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Yetholm Community Shop and Post Office



Social Enterprise Plan

Developed from an initial version drawn up by



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Table of Contents

1	Executive Summary	1
2	Current situation	4
2.1	The Community: Town Yetholm and Kirk Yetholm	4
2.2	The Village Shop and Post Office	5
3	Objectives.....	7
3.1	Meeting the needs: Vision and Mission	7
3.2	Community Outcomes and Impacts	8
3.3	SWOT analysis	11
4	Legal and organisational structure.....	15
5	Markets and marketing.....	16
5.1	Continuing existing goods and services.....	16
5.2	Adding new goods and services	17
5.3	Competition, differentiation and market share	17
5.4	Customer differentiation.....	19
5.5	Marketing and Promotion	19
5.6	Opening hours.....	20
6	Bringing a Community Shop to Yetholm	21
6.1	The shop and post office building	21
6.2	Purchase / Transfer and Development Costs	22
6.3	The Funding Strategy for Development	25
6.4	Development phasing	27
6.5	Development cash flow	28
7	Income and costs	29
7.1	Revenue and margins assumptions.....	29
7.2	Trading structure, staffing and overhead costs.....	30
7.3	Net profits	32
7.4	Combined cash flow	33
8	Delivering the project: Governance, Skills	34
9	Key Risks and their Management.....	37

Table of Figures

Figure i.	Plan of Town Yetholm and Kirk Yetholm, showing the Village Shop	4
Figure ii.	Importance of a community shop – survey results	6
Figure iii.	Community shops delivering community benefits	8
Figure iv.	Shopping habits of survey respondents.....	13
Figure v.	Survey results: goods and services to continue	16
Figure vi.	What other goods and services would you like?	17
Figure vii.	Where people shop	17
Figure viii.	Scottish Border towns retail vacancy rates 2009-2019	18
Figure ix.	Town centre vacancy rates by vacancy length.....	18
Figure x.	Layout diagram	21
Figure xi.	Preferred frontage “look and feel”	22
Figure xii.	Purchase and development costs and funding	23
Figure xiii.	Development cash flow November 2020 to May 2021	28
Figure xiv.	Annual revenues and margins.....	29
Figure xv.	Seasonal trading patterns	30
Figure xvi.	Staffing and trading costs	30
Figure xvii.	Summary of income and expenditure.....	32
Figure xviii.	Annual cash flow – development and operations.....	33
Figure xix.	Monthly trading cash flows 2021.....	49
Figure xx.	Annual income and expenditure 2020-2024.....	50
Figure xxi.	Annual Balance Sheet 2020 – 2024.....	51
Figure xxii.	Annual Cash Flow 2020 – 2024	52

Appendices

Appendix 1.	Survey results	39
Appendix 2.	Consultation event results	43
Appendix 3.	Shop layout	48
Appendix 4.	Monthly trading cash flows 2021	49
Appendix 5.	Annual financial forecasts	50

1 Executive Summary

This Social Enterprise Plan sets out the proposal for the community buy-out of the village shop assets, explaining the process, plans, and costs to achieve a successful, sustainable community resource in the Yetholm area.

The current owners of the Yetholm Village Shop seek to retire, and without a prospective buyer for the shop there is a risk that the building will be purchased and converted to another use, such as housing. Community shops and post offices are widely recognised as social hubs, providing a lifeline service for vulnerable residents in addition to promoting local produce, saving car miles and providing convenient retail services. Communities across the UK have set up community shops to retain these assets, with over 150 new shops in the last 5 years and a success rate of 94%.

Following an initial meeting in August 2019, a group of individuals set up the Yetholm Community Shop Steering Group (YCSSG) to explore the viability of a community-owned shop and post office. The YCSSG successfully applied to the Scottish Land Fund for a grant to carry out the feasibility study work, resulting in this Social Enterprise Plan. Results from a questionnaire, delivered to every household in October 2019, demonstrated overwhelming support for a community-run shop. A consultation event was held in February 2020 to review possible options for the shop, both for the layout, the use of the upstairs space, and the range and type of goods and services provided. The Social Enterprise Plan incorporates the feedback from these events, setting out the plans for a community owned shop and Post Office which will:

- provide a community focus;
- provide retail goods and services, including basic postal services, from a village location within walking distance for most village residents;
- support local business and the local economy by providing an outlet for local products;
- cater to visitors in the Yetholm area, enhancing the visitor experience, encouraging more visitor spend within the community, and supporting local jobs;
- offer work, training and voluntary work opportunities for all ages and abilities.

The YCSSG obtained an independent evaluation of the building at £95,000, which has been accepted by the current owners. This was substantially less than initially expected, due to the condition of the building. The YCSSG also commissioned a building survey as part of the feasibility study work. This has shown that a total investment of £146,208 is required for maintenance, repairs and refurbishment. This figure breaks down into: (i) essential initial repairs and shop fit-out estimated at £100,596 (of which urgent repairs are estimated at £6,265 plus inspection and professional fees), (ii) less critical but necessary medium-term works estimated at £35,112, and (iii) longer-term improvements estimated at £10,500. There is also investment required as working capital for the business in a total of £67,250. The plan is to appoint a part-time development officer to assist in the early months of the project, at £7,500 for 6 months.

The total costs for the purchase, repair and refurbishment, and working capital are as below:

Purchase and legal fees	97,500
Building works and professional fees	68,926
Shop fit-out and EPOS	30,170
Stock and working capital	60,000
	8,750

Temporary premises during repair work, volunteer training and insurance

Development officer 7,500

Total 272,846

It is proposed to raise these funds from a mix of grants and from community investment in a new Community Benefit Society.

Following a grant offer of £114,000 from the Scottish Land Fund (SLF) towards purchase, professional fees and the most urgent repairs, the plan is to raise £120,000 or more by community investment in the Community Benefit Society or by community donations to it, with the balance of up to £38,846 to be raised by seeking additional grant funding from a mix of potential funders.

The Community Benefit Society ("BenCom") model is a successor to Industrial and Provident Societies. The BenCom is financed by investment by share subscription from the community. The model is based on the concept of democratic control – each shareholder has one vote, however many shares they own. Surpluses cannot be distributed to members, but must be re-invested in the shop and for community benefit, although interest can be paid on shares at the discretion of the Management Committee. The BenCom may apply for advance assurance from HMRC for Social Investment Tax Relief (SITR) for tax-efficient benefits for the investors, who may be able to claim up to 30% tax relief on their investment depending on their own tax position.

The social enterprise plan relies on a rota of volunteers assisting paid staff and management to run the shop and Post Office. There has been an encouraging response to the request for volunteers.

The shop will aim to supply the goods and services its members and other customers want, and many of these will be locally sourced. It is also planned to deliver a similar range of Post Office services as those enjoyed at the old shop.

With a renewed and inviting offer in upgraded premises, the shop and Post Office will return to financial viability, continuing to provide key support and services to the community. Once the trade is successfully re-established, the business will be able to re-invest to complete the remainder of the required repairs, and develop further as the community requires. Trading income and profits are forecast as below:

	2021	2022	2023	2024
Turnover	280,000	290,700	310,000	320,000
Cost of goods sold	(229,530)	(235,425)	(249,148)	(257,181)
Gross profit	50,470	55,275	60,853	62,819
Trading Expenditure	53,083	52,803	53,795	54,770
Cash profit (loss) before depreciation	(2,613)	2,472	7,058	8,049

Initial losses due to one-off start-up costs will change to surpluses as the shop regains turnover following efforts to broaden its appeal, market more widely, and improve its visibility and attractiveness to visitors.

Support for this plan offers the best chance for the Yetholm community to retain a shop and Post Office, breathing fresh life back into the community and saving road miles for those products that can be bought locally.

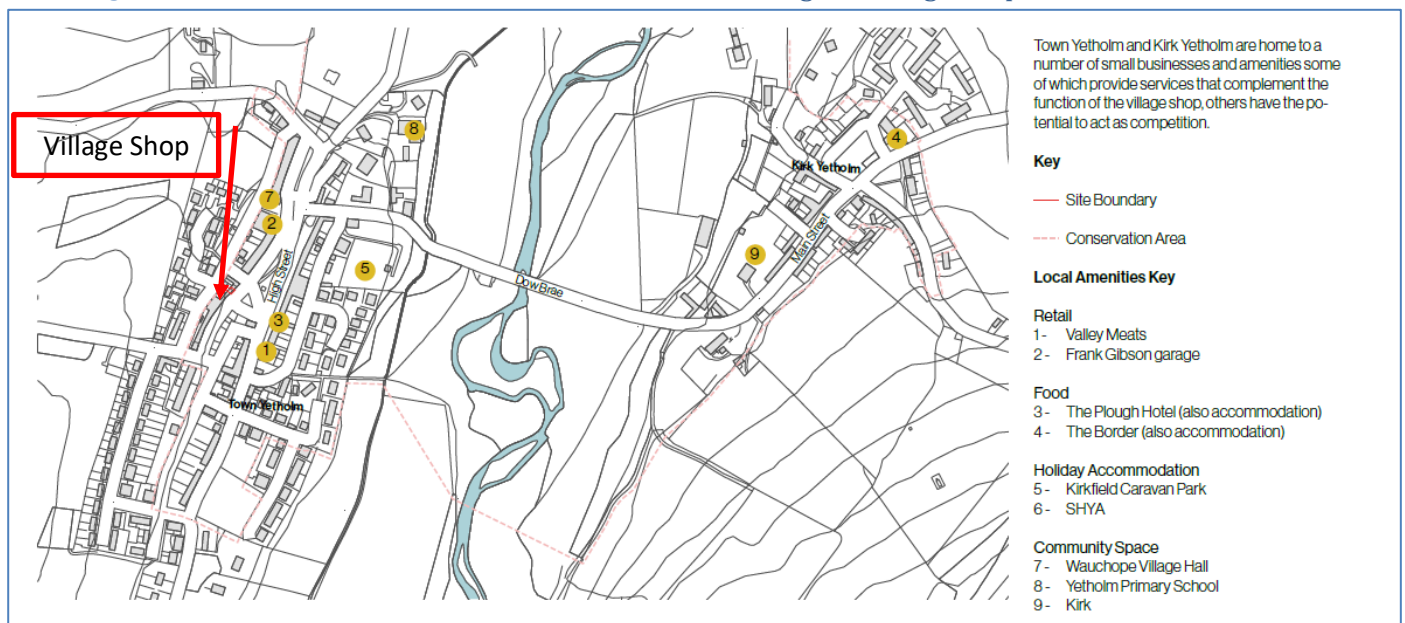
2 Current situation

2.1 The Community: Town Yetholm and Kirk Yetholm

The twin villages of Kirk Yetholm and Town Yetholm are set either side of the valley of the Bowmont Water, about a quarter of a mile apart. The villages are nestled at the foot of the Cheviots, one mile west of the Scottish / English border, and the Special Landscape Area of the Cheviots includes Kirk Yetholm. The nearest significant town is Kelso, eight miles to the north-west.

Yetholm is historically a rural village with services supporting the local agricultural-based population. The first recorded mention of Yetholm is in 655 when it was given to the monastery at Lindisfarne. It has had a shop in its current location for at least 150 years and is shown on the 1859 Ordnance Survey map of the area. This continues today with the Yetholm Village Shop and Post Office, a butcher's shop and the local garage.

Figure i. Plan of Town Yetholm and Kirk Yetholm, showing the Village Shop



Today Yetholm is a tourism and visitor destination, with two hotels, a caravan park and a youth hostel in addition to local holiday lets and B&B provision. The Pennine Way starts or ends at Kirk Yetholm, and St Cuthbert's Way from Melrose goes through Yetholm before crossing the Cheviots on its way to Lindisfarne. The Borderloop cycling route, a 250-mile circular journey, also passes through. These routes provide a significant transient tourist population to the area. Annually, an estimated 15,000 people walk a long distance on the Pennine Way (if not the full way), while there are more than 250,000 day walkers, according to the UK Hillwalking website; 2,500 people walk the entire St Cuthbert's Way each year.

Kirk Yetholm and Town Yetholm are substantially included within a Conservation Area, with many listed buildings. The Village Shop itself is C-listed.

Yetholm is a small community, with a total census population of 611 in 2011, of whom around 50% were working age. The socio-economic indicators (Scottish Index of Multiple Deprivation) show that the community is at the Scottish average for this index. Higher community scores in educational attainment and low crime are offset by being one of the 10% most geographically remote settlements, due to its distance from health services and secondary education.

In the context of geographic remoteness, the Village Shop and Post Office provide an important community service. The building provides opportunities not only to supply locals and visitors with

essentials, but also to act as a hub for social interaction and provide additional useful services for the community. The community survey carried out by the YCSSG identified that 75% of respondents visited the shop at least once a week, with 24% visiting daily demonstrating that it provides such a source of community connection and support.

2.2 The Village Shop and Post Office

The Yetholm Village Shop provides a wide variety of goods and services including fresh produce, chilled foods, tinned food, household goods, newspapers and magazines, alcohol and cigarettes. The current Post Office offers a broad range of services including paying bills, mobile phone top-ups, cash withdrawals, foreign currency services, and other banking facilities.

As with many other such village shops, the business has struggled over recent decades. People commute to work to larger settlements including Kelso, providing daily access to supermarkets; supermarket delivery services cover the area, eroding prices and margins; and minimum wages have increased faster than pricing, driving up costs. The Plunkett Foundation states that an estimated 300-400 village shops close every year.

The Yetholm Village Shop has been incurring losses over the last three years and the owners wish to sell the business and retire. The Village Shop has been on the market for almost 2 years and it became clear in mid-2019 that the owners would not be able to sell the business. The community fears that the shop building may be sold and converted into housing, as has happened in other villages nearby.

A group of community members came together to discuss the position and they set up the Yetholm Community Shop Steering Group to explore the viability of a community buy-out. The Group held an open meeting in August 2019, advertised by and supported by a flyer. This meeting and flyer explained the shop's position and the desire of the current owners to retire. These communications explained the importance of the village shop as a "hub" for village life and news and how the village shop might come into community ownership, and outlining the processes for developing the business plan and for obtaining funding for purchase and redevelopment. This included an introduction to the need for a community company supported by investment from the community. The meeting was attended by over 70 people.

