

Crediton Community Bookshop Limited

t/a **THE BOOKERY**

BUSINESS PLAN



Executive Summary

The Bookery has a proven track record as a successful social enterprise. We have created a business that operates a high quality bookshop in Crediton and supports a range of highly valued non-profit outreach activities. The business has developed and adapted in response to our market and opportunities and needs within our community. To continue this success capital funding raised through a Community Share Offer would enable us to invest to further develop our outreach work and secure the financial stability of the business.

Investing in staff development will improve the effectiveness of fundraising, outreach delivery and marketing which will allow us to increase the scale and range of our outreach. We plan to invest in improving the shelving capacity, lighting and signage and to upgrade our kitchen area to host more bookshop-related activities and to provide a wider range of outreach activities. Better resourcing of our systems will allow us to improve the effectiveness of our stock management, and investments in marketing will lead to increasing the number of our loyalty and newsletter subscribers. An enhanced programme of author events, improved digital sales and promotion activity will assist in increasing sales. We will continue to drive the efficiency of our operations to maximise the benefit of the capital investment.

The Bookery has enjoyed amazing support from the active engagement of our shareholders, customers, supporters and the wider community of Crediton, and we believe that everyone involved shares satisfaction and delight in the work to which they all contribute. A new share offer - the first since our initial call established the business 13 years ago - is an opportunity for people to strengthen their connection and, in a very tangible way, ensure we continue to thrive. This business plan reflects the development and experience of The Bookery since 2012 and sets out our aims for the next 5 years.



Contents

Our mission	1
Crediton - the community	1
What we do	2
The benefits we can deliver	3
Being part of The Bookery	4
Community share offer	5
How we will use the investment	5
Operations plan	6
The people	6
Community Benefit Societies	9
Community Shares Booster Fund	10
Appendices	11
Appendix 1: Operations and Financial Plan 2024-27	12
Operations plan	12
Marketing plan	16
Growth opportunities	17
Financial plan	21
Appendix 2: Risk Register	37
Appendix 3: Communications and Engagement Plan	41
Appendix 4: Community Benefit and Impact Summary	47



Our mission

The Bookery's mission is to create an environment for enterprising, resilient and creative communities inspired by books and stories. We provide pioneering projects supporting literacy, community well-being and access to cultural opportunities funded by sales from our bookshop and website. We believe that brilliant books change lives.

Our objectives for this share offer are to:

- Expand our outreach and so increase our impact
- Increase our sales to improve financial stability
- Engage more supporters to strengthen our community

Crediton - the community

Crediton is a small market town in Mid Devon with a catchment area of farming communities and villages (area pop. 21,000).

Crediton High Street is known as an attractive shopping centre with a monthly Farmer's Market and range of independent retailers. The Bookery is the only independent bookshop in the Crediton catchment area.

The Neighbourhood Plan identified that Crediton is a strong community with a sense of identity and a commitment to growing as a sustainable town. The plan sets out economic, social and environmental objectives to which The Bookery actively contributes including as a thriving High Street business and employer, leading a volunteer-led community outreach programme and the owner of a heritage building.

The Mid Devon economy is typified by lower than average wages and economic isolation; two of the electoral wards of Crediton show higher than average levels of deprivation (IMD).

The Bookery was formed as an Industrial & Provident Society (now a Community Benefit Society). It began as a response to the closure of an existing bookshop and the community collaborated to create a not-for-profit business to retain a local bookseller.

The community consultation identified strong support for retaining a bookshop on the High Street but also an opportunity to promote the value of books to children, enhance the cultural life of the town and offer fulfilling volunteering opportunities. That initial support has grown strongly to an established, substantial group of loyal shareholders, customers, volunteers and supporters who have all played an essential part in The Bookery.

What we do

Over the last 11 years we have built a business that offers a high quality bookshop on Crediton High Street. We were selected as Independent Bookshop of the Year and Children's Bookseller of the Year in 2022 - a matter of considerable pride to everybody associated with the business and to the wider community. In pursuing our mission to make a meaningful difference to people's lives we have devised and delivered a highly valued outreach programme aimed at addressing specific needs identified in our community.

We sell a wide range of carefully selected new books, stationery and gifts. Purchases can be made from our shop or via our website. Our friendly, experienced booksellers offer expert advice and inspiration on book choices.

We have organised events in the shop and larger venues in the town that have brought a variety of popular authors with national reputation to our town. We have been proud to present events with bestselling authors that have included Kate Mosse, Adrian Edmondson, Louie Stowell and Val McDermid.

We have provided support to other organisations with bookselling services off-site, including Exeter University, Exeter's Corn Exchange, the International Agatha Christie Festival and Budleigh Salterton Literary Festival.

The work hub established by us and located in our extended and modernised premises provides desk space, access to shared services including super-fast broadband and meeting space for small businesses and freelancers, or those working on the move. And our new community space has created an area for smaller scale activities including working with families, hosting book and poetry groups and staging events.

From initially employing 1 person part-time we now employ 7 people part-time (3.8fte).

We offer fulfilling and well supported volunteering opportunities.

The commercial activities and any surpluses enable us to provide the support and structure for the Outreach services.



The benefits we can deliver

A vibrant and successful bookshop on the High Street allows people to shop locally, reducing travel, increasing social contact and contributing to an attractive town centre. We have created active working relationships with a broad range of organisations in our community including primary and secondary schools, organisations supporting wellbeing such as Age Concern, the Foodbank, cultural organisations like the Arts Centre and public library (part of a countywide social enterprise), and community bodies such as the Town Council and Chamber of Commerce. We have a team of 30+ volunteers who support the business in many different ways including the Schools programme, events and work with older people. The expertise our staff and volunteers bring, together with the business logistics and systems, provide the capacity to effectively deliver the services we offer. The business relationships we have with publishers and the book industry bring opportunities that enrich our services, for example bringing bestselling authors for events.

To give some specific examples of our achievements: we have established a programme of outreach to schools which has built a strong reputation and demand over 10 years. This year around World Book Day our volunteers visited 17 schools, spending half a day in each and introduced our selected Top Children's Titles to over 3000 children; we have secured sponsorship for free books to be given to all pupils at children's author events; we have held events with many high profile authors including Adrian Edmondson, Michael Morpurgo, Ann Cleeves, and Val Mc Dermid; we have established a Sharing Stories project that matches volunteers to older, isolated people to share books and increase their social contact, and to work in partnership with staff of care homes to run a book club for residents.

We aim to make some impact on exclusion by raising staff and volunteer awareness of deprivation, dementia and gender in the context of our services. We actively stock and promote book titles on a range of social issues but especially featuring prizes and promotions such as Black History Month and prize-winning LGBTQ books and authors.



Being part of The Bookery

We are a community-led organisation with over 300 shareholders, over 30 active volunteers and partnerships with many local organisations. We want to continue to build this engagement with our community and deliver the services local people want.

Our shareholders, as members of the society, are invited to our Annual Members Meeting each year to receive a report on the business, question Management Committee members and offer feedback and ideas. Our Management Committee members live locally and are active members of the community. As a High Street shop open 40 hours per week we are very accessible to many of our customers and supporters and this is a continuous channel of communication with staff and committee. When we received funding to relocate to our current premises presentations were made at the Annual Members Meeting and ideas and approval exchanged to inform how the shop and building were developed. More recently, we carried out an extensive consultation to inform our re-branding (originally we traded as Crediton Community Bookshop).

We have over 30 active volunteers who shape, lead and deliver our Outreach services through our reading programmes in schools, early learning groups and for older people. Staff and directors are in regular contact with volunteers who are supported by our Volunteer Co-ordinator and have a formal opportunity twice a year at their individual review meetings to provide feedback and ideas to strengthen and develop the business generally, not just their part in it. We actively participate in community forums such as the Community Health Services meeting, the Chamber of Commerce and one-off consultations such as the Neighbourhood Plan.

We are active on social media, i.e. Facebook, Instagram, LinkedIn and X, which are channels to actively engage with our community – and they with us.

This share offer is a unique opportunity to join the project, strengthen Crediton's award-winning bookshop and have a say in its future.

Community share offer

The Community Share Offer will be launched on 13th November 2024. There will be a launch event then at The Bookery where we will provide information and an opportunity for potential members/shareholders to ask any questions about our share offer. Regular updates will be provided throughout the share offer period using our newsletter, social media and website. The share offer will run until 25th January 2025. Shares can be purchased online via our website or in person in the bookshop.

We want to continue to increase our membership and connections to our community. This share offer is an opportunity to engage with more people and help us reflect the needs and aspirations of our community. In future we will maintain an open share offer to allow supporters and customers to become members at any time.

How we will use the investment

Our intention is to seek capital for the business to create more capacity to deliver our outreach work and increase and broaden our impact on the social needs we have identified, including access to great books for children, especially for low-income families, and book-related activities that improve local people's wellbeing, addressing rural isolation and community engagement.

However, alongside these valuable and necessary activities we see the launch of a Community Share Offer as an excellent vehicle to mobilise support for, and to offer an opportunity to share in the ownership, future direction and success of the business.

