

St Germans Community Shop & Post Office

www.shopstgermans.org.uk



Business Plan

Background

St Germans is an ancient village in Cornwall, 8 miles from Saltash and 8 miles from Liskeard. It has an ancient and architecturally important church attracting many visitors, chapel, pub, primary school, sailing club and, until recently, a shop and Post Office. The Port Eliot estate, the home of the Earl of St Germans, is open for 100 days a year and hosts a nationally important arts festival. The shop and Post Office was closed by the private owners before Christmas 2008. It provided the services of a Post Office and general store, selling groceries, stationary, newspapers, tobacco products, electric key top-up and alcohol. Currently the nearest Post Offices and shops are at: Saltash (8 miles), Liskeard (7 miles), Donderry (4 miles), Tideford (P.O. only, 5hrs a week, 2½ miles), Landrake (4 miles) and Craffhole (4 miles); all difficult by public transport.

Our aim is to open a community shop and Post Office and bring back into the village the customers who now go to the above towns and villages, offering a good supply of basic needs, with as many locally sourced products as possible, at competitive prices, keeping the village carbon footprint as low as possible. In addition to the availability of its services and products, the new shop will most importantly act as a meeting point for all, particularly the elderly and the isolated, a source of exercise, a centre for information, a tuck shop for the school and it will rejuvenate the heart of the village.

A survey was carried out in the village (appendix 1), which received information from 197 questionnaires returned, and demonstrates a desire for a shop and post office in the village.

The nearest competition includes supermarkets (Morrisons at Liskeard, Waitrose and Lidl's at Saltash) and convenience stores/post offices at Donderry, Landrake and Craffhole. Threats to St Germans are the supermarkets with their

buying power, being able to sell certain goods as loss leaders. However village shops are a hub of village life, making shopping a social occasion especially for those unable to drive and elderly folk picking up their pension.

Two general open meetings have been organized at the village hall. From these a steering committee was set up, currently involving 9 members and meeting on a fortnightly basis. Meetings have been held with Colin Pound of The Post Office, who has confirmed that the Post Office are committed to a Post Office presence at St Germans and will finance essential equipment worth approximately £10,000. David Geeves of Polgooth Post Office, representing The Village Retail Services Association (ViRSA) has attended twice. Nikki Mills, Rural Services Manager from Cornwall Rural Community Council has attended a committee meeting offering help and advice in setting the venture up. A stall at the St Germans village fair attracted a lot of interest and offers of help. We have also made contact with prospective suppliers.

Constitution, Legal Structure and Bank Account

The constitution suggested by ViRSA has been adopted by the group. We are applying to become an Industrial Provident Society for the Benefit of the Community, a community enterprise. This includes registering with the FSA at a cost of £450. A bank account has been established with the Alliance and Leicester Bank.

Proposed Shop Scheme

The premises:

A building has been identified next to the village pub and the previous shop. The pub area is the only retail premises in the village and with a shop it makes an effective core centre of the village. It is a brick and Cornish stone construction and the roof has recently been restored. The inside needs new flooring and the walls dry lining. The current leaseholder is St Austell Brewery and it is owned by the Port Eliot Estate.

We have met with the current leaseholders (St Austell Brewery) and have established a written commitment to lease the premises to the St Germans Community Shop Group for a peppercorn rent for 7 years. The Port Eliot Estate supports this arrangement.

Products to be sold:

Standard sub Post Office services will be available. These include pensions, personal banking, stamps, bill paying and any additional services introduced by the Post Office for sub-offices.

The shop will offer newspapers, magazines, a range of fresh, chilled, frozen and packaged grocery and general products, using local suppliers where possible, non-alcoholic and alcoholic drinks, confectionary, cigarettes and tobacco.

Target market:

The village has an approximate 1,421 resident catchment area in the villages of St Germans, Tideford and Polbathic. Visitors to the Port Eliot Estate (open March to June), the church and the Port Eliot Festival (August) swell the local population.