The YCSSG also created and sent out a survey in October 2019 to understand current and future use of the Yetholm Shop and Post Office. The survey demonstrated clear community support, with 225 households out of around 500 households completing the survey. The results of the survey are summarized at Appendix 1. The survey found that:

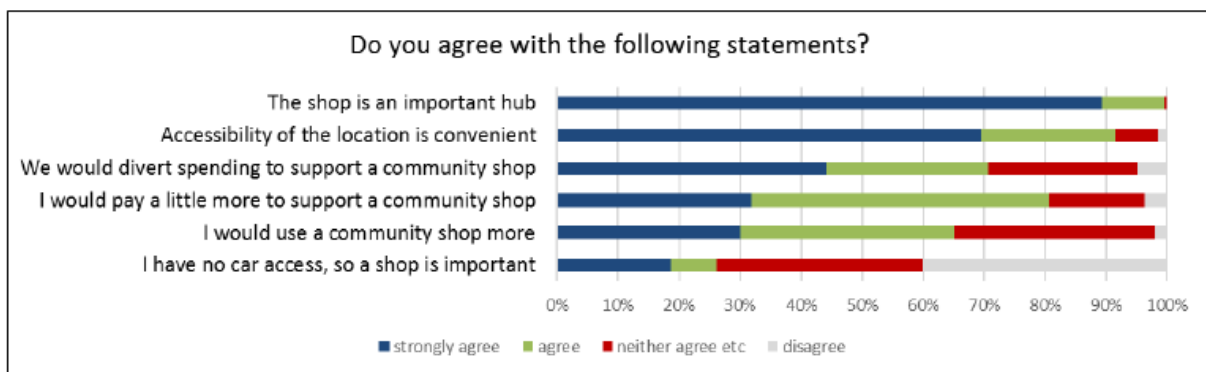
- Almost everyone who answered, already knew about the project
- Almost everyone used the village shop
- Two-thirds of respondents used the Post Office
- 75% of respondents who used the shop, used it weekly or more often
- Respondents value the shop as an important hub that is easily accessible.
- Over two-thirds of respondents said that they would spend more in a community shop or use it more.

YCSSG gained funding from the Scottish Land Fund and private donations to carry out community consultation, a feasibility study, and to develop this Social Enterprise Plan. As part of that process, a further drop-in event was held on 24th February 2020 to present options for the shop, the layout, and use of the upstairs space in the shop. The event was attended by over 62 people. The full consultation report is at Appendix 2.

The YCSSG have had support from Plunkett Foundation in setting up the Community Benefit Society as a vehicle for community ownership. The Financial Conduct Authority registered Yetholm Community Shop Limited as a Community Benefit Society on 15 June 2020, under registration no. 8414.

The Covid-19 impact has highlighted the pivotal role of the shop in the community. At a time when people are not able to travel and are required to socially isolate, the shop has provided a hub for people to volunteer to help others. The shop has provided a delivery service and a pick-up service for orders from other retail outlets, expanding its role and confirming to the community itself the importance of this role. It has also acted as a clearing house for good-neighbour enquiries. The village shop is the place where people meet, where you can catch up on the important things of village life, where news is exchanged. It is also the place you go to if you have lost your watch in the street, or to find out about the bus service, or collect your parcel. The village shop is an essential community hub and to YCSSG it is as important to retain this as it is to provide physical goods and services.

Figure ii. Importance of a community shop – survey results



3 Objectives

3.1 Meeting the needs: Vision and Mission

The YCSSG's mission was to ascertain the viability of a community-owned shop and post office which can be an essential service and key focal point for the whole community.

The YCSSG believes that a community shop and post office would benefit the Yetholm community in a number of ways:

- The shop will provide a community focus, open from early morning until early evening on most days of the week;
- A broad range of people will benefit through meeting others and becoming more involved in community life;
- Retail goods and services, including basic postal services, will be provided from a village location within walking distance for most village residents;
- The shop will support local business and the local economy by providing an outlet for local products e.g. dairy produce, preserves, surplus home-grown produce, hand-made cakes and locally made ready meals;
- The shop will cater to visitors in the Yetholm area, enhancing the visitor experience, encouraging more visitor spend within the community, and supporting local jobs;
- The shop will offer work, training and voluntary work opportunities for all ages and abilities.

3.2 Community Outcomes and Impacts

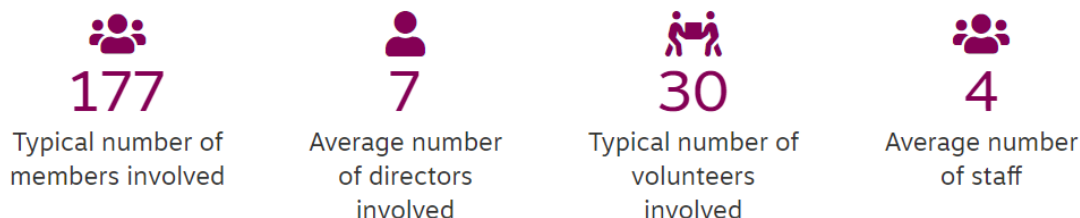
Community shops provide a range of outcomes and benefits. The Plunkett Foundation, whose mission is to support the growth in community-owned shops and pubs, identify the following key outcomes and measures:

Figure iii. Community shops delivering community benefits

Source: <https://plunkett.co.uk/community-shops/>

Community shops particularly benefit those who are disadvantaged by lack of personal transport, limited physical mobility, and those seeking employment or volunteer opportunities.

Community shops engage large numbers of the community and stimulate social activity and community cohesion:




Community shops have a positive impact on the local economy: they have average turnovers of £161,000, support local producers and suppliers and create employment.

Community shops have a positive impact on the environment: in addition to sourcing local food with lower food miles, community shops save rural residents car journeys to alternative food stores, saving on average an 8-mile round trip. Community shops collectively are estimated to save 4 million miles of car journeys a year.


Community shops become the hub of the community and they host additional services:



Community shops are a resilient form of business:


94%

Success rate of community shops


46%

Average small business success rate

This Social Enterprise Plan sets out how a community shop and post office will provide the following measurable outputs and outcomes:

Outcome	Actions	Outputs	Date
Communities achieve more sustainable economic, environmental and social development through ownership of land and buildings	Purchase, repair and refurbishment of the community shop	A community asset just off the High Street providing a tangible focus for daily community activity.	January – June 2021
	Community Benefit Society set up for community ownership	A community-owned and led organisation managing a community asset.	June 2020
	Use of the space upstairs for community, social and visitor space	Increased community and social activity at a community hub	January 2021 onwards
		Support for local businesses and producers through increased sales at the shop	January 2021 onwards
Communities have a stronger role in their own development	Well attended general meeting and election of a strong board to continue to provide effective leadership of the organisation.	Community share capital raised to purchase, repair and refurbish the shop	June – December 2020
		Increased community interest in and purchases from the shop and post office	January 2021 onwards
		Improved visitor experience from a refurbished shop, increasing positive reviews of Yetholm.	Probably autumn 2021 onwards
Communities own well managed, financially sustainable buildings	Development of a business plan based on robust assumptions	The shop and Post Office returns to financial viability and continues to serve the community.	2022 onwards
	Implementation of the Plan, its income and surpluses	Continuation of employment in the community	January 2021
		Increased opportunities for volunteering and training in the community.	January 2021

3.3 SWOT analysis

The current shop and Post Office business has been generating losses for the last three years. The current owners sought to diversify their income base by investing considerable sums in refurbishing the upstairs of the shop, creating a 14-seat café space. Unfortunately, this has not provided a financial solution to the general business downturn.

At first glance, the prospects for financial viability seem bleak. But there are also many factors working in favour of local stores, which mean running a well-located shop with the right range and great service can still be rewarding and financially sustainable, particularly for a community-owned business. At least half of the convenience stores in the UK remain in independent ownership, and the prospects for community shops are brighter still. Delivering on these prospects requires an understanding of the strengths, weaknesses, opportunities and threats, and addressing these in planning and delivery. The SWOT analysis below sets out how the Yetholm Community shop will capitalise on the strengths and opportunities and mitigate and address the weaknesses and threats.

Strengths

Location: When a consumer runs out of something at home, fancies a product on the spur of the moment, or needs to top up on key items, they are highly likely to walk into a c-store, rather than drive to a supermarket. 85% of consumers believe convenience store shopping is easier than visiting chain supermarkets. To maximise this strength, the Yetholm shop needs to understand its local market and tailor its product range. The YCSSG has gathered this information from the current owners and staff, from its surveys and drop-ins, and from additional information gathered during the shop's role in supporting the community through the Covid-19 pandemic and this is discussed at Section 5.

Independence: independence is highly valued by local customers in communities across the UK, and this has been demonstrated by the YCSSG survey, where over two-thirds of people responding said that they would spend more in a community shop, or use it more.

Customer service: local independent stores are widely perceived as providing friendlier and faster customer services than those in larger stores. However, excellent service doesn't just happen automatically and requires the culture and training to be in place at every aspect of the customer experience, and this is particularly relevant where volunteers are part of the service team and may require on-going training. This investment can add directly to turnover if store staff are encouraged to "up-sell", suggesting products to buy; surveys show that most customers do not object to this practice.

Weaknesses

Range: all the UK research points to customers wanting to see ranging done well - with a good mix of own-brand, premium brands, locally sourced and fresh produce. A poor buying decision means unsold stock and even narrower margins. Historically, the village shop has moved to a lower-price range, including dry and canned goods, with chilled produce and a restricted "delicatessen" range. Ranges should be reviewed anecdotally every day, and comprehensively every three months. Many local stores have expanded into high-margin fresh lines and chilled alcohol, plus creating special destination areas such as food-to-go – for example, see <https://www.countrylife.co.uk/out-and-about/22-best-village-shops-britain-west-country-western-isles-201761>. The survey carried out by YCSSG identified very similar range proposals from respondents. These have been confirmed both in

the consultation event and in the new customers and requests brought to the shop during the Covid-19 pandemic, including more demand for fresh vegetables and fruit, speciality items such as gluten-free products, etc.

Pricing: Village and convenience stores have an uneven playing field on pricing, with some supermarkets selling cheaper than wholesalers, and the public's long-held perception that convenience equals more expensive. Community shops may be able to work with others locally to buy at higher volume and split the order; margins should be kept under review; and customers must be encouraged to think value rather than price. Yetholm shop has moved very much into price competition rather than quality and higher margin, and this shows in the range of stock and the ever-decreasing gross profit overall. The pricing and range strategy needs to focus on product mix, with "basics" priced competitively and higher value items priced for margin.

Space: in a small store, with customers expecting a range, every space counts. The current village shop layout has not been refreshed in many years and includes some redundant space and some space usage that is sub-optimal e.g. chest freezers, which do not display all of the goods well. People and shop staff in the consultation events commented unfavourably on the layout, for example that the current till placement effectively blocked access to the lower half of the shop when there was a queue. YCSSG have considered and consulted the community and staff the internal layout and propose to reconfigure this; see section 6.

Opportunities

Media and marketing: Retailers who recognise that marketing should form a key part of their business plans, who put a proper annual strategy in place, and review it on a regular basis with the help of customer focus groups, can experience boosts in footfall and loyalty of up to 20%. While the current Village Shop has a Facebook page, it is not driven by a marketing strategy and plan based on the existing and potential new customers. This Social Enterprise Plan sets out the key markets and marketing tools, and successful delivery of this will enhance turnover and financial viability, in addition to highlighting the community and social benefits of the shop.

Community engagement: a community-run shop can depend on community engagement, although that can have issues as well as benefits. Promoting local producers and celebrating their products through local tasting days, supporting more vulnerable members of the community through delivery services, providing free internet service and somewhere social to sit; all of these initiatives will make a difference to local lives without incurring a financial penalty, and encourage continuing community support. The use of volunteers to support paid staff will increase community support and engagement and add to the customer service provided by the shop.

Technology: a good EPOS (Electronic Point of Sale) system can help identify quickly what is selling and when, and at what margins. It also allows comparison against previous months and years, improving range and pricing decisions. The plan would be to implement up to date tills with EPOS. However other investments in technology may not be important. In the YCSSG survey, the expansion of technology into the shopping experience, for example online shopping, click and collect for the shop— was not seen as important. This highlights the value that people place on the social interaction at the shop, and its convenience.

Figure iv. Shopping habits of survey respondents



Threats

Competition: the current owners reported that Sainsbury's opening in Kelso was the final blow to their financial viability, with people visiting the supermarket there on their way home rather than dropping into the store. The big multiples are hard to compete with on price, and indeed themselves have made significant investments in their "Express" or "Simply" small stores. Small stores competing with these have to focus on their strengths in service, local products, and highlighting community involvement. It is also important to understand the local convenience market in Yetholm: when do people want to shop, and what are they looking for? What different markets are being served, and what products do they want? It is far easier and quicker to drop into the Yetholm shop on a weekend evening or Saturday morning than into a busy supermarket or to drive elsewhere – as long as the range, price, and service are right, as discussed under "Strengths" above.

Legislation: planning, licensing, lottery, alcohol and tobacco sales, food hygiene, storage, fire, electrical, health and safety, employment law; the range of legislation is extensive and ever-changing. Changes can provide a threat to small shops, for example the changes in tobacco displays reduced the sales of high-margin tobacco in small shops. Minimum alcohol pricing in Scotland impacts high-margin alcohol sales as the shop is so close to the border with England. The Covid-19 pandemic has provided huge challenges to ensure compliance with health and safety of employees. Various bodies can provide support, both in providing guidance and templates; in providing joint buying clubs; and in lobbying governments to mitigate adverse legislation. The largest are the Association of Convenience Stores, (www.acs.org.uk) and the British Independent Retailers Association which covers all forms of retail. The Federation of Small Business also provides members support for legislative compliance, although this covers all small businesses and not only retail.

Business costs: other than purchases, wages are the single highest operating costs for small retailers, and these have been pushed upwards above the inflation rate for some years as the government improves the living wage and requires stakeholder pensions. Convenience stores must be convenient and must also compete with the long opening hours of supermarkets which have a far lower turnover to staff ratio. The YCSSG have worked with the existing staff to identify where opening hours might be reduced at "quiet" times. A community-run shop also has the opportunity to expand opening hours and increase customer service with volunteers assisting paid staff in these areas. Utility costs are also an issue, with chiller and freezer cabinets being "always on", and with the need to maintain a comfortable temperature in the shop itself. As part of the refit costs, the plan would be to propose to replace old, energy-inefficient freezers and chillers with others that allow better display of goods and are much more energy-efficient. They also propose to carry out essential

repairs and maintenance which will result in the building being easier and cheaper to heat. These are set out in Section 6.2.

4 Legal and organisational structure

YCSSG have set up a Community Benefit Society or BenCom as the legal vehicle for owning the shop and Post Office. Community shops trade, employ staff, manage volunteers and enter into contracts and financial arrangements. They therefore require a legal entity to protect those who have invested in the business or those who run it, by giving them 'limited liability', and they also require a legal structure to ensure that they are compliant with legal necessities such as tax, insurance, trading standards and employment rights. In deciding which form of legal entity would be most appropriate for the Yetholm community shop the guiding business principle has been that the more people who get involved and buy into the enterprise the more likely it will succeed.

The Society will operate for the benefit of the community, under the Co-operative and Community Benefit Societies Act 2014. The principal characteristic of a BenCom is that it will be owned by the community and any profit from the shop not required to be re-invested in the business will be put back into the community.

