



Treasurer's Annual Report

Dobcross Village Society Ltd Annual Members'
Meeting 14.09.25

The first complete years of operation has been both challenging and exciting and many lessons have been learned. The aim of the staff and volunteers, Management Committee, financial contributors and customers has been the same. That is to maintain and develop a key village asset for use into the future. The success of the first year of trading and in particular the receipt of the Community Ownership Fund ("COF") grant to assist with the purchase and refurbishment of the shop has set the foundation for this.

The strategy for the coming years will be to build on what has been a positive start to grow a community owned business that thrives and becomes profitable by identifying and meeting the needs of its customers. Key to this future success will be for our customers to operate on the "use it or lose it" principle.

On a purely trading basis the shop made a loss of around £5,000 in the first year but this was impacted by the two week closure for refurbishment. If we can increase sales by only £200 per week (5% based on average sales) we would likely turn this into a small surplus.

The staff and Management Committee will be targeting more than this with new products and services that focus on the needs of the Dobcross community to make DVS sustainable in the long term.

Financial compliance activity

- The Society bank accounts are operated by The Co-operative Bank plc;
- Our accountants are Jackson Brierley Harthan Ltd ("JBH"), High St, Uppermill;
- The Payroll is also managed by JBH;



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- The Society is registered for VAT with HMRC, our VAT number is 483 2175 85.

Funding and business acquisition

The acquisition of Dobcross Post Office by the Society was funded by subscriptions and donations arising from the general request for pledges from Dobcross Villagers and other interested parties. Total amounts raised totalled £63,011, this was split:

- Share subscriptions - £54,050;
- Donations - £8,961.

The Dobcross Post Office business transferred to the Society from Brian Hodgkinson on 5th April 2024 for £28,530.



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Trading update

Trading Income:

- Retail sales in the year were £202,573 (ex-VAT £190,898). This compares to VAT inclusive sales in the year prior to acquisition of £147,803.
- This sales were impacted negatively by the fact that the shop was closed for 2 weeks in February 2025 for the refurbishment;
- Average weekly sales were £4,077 excluding part weeks and shutdown weeks. The highest weekly sales were £6,319 (Whit Friday week) and the lowest was £2,808 in the week after Christmas;
- Post Office income in the year was £10,979 (ex-VAT £10,770).

Trading expenditure:

- Stock purchases in the year were £143,836 (ex-VAT £136,235);
- Stock purchased with the business was broadly similar to that at the year end at around £10,500;
- Running costs excluding acquisition costs, one off items wages and rent were £12,870 (ex-VAT £11,346);
- Wages and related tax and pension costs were- £52,590;
- Annual rent was £8,000.

Year end accounts

As noted above the shop made a loss of around £5,000 on a pure trading basis. This compares to an overall surplus per the year end accounts of £18,475. The reason for the accounting surplus is largely related to two issues:

- The grant from the Community Ownership Fund – accounting rules determine when this is recognised as income in the accounts. This timing and the fact that



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the grant covered some of the running costs for year 1 drives much of the difference and is not included in the trading analysis;

- Donations from the public – as noted above, members of the village pledged almost £9,000 in donations. This is recognised as income in the accounts in year 1 but we have again not included it in our estimate of trading performance as it would be distortive.

The balance sheet looks as healthy as we could reasonably have hoped at the start of trading:

- Cash on hand plus the large VAT repayment received from HMRC shortly after the year totalled just under £44,000 so our cash balance is strong;
- We have a refurbished asset with new more energy efficient equipment;
- We have pre-paid the rent for the second two years of operation.

Grant and associated activity

The Society successfully applied for grant funding from the Community Ownership Fund (“COF”) during the year. The award was delayed by the UK General Election in July 2024) but £91,200 was received in August 2024. The amount received was split as follows:

- Capital element (contribution to business purchase, refurbishment and equipment and early years rent) - £76,000;
- Revenue element - (Brian Hodgkinson support to continue to act as postmaster pending the agreement of the Post Office contract, contribution to acquisition legal fees, contributions towards utility and staff costs) - £15,200.

The COF grant process operates under strict conditions:

- It requires applicants to specify how much funding they require for different elements of spend at a detailed level;



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- For capital funding COF require recipients to match fund 20% of the cost of items claimed for. This required the Society to commit to spend a minimum of £19,000 out of our own funds;
- All spend must be made within the financial year in which the grant is given. This meant that all of the grant had to be spent by 31st March 2025.

The delay in receiving the grant meant that the shop refurbishment was delayed from August 2024 to February 2025. As this was a period of significant inflation in the construction industry the actual refurbishment cost was higher than budgeted for at the time of the grant application. This required some negotiation with COF to reclassify elements of capital spend between categories but all of the grant was spent by the deadline.

Future targets

The key financial target for the coming year is for the Society to operate on a trading break even basis.

At present due to the grant we have a buffer of £8,000 per year due to the shop rent being paid for the next two financial years but the objective will be for income to increase and costs to be controlled to ensure that we can independently support ourselves in future.

As noted above, to achieve this we consider that sales will need to increase at the minimum from the 2025 weekly average of £4,077 by around £200 but we will be aiming for or more than this.

Steve Brophy

Treasurer - Dobcross Village Society



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