

# **CHAIRMAN'S REPORT-2016**

## **Thank you's.**

Thank you, Chris for your detailed and accurate financial report for the past year, and also for all your support over the year. It has been much appreciated.

I would also like to thank all the committee for their support and help once again over the last year in the chair. Once again special thanks have to go to Linda in her absence for looking after all the purchasing and merchandising. Her dedication to this enormous part of running the shop is much appreciated by all. I would also like to thank Enid for all her support as vice chair, it has been a tremendous help to me.

We still have approximately 30/40 active helpers who give up their time for the community shop. Thanks to all of them for their time and hard work they put in to making the shop the success it is. Without them the community would have lost its shop and Post Office many years ago.

Once again many thanks to Helen and Peggy who put a write up in the 5-alive on a regular basis and Pearl who still looks after and distributes the helper's and membership vouchers.

## **FINANCIAL REVEIW**

As Chris has reported, last year was the second best year for sales the village shop with sales revenue of £60.4K, which was a small shortfall of £1.2K on the previous financial year.

Unfortunately we had a break- in in May, the damage to the shop was extensive, the good news there was no goods lost only a tremendous mess to clear up. The bad news was that we lost a little trade over the five to six weeks we were waiting for the front door to be replaced.

Despite this setback, the new shop and post office has continued to be a tremendous success in its second full year in our new premises. Well done to you all.

After purchases of nearly £50K we made a reasonable gross profit of 15% compared to last year which was 16%. One of the main reasons it is difficult to increase our gross profit % is because of our large sales of daily newspapers which now amounts to over £8800 per annum of our total revenue; this is over 14% of our total sales with no profit attached. If you strip out the newspaper sales out of the equation the gross profit is running at 17.5% for the rest of the sales, very close to the target of 20% Chris would like us to achieve. The newspaper sales effects our gross profit margin by 2.5% in a full year.

Our general expenses for this year were just under £12K, similar to the previous year, which gave us a small net loss of £2K for the financial year ending June the 30th.

There were several expenses that contributed to this loss. Firstly, our depreciation costs of £1.9K were very high again this year. This figure will reduce each year as we write down the

very generous gift from Merlin of all our shelving and new refrigeration, which was added to our fixed assets two years ago.

We did save £445 on electricity this year, but this expense will remain high because of air condition units that are in the new shop.

This year there were also additional maintenance costs for our three air conditioning units of and the repair of the liquor and cigarette cabinet which amounted to £1347. The good news is that this year Merlin have paid for the annual maintenance of these units; so there should be a saving this year.

Our cash flow and bank balance remains similar to last year at a healthy £27000.

In January we invested £20000 of our funds in a timed deposit accounts, £10000 for 12 months and £10000 for five years, leaving us with a working cash flow of around £7000 in our current account. Interest on these deposit accounts will be paid in January 2017 and January 2021. The committee will continue to review these investments on a regular basis.

### **EVENTS AND PROMOTIONS DURING THIS YEAR .**

Action taken to improve our sales.

#### **Promotions and events last Christmas.**

- Once again we sent a Christmas card to all residents of Cromhall promoting our range of goods on offer and the opening times over Christmas. This was distributed in December's edition of the 5-alive.
- We had a Christmas hamper raffle. The proceeds went towards the spring outing for tea at 3.
- Subsidised Christmas party for all our volunteers and partners.

#### **New lines introduced into the shop since we have opened.**

- Coffee and hot drinks machine.
- Increased range of new greetings cards.
- Fresh bread three times a week.
- Larger range of beers, wines and spirits.
- A small selection of daily newspapers for sale.
- Increased range of cakes.

#### **Other events and promotions during the last year.**

- Increased the discount value and frequency of our Membership vouchers.
- Introduction of new £10 gift voucher.

#### **Our involvement in the local community over the last year.**

- We have supported St. Andrew's Church Garden fete, the annual Flower show and the St. Andrew's School Auction.
- We have been the central point for delivery and distribution of prescriptions.
- The focal point for most local events.
- The delivery of supplies to the old and frail.
- The information point for messages about residents in the local community.

### **APPEAL FOR NEW HELPERS.**

Once again the appeal goes out for new helpers. Although we have some 30/40 helpers we can always do with more. If you know of anyone who would be willing to give a few hours on a regular basis please let Enid know.

### **CHRISTMAS PARTY.**

Once again, we had a very successful Christmas dinner party here in the village hall last December, very well organised by Linda. The date for your diaries this year is Saturday the 10<sup>th</sup> of December at the same venue with the same caterers.

### **1<sup>ST</sup> QUARTERS REVENUE FIGURES.**

The first quarter's figures this year are slightly down on last year. We took £15430 in the first thirteen weeks, £400 less than last year. The first two weeks in October there is a similar trend emerging.

Last year was an excellent year, exceeding £60K sales for the second year running in the shop's history.

It would be nice for the shop to exceed £60K for a third year running!

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### **And Finally.**

A review of our opening times .

We did a survey on the viability of staying open at lunchtime. It was discussed at our last committee meeting and it was agreed to give it a trial run if the afternoon staff who it affected would be willing to do the extra hour. I put a memo on the staff notice and in the shop diary asking the keyholders and helpers concerned to let me know their decision before the AGM. Nobody has come back to me so I assume no one is willing to give it a trial run.