

# Benenden's AGM

24 June 2021

**Martin Pexton / Sally Ann Marks**

# Highlights 2020/2021 financial year

- The Shop & Café have continued to serve the community throughout the pandemic.
- Café has seen multiple changes to opening hours and service as rules changed, and changed.
- Volunteers have continued, albeit in reduced numbers, to support our work.
- The Shop team has pulled together and adapted to changes with patience and good humour. We've made some team changes:
  - Ann Putt has joined our management team;
  - Penny and Lorraine have spent much more time on the Post Office, broadening their skills.

# Report & Accounts

**Year to 31 March 2021**

**Martin Pexton**

# Profit & Loss

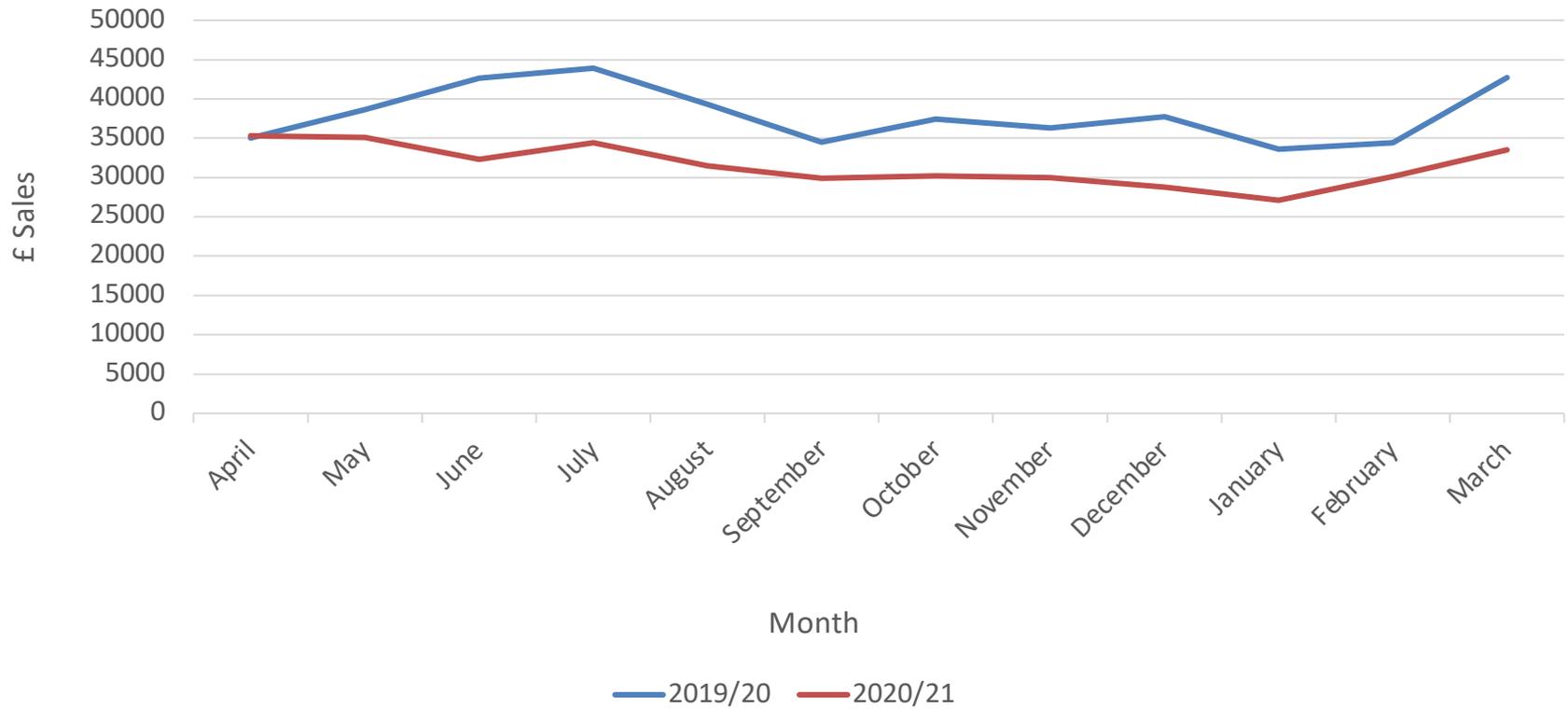
<b>Year to 31 March 2021</b>	<b>£ 2021</b>
Sales Revenue	378,211
Cost of Sales	(275,339)
<b><u>Gross Profit</u></b>	<b><u>102,872</u></b>
Post Office commission	15,063
Grants released to P&L	2,875
Government grant - COVID	10,000
Other Income	150
Admin expenses	(134,557)
<b><u>Profit / (Loss) Before Tax</u></b>	<b><u>(3,597)</u></b>
Corporation Tax	(1,040)
<b><u>Profit / (Loss) for the Financial Year</u></b>	<b><u>(4,637)</u></b>

