

Bradwell-on-Sea Community Shop

A shop run by the village for the village



Business Plan

For the Start up period and the first three years of trading

Business Plan 2009 to 2012

Our Aim:

To provide a community shop managed by volunteers and run by volunteers and paid staff for the benefit of all Bradwell residents and visitors to the village.

To be a friendly place at the heart of the community with a smile and welcome for everyone.

Short Term Objectives

- To open the shop as a General Store, providing a wide mix of products but initially being cautious in the amount stocked and avoiding some more difficult items.
- To provide postal services (stamps, accept parcels etc) for the full opening hours of the shop.
- To be more than just a shop. To provide an area for local people to sit with a cup of tea and meet to swap news. To provide information for visitors to help them enjoy our village and the surrounding area.

Medium Term Objectives

- To sell newspapers and magazines as soon as possible (ideally when shop first opens).
- To reopen the Post Office assisted by Essex County Council for a minimum of 15 hours per week, with an Essex County Council Information Point.
- To sell fresh, locally grown produce.
- To sell alcohol and tobacco if there is sufficient demand.
- To be an outlet for quality locally produced goods and crafts.

Long Term Objectives

- To have a small café within the shop.
- To open a branch at Bradwell Waterside.

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1. Background

1.1. The Village

Bradwell-on-Sea is located on the Essex Coast in the district of Maldon, on the Dengie Peninsular at the estuary of the River Blackwater. It is 15 miles to the nearest medium-sized town of Maldon and 25 miles to Chelmsford, the County Town of Essex. The nearest small shops/Post Offices are located in the adjacent village of Tillingham 3 miles away or St Lawrence 4 miles away.

The population is estimated to be around 400 households and 1000 permanent residents, with an increased holiday population.

The Village is made up of three distinct communities which are connected by farm land and housing

- The Waterside area which consists of a Marina, Sailing Club and Outdoor Learning Centre and caravan site
- The Village centre with a School, Church and Village Hall
- A hamlet to the south at Mill End, near where there used to be a windmill.

Within the Village is a Nuclear Power Station in the process of being decommissioned with around 300 workers at the site, an Old People's Home with a Specialist unit for Alzheimer patients, a historic Saxon chapel built in 654 AD that attracts many thousands of visitors each year and two caravan sites.

In the Village there are three Public Houses which provide drinks and food. Up until three years ago the Village had two shops and Post Offices, both now closed.

It has been noticed by the residents of the Village that over the three years that the village has been without a shop that the community has changed, in that people no longer have a meeting place which the shops provided. They were somewhere that people could buy goods, have conversation with others and hear what was happening in the village.

The village attracts a significant number of visitors in the Summer months, some of whom stay in the immediate area in the Caravan sites and on boats.

1.2. The History of Bradwell Village Stores

The building which will be used for the Community Shop is in the village centre, in the High Street and next to the Church. It has been used as a shop for the past 100 or so years. In the past, there were several other traders and shops nearby, including a tea room, a forge, a bakery and a doctor's surgery.

In late 2006 the owner closed the shop and put it on the market where it remained until February 2009 when the current owner bought the shop and flat. The present owner is keen to lease the shop to the community and reopen the shop as a Community Shop in order that Bradwell may once again have a shop within the community.

The Post Office also closed along with the shop. Initially the closure was temporary, but was made permanent by Post Office Ltd about 6 months later.

The other shop and Post Office in the Waterside area of the village closed a short while later due to the death of the post mistress, and the property has been subsequently sold.

In early 2009, the Parish Council approached Essex County Council to enquire if they would be willing to re-open the Post Office as part of their initiative*, and the response was positive.

1.3. The Villagers' response to closure

For most villages the Post Office and shop is a vital lifeline and for some people, especially those without transport, it is an important connection with the world beyond their front door. It is a meeting place, communication centre and an important lynchpin of village life. Much of the appeal of our village rests on its sense of community. It is the reason many people have moved here and remain here.

The loss of our shop and Post Offices over the past three years has changed our village and changed our community spirit, the presence of a Post Office and shop would, we feel, greatly enhance that community spirit.

1.4. The Premises

The shop was built in around 1850 and is situated in a Conservation Area. The building is not currently Listed.

A plan of the shop shown in Appendix 1, and it is approximately 50 m² in floor area. It has undergone many changes over the years, and now has one main sales area (on two levels) and two side rooms.

Above the shop is a flat where the owner lives. One ground floor room is also part of the living accommodation.

Like many old buildings, the shop entrance is not easily accessible by those with restricted mobility or with children in push-chairs. Inside the building, the main sales area is on one level, but there are steps to secondary sales areas. When the shop opens, portable ramps will be available to ease these problems, and plans will be drawn up to make permanent improvements.

A lease is being drawn up by the landlord for the occupation of the shop by the Management Committee.

A volunteer working party have offered to help with the decoration of the premises and the installation of washing, WC and staff facilities. Most of the work will be carried out by volunteers only charging for materials used.

Additional work will be need for the Post Office and Information Point, which will be paid by Essex County Council.

1.5. Initial funding requirements

The estimated initial funding required to open the shop is around £5000, and details are given in Table 1 in Section 7. It is anticipated that all this money will be raised from local fund-raising, loans and donations. £700 has been raised so far, and around £4,500 has been pledged by local residents as loans or donations.

Essex County Council have agreed to cover the costs of opening the Post Office, and running it until the end of March 2011.

1.6. Further funding requirements

To expand the stock beyond the initial range may require further funding. While some items will need modest amounts of money, it is estimated that to stock newspapers and magazines will need around £1000 to provide a deposit for the wholesaler and working capital while sales are built up.

* Essex County Council have a policy to re-open some Post Offices that PO Ltd are unwilling to run – see www.essex.gov.uk and look for the Essex Post Office Initiative under the Business section.

To expand the community meeting area to become a café will also require substantial funding. Other items for which funds will need to be raised are improvements to the accessibility of the building, and an awning outside to keep the sun and rain from the entrance.

The Management Committee will also consider whether a branch of the shop can be opened in the Waterside area, to benefit both residents of that area and summer visitors.

In accordance with the rules of the Company, all profits should be invested back into the business or donated to local groups. Therefore if the shop is profitable it will be able to fund some improvements.

However because it is a voluntary community-run organisation, applications can be made to grant-giving bodies for assistance, and it is possible that local residents and businesses will be invited to make further loans and donations to enable the shop to expand. This will only be done when the shop is trading successfully.

2. Management of the Shop

2.1. Background Information

Following the purchase of the shop and flat in early 2009, the landlord offered the shop to the community to be run as a community shop. Discussions took place between members of the Parish Council, the Parish Church and other members of the community into the proposition. This led to discussions with Essex County Council who have a policy of re-opening Post Office's and with ViRSA* to opening as a Community shop.

In June 2009 a meeting was called of the villagers that fully supported the proposal of the reopening of the shop and Post Office from which nine people volunteered to stand on the Steering Group. From these nine, four members were elected as Chair, Vice Chair, Treasurer and Secretary with the remaining offering to carry out various duties. This committee has met regularly in preparing for the opening of the shop.