The YCSSG have chosen this model for a number of reasons: This model is operated at numerous similar village locations elsewhere in the UK and is recognised as a viable approach to running and maintaining a vibrant village shop in a rural location. It allows as many people as possible in the community to buy shares in the business and become Members of the Society, thereby enhancing the sense of community ownership and enabling people to invest and offer their services for the benefit of the shop and ultimately to the community.

Buying shares in a BenCom is an investment in the community, intended to secure and enhance a lasting asset, part of a thriving and sustainable community. The ownership structure is completely democratic – one vote per shareholder, as opposed to one vote per share. Shareholders can influence the management of the shop by electing Management Committee members and voting on issues at the Annual Members Meeting and Special Members Meetings. Net profit is used to develop the business and then build a financial reserve in the early years. Thereafter, the principal objective is to use the net profit to benefit the wider community. At the discretion of the Management Committee, interest may be paid to shareholders on their investment, but not until a financial surplus is assured.

Unlike other forms of private company, community shares cannot be worth more than the price paid for them and they are not transferable to a buyer at whatever price the buyer will pay. They are withdrawable shares with the prospect of getting some or all of your money back from the company, subject to the discretion of the Management Committee, generally after three years, but not until the Society has adequate financial reserves.

Community shops with a BenCom structure have an average of 191 Members, in comparison with 113 for other structures. The benefits of a large membership base include having a larger number of people who have a financial interest in the shop and who are more likely to use it regularly; a greater number of people who attend Annual Members Meetings and other Members Meetings and positively contribute to the overall direction of the business; and a larger and more accessible pool of people to draw on for Management Committee tasks, or when more volunteers are needed to help run the business.

The Society's governing document known as "the Rules" sets out the way in which the Society is owned, organized and governed. Copies are available to download from www.yetholmonline.org or from the Financial Conduct Authority website, and a printed copy is available to prospective investors on request.

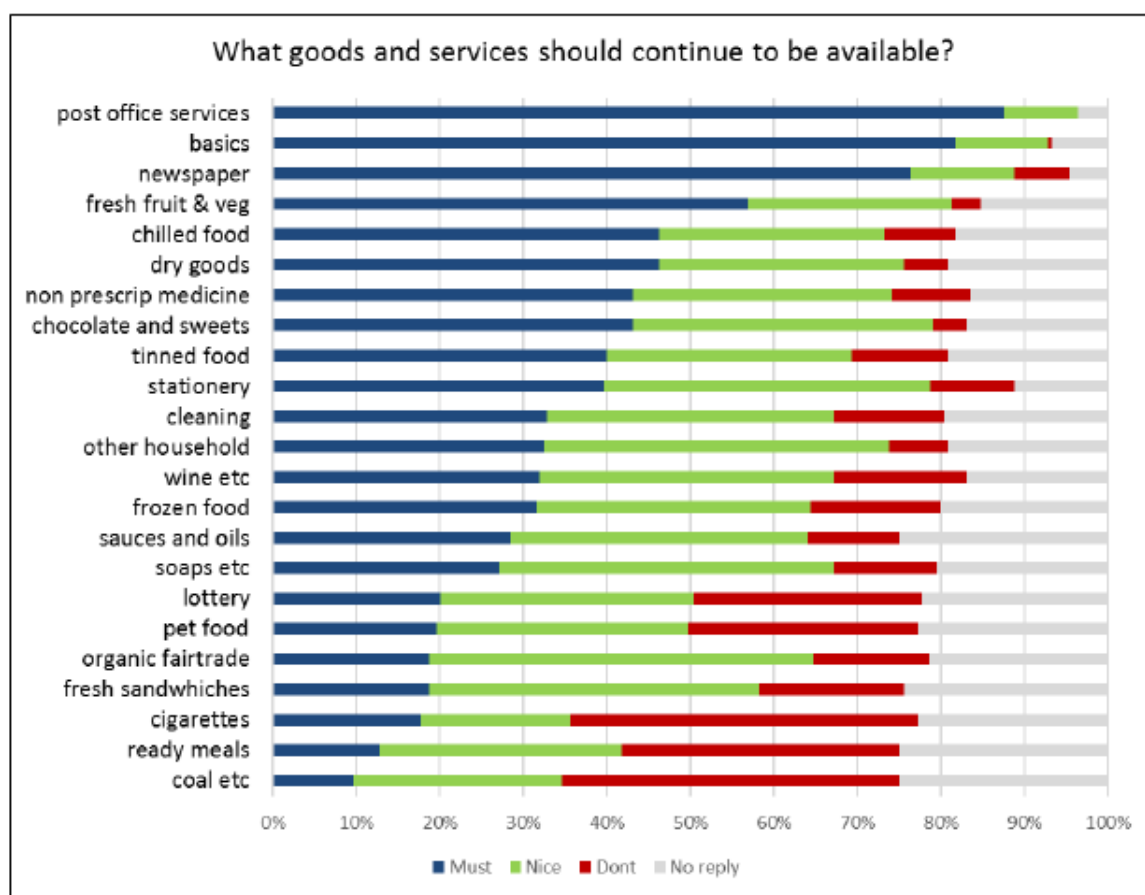
5 Markets and marketing

YCSSG have gathered information from the community survey, consultation events, experience supporting the shop and local residents through the Covid-19 pandemic, discussions with the current owners and staff. This has helped develop the proposals for the services and products that the community shop will provide. This will build on the successful elements of the formula that the current owners developed over time, and will include some changes based on the information received. Overall, the aim is to make a distinct difference not only in relation to the current shop but also in respect of representing the community brand. To this end, the shop will stock local produce. Given that there are a lot of producers of various foodstuffs in the local area, the shop will be championing these.

5.1 Continuing existing goods and services

The business plan reflects the fact that the stock will be a mix of essentials and high-quality produce alongside newspapers, milk and fresh produce. The inclusion of the Post Office is also an important factor in meeting the community's needs, and the importance of the Post Office was highlighted in the survey results. In the question, "what goods and services should continue to be available?" the top choice was the Post Office.

Figure v. Survey results: goods and services to continue

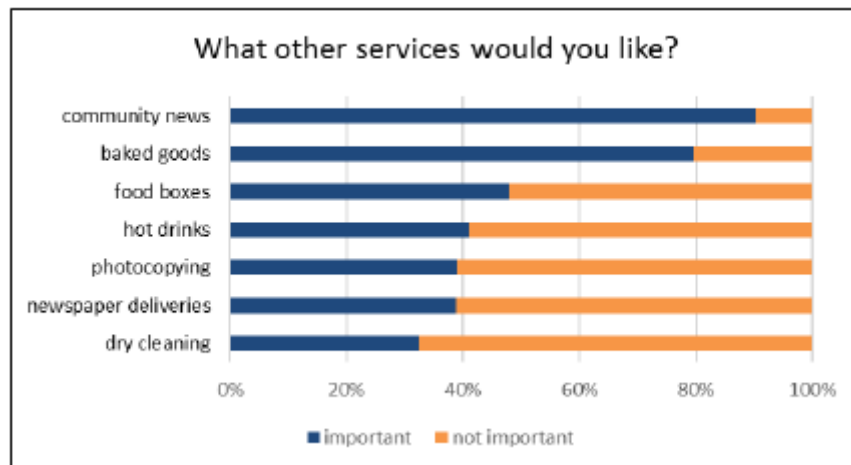


The YCSSG have taken preliminary steps to help secure the Post Office service. The plan is to continue to open early 6 days per week at 7am to provide newspapers; and to expand the fruit and vegetable selections sourced locally. The plan is also to invest in improved and energy-efficient chillers to provide a greater range of chilled food, and improved shelving for a range of dry goods.

5.2 Adding new goods and services

In considering additional goods and services, YCSSG considered the evidence available. The survey indicated the importance of two additions: community news and baked goods, which were the only two items where a majority of people identified as “important”.

Figure vi. What other goods and services would you like?

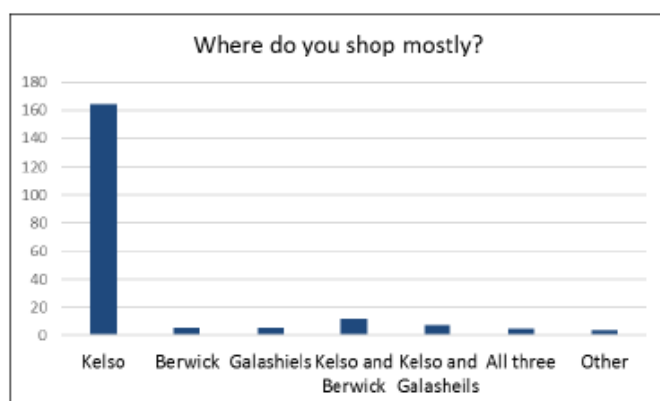


In considering these other goods and services, YCSSG are aware of an area of potential overlap with the local butcher, who also provides some baked goods. Care will be taken not to compete with this essential local supplier, but to collaborate on ranges. Fresh bread and pastries were second in the consultation event, with fresh fruit and vegetables top of the list; more delicatessen-type produce was third on that list. Higher margin items such as speciality cheeses and possibly wines (in conjunction with a local wholesaler) will be considered as the shop becomes established.

5.3 Competition, differentiation and market share

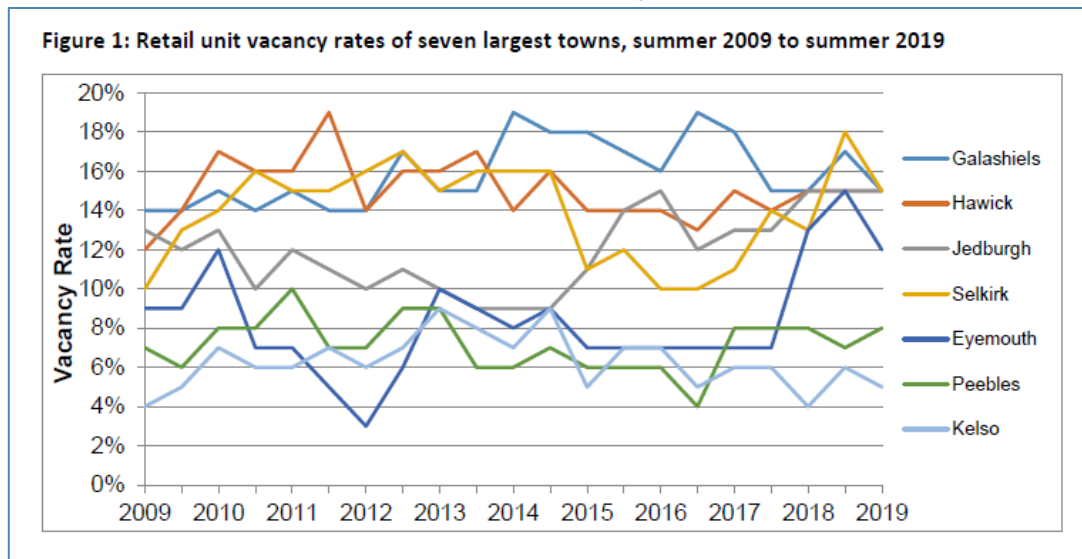
The nearest substantial settlement is Kelso, 8 miles from Town Yetholm, and this is where the majority of people in Yetholm do their shopping. Berwick provides a much larger selection of retail and includes Tesco, Morrisons, Asda and Aldi.

Figure vii. Where people shop



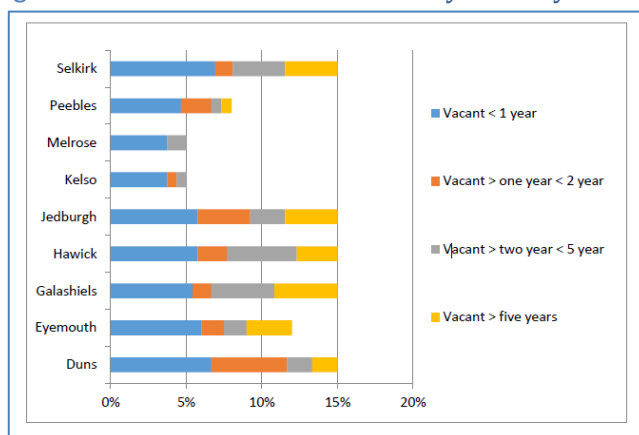
Kelso has a resident population of around 5,900 (2015 estimates) and remains a retail and services centre for the area. The Scottish Borders Council Retail Survey of 2019 recorded that Kelso has had historically one of the lowest vacancy retail rates in the Borders, demonstrating the strength of its retail offer, as shown below:

Figure viii. Scottish Border towns retail vacancy rates 2009-2019



Not only does Kelso have a low vacancy rate, it also has very few vacant retail units, as shown below.

Figure ix. Town centre vacancy rates by vacancy length



Kelso has a range of high-street shops in addition to the Co-op, Lidl and Sainsbury's, including newsagents and Post Office, a butchers and delicatessen, a greengrocer, and a wine wholesaler.

Kelso's vibrant retail offering has three implications for the Yetholm Village Shop and Post Office. Firstly, it demonstrates that people shop relatively locally, so that so far Kelso has managed to thrive despite the nationwide trends to on-line shopping. Secondly, it demonstrates a demand for higher-value and service-led retail in the area. Finally, the local shops in Kelso, who have established their brand, may also be willing to become wholesale suppliers to the Yetholm Village Shop. This has already been trialled by the current owners and is proving successful particularly during the lockdown due to the Covid-19 pandemic.

In short, while these shops may be regarded as competition, they also give an indication of the level of demand and supply in the wider area for high-quality, local produce and services.

The Yetholm Shop is able to deliver on this local and quality market while adding convenience for its target customers.

5.4 Customer differentiation

Three broad target groups of customers have been identified:

Local Customers

The questionnaire results, combined with visits to similar community shops, have informed the product range that the shop will aim to stock, and these are set out above. Local customers provide the mainstay of the shop and will continue to do so in the future. There are 600 or more residents in the Yetholm villages themselves, and around a further 200 in neighbouring valleys.

Morning and Evening Passing Trade

These are people who work in the area around the village who may pass through on their way to and from work, and includes both regular commuters and those who have more occasional work. The current owner's experience is that while morning passing trade is important to the shop, there is much less demand in the evening, particularly in the winter when it is already dark, and people are focused on heading home. Kerbside visibility, ease of parking, quick service, and a selection of snacks, lunchtime foods, and easy meals will attract this group.

Visitors

As noted above, there is a significant stream of visitors to and through Yetholm from the Spring to the Autumn, and this provides an opportunity to increase the shop turnover during the tourist season, helping to support it during the winter. While the shop's location in Town Yetholm means that it is not easily visible from Kirk Yetholm where the Pennine Way ends, there is still opportunity to increase this visibility through advertising. Other visiting traffic along the Main Street, including road cyclists, can be better drawn in by a more attractive shop frontage, increased visibility through signage from Kirk Yetholm, and a range of products aimed at visitors including local produce, jams and preserves, alcoholic drinks, and potentially in the future an expanded seating area in the front to provide a place to relax.

