



Chair's Statement – Financial Year 2023-2024

Introduction

I am pleased to report to our members the results for our financial year 2023-2024, and to briefly summarise the key points, along with details of current trading, immediate challenges and future plans.

Overall, our trading performance was much improved, and has continued to perform well in the first five months of the current financial year.

Our role as a social hub and centre for the village is well established. We continue to be a focal point for other village groups and activities and a place of support for more isolated residents or those with additional needs.

All of this would not have been possible without the commitment and dedication of our band of volunteers, who have helped deliver these improved results. For all your support and efforts above and beyond, I would like to thank you, on behalf of the village, and the wider community.

Finally, I regret to report that after 10 years of working well together with the Community Club to everyone's mutual benefit, the working relationship with the Club committee has recently deteriorated. We are at a loss to understand this breakdown in relations, but remain ready at a moment's notice to work constructively to restore a positive working relationship.

Unless this can be resolved successfully, it raises a serious doubt as to whether, in the longer term, the Shop will be able to continue to serve the village from its current location, and presents the real possibility that the Shop could have to close – at least for a temporary period.

2023-2024 trading summary

Our trading for the financial year was broadly in line with our predictions for a significant improvement, and we are able to report a close to break-even position, with an operating loss – before interest payments – of just £581 – down from £12,716 in 2022-23.

Sales were £235,513 compared to £193,412 the previous year – a 22% increase and in line with our forecast. Gross margin, however, was 22%, a little below our target of 24%.

Administrative expenses were carefully managed and were close to those the previous year at £51,324.

Full details can be seen in the accounts, available on the Shop website www.bretshop.org.

Trading – year to date

Our budget for 2024-25 is based on a sales target of £236,000, with an aim to improve the margin to 24%, which would lead to a small trading surplus of around £2,800.

I am pleased to report that for the first 5 months of the current financial year, the sales figures are tracking ahead of our budget. Gross margin has remained at 22%, still below our target, but with scope to improve in the second half of the year. Meanwhile the level of sales means that year-to-date we are trading at a modest level of profitability.

The cash position has stabilised after last year's decline, and I am pleased to report that the month end position, net of all liabilities is stable at around £6k-£7k in surplus.

We are also delighted to welcome our new management team of Lisa and Sarah, who are already making a strong impact on the running of the Shop and helping us meet our targets and service to the community.

Working relationship with the Club

In the first half of the year, we entered into discussions with the Club Committee about revising our lease to allow the Shop to apply for grant funding towards an extension which would include a storeroom and toilet. However, after both parties received similar legal advice, it became clear that a new lease should be agreed, so the grant application was withdrawn, with an expectation that both parties would continue to work together to arrive at a mutually satisfactory solution.

Subsequently in July, the Shop committee received notice from the Club asking us to vacate the shared storeroom in the Club building and to cease use of the toilet from 31st December 2024. Verbally, Club staff and committee members have suggested that the Shop should install a temporary storage container and "Portaloo" in the garden area at the side of the Shop to replace the lost services.

Your shop committee has always recognised that the use of the storeroom and toilet was never intended to be a long-term solution and fully intends to comply with the notice. However, our request for a meeting to agree and confirm the detail of the Shop's temporary arrangements has been rebuffed, with a subsequent letter from the Club secretary stating that *"save the Community Shop's requirements, The Club Committee see the matter as closed and no further correspondence, either formally or informally, will be taken into"*.

We have written to the Club for clarification of what the intentions of the Club are and reiterated the necessity of a working relationship to deal with matters of mutual interest including a revised lease. However, at the time of writing, we have not received a reply.

Ultimately your community Shop depends on a mutually supportive working relationship with the Club, who stepped up in 2013 to help the village get a shop back after the old Post Office closed. Without this continuing goodwill it will be impossible to take forward the Shop plans for a full refurbishment, along with a permanent extension to include a storeroom and toilet that has long been part of our plans.

Your committee remains committed to re-establishing a proper working relationship with the Club committee, and will keep members and the wider community fully informed of progress.

Future plans

While operational planning and improvements continue unchanged - along with plans for the temporary storage and toilet accommodation – all other development plans are on hold pending a resolution of the relationship with the Club.

If these issues are resolved successfully, we are confident that this will be for the mutual benefit of the community and in turn this will enable the shop committee to apply for development grants, and village contributions to refurbish and extend the shop and retain facilities and services which we believe are valued by the village.

We will continue to update members and the wider village as matters evolve.

Chris Buckham
Chair – Bretforton Community Shop Ltd – Community Benefit Society