The Steering Group prepared a survey that was delivered to every household in the village to gauge the support for a shop and Post Office and to understand what services the community wanted. It also asked the residents if they would be willing to help in the decoration, maintenance of the shop, volunteering to run the shop, provide specialist advice or give financial assistance. The response rate of 27% of all households was excellent, and 83% of these respondents would use a shop with Post Office facilities at least weekly, with 25% using it daily and 36% two or three times a week. The result of this survey gave the Steering Group the confidence that the opening of the shop with a Post Office was what the residents of the village wanted and would support. It was agreed to work towards this in the setting up of an action plan and further research towards the opening of a community shop.

Following the registration of the Company in Sept 2009 the Steering Group was replaced by an Interim Management Committee, which will be in charge until the first AGM. This is in accordance with the rules of the Company.

2.2. The Legal Structure

The Bradwell-on-Sea Community Shop has been registered with the Financial Services Authority as an Industrial and Provident Society with community objectives. The ViRSA model shop rules have been adopted by the Group. These rules are designed for community-run businesses.

- Any profits from the shop may only be re-invested in the shop, or donated to local social groups.

* ViRSA are part of the Plunkett Foundation, which promotes and supports co-operatives and social enterprises in rural communities worldwide.

- They also allow for shares to the value of £1 each to be issued to individuals and corporate bodies when they become members of the Association. They are simply the equivalent of a membership of the Association, and do not give any ownership of the business. Legally the shares shall be neither withdrawable nor transferable, shall carry no right to interest, dividend nor bonus, and shall be forfeited and cancelled on cessation of membership from whatever cause; and the amount paid shall become the property of the Association.
- No-one on the Management Committee can gain financially from the business.
- There will be an Annual General Meeting of the Shop to hear progress reports and elect the Management Committee. Only those who are members may vote, although anyone may attend. The first AGM will be held soon after the shop opens.

Registration is being completed under the Data Protection Act to make sure that all data that the shop collects which is stored on computers is safely protected and used only for the purpose for which it has been given.

2.3. The Management Team and C.V.s

The Appointed Officers of the Interim Management Committee are:-

Mick Leahy Chair
Norman Hunt Vice Chair
Peter Horscroft Secretary

The Committee has a broad range of skills, qualifications and experience, including business experience, retail experience, social enterprise skills, experience in fundraising, book keeping, Human Resources, and volunteering. Within the village and immediate area we have been able to call on assistance from residents with professional legal, business and accountancy expertise.

Peter Horscroft: Secretary

I have had a lifetime experience in retailing (38 yrs), mostly in the motor spares area. I have run two shops, the first with a partner, the second as an independent.

I am now semi-retired and therefore have the time to commit to the project.

This is my first venture into “volunteering”, but is one ideally suited to my knowledge of shop “layout” and my general organisational skills will be at the forefront of this project.

Michael Baker: Landlord

My background is in the computer industry as an Analyst and Programmer, and for two years I ran a Computer shop selling hardware and software for home computer industry when it was in its infancy. After becoming redundant from a computer bureau company 5 years ago, I been self-employed as a gardener and also computer consultant to a small charity.

I have also had some experience in community involvement, with resident’s groups, Credit Unions and community businesses. I was one of the leading resident representatives in a major redevelopment of the Ladywood area of Birmingham.

Norman Hunt: Product Supplies and Range

I am a retired employee of Bradwell Power Station .where I worked for twenty seven years. Since retiring I have pursued a number of pastimes and pet subjects that I am interested in at present I am a volunteer at Nightswood day care centre where we are establishing a refuge and retreat for the mentally and forgetful clients of this area .

I am the local chair of a charity called CPRE campaigner for Rural Essex . I also belong to the Essex Wild Life Trust and help raise money for the preservation of habitat. I am a member of the group on Essex county council called LAF IE Local Access Forum Essex, this is a body of People interested in promoting access to the rural country side and advising the council of Essex the best way to implement all the right of way legislation .

2.4. Village Survey

The survey carried out in July 2009 found that 35% of Bradwell-on-Sea residents who replied to the Questionnaire were over 65 years of age, and 15% were under 25.

However this unlikely to be fully representative of the total population mix, since the 2001 census recorded 15% over 65, and 28% under 25 in the Bradwell Parish.

There were at least 15% of the elderly residents who had no car and relied on friends or the local bus service that operates infrequently for getting to the shops, GP surgeries, dentist etc.

The Steering Group undertook the survey to find out from the local community what the level of support was for the re-opening of the shop and Post Office, and also what the support was for help in the various duties to be undertaken and financial help in the way of grants and loans.

A total of 435 letters and survey forms were delivered to residents in the village and around 170 have been returned.

The results indicated substantial support with

- 9 volunteers offering help with decorating and setting up the shop.
- 17 volunteers to serve on the counter.
- £4,500 worth of pledges in loans and donations.
- 22% of the population have said they will use the shop on a daily basis and 36% twice a week or weekly.

The full results from the survey are given in Appendix 3.

2.5. The Post Office

The June 2009 survey asked people how often they would be likely to use a Post Office in Bradwell. A very clear majority though that having a Post Office was important. Nearly all said that they would use it at least occasionally, with over 50% at least weekly. Full results from the survey are in Appendix 3.

They were also asked which services they would want. The most popular requests were for normal posting and parcels, with Road Tax and Personal Banking also asked for by many people. However, we will be unable to supply Road Tax renewal due to the small size of our branch and Post Offices are unable to renew TV licenses.

Discussions have been held with Essex County Council and Post Office Ltd about the Post Office. Essex County Council have said that they are willing to fund the costs of re-opening and running a small Post Office counter for around 15 hours per week. However they have guaranteed funding only until March 2011, and due to the work involved the earliest that the counter could open is February 2010.

The landlord is applying to become the Sub-postmaster, to be responsible for the overall running of the Post Office. A paid employee will be sought for the day-to-day running of the counter.

In the interim period until the Post Office is open, the shop will offer as many postal services as it can. Arrangements will be made with Royal Mail to pick up parcels and other items which cannot go in a post box (such as recorded delivery) from the shop each day at around 5 pm.

Stamps will be sold from the shop, both 1st and 2nd class in books and singly, and a SmartStamp machine installed to print a postage label of any value for parcels and packets.

Investigations will be made as to whether a PayPoint or similar machine could be installed to offer bill-paying, card payments and mobile phone top-ups.

2.6. Setting our Objectives

An open meeting of the village held in June where around 35 residents attended and a further 15 apologised for their absence. This meeting and the results of the shop survey held in July have shown that there is interest and support in the village for a shop and Post Office and enabled us to set realistic objectives.

Based on this information we aim to re-open the old Post Office Stores as the Bradwell-on-Sea Community Shop with a Post Office and general store, and to extend the range at a later date to sell some of the very high quality products which are available locally. Also we aim to add newspapers and magazines as soon as possible. It is hoped that this can happen before March 2010.