To achieve this we need to invest in our retail business to increase its profitability and thus better support the outreach work. The investment from the share offer would enable us to:

OUTREACH:

- Invest in outreach development and grant funding generation capability
- Increase staffing to assist in delivery of expanded outreach activities
- Recruit additional volunteers to support expanded outreach activity
- Increase the quality of resources utilised for outreach activities.

RETAIL:

- Improve lighting, signage and display in the bookshop
- Increase resources to revitalise online book sales
- Invest in software to analyse sales trends and improve margins
- Optimise the loyalty programme
- Increase marketing to schools and libraries
- Increase staffing to increase social media impact
- Upgrade the kitchen and social area of the Hub

Operations plan

A detailed operations plan is appended to this document. It includes:

- Key objectives
- Assets
- Products and services
- Staffing
- Marketing
- Growth
- Financial plan

The people

Our patrons

We are fortunate to enjoy the support of our highly esteemed patrons **Michael Morpurgo, Ann Cleeves, Sarah McIntyre, Philip Reeve, Patrick Gale** and **Alice Oswald**, all of whom have strong links with Devon and the South West.

Management committee

The Management Committee has responsibility for oversight of the business to ensure it complies with legal and regulatory matters. They work with the General Manager to create the strategy for the business and support the GM with operational issues.

Andrew Davey (Chair)

Andrew was a member of the original Management Committee that set up CREDITON Community Bookshop in 2013. He has been involved as a volunteer, Committee member and bookseller. He is a qualified librarian and was manager of Exeter Central Library 1998-2011. He attended the Dartington School for Social Entrepreneurs.

Les Bright (Secretary)

Les joined the Management Committee in January 2024, becoming Secretary in July 2024 having facilitated a book club for older people who live in a local care home since the previous year. He is a qualified Community and Youth Worker and graduate of the London School of Economics masters programme in voluntary sector organisation and formerly worked in local government and national charities.

Marcin Zieleniewski (Treasurer)

Marcin has been treasurer at the Bookery for the last 4 years. He is Head of Finance and Company Secretary for a publishing and events business. He has also experience of looking after the accounts of various sports clubs in the past. Has a degree in Economics and Politics.

Geraldine Carter

Geraldine has been a Primary Teacher, working in Devon and previously the North West, for nearly twenty years. In that time she has trained as a Reading Recovery teacher and been part of the South West 100 Leadership programme, prioritising inclusion and accessible learning for all. Geraldine has been an Associate Lecturer for two universities and believes that all young people should have access to quality books and the experience of enjoying these alone and together. She believes that communities can be united through language - the memories and emotions evoked from sharing in a good book.

Rebecca Cookson

Rebecca moved to CREDITON in 2020 after qualifying and beginning her career as a Primary School teacher in 2018. Reading is her favourite hobby, which drew her to supporting The Bookery as a regular customer and then becoming a volunteer as a member of the Schools Team and a member of the Management Committee. She enjoys sharing her love of reading with the children she teaches, researching and supplementing the curriculum with new, high quality children's literature. Rebecca believes that reading is the gateway to learning and should be accessible for everyone to enjoy.

Conflicts of Interest policy is available at www.thebookery.org.uk/shareoffer.

No conflicts of interest have been declared or recorded for the members of the Management Committee.



Staffing team

General Manager - Dominic Myers

Dominic joined The Bookery as General Manager on May 1st, 2024. He had previously been working for a financial services company in the South West. Prior to that he had lived and worked in the Middle East for 30 years where he was CEO for a family-owned trading and food processing business. He was awarded a British Empire Medal for his services to British Education as Chairman of the not-for-profit British School Muscat for over 20 years. He is a graduate of Liverpool University.

Booksellers - Cliff Shepherd, Carl East and Fee Billen

Cliff, Carl and Fee have many years of experience in retail and bookselling especially. Their extensive knowledge of current publications and love of finding the right book for every customer are hugely important to the success of the business.

Volunteers Co-ordinator and Outreach - Kate Tucker

Kate has worked with volunteers at The Bookery since 2021 and is now also directly involved in several outreach projects. She combines this work with her role as Activities Co-ordinator at Age Concern Crediton where she has previously been Wellbeing Co-Ordinator for the over 50s. Kate is a qualified Early Years teacher with many years' experience of working with young children and families.

Design Administrator - Claire Lewis

Claire is a published children's author and illustrator. She worked extensively on the new branding for The Bookery and collaborates on our work with families.

Operations Support and Finance Administrator - Jess Benger

Jess Benger is an experienced bookkeeper with wide-ranging experience of different businesses and organisations.

Volunteer team

We are supported by a team of dedicated volunteers who provide the skills and enthusiasm to deliver our schools programme, our work with older and isolated people, support events and a range of other activities. Many have volunteered with us for a long time and we have built very happy and fruitful relationships. We are always interested to hear from people considering joining us to talk about opportunities.

Cathie Holden - Schools Team Lead

Cathie has been closely involved in The Bookery since its inception in 2013. She was instrumental in establishing the schools outreach programme and now co-ordinates a team of experienced teachers and school librarians. She has a background in English literature and taught in primary schools before moving to the University of Exeter where she was Associate Professor of Education, responsible for training both primary and secondary teachers. She has well established links with local schools.

Community Benefit Societies

Community Benefit Societies are an incorporated business entity registered at the Financial Conduct Authority. They are owned by their members where membership is by the issuing of community shares. There are over 750 community businesses in the UK, with profits being reinvested into the business or into the local community. It has proven to be a successful business model – with a survival rate of over 95% based on the principles of community ownership and engagement. Since the introduction of withdrawable community shares, more than £200 million has been raised from approximately 130,000 investors.

References:

<https://www.uk.coop/sites/default/files/2023-01/community-shares-report-2023.pdf> (uk.coop)

<https://plunkett.co.uk/wp-content/uploads/Impact-Report-2024.pdf> (plunkett.co.uk)

Crediton Community Bookshop (trading as The Bookery) was formally registered on 24 August 2012, registration number 31718R. Post-tax trading profit can only be reinvested into the business or distributed to other local community activities or organisations. Membership of a Community Benefit Society is established by the purchase of community shares. Members, regardless of the number of shares owned, have one vote each.

Crediton Community Bookshop (trading as The Bookery) was formally registered on 24 August 2012, registration number 31718R. Post-tax trading profit can only be reinvested into the business or distributed to other local community activities or organisations. Membership of a Community Benefit Society is established by the purchase of community shares. Members, regardless of the number of shares owned, have one vote each.

No withdrawal of shares will be permitted for the 5 years after issuance (this will change to 3 years once new Rules have been adopted in 2025) and thereafter at the discretion of the Management Committee and based on the financial position of the society at that time.

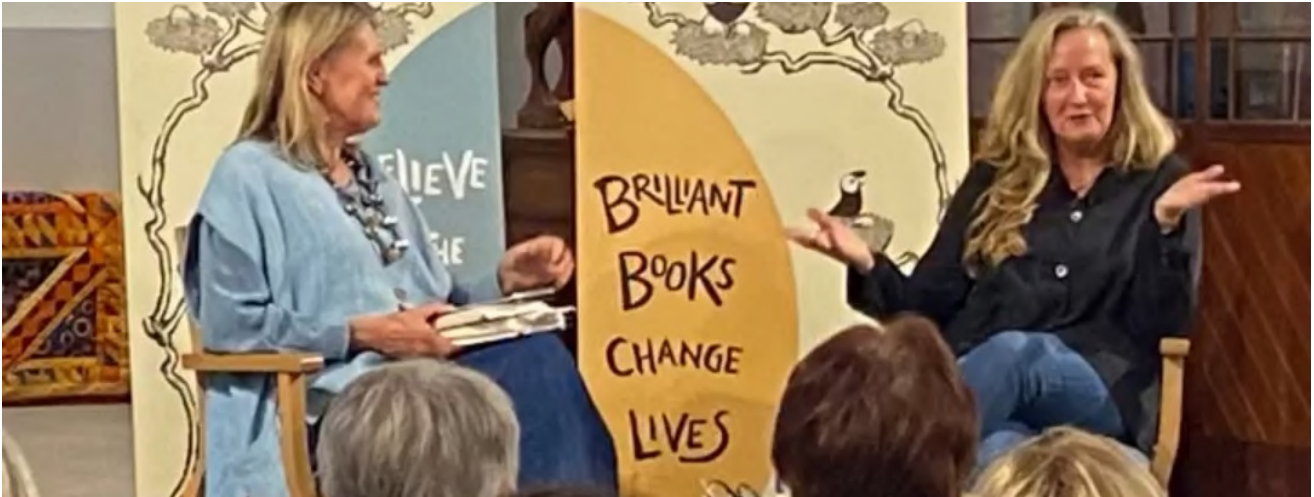
The Bookery is a member of the Plunkett Foundation, a charity which offers support for community owned and run businesses. We have adopted their Model Rules as the constitution to ensure we are following an established trusted model. The model rules can be found on our website: www.thebookery.org.uk/shareoffer. We are in the process of updating them to fit more closely with the 'new model' rules arising from the latest legislation.