5.5 Marketing and Promotion

While the shop will continue to offer competitive pricing relative to shops of similar size, it will not expect to be able to compete on price with the large supermarkets. Instead, it will aim to compete on quality of service, the provision of good quality, local produce, as well as our convenient location.

In order to increase the financial sustainability of the shop, the focus will be on:

- Increased number of customers
- Increased average expenditure per visit
- Increased frequency of use

Attracting an increased number of customers:

- Community investment in the BenCom, increasing sense of "ownership"
- Public events to raise the profile of shop
- Kerbside appeal: revamp shop front, display fresh produce
- Signage to raise profile with passing trade
- Word of mouth from a good customer experience
- Social media – Facebook, TripAdvisor, and co-advertising with other local businesses especially tourism-related businesses (e.g. flyers etc. available in the hotels, hostel, holiday lets, B&Bs and Caravan Site)

- Evening and shop “events” e.g. tastings etc held upstairs, to help boost awareness of the new product ranges and services, and to increase community activity

Increasing spend per visit:

- Feedback from customers to improve alignment of products and services with demand
- In-shop advertisements, special promotions, seasonal goods etc.
- Stock items that are requested for trial periods.

Initiatives to increase frequency:

- High quality, personal friendly service to encourage repeat purchases
- Promotional activity – including shop frontage displays, signage and promotions to encourage additional visits
- Advertising, including social media and direct emails
- Source of local and tourism information

While the current owners have undertaken some of these activities, the investment available from the community shares will help ensure a refreshed, well-stocked shop with improved kerbside appeal. The energy of the management committee and volunteers will help ensure a more active social media presence, improved feedback about product ranges, and opportunities for add-on social events to boost the shop’s reputation and custom.

5.6 Opening hours

To deliver the service to its market, the plan would be to amend the current trading hours, with expanded seasonal opening in the visitor season while retaining core opening hours in the off-season.

	Winter	Summer
Weekdays	7am to 3pm	7am to 5pm
Saturday	7 am to 1pm	7 am to 4pm
Sunday	9 am to 1pm	9 am to 1pm

These hours can be flexed depending on customer feedback.

6 Bringing a Community Shop to Yetholm

As part of the due diligence prior to purchase, and with the assistance of the current owners, YCSSG undertook a survey of the building to identify its condition, and to identify opportunities for improvement. YCSSG also considered the feedback from the survey, the consultation event and the current staff in proposing improvements to the shop building, together with an estimated cost of undertaking this work.

6.1 The shop and Post Office premises

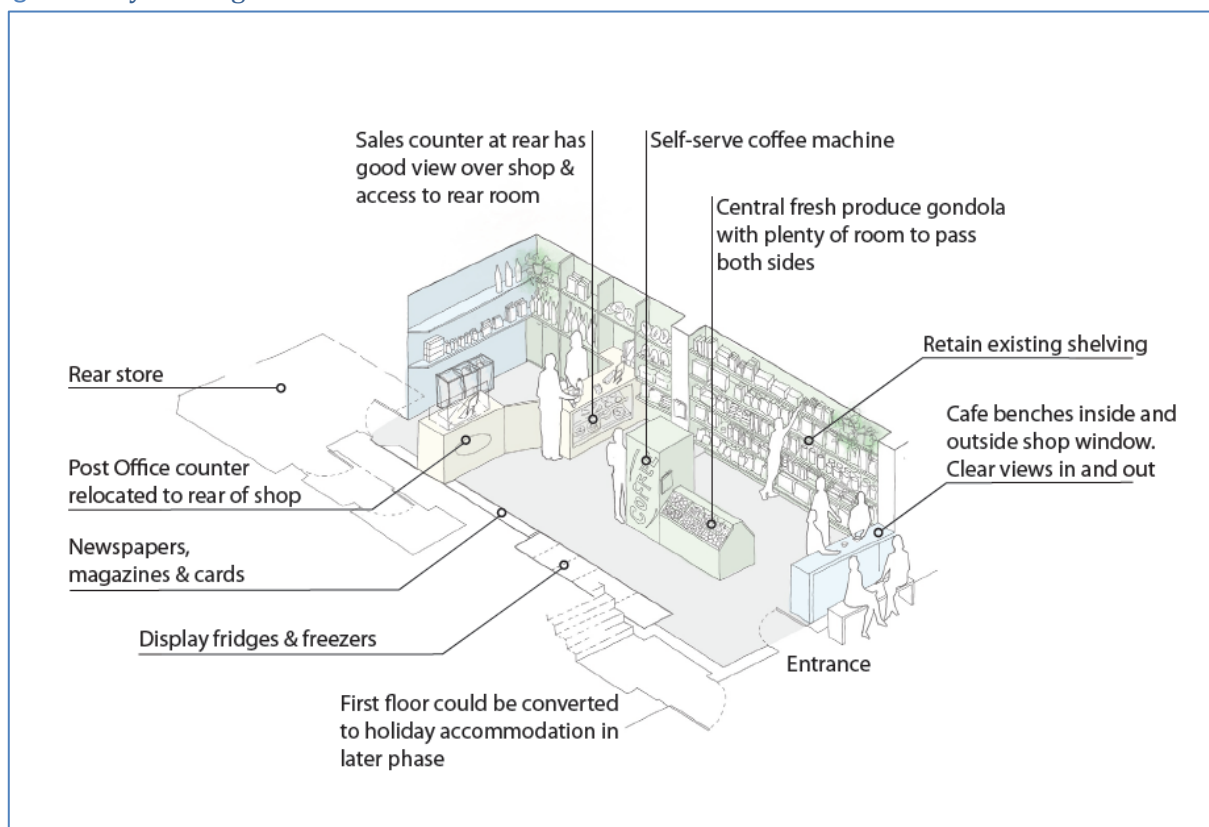
6.1.1 Internal layout

As noted above, the feedback received was that the current layout was too cluttered, rather dark, and did not always use space efficiently. The proposed revised layout is shown below and at Appendix 3, which addresses these points:

- Moving the till and Post Office counter to the back of the shop
- Increasing the availability of shelf and chiller space
- Replacing old units where required with more efficient units
- Providing a small seating area at the window for customers to enjoy shop-bought hot drinks and snacks.

The Post Office has been consulted on the proposed moves and YCSSG awaits final confirmation.

Figure x. Layout diagram



6.1.2 The upstairs café

The consultation process asked people about preferred uses of the upstairs space (See Appendix 2). Any use but as the current café would require investment to change the layout, reducing the size of the kitchen and (for use as accommodation) including a shower. YCSSG are of the view that the cost of these investments mean that any such change would be as a later phase of development.

Until this time the plan would be to retain the current layout upstairs. It could be used as a volunteer-run coffee shop. It could also be let out for community social space for those events which would ideally be held in a smaller space than is available elsewhere in the village, and for shop and other social events. This upstairs accommodation is recently created and of a high quality, and these temporary uses will allow community benefit without requiring significant additional funding. It is WIFI-enabled, and could also be put to wider socially beneficial uses, such as a visitor centre, or an adult learning facility.

6.1.3 The shop frontage

The consultation event in particular provided useful feedback on “outside the shop”. The most favoured look and feel for the shop frontage is shown below. In addition, people commented on the accessibility and safety of the shop entry, the possibility for external seating, and the need to manage parking. These last two issues are sensitive to the needs of neighbours and will require discussion and agreement in due course, and would be subject to planning permission. The importance is both to improve the kerbside appeal and to ensure accessibility for people with limited physical mobility.

Figure xi. Preferred frontage “look and feel”



6.2 Purchase / Transfer and Development Costs

The YCSSG obtained an external valuation for the purchase of the building, and expert estimates for essential repair and refurbishment costs. The purchase cost is £95,000 plus legal fees of £2,500.

The building itself requires substantial repairs to the roof, stone work and potentially damp proofing. The YCSSG considered the list of repairs arising from the buildings conditions survey and have obtained input and advice on what has to be done and what the costs are likely to be. Essential initial repairs and shop fit-out are estimated at £100,596 (of which urgent repairs are estimated at £6,265 plus inspection and professional fees); then, less critical but necessary medium-term works are estimated at £35,112; and finally, longer-term improvements are estimated at £10,500. In addition to these costs, the Society will require to fund the initial re-stock of the shop, to maintain a

cash balance for cash flow, to pay for a new EPOS system, to train volunteers, and to have insurance for the first year of ownership. These costs are £67,250.

The total purchase and development costs required for the set up and initial opening of the community shop total £272,846 as shown below:

Figure xii. Purchase and development costs and funding

	SLF application	Urgent repairs	Repairs and renewals	Working capital	Total	Phase 2
Purchase costs						
Purchase costs	95,000				95,000	
Legal Costs	2,500				2,500	
Technical surveys	1,600				1,600	
Architectural fees	9,350				9,350	5,676
Development officer	7,500				7,500	
Roofing and plastering		6,265			6,265	
Building works			51,711		51,711	13,936
Shop fit out			26,670		26,670	
Shop frontage						15,500
Outbuildings						500
Replace kitchen						6,000
New water supply						4,000
Working capital						
Stock				25,000	25,000	
EPOS system				3,500	3,500	
Working capital (cash)				35,000	35,000	
Volunteer Training				2,500	2,500	
Insurance				1,250	1,250	
Decant costs						
Temporary accommodation rental & fit out		5,000			5,000	
Total costs	115,950	11,265	78,381	67,250	272,846	45,612
SLF funding						
95% purchase costs	90,250					

100% other costs	17,485	6,265			114,000	
Other funders			38,846	-	38,846	22,806
Community Benefit Company	8,215	5,000	39,535	67,250	120,000	22,806
Total funding	115,950	11,265	78,381	67,250	272,846	45,612

To enhance the kerbside appeal of the business, and increase custom from passing traffic and from visitors, the Society has decided to bring forward the renovation of the shop frontage and the further building work (shown under Phase 2 above), and include them as the less critical but necessary category of works, estimated at £35,112. This would leave only the kitchen and water supply and outbuilding works (estimated at £10,500) as longer-term improvements, to be financed as and when other funding becomes available in the future.

6.3 The Funding Strategy for Development

The funding strategy for these costs is for a mixture of grants and community investment, as noted in Figure xii above.

6.3.1 Scottish Land Fund

The SLF is a Scottish Government fund to support their priority of empowering communities. It provides funding for communities to purchase land and land assets. Projects must help their local community to:

- achieve more sustainable economic, environmental and/or social development through ownership of land and buildings
- have a stronger role in and control over their own development
- own well-managed, financially sustainable land and buildings

An application was made to the SLF in June 2020, and a grant offer for £114,000 was announced in September. This will be for 95% of the purchase costs, some limited professional fees associated with the purchase, and for a part-time short-term development officer. The remit for the position is likely to cover support and advice on the re-fit works, modernising the shop equipment, extending and upgrading the product lines on offer, marketing, customer service and presentation, and training and updating staff and volunteers.

6.3.2 Community funding – the Share Offer, and donations

The Management Committee plans to invite members of the local community and potential supporters within the wider Yetholm connection to invest in community shares in the Society in order to secure the future of the shop and the Post Office for the community.

The share offer would be opened in October and run for at least a month.

The minimum individual shareholding is 1 share (£25), and the maximum is 500 shares (£12,500). The Society is governed by the principle of one-member-one-vote, irrespective the number of shares the member holds.

During the same period supporters who have expressed an interest in making a donation to the shop buy-out project would be asked to do so – as would any other supporters wishing to contribute in this way.

The primary target for investment and donation contributions in the share offer period would be at least £120,000, which represents the aggregate value of the expressions of interest already received.

The more that can be raised in excess of that figure, the less the Society would need further time, and further funding, to complete its programme of repairs and refurbishment works.

In order to finance any uncompleted items of these works, and to fund the longer-term improvement works reserved for subsequent years of operation, the Society will in any case be diligently pursuing further grants, as funding bodies move on from their emergency concentration of resources to the Covid emergency in the spring of 2020 and refocus on the range of other projects they normally support.

The Society will apply to HMRC for advance assurance of eligibility for Social Investment Tax Relief. If the Society is eligible for SISR, individual shareholder investors (but not donors) may apply to HMRC for 30% tax relief on their investment in the Society, subject to a number of conditions.

6.3.3 Other funders

The [National Lottery's Community Fund](#), for example, would normally be a key source of funding but for the time being is very restricted for non-Covid-19 applications.

The Scottish Government established South of Scotland Enterprise in 2019, with the formal operation of SoSE from 1 April 2020. The overarching aims of SOSE will be to drive inclusive growth and ensure the region benefits from a new approach that supports a diverse and resilient economy, sustains and grows communities, and harnesses the potential of people and resources. SoSE's priority themes include communities and business support. The Management Committee has established contact with SoSE, and it is aware that the Society will be applying for financial support, when SoSE has announced its own schemes for financial support of projects such as the Society's and provided details of the application process.

The Society has a major pending grant application with the Regeneration Capital Grant Fund, for which it has successfully passed the qualifying round, is the only applicant from the Scottish Borders Region, and is being sponsored and assisted by Scottish Borders Council. A grant offer from RCGF in the terms applied for would potentially allow the Society not only to proceed with all the capital items for repair and refurbishment, but also to pursue a broader development plan for the upstairs space to encompass a wider community and visitor resource.

The Society will shortly be submitting grant applications to the Prince's Countryside Trust and to the Community Climate Asset Fund. Once it has actually acquired the shop premises, it will become eligible for a wider range of funding sources, such as the Scottish Borders Communities Fund, and applications for these will be an immediate priority on completion of the buy-out.

Other funding possibilities are Potential funders for aspects of the programme include the [Architectural Heritage Fund](#) or the William Grant Foundation Tailored Support Fund (maximum £10,000) which helps organisations and projects that may not fit within the criteria for Architectural Heritage Fund grant programmes, and includes projects involving unlisted buildings that are still important heritage to local communities.

Overall there is a reasonable chance of success in obtaining further grant funding, but whether and how much is for the time being a matter of conjecture.

6.3.4 Loans

While loans are not ideal for a fledgling business, there are social loans available on more advantageous terms to community enterprises. Social Investment Scotland, RBS Social and Community Capital, Co-operative and Community Finance Limited all provide loans to social enterprises to assist with working capital.

6.3.5 Overall aim

The overall target is £ 272,846 development funding, that is, funding for the purchase, repair and refurbishment, and working capital required for the community shop and Post Office. On receipt of the SLF grant of £114,000, the remaining balance of £158,846 is what has to be raised from other sources, that is, that is, from the community contribution (investment in shares in the Society, and donations to it), and from other grant funding. The extent therefore to which the community contribution exceeds £120,000 will mean that the Society's need for further grant funding will reduce accordingly.

