion costs include £1,257 from GAIN Diaspora partnership support.
5. The staff and volunteer costs include support from partners of £1,268.50 and extra labour costs for the work not covered by Woodland Trust and volunteers who visit the farm and from partners.
6. Goats and sheep purchase price is the cost paid for 30 goats and 200 sheep and the animal feed for the year.

4.2 Start-up investment

These funds will be raised from a variety of sources as per Table 3.

Table 3: Income year one

Item and details	Cash	In Kind	Total
Capital / Cash Transfer (From Farmeco Limited)	£15,000.00		£15,000.00
Share Capital & Members annual subscription	£13,000.00		£13,000.00
Income from fruits, juices and other sales and services	£10,214.00		£10,214.00
Grants & Donations			
Local community bi-weekly events - Near Neighbours	£4,500.00		£4,500.00
Architectural plans, training & events - Award for all	£9,500.00		£9,500.00
Youth engagement program - Arts Council	£9,570.00		£9,570.00
Partners Contribution (In kind confirmed)			
Woodland Trust (Trees, Footpaths, Guards etc)		£45,000.00	£45,000.00
Mojatu Foundation (Volunteers, Work & Marketing)		£3,150.00	£3,150.00
GAIN Diaspora (Volunteers, Work and Marketing)		£2,278.50	£2,278.50
Fearless Youth Association (Volunteers & Events)		£480.00	£480.00
Total Investment	£61,784.00	£50,908.50	£112,692.50

4.2.1 Start-up investment notes

The following notes explain contents in Table 3:

1. The £15,000.00 cash was transferred to Farmeco as it was the cash balance in the account when Farmeco Community Care Farm Ltd was converted. As this was part of an original grant towards community farm project, which included the edible woodland, this is treated as part of the initial cost of edible woodland. It is hence neither a donation nor an extra income to Farmeco and is thus to be treated as a part of the value of the project acquired by Farmeco from Farmeco Community Care Farm Ltd upon conversion. See more notes in 4.5
2. We expect to get 100 members each buying paying £100 for the 100 shares (nominal value of £1 per share) and members subscription of £30 per year, totalling to £13,000 for the year 2017/2018.
3. The £10,214.00 - Income from fruits, juices and other sales and services – includes £612.00 from sale of fruits and nuts in Table 4
4. The grants and donations are projections based on applications which will be put through once the shareholding sale commences.
5. The £50,908 partners contribution has either already been spent or will be contributed before August 2018 based on the agreements with these partners.

4.3 Fruits income forecasting

The projected income from retail and wholesale of fruits and nuts grown in the edible woodland area are based on the average income from similar ventures in the UK.

Table 4: Income from retail and wholesale of fruits and nuts

5 Years Revenue Projection	2017/18	2018/19	2019/20	2020/21	2021/22
Sweet Chestnut				£10,431	£13,039
Walnut					£2,350
Corylus			£5,117	£14,072	£17,590
Apple			£3,782	£6,700	£8,375
Pear				£1,721	£2,152
Plum				£1,084	£1,355
Cherry				£2,438	£3,048
Currants		£743	£2,785	£4,827	£6,034
Gooseberries		£392	£1,469	£2,546	£3,183
Raspberries	£612	£2,448	£2,448	£2,448	£3,060
Wholesale & Retail	£612	£3,582	£15,601	£46,268	£60,184

4.4 Cash flow projections

Farmeco is expected to be financially stable and self-sustaining within 5 years with reduced dependence on grants and partners contributions who depend on grants and other funding applications. This annual reduction will be supported by growing income from sales of products and services and donations and contributions from partners and those supported by the various projects Farmeco will implement. The notes and explanations of this cashflow forecast is outlined in 4.4.1.

Table 5: Farmeco 5 Years Cash Flow Forecast

Farmeco 5 Years Cash Flow Forecast					
	2017/18	2018/19	2019/20	2020/21	2021/22
Opening balance	-	58,065	27,099	8,782	48,249
INCOME					
Capital / Cash Transfer (From Farmeco Limited)	15,000	0	0	0	0
Share Capital (£100 per share) & Members donation (£30/year)	13,000	3,900	3,900	3,900	15,000
Income from fruits, juices and other sales and services	10,826	23,069	48,695	105,836	156,265
Grants, legacies and gifts	0	18,500	15,800	10,500	10,500
Partners Contribution (Confirmed)	121,783	15,000	17,000	8,000	8,000
Donations and other funds	0	1,375	2,475	3,713	5,569
TOTAL CASH RECEIPTS	160,609	119,909	114,969	140,730	243,583
OUTGOINGS					
Feasibility study & research	850	1,615	1,777	1,954	5,650
Edible woodland costs	55,335	10,335	8,268	6,614	16,465
Marketing, Promotion, Communication & Members engagement	6,967	8,360	10,032	12,039	23,500
Staff, Volunteer, Management & Administrative costs (Gross)	19,816	23,780	28,536	42,803	77,046
Professional costs (Governance review, Accounts & Audit)	1,400	1,540	1,694	1,863	8,500
Other Costs (including training and office costs)	3,197	4,796	5,275	5,803	6,383
Goats and Sheep	1,700	2,550	2,805	3,086	3,394
Subtotal	89,265	52,976	58,387	74,162	140,938
Capital costs including Equipment & Software	13,278	39,834	47,801	14,818	26,673
Share interest & dividends paid out	0	0	0	0	0
Share capital withdrawals	0	0	0	3,500	3,500
Corporation tax	0	0	0	0	0
TOTAL CASH PAID OUT	13,278	39,834	47,801	18,318	30,173
CASH POSITION	58,065	27,099	8,782	48,249	72,472