Community Shares Booster Fund

Funded by Power to Change and Access – the Foundation for Social Investment. In partnership with Locality.

The Community Shares Booster Fund is intended to support new community businesses that are raising capital through community shares. They provide equity match investment for community share offers typically between £20,000 to £50,000. The Bookery has applied to the Community Shares Booster Fund to raise additional capital from our community share offer. Following our expression of interest we were invited to submit a full application. The award of the Community Shares Booster Fund would significantly increase our capacity to deliver our objectives. However, provided we reach our target of £10,000 - £20,000 in new community share investment, we will strengthen the business enabling us to deliver greater impact from our outreach work. If successful, the Community Shares Booster Panel funders (Co-operatives UK) would become a member of the society on the same terms and rights as other members. The investment is expected to be withdrawn over a period of 5- 27 years, with an average length of 15 years, providing the business can afford it.





Appendices

1. Operations and Financial Plan 2024-27

2. Risk Register

3. Communications and Engagement Plan

4. Community Benefit and Impact Summary



Appendix 1

Operations and Financial Plan 2024-27

Operations Plan

a) Strategic intent

To improve the commercial sustainability of the bookshop we will continue to intensify our focus on improving outcomes across a vital set of recently introduced Key Performance Indicators (KPIs) and ensuring we deliver high quality, engaging and knowledgeable customer service. To give us competitive distinction we will develop a sustainable online offer and explore ways to further improve the effectiveness of our social media activity and loyalty programme impact.

The KPIs help us to effectively prioritise, identify key learning and enable us to seek continuous improvement. We have seen the benefits of introducing selective promotional activity that increases footfall, transactions and sales volumes and will continue to explore other opportunities. We have identified opportunities to improve the effectiveness and efficiency of our stock management that results in optimising investment in stock, presentation of books and limits erosion of value by ensuring improved processes for the returning of aged stock to suppliers.

We are working on identifying actions and activities that enrich customer experiences that will result in increased footfall, greater frequency of customer visits and conversion from browsing to buying. Over time The Bookery has attracted over 2,400 subscribers to our quarterly newsletter, and we are proud to have over 1,500 loyalty members. We will explore ways to optimise the impact and how to more effectively engage with our loyalty members, who currently contribute to c. 20% of bookshop sales. It is our intention to increase loyalty club membership to over 2,000 members by 2027.

In 2022/23 The Bookery generated over £25,000 from the promotion of signed copies through website sales (c 10% of sales) but was not able to sustain the operating costs and issues associated with delivering this volume. We will explore ways to overcome the operating constraints so that we can benefit from the proven demand for the online provision of signed books.

As an independent bookshop we are appreciated for the quality and range of books that we provide. We recognise the importance of inspiring customers, supported by high levels of knowledgeable and attentive customer service. To build on this we plan to expand not only the frequency of author events hosted within The Bookery or at other

venues in Crediton, but to also provide a wider range of activities, discussion groups, poetry reading and other related activities providing a greater range of reasons for our customers wishing to visit the bookshop.

Observing and learning from competition we will seek to keep our offer contemporary and competitive, playing to our strengths.

Measures of Success:

- Achieve targeted daily sales threshold
- Minimised stock erosion from improved supplier stock returns
- Stock value optimised to improve stock returns by section
- Online sales to be meaningful contributor to growth
- Increased customer loyalty membership and utilisation
- Increased reach and impact of social media converted into sales growth

b) Premises

The Bookery consists of three distinct areas - the Bookshop, the Link Room, and the Hub supported by a toilet and kitchen/rest area for staff and hub customers - as well as a residential flat that is leased at commercial rates. The Hub is situated upstairs and operates as a fully functional community co-working space with desks which can be booked at commercial rates. There is also a Meeting Room that accommodates up to 8 people with audio visual equipment. As part of the plan, we are seeking to increase the utilisation of the Hub and Meeting room to generate additional income. From the anecdotal evidence and informal surveys, we believe that there is an opportunity to improve the awareness relating to the quality of the Hub facility, the ease of the booking process and its convenient town centre location with nearby parking and easy access to a range of bus routes in order to attract additional bookings.

The Link Room is primarily used to host the Playtime sessions that we are seeking to extend to operate twice per week as a central part of the Outreach activities. It is also used for the drop-in craft sessions for children that we run at no charge during half terms and in the summer holidays. It provides space to display the Top Titles selected by our schools team, which they take to schools during a week or two of intensive activity around the date of World Book Day. We host author events in the Link Room for c 20-25 people and use this space to display a range of local historical and special interest books. There is potential to improve the use of the Link Room, and we are testing the use of this space for the sale of half price books. We need to do more to encourage customers to climb the 10 steps from the end of the bookshop into the Link room, including investing in improved signage.

There are some areas of the premises that require some minor works investment. These include damp proofing within the meeting room and within the bookshop, overflow drainage above the front of the shop, and repair to the toilet door handle.

From the monies raised through the Share Offer we will upgrade the kitchen and social area in order to be able to extend our outreach capability and to provide an added attraction for customers to visit the bookshop.

Within the freehold owned by The Bookery there is a residential flat that is currently leased at commercial rates. There is an intention to sell this flat, to repay the mortgage to Triodos in 2025 and release any net gain to the Profit and Loss account. The decision to sell the flat was a recognition that being a property landlord is not our core business and makes good commercial sense.

c) Stock and equipment

The total value of book stocks varies due to the seasonal peak running into the Christmas season, but will on average account for c. £65-£90k of current assets. As a browsing bookshop we will hold over 6,500 titles with over 80% of the stock being accounted for by titles that we will hold only one copy of. This fragmentation of stock provides challenges for the display of books and the effective management of returns. There are opportunities to improve the stock turn of some categories by filtering out non selling titles and using the release of shelf space to increase the number of books that are front faced, which increases the probability of an impulse sale.

The unique design and layout of the bookshop shelving is visually attractive but does present challenges for the presentation of books on the lower shelves and is an area we would seek to improve by increasing the heights of these shelves. We would also undertake a review of how to improve the presentation of the children's picture books. There is also a need to improve the lighting in parts of the shop. Window displays are an important part of attracting customers into the shop.

We need to create/purchase display stands that will allow us to better utilise the windows to create more impactful book displays and features.

To improve the use of space in the Link Room and make it a safer and better environment for hosting the Playtime activities we plan to purchase equipment and furniture including a safety gate, floor rugs, storage facilities for toys and equipment, and additional cushions and seating. We have also identified the need to build a storage cabinet for the storage of our point-of-sale materials to sit within the kitchen/rest area.

Consistent with independent bookshops across the UK we are members of the Booksellers Association and utilise the Batch POS and payment, returns and data services. Batch provides a valuable range of reports, but there remains opportunity to be able to identify the gross margin we achieve on each book sold through the development of a bespoke software solution or by working with Batch to be able to develop a solution, which could then be made available across the industry.

d) Products and services

Books represent about 85% of sales within the bookshop, with c.10% from greetings cards and the balance from the sale of notebooks, artworks and other items such as calendars, wrapping paper etc. We will increase the range of special occasion cards and wrapping paper but will remain focused on optimising the book range, presentation, promotion and the quality of customer service we offer.

The continued growth of online competitors, their scale, size, capabilities and reach will continue to provide significant challenge. We can't directly compete, but we do intend to revisit how we can deliver a successful online ordering offer for signed copies through our website www.thebookery.org.uk

From the work that our amazing team of volunteers have developed over many years working with local schools we generate c 20% of our total sales from schools outreach (primarily around World Book Day) and through the provision of book purchasing services that we offer to Plymouth and Devon Library Services – the latter a charitable social enterprise. We will on occasions also provide assistance to schools with refreshing their library offer and we are in the process of trying to build relationships with other library services in the South West.

e) Staffing

In total The Bookery employs 7 people, all of whom are employed on part-time contracts. The shop is primarily staffed by the Bookshop Manager and Assistant Manager who both work 80% of a full-time contract. The General Manager and the Logistics & IT Manager both work on 60% contracts, the Operations Support & Finance Administrator at 40%, With both the Design Administrator and Volunteers & Outreach Co-ordinator working on a 30% contract. Our financial plan includes the continuation of the current staffing arrangements, but we will explore how to best optimise the hours to allow us to take advantage of peak trading periods, potentially extending our Saturday trading hours and being able to respond flexibly to deliver author events or attend external events that provide attractive bookselling opportunities.

The buying of greetings cards is led by one of our volunteers and we are assisted in the shop by volunteers on an occasional basis. We will explore ways in which our current volunteers could assist us further within the shop and potentially seek to recruit volunteers who have some retail experience to help complement the work of our employees. We also recognise the need for additional resources to help us identify, develop and deliver additional outreach activities to be funded from securing targeted grant funding.

