

development.coop

Providing specialist co-operative business advice, consultancy & support across the UK

Business plan

2019-2022

What we're doing isn't working

- Turnover has flatlined
- Membership is showing some signs of decline
- Hard work has gone unrewarded
- We are not regarded as credible or reliable partners

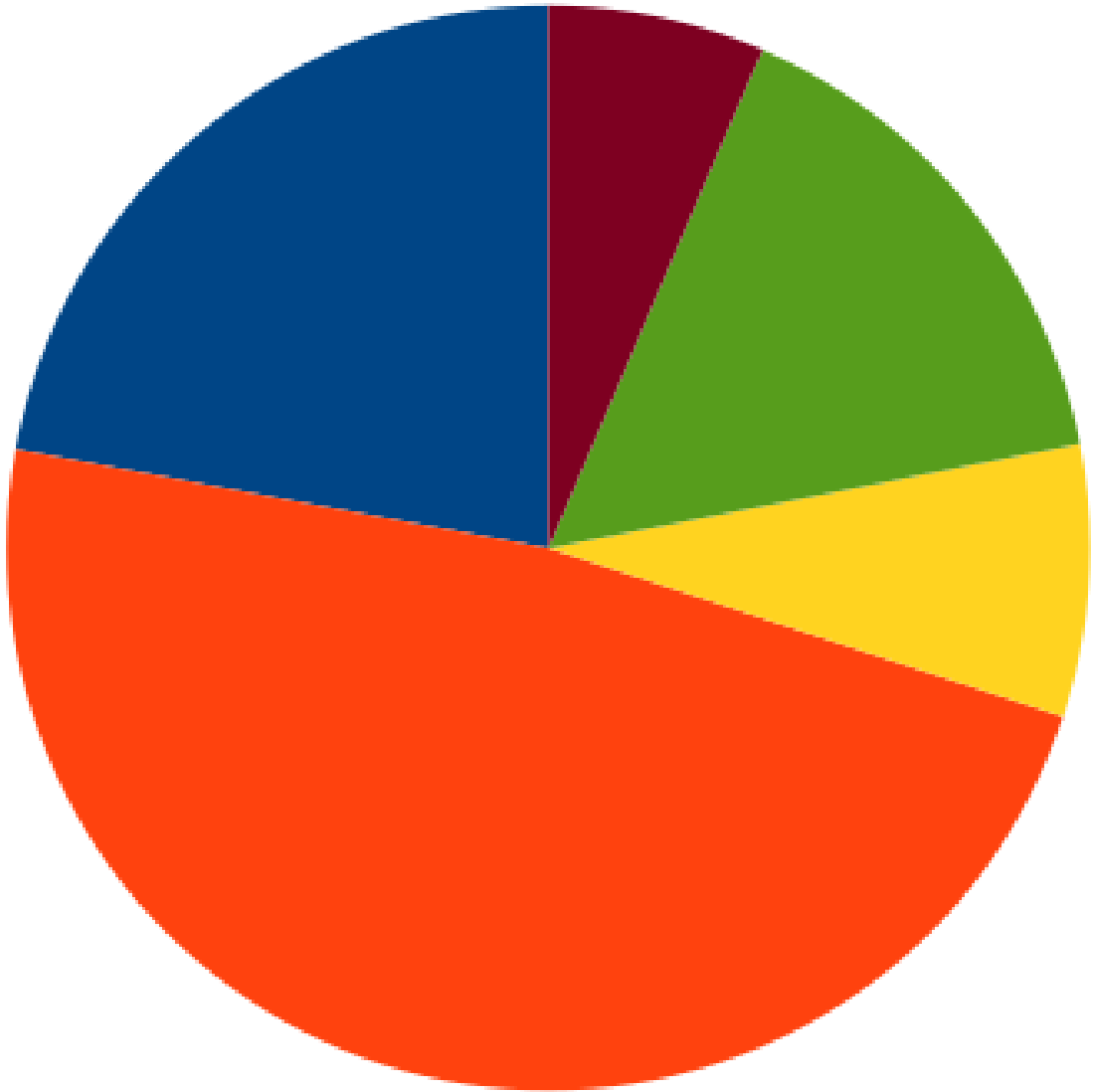
Three propositions

- We should use of risk capital provided by social investors with limited voting rights
- We need a balance between commercial trade that we specify, and commissioned and funded contracts that we do not
- A mix of rewards for members doing work comprising paid, unpaid and sweat equity is needed to manage risk and deferred income

