

SPAXTON COMMUNITY SHOP SOCIETY LTD

FINANCIAL REPORT FOR 2015

Formal accounts have been prepared by our accountant, and will be emailed to shareholders in the next few days. If any shareholders who are not on email would like a copy of the full accounts posted to them, please contact the secretary, Vernon Hughes, on 671380.

At the beginning of 2015 the shop had been built and the keys handed over, and shelf units had been built on site and installed. January 2015 saw the arrival of fridges and freezers, a counter, and the EPOS (electronic till). About £8,000 worth of stock was delivered, and we opened for business quietly on 31st January.

In the early weeks of the year we spent £16,000 on fixtures and fittings. The biggest items were the final payments on the fridges and freezers, the EPOS, the intruder alarm and CCTV, a laptop, plumbing and display units. In October we made the final payment of £2,309 to the builder, and at the end of the year we paid about £6,000 for solar PV panels. Half of this cost was met last month by a grant from Scottish Power.

We had estimated that our sales would be about £7,500 a month at the outset, rising to £10,000 a month by the end of the year. In practice we took £13,170 (including VAT), and the monthly takings rose gradually for 9 months, peaking at £16,154 in October. In October we also had our best week, recording sales of £4,100 in fair week, which coincided with the road works on the roundabout at the bottom of Charlynch Lane. The better-than-expected sales may be due to our long opening hours, and the fact that we accept payment by card. November was quieter, and the pre-Christmas rush just compensated for the loss of selling hours over the Christmas holiday. In our first 11 months of trading we took £162,796 including VAT. The cost of the stock was £133,676 including VAT. At the end of the year, the cost price of the stock on the shelves was £10,634, and we owed £6,000 to our suppliers.

We have over 30 suppliers. 30% of our stock comes from Bookers. The rest of the top ten, in order of cost, are Yeo Direct, Pullins (bread), Hills (meat), Sedgemoor Drinks, Cosseys (fruit and veg), The Paper Shop, Queenswood (wholefoods), Just Desserts (cakes and muesli) and Miles (tea and coffee.) We are proud of our wide range of goods from small suppliers, eight of whom live in or just outside the parish.

During the first nine months of trading, we ran entirely with volunteers. In mid-October we employed a paid part-time manager, Karen Dennett.

Our funding package included a £20,000 grant from the Plunkett Foundation, which was tied to a £20,000 loan from Co-operative and Community Finance. We are paying off the loan over three years, and the last payment will be made in January 2017. As it has turned out we did not need the loan – but we did need the grant, and we couldn't have one without the other. At the start of the year, our bank balance was £31,585, and our outstanding loan was £15,673: net £15,912. At the end of the year, our bank balance was £27,109, and the outstanding loan was £8,150: net £18,959. It is gratifying and reassuring to see that, despite the big outlay at the beginning of the year, and the salary we are now paying, our net bank balance has grown by £3,000 during 2015. We had budgeted £2,500 for air conditioning, but, thanks entirely to the engineering expertise of Simon Haswell, we have an effective air extraction system that cost about 8% of that budget.

The main event in 2016 has been the build up to, and the opening of, the post office. The installation cost Post Office Ltd about £12,000, and us about £2,000. In the first month's full trading they paid us £282, which works out at about £2 for every hour that the post office is open. This is about the level of remuneration that we were led to expect, based on the volume of business done at the old post office. We hope that it will grow as more people realise that we are here, and when they detect a greater level of confidence and competence behind the counter!

In summary, the shop is on a firm financial footing; takings are much higher than we predicted and a little higher than they were this time last year; and we are looking to the future with confidence.

Richard Lee, 3rd April 2016