Our opening hours are currently Monday to Friday 9.30-5pm and Saturdays 10am-2pm. We are closed on Sunday and Bank Holidays.

Marketing Plan

We do not currently have the financial capacity to invest in any paid-for marketing activity. We are however active on social media with posts developed by our Design Administrator and Assistant Manager promoting the bookshop activities, the Hub and events. Our reach has been steadily increasing across Facebook, Instagram, Twitter/X and LinkedIn, achieving nearly 22,000 views/impressions in June 2024. We aim in future to tailor our content to be more appropriate for LinkedIn, engaging in conversations. We have joined a schools Facebook group with the intention of being able to recommend the Top Titles selected by our schools teams in response to requests for recommendations by teachers. We will develop a priority set of marketing opportunities to include, for example, sponsoring the Bookshelf section within the Primary Times 'What's On' guide that distributes 51,500 copies to over 270 primary schools and 50 libraries across Devon.

We have been well supported by local media in carrying our press releases and plan to increase the frequency of articles we provide to them, including the provision of a discount voucher to bring additional customers to the shop.

Our current loyalty programme provides one point for every £10 spent and allows redemption once 10 points have been accumulated. We would like to study other loyalty programmes to explore how we could increase the activity levels for those members that are less active, and we will continue to increase the number of members, signing up existing customers and those at events. The reach we have through the newsletter subscribers is an area that we would wish to develop further if we had more time and resources to do so. We would also like to evaluate introducing, or converting, our existing loyalty programme to a membership club concept.

We are testing new ideas for marketing within the shop, including the introduction of more impactful promotions to drive footfall and volumes. Our Summer Reads and Top Reads for Autumn 3-for-2 offers, and our 4 for £10 on greetings cards promotion have resulted in a significant uplift in the sales of those books and cards. We will develop a calendar of

promotions and other activities that we can then drive forward on social media and instore. We intend with monies raised from the Share Offer to invest in upgrading shelving and to purchase additional point-of-sale materials.

Marketing objectives

Over the period 2024-2028 we will:

- Reverse the decline in book sales within the bookshop, to grow 17% by 2028
- Increase the number of loyalty members to over 2,000 by 2028
- Revitalise website sales to grow from £2,000 in 2023/4 to £17,000pa by 2028
- Deliver at least 2-4 Grade A and 6-8 high quality author events annually to increase awareness and sales
- Provide weekly book-related events in the shop led by volunteers
- Double social media reach to 45,000 by 2028
- Increase the number of schools and library services we provide services to
- Increase stock turns across every category through improved stock purchasing, stock control, space allocation, promotion and use of enhanced point of sale activity
- Develop additional funding/donation/sponsorship opportunities for customers to support our outreach activity
- Implement a successful programme of external marketing investment delivering measurable results

Growth opportunities

In addition to increasing the sales in the bookshop by developing promotional activity, improving the impact of window displays, making better use of point of sale material and increasing the range of activities we offer within the shop to attract and/or retain customers, we have also identified three core commercial areas to develop and grow:

i) Events

Winning the British Book Awards in 2022 as Independent Bookshop and Children's Bookseller of the Year was a fabulous achievement for The Bookery. It helped raise our profile and awareness which, combined with the superb network that the former Chief Executive Officer Dee Lalljee had developed, enabled The Bookery to attract and host a significant number of high-profile author events at locations in Crediton.

These included events with Adrian Edmondson, Lucy Holland and Guy Shrubsole which attracted audiences of up to 250 people and contributed to sales from events representing about 9% of total sales in 2022/3. The Bookery is fortunate to be supported by a number of Patrons who also joined us for events in 2022/3, including Ann Cleeves and Kate Mosse, with Michael Morpurgo being guest of honour to open the Link Room in June 2023 that had been so generously supported by The League of Friends of Crediton Hospital.

During the period of management transition fewer events took place in 2023/24. Author events hosted at The Bookery for audiences of 20-40, or at other locations in Crediton for larger audiences, not only provide the opportunity for increased sales, but also provide us with communication opportunities through social media and local press and are appreciated as contributing to community activity in Crediton.

We have created a Pitch Deck to send to publicists and for use in making direct approaches to authors or in discussion with our Patrons. We intend to host at least 6 high-profile author events each year, which commenced in July with Sunday Times bestseller author Sarah Pearse joining us in conversation with book columnist Natascha Harding for the launch of her new book *The Wilds*. We will progressively build our capability to stage these events with the ambition to deliver a minimum of 2 or 3 'A' Grade author events with minimum audiences of at least 75, building towards arranging the first Crediton Literary Festival in 2027, backed by sponsorship and in partnership with other organisations in Crediton. We will explore the scope for grant support for this ambitious collaborative activity.

In addition to the events we organise, we intend to develop relationships with Exeter Corn Exchange and the Northcott Theatre, also in Exeter, with the intention of being a preferred bookseller for author/celebrity events at these locations. We have set ourselves success criteria for these and for participating at any other external events. Our volunteers generously provide their time to assist in delivering both internal and external events, but we also plan to structure the staff time so that the Bookshop Manager has time to secure the high-profile author events that will help provide increased sales.

ii) Schools

Our highly successful volunteer-led schools outreach programme directly reaches about 20 local schools over two weeks coinciding with World Book Day (WBD), with the schools team reading to children from the age specific Top Titles that they have worked diligently to select over the previous 12 months. Those schools that wish to participate are required to buy a set of these books which is profitable with each child able to buy 2 books at a subsidised rate of £10. These events have led to the development of other opportunities including advising on library refurbishments. We will work with the decision makers in these schools to identify additional opportunities, as well as trying to

extend the number of schools we reach during World Book Day to increase the sales of the Top Titles. From the relationships that have been established with schools across Mid and North Devon we will also explore opportunities to use some of our aged/excess stock to support schools and children while at the same increasing the number of schools who buy our Top Titles packages.

Devon and Plymouth Library services buy books directly from us. We are seeking references and introductions from these organisations to help us secure additional bulk order customers. We would like to grow this profitable channel.

We will be seeking sponsorship income from local companies to help expand our work in schools by taking authors into schools in rural and deprived areas and providing free books to children who may not normally have owned a book. We will try to establish a core group of 3-4 local companies which, if they each contributed £500 pa, would allow us to visit at least one school per term with an author and provide approximately 200 to 350 children with a free book.

iii) Digital

We have identified three areas of potential growth - social media impact, website orders and loyalty/newsletter engagement.

Social media:

We currently aim to create 20 unique posts released across four platforms (Facebook, Instagram, Twitter/X and LinkedIn), with the target to achieve collective reach of 20-25,000 per month. These creations are led by the Design Administrator and Assistant Manager. We do not currently advertise or pay for targeted placement of social media posts.

We realise the need to adapt our messaging and responses on these different platforms and to apply the good practice that we see from other organisations. For example, on LinkedIn we need to be able to provide content that engages conversation and establish ourselves as a leading voice advocating the benefits of the bookshop and outreach combination.

There is opportunity to join targeted groups on Facebook, but for all of these we only have limited time resources. We have only a very limited number of book groups or their members registered with us, which we would like to increase using digital communications and to be able to service book groups operating in and around Crediton and beyond.

There is the need to develop an online strategy which could be developed in-house but if resources permitted, we would like to explore the opportunity to utilise external resources. There may be grants or assistance that the Booksellers Association could provide to us.

Website orders:

The work done in 2022/23 has demonstrated proven demand from customers for ordering online. However, achieving those volumes placed considerable burden on the existing staffing to maintain effective management of the site, to pack and post books, to manage the stock within the shop, the customer enquiries and an inevitable level of refunds/returns. It will be our intention to develop a revised model to be more focused primarily around signed copies that can be pre -ordered online and to find ways to secure the volumes we need in a cost-effective way, possibly seeking the assistance of current or new volunteers.

We have seen the variety of online bookselling sites and will explore how we could replicate/adapt some of their promotions.

From our subjective analysis of other independent bookshops in the region we believe our website does not need any significant upgrades, but we do need to find ways to generate greater online revenues.

Loyalty/newsletter:

Although we have impressive levels of loyalty membership and newsletter subscribers, we have been relatively passive in our utilisation of the data and will aim to make more effective use of it in future. This needs further study. We aim to increase the number of loyalty members we sign up in the shop or at events and will consider the benefits of conducting a customer survey. We will explore time-limited offers to loyalty members and if possible analyse the genre of books that they order to be able to offer them recommendations or special offers.

We will explore converting our loyalty programme and/or introducing a membership scheme to secure an upfront membership fee with a subsequent discount on future purchases for customers. We have not factored any significant growth or cash flow benefits from expanding the loyalty programme or from the introduction of a membership scheme.

