

Annual General Meeting

22 June 2017

Benenden's

SHOP, CAFÉ, AND POST OFFICE

Agenda

Meeting opens	7:30
Management Committee Membership	7:35
Report & Accounts	7:40
Motions: 1. To adopt Report & Accounts 2. Not to require an Audit	8:10
Membership report & strategy	8:20
Vote of Thanks & Close	8:30

Management Committee Membership

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

- Committee members during the year were Martin Pexton (Chairman and Treasurer), Paul Tolhurst (Deputy Chairman), Nancy Tolhurst, Grant Matthews, Ken Anderson, Bev Beveridge, John Burbage, Paul Leek (co-opted), Deborah Jenkins (Secretary).
- One member (John Burbage) is standing down due to work commitments;
- We have no new nominations to date;
- We do not need to hold an election.

Report & Accounts

Martin Pexton

Year to 31 March 2017

Profit & Loss

Year to 31 March 2017

£

Sales Revenue	394,190
Cost of Sales	(290,567)
<u>Gross Profit</u>	<u>103,623</u>
Revenue Grants received	702
Post Office commission	7,360
Grants released to P&L	6,364
Other Income	40
Administrative expenses	(115,759)
<u>Net Profit</u>	<u>2,330</u>

Profit & Loss Comparison

	£ 2017	£ 2016 <small>(15/03/15 – 31/03/16)</small>
Sales Revenue	394,190	202,089
Cost of Sales	(290,567)	(153,673)
<u>Gross Profit</u>	<u>103,623</u>	<u>48,416</u>
Post Office commission	7,360	1,403
Grants to P&L	6,364	389
Other	742	788
Administrative expenses	(115,759)	(63,670)
<u>Net Profit (Loss)</u>	<u>2,330</u>	<u>(12,674)</u>
Balance brought forward	<u>(12,674)</u>	-
Balance carried forward	<u>(10,344)</u>	<u>(12,674)</u>

2016 -17 sales

Daily net average shop and café sales **1,080**

Weekly net average shop and café sales

7,600

Weekly net sales range

6,000 – 9,000

Monthly net average sales incl extras

33,000

Monthly Post Office commission

500

Monthly average total turnover

33,500

- Daily sales on weekdays almost always exceed £1,000
- Saturday is not always the busiest weekday
- Sunday sales are variable and have exceeded £900
- Monthly shop and café sales ranged from £28,000 to £35,000+

Behind the turnover

- We sell about 5,000 items per week
- Average spend per item is about £1.70
- Average spend per transaction is about £4.50
- Largest departmental sales by value are:
 - Café (20%), Tobacco (11%), Bakery (10%),
Newspapers (8%) and Alcohol (8%)
- Lowest margin is on tobacco (5-6%)

Gross profit illustration

Overall shop and café turnover	£394,000
Overall gross profit	£104,000
Overall gross profit margin	26%
Shop turnover	£314,000
Shop gross profit	£64,000
Shop gross profit margin	20% -
Café turnover	£80,000
Café gross profit	£40,000
Café gross profit margin	50% +

Balance sheet detail

As at 31 March 2017	£	£
Fixed Assets		<u>76,666</u>
Current Assets		
Stock	16,621	
Debtors	2,297	
Cash	51,057	
	<u>69,975</u>	
Creditors – due within 1 year	64,252	
<u>Net Current assets</u>		<u>5,723</u>
<u>Total assets less current liabilities</u>		<u>82,389</u>
Creditors – due after more than 1 year		6,873
		<u>75,516</u>
Capital & Reserves		
Called up share capital		85,860
Profit & Loss Account		(10,344)
<u>Members' Funds</u>		<u>75,516</u>