6.4 Development phasing

The development phasing is set out below and is driven by grant timelines, the time required to purchase the business, and the need for urgent repairs. These repairs will begin during January/February 2021.

Action	Timeline	Dependent on
SLF grant funding application submitted	June 2020	Community support
SLF grant funding approved	September 2020	Conditional on successful SLF application
Commence raising of community contributions – donations and BenCom Share Offer	October/November 2020	Conditional on successful SLF application
Commence planning for any TUPE transfer of staff	October 2020	HR advice to be provided by Business Gateway and other support organisations
Development officer appointed	December 2020	Recruitment process
Complete the raising of community contributions	December 2020	Community readiness to contribute
Complete purchase of shop premises and assets	January 2020	Sufficient raising of community contributions
Complete urgent repair work	Jan, Feb 2021	Completion of purchase Availability of tradesmen and materials
Shop business decanted, and repair and refit work	Within 3 rd -4 th quarter 2021	Site found for temporary shop – Post Office may not be included in temporary building Availability of tradesmen and materials
Shop returns to its permanent location	Within 3 rd -4 th quarter 2021	Completion of repair and re-fit work

6.5 Development cash flow

Based on the above phasing, the cash flow for the development period is as below. This assumes monthly VAT reclaims during the construction period, and that grant claims for the renovation work are received 30 days after the costs are incurred.

Careful cash management will be required during this period, and the cash flow below illustrates the importance of monthly VAT claims and grant claims. It also illustrates the need for £120,000 of start-up capital from the community.

The development cash flow completes with £35,000 which is required for working capital.

Figure xiii. Development cash flow November 2020 to May 2021

	Nov-20	Dec-20	Total 2020	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Total Development
Opening cash	-	68,430		103,948	20,129	2,393			
Cash from SLF grants		99,000	99,000	5,000	5,000	5,000			114,000
Cash from other grants		-	-		13,173	13,173	12,500		38,846
Cash from Community Shares	75,000	45,000	120,000						120,000
Cash Inflow	75,000	144,000	219,000	5,000	18,173	18,173	12,500	-	272,846
Operating expenditure			-						
Development officer		1,250	1,250	1,250	1,250	1,250	1,250	1,250	7,500
Insurance		1,250	1,250						1,250
Volunteer training		2,500	2,500						2,500
Decant costs			-	2,500	2,500				5,000
Capital expenditure			-						-
Purchase and legal fees		97,500	97,500	-	-				97,500
Architects and technical fees	5,475	5,475	10,950		-				10,950
Renovation and repair costs	-	-	-	57,976	26,670				84,646
Working Capital			-						-
Stock purchases			-	15,000	10,000				25,000
EPOS			-	1,750	1,750				3,500
Total Development Costs Net	5,475	107,975	113,450	78,476	42,170	1,250	1,250	1,250	237,846
VAT incurred on expenditure	1,095	1,602	2,697	11,945	5,684	-	-	-	20,326
VAT reclaimed	-	(1,095)	(1,095)	(1,602)	(11,945)	(5,684)	-	-	(20,326)
Cash Outflow	6,570	108,482	115,052	88,819	35,909	(4,434)	1,250	1,250	237,846
Net increase (decrease) in cash	68,430	35,518	103,948	(83,819)	(17,736)	22,607	11,250	(1,250)	35,000
Closing cash	68,430	103,948	103,948	20,129	2,393	25,000	36,250	35,000	35,000

Above figure for "Community Shares" also includes community donations

7 Income and costs

7.1 Revenue and margins assumptions

Historically the shop and Post Office have had declining revenues, from £293,000 in the year to July 2016 to £260,000 in the year to July 2019. While this is disappointing, the business nevertheless is already generating income significantly about the average for a community owned shop, which is around £160,000 according to Plunkett.

The intention is to maintain and increase the turnover, using the marketing plans set out in Section 5. Turnover will be further increased in 2023 and 2024 once the shop frontage and external areas are made more attractive, increasing passing trade and the visitor market.

Historically, the shop margins have been declining over the past four years, from 23% in the year to July 2016 to 17% in the year to July 2019. The YCSSG recognises that margins will remain under pressure due to price competition. The plan is to maintain and increase margins by introducing a number of higher-margin products and ranges, improving product mix while retaining their customer base.

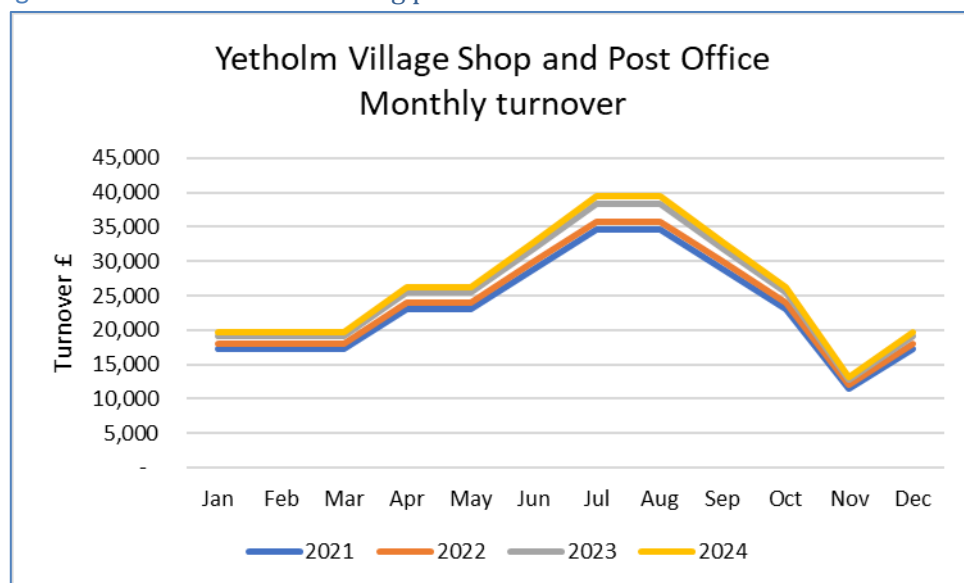
Forecast revenues and margins are as below for calendar years.

Figure xiv. Annual revenues and margins

	2021	2022	2023	2024
Shop	276,500	286,500	306,000	315,000
Post Office	3,500	4,200	4,000	5,000
Turnover	280,000	290,700	310,000	320,000
Cost of goods sold	(229,530)	(235,425)	(249,148)	(257,181)
Gross profit	50,470	55,275	60,853	62,819
Gross Margin %	18%	19%	20%	20%

Revenues will be seasonal, with higher revenues during the tourist season and lower in the winter. Seasonal revenues are expected in as below:

Figure xv. Seasonal trading patterns



7.2 Trading structure, staffing and overhead costs

The creation of the BenCom will allow oversight and input from the members of the Management Committee, who will assist in providing strategic direction, regulatory and financial management, health and safety, managing staff and volunteer rotas, and in ensuring that the business remains responsive and accountable to the community.

The plan is to retain a core staff team to manage and staff the shop, retaining jobs in the community, ensuring that the Post Office remains open and ensuring that the proposed opening hours can be staffed. However, the BenCom also requires to ensure that the trading structure fits within the financial resources available so that the shop ceases to make losses. The plan is to have a core staff supported by volunteers to assist in maintaining good customer services particularly during busy period. Staffing and volunteer hours will vary with the seasonal nature of the business. Core staff will retain the responsibility of excellent customer service, day-to-day stock management, and compliance with regulations.

It is anticipated (pending professional advice) that the current staff will be subject to a TUPE transfer, and if so this process will commence in the timelines set out by legislation.

Staff costs will remain the largest part of the business' expenditure after the cost of sales and have been based on the required staffing levels to retain opening hours.

Figure xvi. Staffing and trading costs

	2021	2022	2023	2024
Wages	37,386	37,605	38,220	38,984
Insurance	1,033	1,010	1,020	1,020
Utilities	3,100	2,400	2,400	2,400
Telephone and office expenses	600	606	612	618
Advertising and marketing	300	303	306	309

Accountancy & bookkeeping	3,500	3,535	3,570	3,606
Memberships and subscriptions	300	303	306	309
Volunteer expenses (training and volunteer management)	2,716	2,743	2,771	2,798
Bank and card charges	4,148	4,298	4,590	4,725
Total Trading Expenditure	53,083	52,803	53,795	54,770

Utilities and insurance will be higher in 2021 for the temporary decant period.

Costs are based on those currently being incurred by the business, adjusted for staff and volunteer costs. Costs are reduced where the EPOS system will allow more efficient management and financial monitoring.

7.3 Net profits

The forecast is for a small and increasing cash profit for each year of trading, with the exception of the first year where decant costs will create a cash loss, to be funded from the cash raised for BenCom.

These are summarised from sections 7.1 and 7.2 above, as below.

Figure xvii. Summary of income and expenditure

	2020	2021	2022	2023	2024
Turnover		280,000	290,700	310,000	320,000
Cost of goods sold		(229,530)	(235,425)	(249,148)	(257,181)
Gross profit		50,470	55,275	60,853	62,819
Trading Expenditure		53,083	52,803	53,795	54,770
Cash profit (loss) before depreciation		(2,613)	2,472	7,058	8,049
Net depreciation	(18)	(3,100)	(3,390)	(4,063)	(4,092)
Trading Profit (loss) after depreciation	(18)	(5,713)	(917)	2,995	3,957
<i>Development revenue grants</i>	8,750				
<i>Development expenses</i>	(5,000)	(11,250)			
<i>Development net income/ (expenditure)</i>	3,750	(11,250)			
Total net income/ expenditure per	3,732	(16,963)	(917)	2,995	3,957
Figure xx					

7.4 Combined cash flow

The monthly cash flow for the first 12 months of operations is shown at Appendix 4. Cash flow for the development and for the first four years of trading operations are shown below. Cash surpluses generated from the first two years of trading at a profit are used to support the development of the shop frontage and to carry out the remaining renovation works.

Figure xviii. Annual cash flow – development and operations

	2020	2021	2022	2023	2024
Opening cash	-	103,948	32,740	35,262	24,819
Community shares	120,000				
Grant income	99,000	53,846		17,556	
Sales revenue		280,000	290,700	310,000	320,000
Total inflows	219,000	333,846	290,700	327,556	320,000
Purchases		(229,530)	(235,425)	(249,147)	(257,181)
Development expenses	(5,000)	(11,250)			
Trading expenses		(53,083)	(52,803)	(53,795)	(54,770)
Investment in inventory		(25,000)			
(Increase) / decrease in VAT payable	(1,602)	1,955	50	54	20
Land purchase	(97,500)	-	-	-	-
Repairs and renovations	(10,950)	(57,976)	-	(35,112)	-
Shop fixtures and fittings, EPOS	-	(30,170)	-	-	-
Total outflows	(115,052)	(405,054)	(288,177)	(338,000)	(311,931)
Cash movement	103,948	(71,208)	2,523	(10,444)	8,069
Closing cash	103,948	32,740	35,262	24,819	32,888

8 Delivering the project: Governance, Skills

The new Community Benefit Society has been registered with the Financial Conduct Authority, and the individuals noted below have agreed to be the founding members of the Management Committee. The members of the Committee have assessed their skills and experience and considered how to complete any gaps in their experience.

These members have significant experience in governance and management, including project management, risk management and financial management, and in managing people. The Committee also has members with considerable experience of fundraising, managing build renovation projects, legal transactions and retail management.

The founding members of the Management Committee will serve until the first Annual Members Meeting of the Society, at which time they and any other shareholding members of the BenCom may stand for election to the Management Committee, which has a maximum of ten elected members. The members of the Management Committee elect the Chair, Treasurer and Secretary from the Committee membership.

The Management Committee will also be joined by the current Shop Manager, who will remain as an employee of the new BenCom business, applying her skills from 21 years' experience in retail management, stock management, staffing and rotas, etc. The Shop Manager will report on a day-to-day basis to the Chair, or to a Management Committee member appointed to oversee operations.

The Management Committee has identified the need for additional expertise and support on the re-fit works, modernising the shop equipment, extending and upgrading the product lines on offer, marketing, customer service and presentation, and training and updating staff and volunteers; and they propose to employ a development officer for the first 6 months of the project for these purposes. The Committee members will work closely with the development officer during this time to ensure that these skills are developed in the BenCom and supported by additional community volunteers.

Alastair Hirst

Alastair has lived in Kirk Yetholm intermittently since 1980 and permanently since 2011. He has extensive experience in governance including as a board member, trustee and co-convenor of Scottish Borders Community Development Company (t/a The Bridge). Now retired, he was previously a lawyer and arbitrator, as a founder and former managing partner of an international business law practice.

Kay Greenhorn

Kay's business experience was gained during her time spent in the insurance industry where she gained accreditation as an Associate of the Insurance Institute of Canada. She held a variety of roles in commercial underwriting and marketing before moving to a senior management and leadership position.

Some of her responsibilities included operational and budget planning/management, Human Resources and IT management for the Western Canadian region of an international insurer. She was also responsible for general administration which included project and facilities management, space planning, internal audit and providing leadership to the Finance, HR, IT & Administration teams.

Kay has lived in Yetholm for 8 years. Her belief that the Yetholm Village Shop is a valuable asset for everyone in the community prompted Kay to become actively involved with the shop buy-out project.

Neil McIntyre

Neil has over 35 years' experience in the U.K. and Canada with several large professional services firms, specialising in risk management and insurance. He ran large teams, branches and regions over the course of his career, with responsibility for planning, budgets, recruitment, performance management, and sales. He qualified as a Fellow of the Insurance Institute of Canada. Neil has a long-standing commitment to the third sector, having worked with local campaigns for one of Canada's largest community focussed charitable organisations.

Neil has been a resident of Yetholm for 8 years, and he believes passionately in the role of our community assets and services in contributing to the wellbeing and quality of life of our local population.

Susan Stewart

Susan was born in Edinburgh but moved to Yetholm 42 years ago to run a village shop and milk run with her husband Mike - which they did for over seven years.

Susan continued her nursing career in Borders General Hospital and ultimately moved into Community Nursing gaining a BSc in the early 90's. She worked across many locations in the Borders and was Community Nurse Manager for the Central Borders for over 12 years before retiring. She plays an active part in all community events and is Chair of the Community Council and has also been Chair of the Festival, Rural and Guild.

She is enthusiastic and totally committed to ensuring the Village Shop remains a part of life in Yetholm.

Graeme Wallace

Graeme Wallace, a retired senior manager in the oil and petrochemical industry and currently a member of the Community Council and an office-bearer in a number of local organisations.

Karon Phillipps

Karon has 20 years' experience as a chief executive, chair and non-executive board member of local, regional and national charities, and nearly ten years' experience of running her own consultancy, with a particular specialism in funding applications for charities.

As well as fundraising, she also has significant experience in monitoring and evaluation, organisational reviews and community consultations.

Karon is passionate about making a difference to the lives of local communities.