It is proposed to open the store in phases. This is to enable the shop to open as quickly as possible with the limited funds available and limited number of volunteers. The Management Committee realises that this will mean that some items requested by some residents will not be available initially. However, they will be added as soon as it becomes practical.

- Phase 1 to decorate and refit the shop, and open it for the selling of the range of general goods described in Section 3.2 and some postal services, with a simple area for community use & refreshments.
- Phase 2 to open the Post Office for a minimum of 15 hours per week and install the Essex County Council Information Point, and provide an area where local people using the shop can sit and talk and use the information system and possibly a facility which will enable those without a computer to use the internet
- Phase 3 to increase our stock, particularly to include locally produced goods and food.
- Phase 4 to review and replace the shop facilities as money permits and the need arises.

It is also hoped to provide other services in the shop such as dry cleaning, photo service, cash facility and other services which are seen as a potential to increase trade.

The committee will also look into the possibility of opening a branch in the Waterside area to serve the residents who live there and visitors to the Marina and Caravan Park.

2.7. Staffing

2.7.1. Paid Staff

This Business Plan assumes one part-time salaried Shop Manager working for approximately 10 hours per week, whose job will be to support volunteers in the initial stages and who will have responsibility for opening and closing the shop each day, overseeing the main and seasonal product ranges, ordering and re-stocking.

The job will be advertised locally when an opening date has been fixed.

It is hoped that this member of staff will also run the Post Office, with the salary costs for that being covered by Essex County Council.

2.7.2. Volunteers

From the survey information we are anticipating sufficient volunteers to staff the shop during the times when the Shop Manager is not present. Volunteers will be sought for the following shifts, ideally to be performed on the same day each week, although there will be the possibility of fortnightly shifts.

- 9 to 11 am
- 11 am to 1 pm
- 2 pm to 4.30 pm

A few volunteers will be sought for standby duties, to be able to take over when the regular volunteer is unable to fulfil their shift. Normally volunteers will be expected to arrange a swap with another volunteer when they know in advance that they will be unable to perform a shift.

Volunteers will need to be trained in their responsibilities and will be accompanied by another trained volunteer, or a member of the Management Committee, for the first session or two.

2.8. Accountability

The village shop has been valued by residents over many years, and the Management Committee will make every effort to keep residents informed of the progress that is being made, through the Parish News, via the village website www.bradwell-on-sea.org and posters, news letters and by word of mouth.

The committee is very aware that the success of this venture depends on getting the support of all the residents, some of whose families have lived in the village for many years, and many of whom have moved out of London or nearby towns to live in a more rural area. There is also a broad range of ages and household incomes in the area, and we are taking every opportunity to listen to what people say they want, and to be answerable to the village as a whole for the decisions we have made.

The project has been assisted throughout by the Parish Council, local residents and members of the Church in the initial fact finding phase of the project. The members of these other organisations have been generous with their advice and help at all times.

2.9. Shop Lease and refurbishment of the Shop

The shop premises will be leased by the Management Committee from the landlord for a period of 3 years. The Committee will employ a solicitor to advise them on the lease. Further details on the proposed lease are given in Section 8.2.

The landlord has agreed to carry out various improvements to the shop before the lease is signed. These include

- A staff area at the back of the shop, including a toilet, wash basin and storage for staff possessions.
- Removing the polystyrene ceiling tiles.
- A separate meter to enable the electricity charge to be split between the shop and the flat
- A safe electric supply to all parts of the shop
- A redecorated area for the community to meet and find information
- Enhancements to the security of the shop as required by the insurance company.

3. The Market and Competitive Business Strategy

3.1. The Customers

Bradwell-on-Sea Community Shop will mainly serve its immediate geographical area. The many visitors to Bradwell, the caravan parks, yachting marina, visitors to St Peters Chapel will also be customers. The pre-school and the activities in the Village Hall and the local school (which also serves the village of St. Lawrence), are widely used by parents from outside the Parish, and we expect that the store will be used for miscellaneous purchases by these regular visitors.

The demographic make-up of the village is broad with a significant number of older residents, some of whom have no means of transport, and a large number of families with children under 18 years.

3.2. Products and Service

The following categories will form our initial range of products and services:

- Dairy and other chilled goods
- Frozen food
- Grocery items (tins and packets)
- A limited range of fresh fruit and vegetables
- Household and toiletries
- Over-the-Counter medicines
- Bakery items
- Ice Creams, Sweets, Snacks and Cold Drinks
- Greeting Cards and Stationery
- Cigarettes
- Tea and coffee to take away or drink on the premises

We will aim to provide basic groceries at competitive prices, and we will provide a good range of items that will expect to achieve a higher margin than basic provisions.

It is hoped that newspapers can be sold from the opening day of the shop, although it will depend on enough funds being raised and sufficient volunteers being available.

In conjunction with Essex County Council we are planning to open a Post Office. Talks with Essex County Council and Post Office Ltd have provisionally estimated an opening date of February. At this stage we are planning that the Post Office will open for 15 hours per week.

When the shop is established, consideration will be given to adding other items of stock, including those on the following list. The order in which these items will be selected by the Management Committee will be determined by availability of money and customer demand.

- Magazines
- Expanded fruit & vegetables section
- Wine, beer and spirits
- Village crafts and local produce
- Dry Cleaning

3.3. Competition

Bradwell-on-Sea is situated on the Essex coast 23 miles from the County Town of Chelmsford, 15 miles from Maldon which is the nearest major town, and 3 miles from the neighbouring villages of Tillingham and St Lawrence that both have small village stores with Post Offices.

1. Our first year's predictions are based on what we believe to be a realistic income for the size of the community of £150.00 per day. We believe this is a viable prediction with our proposed varied range of products.
2. Being the only shop in the village, the survey carried out has identified that 50% of the people that would surveyed said they would use the shop daily or 2-3 times per week.
3. The shop will be different from other shops in the locality because it will be run by the community for the community, and actively respond to the communities needs.

While acknowledging that people with cars have a wide range of shopping choices, in preparing to respond to local need as and demands we expect to create a niche market by opening a community shop which by its very nature will be significantly different from other local shops in the area. With the national focus on the Environment it will also provide the community with a way of protecting the Environment by not having to use their cars to go to a shop.

The survey in July 2009 indicated supermarkets several miles away were used for major weekly shopping

In addition, residents were asked which convenience stores they used, and the nearest village of Tillingham was used by nearly 50%.

3.3.1. Opening Hours: Shop (Winter)

Monday to Friday and Saturday	9am to 1pm and 2pm to 5pm (closed 1-2 pm)
Sunday	9am to 1pm

The opening times of the shop will be reviewed regularly and may be changed in order to address the community's requirements. When newspapers are stocked, the hours will probably be extended to open earlier in the morning.

Also the hours above refer to Winter months (when the shop will first open) and will probably be extended in the Summer months if sufficient volunteers are available.