Opening hours:

We hope to open Monday to Saturday between 8am and 6.30pm and Sunday between 9am and 12.30pm. These times may be revised along with demand.

Staffing:

We will seek to employ a part time manager and post master/ mistress supplemented with volunteer shop assistants working on a rota.

Profitability Objectives:

Any profits will be reinvested into the shop to supply better services and any loans will be paid back to lenders at rates negotiated prior to the shop opening.

Funding

The Group has already raised £1,260 and received a commitment from the Post Office of equipment valued at £5,000. Now we are confident of premises, we can push forward with our fundraising.

We plan to raise funds locally through non-dividend shares, loans and donations. We will then apply for grants from local and national sources.

By necessity we will aim to be self financing. We will have no overdraft facility. Any profits made will build a contingency fund for unforeseen expenses and be reinvested in the community shop.

Costings

Projected costs are given in Appendix 3. These include the start-up costs before the shop open, projected annual income and projected annual expenditure. From these figures, we estimate that we need to raise £47,060 to set up the shop. We anticipate that we will need to match fund most grants, and so believe we need to raise about £18,450 through donations, non-dividend shares and loans.

The population of the probable catchment area for the shop is 1421 people (2001 census data). We have estimated that if 750 of these people spends' an average of £3.00 per week the shop will take £100,000 per annum. We have estimated a profit of 18% on these takings. We consider that we have used conservative estimates for the average spend and profit, and have only included adults living in the shop catchment area.

Management Team:

Kate Westlake (Chair)

Kate has helped to run a newspaper and bakery service from the Methodist Chapel in the village since the shop closed. She is a resident in the village.

Richard Laugharne (Vice-chair)

Richard is a consultant psychiatrist in Cornwall working for the NHS. He has had leadership positions in the health service and Royal College of Psychiatrists. He has lived in St Germans for 8 years and has been a member of the local PCC for 7 years.

Pat Parritt (Secretary)

Pat served on St Germans playgroup committee, the committee for East Cornwall Harriers (the local running club) and Plymouth Athletics, all posts involving fundraising. She has lived in St Germans for 20 years. Working in the NHS, she has pursued further education to degree level as a nurse and has good communication skills.

Dave Stroud (Treasurer).

Dave spent 8 years as a St Germans parish councilor and runs a successful and expanding local holiday business in the village, Railholiday Ltd. He previously ran a business carrying out steel fabrication and agricultural machinery manufacture. He has lived in the village for many years.

Colin Harris

Colin has worked in the film & television industry for many years, for the past 35 years in procurement on a wide range of film and television productions. In recent years he has been a freelance buyer working all over the country seeking out suppliers and wholesalers, quickly setting up good working relations, giving him knowledge and experience in getting the best deals for the companies worked for. He has lived in St. Germans for 25 years.

Trefor Hughes-Jenkins

Trefor has run successful businesses in the hospitality industry and brings this wealth of experience to the committee. He lives in the village and has been an active member of the Friends of St Germans School raising funds.

Mark Austen

Mark works for the Navy and specializes in financial management. He has lived in the village for several years.

Dave Bennett

Dave has for many years run a building business based in St Germans.

Charlie Edgeler

Charlie is the landlord of the Eliot Arms and will be an essential support for the shop. Having him on the committee has guaranteed cooperation between these essential village amenities, both of which have been threatened over the last 8 years.

Address for correspondence:

49, Eliot Drive,
St Germans
Cornwall
PL12 5NL

Appendix 1

ST GERMANS SHOP & POST OFFICE VILLAGE QUESTIONNAIRE ANALYSIS

In January 2009 a questionnaire was circulated to 800 properties within the parish of St Germans which included the villages of St Germans, Tideford, Polbathic and Bethany. In total 197 questionnaires were returned which is nearly 25% of the total distributed. Of these 81% came from St Germans, with 6% each from Tideford and Polbathic and 0.5% from Bethany.