# Profit & Loss Comparison

	£ 2021	£ 2020
Sales Revenue	378,211	456,031
Cost of Sales	275,339	(306,904)
<b><u>Gross Profit</u></b>	<b><u>102,872</u></b>	<b><u>149,127</u></b>
Post Office commission	15,063	9,086
Grant income released to P&L	2,875	7,842
Government grant - COVID	10,000	-
Other	150	174
Admin expenses and donations	(134,557)	(160,030)
<b><u>Profit / (Loss) Before Tax</u></b>	<b><u>(3,597)</u></b>	<b><u>6,199</u></b>
Profit / (Loss) After Tax	<b><u>(4,637)</u></b>	<b><u>3,898</u></b>
Balance carried forward	<b><u>25,841</u></b>	<b><u>30,478</u></b>

# Impact of COVID on Sales

Sales by Month



# Monthly sales detail

	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>H1 Total</b>
20/21	£35,300	£35,100	£32,300	£34,400	£31,500	£29,900	£198,500
19/20	£35,000	£38,600	£42,600	£43,900	£39,300	£34,500	£233,900
% Diff	+1%	-9%	-24%	-22%	-20%	-13%	-15%

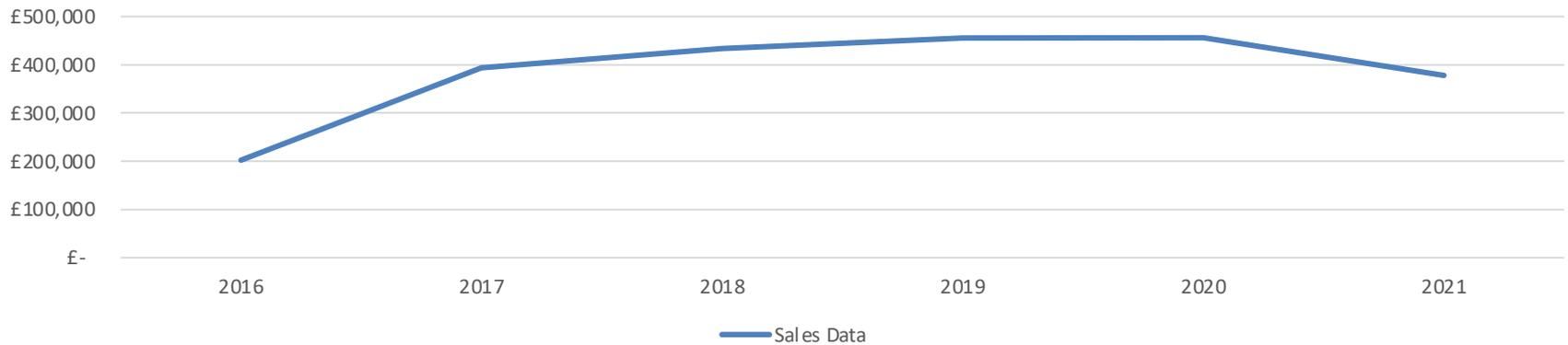
	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>H2 Total</b>
20/21	£30,200	£30,000	£28,800	£27,100	£30,100	£33,500	£179,700
19/20	£37,400	£36,300	£37,700	£33,600	£34,400	£42,700	£222,100
% Diff	-19%	-17%	-23%	-19%	-12%	-21%	-19%