4.5 Assumptions

1. **Capital Costs:** The largest capital expenditure is the trees and associated costs, but it is offset by the grant from the Woodland Trust which covers the cost of trees and guards. This reduces the initial capital expenditure making the project profitable much sooner than if no grant were available. It is expected that after 5 years, there will be a new expansion phase when FCC will invest in extra land, new equipment and possibly extend land in use and activities in the farm.
2. **Operating Costs:** The cost of labour accounts for some of the major costs of Farmeco and include office and administrative costs, promotional and all costs relating to professional and legal reporting requirements. These costs will be reduced using volunteers, interns and placements from community groups and local education institutions. The specific projects costs, such as trees, guards, creating footpaths, engaging community members, legal overview of the FCC projects and fundraising of each project will be raised on project basis. However, some reduction in yield is to be expected when using unskilled labour so this would need to be taken into consideration in any cost-benefit analysis. It is assumed that the FCC will undergo a second phase of growth and review after 5 years when thinning, harvesting and new survey and land acquisition will be undertaken.
3. **Revenues:** Planting high yielding varieties will help Farmeco to produce competitive yields with average annual yield for the main cropping varieties as per Table 6.

Table 6: Annual average yields when trees are fully mature

Species	Minimum (kg/tree)	Maximum (kg/tree)
Sweet Chestnut	25	50
Walnut	10	50
Corylus	4	5
Apple	20	44
Pear	15	50
Cherry	18	50
Currants	2	4.5
Gooseberries	2	4.5
Raspberries	1.5	2.5

4. **Revenue profile:** The revenue profile of the project will take time to settle, as can be seen from Table 4, as maturing times vary across different species. Whilst crops such as sweet chestnut have the potential to yield high volumes of high value nuts the corylus (cobs and filberts) will mature earlier and produce a high value nut in small volumes (see Table 3). Though the aim is to sell the products in wholesale,

there is a significant difference between revenue according to whether produce is sold via the wholesale market or direct retail. Table 4 shows that wholesale prices consistently amount to around 20% of retail prices. Many crops will not be produced in sufficient volumes for the wholesale market and some such as walnut would not be viable wholesale. There will be additional and variable costs associated with selling retail, especially for crops whose volume of production is small and not enough to sustain wholesale produce. The crops with low costs, such as apples, will attain relatively low prices per kilo but produce high volumes. Dual market approach will be taken to exploit the wholesale market for much of the crop of the apples and pears whilst seeking high prices through the Community Supported Agriculture model for the remaining produce. This is an attractive option if there is the need to reduce time spent on retail or a limited retail market.

5. Other income:

- a. Capital / Cash Transfer (From Farmeco Limited): This is the cash transfer which was held by Farmeco Limited at the point of business transition (excluding any costs on the day of transition).
- b. Income from members – This is the income from members which is made up of the money members contribute when buying shares, being £100 per share. It is expected that in the first year, 100 members will join the FCC making the total income from members to be £10,000. The members annual fee, which will be treated as a member's annual subscription is expected to be £30/year hence the expected income of £3000 in the first year making a total income of £13,000. It is expected that the 100 people will contribute their donations on annual basis hence giving us the £3,000 per year between year 2 to year 4. We expect to make another share offer in year 5 raising £15,000 from 150 members each £100.
- c. Grants, fundraising, legacies and gifts: These will be sought grants offering organisations who we are already in conversations with for donations in 2018 and 2019. The current prospects include:
 - i. Woodland Trust – £9,800 – Architectural planning, footpaths and landscaping work
 - ii. Award for All – £9,500 – Community woodwork and creation of benches, huts and rest units
 - iii. Arts Council – £9,570 – Farm video and film development with young including music and arts activities, farm festival and engaging young people

- iv. Mojatu Foundation, IDF and GAIN Diaspora – £5,480 – has been confirmed in terms of work such as marketing, planting, pruning, thinning and other jobs at the farm
 - v. Near Neighbours – £4,500 – This will support bi-weekly events and activities in the farm
6. **Cash Flow Analysis:** Revenues are robust enough to absorb significant extra costs. There is some variance in profit margins for different crops and the diversity of crops and activities which gives resilience to Farmeco business model. FCC will use the cash flow analysis, among other approaches, as a core tool for checks and balances to monitor the success of our development plan.

4.6 Economic analysis

The financial model below shows cash flow based on the revenues derived from the ten crops which are both the highest and most reliable croppers in UK climate. It is also based on assumptions of income of similar ventures as we are doing with FCC. The model is based on data from comparable systems and has been verified from a range of sources where possible. Some assumptions have been made from the income of sale of juices and funding for training, farm visits, enquiries and quotes we have received within the last 12 months at most.