Janice Gillies

She is the manageress of the shop under its present owners, having worked there for 21 years, and is a life-long local resident. She attended Galashiels College, taking courses in secretarial studies. She has extensive knowledge not only of the shop's operations and current customer base, but also of the local community as a whole.

9 Key Risks and their Management

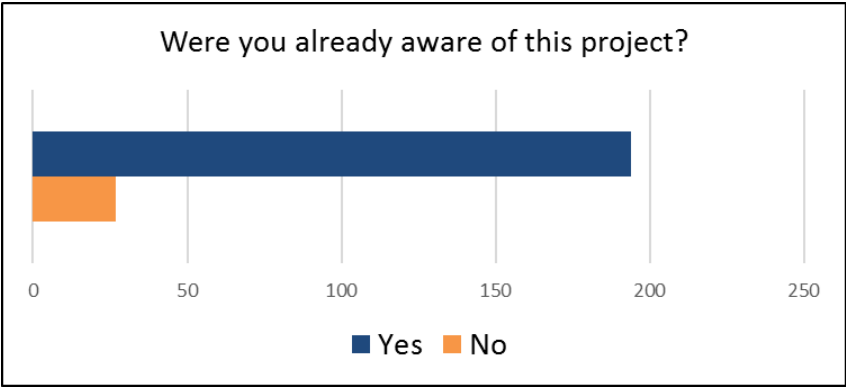
The YCSSG have considered the risks of undertaking this project, and state below the key risks and how these will be managed.

There is a risk that:	Because:	Likelihood	Impact	Score	Mitigations proposed
Funding is not achieved, or not fully achieved for purchase	Business / community case is not made sufficiently to attract funding	2	5	10 H	Continue to dialogue with funders to ensure their aims reflect in applications
Community share capital insufficient for purchase	Financial uncertainty due to Covid-19; community case not made	2	5	10 H	Clear strong message to community; focussed campaign to raise funds
Development costs are in excess of plans	Unforeseen issues with building structure	2	4	8 M	Detailed surveys building already carried out. Further technical survey requirements to be done as part of Phase 2. Provision already made for possible costs.
Funding is not achieved, or not fully achieved for repair and refurbishment	Many funders closed to new applicants due to Covid-19	2	4	8 M	Funding applications will be made in later 2020 and earlier 2021 when SoSE and other community funds are expected to re-open, and will continue to be made as fresh funding opportunities arise.
Income targets for shop and post office not reached	Continuing national retail trends against small convenience stores Does not attract additional customers (passing trade, visitors) in the tourism season	2	3	6 L	This Plan demonstrates target incomes and is conservative, using the current (low) turnover. YCSSG understand the SWOT of delivering to the community. Wide and demonstrable community support to save the shop and increase shop spend.
Expenditure for the shop operations is higher than forecast	Target margins cannot be achieved Wages and salary costs are too expensive / hidden costs due to TUPE	2	2	4 L	Margins have been based on current low margins, with moderate increase as product mix improves. Trading costs and wages aligned to new trading hours and based on those already experienced by the business. Professional advice to be sought on TUPE, as requisite.

Appendix 1. Survey results

225 households completed the survey out of an estimated 500.

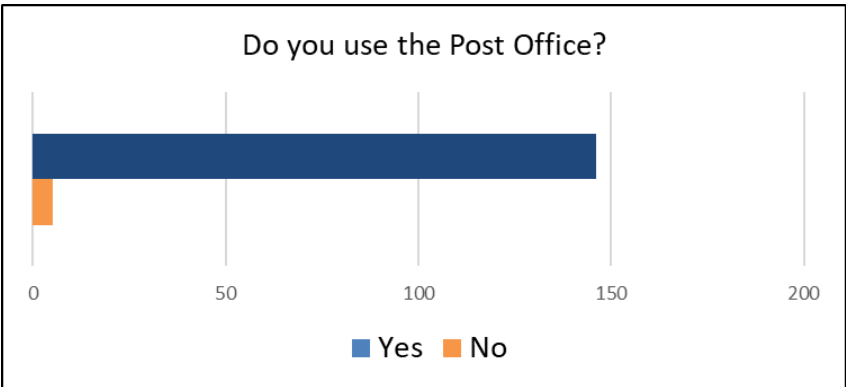
About the shop now



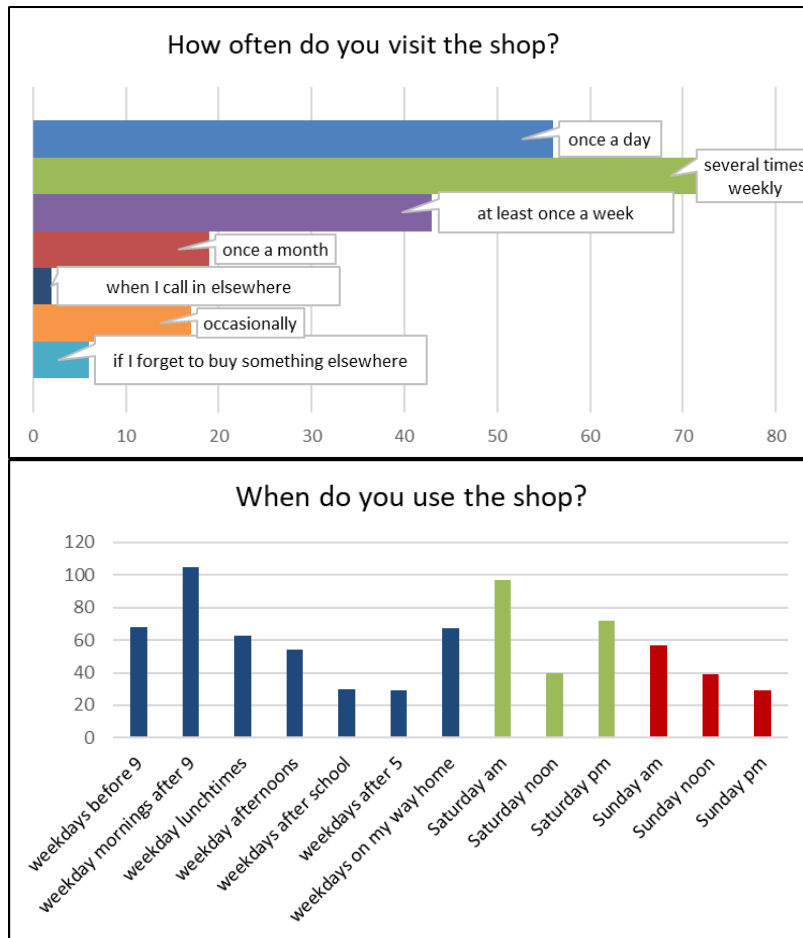
Almost everyone who answered, already knew about the project



95% of respondents used the shop.



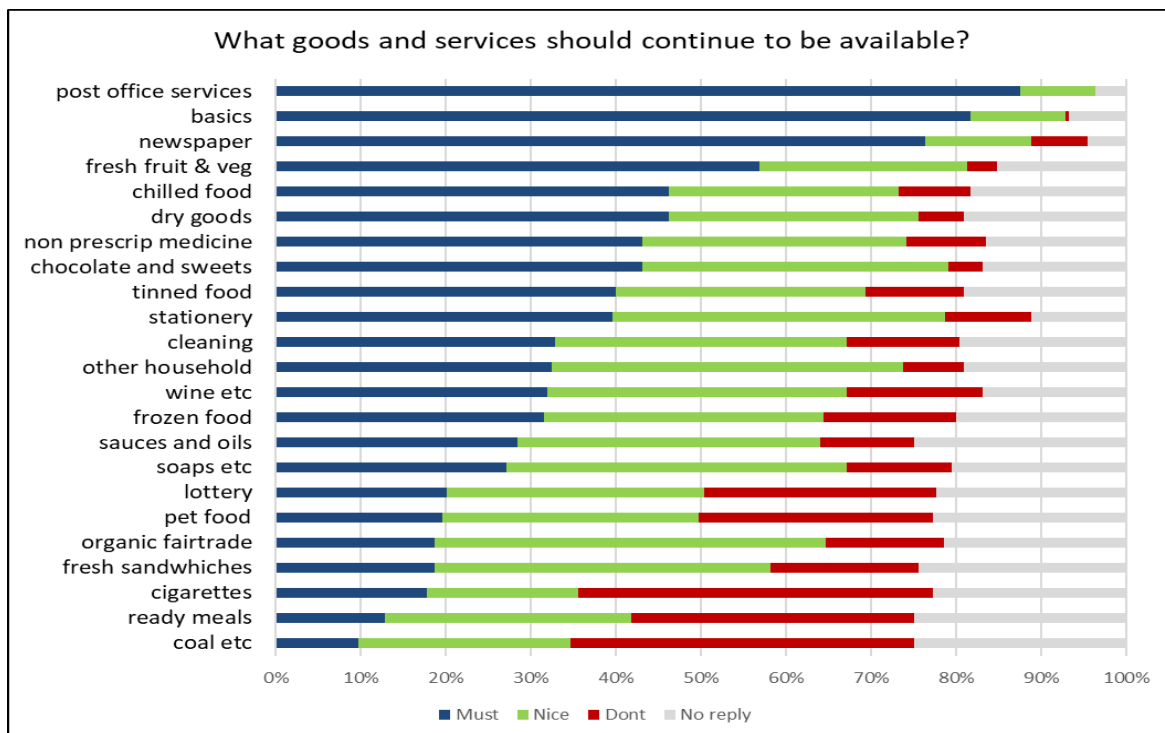
64% of respondents used the post office.



76% of people visited the shop once a week or more often.

The shop is busiest:

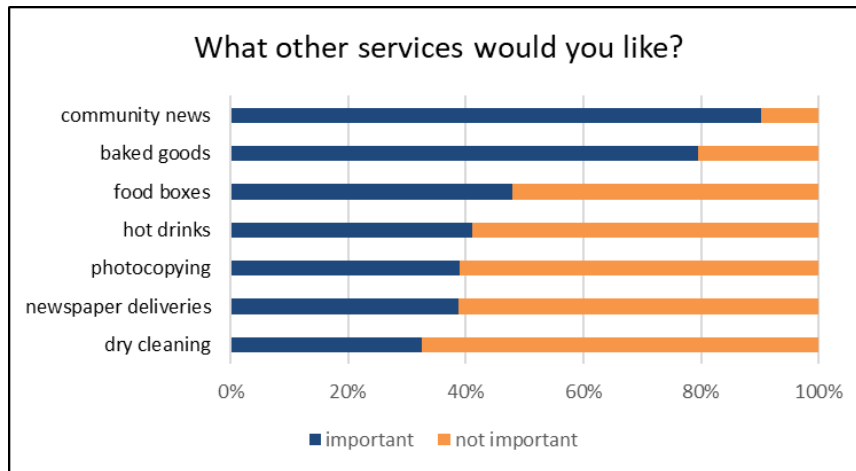
- On weekday mornings
- After work
- On Saturday mornings



About the shop – the future

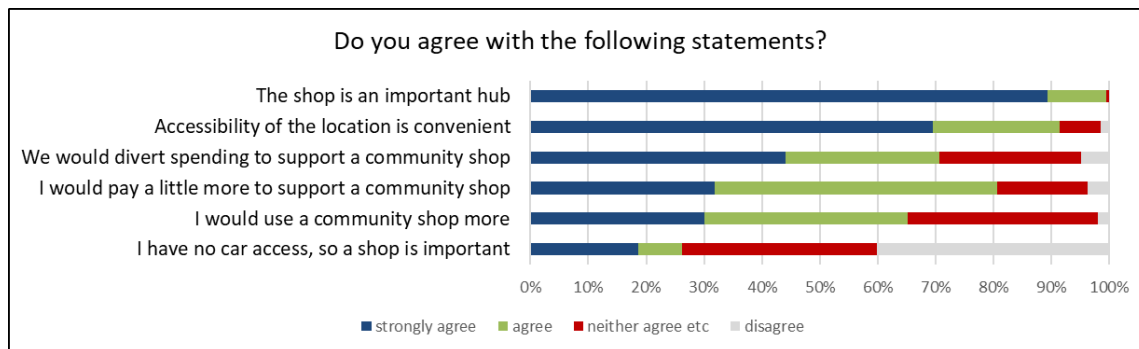
People most wanted goods and services they tend to buy more than weekly

People were less interested in goods and services they tend to buy only weekly or less often.



People value the shop as a source of information about the community

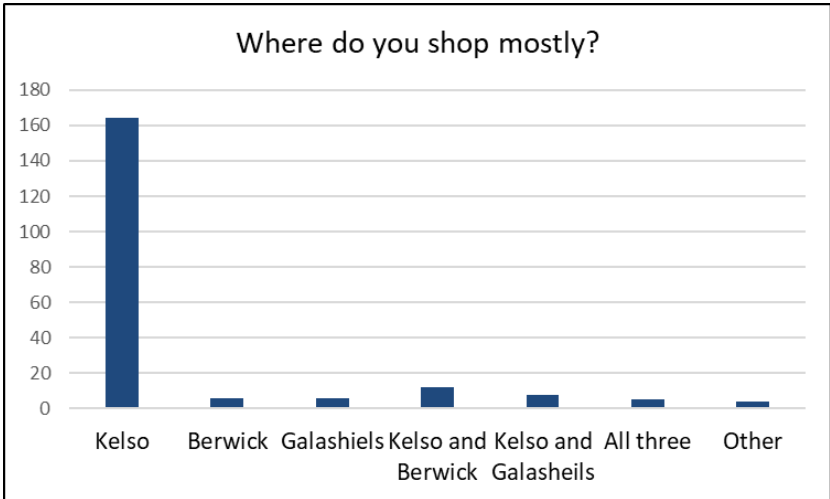
The most important additional service would be a range of freshly baked goods.



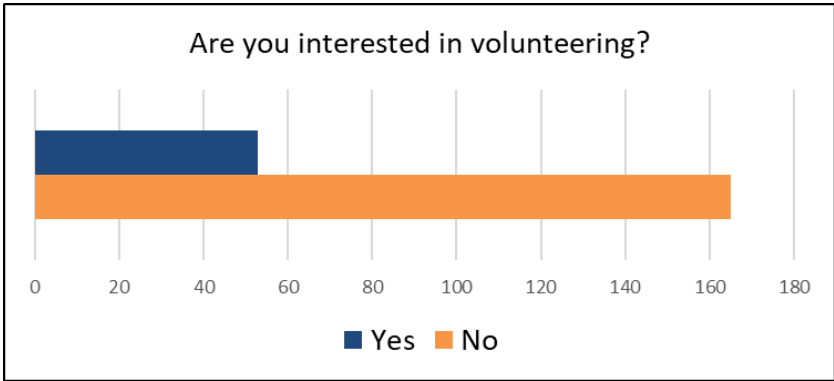
People value the shop as an important hub, easily accessible.

