

THE VILLAGE SHOP



Welcome to Benenden's 1st AGM!

Benenden Village Hall
7 July 2016

Agenda

Meeting opens	8:00 pm
Apologies & New Committee Members	8:10
Report & Accounts	8:15
Motions:	8:30
1. To adopt Report & Accounts	
2. Not to require an Audit	
Membership report & strategy	8:40
Vote of Thanks	8:45
Any urgent other business	8:50
Close	9:00 pm

Apologies & New Committee Members

The Committee will change every year; balancing retaining knowledge and experience already built-up, and bringing in new skills. This year:

- Six of the Start-Up Committee are standing down (Steve Simmonds, Paul Leek, Robin Dalton-Holmes, Alan Pickett, Sheila Hume, Tracy Claridge);
- We advertised (Shop, Website) for new Committee Members. We've had 2 applicants (Ken Anderson, Bev Beveridge), plus 5 existing members who want to stay on. We have sufficient Committee members; so we do not need to hold an election;
- Deborah Jenkins remains as Secretary.

Financial Accounts

Year ending 31 March 2016

Profit & Loss

Year to 31 March 2016

£

Revenue	202,089
Cost of Sales	(153,673)
<u>Gross Profit</u>	<u>48,416</u>
Overheads	(63,670)
Other operating income *	2,580
<u>Profit (Loss) on ordinary activities</u>	<u>(12,674)</u>

* Includes commission, revenue grant, capital grant released, other

Explaining the 'Overheads'

Year to 31 March 2016

£

Wages & salaries	36,440
Heat & lighting	4,928
Insurance	1,844
Repairs & maintenance	1,736
Waste disposal & pest control	1,430
Telephone	1,867
Computer	1,298
Printing & stationery	2,912
Sundries	687
Advertising	1,313
Legal & professional fees	2,127
Depreciation	6,026
Loan costs – arrangement fee etc	1,062
<u>Total Overheads</u>	<u>63,670</u>

Balance sheet detail

As at 31 March 2016

£

Fixed Assets	65,525
Current Assets	
Stock	16,010
Debtors	7,640
Cash	36,684
	<u>60,334</u>
Creditors – due within 1 year	(40,006)
<u>Net Current Assets</u>	<u>20,328</u>
<u>Total Assets less Current Liabilities</u>	<u>85,853</u>
Creditors – due after more than 1 year	(12,667)
	<u>73,186</u>
Capital & Reserves	
Called up share capital	85,860
Profit & Loss Account	(12,674)
<u>Members' Funds</u>	<u>73,186</u>

Balance sheet – fixed assets

Net Book Value at 31 March 2016

£

Leasehold property improvements	49,940
Plant & machinery	3,495
Fixtures & fittings	2,780
Equipment	9,310
<u>Total</u>	<u>65,525</u>

Balance sheet - creditors

At 31 March 2016

Falling due within 1 year

£

Trade creditors	7,317
Kent Community Foundation loan	6,333
PAYE & Social Security	1,094
Other creditors	1,366
Accruals & deferred income*	23,896
<u>Total</u>	<u>40,006</u>

Falling due after more than 1 year

Kent Community Foundation loan	12,677
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* Includes grants to be released to P&L against depreciation charge

Grants & Loans

- £10,000 grant from Kent County Council (Sean Holden) for shop and café fit out including flooring;
- £2,000 grant from Plunkett Foundation towards lease legal costs;
- £5,000+ grants from Benenden Parish Council for dishwasher and second till;
- £4,000 grant from TWBC for refrigeration equipment;
- £14,000 grant from West Kent Leader awaited for new awning, cafe stands, CCTV, UPS, newspaper and magazine stands, refrigeration;
- £1,000 grant and £19,000 loan from Kent Community Foundation, repayable over 3 years to March 2019.

Total = £36K grants + £19K loan secured to support Benenden's

What impacted our performance?

