

Hollins Green Community Shop

Chairman's Report 2017.

Thank you all for joining us at our 3rd Annual General Meeting. It is part of our statutory requirement to our shareholders and members to report our trading results for the previous financial year (to 31st December 2017). Our financial reports have been prepared in accordance with the FCA requirements and by Geniac a partner of Grant Thornton Accountants who managed our accounts preparation, VAT returns and Payroll.

2017 saw revenues grow £10k reaching £290k a growth of 3.6% on 2016. However sadly our operating profit result ended up as a loss of £5.4k before depreciation. There are several factors that have influenced this disappointing result compared to the previous year. So although the sales have increased year on year, the fundraising sales have decreased by £5K. To be clear, the fundraising sales provide 100% profit, whilst the shop sales only contribute around 20% profit, which is where the sales growth came from.

This has highlighted once again, that the shop is relying heavily on fundraising to keep the shop open. In the long run, our first objective is to ensure we make a profit without needing fundraising income. This will ensure the shop will survive indefinitely.

Therefore shop sales are key and at this level of loss, we would need an additional £27,000 sales per year, which equates to £75 per day.

The other factors for this loss, are increases to the National living wage, higher utility costs, mainly from the summer months when we had issues with the air conditioning and had to use a third mobile air con unit. Also refrigeration repair costs, now our equipment is getting older.

The other main increase in spend was our accountancy fees where as in 2016, we had several months without an accountant, hence lower cost.

As identified at the end of 2016 the gross margin was lower than expected so actions were put in place to improve through 2017.

These actions were price reviews, new product lines with higher margins (ie the bread oven products) and changing suppliers to give better choice and margins along with more focus on reducing wastage and reducing product lines with lower margins such as cigarettes.

It has become clear that the weather is a key influencing factor in trade. The better the weather the higher the sales! Also holiday periods see a downturn in trade and we learn from this moving forward.

As mentioned previously, other sources of income are key to the sustainability of the shop and we continue to run the 200 club monthly prize draw, raffles covering Valentines, Easter, Summer, Xmas to name a few. We also ran another community fundraiser in the village hall which was a huge success and was sold out at 200 in numbers. This event was again very well supported and brought the whole community together for another great night of entertainment which we aim to run again in 2018 in the summer and towards the end of the year.. The event raised over £3k profit for the shop which was down on our first fundraiser but still went a massive way to helping.

It has taken a while but in April 2018 we eventually had the National Lottery installed which was seen as a key sales driver going forward and another action to help sustain the shop. Early indications for May 2018 are showing that sales are up over £5k on May 2017 and not just from the Lottery but additional sales associated with those customers buying the lottery. Hopefully this will continue.

In 2017 we were shortlisted down to the last 100 independent retailers in UK & Ireland. We were invited to London to represent the shop where we proudly gained a top 4 position which was a huge recognition for the shop and all involved.

Space continues to be an issue for the shop not just in terms of limiting revenue growth but working environment for the team. This will be a priority to address once funds allow.

This then leads me on to discuss the proposed plans to relocate the shop to the community hall. No doubt you will be aware that plans have been drawn up to include the shop within the hall. This was an idea put to us to resolve the space issue at the current location. We have requested feedback from our customers for their views which are taking into consideration. There are several criteria we need to go through with the hall committee for this project to work. Updates will be available from the shop team.

I spoke earlier about issue during the summer months with the air conditioning units in the shop not coping with the heat on some days. To solve this we have a quote to install a third unit which has been kindly

funded by customers donating their change which amounts to £900 at present. We have also received funding from Cheshire Community Foundation of £500 and a promise of £500 from the parish council to complete the work.

Priorities for 2018

“Grow revenue by another £30k to ensure we breakeven without fundraising income”

There is a real good base of locals that use the shop and sometimes more than twice, three times a day which is fantastic and goes without saying is a great for the shop. The elderly and young certainly benefit from the facility too and without them we would not exist. A high proportion of the sales come from passing trade, we need to work on residential trade as we do know a lot of our residents still do not choose to use the shop. We will also seek feedback as to understand why this is the case. Targeting these people will again be a key focus for 2018 and we would welcome feedback from these people. If anybody has any ideas on how we can get more people to use the shop please feel free to call in the shop and discuss.

We will also continue other income initiatives to support trading but our long term goal is to establish operating profit from trading alone to ensure the shop is sustainable indefinitely.

2018 will be our fourth year of trading and hopefully through growth and other initiatives we will be in a position to start to repay the loan Hamilton Davies Trust kindly provided at the start of the project.

The committee again wish to thank and recognise the time and effort over and above normal duties the Shop Manager Julie Atkinson, and her team of staff and volunteers for doing an excellent job throughout the year to run the shop day to day. The shop is now established as a key asset to the village and is down to everyone to ensure our shop remains open.

We continue to get a lot of positive feedback about the friendly welcome the shop team and volunteers give every day which is vital to its success and future.

We continue to have around 30 volunteers doing various roles with most of them working in the shop doing 2/3 hours shifts, helping with deliveries and stock management and also performing essential maintenance duties.

This has been a great success and is vital that it continues to help run the shop as without these people there would be no shop. We appreciate they give up their free time just to support the shop. On behalf of myself and the committee we say a big thank you all.

We are continually looking for more volunteers to work in the shop and will welcome all enquiries as we always have volunteer slots on the Rota.

Finally I would just like to mention that one of our dear customers, Ken Gerrard, sadly passed away earlier this year. He was our first share holder and he kindly made a cash donation to the shop before it opened. It was the wish of his family to donate half his funeral donations to the shop. This was a lovely gesture which we are very grateful for. With his wife, Nancy's permission, we have decided to spend some of the money on a bench outside the shop to remember him by. Ken came to the shop every day and always shared a joke. He is sadly missed by all the staff.

Many thanks
Phil Atkinson- Chairman

Our Aim

“To provide a shop run by the community that meets the needs of the community and provides a consistent offering and reliable service at a fair price”

It's your Community, It's Your Village, It's Your Shop!!!