69% of respondents would use the shop on a daily basis or 2-3 times a week whilst 4% felt that they did not need a shop at all.

The most requested products were as follows:

Papers/magazines	88%
Bakery	77%
Dairy	79%
Fresh fruit/vegetables	54%
Local produce	53%
Greetings cards/wrapping	62%
Beer/wines/spirits	20%

Although the number of people requesting beer, wine etc was low, both the community shops at Lanreath and Blisland felt that it was important to stock these products.

The most popular services were:

Post Office services	90%
Card machine/cash back	63%
Tickets for local events	44%
Tea and coffee shop	30%
Electric top up point	11%

Whilst the percentage of people requiring the electric top up point was low, this is an essential service for these residents. Additional services requested included the Lottery and DIY items.

With regard to opening hours 68% would use the shop between 8.00am and 12 noon and 38% like the shop to be open between 2.00-6.00pm.

78% of respondents travel between 6-10 miles for their weekly shop (this is for the outward journey) whilst 52% travel over the same distance for their

convenience shopping. Interestingly, 27% of people do not do any convenience shopping.

81% felt that it was very important to have a village shop. 23% of the respondents were aged over 65 years with 37% aged 46-65 years and 16% were children under 16 years.

Replies to the section on helping with a community shop project were as follows:

Buy shares	44%
Make a loan (£1000)	7%
Join steering group	9%
Help with fundraising	12%
Make a donation	12%
Provide professional services	5%
Volunteer in shop	18%
Unable to help	43%

A summary of the results is shown here although the full analysis is available upon request.

Appendix 2

Minimum Projected Cashflow

	Year 1	Year 2	Year 3
<u>Income</u>			
Sales & Services @ 2.75% growth pa	£ 90,000.00	£ 92,475.00	£ 95,020.00
Shares, donations & fundraising	£ 1,000.00	£ 800.00	£ 600.00
Total Income	£ 91,000.00	£ 93,275.00	£ 95,620.00
<u>Expenditure</u>			
Purchases	£ 73,800.00	£ 75,830.00	£ 77,913.00
Expenses			
Wages	£ 10,000.00	£ 10,275.00	£ 10,550.00
Water	£ 60.00	£ 60.00	£ 60.00
Heat/light/power	£ 600.00	£ 600.00	£ 600.00
Insurance	£ 600.00	£ 600.00	£ 600.00
Repair/maintenance	£ 150.00	£ 200.00	£ 200.00
Office supplies & postage	£ 100.00	£ 100.00	£ 100.00
Telephone/internet	£ 550.00	£ 550.00	£ 550.00
Motor/fuel/travel	£ 200.00	£ 200.00	£ 200.00
Accountancy/payroll	£ 650.00	£ 650.00	£ 650.00
Bank charges	£ 100.00	£ 110.00	£ 120.00
Sundries	£ 500.00	£ 500.00	£ 500.00
Rent	£ 1,500.00	£ 1,500.00	£ 1,500.00
Total Expenditure	£ 88,810.00	£ 91,175.00	£ 93,543.00
Profit (Loss) @ 18% margin	£ 2,190.00	£ 2,100.00	£ 2,077.00

Realistic Projected Cashflow

	Year 1	Year 2	Year 3
<u>Income</u>			
Sales & Services @ 5% growth pa	£ 100,000.00	£ 105,000.00	£ 110,250.00
Shares, donations & fundraising	£ 800.00	£ 600.00	£ 400.00
Total Income	£ 100,800.00	£ 105,600.00	£ 110,650.00
<u>Expenditure</u>			
Purchases	£ 82,000.00	£ 86,100.00	£ 90,405.00
Expenses			
Wages	£ 10,000.00	£ 10,500.00	£ 11,000.00
Water	£ 60.00	£ 60.00	£ 60.00
Heat/light/power	£ 600.00	£ 600.00	£ 600.00
Insurance	£ 600.00	£ 600.00	£ 600.00
Repair/maintenance	£ 150.00	£ 200.00	£ 200.00
Office supplies & postage	£ 100.00	£ 100.00	£ 100.00
Telephone/internet	£ 550.00	£ 550.00	£ 550.00
Motor/fuel/travel	£ 200.00	£ 200.00	£ 200.00
Accountancy/payroll	£ 650.00	£ 650.00	£ 650.00
Bank charges	£ 100.00	£ 110.00	£ 120.00
Sundries	£ 500.00	£ 500.00	£ 500.00
Rent	£ 1,500.00	£ 1,500.00	£ 1,500.00
Total Expenditure	£ 97,010.00	£ 101,670.00	£ 106,485.00
Profit (Loss) @ 18% margin	£ 3,790.00	£ 3,930.00	£ 4,165.00