Financial Plan

a) Historical

Summary of the year end accounts 2020/21 - 2023/4 (Financial Year to September 30)

Bookery Profit & Loss Summary 2020/1-2023/4

	2020/21	2021/22	2022/23	2023/24
Turnover	163,863	229,216	262,837	194,470
Cost of Sales	(178,831)	(222,521)	(234,348)	(212,428)
Gross Profit	(14,968)	6,695	28,490	(17,958)
Administrative Costs	(36,285)	(40,190)	(38,346)	(31,466)
Depreciation	(7,681)	(7,446)	(10,510)	(10,510)
Operating Profit	(58,934)	(40,941)	(20,366)	(59,934)
Other Income	86,133	31,153	151,744	29,998
Sale of Asset	0	0	0	0
Profit Before Tax	27,199	(9,788)	131,378	(29,936)
Tax	(380)	(1,296)	(1,522)	(1,522)
Profit After Tax	26,819	(11,084)	129,856	(31,458)

Turnover increased progressively from 2020/1 to 2023/4, benefitting initially from an increase in book purchases from independent bookshops during and post-pandemic. In 2022/3 our sales were significantly boosted by the exceptional events we arranged to celebrate our 10th anniversary and the opening of the Link Room as well as a large uplift in sales from our website. In addition to the turnover rising consistently over recent years the overall profitability of the business has been aided by the grants and other income received that have enabled the creation of the Link Room and supported our outreach activities.

In 2023 'Other income' increased by £120,591 to £151,744 as a result of recognition of grant income received in previous years but deferred until such time as it was spent. A large proportion of this grant income was for capital projects, and therefore the corresponding expense has been capitalised in the balance sheet rather than being an expense. The Other Income also includes income generated from Hub bookings, rent received for the flat and income received from grants and sponsorship, including the receipt of a National Lottery grant in 2024 to support our outreach activities.

As a result of the improved turnover and significant levels of Other Income (Grants) recognised in 2020/21 and in 2023/24 the business recorded a surplus in those years, with a moderate deficit in 2021/22. The deficit recorded in 2023/4 was partly the result of lower turnover from the decision to scale back activity levels to allow for staff restructuring and appointment of a new General Manager. Consequently, we held fewer events, reduced off-site bookselling, and lost capacity for grant seeking.

There was a moderate Gross Profit generation in 2021/22, which improved in 2022/23 from the higher bookshop sales and the success of the significant events that were held in that year. Although we were able to increase the Gross Margin for book sales from improved stock control the overall Gross Profit was negative in 2023/24, with the cost of goods and staff costs exceeding the Turnover.

b) Projections

The Profit and Loss projections for the year ending 30 September 2024 and the forecast for the next 4 years through to 2027/8 are provided, along with Cash Flow and Balance Sheet projections. The financial results from 2022/3 and a cash flow model provided to the Coop Bank in June 2024 supporting an application for an overdraft facility was approved for £20,000 and became operational from August 2024. The overdraft facility remains unutilised, primarily due to the receipt in July of £15,000 from the National Lottery in support of our grant application enabling us to sustain and expand our Playtime activities.

The Financial Profit and Loss, Cash Flow and the Balance Sheet projections assume the benefits from a successful Community Share Offer, including the planned investment to be made in the business to increase its capabilities and capacity to grow both commercially and through its provision of outreach activities. The expenditure is recognised in both the revenue and overhead costs, as well as within the balance sheet for any fixed assets assumed within the plan are purchased.

We intend to, with the assistance of the sale of the residential flat in 2025, on a cash basis (excluding depreciation) achieve a breakeven or slight loss in 2024/5, moving to a moderate level of profitability in 2026/7. Any significant increase in the levels of grants and sponsorship that we could generate would provide greater robustness and ability to tolerate lower levels of sales than has been projected. We expect to generate a sustainable level of Profit After Tax from 2026/7.

Measures of Success:

- Achieve an overall operating profit in 2026/7
- All outreach activities fully funded through grant funding
- Secure consistent corporate sponsors and grant funding partners
- Development of robust cash flow forecasting model
- Complete sale of flat at targeted value
- Successful completion of Community Share Offer

Assumptions:

The Profit and Loss financial projections (within the spreadsheets) include the following assumptions:

- Sale of the Flat realising a net £15,000 profit in April 2025, after repayment of the mortgage and payment of any Capital Gains Tax.
- Flat mortgage and income until April 2025. Mortgage repaid in full in April 2025.
- No recognition for depreciation on a cash basis. Depreciation was £10,510 for the year to September 30, 2023.
- Reversal of sales decline by greater levels of promotional activity and customer engagement.
- Increased levels of Events, building to the delivery of the Literary Festival in 2027.
- Website sales increase substantially (but below 2022/3) levels from restructured offer.
- Improvement in gross margins from improved stock management.

- Sustaining the current staffing structure.
- Higher postage and packing costs from increased website sales.
- Consolidation of card payment providers to reduce costs.
- No requirement for overdraft interest costs.
- Grant funding/sponsorship forecast to be at £17,000 in 2024/5 increasing in subsequent years from improved grant application preparation and targeting and providing an expanded range of outreach activities. This is a conservative estimate that we would hope to significantly exceed.
- Premises improvements reflected in higher depreciation (but depreciation reduces overall from sale of the flat, reducing fixed assets).
- Progressive increase in Repairs and Renewals and Office Costs included in P/L.

c) Funding sources

Our primary source of income will continue to be from the commercial activities of the bookshop. We expect the turnover from the bookshop activities including online sales, events and sale of books to schools to represent c 90% of total income in each year with the dependency on securing monies from grants and for the hub to be cautiously weighted. In 2024/5 we intend to benefit from the sale of the flat that will provide a one-off cash and profit benefit of £15,000.

Our funding requirements for the period is expected to be achieved from:

- Commercial activities of the bookshop (£200-250k pa)
- Sale of community shares (£20-25k)
- Matched funding through the Community Share Booster Fund (£20k)
- Grant Funding (£15-30k pa)* *which we will be targeting to exceed
- Sponsorship (£2-5k pa)
- Hub income from hirers (£3-5k pa)
- Donations, other charitable gifting (£1k pa)
- Sale of flat in 2024/5 (£15,000)

i) Community Share Offer

We will launch a Community Share Offer on 13th November 2024 with the intention of increasing the share capital from the current level of £41,720. It will be our aim to secure £40,000 of additional share capital from the Share Offer to include equity matched by the Co-operative Community Shares Booster Fund, providing incremental additional capital enabling the Bookery to sustain and expand the range of outreach activities and invest resources and equipment to improve and develop the success of the bookshop.

ii) Co-operative Community Shares Booster Fund

The Community Shares Booster Fund is a funding scheme to support community share offers provided by Co-operatives UK. They provide a) pre-grant support for early-stage activity to help assess the probability of success, b) development grants averaging around £5,000 to help prepare a community share offer, including the costs associated with securing the Community Shares Standard Mark and c) equity match investment for community share offers typically between £20,000 to £50,000. The Booster Fund has awarded us £5,760 as a grant to help prepare the community share offer.

The Bookery intends to apply to the Community Share Booster Fund to raise additional capital from our Community Share Offer. The Community Shares Standard Mark is awarded to community share offers that meet national standards of good practice. It provides a framework for societies to develop high quality share offer documents with support from practitioners accredited by the Community Shares Unit at Co-operatives UK and ensures that community share offers are clear, honest and transparent.

If successful, the Community Shares Booster Panel funders (Co-operatives UK) would become a member of the society on the same terms and rights as other members. The investment is expected to be withdrawn over a period of 5-27 years, with an average length of 15 years, providing the business can afford it.

iii) Grant funding

The development of the Link Room within The Bookery was generously supported by the Crediton Hospital League of Friends. This capital grant has also been complemented more recently with monies provided by among others Crediton Town Council and the National Lottery Community Fund that have enabled us to provide the Playtime and Sharing Stories outreach activities.

In order to continue to offer the existing outreach and to expand the range and frequency of activities that we know will benefit the community we will be actively seeking grant funding from various sources. We are working to develop a wider range of outreach activities that we would like to take forward after first ensuring that grant funding would be available. With additional resources we would like to invest in developing our outreach pipeline development and grant funding capability.

Within the financial projections we have estimated to generate £15-30,000 pa of non-capital grant funding. We believe this to be a conservative estimate, that if exceeded would allow us to offer an extended range of outreach activities within the Bookery and/or with partners in and around Crediton.

Any significant capital grants received to support premises improvements would be credited to the balance sheet but have not been assumed in this plan.

iv) Sponsorship

We will be seeking sponsorship for our schools programmes which we believe could be attractive to local companies to support. Encouraging reading and contributing to the range of educational experiences that our volunteers enable us to offer to primary-aged (and potentially older) children has a high impact and will help prepare young people to be better equipped as potential future employees within businesses in the town and surrounding area. We aim to widen and deepen our relationships with the schools we already work with and increase the number of children that are provided with inspiring experiences and access to free or heavily subsidised books that we provide.

