

# Volunteer Update Evening

31 October 2018

# Finance and Operations

**6 months to 30 September 2018**

**Martin Pexton**

# Profit & Loss

6 months to 30 September 2018 (rounded)

£

Sales Revenue

226,000

Cost of Sales

(156,000)

**Gross Profit**

**70,000**

Post Office commission

3,000

Overheads

(72,000)

**Net Profit**

**1,000**

NB Excludes benefit of grant income released to P&L

# Profit & Loss Comparison

	£Sep 18	£Sep 17
Sales Revenue	226,000	224,000
Cost of Sales	(156,000)	(157,000)
<b><u>Gross Profit</u></b>	<b><u>70,000</u></b>	<b><u>67,000</u></b>
Post Office comm	3,000	3,000
Overheads	(72,000)	(65,000)
<b><u>Net Profit</u></b>	<b><u>1,000</u></b>	<b><u>5,000</u></b>
NB Excludes benefit of grant income		

# Sales April to September 2018

	£
Daily net average shop and café sales	1,200
Monthly net average shop and café sales	38,000
Lowest sales – April*	33,000
Best month – June (highest ever)	43,000
Best months last year – June and July	40,000
Typical monthly Post Office commission	550

\*NB January sales usually lowest for the financial year at £30,000

# Behind the turnover

- We sell about 5,000 items per week
- Average spend per item is about £1.75
- Average spend per transaction is about £4.50
- Largest departmental sales by value are:  
Café (20%), Tobacco (10%), Bakery (10%),  
Newspapers (8%) and Alcohol (8%)
- Shop gross margin is over 20%, with some higher margin items but low margins on tobacco (5-6%);  
café gross margin is over 60%

# Gross profit breakdown

Total shop and café turnover to Sep 18	£226,000
Total gross profit	£70,000
Total gross profit margin	31%
Shop turnover (80% of total)	£181,000
Shop gross profit	£41,000
Shop gross profit margin	23%
Café turnover (20% of total)	£45,000
Café gross profit	£29,000
Café gross profit margin	64%

# Overhead Comparison

	<b>£Sep 18</b>	<b>£Sep 17</b>
Salaries	44,300	38,800
Depreciation	8,600	8,000
Electricity	4,600	3,800
Rent	3,200	3,200
Other	11,200	10,600
<b><u>Total</u></b>	<b><u>71,900</u></b>	<b><u>64,400</u></b>



# Overhead increases 2017-18

- Salaries – large increase mainly due to high overtime payments covering sickness absence, plus salary review from 1 April 2018
- Depreciation – much new equipment added
- Electricity - large increase in tariff which will have significant full year impact
- Rent – fixed until 2021 but will then increase by at least 50%
- Other overheads – similar to last year

# Cash

- We have £50k in the bank
- We have to date repaid £16k of a loan from Kent Community Foundation, with £3k left to repay
- We have spent £12k in the last six months on fixed assets including:
  - the new café servery layout
  - fridges and freezers
  - air conditioning and electrical works
  - adjustments to the shelving in the shop

# Summary

- We have doubled our turnover since we started in 2015, but growth has now slowed
- We have continued investing in equipment and fittings for the shop and café
- We are profitable but this year will not be as good as last year's result
- We have a great team of managers and volunteers
- Volunteers are crucial to our continued viability