



Treasurer's report

2019 was a very successful and encouraging year for Headington Fairtrade. Sales increased above 2018 levels in all quarters other than the first quarter of the year; a particularly pleasing achievement given the strong sales growth (14%) in 2018. We ended the year with sales an average of 7% above the 2018 levels.

Profit for the year was £4.4k before taxation, and this was similar to 2018 (£4.7k). We increased our salary costs because we appointed a full-time manager; we believe the resulting continuity directly impacts our sales by developing purchasing skills and providing more time to dedicate to display.

We also increased expenditure on professional fees during the year: £4.6k in 2019 compared to £1.1k in 2018. Much of the increase (£1.9k) was for legal fees associated with the new lease, but the committee also commissioned bookkeeping services for the first time, in order to remove this task from John Coyle. Many thanks, as ever for John, for freely providing this service for so many years before this change. We also invested further in our premises; improvements to the loft storage, and the refurbishment of the loo cost £1.4k.

The healthy financial position gave us the confidence to re-negotiate our lease with our landlord. The old lease expires in 2020, and during 2019 we agreed the terms for the next 10 year period, enabling us to continue trading in the same premises.

At the 2018 AGM we shared our ambition to move beyond the need for short-term loans by increasing shareholder capital, and during 2019 we raised over £4k, a 25% increase in share capital. Whilst we took out some short-term loans in 2019, we did this mainly as a precaution ahead of purchasing the Christmas stock, and in fact did not rely on these to maintain cash balances. They were repaid in full ahead of the end of the year. The management committee is very grateful to all its shareholders and to those who have provided loans.

2020 started strongly, with healthy sales during the first weeks of the year, again an increase on the previous year. During March, we became increasingly concerned by the Coronavirus outbreak, and we took measures to protect our customers, staff and volunteers. We shut the shop at the point of the government lockdown (24 March), judging ourselves to be non-essential retail. At the time of writing, the shop remains closed, but having reviewed our cash flow situation, we are optimistic about our ability to continue trading. We have been helped greatly by government grants, and we have retained profits to draw upon if necessary.

We may be challenged over the coming months as we come out of the full lockdown period. We may find that a number of our volunteers prefer to wait a while before returning, and we will almost certainly need to implement social distancing and additional hygiene measures when the shop re-opens. The government support will help us through this period; it will allow us to invest in new ways of working, and it buys us some time to deal with the changes we are working through. Our vision though is to return to the thriving shop we knew before March, for the benefit of all our Fairtrade suppliers.

Sally Thompson