The survey indicated that few customers wanted to use the shop between 12 and 2pm. It will also be difficult to find volunteers willing to serve during the lunch hour.

3.3.2. Opening Hours: Post Office

Monday, Tuesday, Thursday and Friday	9am to 12am
Saturday	9am to 12am

The Post Office is expected to open in Feb/March 2010.

3.4. Marketing Strategy

News concerning the shop has been communicated by articles in the Parish Magazine and local press, newsletters distributed door to door, and notices in the shop window.

During July and August 2009 the shop was open for fund-raising, and this enabled members of the Management Committee to speak to many local residents, informing them of progress and getting their opinions.

The opening date of the shop will be communicated as widely as possible within the village, and there will be an official opening ceremony soon afterwards, when local press will be invited. It is

hoped that the official opening will be performed by a well-known person, in order to gain maximum publicity.

The web site www.bradwell-on-sea.org will also be used to publicise the shop, and newsletters will be distributed door-to-door with information on special promotions and seasonal goods.

Other community shops have found that using volunteers to staff the shop gives a pool of people willing to give word-of-mouth publicity, especially to newcomers to the village.

4. Fund raising

4.1. Fundraising in the village

The talk in the village regarding the re-opening of the village shop and Post Office has been enthusiastically supported by the residents of the village, and the many visitors. Evidence of this has been shown in the 50 or so residents who came or apologised for not coming to the public meeting in June; for the 100 or more residents who have pledged their time or financial commitment to support the shop and to the many residents and visitors who have supported our fundraising efforts.

Letters have also been written to many Businesses and organisations in the Village and surrounding area asking for a donation, loan or sponsorship towards the opening of the shop.

Before opening, the Pledges made by the residents of the village will be collected. These amount to approximately £4500.

During July and August 2009 the shop has been opened at weekends selling drinks, snacks, ice creams and a limited amount of groceries. Much of the stock was donated by local residents. The shop has been staffed mainly by members of the Management Committee. The income from this has been £700.

4.2. Grant Funding

Once the shop is running, applications for grants will be made to various Charities and organisations whose names have been provided by the Essex Rural Community Council. Also an application will be made for funding from the Magnox South Social-Eco fund which provides funding for Social-Eco work to the local area as part of their work in decommissioning Nuclear Power Stations.

With the help of Essex Community Council we are investigating the availability of other grants for community projects. These grants will probably be available only for non-commercial activities associated with the shop, such as

- A community meeting place
- Capital expenditure to improve the facilities or equipment in the shop.
- Improvements to enable better access for disabled people and others
- An awning in front of the shop

A grant of £700 has been offered by Maldon District Council to help with cost of an awning as part of their desire to put back traditional features in a Conservation Area.

5. Action Plan

An Action Plan has been drawn up for the re-opening of the shop and Post Office. The main points of the plan are

Nov 2009	Pledges collected from the village
15 th Nov	Refurbishment work completed

end Nov	Stock deliveries
early Dec	Shop Opens
March 2010	Post Office Opens
March 2010 or earlier	Newspapers and magazines stocked

6. Forecasts and financial data

6.1. Profit and loss Account Forecasts 2009 – 2010

In assessing the revenue from the shop we have talked to a previous owner who has given an indication of the shops income in 2006 prior to closure. The Management Committee have used this figure and for the first three months of trading expect a gross income from the shop of £800 per week, this is a conservative estimate and expected to increase with visitors to the village and as the shop gets established. It is expected to substantially increase when newspapers are stocked.

The Assumptions we have made for the expected sales of the shop are:-

- Expect rapid work up to Normal Trading within 3 months. Expecting heavier trading November – December and April to September with tourist and caravan park and boating visitors to village.
- Expect normal trading without newspapers to be around £800 per week (£42,000 pa) and with newspapers around £1200 per week (£62,000 pa)
- Expect income from Christmas, Easter and Summer trade of visitors to Village to bring in extra income of £6000

These estimates were stated as being on the conservative side, with weekly sales of £1000 being equivalent to £150 per day. After the initial 6 months of trading we will review our sales and expenses and update our sales Profit and Loss forecasts for the first three years of trading.

We have also had the benefit of opening the shop for fundraising during weekdays and weekends in July and August. This has resulted in a sales figure of around £50 a day at weekends and £20 a day during the week, with limited hours and stock. This, and the results of the Village survey, has given the Management Committee confidence that we can get a daily income of £150 from a fully stocked village shop.

The assumption is that the starting stock value will be turned around in the shop every three weeks. This assumption has been obtained from information supplied by ViRSA.

Table 3 of Appendix 1 shows the expected Income, Expenditure and Cash Flow for the first year of trading. This shows that only a small profit will be made for the first year, due to the following factors.

- In the 1st year of trading we will attempt to put aside money each month for the repayment of loans from the community. It is hoped that half of these will be repaid after the end of the first year.
- Also during the 1st year payment of £1100 will be made to the landlord for the fixtures and fittings.
- During the 1st year it is planned to put aside around £500 for the possible replacement of the shop equipment.

6.2. Sales Mix

Following information from other community shops and ViRSA, we estimate our net profit margin on sales will be around 20-21% (this means a mark-up on cost price of around 25%).

Product	Sales Mix %	Mark-up	Waste/Loss	Net Return
Sweets	7%	30%	5%	28.5%
Crisps/Snacks	5%	30%	5%	28.5%
Soft Drinks	8%	30%	3%	29.1%
Groceries	12%	10%	3%	9.7%
Household	7%	12%	3%	11.6%
Personal	2%	20%	6%	18.8%
Chilled foods	8%	20%	8%	18.4%
Frozen Foods	4%	15%	8%	13.8%
Ice Cream	5%	30%	5%	28.5%
Stationery/Cards	1%	15%	3%	14.6%
Newspapers	15%	10%	20%	8.0%
Magazines	15%	40%	20%	32.0%
Fruit/Veg	3%	35%	20%	28.0%
Bakery	5%	15%	15%	12.8%
Hot Drinks	1%	200%	5%	190.0%
Misc	2%	10%	5%	9.5%
	100%	24%	4.3%	21.3%

The aim will be to provide basic groceries, bakery and chilled goods at a lower mark-up, combined with other goods that can attract higher margins such as ice creams and snacks.

7. Tables

7.1. Table 1: Start up Information

7.1.1. Start Up Costs

Item	Cost
Initial Stock	2500
Company Registration Fee	450
Legal Advice	250
Insurance	300
Mini-safe	35
Data Protection Registration	35
Royal Mail collection Charge	500
SmartStamp equipment	100
Misc. Costs	100
Contingency	1000

Total	£5,270

Approximately £1000 in addition will be needed to start stocking newspapers.

