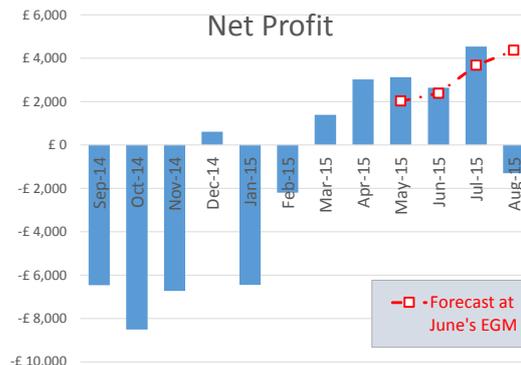


Finance item for February Newsletter (based on the presentation at the AGM)

For those that weren't able to attend the AGM here is a condensed version of the finance presentation. We looked briefly at the final results for our last financial year which were a significant improvement on the preceding year, although – due to the wettest August for 100 years - not quite as good as were anticipated when we held the EGM last June.

Results for last year ending 31st Aug 2015

- Forecast presented at last EGM in June
- Very poor trading in August
- Improvement from previous year

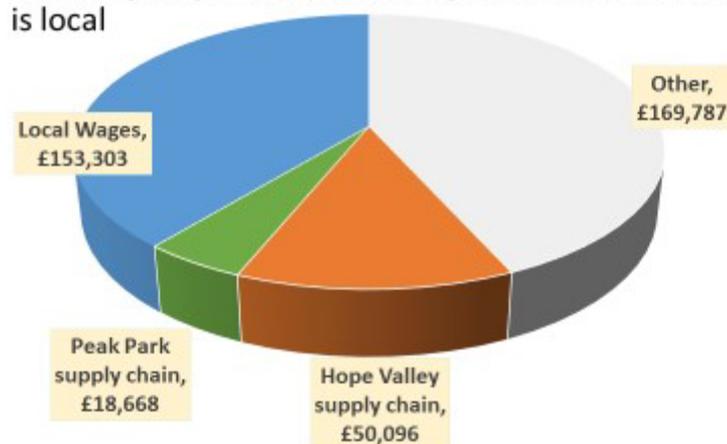


- Overall loss £16,375 (£12k improvement on 2014)

It is worth noting that almost 60% of the BCS's expenditure is kept locally "in the Valley" which we think is important for a community organisation:

Local spend

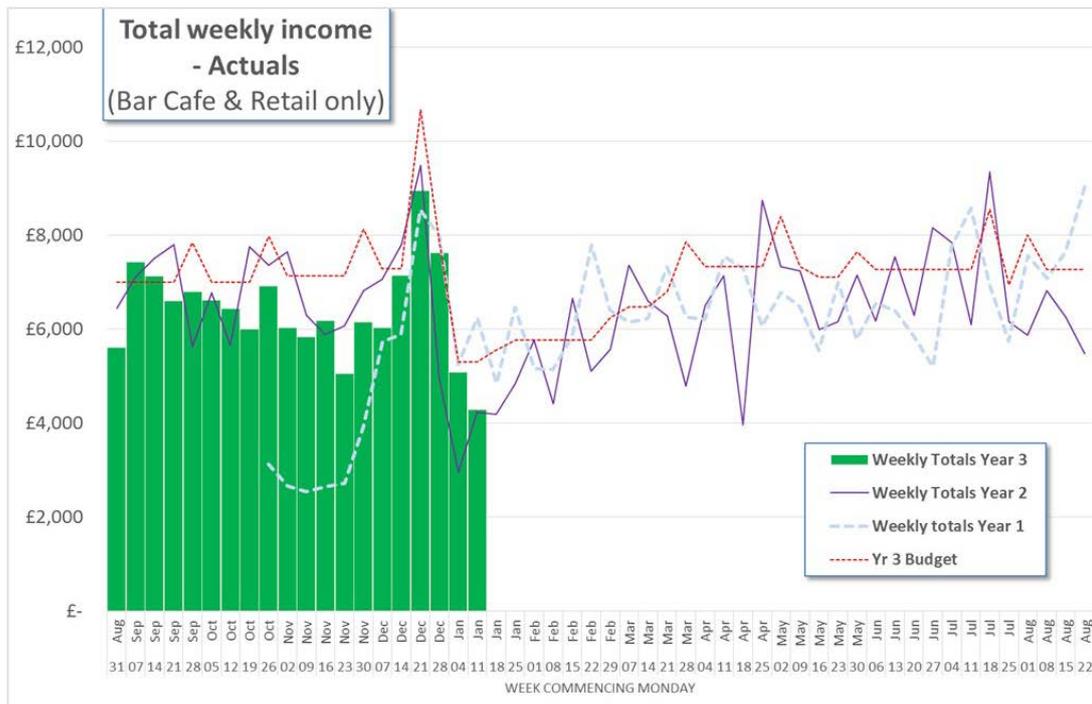
- 4 of our top 10 suppliers are local businesses
- Including wages and purchasing 57% of the 2014/15 spend is local