Seed Enterprise Investment Scheme

- Up to £150,000 of capital
- 50% tax relief for investors
- Modest regulation keeps offer costs low
- Large investor networks (eg Ethex, Co-op Angels)
- Risk understood and priced in

How would £150,000 be employed?

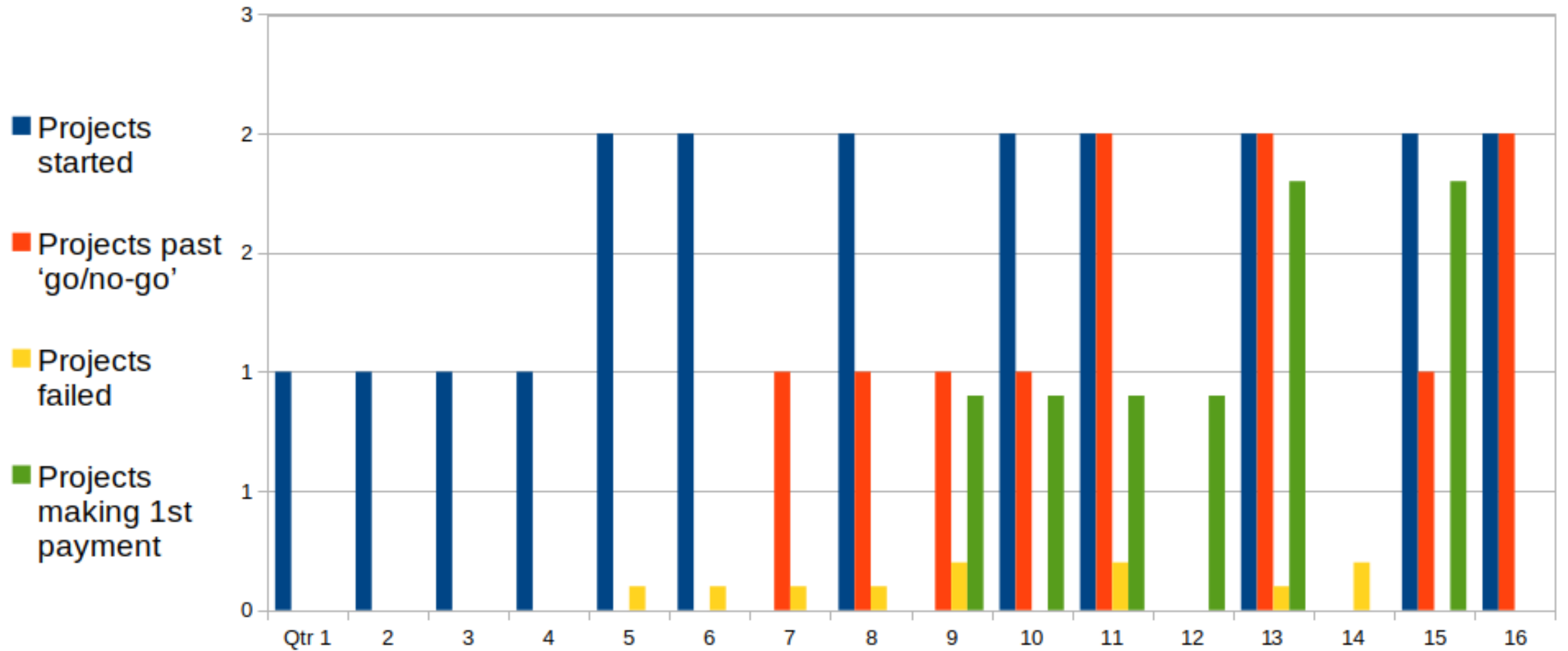


- Management and coordination
- Project development
- Bids and tenders
- Project delivery
- Other working capital