Over two-thirds of people said that they would spend more in a community shop, or use it more.

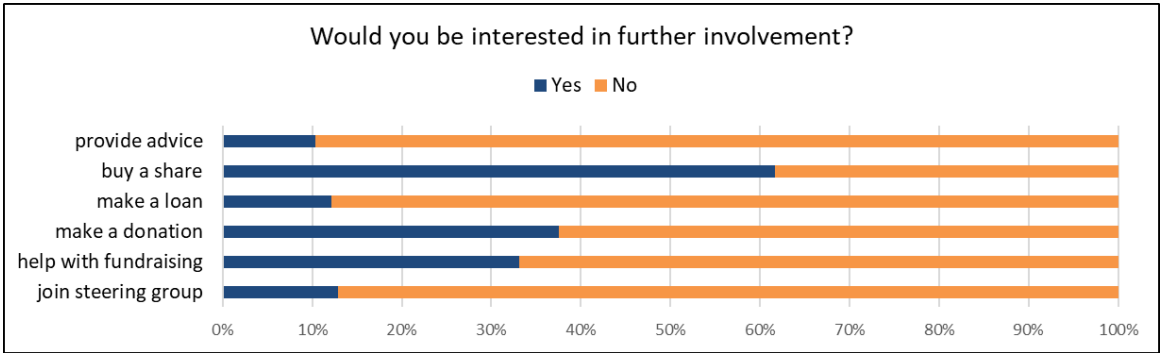




Most people shop in Kelso rather than travelling further.



Over 50 people said that they were interested in volunteering.



Over 60% of people said that they would be interested in buying a share.

Yetholm Community Shop Steering Group

Consultation Event 24th February 2020

Appendix 2. Consultation event results

Introduction

The Consultation Event on 24th February was held by Yetholm Community Shop Steering Group (YCSSG) as part of the ongoing project to secure the future of the shop for the community.

The consultation built on findings from the survey carried out by YCSSG in late 2019 which had identified the support of community for community purchase of the shop, to safeguard and promote Yetholm's economic, social, and cultural wellbeing.

Purpose

The consultation process focussed on the shop, its potential for future development and for other and expanded uses, both for the community and to help attract and retain more visitor and visitor spend in the village.

Issues identified through the survey and in discussion with the YCSSG were:

- The shop itself: the shop was subject to national trends that have resulted in the closure of village shops nationwide. The village shop has retained a relatively healthy turnover for this type of shop.
 - The consultation asked: what is good about the village shop's range of goods and services?
- The shop and post office layout: YCSSG had identified that the shop interior required upgrading to ensure that it was better- lit, and the consultant team had identified in discussion with shop staff that the storage and layout included obsolete freezers and unusable storage space.
 - The consultation asked: how could the internal layout be improved?
- External visibility of the shop: YCSSG had identified that the shop's location, just above the high street, meant that it lacked visibility to passing trade.
 - The consultation asked about potential improvements to the shop frontage.
- Provision of café-type facilities: the shop already provided a small café upstairs, which was not a commercial success. The consultation proposed increasing the range of sit-in and takeaway foods in the shop space itself, following the success of other village shops by expanding into this social and visitor-based usage, and asked:
 - Would this meet the needs of consultees, and when would they use it?
- The first floor: the survey had asked about first floor usage for alternatives to the café. The survey responses did not provide a clear majority for any one of the proposals.
 - The consultation sought to identify a clear proposal for the first floor space.

Methodology

The consultation was a "drop in" event at Yetholm Kirk, a space which is made available and set up for community events and consultations. The drop-in was advertised for two time-slots to encourage as many people as possible to attend, in the afternoon and in the evening.

The event was advertised by direct email to the YCSSG membership (56 people), flyers at local gathering spaces including the shop (school, butchers' shop, garage, pubs), and on the Town Yetholm Village Shop's Facebook page.

People were invited to respond to panel displays showing how the shop and upstairs might be adapted (see "Display Materials", below):

People were engaged in discussion with the consultant team, and asked to leave comments.

Results

Yetholm Community Shop Steering Group

Consultation Event 24th February 2020

62 people from a community of around 800 attended the event, despite the poor weather.

The shop staff also attended the event, supported by YCSSG members, and were able to input in a separate discussion on the shop layout, opening hours, and potential offerings.



Observations

Overall there was a very high level of support for the community takeover of the shop by the community.

There were some negative comments, mainly relating to the current offering and interior as being “unattractive”.

Question 1 – What’s good about the existing shop and what else would you like?

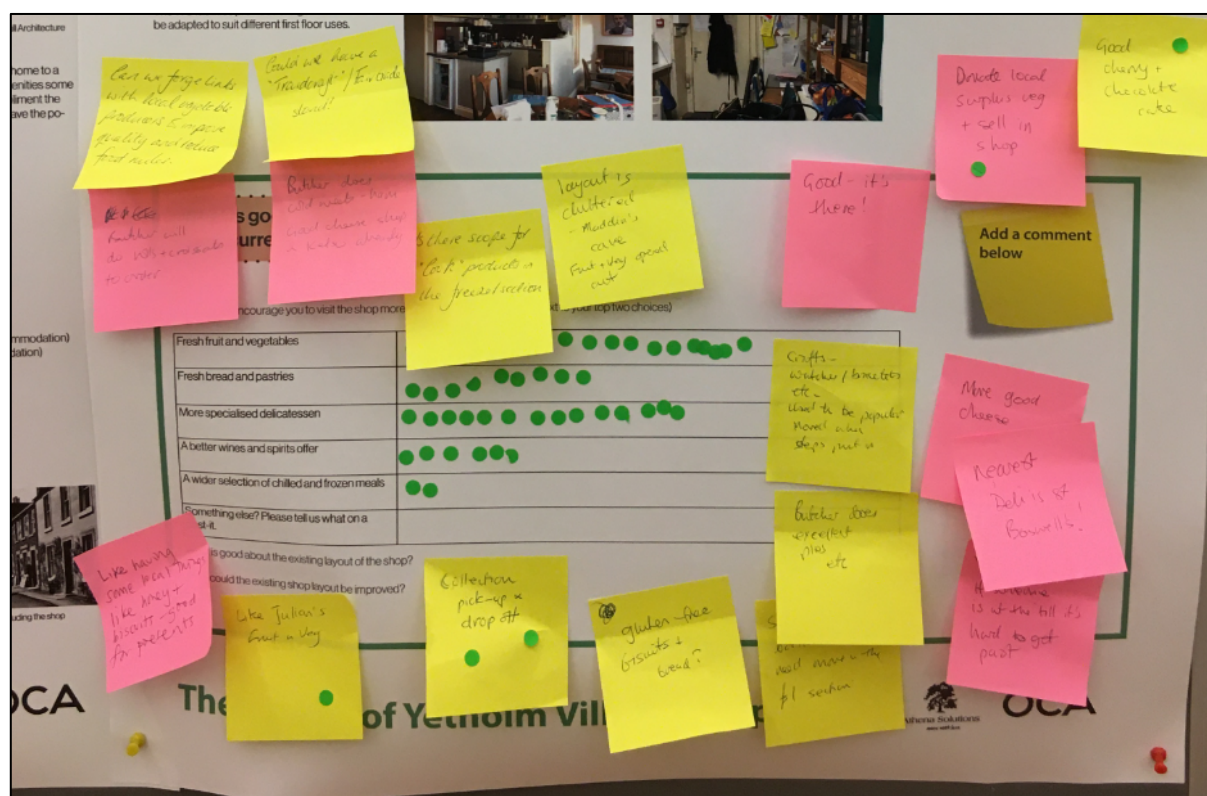
The main comments here related to a greater range of fresh, local provision.

In the voting question, “What would encourage you to visit the shop more often?” the greatest response was “fresh fruit and vegetables” followed by “more specialised delicatessen” and then “fresh bread and pastries”

Please see photo over.

Yetholm Community Shop Steering Group

Consultation Event 24th February 2020



Consultation Comments were as below:

What's good about the existing shop? - Goods & services	Good customer services – friendly
	Good that it's there!
What could be improved - Goods & services	Good pate and coleslaw
	More organic food
	Good cherry and chocolate cake
	Donate local surplus veg and sell in shop
	Stock Julian's fruit and veg
	Forge links with local vegetable producers and improve quality and reduce food miles
	More good cheese – nearest deli is in St Boswells
	Local cheese shop in Kelso already
	Butcher makes excellent pies etc – sell in shop too?
	Stock some local products like honey and biscuits – good for presents
	Gluten-free bread and biscuits?
	Butcher already does rolls and croissants to order
	Coffees for cyclists, walkers, tradesmen and van drivers – maybe breakfast rolls?
	Crafts – watches, bracelets etc – used to be popular (display was moved when the staircase was put in)
	Could we have a FairTrade / traidcraft selection?

The shop staff observed that the shop already sold a small range of fresh fruit and vegetables from Julian's; however this was towards the rear of the shop and potentially not sufficiently visible or advertised.

Yetholm Community Shop Steering Group

Consultation Event 24th February 2020

Question 2 – Shop layout and frontage

People were asked to comment on the existing layout and amenities, and propose alternatives and improvements.

People were asked to “vote” on their preferred frontage from a set of options. The most popular is shown in the photograph below. Other options were given only two and four dots, respectively.



Consultation Comments were as below:

What could be improved - Layout	Shop is quite dark and shabby
	Queues at the till mean it is hard to get past the customers into the shop
Shop frontage / outside the shop	Put seating outside in summer to advertise café use
	Better signage to direct walkers to shop, especially coming from Kirk Yetholm
	More tables outside – decking on the grass?
	If having café, put signage on the shop saying “Yetholm shop and café”
	Like the bar area in window – attracts passing trade
	Good tethering place for dogs needed
	No parking straight outside the shop
	Area outside the shop is very unsafe, slope can be slippery and uneven for elderly and physically impaired
	Full length window with displays of veg flowers etc
	Flower pots outside
	Sort out the parking & have deliveries at the back

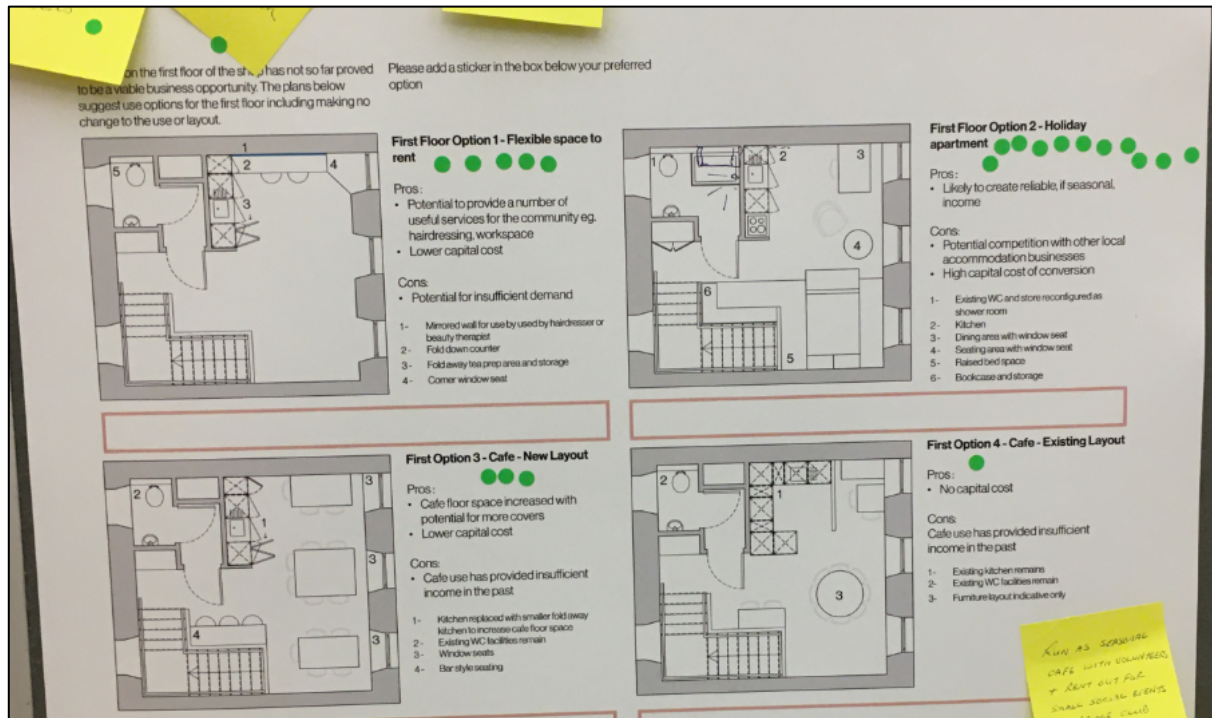
Yetholm Community Shop Steering Group

Consultation Event 24th February 2020

Question 3 – Upper floor and café

Generally people understood that the first floor café was not a viable option as it was currently set up.

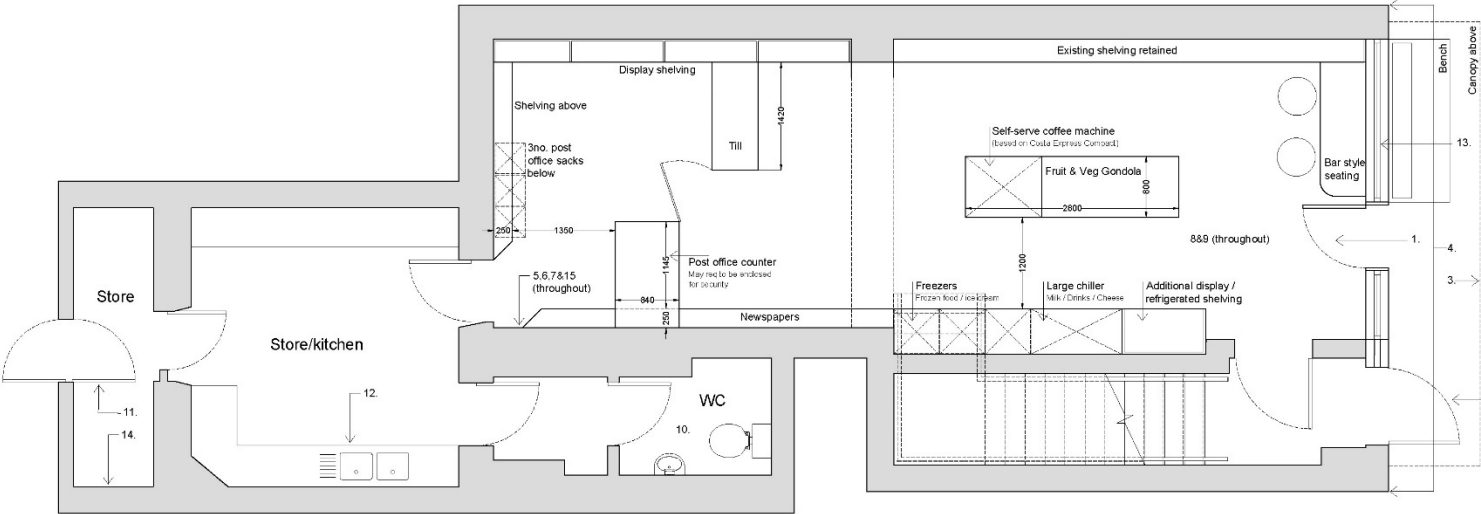
Of four potential layout and use options that people were asked to vote on, the use as a holiday let apartment was the most popular, as shown in the photo below.



