

## PERRANWELL COMMUNITY STORES MANAGEMENT ACCOUNTS

From 01/06/2023 to 31/05/2024

OPERATING MONTH 7



### NOTES TO PCS REPORTS

#### Interpretation of results

**The headline result is a monthly sales total of £9.4k and a gross profit of £1.5k ie 16% margin (or YTD £57.5k and £13.8k - 23% respectively)  
With overheads of £0.5k, this means a monthly profit before tax of £1.0k (or YTD £7.8k and £7.2k)**

Turnover in the month did recover from the low of last month (£8.7k), but still fell marginally short of the monthly average - £9.6k

The significant drop in margin was caused primarily by a £665 stock write-off on newspapers representing the accumulated loss on this category since January. Since we can only make small losses at best on newspapers, we have ceased supplying them during the week and reduced numbers at weekends.

Other smaller stock write-offs were made for bakery and refrigerated products, but we still need to undertake a main stock check of the ambient and frozen products during the summer

We also suffered a recurrence of updated cost data in EPOS not feeding through to the accounting system and this will impact recorded stock levels. Formal query submitted to Eposnow. Note that due to regular provisioning and the overall levels of recorded stock we do not expect a repeat of the adverse stock write-offs seen this month.

#### **Cash remained at £29k due to small working capital changes**

	month	ytd
Data quality deteriorated but better than average ytd with the failure rate (sale item not matched with EPOS) currently standing at 1 in: (representing a combination of scanning, set-up and operator errors).	111	99

### EPOS data quality

	Month	YTD		YTD	Month
Known product lines sold	540	1040	Total items sold	36,674	5,437
Product lines not directly identified in epos (ie entered via MISC + button)	34	224	Of which unidentified	369	49
			Unidentified %	1.0%	0.9%
			or 1 in	99	111

### Inconsistencies between EPOS and Xero

All historic data corrections undertaken in Xero or in the EPOS/Xero interface  
This means that the Xero reports (P&Ls) are more accurate than the EPOS ones

Most error corrections involve increasing costs which have been omitted from EPOS (eg Trevarthen and occasionally new or up-priced items)

For Trevarthens only, and due to their bar coding system, any costs in EPOS are ignored and replaced by a fixed percentage - they should be zero anyway - applied during the EPOS/Xero interface process (which in turn is based on the last Trevarthen stock/margin check)

As at 28/11/23, the actual Trevarthen margin based on sales and stock was 18%, whereas its supposed to be a flat 25% according to the company

Sales data should be identical in the two systems, with any changes restricted to reallocation of categories

Within the Best/Worst selling items, all trevarthens products are grouped together, so their positioning is distorted and should be ignored

### Margin Errors

Over time, margins are likely to become overstated (but hopefully only to a small extent) due to unrecorded wastage (from a variety of sources) and supplier price increases not picked up and entered into EPOS at the right time

### Wastage

All stock wastage is booked to cost of sales. Any staff consumption is booked to overheads with no impact on gross margins

### Stock takes

Stock takes will remove such problems by - generally - transferring value from stock to COGS (and thus reducing margins)

The last general stock take was completed on: 03/11/2023

Specific stock takes completed on:	12/11/2023 Takeaway Hot Drinks	22/11/2023 Trevarthen
	18/11/2023 Newspapers	23/11/2023 Spirits
	20/11/2023 Eggs	25/11/2023 Vapes
	12/01/2024 Tremletts	31/05/2024 Tremletts
	30/04/2024 Tremletts	31/05/2024 Bon Appetit
	30/04/2024 Roddas	
	30/04/2024 Trevarthen	
	30/04/2024 Blakes	