# Sales and Profitability Summary

- Sales were down 17% on the prior year. The café normally provides 20% of sales.
- Overall gross margin (sales less cost of goods sold) was 27%, compared to more than 32% in the prior year. The café normally contributes over 60% gross margin and the shop about 24%.
- The reduced sales coupled with the reduced gross margin meant we had £45,000 less than last year from the shop and café to cover our overheads, profit and charitable giving.
- Increased Post Office commission covered £6,000 of the gap.
- We secured Government COVID grant of £10,000 to part close the gap.

# Sales and Profits from Start-up

## Benenden's Shop and Cafe Sales



## Benenden's Shop & Cafe Cumulative Profitability



# Balance sheet comparison

As at 31 March 2021	£ 2021	£ 2020
<b>Fixed Assets</b>	<b><u>44,204</u></b>	<b><u>56,151</u></b>
<b>Current Assets</b>		
Stock	23,273	23,273
Debtors	863	1,358
Cash	71,463	65,500
	<b><u>95,599</u></b>	<b><u>90,131</u></b>
Creditors – due within 1 year	27,802	29,644
<u>Net current assets</u>	<b><u>67,797</u></b>	<b><u>60,487</u></b>
<b><u>Total assets less current liabilities</u></b>	<b><u>112,001</u></b>	<b><u>116,638</u></b>
<b>Capital &amp; Reserves</b>		
Called up share capital	86,160	86,160
Profit & Loss Account	25,841	30,478
<b><u>Members' Funds</u></b>	<b><u>112,001</u></b>	<b><u>116,638</u></b>

# Balance sheet – fixed assets

<b>Net Book Value at 31 March 2021</b>	<b>£ 2021</b>
Leasehold property improvements	36,584
Fixtures, fittings, equipment	18,551
Computer equipment	1,016
<b><u>Total</u></b>	<b><u>56,151</u></b>

NB since start-up we have invested over £125,000 on capital items.

# Balance sheet – creditors

<b>At 31 March 2021</b>	<b>£ 2021</b>
Trade creditors	11,658
Corporation tax	1,040
PAYE, Social Security, VAT	4,513
Other creditors (accounting and tax prep fee)	900
Deferred income*	9,691
<b><u>Total</u></b>	<b><u>27,802</u></b>

*\*Grants to be released to P&L against depreciation charge in future years - in 2020-21 £2,875 of grant income was released to the P&L account.*

# Overhead comparison

	£ 2021	£ 2020
Salaries and pensions	82,206	84,667
Depreciation (non-cash)	13,618	17,785
Electricity	8,836	8,174
Rent, rates & water	5,455	5,456
Credit card and bank charges	6,055	5,582
Cleaning and waste disposal	2,953	3,406
Telephone and internet	2,678	2,822
Other overheads	12,756	12,138
<b>TOTAL ADMIN EXPENSES</b>	<b><u>134,557</u></b>	<b><u>140,030</u></b>
Charitable donations	-	20,000
<b>TOTAL OVERHEAD</b>	<b><u>134,557</u></b>	<b><u>160,030</u></b>

# Overhead commentary

- Salary costs: one fewer manager for part of the year but we paid a bonus and paid off holiday.
- Depreciation: down markedly as equipment bought for the fit-out becomes fully depreciated.
- Electricity: lower in the first half year but then a significant increase this winter.
- Rent: fixed until November 2021, but then 50% rise.
- Credit card charges: up as less use of cash, *but* there may be scope for savings if we switch supplier.

