

# Volunteer Update Meeting

## 22 February 2018

*Benenden's*

SHOP, CAFÉ, AND POST OFFICE

# Agenda

Section	Timing	Lead
Meeting agenda & introduction	19.30 start 5 mins	???
Finance Update	15 mins	Martin Pexton
???	15 mins	???
???	40 mins	???
Shop Layout Changes	15 mins	Ken Anderson
Mingle and chat	21.00 finish	Free association

# Finance and Operations

**9 months to 31 December 2017**

**Martin Pexton**

# Profit & Loss

9 months to 31 December 2017 (rounded)

£

Sales Revenue

334,000

Cost of Sales

(233,000)

**Gross Profit**

**101,000**

Post Office commission

5,000

Overheads

(96,000)

**Net Profit**

**10,000**

NB Excludes benefit of grant income released to P&L

# Profit & Loss Comparison

	£Dec 17	£Dec 16
Sales Revenue	334,000	295,000
Cost of Sales	(233,000)	(217,000)
<b><u>Gross Profit</u></b>	<b><u>101,000</u></b>	<b><u>78,000</u></b>
Post Office comm	5,000	5,000
Overheads	(96,000)	(84,000)
<b><u>Net Profit (Loss)</u></b>	<b><u>10,000</u></b>	<b><u>(1,000)</u></b>
NB Excludes benefit of grant income		

# Sales April to Dec 2017

	£
Daily net average shop and café sales	1,200
Weekly net average shop and café sales	8,500
Monthly net average sales	37,000
Lowest month – April*	32,000
Best months – July and August	40,000
Typical monthly Post Office commission	600

\*NB January 2018 sales lowest for the financial year at £30,000, as in 2017

# 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 Dec 17	£334,000
Total gross profit	£101,000
Total gross profit margin	30%
Shop turnover (80% of total)	£264,000
Shop gross profit	£56,000
Shop gross profit margin	21%
Café turnover (20% of total)	£70,000
Café gross profit	£45,000
Café gross profit margin	64%



# Overheads for the 9 months

- Salaries £60,000
- Depreciation £12,000 (NB non-cash)
- Electricity £5,500
- Rent £4,500
- Telephone, internet and IT £3,000
- Card and bank charges £2,500
- Cleaning and waste disposal £2,000
- Insurance £1,500
- Repairs and maintenance £1,500
- Equipment rental (coffee machine) £1,000
- Other £2,500
  
- TOTAL £96,000

# Overhead increases 2016-17

- Salaries – higher overtime from staff changes and need to cover PO training
- Depreciation – new equipment added
- Electricity – air conditioning added to cost
- Rent – much of last year covered by a rent-free period
- Repairs and maintenance – wear and tear

# Cash

- We had £50k in the bank at 31 December 2017
- We have to date repaid £11k of a loan from Kent Community Foundation, with £8k left to repay
- We have spent over £7k in the financial year on fixed assets including air conditioning units, the large glass-fronted freezer, the milk fridge and upgrading the electrical supply
- We plan to spend money on the café server area, shelving, a new drinks fridge and storage freezer

# Profitability - impacts

## REVENUE

- Continuing 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

# Operational issues

- We have tackled the *summer heat* problem
- We have reconfigured parts of the shop area to make best use of limited *selling space*
- We are responding to concerns about the *food preparation area* in the cafe
- We continue to work on better *information* from the back office system, especially on margins
- We are trying to resolve *supplier problems* following the collapse of P&H

# 'How to' Guides

- We have developed a number of simple one page guides to help volunteers.
- The guides cover a range of subjects for both Café and Shop. They provide a quick overview of:
  - Legal issues such as Tobacco and Alcohol sales
  - Checking Temperatures
  - Opening up routine
  - Closing down routine
  - Basic cleaning
  - Using the coffee machine
  - CUSTOMER SERVICE .....



# Shop Layout Changes

Ken Anderson



# Questions for the Committee?

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