Balance sheet comparison

As at 31 March 2017	£ 2017	£ 2016 (15/03/15 – 31/03/16)
Fixed Assets	<u>76,666</u>	<u>65,525</u>
Current Assets		
Stock	16,621	16,010
Debtors	2,297	7,640
Cash	51,057	36,684
	<u>69,975</u>	<u>60,334</u>
Creditors – due within 1 year	64,252	40,006
<u>Net Current assets</u>	<u>5,723</u>	<u>20,328</u>
<u>Total assets less current liabilities</u>	<u>82,389</u>	<u>85,853</u>
Creditors – due after more than 1 year	6,873	12,667
	<u>75,516</u>	<u>73,186</u>
Capital & Reserves		
Called up share capital	85,860	85,860
Profit & Loss Account	(10,344)	(12,674)
<u>Members' Funds</u>	<u>75,516</u>	<u>73,186</u>

Balance sheet – fixed assets

Net Book Value at 31 March 2017

	£
Leasehold property improvements	46,105
Plant & machinery	-
Fixtures & fittings	22,545
Equipment	8,016
<u>Total</u>	<u>76,666</u>

Balance sheet – creditors

At 31 March 2017

Falling due within 1 year

£

Trade creditors	15,831
Kent Community Foundation loan	6,321
PAYE & Social Security	3,694
VAT	2,958
Other creditors	2,877
Accruals and deferred income*	32,571

Total

64,252

Falling due after more than 1 year

Kent Community Foundation loan	6,873
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* Includes grants to be released to P&L against depreciation charge

Overheads

• Salaries and pensions	£75,758
• Depreciation	£14,009
NB non-cash	
• Power	£6,322
• Cleaning and waste disposal	£2,810
• Card and bank charges	£2,295
NB 2017-18 will be higher as Free Banking expired	
• Telephone and internet	£2,386
• Rent, rates & water	£2,470
NB rent alone in 2017-18 £5,000	
• Other	£9,709
• TOTAL	<u>£115,759</u>

Overhead comparison

	£ 2017	£ 2016
• Salaries and pensions	75,758	36,440
• Depreciation	14,009	6,026
• Power	6,322	4,928
• Cleaning and waste disposal	2,810	1,430
• Card and bank charges	2,295	1,062
• Telephone and internet	2,386	1,867
• Rent, rates & water	2,470	-
• Other	9,709	11,917
• TOTAL	<u>115,759</u>	<u>63,670</u>

Cash and Grants 2016-17

- We had £51k cash at 31 March 2017 (March 2016 £37k)
- We have repaid £6k of a loan from Kent Community Foundation and have £13k further to repay over the next 2 years
- We had a £13.5k grant from West Kent Leader
- We had a £4k grant from Tunbridge Wells BC
- We had a £600 grant from Benenden Seniors
- Cash performance is better than profitability!

Major changes this year

We wanted to make better use of the space we have:

- We're changing the layout to give more space to those items that deliver better revenue & margin.

We needed to tackle the summer heat:

- Awning is in place – some adjustment needed;
- We have bought 2 mobile aircon units for the front of the shop;
- We may make a planning application for more permanent air-conditioners, if required.
- We will move the fruit/veg chiller unit to the front of the shop

We needed better visibility of cost of sale & margin:

- Invested in laptop to allow booking-in of goods as they arrive;
- Better use of data from the back-office system.

How do we improve profitability?

REVENUE

- Continue to develop our offering
- Increasing the number of customers
- Increasing the number of transactions
- Increasing average spend per transaction
- Paying careful attention to gross margin

COSTS

- Managing costs without compromising quality
- Investing in better equipment where we can
- Making provision for unforeseen costs

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 2017

How we will use surpluses?

Surpluses will be used to build up reserves, support 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.

Membership approach

- We will provide the opportunity for new villagers (and those that reach 18) to participate in the Shop. We ran 2 share-offers as we started up the Shop. We will run another share-offer once there is sufficient evidence of interest from the village;
- We want to keep you up to date with progress. We'll continue to publish regular updates to Shareholders, we have a regular slot each month in the Parish Magazine, and we'll keep using the website, and social media as appropriate.

Questions for the Committee?

Benenden's

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