The budget has been developed based on the following key assumptions:

- Yields are derived from directly comparable species in similar growing conditions.
- Crop volumes are based on a maximum and minimum yield figures averaged across the lifetime of the project.
- A maturing time for trees to represent a realistic period of low cropping before trees are fully established.
- A 15% loss rate to account for damaged or otherwise unsalable crops.
- Some species i.e. currant, gooseberry and raspberry have relatively short life span (15, 20 and 10 years respectively) and will therefore need to be restocked, this is built into the model.
- Pruning, thinning and harvesting are essential to productivity of the edible woodland and have been included as essential maintenance costs. Costs are based on the average time for different species' requirements using experienced labour.
- Labour costs based on the time required to undertake essential maintenance tasks at £7.83 per hour to reflect the forthcoming increase in the minimum wage in April 2018

- The following costs are assumed based on the rough estimate of previous Farmeco work:
 - Maintenance and operational costs, such as pest control and fertilisation
 - Watering costs which is necessary for young trees upon planting
 - Costs associated with processing and packing especially for juices, ciders and walnuts and sweet chestnuts
 - Inflation is not accounted for as prices can fluctuate significantly. All figures are therefore represented in 2017 prices.
- Revenues are assumed at an average of both wholesale and retail market, which is what happens in most farms.

5 OUTCOMES AND IMPACTS

5.1 Aims and objectives

Farmeco outcomes and impacts will be measured in terms of our core aims and objectives as outlined in Note 1.5 and will be recognised, measured and understood as follows:

5.1.1 Aim 1: Widen involvement in agroforestry and environmental matters

This outcome will provide a unique service and an unusual opportunity for local people to enjoy the experience of accessing private land to enjoy physical rural activity first hand in a safe environment

5.1.2 Aim 2: Good quality foods and healthier lives

Outcome: Healthier foods and environment

Farmeco will offer individuals and groups accessibility to good quality fruits and nuts plus jams, juices, wines and ciders. The outdoor education, and practical activities will support individuals, especially those suffering mental health problems and stress of modern day life.

5.1.3 Aim 3: Community capacity building

Outcome: Capacity building and skills enhancement

Farmeco will give vulnerable individuals and groups first hand experiences and opportunities to develop skills and ideas that can lead to life changing ways, increased chances of gainful employment and a chance to personally develop and recuperate in a pleasant informal setting. This will increase personal and community resilience and independence. It will encourage young people to acquire skills leading to meaningful employment and help tackle rural poverty by increasing opportunities for rural employment and enhance the skills bases of sector workers in the East Midlands.

5.1.4 Aim 4: Enhance community participation and engagement

Outcome: Improved Social cohesion

Groups who would otherwise not interact and engage with one another will have an unusual opportunity to engage with others – members and visitors – to enjoy the experience of accessing private land to enjoy physical rural activity first hand in a safe

environment. Farmeco events and courses are fully inclusive and will give participants a greater sense of community and belonging. The social interaction is will help reduce isolation and improve the participants quality of life

Annual or periodic meetings will discuss and decide the levels of membership and community engagement required. Membership levels will be dictated by the realistic membership fee and fixed costs that need to be covered.

5.1.5 Aim 5: Development of an economically sustainable organisation

Targets and budgets will be set to helps compare the expected and achieved sustainable development within the rural community and to sustain the attractiveness of the project as a training and learning destination of choice within the sustainable agricultural and rural communities.

5.2 Other benefits

In addition, it is anticipated that there will be economic and environmental benefits which are difficult to quantify but these will include better employment opportunities for young participants and subsequently lower level of benefit claimants, lower health related cost due to better mental health and levels of fitness in both young and old, better quality of life for all participants but particularly the elderly participants and visitors.

5.3 Measuring progress

Apart from the financial performance of the Trust, the key performance indicators for the strategic plan and the communications and marketing plan are listed below. These are used by the Board and the executive team as additional quantifiable measures to evaluate the success of the plan.

5.3.1 Key Performance Indicators (KPIs)

We will use the numbers or the value of the following as the KPIs:

- Social media – Twitter followers and Facebook likes, Newsletter subscribers and website visitors
- Shareholders / members / donors (New and retained)
- Number of customers, visitors and partners (New and retained)
- New partner Community Benefit Societies established

5.3.2 Monitoring and reporting

The management team will use the information given in the table below as a framework against which to measure the FCC's financial performance. We will use the cash flow forecast and annual budgets on day-to-day basis with budgeted figures versus actuals being reported to the Board on a quarterly basis. These will also be reviewed together with income and expenditure reports, balance sheet and nominal ledger analysis. Annual accounts are prepared by the FCC elected accountants and signed off by the Board prior to being presented to members at the Annual General Meeting.

The key tools in managing financial risk are accurate bookkeeping, regular reporting, effective management and appropriate governance. FCC has appropriate policies, systems and reviews; monitored by the Board; reviewed by the FCC accountants / auditor and an independent cooperatives consultant; and reported to the Financial Conduct Authority.