- We forecast that we'd lose money when we started as we invested to refurbish the Shop. Ongoing impacts:
 - Reduced retail space - Kitty Fisher;
 - Reduced offering – no Café, limited Post Office.
- We forecast a turnaround once we moved back into the Shop;
- But we planned to stay in the Kitty Fisher from June 2015 for <3 months. In fact the refurbishment took 6 months.

How did the delay translate into cash?

	£
Kitty Fisher: June '15 – Dec '15	(15,000)
Back Home: Jan '16 – March '16	1,500
<u>Net for 2015 – 2016 *</u>	<u>(13,500)</u>
June – Dec loss in detail:	
Operations – 7 months @ £1,500 per month	(10,500)
Un-capitalised Start-Up costs	(1,500)
Write-off of shop fittings acquired	(3,000)
<u>Total</u>	<u>(15,000)</u>

* Note: this is a management accounts view, compare £12.6K loss in financial accounts

How did the delay impact our profits?

Jun '15 – Dec '15

	Monthly £
Turnover	20,000
Gross margin	20%
Gross profit	4,000
Overheads	(5,500)
<u>Profit /(Loss)</u>	<u>(1,500)</u>

Jan '16 – Mar '16

	Monthly £
Turnover	27,000
Gross margin	30%
Gross profit	8,000
Overheads	(7,500)
<u>Profit /(Loss)</u>	<u>500</u>

Turnover improved as we moved back to the Shop with more floor space. The Café increased our turnover and overheads, but the improved margin available on Café sales moved us into profit.

April – June '16 progress

	£
Daily net average turnover	1,000
Weekly net average turnover	7,000
Weekly net turnover range	5,700 – 8,200
Monthly net average turnover	30,000
Monthly Post Office	500
<u>Monthly total turnover</u>	<u>30,500</u>

- The Café is now fully up and running;
- Turnover has increased from £27,000 per month by £3,500 since March
- But we have increased our overheads too - for example, we have 2 new part-time Café Managers.

How do we think we can continue to improve performance?

- We need to make better use of the *management information* from back office system. We need to work out how best to resource this;
- We have moved to a new *accounting system*; the changeover has been painful but it is more flexible;
- Talking to Heath Stores (Horsmonden) has given us some great *promotional ideas*; we've already run a Wine-tasting evening, more will follow later this summer;
- We will *benchmark* with more small / Community stores this year to see what else we can learn

What are the operational issues we need to tackle this year ?

- Additional grant funding agreed this year will help us with the *heat* in the Shop through installation of the awning, but we are also considering options such as air conditioners;
- Getting to grips with the *Post Office* has been difficult; we are training additional staff to improve our flexibility, which should help queuing times;
- We need to sustain the good levels of interest & enthusiasm of *volunteers* through volunteer evenings, supplier tasting events etc.

Motion on Report & Accounts

1. To adopt the Report & Accounts as presented this evening;
2. Not to require a full Audit.

Membership

Year ending 31 March 2016

How we will use surpluses?

Surpluses will be used to build up reserves, support charities and good causes and redeem shares:

- Carried forward tax losses of £30,000+ will help to shield profits;
- *Reserves* needed to meet the unexpected and avoid cash flow problems;
- Donations to *charities* come out of pre-tax income
- *Share redemptions* possible after 3 years at Management Committee discretion;
- Specific provision to be made to meet all three calls on surpluses.

Update on EIS / SEIS

- HMRC clearance obtained for EIS relief for all the First Share Issue (April-June 2015);
- Finance (No 2) Act 2015 altered qualifying criteria from 18 November 2015;
- HMRC clearance finally obtained for part of Second Share Issue (November- December 2015);
- EIS gives 30% relief on cost of shares;
- Forms EIS3 now available for eligible shareholders to claim relief.

➤ Please collect a form on your way out

Membership approach

- We will provide the opportunity for new villagers (and those that reach 18) to participate in the Shop. We will run a small-scale share offer each year to facilitate this;
- We want to keep you up to date with progress. We'll continue to publish regular updates to Shareholders, we'll keep using the website, social media, and the Parish Magazine as appropriate.

Questions from Shareholders

Grant Matthews