7.1.2. Start Up Income

Fund Raising from community	711
Promised Loans from Community	2900
Promised Donations from Community	1500
Membership	80
Total	£5,191

7.2. Table 2: Profit and Loss Account 2009-2012

7.2.1. Assumptions

Trading Receipts	Expect normal trading to be reached after 3 months. Expect heavier trading Dec and April-Sept.
	Expect £55,000 takings per year from the village in year 1 increasing to £65,000 in year 2 & 3
	Expect takings from visitors to bring in 12% extra trade = £6,500.
Newspapers	Newspapers and magazines will added at £1,000 cost by March 2010 or earlier if funds are available
Share Capital	80 members at £1 each
Loan Repayments	Put aside money to repay initial loans during the 2 nd year trading.
Wages	10 hours per week at £7 per hour, starting from mid-December, with some overtime paid in July/August
Post Office	Starting in March. Increased wages matched by Essex CC Funding
Stocking level	Based on 3 weeks forecasted sales
Profit Margin	Average 20% of sales
Depreciation	Equipment 20% pa
Inflation	5% for years 2 and 3

7.2.2. 12 Month Forecast Year 1 2009-10

Income 2009/10

	Mth 1	Mth 2	Mth 3	Mth 4	Mth 5	Mth 6	Mth 7	Mth 8	Mth 9	Mth 10	Mth 11	Mth 12	Total
	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	
Takings	2000	4400	4000	3600	5000	5500	5500	5800	6200	7000	6500	6000	£61,500
Extra Investment					1000								£1,000
Total	2000	4400	4000	3600	6000	5500	5500	5800	6200	7000	6500	6000	£62,500
Notes													
<i>Extra investment needed in Mth 5 for newspapers and magazines</i>													

Expenditure 2009/10

	Mth 1	Mth 2	Mth 3	Mth 4	Mth 5	Mth 6	Mth 7	Mth 8	Mth 9	Mth 10	Mth 11	Mth 12	Total
	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	
Stock Purchase	1200	3520	3200	2880	4000	4400	4400	4640	4960	5600	5200	4800	£48,800
Newspaper deposits					1000								£1,000
Advertising				50				50				50	£150
Fix & Fittings	92	92	92	92	92	92	92	92	92	92	90	90	£1,100
Electricity	100	100	100	100	100	100	100	100	100	100	100	100	£1,200
Insurance													£0
Shop Manager	300	300	300	300	300	300	300	300	350	350	300	300	£3,700
Stationery	5	5	5	5	5	5	5	5	5	5	5	5	£60
Phone	30	30	30	30	30	30	30	30	30	30	30	30	£360

Rent	210	210	210	210	210	210	210	210	210	210	200	200	£2,500
Service Charge	10	10	10	10	10	10	10	10	10	10	10	10	£120
Repairs	10	10	10	10	10	10	10	10	10	10	10	10	£120
Rubbish Collection	20	20	20	20	20	20	20	20	20	20	20	20	£240
Uniforms				20			20			20			£60
Volunteer Exp.	10	10	10	10	10	10	10	10	10	10	10	10	£120
Total	£1,987	£4,307	£3,987	£3,737	£5,787	£5,187	£5,207	£5,477	£5,797	£6,457	£5,975	£5,625	£59,480
Notes													
<i>Stock Purchase is normally takings less 20% (i.e. 25% markup)</i>													
<i>Except for Mth1 where it is takings less 50%</i>													
<i>and Mth 5 where an extra £600 has been added to allow for the initial stocking of newspapers and magazines</i>													

Cash Flow 2009/10

	Mth 1	Mth 2	Mth 3	Mth 4	Mth 5	Mth 6	Mth 7	Mth 8	Mth 9	Mth 10	Mth 11	Mth 12	Total
	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	
Income	2000	4400	4000	3600	6000	5500	5500	5800	6200	7000	6500	6000	£62,500
Expenditure	1987	4307	3987	3737	5787	5187	5207	5477	5797	6457	5975	5625	£59,480
Gross Profit (Loss)	13	93	13	(137)	213	313	293	323	403	543	525	375	£2,970
To Loans Fund	0	0	0	0	150	150	150	150	150	150	150	150	£1,200
To Equip Fund	0	0	0	0	60	60	60	60	60	60	60	60	£480

Net Profit (Loss)	13	93	13	(137)	3	103	83	113	193	333	315	165	£1,290
Working Capital (assuming £1000 at start)	£1,013	£1,106	£1,119	£982	£985	£1,088	£1,171	£1,284	£1,477	£1,810	£2,125	£2,290	
Notes													
<i>Loans and Equip funds are amount put aside for repayment of loans and replacement of equipment</i>													

