

SPAXTON COMMUNITY SHOP SOCIETY LTD FINANCIAL OVERVIEW FOR 2016

2016 was a very successful year for the Spaxton Community Stores. Takings (including VAT) were just under £190,000. The most useful comparison with the previous year is to compare the takings from February to December with those in the corresponding months in 2015. (We opened on January 31st 2015). Using this measure, takings were up 9.8% on the previous year. We are beginning to see a correlation between sales and day length, with sluggish trade in January and February, and a summer peak. I imagine that this is due to greater use of the playing field when the weather is nicer and the evenings longer, and the influx of summer visitors. Holidaymakers are usually a pleasure to serve, because they are so complimentary about the shop. However, our best month was December. On the day which included our Christmas hamper evening we took £1,478 – easily our best day so far.

The biggest sellers are, in order, delicatessen, dairy, alcoholic drinks, bread, tobacco, newspapers and magazines, and confectionery. Our standard mark-up is 25%; and, to offset the cost of wastage, 30% on perishables.

On February 15th, we opened the Post Office. This was the culmination of five years of negotiation with Post Office Ltd, and the contract that we have been given is an example of what is flatteringly called the Modernisation of Post Office Services. In the old Post Office, most of Mr Baughan's income was a "small office payment". We don't get that – our only income is the commission we get on the business we do. Getting set up for the Post Office cost us about £2,000. We pay VAT on our commission, and we share the cost of the Post Office phone. Typically we net about £280 a month. But about 40% of Karen's time is taken up with the Post Office, so in reality it costs us about £130 a month for the privilege of running it. However, we don't know how much of the 9.8% increase in shop takings is caused by the increased footfall due to the Post Office. That may become clearer during 2017.

We had a £20,000 loan from Co-operative and Community Finance, which we were paying back over three years. At the start of 2016, the outstanding loan was £8,150, and at the end, £627. The last payment was made on 18th January 2017.

The Society is now in a strong financial position, with just over £36,000 in its bank accounts – almost twice what we had in December 2015. The official accounts show that the year's profit was £18,002. We have to pay £1,106 corporation tax to HMRC. In years to come, our corporation tax bill is likely to be around £3,000. We are now in a position to offer grants to other non-profit-making organisations within the parish, in line with our constitution, which states that our purpose is to carry on business for the benefit of the community.

We have about 300 shareholders. Most of you bought shares in 2011. In 2012, the government introduced a scheme called SEIS, which enabled people who bought shares thereafter to claim back 50% of their investment from HMRC. Satisfying HMRC that their criteria have been met has been a laborious process, now nearing completion. The 62 shareholders who applied for tax relief under this scheme will receive their claim forms very shortly. We are no longer seeking to sell shares in order to attract more capital, but we do welcome new shareholders, because we appreciate the widest possible participation in the Society's affairs. We are producing a new share application form which will invite people to join the Society by buying one £5 share.

Karen, our manager, is employed for 24 hours per week. The shop is open for 65 hours a week; the post office for 33; and there are two staff members present at all times. Our ability to provide this service for the village is due to our marvellous team of 50 volunteers, who willingly take on all sorts of jobs – some of which aren't as obvious as manning the till.

Richard Lee, 23rd March 2017