Ideal Projected Cashflow

	Year 1	Year 2	Year 3
<u>Income</u>			
Sales & Services @ 5% growth pa	£ 110,000.00	£ 115,500.00	£ 121,275.00
Shares, donations & fundraising	£ 800.00	£ 400.00	£ 400.00
Total Income	£ 110,800.00	£ 115,900.00	£ 121,675.00
<u>Expenditure</u>			
Purchases	£ 90,200.00	£ 94,710.00	£ 99,445.00
Expenses			
Wages	£ 10,000.00	£ 10,500.00	£ 11,000.00
Water	£ 60.00	£ 60.00	£ 60.00
Heat/light/power	£ 600.00	£ 600.00	£ 600.00
Insurance	£ 600.00	£ 600.00	£ 600.00
Repair/maintenance	£ 150.00	£ 200.00	£ 200.00
Office supplies & postage	£ 100.00	£ 100.00	£ 100.00
Telephone/internet	£ 550.00	£ 550.00	£ 550.00
Motor/fuel/travel	£ 200.00	£ 200.00	£ 200.00
Accountancy/payroll	£ 650.00	£ 650.00	£ 650.00
Bank charges	£ 100.00	£ 110.00	£ 120.00
Sundries	£ 500.00	£ 500.00	£ 500.00
Rent	£ 1,500.00	£ 1,500.00	£ 1,500.00
Total Expenditure	£ 105,410.00	£ 110,280.00	£ 115,525.00
Profit (Loss) @ 18% margin	£ 5,390.00	£ 5,620.00	£ 6,150.00

Appendix 3

Start-up Costs

Item	Cost	
Project management	£ 5,900.00	
Electrical work - light fittings -sockets - fuse box	£ 2,500.00	
Internal building work basic dry line Walls - ceiling & floor	£ 5,300.00	
Phone line	£ 125.00	
Counter unit	£ 800.00	
Shop shelving & gondolas	£ 1,600.00	
Survey-drawings-site management H&S plan risk assessments method statements	£ 1,000.00	
Fridges	£ 1,000.00	
Freezers	£ 1,500.00	
Chillers	£ 1,500.00	
Scales (food)	£ 200.00	
Signage	£ 450.00	
Alarm - locks -security camera	£ 1,500.00	
Heating/cooling system	£ 1,600.00	
Till	£ 500.00	
Heaters	£ 75.00	
Insurance, wages, power pre opening etc	£ 900.00	
Fire extinguishers	£ 150.00	
Paint	£ 250.00	
Stationery	£ 250.00	
Miscellaneous - Price guns - baskets - chairs	£ 500.00	
Carrier & paper bags - food wrap	£ 100.00	
Advertising	£ 500.00	
Solicitor fees	£ 1,000.00	
Accountant fees	£ 800.00	
Cash slot box	£ 60.00	
Plumbing	£ 1,000.00	
Premises license	£ 125.00	
Newspaper bond	£ 1500.00	
Post Office infrastructure	£ 5,000.00	
Initial stock	£ 3,265.00	
Working capital	£ 2,610.00	
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	Total	£ 43,560.00
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	VAT @ 17.5%	£ 3,500.00
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	Total	£ 47,060.00
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