# Cash, Grants, Donations 2020 - 2021

- We had £71k cash at 31 March 2021 (2020 £65k).
- Cash has increased despite making an accounting loss because depreciation of £13,600 is non-cash.
- We spent £1,670 on capital equipment in 2020-21, compared to £3,250 2019-20 (£20,500 in 2018-19).
- We received a Government COVID grant of £10,000 in May 2020, but no other grants.
- We did not make charitable donations in 2020-21 (£20,000 in 2019-20).

# Corporation Tax

	£ 2021
Reported pre-tax loss for 2020-2021	(3,597)
Add back depreciation	13,618
Remove grant income taken to P&L	(2,875)
<b>Taxable profit before Capital Allowances</b>	<b>7,146</b>
Capital Allowances	(1,670)
<b>Taxable profit after Capital Allowances</b>	<b>5,476</b>
Tax at 19%	<b>1,040</b>

# Summary of our finances

- The operation is resilient: our managers have responded extremely well to the pandemic, showing commitment and versatility.
- Our customer base is loyal.
- We have a healthy financial position:
  - increased cash at the year end of £71,000
  - no loans outstanding.
- The first few months of 2021-22 have shown much improved performance: sales are up and profitability is good.

# How we use cash surpluses

Cash surpluses are used to re-invest in facilities, build up reserves, support good causes and permit share withdrawals:

- *Re-investment* is an on going process of replacement and upgrading;
- *Reserves* are needed to give us a margin of safety and avoid cash flow problems;
- *Charitable donations* to local good causes come out of pre-tax income;
- *Share withdrawals* out of post-tax income are possible at Management Committee discretion.

# Motions on Report & Accounts

1. To adopt the Report & Accounts.
2. Not to require a full Audit.

# Membership Strategy

- We advertise for new members in the Shop in order to keep the Shop relevant to those moving into the parish.
- The Parish Magazine in particular provides a good opportunity to promote the Shop, and to encourage participation, as a Volunteer, a Customer, or as a Member.

# Committee Membership

Current and Future

# Committee Members 2020/2021

- Sally Ann Marks
  - Nancy Tolhurst
  - Martin Pexton
  - Grant Matthews
  - Ken Anderson
  - Beverly Beveridge
  - Mo Manning
  - Peter Nuttall
  - Peter Trail
  - Deborah Jenkins
- Chair
  - Human Resources
  - Treasurer
  - Post Office Lead
  - Premises and Fittings
  - Communications
  - Secretary

# Committee Membership Changes

- Prior to the 2020 AGM we asked for additional members to join the Committee. 3 Members volunteered and joined the Committee - Mo Manning, Peter Nuttall, and Peter Traill.
- We sought new Committee members again this year.
- Cathy Presgrave has agreed to join the Committee.

# Committee Members 2021/22

- Sally Ann Marks - *standing down as Chair*
- Peter Traill - *has agreed to stand as Chair*
- Martin Pexton - Treasurer
- Grant Matthews - Post Office lead
- Nancy Tolhurst - Human Resources
- Ken Anderson - Premises and Fittings
- Beverly Beveridge - Communications
- Mo Manning
- Peter Nuttall
- Cathy Presgrave - *new member*
  
- Deborah Jenkins - Secretary

# Volunteers

- Volunteers are crucial to financial viability and to the community atmosphere.
- We currently have about 60 volunteers, of whom 40 were really active before COVID.
- We need to encourage those who used to volunteer to return, and maintain a steady supply of new people.
- Gaps in cover are a concern, especially the last shift.
- Experience from other community shops shows that volunteering is the No 1 issue.
- We will re-start 'Volunteer Evenings' this year to encourage recruitment.

# Benenden's AGM

24 June 2021

Many thanks to all of you for attending.

Please sign up on the volunteer rota if  
you can help.

Please use our shop & café