7.2.3. 12 Month Forecast Year 2 2010-11

To be added later

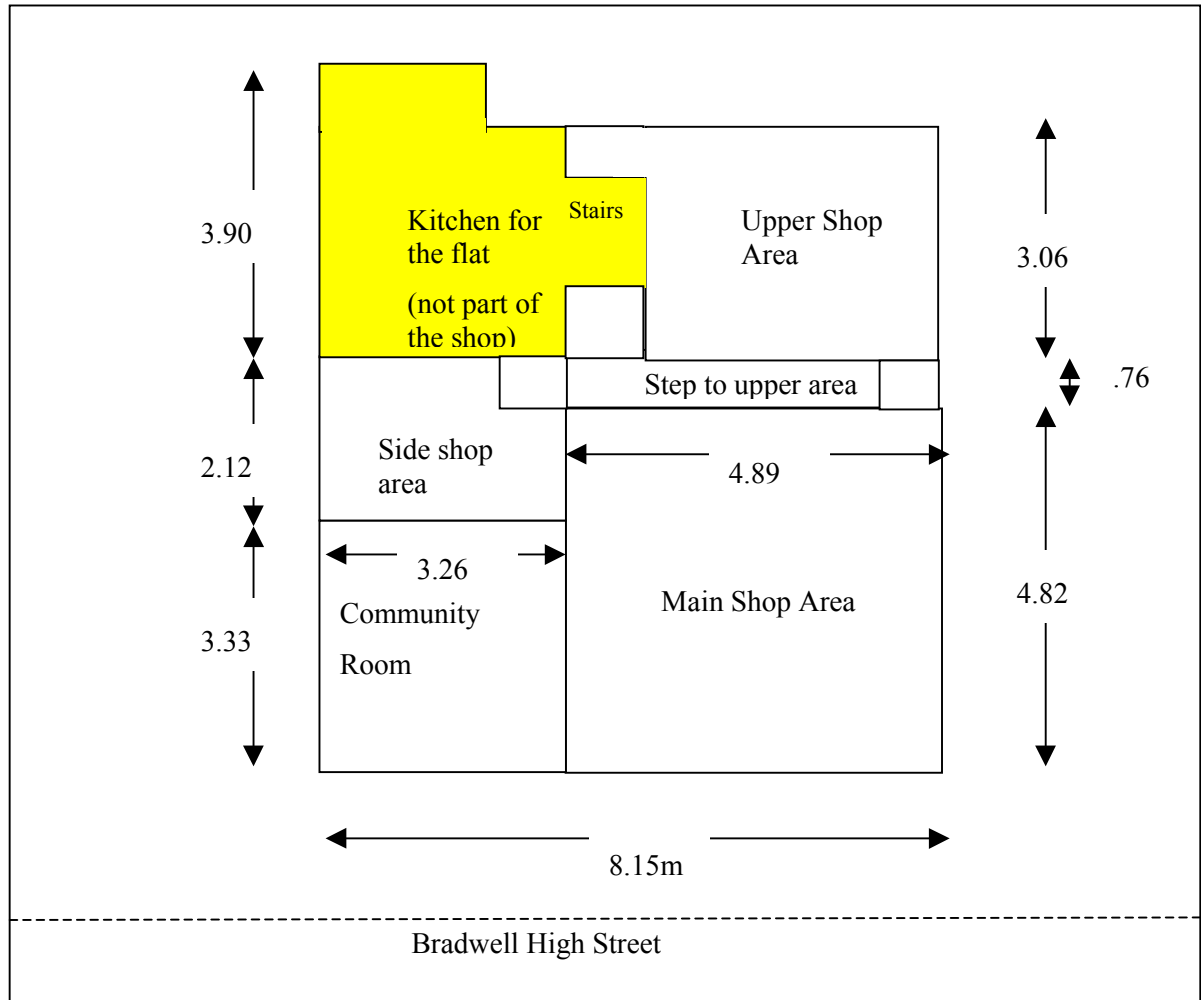
7.2.4. 12 Month Forecast Year 3 2011-12

To be added later

8. Appendices

8.1. Appendix 1 Plan of Shop

Post Office Stores, Bradwell on Sea, Ground Floor



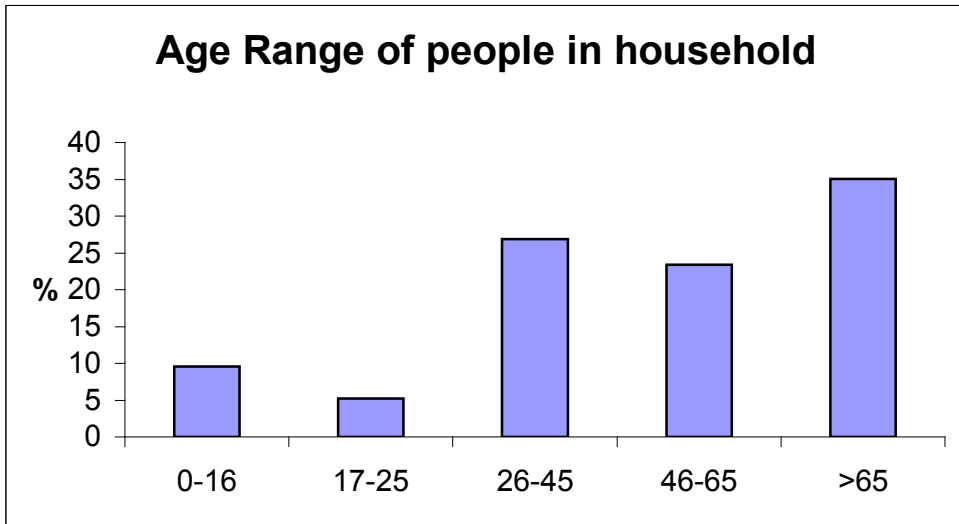
8.2. Appendix 2 Heads of Terms: Lease

The lease will be based on the standard lease produced by the Law Society, with the following points

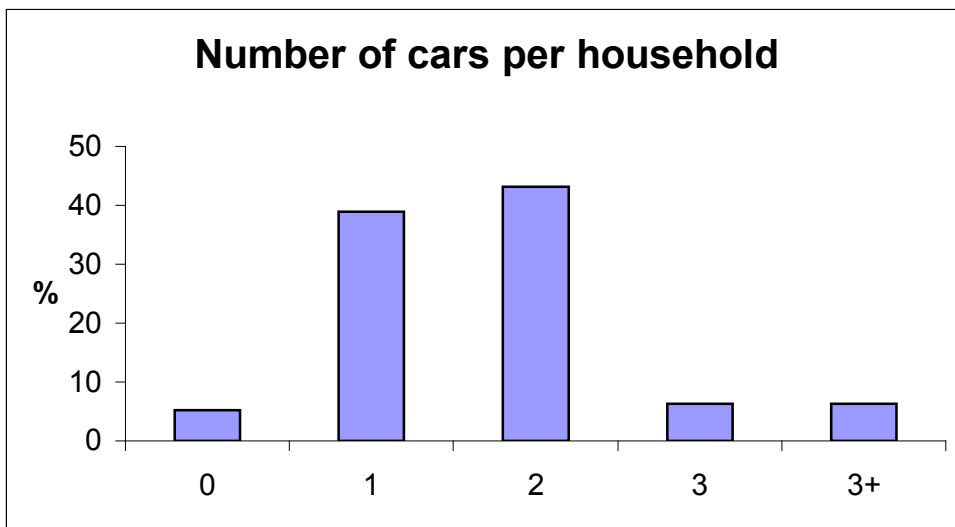
- A 3 year term
- A break point so that the shop can exit lease after 18 months without penalty
- Rent of £2,500 pa paid monthly
- Service charge of £120 pa
- All electricity and business rates to be paid by the tenant, and 50% of buildings insurance

8.3. Appendix 3 Details of village survey

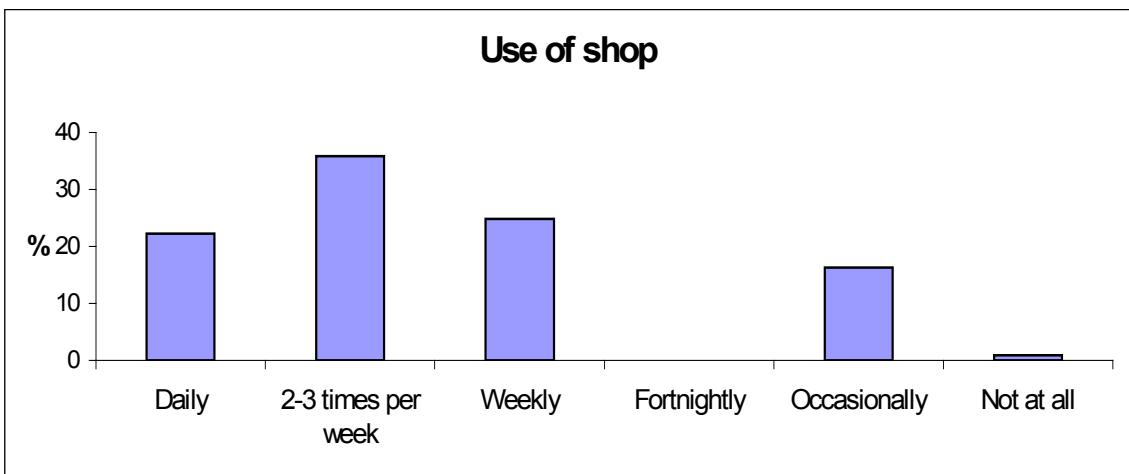
Please state how many in each age range in your household:



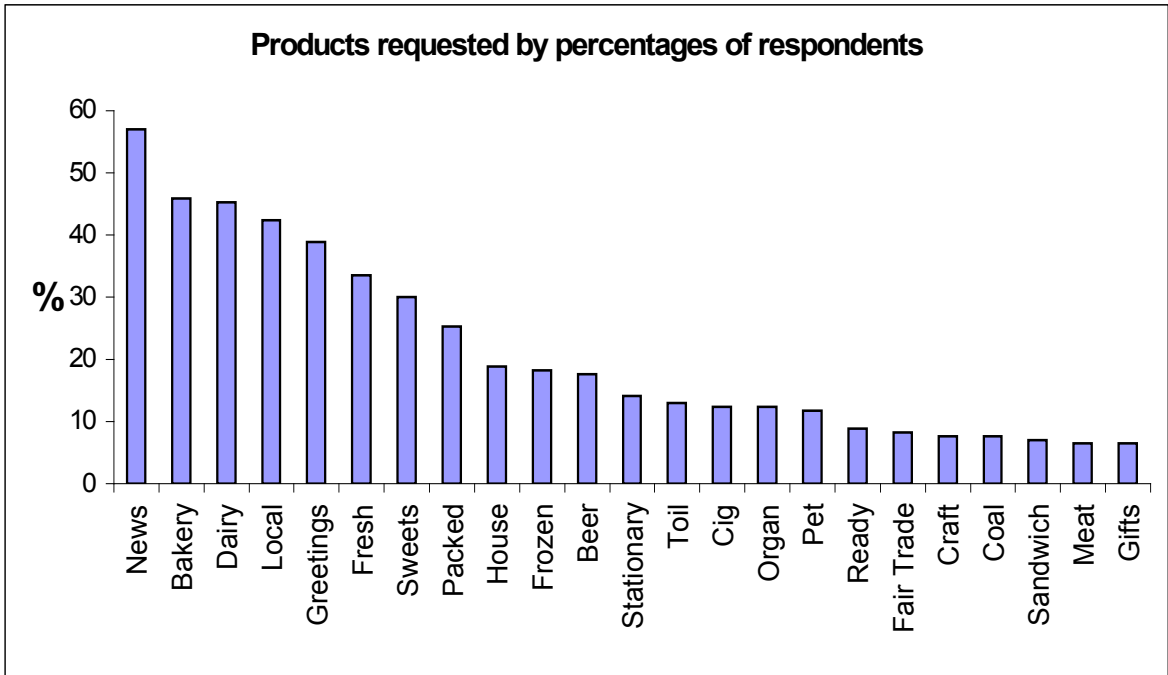
How many cars are there in your household?



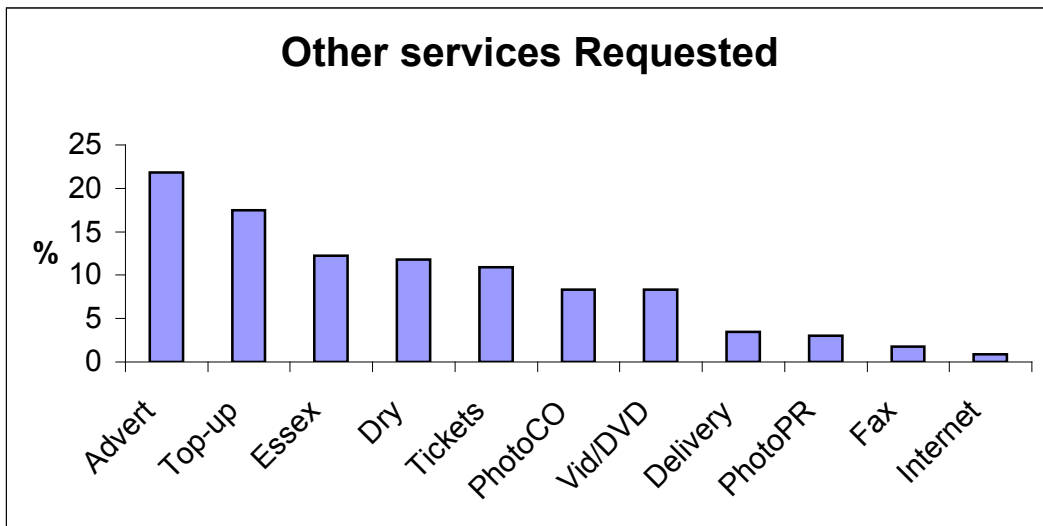
If a new village shop was opened in Bradwell-on-Sea would you or any member of your household use it?



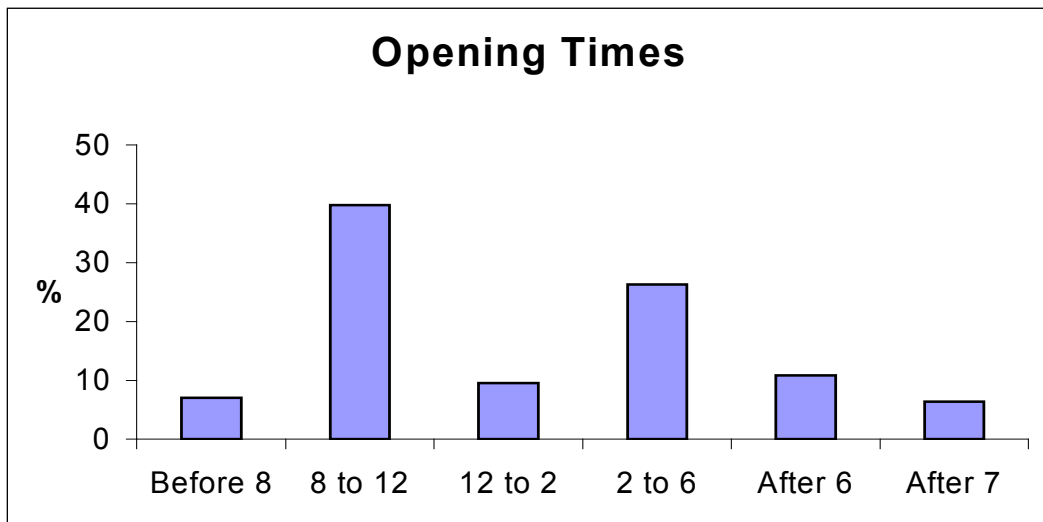
What products would you be most likely to buy?