Comments for other uses of the first floor identified that there was not a strong feeling for one use over another.

Uses for the first floor	Already have a mobile library every three weeks
	Move storage and office functions upstairs and expand shop / café at the back
	1 st floor less accessible – rules out physio
	Income a priority – short term or residential let?
	Rentable space for craft sellers, also cookery demos, informal suppers
	Run as a seasonal café with volunteers and rent out for small social events et Bridge club, book club, etc in the evenings
	Music rehearsal space and evening uses
	Rather than separate from shop, could be more seating upstairs

Shop Layout
Appendix 3. Shop layout



- Notes**
- Refer to 'DRAFT Budget Cost Feb 2020' for full schedule of works required.
- The information below is extracted from the conditions report carried out by Richard Amos Ltd and only refers to elements visible in the drawing. As such it is not exhaustive. Richard Amos report and 'DRAFT Budget Cost Feb 2020' should be referred to for full details of the repair work required and its urgency.
1. A competent joinery contractor should be instructed to estimate for all necessary repairs and replacements to external doors, including worn door furniture. New Door medium term.
 2. The new door opening should have Local Authority Planning Approval and Listed Building Consent (assume retrospective application required).
 3. An estimate should be obtained for the necessary overhaul of the defective Canopy components. All associated timber lining and framing should be checked over and prepared prior to re-decoration.
 4. An estimate for re-decoration of rainwater goods, doors, windows and external wall, should be obtained from a competent Painting contractor.
 5. Obtain an estimate from a competent plastering contractor for completing the plaster finish to the entire ceiling, walls and where fibre board tiles are removed.
 6. Further examination of the ceiling and wall boards by a specialist contractor should be carried out as there is a risk of asbestos content.
 7. Obtain an estimate from a competent plastering contractor for completing the plaster finish to the new plasterboard finishes and to carry out repairs as necessary to the ground floor walls.
 8. The tiles on the ground floor should be tested for asbestos by a specialist Surveyor. If the tiles contain asbestos special precautions will be required when altering the structure and / or removing or altering the tiles (Specialist estimate assuming asbestos is present).
 9. Any refurbishment of the property should include for the application of a damp proof membrane throughout the entire ground floor and consideration should be given to upgrading the floor insulation. Assume existing concrete floor is ok (Specialist Estimate)
 10. Consider complete upgrading to the ground floor toilet accommodation and access to meet with current building regulation standards (assumed to be part of new extension, allow for sanitary ware only).
 11. Consider new arrangement for fly-screen door. See also comments below in Rear Store (assumed to be part of new extension, allow for repairs only).
 12. Kitchen. The under-unit area should be thoroughly cleaned. It is recommended that the storage space be lined to allow for easy cleaning and the access to the slop cock and drainage connections be accessibly boxed (allow for essential repairs in short term and stripping out and forming new kitchen in medium term).
 13. The timber window frames should be inspected by a competent painting contractor as it may be possible to repair with an appropriate exterior flexible filler prior to re-decoration.
 14. The rear Store extension to the building should be increased in size to allow adequate and safe passage, particularly during emergency conditions (this extension could accommodate toilet facilities although due to ground levels this will be an expensive build).
 15. A competent painting contractor should be instructed to inspect the premises with a view to estimating for all necessary re-decoration (ground floor only).

1 Ground Floor Plan
as proposed

FOR INFORMATION

DO NOT SCALE FROM THIS DRAWING

REVISIONS

REV A 16.04.20 FOR INFORMATION AMENDED LAYOUT FOR INFORMATION

OCA

PROJECT		PROJECT NO	
Yetholm Village Shop		645	
CLIENT			
Yetholm Community Shop Steering Group			
DRAWN DATE	16.04.20	ISSUE DATE	18.05.20
DRAWN BY	FH	CHECKED BY	OC
DRAWN TITLE		DRAWN NO	SCALE
Proposed Ground Floor Plan		845.00.110	1:50@A3
DRAWN BY		REV	
F. H.		A	
Notes: Please see conditions report for full details of the project and its urgency.			
T: +44 (0)131 477 0113 E: info@ocainfo.co.uk W: www.ocainfo.co.uk			

Yetholm Community Shop Steering Group

Financial Tables

Appendix 4. Monthly trading cash flows 2021

These cash flows are for trading operations only. Development cash flows for the period November 2020 to May 2021 are shown at Figure xiii.

Figure xix. Monthly trading cash flows 2021

	Seasonal sales est. Fig xv seasonal trading pattern		6%	6%	6%	8%	8%	11%	13%	13%	11%	8%	4%	6%	100%
Trading cashflow	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
Sales			17,281	17,281	17,631	23,392	23,392	29,152	34,913	34,913	29,152	23,392	11,871	17,631	280,000
Output VAT			1,037	1,037	1,058	1,404	1,404	1,749	2,095	2,095	1,749	1,404	712	1,058	16,800
Total CASH IN			18,318	18,318	18,689	24,795	24,795	30,901	37,007	37,007	30,901	24,795	12,583	18,689	296,800
Stock purchased			14,171	14,171	14,451	19,174	19,174	23,898	28,621	28,621	23,898	19,174	9,727	14,451	229,531
Operating costs															
Wages			3,190	2,552	2,552	3,454	3,080	3,080	3,850	3,080	3,080	3,612	2,603	3,254	37,386
Insurance			100	100	83	83	83	83	83	83	83	83	83	83	1,033
Utilities			350	350	600	-	-	600	-	-	600	-	-	600	3,100
Telephone and office			50	50	50	50	50	50	50	50	50	50	50	50	600
Advertising and marketing			25	25	25	25	25	25	25	25	25	25	25	25	300
Accountancy and bookkeeping			292	292	292	292	292	292	292	292	292	292	292	292	3,500
Membership and subscriptions			75	-	-	75	-	-	75	-	-	75	-	-	300
Volunteer expenses			226	226	226	226	226	226	226	226	226	226	226	226	2,716
Bank and card charges			259	259	259	346	346	432	518	518	432	346	173	259	4,148
Total OpEx			4,567	3,854	4,088	4,551	4,102	4,788	5,120	4,275	4,788	4,708	3,452	4,789	53,083
															-
Input VAT			924	924	940	1,224	1,224	1,507	1,791	1,791	1,507	1,224	657	940	14,652
VAT to HMRC				113	113	118			601			850			1,796
Total CASH OUT			19,662	19,062	19,592	25,066	24,500	30,193	36,133	34,687	30,193	25,957	13,836	20,180	299,061
Trading net cash increase (decrease)			(1,344)	(744)	(903)	(271)	295	708	874	2,321	708	(1,161)	(1,253)	(1,491)	(2,261)
Development net cash increase Fig xiii	68,430	103,948	20,129	2,393	25,000	36,250	35,000	35,000	-	-	-	-	-	-	326,150
Combined net cash increase (decrease)	68,430	35,518	(85,163)	(18,480)	21,704	(271)	295	708	874	2,321	708	(1,161)	(1,253)	(1,491)	(2,261)
Closing cash balance:			Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	
Trading			(1,344)	(2,088)	(2,990)	(3,262)	(2,966)	(2,258)	(1,384)	936	1,644	483	(770)	(2,261)	(2,261)
Development	68,430	103,948	20,129	2,393	25,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Combined	68,430	103,948	18,785	305	22,010	31,738	32,034	32,742	33,616	35,936	36,644	35,483	34,230	32,739	32,739

Yetholm Community Shop Steering Group

Financial Tables

Appendix 5. Annual financial forecasts

Figure xx. Annual income and expenditure 2020-2024

Year Ending December	*2020	2021	2022	2023	2024
Annual Income Statement					
Revenue					
Post Office sales	-	3,500	4,200	4,000	5,000
Shop sales	-	276,500	286,500	306,000	315,000
Total Revenue	-	280,000	290,700	310,000	320,000
Total Cost of Goods Sold	-	(229,530)	(235,425)	(249,148)	(257,181)
Gross Margin	-	50,470	55,275	60,853	62,819
Net Operating Expenses					
Revenue grants - SLF	8,750	-	-	-	-
Total Other Revenue	8,750	-	-	-	-
Development officer	(1,250)	(6,250)	-	-	-
Decant costs	-	(5,000)	-	-	-
Wages	-	(37,386)	(37,605)	(38,220)	(38,984)
Insurance	(1,250)	(1,033)	(1,010)	(1,020)	(1,020)
Utilities	-	(3,100)	(2,400)	(2,400)	(2,400)
Telephone and office expenses	-	(600)	(606)	(612)	(618)
Advertising and marketing	-	(300)	(303)	(306)	(309)
Accountancy & bookkeeping	-	(3,500)	(3,535)	(3,570)	(3,606)
Memberships and subscriptions	-	(300)	(303)	(306)	(309)
Volunteer expenses	(2,500)	(2,716)	(2,743)	(2,771)	(2,798)
Water rates	-	-	-	-	-
Bank and card charges	-	(4,148)	(4,298)	(4,590)	(4,725)
Total Operating Expenditure	(5,000)	(64,333)	(52,803)	(53,795)	(54,770)
Other Expenses	-	-	-	-	-
Total Other Expenses	-	-	-	-	-
Net Operating Expenses	3,750	(64,333)	(52,803)	(53,795)	(54,770)
EBITDA	3,750	(13,863)	2,472	7,058	8,049
Total Depreciation & Amortisation	(18)	(3,100)	(3,390)	(4,063)	(4,092)
EBIT	3,732	(16,963)	(917)	2,995	3,957
Net Interest Expense	-	-	-	-	-
Net Profit Before Tax	3,732	(16,963)	(917)	2,995	3,957

Yetholm Community Shop Steering Group

Financial Tables

Figure xxi. Annual Balance Sheet 2020 – 2024

Year Ending December	*2020	2021	2022	2023	2024
Annual Balance Sheet					
Opening Cash	-	103,948	32,739	35,262	24,818
Change in Cash	103,948	(71,209)	2,523	(10,444)	8,069
Cash	103,948	32,739	35,262	24,818	32,887
Debtors	-	-	-	-	-
Inventory	-	25,000	25,000	25,000	25,000
Other Current Assets	-	-	-	-	-
Total Current Assets	103,948	57,739	60,262	49,818	57,887
Fixed Assets	108,432	193,478	190,088	221,137	217,045
Other Non-Current Assets	-	-	-	-	-
Total Non-Current Assets	108,432	193,478	190,088	221,137	217,045
Total Assets	212,380	251,217	250,350	270,955	274,932
Accounts Payable	-	-	-	-	-
VAT Payable	(1,602)	353	403	457	477
Corporate Tax Payable	-	-	-	-	-
Total Current Liabilities	(1,602)	353	403	457	477
Debt	-	-	-	-	-
SLF Grant	90,250	105,250	105,250	105,250	105,250
Other capital grants	-	38,846	38,846	56,402	56,402
Other Non-Current Liabilities	90,250	144,096	144,096	161,652	161,652
Total Non-Current Liabilities	90,250	144,096	144,096	161,652	161,652
Total Liabilities	88,648	144,449	144,499	162,109	162,129
Net Assets	123,732	106,769	105,851	108,846	112,803
Ordinary Equity	120,000	120,000	120,000	120,000	120,000
Other Equity	-	-	-	-	-
Retained Profits	3,732	(13,231)	(14,149)	(11,154)	(7,197)
Total Equity	123,732	106,769	105,851	108,846	112,803

Yetholm Community Shop Steering Group

Financial Tables

Figure xxii. Annual Cash Flow 2020 – 2024

Year Ending December	*2020	2021	2022	2023	2024
Annual Cash Flow Statement					
Direct Cash Flow Statement					
Post Office sales	-	3,500	4,200	4,000	5,000
Shop sales	-	276,500	286,500	306,000	315,000
Revenue	-	280,000	290,700	310,000	320,000
Other Cash Receipts	8,750	-	-	-	-
Cash Receipts	8,750	280,000	290,700	310,000	320,000
Post Office sales	-	(2,800)	(3,360)	(3,200)	(4,000)
Shop sales	-	(226,730)	(232,065)	(245,948)	(253,181)
Cost of Goods Sold	-	(229,530)	(235,425)	(249,148)	(257,181)
Development officer	(1,250)	(6,250)	-	-	-
Decant costs	-	(5,000)	-	-	-
Wages	-	(37,386)	(37,605)	(38,220)	(38,984)
Insurance	(1,250)	(1,033)	(1,010)	(1,020)	(1,020)
Utilities	-	(3,100)	(2,400)	(2,400)	(2,400)
Telephone and office expenses	-	(600)	(606)	(612)	(618)
Advertising and marketing	-	(300)	(303)	(306)	(309)
Accountancy & bookkeeping	-	(3,500)	(3,535)	(3,570)	(3,606)
Memberships and subscriptions	-	(300)	(303)	(306)	(309)
Volunteer expenses	(2,500)	(2,716)	(2,743)	(2,771)	(2,798)
Water rates	-	-	-	-	-
Bank and card charges	-	(4,148)	(4,298)	(4,590)	(4,725)
Operating Expenditure	(5,000)	(64,333)	(52,803)	(53,795)	(54,770)
Inventory	-	(25,000)	-	-	-
Decrease in Inventory	-	(25,000)	-	-	-
Cash Payments	(5,000)	(318,863)	(288,228)	(302,942)	(311,951)
Increase in VAT Payable	(1,602)	1,955	50	54	20
Other Operating Cash Flows	-	-	-	-	-
Net Cash Flow from Operating Activities	2,148	(36,909)	2,523	7,112	8,069
Land and buildings	(97,500)	-	-	-	-
Renovations	(10,950)	(57,976)	-	(35,112)	-
Fittings and fixtures	-	(30,170)	-	-	-
Fixed Assets Capital Expenditure	(108,450)	(88,146)	-	(35,112)	-
Other Investing Cash Flows	-	-	-	-	-
Net Cash Flow from Investing Activities	(108,450)	(88,146)	-	(35,112)	-
Ordinary Equity Raisings	120,000	-	-	-	-
Other Financing Cash Flows	90,250	53,846	-	17,556	-
Net Cash Flow from Financing Activities	210,250	53,846	-	17,556	-
Net Increase/(Decrease) in Cash Held	103,948	(71,209)	2,523	(10,444)	8,069