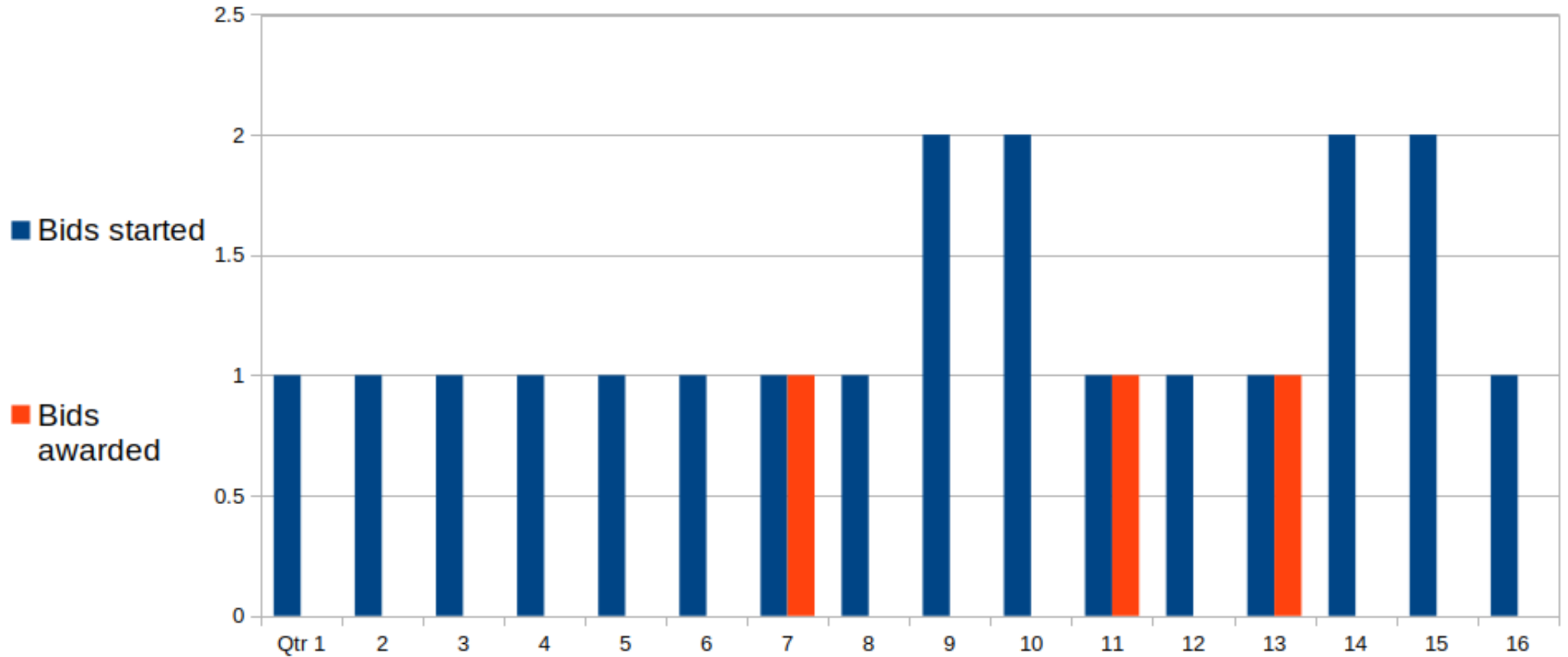
Projects and bids

- Projects typically involve a new, or very small community enterprise being the client
- Obvious risks to this approach, but allows us to do high impact work of real value
- Includes incubators (asset led projects), replication of successful and scaleable co-ops, and possibly even new CDBs
- Bids include both contracts out to tender and applications to grant funders
- Contingent on the funders / commissioners preferences
- Bids benefit from project track record; projects gain quality