Securing sponsorship income of c £2-3,000 pa will enable us to provide at least four additional opportunities to take authors into schools and ensure that every child we reach with these events receives a free book.

v) Hub income

The Hub is our co-working space on the first floor. This is a high-quality, well-equipped space that offers a shared workspace that was purpose built offering ultrafast broadband, storage lockers, a meeting room with video-conferencing facilities and a shared kitchen space and social area. We recognise the need to increase the utilisation of the facility and have conducted a survey of similar hubs in the region to help guide our marketing, pricing and communication strategy. We have identified from the surveys we have conducted that our current customers have mostly heard about the facility from word-of-mouth references so we would like to invest in developing a more effective communication plan to promote the Hub. We have estimated to generate £3-4,500 pa income from the Hub.

vi) Donations

Within the plan we are only estimating to receive around £3-500 pa from donations. We will however be looking at how we can more effectively communicate our social purpose to our bookshop customers and how we could then encourage a higher level of donations to support the outstanding outreach work.

d) Expenditure

To succeed in our mission to sustain and expand our outreach activities, and to ensure the long-term sustainability of the bookshop as an asset to the community, The Bookery would utilise the monies raised from the share offer and booster fund equity-match to invest in resources and equipment that would improve both the commercial performance of the bookshop and increase the quantity and quality of outreach. The expenditure priorities for investment in 2025/7 are summarised as below. Competitive quotes would be obtained and approved by the Management Committee prior to any incremental non budgeted expenditure.



Bookshop:

- a) Improve lighting in the bookshop and signage to better utilise the Link Room
- b) Increase resources to restructure and revitalise online ordering
- c) Invest in development of software to analyse and improve gross margin realisation
- d) Optimise the loyalty programme and/or converting to a membership scheme
- e) Marketing activities to increase the reach of commercial book sales to schools and libraries
- f) Extend employee contract hours to increase social media impact, engagement and conversion to book sales and promotion of the Hub
- g) Minor equipment purchases to improve window display, promotional communications, and in-store communication



Outreach:

- a) Invest in outreach development and grant funding generation capability
- b) Extend employee contract hours to assist in delivery of expanded outreach activities
- c) Recruit additional volunteers to support expanded outreach activity
- d) Upgrade the kitchen and social area to create a relaxing environment providing outreach for older and isolated people to gather and enjoy reading and other book-related activities
- e) Minor equipment requirements to increase the quality of resources utilised in the delivery of the outreach activities

How we will spend the investment

Bookshop:

Improvements to lighting, signage, display & communication materials	£4,000
---	---------------

Development of online ordering, loyalty program development & software upgrades to improve gross margins	£5,000
--	---------------

Marketing spends & social media development	£4,500
---	---------------

Upgrading kitchen & minor works for premises improvements	£5,000
--	---------------

Outreach:

Investment in outreach development and funding generation	£6,500
--	---------------

Recruiting additional volunteers to expand activities	£2,000
--	---------------

Equipment and resources to improve delivery and quality of activities	£3,500
--	---------------

Working capital:

To strengthen the balance sheet and support the costs associated with investing in the business required to deliver the business plan as well as providing some resilience to enable the business to manage seasonal variations and significant stock flows for bigger events	£9,500
---	---------------

Total:	£40,000
---------------	----------------

e) Profit & Loss and projections

The Bookery Financial Plan 2023-2028 (Financial Year 30th September)

	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Forecast	Forecast	Forecast	Forecast
Turnover					
Book sales	146,888	157,624	164,747	169,800	172,300
Card sales	8,955	9,200	10,000	10,422	10,802
Events	4,510	9,744	12,174	22,250	18,250
Non book sales	2,929	3,250	3,750	4,500	5,000
Other income	4,611	7,000	9,000	11,000	12,000
School Orders	17,693	18,000	19,000	20,000	21,750
Schools outreach	6,420	6,500	7,000	7,500	8,500
Shipping charged to customers	511	1,200	2,000	3,000	4,500
Website sales	1,955	6,500	10,000	13,000	17,000
Total Turnover	194,470	219,018	237,672	261,472	270,102
Cost of Sales					
Book purchases	97,683	104,172	109,700	112,911	112,986
Card purchases	4,760	5,749	6,000	7,049	7,410
Employers N.I.	600	1,700	1,800	1,900	2,050
Employers Pensions	1,206	1,275	1,350	1,550	1,700
Event & outreach costs	411	1,631	2,180	3,200	3,450
Freelance	0	0	0	0	0
Non book costs	1,099	1,250	1,350	1,500	1,700
Postage and packaging	1,615	1,750	2,500	3,500	4,025
Volunteer expenses	87	125	150	175	250
Wages and labour	104,967	106,200	109,400	112,700	117,000
Total Cost of Sales	212,428	223,852	234,430	244,485	250,571
Gross Profit	(17,958)	(4,834)	3,242	16,987	19,532

Administrative Costs					
Advertising and Marketing	37	2,850	1,295	1,975	1,650
Bank charges	11	25	35	45	65
Bookkeeping and accountancy	3,243	3,500	3,750	4,000	4,275
General Expenses / Sundries	2,052	2,275	3,250	3,750	4,000
Heat, light and power	3,511	3,700	3,700	4,000	4,200
Insurance	1,095	1,150	1,250	1,350	1,450
Mortgage Interest	10,891	7,707	0	0	0
Office costs	3,089	3,400	3,600	3,800	3,950
Payment provider charges	2,615	2,500	2,650	2,900	3,150
Professional Fees	170	200	250	350	400
Rates	374	400	450	500	550
Repairs and Renewals	3,464	5,263	5,155	5,313	5,615
Training Costs	0	750	550	700	700
Website Costs	913	2,080	2,020	2,096	2,246
Total Administrative Costs	31,466	35,800	27,955	30,779	32,251
Depreciation and Amortisation	10,510	9,677	9,600	10,700	11,600
Operating Profit	(59,934)	(40,634)	(24,713)	(13,792)	(12,720)
Other Income					
Annex income	2,406	3,600	3,900	4,100	4,200
Donations (8200)	213	300	350	400	425
Grants/Sponsorship	19,397	17,100	22,000	26,000	29,000
Rent (flat)	7,982	4,139	0	0	0
Total Other Income	29,998	25,139	26,250	30,500	33,625
Asset Sale Profit		15,000			
Profit on Ordinary Activities Before Taxation	(29,936)	(495)	1,537	16,708	20,905
Tax	(1,522)	0	0	(1,100)	(2,000)
Profit after Taxation	(31,458)	(10,172)	(8,063)	6,008	9,305



Within the Profit & Loss Forecast we aim to progressively reduce the losses at the operating profit level year on year. With the increases in Other Income from higher levels of income from Grants (to support the outreach activities) and the sale of an asset in 2025 we intend to break even in 2024/5 (excluding depreciation) and to generate a modest level of profitability at the Profit After Tax level from 2026/27. We expect to reverse the decline in operating turnover anticipated for 2023/4 versus 2022/23 with book and card sales progressively improving each year reaching £183,000 by 2027/28. We anticipate that both our events activities and sales to schools will increase year on and that our online sales through our website will benefit from a revised focus on delivering increased sales with greater certainty of profit from online sales. We will continue to pay close attention to controlling our overheads and through our improved focus on stock management we are forecasting to moderately improve our gross margins from those achieved in 2022/3 and then stabilise those in order that we can remain competitive across our provision and more promotional activity that also plays an important part in driving our digital marketing strategy.

The Profit & Loss forecast recognises the anticipated profit on sale of the flat in 2025. We anticipate that through expanding the frequency and range of outreach activities that we provide, we will be able to identify and secure increased levels of grant funding that are critical in helping us deliver our social purpose but also in assist in recovering costs associated with delivering these activities.

The monies that we receive from the Share Offer will be credited to the Share Capital and therefore do not feature within the Profit & Loss as an income item, but the cash flow uplift will enable us to accelerate improvements to the quality of what we are able to provide within the bookshop and will also assist in investing in resources that will drive our outreach development and grant funding generation. We will work with the assistance of our volunteers and the community to identify pilot projects that will address unmet needs and having gathered the evidence that proves these pilot projects are having a positive impact we will apply for local and national grants to fund longer term new outreach projects. We will seek to partner with other organisations and by developing new project areas we anticipate having a greater level of success in securing grant income. We will also be seeking support for the work we do with schools from Trusts that have a specific purpose to encourage and fund the promotion of reading and the enjoyment of books.

f) Cashflow

Bookery Cash Flow Forecast Summary 2024-2028

Year End September 30

	2024/25	2025/26	2026/27	2027/28
Opening Balance	£14,298.00	£45,658.00	£40,694.00	£51,302.00
Total Income	£299,157.00	£263,922.00	£291,971.00	£303,727.00
Total Expenditure	£267,797.00	£268,886.00	£281,363.00	£294,823.00
Closing Balance	£45,658.00	£40,694.00	£51,302.00	£60,206.00

