

Finance Report

2019 has been a more satisfying year than 2018. The change of management has been accompanied by an increase in profitability which has resulted in better than expected figures for the year end.

Although turnover has increased by 2.5%, we still struggle to make a trading profit from the sales in the shop and this year we are disclosing a trading loss of £3,749 (an improvement on the £6,000 loss declared in 2018). The Association is fortunate to have income from the flat above the shop and the continued support of the “Friends” of AAVSA, the Parish Council, the Village Fete, Test Valley Council and Hampshire County Council by means of grants and donations which are always welcome. These combine to boost our income to cover our trading losses and enable us to show an overall profit of just over £9,000 for 2019.

Expenses are as always the area in which we need most diligence and strive to minimise outgoings in this area. The environmental pressures can be seen on the cost of electricity and waste disposal.

AAVSA is “non profit making” organisation, and as such any surplus funds must be put back into the business. The reserve from the previous year will be augmented by this year’s profit and used for the benefit of the shop by improving the infrastructure or replacement of aging equipment .

The “Friends of AAVSA” initiative that was suggested at last year’s AGM has been implemented with a modest (but welcome) take-up, but it should be noted that no new associates joined last year. All new residents (and some existing ones) should be encouraged to join the Association. We welcome everybody, especially from the neighbouring villages.

2019 was an encouraging year, but 2020 has turned out to be most peculiar and the impact of “lock down” has yet to be assessed for the long term. We are grateful to our customers and villagers whose support the shop, especially during this period of crisis and we have received a beneficial grant via Test Valley Council. Trade during this period has increased markedly so, but whether this will continue once the immediate situation is under control, remains to be seen.

A summary of the accounts is included on the next page.

Michael Bird

**Abbotts Ann Village Shop Association
Detailed profit and loss account
for the year ended 31 December 2019**

	2019	2018
	£	£
Sales		
Sales	174,301	170,210
Cost of sales		
Purchases	132,188	132,823
Increase in stocks	(2,117)	(855)
	<u>130,071</u>	<u>131,968</u>
 Administrative expenses		
Employee costs:		
Wages and salaries	44,321	43,818
Fees received from Post Office	(14,582)	(15,152)
Pensions	237	120
	<u>29,976</u>	<u>28,786</u>
 Premises costs:		
Light and heat	6,995	5,820
	<u>6,995</u>	<u>5,820</u>
 General administrative expenses:		
Telephone and fax	289	858
Stationery and printing	341	348
Insurance	754	731
Equipment expensed	-	202
Equipment hire	333	998
Till processing costs	1,908	1,876
Software	81	-
Depreciation	2,699	2,699
Waste removal and water	3,280	1,288
Sundry expenses	1,112	204
	<u>10,797</u>	<u>9,204</u>
 Legal and professional costs:		
Advertising and PR	-	102
Other legal and professional	211	260
	<u>211</u>	<u>362</u>
	<u>47,979</u>	<u>44,172</u>
 Other operating income		
Other operating income	2,356	1,264
Amortisation of grants received	1,873	1,873
Rental income	8,825	8,400
Premises repair and redecoration	(280)	(494)
	<u>12,774</u>	<u>11,043</u>
 OPERATING PROFIT	<u>9,025</u>	<u>5,113</u>