

East Budleigh Community Shop Annual Report

As we are all aware, last year was challenging for small businesses. There was high inflation in the grocery sector which increased in the prices we have to pay for our stock, there was a very large increase in the price we pay for energy, and the hike in minimum wage has meant we've had to substantially increase what we pay our staff.

However, we are very fortunate to have an excellent management team that have done a fantastic job helping us weather this difficult storm. Last year, Sally stepped in to provide holiday cover for Mel whilst she went for an extended holiday in Australia. It seems she enjoyed the experience so much that she has now joined the rest of the team of Mel, Clive and Anne. I would like to put on record my thanks and appreciation for the work that they do on behalf of the committee, the volunteers and our customers.

Last financial year the shop made a small loss of £4,217 (2022 profit £3,969) on a turnover of £277,732 (2022 £256,708). A small loss was expected as we knew we faced significantly increased operating costs and had also agreed at the AGM to redistribute some of our retained profits by increasing the value of the loyalty card. The gross profit was slightly lower than we previously targeted largely as a result of not passing on the full impact of supplier price rises.

At last year's AGM, we discussed how we might reduce the amount of cash we were holding in the business. Over the course of the last 12 months or we have reduced the amount of cash in our business from £38,000 to £28,000. We have done this by purchasing a new coffee machine for £5,000 and increasing the value of the loyalty cards. The cost of the loyalty card 'bonus' was £3,100 - broadly in line with our loss for the year.

The new coffee machine has proved very popular and we are proposing to introduce a coffee loyalty card. Buy 8 get one free.

The committee have reviewed the amount of money we have in the bank and concluded that it would be wise to retain all the funds in the business for the next year. When we last reviewed our reserves policy we were operating with much lower costs. It seems prudent to hold at least 6 months operating costs as a contingency against unexpected problems (e.g. pandemic). Our freezers and chiller cabinets are now getting relatively old and we will need to consider replacing them in the not too distant future. This is likely to cost in excess of £10,000 and although no date has yet been set for their replacement it is sensible to have money available in case they need to be replaced at short notice.

As we want to continue to try and offer the best value we can, the committee are proposing the loyalty card be reduced from £8 to £5 which we hope will put us back on a break even basis.

We are very fortunate to have a thriving shop in our community but this only happens as result of the support we get from our management team, volunteers and customers.

Paul Smith, Chair of Management Committee

The Annual Report and Accounts are available on the shop website at www.eastbudleighshop.co.uk.