Expenses													
Book purchases	7,500.00	14,935.05	7,298.94	8,145.34	10,435.58	3,906.67	9,000.00	17,813.55	5,750.00	7,000.00	7,000.00	5,700.00	6,500.00
Card purchases	441.00	529.91	1,441.41	350.00	250.00	250.00	423.10	250.00	654.25	250.00	550.00	400.00	401.33
Employers N.I.	167.00	100.00	100.00	100.00	139.00	139.00	290.00	139.00	139.00	139.00	139.00	138.98	137.02
Employers Pensions	64.00	64.43	68.65	100.00	120.24	123.63	105.61	108.14	104.53	101.78	138.98	100.00	139.01
Event & outreach costs	50.00	226.16	100.00	50.00	50.00	50.00	50.00	100.00	400.00	50.00	54.64	100.00	400.00
Non book costs	105.00	171.86	29.00	122.33	34.00	26.26	299.96	45.00	45.00	45.00	215.98	100.00	115.61
Postage and packaging	80.00	339.85	567.79	114.27	57.43	63.11	73.58	75.00	49.74	100.00	80.94	100.00	128.29
Volunteer expenses	50.00	0.00	5.75	20.00	20.00	20.00	10.00	0.00	10.90	0.00	0.00	14.00	24.35
Wages and labour	7,370.65	8,850.00	8,850.00	8,850.00	8,850.00	8,850.00	8,850.00	8,850.00	8,850.00	8,850.00	8,850.00	8,850.00	8,850.00
Administrative Costs													
Advertising and Marketing	200.00	25.00	25.00	25.00	25.00	25.00	25.00	450.00	450.00	450.00	450.00	450.00	450.00
Bank charges	0.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Bookkeeping and accountancy	0.00	288.53	473.70	79.20	100.00	100.00	1,405.50	455.00	50.00	1.39	6.68	270.00	270.00
General Expenses / Sundries	300.00	346.52	117.74	100.00	122.56	150.00	150.00	148.64	150.95	264.95	227.88	227.88	267.88
Heat, light and power	250.00	125.00	200.00	845.80	350.00	436.27	361.96	359.19	288.51	224.00	169.79	169.79	169.69
Insurance	0.00	10.00	10.00	10.00	840.00	25.00	25.00	25.00	25.00	25.00	5.00	80.00	70.00
Mortgage Interest	881.64	881.64	881.64	881.64	1,265.54	1,265.54	1,265.54	1,265.54	0.00	0.00	0.00	0.00	0.00
Office costs	215.00	265.00	416.91	250.00	318.60	269.56	350.00	312.66	300.00	220.00	200.00	250.00	247.27
Payment provider charges	280.00	180.54	167.25	298.73	380.52	211.59	226.13	137.15	210.70	200.00	185.03	150.00	152.36
Professional Fees	50.00	5.00	5.00	5.00	125.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	25.00
Rates	60.00	5.00	22.25	80.08	20.00	20.00	139.51	65.60	11.00	11.00	5.00	5.00	15.56
Repairs and Renewals	189.00	212.72	153.27	146.46	274.06	278.96	319.38	1,005.00	872.87	500.00	500.00	500.00	500.00
Training Costs	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150.00	150.00	150.00	150.00	150.00
Website Costs	106.00	85.00	79.99	50.00	148.63	50.00	107.82	58.88	300.00	300.00	300.00	300.00	300.00
Total Monthly Expenses	18,409.29	27,649.21	21,016.29	20,625.85	23,928.16	16,267.59	23,485.09	31,670.35	18,819.45	18,889.12	19,235.92	18,062.65	19,316.37
Capital Investment		0.00	0.00	0.00	2,000.00	0.00	2,500.00	0.00	0.00	4,000.00	0.00	0.00	0.00
Taxation		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Bank Balance	14,298.43	£3,569.14	£5,558.80	£18,880.78	£46,592.34	£44,223.94	£44,007.83	£35,818.55	£51,585.76	£46,124.99	£45,095.55	£44,589.91	£45,658.05

To improve our Cash Flow we have been working to improve the management of our working capital with specific focus on enhancing the quality of our stock holding, which is our largest variable asset. We are reducing non-critical stock holding and improving the efficiency of our supplier returns. To protect the business, we have secured an overdraft facility from the Co-operative Bank but forecast to only have to use it in 2024/5 prior to receipt of the monies generated from the Community Share Offer. The anticipated sale of the flat will provide monies to repay the mortgage in full in 2025 and provide us with a positive cash flow benefit. Securing the grants that support our outreach activities will provide us with the cash flow support that allows us to deliver these, also providing us with the resource enabling us to plan and develop future outreach activities. The cashflow forecast assumes £40,000 in January 2025 from the Community Share Offer inclusive of the Co-op Booster Fund match funding and includes any expenditure forecast within the plan to improve the bookshop activities and the capacity and capability of the outreach programme.

Typical to the bookshop industry The Bookery experiences a cycle of business that peaks for the Christmas season with 18% of book sales taking place in December. The cashflow forecasts reflect this pattern. The cash flow forecast shows a consistent increase in the closing balance over the years. Starting from £14,298 in 2023/24, it is projected to rise to £60,206 by 2027/28. This indicates a positive trend in financial stability and growth.

The cash flow model forecasts that The Bookery will be able to meet its commitments with sustained liquidity throughout the period of the business plan.

We have not provided for any shareholder withdrawals in the period through to September 2028 on the basis of our experience since 2012.



g) Balance sheet

The Bookery Balance Sheet - Actual and Forecast 2022-2028

Bookery Balance Sheet - Actual and Forecast 2022-2028							
Headings	2021/22	2022/23	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Fixed Assets							
Tangible Fixed Assets	269,435	416,783	406,283	270,783	260,283	252,250	244,000
Intangible Fixed Assets							
	269,435	416,783	406,283	270,783	260,283	252,250	244,000
Current Assets							
Stock	52,143	59,267	57,000	61,000	65,000	66,000	68,000
Debtors	7,367	2,282	2,000	2,400	4,178	4,250	4,750
Cash at Bank in Hand	117,382	37,366	14,298	45,658	40,694	51,302	60,207
	176,892	98,915	73,298	109,058	109,872	121,552	132,957
Liabilities							
Creditors falling due within one year	(123,030)	(60,751)	(45,000)	(47,500)	(42,000)	(43,000)	(45,000)
Net current assets/(liabilities)	53,862	38,164	28,298	61,558	67,872	77,552	87,957
Total assets less current liabilities	323,297	454,947	434,581	332,341	328,155	330,802	331,957
Liabilities							
Creditors due in more than one year	(251,673)	(253,467)	(253,213)	(120,443)	(119,467)	(116,106)	(107,956)
Total Net Assets	71,624	201,480	181,368	211,898	208,688	214,696	224,001
Share Capital and Reserves							
Called Up Share Capital	41,720	41,720	41,720	81,720	81,720	81,720	81,720
Profit & Loss Reserve	29,904	159,760	128,302	118,130	110,066	116,074	125,379
Total Funds	71,624	201,480	170,022	199,850	191,786	197,794	207,099

The Total Funds together with the Profit & Loss Reserve within the balance sheet are anticipated to remain relatively stable across the period from 2022/23 to 2027/8. The sale of the flat reduces the value of the Fixed Assets in 2024/5 with a linked reduction to the Creditors due in more than one year reducing to reflect the repayment of the mortgage. The injection of the proceeds from the Community Share Offer and the cash benefit resulting from the sale of the flat improve the Cash at Bank in 2024/5 and is forecast to further improve year on year through to 2027/8. The Share Capital increases by £40,000 in 2024/5 from the Share Offer.

Appendix 2

Risk Register

Risk Register - for the business overall

Risk description	Risk owner	Controls	Likelihood (1-5)	Consequence (1-5)	Risk score (1-25)
Competitor business opens in Crediton	Dominic Myers	Maintain & improve customer loyalty and offer to new customers	1	4	4
		Adapt and develop offer to distinguish business			
Footfall on High Street declines significantly	Dominic Myers / Management Committee	Adapt and develop business e.g. increase online sales, events	3	3	9
		Review business model e.g. consider charitable status			
Key staff loss	Dominic Myers	Offer good staff support and development and competitive pay	3	3	9
		Share skills and learning for succession planning			

Risk description	Risk owner	Controls	Likelihood (1-5)	Consequence (1-5)	Risk score (1-25)
Key volunteer loss	Dominic Myers / Kate Tucker	Offer good volunteer support and development	2	2	4
		Share skills and learning for succession planning			
Major accidental damage to premises	Dominic Myers	Train staff in Health & Safety	1	4	4
		Plan recommended building maintenance including fire protection			
		Maintain adequate insurance			
		Maintain business continuity and disaster plan			
Unforeseen legal action	Management Committee	Maintain professional support / advice network	1	4	4

Risk description	Risk owner	Controls	Likelihood (1-5)	Consequence (1-5)	Risk score (1-25)
Unforeseen reputational damage	Dominic Myers / Management Committee	Train all staff in effective communications	1	3	3
		Develop policy / practice to provide prompt, effective responses and clear roles / responsibilities			
Significant negative change to trading terms	Dominic Myers	Maintain good professional relationships with major suppliers	2	4	8
		Review suppliers terms regularly to maintain best terms			
Inability to secure grant income projected in financial forecasts	Dominic Myers	Focus on learning, advice and gaining experience within team	4	3	12
IT / electric failure i.e. computers / till / card payments don't work	Dominic Myers	Regular maintenance and back up systems in place	4	2	8
Data protection breach	Dominic Myers	Staff training and monitoring of systems to minimise risk. Protocol established when breach detected	4	1	4
Security breach e.g. cyber attacks or scams	Dominic Myers	Staff training and monitoring of systems including software security to minimise risk	4	1	4