Projects in the first 4 years



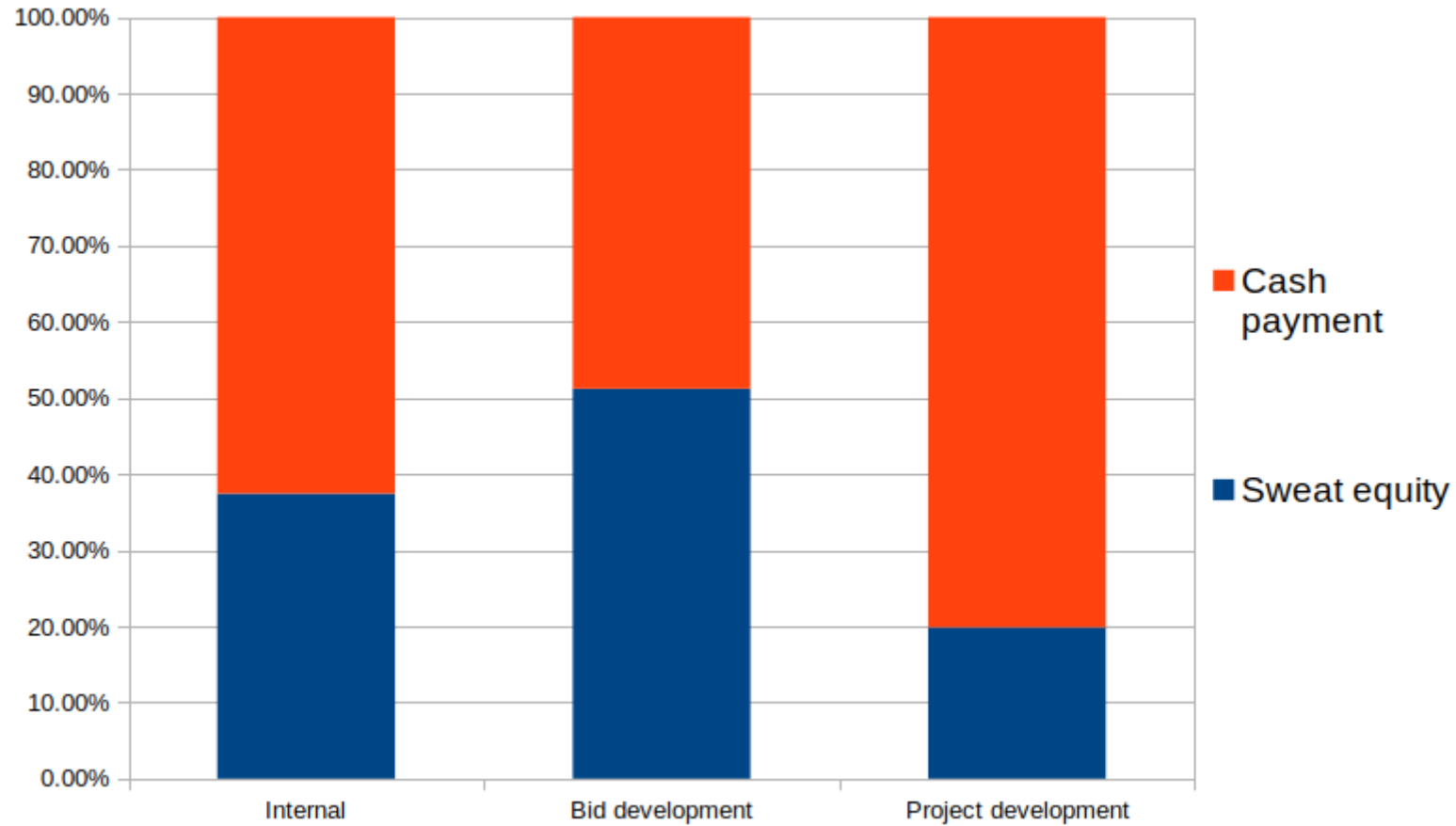
Bids in the first 4 years



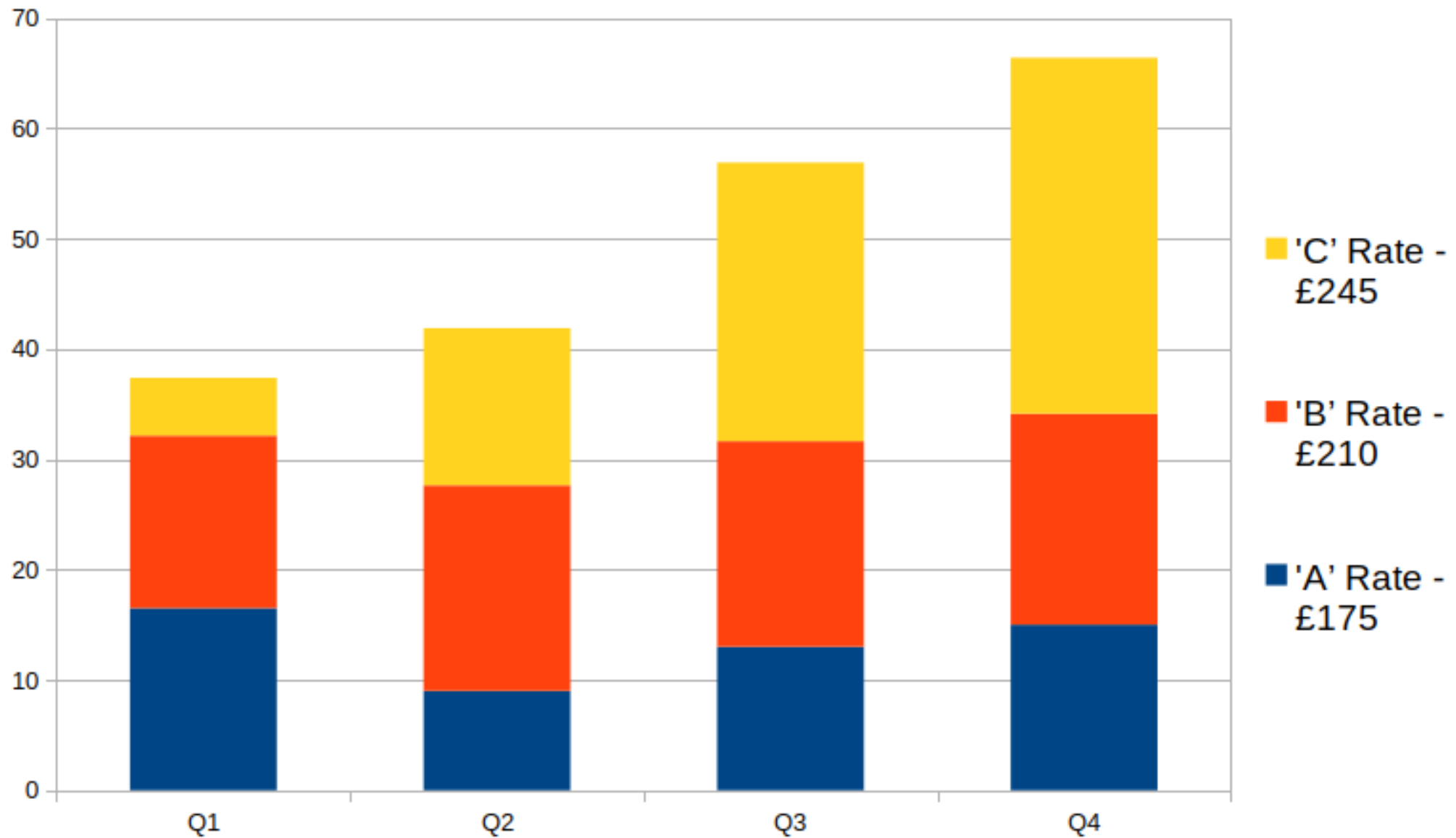
Sweat equity

- Aim to allow sweat equity to be withdrawn, with interest, from six quarters after it was issued...
- ... subject to a cap of 20% of issued share capital each quarter
- While a third of work done will be sweat equity, most of this will be withdrawn within eighteen months of the end of the year in which issued
- Typical rate will be £1.19 for each £1 worth of work (interest, plus mark up for risk)

Sweat equity by type of work



How much work is needed (days/qtr)?



Forecast

