

UTCE Ltd TREASURERS REPORT

Fourth trading period for 12 months from 1 April 2022 to 31 March 2023

** Figures in brackets denoted previous y/e

- Total sales were £389K (£380K)
- Cost of sales – i.e. purchases were £290k (£287K)
- Gross profit is £97K (£97K)
- Expenditure (Salaries and admin expenses) totals £138K (£100K). Please note accountant has included £36K of costs associated with developing hall cottage.
- Net Profit after tax £9K (£512)

Comments on Trading

- Sales continue to be strong at an average of £32K per month (£31K)
- Cost of sales remains an area of keen focus. Increases in purchase costs is a trend we have been noticing since summer 2021.
- However, pleased to report cost of sales and normal/trading expenditure continues to be well managed resulting in the net profit.

Notes to Balance Sheet

- Net Assets - £92K (£83K)
- Cash balances are £93K (£85K)
- The Shop valued at £68K.
- Creditors – Amounts falling due after more than one Year. Bounce-back Loan - balance outstanding of £16K (Original drawn balance was £27K).

General comments

- The village shop has in reflection had a stable year after managing the effects & demands of Covid-19 over previous years. We have built up a loyal and supportive customer base plus continue to benefit from passing trade.
- Welfare Funds – As a recap, since summer 2020, the shop wanted to ensure that we helped anyone, or family within our pre-defined catchment area, that was financially disadvantaged from the lockdowns, and more recently from the 'Cost of Living' crisis. To August 2023 we have received donations in excess of £11k with just under £6K distributed to assist families and individuals. We have also supported the Breakfast Club at Broughton Primary School.
- Funds continue to be credited to the Treasurers account, (separate from the shop trading account), and shop costs are re-imbursed once assistance provided. This act has not only helped those in difficulty but continues to be exceptionally well received by our funding partners.
- Cash balances – whilst total £93K at year-end, this does also include shareholder funds, grant monies yet to be spent plus welfare funds.

Grants

- As per y/e accounts:

SSE Clyde Borders Community - Grant Funding totaling £13,619 was fully spent – covered replacement windows and cctv plus feasibility study costs to develop the shop.

Again SSE were supportive of the grant to re-develop Broughton Hall Cottage which was provided by way of two grants. The second not distributed by year end. In total £54,326.

DTA Scotland - £3,042 to assist with costs associated with the second shareholder launch

SBC - £600 – to support Jubilee Celebrations (Broughton Hall Car Park event)

- 2nd Shareholder launch
Again, whilst undertaken after year-end, it is very much worth commenting that this has been a success with shares purchased by 150 individuals to the value of £32,200. As at September 2023 we have £69K shareholder reserves.

Appointment of Auditors

During the year, Charles Gray & Co Accountants, were taken over by Gall Robertson, as Charles Gray retired. Gall Robertson now assist us with the accounts, vat returns, payroll, NIC and pension. This is invaluable and much appreciated by the committee who continue to represent the UTCE Ltd as volunteers.

Again, the rules that we need to follow do ask that we present to the audience tonight the option as to whether or not an independent auditor should also be appointed. If this is required, then we would need to have the auditor's details confirmed, and what their fees will be to audit the books. That said, we would like to exercise the Society's option under the Community Benefit Societies Act 2014 not to appoint an auditor.

So again quite simply....can I ask for your support by way of a show of hands.

Plans for the forthcoming year

- Finalizing grants to extend and develop the shop are the priority. In Principle we have £100K approved with SSE and £50K with Ventient – Glenkerie, subject to respective conditions being met ahead of drawdown.
- We also have an application being considered by SOSE (South of Scotland Enterprise) – SBC and hopefully with this approved will allow us to progress.
- Shareholder Funds – Whilst grant funding will provide the necessary support for build costs, we do envisage some shareholder funds being utilized. Whilst the exact amount is unknown we can foresee up to 50% being utilized.
- Temporary Trading premises – As mentioned previously, we intend to move to Broughton Hall Cottage once the builders move in and to keep disruption to sales to a minimum.
- Manage development costs with appointed professionals – builders, architects, QS etc.
- Retain staff and ensure employee well-being, given we are Community Benefit Society and a key employer withing Upper Tweedale.

Donald Stewart