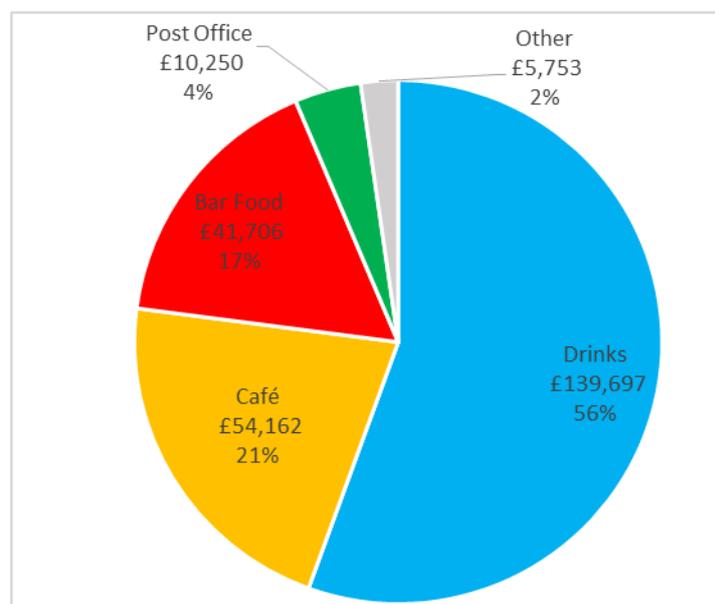
Update on current trading (September – December 2015)

Since the start of the current financial year, business performance has been generally poor, in a difficult trading environment. We set a modestly ambitious revenue budget (only 4% higher than 2014/15) but have not been able to fulfil that, and it is very clear we need to generate more customers and spend. We have the ability to generate a great reputation for excellent food, please keep spreading the word and visiting us to try for yourselves.

Revenue



The split of this income is shown below (this pie chart was not presented but a question was asked about this aspect.)



Cost controls still remain focused on wages, and have been affected by series of expensive equipment repairs. Nevertheless the results for first 4 months to end of December are disappointing, overall we have lost about £1,000 for each month.

Revenues have not met our expectations, especially in November (23% below budget), and although overall costs have remained under control (1% better than budget) and gross margins are very close to target, it is time to review the remaining budget and accept that a something just better than a break-even position at the year-end might be a more realistic outcome. That would still be a year-on-year improvement for our business.

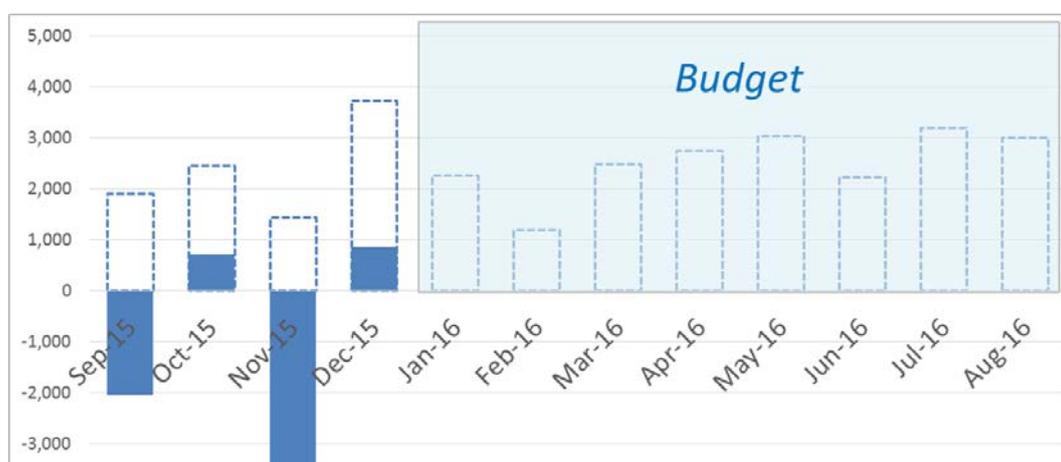
Profit & Loss

- With P2C costs and grant income taken out
- Costs on target but not reflecting lower income