Risk Register - for the Community Share Offer

Share	Risk owner	Controls	Likelihood (1-5)	Consequence (1-5)	Risk score (1-25)
Failure to secure match funding from Booster Fund	Dominic Myers	Flexible spending plans and impact objectives	3	3	9
Failure to secure share sales target	Dominic Myers	Scale down financial projections and review operational targets	2	5	10
Key personnel unavailable for part or all of share offer period	Andrew Davey	Plan joint working to ensure ability to cover absence	2	3	6
Technical systems failure	Cliff Shepherd	Ensure IT back up in place and managed	1	3	3
Launch event forced to be cancelled	Andrew Davey	Re-arrange if possible during period of share offer	1	3	3
Failure to secure Standard Mark	Andrew Davey	Specialist advice secured. Time allowed for amendments and re-submission	2	4	8
Insufficient funds to pay for additional staffing capacity required for successful campaign	Andrew Davey	Seek donations towards costs	2	2	4
Breach of data security	Dominic Myers	Re-check existing systems and remind staff of rules and good practice	1	4	4

Appendix 3

The Bookery Community Share Offer Communications and Engagement Plan

Audiences

Shareholders

Shareholders are core supporters. They were the original group of supporters. This is an opportunity to share our new business plan and seek feedback and input as well as build on existing relationships. Hopefully they can be persuaded to invest further.

Volunteers

Critical to the success of outreach. Typically also customers and some shareholders but many joined since the original share offer and may be persuaded to reinforce support with shares. Feedback very important because they are well informed about The Bookery and shared values. Opportunity to strengthen engagement.

Partners

Essential to the success of outreach. This is an opportunity to keep informed of plans and contribute to development. May also offer means to widen our communications through their networks.

Customers / Supporters

Many new customers have chosen to shop with us since 2013. Many are unaware of the range of our services and activities and our social purposes. This is an opportunity to build engagement and develop the customer relationship to shareholder/member. This group are the people who we see most frequently face to face.

High loyalty customers

A relatively small group of very loyal customers who shop frequently and spend significantly more than average. We need to take account of their feedback and use it to strengthen our plans. All these individuals are well known to staff and can contribute relatively openly and in an informed way.

Community Organisations

This is an opportunity to keep informed of plans and contribute to development. Useful also to raise awareness of range of our activities. Unlikely to invest directly but could help communicate the share offer through their own channels.

Non-customers

The extensive communications effort of the share offer presents an opportunity to reach people who are not currently customers or supporters. Using the public channels of social media and the press, also possibly partner channels, means we might reach and interest non-customers/ supporters.

Patrons

Very important to keep our Patrons informed of the share offer and bring them up to date with progress and plans. Possibly seek specific support.

Targeted Audiences

Staff

Critical to success. Keep fully informed and involved. Roles must be clear. Involvement in business plan essential for commitment. Staff will be briefed in person regularly and kept up to date with the project via staff communications channels. Very important as a channel to receive feedback from customers etc to inform the project and future plans.

Children & Young People

People under 18 cannot buy shares but many are active supporters as customers and attend events. We will make arrangements to involve them in our engagement to seek their views and maintain their current and future relationship.

Older People

Some of our activities specifically focus on older people and their views will be valuable. Many older people appreciate shopping locally and receiving a high quality and continuity of service which we can offer.

Low income families

Low income families are unlikely to become investors but we have deliberately priced shares at £20 to make them as affordable as possible. The views of everyone from our community are of value in developing our reach and we will not be aware of anyone's economic status in considering them.

Socially isolated people

Some of our activities specifically focus on isolated people and their views on these will be valuable.

Communications Matrix

	Channels	Newsletter	Shop	Social media	Press	Events	Meetings	Website	Custom email
Audience									
Shareholders		x	x	x		x		x	x
Volunteers		x				x		x	x
Partners				x			x	x	
Customers / Supporters		x	x	x	x	x		x	
High loyalty customers		x	x	x		x		x	
Non-customers				x	x				
Patrons									x
Staff			x	x		x	x	x	x

Timeline for Communications

	Oct	Oct		Oct	Oct
Newsletter		w/b 21st			
Shop		Set up display w/b 21st			
Shop volunteers					
Social media		w/b 21st		Post w/b 28th	
Press				Press release for launch w/b 28th	
Events					
Meetings	Meeting with volunteers 8th				
Website	Build share offer page w/b 7th				
Custom email					Volunteers w/b 28th

	Nov	Nov	Nov	Nov
Newsletter	1st		w/b 18th	
Shop	Enhance display 1st			Update display
Shop volunteers	Volunteers in shop to advise each Sat from 9th			Volunteers in shop to advise each Sat 16th, 23rd & 30th
Social media	Post 1st		Post w/b 18th	
Press				Update press release 23rd
Events	Launch event 9th			
Meetings				
Website	Open share offer page 1st			Update 23rd
Custom email	Shareholders 1st			

	Dec	Dec	Dec	Jan	Jan	Jan	Jan
Newsletter		w/b 9th		w/b 6th			Result & Thank you
Shop				Refresh			
Shop volunteers					Volunteers 11th	Volunteers 18th	
Social media	Post w/b 2nd			w/b 6th		w/b 20th	Result & Thank you
Press				Progress			
Events							
Meetings							
Website							Result & thank you
Custom mail							Result & thank you

Appendix 4

Community Benefit and Impact Summary

Community Benefit and Impact

Areas we target in which we seek to make a positive impact:

- Promoting a love of good books and reading with young people
- Reducing social isolation
- Enhancing the cultural life of Crediton
- Adding to the appeal of the High Street as a retail destination
- Offering great volunteering opportunities
- Building our community

Work with young people

Our work with young people has developed over 10 years. We identified a need to encourage children to enjoy books and read for pleasure. Typically, most schools find little time in the curriculum for free reading, although there is ample evidence of its value to children. A team of children's reading specialists has been developed and techniques refined to enable us to select the best children's books and introduce them to children in schools creating tremendous enthusiasm and interest. We offer access to these quality books by making them available to buy at a significant discount to parents and schools in order that children can either own their own copy or borrow from the school. We visit schools throughout our catchment area including many rural communities a significant distance from The Bookery or any other bookshop. In March 2024 during World Book Day fortnight our volunteers visited 17 schools and met over 3000 children. Each autumn we plan a number of author visits to schools and seek sponsorship to enable books to be distributed free to the children. We recognised that many schools in our area have significant numbers of Pupil Premium students for whom book ownership can be unaffordable but by securing sponsorship we try to overcome this barrier.

Four years ago we began working with small groups of reluctant readers in partnership with local schools. Over 80 children so far have participated and demonstrated significantly increased interest and enthusiasm for reading.

We are now developing a new initiative in partnership with our local secondary school to work in the bookshop with anxious students who find it challenging to attend class.

Work with older and isolated people

Our work with older people aims to promote a love of reading and the fellowship that can be gained from sharing a story together. Some people who might otherwise be marginalised or ignored can feel part of a communal activity and benefit from the social contact that a chat stimulated by a book can offer. Staff in care homes describe a book group as being an essential intellectual stimulus, missing from many other activities available to residents.

Working with isolated families

We arrange events in the bookshop to which people referred by other agencies are invited to share creative activities, meet other people from the community and enjoy a chat and cup of coffee.

Book events

We have held events with many high-profile authors including Adrian Edmondson, Michael Morpurgo, Ann Cleeves, and Val McDermid which add to the cultural life of the town. We also arrange events for new and local authors who are seeking to get established. We have held poetry readings, drama performances and music events.

Shop Local

A vibrant and successful bookshop on the High Street allows people to shop locally, reducing travel, increasing social contact and contributing to an attractive town centre.

Volunteer opportunities

We offer high quality volunteering opportunities. We recruit volunteers for specific roles to best match the individual's skills, experience and commitment to the needs of the organisation. Volunteers are offered training and support including regular review meetings with our Volunteer Co-ordinator. We have a team of over 30 volunteers who support the business in many different ways including the Schools programme, running events and working with older people. Many of our volunteers have continued in their roles for many years and continue to express enthusiasm and satisfaction from their experience. The volunteers, working in collaboration with our staff, are critical to our success because they provide the skills and capacity to deliver the services we offer.

Linking with our community

We have created active working relationships with a broad range of organisations in our community including primary and secondary schools, organisations supporting wellbeing such as Age Concern, the Foodbank, cultural organisations like the Arts Centre and public library, and community bodies such as the Town Council and Chamber of Commerce. This has enabled successful partnership working, sharing of skills and knowledge to mutual advantage and more cost-effective ways of working.