

Report for the Lismore Community Trust (LCT) AGM 26 September 2024

1. Introduction

The purpose of this report is to give an insight into how the shop is performing since being taken over by the LCT in November last year. The report is based on the community stores management accounts for the five-and-a-half-month period from 17 November 2023 to 30 April 2024, the financial year end for the LCT. These accounts make no provision for depreciation of fixed assets. In the absence of an accurate stock value at the accounting date we have estimated the cost of sales based on an indicative gross margin percentage. This may require an adjustment when the 6 months accounts are prepared to 31 October 2024.

Actual performance has been compared with the profit and loss forecast (pro-rated to match the period in question), and with the cashflow forecast from the Invitation to Buy Community Shares booklet. These can be found in the appendices.

2. Performance

Profit & Loss	Forecast £		Actual £
	Year 1	P/E 30.04.24	P/E 30.04.24
Post Office Income	11,700	3,900	2,465
Sales	170,000	77,917	79,109
Total Income	181,700	81,817	81,574
Stock Purchases	138,211	63,347	59,893
Expenses	52,628	24,121	28,646
Profit/(Loss)	-9,139	-5,651	-6,965

As expected, we have made a loss in our first (almost) 6 months of trading, £6,965 v £5,651 forecast. Although our income was on target (higher sales compensating for lower post office income due to the delays in the start of the notice period) our expenses were higher than forecast. The difference is primarily attributable to increases in electricity costs, and higher than forecast vehicle running costs, payroll taxes and pension costs.

We believe that our gross margin on goods sold is better than forecast, although we cannot be sure of this until we prepare the 31 October management accounts.

Had we been in a position to receive 100% of post office income for the full period we would have virtually broken even.

More good news is that our sales revenue in the four months May to August was 50% higher than forecast. Although this is before adjusting for VAT (we have been registered for VAT since 1 July) this is a very encouraging sign.

3. Looking forward

As a community shop we do not need to make big profits, but we must not operate at a loss so these are the key areas we will focus on in the coming months: optimising our stock levels and managing our margins. There is not much scope to reduce our overheads, and at this stage we cannot afford to increase them so still need the support of our volunteers – we could not operate without them. So, a big thank you to our volunteers, and to all our customers – please keep shopping!

Appendix 1 - Cashflow

Forecast	Pretrading	Mth 1	Mth 2	Mth 3	Mth 4	Mth 5	Mth 6	Total
Money In £								
Share investment	70,000	-	-	-	-	-	-	70,000
Sale of Goods	-	14,000	13,000	13,000	13,000	13,000	12,000	78,000
PO income	-	-	-	-	1,300	1,300	1,300	3,900
CSS Grant	3,000							3,000
Total money in	73,000	14,000	13,000	13,000	14,300	14,300	13,300	154,900
Money Out £								
Business purchase	12,000	-	-	-	-	-	-	12,000
Existing stock purchase	16,000							16,000
Wages and oncosts	-	3,176	3,176	3,176	3,176	3,176	3,176	19,053
Purchasing new stock	-	11,667	10,833	10,833	10,833	10,833	10,000	64,999
Rent	-	264	264	264	264	264	264	1,584
Utilities	-	-	-	750	-	-	750	1,500
Insurances	-	1,500	-	-	-	-	-	1,500
Delivery charges	-	240	240	240	240	240	240	1,440
EPOS licences and IT	-	133	120	120	120	120	120	733
Staff recruitment	-	200	-	-	-	-	-	200
Maintenance	-	125	125	125	125	125	125	750
Advertising and marketing	3,000	250	-	-	-	-	-	3,250
Refurbishment	-	1,500	-	-	-	-	1,500	3,000
Vehicle	-	15,000	-	-	-	-	-	15,000
Legal and valuation fees	2,000	-	-	-	-	-	-	2,000
Total money out	33,000	34,055	14,758	15,508	14,758	14,758	16,175	143,009
Net cash in/out	40,000	- 20,055	- 1,758	- 2,508	- 458	- 458	- 2,875	11,891
Opening Balance	-	40,000	19,946	18,188	15,681	15,223	14,766	
Closing Balance	40,000	19,946	18,188	15,681	15,223	14,766	11,891	
Actual	Pretrading	Mth 1	Mth 2	Mth 3	Mth 4	Mth 5	Mth 6	
Money In £								
Share investment	47,275	-	-	-	-	-	-	47,275
Donations	48,055	-	-	-	-	-	-	48,055
Sale of Goods	-	3,356	13,687	14,618	12,199	13,796	20,228	77,884
PO income	-	-	-	-	-	-	801	801
CSS Grant	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	181	181
Total money in	95,330	3,356	13,687	14,618	12,199	13,796	21,210	174,196
Money Out £								
Business purchase	12,000	-	-	-	-	-	-	12,000
Existing stock purchase	7,996	-	-	-	-	-	-	7,996
Wages and oncosts	-	-	2,892	4,431	2,871	4,482	3,652	18,328
Purchasing new stock	-	10,851	13,370	10,510	10,051	13,168	12,903	70,853
Rent & Rates	-	-	429	263	327	263	681	1,963
Utilities	-	-	-	-	-	-	-	-
Insurances	-	786	85	85	85	85	85	1,209
Delivery charges	-	87	187	257	-	223	120	874
EPOS licences and IT	-	-	43	100	49	184	538	914
Staff recruitment	-	-	-	-	-	-	-	-
Maintenance	-	-	70	-	106	480	-	656
Advertising and marketing	-	-	195	-	25	-	-	220
Refurbishment	-	-	-	-	-	-	-	-
Vehicle	2,000	32	129	32	308	102	32	2,635
Legal and valuation fees	-	-	2,934	-	-	-	-	2,934
PC for shop	-	0	0	649	0	0	0	649
Container	3,360	-	-	900	1,591	321	-	6,172
Miscellaneous	-	43	84	84	153	25	6	395
Credit card commission	-	-	-	-	76	167	190	433
Total money out	25,356	11,799	20,418	17,311	15,642	19,500	18,207	128,231
Net cash in/out	69,974	- 8,443	- 6,731	- 2,693	- 3,443	- 5,704	3,004	45,966
Opening Balance	-	69,974	61,531	54,801	52,108	48,666	42,962	
Closing Balance	69,974	61,531	54,801	52,108	48,666	42,962	45,966	