	Sep-Dec	Budget	£ Variance	% variance
Income				
Pub	£ 85,439	£ 97,966	(£ 12,527)	(13%)
Café	£ 30,100	£ 32,741	(£ 2,641)	(8%)
Post Office	£ 5,189	£ 5,000	£ 189	4%
Grants	£ -	£ -	£ -	-
Grand Total Income	£ 120,727	£ 135,707	(£ 14,980)	(11%)
Gross margin	57.4%	58.4%		(1%)
Costs excluding Grant expenditure				
Direct costs	£ 51,482	£ 56,475	£ 4,993	9%
Wages	£ 54,543	£ 52,962	(£ 1,581)	(3%)
Overheads	£ 18,706	£ 16,762	(£ 1,945)	(12%)
Grand Total Costs	£ 124,731	£ 126,199	£ 1,467	1%
Net Profit (Loss)	(£ 4,004)	£ 9,509	(£ 13,512)	

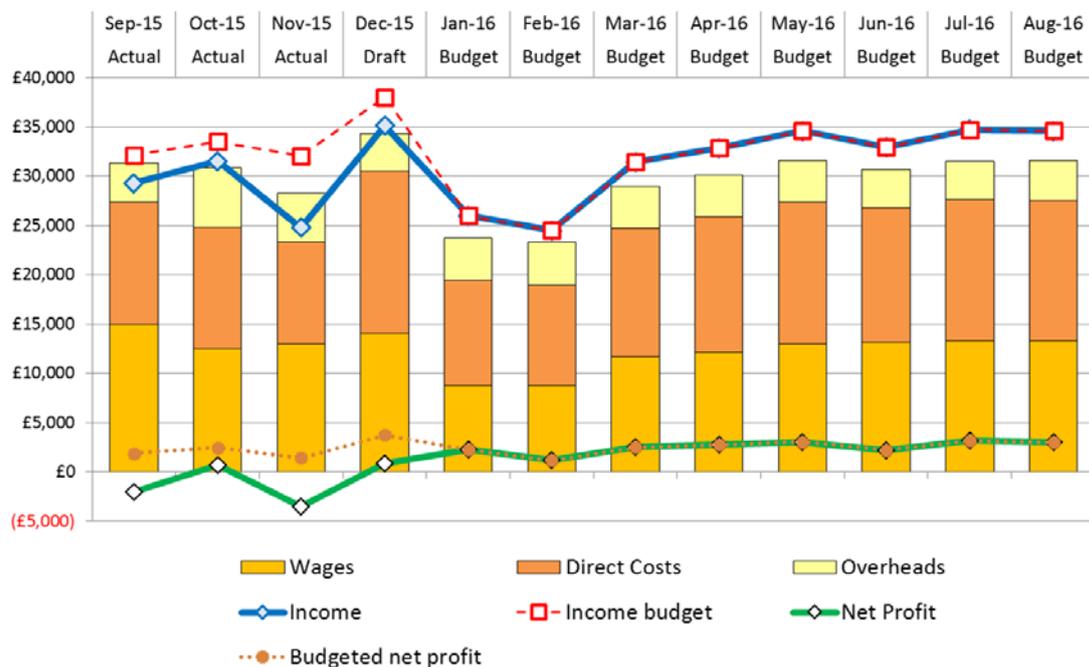
Profit & Loss

- Full Year Actuals/Budget



Full Year overview for 2015-16

• Full Year Actuals/Budget



	Sep-Nov 2015		Dec-Feb 2016		Mar-May 2016		Jun-Aug 2016		Full Year Draft result
	Q1 Actual	Q2 Budget	Q3 Budget	Q4 Budget					
Income									
Pub	£ 59,252	£ 59,363	£ 68,095	£ 75,566	£ 262,276				
Café	£ 22,493	£ 22,159	£ 27,020	£ 22,908	£ 94,581				
Post Office	£ 3,857	£ 4,082	£ 3,750	£ 3,750	£ 15,439				
Grants	£ 15,315	£ 32,261	£ -	£ -	£ 47,576				
Grand Total Income	£ 100,918	£ 117,865	£ 98,865	£ 102,224	£ 419,872				
Costs									
Direct costs	£ 34,999	£ 37,309	£ 41,121	£ 42,261	£ 155,690				
Wages	£ 40,522	£ 31,584	£ 36,794	£ 39,735	£ 148,635				
Overheads	£ 30,246	£ 44,673	£ 12,684	£ 11,814	£ 99,416				
Grand Total Costs	£ 105,766	£ 113,566	£ 90,599	£ 93,810	£ 403,741				
Net Profit	(£ 4,848)	£ 4,299	£ 8,266	£ 8,414	£ 16,130				

If you would like to discuss any of this in more detail please contact one of the finance team: Chris Williams, Peter Mackey, John Soady or Sally Soady, either directly or via the BCScompsec@gmail.com mailbox.

Chris Williams, Finance Director