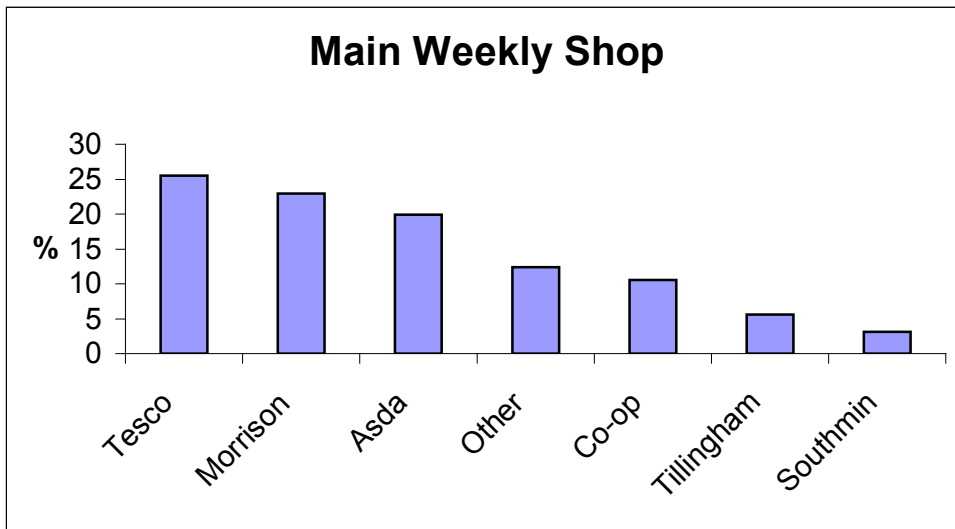
What services would you be most likely to use?



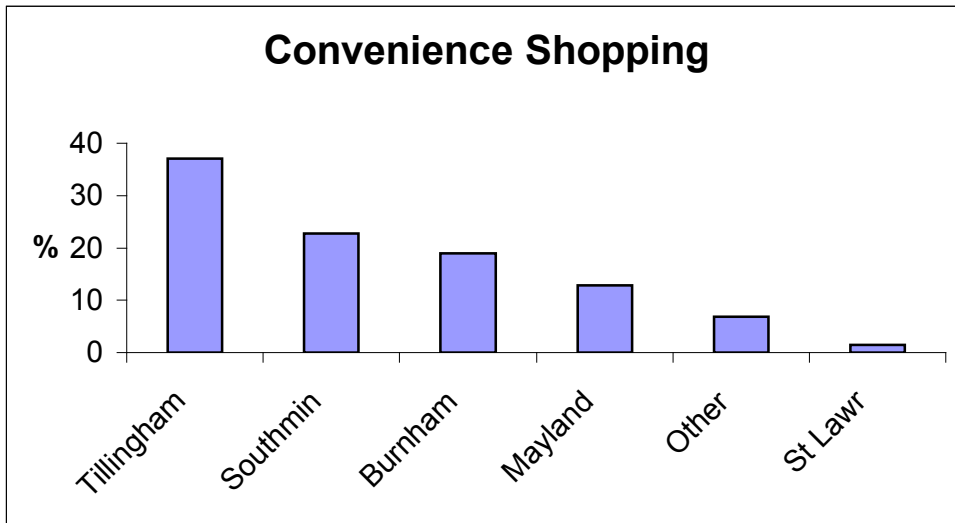
At what time of day would you be most likely to use the shop?



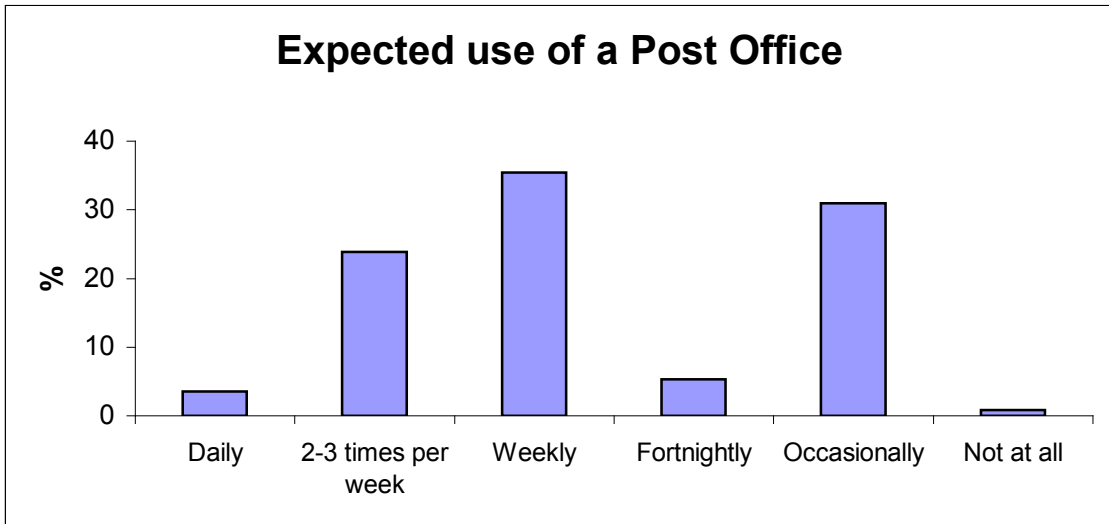
Where do you currently travel to do your main weekly shop?



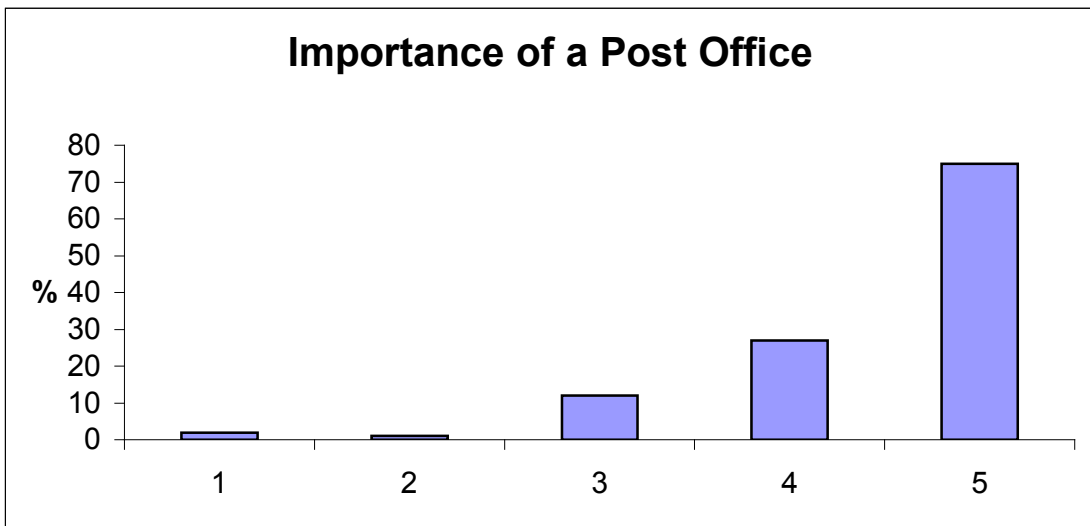
Where do you currently travel to do your convenience/top up shopping?



If a Post Office was re-established in Bradwell-on-Sea would you or any member of your household use it?



On a scale 1-5 below please show how important it is to have a Post Office in Bradwell
 NOT IMPORTANT <<< 1 - 2 - 3 - 4 - 5 >>> VERY IMPORTANT



Which services would you use?

